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SENATE—*Wednesday, June 7, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. GAYLORD NELSON, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray today in the words of St. Patrick, A.D. 373:

May the strength of God pilot us,
May the wisdom of God instruct us,
May the hand of God protect us,
May the word of God direct us—
May thy salvation, O Lord,
Be always ours this day
And for evermore. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 7, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable GAYLORD NELSON, a Senator from the State of Wisconsin, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. NELSON thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet today to hold a hearing on S. 22, the fairness doctrine and the communications law.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

PRESIDENT'S SPEECH AT ANNAPOLIS

Mr. ROBERT C. BYRD. Mr. President, relations between the United States and the Soviet Union have become clouded by events in recent weeks.

Today, in a speech to the graduating class of the U.S. Naval Academy, President Carter restated the basic aims of U.S. foreign policy, and, in so doing, put back into focus the objectives of our relations with the Soviet Union.

The speech was a comprehensive and realistic overview of the situation. He noted that America continues to have a strong desire for détente, but that desire will not blind us to the dangers of Soviet adventurism in Africa.

America's preparedness will remain high. As the President said:

The Soviet Union can choose either confrontation or cooperation. The United States is adequately prepared to meet either choice.

Mr. President, I request unanimous consent that the President's speech be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

TEXT OF THE PRESIDENT'S ADDRESS TO THE 1978 GRADUATING CLASS OF THE U.S. NAVAL ACADEMY

I congratulate you members of the Class of '78. Although your education has just begun, you have laid the foundation for a career that can be as rewarding and challenging as any in the world.

As officers in the modern Navy, you will be actors in a worldwide political and military drama. You will be called upon not only to master the technicalities of military science and leadership, but also to have a sensitive understanding of the international community in which the Navy operates.

Today I would like to discuss one of the most important aspects of that international context—the relationship between the world's two greatest powers, the United States and the Soviet Union.

We must realize that, for a very long time, our relationship with the Soviet Union will be competitive. If that competition is to be constructive instead of dangerous and potentially disastrous, then our relationship must be cooperative as well.

We must avoid excessive swings in our public mood—from euphoria when things are going well, to despair when they are not; from an exaggerated sense of compatibility to open expressions of hostility.

Detente between our two countries is central to world peace. It is important for the world, for the American public, and for you as future leaders of the Navy to understand its complex and sensitive nature.

The word "detente" is simplistically defined as "an easing of tension between nations." The word is, in practice, further defined by experience as those nations evolve new means by which they can live together in peace.

To be stable, to be supported by the American people, and to be a basis for widening the scope of cooperation, detente must be broadly defined and truly reciprocal. Both nations must exercise restraint in troubled areas and in turbulent times. Both must honor meticulously those agreements which have already been reached to widen cooperation, mutually limit nuclear arms production, permit the free movement of people and the expression of ideas, and to protect human rights.

Neither of us should entertain the notion that military supremacy can be attained, or that any transient military advantage can be politically exploited.

Our principal goal is to help shape a world which is more responsible to the desire of people everywhere for economic well-being, social justice, political self-determination, and basic human rights.

We seek a world of peace. But such a world must accommodate diversity—social, political and ideological. Only then can there be genuine cooperation among many nations and cultures.

We desire to dominate no one. We will continue to widen our cooperation with the positive new forces in the world.

We want to increase our collaboration with the Soviet Union, but also with the emerging nations, with the countries in Eastern Europe, and with the People's Republic of China. We are particularly dedicated to genuine self-determination and majority rule in those parts of the world where these goals are yet to be attained.

Our long-term objective must be to convince the Soviet Union of the advantages of cooperation and of the costs of disruptive behavior.

We remember that the United States and the Soviet Union were allies in the Second World War. One of the great historical accomplishments of the U.S. Navy was to guide and protect the tremendous shipments of armaments and supplies from our country to Murmansk and other Soviet ports in support of our joint effort to meet the Nazi threat.

In the agony of that massive conflict, 20 million people in the Soviet Union died. Millions more still recall the horror and the hunger of that time.

I am convinced that the people of the Soviet Union want peace. I cannot believe they could want war.

Through the years our nation has sought accommodation with the Soviet Union as demonstrated by the Austrian Peace Treaty, the Quadripartite Agreement in Berlin, the termination of nuclear testing in the atmosphere, joint scientific explorations in space, trade agreements, the Anti-Ballistic Missile Treaty, and Interim Agreement on Strategic Offensive Armaments and the limited test ban agreement.

Efforts continue now with negotiations toward a SALT II agreement, a comprehensive test ban, reductions in conventional arms transfers to other countries, the prohibition of attacks on satellites, an agreement to stabilize the level of forces deployed in the Indian Ocean, and increased trade, scientific and cultural exchange.

We must be willing to explore such avenues of cooperation despite the basic issues which divide us. The risks of nuclear war alone propel us in this direction.

The numbers and destructive potential of nuclear weapons have been increasing at an alarming rate. That is why a SALT agreement which enhances the security of both nations is of fundamental importance.

We and the Soviet Union are negotiating in good faith because we both know that failure would precipitate a resumption of a massive nuclear arms race. I am glad to report that the prospects for a SALT II agreement are good.

Beyond this, improved trade and technological and cultural exchange are among the immediate benefits of cooperation.

However, these efforts to cooperate do not erase the significant differences between us.

What are these differences?

To the Soviet Union détente seems to mean a continuing aggressive struggle for political advantage and increased influence in a variety of ways.

The Soviet Union apparently sees military power and military assistance as the best means of expanding their influence abroad.

Obviously, areas of instability provide a tempting target for their effort, and all too often they seem ready to exploit any such opportunity.

As became apparent in Korea, Angola and Ethiopia, they prefer to use proxy forces to achieve their purposes.

To other nations the Soviet military build-up appears to be excessive—far beyond any legitimate requirement for defense of themselves or their allies. For more than 15 years they have maintained this program of military growth, investing almost 15 percent of their gross national product in armaments, and this sustained effort continues.

The abuse of basic human rights in their own country in violation of the agreement reached at Helsinki has earned them the condemnation of people everywhere who love freedom. By their actions they have demonstrated that the Soviet system cannot tolerate freely expressed ideas, notions of loyal opposition, and the free movement of peoples.

The Soviet Union attempts to export a totalitarian and repressive form of government, resulting in a closed society.

These characteristics and goals themselves create problems for the Soviet Union.

Outside their tightly controlled bloc, the Soviets have difficult political relations with other nations. Their cultural bonds with others are few and frayed.

Their form of government is becoming increasingly unattractive to other nations, so that even Marxist-Leninist groups no longer look on the Soviet Union as a model to be imitated.

Many countries are becoming concerned that the non-aligned movement is being subverted by Cuba, which is obviously closely aligned with the dependent upon the Soviet Union for economic sustenance and for political and military guidance and direction.

Although the Soviet Union has the second largest economic system in the world, its growth is slowing greatly, and its standard of living does not compare favorably with that of other nations at an equivalent stage of development.

Agricultural production still remains a serious problem for the Soviet Union, so that in times of average or adverse crop-growing conditions they must turn to us or to other nations for food supplies.

We are in a much more favorable position. Our industrial base and productivity are unmatched; our scientific and technological capability is superior to all others; our alliances with other free nations are strong and growing stronger; and our military capability is second to none. We are surrounded by friendly neighbors and wide seas. Our societal structure is stable and cohesive, and our foreign policy enjoys bi-partisan public support which gives it continuity.

We are also strong because of what we stand for as a nation: the realistic chance for every person to build a better life; protection by law and custom from arbitrary exercise of government power; the right of every individual to speak out, to participate fully in government—to share political power.

Our philosophy is based on personal freedom, the most powerful of all ideas, and our democratic way of life warrants admiration and emulation by other people.

Our work for human rights makes us part of an international tide, growing in force. We are strengthened by being a part of it.

Our growing economic strength is also a major potential influence for the benefit of others. Our gross national product exceeds that of all nine countries in the European Economic Community, and is more than twice as great as that of the Soviet Union. Additionally, we are now learning how to use our resources more wisely, creating a new harmony between our people and our environment.

Our analysis of American military strength also furnishes a basis for confidence.

We know that neither the United States nor the Soviet Union can launch a nuclear assault on the other without suffering a devastating counterattack which could destroy the aggressor.

Although the Soviet Union has more missile launchers, greater throw-weight and more air defense; the United States has more warheads, generally greater accuracy, more heavy bombers, a more balanced nuclear force, better missile submarines and superior anti-submarine warfare capability.

A successful SALT II agreement will leave both nations with equal but lower ceilings on missile launchers and missiles with multiple warheads. We envision in SALT III an even greater mutual reduction in nuclear weapons.

With essential nuclear equivalence, relative conventional force strength has now become more important. The fact is that the military capability of the United States and our Allies is adequate to meet any foreseeable threat.

It is possible that each side tends to exaggerate the relative military capability of the other. Accurate analyses are important as a basis for making decisions for the future.

False or excessive estimates of Soviet strength or of American weakness contributes to the effectiveness of Soviet propaganda efforts.

For example, recent alarming news reports of military budget proposals for the U.S. Navy ignored the fact that we have the highest defense budget in history and that the largest portion of this will go to the Navy.

You men are joining a long tradition of superior leadership, seamanship, tactics and ship design. I am confident that the U.S. Navy has no peer on the seas today and that you will keep it so.

Let there be no doubt about our present and future strength. This brief assessment shows that we need not be overly concerned about our ability to compete and to compete successfully. There is certainly no cause for alarm. The healthy self-criticism and free debate which are essential in a democracy should never be confused with weakness, despair or lack of purpose.

What are the principle elements of American policy toward the Soviet Union?

We will continue to maintain equivalent nuclear strength because we believe that, in the absence of worldwide nuclear disarmament, such equivalency is the least threatening, most stable situation for the world.

We will maintain a prudent and sustained level of military spending, keyed to a stronger NATO, more mobile forces and an undiminished presence in the Pacific. We and our Allies must and will be able to meet any foreseeable challenge to our security from strategic nuclear forces or from conventional forces. America has the capability to honor this commitment without excessive sacrifice by the people of our country, and that commitment to military strength will be honored.

Looking beyond our alliances, we will support worldwide and regional organizations dedicated to enhancing international harmony, such as the United Nations, Organization of American States, and the Organization for African Unity.

In Africa we and our African friends want to see a continent that is free of the dominance of outside powers, free of the bitterness of racial injustice, free of conflict, and free of the burdens of poverty, hunger and disease. We are convinced that the best way to work toward these objectives is through affirmative policies that recognize African realities and aspirations.

The persistent and increasing military involvement of the Soviet Union and Cuba in Africa could deny this vision. We are deeply concerned about this threat to regional peace and to the autonomy of countries within which these foreign troops seem permanently to be stationed. This is why I have spoken upon this subject. This is why I and the American people will support African efforts to contain such intrusion, as we have done recently in Zaire.

I urge again that all other powers join us in emphasizing works of peace rather than weapons of war in their assistance to Africa. Let the Soviet Union join us in seeking a peaceful and speedy transition to majority rule in Rhodesia and Namibia. Let us see efforts to resolve peacefully the conflicts in Eritrea and Angola. Let us all work—not to divide and seek domination in Africa—but to help those nations fulfill their great potential.

We will seek peace, better communication and understanding, cultural and scientific exchange, and increased trade with the Soviet Union and other nations.

We will attempt to prevent the proliferation of nuclear weapons among nations not now having this capability.

We will continue to negotiate construc-

tively and persistently for a fair Strategic Arms Limitation agreement. We know that there are no ideological victories to be won by the use of nuclear weapons. We have no desire to link this negotiation with other competitive relationships nor to impose other special conditions on the process. In a democratic society, however, where public opinion is an integral factor in the shaping and implementation of foreign policy, we recognize that tensions, sharp disputes, or threats to peace will complicate the quest for an agreement. This is not a matter of our preference but a recognition of fact.

The Soviet Union can choose either confrontation or cooperation. The United States is adequately prepared to meet either choice.

We would prefer cooperation through a detente that increasingly involves similar restraint for both sides, similar readiness to resolve disputes by negotiation and not violence, similar willingness to compete peacefully and not militarily. Anything less than that is likely to undermine detente, and this is why I hope that no one will underestimate the concerns which I have expressed today.

A competition without restraint and without shared rules will escalate into graver tensions, and our relationship as a whole will suffer. I do not wish this to happen—I do not believe Mr. Brezhnev desires it either—and this is why it is time for us to speak frankly and to face the problem squarely.

By a combination of adequate American strength, of quiet self-restraint in the use of it, of a refusal to believe in the inevitability of war, and of a patient and persistent development of more peaceful alternatives, we hope eventually to lead international society into a more stable and hopeful future.

You and I leave here today to do our common duty—protecting our Nation's vital interests by peaceful means if possible, by resolute action if necessary.

We go forth sobered by those responsibilities, but confident in our strength. We go forth knowing that our Nation's goals—peace, security, liberty for ourselves and others—will ultimately prevail.

To attain those goals, our Nation will require exactly those qualities of courage, self-sacrifice, idealism and self-discipline, which you as Midshipmen have learned so well. That is why your Nation expects so much of you, and why you have so much to give.

I leave you with my congratulations, and with a prayer that both you and I will prove worthy of the task that is before us and the Nation we have sworn to serve.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are five measures on the calendar which, I believe, have been cleared for passage by unanimous consent. I ask unanimous consent that the Senate proceed to the consideration of the following calendar orders Nos. 753, 790, 817, 818, and 823.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I rise only to inform the majority leader that these calendar order numbers are cleared on this calendar and we have no objection to proceeding to their consideration and disposition.

Mr. ROBERT C. BYRD. I thank the Senator.

VOLUNTARY FAMILY PLANNING SERVICES, POPULATION RESEARCH, AND SUDDEN INFANT DEATH SYNDROME AMENDMENTS OF 1978

The Senate proceeded to consider the bill (S. 2522) to amend title X of the Public Health Service Act to extend appropriations authorization for 5 fiscal years, which had been reported from the Committee on Human Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Voluntary Family Planning Services, Population Research, and Sudden Infant Death Syndrome Amendments of 1978".

SEC. 2. Title X of the Public Health Service Act (42 U.S.C. 300 et seq.) is amended to read as follows:

"TITLE X—FAMILY PLANNING AND HUMAN DEVELOPMENT PROGRAMS

"PART A—VOLUNTARY FAMILY PLANNING AND POPULATION RESEARCH PROGRAMS

"DECLARATION OF PURPOSE

"SEC. 1000. It is the intent of this part—

"(1) to assist in making comprehensive voluntary family planning (including infertility) services readily available to all persons desiring such services;

"(2) to coordinate domestic population and family planning research with the present and future needs of family planning programs;

"(3) to improve administrative and operational supervision of domestic family planning programs and population research and other services programs related to such services;

"(4) to enable public and nonprofit private entities to plan and develop comprehensive programs of family planning services;

"(5) to develop and make readily available information (including educational materials) on family planning and population growth to all persons desiring such information;

"(6) to evaluate and improve the effectiveness of family planning services programs and of population research;

"(7) to assist in providing trained personnel needed to carry out effectively family planning services programs and population research; and

"(8) to establish and maintain an office of Population Affairs in the Department of Health, Education, and Welfare as a primary focus within the Federal Government for matters pertaining to family planning services and population research, through which the Secretary of Health, Education, and Welfare shall carry out the purposes of this part.

"OFFICE OF POPULATION AFFAIRS AND DEPUTY ASSISTANT SECRETARY FOR POPULATION AFFAIRS

"SEC. 1001. (a)(1) There is established within the Department of Health, Education, and Welfare an Office of Population Affairs under the direction of a Deputy Assistant Secretary for Population Affairs, who shall be appointed by the Secretary, shall be subject to the direct supervision of the Assistant Secretary for Health, and shall be assigned no substantial functions or responsibilities not specified in this part or determined by such Assistant Secretary to be necessary to carry out the purposes of this part.

"(2) The Office of Population Affairs shall be headed by a Director who shall be subject to the direct supervision of the Deputy Assistant Secretary for Population Affairs appointed under paragraph (1) of this subsection. The Secretary shall provide the Office of Population Affairs with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for it to carry out effectively its functions under this part.

"(b) The Secretary shall utilize the Deputy Assistant Secretary for Population Affairs—

"(1) to administer, directly through the Office of Population Affairs, all Federal laws for which the Secretary has administrative responsibility and which provide for or authorize the making of grants or contracts related to family planning programs;

"(2) to be responsible for general supervision of and overall policy formulation with respect to all population and family planning research carried on or supported by the Department of Health, Education, and Welfare pursuant to this part;

"(3) to provide for the coordinated operation of clearinghouse activities for information pertaining to domestic and international family planning programs and population research for use by all interested persons and public and private entities;

"(4) to coordinate the support of training carried out within the Department of Health, Education, and Welfare for necessary personnel for domestic family planning programs, and for family planning and population research activities;

"(5)(A) to coordinate and, through the Office of Population Affairs, be responsible for the evaluation of the other Department of Health, Education, and Welfare programs (including activities relating to the development and dissemination of information and educational materials) related to family planning (including advising the Secretary and the Assistant Secretary for Health on the adequacy of the data systems with respect to family planning activities in such programs) and population research, and to make periodic recommendations to the Secretary regarding such programs and systems; (B) to consult with the Commissioner of the Food and Drug Administration on all matters related to the evaluation and regulation of drugs and devices to assist in fertility management; and (C) to advise the Secretary regarding appropriate relationships between projects and activities supported under this part and other health care programs administered by the Department and the extent to which such programs are carried out consistent with the purposes of this part; and

"(6) to provide a liaison with the activities carried on by other agencies and instrumentalities of the Federal Government relating to family planning programs and population research.

The Administration of certain laws required in clause (1) of this subsection to be carried out directly by the Deputy Assistant Secretary for Population Affairs may be exercised through a delegation of authority personally made by the person serving as such Deputy Assistant Secretary to an employee of the Department of Health, Education, and Welfare not operating in the Office of Population Affairs who is subject to the direct supervision of such Deputy Assistant Secretary. No such delegation of authority shall be effective unless, not less than thirty days before it is proposed to take effect, it has been published in the Federal Register and a copy transmitted to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives.

"GRANTS AND CONTRACTS FOR FAMILY PLANNING SERVICES PROJECTS

"SEC. 1002. (a) The Secretary is authorized to make grants to and enter into contracts with public or nonprofit private entities to assist in one or more of the following activities: (1) the establishment, maintenance, and expansion of voluntary family planning projects which shall offer a broad range of acceptable and effective family planning methods (including natural family planning methods) to persons of all ages who need and desire them; (2) the provision through such voluntary family planning projects of comprehensive services appropriate to the needs of sexually active adolescents who need and desire such services in order to avoid unwanted pregnancies; and (3) the establishment and operation of demonstration projects aimed at alleviating problems of infertility through the provision of necessary services to persons who need and desire them.

"(b) In making grants and contracts under this section, the Secretary shall take into account the number and characteristics of patients to be served, the extent to which family planning services are needed locally, the relative need of the applicant, and its capacity to make rapid and effective use of such assistance. Local and regional entities shall be assured the right to apply for direct grants and contracts under this section, and the Secretary shall by regulation fully provide for and protect such rights.

"(c) For the purpose of making grants and contracts under this section, there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1971; $60,000,000 for the fiscal year ending June 30, 1972; $111,500,000 for the fiscal year ending June 30, 1973; $111,500,000 each for the fiscal years ending June 30, 1974, and June 30, 1975; $115,000,000 each for fiscal years 1976 and 1977; and $136,400,000 for fiscal year 1978.

"(d)(1) For the purpose of making grants and contracts under subsection (a)(1), there are authorized to be appropriated $169,000,000 for fiscal year 1979; $197,000,000 for fiscal year 1980; $228,000,000 for fiscal year 1981; $263,000,000 for fiscal year 1982; and $300,000,000 for fiscal year 1983.

"(2) For the purpose of making grants and contracts for the purposes of subsection (a)(2), there are authorized to be appropriated $42,500,000 for fiscal year 1979; $72,000,000 for fiscal year 1980; $105,000,000 for fiscal year 1981; $142,000,000 for fiscal year 1982; and $183,000,000 for fiscal year 1983.

"(3) For the purpose of making grants and contracts under subsection (a)(3), there are authorized to be apropriated $5,000,000 for fiscal year 1979; $7,500,000 for fiscal year 1980; $10,000,000 for fiscal year 1981; $12,500,000 for fiscal year 1982; and $15,000,000 for fiscal year 1983.

"TRAINING GRANTS AND CONTRACTS

"SEC. 1003. (a) The Secretary is authorized to make grants to public or nonprofit private entities and to enter into contracts with public or private entities and individuals to provide training for personnel to carry out family planning services programs described in section 1002, including training in the provision of natural family planning methods.

"(b) For the purpose of making grants and contracts under this section, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1971; $3,000,000 for the fiscal year ending June 30, 1972; $4,000,000 for the fiscal year ending June 30, 1973; $3,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975; $4,000,000 for fiscal year 1976; $5,000,000 for fiscal year 1977; $3,000,000 for fiscal year 1978; $4,000,000 for fiscal year 1979; $5,000,000 for fiscal year 1980; $5,500,000 for fiscal year 1981; $6,000,000 for fiscal year 1982; and $6,500,000 for fiscal year 1983.

"RESEARCH

"SEC. 1004. (a) The Secretary is authorized to—

"(1) conduct, and

"(2) make grants to public or nonprofit private entities and enter into contracts with public or private entities and individuals for projects for,

research in the biomedical, contraceptive development, behavioral, and program implementation fields related to family planning and population, including infertility and natural family planning methods and methods for use by males and adolescents.

"(b) When the Secretary determines that it would serve the purposes of this part, the Secretary shall, in accordance with regulations which the Secretary shall prescribe, provide recipients of grants or contracts for contraceptive development with appropriate exclusive development and marketing rights.

"(c)(1) To carry out subsection (a), there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1971; $50,000,000 for the fiscal year ending June 30, 1972; $65,000,000 for the fiscal year ending June 3, 1973; $2,615,000 each for the fiscal years ending June 30, 1974, and June 30, 1975; $55,000,000 for fiscal year 1976; $60,000,000 for fiscal year 1977; $68,500,000 for fiscal year 1978; $1,000,000 for fiscal year 1979; $125,000,000 for fiscal year 1980; $150,000,00 for fiscal year 1981; $175,000,000 for fiscal year 1982; and $20,000,000 for fiscal year 1983.

"(2) No funds appropriated under any provision of this Act (other than this subsection) may be used to conduct or support the research described in subsection (a) or for the administration of this section.

"(d) The Secretary shall ensure that research priorities and policies under this section shall (1) be established by, and research activities pursuant thereto shall be carried out under the general supervision of, the Deputy Assistant Secretary for Population Affairs appointed under section 1001(a)(1), and (2), with respect to the development and evaluation of contraceptive methods, be established after consultation with the Commissioner of the Food and Drug Administration.

"INFORMATION AND EDUCATIONAL MATERIALS

"SEC. 1005. (a) The Secretary is authorized to make grants to public or nonprofit private entities and to enter into contracts with public or private entities and individuals to assist in developing and making available family planning and population growth information and educational materials to all persons desiring such information or materials (including information or materials regarding natural family planning methods), with special emphasis on the development by and dissemination through appropriate community organizations of information and materials for adolescents.

"(b) For the purpose of making grants and contracts under this section, there are authorized to be appropriated $750,000 for the fiscal year ending June 30, 1971; $1,000,000 for the fiscal year ending June 30, 1972; $1,250,000 for the fiscal year ending June 30, 1973; $909,000 each for the fiscal years ending June 30, 1974, and June 30, 1975; $2,000,000 for fiscal year 1976; $2,500,000 for fiscal year 1977; $600,000 for fiscal year 1978; $6,000,000 for fiscal year 1979; $10,000,000 for fiscal year 1980; $12,000,000 for fiscal year 1981; $14,000,000 for fiscal year 1982; and $16,000,000 for fiscal year 1983.

"REGULATIONS AND PAYMENTS

"SEC. 1006. (a) Grants and contracts made under this part shall be made in accordance with such regulations as the Secretary may prescribe. The amount of any grant under any section of this part shall be determined by the Secretary; except that no grant under any such section for any project for a fiscal year beginning after June 30, 1975, shall be made for less than 90 per centum of its costs (as determined under such regulations) unless the grant is to be made for a project for which a grant was made (under the same section) for the fiscal year ending June 30, 1975, for less than 90 per centum of its costs (as so determined), in which case a grant under such section for such project for a fiscal year beginning after such date may be made for a percentage which shall not be less than the percentage of its costs for which the fiscal year 1975 grant was made.

"(b) Grants under this part shall be payable in such installments and subject to such conditions as the Secretary may determine to be appropriate to assure that such grants will be effectively utilized for the purposes for which made.

"(c) A grant may be made or contract entered into under section 1002 for a family planning services project only upon assurances satisfactory to the Secretary that—

"(1) priority will be given in such project to the furnishing of family planning services to persons from low-income families and persons with difficulty in securing access to such services;

"(2) no charge will be made in such project for family planning services provided to any person from a low-income family except to the extent that payment will be made by a third party (including a government agency) which is authorized or is under legal obligation to pay such charge;

"(3) unemancipated minors requesting family planning services from such project will be encouraged, whenever feasible, to consult with their parents with respect to such services;

"(4) family planning services will be available to both sexes in such project;

"(5) reports will be submitted by such project to the Secretary in such form, at such times, and containing such information as the Secretary may reasonably require, including an annual report, in accordance with uniform criteria, of the number and characteristics of persons served in such project; and

"(6) in the case of a project which serves a population including a substantial proportion of individuals of limited English proficiency, the project has (A) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and (B) identified an individual on its staff who is fluent in both such language and in English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

For purposes of this subsection, the term 'low-income family' shall be defined by the Secretary in accordance with such criteria as the Secretary may prescribe in regulations so as to insure that economic status shall not be a deterrent to participation in projects assisted under this part.

"(d) The Secretary shall seek to make equitable distribution of funds appropriated under this part among the various regions of the country and to ensure that the needs of rural and urban areas are appropriately addressed.

"VOLUNTARY PARTICIPATION

"SEC. 1007. (a) The acceptance by any individual of family planning services or family planning or population growth information or educational materials provided through financial assistance under this part (whether

by grant or contract) shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or assistance from, or to participation in, any other program of the entity or individual that provided such service, information, or materials.

"(b) In connection with any grant or contract made under this part, the Secretary shall not require any individual employed by a recipient of such grant or contract, nor terminate, suspend, or reduce assistance under this part for such individual's failure, to advise regarding, refer patients for, or provide, abortion or sterilization procedures when such activity would be contrary to the religious beliefs or moral convictions of such individual.

"PROHIBITION OF ABORTION

"SEC. 1008. None of the funds appropriated under this part shall be used in programs where abortion is a method of family planning.

"PLANS AND REPORTS

"SEC. 1009. (a) Not later than four months after the close of each fiscal year, the Secretary shall make a report to the Congress setting forth a plan to be carried out over the next five fiscal years for the—

"(1) extension of family planning services to all persons desiring such services, with particular emphasis on those who cannot afford such services, adolescents, and others who lack access to such services and including persons residing in rural and urban areas;

"(2) development of family planning programs and population research activities, including appropriate emphasis on natural family planning methods;

"(3) training of necessary personnel for the programs authorized by this part and other Federal laws for which the Secretary has responsibility and which pertain to family planning and population research;

"(4) financing of such services and programs;

"(5) evaluation of the efficiency and effectiveness of such services and programs; and

"(6) carrying out of the other purposes and provisions of this part.

"(b) Such a plan shall, at a minimum, indicate on a phased basis—

"(1) the number of individuals (especially those who lack access to such services and including persons residing in rural and urban areas) to be served by family planning programs under this part and other Federal laws for which the Secretary has responsibility, as well as the social and demographic characteristics (including age and sex) of these individuals and the locations and types of agencies and projects providing such services; and the means by which such services and programs are to be financed;

"(2) the types of family planning and population growth information and educational materials to be developed under this part and such other laws and how such information and materials will be made available;

"(3) the research goals to be reached under this part and other Federal laws for which the Secretary has responsibility and which pertain to family planning and population research;

"(4) the personnel to be trained under this part and such other laws;

"(5) an estimate of the costs and personnel requirements needed to carry out the plan under the provisions of this part and such other laws; and

"(6) the means and criteria by which such services and programs are to be evaluated, and the steps to be taken to maintain a systematic reporting system capable of yielding comparable, comprehensive data (including data on use of natural family planning methods).

"(c) Each report submitted under subsection (a) of this section shall—

"(1) compare results estimated to be achieved during the preceding fiscal year and achieved during the year preceding such year (including estimates for services in rural and urban areas) with the objectives established for each such year under the plan contained in the previous such reports;

"(2) indicate steps being and to be taken to achieve the objectives during the fiscal years covered by the plan (including objectives for services in rural and urban areas) contained in such report and any revisions to plans in previous reports necessary to meet such objectives;

"(3) indicate any projected changes in the data gathering system; and

"(4) make other recommendations with respect to any additional legislative or administrative action necessary or desirable in order to carry out more effectively the purposes and provisions of this part.

"PART B—SUDDEN INFANT DEATH SYNDROME PROGRAMS

"SUDDEN INFANT DEATH SYNDROME COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS

"SEC. 1011. (a)(1) The Secretary, through an identifiable administrative unit under the supervision of the Assistant Secretary for Health, shall carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome, and to disseminate such information and materials to persons providing health care, to public safety officials, and to the general public. The Secretary shall administer, through such unit, the functions assigned in this section and section 1012, and shall provide such unit with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for it to carry out such functions effectively.

"(2) The Secretary shall—

"(A) develop and implement a system for the periodic reporting to the Department, and dissemination by the Department, of information collected under grants and contracts made under subsection (b)(1) of this section; and

"(B) carry out coordinated clearinghouse activities on sudden infant death syndrome, including the collection and dissemination to the public, health and educational institutions, professional organizations, sudden infant death syndrome parent self-help organizations, and other interested parties of information pertaining to sudden infant death syndrome and related issues such as death investigation systems, personnel training, bio-medical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as home monitors.

The Secretary is authorized to enter into contracts with public or private entities to carry out the information and clearinghouse activities required under this subsection.

"(b)(1) The Secretary is authorized to make grants to public or nonprofit private entities, and enter into contracts with public or private entities, for projects which include both—

"(A) the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes and other appropriate aspects of sudden infant death syndrome; and

"(B) the provision of information and counseling to families affected by sudden infant death syndrome.

"(2) No grant may be made or contract entered into under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall, by regulation, prescribe. Each application shall—

"(A) provide that the project for which assistance under this subsection is sought will be administered by or under the supervision of the applicant;

"(B) provide for appropriate community representation (including appropriate involvement of parent self-help groups) in the development and operation of such project;

"(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

"(D) provide for making such reports in such form, at such times, and containing such information as the Secretary may reasonably require, including such reports as will assist in carrying out the provisions of subsection (a)(2) of this section.

"(3) Payments under grants under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(4) Contracts under this subsection may be entered into without regard to sections 3648 through 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(5) The Secretary shall seek to make equitable distribution of funds appropriated under this part among the various regions of the country and to ensure that the needs of rural and urban areas are appropriately addressed.

"(6) For the purpose of making grants and contracts under this section, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975; $3,000,000 for the fiscal year ending June 30, 1976; $4,000,000 for fiscal year 1977; $3,650,000 for fiscal year 1978; $7,000,000 for fiscal year 1979; $9,000,000 for fiscal year 1980; and $11,000,000 for fiscal year 1981 and each of the two succeeding fiscal years.

"PLANS AND REPORTS

"SEC. 1012. (a) Not later than February 1 of each year after 1978, the Secretary shall submit to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a comprehensive report on the administration of this part (including funds and positions allocated for personnel) and the results obtained from activities thereunder, including the extent of allocations made to rural and urban areas. The report submitted on or before February 1, 1979, shall also set forth a plan to—

"(1) extend counseling and information projects to the fifty States and the District of Columbia by July 1, 1979; and

"(2) extend counseling and information projects to all possessions and territories of the United States by July 1, 1980.

"(b) The Secretary shall conduct or provide for the conduct of a study on State laws, practices, and systems relating to death investigation and their impact on sudden and unexplained infant deaths, and any appropriate means for improving the quality, frequency, an uniformity of the post mortem examinations performed under such laws, practices, and systems in the case of sudden and unexplained infant deaths. Not later than December 31, 1979, the Secretary shall report to the Congress the results of such study, including recommendations as to any appropriate actions by the Department of Health, Education, and Welfare with respect to the conduct of post mortem investigations in all cases of sudden and unexplained infant death (including the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis).

"SUDDEN INFANT DEATH SYNDROME RESEARCH AND RESEARCH REPORTS

"SEC. 1013. (a) From the sums appropriated to the National Institute of Child Health and Human Development under section 441, the Secretary shall assure that there are applied to research of the type described in paragraph (1) (A), (B), and (C) of subsection (b) of this section such amounts each year as will be adequate, given the leads and findings then available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome.

"(b)(1) Not later than ninety days after the close of fiscal year 1978 and of each fiscal year thereafter, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives specific information for such fiscal year on—

"(A) the (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under this Act for research which relates specifically to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds;

"(B) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for research which relates generally to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds; and

"(C) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for high-risk pregnancy and high-risk infancy research which relates to sudden infant death syndrome, specifying how these conditions relate to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds.

"(2) Each report submitted under paragraph (1) of this subsection shall—

"(A) contain a summary of the findings of intramural and extramural research supported by the National Institute of Child Health and Human Development relating to sudden infant death syndrome as described in clauses (A), (B), and (C) of such paragraph (1), and the plan of such Institute for taking maximum advantage of such research leads and findings;

"(B) provide information on activities underway and plans to bring about the appropriate clinical application of current research findings and the cost and implications of such applications; and

"(C) provide an estimate of the need for additional funds over each of the next five fiscal years for grants and contracts under this Act for research activities described in such clauses.

"(c) Within five days after the Budget is transmitted by the President to the Congress for each fiscal year after fiscal year 1979, the Secretary shall transmit to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amounts requested for the National Institute of Child Health and Human Development and any other Institutes of the National Institutes of Health, respectively, for research relating to sudden infant death syndrome as described in paragraph (1) (A), (B), and (C) of subsection (b) of this section, and a comparison of such amounts with the amounts requested for the preceding fiscal year.".

SEC. 3. (a) The title of title XI of the Public Health Service Act is amended to read "GENETIC DISEASES AND HEMOPHILIA PROGRAMS".

(b) Part B of title XI of such Act and sections 1, 2, 3, and 4 of Public Law 91-572 are repealed and part C of such title XI is redesignated as part B on the effective date of this Act

SEC. 4. This Act shall take effect on October 1, 1978

The amendment was agreed to.

Mr. CRANSTON. Mr. President, as chairman of the Subcommittee on Child and Human Development, which I am privileged to chair on the Human Resources Committee, I would like to explain the provisions of the pending measure, which the subcommittee developed.

Mr. President, S. 2522, as reported, the Voluntary Family Planning Service, Population Research, and Sudden Infant Death Syndrome Amendments of 1978 would extend the authorization of appropriations for each of these programs for an additional 5 years.

I wish to point out Mr. President, that although family planning and sudden infant death programs themselves are included in one bill, S. 2522, they would, in no way, be merged administratively, but would continue as separately administered activities.

I would like first to discuss the family planning programs.

VOLUNTARY FAMILY PLANNING SERVICES AND POPULATION RESEARCH PROGRAMS

Mr. President, S. 2522 would extend for 5 years the authorizations of appropriations for the programs included in title X of the Public Health Service Act. These programs were initially enacted in Public Law 91-572, the Family Planning Services and Population Research Act of 1970.

Mr. President, Public Law 91-572 had three major objectives.

First, to make family planning services available to all those who want them but cannot afford or gain ready access to them.

Second, to improve our knowledge in the fields of human reproduction and population dynamics so that each individual family can determine its size by choice rather than by force of circumstances.

Third, to insure the necessary leadership is available to focus Federal resources on these objectives, by establishing the post of Deputy Assistant Secretary for Population Affairs and an Office of Population Affairs to assist that official in carrying out those responsibilities.

Since it was enacted in 1970, much progress has been made. Over $700 million has been appropriated for family planning services and related activities. Over that same period, more than $379 million has been appropriated for population research.

Millions of low-income individuals for whom cost or inaccessibility to services presented real obstacles to the use of family planning methods are now receiving these services on a regular basis from clinics or private physicians. We are now reaching about 5.9 million low-income women and teenagers through title X and other Federal programs.

The Nation's biomedical research community has made major improvements in the two most commonly used contraceptive methods—the oral contraceptive and the IUD research also has pointed to exciting new areas which hold great potential for more effectively controlling fertility.

Mr. President despite these achievements, a great deal remains to be done.

UNMET NEED

Over 3 million low-income women currently cannot obtain family planning services easily.

These include an estimated 2 million sexually active teenagers who do not have ready access to preventive family planning services.

An estimated 1,100,000 abortions were performed in 1976, one-third of them on adolescents.

Undoubtedly many of these abortions could have been avoided with greater availability of effective family planning methods.

About 1 million teenage women become pregnant each year. Two-thirds of these pregnancies are unintended.

In citing these figures, we must remember that they are not cold statistics, but that these numbers represent individual human tragedies—many affecting very young people whose lives are profoundly affected by an unexpected pregnancy.

It is important that we build upon those service capacities that have already been created in order to reach these young women. However, we must also continue the effort we started almost 10 years ago to provide family planning services to the over 9 million low-income women who are in their childbearing years.

This will not be an easy task, Mr. President. The more than 3 million low-income women not yet reached are, for a large part, in underserved areas, where the costs of establishing programs is often quite high. And providing services to teenagers is costly—partially because of the lack of third-party reimbursement and partially due to the special counseling and other support services they need.

RESEARCH

Mr. President, although research over the past two decades has given us a knowledge of the reproductive system and has led to the development of the pill and the I.U.D., these methods are not recommended for everyone. They have limitations with respect to efficacy, safety, acceptability, and continuity of

use. A number of women are concerned enough about the safety of these methods to discontinue their use and resort to less effective methods of fertility control.

The need for substantial expansion of reproductive research is critical. Most Americans expect, as they move through sucessive stages of adult life, to be able to have only the children they want, when they want them. They want to know that the method of fertility control they use—whether it is a drug or a device that is used over a long period of time—will not have a latent harmful effect.

The American public is clearly demanding the availability of safer and more acceptable contraceptives. Answering this demand will also benefit world population needs, particularly in those developing nations where fertility rates are the highest.

Recently, more than 160 experts in 26 nations reviewed the state of knowledge about human reproduction and the opportunities for scientific research. That study concluded that a greater investment in more research, both basic and applied, is called for by the current state of knowledge so that promising leads that have not been properly exploited can now be pursued.

One of the issues we explored during committee consideration of S. 2522 was how much additional research money can be put to use effectively, within what time frame, for what purposes, and with what results.

We also explored the extent to which the budget request for family planning services—an increase of $10 million over fiscal year 1978—would enable us to move toward the goal of providing family planning services to all those women who want them, but cannot afford them.

In addition, my good friend Congressman TONY BEILENSON, who has long been a leader in the field of family planning services, had introduced in the House of Representatives H.R. 11007—legislation which, among other provisions, would provide substantially increased support for title X programs, would give specific emphasis to services for teenagers, and would give greater visibility to infertility services provided by family planning clinics.

All these issues were taken into consideration when we marked up our legislation in subcommittee and full committee.

SUMMARY OF S. 2522 AS REPORTED

BASIC PURPOSE

VOLUNTARY FAMILY PLANNING AND POPULATION RESEARCH PROGRAMS

The basic thrusts of S. 2522 as reported with respect to the family planning and population research program authorization (designated a new part A in title X) are as follows:

First, to provide substantially increased authorizations of appropriations for each of the four programs (services, training, research, and information) for the next 5 years to expand the availability of voluntary family planning services and increase research in the biomedical, contraceptive development, and behavioral fields relating to family planning and population.

Second, to reassert and emphasize the administrative, supervisory, and coordinative functions and duties of the Deputy Assistant Secretary for Population Affairs and the Office of Population Affairs as set forth in the original legislation.

Third, to strengthen the contraceptive research activities carried out under the act by increasing coordination between the Deputy Assistant Secretary for Population Affairs and the Commissioner of the Food and Drug Administration and by stressing the need for the Secretary to provide, where necessary, for appropriate exclusive development and marketing rights and incentives to stimulate contraceptive development in the private sector.

Fourth, to place new emphasis on the provision of family planning services to sexually active adolescents and to members of both sexes who want to avoid unwanted pregnancy, to insure appropriate consideration is given the needs of rural and urban areas, to provide infertility services to persons seeking those services, to stress the needs of persons with limited English-language capacity, and to respond to criticism of the program by stressing natural family planning methods in each of the programs, by insuring that no services project employee is compelled to act regarding abortion or sterilization in a way that violates personal conscience, and by encouraging projects to urge minors to consult with their parents regarding use of contraceptives.

Fifth, to improve the annual reporting and 5-year plan updating requirements by appropriately reflecting the new emphasis in the bill and by requiring greater specificity with respect to projected costs, numbers of administrative personnel, information and educational materials, research goals, personnel to be trained, and the means and criteria for evaluation of services.

VOLUNTARY FAMILY PLANNING SERVICES

As I indicated earlier, Mr. President, while millions of low-income individuals are receiving voluntary family planning services on a regular basis from clinics or private physicians, millions more low-income women currently cannot obtain family planning services easily, and among these women are some 1.7 million adolescents, and 1.6 million low-income adults.

The authorizations of appropriations for services projects included in the committee bill would enable projects to reach all those individuals by the end of fiscal year 1983 by providing for expansion of the programs to reach an additional 500,000 adults in fiscal year 1979, and an additional 275,000 in each of the next 4 fiscal years; and would enable projects to reach an additional 500,000 adolescents in fiscal year 1979 and an additional 300,000 adolescents in each of the 4 subsequent fiscal years.

Teenage pregnancy has become an issue of major concern. These pregnancies are often unwanted and frequently result in adverse health, social, and economic consequences for the individuals and the families involved. An adolescent marriage is also at high risk of divorce. During our consideration of this legislation, we heard troublesome statistics on the consequences of an early pregnancy on a young woman's future. Those statistics made it clear to me that special efforts must be made to help these young women avoid unwanted pregnancies. Testimony received in subcommittee hearings also made it clear that organized family planning clinics have had the greatest success in reaching adolescents. Given the evidence of the success of these programs, I believe commonsense dictates that these clinics should form the cornerstone of Federal programs to assist sexually active adolescents to avoid unwanted pregnancies and should be an integral part of any program dealing with teenage pregnancy. The provisions of S. 2522 as reported would enable these programs to increase their capacity to provide comprehensive services to adolescents in a compassionate and understanding manner, and to provide these young people with extra support services, such as the counseling and information programs that experience has shown are necessary to the effectiveness of programs designed to meet adolescent needs.

INFERTILITY SERVICE

Mr. President, it is estimated that nearly 1 million couples are infertile. Family planning programs can help these couples have the children they wish through appropriate counseling, information and education, and diagnosis services. Many family planning clinics would like to provide these services. Limited budgets prevent them from doing so since few of the services are eligible for third party reimbursement. S. 2522 would authorize the appropriation of modest amounts for the initiation of demonstration projects aimed at alleviating problems of infertility. I strongly believe this is a component of family planning activities which must not be neglected. Family planning is not only helping families to postpone pregnancies until the parents choose to add to their families, but it is also helping those parents add to their families when they want to.

POPULATION RESEARCH

As I indicated, Mr. President, there is strong agreement among experts that substantial investments in population research can result in the development of improved means of controlling reproduction.

Unfortunately, Mr. President, it does not appear likely that contraceptive development will attract major new funding from private industry. Industry's investment has been diminishing due to the high costs of research and the many years required to test new methods fully for safety and effectiveness. Philanthropic funds have been reduced as well. Consequently, this important research must rely primarily on the Federal Government for support.

S. 2522 as reported addresses this need by authorizing a realistic level of appropriations for population research. The

level authorized is below that recommended by experts who testified before the subcommittee, but is a carefully developed figure which I feel is the amount needed to permit an adequate utilization of research resources.

S. 2522 as reported would broaden the scope of research mandated to be conducted under the authorities of title X to include research in infertility and natural family planning methods as well as improved methods of contraception for use by males and adolescents. The bill also would amend existing law to enhance the efficient and coordinated operation of research programs in HEW and to move HEW toward a program providing greater encouragement to private industry to enter the contraceptive development field.

INFORMATION AND EDUCATIONAL PROGRAMS

Given the tremendous increase in unwanted pregnancies among adolescents, it seemed necessary to the subcommittee to expand the information and educational resources available to adolescents. However, we are also well aware that such programs must be conducted in a tactful manner that will be successful both in reaching adolescents and in not offending their parents. The bill as reported places special emphasis on the development by and dissemination through appropriate community organizations of information and materials for adolescents. I believe these community-based programs should bring together adolescents, parents, schools, organizations such as the Boy Scouts or the Girl Scouts, and churches to work together to avoid unwanted teenage pregnancies. I am convinced that these programs can be successful only if they have the respect of both the adolescent and the parent and both are involved in the development of the programs.

NATURAL FAMILY PANNING METHODS

Mr. President, each of the program authorities reenacted by S. 2522 would specify that natural family planning methods be included in the implementation of those authorities. Thus, as in the past, comprehensive family planning services are specifically cited as including natural family planning methods. Further these methods are included among the purposes, specified in the bill, for which population research shall be conducted; information and educational materials are required to include information or materials regarding natural family planning methods; and training programs must include training in the provision of natural family planning methods. In addition, for the first time, the annual reports to Congress setting forth a 5-year plan for carrying out the purposes of voluntary family planning and population research programs are directed to include appropriate emphasis on natural family planning methods, and the bill provides that any systematic reporting system established is to include data on the use of natural family planning methods.

VOLUNTARY PARTICIPATION

Since Public Law 91–572 was enacted, there has always been a requirement that the provision of family planning services, or information or educational materials, must be voluntary and may not be a prerequisite to eligibility for or receipt of any other service from the individual or program providing such services.

This provision is retained once again in S. 2522 as reported. A new provision is added, however, as a subsection (b) of section 1007, reasserting specifically in title X of the Public Health Service Act, the principles embodied in the "conscience clause" amendments adopted in the past. This provision would provide that the Secretary may not require an individual employed by a family planning project to advise regarding, refer patients for, or provide abortion or sterilization procedures when such activity would be contrary to the religious beliefs or moral convictions of the individual, and that the Secretary may not terminate assistance to a project for such individual's refusal under those circumstances to provide such services.

PROHIBITION OF ABORTION

Section 1008, which provides that one of the funds appropriated under these programs may be used in programs where abortion is a method of family planning remains in the law, would be reenacted without change.

REGULATIONS GOVERNING FAMILY PLANNING PROGRAMS

A number of new conditions have been added to those governing the administration of family planning programs. Among these is a reassertion of existing policy that unemancipated minors requesting family planning services will be encouraged by projects, whenever feasible, to consult with the parents with respect to such services. This policy has been adopted by both the American Academy of Pediatrics, and the Society for Adolescent Medicine, and has been stressed in prior committee reports accompanying legislation amending title X of the Public Health Service Act. This provision is not intended to restrict or discourage the provision of voluntary family planning services to those adolescents who want them, but only to try to enhance communication within the family unit.

A new provision would be added by the committee bill to require that services be made available to both sexes.

Another requires, where the population group served consists of a substantial number of individuals of limited English-language capacity, that the project be able to provide services to the extent practicable in the appropriate language and cultural context. This provision is consistent with other amendments I have authored in the enabling legislation for other health service programs administered by HEW, as well as to health-care services programs run by the Veterans' Administration.

A new requirement would be added, upon the suggestion of the distinguished Senator from Maine (Mr. HATHAWAY), that the Secretary shall seek to make equitable distributions of funds among the various regions of the country and shall seek to insure that the needs of rural and urban areas are appropriately addressed.

OFFICE OF POPULATION AFFAIRS AND DEPUTY ASSISTANT SECRETARY FOR POPULATION AFFAIRS

As I have indicated, Mr. President, I was pleased that HEW has decided to fill the position of Deputy Assistant Secretary for Population Affairs, although some thought had been given to combining the functions of this Office with those of another Deputy Assistant Secretary for Health.

This position has a long history, Mr. President. It was the topic of considerable discussion in 1970 when Public Law 91–572 was first enacted and was statutorily established in that act. S. 2522 as reported would reassert that original congressional intent by transferring these statutory provisions to title X of the Public Health Service Act. I believe that the objectives of this program are of such importance that there must be assurance of highly experienced and competent direction which I believe can best be provided under the leadership of a full time Deputy Assistant Secretary to Population Affairs.

SUDDEN INFANT DEATH SYNDROME PROGRAMS

Mr. President, in addition to extending and expanding family planning and population research program authorizations and authorities, S. 2522 as reported would extend the autorizations of appropriations for sudden infant death syndrome (SIDS) for 5 years and expand program authorities.

BACKGROUND

As you know, Mr. President, SIDS—also known as crib death—is the leading cause of death in infants between the ages of 1 and 12 months, resulting in approximately 6,000 to 7,000 deaths annually. This sad loss of life strikes suddenly, without any apparent warning, and involves not only the death of the infant, but immediate and often long-lasting emotional effects upon the parents and families who are left with a sense of bewilderment about the death.

Four years ago, Congress, recognizing the devastating effects of this disorder on so many children and on their surviving families, and realizing that relatively little was being done in the area of services to families and scientific research into the cause of this syndrome, enacted legislation to help alleviate some of these problems.

That act—the sudden infant death syndrome Act, Public Law 93–270—authorized the Secretary of the Department of Health, Education, and Welfare—

To establish a program of research in sudden infant death syndrome;

To develop and disseminate educational materials on crib death; and

To create a system if information and counseling projects to assist the families of SID victims.

We have made progress over the past several years in learning more about the nature of this program. Researchers have found that the infants who fall victim to this mysterious disorder are not the normal, healthy babies they were once thought to be. They have been found to have various subtle physiological or anatomical changes which go undetected un-

til after death. However, a specific change or lesion, common to all SIDS victims, has still not been identified. Thus, there is a continuing need for further research into the causes of this serious problem.

We have, however, learned more about what happens when this tragedy strikes. Epidemiological investigations have demonstrated that crib death occurs more frequently between the second and fourth months of age, in premature infants and those of low birth weight, in male babies and babies born to mothers of less than 20 years of age, and in nonwhite infants and those of a deprived socioeconomic background. SIDS claims its victims more often during normal sleeping hours, more often in the winter, and more often when the child is recovering from a slight upper respiratory infection. But with all this information it is still not now possible to identify accurately the potential victim beforehand, in time to save the infant.

In addition to looking into the causes and incidence of this tragic problem, the present act provides for development and implementation of an educational and counseling program to help the families directly involved, as well as the general public, to understand the problems associated with sudden infant death syndrome.

The federally sponsored information and counseling projects established under the act and voluntary parent groups have done much to educate both the general public and those who provide the health care services—physicians, nurses, law enforcement officials, and others—and who come into contact with the SIDS victims and their families. A few years ago some of the common complaints of SIDS parents and of others concerned with SIDS focused on the lack of information available on crib death, and the lack of knowledge, understanding, and compassion among the various service providers who came in contact with the bereaved parents after the loss of their infant. Through the work of the information and counseling projects and the voluntary groups, much progress has been made in the area of public education and parent counseling. But there remains much more to be done, including providing services in those geographical areas where projects do not exist, improving the quality of the post mortem examination performed, and coordinating the various supportive activities within the community.

SUMMARY OF REPORTED BILL PROVISIONS

Mr. President, S. 2522, as reported, would extend and expand services presently provided to surviving families of SIDS infants, as well as spotlight the importance of continuing an active research effort at a high level of funding.

Under the committee bill, the statutory provisions authorizing the sudden infant death syndrome programs have been removed from title XI of the Public Health Service Act and placed in title X. However, I would like to reiterate that the placement of the SIDS programs and the family planning programs in one title of this act does not suggest any intent that these two authorities should be administered as one entity or be administered by the same component of HEW.

These two programs are being brought together under title X because sudden infant death syndrome—SIDS—has no apparent genetic base and there is, therefore, no programmatic justification for placement of these provisions in title XI which includes programs for genetic diseases. Second, research has shown that many SIDS infants were born to very young mothers, were of low birth weight, or were born prematurely—conditions that can be alleviated to a significant degree through proper prenatal care or by making voluntary family planning services available to sexually active adolescents. This latter activity has been added as a major new initiative in the newly designated part A of title X. In addition, research in sudden infant death syndrome, high-risk pregnancy, and high-risk infancy, just as in population research, is carried out at the same NIH institute—the National Institute of Child Health and Human Development.

INFORMATION AND COUNSELING SERVICES

At the present time, a total of 32 projects in 27 States are being funded through the authority established in Public Law 93–270 to provide information and counseling services to SIDS families, as well as to carry out data-gathering activities. These projects provide services to a population base of approximately 126 million persons. Specifically, education and training is provided to those who come in contact with the families of SIDS victims to sensitize them to the special needs of such families. More than 2,000 educational programs have been conducted during the past year. In addition, the projects work toward improved coordination and development of community resources to deal with SIDS cases. They also assist in the development and distribution of SIDS informational and educational materials. These materials include films, TV spot announcements, and brochures.

Almost half of the population of the United States has no access to information and counseling services. Even more alarmingly, approximately half of the SIDS families in the United States have no access to these services. The President's budget request for fiscal year 1979 would provide for a program funding level identical to the fiscal year 1978 funding level, thereby disallowing any increases in program expansion and, in fact, not even providing for increases in expenses due to inflation. This budget request is clearly unacceptable.

Mr. President, S. 2522 as reported would provide for substantial increases in the authorizations of appropriations for the SIDS programs over the next 5 years so as to improve and expand the information and counseling projects supported under this act, and to establish projects in those areas of the United States where there presently are none.

SIDS RESEARCH

Since the original SIDS legislation was enacted 4 years ago, much of what we know about SIDS—from a scientific or medical standpoint—has been discovered. However, with all the improvements in our understanding of SIDS, we still have not learned how to prevent it, nor how to identify infants who will eventually die of this syndrome.

Given the significant advances in the scientific arena over the past few years, it is vital that we continue the SIDS research activities at a higher level of funding.

While S. 2522 as reported does not provide for a specific authorization of appropriations for the SIDS research carried out by the National Institute of Child Health and Human Development, it does require that the Secretary provide assurances that adequate funding levels be made available for all research relating to sudden infant death syndrome.

The basic thrusts of the new part B added to title X by the reported bill, with respect to the sudden infant death syndrome program, are as follows:

First, to establish within HEW an administrative unit to carry out the SIDS program in a coordinated and cohesive fashion with adequate staff and continuing accountability to the Congress with respect to activities carried out under the present law;

Second, to provide substantially increased authorizations of appropriations for the SIDS program over the next 5 years so as to improve and expand the data collection system, to provide specifically for clearinghouse activities, to provide for the expansion of counseling and information projects to all of the States and possessions and territories of the United States, with appropriate involvement of parent groups in the planning and carrying out of these projects, to improve services in States now being served, and to insure appropriate consideration is given the needs of rural and urban areas.

Third, to continue and improve various reporting requirements regarding the counseling and information projects and SIDS research.

Fourth, to insure that adequate resources are made available within the National Institute of Child Health and Human Development for research into the causes—and ultimate prevention—of this tragic problem; and

Fifth, to develop information and seek possible improvements with respect to the death investigation systems in the States in the area of sudden and unexplained infant deaths.

DISCUSSION OF BILL IN COMMITTEE REPORT

Mr. President, in order that all Senators and the public may have full understanding of the various provisions of this act, I ask unanimous consent that there be printed in the RECORD at this point pertinent excerpts from the committee report No. 95–822 accompanying the bill as reported.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM COMMITTEE REPORT NO. 95–822

THE COMMITTEE BILL

Changes in Statutory Organization of Titles X and XI of the Public Health Service Act

S. 2522 as reported would repeal part B (Sudden Infant Death Syndrome) of title XI of the Public Health Service Act, add it to

a revised title X, Family Planning and Human Development Programs, which would then include a part A, Voluntary Family Planning and Population Research Programs, and a part B, Sudden Infant Death Syndrome Programs. The reasons for this combination are as follows:

Combining these programs in one title pulls together two related programs. Research has shown that SIDS has no apparent genetic base so as to justify its inclusion in title XI. Research has also shown that many SIDS infants were born to very young mothers, were of low birth weight, or were born prematurely—all conditions which can be reduced through proper prenatal care.

During hearings held by the Senate Appropriations Committee in April 1977, on SIDS, Dr. Eileen Hasselmeyer, Chief of the Pregnancy and Infancy Branch of the National Institute of Child Health and Human Development testified that 50 percent or more of the crib deaths could be prevented or reduced if premature births or prenatal problems were prevented.

Research in sudden infant death syndrome, high-risk pregnancy, and high-risk infancy as well as in population research is carried out at the same NIH Institute—The National Institute of Child Health and Human Development. In addition, the research in the two programs is related in many ways.

Family Planning clinics serve as the primary health source for many women and the clinics counsel women to seek appropriate prenatal care, referring patients to prenatal service, and encouraging them to seek the all important early prenatal care and guidance on good health and nutrition habits during pregnancy which can help ensure the delivery of a healthy baby.

A major new initiative in the newly designated part A of title X is a special emphasis on preventing unwanted pregnancies among sexually active adolescents. These young mothers frequently bear low-birth-weight infants, have poor nutritional habits, and have minimum prenatal care, partially due to ineligibility for Medicaid reimbursement for such care and partially due to an unwillingness to admit they are pregnant in the early months. Preventive family planning services can help these women bear children when they want to and when they are prepared to take on the responsibilities of childbearing. Because of these factors, the committee placed in one title two authorities which address special needs of women and children. It is not the committee's intent, however, that these programs be administered as a single entity or program but, rather, that each continue to be administered in a manner which most effectively addresses their separate, individual program needs, approaches, and philosophy.

Office of Population Affairs and Deputy Assistant Secretary for Population Affairs

Many witnesses at the hearings urged that action be taken to reinstitute the position of Deputy Assistant Secretary for Population Affairs (DASPA) so that family planning and population research programs could be given the coordination and policy direction needed to make the most effective use of statutorily authorized program and Departmental resources.

Section 1001 of the committee bill includes provisions, with modifications of Public Law 91–572 establishing the Office of Population Affairs in the Department of Health, Education, and Welfare, and the position of Deputy Assistant Secretary for Population Affairs, describing the duties and functions of that position and Office. Although the organizational structure and line authority of responsibilities for carrying out family planning programs and population research activities were clearly set forth in Public Law 91–572, the Family Planning Services and Population Reseach Act of 1970, HEW's organizational and administrative arrangements have not always been consistent with the law or its underlying intent. Inclusion of these provisions in title X reasserts original congressional intent that there be a Deputy Assistant Secretary for Population Affairs who shall direct the activities of the Office of Population Affairs and administer the family planning programs and exercise general supervision over title X population research activities as well as coordinate and advise the Secretary on other Departmental programs relating to family planning and population research.

The committee bill directs that the DASPA shall be assigned no substantial functions or responsibilities not specified in part A or determined by the Assistant Secretary for Health to be necessary to carry out the purposes of part A. The committee was concerned by action taken in 1976 by the Secretary to appoint the Deputy Assistant Secretary for Population Affairs as the Administrator of the Health Services Administration. Adding such heavy responsibilities to those mandated by Public Law 91–572 to be carried out by the Deputy Assistant Secretary for Population Affairs, placed an extraordinary burden on one individual, diluted that individual's responsibilities to the family planning and population research programs, and diverted that official's primary focus from coordinating and supervising those programs.

The committee was again concerned when it was proposed in 1977 to combine the duties of the Deputy Assistant Secretary for Population Affairs with those of the Deputy Assistant Secretary for Health-Programs. The committee was pleased that the Assistant Secretary for Health, in his testimony, announced his intention to discard that proposal and reinstitute the DASPA position.

The committee believes that the responsibilities given the DASPA are of sufficient importance and size to warrant the full-time attention of the occupant of that position.

The interrelationships of programs authorized by part A of title X of the Public Health Service Act, by title V of the Social Security Act, and programs receiving assistance or reimbursement under the authorities of titles XIX and XX of the Social Security Act are many, and produce a particularly appropriate area for special focus by the Deputy Assistant Secretary for Population Affairs. The committee notes with approval the assurances given by HEW witnesses that efforts are being made to achieve such coordination and that, where individual title X part A projects encounter difficulties in qualifying under medicaid or title XX programs, HEW regional staffs work with projects and State agencies on a case-by-case basis to overcome such difficulties. The committee stresses that this is an important area for the DASPA's involvement. By working with the appropriate officials in HEW and having jurisdiction over the title XIX and title XX programs the DASPA can play a particularly valuable role in assuring that policies followed in those programs are conducive to the most efficient administration of each of the programs.

The difficulties faced by many individuals, and particularly adolescents, in surmounting bureaucratic hurdles created by differing eligibility requirements in HEW programs were eloquently described by Dr. Loraine Henricks, of "The Door—A Center of Alternatives", a comprehensive health and social center for adolescents in New York City. Dr. Henricks stated:

"Medicaid and welfare policies and practices are currently insurmountable barriers for many adolescents seeking health care. This is because of laws, regulations and practices which make it nearly impossible for a teenager to obtain medicaid or welfare, even when eligible and when pregnant. Health care programs are increasingly requiring proof of medicaid status prior to provision of services. We estimate that 80 percent of eligible teenagers under 18, and many under age 21, never attempt or never succeed in negotiating the medicaid application system. We strongly recommend easing access to medicaid for teenagers—including providing medicaid for teenagers independently of their family and their family medicaid card, easing regulations on documentation required for medicaid, establishing clearly that age is not a requirement, reducing the waiting period necessary to obtain medicaid, etc."

Efforts to remove such barriers should be undertaken by the DASPA as a priority matter in connection with the coordinative aspects of that Office.

The Committee bill also directs that the Office of Population Affairs be headed by a Director who shall be subject to the direct supervision of the Deputy Assistant Secretary for Population Affairs. The committee believes the duties of the Deputy Assistant Secretary are sufficiently demanding and complex to require a full-time director of the office to assist the DASPA in carrying out those responsibilities. The committee also believes that these duties and responsibilities are such that the DASPA should not be assigned any responsibilities not specified in part A or determined by the Assistant Secretary for Health to be necessary to carry out the purposes of part A.

The committee bill, recognizing the magnitude of the duties assigned the DASPA and the Office of Population Affairs, repeats the provision of Public Law 91–572 directing that the Office of Population Affairs be provided such full-time professional and clerical staff and the services of such consultants as may be necessary to carry out its duties and functions.

Voluntary Family Planning Services

Millions of low-income individuals for whom cost or inaccessibility to services presented real obstacles to the use of family planning methods are now receiving these services on a regular basis from clinics or private physicians. About 5.9 million low-income women and teenagers are now reached through Title X and other Federal programs.

Despite these achievements, a great deal remains to be done. Over 3 million low-income women currently cannot obtain family planning services easily. These include an estimated 2 million sexually active teenagers who do not have ready access to preventive family planning services. An estimated 1,100,000 abortions were performed in 1976, one-third of them involving adolescents. Undoubtedly, many of these abortions could have been avoided with greater availability of effective family planning methods.

Although significant results have been achieved by HEW in making available to teenagers contraceptive information, education, counseling, and medical services, teenage pregnancy has become an issue of major concern. There are presently about 21 million young people in the United States between 15 and 19 years of age. Of these, more than half—some 11 million—are estimated to have had sexual intercourse—almost 7 million young men and 4 million young women. In addition, one-fifth of the 8 million 13- and 14-year-old boys and girls are believed to have had sexual intercourse. Approximately 1 million of these teenagers become pregnant annually, and almost 600,000 give birth. Such pregnancies are often unwanted and frequently result in adverse health, social, and economic consequences for the individuals and families involved. Specifically, these consequences include a higher incidence of low birth-weight infants, a higher percentage of

pregnancy and childbirth complications, and higher rates of school dropout, unemployment, welfare dependency, and out-of-wedlock births. An adolescent marriage is also at high risk of divorce.

Joy Dryfoos, chair-elect, Population Section of American Public Health Association in testimony before the subcommittee reported on the high risk of unwanted pregnancy among sexually active adolescents. She stated:

What of the 1.6 million teenagers at risk of unintended pregnancy who did not receive contraceptive services from either organized programs or private physicians in 1975? The probability is quite high that they appeared in the vital statistics report for 1975. New analyses from the 1976 Johns Hopkins study of Adolescent Sexuality, Contraception and Pregnancy show clearly that among premaritally sexually active women aged 15 to 19, 58 percent of those who never used contraceptives had experienced a pregnancy five times the incidence among those who always used contraceptives (11 percent were even pregnant) and more than twice the incidence among sometimes users (24 percent were even pregnant).

The committee believes that greater emphasis, therefore, must be placed on reaching teenagers and making family planning services available to them before an unwanted pregnancy occurs. In attempting to further reach and serve this group, an increased number of appropriate counseling, information, and education programs will be needed, as well as the provision of family planning services. The cost of providing these services will be higher than the cost for services to adults, and the committee bill takes these costs into account in authorizing appropriations specifically to expand the ability of family planning programs to provide comprehensive services that are appropriate to the needs of teenagers who want these services in order to avoid unwanted pregnancy.

The committee believes it is important to build upon those service capacities that have already been created in order to reach these young men and women. However, the effort started almost ten years ago must also continue to provide family planning services to the over nine million low-income women who are in their childbearing years.

This will not be an easy task. The more than three million low-income women not yet reached often live in underserved areas, where the costs of establishing programs are often quite high. Providing services to teenagers is also more costly due to the lack of third-party reimbursement and the special counseling and other support services they need.

To meet this need, the committee bill would substantially increase and extend for five years the authorizations of appropriations for voluntary family planning services projects, and add two new authorizations of appropriations—a specific authorization of appropriations for comprehensive services appropriate to the needs of sexually active adolescents who need and desire such services in order to avoid unwanted pregnancies, and an authorization of appropriations for the establishment and operation of demonstration projects aimed at alleviating problems of infertility.

The authorization levels for services would permit expansion of the program to reach an additional 500,000 adults (at a title X cost of $63 per person) and an additional 500,000 adolescents (at a title X cost of $85 per adolescent) in fiscal year 1979—a rate the Department stated, in response to questions at the hearing, it could feasibly serve if adequate funds were available—and an additional 275,000 adults and 300,000 adolescents in each of the next 4 years (at costs per patient adjusted for inflation each year). This rate of expansion would permit family planning services to serve by the end of fiscal year 1983 all the individuals who have been estimated to want them but who have not had ready access to them.

The 5-year plan required by section 1009 estimated that there are 1.6 million low-income adults still to be reached under part A of title X authorities. The authorizations of appropriations included in the committee bill will enable projects to reach all those individuals by the end of fiscal year 1983 by providing for expansion of the programs to reach an additional 500,000 individuals in fiscal year 1979, and an additional 275,000 in each of the next 4 fiscal years.

It is estimated that there are 1.7 million adolescents not now receiving family planning services who are at risk of unwanted pregnancies. The authorizations of appropriations included in the committee bill will enable projects to reach all those adolescents by the end of fiscal year 1983 by providing for expansion of the programs to reach an additional 500,000 adolescents in fiscal year 1979 and an additional 300,000 adolescents in each of the 4 subsequent fiscal years.

Cost Effectiveness of Voluntary Family Planning Services

A study conducted in 1977 by Phillips Cutright of the University of Indiana and Fred Jaffee of the Alan Guttmacher Institute, showed that in the first 6 years of the title X program, an estimated 1,097,596 unwanted births were averted.

The savings resulting from averting those unwanted births was projected by estimating the medical cost of maternity and first-year pediatric care, and factoring in a modest amount for food stamps, social services, and public housing, for the estimated 20 percent of family-planning-clinic patients receiving public assistance during those years.

That study showed that each dollar invested by the Federal Government in family planning in 1 year saved Federal, State, and local governments a minimum of $1.80 a year later on—in other words, almost a 2 to 1 savings.

A study conducted by Kristin Moore of the Urban Institute demonstrated the consequences of early childbearing on the later economic status of the mother and her family. That study indicates that regardless of family background or social or economic characteristics, the age at which a woman gave birth for the first time has an important impact on educational attainment of the mother, and that the disadvantages experienced by a young mother is not made up in time. The study shows that overall, among women age 14 to 30 in AFDC households, 61 percent had borne their first child as a teenager.

The committee heard considerable testimony on the consequences an early pregnancy can have on a young woman's future. Dr. Adele Hofmann, testifying on behalf of the Society for Adolescent Medicine, stated:

Of far greater magnitude and import are the sociological and emotional consequences of teen-aged childbearing. Most young mothers keep their child today (85 percent) and adoption is rarely an accepted alternative. The bearing and raising of an infant by a teen-ager imposes its own special risks. The younger the girl is at the birth of her first child, the less likely she is to complete high school. Only 11 percent of 13 to 15 year old mothers, and but 18 percent of those 16 to 17 years will graduate as compared to 38 percent and 41 percent of those deferring child bearing until their 18 or 19 or 20–21st year.

Among 15 to 19 year old inner city mothers nearly two thirds will never work, or have stable marriages in the ensuing years. Teenage mothers also are more likely to bear a greater total number of children than if childbearing is deferred until after age 20. These factors all contribute to the fact that the age of first child-bearing is a major predictor of a female's ultimate economic status; 31 percent of those who become mothers between 13 and 15 years, 23 percent of 16 to 17 year olds and 16 percent of 18 to 19 year olds will end up in poverty as compared to 11 percent when the first birth is deferred until age 22. Moreover, black teen mothers are more than half again as vulnerable to poverty as white; and this group is at particularly high pregnancy risk consequent to their high unprotected coital rate.

These statistics make it imperative that special efforts be made to help these young women avoid unwanted pregnancies. Dr. Hofmann told the Subcommittee that only thirty percent of teenage women use contraception all the time and frequently the method used is a relatively ineffective method. Many teenagers cite the difficulty in securing a contraceptive as the reason for failure to protect themselves from an unwanted pregnancy. Dr. Philip Lee, former Assistant Secretary for Health and Scientific Affairs in HEW told the Subcommittee:

Whatever the reasons, maternal or general health centers have been unable to attract the millions of persons who need and want family planning services. They have been particularly unable to attract teenagers before they become pregnant. While every effort should be made to encourage these providers to increase the provision of family planning services to those who need and wish them, it would be foolhardy to do so at the expense of the specialized clinic system that provides services to the overwhelming majority of family planning patients.

Even more striking is the recent finding that nearly half of the teenagers who use oral contraceptives in all socioeconomic groups obtained their first prescription from a family planning clinic. This pattern is totally unprecedented in the U.S. health system where the proportion of persons who depend on clinics for health services is typically less than one-fifth. What this means, quite simply, is that the federal government has in place a mechanism in the family planning clinic network that is capable of supplying the services needed by sexually active teenagers who have shown a high level of demand for the services. This mechanism expanded rapidly in response to a federal priority program in the early 1970s and could do so again, given a similar stimulus, to serve many of the estimated two million sexually active teenage women who still lack access to medical contraceptive services. The federal government thus has available the indispensable ingredients of supply and demand for a successful teenage program.

Mr. Willie D. Hamilton, President, of the National Family Planning Forum, and executive Director of the Arkansas Family Planning Council told the Subcommittee:

The real problem is not one of controversy at all. It is the old problem of getting others, especially doctors and other health care providers, to recognize that teenage pregnancy is important enough to deserve some real attention. Mr. Chairman, the members of the National Family Planning Forum are deeply committed to the best and most comprehensive medical care possible. The overwhelming majority of our patients are poor people and they need comprehensive medical services. Unfortunately, we have found over and over again that the family doctor just does not think about the need for contraceptive services when he sees a teenager in his regular practice. The same thing happens in a clinic that serves a wide range of medical needs. Most of the time, the issue of birth control just doesn't come up and the teenager is afraid to bring it up.

With a family doctor or a community health clinic, the teenager may be rightfully concerned that her parents will learn or be told of her request for contraception. We know from research on private physicians and comprehensive health settings that you are less likely to have someone who will take

the time to sit down and explain different methods of contraception and how to use them properly.

Given the successful efforts of organized family planning clinics to reach adolescents, the committee believes that these clinics should form the cornerstone of Federal programs to assist sexually active adolescents to avoid unwanted pregnancies and should be an integral part of any program dealing with teenage pregnancy. The committee is convinced that existing family planning programs' efforts to reach adolescents must be maintained and that special efforts must be made to expand those efforts. For that reason, the committee has authorized special appropriations for comprehensive services appropriate to adolescents in the new section 1002(e)(2); however, the committee does not intend that only funds appropriated under the authority of that new authority may be used for services to adolescents. The committee stresses that family planning services funds appropriated under section 1002(e)(1) are also to be used for services for adolescents, just as they have been in the past. At the same time, the committee disagrees with the administration's proposal to expand services to adolescents at the expense of the existing level of services in the Program under title X, part A. The administration budget proposal earmarked $18 million for expanded preventive family planning services for adolescents, however $8 million of that amount would have been achieved by reducing existing programs for adult women commensurately.

Infertility Services

The second new authorization of appropriations included in the new part A of title X will support the establishment and operation of demonstration projects aimed at alleviating problems of infertility. Because the costs of providing infertility services are high, most family planning clinics, although they want to provide these services, are unable to do so within their limited budgets. Few of these services, which are primarily counseling, information and education, are eligible for third-party reimbursement. Thus, with the special funding authorized by the Committee bill, these clinics would be able to support staff to make infertility services a part of the services they provide. It is estimated that nearly 1 million couples are infertile. Family planning programs can help these couples have the children they wish through appropriate counseling, information and education, and diagnosis and treatment services. Diagnosis and treatment services could include a medical history, physical examination for both partners, and basic laboratory tests. The range and methods of treatment in many cases can be simple and self-managed. In other cases, treatment may require surgery or more complicated tests. In these latter cases, the clinic would in most cases refer the couple to an appropriate medical facility.

The amounts authorized to be appropriated for the establishment and operation of demonstration projects aimed at alleviating problems of infertility would permit the establishment of one project per State, at a cost of approximately $100,000 per project. The committee expects that the bulk of the expenses of such projects supported by part A funds will be derived from the costs of staff providing screening and counseling services for infertility, since basic medical services should be reimbursable by third-party payors.

Training Grants and Contracts

The committee bill authorizes a modest increase in the appropriations authorized for grants and contracts for training programs. Building on the strong base that family planning projects have established in the community, expansion activities should generally be directed towards the population groups which are more difficult to reach—among them, adolescents and males. Training should likewise focus on developing sensitivity and responsiveness in serving these hard-to-reach groups. The Committee was encouraged by HEW testimony on the particular effectiveness of the family planning nurse practitioners in dealing with adolescents.

Dr. Felix Heald, testifying on behalf of the American Academy of Pediatrics, emphasized the importance of personnel trained to reach these population groups, as follows:

Finally, I would emphasize that persons who deliver services to teenagers be specially trained in the characteristics both social, psychological and biological for teenagers. That last recommendation I put very heavy emphasis on.

Research

Section 1004 of title X provides specific authorization for appropriations to promote and support research in the biomedical, contraceptive development, behavioral, and program implementation fields related to family planning and population policy. The committee bill would add language specifying that among the purposes for which the research funds authorized to be appropriated by section 1004 may be used is research on infertility and natural family planning methods as well as improved methods for use by males and adolescents.

The committee is concerned about estimates of the high proportion of couples who want children but cannot have them because one of the partners is infertile. In addition, the increasingly younger age at which adolescents become sexually active calls for the initiation of a research program into the causes and consequences of teenage pregnancies, as well as the development of safe and effective contraceptive methods for that age group.

The committee heard testimony that advances in male reproductive physiology have lagged behind those in the female because of lack of funds for clinical and basic research and because of the shortage of trained scientists, and urges that research in this area be pursued vigorously.

The proportionate increase in the number of teenage unwanted pregnancies and the increasing number of abortions have highlighted the inadequacy of the available methods of contraception. In recent years serious health risks and new safety issues have emerged concerning two of the most widely used contraceptives: oral contraceptives (the pill) and intrauterine devices (IUD's). There also does not yet exist a satisfactory and effective contraceptive method for men.

Dr. C. Wayne Bardin, professor of medicine, and Chief of the Division of endocrinology at the Milton S. Hershey Medical Center of the Pennsylvania State University testified that:

. . . [D]ivergent demands upon contraceptive technology are particularly well illustrated by the fact that different types of contraceptives may be needed at various times throughout an individual's life. For example, the same technology would not be desirable before marriage, following marriage but prior to the first child, between subsequent children, and after a desired family is attained. . . . The desire for multiple forms of birth control coupled with the fact that many of the methods have undesirable side effects have prompted many couples to question whether it is necessary for the female to bear the entire contraceptive burden. In one study, 84 percent of the adult males questioned believed contraceptive responsibility falls on both partners and 70 percent said they would use a new male contraceptive if it were available. . . . As many as 45 percent of teen-age boys feel that the responsibility for preventing pregnancy should be shared. . . . The willingness of males to participate in family planning reflects one of the major changes in public attitude that has occurred since enactment of the Family Planning and Population Act of 1970. The desire of males to participate in an effective population control must be met by development of additional safe, effective and reversible contraceptive methods. [Citations omitted.]

The committee believes that the need for substantial expansion of reproductive research is critical. Most Americans expect, as they move through successive stages of adult life, to be able to have only the children they want, when they want them. They want to know that the method of fertility control they use, whether it is a drug or device that is used over a long period of time, will not have a latent harmful effect. The American public is clearly demanding the availability of safer and more acceptable contraceptives.

The Reverend Mamie Williams, Board of Church and Society of the United Methodist Church articulated the impact that contraceptive research conducted in the United States can have on the rest of the world:

A birth control method which is safe, easy to use, and which has a low failure rate is nonexistent. Reports are increasing of health hazards related to the pill and the IUD. Thus, there is a need for the development of a simpler, safer, reversible, inexpensive, and effective contraceptive.

We are all aware of the problems posed by the rapid rate of population growth. In view of the massive nature of the problem, it sometimes seems there is little the United States can do. Our contributions to contraceptive research can have world-wide implications. There is the same rising concern in other countries about the adverse effects of the pill and the IUD. Experience is also proving that the most successful family planning programs from all points of view are those which offer a wide range of choice for individuals. Many think the heavy reliance in Japan on abortion and in countries like Puerto Rico on sterilization came about because women were determined to limit their fertility but were denied alternative means. Through development of a choice of methods which would be safe, effective and morally acceptable to different cultural and religious perspectives, the United States could make a major contribution to quality of life throughout the world.

The committee believes that this should be a significant factor in accelerating research efforts to improve current contraceptive methodologies.

Most of the scientific community agrees that in order to achieve a breakthrough in the development of new contraceptives, a substantial increase in basic biomedical research is needed. In 1976, the results of a 2-year study on the state of biomedical research were published. The "Greep Report" documented the areas of promise and need in the research field. This study concluded that the field of biomedical reproductive research urgently needed at least three times the current level of support in order to adequately explore existing leads, both basic and applied, and to develop improved and safer fertility control and techniques. Among the conclusions of this report, involving scores of experts around the world, were:

1. Over the past decade, there has been an explosion in basic knowledge of the reproductive system, both male and female.

2. This increase in basic knowledge makes feasible a much larger effort to develop improved means of regulating human reproduction than is currently underway.

3. A much larger effort is needed, not only to cope with rapid population growth in developing nations, but also to improve the health and well-being of American women.

millions of whom now use contraceptive methods which are subject to questions of safety, or are objectionable on other grounds.

4. To adequately follow up current and promising research opportunities would require a tripling of worldwide expenditures for research and development in the reproduction field, and that the capacity to make good use of additional funding—institutions, scientists, technicians—now exists and can be further expanded rapidly.

Public Sector Research

The Center for Population Research (CPR) in the National Institute of Child Health and Human Development is the largest single source of grant and contract support in this area. The committee heard high praise for the achievements of the population research centers supported by CPR in drawing researchers to the field of population research and developing effective research programs.

Since 1972, CPR's funding level, for both biomedical and behavioral research, has increased modestly. If inflation is factored in, the level of funding for fiscal year 1978 is equivalent to the fiscal year 1972 level of funding. The relatively low priority CPR has been given in the past can be demonstrated by two examples: The total CPR research budget is barely 2 percent of total research expenditures by the National Institutes of Health, and it has resources sufficient to support only one-third of its approved grants.

This shortage of funds not only jeopardizes continuing support of existing research activities, but the lack of funds to support worthy and high priority new research projects also discourages talented young scientists from entering or remaining in the field of reproductive biology.

Unfortunately, it does not appear likely that contraceptive development will attract major new funding from private industry. Industry's investment has diminished substantially in this decade due to the high costs of research and the many years required to test new methods fully for safety and effectiveness. Philanthropic funds have been reduced as well. Consequently, this important research is now reliant on the Federal Government for support.

Dr. John Fried, President of Syntex Research, one of the few pharmaceutical companies conducting research in the field of contraceptives, described the reasons for the reduction in industry investigations in this area as follows:

Scientific developments, like everything else, are made within a cultural, social, economic and political context. With the development of that first oral contraceptive, we saw these factors come together to make possible necessary technical breakthroughs, and then to propel the result into a practical product for widespread use. Only 7 years elapsed from the time norethynodrel was synthesized until Enovid was marketed. Today, one might reasonably expect this process to require 10 or more years.

Two related factors have caused the lengthening of this process. One is the sensible medical concern with giving a prescription drug to a large number of healthy people over a long period of time. This has led to stringent requirements to demonstrate the safety of the new product. The second factor is that science has made great strides in the past 20 years, and we are now capable of asking much more complex questions than we were in 1959, and it takes longer to get the answers.

The increased requirements and longer development time that I have cited translate directly into increased costs. For a novel pharmaceutical contraceptive agent to reach the patient, it would require 10 to 20 years and probably $30 million to $40 million. This, of course, excludes the time required for fundamental work needed to identify a substance for development. Thus we have seen the entry price into this field escalate tremendously in recent years.

The committee bill seeks to address these problems, both by authorizing the commitment of substantial additional funds to the family planning and population research programs, as well as making various amendments to the existing law to enhance the efficient and coordinated operation of these programs and to move HEW toward a program providing greater encouragement to private industry to enter the contraceptive development field.

Social Service Research

The subcommittee also received compelling testimony on the need for increased funds for social science research to understand and predict changing population distribution and its effect on economic conditions and social, educational, and welfare programs, as well as to understand the behavioral patterns which cause unwanted pregnancies.

Mr. Carl Coan, testifying on behalf of the Los Angeles Regional Family Planning Council, stressed the importance of social science research in improving the ability of family planning programs in providing services effectively:

The socio-psychological and behavioral aspects of reproduction and family planning are extremely important if we are to improve our service delivery system and reduce the incidence of unplanned pregnancy. We need a clearer definition of what factors may enter into the decision-making process at the time an individual chooses to contracept, and how we can improve decision-making, especially in teens, so that individuals can be able to protect themselves against an unwanted pregnancy.

Ilene Wolcott, testifying on behalf of the Women and Health Roundtable, the Federation of Organizations for Professional Women, the Women's Equity Action League, and the National Women's Political Caucus, told the Subcommittee:

Adequate funding resources need to be made available for a major campaign to expand biomedical research aimed at developing safe, effective, and acceptable contraceptives for men and women, including research on natural family planning methods. Although development of a better contraceptive will eliminate the serious health risks and failure rate associated with present methods, contraceptive usage and childbearing behavior depends on additional social and psychological factors. Adequate funding levels must be provided for social and behavioral research targeted toward acquiring a better understanding of the determinants of sexual activity and its relationship to pregnancy and child bearing behavior.

Information and Education Programs

The committee bill authorizes an increase in the appropriations for information and education programs. In fiscal year 1978, only $600,000 was appropriated for this purpose. At least 1 million young women below age 20 become pregnant each year, and the vast majority of these pregnancies are not planned. In addition, the committee heard testimony that less than 40 percent of single teenage women know the period of time during which they are likely to become pregnant, and 30 percent of teenage women are unaware of where they can obtain family planning services. These figures make compelling arguments for an expanded informational and educational program that can reach these young people.

The Reverend Rodney Shaw, President, the Population Institute, told of the ignorance of many adolescents about their own sexuality as follows:

Among teenagers, the need for education and information about sexuality, reproduction and parenthood remains tremendous. Young people are maturing physically at a younger age, yet they are not getting adequate information when they need it. In spite of the fact that our society, including adolescents, is much more open about sexual matters, there is a surprising lack of solid information that is transmitted. For example, many independent studies have shown that the majority of teenagers cannot accurately identify the safe and risk periods of the menstrual cycle to know when pregnancy can occur. In general, teenagers' own perceptions that they cannot get pregnant—for timing considerations and others—is the primary reason given for not using contraception. They think, for example, that they are too young or are not engaging in sex frequently enough to conceive.

The $6 million authorized to be appropriated for this purpose would enable HEW to initiate and expand efforts to provide educational and informational materials to these young people.

The committee bill places special emphasis on providing information or materials on family planning and population growth, and on the development by and dissemination through appropriate community organizations of information and materials for adolescents. Such community-based programs could bring together adolescents, parents, schools, organizations (such as the boy scouts and the girl scouts), and churches, to work together to avoid unwanted teenage pregnancies.

The Reverend Rodney Shaw stressed to the committee the interest of traditional community groups in fulfilling this role. He testified:

Aside from changed attitudes among parents and clergy, other social institutions have recognized and decided to act on assisting teenagers with sexuality education. The Population Institute, for example, has a major program that works in cooperation with 20 youth serving agencies, such as Boys' Clubs, Campfire Girls and Big Brothers/Big Sisters, in helping them to develop appropriate sex and family life education for their members. These major youth organizations, representing over 30 million youth members, have positive statements in favor of sexuality education, but to date have done very little in bringing this type of program to full fruition. Aside from hesitancy in dealing with a new programmatic issue area, they are hampered by the lack of funds to support such programs. Our project is assisting their national program offices to increase attention to sexuality and reproduction while at the same time designing and implementing pilot projects at three local sites.

The development and dissemination of education and informational materials under title X have been instrumental in reducing information barriers about the availability of family planning services funded by HEW. Only through the expanded provision of both information and services can all couples be enabled to make and effectuate free decisions on the size and spacing of their families. In addition, the materials have helped family planning professionals to interpret the latest medical, social, and cultural developments in the family planning field, thereby enabling them to improve the quality of service. Although family planning services have continued to expand and demonstrate their effectiveness and value, it appears that certain population groups requiring these services are not being reached. These groups include teenagers—especially males—emotionally ill persons, and American Indians. The problem of reaching these individuals is being pursued through various educational programs conducted with funds authorized by section 1005.

Materials need to be developed to inform and motivate males to utilize contraception

effectively. Although there are few available reversible contraceptive methods for males, a male can have considerable influence on a partner's decision to use contraceptives. Materials and educational programs need to be developed to enable males to effectively participate with their partners in decisions concerning family planning.

The committee notes with approval the Department's plans to continue work in developing and testing educational materials and programs aimed at overcoming barriers to reaching teenagers, males, and other hard-to-reach and high-risk populations, as well as continued work in the area of informed choice and informed consent for family planning services. In addition, Department plans to develop patient education materials on natural family planning methods and non-prescription methods of contraception are fully consistent with the committee's amendment to section 1005 that information or materials made available include information or materials regarding natural family planning methods.

Voluntary Participation

In efforts to expand the accessibility of family planning services to these currently underserved groups, there must be strict adherence to the statute's mandate that all family planning services may be provided only on a voluntary basis and with full and informed consent. In reaching these new groups which have been underserved in the past, the committee believes that provision of contraceptive services must be preceded by counseling about the consequences and significance of a decision to use contraceptives. In the process of such counseling, the committee has in past reports stressed its belief that unemancipated teenagers, where feasible, should be encouraged to involve their families in their decision about use of contraceptives. This year, the committee bill itself expresses this policy, which is discussed in greater detail below.

The committee stresses that all projects should ensure that all services provided under procedures ensuring the patient's full and informed consent. This consent would involve not only information on the effectiveness of family planning methods chosen by the patients, but full information on potential adverse effects, the implications of cigarette smoking for women over the age of 35 using the contraceptive pill, and the risks of various alternatives, such as voluntary sterilization, abortion, and other options chosen voluntarily.

The committee understands that all family planning projects refer pregnant women to prenatal services (if the clinic is not prepared to provide these services itself) and refer patients to adoption agencies, social service agencies, or other supportive services as desired by the patient.

The committee bill would add a new subsection (b) to section 1007 to reassert the principles embodied in the "conscience clause" amendments adopted in the past to govern all programs authorized by the Public Health Service Act (sec. 401 of Public Law 93-45, the Health Programs Extension Act of 1973 as amended by section 214 of Public Law 93-348, the National Research Act) by providing that the Secretary may not require an individual employed by a family planning project to advise regarding refer patients for, or provide, abortion or sterilization procedures when such activity would be contrary to the religious beliefs or moral convictions of the individual, nor could the Secretary terminate assistance to a project for such individual's refusal under those circumstances to provide such services.

Abortion Prohibition

The committee bill retains intact the provisions of section 1008 of existing law prohibiting any funds under (part A of) title X from being used in programs where abortion is a method of family planning.

Regulations and Payments

Section 1006(c) of the committee bill includes several changes relating to regulations and payments for the project grant service programs under the new section 1002.

It states that priority shall be given to furnishing family planning services to persons with difficulty in securing access to such services, in addition to the existing priority on persons from low-income families. The committee intends this new priority to include, among others, adolescents who want family planning services but have difficulty in securing access to them.

As discussed earlier, it embodies existing policy by providing unemancipated minors requesting family planning services will be encouraged by projects, whenever feasible, to consult with their parents with respect to such services. This policy, adopted by the American Academy of Pediatrics and the Society for Adolescent Medicine, has been stressed in prior committee reports and is a reassertion of existing Federal policy. It is not intended to restrict or discourage the provision of voluntary family planning services to those adolescents who want them, but only to try to enhance communication within the family unit.

The committee bill requires services to be available to both sexes. Many of the witnesses, including the administration, testified that males frequently sought counseling as well as services, and that family planning projects should provide greater assistance to males.

In addition, requirements for reporting to the Secretary are added, including a requirement for an annual report, in accordance with uniform criteria, of the number and characteristics of persons served by the projects.

The committee bill also adds a requirement that where projects or programs serve populations which include a substantial proportion of individuals of limited English-language capacity, the project must provide services, to the extent practicable, in the appropriate language and cultural context, and must identify an individual on the staff who is bilingual and who can help staff and patients with respect to cultural sensitivities and bridge linguistic and cultural differences. In an area such as contraceptive services, clinics must be responsive to patients' cultural sensitivities related to health, as well as be able to communicate in a tactful and responsive way. This provision is modeled on substantially similar language in the Public Health Service Act now governing neighborhood health centers (sec. 330(e)(2)(J)) and migrant health centers (sec. 319(4)(2)(J)), and the community mental health centers sec. 206(c)(1)(D)) of the Community Mental Health Center Act, and programs for the treatment of alcohol abuse (sec. 311(b) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970), and the provision of health care services by the Veterans' Administration (38 U.S.C. Sec. 5001).

The committee bill adds a new requirement that the Secretary shall seek to make equitable distributions of funds under Part A among the various regions and shall seek to ensure that the needs of rural and urban areas are appropriately addressed.

The committee wishes to stress that in seeking an equitable distribution of funds for family planning services among the various regions, the Secretary should consider carefully the needs of both rural and urban areas so as to assure the stability of effective programs in both areas. The Secretary should recognize the realities of increased units costs associated with providing adequate family planning services throughout an entire rural State.

Plans and Reports

Section 1009 contains new provisions making certain revisions regarding Plans and reports to reflect the new emphasis on adolescents and others who lack access to voluntary family planning services, including persons residing in rural as well as urban areas. These provisions would add requirements for the inclusion in the plan (1) of estimates for the financing of the plan for projected family planning services and population research programs under title X, and (2) of specifications for evaluation of such services and programs, as well as setting forth with greater specificity the goals to be described in the Five-Year Plan and the achievements under that plan.

One of the factors contributing to the success of the Federal Family Planning program has undoubtedly been the 5-Year Plan called for by Public Law 91-572. This plan and the annual reports submitted to Congress outlining progress toward fulfilling its objectives have made possible congressional evaluation of existing policies and practices in the field, and determination of the need for new ones.

However, the committee wishes to note with dissatisfaction that the Plan and reports have lacked the information needed to delineate the actual measures to be taken to fulfill the plan's objectives, and have always been submitted late. The reports have also failed to specify what new initiatives are planned to provide services to the large number of low and marginal income families currently unable to obtain them.

Natural Family Planning Methods

Each of the program authorities reenacted as part A of title X by the committee bill would reassert existing policies with respect to natural family planning methods by specifying that training programs shall include training in the provision of natural family planning methods, that population research should include research in natural family planning methods, that information and educational materials should include information or materials regarding natural family planning methods, that the annual report to Congress setting forth a 5-year plan for carrying out the purposes of part A should include appropriate emphasis on natural family planning methods, and that any systematic reporting system established should include data on the use of natural family planning methods.

Mr. Robert T. Kambic, director of natural family planning at St. Joseph Hospital and Health Care Center, Lancaster, Pa., brought to the attention of the committee the implications natural family planning methods can have on helping infertile couples bear children as well as on helping those couples time the births of their children. He testified:

Equally important in natural family planning is the fact that fertility signs can be easily relied on to space pregnancies and can be used by many infertile couples to plan and to achieve pregnancies. Because natural family planning does not disrupt the normal fertility cycle, or introduce artificial hormones into the body, it is quite easy for those who wish to plan children to simply reverse the rules of natural family planning after a time of pregnancy avoidance, and achieve a pregnancy. We have seen an increase in the number of infertile couples who need accurate measures of the time of highest fertility during which conception is most probable. Modern methods of natural family planning, especially the Ovulation Method, are especially important in this regard.

SUDDEN INFANT DEATH SYNDROME PROGRAMS

Background

Sudden Infant Death Syndrome (SIDS) claims the lives of an estimated 6,000–7,000

infants annually. These children die suddenly, unexpectedly, and quietly in their cribs, during what has been considered normal sleep. The incidence rate is approximately two per 1,000 live births. It is the leading cause of death between the ages of 1 and 12 months. Of all infant deaths occurring between the first month and first year of life in this country, as much as half can be attributed to SIDS.

The Sudden Infant Death Syndrome Act of 1974 (Public Law 93–270) reflected the initial expression of concern by the committee about the SIDS problem. The committee felt the pressing need for more research into the causes of this disorder and for a program of public and professional education, information, and counseling about SIDS.

At the present time, a total of 32 projects in 27 States are being funded to provide information and counseling services, as well as to carry out data-gathering activities. These projects provide services to a population base of approximately 126 million. Specifically, education and training is provided to those who come in contact with the families of SIDS victims to sensitize them to the special needs of such families. More than 2,000 educational programs have been conducted during the past year. In addition, the projects work towards improved coordination and development of community resources to deal with SIDS cases. They also assist in the development and distribution of SIDS informational and educational materials. These materials include films, TV spot announcements, and brochures.

Until recently only a small number of infants who died suddenly and unexpectedly were autopsied to confirm the cause of death and to learn more about the conditions contributing to the tragic event. In contrast, 17 of the information and counseling projects report an autopsy rate of 80 percent or higher. In 10 projects, 7 of which are statewide, virtually all infants who die suddenly and unexpectedly are autopsied.

Since 1972, the National Institute of Child Health and Human Development has annually increased its research efforts into sudden infant death syndrome resulting in an expanded base of knowledge about this phenomenon. As a result of Institute-supported investigations during these 6 years, it is evident that SIDS babies are not the healthy infants before death they were once believed to be. There is increasing evidence that the syndrome is not caused by a single mechanism acting at one moment in time, as previously believed. Rather, a number of developmental, environmental, and pathologic factors are involved. Under a complex set of circumstances, these interact and rapidly set up a sequence of events producing a sudden, unexpected and unexplained infant death.

Investigators are currently studying the role of many normal and abnormal phenomena in relation to SIDS. In 1977, the Institute began a cooperative case-control study of SIDS. About 600 cases of SIDS, as defined by an autopsy protocol developed for this study, will be investigated. Case-control comparisons for each factor under study will determine the extent of SIDS risk associated with that factor. It is anticipated that as a result of this project it will be possible to identify high-risk infants on the basis of information available at birth and in the period shortly after birth.

An inexpensive prototype respiratory-cardiac electronic monitor for use in the home on high-risk and near-miss infants is under development.

It is expected that the risk factor study will enable identification of SIDS high-risk infants at birth and in the early weeks postpartum. Home monitoring of heart and respiratory regulation during sleep will further delineate risk. It is the current HEW expectation that the combination of risk-factor and monitoring data will make a SIDS prevention program feasible.

THE COMMITTEE BILL

Changes in the Organization of Titles X and XI of the Public Health Service Act

As stated in the earlier discussion of the family planning and population research programs provisions, the placement of the family planning and sudden infant death syndrome (SIDS) programs under one title (title X) of the Public Health Service Act does not suggest any intent by the Committee that these two authorities should be administered as one entity or be administered by the same component in HEW.

These two programs are being brought together under title X because sudden infant death syndome (SIDS) has no apparent genetic base and there is, therefore, no justification for placement of this program in title XI which includes programs for genetic diseases. Secondly, research has shown that many SIDS infants were born to very young mothers, were of low birth weight, or were born prematurely—conditions which can be alleviated to a significant degree through proper prenatal care or virtually eliminated by making voluntary family planning services available to sexually active adolescents, which has been made a major new initiative in the newly designated part A of title X. In addition, research in sudden infant death syndrome, high-risk pregnancy, and high-risk infancy as well as in population research is carried out at the same NIH Institute—the National Institute of Child Health and Human Development.

Identification of an Administrative Unit

Presently, the Sudden Infant Death Syndrome (SIDS) program is administered by the Office of Maternal and Child Health within the Bureau of Community Health Services of the Health Services Administration. Because of the relatively small size of the SIDS program and its limited funding, there exists a certain amount of fragmentation of personnel within the Bureau in order to provide the needed professional, consultant, and clerical support.

In an attempt to alleviate at least some of the fragmentation resulting from the division of management and support activities among several offices, the committee bill requires that a unit within the Department be identified to administer the SIDS program. The committee intends that this unit be the focal point for the identification and concentration of staff being funded from the SIDS appropriation. (Approximately $198,000 has been set aside from the $3 million appropriation in fiscal year 1978 for program support.) This provision should help the committee better understand how the administrative expenses allocation is being expended and for whom.

In requiring identification of this administrative unit, the Committee is not suggesting that the SIDS program be moved out of the Office of Maternal and Child Health which has been administering it. Retention of this program in this Office would seem to be both rational and sensitive given the apparent relationship of SIDS to prenatal development and the occurrence of this disorder during the first year of life. Continuing the SIDS program in this Office would, in addition, aid in the coordination of prevention and infant-identification activities once findings derived from biomedical research provide the tools for carrying out such activities.

Coupled with this provision is the requirement that adequate staff must be provided to administer the SIDS program. Because there has been no central administrative unit, and because of the variety of needs of the program, there are fragmented staffing patterns within the Department with respect to this program. At the March 1, 1978 SIDS hearing, Mrs. Nancy Lefebrve, President of the International Council for Infant Survival and herself a SIDS mother, stated:

A commitment to eradicate SIDS and in the interim, to administer humane services of information and support, cannot be effectively administered by part-time HEW-MCH personnel. Current staffing is inadequate if the tax-payer's money is to be cost effective in a program consistent with the high ideals of Public Law 93–270.

The adequate staffing provision would require that the Secretary provide the identifiable unit with such full-time professional and clerical staff as well as the services of such consultants and management and supporting staff as may be necessary to carry out this program. The committee believes these personnel are particularly important as the Department enters a phase of expansion of services to all the States, territories, and possessions not presently covered. This provision further corresponds with fiscal year 1978 Senate Labor-HEW Appropriations report (Senate Report 95–283) which states that "six positions are to be clearly indentified for the Sudden Infant Death Syndrome program" within the Health Service Administration.

Mandatory Reporting System

Public Law 93–270, as enacted in 1974, required that the Federally-funded projects provide counseling and information services to families affected by SIDS, and collect, analyze and furnish data relating to the causes of SIDS. The committee bill provides an expanded mandate for the type of data collected by requiring that it cover other appropriate aspects of SIDS. The committee is concerned that a uniform reporting system has not been developed for the communication to the Department of material collected at the project level. The committee bill requires that the Secretary develop and implement such a reporting system. Such a mechanism would not only enable the Department to have a more accurate account of project activities, but would provide information by which individual projects could make comparisons of their services and effectiveness. The need for such data was suggested at the March 1 hearing by Ms. Patricia Dorsa, project coordinator of the New Jersey SIDS Project, when she said:

Report of statistics to HEW should be mandatory and uniform so that epidemiological data of each project, when collated nationally, might reveal significant trends and occurrences.

Clearinghouse Activities

One of the most fundamental reasons for the creation of the SIDS legislation was the need to provide information and education regarding SIDS to the public, as well as to the various service providers who came into contact with SIDS parents after the death of the child. At the time the legislation was enacted, little was known about the disorder, there was no method of identifying children at risk and there was no known way to prevent the death of the child. Parents were sometimes arrested for child abuse or even murder because of a lack of understanding by law enforcement officials. Physicians and other members of the health care community knew very little, if anything, about SIDS and could offer very little assistance or support to the bereaved parents. Biomedical research projects directed toward solving the mystery of SIDS were few.

Much has been learned since the enactment of the Sudden Infant Death Syndrome Act of 1974. Numerous epidemiological factors have been identified as peculiar to SIDS infants; medical schools as well as other health professional institutions are beginning to include SIDS in their curricula:

their attitudes and understanding of the law enforcement community have vastly improved; the need for counseling of families of SIDS victims is beginning to be understood and is being given increased emphasis; research has revealed that SIDS babies are not the healthy babies they were once thought to be; instead they have been found to have distinctive physiological or anatomical disorders that previously went unnoticed.

With all these advances, however, there still remains much to learn. Research must continue so that the lesions or defects that are common to all SIDS victims can be identified and, once found, this information applied to preventing the syndrome. There needs to be an increased awareness of SIDS on the part of health professionals so that they can improve their services to families who lose their infants to SIDS. These services include counseling to such families, possible monitoring of subsequent siblings, and advising the SIDS families of the value of post mortem examination to ensure an accurate diagnosis. In order to foster increased awareness on the part of physicians-in-training, some SIDS projects are coordinating educational programs with medical schools in their vicinities. Through such coordinated efforts, medical students often have the opportunity to listen to a multi-disciplinary presentation on SIDS given by a pathologist, a pediatrician, a nurse and a SIDS parent. Such cooperative measures between federally funded SIDS information and counseling projects and medical schools must be encouraged, along with efforts to urge medical schools to include SIDS in their basic core curricula.

The committee heard testimony that information and educational materials must be in languages other than English and directed toward the economically disadvantaged population that so often experiences SIDS. The general public as well as service providers must continue to be educated as to the existence of this disorder. Although there has been a great improvement in understanding on the part of lay and professional communities with respect to SIDS, there are still many individuals who need to be reached.

Of basic importance in this informational and educational process, is coordination in the collection and dissemination of data. At the March 1 hearings, Ms. Dorsa also recommended:

. . . that a stabilized and ongoing system for the dissemination of information be developed so pertinent current information can be rapidly directed to those who need to use it on the grass roots level to insure implementation of current knowledge at the hospital's infant and pediatric units, as well as local pediatrician, family physician and obstetrician offices.

In order to improve the awareness of the public and provide timely information to those who need it regarding the various aspects of SIDS, the committee bill would require the Secretary to carry out coordinated clearinghouse activities. These activities will include the collection, analysis, and dissemination to the public, health, and educational institutions, professional organization, sudden infant death syndrome parent self-help organizations, and other interested parties, of information pertaining to SIDS and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as the advisability surrounding the use of cardiopulmonary home monitors and the conditions and required training associated with the use of such new technology. The committee takes note of the recent position of the Task Force on Prolonged Apnea of the American Academy of Pediatrics regarding the use of home monitors:

Electronic or other monitors of the heart or respiratory rate may be useful adjuncts to 24-hour surveillance, but should be used only under medical supervision.

It is committee's intent that, under this new clearinghouse authority, the contract mechanism would be used to engage public and private entities (including for-profit entities) in performing functions associated with the national efforts to develop and disseminate public information and professional education materials and in the collection, analysis, and furnishing of information relating to SIDS and other appropriate activities which relate to SIDS research and information and counseling activities.

The committee notes that in continuing the authority for grants and contracts under new section 1011(b)(1) for public and private entities to carry out information and counseling programs as well as the collection, analysis, and furnishing of information about SIDS, it is anticipated that the funding mechanism for such projects will be grants with public or nonprofit private entities wherever feasible and, where grants are not feasible, then contracts will be used with public or nonprofit private entities. It is the committee's view that the collection, analysis, and furnishing of information about SIDS is a necessary part of every information and counseling project. The committee has not authorized carrying out information and counseling projects through contracts with private, for-profit entities.

Involvement of Appropriate Parent Self-Help Organizations

Because the committee recognizes the valuable contributions that may be made to projects by parent self-help organizations, such as the International Council for Infant Survival and the National Sudden Infant Death Syndrome Foundation, as well as other individuals who have experienced the tragedy of SIDS, a provision has been included in the committee bill which states that, where appropriate, parent self-help groups should be included in the development and the operation of Federally-funded counseling and information projects. The provision responds to the March 1 testimony of Mr. Saul Goldberg of the International Council for Infant Survival, who testified as follows:

It would seem logical that that part of the community that is the people most willing to help and most likely to contribute through their own experience would be from the very organizations of SIDS parents who initiated the fight against Sudden Infant Death Syndrome and brought it to congressional attention. I speak of the National Sudden Infant Death Syndrome Foundation as well as the Guilds for Infant Survival. Yet the degree of participation in the development and operation of projects varies widely, and in some instances, does not exist by ignoring or bypassing this available resource. It may be given token recognition in ineffective community councils which are merely advisory and do not oversee project operations. Thus the term "appropriate community representation" is not specific enough. I suggest this phrase be changed to spell out SIDS parents groups.

Equitable Distribution of Funds and Needs of Rural and Urban Areas

The committee bill would require that the Secretary of HEW carry out an equitable distribution of funds for SIDS projects among the various regions of the nation, considering carefully the needs of both rural and urban populations so as to insure that every State has an equal opportunity to be considered for SIDS funding support.

The committee recognizes that many factors need to be considered in the awarding of SIDS information and counseling grants, such as the extent of the estimated SIDS problem in a State, the availability of appropriate resources to insure a coordinated, comprehensive, program of services for families within the State, and the availability of Federal funds. It is the committee's hope that comprehensive SIDS services will be available in all States by July 1, 1979. However, as funds are made available to reach this objective, the committee anticipates that not just the number of estimated SIDS deaths in a State, but these various other factors of need will be considered in determining award priorities.

Expansion and Extension of Authorizations of Appropriations

At the March 1 hearing, Ms. Carolyn Szybist, R.N., Executive Director of the National SIDS Foundation, offered the following recommendation:

We recommend that Public Law 93-270 be reauthorized for a period of the next 5 years. That the next 3 years of that reauthorization address itself to the maintenance of the good programs, the redevelopment of the less effective programs, and the establishment of programs where none currently exist. With that recommendation comes the mandate for maintenance services for communities not funded as grant projects under the law. We ask that programs be available and maintained for all families, not just some. We recommend that the last 2 years of the 5-year period address itself to the administrative task within HEW of the orderly transition of those programs into whatever mechanism is deemed appropriate for their maintenance.

In addition, Dr. Julius Richmond, Assistant Secretary for Health, testified:

Eventually we (HEW) hope to implement a nationwide program so that services comparable to those provided in the current projects areas are available for any family affected by a sudden and unexpected infant death.

With the testimony of these and other witnesses in mind, authorizations of appropriations for the new part B would be increased to $7 million for fiscal year 1979, $9 million for fiscal year 1980, and $11 million for fiscal year 1981 and for each of the next 2 fiscal years.

Such an expansion would allow for 3 years of continued project expansion and improvement, and two years of transition to greater reliance on community financing of the information and counseling activities and preparation for possible other means of Federal support. Current funding levels of $2,802,000 provide for the funding of counseling and information projects in only about half the States and territories, serving only about half the population. The substantial increase in the first year would provide funding for the expansion of projects to all States as called for in the committee bill, for some expansion within States, and for the expenses of the studies and reports required under the committee bill.

Project Plans and Reports

The committee bill requires that the Secretary submit to Congress an annual report regarding the activities and administration of the SIDS counseling and information projects. This requirement is an extension of the reporting requirement (for a January 1, 1976 report) which is part of existing law. The committee believes annual reports will serve to keep Congress informed as to (1) the advances in SIDS projects' counseling and informational activities; (2) what the state of the art is with respect to the clinical application of SIDS research activities, including information with respect to followup services that SIDS families or families of high-risk infants might be provided for their children, such as sleep evaluation, physical examination, monitoring, and other forms of physical assessment and treatment; and (3) whether

or not projects are moving toward finding community funding sources.

The report due on or before February 1, 1979, also would be required to set forth a plan for extension of counseling and information projects to all States by July 1, 1979, and to all territories and possessions by July 1, 1980. Such expansion will provide services to the approximately 23 States and the 7 territories which are presently without these services.

Study of State Death Investigation Systems

The committee bill requires the Secretary to conduct a study of the death investigation laws and systems in effect within the States, territories, and possessions of the United States, and how these laws and systems impact on sudden and unexplained infant deaths. The report of the study would also focus on any appropriate means for improving such laws and systems.

The diagnosis of sudden infant death syndrome is one of exclusion—only after other disease entities are ruled out is a SIDS diagnosis established. In order to rule out other diseases, disorders, or causes of death, an autopsy must be performed.

Whether or not a post mortem examination is performed is often dependent upon many factors such as the system used (medical examiner or coroner); State laws (which may or may not mandate post mortem examinations in the cases of sudden and unexplained infant death); and the quality of the presonnel used both to investigate the death scene and to perform the actual autopsy.

The systems generally used are based on either the coroner or the medical examiner models. The latter utilizes a network of physicians who are usually appointed to their positions by virtue of their expertise in the death investigation area and who are accountable to one central authority within the State—the chief medical examiner—who is generally a forensic pathologist. The coroner system uses individuals who are from varying disciplines (undertakers, physicians, and others) who are generally elected to their positions and usually function autonomously within the State.

In addition to ruling out other disease-entities and establishing the diagnosis of SIDS, the post mortem examination is vital in alleviating the guilt feelings of most SIDS parents. Parents need to be reassured that the diagnosis was indeed SIDS and that there was nothing they could possibly have done to save their baby. Testimony received at the March 1, 1978, hearing indicated that there were a variety of difficulties across the country in obtaining these vital post mortem examinations. In her testimony, Ms. Zoe Smialek, R.N., project coordinator of the Michigan SIDS Information and Counseling Project, described some of the impediments to obtaining autopsies on infants who die suddenly and unexpectedly. These included reports of physicians, even pathologists, recommending against autopsy and making inaccurate statements such as "What good will it do now?" or "You won't be able to have an open casket", and of medical examiners sometimes not informing the parents of the availability of the autopsy under State law.

While efforts are being made under the SIDS program to change the attitudes of the physicians and health care providers who come into contact with families following the death of their infant, a comprehensive analysis of death investigation laws and practices and their impact on sudden and unexplained infant deaths should provide information as to what appropriate action, if any, can be taken to rectify some of these problems. The committee believes that the study required should both look at the practicability of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis as well as examine the benefits and feasibility of a system for achieving the rapid reporting of autopsy results to the parents of infants who have died suddenly and unexpectedly.

Once this study has been completed, the Department should provide a copy of the report submitted to Congress to the appropriate authority within each of the States, territories and possessions of the United States.

Sudden Infant Death Syndrome Research and Reports

The committee bill would provide for increased emphasis on the all important area of SIDS research and specifies that this includes research specifically related to SIDS, research generally related to SIDS, and research in the area of high-risk pregnancy and high-risk infancy which relates to SIDS.

The committee bill would require that the Secretary assure that adequate sums are allocated from the appropriation to the National Institute of Child Health and Human Development to carry out SIDS research given the leads and findings available from such scientific investigation in order to make maximum feasible progress toward identification and prevention of SIDS.

The annual reports previously required under Public Law 93-270 would be made a permanent requirement of the NICHD, and, in addition, the committee bill would require that information be included in these reports to describe research activities in the area of high-risk pregnancy and high-risk infancy relating to SIDS. Information regarding this additional type of investigation is included to ensure that reports on activities already being funded by NICHD in this area are specifically included, and because it is felt that studying this field will not only provide us with clues so as to the cause of SIDS, but will help us to identify infants at risk that their deaths might be prevented.

The committee bill does not now include a specific dollar authorization for SIDS research which is generally authorized under section 301 of the PHS Act to be appropriated as part of the general appropriation to NICHD, the authority for which includes, in section 441(b) a specific reference to SIDS research. The committee intends to watch carefully the SIDS research program and urge substantially increased funding for it. For fiscal year 1979 the committee recommends an appropriation of $20 million for primary, secondary, and tertiary SIDS research—an increase of about $4 million over the HEW budget request. Should the level of funding of SIDS research not prove satisfactory, the committee will consider what other legislative methods may be necessary to secure the needed level of funding.

In addition to maintaining active support for biomedical investigation, there is a need to increase activities in the area of behavioral research. At the March 1 hearing, Dr. Alfred Steinschneider, professor in the Department of Pediatrics at the University of Maryland School of Medicine, testified:

Unfortunately relatively little scientific progress has been made in our understanding of the psychological and biological consequences of a SIDSS death on the surviving parents and siblings. I am aware of very few research studies which have focused directly on this very important problem area. The improvement of helping services to family survivors will require the accumulation of a considerably increased amount of objective data. Furthermore, research studies will have to be initiated and adequate funds made available to assess the effectiveness of proposed psychologically oriented intervention programs.

The need for such research was further suggested in the following testimony of Dr. Albert C. Cain, Professor in the Department of Psychology at the University of Michigan:

"As a private citizen, clinician, and behavioral scientist, I urge that you look unblinkingly at the nightmare of this unique human tragedy and its enduring effects, weigh carefully the human misery and social costs involved on your scale of values and priorities. I hope and trust that you will then not only extend the authorities of the legislative Act under consideration, but increase the funding authorized and broaden its mandate to include study of the behavioral aspects of SIDS losses—with the preventive intent of ultimately diminishing the tragic suffering of these families, and simultaneously accruing knowledge of likely benefits to the still larger number of bereaved families devastated by other forms of infant and child death."

According to testimony presented by Dr. Julius Richmond, Assistant Secretary of Health at this same hearing, one of the objectives of the SIDS research program being carried out by NICHD is "to elucidate the impact of a sudden and unexpected infant death on the parents, siblings and the extended family". The required research report would thus also include summaries of projects and activities being carried out in the area of studying the impact of SIDS on surviving family members.

The research report would also include summaries of findings, their possible clinical applicability, and the cost and implications of such applications. Within a few years, it is expected that information gathered from the research carried on through NICHD will be available for application in the clinical sector. Such information will assist in the identification of infants-at-risk and the prevention of the death of the potential victim. The annual reports on these activities should then assist the projects in disseminating timely information to health professionals and others within the community, and in expanding their focus to include prevention as well as information and counseling.

This reporting provision is designed to allow for thorough examination of new procedures prior to the time they are adopted for general use by the medical community and, thereby to protect against the premature application of "breakthrough technology" and the subsequent waste and danger that might result.

SECTION-BY-SECTION ANALYSIS OF S. 2522 AS REPORTED

SECTION 1

Provides that the act may be cited as the "Voluntary Family Planning Services, Population Research, and Sudden Infant Death Syndrome Amendments of 1978".

SECTION 2

Amends title X of the Public Health Service Act, Population Research and Voluntary Family Planning Programs, by changing the title to "Family Planning and Human Development Programs", and by establishing a part A—Voluntary Family Planning and Population Research Programs—and a part B—Sudden Infant Death Syndrome Programs.

NEW PART A—VOLUNTARY FAMILY PLANNING AND POPULATION RESEARCH PROGRAMS

Declaration of Purpose

New section 1000 contains a declaration of purpose for part A, for the most part derived from the Declaration of Purpose in section 2 of Public Law 91-572, the Family Planning Services and Population Research Act of 1970. The purposes of part A in title X are set forth as follows:

New clause (1)—to assist in making comprehensive voluntary family planning services (including infertility services) readily available to all persons desiring such services.

New clause (2)—to coordinate HEW domestic population and family planning re-

search with the present and future needs of family planning programs.

New clause (3)—to improve HEW administrative and operational supervision of domestic family planning programs and population research and other services programs related to such services.

New clause (4)—to enable public and nonprofit private entities to plan and develop comprehensive programs of family planning services.

New clause (5)—to develop and make readily available information (including educational materials) on family planning and population growth to all persons desiring such information.

New clause (6)—to evaluate and improve the effectiveness of HEW-supported family planning services programs and population research.

New clause (7)—to assist in providing trained personnel needed to carry out effectively family planning services programs and population research.

New clause (8)—to establish and maintain an office of Population Affairs in HEW as a primary focus within the Federal Government for matters pertaining to family planning services and population research through which the Secretary of HEW is directed to carry out the purposes of part A.

The provisions of the new section 1000 are identical to those in section 2 of Public Law 91–572 with the exception of including in clause (1) infertility services as services to be made available under part A, and modifying clause 8 to reflect the existence of an Office of Population Affairs and a Deputy Assistant Secretary for Population Affairs.

Subsection (a)(1) of new section 1001 establishes, within HEW, an Office of Population Affairs under the direction of a Deputy Assistant Secretary for Population Affairs. Provides that the Deputy Assistant Secretary for Population Affairs shall be appointed by the Secretary, shall be subject to direct supervision of the Assistant Secretary for Health, and shall be assigned no substantial functions or responsibilities not specified in Part A of title X or determined by the Assistant Secretary for Health to be necessary to carry out the purposes of part A.

New subsection (a)(2) provides that the Office of Population Affairs shall be headed by a Director subject to the direct supervision of the Deputy Assistant Secretary for Population Affairs, and requires the Secretary to provide the Office of Population Affairs with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for that Office to carry out effectively its functions under part A.

The provisions of subsection (a) are derived generally from section 3 of Public Law 91–572 which established the Office of Population Affairs and the position of Deputy Assistant Secretary for Population Affairs (DASPA) in HEW. Inclusion of these provisions in title X Part A reasserts original congressional intent that there be a Deputy Assistant Secretary for Population Affairs who shall direct the activities of the Office of Population Affairs, and, in addition, makes mandatory that that official shall not be assigned functions or responsibilities not specified in part A or determined by the Assistant Secretary for Health to be necessary to carry out the purposes of the part. The committee is concerned by actions taken in the past to assign the DASPA administrative responsibilities other than those specified by or necessary to Public Law 91–572 or to combine the functions of that position with those of another HEW position.

New subsection (b) provides that the Secretary shall utilize the DASPA as follows:

(1) to administer, directly through Office of Population Affairs, all Federal laws for which the Secretary has administrative responsibility and which provide for or authorize the making of grants or contracts related to family planning programs;

(2) to be responsible for general supervision of and overall policy formulation with respect to all population and family planning research carried on or supported by HEW pursuant to part A;

(3) to provide for the coordinated operation of clearinghouse activities for information pertaining to domestic and international family planning programs and population research for use by all interested persons and public and private entities;

(4) to coordinate the support of training carried out within HEW for necessary personnel for domestic family planning programs, and for family planning and population research activities;

(5)(A) to coordinate and, through the Office of Population Affairs, be responsible for the evaluation of the other HEW programs (including activities relating to the development and dissemination of information and educational materials) related to family planning (including advising the Secretary and the Assistant Secretary for Heath on the Adequacy of the data systems with respect to family planning activities in such programs) and population research, and to make periodic recommendations to the Secretary regarding such programs and systems; (B) to consult with the Commission of the Food and Drug Administration on all matters related to the evaluation and regulation of drugs and devices to assist in fertility management; an (C) to advise the Secretary regarding relationships between projects and activities supported under part A and other health care programs administered by HEW, and the extent to which such programs are carried out consistent with the purposes of this part; and

(6) to provide a liaison with the activities carried on by other agencies instrumentalities of the Federal Government relating to family planning programs and population research.

The subsection also provides that the administration of certain laws that provide for or authorize the making of grants or contracts related to family planning programs which clause (1) of new section 1001 requires the Deputy Assistant Secretary for Population Affairs to carry out directly, may be exercised through a delegation of authority which is personally made by the person serving as Deputy Assistant Secretary to an employee of the HEW not operating in the Office of Population as long as that employee is subject to the direct supervision of the DASPA, and provides that no such delegation of authority shall be effective unless, not less than thirty days before it is proposed to take effect, it has been published in the Federal Register and a copy transmitted to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives.

The committee bill clarifies the duties of the Deputy Assistant Secretary for Population Affairs with respect to family planning and population research. Whereas current law directs the Secretary to utilize that official to administer all departmental programs which authorize grants or contracts related to population research and family planning programs, the committee bill provides that the Deputy Assistant Secretary shall be responsible for general supervision and overall policy formulation of population and family planning research. The DASPA's responsibilities with respect to family planning programs are unchanged, but it is clarified that those responsibilities shall be administered directly through the Office of Population Affairs. The committee bill provides that the DASPA may exercise the responsibilities of that office with respect to administering laws related to family planning programs through a specific delegation of authority made by the DASPA himself or herself.

The previous DASPA delegated his authority to administer the family planning programs to the National Center for Family Planning Services, and subsequent reorganizations of Public Health Service Programs resulted in two layers of management being imposed between the Deputy Assistant Secretary and the family planning programs. The committee is concerned that this administrative structure has resulted in an unnecessary and inappropriate subordination of the interests and objectives of family planning programs to other programs of the Public Health Service. By authorizing the delegation of family planning service authorities to an individual not in the Office of Population Affairs who is subject to the direct supervision of the DASPA, the direct line authority of the DASPA would be preserved and the responsibility of that office to coordinate those programs with other Department of Health, Education, and Welfare programs related to family planning would be facilitated.

The committee bill, in addition, modifies existing law to clarify that the DASPA is to coordinate the operation of clearinghouse activities for information pertaining to domestic and international family planning programs and population research. Current law provides that that official is "to act" as a clearinghouse for such information. The committee feels that a strict interpretation of existing law would place an onerous, unachievable, and unrealistic responsibility on that official, and the modified language more precisely states original congressional intent.

A comparable modification is made with respect to the DASPA's responsibilities in the area of personnel training for family planning programs and family planning and population research activities. Current law states that the DASPA is to provide or support training for necessary manpower for domestic programs of population research and family planning programs of service and research. The committee bill modifies that provision to state, as is the current practice, that the DASPA is to coordinate the support of such training.

The committee bill alters current language in section 3 of Public Law 91–572 with respect to the coordination and evaluation responsibilities of the DASPA with other HEW programs related to population research and family planning by specifying the types of activities intended to be covered. The committee bill specifies that these programs shall include activities relating to the development and dissemination of informational and educational materials, and shall include advising the Secretary and the Assistant Secretary for Health regarding the adequacy of data systems utilized in family planning activities. It reinforces original congressional intent by specifying that the DASPA is to advise the Secretary regarding appropriate relationships between title X projects and activities, and other health care programs administered by the Department, and to consult with the Commissioner of the Food and Drug Administration (FDA) on all matters related to the evaluation and regulation of drugs and devices to assist in fertility management.

The committee believes that the DASPA is in a unique position to consult with the FDA Commissioner on matters related to the evaluation and regulation of contraceptive drugs and devices. Because of the contraceptive research and evaluation conducted by the Center for Population Research, it is logical for the DASPA to seek to coordinate the activties of that center with the activities conducted by the FDA. An additional area in which such consultation should be

particularly fruitful is the development of patient package inserts for contraceptive products.

It is understood, of course, that this consultative role in no way lessens the responsibilities of the WDA Commissioner for decision-making under the Federal Food, Drug, and Cosmetic Act.

Grants and Contracts for Family Planning Services Projects

Subsection (a) of new section 1002, authorizes the Secretary to make grants to and enter into contracts with public or nonprofit private entities to assist in one or more of the following activities: (1) the establishment, maintenance, and expansion of voluntary family planning projects which shall offer a broad range of acceptable and effective family planning methods (including natural family planning methods) to persons of all ages who need and desire them; (2) the provision through such voluntary family planning projects of comprehensive services appropriate to the needs of sexually active adolescents who need and desire such services in order to avoid unwanted pregnancies; and (3) the establishment and operation of demonstration projects aimed at alleviating problems of infertility through the provision of neecssary services to persons who need and desire them. Projects receiving assistance under clause (1) may utilize those funds for the specific purpose highlighted in clause (2)—adolescent services.

New subsection (b) contains language contained in previous subsection (b) of then section 1001 which provides that, in making grants and contracts under section 1002, the Secretary shall take into account the number and characteristics of patients to be served, the extent to which family planning services are needed locally, the relative need of the applicant, and its capacity to make rapid and effective use of such assistance, and further provides that local and regional entities shall be assured of the right to apply for direct grants and contracts under section 1002.

New subsection (c) repeats language in previous subsection (c) regarding authorizations of appropriations for fiscal years 1971 through 1978.

New subsection (d)(1) provides for the authorization of appropriations for grants and contracts for the purpose set forth in subsection (a)(1) (voluntary family planning services projects) in the following amounts: $169,000,000 for fiscal year 1979; $197,000,000 for fiscal year 1980; $228,000,000 for fiscal year 1981; $263,000,000 for fiscal year 1982; and $300,000,000 for fiscal year 1983.

New subsection (d)(2) provides for the authorization of appropriations for grants and contracts for the purposes set forth in subsection (a)(2) (comprehensive adolescent services) in the following amounts: $42,500,000 for fiscal year 1979; $72,000,000 for fiscal year 1980; $105,000,000 for fiscal year 1981; $142,000,000 for fiscal year 1982; and $183,000,000 for fiscal year 1983.

New subsection (d)(3) provides for the authorization of appropriations for grants and contracts for the purposes set forth in subsection (a)(3) (fertility services), in the following amounts: $5,000,000 for fiscal year 1979; $7,000,000 for fiscal year 1980; $10,000,000 for fiscal year 1981; $12,500,000 for fiscal year 1982; and $15,000,000, for fiscal year 1983.

Training Grants and Contracts

Subsection (a) of new section 1003 authorizes the Secretary to make grants to public or nonprofit private entities and to enter into contracts with public or private entities and inidividuals to provide training for personnel to carry out family planning services programs described in section 1002, including training in the provision of natural family planning methods. This provision is essentially identical to existing section 1003 except that it specifies the coverage of training in the provision of natural family planning methods.

New subsection (b) authorizes appropriations for grants and contracts under section 1003 for fiscal years 1971 through fiscal year 1983, restating the authorizations of appropriations in existing law through fiscal year 1978 and adding new authorizations in the following amounts: $4,000,000 for fiscal year 1979; $5,000,000 for fiscal year 1980; $5,500,000 for fiscal year 1981; $6,000,000 for fiscal year 1982; and $6,500,000 for fiscal year 1983.

Research

Subsection (a) of new section 1004 authorizes the Secretary to conduct and make grants to public or nonprofit private entities and enter into contracts with public or private entities and individuals for projects for research in the biomedical, contraceptive development, behavioral, and program implementation fields related to family planning and population, including infertility and natural family planning methods and methods for use by males and adolescents.

This provision is identical to existing law with the exception of specifying that population research shall include research in infertility and natural family planning methods and methods for use by males and adolescents. The committee believes that family planning must address the needs of infertile couples to have children when they want them as well as help fertile couples time the growth of their families. Research in the basic reproductive process can lead to ways in which both infertility and fertility can be controlled. The increasing number of couples who are dissatisfied with contraceptive pills or devices calls for increased research into more accurate ways of determining a women's fertile period so that natural family planning methods can be used more effectively.

New subsection (b) provides that when the Secretary determines it would serve the purposes of part A, the Secretary shall provide recipients of grants or contracts for contraceptive development with appopriate exclusive development and marketing rights pursuant to regulations the Secretary prescribes.

NIH has two different policies with respect to licensing marketing rights for commercial contractors. In the case of the National Cancer Institute, DHEW's regulations were changed in 1958, in the limited area of cancer chemotherapy research, to permit commercial concerns to retain the exclusive marketing rights to future inventions resulting from Federal contracts. This was done because it was felt that industry would not participate without this assurance. The Center for Population Research has recommended that the contraceptive development program be given similar treatment but with marketing rights limited to a three- to five-year period and this suggestion is still under review within HEW. At the present time, contraceptive development is a costly research area which few commercial firms find financially worthwhile to enter. In the last decade, private sector and foundation-supported population research has declined markedly. With the incentive of appropriate marketing rights, the committee feels that more private sector funds and resources would be devoted to contraceptive development.

New subsection (c)(1) authorizes appropriations for research described in subsection (a) for fiscal years 1971 through 1983, restating the authorizations of appropriations in existing law through fiscal year 1978 and adding new authorizations in the following amounts: $100,000,000 for fiscal year 1979; $125,000,000 for fiscal year 1980; and $200,000,000 for fiscal year 1983.

New subsection (c)(2) provides that no funds appropriated under any provision of the Public Health Service Act other than subsection 1004(c) may be used to conduct or support research described in subsection (a) or for the administration of section 1004.

This provision is identical to a provision in existing law added in 1975 to make clear that family planning research activities should be conducted under the authorities of title X, not the general research authority of section 301 of the Public Health Service Act. Included in the research authorized by this section are research in the most effective means of providing family planning services to population groups wanting them as well as biomedical, contraceptive, and behavioral research.

New subsection (d) provides that the Secretary shall ensure that research priorities and policies under section 1004 shall (1) be established by, and research activities pursuant thereto shall be carried out under the general supervision of, the DASPA, and, (2) with respect to the development and evaluation of contraceptive methods, be established after consultation with the Commissioner of the FDA.

This is a new provision clarifying that research priorities shall be established by, and carried out under the general supervision of the DASPA, and shall be established, with respect to contraceptive development, after consultation with the Commissioner of the FDA. Present law unrealistically assigns administrative control over population research carried out in NICHD to the DASPA. This arrangement has never been followed. The responsibilities and relationships assigned the Committee bill (here and in new section 1001(b)(2)) more nearly accord with present realities while highlighting the critical priority-setting and general supervision which Congress expects the DASPA to carry out with respect to population research conducted under title X.

Information and Educational Materials

Subsection (a) of new section 1005 authorizes the Secretary to make grants to public or nonprofit private entities and to enter into contracts with public or private entities and individuals to assist in developing and making available family planning and population growth information and educational materials, to all persons desiring such information or materials (including information or materials regarding natural family planning methods) with special emphasis on the development by the dissemination through appropriate community organizations of information and materials for adolescents.

This provision differs from that in existing law by specifying that information or materials regarding natural family planning methods are authorized to be included among family planning and population growth information materials developed and made available to persons desiring such information.

This provision also adds a direction that special emphasis be placed on the development by and dissemination through appropriate community organizations of information and educational materials for adolescents. The committee believes that for such efforts to be successful, these programs must be community supported and built upon community programs which have good records in reaching adolescents in a compassionate and sensitive manner in which the adolescents have faith and for which parents have respect.

New subsection (b) authorizes appropriations for grants and contracts for information and educational materials for fiscal years 1971 through 1983, relating the authorizations of appropriations in existing law through fiscal year 1978 and adding new authorizations in the following amounts: $6,000,000 for fiscal year 1979; $10,000,000 for fiscal year 1980; $12,000,000 for fiscal year 1981; $14,000,000 for fiscal year 1982; and $16,000,000 for fiscal year 1983.

The committee believes that the substan-

tial increase in the authorization of appropriations for informational and educational materials is warranted in view of the high rates of unwanted pregnancies among adolescents and the new emphasis on reaching adolescents as well as males.

Regulations and Payments

Subsection (a) of new section 1006 provides that grants and contracts made under part A shall be made in accordance with regulations prescribed by the Secretary and in amounts determined by the Secretary, and prohibits awarding a grant under any section of part A for any project for a fiscal year beginning after June 30, 1975, for less than 90 percent of its costs (as determined by those regulations) unless the grant is to be made for a project for which a grant was made, under the same section, for the fiscal year ending June 30, 1975, for less than 90 percent of its costs, in which case the grant for a fiscal year beginning after that date may not be made for a percentage which is less than the 1975 percentage.

This provision is essentially identical to existing law and provides that family planning grants shall be for no less than 90 percent of the estimated costs of projects (or a lesser percentage if projects were funded before June 30, 1975, at such a lesser percentage).

The purpose of the provision was to establish a ceiling on the matching funds which can be required as a condition for receiving a grant. Thus if a reduction in the amount of a grant is necessary, the Secretary is not at liberty to increase the required match for the purpose of compensating for the reduction in Federal support.

Moreover, if reimbursement or the size of contributions from other sources increases, a corresponding increase in Federal support is not required by this provision. The committee stresses that incentives are necessary to foster collection efforts, and if a project's Federal support is reduced by the amount of increased collections, there is no incentive for a project to aggressively pursue collections.

New subsection (b) provides that grants under part A shall be payable in such installments and subject to conditions the Secretary determines to be appropriate to assure that the grants will be effectively utilized for the purposes for which made.

This provision is identical to existing law.

New subsection (c) provides that grants may be made or contracts entered into under section 1002 only upon assurances satisfactory to the Secretary that—

(1) priority will be given in projects to furnishing family planning services to persons from low-income families and persons with difficulty in securing access to such services;

(2) no charge will be made in projects for family planning services provided to any person from a low-income family except to the extent that payment will be made by a third party (including a government agency) which is authorized or is under legal obligation to pay such charge;

(3) unemancipated minors requesting family planning services from projects will be encouraged, whenever feasible, to consult with their parents with respect to such services;

(4) family planning services will be available to both sexes in projects;

(5) reports will be submitted by projects to the Secretary in the form, with the frequency, and with the information the Secretary reasonably requires, including an annual report, in accordance with uniform criteria, of the number and characteristics of persons being served; and

(6) in the case of a project which serves a population including a substantial proportion of individuals of limited English proficiency, the project has (A) developed a plan and made arrangements responsive to the needs of that population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and (B) identified an individual on its staff who is fluent in both that language and in English and whose responsibilities are to include providing guidance to those individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

The committee bill makes several changes with respect to the assurances projects must provide the Secretary to be eligible for grants and contracts. The new emphasis on reaching persons who have difficulty securing access to family planning services is specified in amendments to clause (1). The committee bill also states in clause (3) congressional intent expressed in previous committee reports that unemancipated minors requesting family planning services must be encouraged by projects, whenever feasible, to consult with their parents with respect to family planning services. The committee bill specifies in clause (4) that family planning projects must make services available to males as well as females, and adds a new requirement in clause (5) of an annual report in accordance with uniform criteria of the number and characteristics of persons served by the projects.

The committee believes that uniform reporting criteria are essential to enable HEW to evaluate effectively, and compare information furnished from, the projects and to utilize the reports in arriving at any firm data on national trends and patterns in the use of family planning services. The committee bill adds in clause (6), language which is identical to provisions included in the Public Health Service Act with respect to neighborhood health centers (sec. 330(e)(2)(J)), and migrant health centers (sec. 319(4)(2)(J)), and in other health law, as to the community mental health centers (sec. 206(c)(1)(D)) of the Community Mental Health Centers Act, programs for the treatment of alcohol abuse (sec. 311(b) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970), and VA health care programs (38 U.S.C. 5001), which require projects or programs serving populations that include a substantial proportion of individuals of limited English proficiency to provide services, to the extent practicable, in the appropriate language and cultural context, and to identify an individual on the staff who is bilingual and who can help staff and patients with respect to cultural sensitivities and to bridge linguistic and cultural differences.

The on-the-staff requirement does not preclude a Departmental exception for a particularly small project if it could provide bilingual assistance through a volunteer staff member or a short-term contractual arrangement rather than a paid staff member.

New subsection (c) also provides that the Secretary shall define the term "low-income family" for purposes of subsection (c) in accordance with criteria the Secretary prescribes in regulations, and specifies that such definition is intended to ensure that economic status will not be a deterrent to participation in projects assisted under part A.

The committee bill amends existing language with respect to the definition of "low-income family" by requiring the Secretary to prescribe the criteria utilized in the regulations establishing the definition. The committee intends that the definition of "low-income family" prescribed by the Secretary would not have the effect of excluding from services a family which is unable to afford such services. The committee intends the Secretary in defining "low-income" to take into account the decisionmaking required by a marginally low-low-income family in weighing the cost of preventive family planning services against the cost of more immediate needs such as food, shelter, and clothing, and the probability of a decision being made to budget family income to meet these latter, more immediate needs.

New subsection (d) requires the Secretary to seek an equitable distribution of funds appropriated under part A among the HEW regions and to ensure that the needs of rural and urban areas are appropriately addressed.

In determining rural and urban areas, the committee believes that rural, or nonmetropolitan, counties should be defined as those outside a Standardized Metropolitan Statistical Area (SMSA) as designated by the Office of Management and Budget.

Voluntary Participation

Subsection (a) of new section 1007 provides that the acceptance by any individual of family planning services or family planning or population growth information or educational materials provided through financial assistance under part A (whether by grant or contract) shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or assistance from, or to participation in, any other program of the entity or individual that provided such service, information, or materials.

This provision is essentially identical to existing law with minor editorial changes reflecting the new statutory construction of title X into a part A and a part B.

New subsection (b) prohibits the Secretary, in making grants and contracts under section 1002, from requiring any individual employed by family planning projects, or terminating, suspending, or reducing assistance under part A, for such individual's failure, to advise regarding, refer patients for, or provide, abortion or sterilization procedures when such activity would be contrary to the religious beliefs or moral convictions of such individual.

Prohibition of Abortion

New section 1008 provides that none of the funds appropriated under part A may be used in programs where abortion is a method of family planning. This provision is identical to existing law with the exception of conforming the reference to title X to reflect the restructing of title X into a part A and a part B.

Plans and Reports

Subsection (a) of new section 1009 requires the Secretary, not later than 4 months after the end of each fiscal year, to make a report to the Congress setting forth a plan to be carried out over the next 5 fiscal years for the:

(1) extension of family planning services to all persons desiring them with particular emphasis on those who cannot afford them, adolescents, and others who lack access to such services and including persons residing in rural and urban areas;

(2) development of family planning programs and population research activities, including appropriate emphasis on natural family planning methods;

(3) training of necessary personnel for the programs authorized by part A of title X and other Federal laws for which the Secretary has responsibility and which pertain to family planning and population research;

(4) financing of these services and programs;

(5) evaluation of the efficiency and effectiveness of these services and programs; and

(6) carrying out the other purposes and provisions set forth in part A.

The new subsection (a) has essentially the same provisions as existing law for the preparation and submission to the Congress of a 5-year plan for family planning services and population research programs. The committee bill requires the report to be sub-

mitted 4 months after the close of each fiscal year rather than 7 months as in existing law so that the Congress will have the benefit of the information in the report in time to perform its responsibilities under the Budget Act in developing the budget for the next fiscal year.

In addition, the new subsection (a) reflects the new emphasis on extending family planning services to those who cannot afford the services, adolescents, and others who lack access to such services (including persons residing in rural and urban areas); provides that, in developing family planning programs and population research activities, appropriate emphasis be placed on natural family planning methods; and directs that the plan include plans for financing and evaluating family planning services and population research programs.

New subsection (b) requires that the 5-year plan shall, at a minimum, indicate on a phased basis:

(1) the number of individuals (especially those who lack access to such services and including persons residing in rural and urban areas) to be served by family planning programs under part A of title X and other Federal laws for which the Secretary has responsibility, as well as the social and demographic characteristics (including age and sex) of these individuals and the locations and types of agencies and projects providing such services; and the means by which such services and programs are to be financed;

(2) the types of family planning and population growth information and educational materials to be developed under part A and such other laws and how such information and materials will be made available;

(3) the research goals to be reached under part A and other Federal laws for which the Secretary has responsibility and which pertain to family planning and population research;

(4) the personnel to be trained under part A and such other laws;

(5) an estimate of the costs and personnel requirements needed to carry out the plan under the authorities in part A and such other laws; and

(6) the means and criteria by which such services and programs are to be evaluated, and the steps to be taken to maintain a systematic reporting system capable of yielding comparable, comprehensive data (including data on the use of natural family planning methods).

This provision amends existing law by specifying that the plan must indicate as among the individuals to be served by family planning programs, those who cannot afford family planning services, adolescents and others who lack access to family planning services (including persons residing in rural and urban areas), as well as the social and demographic characteristics—including age and sex—of individuals served, and the locations and types of agencies and projects providing family planning services and the means by which the services and programs are to be financed.

It should be emphasized that the committee intends the requirement for a systematic reporting system to be one which will report on services provided under all authorities for which the Secretary is responsible for family planning, including those provided under appropriate titles of the Social Security Act.

The committee bill sets forth with more specificity the goals to be described in the 5-year plan with respect to the types of family planning and population growth information and educational materials to be developed, and how that information and materials is to be made available; the research goals to be reached; the personnel to be trained; and an estimate of the costs and personnel requirements needed to carry out the 5-year plan under the authorities of part A of title X and other Federal laws for which the Secretary of HEW has responsibility which pertain to family planning and population research.

New subsection (c) provides that each report submitted shall:

(1) compare the results estimated to be achieved during the preceding fiscal year and the year preceding that fiscal year with the objectives established for each such year under the 5-year plan, and specifies that such estimates include services in rural and urban areas;

(2) indicate the steps taken and to be taken to achieve the objectives during the fiscal years covered by the five-year plan and any revisions to plans in previous reports necessary to meet updated objectives, and specify that the objectives include services in rural and urban areas;

(3) indicate any projected changes in the data-gathering system; and

(4) make other recommendations with respect to any additional legislative or administrative action necessary or desirable in order to carry out more effectively the purposes and provisions of part A.

Clause (1) in new subsection (c) alters existing law by requiring the reports to cover estimates for the preceding fiscal year, as well as results for the year preceding that fiscal year. HEW indicated that the data on the preceding fiscal year would not be available in final form until after the due date of the annual report. Under those circumstances, the committee experts data for the preceding year to be based on estimates, and data on the year preceding that year to be based on firm statistics. Existing law with respect to clause (2) is altered to specify that the plan must project steps to be taken to achieve the objectives of the plan as well as those already taken, and to specify that such projections must include estimates for services in rural and urban areas. A new clause (3) is added requiring the report to indicate any projected changes in the data-gathering system.

PART E—SUDDEN INFANT DEATH SYNDROME PROGRAMS

Sudden Infant Death Syndrome Counseling, Information, Educational, and Statistical Programs

Subsection (a)(1) of new section 1011 requires the Secretary, through an identifiable administrative unit under the supervision of the Assistant Secretary for Health, to carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome and to disseminate such information and materials to persons providing health care, to public safety officials, and to the general public. This subsection further requires the Secretary to administer, through the identifiable unit, the functions assigned in section 1011 and section 1012, and to provide the unit with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for the unit to carry out its functions effectively.

This provision is designed to increase the accountability of the Department for the administration of the SIDS information and counseling program and to alleviate some of the fragmentation that derives from the division of management and support activities among several offices. Personnel with primary responsibility for the SIDS program would be located in this unit.

New subsection (a)(2)(A) requires the Secretary to develop and implement a system for the periodic reporting to the Department, and dissemination by the Department, of information collected under grants and contracts made under subsection (b)(1) of this section.

The collection of information by grantees and contractors was first provided for in Public Law 93-270; however, a uniform, systematic reporting mechanism has never been established. This provision would require the development of such a mechanism so that the Department would acquire a more accurate picture of project activities, and projects would be able to make relative comparisons of their respective services and activities.

New subsection (a)(2)(B) requires the Secretary to carry out coordinated clearinghouse activities on sudden infant death syndrome, including the collection (and dissemination to the public, health and educational institutions, professional organizations, sudden infant death syndrome parent self-help organizations, and other interested parties) of information pertaining to sudden infant death syndrome and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as home monitors.

The clearinghouse function would facilitate the timely dissemination of information to the public, health and welfare professionals, law enforcement officials, and other service personnel who come in contact with the families of SIDS victims.

This provision authorizes the Secretary to enter into contracts to carry out the information and the clearinghouse activities required under subsection (a).

New subsection (b)(1) authorizes the Secretary to make grants to public or nonprofit private entities, and enter into contracts with public or private entities, for projects which include both the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes and other appropriate aspects of sudden infant death syndrome; and the provision of information and counseling to families affected by sudden infant death syndrome.

This provision continues the project grant mechanism in existing law and broadens the scope of information to be collected at the project level to include other appropriate aspects of SIDS in addition to information relating to the causes of SIDS.

New subsection (b)(2) provides that no grant may be made or contract entered into under subsection (b) unless an application therefor has been submitted to and approved by the Secretary; requires applications to be in such form, submitted in such manner, and contain such information as the Secretary prescribes by regulation; and requires each application to:

(A) provide that the project for which assistance under the subsection is sought will be administered by or under the supervision of the applicant;

(B) provide for appropriate community representation (including appropriate involvement of parent self-help groups) in the development and operation of the project;

(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to applicants under subsection (b); and

(D) provide for making reports in such form, frequency, and with information the Secretary reasonably requires, including reports that will assist in carrying out the provisions of subsection (a)(2) of section 1011 relating to periodic reporting and clearinghouse activities.

The provisions of subsection 1011(b)(2) are essentially identical to existing law except that clause (B) is amended to specify that appropriate community representation shall include appropriate involvement of parent self-help groups, and clause (D) is

amended to require project reports to include reports that will assist the Secretary in carrying out his periodic reporting and clearinghouse activities required by section 1011(a)(2).

New subsection (b)(3) provides that payments under grants under subsection (b) may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary—a provision identical to existing law.

New subsection (b)(4) provides that contracts under subsection (b) may be entered into without regard to sections 3648 through 3709 of the revised statutes (31 U.S.C. 529; 41 U.S.C. 5), which require certain advertising and bid procedures, a provision identical to existing law.

New subsection (b)(5) requires the Secretary to seek to make equitable distribution of funds appropriated under part B among the various regions of the country and to insure that the needs of rural and urban areas are appropriately addressed.

This provision is not intended to change the character of the SIDS program from a project grant program to a formula grant program, but would require the Secretary to consider carefully the needs and problems peculiar to rural and urban areas, such as transportation difficulties, and lack of access to specialized services, among other problems.

New subsection (b)(6) provides for the authorization of appropriations of $7,000,000 for fiscal year 1979, $9,000,000 for fiscal year 1980, $11,000,000 for fiscal year 1981 and for each of the next two fiscal years. This increase in authorizations over the present level of $3.6 million will allow for three years of continued project expansion and improvement and two years of transition to greater reliance on community support. It would also provide adequate funding for the establishment of counseling and information projects in all the States, territories, and possessions of the United States not presently served.

Plans and Reports

Subsection (a) of new section 1012 requires that not later than February 1 of each year after 1978, the Secretary shall submit to the Senate Committee on Human Resources and the House Committee on Interstate and Foreign Commerce a comprehensive report on the administration of part B of title X (including funds and positions allocated for personnel) and the results obtained from activities thereunder, including the extent of allocations made to rural and urban areas. The report submitted on or before February 1, 1979 is also required to set forth a plan to extend counseling and information projects to the fifty States and the District of Columbia by July 1, 1979, and extend counseling and information projects to all possessions and territories of the United States by July 1, 1980.

This provision will help keep Congress informed as to (1) the advances in SIDS projects' counseling and informational activities; (2) the state of the art with respect to the clinical application of SIDS research activities; and (3) whether or not projects are moving toward finding community support. It will also ensure the development of a plan for expansion of the needed counseling and information services to all the States, territories, and possessions of the United States not presently served.

New subsection (b) requires the Secretary to conduct or provide for the conduct of a study on State laws and practices relating to death investigation systems and their impact on sudden and unexplained infant deaths, any appropriate means for improving the quality, frequency, and uniformity of the post mortem examinations performed under such laws, practices, and systems in the case of sudden and unexplained infant deaths; and requires the Secretary not later than December 31, 1979, to report to the Congress the results of such study, including recommendations as to appropriate actions by HEW with respect to post mortem investigations in all cases of sudden and unexplained infant death (including the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis).

The performance of a post mortem examination (autopsy) is vital in making a diagnosis of sudden infant death syndrome because such a determination is made only after other causes of death have been ruled out. Whether or not such an examination is performed, and whether or not that examination is of high quality is dependent upon the death investigation laws and systems in existence within the State. A comprehensive analysis of these laws and systems and their impact on sudden and unexplained infant death will provide information as to what appropriate action, if any, should be taken by HEW. The committee believes consideration should be given to the feasibility and value of establishing projects for centralized post mortem and specimen examination systems on a statewide or regional basis, and expects consideration by the Department and a report prior to the date on which the entire report is due.

Sudden Infant Death Syndrome Research and Research Reports

Subsection (a) of new section 1013 requires the Secretary, from the sums appropriated to the National Institute of Child Health and Human Development under section 441 of the PHS Act, to assure that there are applied to research of the type described in paragraph (1)(A), (B), and (C) of subsection (b) of section 1013 such amounts each year as will be adequate, given the leads and findings then available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome. This provision highlights the importance of the SIDS research program and the need for increased support for this rapidly advancing area of investigation over the next several years.

New subsection (b)(1) requires the Secretary not later than ninety days after the close of fiscal year 1978 and each fiscal year thereafter, to report to the Senate and the House Committee on Appropriations, the Senate Committee on Human Resources, and the House Committee on Interstate and Foreign Commerce, the information for such fiscal year on—

(A) the (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under the PHS Act for research which relates specifically to SIDS, (ii) total number requested under such applications, (iii) number of such applications for which funds were provided in that fiscal year, and (iv) total amount of such funds;

(B) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under the PHS Act for research which relates generally to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in that fiscal year, and (iv) total amount of such funds; and

(C) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for high-risk pregnancy and high-risk infancy research which relates to sudden infant death syndrome, specifying how these conditions relate to SIDS, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in that fiscal year, and (iv) total amount of such funds.

Clauses (A) and (B) are identical to the existing law requirements in Public Law 93-270 which last applied to a report due for fiscal year 1976. Clause (C) is new and is an area already being studied by researchers interested in the SIDS phenomenon. The findings from studies in the area of high-risk pregnancy and high-risk infancy are considered to have significant applicability in the eventual solution to the problem of SIDS.

New subsection (b)(2)(A) requires that each report submitted under paragraph (1) of subsection (b) shall—

(A) contain a summary of the findings of intramural and extramural research supported by NICHD relating to SIDS as described in clauses (A), (B), and (C) of paragraph (1), and the Institute's plan for taking maximum advantage of those research leads and findings;

(B) provide information on activities underway and plans to bring about the appropriate clinical application of current research findings and the cost and implications of those applications; and

(C) provide an estimate of the need for additional funds over each of the next 5 fiscal years for grants and contracts under the PHS Act for research activities described in clauses (A), (B), and (C) of this paragraph.

Significant advances have been made in research since the enactment of Public Law 93270 in 1974. Within the next few years information gathered from the research carried on through NICHD will be available for clinical application. This subsection is thus intended to provide for careful analysis and appropriate application and dissemination of research findings, and to provide sound data on levels of funding required so that research may be continued at an adequate level.

New subsection (c) requires the Secretary, within five days after the budget is transmitted by the President to the Congress for each fiscal year after fiscal year 1979, to transmit to the Senate and House Committees on Appropriations, the Senate Committee on Human Resources, and the House Committee on Interstate and Foreign Commerce, an estimate of the amounts requested for the NICHD and any other Institutes of the National Institutes of Health, respectively, for research relating to SIDS as described in paragraph (1)(A), (B), and (C) of this subsection, and a comparison of those amounts with the amounts requested for the preceding fiscal year. This continues on an annual basis the reporting requirements in existing law (Public Law 93-270) and, in addition, for annual reporting of research activities in the areas of high-risk pregnancy and high-risk infancy related to SIDS.

Section 3

On the effective date of the Committee bill, amends the title of title XI of the Public Health Service Act to read "Genetic Diseases and Hemophilia Programs" and repeals part B of title XI of the PHS Act (the Sudden Infant Death Syndrome Programs) and sections 1, 2, 3, and 4 of Public Law 91-572 (the Family Planning and Population Research Act of 1970), and redesignates Part C of title XI (the Hemophilia Program) as part B.

Section 4

Provides that the provisions of the Committee bill shall take effect on October 1, 1978.

AUTHORIZATION OF APPROPRIATIONS

Mr. CRANSTON. Mr. President, the authorization of appropriations contained in S. 2522 as reported are set forth in a chart, which I ask unanimous consent be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

AUTHORIZATIONS OF APPROPRIATIONS, S. 2522, VOLUNTARY FAMILY PLANNING SERVICES, POPULATION RESEARCH, AND SUDDEN INFANT DEATH SYNDROME AMENDMENTS OF 1978 COMMITTEE PRINT

Purpose	Fiscal year—				
	1979	1980	1981	1982	1983
Family planning services projects (sec. 1001 (e)(1))	$169,000,000	$197,000,000	$228,000,000	$263,000,000	$300,000,000
Comprehensive services for adolescents (sec. 1001 (e)(2))	42,500,000	72,000,000	105,000,000	142,000,000	183,000,000
Infertility services (sec. 1001 (e)(3))	5,000,000	7,500,000	10,000,000	12,500,000	15,000,000
Training grants and contracts (sec. 1003 (b))	4,000,000	5,000,000	5,500,000	6,000,000	6,500,000
Research grants and contracts (sec. 1004 (c))	100,000,000	125,000,000	150,000,000	175,000,000	200,000,000
Information and education materials grants and contracts (sec. 1005 (b))	6,000,000	10,000,000	12,000,000	14,000,000	16,000,000
Sudden infant death syndrome information and counseling activities (sec. 1011 (b)(6))	7,000,000	9,000,000	11,000,000	11,000,000	11,000,000
Total	333,500,000	425,500,000	521,500,000	623,500,000	731,500,000

CONCLUSION

Mr. CRANSTON. Mr. President, I believe that S. 2522 as reported responds to the needs that were brought to our attention during committee consideration of both the voluntary family planning services and population research programs and the sudden infant death syndrome programs.

I urge the Members of the Senate to give this measure their full support.

Before closing, I want to express my particular appreciation to the cosponsors of S. 2522, the Senator from New Jersey (Mr. WILLIAMS), chairman of the Committee on Human Resources, the Senator from New York (Mr. JAVITS) who is our ranking minority member, the Senator from Michigan (Mr. RIEGLE) who is the ranking majority member on the subcommittee, and the Senator from Maine (Mr. HATHAWAY). I would also like to recognize the special contributions made in the development of S. 2522 by their staffs and other staff members of the Committee on Human Resources, particularly Louise Ringwalt, Mary Aronson, Susanne Martinez, Pat Markey, Jack Andrews, and David Morse, as well as Craig Polhemus, Ginny Eby, Chris Burch, Mike Francis, Ellen Akst, and Frances Lowe.

● Mr. JAVITS. Mr. President, as an original cosponsor of the bill, and as ranking minority member of the Committee on Human Resources, which unanimously reported S. 2522, the Voluntary Family Planning Services, Population Research, and Sudden Infant Death Syndrome Amendments of 1978, I support this legislation.

S. 2522 will significantly improve existing title X programs of family planning and population research. First, each of the four current title X categories—services, training, research, and information—are provided with authorizations over a 5-year period, so as to increase the opportunity of individuals to receive voluntary family planning services and improve existing biomedical, behavioral, and contraception research efforts. Second, S. 2522 extends and clarifies the jurisdiction and role of the Office of Population Affairs in HEW as established in title X by Public Law 91–572. Third, the bill will strengthen crucial natural family planning and contraceptive research programs and provide incentives for increased program development in the private sector. Fourth, and perhaps most important, S. 2522 authorizes a new and essential program to provide voluntary family planning services to sexually active adolescents who wish to avoid unwanted pregnancy.

This latter provision, emphasizing services to adolescents, is particularly important. It is estimated that there are at least 9.7 million women at risk of unwanted pregnancy who have difficulty obtaining family planning services, often due to economic reasons. A great proportion of these women are teenagers. More than half of the 21 million people in the United States between the ages of 15 and 19, and 20 percent of the 8 million 13- and 14-year-olds, are estimated to have need for such services. About 1 million of these adolescents become pregnant each year, and almost 600,000 give birth. Many of these pregnancies are unwanted, and often result in disastrous consequences for these individuals and their families. There is a higher incidence of low birth weight pregnancies, a greater risk of complications of pregnancy and childbirth, and higher rate of school dropouts, unemployment, welfare dependence, and out-of-weldock birth among these adolescents than in the general population. By providing this new emphasis on voluntary services to sexually active adolescents in this legislation, we can begin to confront and preempt the problems facing pregnant teenagers and their families.

These amendments to title X continue the authority of the voluntary family planning program to serve persons of all ages and all income levels. Family planning services have been particularly inaccessible to low-income persons, and other programs, mandated by title IV–A and XIX of the Social Security Act, supplement the basic title X program by affording low-income women the opportunity for family planning services.

Finally, S. 2522 incorporates the sudden infant death syndrome (SIDS) program within title X. This program, currently housed within the genetic disease title of the Public Health Services Act (title XI), will be placed in more appropriate administrative framework as part of title X. As a new part B of title X, the SIDS program will be provided with an increased authorization to improve counseling, research, and information activities. This will enable us to continue to search into the causes of this most tragic problem, and to seek out methods of prevention of sudden and unexplained infant deaths.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an exerpt from the report (No. 95–822), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 2522 AS REPORTED

BASIC PURPOSE

Voluntary family planning and population research programs

The basic thrusts of S. 2522 as reported with respect to the family planning and Population Research program authorization (designated a new part A in title X) are as follows:

First, to provide substantially increased authorizations of appropriations for each of the four programs (services, training, research, and information) for the next 5 years to expand the availability of voluntary family planning services and increase research in the biomedical, contraceptive development, and behavioral fields relating to family planning and population.

Second, to reassert and emphasize the administrative, supervisory, and coordinative functions and duties of the Deputy Assistant Secretary for Population Affairs and the Office of Population Affairs as set forth in the original legislation.

Third, to strengthen the contraceptive research activities carried out under the Act by increasing coordination between the Deputy Assistant Secretary for Population Affairs and the Commissioner of the Food and Drug Administration and by stressing the need for the Secretary to provide, where necessary, for appropriate exclusive development and marketing rights and incentives to stimulate contraceptive development in the private sector.

Fourth, to place new emphasis on the provision of family planning services to sexually active adolescents and to members of both sexes who want to avoid unwanted pregnancy, to ensure appropriate consideration is given the needs of rural and urban areas, to provide infertility services to persons seeking those services, to stress the needs of persons with limited English-language capacity, and to respond to criticism of the program by stressing natural family planning methods in each of the programs, by ensuring that no services project employee is compelled to act regarding abortion or sterilization in a way that violates personal conscience, and by encouraging projects to urge minors to consult with their parents regarding use of contraceptives.

Fifth, to improve the annual reporting and 5-year-plan updating requirements by appropriately reflecting the new emphasis in the print and by requiring greater specificity with respect to projected costs, numbers of administrative personnel, information and educational materials, research goals, personnel to be trained, and the means and criteria for evaluation of services.

Sudden infant death syndrome program

The basic thrusts of S. 2522 as reported with respect to the Sudden Infant Death Syndrome Program are as follows:

First, to establish within HEW an admin-

istrative unit to carry out the SIDS program in a coordinated and cohesive fashion with adequate staff and continuing accountability to the Congress with respect to activities carried out under the present law.

Second, to provide substantially increased authorizations of appropriations for the SIDS program over the next 5 years so as to improve and expand the data collection system, to provide specifically for clearinghouse activities, to provide for the expansion of counseling and information projects to all of the States and possessions and territories of the United States, with appropriate involvement of parent groups in the planning and carrying out of these projects, to improve services in States now being served; and to insure appropriate consideration is given the needs of rural and urban areas.

Third, to continue and improve various reporting requirements regarding the counseling and information projects and SIDS research.

Fourth, to insure that adequate resources are made available within the National Institute of Child Health and Human Development for research into the causes—and ultimate prevention—of this tragic problem.

Fifth, to develop information and seek out possible improvements with respect to the death investigation systems in the States in the area of sudden and unexplained infant deaths.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to amend title X and part B of title XI of the Public Health Service Act to extend appropriations authorizations for five fiscal years for voluntary family planning and population research programs and for sudden infant death syndrome programs, and to make improvements in the provisions governing such programs and research with respect to such syndrome; and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NURSE TRAINING AMENDMENTS OF 1978

The Senate proceeded to consider the bill (S. 2416) to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training, which had been reported from the Committee on Human Resources with amendments as follows:

On page 4, line 11, strike "two" and insert "four";

On page 4, beginning with line 15, insert the following:

SEC. 11. Subsection (e)(2)(B) of section 788 is amended by (1) striking out "$5,000,000" and inserting in lieu thereof "$10,000,000" and (2) inserting "for the fiscal years ending September 30, 1978, and September 30, 1979." after "subsection (b)".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. (a) This Act may be cited as the "Nurse Training Amendments of 1978".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. Section 801 (relating to authorizations for construction grants) is amended by inserting after "for fiscal year 1978" the following: "and for each of the next two fiscal years".

SEC. 3. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) are each amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (e) of such section is amended by inserting after "in fiscal year 1978" the following: "and in each of the next two fiscal years".

SEC. 4. Subsection (f) of section 810 (relating to capitation grants) is amended by inserting after "fiscal year 1978" the following: "and for each of the next two fiscal years".

SEC. 5. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) is amended by striking out "and' after "1977", and by inserting before the period the following: ", $20,000,000 for the fiscal year ending September 30, 1979, and $20,000,000 for the fiscal year ending September 30, 1980".

SEC. 6. Subsection (b) of section 821 (relating to advanced nurse training programs) is amended by inserting after "for fiscal year 1978" the following: "and for each of the next two fiscal years".

SEC. 7. Subsection (e) of section 822 (relating to nurse practitioner programs) is amended by striking out "for fiscal year 1978" and inserting in lieu thereof "each for the fiscal year ending September 30, 1978, and for the next two fiscal years".

SEC. 8. Subsection (b) of section 830 (relating to traineeships) is amended by inserting before the period "and for each of the next two fiscal years".

SEC. 9. (a) Subsection (b)(4) of section 835 (relating to loan agreements) is amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Section 837 (relating to authorizations for student loan funds) is amended (1) by inserting before the period in the first sentence "and for each of the two fiscal years", (2) by striking out "fiscal year 1979" and inserting in lieu thereof "the fiscal year ending September 30, 1981", and (3) by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1980".

(c)(1) Subsection (a) of section 839 (relating to distribution of assets) is amended by striking out "September 30, 1980, and not later than September 30, 1977" and inserting in lieu thereof "September 30, 1981 and not later than December 30, 1983".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and inserting in lieu thereof "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and inserting in lieu thereof "1983".

SEC. 10. (a) Subsection (b) of section 845 (relating to scholarship grants) is amended (1) by striking out "next two fiscal years" in the first sentence and inserting in lieu thereof "next four fiscal years", (2) by striking out "1979" and inserting in lieu thereof "1981", and (3) by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (c)(1) of such section is amended (1) by striking out "next two fiscal years" in subparagraph (A) and inserting in lieu thereof "next four fiscal years", (2) by striking out "1978" in subparagraph (B) and inserting in lieu thereof "1980", and (3) by striking out "1979" in such subparagraph and inserting in lieu thereof "1981".

SEC. 11. Subsection (e)(2)(B) of section 788 is amended by (1) striking out "$5,000,000" and inserting in lieu thereof "$10,000,000" and (2) inserting "for the fiscal years ending September 30, 1978, and September 30, 1979." after "subsection (b)".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendments were agreed to en bloc.

● Mr. WILLIAMS. Mr. President, I am pleased to again join my colleagues in supporting S. 2416, the Nurse Training Amendments of 1978.

As reported, S. 2416 authorizes support to schools for construction of new or replacement facilities, special projects, advanced training of registered nurses who hold baccalaureate degrees in nursing, and development and expansion of nurse practitioner programs. It also authorizes capitation grants to support nursing educational programs in diploma, associate degree, and collegiate schools of nursing. In addition, money is authorized to give financial assistance to nursing students via traineeships for advanced training and student loans.

The difference between the 1975 act and S. 2416 is the authority for financial distress grants. S. 2416 eliminates this section and transfers the $5 million authorized in fiscal year 1978 to the special project section (sec. 820(d)).

Members of the Senate will recall that the 1975 law was vetoed by President Ford. Indicating their support for nursing education, Members of Congress voted overwhelmingly to override the veto. The vote in the House was 384 to 48; in the Senate, 76 to 15.

This year, the administration has proposed drastic cuts in nurse training programs. They recommended a budget decrease from $119.5 million appropriated in 1978 to $20 million in fiscal year 1979. Only special project grants and nurse practitioner programs were included in the fiscal year 1979 budget. This would mean there would be no support for construction, no capitation money, and no money for advanced training programs to prepare clinicians, supervisors, and educators. Nursing students would not have access to traineeships or student loans under the Nurse Training Act.

My colleagues on the Human Resources Committee are convinced that a budget cut of almost $100 million would seriously undermine the education of professional nurses. Ironically, this would occur as the Senate is considering new legislation which would encourage primary health care and health maintenance organizations. It would occur as this country stands on the brink of initiating major changes in the health care delivery system. Certainly, it would be premature to act in this area without an evaluation of the total spectrum of health manpower.

I have heard and read arguments about an oversupply of nurses. I am informed that studies are underway in the Department of Health, Education, and Welfare to further study this question. Drastic action should not be undertaken before the facts are in. It is obvious that

we will be able to act in a more informed way in 2 years.

At the present time, there are few nurses prepared for supervisory or teaching responsibilities. Minority and disadvantaged people are underrepresented in the leadership ranks of professional nursing. Only about 8,000 nurses have received training as nurse practitioners.

The geographic maldistribution of nurses continues. In my own State of New Jersey, I am informed there is a nursing shortage in Newark, Perth Amboy, Middlesex, and Trenton.

We desperately need a comprehensive health manpower policy which will enhance and support national health initiatives and enable the implementation of a comprehensive health care program.

As study in this area develops, we need to proceed upon a firm foundation. Consequently, I urge my colleagues to reaffirm our support of professional nurses and the contribution they make to the health care of Americans and promptly pass S. 2416.●

● Mr. JAVITS. Mr. President, I rise in support of S. 2416, the Nurse Training Amendments of 1978. This bill, which I introduced on January 27, 1978, and which now has 26 cosponsors, is a straight 2-year extension of existing nurse training authorities with only one revision. Financial distress grants (section 815) have been deleted and the $5 million authorized there added to the special projects grants (section 820).

As my colleagues are no doubt aware, the administration has proposed in its fiscal year 1979 budget that substantial cuts be made in Federal assistance for nurse training programs. In hearings before the Human Resources Subcommittee on Health and Scientific Research, witnesses representing the administration attempted to justify this position by arguing that the current supply of nurses is adequate to support the existing health care system.

It is my belief and, by a unanimous vote, the belief of the Human Resources Committee, that continuation of Federal support for nursing education programs is vital at this time. I believe that a serious withdrawal of financial assistance in this area would lead to severe financial hardships for nursing schools and nursing students alike. According to a survey conducted by the American Association of Colleges for Nursing, 48 percent of the schools surveyed indicated that curtailment or loss of Federal funding would necessitate elimination of a program. In addition, roughly three-quarters of the schools surveyed indicated that a reduction in Federal funding on the order proposed by the administration would necessitate a significant lowering of enrollment in one or more of the baccalaureate or higher degree programs.

The impact of reduced Federal support for nursing education on nursing students is likely to have an equally dramatic adverse impact. According to representatives from the National Student Nurses' Association, the costs of tuition, books, supplies, uniforms, and transportation to and from settings where clinical experience is gained have risen sharply in recent years like the costs associated with all other aspects of the medical care delivery system. Because of the rigorous schedule imposed by required time for clinical experience coupled with classroom instruction and study time, most nursing students have fewer opportunities to earn the needed funds since their schedules leave less time for outside employment. The preliminary returns of a survey conducted by the National Student Nurses' Association revealed that a majority of respondents receive Federal financial assistance for their nursing education, and that approximately half of the respondents come from families with incomes below $15,000 per year.

In addition to the hardships that cuts in funding will produce for schools and students, I am not convinced that the existing supply of nurses is adequate to support the medical care system either now or in the future. During hearings on S. 2416, the Subcommittee on Health and Scientific Research heard from witnesses representing the American Hospital Association regarding the difficulties many hospitals are having in numerous parts of the country in recruiting adequately trained nurses. In addition, given the renewed emphasis on establishing additional health care facilities in local communities through such programs as community health centers, migrant health centers, health maintenance organizations, and other health service delivery entities, and given the potential for national health insurance, I believe that the demand for nurses is likely to increase and not decrease. For these reasons I feel it is imperative to continue support for nurse training programs at their current authorization levels.

I recognize, however, that a complete reevaluation of the programs supported by the Nurse Training Act is in order. To that end, it is my understanding that both the Department of Health, Education, and Welfare and the nursing profession are conducting studies aimed at ascertaining the future needs of the nursing profession. I believe that in 2 years, when S. 2416 expires, the needs of the medical care system with respect to nurses will be more predictable and the studies currently underway within the Government and the nursing profession will yield information upon which rational new initiatives for public support for nursing education can be proposed.

I look forward to receiving the results of these studies and to developing proposals for the reform of the Nurse Training Act. In the meantime, however, because of the potential adverse consequences which nursing schools and students are likely to suffer and because of the uncertain future demand for nurses, I believe we should continue our support of nursing education programs at this time. I urge my colleagues to favorably support S. 2416.●

● Mr. KENNEDY. Mr. President, I was pleased to join my distinguished colleague, Senator JAVITS, as a cosponsor of S. 2416, the Nurse Training Amendments Act of 1978.

The bill is a simple extension of the Nurse Training Act for 2 years. There is only one exception; the authority for financial distress grants (sec. 815) has been deleted and the $5 million authorized for the purpose transferred as additional funding for special projects (sec. 820).

The justification for this transfer is threefold: First, funds for financial distress grants have not been appropriated for several years; second, the Human Resources Committee has been advised by representatives of the nursing profession that nursing schools are not in need of financial distress grants as long as the Congress continues to appropriate funds for capitation grants at adequate levels; third, HEW has numerous approved but unfunded applications for special projects. The special projects section has been funded at its full authority ($15 million) for the past 3 years. By making available the additional $5 million, projects can be funded which will further our ability to deliver high quality health care services through innovative approaches to the delivery of such care.

In addition, the Committee on Human Resources included an amendment to the Health Professions Educational Assistance Act in S. 2416. The amendment gives the Secretary of HEW more flexibility in awarding financial distress grants to financially troubled medical schools.

Among the health professions training institutions in the United States are a few schools which train much-needed minority health personnel but which have continuing problems in financing their educational programs. Three such schools—Meharry Medical College of Nashville, Tenn.; Tuskegee School of Veterinary Medicine; and Xavier University School of Pharmacy estimate funding deficits totaling at least $7 million a year over the next several years.

The committee's amendment to subsection (e)(2)(B) of section 788—Financial Distress Grants and Contracts, would raise the authorization money from $5 million to $10 million for the purpose of providing additional assistance to these three health professions educational institutions who train a significant proportion of minority health personnel and which are in serious financial difficulty.

This amendment does not alter in any fundamental way the existing financial distress authorities and does not necessarily constitute an ongoing commitment. Major decisions regarding alterations in this authority will be considered in the context of the regular congressional review of the entire Health Manpower Act which will expire at the end of fiscal year 1980.

Nursing is an integral and major part of our health care system. Nurses are responsible for much primary care and have, in many instances, the most direct patient contact. The role of the nurse has expanded greatly in recent years. A nurse is no longer just an assistant to a doctor, but an integral part of the team caring for a patient. We have seen in recent years an expanded role for

nurses as nurse practitioners, nurse midwives, nurse anesthetists, and in many other areas.

This bill was introduced on January 24, 1978, by Senator JAVITS. I was pleased to be the original cosponsor. There are now 27 cosponsors.

A hearing was held on this bill on April 5, 1978, by the Subcommittee on Health and Scientific Research. The hearing was chaired by Senator JAVITS. Testimony was received from the administration. The administration opposed extending the full range of current authorities and proposed extensions only to the existing special project and nurse practitioner training authorities.

The subcommittee also heard testimony in support of the bill from the American Nurses' Association, American Association of Colleges of Nursing, National Student Nurses' Association, and the National League for Nursing.

Written statements in support of the bill have also been received from the American Hospital Association, American Medical Association, and Federation of American Hospitals.

The subcommittee considered the legislation in open markup on April 18, 1978, and ordered it reported to the full committee. On May 4, 1978, the full committee considered the legislation and ordered it favorably reported to the Senate.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–859), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUMMARY OF BILL

The purpose of S. 2416, the Nurse Training Amendments of 1978, is to continue Federal assistance for expiring nursing education programs, many of which have received such Federal support for more than 10 years.

The bill extends each of the provisions of the Nurse Training Act for 2 years with one exception: The authority for financial distress grants (sec. 815) has been deleted and the $5 million authorized for that purpose transferred as additional funding for special projects (sec. 820).

The justification for this transfer is threefold: first, funds for financial distress grants have not been appropriated for several years; second, the committee has been advised by representatives of the nursing profession that nursing schools are not in need of financial distress grants as long as the Congress continues to appropriate funds for capitation grants at adequate levels; third, HEW has numerous approved but unfunded applications for special projects. The special projects section has been funded at its full authority ($15 million) for the past 3 years. By making available the additional $5 million, projects can be funded which will further our ability to deliver high quality health care services through innovative approaches to the delivery of such care.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL SEA GRANT COLLEGE PROGRAM

The Senate proceeded to consider the bill (H.R. 10822) to improve the operations of the national sea grant program, to authorize appropriations to carry out such program for fiscal years 1979 and 1980, and for purposes, which had been reported from the Committee on Commerce, Science, and Transportation and the Committee on Human Resources, with an amendment to strike all after the enacting clause and insert the following:

That the title heading of title II of the Marine Resources and Engineering Development Act of 1966 (33 U.S.C. 1101 et seq.) is amended to read as follows:

"TITLE II—NATIONAL SEA GRANT COLLEGE PROGRAM"

SEC. 2. Section 201 of the National Sea Grant Program Act (33 U.S.C. 1121) is amended by inserting "College" immediately before "Program".

SEC. 3. The National Sea Grant College Program Act (as redesignated by section 2 of this Act) (33 U.S.C. 1121–1131) is amended—

(1) by amending section 204(d)—

(A) by striking out "and" at the end of paragraph (5),

(B) by redesignating paragraph (6) as paragraph (7), and

(C) by inserting immediately after paragraph (5) the following new paragraph:

"(6) accept funds from other Federal departments, agencies (including agencies within the Administration), and instrumentalities to pay for grants made, and contracts entered into, by the Secretary under section 25(a); and";

(2) by striking out the period at the end of the last sentence of section 205(a) and inserting in lieu thereof the following: "; except that this limitation shall not apply in the case of grants or contracts paid for with funds accepted by the Secretary under section 204(d)(6).";

(3) by amending the first sentence of section 26(c) to read as follows:

"There are authorized to be appropriated for purposes of carrying out this section not to exceed the following amounts:

"(1) $5,000,000 for each of fiscal years 1977, 1978, and 1979.

"(2) $7,000,000 for fiscal year 1980.";

(4) by amending section 211—

(A) by striking out "ANNUAL" in the section heading and inserting in lieu thereof "BIENNIAL",

(B) by amending subsection (a) to read as follows:

"(a) BIENNIAL REPORT.—The Secretary shall submit to the Congress and the President, not later than February 15, 1980, and not later than February 15 of every even-numbered year thereafter, a report on the activities of, and the outlook for, the national sea grant program."; and

(C) by amending the last sentence of subsection (b) to read as follows: "Such material shall be submitted to the Secretary not later than February 1 of the year in which the report concerned is to be submitted under subsection (a), and the Secretary shall cause it to be published as a separate section in such report."; and

(5) by amending the first sentence in section 212 to read as follows:

"There are authorized to be appropriated for purposes of carrying out the provisions of this title (other than section 206) not to exceed the following amounts:

"(1) $50,000,000 for each of fiscal years 1977 and 1978.

"(2) $55,000,000 for each of fiscal years 1979 and 1980.".

SEC. 4. Section 3 of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a) is amended by amending the first sentence of subsection (c) to read as follows:

"There are authorized to be appropriated for purposes of carrying out this section not to exceed the following amounts:

"(1) $3,000,000 for each of fiscal years 1977, 1978, and 1979.

"(2) $5,000,000 for fiscal year 1980.".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–887), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

It is the purpose of this bill to extend, for 2 fiscal years, the authorization of appropriations for the national sea grant program. The basic program is reauthorized at a level of $55 million for each of the next 2 fiscal years. National projects are reauthorized at $5 million for fiscal year 1979, and at $7 million for fiscal year 1980. International cooperation assistance is reauthorized at $3 million for fiscal year 1979, and at $5 million for fiscal year 1980.

H.R. 10822, as amended, revises the title of the act to read "National Sea Grant College Program Act." In addition, the Secretary of Commerce is authorized to accept funds from other Federal agencies and programs to be administered through the sea grant college program. The present requirement for an annual report on the program is changed to a requirement for a biennial report.

BACKGROUND AND NEEDS

Background

The sea grant college program was created by the National Sea Grant College and Program Act of 1966 (Public Law 89–688), and was originally part of the Marine Resources and Engineering Development Act of 1966. The National Science Foundation administered the program for the first 4 years of its existence. In 1970 a new agency was created, the National Oceanic and Atmospheric Administration (NOAA) by Reorganization Plan No. 4, and the sea grant program was transferred to the agency under that reorganization plan.

The sea grant program supports marine research, education and training, and advisory service activities primarily in coastal and Great Lakes States at colleges, universities, private institutes, and other entities. As originally conceived, the program provides grants on a Federal-State matching share basis.

In 1976, the Committee on Commerce and the Committee on Labor and Public Welfare carried out a comprehensive review of the sea grant program. The result was the Sea Grant Program Improvement Act of 1976 (Public Law 94–461) which was signed into law on October 8, 1976. This law revised the original act and made several changes in the program, including the establishment of guidelines for the administration of the program, and the creation of a Sea Grant Review Panel. The 1976 act also authorized two new program elements: national projects to support ocean and coastal projects of national significance, and international cooperation assistance to enhance the marine science capabilities of developing countries and to encourage the international exchange of scientific information. National projects can receive up to 100 percent Federal funding, and

international cooperation assistance grants do not require a state matching grant.

The national sea grant program was authorized for 1 year to permit Congress to review the implementation of the new legislation.

In 1977 the committees undertook a preliminary review of the program, and satisfied that good progress was being made, voted to extend the program's authorization.

Action of the committees

On April 7, 1978, a joint hearing was held by the committees on S. 2938 and H.R. 10822. Witnesses were heard from the Department of Commerce, Department of State, the Sea Grant Association, and the Massachusetts Institute of Technology.

During the course of the committees' review of the sea grant program, several needs were identified which were addressed in the Senate bill, S. 2938, and which were examined in the hearing.

The length of the reauthorization period engendered some discussion. The committees feel that the program has been making consistent progress in implementing the new provisions of the Sea Grant Program Improvement Act of 1976, and that an annual reauthorization is no longer necessary. As a result, the committees recommend a 2-year reauthorization period. Close contact will be kept with the program, and any review that is necessary can be accomplished through oversight hearings during the interim.

The Committees also recommend some changes in the levels of authorization. The basic program authorization which provides for the Federal share of the matching grants is raised from the current level of $50 million to $55 million for each of the next 2 fiscal years. This represents a 10 percent increase over the current amount authorized, and averaged over 2 years represents an increase of roughly 5 percent. This is in keeping with the accomplishments of the program, and allows for a conservative inflationary increase. National projects are currently authorized at a level of $5 million. The Committees feel that this amount is sufficient for fiscal year 1979, as this segment of the program is only now being implemented. For fiscal year 1980, the Committees recommend $7 million since national project grants are intended to respond to a list of priorities having national significance. International cooperation assistance is authorized at a level of $3 million currently. The Committees feel that this amount of funding is also sufficient for the coming fiscal year since this too is only now being implemented. The Committees believe, however, that this part of the program would benefit from a $2 million increase for fiscal year 1980, and recommends $5 million for that purpose.

The title of the law is changed by inserting the word "College", so that the title will read "National Sea Grant College Program Act". This is to make clear that institutions of higher education constitute the primary element in the sea grant program. This responds to one of the original goals of the act of 1966, to establish a system of colleges and universities similar to the land grant college system, for the purpose of utilizing, developing, and conserving marine resources.

The Secretary of Commerce is explicitly authorized to accept funds from other Federal departments, agencies, and instrumentalities, and act as their agent in disbursing these funds through the sea grant program, free of the matching requirement. This is consistent with the intent of the Sea Grant Program Improvement Act of 1976, which encourages other Federal departments and agencies to make use of sea grant's expertise and college network in seeking solutions to marine-related problems pertaining to their own missions. The Committees reviewed the legislative language of the 1976 act, and believe that the sea grant program will benefit from this revision which provides clear legislative authority for implementing the stated policy.

Recommendations were considered by the committees both for and against removing the limitation in the international cooperation assistance program segment which provides a focus on developing foreign nations. The purpose of the provision is to enhance scientific cooperation between developing foreign nations and their institutions of higher education, institutes, and laboratories and those of the United States. The committees believe that the original objective of this provision is valid, and are reluctant to broaden the scope before the program has had an opportunity to be carried out and evaluated. As a result, the committees recommend no change in the existing legislation.

The requirement of the act that a report be prepared and submitted to the Congress and the President on an annual basis is changed to require this report on a biennial basis instead. This is to reduce the administrative burden on the sea grant program, since in practice the preparation has required almost an entire year. This change will ensure that the Congress and the President will continue to receive periodic reports on the program's activities.

MARINE MAMMAL PROTECTION ACT AUTHORIZATION

The Senate proceeded to consider the bill (H.R. 10730) to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That section 109 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1379) is amended by adding at the end thereof the following new subsection:

"(d)(1) There are authorized to be appropriated to the Department of the Interior, for the purposes of carrying out this section, not to exceed $400,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.

"(2) There are authorized to be appropriated to the Department of Commerce, for the purposes of carrying out this section, not to exceed $225,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.".

SEC. 2. Section 110(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1380 (c)) is amended by adding at the end thereof the following new paragraphs:

"(4)(A) $1,300,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1979.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1979.

"(5)(A) $1,500,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1980.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1980.

"(6)(A) $2,100,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1981.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1981."

SEC. 3. Section 114 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1384) is amended—

(1) by amending subsection (a)—

(A) by striking out "title." and inserting in lieu thereof "title (other than sections 109 and 110).",

(B) by striking out "and" immediately after "fiscal years,", and

(C) by inserting immediately after "September 30, 1978," the following: "not to exceed $8,500,000 for the fiscal year ending September 30, 1979, not to exceed $9,000,000 for the fiscal year ending September 30, 1980, and not to exceed $9,500,000 for the fiscal year ending September 30, 1981,"; and

(2) by amending subsection (b)—

(A) by striking out "title." and inserting in lieu thereof "title (other than sections 109 and 110).",

(B) by striking out "and" immediately after "thereafter,", and

(C) by inserting immediately after "September 30, 1978" the following: ", not to exceed $650,000 for the fiscal year ending September 30, 1979, not to exceed $760,000 for the fiscal year ending September 30, 1980, and not to exceed $876,000 for the fiscal year ending September 30, 1981".

SEC. 4. Section 207 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1407) is amended—

(1) by striking out "and" immediately after "$1,000,000"; and

(2) by inserting ", the sum appropriated for the fiscal year ending September 30, 1979, shall not exceed $1,000,000, the sum appropriated for the fiscal year ending September 30, 1980, shall not exceed $1,000,000, and the sum appropriated for the fiscal year ending September 30, 1981, shall not exceed $1,000,000" immediately after "$2,000,000".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-888), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of H.R. 10730, as amended, is to extend the authorization period for the Marine Mammal Protection Act of 1972 through fiscal years 1979, 1980, and 1981, and to increase the authorization levels under the act.

BACKGROUND AND NEEDS

Background

The Marine Mammal Protection Act was enacted in 1972 to provide increased protection to marine mammals found within U.S. jurisdiction; to restrict the importation and taking of marine mammals; and to create the Marine Mammal Commission to do research and review agency actions under the act. In passing the act, Congress responded to the growing concern about man's impact on marine mammals which include whales, porpoises, seals, sea otters, polar bears, and manatees.

The act gave to the Secretaries of Interior and Commerce the authority and direction to establish general limitations upon the taking of all marine mammals, and within those limitations, to issue permits for their taking. Criminal and civil penalties are prescribed for violations of the act, and the importation of marine mammals and their products is subject to regulation. The act created a three member Marine Mammal

Commission which is charged with responsibility for monitoring the implementation of the act, recommending policies to the two Secretaries, and undertaking such research as is deemed appropriate.

Since the passage of the act, the agencies have engaged in a wide variety of research and management activities dealing with marine mammals. The Department of Commerce is currently engaged in research on competition between marine mammals and fishermen for fishery resources, incidental catch of marine mammals in fisheries other than the yellowfin tuna fishery, and the size and migration patterns of bowhead whale off the North Slope of Alaska. The Department of Commerce is continuing its research and regulatory efforts with regard to the tuna-porpoise problem. Significant progress has been made in this area with the cooperation and support of the tuna industry and the Marine Mammal Commission. The incidental take of porpoise recently has dropped to 0.24 animals per ton of yellowfin tuna caught on porpoise. In the first 4 months of this year, that has decreased further to 0.24 animals per ton.

The Department of the Interior is currently engaged in extensive research on polar bear distribution, den location, and environment. Two distinct populations of sea otters, those in California and Alaska, are being studied in regard to community studies, with particular emphasis in the California population on the shellfish-sea otter relationship. Although management of the Pacific walr[illegible] has been returned to the State of Alaska, the Fish and Wildlife Service is continuing to cooperate with the State in its research program.

The state of the manatee population in Florida has been of special concern to the Fish and Wildlife Service, which has continued the research into the distribution of the population and environmental conditions, and stepped up enforcement, in cooperation with the State of Florida, to provide protection for this endangered species from motorboat traffic in protected areas. Research is underway in cooperation with the Florida Power and Light Co. on the influence of warm water effluents from powerplants. Areas which receive these effluents seem to be effecting a change of winter population distribution of the manatee, with mortality connected with a drop in water temperature when the warm water effluents are reduced in correspondence with the power output requirements from the plants.

The Department of the Interior is involved internationally in cooperative efforts with the Soviet Union on polar bears, in implementing the five-nation agreement on the Conservation of Polar Bears for the United States, with population and distribution studies of the dugong, and in cooperative efforts with Mexico to examine the status of manatees.

The Marine Mammal Commission has been involved in a wide variety of activities affecting the protection of marine mammals both domestically and internationally. In 1977 the Commission supported more than $500,000 in research and studies concerning marine mammals. In regard to the tuna-porpoise controversy, the commission helped to develop a project, in cooperation with the Department of Commerce and the U.S. Tuna Foundation for utilization of a dedicated research vessel provided by the tuna industry. In addition to these activities, the commission reviewed research efforts of Federal agencies, and made a series of recommendations on a variety of actions affecting marine mammals, such as cooperative research and conservation agreements with Mexico, Alaska's request to waive the moratorium on nine marine mammal species, and permit applications to take marine mammals for scientific research and public display.

Committee action

H.R. 10730 was passed by the House on April 10, 1978. The Committee on Commerce, Science, and Transportation held a full committee hearing on the bill on May 3, 1978. The committee received testimony from representatives of the Department of Commerce, Department of the Interior, Marine Mammal Commission, Monitor, Inc., and Defenders of Wildlife.

All the witnesses appearing before the committee expressed their strong support for extending the authorization of appropriations under the act. The hearing examined in some detail whether the authorization levels requested by the administration and those contained in H.R. 10730 would be adequate to maintain the level of research, policy development, and enforcement envisioned by the act. This point was stressed in regard to the Marine Mammal Commission authorization. The committee feels that the authorization level requested by the Administration is too low to permit the commission to continue to provide policy review of the activities of the Federal agencies, and continue research projects on a need basis, which are intended to be taken over by the departments as their efforts gain more comprehensiveness. For these reasons, the committee feels that the authorization level proposed in H.R. 10730 of $1 million for each of the next 3 fiscal years is much more realistic in terms of the variety of tasks which the Marine Mammal Commission is responsive for carrying out than is the administration request.

Under section 109, the Secretaries of Commerce and Interior may make grants to States to develop and implement management plans for the purpose of marine mammal management if the Secretaries determine that State laws and regulations are in keeping with the policies of the act. These grants can provide up to 50 percent of the cost. In the past, this segment of the act has not received a separate authorization. The bill provides for an authorization under section 109, and the committee believes that this is a necessary and wise step to assist those States with the capability to assume management responsibilities.

In the committee's review of the Marine Mammal Protection Act, particular attention has been given to the bowhead whale controversy involving subsistence hunting of this species by Alaskan Natives. The Department of Commerce currently has underway a comprehensive research and monitoring effort in Alaska in response to concerns voiced by the International Whaling Commission (IWC) concerning the status of the bowhead population, and the Alaskan Natives concerning the cultural and nutritional needs to continue the hunt. As a result of a quota for taking of bowheads applied by the IWC in December 1977, and a ruling by the Department of Commerce, the hunt is being limited to 12 landed or 18 struck, whichever occurs first. The major basis for the controversy has been incomplete data on population levels of the bowhead whale. In light of this, the committee recommends additional funding under section 110 for the Department of Commerce to be utilized for research and monitoring of this species. The committee amended H.R. 10730 to raise the levels of authorization of appropriations for each of the next 3 fiscal years to $2,700,000, from levels of $1,600,000 for fiscal year 1979, $2,000,000 for fiscal year 1980, and $2,500,000 for fiscal year 1981.

POSSESSION OF FIREARMS AND OTHER WEAPONS BY MEMBERS OF THE DISTRICT OF COLUMBIA DEPARTMENT OF CORRECTIONS

The bill (S. 2511) to restrict the possession and carrying of pistols, other firearms, and other dangerous weapons by members of the District of Columbia Department of Corrections to periods of time when they are on duty and authorized by the Director of the District of Columbia Department of Corrections, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act of July 8, 1932 (D.C. Code, sec. 22–3205), is amended—

(1) by deleting "prison or jail wardens, or their deputies, policemen, or other duly appointed law enforcement officers,"; and

(2) by inserting in lieu thereof "or their deputies, policemen, or other duly appointed law enforcement officers, or to prison or jail wardens or their deputies when on duty and authorized by the Director of the District of Columbia Department of Corrections,".

SEC. 2. Section 14 of the Act of July 8, 1932, as amended (D.C. Code, sec. 22–3214), is amended—

(1) by deleting "mashals, sheriffs, prison or jail wardens,"; and

(2) by inserting in lieu thereof "prison or jail wardens, or their deputies, when on duty and authorized by the Director of the District of Columbia Department of Corrections, and marshals and sheriffs,"

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–893), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to restrict the possession and carrying of pistols, other firearms and other dangerous weapons by members of the District of Columbia Department of Corrections to periods of time when they are on duty and authorized by the Director of the Department.

BACKGROUND

Section 602(a)(9) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (the Home Rule Act) reserves sole authority in the Congress of the United States to enact any act with respect to the title 22 (relating to criminal offenses) of the District of Columbia Code. Title 22, sections 3205 and 3214, contain certain exceptions to the general prohibition (in sec. 3204) against the carrying and possession of pistols and other dangerous weapons, and are the provisions which this bill amends in order to restrict the carrying of weapons by correctional officers.

NEED FOR LEGISLATION AND LEGISLATIVE HISTORY

The need for this amendment was articulated by Attorney General Griffin B. Bell, by whose request the bill was introduced. The Attorney General stated that the proposed legislation would amend sections 22–3205 and 22–3214 of the District of Columbia Code which, as presently drafted and construed by the District of Columbia Circuit Court of Appeals, place no limitations on the carrying of weapons by members of the District of Columbia Department of Corrections. See *United States* v. *Pritchett*, 470 F. 2d 455 (D.C. Cir. 1972). Except for guards in work towers,

on escort duty, or in emergency situations, District of Columbia correctional officers are not permitted to carry weapons when on duty. The present law permits them to carry and possess these weapons when off duty. In both the *Pritchett* case *supra*, and another more recent case. *United States* v. *Gibbs*, D.C. Superior Court Criminal No. 21535–76, December 3, 1976, charges against correctional officers for illegally carrying a pistol were dismissed by the Court, although the officers were clearly in a nonwork status and not on duty.

The committee has been advised that a number of correctional officers and employees believe that because of the nature of their employment, they should be authorized to carry guns at all times. The Director of the Department of Corrections, however, has had a long-standing policy prohibiting his employees from carrying guns off duty. In fact, as mentioned above, he authorizes only a few officers to have guns when on duty. This Department supports the policy of the Director and believes the legislative authority to carry guns off duty should be eliminated. Accordingly, the committee recommends that sections 22–3205 and 22–3214 of the District of Columbia Code be amended.

The pertinent language of section 22–3205 presently reads as follows:

The provisions of section 22–3204 shall not apply to marshals, sheriffs, prison or jail wardens, or their deputies, policemen or other duly appointed law enforcement officers, or to *members of the Army, Navy, Air Force, or Marine Corps of the United States or of the National Guard or Organized Reserves when on duty* . . . [Emphasis added]

In the *Pritchett* case, *supra*, the phrase "when on duty" was restricted to those covered by the italicized portion above. S. 2511 would amend section 22–3205 to clearly restrict the possession and carrying of dangerous weapons by members of the District of Columbia Department of Corrections to periods of time when they are on duty and authorized by the Director of the District of Columbia Department of Corrections. In addition, the proposal would amend section 22–3214 of the District of Columbia Code to clarify similar language pertaining to the carrying of machine guns, sawed-off shotguns, or blackjacks.

This bill was considered by the Subcommittee on Governmental Efficiency and the District of Columbia on Governmental Affairs. Since no opposition was expressed, no hearings were deemed necessary.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I yield 5 minutes of my time under the standing order to the distinguished Senator from Kansas.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

S. 3165—WILLIAM AND RITA ARMSTRONG

Mr. DOLE. Mr. President, today I am introducing a private relief bill for William and Rita Armstrong of Chetopa, Kans.

Early this year, Mr. and Mrs. Armstrong sold their possessions in Germany and came to the United States to claim property which had been willed to Mr. Armstrong by his late father. Since their arrival in the United States, the Armstrongs have made the decision to remain in the Chetopa area and become U.S. citizens. However, before their departure from Germany the Armstrongs were only able to obtain visitor's visas thus allowing them to stay in the United States for a short time. A change in a visitor's visa to immigration status is necessary for any individual who wants to remain in the United States and become a citizen. To enact such a change in status, the individual must obtain employment in the United States, thus insuring him an income and financial stability. However, like so many other areas in the United States, the southern region of Kansas suffers from the lack of employment opportunities.

Both Mr. and Mrs. Armstrong have qualified educations and expertise in their respective fields of teaching and computer sciences, and have also been working diligently to master the English language. They have secured future employment opportunities but unfortunately, their visitor's visas expire before that employment can be attained. To extend their stay so that they may continue their search for meaningful employment in the United States, I am today introducing a private relief bill on their behalf.

Many residents, along with business men and women, in the Chetopa area have written to me requesting that the Armstrongs remain in the United States. Along with those residents, I sincerely believe the Armstrongs would serve as outstanding citizens not only to the Chetopa area, but to Kansas and the United States.

Mr. President, I ask unanimous consent that the text of my bill, along with the following letters from the Armstrongs and various communications from residents of the area be printed in the RECORD at this point.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 3165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of the Immigration and Nationality Act, William Armstrong and his wife, Rita Armstrong, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon the payment of the required visa fees. On the granting of permanent residence to each alien as provided in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year on the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of each of the aliens' birth under section 203(a) of the Immigration and Nationality Act.

CHETOPA, KANS.,
March 10, 1978.

U.S. Senator BOB DOLE,
Plaza Professional Building,
Parsons, Kans.

DEAR SENATOR DOLE: First I want to thank you very much for your friendly answer on our letter from February the 17th, and your interest you showed in our case.

I'm glad that I can inform you that my husband and I have found a job which we need to get our Immigrant Visas. The public school in Parsons has filled out the petition for me and is willing to hire me as a substitute. The school-director of the Public School told me that he will give me a better job for what I'm qualified in my education after I can speak the language fluently. I was in Germany at the Technical High School for Social Science and made behind that my practical education in a hospital for children with mental diseases. I was trained there how to deal with children who are handicapped in their mind and body. This kind of work made me satisfied because I always felt that I have a talent to help such children. I also worked as a teacher's aide in a children's home for kids who had no parents or a part of them were alcoholics. I used to work with other teacher aides and our supervisor who were qualified in this kind of work. I had to take care of children between the ages 2 to 15 years old. Behind that I had to take care that the children made their homework right and shared their different games.

I was in a Private Business School too and made after three years my examinations to get a diploma as a secretary. My last job in this kind of work was a secretary in one of the biggest newspapers called Aseel Springs Verlag. I used to make the correspondence for different departments.

Well I would be happy if we could stay here in the United States because I like this country and the people and I think that it wouldn't take us long to get used to everything and to make our own living.

Sincerely yours,

RITA ARMSTRONG.

[Translation: Salvation Army, Die Heilsarmee—Kinderheim, Berlin, May 31, 1975]

CERTIFICATE

Miss Rita Lampert was born on July 14, 1951, and was employed by us from February 1, 1975 to June 30, 1975 as a teacher's aide.

Her special assignment consisted of taking care of a group of 13 children ranging from ages 2 to 15. She worked in collaboration with three other teacher aides and one supervisor.

Miss Lampert tried to understand the behavior of the children and to please them. She completed her assignment satisfactorily.

Miss Lampert decided to leave us for personal reasons. We wish her well in the future.

ELFRIEDE BRÜCHER,
Kindergarten Director.
DEBORAH A. O. BEACH,
Notary Public.

My Commission Expires May 30, 1979.

(Translated by Dr. Henri Freyburger, Chairperson, Department of Foreign Languages, Pittsburg State University, Pittsburg, Kansas 66762, February 22, 1978.)

APRIL 6, 1978.

We, the undersigned, knew William Armstrong of Chetopa, Kansas, now deceased, and we also know his son, Bill Armstrong, of Germany.

We are familiar with William Armstrong's desire that his son Bill become an American citizen.

By this petition we ask that William Armstrong's wishes be followed after his death, and that his son be given an opportunity to stay in the United States.

Name and address:

Mrs. Juanita Armstrong (grandmother), Chetopa, Kansas.

Willie Armstrong (grandfather), Chetopa, Kansas.

Mrs. Edna Lowthan (aunt), Chetopa, Kansas.

Mrs. Ida Jameson (aunt), Chetopa, Kansas.

Kenneth E. Armstrong (uncle), Kansas City, Mo. 64130.
Minthe Jones (aunt), Las Vegas, Nevada 89106.
Juanita J. Armstrong, Chetopa, Kansas 67336.
William L. Armstrong, Chetopa, Kansas 67336.
Antoinette Marie Armstrong, Chetopa, Kan-
Antoinette Marie Armstrong, Chetopa, Kansas 67336.
Riley Cartwright, Parsons, Kansas 67357.
Sharon Jones, Kansas City, Missouri 64127.
Mr. and Mrs. Carroll F. Armstrong.
Mr. and Mrs. Edgar Bassett, Jr., Chetopa, Kansas 67336.
Roscoe Bassett, Chetopa, Kansas 67336,
Susie L. Caldwell, Chetopa, Kansas 67336.
Harold Caldwell, Chetopa, Kansas 67336.
Howard L. Stewart, Chetopa, Kansas 67336.
Laurie Nading, Chetopa, Kans. 67336.
Rose E. Wineberley, Chetopa, Kans. 67336.
Clonie Kefford, Chetopa, Kans. 67336.
Ernest Ballard, Chetopa, Kansas.
Harry Jameson, Chetopa, Kansas 67336.
Christine Parks, Chetopa, Kansas.
Nancy Smith, Chetopa, Kansas 67336.
Lawrence Coleman, 22 S. 1 St., Chetopa, Kansas.
Frankie Patterson, Route 2, Chetopa, Kansas.
Virginia Patterson, Route 2, Chetopa, Kansas.
Lillie Drisher, Box 536, Chetopa, Kansas
Beulah Mayfield, Box 623, Kansas.
Don Stuart, Box 111, Chetopa, Kansas.
Everett Webster, Box 163, Chetopa, Kansas.
Larry L. Fesly, 502 5th, Oswego, Kansas.
Lucille Smith, Box 591, Chetopa, Kansas.
Loretta A. Evans, Box 7403, Bartlett, Kansas.
Mary G. Barber, 1021 Locust St., Chetopa, Kansas.
Frank H. Patterson, Jr., Route 2, Chetopa, Kansas.
Herbert Carlyle Hazley, Chetopa, Kansas.
Herbert Hazley, Jr., Chetopa, Kansas.
Emma J. Hazley, Chetopa, Kansas.
Rosile Lydle, Chetopa, Kansas.
Delbert Kefford, Chetopa, Kansas.
Lolo Richey, Chetopa, Kansas.
Matilda E. Osborn, Chetopa, Kansas.
Mae Herridge, Chetopa, Kansas.
Sharon Smith, Chetopa, Kansas.
Margie Smith, Chetopa, Kansas.
Robert Armstrong, Chetopa, Kansas.
Frances Armstrong, Chetopa, Kansas.

APRIL 27, 1978.

Hon. ROBERT DOLE,
U.S. Senate,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR: Your help in the case of Mr. William Armstrong, Jr. is very much appreciated, and I would like to add my name to those who are making an appeal in his behalf. I am sure your files give a complete story on his case. Bill Armstrong, Jr. is, without question, the son of Mr. William Armstrong of Chetopa, Kansas. This is even admitted by the immigration office. Bill's father attempted to do everything possible to secure citizenship or permanent visa for Bill. He obviously did not have good counsel and the job was not completed in the form necessary for the Immigration Department.

In my opinion, the thing that is lacking in all of this is justice. Simply because the red-tape was incomplete, a father was not able to bring his son to live with him, and now the father is dead. I hope that justice will prevail, so that the wishes of Bill Armstrong, Sr. will be fulfilled. Again, thank you for your help.

Sincerely,

JAMES E. SCALETTY,
President.

MAY 22, 1978.

Hon. ROBERT DOLE,
Kansas Senate,
Topeka, Kans.

DEAR SIR: During the last few months I've had the opportunity to meet and get to know William Armstrong, Jr.

I've found him to be an honest sincere person. He would be a fine citizen.

I'd like to express my desire that he be permitted to remain in the United States.

Thank you very much.

Sincerely,

TERRY B. ROTHSTEIN, M.D.

S. 3166, SENATE JOINT RESOLUTION 138, S. 3167, AND S. 3168—TAXPAYER ASSISTANCE LEGISLATION

Mr. DOLE. Mr. President, yesterday the voters of California demonstrated their anger. In approving proposition 13 they have told their government that enough is enough. The taxpayers of California—and across America—are in a state of revolt. It is time the Congress take note and realize that the American taxpayer is waking up from his eternal tax nightmare.

PROPOSITION 13

Mr. President, proposition 13 is a tax limitation measure. It is designed to cut State property taxes by $7 billion. However, more significantly it limits future property taxes to 1 percent of assessed valuation and requires a two-thirds vote to enact new taxes.

Over the past years, Californians have seen their property taxes skyrocket. Property tax bills have increased 100 to 200 percent—and even as much as 1,000 percent from year to year.

The taxpayers revolt is caused by the two nagging problems of big government and inflation. Property values have dramatically increased in our inflationary economy. However, the average owner has not benefited from this phenomenon, he has only had to pay more taxes.

ENOUGH IS ENOUGH

Mr. President, the American people have had enough. They have had enough of big government—inflation—and high taxes. The taxpayers revolt in California is only the beginning. Because of the inability of the government of California to listen to the concerns of their citizens, the people of that State were forced to act on their own. Unless we in Washington listen, we will be faced with the same consequences.

Mr. President, the citizens of our country are crying for tax relief and limited government. How can we constantly turn our backs and cover our ears?

The Senator from Kansas is not surprised that the proposition has been favorably approved. Everywhere a person turns there is a tax. There are income, estate, and gift taxes. We have social security, unemployment, and excise taxes. If the President has his way we will soon have energy taxes. We have a telephone tax, a tobacco and alcohol tax, and an import tax. There are taxes on license plates, there are franchise taxes, property taxes, sales taxes, gasoline taxes, and preference taxes. There is practically no form of human conduct that can escape taxation.

Mr. President, frankly I am encouraged with the vote in California. It shows that the American people are ready and willing to act. It shows that they are looking for leaders that advocate tax relief.

So, in an effort to indicate my support to somehow control Government spending and to control inflation, I am introducing four initiatives today to provide assistance for taxpayers.

In the 1970's, the American worker has been subjected to almost a decade of zero growth in his standard of living. Weekly wages have increased 86 percent since 1967, but because of higher prices and higher taxflation, real spendable income has increased at less than 3 percent.

Mr. President, the voters of California have struck out at this type of madness. I believe it is time for the voters all over America to call on the Federal Government to stop spending their hard earned money. Today I am introducing proposals to stop runaway spending, to stop inflation, and to stop senseless Government growth.

INFLATION

Mr. President, the latest inflation figures are grim. Consumer prices in April rose by nine-tenths of 1 percent. This is the biggest monthly increase in over a year. This news seems to confirm that inflation will get worse before it gets better. During the first 4 months of this year, prices increased at an annual rate of nearly 10 percent. The recent figures showing increases in the wholesale price index indicate more of the same.

To demonstrate how dramatic inflation erodes and destroys our economy, a worker has to double his salary every 10 years to keep up with a 7-percent inflation rate. So, an individual earning $15,000 today would have to earn $60,000 a year in 1997—just to keep up. Of course, once the worker starts to earn more money he is pushed into a higher tax bracket and pays a greater share of his earnings to Government.

Mr. President, let me give you another example. Assume a family of four earning $15,000 in 1955 had increased its income to match inflation so that the family would be earning $32,900 in 1976 or a gain of 120 percent. On the surface it looks like the family has improved in standard of living. However, this same family would have been moved from the tax bracket of 22 percent to the 36-percent tax bracket. The family's tax bill has increased by over 30 percent.

TAX INDEXING

Inflation is our No. 1 tax problem. During periods of inflation, the net effect of the current tax system is to push low- and middle-income taxpayers into higher tax brackets without any corresponding increase in their real purchasing power. Indexing the tax system to the rate of inflation would help neutralize the impact of inflation by maintaining the effective rate of taxation for any given income level at the rate originally legislated.

There is no tax reform that is more important to the American taxpayer than

indexing. The concept is not new. Pension provisions, found in the tax code, imposing limits on the amount of employee contributions, are presently indexed. The energy tax bill, pending in conference, contains an index tax on the business use of oil and gas. According to a congressional budget office study, approximately 63 percent of all Federal expenditures are completely indexed or quasi-indexed. Tax indexing is used successfully in a number of Western countries, including Canada.

The Subcommittee on Taxation and Debt Management has held hearings on S. 2738, the Tax Indexation Act of 1978. This legislation cosponsored by Senators GRIFFIN, MCCLURE, LUGAR, SCHMITT, and Allen provides a rational, equitable approach to indexing our tax system.

INCOME EXCLUSION

Today, I am introducing further legislation to compensate for tax inflation. The proposal is simple. It allows any individual to exclude any increase of his earned income that is due to inflation. For example, a worker earning $10,000 who receives a $1,000 pay increase in an economy with an inflation rate of 10 percent would be able for tax purposes to exclude the $1,000 phantom inflationary income.

GOVERNMENT SPENDING

Mr. President, the growth in Federal spending has been incredible. Fiscal year 1962 produced outlays of slightly over $100 billion. Fifteen years later the President of the United States submits a budget five times that number. To demonstrate how outrageous Federal spending has become, the Government has increased new Government outlays by $100 billion in the last 2 years.

NATIONAL DEBT

With this tremendous increase in spending, has come a dramatic growth in our national debt. In fiscal year 1975, our fiscal debt was $544 billion. However, in only a short period of time, the administration estimates that for fiscal year 1979 the debt will have grown to $873 billion—an increase of $331 billion in only 4 years.

The Federal spending in the current fiscal year will be up some 13 percent from last year and a further 11 percent increase is projected for fiscal year 1979. If you include off-budget agencies, the Government deficit will rise 20 percent in the current fiscal year. All this is occurring at a time when the economy is nearing the top of the business cycle and heavy demands are being made upon the credit markets.

To curb Federal spending which has by all sane standards become out of control, I am introducing an amendment to the Congressional Budget Act. This proposal would subject a budget resolution to a point of order if the resolution contained any increases in Federal spending over the previous year.

LIMITED FEDERAL SPENDING

All across America, State governments are being forced by their citizens to enact constitutional limitations on spending. I am introducing a constitutional amendment to require that the Federal Government achieve and maintain a balanced budget. To aid Congress in its deliberations, I am also calling for a Congressional Bipartisan Commission to advise Congress and to draft a constitutional amendment limiting spending.

FISCAL REALITY

Mr. President, at the present time there are five other resolutions in the Senate requiring a return to fiscal reality. The most notable is Senate Joint Resolution 26, introduced by my friend, the Senator from Nebraska (Mr. CURTIS). I am a cosponsor of that initiative. However, let us not kid ourselves. I am not under the illusion that this proposal will ever be enacted. Not this Congress, nor the next Congress is likely to responsibly set mandatory spending limits.

Mr. President, the Senator from Kansas believes we will achieve the mandatory Federal balanced budget only when our constituents are breathing down our necks. I believe the public supports this idea. Although there is no mechanism for a national initiative to force Federal action the States may act and request that the Congress call a constitutional convention.

CONSTITUTIONAL CONVENTION

Article V of the Constitution provides that two-thirds of the States may request Congress to call a Constitutional Convention. The amendment that is passed by the convention would then have to be ratified by three-fourths of the States. The Constitution does not set any limits for getting two-thirds of the States to agree. This method has been close to utilization several times. Only one State was lacking when the Senate finally permitted passage of an amendment providing for direct election of Senators. Two States were lacking in a petition drive for a constitutional limitation on income tax rates. The drive for an amendment to limit the Supreme Court's legislative apportionment decision came within one State of the required number.

The problem of Federal spending is serious enough to warrant this approach. I am sending a letter to each State Governor asking his support and cooperation in petitioning Congress for a constitutional convention.

Mr. President, the citizens of California have spoken. The American taxpayer revolt has officially begun. For the future of this country, I hope the Government will listen to the very people who have elected us to office.

In summary, Mr. President, I am introducing four initiatives to provide assistance for taxpayers:

First. An income exclusion of increased wages earned as a result of our spiraling inflation, because we pay taxes on inflation that never really benefit the wage earner.

Second. A constitutional amendment calling for a federally balanced budget.

Third. A congressional commission to study and recommend a proposal for limited Federal spending.

Fourth. An amendment to the Budget Act requiring that the budget resolution contain no real increases in spending.

In addition, I am calling for the States to petition Congress for a constitutional convention to consider a constitutional amendment for a balanced Federal budget.

I hope my colleagues understand the message sent by voters of California and give considerable thought to my initiatives.

I ask unanimous consent that the texts of my proposals, together with the text of the letter to the Governors, be printed in the RECORD at this point.

There being no objection, the bills, joint resolution, and letter were ordered to be printed in the RECORD, as follows:

S. 3166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125, and by inserting after section 123 the following new section:

"SEC. 124. LOSS IN REAL PERSONAL SERVICE INCOME ATTRIBUTABLE TO INFLATION.

"(a) GENERAL RULE.—In the case of an individual, there shall be excluded from gross income a percentage (determined under subsection (b)) of that individual's personal service income (as defined in section 1348 (b) (1) (A)) for the loss in the purchasing power of such income attributable to inflation.

"(b) DETERMINATION OF PERCENTAGE—

"(1) ANNUAL DETERMINATION.—At the beginning of each calendar year (commencing in 1979), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Secretary of the Treasury the percent difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. The percent so certified shall be the percentage applicable under subsection (a) for taxable years ending with or within such calendar year.

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"(A) PRICE INDEX.—The term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"(B) BASE PERIOD.—The term 'base period' means the calendar year 1977.".

(b) The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"SEC. 124. Loss in real personal service income attributable to inflation.

"SEC. 125. Cross references to other Acts.".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1978.

S.J. RES. 138

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE

"SECTION 1. Except as provided in section 2 of this article, the aggregate amount of expenditures made by the Government during any fiscal year shall not exceed the net

amount of revenue received by the Government during that fiscal year.

"SEC. 2. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress that total outlays may exceed total receipts.

"SEC. 3. The Congress shall have power to carry this article into effect by appropriate legislation.

"SEC. 4. This article shall take effect on the first day of the second fiscal year which begins after the date of its ratification.

"SEC. 5. This article shall be inoperative unless it is ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

S. 3167

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Sec. 1. That this Act may be cited as the National Commission on a Balanced Budget Act.

ESTABLISHMENT OF COMMISSION

SEC. 2(a). There is hereby established a Commission to be known as the Commission on a Balanced Budget hereinafter referred as the "Commission".

(b). The Commission shall make a full and complete investigation and study of the imbalance in the Federal budget between total receipts and outlays. The Commission shall review in its deliberations the Federal tax system, the Congressional and Executive budget process, historical patterns of Government spending and growth, inflation, the size and growth of the national debt and any other relevant considerations. The sole objective of the Commission shall be to prepare, proposed and recommend to Congress a Constitutional Amendment which will insure a balanced Federal budget.

SEC. 3(a). Such Commission shall be comprised of nine members, no more than five of whom shall be members of the same political party.

(b)(1). Three members shall be appointed by the President pro tempore of the Senate;

(2). Three members shall be appointed by the Speaker of the House; and

(3). Three members shall be appointed by the President.

(c). The Chairman of the Commission shall be selected by the President pro-tempore of the Senate. None of the members of the Commission shall be Members of Congress.

SEC. 4. The Commission shall not later than December 31, 1979, submit to Congress its final report including its findings and a recommended Constitutional Amendment. The Commission shall cease to exist six months after submission of such report. All records and papers of the Commission shall thereupon be delivered to the Administrator of General Services for deposit in the Archives of the United States.

SEC. 5(a) Members of the Commission shall receive compensation for such periods of time as they are engaged in the business of the Commission at a rate not in excess of the maximum rate of pay for GS–18 as provided in the General Schedule under section 5332 of title 5, United States Code, and shall be entitled to reimbursement for travel expenses, per diem, or subsistence and other necessary expenses incurred by them in performance of duties while serving as a Commission member.

(b)(1) The Commission is authorized to appoint and fix the compensation of a staff director, and such additional personnel as may be necessary to enable it to carry out its functions. The Director and personnel may be appointed without regard to the provisions of title 5, United States Code, covering appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Any Federal employees subject to the civil service laws and regulations who may be employed by the Commission shall retain civil service status without interruption of loss of status or privilege. In no event shall any employee other than the staff director receive as compensation an amount in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. In addition, the Commission is authorized to obtain the service of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the maximum rate of pay for grade GS–18, as provided in the General Schedule under section 5332 of ttile 5, United States Code.

(2) The staff director shall be compensated at Level II of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

(3) The Director and Commission personnell shall be reimbursed for travel, per diem in accordance with the Rules of the Senate, or subsistence, and other necessary expenses incurred by them in performance of duties while serving the Commission staff.

(c)(1) The Commission is authorized to enter into contracts or agreements for studies and surveys with public and private organizations or consultants, from sums appropriated pursuant to this section to carry out such of its duties as the Commission determines can best be carried out in that manner.

(d)(1) Any vacancy which may occur on the Commission shall not affect its powers or functions but shall be filled in the same manner in which the original appointment was made.

(e)(1) Subject to the provisions of the Federal Advisory Committee Act, the Chairman may appoint advisory committee to aid in the work of the Commission.

(f)(1) The Commission is exempt from the requirements of 5 U.S.C. 4301.

(g) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

S. 3168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 301 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new sentence:

"The appropriate level of total budget outlays and of total new budget authority set forth in such resolution for any fiscal year shall not exceed the appropriate levels of total budget outlays and total new budget authority, respectively, for the preceding fiscal year, increased only to the extent necessary to reflect any diminution in the value of the dollar attributable to inflation during the 12-month period ending on March 31 immediately preceding such May 15.".

(b) Section 305 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Concurrent Resolution Must Meet Requirements of Section 310 (b).—Notwithstanding any other provision of this section, it shall not be in order in either the House of Representatives or the Senate to consider a concurrent resolution on the budget, or a conference report on such resolution, unless such resolution meets the requirements of section 310 (b).".

(c) Section 310 of such Act is amended—

(1) by redesignating subsections (b) through (f) as (c) through (g), respectively, and

(2) by inserting after subsection (a) the following new subsection:

"(b) Limitation on Outlays.—It shall not be in order in either the House of Representatives or the Senate to consider the concurrent resolution on the budget referred to in subsection (a) for any fiscal year if such resolution provides for budget and spending authority (described in paragraph (1) of subsection (a)) in excess of the amount set forth in the concurrent resolution on the budget described in subsection (a) for the preceding fiscal year, except that such amount may be increased to the extent necessary to reflect any diminution in the value of the dollar attributable to inflation during the 12-month period ending on the March 31 preceding such October 1.".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to fiscal years beginning after September 30, 1979.

WASHINGTON, D.C., *June 7, 1978.*

Hon. Governor or City, State Zip

DEAR ———: The American people, as demonstrated by the recently approved California Proposition 13, want to limit at all levels Government spending. As you are aware, there is a movement across the country to enact state constitutional limits on taxing and spending authority. Fortunately, the traditional legislative process has stopped this type of proposal from being considered on a Federal level.

Article V of the Constitution provides two alternative procedures for presenting a constitutional amendment to the states for ratification. One method is for two-thirds of the states to request Congress to call for a Constitutional Convention. Several times in our history, the states have petitioned Congress for a Constitutional Convention, but have failed to obtain the two-thirds necessary. I believe that the time has come to try again.

The growth of Federal spending and the Federal deficit are national issues. The Federal deficit of $60 billion this year is likely to spur our already serious inflation problem. Inflation, of course, is the cruelest tax of all. It especially hurts the elderly, minorities, and Americans living on fixed incomes. Each and every one of your citizens is directly affected each day by the decisions of the Federal government. It appears there is no end to continued government growth. I know that state governments must wrestle each year with the problems created by bulging Federal government programs and mandates.

I believe that Americans want to stop the onslaught of big government. The American taxpayer has reached his limit. The states have an important role to play in expressing the concerns of their citizens to Congress. I hope that you will consider requesting and working with your state legislature to petition Congress to establish a Constitutional Convention calling for a Federal balanced budget. If I can be of any assistance in this matter, please do not hesitate to call upon me.

Sincerely yours,

BOB DOLE,
U.S. Senate.

Mr. DOLE. Finally, Mr. President, it seems to this Senator that the message is loud and clear, the message is not fuzzed-up at all. It seems to me that the American people have lost confidence in the legislative process. They have lost confidence that we will do anything but spend more of their money, and they demonstrated in California that if we give them a chance, as they were given a chance there, to direct what would happen, they are going to say to the legislatures in their States, and probably to the Congress, if they have the opportunity, as I have indicated before:

We have had enough. We are willing to go without some services; we want to cut some of the frills. We want to pay our taxes, but we want the money we pay spent wisely.

I would hope there would be great support in this Congress, not just for the measures introduced today by the Senator from Kansas, but for the idea generally, because we think the time has come for action.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Tennessee yield to me?

Mr. BAKER. I promised the Senator from New Mexico that I would yield to him briefly. May I inquire how long the Senator from Virginia would like to have?

Mr. HARRY F. BYRD, JR. Just time to respond briefly to the remarks of the Senator from Kansas.

Mr. BAKER. Mr. President, I wonder if the distinguished majority leader has any time remaining under the time allotted to him.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have left under my standing order?

The ACTING PRESIDENT pro tempore. The Senator from West Virginia has 8 minutes.

Mr. ROBERT C. BYRD. I yield 5 minutes of that time to the Senator from Virginia.

Mr. BAKER. Mr. President, before the majority leader does that, may I inquire of the Chair how much time I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Tennessee has 3 minutes remaining.

Mr. ROBERT C. BYRD. I yield my remaining 3 minutes to the Senator from Tennessee.

Mr. BAKER. I am deeply grateful to the majority leader. At the conclusion of the remarks by the Senator from Virginia I will, then, yield 3 minutes to the distinguished Senator from Nebraska and 3 minutes to the distinguished Senator from New Mexico.

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Kansas has called attention to the vote in the State of California yesterday by which the voters of that State, in overwhelming numbers, put a limit on the amount of taxes that may be placed upon the people of that State.

I join with the Senator from Kansas in expressing the view that this is a very healthy sign for the future of our Nation. Prompted by what has happened in California, I want, today, to urge the Senate majority leader and the Senate minority leader not to seek to waive the 3-day rule when appropriation bills are placed on the calendar for consideration by the Senate. I would hope that would apply also to all authorization bills, and any bills in which tax funds would be either authorized or appropriated.

Congress, particularly during the last 15 years, has taken a totally reckless attitude toward the expenditure of tax funds. The huge deficits that are accumulated year after year are the major cause of the inflation which is eating so heavily into every wage-earner's paycheck and every housewife's grocery dollar. I hope that what happened in California yesterday will be taken seriously by Congress. It is true it applies only to the State of California, but I think in taking the action which the people of California took yesterday, those residents of the most populous State of our Nation are sending a signal to the Congress of the United States that it is time for the Federal Government as well as the State of California to put its financial house in order.

President Carter, in his campaign for the Presidency, promised this Nation a balanced budget by 1981, and I am convinced that his continued day-after-day promises of a balanced budget made the difference in a very close election. But President Carter in 1978 has sent to Congress a budget which calls for the second highest deficit in the history of our Nation. We are not going to achieve a balanced budget by increasing the deficit.

Congress has an opportunity, when the appropriation bills come before the Senate and before the House of Representatives, to take firm action to reduce the gigantic spending totals which have been recommended by the administration. I hope that Congress will see a message in what was done in California yesterday, and I congratulate the people of California for the action which they took.

Mr. CURTIS. First, Mr. President, I want to congratulate our distinguished colleague from Virginia.

Mr. President, along with millions of other Americans, I rejoice over the victory for taxpayers that took place in California yesterday. I think it was wonderful. I believe it may be the beginning of a movement in the United States that is needed if we are to save our economy from collapse. Sometimes politicians have to be hit over the head with a ball bat in order to have them catch up with the times.

I am not unaware that so many responsible citizens of California predicted many difficulties if this restraint on spending was adopted. Those predictions may or may not come to pass. Even if some of the predictions of difficulty do come to pass, those situations can be met in some way. The pluses in connection with the vote in California far exceed the minuses. The pluses represent the determination of millions of Americans to prevent uncontrolled spending from destroying our Nation.

The Washington Star of yesterday carried a column by the distinguished columnist, William F. Buckley, commenting on these dire predictions as to what would happen in California if the voters voted to limit government. Mr. Buckley's comments are worthy of our consideration.

America's biggest danger is that our destruction might come by reason of uncontrolled governmental expenditures, huge deficits, and a mounting public debt resulting in inflation.

America cannot go on continuing the deficits that we are presently running. If we add $50 or $60 billion a year to our debt, we should expect the destructive inflation that we have experienced in the last few years. We need something besides promises and good intentions. Politicians are elected to office and they have kind words to say about a balanced budget. They say it cannot be done now, but they promise it will be done in just a few years. That golden year of a balanced budget never arrives. Good men and women faithfully serve on our budget committees, but we need something more.

Mr. President, we need a constitutional amendment that compels the Congress and the President to balance the budget every year. Such a constitutional restraint has meant the salvation of many of our States. The problem is much more complex and difficult with the Federal Government, but a constitutional amendment is still the only answer and we must turn to it if we are to save the country that all of us have come to know and love.

When I began to advocate a constitutional amendment to compel a balanced budget more than a quarter of a century ago, very few people were interested. Today more than 100 Congressmen and Senators have either introduced or cosponsored some sort of constitutional amendment to balance the budget.

My constitutional amendment proposal is Senate Joint Resolution 26. It will work. It has teeth in it. If approved by the Congress and ratified by the necessary number of States, it would compel the Congress to balance the budget each year. If they failed to balance the budget, an automatic surtax would go into effect under the terms of the amendment and recoup the deficit the next year. This would mean that if the Congress failed to balance the budget and it required a percentage increase on income tax of every individual and corporation of a given percentage, whether it be 3 percent, 15 percent, or 20 percent, such increase would be automatically imposed. I predict that if the Congress is faced with the question of reducing expenditures and cutting back on the size of the Government or be involved in a tax increase that the Congress will cut down on expenditures. If they do not, the voters will know about it and they have a remedy at the ballot box. A constitutional amendment that consists of a mere declaration for a balanced budget is not enough. It must be self-enforcing. I do not believe that the adoption of my proposal will lead to higher taxes. I think it will lead to reducing expenditures to the point where our taxes can be reduced.

This proposal that I have made provides that upon a declaration of war or the finding of a grave national emergency by three-fourths the vote of both Houses of Congress that the proposal can be set aside for a year at a time. This is necessary. We should never tie our hands so that we cannot defend ourselves or act in a national emergency.

Again I say three cheers for the voters of California, and I urge all Americans to get back of Senate Joint Resolution 26.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excerpt from Mr. Buckley's column to which I referred earlier.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

TERROR TACTICS AGAINST WORTHY CAUSES

(By William F. Buckley Jr.)

Someone should study the tactics of lobbyists who have substantially at their disposal the facilities of governments, federal, state and municipal. When agencies of these governments feel especially threatened they are capable of sponsoring literature by comparison with which that of the John Birch Society appears positively comatose.

In San Francisco at the public library during the past couple of weeks book-borrowers received a card in each volume on which is printed in huge alarmist type: "If Proposition 13 passes, return this book by 6 p.m. on June 6, as this library will close down permanently at that time." Right. Though one supposes there are Californians who will wonder how come it was that the library in San Francisco did not close down back when property taxes were even lower than those proposed by Proposition 13.

But it is the threat that counts, and on the day these words are published we will know whether the intimidation paid off, even as they did in 1964 when Californians were asked to outlaw pay television. Unless they voted to deny pay television, the voters were warned, never again would they see the World Series, the Ed Sullivan Show or "I Love Lucy." It worked.

In 1966 we had the big civilian review board epidemic. Unless we had a civilian review board, Mayor Lindsay and his swingers at City Hall in New York warned, civil liberties would perish from this earth. As the campaign progressed, proponents of the review board—designed to oversee complaints against police—discovered a "sleeper" clause which would permit the police, in the absence of a review board, to hang, draw, quarter and inter in common graves any New Yorkers who displeased them. That time it didn't work. The civilian review board was voted out of existence by a huge majority of the public and what then happened was, roughly speaking, nothing.

Mr. CURTIS. Mr. President, I yield the remainder of my time to the distinguished Senator from New Mexico.

JOSEPH M. MONTOYA

Mr. SCHMITT. Mr. President, I have joined, and today again join, with all New Mexicans in mourning the death of former Senator Joseph Montoya. While Senator Montoya and I were indisputable and philosophical adversaries, our personal relationship during the campaign of 1976 and since has been friendly and cordial.

Senator Montoya served as an elected official for over 40 years. He was one of the hallmarks of New Mexico politics during that time. He served as a Senator from New Mexico during a period of tremendous growth in our State, tremendous growth in service to the country through Federal research laboratories and defense installations. His committee work and his concern for the State contributed greatly to its growth. He will be missed.

Mr. President, I beleve it is appropriate at this time to consider the following editorials from the Albuquerque Journal and the Albuquerque Tribune in tribute to Senator Montoya's life and career. I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Albuquerque Journal, June 6, 1978]

JOSEPH M. MONTOYA

The political life of New Mexico is almost unimaginable without Joseph M. Montoya, whose career spanned four decades in various elected state and federal offices. His death Monday leaves a void in this state where politics have been a way of life for generations of New Mexicans.

During his career, which included terms in the New Mexico House, Senate, lieutenant governor's office, the U.S. House of Representatives and finally, the U.S. Senate, Montoya displayed compassion for the underdog and a strong awareness for the needs of his state and constituency. His role in the Watergate hearings brought national fame.

He was a strong spokesman for Hispanic-Americans and for American Indians, particularly those of New Mexico. He is called the father of the Economic Development Act, which has provided uncounted federal aid for numerous projects which ultimately benefit the economically deprived of the nation.

When a person devotes more than 40 years of life to the public, he develops both friends and enemies among the envious, the devoted and the bitter. Montoya experienced those frustrations yet counted many more friends than enemies among those he served.

The elder statesman of New Mexico was a Democrat through and through yet he was able to win the respect and support of his Republican colleagues.

We knew his strengths. We knew his weaknesses. We frequently disagreed with him, more with his methods than with his goals for an improved New Mexico.

The late Sen. Hubert H. Humphrey, a colleague of and friend of Montoya's, once said, "In life, it isn't what you've lost, it's what you've got left that counts." New Mexico has lost Joseph M. Montoya. What he left is what counts.

JOSEPH M. MONTOYA

New Mexico has lost a political giant with the untimely death of former Senator Joseph M. Montoya.

Few persons have made the impact on this state that he did during a remarkable political career spanning 40 years.

It was a rags to riches saga.

It stretched from tiny Pena Blanca to the centers of political power in Santa Fe and Washington, D.C.

It carried him from the hustings of backwoods New Mexico in the 1930's to national fame on network television during the Watergate investigation.

It touched the lives of the humble and forgotten as well as many of the great political personages of the past 40 years.

It was a story in the best tradition of Horatio Alger.

In high school he saved money by working as a dishwasher and janitor, then hitchhiked to Denever to attend Regis College.

Arriving there with little money in his pocket, he told the priest in charge he'd give him all the money he'd saved plus three years of work for three years of education.

That priest undoubtedly found it impossible to refuse the appeal of Montoya's youthful ambition, intelligence and undeniable charm. Like thousands of others were to find when "Little Joe" began his political career after earning a law degree in Washington, D.C.

His career was remarkable.

He was elected to the State House of Representatives at 23 and became majority leader. In 1940 he became the youngest member of the State Senate, was re-elected in 1944 and became chairman of the Senate Judiciary Committee.

In 1964, Montoya was elected lieutenant governor and was re-elected in 1948. In 1952 he returned to the Senate, then was again reelected lieutenant governor in 1954.

In 1957 he entered Congress, winning a special election to fill the unexpired term of U.S. Rep. Antonio M. Fernandez who died, then went on to be re-elected in 1958, 1960 and 1962. In 1964 he was elected to the Senate, where he remained until he was defeated by Sen. Harrison Schmitt in 1976.

It is worth noting that Montoya lost only two elections during his long political career.

Montoya, throughout his career, was an outstanding spokesman for the Hispanic-American. His leadership produced many actions that had a significant impact on his state and nation.

One of his greatest achievements was the Economic Development Act, which aided many New Mexico communities.

Montoya did much for New Mexico. His political knowhow, great charm and dedication were effective in getting things done in the red tape of Washington.

He earned the respect of even those who often disagreed with him.

His greatest attribute was that he never forgot the common man, the poverty-stricken, the downtrodden. His entire career was marked by support for programs to help them.

He will be missed.

BEEF PRICES

Mr. SCHMITT. Mr. President, the Carter administration's proposal to encourage imports of cheap foreign beef to drive beef prices down is the latest example of its political and intellectual doubledealing in the fight against inflation. Once again, the administration is going after the victims of inflation rather than removing the basic causes.

The American cattlegrower has gone steadily into bankruptcy for several years due to combinations of rapidly rising costs of production, unnecessary and unfair regulations, and adverse weather. To jump on one period of rising beef prices as a symbol of "General" Robert Strauss' inflation battle is like giving up on a drowning man as soon as he draws his first breath. It shows no compassion for the victim much less any understanding of the U.S. economy or agriculture's role in it.

The American consumer gets the best deal in the world for his buck spent on food: Only 16 percent of our disposable income after taxes is spent to feed the average American compared to 25 percent in other industrialized nations and 53 percent in the Soviet Union. The consumer and cattlegrower alike are the victims of an across-the-board inflation pressure brought on by Government: A Government that borrows to finance its deficits and then creates money to have something to borrow; a Government that raises payroll taxes at the very time when production costs need to be held down; a Government that creates costly and unnecessary regulations that consumers must pay for; a Government that refuses to let Americans produce cheap energy but encourages imports of high-priced foreign oil and natural gas.

The war on inflation must be fought against the advocates of increased deficits, of increased taxes, of increased regulations, of increased energy costs,

not against the housewives, workers, businesspersons, farmers, and ranchers who are its victims.

The elections of 1978 and 1980 must and, I believe, will send this message loud and clear to Washington and the statehouses.

Mr. President, I yield back the remainder of my time.

SPECIAL ORDER

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Under the previous order, the Senator from New Hampshire (Mr. DURKIN) is recognized for not to exceed 15 minutes.

ALASKAN D–2 LANDS

Mr. DURKIN. Mr. President, I rise this morning to discuss a very important issue, an important issue not just for Alaska or New Hampshire, but an important issue for the whole country. That is the question of the Alaska national interest lands, or the so-called d–2 legislation, which this Senate must address before the end of the year, before December 1978.

Mr. President, never before in this century has the Senate acted on legislation with the land and wildlife conservation impact of the Alaska land bills. Yesterday, the Senate Committee on Energy and Natural Resources completed its lengthy hearings on S. 1500 and related bills, and markup sessions are scheduled to begin the week of June 19. This is a momentous occasion in the history of our Nation's conservation laws.

To find a historic parallel for these bills, we have to go back 100 years to the laws establishing Yellowstone and Yosemite National Parks. Those laws protected for all the American people the great wild lands, wildlife, and natural wonders before they could be overrun by rapacious development.

Today, Yellowstone and Yosemite and the other great national parks are part of our national tradition. They do not belong to any one State. Indeed, people from every State of the Union treasure these parks. To people in New Hampshire, a vacation trip to Yellowstone may be the trip of a lifetime—something we look forward to for years, and then remember for the rest of our lives. The national interest lands in Alaska have the same nationwide significance.

When Yellowstone National Park was established, only a few hardy souls were going there to enjoy its wildlife and scenic grandeur. By contrast, the lands and rivers in the Alaska lands bill are already being visited by thousands of people each year. These visitors come from elsewhere in Alaska and from all parts of the United States—in fact, from all corners of the world, especially considering the fact that Anchorage is a very busy international airport. It is much easier to get to these areas than it was to get to Yellowstone in 1872, because the airplane has made Alaska accessible in a way the Old West never was. This accessibility has fostered a burgeoning tourist industry in Alaska.

On May 16, I introduced an amended version of S. 1500, Amendment No. 2176, cosponsored by Senators ABOUREZK, ANDERSON, METZENBAUM, PROXMIRE, MATHIAS, MCINTYRE, HASKELL, RIEGLE, and HART. This amendment is intended to preserve the greatest wildlife and scenic areas in Alaska for public use now and in the future. It places 110 million acres of federally owned land into the three national conservation systems: The National Park System, the National Wildlife Refuge System, and the National Wild and Scenic Rivers System. It also makes modest additions to existing national forests.

Under this bill, some 30 percent of Alaska's land mass will be preserved. Development of timber, oil, gas, and minerals will proceed everywhere else in Alaska, on lands where those resource values are greatest.

The conflicts between preservation and development have largely been resolved during the 6 years of study and deliberation that preceded the introduction of my amendment.

The field study program and mineral surveys began in 1972, soon after enactment of the Alaska Native Claims Settlement Act. These studies began under the Nixon and Ford administrations, and continued under the Carter administration

The first national interest lands bill based on these studies was submitted to Congress by Interior Secretary Rogers C. B. Morton in December 1973. The Carter administration's proposal was submitted to Congress in September 1977.

The Senate Energy and Natural Resources Committtee has held eight hearings on these bills, and the House Interior Committee held 17 public hearings and 20 "town meetings" on the subject.

Every step of the way, the potential conflicts have been discussed, debated, and pared down. Wherever land was found to be of great value for oil or timber, and of less value for wildlife and scenic purposes, that land has been taken out of the bill. The areas of conflict have been whittled to a bare minimum.

As a result of this constant compromise and recompromise over a 6-year period, I believe we have achieved a bill that provides plenty of room for development in Alaska—an orderly, sound, rational development, which provides economic stability for Alaska, yet preserves those unique qualities for the whole country. Here are some of the statistics on future development of Alaska under my amendment:

40 percent or 149 million acres, of all the land in Alaska will be or will become the property of the State, Native corporations or private land owners.

23 percent or 86 million acres, of all the land in Alaska will be Federal land open to mineral entry, logging and other multiple uses.

63 percent—235 million acres, the sum of the above—of all land in Alaska will be open to a wide variety of uses, unaffected by S. 1500 as amended.

37 percent, 140 million acres, of all the land in Alaska will be in one of the conservation system units either already existing or designated by the bill.

70 percent of the lands with metallic mineral potential in Alaska will be outside conservation system units.

90 percent of all the land in Alaska could be open to sport hunting.

95 percent of all high-potential oil and gas lands in Alaska will be open to possible development.

100 percent of all Federal lands in Alaska will be open to mineral assessment, including core drilling for geologic information by the Department of the Interior.

I do not expect every logger or miner to be enthusiastic about my amendment. It is a matter of principle with them to hold out for the maximum freedom to exploit every resource on every square inch of land, as long as there is a profit in it. It does not matter to them that there are no exploitable resources there; they want the freedom, in principle. We have seen this time after time, when industry representatives have come before the Energy and Natural Resources Committee on many different issues.

We should harbor no illusions that the development of resources in Alaska is necessarily going to benefit the people of the United States at large. In fact, the national forests in southeast Alaska are being logged primarily for export. Some 99 percent of the sawlogs and 60 percent of the pulp are being exported, with only a bare minimum of primary processing in Alaska. To me, that means that we are exporting our natural resources, and our jobs, as well.

Future exports of Alaskan coal, oil, and minerals to Japan, Taiwan, and other Pacific nations are very likely. The people of the lower 48 States do not necessarily get any of the benefits of this exploitation, yet they would pay the price if a potential national park or wildlife refuge is destroyed in the process.

My amended version of S. 1500 is a bill to preserve Alaska's unique character while we still have a chance to do so. It deals entirely with land that is already owned by the Federal Government, so there are no acquisition costs.

We bought this land from the Russians in 1867 for less than 2 cents an acre and it was the best buy and the best treaty that we have ever been able to consummate with the Russians. In fact, some people think it was the last good deal we got from the Russians.

When Columbus discovered America, our whole land was wild, from the Atlantic to the Pacific. Now, all that remains truly wild is part of Alaska, and even that is under the gun from development pressures. We have the opportunity to pass on to our children and grandchildren the best of this great remnant of wild America.

It is not just an opportunity. I think we have a responsibility to provide for the national interest in Alaska.

I think we only have to ask that the U.S. Senate and the Congress have the same foresight and the same wisdom that they did in 1872, when they set aside the Yellowstone National Park. I think we have to move and we have to move soon, because I am concerned about two problems.

This legislation is needed now. It is a national issue. It cannot be bottled up.

It cannot be sidetracked because of parochial local interests. It is a national obligation that the Senate and the Congress have to face this year.

On my first trip to Alaska, I was afraid that Alaska was going to be exploited for the Lower 48. My subsequent trips to Alaska have alarmed me—and I just returned from Alaska, having spent 8 or 10 days there over the Memorial Day recess. My concern now is that if we do not act on this d–2 legislation, Alaska is going to be exploited. Alaska is going to be developed. We are going to lose that natural resource, but we are not even going to lose it for the Lower 48. Alaska will be exploited not for the Lower 48 but for Japan, Taiwan, South Korea, and our friendly economic competitors in the Pacific. My people in New Hampshire would suffer a dual loss. First, they would lose the opportunity to preserve Alaska for this generation and subsequent generations.

But when it is being exploited for our economic competitors in the Far East, it will come back to haunt us in increased unemployment, increased job opportunities lost, because we, in turn, are subsidizing the exporting of jobs and subsidizing the economic might of our very serious competitors in the Far East.

So for two reasons, to preserve the best of Alaska for the whole country and to preserve jobs in my State and New England, this legislation is a must.

I think more and more people are beginning to realize this is not a local issue. This is not like picking a postmaster or designating the name of a monument, or what have you.

This is a national issue. It is an issue that affects the whole country. It is the responsibility of this Congress and it is the responsibility of this Senate to address this issue and address it and resolve the question before December 1978.

Mr. President, I yield back the remainder of my time.

LABOR LAW REFORM ACT OF 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 8410, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 8410) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The Senator from Indiana (Mr. LUGAR).

Mr. LUGAR. Mr. President, it is a pleasure to initiate debate again today on a bill which has captivated our attention now for this, the 11th day.

I take this opportunity to try to correlate a number of issues that a part of both public life in our country and the economic uncertainties that surround labor law reform and this monumental debate and various other issues which I believe are highly correlated with the outcome.

Among the issues that I want to weave together this morning are the issue of labor law reform, because of the ways in which people who are involved in labor-management relations in our country have come together in debate on this issue and perceived it as the most important issue in that field this year, and the fact that the outcome of the labor law reform debate will play a very substantial role in the public perception of how the Senate of the United States feels about inflation, feels about large Government, large labor unions and big business in this country.

I wish to quote at the outset from an editorial which appeared yesterday, June 6, 1978, in the Wall Street Journal entitled "What Price Pessimism?"

I quote from that editorial:

Two opinion polls made public today, one by the Conference Board and the other by the New York Stock Exchange, carry the same message: Americans have turned very pessimistic about the economic outlook. Even if you are not inclined to accept opinion polls as received wisdom the findings are worth serious contemplation.

The Conference Board's Consumer Confidence Index, based on surveys of 5,000 households, toppled to 88.5 in May, a drop of 8.4 points from April. The Board's Buying Plans Index fell even further, 14.2 points. The percentage of those polled who see business conditions as "good" has fallen and the percentage expecting them to worsen has risen.

The mood was no brighter among the 2,740 households surveyed recently by the stock exchange. It found that 70% of those polled were in a "defensive" frame of mind about personal investments, trying to avoid risks and erosion of their principal.

The pessimism so evident in both surveys was heavily attributable to a single cause: inflation. The Conference Board found that the "rapid pace of inflation, with further increases expected, is clearly deflating the consumer's spirits" and curtailing the ability to buy. The stock exchange reports that "optimism about corporate earnings is outweighed by concerns about further inflation and dissatisfaction with the risk-reward ratio for common stocks."

The concern over inflation will hardly be a surprise to anyone. Opinion polls have shown it to be the number one economic concern of Americans for several years. But the sharp rise in pessimism in May, corresponding as it did to a return to double digit inflation as measured by the Consumer Price Index, is nonetheless significant. It suggests that the U.S. social and political system will be subject to serious stress in the months just ahead unless political leaders come up with curbs on government spending, the source of inflation.

That stress is already evident in the tax revolt brewing across the nation, which has politicians in California and elsewhere trembling on this election day. Popular uprisings are fascinating to students of the democratic process but they signify that the democratic process is working badly, not well. There is a sense all across the land that elected officials are not responding to the most pressing problem of the voters, the rapid erosion of paychecks and savings by the combination of a high rate of inflation and rising taxes.

The stresses reflected in the tax revolt and the opinion polls are not to be trifled with. If unrelieved, they could lead to radical alternatives that would make matters worse.

Even if that doesn't happen, the mood of pessimism in the country is worry enough in itself. However intangible it may be, confidence is a central ingredient to economic growth.

Americans are obviously trying to tell their elected officials that it is time for government to start putting its house in order. Government hasn't been listening and that may prove to be a very serious dereliction.

Mr. President, the Wall Street Journal editorial makes a point that a number of us have been attempting to make in one form or another for the past 2 weeks of debate. That is, that the American public does demand action of this body, does assume that our priorities ought to be in order, that we ought to be addressing, in fact, those things that are of greatest importance to American citizens.

Clearly, labor law reform in one form or another is an important issue for American citizens. Polls have been cited by both advocates of this legislation and those of us who oppose it, to point out that the public as a whole has several concerns with regard to labor law reform that also impinge upon the inflation issue.

But, Mr. President, I would suggest, and I think this is basic to our case, that the labor law reform bill in front of us presently is a very narrow piece of special-interest legislation. It does not purport to address the broad scope of labor law reform in the country.

It, in fact, narrows very precisely upon specific difficulties found by those who are attempting to organize workers in businesses large and small, and, allegedly, concerns of workers who want to be organized and are supposedly being frustrated in this attempt to organize.

The public as a whole is concerned about justice and equity in our country, and that pertains to labor law reform.

However, Mr. President, the public right now, in the mood of pessimism as expressed with regard to our overall economy, is concerned about two basic things in labor law reform. One of these is, of course, the impact upon the general economy and upon specific individuals in our economy of broad-gaged strikes that have national import—the coal strike comes to mind as a cardinal example of this—in which the result of the strike is a very substantial wage increase totally out of line with what the President or his advisers might be suggesting to others in our economy as reasonable, totally out of line with wage settlements that have preceded it, and a model for national and international unions to try to match in succeeding rounds.

Very clearly, the size and scope of that settlement was inflationary. I know of no rational economist or politician who has suggested otherwise. Some have defended the scope of the settlement by pointing out that coal-mining is dangerous work; that coal-mining is work that has not attracted a great number of people recently in America; and that the supply and demand should pertain to coal-mining wages.

Those of us who favor mine economics find some sustenance in that viewpoint; but, clearly, the nature of the coal strike was one of attrition of the energy supplies of this country, one which was fought over the rights and privileges of other workers to enjoy em-

ployment day by day as coal supplies dwindled in communities and the threat of unemployment became more intense.

That battle was fought over the schooling of children in the State of Indiana, which I represent. A cutback of 50 percent of energy in school buildings in many districts of the State occurred, with the threat that, with another turn of the ratchet that seems to be involved, the schools would be closed altogether.

Other innocent workers, school children, and the public in their homes, not a party to the dispute but hostages of the dispute, were at the heart of the matter. The American public appreciates that that was not the last time that is likely to occur.

The President complained that the Taft-Hartley Act was inadequate, and many of us in this body have suggested that amendments might be in order.

One of the things that might have occurred during the labor law reform debate was in fact an addressing of a fundamental labor law reform problem. How are the rights and privileges of innocent citizens protected when they are caught in a national job issue situation? How can we provide for a continuity of energy supplies, for full employment, for some sustenance of the economy?

At the time, people said the impact of the coal strike would be minimal, hardly a blip in the gross national product. Essentially, the idea was that the trade-off of having this type of job action going on would not result in substantial new unemployment in the country or a substantial decline in the gross national product. Now folks are not so sure. If the pessimism index I have mentioned today, as quoted by the Wall Street Journal editorial, means anything, the public, by a rather dramatic decline, is suggesting that buying plans are being postponed, that investment plans on the part of people who might create more jobs are being postponed, and that there is a very definite reason for this, and it is called inflation. Inflation was the name of the game in the national job action dispute we saw earlier this year, which was debated at some length on this floor, in terms of its remedies.

Mr. President, a second area for which surveys—whether they are for the advocates or the opponents of this bill—indicate public concern is in the realm of public employees and the specific actions that can be taken which do have very strong economic impact. As a former mayor of a city in this country, I can testify from personal experience that it is a very sobering thought, if police officers come to you, or people who are fighting fires in your city, or people who try to keep the sewage plant going, or people who man hospitals, and they indicate that they are unhappy with the current contract and would like to do better; that, as a matter of fact, if they do not do better, according to their terms, their services might be terminated for a period of time; that they would go into a so-called job action, whether it be "blue flu" or some type of phased withdrawal of activity, quite apart from a full-fledged strike against the public. This sort of thing is not farfetched. It is happening in America with some frequency.

In debate the week before the recess, I cited the State of Ohio, in which, on any day, at least a dozen situations involving public employee disputes were causing jeopardy for a dozen communities in that State alone. The public as a whole is saying: "We do need labor law reform. We need a situation in which the ordinary person knows that he or she will be protected by police on any one day; that houses will not be left to burn because a labor dispute is going on; that all the environmental standards will not be terminated because of a job action at the sewage plant."

We do not want that. We think that, somehow or other, Congress, if not the State legislatures and local governments, have to deal with that problem so that we know that the basic public services will continue.

Those are the two issues that really cry out for labor reform. It is as plain as day. If there is a lack of credibility in this body, it comes from a general question by the public as to why in the world we are discussing this bill. What in the world does this bill, after 11 days, have to do with the basic problem of labor law reform in this country? Who in the world is interested in this bill?

If, in fact, there are monumental issues facing the country, in the form of inflation or, specifically, in terms of labor law reform as perceived, the general public wonders why we are spending our time in this body on an extraordinarily narrow piece of special interest legislation.

Mr. President, I think it comes as no secret to most Members of the Senate and those who have followed the debate generally through the press media that the reason we are discussing this bill is that this is the bottom line for certain large organized labor units in this country who have said that, whatever may be the general public's view of labor law reform, or the view of the general public with regard to inflation, or with regard to economic conditions in this country, the general public simply will have to wait, because the bottom line of support for persons such as our President and for a number of Members in this body is passage of this bill, which deals with ways in which workers might be organized more easily in this country.

That is the reason why we are discussing the bill. That is the reason why a number of us are opposing this discussion: First of all, because of the inappropriate situation we find before us—a bill that does not deal with labor law reform at all, at least as perceived by the public as a whole; a bill which, if passed, would have very unfortunate implications, we believe, with regard to the creation of new jobs in this country, through small business in particular, and through the chilling effect upon investment generally.

Mr. President, the country had better take notice. If, in fact, there is pessimism in the business community now with regard to investment, the passage of this bill, given the polarization of business and labor that the very consideration of this bill has created, is not going to be a plus factor with regard to additional investment by business in this country, this year.

Those of us who are genuinely concerned about full employment are genuinely concerned about enhancing the investment situation. For that reason, we simply make the point that withdrawal of this bill from the calendar is likely to be a spur to investment, a spur to new jobs.

I suspect that not another single action that could be taken by any responsible governmental unit right now would be more of a spur to new jobs and new investment in the country than the perception by the general public that the Senate of the United States, through its common sense and good will, disposed of this special interest piece of legislation and proceeded to think about the appropriation bills, to think about the tax legislation, to think about the ways in which signals can be given that the Senate of the United States has the economic affairs of the total country, of all the people, at heart, and is prepared to do battle against inflation.

(Mr. MORGAN assumed the chair.)

Mr. LUGAR. Instead, what the public perceives is a situation in which the Senate is bound up with large labor organizations, large spending appropriation bills, and bound up with business as usual, as we consider the special case of New York City that will come before this body before June 30 presumably when current Federal loan programs comes to an end. Mr. President, even as we debate the labor law reform bill in the chamber this morning several of us wish to be at the Banking, Housing, and Urban Affairs Committee for the second day of hearings on the New York situation. It is an important one and it is tied into the debate in this Chamber in several ways which I want to mention in the course of these remarks.

First of all, it is tied in through the very specific activities of the last 72 hours, namely the coming to a proposed settlement of Mayor Koch with various public employee groups in New York City. That was held as the first and foremost thing that had to happen before hearings occurred before the Banking, Housing and Urban Affairs Committee because, without knowing the nature of that settlement and its extent, the nature of the legislation that we might deal with would have to be inexact if not something approximating a blank check in the minds of the public.

A settlement has occurred and, Mr. President, despite reports to the contrary it is a very substantial settlement. It is a very large settlement, and it gets to the heart of the matter. Why, facing bankruptcy, would the mayor of New York City settle for what appears to be reported as billion dollars of wage increases? And that is at least the report that has come to most of us. "Mayor Koch pegged the total cost at $1 billion of which $757 million could come from

city funds and the rest from State and city sources." The Wall Street Journal article covering this says: "It remains to be seen if Congress will consider the $1 billion price too high."

Indeed it does. We shall be debating that issue if we are able ever to dispose of the so-called labor law reform bill, and we probably will not be debating the New York issue until we dispose of the labor reform bill which I think New York people ought to consider at this point.

Mr. President, the reason why a billion dollar settlement was arrived at by the mayor of a city who is pleading bankruptcy is that the public employee unions in New York City are very powerful.

A statement has been made that, if this sort of settlement, modest as it is in comparison with settlements of the past, had been arrived at during each of the preceding 15 years, the city would not face bankruptcy presently. But it was not arrived at during the preceding 14 years and the current settlement, although it is purportedly 4 percent for each of the next 2 years, is on top of a cost-of-living increase as I read the fine print of this situation. It may be as much as a 12-percent increase over the course of 2 years and may be more than that for many employees.

Why again do we have wage increases when a city cannot balance its budget and makes no case that the budget could be balanced before 1982? Not next year or the following year. The debate is whether the New York budget can be balanced even in 1982 with not a great deal of confidence as to whether that could occur. Even in the face of this, the mayor comes yesterday to the Banking Committee of the U.S. Senate suggesting a victory of sorts, that he settled for only a $1 billion increase. And the people of this country simply raise the question, who will pay it if your budget is out of balance by several hundreds of millions of dollars, and you reach that kind of a settlement? As a matter of fact, Mr. President, a number of people in this country would ask, would not the more appropriate thing to do be to substantially cut the budget of New York City?

But that has occurred, the mayor has said. As a matter of fact, attrition, he would claim, of 60,000 employees has occurred.

Studies by the Senate Banking Committee indicate that this has not unfortunately brought about an attrition in the payroll of the city, that it may be about the same as it was before the 60,000 employees left by attrition or were not hired or at the best case a very slight decrease of maybe 1 percent in the payroll situation.

Mr. President, we now have in front of us a case in which the New York City situation, brought on by very substantial pressures of public employees and the necessity of the continuation of services in the city, leads to appropriation of a billion dollar wage settlement and a desire that the United States of America, through action taken by this body and the House of Representatives, should sustain New York as opposed to a bankruptcy proposition on June 30.

If we are talking about labor law reform, and that is what this debate is all about, a number of people across the country have said there certainly is a need to take a look at what has occurred in public employee relationships in this country. The reason why mayors of New York City prior to Mayor Koch made settlements, which are now characterized by friends and foes alike of the New York Legislature as excessive, was that Mayor Lindsay and then Mayor Beame simply found out what occurs if you attempt to negotiate in a large city with a public employee union that is prepared to strike and prepared to bring a city to its knees. They had a pretty clear perception of this and so did citizens of those cities, and, Mr. President, in those days citizens grumbled but they said "Go ahead" and they paid.

The dilemma, of course, is essentially that they paid now it appears with some of the money of the rest of the citizens of the country. They made settlements without having the revenues with which to meet them. They came 3 years ago to the United States of America as a whole, as represented here, and suggested because they were in a jam, because public employees were prepared to shut down the city, bring terror to the ordinary lives of people caught in the middle of all this sort of thing, they settled and passed on the bills, and that proposition still lies ahead of us and for that matter, Mr. President, it could lie ahead of us if a precedent is set with many other municipalities of the country that have identically the same problems in terms of labor law reform.

Mr. President, are we discussing labor law reform in that context? Indeed we are not. The most pressing type of labor law reform that impacts upon inflation, that impacts upon intergovernmental relationships, the obligations of Federal to State and local governments, is not in front of us. We are still onto a very narrow slice of life, our attention directed by a very narrow group of people in this country who have an interest, of course, in their situation and they felt they had the votes to get the job done, but surely this is not purported to be of assistance in the inflation issue, in the bringing of health and safety to those caught in the impact of either the national job action or the local situation.

Mr. President, I do not think we are going to solve one of these problems without examining the others. To make the point more clearly, I know of no way to make a credible case with regard to inflation at the same time plunging right ahead with this bill.

One commentator after another made the point, so it is not original, but I shall make it again for the sake of the record, and that is the general public, back in our home States around the country as we visit, is concerned about inflation. Yet the general public reads that we are in process of appropriation bills that may add up to a $51 billion deficit. The general public reads that we are concerned here about a so-called labor law reform bill which if anything will have an inflationary bias, not the other way around. The general public reads that in this body, while mouthing on the one hand sentiments about cutting back, we are even considering additional legislation. National Health Insurance, for example, is mentioned from time to time as something that we should be about here, with thoughts that commitments have been made to have debates on that and some progress this year. To say the least, the public is confused as to what in the world is going on here.

Who is setting the priorities? Is there any reflection whatsoever of the general public mood?

Now, Mr. President, distinguished colleagues already this morning have read from the accounts of the referendum on Proposition 13 in California, and suggested that a new day may be at hand. Let me make a comment about Proposition 13 which, I think, is germane to labor law reform. That idea, the idea encompassed in Proposition 13, has been bandied about before in the State of California in one form or another, as well as in many other States of our country, and predictably when a tax limitation of that sort is suggested public employee unions have come to the fore and suggested that services will be cut drastically, that the body politic will suffer grievously in that sort of a thing; that essentially as appealing as a cut in property taxes might be, the consequences of it will be severe.

In California during this past month many groups of public employees, as a matter of fact, have pointed out that various institutions would be closed. It has been suggested that not only would higher education be hit but likewise the public schools generally; that libraries would be an early focus for termination; that policemen and firemen would be laid off; that essentially public services, as people have known them, would be drastically curtailed to the detriment of the health, safety, and education of a great number of people in California.

In the past that sort of argument has made common cause among those who are involved in the public sector, and people have said, "No, we don't want to take that chance."

But I think, Mr. President, the people in California have decided they are prepared to take that chance. As a matter of fact, they are eager to take that chance.

The significance of Proposition 13 is not simply the suggestion of a taxpayers' revolt, that people want lower property taxes which, indeed, they shall be cut by 57 percent, but even more profoundly that citizens in this country are sufficiently worried about the lack of responsiveness of legislative process, of due process through the law, that they are prepared with a meat ax to go in and slash away even at grievous harm to public institutions, saying that "Nothing less than that will get you fellows' attention; that left to your own devices, with business as usual, you will continue to tax and tax, and spend and spend without stoppers."

The people of California have been saying not just yesterday, but now with a drumbeat that swells for the entirety of this year, that if legislative bodies are not able to act with precision and responsibility, if legislative bodies are not able to pick up what is really on the minds of people, if their priorities are all mixed up, then indeed if there is a remedy through a meat ax it will be used, and used with a vast majority and with abandon and enthusiasm.

The Proposition 13 idea is one that will not go away. This morning we are still in the dreamworld here on the floor of the Senate almost as if nothing had happened yesterday in California, with millions of people turning out with more enthusiasm than in a Presidential election to indicate that they want an end to the nonsense of more big government, big spending, big inflation, augmented by big labor and big business, all in a juggernaut running over their lives, and here we are back again dealing with this narrow special interest piece of labor legislation, of benefit only to large labor unions in this country, of potential great detriment to people who might start off in business and try to hire people and provide jobs, to the whole investment community of our country, to the whole prospect of ever turning back inflation even so slightly, we are still dealing with this piece of legislation, and I think it is fair to characterize the lack of enthusiasm in this body for this legislation as indicative of something.

If there has ever been a cause celebre that had so little advocacy, so little enthusiasm, one would be hard-pressed to find it.

There are no crowds crushing in upon this body suggesting that we have to have this legislation or the Republic will perish. As a matter of fact, the public as a whole is even barely aware that this debate is going on, and is bored to death by it, wondering why we are preoccupied again and again with this narrow piece of special interest legislation. They wonder how a responsible body of people could be so engrossed in something that means so little to so many.

It just seems to me, Mr. President, that the public has not only indicated its lack of enthusiasm for this legislation but, beyond that, very clearly its antipathy. The cards and letters I have received in my office now total about 45,000 on this issue, with at least 34,000 expressing opposition. In a poll we conducted through our newsletter it brought back 17,000 returns. People were 57 percent against, 25 percent for. They did not feel that way about every piece of legislation. As a matter of fact, they were for a good number of things that we may not be hearing about currently. But certainly they are opposed to this piece of legislation, and they are opposed solidly, and that is true throughout this country.

I suppose those of us in opposition to this bill have a great deal of compassion for those who are in favor of it because we know in most cases they must be listening to a drumbeat of people who wonder why in the world their Senators are prepared to go down the line for this type of thing. The public is opposed, and the public wants to see this bill removed. The public wants labor law reform in a form the public finds comprehensible.

Mr. President, let me just add that the public is going to be heard, and going to be heard in all sorts of ways. As of this morning with Proposition 13 having passed, there is a new ball game in this country. For example, I am astonished that on the very day Proposition 13 was passing in California, the mayor of New York City, Mayor Koch, was appearing before the Senate Banking Committee and threatening large layoffs of public employees in New York City as a consequence of the Senate's failing to take action.

Mr. President, let us try to put this in perspective as to what is occurring on both coasts of our country.

For the last 3 months, mayors of cities in California, the Governor of the State of California, most members of the General Assembly of California, and certainly every leader of an organized public employee union in California has been predicting layoffs in the event Proposition 13 passes. They not only have predicted layoffs; letters have been sent all over the State of California to those who would be affected, to those who would be laid off, suggesting that they and their families would do well to campaign with all of the zeal possible against Proposition 13. The suggestion was that the job that was saved might be his or her own. Very direct.

That argument was made up and down our largest State for weeks if not months. Mr. President, if that argument had had much appeal, if a large number of people in California had been genuinely worried, they would have voted against Proposition 13. They would have said, in effect, "These layoffs, this decimation of public service, are going to be too costly to all of us."

But did they vote that way? Of course they did not. They simply said, "That is too bad. We have paid and paid and paid tax bill on top of tax bill, and we have had enough. We do not want to see anyone lose a job, but the facts of life are we do not want to lose our houses. we simply do not want to lose our place in the sun, and at some point enough public service is enough. We do not need that much public service. We shall do without it. Therefore, do not threaten us with layoffs; do not threaten us with society coming apart at the seams. We think we know better. We think the 'politicians' will cope with the situation, and in any event they are going to have to. because the resources are going to be set."

Mr. President, at the same hour that this referendum was going on, involving what may ultimately be 5 or 6 million people—not a handful, not a sampling or a poll, but over 10 percent of the voters of our country all voting on this issue at one time—the mayor of New York City came before the Banking, Housing, and Urban Affairs Committee, and predicted, in fact the Wall Street Journal says promised, massive layoffs if further Federal loans were not forthcoming.

Mr. President, we are going to have to face that problem. In this case it is not the citizens of New York that are being threatened by the mayor, as the citizens of California were being threatened by many mayors out there. The citizens of New York are not going to be voting on a referendum on whether to cut taxes, cut jobs, and cut payrolls. They are not going to have that opportunity, but we are. It is going to come very soon.

It gets to the heart of the issue of labor law reform. It gets to the heart of who is calling the shots in New York City, in the urban areas of this country, all around.

Mr. President, let me just suggest a new chapter in the labor law reform debate that really does get to the heart of what the people of this country are talking about. That is, we are going to have a debate on labor law reform. It may not be the debate the special interest groups wanted. It may not be very helpful, as a matter of fact, toward organizing the small businesses of this country, beating them over the head and causing them to hire attorneys and make great sacrifices, maybe loss of initiative and jobs. It may not be that debate at all, by the time June is over. We are just 23 days from June 30, which I am advised is sort of the terminal point for the New York situation, in which 300,000 public employees are very substantially involved, and for coming with exultant victory to the settlement for a billion dollars which they do not have, which they believe we have, on this floor and on the floor of the House of Representatives, if the President will sign the legislation; and the Wall Street Journal has made again and again the point, which I believe is valid, that this body will have to make a judgment as to whether guarantees of loans are in fact guarantees if there are not very good prospects that the loans can ever be repaid.

Mr. President, at the heart of that matter is the problem of wage settlements. At the heart of the governance of any city is the problem of the mayor and council and their relationship with public employees. That is what city government is all about.

New York has been unable to cope with that. That is why we are going to be asked to cope with it. We are going to be asked to discuss the problems that should have been taken up in the city hall of New York City a long time ago.

The suggestion is that if you cannot borrow money through the money markets of this country to pay your bills, you look for somebody else to cosign your note; and if we cosign knowing there is very little prospect it will ever be repaid, we are, in fact, redistributing the wealth of this country, under a very specific request to meet a very specific settlement, involving wage agreements, pension rights, and other occasions which have precipitated that settlement.

It is a very interesting case of welfare redistribution in a cosmic sense—a sprinkling of the taxpayers' money from around the country to meet the labor negotiation problems of one city.

Mr. President, there are other cities in line with an ever greater agenda of that sort. My suggestion is that we are talking not only about labor law reform, but about the public perception of inflation. If we accede to these sorts of demands, if we cosign notes for money that is not there simply because of the power of certain individuals organized in public employee unions to shut down a great city or shut down other cities, the public will want another kind of labor law reform, and as a matter of fact the public is likely to react in almost the same way the voters of California have reacted with Proposition 13. Indeed, the votes still are fragmentary on these issues, but the people of the State of Ohio, when faced with several instances of whether something as important and vital as public education should be continued or not, have decided, in the face of the expenses and the higher taxes involved in continuing, not to do so. That apparently is the case in Cleveland, Ohio, and in Columbus, Ohio, two cities of considerable consequence, size, and wealth.

People as far away from California as Ohio, who are facing a rather vital issue, with predictions by the public employees who are involved there that public education, a vital resource involved in our country and its future, will come to a standstill, have said the policy should be, it would appear, "If the schools have to be closed, then close the schools. Somehow you people in public life have got to come to grips with the fact that our patience and our pocketbooks are not inexhaustible, and if you cannot deal with these things in a responsible manner through the legislative forums available to you, then, in fact, as we have opportunities we shall deal with them."

These referendums will be criticized by political scientists, by humanitarians, and by a great number of people of compassion as irresponsible, as a type of vengeance that ought not to be permitted with regard to school children, with regard to public safety in California, and so forth, and indeed I would guess that in the hearts and minds of many voters in California and Ohio there were very troubling circumstances.

There would have been for me, Mr. President, in trying to cast a vote in those circumstances, to say the least. People do not cast votes for Proposition 13 or for referendums to shut down school systems without being at the end of the tether, without having a feeling that responsive government simply is not working.

Mr. President, once again we come to the important link to this debate. That is in the face of Proposition 13, and now no longer simply news articles, general reports of unrest in the hustings, and so forth, what are we doing? The morning after, here we are back again in still another day dealing with the so-called labor law reform bill, simply because the great compulsion upon this body is apparently still the power of international organized labor.

I think it is fair to say that there are many Members of this body, as they trundle back to Washington today, who find their way in from various primaries conducted in our country, who have been sobered by the experience, to say the least. A good many have seen the voters face to face. They have not read the press here for a while. They have really been back there and they know the sense of depression about how Government comes to grips with these things.

People are trying, I suspect, to send messages that the budget is too big. The first resolution we passed is far too great. The deficit is really out of sight. I think in his heart the President feels that way. If I read the rumors of his thoughts about this, he would like to cut back the $51 billion or the $53 billion, as the case may be. Certainly he is sending signals that next year it will not be nearly so big; $37.5 billion has been bandied about as a potential deficit. Some have talked about a game plan of getting down to $20 billion in the fiscal year after that.

The President knows this in his heart and his political instincts are right on this issue. He knows that out there he has big trouble if the deficit is not cut, if this long-term coalition of big government, big labor and big business is not stopped.

It was interesting, I thought, that in Proposition 13, side by side with big government and big labor in California was the Bank of America.

There are establishments all the way across the board, and this bill is the heart and soul of that type of thing, in which a large interest, the international unions in this case, says "By golly, whatever the public is thinking, we were there when you folks who ran for the Presidency and for the Senate needed us. We were there with the phone banks, with money, with the internal communications. We know how you made it through the primaries. We know how you made it through the general elections. Let us not have any more horseplay. This bill is it."

Sure, it does not make any difference with regard to labor law reform in the country. It certainly does not have a whole lot to do with curbing inflation. It is clearly an augmentation of big labor. No one is arguing, to my knowledge, that this will cut the power of big labor in this country. That argument has not been made by anybody. If it was made, clearly it would be laughed at on the face of it. The whole point of the bill is to enhance big labor, to enhance the possibilities for the generation of inflation that comes with the effect of big labor, big business, and big Government all scratching each other's backs in an unholy triad.

The fact of life is that small businesses, individual voters, who really could not care less about labor-management disputes, are saying, "Enough." They are saying, "If you do not believe us, give us a chance. Whatever the issue, however seemingly irrelevant, we are going to show you."

They are doing so and they will continue to do so.

Mr. President, I would simply add that at this stage we have some opportunities, I think. Far be it for me to be so presumptuous as to chart a course of action that others might want to take on this particular bill. But, Mr. President, this bill is not going anywhere, nowhere at all. The reason it is not going anywhere is that a vast majority of the public is tired of it, tired of the whole trend of it, tired of the relationships to it. The public is not going to support this bill. The case has often been made in this Republic, Mr. President, that extended debate, or, as some in the majority would call it, a filibuster, cannot succeed unless in fact, a majority of the people want it to succeed.

My contention, Mr. President, is that a vast majority of the public out there today wants the extended debate to bring the withdrawal or the end of this legislation as a sign that the Senate is still responsive to what is actually going on in the world and in the country, that it has some recognition of what is actually in the hearts and minds of the American people.

Mr. President, those who are opposing this bill certainly have that in mind. We cannot only read the election results, but, as a matter of fact, we are grateful that such demonstrable evidence has come at a time of such crucial importance in regard to the disposition of the bill.

I would suggest, Mr. President, that there are several courses of action available. One would be to withdraw the bill and get on to something else that the public would like to see us grapple with. They would like for us to take some time in working over the appropriations bills this year. I do not think they will want to see those bills zipped through with the billions of dollars attached to them without some thoughtful probing and maybe some judicious cuts. That may take some time to handle those bills in a responsible way. Our time would better be spent in doing that than in discussing a narrow, special interest piece of legislation with not much relevance, except to those in the organizing business.

In the event we want to really grapple with a tough issue, Mr. President, we ought to take up the New York City issue. We ought to think through clearly what the relationships are of public employees and the city of New York and the rest of us in this country.

Let me be very specific, Mr. President, as mayor of the city of Indianapolis, I might have faced a simultaneous threat of strike by policemen, firemen, sanitarians, those in the hospitals, who said that, "If you do not settle for X number of dollars, we are going to shut down the city." On occasion, Mr. President, I was faced with such suggestions. As a matter of fact, the front pages of the Indianapolis papers during certain periods of my life during those 8 years were replete with those sorts of suggestions, and I received a lot of response from the public. Phones rang off the hooks. People came in person to city hall. Usually, of course, they said, "Be firm," but, on the other hand, they said, "Keep services going. Make certain not a stitch is missed. The prosperity of our town depends upon full employment every day, upon the competitive aspects of having a city that

works, that runs. We want to make certain there is continuity there."

Mr. President, I could have taken the latter expedient or advice and said, "All right, we will settle," and simply picked up the first offer or about the best deal we could make, without regard, of course, to our income as a city, and simply borrow against the future in the hope that somehow it will all work out, with the fair degree of certainty that if it does not all work out that as 800,000 people in Indianapolis we can say to the Federal Government, "You cannot leave us this way. You cannot leave 800,000 of your citizens without adequate service. You simply cannot lop off 800,000 people without compassion, without consideration."

Well, Mr. President, multiply the situation by 10, and we have 8 million. That is the argument that is being made; that is the argument that must be met; and it is a very tough argument.

Here, in this body, we are not well equipped to deal with labor law reform when it comes down to it, because labor law reform means what does Mayor Koch say to policemen and firemen, or the people that run the vital transportation systems of a great city? What does he say?

It is easy enough for me or anyone else to offer gratuitous advice to the mayor, to suggest that all the sins of the past were too bad and he has to face up to it now. It is easy enough to do that.

I think we need the days ahead of us to grapple with that problem, because it comes to the heart of American federalism, of what should be the relationships among Federal, State, and city entities and how the buck should be passed, literally, and what we should do in cases of extremists.

New York is no different from any other city in the country that faces the problem of public employee negotiations. It is a subject, Mr. President, that we have not wanted to deal with, because that is labor law reform. We have not wanted to deal with the amendments to Taft-Hartley and the powers that the President ought to have to deal with the coal strike, because that is labor law reform. Instead of reform, we have wanted simply to bow to what appeared to be the bottom-line demand of a very special interest group in our country of which a number of people felt the time has come for some consideration. In the present mood, Mr. President, that will not do. The public will reject this tawdry situation for what it is.

My suggestion, Mr. President, is that, at this stage, let us make our debate far-ranging if we are to have one at all. Let us talk about labor law reform. Let us talk about the real cases of people out there in California and New York City, in school systems in Ohio, in all the things that are really happening in this country right now, as opposed to the Alice-in-Wonderland quality of this debate, which deals with an abstruse subject of such narrow interest, and that, without our coming to grips with what really is going on in this country, people will simply wonder what we are about and if we have lost our senses. I, for one, am not prepared to admit that I have lost my senses with regard to what is going on in the country. I think the majority of this body are likely to agree with that position and, in due course, are likely to vote accordingly as they have opportunities, as the parliamentary situation evolves.

Mr. President, I yield the floor.

Mr. HATCH. Mr. President, I compliment my distinguished colleague from Indiana for the very excellent remarks that he just made on the floor of the Senate and certainly, the correlation that he has made between Proposition 13, which overwhelmingly was won last evening in California, and some of the problems that really confront us in our society today in a timely manner to this particular bill. I think he has done us all a great service and it is a very elucidating process.

I personally feel very elated about Proposition 13's victory yesterday. I think it is about time that the people in this country sent a message across the country to everybody, to all these bureaucrats, especially everybody back in Washington, that we have had enough. We have had enough domination and enough bureaucratic entrenchment to last us a lifetime. I think that was the beginning—if not the beginning, certainly a very forceful forward thrust toward sending that message across this country.

We have been telling people all over this country that the citizen taxpayers of this country are sick to death of big government and especially the controls that we have back here in Washington and the fostering of special interest controls, whether they be big business, big corporations, big labor, or whatever. The fact of the matter is that the average person in this society is completely trampled by government today. We have to do something about it. That is why I enjoyed that victory so much.

Although I might have written Proposition 13 differently from the way it was written in California, and although there might be some dislocations and difficulties as a result of its enactment, it seems to me that it is a step in the right direction.

I certainly applaud those who gave so much of their time and effort and took so much vilification from the bureaucrats, who would be the most seriously thwarted by the proposition, for the efforts that they have made. I think it is a monumental achievement and I am very pleased that it was passed. I compliment all of my friends in California for being willing to stand up and shove it down the throats of the bureaucrats.

There are good bureaucrats and there are bad bureaucrats. The problem is that there are so many bureaucrats that it is getting difficult to tell the good ones from the bad. I think it is time to start doing that.

Mr. President, in a recent speech, in New York, a high official of the AFL–CIO made some very interesting remarks about this debate. The remarks themselves probably would not be worthy of note except for the fact that they pick up on a theme which clearly is designed to intimidate the people of the United States and this Senate with the threat of class warfare if we defeat this awful legislation.

The labor leader to whom I refer, Lane Kirkland, secretary-treasurer of the AFL–CIO, revealed a surprising lack of insight into the debate which is taking place here when he referred to me as engaging in "hate-ridden invective" and doing "corporate dirty work." It was as recent as the last day of our debate that the distinguished majority leader complimented all of us on the constructive nature of the debate. Anyone who has heard or read what has been said here would find no trace of "hate-ridden invective" on the part of any speaker. But perhaps we can dismiss this unwarranted attack on me and a distinguished colleague as rhetoric, if not pure demagoguery.

What cannot be overlooked is the bald threat that if the big, powerful Washington-based labor unions do not get their way—and Mr. Kirkland included in his condemnation not only the extended debate but amendments as well—there will be a breakdown in the relationships between mangement and unions. The president of one of the largest unions has already, on several occasions, threatened the American people with class warfare and fighting in the streets—indeed, a return to the 1930's style of labor strife—if so-called labor law reform is not enacted. Now he is joined by the second in command of the Washington-based AFL–CIO in threats of dire consequences such as class warfare and of "codetermination" in the boardrooms of corporate America if they are denied their demands upon this Congress.

It is, indeed a paradox, to say the least, to hear the sponsors of this bill describe what they demand as mere corrective measures to give meaning to the law which has served our country so well for over 42 years with the rumbles of threats of fighting in the streets, class warfare, and codetermination as their backdrop.

Everyone in this country, certainly every Member of this Senate, knows that the American people do not want this legislation. Poll after poll has clearly and decisively told us that the people do not want to give organized labor and their Washingtonian leaders even more power by tilting our labor laws even further in their favor. Everyone also knows that the unions are losing favor with their members, losing ground in their efforts to organize new members, generally decreasing in size and station in our society. Practically everyone knows that the real purpose of this bill is to subsidize, through the granting of legal advantage, the ailing and faltering union movement.

Let us be honest about it. The unions and their Washingtonian leaders want us to bail them out. They want us to make drastic, unfair, unbalanced changes in the basic labor law of our land—a law which has had its troubles but which on the whole has worked well for over 40 years in order to allow them to overwhelm employees and employers alike,

in order to give them tremendous legal advantages over small employers, especially so that they can force-feed unionism throughout this land. They do this under the guise of some crying need to clamp down on corporate outlaws. They would have us believe that it is the law which has failed. On the one hand they paint a picture of widespread denial of workers' rights under existing law—which is untrue—and on the other hand they tell us that only the few unprincipled employers who violate the law with impunity would be affected by passage of the bill. The President of the United States describes the bill as mild and reasonable while the president of the AFL–CIO describes it as the most important labor legislation to come before the Congress since 1935. And now, the secretary-treasurer of that same AFL–CIO accuses those of us who would dare to oppose them as being engaged in "hate ridden invective." We and the people of this country are threatened with labor strife and retaliation if the bill fails. We are accused of heinous misdeeds for engaging in extended debate which is a practice recognized in the Rules of the Senate since its inception.

As a matter of fact, it has been said on the floor of the Senate, "How can this willful minority stand up and thwart the will of the majority in the Senate?"

That is hardly the proposition before us. The proposition is, "How can those who are for this bill thwart the will of the vast majority of people throughout this whole society who are against this bill?"

The vast majority of our citizens, and the polls show it, the people show it. I brought out that the Suburban Newspapers Association of America, the National Newspaper Publishers Association of America, representing almost every publishing newspaper in America today, have come out directly against this bill as a blatant overreach by one special interest group in our society to the detriment of all others. That is amazing.

We put those matters into the RECORD because, generally, these associations will not come out for or against most legislation except through the editorials of their individual newspapers on an individually decided basis. But, as a rule, they came out against this bill. That is something to think about.

If anybody represents the minority, the prolabor law "reform" people represent the minority. If anybody represents the majority, it is those of us who are standing here day after day, putting in the RECORD the reasons why this bill is not appropriate and this bill is detrimental to America, detrimental to the very union people that allegedly it is supposed to help.

I might mention the sad fact is that they do not realize it. Some of them do, but most of them do not.

The question posed is whether this august body—the Senate of the United States—and indeed—whether the people of the United States will be bludgeoned into submission to the demands of the unions for advantages and privileges under the law by threats of class warfare, codetermination, and fighting in the streets. Those threats do not frighten me. They do not frighten the American people and the workers who more and more reject them at the polls. I think we saw evidence of that in yesterday's polls throughout America.

This great Nation has prospered and grown under a system of law and a system of balance of power which is unprecedented in this history of man. To be sure there have been times when the balances have been threatened by the accumulation of too much power in the hands of a few. We have always been quick to correct such imbalances. To be sure, there have been many attempts by many groups to attain positions of inordinate power through the political process—quite often under the guise of reform or beneficence or protection of the disadvantaged or the downtrodden. Somehow we have always thwarted these power plays and kept a reasonable balance. I view this bill as just another such power play attempt. I would view it so if it came from big business or employers in general, or any other group. I for one will not be deterred by the threats of the Washingtonian labor leaders, nor will I be discouraged by their verbal abuse.

When we stop and think about it, the threats really are threats to the freedom of America.

I think everybody in America was concerned during the last coal strike when there was blatant disregard of the laws and nothing was done about it. Basically, nothing was done about it.

In fact, this almighty Federal Government looked somewhat ineffectual during those days. If it was the other way around, the whole weight of Government would have been upon it, and I think both sides were wrong in some ways in that particular problem.

All I can say is that the debate today has been conducted on a high plane and the remarks of all Senators have been directed to the issues before us. Let us hope that it will remain so despite outside threats and attempts at intimidation.

Mr. President, I ask unanimous consent that the full text of the remarks by AFL–CIO Secretary-Treasurer Kirkland before symposium of Work in America Institute, Inc., Harriman, N.Y., on May 24, be printed at this point in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

REMARKS BY AFL–CIO SECRETARY-TREASURER KIRKLAND

I should like to compliment Clark Kerr, Jerry Rosow and their colleagues for their fine work in preparation for this conference.

I commend to you all the tome they have procured and edited. It will tell you more than you may really care to know about the issues at hand.

By and large, the various treatises included in this volume pose those issues fairly and squarely. Opinions and attitudes are measured, fearless forecasts are ventured, and prescriptions are drawn. Who knows? Some of them may even have the added virtue of being right—or at least correct.

In any event, they clearly illustrate the fact that modern life is a perpetual search for solutions to the new problems created by the solutions to the old problems.

Coming as I usually do to these affairs with my legs firmly crossed and my hand on my wallet, I can find remarkably little in these pages with which I strongly disagree, or do not regard as at least arguable. I can even bring myself to seriously entertain both of two opposing propositions set forth by different authors—where, for example one says that education improves productivity, while another says that attitudes derived from education reduce productivity. Maybe they are both right. You do not have to be a sailor to know that all currents do not move in the same direction.

Trade unionism, as the valid expression of the rights and interests of working people, should have little reason to fear sincere experimentation and innovation, under the name of "quality of work life" or otherwise, as long as it covers its flanks and asserts its role. The trade union movement has been the prime instigator of innovation, within its own house and structure and in its relations with management and the government and it can never close its mind to it.

As just one example, not so long ago, in 1961, the AFL–CIO eradicated the age-old concept of pure jurisdiction as the guiding principle in the resolution of inter-union disputes. The implications of that action have not yet been fully appreciated even within the family of labor.

We have pressed industry and the government repeatedly along the path of innovation and change. In so doing we have been, and we remain, the prime moving force in a variety of incremental revolutions in our society which have yet to run their course and which are reflected in many of the trends described in the documents before you.

Trade unions are responsible for the extent to which privilege and choice, reserved to the few since the dawn of history, have become democratized in this country. We have democratized leisure, health care, education, opportunity and mobility, laying the basis for entire new industries, occupations and ways of life—and that process is far from complete.

By extending the period of exemption from work through educational opportunity, by achieving and extending paid holidays, vacations and earlier options for secure retirement, we are bringing into being the first generation in the history of man which can anticipate work life as the lesser part of its span of years. The members of this rising generation can expect to have the chance to spend more of their lives in the pursuit of their personal interests than in work for other people's interest. Is there any wonder that attitudes toward life and work are changing? They must change, because the conditions have changed, and trade unions are leading parties to that change.

I have no quarrel with, and much regard for, the worthiness of the search for ways to enhance productivity, job satisfaction, the reassembly of dismantled skills, or the quality of work life. I do tend to question the exuberance of some who point to the existence of an experiment as proof of the result. That is a tendency common to advocates, as it is to foundations which, in making experimental grants, often fall into the practice of regarding the grant as proof of the theory that is to be tested, as well as its general applicability. Evaluation should be a more detached process and credibility would be improved if those closely engaged would, at least once or twice in a blue moon, acknowledge a failure. After all, the disproof of a theory can be just as great a contribution to progress and understanding as the demonstration of its validity. Both possibilities are equal justification for experimentation.

My own reluctance to be drawn more deeply into these particular issues at this time stems not from their intrinsic flaws or merits, but from the surrounding climate and the proper order of concerns.

I must confess to the belief that labor at large should still be more immediately concerned about the problems of the unemployed than about those of the unhappily employed. The problems of the old and the sick still deserve consideration ahead of those of the young and the healthy. The plight of the victims of unchecked management power ranks ahead of the condition of the beneficiaries of its lofty and pious benevolence.

And I am not all that impressed with these rosy examples of progressive modern management engaged in civilized cooperative discourse with labor, when I know that so close beneath that veneer of civility which your firms find expedient, lies the bedrock primitive honing for the master-servant relationship.

It is proven as you sit here. Today, at this moment, industry's minions and hirelings in the Chambers of Commerce, the N.A.M., the Right-to-Work Committees and all those other "Christian gentlemen whom God in his infinite wisdom gave custody of the property of this country" are mobilized and engaged in a campaign—for what? To advance a reasoned argument or point of view? NO.—to prolong a filibuster, to prevent the Senate of the United States from considering and acting on any point of view. Is Filibustering I and II on the curriculum of America's business schools today?

I confess that I am not all that comfortable to be here engaged in earnest reminiscences about the future of industrial society with the convivial Dr. Jekylls of corporate enterprise, while their Mr. Hydes are busy at work in Washington preserving the power of certain companies to add to their profits by breaking the law.

What does management want of the laws of the land? With the Wagner Act, labor gave up certain methods of self-help such as organizational strikes and picketing, in exchange for an orderly procedure whereby workers might choose or reject a bargaining agent without coercion from any quarter. The object was industrial peace and progress—and an end to violent and disorderly encounters and mini-revolutions in the plant—a value to management as well as to labor and the public.

As soon as it saw an anti-labor majority in Congress ready to do its bidding, industry put through its amendments stripping workers of other means of organizational self-help; imposing one-sided mandatory injunctions on labor, and giving management extraordinary power to impose its will on a worker's choice, in an inherently coercive atmosphere.

Labor organized no filibuster. Management got prompt action on its terms, against labor.

Then came Landrum-Griffin, with its massive intrusion into the internal affairs of free and voluntary unions and its heavy criminal penalties against trade union offenders.

Labor organized no filibuster. Management got prompt action, on its terms, against labor.

So now we are left with a law which has stripped labor of major instruments of self-help and mutual aid that it had before the Wagner Act, yet virtually nullifies the promises that Act gave, while management is free and privileged to conduct the most savage jungle warfare with tools and incentives which far outweigh any token deterrents.

Now, the President, the House of Representatives and the Senate Committee with jurisdiction have proposed amendments designed to afford workers—not unions—some degree of protection against punishment for exercising their legal rights.

And there is a filibuster—organized, promoted, and sustained, not just by some primitive sections of industry, but by all of corporate America, through its major organs of influence. The circle is unbroken. No voice of compassion for the plight of a worker stripped of his livelihood for having the character to overcome fear and exercise his legal rights, has been heard in public from any official of a major corporation.

There is a term for the kind of a campaign that American industry has launched to kill the hopes of the most oppressed and deserving workers in this country.

It is class warfare. Like the South African "Bruderbund," the unbroken phalanx, the conspiracy of silence of the supposedly enlightened and the hate-ridden invective of your Helms' and Hatch's who do the corporate dirty work make it plain.

One needs a sense of paradox in these times. I have always believed that if socialism comes to this country, it will come at the hands of ultra-conservative politicians using the public treasury to bail out collapsing corporate empires. Now, it seems class warfare has been launched by the most privileged and powerful in our society. The attack on the status of free and voluntary institutions in this country is being inspired, financed, and led by those who have profited the most from that arrangement of human society.

Yes, I have heard disclaimers. I have been told of the organized pressures on company executives by customers, suppliers and bankers that have compelled them to hold their tongues in spite of their better instincts.

Sweet land of liberty!

Think of the pressure on an underpaid worker whose family can't afford to have him risk his job by joining a union—yet he does.

These realities cast the issue of the quality of work life in the ironic light of Ishmael who, in Melville's Moby Dick declares, if I remember it right, "What of it, if some old bunks of a ship's mate hands you a brush and tells you to clean the decks? What is that indignity, weighed, I mean, in the scales of the New Testament? Who ain't a slave? Answer me that."

The pending issue of labor law reform may well mark a crossroad in the future of relations between labor and management in this country. Much progress has been made under a system of sometimes cooperative, sometimes adversary, encounters between parties with a shared set of values. Opportunities for further progress for the good of all, abound.

They are not likely to survive the bitterness that would be engendered by the blind obstruction of this measure through a filibuster, whether by "extended debate" or by an avalanche of gutting amendments. I for one would be most reluctant to continue to participate in labor-management committees or symposia engaged in high-minded discourse. A certain amount of hypocrisy, of course, helps to make the world go round. But I would not know how to carry on a serious and constructive dialogue with split-level, double-breasted management.

Management is singularly fortunate in this country. Its role and status is not under serious attack by any ideology espoused by labor. The American worker is uniquely free of class consciousness or envy. He does not look into your pot with malice in his heart. He simply wants for himself and his children similar access to the fruits of freedom and opportunity.

His organizations and spokesmen are not plotting the nationalization of your enterprises nor the occupation of the chairs on your side of the table.

In fact, I know of no American trade unionist who, at this stage of the game, would want to join or mix in blithe fraternity with corporate boards of directors composed, as they now seem to be, of the kind of people who regard it as clever and admirable to conspire to strip the most disadvantaged of American workers of their rights, in painless violation of the law, and who procure a growing army of mercenaries in the further pursuit of that adventure.

They would not want to step so far down in class.

Co-determination, anyone?

Mr. HATCH. Mr. President, the Byrd amendment proposes to freeze the Board's jurisdictional standards in effect as of May 1, 1978.

In other words, it is not going to change anything. It does not do anything for anybody, but they want to make what has been done heretofore by rule statutory.

However, the practical effect of the amendment would be to legislate a continued gradual expansion of the Board's jurisdiction despite the fact that inflation has increased some 130 percent since 1951.

I think that is the important aspect that ought to be thought about here.

Under section 14(c)(1) of the Landrum-Griffin Act, the Board is already precluded from making its jurisdictional standards more stringent than those prevailing on August 1, 1959. The standards prevailing at that time (and still effective today) were announced in 1958 in Siemans Mailing Service, 122 NLRB 81. These standards were expressed in terms of specific dollar volumes depending upon the type of business in question. However, inflation has steadily eroded their jurisdictional thresholds, thus expanding jurisdiction over small businesses. The Byrd amendment would continue this expansion by codifying standards written 20 years ago without taking into account the effect of inflation since that time. For example, the Board will assert jurisdiction over a nonretail enterprise if the gross annual outflow or inflow of goods sold or purchased are only $50,000. Because of inflation, far more small businesses would have been exempted under the $50,000 standard in 1958 than would be true today. As is readily apparent, organized labor would benefit greatly from adoption of the Byrd amendment. By removing the Board's discretion in determining the scope of its jurisdiction, the amendment insures a gradual expansion in the coverage of the NLRA.

As a matter of fact, it guarantees maybe more than a gradual expansion because the Renfret report with regard to the economic effects of this bill has indicated that with every 10 percent rise in unionization, which will be readily facilitated if this bill is enacted, there will be a 5-percent increase in the Consumer Price Index, which will translate to a 3-percent increase in inflation, which would be up into double-digit inflation within a few months after enactment of

this bill, and that is considering this as the only push on inflation when we consider we have all kinds of bureaucratic push in our society today.

The Byrd amendment would still leave under the jurisdiction of the Board 847,497 business establishments, a rather substantial number even if one were to subtract all of the Fortune 1,000 companies. Moreover, these businesses employ over 45 million workers, 76 percent of the covered work force.

One might also inquire as to the manner in which the Board's jurisdictional standards were initially promulgated. Historically, the Board has demonstrated considerable distaste for the rulemaking process. Instead of issuing proposed standards and conducting legislative-type hearings, the Board announced the standards in a series of individual cases and through press releases. Although such a procedure would seem to raise some questions as to whether due process requirements were observed, the Byrd amendment would set these standards in legal concrete.

It should be clear now that the trend of the National Labor Relations Board since 1958 has been the continual expanding of its jurisdictional coverage. When we consider the fact that the Labor Law Reform Act adds two members to the Board, even though this debate has shown the current five-member Board is by no means overworked—indeed, the Board reduced its backlog of cases in 1977—I believe we can justifiably conclude that the new seven-member Board will continue the trend of covering more and more and essentially smaller and smaller businesses.

I think small business can be hurt drastically by this bill, and I believe that everybody else who is honest about it has to admit the same.

It is true that not every employer in this country is now covered by the terms of the National Labor Relations Act. The Board's existing jurisdictional standards exempt a certain number of businesses. We must remember, however, that many small businesses in this country simply do not have any employees. For example, according to the Statistical Abstract of the United States, and based on Internal Revenue Service data, 72 percent of the firms in the United States do not have employees. They do not have any. Seventy-two percent of all businesses do not have one employee, except the guy who owns it. That is something to think about.

No wonder the 76 percent figure that has been cited on behalf of this bill has ignored that fact. Only 4 percent out of that 78 percent literally have more than the one employee. That is something to think about. Seventy-two percent of the firms in the United States do not even have one employee, except the sole owner of the business, who acts as his own employee. Also, they cannot be organized. In other words, 72 percent of the firms in this country, according to the Statistical Abstract of the United States, cannot even be organized, under this bill, because they are only one-person businesses. Yet, the promulgators of this bill would have us believe that 76 percent, or even as high as 78 percent, of all businesses are not covered. I think that is true. So 4 percent or 6 percent are covered, but they are businesses with only two employees. No union in its right mind economically would try to organize them. Needless to say, labor unions are not interested in organizing a business unless that business has employees to organize.

We can argue all day about the definition of a small business. However, I believe my colleagues will agree that, at least for the purposes of the National Labor Relations Act, we are concerned only with those businesses which do have employees.

So the bottom line is that, no matter which way you look at it, basically all businesses with employees in this society are covered. We have indicated that 76 to 80 percent of all employees in society are covered. The remainder either are sole employees of their own businesses or are in business units which are so small that there probably are two or less employees.

Mr. President, at this time I wish to print the following tables in the RECORD.

I ask unanimous consent that some tables, taken from the Statistical Abstract of the United States of 1977, a U.S. Department of Commerce census publication, substantiating my remarks that 72 percent of the firms in the United States do not have employees, be printed in the RECORD following my remarks on the labor reform bill. These are documents describing the size of firm summaries, table B–6, table B–7 employment by industry division, as of March 1974, and page 551 under proprietorships, partnerships, and corporations, table No. 894 entitled "Proprietorships, partnerships, and corporations—number and business receipts, by size of receipts, 1965 to 1974" be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

SIZE OF FIRM SUMMARIES

TABLE B–6.—NUMBER OF REPORTING UNITS [1] BY INDUSTRY DIVISION, CURRENT QUARTER

Industry division	Total all size classes	Employment—size class								
		0 to 3	4 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1,000 and over
All industries (in thousands)	3,588.3	1,998.7	977.7	426.0	288.6	102.3	60.1	19.8	9.3	6.
Agriculture, forestry, fisheries	48.0	30.0	11.5	4.0	1.9	.3	.2	.1	[2]	[2]
Mining	23.3	9.9	5.0	3.4	2.9	1.0	.7	.2	.1	.1
Contract construction	441.2	254.2	104.2	43.9	27.0	7.6	3.3	.7	.2	.1
Manufacturing	39.83	77.3	66.8	50.1	51.6	26.0	21.2	8.6	4.0	2.5
Transportation, communication, and public utilities	145.1	64.2	34.7	20.0	14.9	5.7	3.5	1.2	.5	.5
Wholesale and retail trade	1,428.5	677.6	407.3	182.0	112.3	31.5	12.8	3.0	1.2	.7
Finance insurance, real estate	342.1	216.2	68.5	26.4	18.4	6.9	3.9	1.1	.5	.3
Services	1,067.7	632.9	260.4	87.7	51.7	18.9	10.6	3.1	1.5	.9
Government	60.7	19.8	14.3	7.2	7.2	4.0	3.8	1.9	1.2	1.3
Nonclassifiable establishments	23.9	16.6	5.1	1.3	.7	.2	.1	[2]	[2]	
CHANGE FROM 1ST QUARTER 1973										
All industries	118.5	82.4	17.2	−2.8	15.0	2.3	2.6	1.0	.4	.3
Agriculture, forestry, fisheries	3.8	2.3	1.0	.4	.1	0	.1	0	[2]	[2]
Mining	.3	−.3	.1	.1	.3	.1	.1	0	0	0
Contract construction	25.4	24.2	.8	−.4	.5	0	.2	.1	0	0
Manufacturing	6.7	2.7	1.8	−.7	2.3	.1	−.1	.2	.1	0
Transportation, communication, and public utilities	5.9	3.9	1.0	0	.8	.1	.1	.1	0	.1
Wholesale and retail trade	24.1	25.7	−4.4	−3.9	5.1	.9	.5	.1	0	0
Finance insurance, real estate	13.2	9.4	2.1	.1	1.1	.4	.2	0	0	0
Services	36.0	16.8	12.0	1.7	3.6	.8	.7	.2	0	.1
Government	7.0	4.0	1.0	.1	.9	−.4	.8	.4	.1	.2
Nonclassifiable establishments	−4.0	−6.3	2.0	−.1	.4	.1	.1	[2]	[2]	

[1] A reporting unit is an establishment or a group of establishments for which data are reported to the State's employment security agency by an employer subject to the State's unemployment insurance law. Employers having 2 or more establishments will in some cases report them as separate reporting units, and in other cases combine them into a single reporting unit: combinations usually occur when the establishments are engaged in the same activity in the same county.

[2] Less than 50 units.

Note: Detail may not add to total due to rounding.

TABLE B-7.—EMPLOYMENT BY INDUSTRY DIVISION, MARCH 1974

Industry division	Total all size classes	Employment—size class								
		0 to 3	4 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1,000 and over
All industries (in thousands)	68,063.3	2,975.8	5,680.2	5,732.3	8,738.7	7,023.7	9,131.6	6,810.3	6,293.0	15,577.7
Agriculture, forestry, fisheries	292.8	37.3	65.9	53.2	55.5	22.5	25.8	23.6	5.1	3.8
Mining	670.1	13.1	30.4	46.6	88.4	71.5	105.7	74.5	85.2	153.7
Contract construction	3,824.3	312.7	603.6	588.6	807.5	520.9	482.0	226.6	121.8	160.6
Manufacturing	20,141.9	117.2	408.7	690.5	1,614.3	1,815.4	3,313.0	2,968.9	2,782.2	6,431.7
Transportation, communications, and public utilities	4,112.0	92.9	206.1	272.3	454.1	395.6	536.1	394.2	345.7	1,413.0
Wholesale and retail trade	16,651.6	1,070.7	2,387.4	2,444.2	3,360.3	2,123.7	1,874.9	1,028.5	816.0	1,546.0
Finance, insurance, real estate	4,089.1	30.47	391.8	355.3	556.8	471.0	595.8	365.8	343.0	704.8
Services	11,808.6	972.0	1,475.9	1,166.1	1,556.2	1,305.4	1,593.7	1,066.1	1,070.8	1,602.4
Government	6,359.4	31.9	83.5	98.0	225.9	285.7	596.0	658.3	320.4	3,559.7
Nonclassifiable establishments	113.4	24.4	26.8	17.5	19.7	11.9	8.5	3.8	1.7	
CHANGE FROM MARCH 1973										
All industries	2,321.7	75.8	101.9	−96.4	399.5	177.2	368.9	325.0	254.1	715.6
Agriculture, forestry, fisheries	34.1	2.4	5.9	5.1	2.6	2.4	4.9	8.1	1.5	1.2
Mining	47.6		.7	1.6	7.8	6.6	11.3	3.9	2.1	13.5
Contract construction	118.9	17.2	4.4	−10.6	12.0	3.7	16.7	24.7	13.7	37.1
Manufacturing	234.1	3.0	10.4	−24.0	53.3	7.9	−5.4	44.9	119.4	24.5
Transportation, communication, and public utilities	62.3	5.0	6.0	−2.3	19.8	9.4	9.7	22.4	−2.8	15.7
Wholesale and retail trade	313.2	24.6	−22.3	−74.4	138.7	60.3	67.0	33.2	18.1	68.1
Finance, insurance, real estate	144.8	9.0	11.6	−2.3	26.9	22.8	32.6	1.5	9.5	33.2
Services	563.3	20.7	70.3	9.2	77.6	64.4	98.9	67.0	48.1	87.1
Government	753.0	.4	4.5	1.4	30.3	−6.9	128.2	117.2	42.8	435.2
Nonclassifiable establishments	29.7	−6.5	10.5	−.2	10.4	6.6	5.0	2.1	1.7	

Note: Detail may not add to total due to rounding.

PROPRIETORSHIPS, PARTNERSHIPS, AND CORPORATIONS

NO. 894. PROPRIETORSHIPS PARTNERSHIPS, AND CORPORATIONS—NUMBER AND BUSINESS RECEIPTS, BY SIZE OF RECEIPTS: 1965 TO 1974

[See headnote, tables 893 and 895, and "Historical Statistics, Colonial Times to 1970", series V 1-12]

Size class of receipts	1965		1970		1974							
					Total		Number (thousands)			Receipts (billion dollars)		
	Number (thousands)	Receipts (billion dollars)	Number (thousands)	Receipts (billion dollars)	Number (thousands)	Receipts (billion dollars)	Proprietorships	Partnerships[1]	Corporations[1]	Proprietorships	Partnerships[1]	Corporations
Total	11,417	1,393	12,001	2,036	13,902	3,320	10,874	1,062	1,966	328.3	137.2	2,854.8
Under $25,000[2]	8,190	51	8,200	51	9,141	54	8,136	538	467	48.2	3.8	2.2
$25,000 to $49,999	1,209	42	1,302	46	1,506	52	1,185	139	182	42.2	5.0	5.2
$50,000 to $99,999	845	58	1,000	71	1,228	85	833	137	258	58.6	9.9	16.8
$100,000 to $199,999	536	73	661	93	1,512	315	454	117	639	62.7	16.7	146.0
$200,000 to $499,999	359	108	474	146			213	89		62.8	27.0	
$500,000 to $999,999	138	94	181	126	241	163	37	25	179	25.0	17.3	120.4
$1,000,000 or more	139	969	182	1,503	273	2,651	14	17	242	28.8	57.5	2,564.2
PERCENT DISTRIBUTION												
Under $25,000[2]	71.7	3.7	68.3	2.5	65.8	1.6	74.8	50.7	23.8	14.7	2.8	.1
$25,000 to $49,999	10.6	3.0	10.8	2.3	10.8	1.6	10.9	13.1	9.3	12.8	3.6	.2
$50,000 to $99,399	7.4	4.1	8.3	3.5	8.8	2.6	7.7	12.9	13.1	17.9	7.2	.6
$100,000 to $199,999	4.7	5.2	5.5	4.6	10.9	9.5	4.2	11.0	32.5	19.1	12.2	5.1
$200,000 to $499,999	3.1	7.7	4.0	7.2			2.0	8.4		19.1	19.7	
$500,000 to $999,999	1.2	6.7	1.5	6.2	1.7	4.9	.3	2.4	9.1	7.6	12.6	4.2
$1,000,000 or more	1.2	69.5	1.5	73.8	2.0	79.8	.1	1.6	12.3	8.8	41.9	89.8

[1] Active firms only.
[2] Includes firms with no receipts.

Source: U.S. Internal Revenue Service, "Statistics of Income, Business Income Tax Returns," annual, and "Statistics of Income, Corporation Income Tax Returns," annual.

Mr. HATCH. Mr. President, now to quote from testimony given to our Permanent Subcommittee on Investigations last month:

WORKER RIGHT VERSUS UNION POWER

The labor law as presently drafted does not give the government standing to intervene civilly to protect the rights of the honest workers.

Laws are not being obeyed in either letter or spirit in far too many cases and they will not be obeyed in the future unless and until there is a drastic improvement in the Federal Government's enforcement capacity.

That, my colleagues, is not the AFL–CIO talking about J. P. Stevens. Rather, it is the U.S. Department of Justice commenting on the inadequacy of our current labor laws as they apply to labor unions today. Testimony given only last month before Senators NUNN, CHILES, GLENN, SASSER, and PERCY. Yet while the Senate debates this issue of labor reform, proponents of the bill pay no attention to repeated abuse of our labor laws and individual employee rights by unions. These abuses will only be exaggerated by the pending legislation. The AFL–CIO would have you believe that well-documented Teamsters' corruption, links to organized crime, mineworkers' violence were all exceptions to the rule and in any event outside the mainstream of organized labor.

The Hotel, Restaurant, and Bartenders International Union (culinary workers) and the building trades unions are all establishment unions. All represented on the Executive Council of the AFL–CIO, chaired by George Meany. Look at the record: The culinary union president and No. 2 man report combined salary and allowances of nearly a quarter million dollars (dues money) in 1977. What have their members got for these dues? What will new members gain when small employers find it impossible to effectively blunt union organizers in quickie elections? They will get to learn that their dues are regularly lent to investors who have a curious history of entering bankruptcy proceedings after the loans are made. Millions of dollars in the last few years. The union's own auditors admit there is no hope of regaining much of these dues money. This is the same union that a few months ago cried crocodile tears for their own members during the minimum wage debate. Should the Government unfairly help this union to organized more employees into unions? The New York Times reports evidence that culinary dues money has

been spent for union officials to visit Switzerland, to buy a Rolls Royce for a union leader, to furnish the union president's home, and for phony payroll costs of individuals with direct links to organized crime.

The building trades also sit on the executive council of the AFL–CIO. When they do not like the law regarding organizing they make their views felt violently. Harassment, intimidation, and physical violence are regularly practiced on nonunion workers with no apparent check by responsible union leaders. The record is almost limitless. Operating Engineers Local 675 ordered five times to refrain from beating nonunion workers—and its president convicted of embezzlement of union dues. Members of Ironworkers Local 402 connected to a conspiracy to bomb nonunion worksites, Michigan construction workers tearing down cement block walls at a nonunion site and firebombing a high school built by nonunion employees. This is what the AFL–CIO refuses to address when they speak of labor law reform. These practices are the result of frustration by organized labor in trying to gain members who have no need for strikes, fines, misuse of their dues, corrupt pension systems, and fancy homes, cars and vacations paid for by union dues.

The Colorado Bureau of Investigation has uncovered a pattern in which a union official would seek out a nonunion contractor and ask that he deliver his project to union workers rather than the union trying to organize nonunion workers by selling the benefit. If the contractor refused, the structure being built mysteriously burned just prior to completion. A second visit by the organizer followed the fire. This is how union organizing is practiced in many areas. As the Washington Post stated:

> There is no indication that supporters of the bill have any intention of addressing coercive and illegal union activities.

My colleagues, organized labor is a very big business today. Union leaders are having troubles keeping their salaries high with a shrinking base of interested members. The labor reform bill is just another angle to force unions into the workplace where it cannot be sold to or beaten into nonunion members, and to gain more dues.

Where is President Carter's stand on human rights when it comes to the right to a job without having to support extravagant union lifestyles; the right to a job without being intimidated to pay over part of your salary as dues; the right to operate a business without union control or find it burned to the ground. Where has President Carter ever stated that organized corruption and crime in labor unions was a concern of his. Why do we not hear about the millions of workers who must pay dues to corrupt union leaders to keep their jobs in union shops.

Let me quote from Time magazine earlier this year on the revitalized New Jersey resort of Atlantic City:

> Hotel and restaurant employees are being recruited by Teamsters locals from Philadelphia and northern New Jersey with the blessing of Mafia muscleman Anthony ("Tony Pro") Provenzano, who operates out of semiretirement in Hallandale, Fla. The association of public and private labor employees, run by New York Mafiosi, has been organizing employees of Atlantic City's private detective and guard services. A Cincinnati union with ties to Chicago Mafia boss Anthony ("Big Tuna") Accardo has been signing up bartenders. Atlantic County Prosecutor Richard Williams warns about the mob-dominated unions. "They can control who works. It's a source of tremendous unchecked power that, in a town like this can control the Government."
>
> Some law enforcement officials expect the top Mafia Dons in the U.S. to designate the resort an open city, meaning that any member of the criminal brotherhood or its underworld allies can seek a piece of the action, as is the case in Las Vegas. The Mafia is already tolerating a group of Cuban hoodlums, the Malagamba gang from northern New Jersey, which has gained a foothold in Atlantic City's illicit market for cocaine, marijuana and hookers.
>
> Can New Jersey stop the hoodlum onslaught? Probably not.

What are we doing in this Chamber when we speak of labor law reform to further strengthen our existing labor laws but refuse to consider laws to curb this activity?

Mr. Civiletti, Deputy Attorney General, testified last month than one union leader has been found guilty of 73 counts of Taft-Hartley violations. Perhaps we should be reviewing this law to see if we can expect meaningful enforcement for habitual union violators.

Secretary of Labor Marshall has stated that some employers have found it cheaper to break the law than obey it. Mr. Marshall has not been heard to say the same on the union side of the ledger. In fact he was quoted recently as saying:

> I can't think of a serious union abuse that isn't already taken care of by federal or state law.

If that is the case, then I strongly suggest Mr. Marshall is either misinformed or has rather loose criteria in judging enforcement of our laws regarding organized labor.

In contrast, Arthur Fox, former executive director of the Teamsters group PROD—with several thousand dues-paying union members—is convinced the labor laws need to be amended to protect against union abuses of workers' rights. Fox has stated that the Landrum-Griffin Act is largely a farce. He goes on to state:

> The way the law is written the union member has the sole responsibility to make sure his union isn't corrupt. The union member isn't capable of that responsibility.

I challenge those who support this bill to suggest that Mr. Fox does not have an arguable case for labor reform of the Landrum-Griffin Act. I challenge the proponents of S. 2467 to explain why we cannot wait a few months and truly reform the National Labor Relations Act. It is time for some intellectual honesty to be practiced by those who are strangely silent on the inadequacy of our Federal labor laws to handle union abuses of its members. And most union corruption and violence is unforeseen. Most individuals have neither the stomach nor stamina to stand up to professional and organized intimidation. "Pinky" Shiffman, president of Hotel and Restaurant Workers Local 355, and an international union vice president was recently convicted of suggesting he get exceptionally low rates on his room from an Atlanta hotel over a 10-month period. Robert Stewart, a Justice Department attorney, recently testified before a Senate committee:

> The public might well ask why the government cannot do something about these situations . . . (the reason is that) the company which pays a kickback for labor peace does so because of the climate of intimidation.

How much of this type of activity goes on unreported?

Mr. HELMS. Mr. President, will the Senator yield at that point?

Mr. HATCH. I am delighted to yield, provided I do not lose my right to the floor and provided that my subsequent remarks not be considered a second speech.

Mr. HELMS. Mr. President, first I would commend the distinguished Senator from Utah for emphasizing the point he is making.

I ask the Senator, is there one syllable in this pending legislation addressing itself to curbing violence such as occurred in the recent coal strike?

Mr. HATCH. Not any. And there is not much about Mafia-type violence and criminal activity. The Labor Department, in fact, has dropped its violence and criminal activity task force from 64 members down to 15 or 16.

Mr. HELMS. Is it the Senator's impression that this is of grave concern to the American people?

Mr. HATCH. There is no question that it is of grave concern to the American people.

Mr. HELMS. Yet we have a so-called labor reform bill, which I contend is neither a reform bill nor a labor bill, that completely avoids any reference to the thing of greatest concern to the American people; is that correct?

Mr. HATCH. The distinguished Senator from North Carolina is absolutely right.

Mr. HELMS. I would ask the Senator further, Is there any attempt by this legislation to address itself to corruption in the big labor unions of this country?

Mr. HATCH. Not any.

Mr. HELMS. I thank the Senator, and I commend him again for his excellent statement.

Mr. HATCH. I thank the distinguished Senator from North Carolina for his question, and I think he has pointed out some very fatal defects in this so-called "reform" bill.

To continue, I had just queried how much of this type of activities I have been describing goes on unreported.

Why will not this body seek to stop the practice of fining and intimidating workers who seek to throw out an existing union when they feel the promised benefits are not being realized? Anyone familiar with the Congress knows that meaningful labor law reform on the

union side of the ledger will never be reported by the Senate Human Resources Committee as a separate measure.

A Washington Post editorial observed:

The legislation being debated today doesn't consider the other side of the coin.

Why not wait a few months until the next Congress and make labor reform a meaningful term? Ask yourselves, "Why not?"

These instances cited above are not isolated or local in nature. The culinary workers president is central to a Justice Department investigation of his union. The building trades department president is well aware of massive civil rights violations by a host of construction workers unions. A Federal circuit court of appeals found that officials of the parent textile workers union of America has "personally participated in, observed, supervised and controlled the activities of the strikers" in a case involving stoning and overturning cars, slashing tires, throwing nails and glass on roadways, and so forth. No one can pretend high Teamsters officials are unaware of corruption and massive misuse of members' dues for the benefit of union leaders.

Can pervasive activities and attitudes such as these by organized labor be ignored when the authority and power of our Government process is invoked to strengthen their hand? Are we to believe that a need for labor law reform is only a one-sided issue? Are we to believe that the union side of the coin will be addressed any time soon? The Washington Post also observed that "the Senate faces the major task of trying to turn this one-sided piece of legislation into the basic reform the labor laws need." Are we going to do it?

There are continual and habitual union violators of Federal laws. This proposed labor law revision does not attempt to single out these historical violators of the law on the union's side and make it more difficult for them to do business as a union or to strengthen existing penalties.

Would not the interests of the Federal Government be better served if it were more difficult for a corrupt union to organize, that is, be denied the benefit of easily organizing workers and leave the more responsible union free to represent American workers? Why not pass a bill that has sanctions in it against unions that are habitual violators of an array of Federal laws? Why not?

In spite of all this pervasive evidence, established union leaders feel little obligation to do anything about it. Leonard Woodcock, former president of the United Auto Workers, has said that "It's not our job to clean up corruption . . . We do not cooperate with the Government in these things." The Justice Department agrees. Testimony before the Senate Subcommittee on Investigations last month revealed that some unions "have a host of CPA's and very capable labor attorneys who are both able and willing to fight the Government to a standstill." The Department of Labor has the responsibility to protect against some of these union abuses. However, the Assistant Secretary of Labor responsible for reviewing these union practices joined the administration after leaving his former post as a building trades union official. Is he going to vigorously pursue these violations? In fact, he has been accused of trying to untrack probes into union affairs.

Mr. Carter, beset with problems of inflation and increased Government spending, has virtually ignored repeated reports of his own administration that this bill would hurt his fiscal programs of restraint. The Washington Post reported that the Small Business Administration under White House orders suppressed an internal memo that advised against support for the bill. Its conclusion reads in part:

Most small business confronted with a union organization drive will likely give up in advance rather than risk any action which might be construed later to have been illegal. This will result in unnecessarily increased costs which small businesses are least able to pass on to customers. Projected further, this means many more small businesses going out of business.

Mr. Carter's National Labor Relations Board also suppressed an impact study of this bill until forced to release it by a threatened Freedom of Information Act suit. The NLRB report estimated the bill would create new costs to the agency of $30 million and necessitate hiring 900 more employees.

Actually, it is $33 million plus another $12 million, or a total of $45 million, plus hiring, as a minimum, 900 more employees.

Look at the record of the currently organized. In spite of risks of violent and economic reprisals, the number of union decertifications—voting an existing union out—by union members has shot up by more than 100 percent in the last 5 years. Why? Is it possible that current union members and nonmembers alike are simply disenchanted with the labor movement?

CADDELL

The recent poll conducted by Pat Caddell's Cambridge reports shows unequivocably that Americans have become concerned over abusive labor power. The survey showed that the largest single reform desired by most respondents was a reduction of labor union power. The survey also showed a decided sentiment against changes to make it easier for unions to recruit new members and opposition to easing the rules by which unions gain the right to represent employees.

Is this the public sentiment that has made necessary this push for new one-sided legislation to help out these union leaders? Allow me to quote the Washington Post again:

The main focus of this legislation is on the rights of unions—as unions, not as representatives of workers.

Does the Congress have to bail out the unions' leaders who cannot sell their ideas to an enlightened work force under rules that once worked well?

Unions are not losing elections because of tricks and new legal procedures. Unions are beating unions.

They are ignoring the fact that they have to get out and work for individual union membership. They have difficulties. They want the Government and/or the businessmen to deliver over the members to them.

Today's work force is more aware than in the 1930's. They recognize that union leaders are not always operating in their interest. These are the reasons for labor's demise, in part. Changing the rules to help organized labor is dishonest, costly, unfair, and unnecessary. It is a crime against all those who get pushed into union shops and then have to pay to keep their jobs.

It just is not right.

Mr. President, I yield the floor.

ORDER OF PROCEDURES

(The following proceedings occurred earlier:)

Mr. HATCH. Mr. President, I ask unanimous consent at this time that I may be permitted to vary from the Pastore rule of germaneness, in order to put into the RECORD some special material, and I ask unanimous consent that it follow my remarks on labor reform today.

Mr. METZENBAUM. Mr. President, I do not wish to object, and I probably will not object, but may I ask what the nature of the material is?

Mr. HATCH. I put in the RECORD some material the other day, for which I asked unanimous consent, with regard to the appointment of David Gartner to the Commodities Futures Trading Commission. I have received some enlightenment on that, and I would like to put it in the RECORD at this point.

Mr. METZENBAUM. Newspapers clippings?

Mr. HATCH. Yes. And I have some comments to make as well. I could tie them in to the discussion, but I would prefer not to do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

APPOINTMENT OF DAVID GARTNER TO THE COMMODITIES FUTURES TRADING COMMISSION

Mr. HATCH. Mr. President, some time ago, on the floor of the Senate, I raised a little fuss because I felt that some special favoritism was shown in the appointment of Mr. David Gartner to the Commodities Futures Trading Commission, after he had received, as the parent of four children, about $18,000 of stock in Archer-Daniel-Midland for each of those children, for a total of $72,000, while he was the administrative assistant to Senator Hubert Humphrey, of Minnesota, and while Senator Humphrey sat on the Agriculture Committee, which I understand supervises the Commodities Futures Trading Commission.

I indicated that I cannot believe that any Republican could get away with having his administrative assistant accept, for his children, $72,000 of Archer-

Daniel-Midland stock, a company which does $3 billion annually in the commodities markets of the United States.

I do not believe that, under the present hiring policies of the Commodities Futures Trading Commission, Mr. Gartner even would be qualified or even would be able to get a job with them, had it not been for this appointment, which was rushed through on the floor of the Senate about 5:40 p.m. one day, I think basically unexpectedly.

Hardly anybody raised a voice against this appointment. Yet, Mr. Gartner is now in the enviable position of being a very close friend of Dwayne Andreas, who owns Archer-Daniel-Midland, among other things, which gave the $72,000 worth of stock in trust for his children while he was employed by a Senator who sat on the Agriculture Committee.

Mr. Gartner was appointed to this Commission as a board member. The Commission supervises the commodities of the United States, supervises more billions of dollars in commodities than all the business combined that is done by the stock markets of the United States, including the New York Stock Exchange, the American Stock Exchange, and the other stock exchanges of this country.

I had the temerity to criticize this appointment because I think it is wrong, when a man would not qualify if he applied for a job with the Commission, to be appointed to the Commission, when he has such a blatant conflict of interest. I cannot imagine anybody, whether he is a Democrat or a Republican, who is a Member of the Senate and has an administrative assistant who had taken gifts for some big oil company, being able to sit on any power commission or any other commission in Government which has to do with oil companies, without having all problems break loose on the floor of the Senate.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. HATCH. I yield, without losing my right to the floor, and without this being counted as a second speech.

Mr. METZENBAUM. Did the Senator find any difficulty using the same line of reasoning as to the appointment of Lynn Coleman, for whom I believe the Senator voted, coming directly from the oil and gas industry, as an attorney for the past 12 years, and then being appointed as general counsel of the Department of Energy? Is that not a somewhat similar situation?

Mr. HATCH. Not at all, because he was not an administrative assistant for a sitting Senator who supervised the Federal Power Commission, nor was he an employee of anybody who sits in the U.S. Congress.

Mr. METZENBAUM. But was not the same kind of conflict of interest apparent there?

Mr. HATCH. Hardly.

Mr. METZENBAUM. I do not intend to defend Mr. Gartner's appointment, because I share some of the reservations of the Senator from Utah.

Mr. HATCH. I would not expect the distinguished Senator from Ohio, who has played a role in some of these very important issues—and I think a good role—to feel otherwise.

(Mr. CULVER assumed the Chair.)

Mr. METZENBAUM. I do not wish to indicate any support for the Gartner appointment under the circumstances.

Mr. HATCH. I understand.

Mr. METZENBAUM. But I raise the question with my good friend from Utah on the basis that I have the feeling that there is this kind of conflict of interest that becomes so apparent where people are so identified with an industry, whether it be by reason of acceptance of $72,000 in trust for your children or whether it be by reason of coming directly from that industry and then going onto one of our regulatory commissions or, as the case may be, becoming general counsel for an agency of Government that is going to regulate the very industry from which you came.

Mr. HATCH. I listened to the distinguished Senator from Ohio with a great deal of interest when he made his points against the Coleman nomination, and I have to admit that I will be watching Mr. Coleman to make sure there is no impropriety or conflict of interest with regard to his activities in his present position. But I do believe there are a number of distinguishable aspects from the Gartner appointment compared to the Coleman appointment.

Mr. METZENBAUM. I agree there are some.

Mr. HATCH. They are basically these: Gartner was an administrative assistant to a sitting Senator on a committee supervising that particular area and took gifts which would be under our present ethics rules improper.

Mr. METZENBAUM. I agree there are distinctions and I certainly do not wish to be on the floor defending the Gartner appointment.

Mr. HATCH. I understand and I appreciate those comments.

I might also add that the gifts he took were from people who had a direct interest in the Commission which he will be sitting upon, and a notorious group of people at that, who he characterized as his friends, and I believe that the record of the proceedings before the Agricultural Committee will show that he said that he would not participate in any matters directly involving Archer-Daniel-Midland, but almost everything directly or indirectly involves Archer-Daniel-Midland with regard to its business in the commodities field which is its principal business.

I find a great deal of fault with this particular appointment. I appreciate the comments of the distinguished Senator from Ohio. I think he did the Senate a great service in raising his opposition to the other appointment, and I hope that he will join with me in my opposition to this particular appointment and in my hue and cry here against something that is clearly improper.

I might also add that it is my fervent belief, and I would be most pleased to be shown where I am wrong, that he would not qualify for a job with the Commodities Future Trading Commission if he were to apply, and yet here we have a man, who has been appointed by the President with the advice and consent of the Senate, slip through it seemed to me at an inauspicious time so that he would come through, who is now on the very Commission where the conflicts of interest are blatantly evident.

If I might also add, there has been some heroic and incisive editorial comment with regard to this particular appointment. I cite with particularity the Cleveland Scripps-Howard newspaper editorial on Thursday, May 23, 1978, entitled "Politics as Usual," and I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POLITICS AS USUAL

The naming of one-time Capitol Hill aide David Gartner to a key federal regulatory post points up much that is tawdry about government in Washington—cronyism, corner-cutting, double standards.

In other words, old-style politics as usual.

President Carter named Gartner, ex-aide to the late Sen. Hubert H. Humphrey, D–Minn., to a $50,000-a-year post as a member of the Commodity Futures Trading Commission, which oversees the turbulent business of speculating in the future price of farm goods and minerals.

At a hurry-up Senate hearing, Gartner admitted that between 1975 and 1977 he accepted $72,000 in stock for his children as a gift from a Minneapolis grain and soybeans magnate, Dwayne Andreas, whose pockets ran deep in support of Humphrey.

What we have here is the appointment to a top government post of someone personally beholden to a man with an overpowering interest in what that government agency does.

In ordinary times, that's called a potential conflict of interest. But not this time. In zip-bang fashion, the Senate Agriculture Committee OK'd Gartner, and he was confirmed that day by the full Senate without a murmur. Vice President Walter F. Mondale, a Minnesotan, pressured his ex-Senate colleagues to whip the nomination though, and they did.

Gartner said later he would disqualify himself from ruling on any question which had a "direct impact" on Andreas or Andreas' firm. Nonsense. Everything the CFTC does has an impact, measurable if not necessarily "direct," on a grain and soybean processing company.

Some questions:

If the Carter administration felt it had to find a place on the public payroll for an ex-Humphrey aide, why did it have to be a job that raised this sort of conflict-of-interest question?

Why was this question not seriously pressed at the Senate "hearing?" Was it because there is one set of standards for nominees from private life and another set altogether for ex-Senate aides?

And why was the vice president so intent on speedy confirmation? To head off embarrassing press coverage of Gartner's "Andreas problem" until after the nominee was safely confirmed and sworn into office?

Sen. Orrin G. Hatch, R–Utah, has called on the Senate leadership to summon Gartner back to Capitol Hill so these and other questions can get the attention and answers they deserve. Hatch is quite right. Now it is up to the leadership to determine whether we will get the light of day—or another coverup.

Mr. HATCH. Mr. President, I also cite with particularity an article, by Mr. Tim Wyngaard, of the Scripps-Howard Newspapers, which was found in the Pittsburgh Press on Tuesday, May 23, 1978, entitled "Senator Seeks Stock Gift Hearing." I ask unanimous consent that that be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR SEEKS STOCK GIFT HEARING

(By Tim Wyngaard)

WASHINGTON.—A Republican senator has demanded that the newest member of the Commodity Futures Trading Commission be called back as a Senate witness to explain $72,000 in stock gifts he accepted for his children from a major commodities dealer.

Sen Orrin G. Hatch, R–Utah, says he is urging the Senate GOP leadership to reopen hearings regarding David G. Gartner's affairs because the gifts—and Vice President Walter F. Mondale's efforts to push the nomination through the Senate without controversy last week—"smell."

Gartner has admitted accepting, in 1975, $72,000 in stock for his children from Dwayne O. Andreas, long-time Democratic financial donor and close personal friend of the late Sen. Hubert H. Humphrey, D-Minn.

At the time he accepted the stock, placed in an "irrevocable" trust for his children, Gartner was Humphrey's top Senate aide. Humphrey was then a member of the Senate Agriculture Committee.

Andreas was one of Humphrey's major financial backers in his Senate and presidential races.

After he was questioned briefly about the stock gifts last week prior to a unanimous Senate confirmation vote, Gartner said he would have the trustee sell the stock. In an interview with Scripps-Howard News Service following the confirmation vote, Gartner said he "believed" the sale had taken place.

Hatch said yesterday it is his understanding that Gartner kept the money from the stock in his children's trust account, rather than return it to Andreas. And he questions the "irrevocable" nature of the trust if Gartner can order stock sold from the portfolio.

Hatch said Mondale, a protege of Humprey, "greased the skids" to get the Gartner nomination rushed through the Senate so no one would investigate the gift.

Andreas is a Minneapolis millionaire and chairman of Archer-Daniel-Midland Co., a major grain and soybean processor. ADM is so closely tied to the main commodities markets that it operates its own subsidiary company registered as a commodities broker on the Chicago Board of Trade.

The gifts from Andreas were in ADM stock.

Gartner told Scripps-Howard he would not take part in CFTC decisions regarding enforcement actions against ADM. But a CFTC source said that firm is so big virtually every CFTC action of any kind affects the company.

Hatch said Andreas earlier had given Humphrey $100,000 in ADM stock, $86,000 of which ended up in a trust for the Minnesota senator after his unsuccessful 1972 presidential bid. The rest of the stock helped finance that race, said Hatch.

President Carter nominated Gartner to the $50,000-a-year job on the CFTC May 10. On May 17, the Senate Agriculture Committee held confirmation hearings at which Gartner was the only witness. Gartner offered to sell the stock when a question about it came up at the hearing.

Mr. HATCH. Mr. President, I also ask unanimous consent that the article entitled "To Explain Gifts Baker Joins Call For New York Stock Quiz," by Tim Wyngaard and James P. Herzog, Scripps-Howard staff writers, also be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TO EXPLAIN GIFTS BAKER JOINS CALL FOR NEW STOCK QUIZ

(By Tim Wyngaard and James P. Herzog)

WASHINGTON.—Senate Republican Leader Howard H. Baker is joining a move to call David Gartner back before the Senate Agriculture Committee to explain $72,000 in stock gifts to Gartner's children from Minneapolis millionaire Dwayne O. Andreas.

Baker said he will push Senate Democratic Leader Robert C. Byrd to recall Gartner, whose appointment to a seat on the Commodity Futures Trading Commission was confirmed by the Senate last week.

Andreas is an important dealer in commodities, a $900 billion-a-year market regulated by the CFTC. He is chairman of Archer-Daniel Midland Co., a major grain and soybean processor. The firm is so large it has its own subsidiary registered as a commodities broker on the Chicago Board of Trade.

Gartner was a long-time aide to the late Sen. Hubert H. Humphrey, D-Minn., and Andreas was one of Humphrey's major financial backers in his Senate and presidential races.

Andreas was acquitted in 1974 of federal charges that he had made $100,000 in illegal corporate contributions to Humphrey's 1968 presidential campaign.

The Senate Watergate Committee reported that it was a $25,000 contribution from Andreas to President Nixon's campaign that financed, without Andreas' knowledge, the Watergate burglary squad.

In 1976 ADM was found guilty and given a maximum $10,000 fine by a federal judge after pleading no contest to charges of systematic thefts and misgrading of grain.

Gartner was nominated by President Carter May 10. Confirmation hearings at which Gartner was the only witness were held by the Agriculture Committee May 17, and the full Senate confirmed the appointment unanimously that same day.

While some Republican senators did raise the Andreas matter in the May 17 hearing, Vice President Walter F. Mondale asked them to speed the nomination to the floor.

Both Mondale and Gartner contend the request was made because Mondale wanted to swear Gartner—an old friend—into his new job, and was only available for the ceremony on May 19.

A transcript shows that at the May 17 hearing, Sen. Robert J. Dole, R-Kansas, the top Republican on the panel, gently questioned Gartner about the ADM stock gifts from Andreas to Gartner's four children. But Dole then praised Gartner, saying that in the past, while working for Humphrey, he had been "cooperative, helpful and totally objective."

Sen. Henry L. Bellmon, R-Okla., suggested that Gartner would be subject to a conflict of interest if his children retained the ADM stock, held in what Gartner termed an "irrevocable" trust.

Bellmon said "the danger of conflict really troubles me. I'm afraid of the precedent we might set." Gartner immediately offered to have the stock sold by the trustee.

Gartner said the stock gifts from Andreas and Andreas' daughter were due to a "long-time, close friendship" between them.

Sen. Orrin G. Hatch, R-Utah, triggered the belated Republican protest of Gartner's confirmation Monday by pointing out that the conflict may continue because the trust retained the proceeds from the stock sale, and that its "irrevocable" nature must be questioned if Gartner can order stock sold.

Mr. HATCH. I compliment these newspaper writers who have brought these matters to the attention of the public. I think they have done the public a great deal of service. I think their articles and the editorial hit the nail right on the head.

I do believe that it is time that people in Government start to look at these types of appointments.

I am very concerned about this particular appointment because it involves billions of dollars—not millions—billions, and it involves such a conflict of interest that literally I do not see how anyone could be for this appointment under these circumstances.

There has been scuttlebutt to the effect that Mr. Gartner, being as young as he is, may very well wind up becoming the chairman of that Commission. I believe that would be a travesty.

I cannot imagine anyone knowing all of these facts really voting for confirmation of Mr. Gartner in this particular position.

Keep in mind, I am not finding fault with Mr. Gartner personally as an individual. He may be and probably is a very nice person. But I think that there are enough facts surrounding this appointment that it should be reconsidered by the President, and others, especially since it seems to violate the very standards which we have set here in the Senate.

Mr. President, I shall say one other thing with regard to this appointment, and that is that although Mr. Coleman was an attorney engaged in the representation of a large number of people involved in the oil business, and that certainly raises conflict of interest questions, I see little correlation to the seriousness of that appointment as contrasted to this appointment. But like the distinguished Senator from Ohio, who again I give credit to for his watchdog performance in the past year and a half as my colleague on the floor of the Senate, I will be watching in the hope that everything there will work out just fine and that there will be fairness in the activities that go on.

But this one I think goes far beyond that, and it is amazing to me that more of our media across the country have not as yet looked into this matter and found out what we found out.

I commend them to do so. It may be that it is just so relatively new that they have not been able to see it.

(Conclusion of earlier proceedings.)

LABOR LAW REFORM ACT OF 1978

The Senate continued with the consideration of the bill.

Mr. SCHMITT. Mr. President, at the outset I ask unanimous consent for Bob Hepler of Senator HEINZ' staff, Jerry Rosen of Senator GRIFFIN'S staff, Nancy Allbritton of Senator STEVENS' staff, and Gene Iwanciwo of my staff be granted the privileges of the floor during the debate on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I ask unanimous consent during the pend-

ing business that Rick Sloan be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I wish today to continue my personal discussion of the proposed changes in the Nation's labor law, the so-called labor law reform bill.

During the debate on the Panama Canal, as was true regarding all of my fellow Senators, my office was swamped with letters and postcards from individuals opposing those particular treaties. As the Chair and my colleagues are well aware, I agreed with the broad majority of those letters.

This is also true, Mr. President, with respect to the debate on the labor law reform bill. My mail, and I suspect that of all Senators, is extremely heavy on this subject. In fact, I believe in one significant area, in one significant way, it exceeds that received during the debate on the Panama Canal treaties, and at the time I would have said that would have been impossible.

The significant difference is the amount of mail being received from individuals, self-initiated, handwritten or handtyped mail, that one person decides early in the morning or late in the evening, but sometime during the day, to create, to put into an envelope, pay 15 cents postage, and send to my office.

I am not talking about postcards or the obvious form letters or the out-of-State letter writing campaigns to which the Senate has been subjected on many issues over the last many months and several years. I am talking about the mail from the average citizen who, unlike the Panama Canal situation, has found that they will individually and collectively be directly affected if most of the provisions of this bill before us should be enacted.

My mail, especially as reflected in these individual letters, is overwhelmingly against the bill, and it is an informed opposition. Unquestionably, it is an informed opposition.

It is important that we know what the people of this country are really thinking about this piece of legislation as it is important that we know what people are thinking about all legislation.

In that regard, I think it is absolutely critical that every Member of this body and every Member of the other body spend every minute they can with their constituents. Mail is an important form of communication, but there is no more important form of communication than going out to one's district or State and allowing the people to question on your opinion and allowing them to express their opinion about pending matters before the Congress.

We have all just returned from the Memorial Day recess. During that recess it was clear that the preponderance of mail in opposition to this bill correctly and accurately reflects the opinions of the people of New Mexico, and I suspect, Mr. President, that it correctly and accurately reflects the opinions of the people of this country.

In some cases—in fact, I would say, in the average case the mail I receive in my office is 80 to 90 percent in opposition to some measures, whatever may be the subject of the letters. So it is doubly important that we understand, by direct contact with our constituents, just what is the true feeling of people about a particular matter. I feel that I can confidently tell this body that, in the case of the so-called labor law reform bill, the people, judging by their mail, predominently oppose change from the present situation.

Often, we hear only the arguments, both pro and con, from the Washington environment, from the media, from the individuals with whom mingle 75 percent of our time. This recess of which I have spoken offered me and, I hope, all or most of my colleagues an opportunity to hear the concerns of our constituents, the people who live in the real world and are not in the, at times, artificial environment of the Nation's Capital; the people who will have to live with this law as well as other laws that we enact if we enact them.

It is also important to reflect not only simply what the major newspapers of our country, such as the New York Times, the Washington Post, the Wall Street Journal, the Washington Star, and so forth, are saying in their editorials, but also what the small newspapers, the small dailies—the Silver City Daily Press. the Roswell Daily Record, the Farmington Daily Times—and the weeklies—the Silver City Enterprise, and so forth—say about this issue. Very often, they reflect truly what is the opinion of our constituents. These newspapers more clearly reflect the views of the people involved with the application of legislation than, at times, do the larger, more well-known newspapers of this world.

In New Mexico, we have many fine newspapers, some of which I have just mentioned, that are both dailies and weeklies and do an extremely good job of sampling public opinion and informing public opinion. At this time, I should like to share with my colleagues some of the editorials that these publications have printed in recent months.

The city of Albuquerque, N. Mex., is by far the largest city in that State. It has an extremely diverse economy. There are businesses ranging from a General Electric plant, that is manufacturing some of the largest jet engines in the world, to the small electronics plans that provide a broad range of services, not only to the Sandia Laboratories and the Air Force installations in Albuquerque and other Federal installations around the State of New Mexico, but to individuals and corporate enterprises throughout the country. Albuquerque, one finds if one conducts the appropriate surveys, tends to reflect in an interesting way the opinions of the entire State of New Mexico. That is unusual for the largest city of a State. But Albuquerque has not become the "urban" metropolis that we are used to in other parts of the country. It still reflects the fact that most of the people in Albuquerque have come there from other parts of New Mexico. It has, indeed, in spite of its 400,000 or more people in the immediate area, very much of a rural or small town atmosphere about it.

The Albuquerque Journal, which is the largest newspaper in Albuquerque, on February 21, 1978, addressed the "need" for the legislation before us. This "need," as they see it, is based on two false premises: one, that the National Labor Relations Board is slow in acting on matters brought before it; and, two, that employers across the board flagrantly violate the existing laws. Both premises are not based in fact, as they point out in the following editorial. I quote from the editorial entitled "Labor Reform Not Reform."

It's beginning to sound as if no one is protecting the American worker's right not to organize.

That's the easy conclusion that can be drawn from the way the so-called labor reform bill is breezing through Congress. The House passed the bill, which is stacked heavily in favor of union bosses, by a 257 to 163 vote. Barring a filibuster, the Senate is expected to pass the bill (S. 1883) once it disposes of the Panama Canal treaties.

The push for reform is based upon two false premises:

The National Labor Relations Board is slow in processing union representation and unfair practices cases.

Employers, but presumably not unions since there are no new provisions to deal with recalcitrants in organized labor, violate the nation's labor laws so flagrantly that drastic penalties are essential as deterrents.

The facts don't support the permises and thus raise a serious question about the need for the so-called reform. For example, of the 9,000 or so union elections conducted each year by NLRB, more than 80 per cent are held in less than 45 days after the election petition is filed. In very few cases, less than 1 percent, is more than 75 days required before an election is conducted.

Even in unfair labor practices cases, the NLRB record is good. It takes less than 55 days to resolve 95 percent of the 30,000 or so cases filed each year. That certainly doesn't sound like foot dragging by the NLRB.

Of the unfair labor practice cases, less than 200 are referred for review by courts and only about 25 cases a year require contempt proceedings. Those figures refute allegations of employer lawlessness.

The proposed bill would gut the National Labor Relations Act and be particular harmful to industry, business and workers who choose not to be union members.

The true purpose of the so-called reform is to make it easier, less costly and more certain that unions will win elections and to punish employers who dare to challenge union organizers.

The bill is a thinly veiled attempt to bolster sagging union membership and provide push button unionism that would benefit union bosses and union treasuries while forcing workers to join unions and placing an unfair burden upon employers.

The Senate should not give unions such a powerful tool under the guise of "reform" which really would be a penalty upon us all.

Mr. President, the Valencia County News Bulletin of October 20, 1977, also contained an editorial in opposition to the labor law reform bill.

Valencia County is one of the more intriguing counties in New Mexico. In fact, most people, from an economic point of view and a cultural point of view, would say it should be two counties, but it is operating remarkably successfully as one.

In the eastern part of Valencia County we have a constituency that is very much like that of Albuquerque and other parts of the central Rio Grande region.

One of the most significant new factors in that area is the growing number of retired persons who have bought land and built homes in order to enjoy the beautiful climate and the wonderful pace of life that is characteristic of the central Rio Grande region of New Mexico.

Many of those people have continued in some small businesses, become associated with small business in that area, in addition to traditional Spanish culture, the crafts industries, the southwestern agricultural industries, that have been there for many decades.

Western Valencia County is an area of booming growth. It is the area in which most of the uranium resources of this great country are located, as far as we know, at the present time, and it is an area that exports more uranium to the rest of the United States than any other similar size region in this country.

It is a boom area. Large businesses and small businesses are extremely active in this area. There is a migration of workers, and businesses that support those workers in the area, that has been unheard of in the history of New Mexico, even including the uranium boom that followed World War II.

The Valencia County News Bulletin, in the editorial that I will read, feels that the bill is so one-sided and will so pave the way for union organizing that it must be defeated.

The editorial entitled "No Reform Bill At All," reads as follows:

The so-called Labor Reform Bill now before the United States Senate is a misnamed and mis-conceived plan to ease the way for labor to organize business in this country. It is a one-sided piece of legislation which is no reform at all, and deserves to be thrown out.

But the Senate is considering it—its official designation in S1883—and the House has already passed a companion bill, HR8410. Hopefully Sens. Pete Domenici and Harrison Schmitt will show as good judgment as Reps. Harold Runnels and Manuel Lujan and vote against it. However, we hope the senators have better luck than the congressmen and are in a majority to defeat the bill.

Three sections of the bill in particular are obnoxious. They provide that:

*A representation election must be held within 15 days after the union has sent the National Labor Relations Board (NLRB) a petition for an election;

*If after losing an election, an employer fails to reach an agreement with the union, the NLRB will order the employer to raise wages by the same percentage as the Department of Labor figure compiled from union contract settlements that period; and

*If during an organization drive an employer fires a person the NLRB later determines was a union organizer, the employer must pay the fired employe double wages plus interest from the time the employe was fired until he or she is rehired.

The first proposal would allow a completely inadequate amount of time for the employes to be able to hear the proposals of each side and make a sound decision based on the facts presented. For an employer not suspecting such a move, the time limit would place an impossible burden on countering an organizational drive. The union could contemplate the move for months, plan strategy and prepare all the materials necessary before springing on the business.

The second would insure at least the average increase in any settlement with an employer, because the union negotiators would know they could get at least that. They would always hold out for more.

The third proposal would give open license to any organizer. As a matter of fact, one might almost hope for dismissal because then he or she could devote full time to organizing and be assured of double income for doing it.

The plain facts are that excesses and misconduct by union bosses over the last several years have made former and prospective members skeptical of union benefits and unconvinced of their worth at the going cost. Unreasonable union demands have contributed as much to high unemployment and inflation as high-priced energy during the last several years, and passage of this legislation would only add to that problem.

That was from the News Bulletin, the Valencia County News Bulletin, of October 20, 1977.

Mr. President, another boom area of New Mexico is the Farmington region in northwestern New Mexico.

Farmington has traditionally been a center of trading activity associated with the great Navajo Indian Reservation which lies to its south and west. It has also been a center of more recent activity in the strip mining of coal to feed the new large powerplants that over the last decade or two have come up in this region.

It, again, is a boom area. The migration of workers and business organizations into that area has been phenomenal. It is growth, again, unprecedented in the history of New Mexico.

The Farmington Daily Times serves that area and in their February 14, 1978, editorial, the Daily Times cited the lack of popular support for this bill.

It was pointed out that union membership has been declining and unions are organizing more elections than they are winning.

In its editorial entitled "Labor's Decline" the Daily Times wrote as follows:

Public opinion polls continue to plague organized labor. For several years now the general public has shown it believes labor unions are already too powerful and exert too much political influence.

The newest poll, conducted by the highly respected Opinion Research Corporation of Princeton, N.J., not only confirms these findings but reveals very little public support for a labor-backed bill being rushed through Congress to make it easier for labor unions to organize nonunion workers. The poll showed only 22 percent of the general public favors such legislation. More people (25 percent) favor legislation to make it more difficult for unions to organize new members. Some 40 percent—the largest single group—do not want current laws changed. Even among union members only a third support the legislation, and almost half (40 percent) say present laws should not be changed.

As pointed out by Dr. Richard L. Lesher, president of the Chamber of Commerce of the United States, which commissioned the poll, the findings also confirm an accumulation of "hard evidence" that organized labor is in a serious decline and wants a special interest bill to bail it out of trouble.

Dr. Lesher points out:

In 1975–76, there were 124,015 more secret ballot votes cast by workers against union representation than for union affiliation. This "poll," incidentally, was conducted by the National Labor Relations Board in union representation elections throughout the nation.

In 1976, unions lost more secret ballot representation elections than they won.

In 1974–76, national union membership declined by more than 750,000 workers.

The House of Representatives has passed the so-called labor reform bill, and the Senate may consider its version soon.

Labor unions have enough power. They don't need more. We hope the Senate realizes this.

That was from the Farmington Daily Times of February 14, 1978.

Mr. President, another major newspaper in the Albuquerque area is the Albuquerque Tribune. It is the afternoon newspaper and serves, probably as well as the larger newspaper, the business community of Albuquerque, the community that forms the financial and general business foundation for most of the commercial activities in the State of New Mexico.

In its editorial of January 3, 1978, the Tribune admits that there is some stonewalling on the part of some companies with respect to labor relations. The answer, they believe, however, is not this bill which is before us, which would be unfair and burdensome to all businesses. In this sense they regard the bill as an overreaction to the problem.

In its editorial entitled "Labor Law Revision," the Albuquerque Tribune writes as follows:

Reacting against the hardline, anti-union policies of a few large employers like the J. P. Stevens textile company, Congress is about to pass what appears to be an unduly punitive change in the nation's labor laws.

To be fair about it, the so-called reform bill, which passed the House in October and is expected to pass the Senate early in 1978, is reasonable in many respects. It tries, for example, to speed up the pace of the National Labor Relations Board and to guarantee that union-representation elections are held without undue delay.

But the bill contains several sections that could drive small companies out of business if they are found to "willfully" violate labor law or illegally fire workers for trying to form a union.

An offending company could lose all its federal contracts for as long as three years and be required to pay fired workers double back pay instead of the full back pay with interest required under current law.

The bill also gives union organizers the right to speak to workers on company time and on company premises if the employer has made a pitch of his own.

The harsh tone of the bill is due, in part, to the stonewalling tactics of one company, J. P. Stevens, without regard to the more enlightened labor policies of American business as a whole.

An administrative law judge at the NLRB commented the other day that J. P. Stevens approaches collective bargaining "with all the tractibility and open-mindedness of Sherman at the outskirts of Atlanta."

Several weeks ago the NLRB threatened to seek a nationwide injunction against Stevens if it continued to deny workers the right to bargain collectively. Earlier, a federal appeals court in New York chastized the company for continually violating federal labor law.

Serious as these violations are, it seems to us the bill now before the Senate leans too

far in the other direction by threatening balky employers with economic ruin.

Workers must have the right to unionize. But the rights of employers to resist unions and union demands must be protected at the same time.

That is from the Albuquerque Tribune of Januray 3, 1978.

Mr. President, the Albuquerque Tribune more recently contained another editorial on this subject entitled "Labor Law Refrom."

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. SCHMITT. I am happy to yield.

Mr. DURKIN. In the brief time that I have been sitting here, listening to all those articles from New Mexico newspapers, I am just wondering whether the New Mexico papers have a sports page. Are they writing about other things, or issue of labor reform.

Mr. SCHMITT. They are writing about a few other things. They are very concerned about inflation. They are extremely concerned about the question of the SALT treaties, and the foreign policy of this country.

But today I am taking the liberty of quoting from them primarily on the issue of labor reform.

Mr. DURKIN. I thank the Senator. I was just wondering if they were concentrating solely on labor reform or whether they were covering other issues as well.

Mr. SCHMITT. They do a pretty good job. As do the newspapers of New Hampshire and many other parts of this country, they cover a variety of items. But for some reason, in the last several months, labor law reform so-called has been very important in their considerations.

Mr. DURKIN. I thank the Senator.

Mr. SCHMITT. Mr.. President, the Albuquerque Tribune of June 5, 1978, taking up the issue once again in an editorial entitled "Labor Law 'Reform,'" wrote as follows:

When Congress considers a bill with the word "reform" in its title, it pays to be wary. Tax "reform" usually is an effort to shift the burden of taxation on somebody else. Election "reform", invariably is a maneuver by the dominant party to see that it wins the next election.

Thus the Labor Reform Act of 1978 deserves a skeptical look. First off, it is badly named. It should be called the Pro-Union Organizing Act of 1978, since its avowed goal is to make it easier for unions to win collective bargaining elections.

The bill heads organized labor's legislative wish list. President Carter and the Democratic leadership, who want, George Meany and the AFL–CIO behind them in coming elections, back the measure. It passed the House last fall and now is before the Senate, where a sizable minority is trying to filibuster it to death.

Now no fair-minded person would deny that the National Labor Relations Act, which dates back to 1935, needs changes. It permits some rogue companies to stall bargaining elections interminably, to defy National Labor Relations Board orders and to save money by paying fines rather than giving their workers justice.

However, such anti-social activity could be prevented by careful and specific changes in the law. Instead, the proposed bill is so broad that it would tilt the present balance of power between labor and management strongly in favor of union organizers.

It would mandate, for instance "quickie" bargaining elections, which experts say would favor labor unions, especially when dealing with small companies.

Much of the debate in the Senate concerns the question: Would the bill or would it not harm small business? Interestingly, the Office of Advocacy in the Small Business Administration studies the issue and concluded that the bill discriminates against small firms and leaves them "most vulnerable" to its changes.

That report was written in January. The SBA, which is responsive to the White House, suppressed the report until recently. It also slipped a copy to the Labor Department so it could ready a rebuttal.

Then the Small Business Administration started to get rid of the troublesome authors of the embarrassing report. That fishy action by itself is enough to show that there are serious flaws in the bill.

A very disturbing aspect is that while it boosts union power in regard to companies its does nothing to protect individual union members against trade-union bosses. For example, it makes believe that the problem of crooked union leaders with Mafia ties looting workers' pension funds does not exist.

Until the White House and the Democratic leadership move to crack down on predatory union bosses as well as lawbreaking businessmen, their invocation of the phrase "labor reform" will be hollow and misleading.

That is from the Albuquerque Tribune of June 5, 1978.

Mr. President, there is one community in New Mexico, Roswell, which has had a very intriguing history in terms of business and employment activity. Somewhat more than a decade ago, the major creator of economic activity in the area, Walker Air Force Base, closed down, and Roswell, N. Mex., was left with an economy that was almost nonexistent. As I recall, the population of the city dropped by a third. There was unemployment; there were empty houses and empty businesses throughout the city. The economy of the entire region, other than business activity of the small cities and oil and gas activity—southeastern New Mexico is primarily a farming and ranching region—was stagnant.

The people of Roswell, working together for almost a full decade, gradually took from the ashes of the closure of Walker Air Force Base all that would have otherwise appeared to be waste, the old hangars, the houses, the runways, the facilities of Walker, and turned them into an industrial park that today is second to none in the State of New Mexico. The community is thriving on a broad base of small and medium size business. It is one of the most active economic centers of New Mexico, certainly the most active of eastern New Mexico.

The Roswell Daily Record, which serves that area so well, is a newspaper of great reputation in New Mexico, particularly southeastern New Mexico. On February 16, 1978, the Daily Record wrote in that editorial that unions are in trouble and want Government to bail them out.

That editorial was entitled "Disaster Bill" and reads as follows:

A bill is in a U.S. Senate subcommittee which, if passed, would amount to the federal government subsidizing labor union membership.

In October, the House of Representatives approved its version of the bill, touted as a "labor reform" measure.

Nationally, big labor is having serious problems.

Since 1975, total union membership in the United States has declined by 767,000.

And during its December convention, the AFL–CIO raised its dues some 20 percent because of declining membership.

This drop, naturally, is beginning to affect the economic and political strength union bosses traditionally have wielded.

So the labor leaders turned to Congress.

Here is what the unions would receive under the proposal now in the Senate:

The National Labor Relations Board, which decides disputes between labor and management, would be increased from its present five members to seven, and their terms would be raised from five to seven years each.

This would allow the appointment of two pro-union members to the NLRB, and for extended terms.

A union could campaign silently for months and then after it chooses to file a petition for an election on representation—if it signs up 50 percent of the employees—the election must be conducted in 25 days, including weekends and holidays.

Furthermore, if the union has only signed up 30 percent of the employees, the election must be conducted within 50 days.

This would mean that employees could vote in such an election without having adequate time or opportunity to hear both sides of the argument for and against unionization.

Supporters of the bill claim that under present law there are long delays in elections.

However, statistics show that the average NLRB election is held within 45 days of the date petitions are filed.

If the NLRB determines that a company is guilty of willfully unfair labor practices, the firm could be blacklisted from receiving government contracts, an action which would punish employees as well as the company.

Under present law, an employer found guilty of unfair labor practices faces contempt proceedings, a punishment not meted out to employees.

If an employer calls his employees together to give his version of union activities, the proposed law would require him to permit unions to come onto his property and have an equal opportunity to campaign.

Presently, union representatives may visit the homes of employees they are trying to organize and campaign by making any sort of promises they think will help their cause.

Employers, on the other hand, are not permitted to visit employees' homes. Otherwise, they can be accused of unfair labor practices.

If the NLRB determines that a business has refused to bargain in "good faith" with a union on an initial contract—regardless of how unreasonable or costly the union's demands may be—the NLRB could decree what wages and fringe benefits the employer must pay.

This decreed increase would be in the same percentage as collective bargaining settlements involving companies with 5,000 or more employees.

Yet, most elections involve small businesses.

The NLRB could require that workers it decides are fired illegally during a union election campaign must be reinstated, even if the employer acted in good faith.

Furthermore, the employer would be required to pay reinstated employees double back pay.

Obviously, such a provision in the law would give pro-union employees a free rein during an organizing campaign, without fear of discharge for improper conduct or poor work performance.

In fact, the whole proposal gives the pro-union employees and professional organizers

free rein to do just about anything they care to, while tightening the screws on employers.

There is no question but that this proposal is unfair and would seriously threaten the very existence of smaller private businesses, many of which already are having a difficult time keeping themselves afloat under the overbearing weight of government regulations and taxes.

Fortunately, New Mexico's two U.S. senators—Pete Domenici and Harrison, "Jack" Schmitt—have shown that they are squarely behind the small businessmen of the state, and the nation.

But they have many colleagues in the Senate who would trade away portions of the free enterprise system for union support or campaign contributions.

We encourage both of our U.S. senators to work strongly against passage of the labor "reform" proposal they will face soon after returning to Washington.

With the passage of the so-called labor reform bill by the Senate, union bosses would be able to continue exercising the strong control, out of proportion to their contributions, which they presently exert on the U.S. economy.

On the other hand, if the bill is killed in the Senate, many small businesses will have a stronger shot at survival.

The Chamber of Commerce of the United States recently conducted a study to determine the effect of the "reform" bill on New Mexico.

This analysis projects that if the bill is approved by the Senate as written and is signed into law by President Carter—as surely it would be—New Mexico faces the loss of 5,000 jobs by 1985.

The projection is based on an estimated 12 percent higher degree of unionization in the state, which would result in labor costs increasing 13.1 percent for small businesses and a 5.2 percent hike in consumer costs, resulting in a loss of average family purchasing power of $1,646.

That is the quotation from the Roswell Daily Record of February 16, 1978.

Mr. President, to the north and east of Roswell is the town of Clovis which serves two economic masters. One is the large and extremely viable and active farming community of that area, both dryland farming and irrigated farming, where some of the finest peanuts in the world are raised, the so-called Valencia peanut, which is only a small percentage of the country's total production, but still in universal constant demand.

Also, major wheat and other grain products are produced in this area, and it is generally one of the most active economic regions of our State from an agricultural point of view.

In addition, just to the west of Clovis is Cannon Air Force Base, the home of one of the major F–111 fighter-bomber wings in this country. Cannon has a long history of continuous activity in the service of our national security, and has a great impact on the business community of Clovis and of its sister town to the south of Portales, N. Mex.

The Clovis News Journal, which serves this region, wrote in its February 17, 1978, editorial entitled "S. 1883: No Mandate," as follows:

S. 1883: No Mandate

Pending in the Senate is a bill (S. 1883) which, if passed, will substantially increase the power of unions to force workers to become union members and to compel businesses, particularly small enterprises, to submit to union demands.

Concerned that the Congress was letting itself believe that the pro-union legislation was in keeping with the desires of the majority of the American people, the Chamber of Commerce of the United States commissioned the Opinion Research Corporation of Princeton, N.J., an independent poll taker, to carry out a nationwide poll to determine public opinion. The poll probed public attitudes on more than a score of labor questions, including the measures proposed in S. 1883 now pending in the Senate.

Results of the poll were released on Jan. 9, including the following:

Only 22 percent of the general public, it was found favor legislation that would make it easier for unions to organize non-union employees. (Such legislation has been backed by both the White House and the AFL–CIO and is incorporated in pending S. 1883.) Moreover, more people (25 percent) believe that there should be legislation that would make organizing non-union employees more difficult than at present. Four in ten (40 percent) do not believe the current laws should be changed.

In fact, the poll found, the proposal to make it easier for unions to compel membership does not win majority support even from union members themselves. Only one-third (33 percent) support the idea, while almost half (48 percent) think that the present laws should not be changed.

The public overwhelmingly supports new laws that would guarantee workers secret ballots when voting on whether they want unions to represent them and whether to engage in strikes. The public, according to the nationwide poll, also supports a law that would allow a person to get and keep a job without joining a union.

In a joint statement, Dr. Richard L. Lesher, president of the U.S. Chamber of Commerce, and Robert T. Thompson, treasurer and chairman of the chamber's Labor Relations committee, pointed out that, "The survey findings clearly demonstrate there is absolutely no mandate from the public to change our labor laws so that it will be easier for unions to organize new members." To the contrary, the two chamber members emphasized, "The mandate is from the other direction. It comes from an overwhelming number of Americans who believe their rights should be strengthened in relations to union control over their affairs."

"A key factor in the debate over the legislation," a recent Chamber of commerce of the United States news release reminds us, "is organized labor's declining members. At its recent convention in Los Angeles, the AFL–CIO, for example, reported a two-year drop of half a million in its membership."

Popular opinion running strongly against the pro-union bill aside, legislation designed to give union bosses further power to intimidate both employees and employers is clearly wrong on principle and should be soundly defeated. Instead of adding to union power with a new law, those laws conferring upon unions the power to do things which, if done by anyone else, would be considered a crime, should be repealed.

Mr. President, as a final comment from the written press of New Mexico, I would like to quote from an editorial and an article that have appeared in the Union County Leader.

Union County is in northeastern New Mexico. It is almost entirely an agricultural county. However, it is closely associated with Colfax County on the west, where there exists one of the only major deposits of coking coal in the southwestern United States, and that coal is shipped from the Raton region to the Keyser Field plant in Fontana, Calif.

The combination of ranching, some dryland farming, and coal production creates a strong if not large economic base for this region, and it is certainly a base that encourages the development of small- and medium-sized businesses.

The Union County Leader, in its editorial on May 3, 1978, entitled "Little Public Support," stated as follows:

A recent poll conducted by the highly respected Opinion Research Corporation of Princeton, N.J. confirms the fact that Americans are fed-up with organized labor. The poll was commissioned by the U.S. C. of C. to determine the pubic attitude about organized labor's bill to make it easier for labor unions to organize non-Union workers, which is being rushed through Congress.

The poll showed that only 22 percent of American citizens approve the so-called Labor Reform Measure. Among those opposed 25 percent favor legislation making it more difficult for unions to organize members. Some 40 percent say they do not want current laws changed at all. Among union members themselves only one-third support the current legislative proposal and 48 percent say current laws should not be changed.

The findings provide additional evidence that organized labor is in a serious decline and sponsored the current legislative proposal to try and bail themselves out of trouble via federal law.

In union representation elections conducted throughout our nation by the National Labor Relations Board in 1975–76 there were 124,015 more secret ballots cast by workers against union representation than for the same. Unions have been losing more representation elections than they are winning. The last two years records available show national union membership declining at the rate of about 400,000 members per year.

The U.S. House of Representatives passed the so-called labor reform measure. It will be considered by the Senate in the near future.

The will of the people back home is important to members of the Senate. All of us should let our Senators know how we feel about giving organized labor's leadership more power to force themselves on the American public.—LCS

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. SCHMITT. I am happy to yield to the distinguished Senator from Montana.

Mr. MELCHER. I have been listening to my friend from New Mexico, a very fine Senator with whom I was pleased to serve on the Interstate Commerce Committee while I was on that Committee, and whose judgment I respect. He has mentioned Colfax and Union County and Raton, a part of New Mexico that I have profound admiration for.

I would like to inquire of the Senator if that is the part of New Mexico where grama grass grows in abundance, and provides a strong grass that cattle need to put on weight rapidly.

Mr. SCHMITT. There is no question that grama grass, or "black grama," as it is called, is a major feed stock for the cattle of that region. As a matter of fact, after some extremely fortunate rains last fall or late last summer, the grama grew and headed out before winter, and it was actually harvested for seed, using large combines and threshers, forming one of the more spectacular sights in that part of New Mexico. That happens about once every decade, but it was one of the more intriguing activities in that area this spring.

Mr. MELCHER. I come, of course, from Montana, and one of my dearest friends, now deceased, Chris Crosby, came from that part of New Mexico.

We have, north of the Missouri in our part of Montana, some of what we call the strongest grass in the world. That is, it is sparse, but pound for pound it measures into quick and rapid gain for cattle.

Chris Crosby used to talk about grama grass, even to the extent of telling me what the Senator from New Mexico has just told me again, that with fortunate rains the grama grass grew rapidly and seed could be harvested.

We have a little bit of grama grass. I can tell you that in reclamation projects dealing with strip mining in our State, grama grass is one of the grasses we want to look to, to be seeded into the reclaimed land so that we get strong native grasses growing on that reclaimed land.

I do not want to stray too far from the subject, naturally. I just thought it important to point out to people who read this RECORD that in New Mexico, as in Montana or other States in the Union, farmers and ranchers are not covered by this law and are not involved in this bill.

That is first.

Second, I think we should let these small business people throughout the country know that, whether they ever paid any attention to it or not, the National Labor Relations Board does not affect them if their gross in a retail establishment, a restaurant, a motel, or a hotel, is less than $500,000 a year. For that matter, if the Union County newspaper, which the Senator was reading from, has a gross of less than $200,000 a year it is not covered either.

We should let them know that with the amendment now pending, with wide acceptance in the Senate—and I would hope all Senators would vote for it—that that condition will continue. As a result of some of the colloquy between myself and Senator HATCH, and the colloquy of others, including Senator WILLIAMS, the amendment was offered by the distinguished majority leader, with a host of cosponsors including the manager of the bill, the Senator from New Jersey, and myself. Our intent was to just put it in the law so that small business people know that the Board is not going to be able to change those standards and extend its jurisdiction to other small businesses which are now not covered by its jurisdiction. It would make it a point of law.

I believe that would be reassuring to many small business people throughout the country who might have feared what Senator HATCH said on May 23 might well happen, that the Board might make a decision to extend its jurisdiction and bring more small business under the act.

The amendment takes care of that. If it becomes law, these jurisdictional limits will not be subject to a ruling by the Board or a change of plans by the Board, or a change in the makeup of the Board which would vote to extend their jurisdiction. That will not be possible, because Congress will have established a point of law.

I think it is fair to let people know, those who might be reading this RECORD, that that is the circumstance. I would not want them to be in doubt. I do not believe any of us want them to be in doubt. I believe this amendment is a step in the right direction, and will be reassuring to the small business people who are concerned.

I thank the Senator for so graciously yielding to me.

Mr. SCHMITT. I appreciate the point the Senator from Montana has made. I might add parenthetically one of the privileges of serving in the Senate has been our association on the floor as well as on the Commerce Committee. I believe between the two of us we have had the chance to insure that certain legislation which might otherwise adversely affect the smaller populated States of the country, particularly those in the West, has been modified so that that effect has been at least minimized if not eliminated.

I do think it is important to provide small business with the reassurance to which the Senator has referred. I am afraid that even if that amendment is adopted the overall effect of the measure before us, S. 2467, is going to have indirect consequences if not direct on the small business community around the country. Small business, farming, ranching, and other businesses, deals with medium-size and large businesses.

Even if we were able to exempt their inclusion under the provisions of this so-called Labor Reform Act, I am afraid that they would still pay the price, the price in terms of increased cost and, through that, the consumer would pay the increased price. That, I believe, is one of the messages coming from the people of New Mexico via their written press, that it is a law that, in its broad aspects as well as its specifics, is going to seriously damage, in their opinion, the economy of a State like New Mexico. I believe they are correct in assuming that it is going to seriously damage the economy and the rights of workers and business persons throughout this country.

ORDER OF PROCEDURE

(The following proceedings occurred earlier:)

Mr. SCHMITT. Mr. President, I yield to the Senator from Texas.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. President, I ask unanimous consent that this interruption does not disturb the continuity of the remarks of the distinguished Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY MEMBERS OF THE MEXICAN DELEGATION TO THE 18TH PARLIAMENTARY UNION

Mr. BENTSEN. Mr. President, I have the very distinct honor of introducing the Mexican delegation to the 18th Parliamentary Union which is taking place this week in Washington, D.C.

The chairman of that delegation, Senator Joaquim Gamboa Pascoe, is here, as is Deputy Enrique Alvarez Del Castillo, and the other members of the delegation are: Senators Jesus Cabrera, Alejandro Cervantes, Euquerio Guerrero, Oscar Baylon Chacon, Martha Chavez Padron, Vicente Coral Martinez, Morelos Jaime Canesco, Arnulfo Villasenor, Leobardo Ramos, Humberto Lugo Gil, Alberto Alvarado, Jose Luis Escobar; and Deputies Julio Zamora, Luis Priego, Martha Andrade de del Rosa, Rugo Diaz Velazquez, Mario Hernandez Posadas, Mirna Esther Hoyos de Navarette, Miguel Bello, Hector Ximenez, Francisco Jose Peniche, Francisco Ortiz Mendoza, and Saul Castorena.

I welcome them here on behalf of the Senate.

[Applause.]

RECESS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes while we greet our guests.

There being no objection, the Senate at 2:23 p.m., recessed until 2:26 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RIEGLE).

(Conclusion of earlier proceedings.)

LABOR LAW REFORM ACT OF 1978

The Senate continued with the consideration of the bill.

Mr. SCHMITT. Mr. President, I agreed to yield such time as he may desire to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.), and will do so at this time.

Mr. HARRY F. BYRD, JR. I thank the Senator from New Mexico, Mr. President, and I also commend him for his excellent address to the Senate and for his perceptive appraisal of the so-called labor reform legislation which is now before the Senate.

I noted that in his comments the Senator from New Mexico mentioned the public should view with some skepticism legislation with the word "reform" in its title. I certainly concur in that view. My impression has been that legislation which has the word "reform" in its title usually is legislation that, as time goes by, proves itself very undesirable from the point of view of the general American public.

Mr. SCHMITT. If the Senator will yield, I would underscore and italicize those last remarks. Maybe the classic example that I am being bombarded with by my constituents when I go back to New Mexico these days is the so-called tax reform law of 1976, and in particular those provisions which have completely ruined any reasonableness in the inheritance tax law of this country. The people of this country, as well as the lawyers of this country—I would not want to imply that they are separate as lawyers are people, too, for the most part—are horribly confused by that so-called Reform Act, which is not reform at all. It has made it tremendously difficult, even more so than in the past, for children to in-

herit property or for parents to insure that their children can inherit their property. I would hope that this Congress, with that Reform Act, so-called, as well as with others we have already passed, will start to realize that it is just unfair if not unethical to put the word "reform" on a bill that is fundamentally a change and then argue whether the changes are progress or not.

Let us not call it reform, because reform is in the eyes of the beholder and unfortunately we have ruined the meaning of the word. Most editorials are skeptical of anyone who says, "This is a Reform Act." As Winston Churchill said, "Change is often mistaken for progress." In the case of the Congress, change is often mistaken for reform. I believe we have to be very careful that we do not make that mistake too often.

I thank the Senator.

Mr. HARRY F. BYRD, JR. The Senator from Virginia is very much in agreement with the able Senator from New Mexico in his statements, particularly with regard to the so-called Tax Reform Act of 1976, and the provision to which the Senator from New Mexico refers dealing with inheritance taxes. Under that legislation the Congress made a far-reaching change in the law and yet that was done without a hearing before the Senate Finance Committee.

That proposal never came before the Finance Committee for consideration. That proposal never came before the Senate for consideration. It was put on in a committee of the conference between the House and the Senate, and the only time it was brought before the Senate was when the conference report on the total bill came back to the Senate for final approval.

There was no debate on the provision. My guess is that there were not five Members of the Senate who realized the far-reaching ramifications of that change in the inheritance tax laws which is affecting, as the Senator from New Mexico pointed out, thousands and tens of thousands and hundreds of thousands of individuals all over this great country of ours.

(Mr. LEAHY assumed the chair.)

Mr. SCHMITT. The Senator makes an extremely important point about what can happen in a conference.

That is one of the major concerns that many of us have, that no matter what we may do here, on the floor of the Senate, to modify and improve this so-called reform bill, in the conference, that will all be for naught and we will again, as we did—as the Senator did; I, unfortunately, or maybe fortunately, was not here in 1976. You only get to vote on these changes when it is a conference report, without debate and without consideration. That is one of the best ways I know to continue this extended debate as long as possible, so that we cover all ramifications of the bill and any changes that we might be able to make in it.

Again, I compliment the Senator for his detailed knowledge of the tax bills, since he serves on that committee. I hope that between him and me—and I see the distinguished Senator from Nebraska is here—and hopefully, 97 other Members of Congress, we can change that so-called Reform Act, reform the reform, if that is what you want to call it, so the people of this country have some idea of what to expect in terms of inheritance tax and some reasonable expectation that their children can inherit what they worked so hard to earn and put together.

In the same context, let us hope that we do not reform a law in the guise of reform, such as the Labor Relations Act, in a way that causes all of us, not only those of us here in the U.S. Senate and House, but everyone in this country, pain in the future that we will hear about as we visit with our constituents 2, 3, and 4 years from now.

I thank the Senator.

Mr. CURTIS. Will the distinguished Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the distinguished senior Senator from Nebraska.

Mr. CURTIS. The distinguished senior Senator from Virginia has given an accurate account of the legislative history of the carryover provision of our estate tax laws. I was a member of that conference. The will that we went to conference on carried no such provision as far as the Senate was concerned. We needed very desperately to have the exclusion or exemption from Federal estate tax increased very much. We fought hard for that in the Committee on Finance We got some relief. It was adopted by the Senate. It was a paramount need in the country.

As I recall, it had not been updated for 30 or 40 years. The estate tax was enacted originally to reach the wealthy people of the country. Because of inflation and the natural growth of our economy, it was hitting everyone with the slightest degree of success in their own operation. It was causing widows of farmers, for instance, to sell land in order to pay the estate tax, and causing many other things.

It was the privilege of the Senator from Nebraska now speaking to introduce the bill sponsored by the American Farm Bureau. We did not get that bill out of the Committee on Finance, or passed by the Senate. Even what we passed had nothing in it on this carryover basis that is now in the law. The need for estate tax relief was so great.

Actually, we were faced with a situation in the conference almost with a pistol at our head. Here was a long bill, covering many things. It was either let all of the efforts for the estate tax relief go down the drain—which would have been disastrous to millions of families—or accept something that no one knew anything about, the House was that insistent upon it.

I daresay that, while some of us had a general idea of the ultimate meaning of the language proposed by the House, because of the pressure of events and the many items in the bill as well as the fact that things come to light in the course of the passage of time, no one realized the full extent of the House language, part of which was adopted by the conference.

It is very important that we remove that language from the law. I commend the distinguished Senator from Virginia for his leadership and his work in getting the Senate Finance Committee to approve a postponement of that language adopted in the conference report. Personally, I would much rather have it totally repealed. I am sure the Senator shares those views. But in the light of the attitude of the other body and in the light of the opposition we faced with the Treasury, probably the most practical thing is to follow the proposal of the Senator from Virginia. I commend him for his work, and I certainly hope that we shall be successful.

Mr. HARRY F. BYRD, JR. I am grateful to my friend from Nebraska for his comments. I might point out that, as chairman of the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance, I have held a number of hearings on this matter. Virtually every witness who has come before that committee has stated that the law as it now exists in regard to estate tax laws, in regard to the carryover basis provision, is totally unworkable. As a matter of fact, those who helped to draft the legislation tell the Finance Committee that it is totally unworkable.

So I think it is very important, in considering this very important piece of legislation, the so-called labor reform legislation, that we be sure of what we are doing, that we take adequate time, else we shall come back here a year or so from now and find out that we have made some very bad mistakes. I, for one, am not at all hesitant for the Senate to take as much time as possible in considering these very important pieces of legislation affecting the lives of 210 million American citizens.

I have heard it said on the floor of the Senate and in the corridors and elsewhere that the Senate spent too much time debating the Panama Canal treaties. Well, I have made dozens and dozens of speeches in Virginia recently, and I point out to them, just as I mentioned this past moment, that there have been many who contend that the Senate spent too much time studying and debating and discussing the Panama Canal treaties, and I said I do not agree with that viewpoint for two reasons:

No. 1, the Panama Canal treaties were very important because the Panama Canal is very important to the United States and to the people of the United States.

That is an issue that should have been fully debated and it was fully debated. The result was not what it should have been, but it was fully and appropriately and properly debated.

That is one reason I said it should have been fully debated, because of the importance of the issues.

But the other reason I said I was glad to see a long debate was that it meant the Senate would have that much less time to pass other bad legislation.

I always get a good reaction from the Virginia audiences when I make that assertion. I do not know how it is in

other areas of the country because I confine my activities to the State of Virginia. There are 5 million people in my State, 5,100,000. It is the 12th largest State in population in the Union and I feel a deep obligation to those people. I spend whatever time I have away from the Senate in Virginia.

So I do not pretend to speak for other States, but I feel that I have some knowledge, at least, of the great State of Virginia.

Now, to get to the current legislation, the so-called Labor Reform Act.

The basic question, as I see it, is this. It is a question of balance. Are we going to upset the reasonable balance that now exists between labor and industry?

In my study of the proposed amendments to the National Labor Relations Act, and my review of many commentaries on this issue of so-called labor reform. I came across a most interesting statement by Mr. A. A. Milligan, president of the American Bankers Association, appearing in the National Journal, April 22, 1978. I quote from his remarks the following:

> To a country that has just weathered the rigors of a coal strike, the following statement may be hard to believe. It is true nonetheless. Since the end of World War II, the United States has benefited greatly from relative stability in relations between labor and management.
>
> No one has benefited more than the American worker. The American worker has the highest pay, the most individual rights, and the best working conditions of any worker in the world.
>
> This fortunate result did not just "happen." Rather it came about at least partly because labor and management in the United States have achieved an equilibrium through a system of labor laws designed to protect the legitimate interests of both labor and management.

I think Mr. Milligan has touched the very heart of what this debate is all about—a question of balance in our Nation's industrial relations.

In studying the provisions of S. 2467 and H.R. 8410, I have tried to keep this most important of questions foremost in my mind. How will this proposed legislation affect the existing balance of power between labor and management?

I am concerned that these proposals, if enacted, would improvidently tip the delicate balance of labor-management relations in a manner detrimental to the progress of American industry and detrimental to the American people.

This conclusion is one founded not only upon examination of the proposals themselves, but also upon an understanding of the role of law in shaping this Nation's labor relations. The law shapes the processes through which terms and conditions of industrial employment are established, administered, and preserved in two important and distinct ways.

In the first instance, law may assume the function of "private ordering." Private ordering is that individual bargaining between employer and employee or collective bargaining between a group of employees—a union—and the employer.

In the second instance, law assumes the role of "public ordering," recognized as Government regulation of the substantive terms of employment. Minimum conditions of industrial life imposed by Federal or State Governments illustrate this function.

The central underlying concern, I submit, in reviewing both the existing labor law of this great Nation and proposals to amend this law is quite basic. It is simply the allocation of responsibility between "private ordering" and "public ordering" as an instrument of social and economic control.

Furthermore, within that area of "private ordering," the so-called "reform" proposals now before the Senate challenge us to evaluate critically the processes of unionization and relative balance of power between labor and management in their regulated struggle to maximize private and occasionally conflicting goals.

I recognize that most of my distinguished colleagues in the Senate, like myself, are not, by professional training, expertise, or experience, practitioners of that highly technical speciality within the legal profession, the field of labor law.

But as a businessman, I am fully aware of the often complex and difficult relationship between those who must manage our Nation's businesses and industries, and those who represent men and women who choose to work in those businesses and industries. I appreciate, and think I understand, that there exist, at times, inevitable areas of discord in the productive relationship between labor and management.

The history of the American labor movement—which I think is best viewed as the history of a relationship between partners in the advancement of the American industrial ideal—is one of profound social, political, economic, and ideological significance.

I cannot now trace this fascinating history. Let me say only this. When viewed in historical perspective, the existing balance of opportunities and responsibilities shared by labor and management, achieved at real expense over a long period of time, is not one to amend without full and thoughtful consideration.

I am concerned that S. 2467, as reported by the Human Resources Committee, and H.R. 8410, as passed by the House of Representatives, are not wise or sound proposals. The debate over this legislation suggests that it would alter the balance of our labor relations laws.

It would topple the equity and balance of our labor laws.

It would transform the act from a remedial to a punitive statute.

It is significant, too, that it would do nothing to protect the working people against the power of the union bosses.

Many suggest that the bill would be inflationary, and further cut into the already shredded paycheck of the American workers.

It would unduly hamper the opportunity of employees to make a well-deliberated and informed choice as to whether or not they want to be represented by a labor organization.

It would weaken the very concept of individual freedom of choice, a cornerstone of both political and industrial democracy, in the name of achieving some alleged expediency.

It would erode the basic policy objectives of our labor laws—to protect the opportunity of our American working men and women to make their free and informed organizational representational choices.

Sponsors of this legislation claim that it represents a long-overdue congressional examination of the National Labor Relations Act from the perspective of the unorganized worker who desires to be represented by a labor organization. They state that these "reform" proposals will end delay and a growing number of violations of employee rights.

Supporters of this legislation suggest that current law suffers from two basic defects—the perceived inadequacy of National Labor Relations Board remedies against law violators, and an inordinate delay in processing both unfair labor practice cases and election petitions.

In addressing these problems, this legislation restructures the NLRB in the hope of minimizing delay, and creates new remedies which the board may invoke against violators of the law.

I am heartened to see this proposed legislation prompting a thorough, complete, and enlightening examination of the fudamental question of balance in this Nation's labor-management relations. My colleagues may, and do, differ on the need for significant alterations to legislation that I believe now serves this Nation well. Significantly, I think no one can dispute that the America labor movement, under existing law, has permanently welded the concept of collective bargaining to the structure of American business and industry.

I have noted the arguments of those supporting a need for a leigslative cure to preceived inadequacies in existing labor law. Yet I am not persuaded that there exists evidence of major structural deficiencies impeding the modern-day labor movement or the day-to-day relationship between labor and management within our existing legal fabric.

Some historical perspective may be appropriate. Let us compare—if only in abbreviated form—the broad present day administrative and judicial commitment to fair play in the labor-industrial environment with what historians consider the periods of demonstrated judicial hostility to those concepts.

The early period of hostility, commencing in the early 1800's with the famous Philadelphia Cordwainer case, developed a complex legal history of criminal conspiracy, civil consiracy and finally the labor injunction—each a barrier to objectives of labor organization, each thwarting labor processes and progress.

Labor clearly saw the need, within that context, to press sweeping legislative reform to amend the procedural defects too often inherent in the then-existing legal fabric of American labor relations.

Scholars who have reviewed this period of judicial hostility recognize that even in that period, those cases which considered the combination of workers a

criminal conspiracy nevertheless debated in bold terms the basic issues of rights of dissenting employees, the scope of management prerogatives, and the political and economic consequences of private ordering.

Confronted with procedural defects in the use of restraining orders, lack of full factual inquiry, inadequate appellate review processes, and sweeping injunctive language with harsh contempt sanctions—labor successfully sought landmark legislative reform to achieve what it considered a working balance in labor-management relations.

The Wagner Act of 1935 rested on certain basic policy assumptions. The earlier history of worker organization had been marked by an inequality of bargaining position. It was decided that a truly meaningful freedom of contract depends upon an equality of bargaining position.

The key concern in this legislative reform of the balance of labor-management relations in this Nation appropriately focused on the legal limitations upon the use of "economic force" by both unions and employers in the struggle for organizational control.

It was clear then, in this period of legislative reform, that the economic power of the employer is distinct from that of the employee.

The employer's primary advantage in this contest for organization is his property—his economic power necessarily lies:

First. In his control over the activities on his premises (a point to underscore as we consider the so-called "equal access" provision of the proposed legislation);

Second. His control over whom he employs; and

Third. His control over the terms and conditions of employment.

On the other hand, a union's economic advantages are founded primarily upon the right to bargain and the threat of disruption of the production process by strike or boycott.

The balancing of these relative economic advantages remains today, as it did during the great periods of earlier labor legislation, the heart of our Nation's labor laws.

I recognize that the Nation's first comprehensive labor relations law—the 1935 Wagner Act, as subsequently amended by the Taft-Hartley Act and the Landrum-Griffin Act—was true reform of labor management relations. Its purposes were sweeping: To define and protect the rights of employees and employers, encourage collective bargaining, and eliminate certain harmful practices.

Some argue that this reform legislation—the Wagner Act in particular—was not intended to be a balanced law but a balancing law. Reformers believed that the relative economic advantages were stacked in favor of management. The NLRA intended to redistribute the balance toward labor.

Thus the act addressed the inequality of bargaining power between employees, who did not then possess full freedom of association or actual liberty of contract, and employers, who were organized in corporate or other forms of ownership.

As I observed earlier, the findings and policies of this act rested on certain basic assumptions: Recognition that the early history of worker organization had been marked by an inequality of bargaining position and commitment to equality of bargaining position as the cornerstone of meaningful freedom of contract.

Within this framework, the Wagner Act may be summarized as follows:

The act firmly legitimized the process of collective bargaining to resolve terms and conditions of employment, as productive of the common goal of "industrial peace." This reform law made it illegal for management to refuse to bargain with recognized representatives of their workers. Workers were allowed to organize into unions and bargain collectively through their own representatives.

The act focused on unfair practices of management, prohibiting employer interference with rights of employees protected under the law, domination or interference with a union, or interference with the right of a worker to join a union or fire him because he joined one.

The balancing formula adopted by the Wagner Act, with its focus on perceived managerial evils, underwent a significant revision, itself responsive to the tensions of postwar labor relations. In June 1947, the National Labor Relations Act was amended by the Taft-Hartley Act, and became the operative law of labor relations.

It is significant to note that the Wagner Act and the Taft-Hartley Act were based on different assumptions, and sought a different balance in labor relations.

Supporters of the Wagner Act, in an effort to reform or restructure then-existing comparative economic advantages between labor and management, considered it essential to strengthen unions in the collective-bargaining process. Once that was done, Government would then generally leave the details of this collective-bargaining process alone.

On the other hand, sponsors of the Taft-Hartley Act argued that a need for balance in the procedures and content of collective bargaining was essential in order to protect the rights of all parties—the unions, management, individual workers, and the public at large.

I think it is very important that we do not forget the latter; namely, the public at large.

To promote the free and full flow of commerce, Taft-Hartley carefully proscribed the legitimate rights not only of employees, but of employers, in relations affecting that flow of American commerce.

Significantly, to achieve this goal Taft-Hartley continued to prohibit, with some minor revisions, unfair labor practices by management.

It added, however, a series of prohibited practices by labor organizations.

Unions could not coerce workers to associate in labor organizations, nor could they refuse to bargain collectively with management. Unions were prohibited from charging excessive dues or fees. States were allowed to outlaw restrictive closed shops. Secondary boycotts were prohibited, and union jurisdictional disputes were addressed.

Those changes were made in the labor relations laws some 31 years ago this month.

When we review the progress that labor has made—from the early periods of manifest judicial hostility to the basic concepts of worker association and collective action to today's recognition that labor associations and collective bargaining are among the most important aspects of modern American industrial life—I find it difficult to believe that a further rebalancing of this established order is needed today.

The point to be made is simply this: The true legislative reform of our Nation's labor relations has always addressed the principal question of the balance of relative power—the legally mandated distribution of the comparative and unique economic advantages between labor and management.

In questioning the proposed "reform" legislation now before the Senate, I am not urging a rejection of the progress of American labor.

I agree, however, with those who have stated during this debate that we must not, by so-called reform legislation, destroy or impair the existing integrity of our present labor law, and in so doing restructure the working balance of labor-management relations under present legislation.

Union organization has won acceptance in American industrial life. The concept of collective bargaining—the process by which unions and management negotiate the terms of their industrial partnership binding upon both—is at the center of the equilibrium of American labor relations.

I am concerned that ill-conceived legislative reform of this balance and process would be harmful and indeed counterproductive to American industrial relations.

I fear that we may already have seeded hostility between labor and management interests, each of whom view the fight over these proposals as a virtual crusade—a "must" performance in the legislative arena.

In turning to a brief summary of my basic concerns with this legislation, I do so not in a spirit of widening the gap between labor and management objectives—but only to set forth honest concerns of the Senator from Virginia. Within those professional and experiential limitations that I earlier noted I share with many of my distinguished colleagues, I raise my questions and concerns not in the spirit of any symbolic crusade, but in the spirit of constructive debate.

I have earlier underscored my basic concern that this legislation will undermine the essential, productive, yet delicate balance of American industrial relations.

I am specifically concerned that the bill is too broad a response to the alleged problems which it addresses.

I fear that the bill will have a long-term inflationary impact.

I am suspicious that this legislation is responsive to the feeling in the heavily

unionized Northeast that it is losing economic advantages when compared to the South and its core of right to work States.

I am alarmed at the great and in my opinion honest fear that this legislation has produced within our Nation's business community, and the small businessman in particular.

As I continue to follow this debate, I am sure we will identify other problems and concerns with this legislation to which I may then turn.

As I noted earlier, proponents cite a central problem—excessive delay in processing unfair labor practice cases and in representational elections—to justify numerous legislative changes.

Yet I have been impressed with those who, having reviewed the record of the National Labor Relations Board, do not find a pattern of significant or substantial delay.

The NLRB holds more than 9,000 representation elections annually. In 1975, for example, over 80 percent of such elections were conducted within 12 to 44 days following the filing of a petition. In the thousands of unfair labor practice cases before the Board each year, 95 percent are resolved in regional offices in a median time of 55 days.

I have heard such statistics cited in support of the National Labor Relations Board's reputation as an effective and conscientious agency.

I not only question the need for "reform" of existing mechanisms for election and case processing, I am concerned such proposals may be ineffectual or counterproductive.

Increasing the membership of the Board, and increasing the terms of individual members, does not seem to me to reduce the individual workload of Board members. Each member reviews all cases, even though not participating on the deciding panel in every case.

Moreover, expansion of the Board by Presidential appointment raises, if nothing more, the concern that the Board could become "packed" in a politically slanted way. Such fear, even if unfulfilled, introduces needless tension into the existing labor-management fabric.

The proposals to expedite representational elections are likewise of concern. As I understand the provisions of S. 2467, representational elections are categorized into strict time limitation classes, which in most cases would require elections within 21 to 30 days of filing the petition with alternative election periods of 45 days and 75 days in extraordinary circumstances.

Many of my constituents have expressed to me their concern at such "quickie" elections.

They fear that such procedures will interfere with a full and fair opportunity of unorganized employees to learn all the facts, the foundation of representational free choice, and industrial democracy.

Indeed, some argue that the election speedup, and creation of litigation in its wake, may actually delay resolution of some representational issues.

If the question of insufficient time for management to fully inform its employees of its position on the election is one aspect of the question of industrial democracy and informed choice, another related and serious question must be asked regarding the so-called "equal access" proposal.

This provides that union supporters be given an "equality of opportunity" to address employees once the employer addresses his employees—on the election issue—on work premises or during working hours.

The issue of the "captive audience" has, too, generated much concern. This concern is not surprising. As I stated earlier, the employer has long depended upon his physical control of the workplace as one of the traditional balancing devices in labor-management relations.

I recognize that the employer is the "trigger" in the captive audience situation. But he is faced with a rather disheartening choice under the "equal access" proposals. If he chooses to initiate a discussion related to the election issue, which may be costly in terms of loss of production time, he faces the additional loss of company time when the union exercises its "equal opportunity" to do the same.

Many thus fear that rather than aiding employees by providing both sides of the election story, the practical effect of this provision will be, in fact, counterproductive to the whole idea of informed choice. Faced with a "double or nothing" discussion, many cost- and production-conscious employers may simply choose to silence any employer-initiated communication regarding representation issues.

Another concern is one that my colleagues are well aware is not unique to the area of labor relations, nor limited to this single legislation. That is my concern with inflation.

I have received and reviewed a study of the economic impact of labor law revision, as developed by Rinfret Associates, Inc. of New York, and am alarmed by its conclusions, from which I quote as follows:

(1) Introduction. This report attempts to analyze the possible economic impact of the Amendments to the National Labor Relations Act which are now before the Congress. This legislation has passed the House in the form of H.R. 8410 and is to be considered by the Senate in the form of S. 2467.

The conclusions and analysis are stated in terms of tendencies. It is not possible to make hard and fast statements regarding the economic impact of the Amendments to the National Labor Relations Act because although there appears to be an abundance of labor data, many of those data are incomplete and, in certain cases, suspect.

The Amendments to the National Labor Relations Act are a political and moral issue as much as they are an economic issue. This study analyzes solely and uniquely the possible economic impact of the Amendments and considers the political and moral objectives to be outside the scope of this report.

(2) Summary and Conclusions. It is assumed that the following summary and conclusions will be read in conjunction with the analysis which follows and in conjunction with the statistical Appendix.

Our conclusions, in their simplest form, may be summarized as follows:

(1) Inflation Impact. The proposed Amendments to the National Labor Relations Act would tend to increase the general inflationary trend of the United States. To the extent that unionization is increased in American industry, consumer prices will rise. It is estimated that for each 10 percent increase in the unionization of American workers, the Consumer Price Index would have increased by at least five index points in 1976 (1967 equals 100).

(2) Wage Impact. Average hourly earnings in manufacturing would rise at least 10 percent each time a nonunionized business entity becomes a unionized business entity. Average hourly earnings for all industry would rise 17 percent. Average hourly earnings for nonmanufacturing industry would rise 31 percent. These increases would not be offset by productivity gains.

(3) Small Business Impact. Small Business will bear the major economic burden of H.R. 8410 and S. 2467. In general, union representation is won in a higher percentage of cases where there are fewer employees. Union representation elections have the highest win ratio in units where there are 99 or less employees. To the extent that unionization in small business increases and wage increases match those negotiated in large business, small business will become less and less economically viable. The "make whole" provisions of these proposed Amendments appear to use an extreme settlement solution and appear to be inequitable, unfair and to violate the spirit of fair play which is the essence of American legislation. These Amendments, as proposed, could result in an unfair economic advantage for large trade unions and for large business.

(4) Minority Group impact. To the extent that these Amendments cause unions to accept minority groups into their membership, these minority groups would accelerate their economic achievement. The highly unionized construction industry has a notably low participation of minority groups in its labor unions. To the extent that this historical condition remains unchanged, minority group employment in the construction industry would not improve.

I recognize that, as proponents have stated, it is impossible to predict with complete assurance the full economic and inflationary impact flowing from this legislation.

Yet it seems fair to say that our Nation's smaller businesses—marked today by a relatively low degree of unionization—would as a consequence of collective pressure face wage increase decisions. The resulting higher costs of production would ultimately be passed on to the American consumer in the form of higher priced products.

The questions posed by these possibilities must not be sidestepped by debate over exact figures. It is one of singular importance—in this and all future legislative decisions we must make.

It is vital to the American people—whose paychecks are being shredded by the jaws of inflation.

I am also concerned that the proposed legislation may usher in a form of regional economic warfare, premised upon the targeted advantages of the relatively nonunionized South.

I appreciate that supporters of this bill have affirmed that these proposed amendments do not change, under section 14(b) of the Taft-Hartley Act, the right of States, such as my own, to prohibit union-shop agreements or other union-security arrangements. But there is at least an implicit challenge to the

comparative industrial opportunities enjoyed by those States wedded to the right-to-work tradition.

I have heard the distinguished Senator from my neighboring State of North Carolina, Senator HELMS, explicitly call this a piece of "economic legislation"—deriving its sustenance and substance from those areas of the country increasingly concerned as jobs and industry move to the South and its traditions and concepts of relatively nonunion industrial relations.

I have heard the distinguished Senator from South Carolina, Senator THURMOND, acknowledge the impressive economic progress demonstrated by the Southern States. He cites for emphasis an increase since 1957 of employment in 17 Southern States of 75.3 percent, as compared to an 18.7 percent increase in Northeastern employment.

I share the recognition of my friend from South Carolina that such impressive progress has been made in large part because of the attractive Southern economic climate available to both labor and management, and the commitment to a cooperative and stable labor-management relationship.

Mr. President, I would like to read excerpted portions of an editorial expression of this status, as appeared in the Richmond, Va., News Leader of December 22, 1977. The editorial is entitled "Target: The South," and reads as follows:

In terms of growth, Big Labor has fallen upon hard times. In 1975–76, unions won only 48 per cent of plant elections; it was the first year in more than 40 that more union elections were lost than won. The proportion of union members in the work force has dropped by 40 per cent in the past three decades. Since 1975 alone, the membership rolls of unions in the AFL–CIO have decreased by 500,000—and this despite an increase in the overall labor force.

Thus the unions are looking desperately at new areas to mount membership drives that will reverse the trend toward atrophy, but unexploited areas are few. They are limited chiefly to public employees and to the South, where the laws of 11 states protect the right to work. It is in the South that Big Labor plans to make its most intensive drives.

Mr. President, I turn to the last on my today's list of problem areas in the proposed legislation. Let me quickly say, however, that I reserve for a future time discussion of other problems I have, or may have upon further debate, with this legislation.

I am today simply highlighting some of the issues concerned citizens have shared with me.

This legislation, responding to the limits of existing remedial powers of the NLRB with respect to unfair labor practice cases, provides four amendments to strengthen this power:

First. Where the Board determines that an employer has unlawfully discharged an employee because of union activities during an organization period or before a first contract is signed, S. 2467 provides that the Board may order an employer to pay the employee a penalty of 1½ times backpay for time lost due to the discharge, less actual substituted earnings. H.R. 8410 provides a double backpay penalty.

Second. Requires the Board to seek injunctive relief to reinstate any employee who may have been discharged because of union activities during any period in which the 1½ times backpay penalty is applicable.

Third. Whenever the Board determines that an employer has refused to bargain on a first collective bargaining contract, the Board may award employees wages and benefits for the period of the refusal to bargain on a formula basis.

Fourth. When the Board finds persons in willful violation of a final Board or court order, they would be subject to Federal contractual debarment—or ineligibility for Federal contracts—for a period of 3 years unless the Secretary of Labor recommends a shorter period.

Mr. President, these proposals, in most cases imposing severe penalties on the employer, concern many Americans as transforming the thrust of the Nations labor law from remedial to punitive legislation. I submit that such transformation is unwise, and incompatible with the existing balance and objectives of our labor law.

The Board's traditional focus has been to remedy unfair labor practices by providing relief to aggrieved parties. The proposed legislation will undoubtedly provoke new and unnecessary tensions and engender legal challenge.

Mr. President, my observations this afternoon are neither exhaustive, nor have they been intended to ignore the enduring and constructive contributions of American labor in that great partnership—to which I have earlier alluded—between American labor and management.

I do not wish my observations to leave the impression that I am against all change in our Nation's labor laws. I am not, and remain ready to support legislation which would enhance, and not weaken, the balance and equilibrium of our Nation's labor relations.

I do not think the present proposals encourage that balance.

Many editorials in my State have attacked the present proposals and their immediate predecessors—representing what I feel are the concerns of Virginians—and I ask unanimous consent that the following sampling, of a broad geographic and demographic range, be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[Excerpted from the Appomattox (Va.) Times-Virginian]

LABOR REFORM?

The so-called Labor Reform Bill, now being considered in Congress, seems to be, in reality, a push by Big Labor to gain new members.

Union membership has been decreasing steadily over the past several years, so it's not surprising that union leaders would want to do something about this. But the Labor Reform Bill (S. 1883—H.R. 8410) tries to solve Labor's membership problems by mandating several new policies which are blatantly unfair to employers.

For instance, the Senate version of the bill would allow unions to call elections within 15 days if a majority of employees seek the election. This hardly seems like enough time for an employer to do an adequate job of presenting his side of the story. The bill would also allow union organizers to talk to employees about the union on company property during company time, if the employer has done so. Unions are already allowed to contact employees at their homes, but employers are forbidden to do this. This prohibition would remain.

The bill also has disturbing punitive provisions. The most disturbing is one which states that employers who willfully violate a National Labor Relations Board order would be prohibited from obtaining federal contracts for up to three years. That is an extremely stiff penalty. It would put many firms out of business, which doesn't even make sense from the union's point of view.

Another provision says that if NLRB finds that an employer has refused to bargain in good faith for a particular period, it can impose mandatory wage rates on the employer for that period. The wage rates will be based on the average wages paid to bargaining units of 5,000 or more employees in other words, large firms. The National Federation of Independent Business (NFIB), with a membership of more than 525,000 small businesses around the country, has noted that this provision would work a real hardship on small businesses, since their wages are normally much lower than big business wages. It would also directly involve the federal government in setting wage rates in the private sector, something that has been carefully avoided in the 42-year history of labor law.

A third provision requires the NLRB to seek an immediate court-ordered reinstatement of any employee believed to be illegally discharged during a union organizing campaign, until the NLRB has time to make a final decision on the merits of the case. This means an employer may be forced to temporarily rehire employees who have been fired for good cause. The Senate version of the bill adds that illegally fired employees must be reinstated.

If the Labor Reform Bill passes, it could easily have the effect of making employers throw up their hands and allow unionization of their firms, whether their employees want it or not, just to avoid these unreasonable penalties. This, of course, would increase union membership. And this is what Big Labor wants.

[Excerpted from the Buena Vista (Va.) News]

VOTE NEARS ON UNION ORGANIZER'S ACT

Very soon now, the Senate will vote on the so-called "Labor Reform Act" (S. 1883)—a piece of legislation that is unneeded, unwanted, and unwise. I hope the Senators' votes are more a reflection of their constituents' wishes than those of the AFL–CIO, for which the issue is a number one priority.

The official excuse for this bill is that employers have been thwarting employees' efforts to form unions, therefore it is necessary to make union organizing easier and to increase the penalties for employer intransigences. The real reason is quite different: The union have not been able to sell themselves to the workers, so now they want to be able to use the threat of government penalties to cow employers into making deals with them over the heads of the workers.

Look at it logically: If American workers really have a burning desire to join unions, then this preference should be reflected in the union representation elections that do take place. But is it?

In 1976 (the most recent year for which the figures are available) the unions lost 52 percent of the secret ballot representation elections conducted by the National Labor Relations Board. Furthermore, the unions are also losing a majority of the decertification elections—that's when workers vote to throw out the union they already have. The

number of decertification elections has doubled since 1979, reaching 611 in 1976, and that year the unions lost in 54 percent of them. So, the legislation is not needed (except by the AFL–CIO).

Is it wanted? We sponsored a nationwide poll conducted by the Opinion Research Corporation to answer that question. Here are some of the results:

Only 22 percent of the general public favor legislation that would make it easier for unions to organize non-union employees.

Twenty-five percent want legislation that would make organizing non-union employees more difficult.

Forty percent do not believe the current laws should be changed. Even among union members, the proposal to make union organizing easier does not win majority support. Only one third supported the idea, while almost half (48 percent) think that the present laws should not be changed. So this legislation is not wanted.

Is it wise? Not if you're concerned about inflation. Unionization is associated with both higher direct labor costs and lower productivity because of stringent work rules and more frequent work stoppages. Therefore, the proposed labor-law changes could add to cost-push inflationary pressures.

If—as some people expect—the changes caused an additional 12 percentage points of employed workers to be unionized by 1985, then labor costs for each product or service could increase by an average of 7.4 percent.

Labor costs for small businesses could increase even more—by 9.3 percent—because they are less unionized now and could expect to be organized more rapidly than the average for all businesses. Substantially higher labor costs would probably cause some small business failures and mergers, with a bad effect on both employment and competition.

The burden on the public in general—and on small business in particular—would be further worsened by the increased complexity and operating costs of the NLRB itself . . . a seemingly irresistible trend throughout the government today.

Because labor is a major cost in the production of most products and services, the higher labor costs could cause consumer price levels to increase at least 3.6 percent by 1985, adding 0.5 percent to inflation rates each year. The loss of purchasing power for an average family of four could be $1,089 by 1985.

That's the story our computers tell us.

It will be a sad day for freedom of choice if the Senate votes—as the House already has—to sacrifice the interests of workers and consumers alike on the altar of union political influence.

[Excerpted from the Martinsville (Va.), Bulletin]

TILTING TOWARD LABOR

(By James J. Kilpatrick)

The sponsors are calling it the "Labor Reform Act of 1978." They ought to be jailed for fraud. At the very least the authors ought to be called to task under the honest labeling laws, for the bill now pending in the Senate constitutes no reform at all.

Oh, in a sense it might be termed reform. If one believes that existing labor law should be rewritten so that (1) the unions have all the advantages and the employers have none, (2) non-union workers should be deprived of the few safeguards they now possess, (3) small employers especially should be placed in jeopardy, and (4) the government in certain cases should have the power to fix wages in private industry—then, yes, the bill would accomplish precisely such "reforms."

Curiously, this monstrous piece of legislation has aroused much less attention than the common site picketing bill or the minimum wage bill, though its impact would be immeasurably greater. The entire business community rallied from the private sector significantly improved the original minimum wage measure.

Where are those voices now? The National Right to Work Committee, as always, is yelling like Paul Revere. The U.S. Chamber of Commerce has circulated some excellent background material. A few other organizations have sounded alarms, but a sense of urgency is missing. The House passed this very bad bill in October by a margin of 257–163. Unless inattentive senators can be swiftly awakened to what is afoot, the bill will float through the Senate also.

Consider, if you will, a few provisions.

The bill would literally reform the National Labor Relations Board, which would be reconstituted with two additional members named for seven-year terms. The board has five members now. Organized labor, rebuffed in its choice of a Secretary of Labor a year ago, would exert irresistible pressure to make certain that two labor flunkeys were named to the posts. We already have seen Mr. Carter's weakness in this regard in his nominations to the Federal Elections Commission. This is Franklin D. Roosevelt's court-packing scheme, born again with Jimmy Carter.

The bill would rewrite the procedures for certification elections. These now are held in most cases about 60 days after a union's petition. The reform bill would speed things up to 14 days—too brief a time for workers who may oppose a union to rally their forces for a fair contest. The whole idea of this provision is to tilt the scales in favor of union victories.

Suppose the union wins one of these instant elections, and management begins to bargain on an initial contract. This is what could happen under this incredible bill: If the new-packed Labor Board is not happy with the employer's bargaining, the Board on its own motion could compel the employer to raise wages and benefits by whatever percentage the Board perceives under "major collective bargaining settlements" in the nation. This is reform?

There is more. Under this bill, an incompetent, insolent, no-account worker need only identify himself with "union activity" to lead a charmed life. The employer who fires such a worker risks a Board order directing that the bum be rehired with double back pay. Under one provision, the Board would be required to seek court injunctions against employers charged with unfair dismissals, even if the charges were patently frivolous.

Still more. If the newly packed board determines that an employer has willfully violated this stacked and rigged reform act, the board may bar that employer from bidding on any Federal contract for a period of three years. No penalties, naturally, attach to violations by a labor union.

The bill is aimed primarily at small companies with 50 to 100 workers. In the eyes of organized labor, these are plump pigeons waiting to be plucked. Under this bill, if the president of such a company dares to talk to his own workers about the union, the union must be given the same time, at the employer's expense, to conduct its counter campaign.

The bill (S. 1883) speaks for itself. If freedom-loving workers fail to lean on their senators, they will have only themselves to blame.

[Excerpted from the Norfolk, (Va.), Ledger-Star]

DANGEROUS "REFORM"—LABOR DRIVE

(By John Chamberlain)

The big labor bosses, satisfied that they have everything in order this time, are already licking their chops in anticipation of a victory in the Senate when the so-called Labor Reform Bill reaches the floor. They have made passage of the bill a top priority looking to unloose a tremendous avalanche of mail in behalf of a measure that has already passed the House.

The bill is a thoroughly bad one, but its dangers are latent and subtle when compared to the common situs picketing bill that an inspired conservative (and libertarian) coalition beat last year. People could visualize the harm that common situs picketing would do.

With the labor reform bill (S. 1883 in the Senate), it is difficult to make a visceral appeal to its opponents. The "reforms" suggested in the version that has passed the House are largely technical.

The legislation would add two new members to the five-man National Labor Relations Board, which now consists of three Democrats and two Republicans. With two new Democrats, and with the terms of new members increased to seven years, we would have the Labor Board equivalent of Franklin D. Roosevelt's court-packing plan of the 1930s, which, fortunately, never went through.

Beyond this, the reform bill would enable a packed NLRB to impose collective bargaining on any employer who, in NLRB judgment, had exhibited bad faith. Such "offending" companies would be barred from federal contracts. The bill would also permit quickly called union elections, which would effectively keep an employer from presenting his own side of a case. Punitive anti-employer measures would include double back-pay penalties. The unions would get rights to organize on company property.

So what is so terrible about all this? It's nothing that one can easily visualize. But small businessmen are terrified by the "reform" proposals. They haven't the money to fight a packed National Labor Relations Board bent on making it easy for organizers who are out to include the union (in reality, the closed) shop as part of a contract.

Republicans like Sen. Orrin Hatch of Utah think they will have to resort to filibuster to block passage of the bill. Possibly they are right. But the conservatives and libertarians recently have been learning something about the art of opposition from their "liberal" foes. Even as the pessimists are predicting that resort to a filibuster is inevitable, a big coalition is forming to make a last ditch effort to beat the bill outright.

The U.S. Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Business, the Right to Work Committee, the National Small Business Association, the American Bankers Association, the Farm Bureau Federation, the Associated General Contractors, the Cotton Council, the American Conservative Union and a number of smaller groups are now making common cause. If the labor bosses order a letter-writing avalanche, there will be an even bigger counter-mail campaign.

Time is on the side of the "reform" bill's opponents, for if the administration can't arrange for a quick vote in the Senate, which seems unlikely, the whole business will have to be put over until after the fight against the Panama Canal treaties has been settled. What we could see in the next few months is filibuster piled on filibuster, as coalitions talk both the labor bill and the canal treaties to death in their present forms.

The crazy thing about the labor "reforms" is that they don't have rank-and-file labor support. A poll of union members taken by the Opinion Research Corp. of Princeton, N.J. had 51 percent saying their bosses had too much power already. Only 11 percent of the organized workers said their leaders had too little power. A broad "middle" of 37 percent considered the present power wielded by their bosses "about right."

When this seeps through to enough senators, the bill may be defeated even without a filibuster. After all, we are supposed to have a representative government.

[Excerpted from the Richmond (Va.) Times-Dispatch]

TILTING THE BALANCE

An organization calling itself Americans for Justice on the Job has been formed to work for passage of the "labor reform" bill now pending in the U.S. Senate. A prominent name heads the group as chairperson—Humphrey. It belongs to the newly named Democratic senator from Minnesota, Muriel Humphrey.

Mrs. Humphrey, the AJJ and the AFL–CIO all are denouncing what they say is misrepresentation of the Carter administration's labor proposals which have passed the House of Representatives and await action, in a slightly different bill, in the Senate.

It is only fair to say that some of the published comments against the proposals have not been completely accurate. The Labor Law Reform Act is a complex measure dealing with so many facets of labor-management relations that it is not easy to get all the provisions straight in one's mind.

But critics of the proposals have not erred on this overriding fact: The proposals, if enacted into law, would seriously disturb the present relative balance of power between management and labor. They would disturb it by definitely tilting the balance in labor's favor.

Here are just a few of the many ways in which that balance would be tilted:

The National Labor Relations Board would be increased in size from five to seven members and their terms lengthened from five to seven years. The American Enterprise Institute points out that this would enable President Carter to name a board majority early in his term (the two new members plus two other seats). Opponents see this, and understandably so, as an attempt to pack the board with long-term, pro-labor members.

The time would be shortened between employees' filing of a petition for a union recognition election and the election itself, the time varying (the shortest, in the Senate bill, being 21 days). The timing would depend upon several factors, including the percentage of employees filing a petition. "Quickie elections" (as opponents dub them) would put management at a disadvantage, since management would have a relatively short time to present its case to employees, whereas union organizers could have been working on the employees for months.

If an employer addressed his workers concerning an upcoming election during on-duty time (which is the only practical opportunity he has), union organizers would have to be allowed to come onto the company premises and address the workers. Union organizers already can solicit employees at their homes or union halls (which employers are prohibited from doing) or anywhere else outside their working places.

What it all boils down to is that the proposed "reforms" are all aimed at management, as though unions were so pure that they needed no further controls to prevent unfair pressures on workers. Anyone whose head is not permanently in the sand knows that all the sins in labor-management relations aren't being committed by management. If Congress wants to reform the present labor laws, let it scuttle the pending bills and come up with a new one that is fair to both sides.

[Excerpted from the Roanoke (Va.), Roanoke Times & World News]

UNIONS, NOT WORKERS

The present federal labor-law is the Taft-Hartley act and it can be picked at by both unions and management. It hasn't turned out as bad as the automatic pro-union people said it would be. Slave labor law they said back in 1946 and they were just as wrong as they could be.

The Taft-Hartley Act hasn't enabled unions to organize everything in sight; union members are no more than one-fourth of the working force. Still, no one can read the news of the day and conclude that the unions are weak things and need a little more federal nourishment.

It just may be that, taking the lumps and all, the present labor-management law, administered by a five-man National Labor Relations Board, is about as good a balance as Congress is going to strike. That is not the opinion of George Meany, president of the AFL–CIO; it is not the philosophy behind House Bill 8410 which passed the House.

The House bill and a Senate companion (S1033) seek to change a host of technical rules to the end that managements would be more fearful of resisting union organization and less capable if they were not fearful. Just in case changing the rules is not enough, they would increase the membership of the NLRB from five to seven—giving President Carter two more nominations to be recommended by Mr. Meany; and a positive, unquestioned pro-union majority on the NLRB.

Every business association in the country is hard at work opposing the bill, countering the army of AFL–CIO lobbies favoring the bill. They should be opposing it, one special interest against another special interest. Defenders of the public interest should be critical, too; the bills were not designed for the worker's welfare—they were designed for the unions as unions; to increase the number of contracts, the dues, the official places, the voting strength of unionism.

AFL–CIO unionism already is strong enough. It has decreased employment, especially among the youth, by its insistence upon a constantly rising minimum wage. It helped make a rational Social Security improvement impossible. The unions already speak in Congress with a power twice or three times what their numbers justify; they do so because their lobbyists are always there, and their voting machine back home is always ready to punish. The Senate should keep the labor-management law as it is—as bad as it is, as good as it is.

[Excerpted from the Staunton (Va.) Leader, Dec. 14, 1977]

WAS LABOR REFORM BILL IMPACT WEIGHED?

It is not surprising that 1,000 members of two local unions having collective bargaining contracts, one with the Westinghouse plant in Verona, the other with General Electric at Waynesboro, signed a request to Rep. M. Caldwell Butler, R-6th Dist., to support the so-called Labor Reform Bill. This proposed "reform" is backed by AFL-CIO and its president, George Meany, just re-elected at age 83.

Are those workers who signed the request aware of the bill's provisions, or have they simply given it their approval because top labor leaders have done so?

This bill, HR 8410 (and its companion S. 1883) has been called "the most sweeping revision of American labor relations laws since the Taft-Hartley Act in 1947." More and more business leaders are reported concerned because on analysis it is found that in all probability it would prove detrimental to labor-management relations. It would perhaps open a new era of confrontations and demands that would benefit neither labor, management nor the people as a whole.

Higher labor costs are potentials of the "reform". The New York Daily News called the bill a "monstrosity". Here are some of its provisions which seem to justify that name:

For the first time NLRB would be permitted to blacklist employers from federal contracts who have been declared in violation of labor law;

The board could dictate wage terms in some cases under dispute;

The labor board would be increased from five to seven and any two members (instead of three) could affirm decisions by administrative law judges;

It forces representation elections in 15 days in many cases after a union request.

According to one reliable source, unions have not been able to recruit new young workers on either performance or appeal, and union membership has dropped while the work force has grown. Leaders of the big unions believe the measure, however, would give the unions a still bigger edge in collective bargaining. If so, it would indeed be detrimental to union members, if only because it would accelerate once more the spin of the vicious circle that is inflation.

Perhaps listing the above provisions of H.R. 8410 won't convince area members of UE locals that it is more likely to be hurtful than helpful in the years ahead. Whether or not the impacts of the "reforms" were explained to them before they sought Rep. Butler's support, their position appears partisan rather than comprehensive.

The PRESIDING OFFICER. Under the previous order, the hour of 4 p.m. having arrived, the 1 hour prior to action on the cloture motion will now begin.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time under the rule be equally divided between Mr. WILLIAMS and Mr. TOWER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. WILLIAMS. Mr. President, I yield myself 10 minutes.

Mr. President, we have all heard of the concern of many small business people over the possible effect of the labor law reform bill on their operations.

Also, during the course of these debates, we have had occasion, from time to time, to discuss just how much of this small business concern is the legitimate concern of small business men and women, and just how much of this concern is the concern of major corporations, large employers, who serve their own ends by hiding the small business operators of our Nation.

I have already introduced for the RECORD, an article of the Wall Street Journal, hardly a supporter of this legislation, which explains how it is the corporate jets of big business which are ferrying the complaining small business people to Washington. I have also discussed the full-page newspaper advertisement of a large conglomerate corporation, professing to speak for small businesses in opposition to this bill.

I have, today, another example of how the voice of "small business" is perhaps really the voice of big business.

This is a letter, on the corporate letterhead of Senior Vice President Kerryn King, of Texaco, Inc., of White Plains, N.Y. The letter is addressed to Texaco royalty owners, whom I understand to be the holders of franchises to operate individual Texaco gas stations.

The letter, which is dated May 18, 1978, reminds the Texaco royalty owners that the Senate debate of this measure is currently underway; that the bill is organized labor's "most important legislative goal"; that the Senate and the House versions have "a single purpose—to strengthen labor's power and make it easier for unions to gain new members;"

that the legislation directly conflicts with the President's anti-inflation goals.

The final paragraph of the letter, which is apparently tailored to specific royalty owners, suggests that if the recipients "share our concern about the harm such legislation would do to our country" they should write to their Senators, naming the Senators of that State, and providing the address.

The letter itself is totally misleading. An enclosed "background" sheet, entitled "The Labor Reform Act, Labor's New Grab for Power—Inflation by Legislation" is in certain respects, downright inaccurate.

Mr. President, I have been concerned that this great outpouring of small business concern has been fomented by large corporations. This letter of Texaco, Inc. adds further confirmation of that concern and in encouraging small business hysteria, our large corporations have often misled and misinformed the small business community and the public.

Regrettably, the letter of Texaco's senior vice president does just this.

The letter says that business and consumer oriented groups are joined in a determination to defeat the bill. This is just not so, Mr. President. The National Consumers League, which has throughout its proud history been an outstanding voice for the interests of our Nation's consumers supports labor law reform legislation. The views of the National Consumers League are published at page 735 of the National Journal of May 6, 1978. I think the support of this legislation by the National Consumers League is important because the league is the outstanding voice of consumers in our Nation; because the National Consumers League is not some "action group" which has been hastily patched together to fight this bill, but is rather a group which has been fighting for the legitimate interests of consumers since 1899; but most important, the league approaches this legislation from the perspective of those whom it is intended to protect, the individual workers.

The league said:

Behind the rhetoric and statistics on abuses to workers are living people—people whose lives are made more harsh and more difficult by their inability, not unwillingness, to enter into the collective bargaining process.

As long as there is an unorganized and cheap labor supply there will be those who exploit it. Today, women and minorities replace children as the "cheap labor", and therefore the targets of reactionary abuse.

The National Consumers League believes that serious economic problems like inflation must be approached in human terms. We cannot and do not accept the notion that it is the most vulnerable, the weakest, the most abused of our fellow citizens who should carry the burden of economic adjustment for the rest of us.

The costs, in human terms, of failure to enact forceful labor law reform, are abundantly clear. Investigation after investigation, inquiry after inquiry, has documented the continuing nature of these costs.

One has only to read the testimony of workers in all too many parts of the country and in a wide range of industrial pursuits to know that the need for labor law reform is real and immediate.

The National Consumers League then went on to endorse several specific provisions of this bill; namely, expansion of the Board, self-enforcing Board orders, mandatory reinstatement of illegally discharged workers, the backpay remedies, and the provisions for prompt holding of elections. The league concluded:

Clearly, there is a need for labor law reform. . . . Given its active support of worker protection and understanding of the consumer interest as the cornerstone in our economy, the National Consumers League believes that one way to correct the inequities . . . is prompt passage and enforcement of S. 2467.

So, Mr. President, Texaco misleads the small business community and the public when it says that consumer-oriented groups oppose this legislation.

Texaco's background sheet on this bill is no less calculated to mislead the reader. For example, in discussing the bill's make-whole provisions, the background information describes it as "the remedy providing for governmentally-imposed conditions of employment." This is patently not so, Mr. President, the bill's make-whole remedy is a measure of loss which workers suffer due to an unlawful refusal to bargain, it does not establish governmentally imposed bargaining conditions.

Mr. President, what has been made to look like a great outpouring of spontaneous concern by small business people, in fact, appears to be a hysteria whipped up by large corporations. And, we have seen time and time again that in generating this so-called ground swell, those who oppose this reform are not particularly careful in how they explain the bill and its effects to the small business community.

Mr. President, I ask unanimous consent that the letter to which I have referred, from the senior vice president of Texaco, Inc., and the statement of the National Consumers League be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXACO, INC.,
White Plains, N.Y., May 18, 1978.

DEAR TEXACO ROYALTY OWNER: On May 15, the U.S. Senate began a lengthy and vigorous debate on the so called "Labor Reform" bill, S. 2467. Organized labor has made passage of this highly controversial bill its most important legislative goal in recent years. Business and consumer-oriented groups are equally determined to prevent labor from achieving such a significant increase in power and thereby undermining the careful balance required in the rights of employees, employers and labor unions.

The U.S. House of Representatives has already passed a similar bill. Both measures have a single purpose—to strengthen labor's power and make it easier for unions to gain new members. The result to all Americans would inevitably be a greater rate of unionization especially among small business firms, thereby creating higher prices and added inflation. Such legislation directly conflicts with the President's recent call for unified efforts to reduce the country's dangerous rate of inflation.

These and other aspects of this objectionable measure are discussed more fully in the attached background material.

If you share our concern about the harm such legislation would do to our country, you may wish to communicate your views to your Senators, Charles H. Percy and Adlai E. Stevenson III. They can be addressed at the U.S. Senate, Washington, D.C. 20510. Since debate on this bill is currently underway, any such communications you may wish to send, should be mailed not later than May 30, 1978.

Sincerely,

KERRYN KING.

THE LABOR REFORM ACT: LABOR'S NEW GRAB FOR POWER—INFLATION BY LEGISLATION

The issue: The "Labor Reform Act" now being considered by the Congress would result in a major change in the ground rules under which labor unions try to organize groups of employes. Its net effect on all Americans would be to increase our country's already dangerous rate of inflation.

Organized labor states that the bill's purpose is to prevent abuses of existing laws that regulate legitimate organizing efforts. However, in practice, the bill would make it easier for unions to organize non-union employes and keep them organized, without providing the employer with an adequate opportunity to express his views concerning union representation.

Among the more notable and objectionable features of the bill are provisions calling for:

"Quickie" union representation elections which would be held before the employe had a reasonable time to sort out the issues, and before the employer had a reasonable time to respond to union organizing attempts.

Rules concerning union access to employes that would disrupt a company's work schedules and efficient operations.

Unnecessarily harsh remedies and penalties for labor violations that would provide for governmentally-imposed conditions of employment and for the denial of government contract work to employers, with a resultant loss of jobs for employes.

Analysis: The Labor Reform Act, if passed in its present form, will severely undermine a 43-year effort to achieve a careful balance of the rights of employes, employers, and labor unions:

1. The bill would shorten the period of time that workers are given to decide whether union membership would be in their best interest. Currently, 80 percent of all organizing elections are decided within 45 days of the time that a union files a petition with the National Labor Relations Board for an election. Under the Senate version, the Labor Reform Act would effectively require that the vast majority of elections be held within 21 to 30 days of that time. This would not give most employers sufficient time to present their side of the issues since, by the time the National Labor Relations Board begins the count to the election date, the union may have already had many months to present its side of the issues to the employes.

2. Under the bill, an employer would not be entitled to express to employes on company property or during working time his views about issues relating to union representation unless the employer agreed to let the non-employe organizers meet and speak to employes under the same circumstances.

Apart from the head start that union organizers already have during a representation campaign in presenting their arguments to employes, the union may now meet with employes in union halls, outside an employer's premises, and even in employes' homes. Giving union organizers—who are likely to be total strangers—access to employes on company premises and on company time not only would be disruptive, but also would give the union an

unfair advantage during an organizing campaign.

3. The remedy providing for governmentally-imposed conditions of employment would require an employer to compensate employes for financial losses occasioned by a bargaining delay during initial contract negotiations based on government statistics derived from the terms of labor settlements negotiated for bargaining units involving 5000 or more employes. This approach strikes at the very heart of our system of free collective bargaining.

Further an employer who is found to have willfully violated the labor law could be barred from receiving government contracts for a period of three years. A three-year moratorium on government contracts would hurt employes just as much as the employer. If a company did a substantial amount of government contract work, the moratorium could result in the loss of hundreds or even thousands of jobs.

4. The most serious objection to the bill is the adverse effect it would have on inflation. After a comprehensive economic analysis of the proposal by his firm, Dr. Pierre Renfret, an internationally respected economist, found that it would increase the country's general inflationary trend by 3 percent! This comes at a time when the Carter Administration is warning that the U.S. rate of inflation is already at 7 percent, and is calling for every possible effort to hold down wage and price increases which would worsen this situation.

Further, Renfret points out, the major impact of the bill will be on small businesses, most of which are not presently unionized. As their employes are unionized—which the bill would facilitate—their wage costs would increase by an estimated 17 percent.

Plainly, this bill represents an effort by unions to achieve, through legislation, what they have been unable to achieve through their organizing efforts. In view of the decline in the ranks of their dues-paying members over the last several years and the limited success in their organizational efforts, it is understandable why the labor unions are engaged in an extensive campaign to secure Congressional approval of this legislation.

The consumer interest: A recent nationwide survey conducted by the Opinion Research Corporation reveals consumer attitudes toward many of the concepts included in the proposed Labor Law Reform Act. With respect to the opinions of those polled on questions relating to the effectiveness of current federal labor laws, the consumer attitude was as follows:

26 percent are of the opinion that federal laws favor labor unions; 14 percent believe that federal laws favor employers.

25 percent would support laws making it more difficult for unions to organize; 22 percent would support laws making it easier for unions to organize.

33 percent of all union members would favor legislation to make it easier for unions to organize; 48 percent of the union members think that the present laws should not be changed.

63 percent of all Americans feel the leaders of big labor unions have too much power.

On the basis of the survey, it is clear that the majority of Americans are not in favor of laws that will make it easier for unions to organize.

[From the National Consumers League]

LABOR LAW REFORM: A CONSUMER CONCERN

With the debate on Labor Law Reform (S. 2467) becoming more heated in the press, it is time to turn public attention toward the most basic of all concerns. Behind the rhetoric and statistics on abuses to workers are living people—people whose lives are made more harsh and more difficult by their inability, *not* unwillingness, to enter into the collective bargaining process.

Since its founding in 1899, the National Consumers League has viewed the consumer interest as a comprehensive interest in the economy. The consumer's concern, as our policies state, is not limited to the availability of goods and services, their quality and price, but includes a fundamental concern for the conditions under which goods and services are produced.

NCL's battles in the early years of this century were fought for those brutally denied basic protections and fair wages—unorganized women and children. It has supported the crucial right of workers to bargain collectively. Today the League is addressing the same issues it addressed 80 years ago. As long as there is an unorganized and cheap labor supply there will be those who exploit it. Today, women and minorities replace children as the "cheap labor," and therefore the targets of reactionary abuse.

The National Consumers League believes that serious economic problems like inflation must be approached in human terms. We cannot and do not accept the notion that it is the most vulnerable, the weakest, the most abused of our fellow citizens who should carry the burden of economic adjustment for the rest of us. We cannot forget that those complacent statistics symbolize millions of frustrated adults and hungry, frightened children, any more than we could disregard the children and women who sweated in dark tenements over cloth and buttons and feathers for the garment industry three generations ago.

The costs, in human terms, of failure to enact forceful Labor Law Reform, are abundantly clear. Investigation after investigation, inquiry after inquiry, has documented the continuing nature of these costs.

One has only to read the testimony of workers in all too many parts of the country and in a wide range of industrial pursuits to know that the need for Labor Law Reform is real and immediate. An example of this testimony comes from Marva Louise Watkins, a young black woman formerly employed in a J. P. Stevens textile plant in Montgomery, Ala. She recently described a typical day in which an employee will be fired for being a minute late; in which workers must eat lunch at their machines, because the two 15-minute breaks allowed them do not permit leaving the machines to eat; in which injured workers have no immediately available medical help and are badgered to return to work even if hurt badly enough to require hospital attention.

Ms. Watkins was paid by piecework. When word got out that she was trying to organize her co-workers, her pay dropped $1.00 per piece. Three and one-half months later she was fired.

Enforcement of forceful Labor Law Reform legislation would ameliorate working conditions in those areas where people like Marva Watkins work.

Expanding the National Labor Relations Board from five members to seven members would ease the heavy backload of cases the Board now carries, a considerable step toward relief.

The National Consumers League supports several other aspects which we believe would expedite worker justice and improve the human conditions for all concerned. The Self-Enforcing Orders provisions of the law states that when the Board issues a final order in an unfair labor practice case, the losing party must file a petition for review in a U.S. Court of Appeals within 30 days if it wants to appeal the decision. Otherwise the order takes effect automatically. The Mandatory Injunctions Provision states that where the Board determines an employee is discriminatorily discharged during an organizing effort or prior to a first collective agreement, the Board shall seek a preliminary injunction requiring that the employee be reinstated immediately. The Backpay Remedy Provisions states that an employee fired or in any other way discriminated against for organizing efforts receive one and one-half times backpay less wages earned. The Time Restraint Provisions within which elections must be held are also important.

Clearly there is a need for Labor Law Reform. Clearly people like Marva Watkins have a right to come together in order to "balance the power of one group over the lives of others."

Given its active support of worker protection and understanding of the consumer interest as the cornerstone in our economy, the National Consumers League believes that one way to correct the inequities prevalent in the textile industry is prompt passage and enforcement of S 2467. When companies are forced to realize it is unconstitutional to deny the Marva Watkins of this country equal pay for equal work, then the United States will have taken as significant a step forward in eradicating social injustices as it did when it abolished slavery and child labor.

SANDRA L. WILLETT,
Executive Vice-President.

(Mr. HATHAWAY assumed the chair.)

THE NEED FOR LABOR LAW REFORM

Mr. WILLIAMS. Mr. President, we do not do enough when we merely provide victims of unlawful acts with a place to go to complain. We must also insure that our law has the ability to provide adequate remedies.

It is little comfort to an individual who has lost his means of livelihood to tell him to sit back, do not worry, and in a few years we shall be able to set matters straight. Someone who is out of a job just cannot wait for a few years to be reinstated. Someone who is out of a job must be put back to work.

A system which restores justice only after years of delay is not an effective system of law enforcement. A civilized society should not wait for years to see wrongs redressed. Justice must be swift as well as fair.

Our current labor laws do not provide swift justice, and those who bear the real burden are, most often, those who have been wronged.

Today, I should like to tell the Senate about Herman Ross of Florida, who was just such a victim of delay. The ordeal of Herman Ross underscores why America's workers, why the American people, need a labor law which is able to respond swiftly to the needs of the victims of unlawful discrimination.

This is the ninth personalized case that I have presented to the Senate during this debate.

WHY AMERICA'S WORKERS NEED LABOR LAW REFORM—CHAPTER 9

Beginning in 1951, Herman Ross became a member of local 925 of the Operating Engineers in Tampa, Fla. In 1962, Ross ran unsuccessfully against the incumbent in an election for business agent of the local. During the course of the election campaign, Ross was threatened that he would never again be referred out of the union's hiring hall.

Ross lost the election, and, as the Board was ultimately to find, Ross, from June of 1963 to April of 1965, was indeed discriminated against in hiring hall referrals.

On December 4, 1963, Ross filed an unfair labor practice charge against the union, alleging discrimination in the hiring hall. The case was quickly settled and, on January 29, 1964, the regional director approved a settlement agreement, under the terms of which the union agreed to pay Ross $200 in backpay.

That should have been the end of it, but it was not, because the current law is insufficient to deter lawbreakers. Ross continued to be discriminated against in hiring hall referrals and, to add insult to injury, the union disciplined Ross for taking the case to the Labor Board and fined him $1,025.

Ross filed new unfair labor practice charges against the union on February 3, 1964, and on December 3, 1964. On December 9, 1964, the regional director set aside the previous settlement agreement, and issued a complaint on all the charges. On August 28, 1965, the Board found that the union had violated the act by discriminating against Ross in hiring hall referrals and by disciplining him for taking his case to the Board. The Board ordered the union to cease and desist from such conduct and to pay Ross for the earnings he had lost due to the discrimination.

Ross' ordeal was not yet over. Indeed, it had barely started, even though more than 2 years had elapsed since the initial discrimination.

The union agreed not to refuse to refer Ross out of its hiring hall, but the union was not so quick to give Ross his backpay. Finally, on February 17, 1967, 18 months after the Board had issued its order, the regional director issued his backpay specification and notice of hearing on the issue of how much backpay was due and owing to Ross.

The case went to the Board two more times before the trial on the backpay issue could even commence; but, finally, on May 7, 1968, nearly 5 years after the initial discrimination, the backpay trial did start, and what a trial it was. The trial lasted 40 days, spread out over a 6-month period, more than 5,400 pages of transcript developed, and finally, on June 11, 1969, 8 months after the trial ended, the trial examiner issued his decision, ordering $14,762.68 in backpay for Ross. On January 16, 1970, the Board affirmed the trial examiner's decision.

The union still did not comply with the backpay order, and the Board petitioned the U.S. Court of Appeals for the Fifth Circuit for enforcement of its order. The union did not contest the validity of the 1965 order finding the violations, but rather, it contested "virtually every aspect" of the 1970 backpay order.

On May 17, 1971, 2 years after the board had issued its backpay order and nearly 9 years after the initial discrimination, the court handed down its detailed and lengthy decision, dismissing nearly every one of the technical points the union had raised and affirming the backpay awarded to Ross.

Justice had finally emerged from the struggle with this bureaucratic monster, but Herman Ross did not. By the time the court issued its decision, Herman Ross had died.

Mr. President, discrimination which costs workers their jobs and their livelihoods should be remedied immediately. Lawbreakers should not be able to use and abuse the Board's processes to frustrate justice while they continue to violate the law.

The Labor law reform bill would strengthen the Board's procedures. Under H.R. 8410, the Board and Herman Ross would not have had to wait month after month while the lawbreaker stalled and refused to comply. The debarment sanction might have helped encourage this lawbreaker to stop willfully violating the law and Herman Ross would not have had to struggle with the faceless monster of bureaucracy, baroque procedures, and year after year of delay before justice was done.

It is cases like that of Herman Ross that labor law reform is all about.

I have been evenhanded in bringing these cases to the attention of Members of the Senate. Where there is an unfair labor practice, the remedial procedures of this bill are available whether the law violator is management or the union. In this case, it was a union.

I reserve the remainder of my time.

Mr. TOWER. Mr. President, I yield myself 2 minutes.

The assertion by my good friend from New Jersey that the small business community has been beguiled and misled by the big corporations proceeds on the premise that the small business community is gullible and stupid and incapable of identifying for itself its own interests. In fact, it is the small business community that is the most vulnerable to the organizing efforts of big labor and not the big corporations, and the small business community has apprised itself of that fact very clearly.

Mr. President, I yield 10 minutes to the distinguished Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. Mr. President, I thank the Senator from Texas for yielding to me. I certainly do not want to be selfish with any of the time that is remaining. I came in part to hear this part of the debate for today, though I am pleased at the chance to have some time to speak.

Mr. President, I very stongly think today, as I have thought in years past and at the beginning of this debate, that the great pity here is that we are not trying first to work on this matter of jobs and regulations at the other end of the line and pass some new law that is meaningful with reference to our youth employment opportunities. There should be modification of the present wage and hour law that will permit a youngster during the summer months, when school is out, to have a reasonable chance and a better chance to earn a little money, as we say, for something that is his own, something that he earns for himself. I shall welcome the day when we get that bill up again. I understand that it is coming up in some form of Youth Employment Act this year. As I say, it is a pity that we do not start where a lot of the real trouble is.

We cut off, as I see it, the opportunity for these youngsters. Wages required are so high they cannot earn for their employer their hourly wage. It makes the opportunities so limited. It not only denies them the money worth they could earn, but we cut off the most precious possession in the economic world they could have or will ever have, a chance to do something on their own, to earn their own way and to have some money left that is a start, of a kind, for them.

Even more valuable than that, a chance to develop a personal pride in his achievements, however humble or simple that job may be, the humble pride of achievement, a start, a career, so to speak, of an independent American citizen with all of its fine privileges.

The greatest one, in a way, is a chance to make his living, make his way, and to develop a sense of pride and responsibility.

I believe if I had to give one point as No. 1, as to why we are having many problems and some deterioration in our society, I believe I would have to say it was the thing that closed the door to these youngsters that come along and make less their chance to become a part of the American way.

I think more and more of us have got to fight to the end here for a serious, meaning modification of our youth employment law.

I had the benefit last week of spending most of that time out among the people in small towns, small cities, back in the countryside, in the villages, and out on the farm. By and large, already this Federal Government is crushing down on those trying to make their own way, small business or whatever we may call it, small industries, small operators, those trying to get a beginning.

As to the reports they have to file, the conditions they have to meet, requirements that are imposed on them, I saw firsthand cases of youngsters, young men, and families I have known all my life, virtually blunted out of their chances to get a start because of these onerous burdens they would have to carry.

Fine plumbers, fine carpenters, fine skilled people of generations of responsibility and attainment who cannot get started with a little business of their own because of these impediments, the burdens of inspection, the filing of reports, and doing all the things that this great Federal Government, giant that it is, has stepped in and is imposing on these people.

It is an old lesson learned in a new way, to me, and I have seen these variations come and go. I am more determined, more determined than ever, to try to get back to some of the so-called old fashioned American ways of having a chance to earn our own way, earn our own keep, developing skill, a professional capacity of whatever tone or whatever time we pick to try, to start to earn our own where there will be a better chance.

We do offer them financial chances by way of some timely loans. I am pleased that we have those Government opera-

tions to an extent. But instead of trying to legislate here the day-by-day labor relations, I think we have gone far enough.

I would not destroy all the law that is on the books, of course. But I have a feeling, of my knowledge, of commonsense, my knowledge of the motivations that people must have, young people, the motive, the idea they will be rewarded, but they must be able to deliver, though, on the merits. But if they do those things, then people and the Government will give them the chance.

So I think we are working at the wrong end of the problem. I believe we have gone as far as we should go with reference to the Government regulation of labor contracts, where I am glad that labor does have the chance, that it has to be considered and to negotiate. But I believe it is great error in this field, as in other fields, every time there is an ailment of some kind that we have to pass a law.

We have fallen into the rut, and we pass law on top of law, and instead of solving problems we create them.

People are entitled to a better chance to work out their own salvation.

Those that are small today, the only way they have a chance to grow is to earn and to save and then be willing to reinvest and share their profits and their advancements, their enterprise, with making opportunities for others that are likeminded.

I hope that some way this measure will not become law and binding on the millions and millions of people that are better off without these regulations, however well intended they may be.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. STENNIS. I thank the Senator from Texas for yielding to me. I will make some remarks later.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I yield the Senator from Utah such time as he may require.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have been very concerned about this bill, as everybody knows, because I believe, No. 1, it is inflationary. It will lead us to double-digit inflation.

If it was the only pressure toward double digit inflation in our society, I think we might be able to find some way around that. But, unfortunately, we have, literally, thousands of pushes toward double-digit inflation in our society with 7 percent going upward, and this particular bill has proven, through the only economic analysis done on the bill, that it will lead to tremendous inflationary upward pushes that could hurt this society very badly.

In addition, there is no question in my mind, or in the mind of any small business except the sole proprietors of this country and those businesses which are so small no union organizer would even attempt to organize them, that this bill would be detrimental to small business, if not devastating to small business.

In that regard, I would like to read into the RECORD a card sent to every Senator by the NFIB, the National Foundation of Independent Businesses.

On the front is stamped "Promote small business prosperity," and "Key small business vote, June 6, 1978, Labor law reform":

> The first vote to end debate on S. 2467 is scheduled this week. NFIB, on behalf of its more than 530,000 small and independent members firms, strongly urges you to vote against cloture.
>
> The "labor law reform" bill is not good legislation. By increasing the power of large unions, it adds to the severe business and economic pressures felt most keenly by small businesses. Codifying existing NLRB jurisdiction is an inadequate answer. The bill needs to be wholly redrafted to give small businesses a fair shake.
>
> Your vote against cloture is necessary to assure that small businesses do not bear the brunt of organized labor's legislative ambitions.
>
> JAMES D. "MIKE" MCKEVITT,
> *Washington Counsel.*

Also in that regard is a letter from the Associated Builders and Contractors, Inc., which is entitled "Associated Contractor Calls Byrd Amendment 'Hoax.'"

Mr. WILLIAMS. I missed that. Who said the Byrd amendment was a hoax?

Mr. HATCH. It says, "Associated Contractors calls Byrd Amendment 'Hoax.'"

> Associated Builders and Contractors' President Joseph A. Burton has condemned the Byrd amendment as a "hoax" to deceive the small businessman into thinking he'll be exempt under the so-called labor law reform bill. If this bill passes, more than 650,000 small business firms, which are covered by the National Labor Relations Act, would be virtually defenseless against the long arm of the union organizer. This is a bad amendment and an even worse piece of legislation!
>
> The bill would give the small businessman no choice: work union or don't work at all. The unions have apparently found it easier to eliminate the competition rather than compete with it. Unfortunately, it is the public that must ultimately bear the cost. This bill must be stopped.

In addition to the fact that this bill is inflationary—and inflation is ravaging this country—it is most detrimental to small business, although detrimental to all business, and I contend that it is detrimental to all employees, including union employees. In addition, the bill has very few redeeming characteristics or provisions. We should think about that.

It is also important to note that we have been beset with various arguments that small business basically will be exempt from this bill, with or without the Byrd amendment. That is not true. Approximately 72 percent of all businesses in our society are one owner, one employee businesses. None of those would be covered by the act, because there is no way you can organize the owner of a business, and the act does not provide for that. The other businesses which would not be subject to this bill, pursuant to the jurisdictional demands and requirements of the National Labor Relations Board, are those which have so few employees that no union organizer in his right mind would try to organize them, because economically it does not pay to do so.

Approximately 80 percent of all employees in our society would be covered by this bill and would continue to be covered by the National Labor Relations Act, with or without the so-called Byrd amendment.

Mr. President, it is a privilege to sum up our case, before the first cloture vote, prior to Senator TOWER's remarks, and to add my voice and my vote to those in the Senate who see that this proposed legislation in the Labor Reform Act of 1978 is a dangerous bill and to show it for what it actually is. Its true intent is to use the Federal Government as a de facto labor organizer, and through this legislation seek to gain an unfair advantage in organizing nonunion employees and keeping them organized.

When this particular legislation was in its formative stages, the true intent of big labor was so blatantly apparent, and the scope of the additional power they were seeking so poorly camouflaged, that it surprised even the most liberal Members of the House and Senate.

The imediate question that came to many people's minds was "Why?" "Why" this sudden and massive attempt to alter the National Labor Relations Act, an act that has served labor's organizational needs effectively for nearly 43 years, an act which enabled union membership to grow at a very rapid rate? "Why" now, when the Government of the United States needs to devote all of the time it can marshal to solve its critical energy problems and bring devastating inflation under control? "Why" would the leaders of organized labor decide that this was the time to upset the already delicate balance that exists between management and labor?

My staff and I began our own research to find out "why" the Washington labor leaders and their cohorts in "big labor" had chosen this time to push through their one-sided piece of legislation.

The answers began to fall in place, piece by piece, and the picture they formed was not a healthy one—certainly not for the vast majority of the working people in the United States and our economy, as confirmed by our mail and every credible public opinion poll.

We found that part of the motivation for "big labor" to demand the proposed changes in the NLRA stemmed from a growing economic need on the part of their treasuries.

As more and more people were entering the work force, fewer were joining unions. Union organizers were losing more representation elections than they were winning and that is a definite trend. Of equal significance was the increasing number of decertification elections in which employees chose to kick the union out and work in a union-free climate. The combination of these two antiunion actions by U.S. workers served to hit big labor hard where it hurts the most—right in their pocketbooks. Any loss in membership results in a loss of income. In an effort to offset this decline in dues income and compensate for the impact of continued inflation, caused by the ever-present wage-price spiral, the unions raised the monthly dues and vari-

ous special assessments levied on their members. When they did this, it caused further unrest and dissatisfaction among its members and further loss of membership. So it can be seen very clearly why big labor has a problem; why they are so powerfully motivated to push this legislation through Congress and down the throats of the 80 percent of the people in the work force who are not members of any union and, according to recent public opinion polls, choose to remain free from the union movement.

A decline in big labor income translates into a further decline in union power and influence, which many feel is far too great now and definitely not in the best interest of the majority of the people we represent.

This reminds me of something that has been very forcefully brought home to me and other Senators by the visits of many small businessmen from our home States. These people made a point that too few of the voters in our country, and possibly their elected representatives as well, are fully aware that the highly vocal leaders of organized labor speak only for a minority of the nonfarm work force in this country. Unions represent somewhat less than 20 percent of all these workers, and the vast majority—80 percent of the work force—is nonunion.

These small businessmen, the employers of most of these union-free people, pleaded with us to help wake up the members of the majority, to urge them to speak up for their rights and beliefs, to insist that our elected representatives respect the needs and will of the majority, before more cities have the frightening specter of homes burning to the ground while striking firemen stand idly by, or prevent others from battling the blaze; or cities left unprotected from crime while policemen strike; or garbage piles up in the streets while a small number of garbage collectors tyrannize and threaten the health of the city. I, too, believe we should all wake up and start representing the best interests of all our constituents, with due respect for the will of the majority.

I believe that the labor movement has strength behind it to be able to go out and win in those areas where they should be able to win by force of argument rather than by force of government. That is what this bill is: It is to elect to have the force of Government do the organizing for them and to have the employers so intimidated that they will have to deliver over their employees, in order to save their business, to the union organizers.

This measure that is before us now, which big labor has made its No. 1 objective, would further erode and intrude on the rights of the majority and make it easier for them to become captives of a militant minority.

Our research on why unions have been losing representation elections and have been kicked out of more and more previously unionized operations produced some additional positive information. It appears that more and more companies, large and small, are apparently managing their people with greater sensitivity, which in turn has eliminated the need for employees to seek any outside third-party interest to represent them. Employers are doing a more effective job of listening to their employees and responding to their needs. Working conditions are greatly improved and safer. Wages and benefits have risen in response to the need for recruiting and keeping good employees. More and more of the young men who are establishing new, small businesses today are well attuned to the young people coming into the work force and relate better to their lifestyles and needs. They tell us they are against the proposed legislation because it is not needed and amounts to a grand example of "overkill."

Our research as to why big labor is choosing to push this particularly one-sided piece of legislation now found that the timing offered an excellent smoke screen to cover their real intent—a "stalking-horse" to divert the public's attention from the real substantive issues in the bill. So the J. P. Stevens Corp. was identified as the reason why this legislation is needed. "Big labor's" smoke pots pumped out smoke throughout the land—roving teams of labor ambassadors applied pressure to retail stores in every major city to pull J. P. Stevens products off their shelves and refuse to sell their lines. Full publicity was given to each effort, to try to sell the general public that reform legislation is needed, to get everyone concentrating on the stalking horse and push hard before the majority discovers what is happening to their rights.

The smoke pots are still spewing out their protective, concealing, eye fogging cover for big labor, in spite of the fact that the NLRB and J. P. Stevens have reached agreement on the issues before the Board, to the public outrage of the textile unions, despite the fact that the settlement gives them the same relief a full court win would have afforded.

Our research concluded that the National Labor Relations Act, as it is presently constituted, has worked and is working effectively for all parties; both management and labor express opinions that it is tilted in favor of the other; but, in fact, it is working well for both parties and should not be tampered with at this time.

As we are all well aware, the public interest in this legislation has been unusually high, and each of us has been visited by representatives of labor and business from all corners of our home States. This is good, and there should be more of it encouraged in regard to all legislation brought before us. Since probably very few of us have ever actually been through a union organizing campaign, our firsthand experience should be limited. In view of this, we asked our visitors from business and labor to explain the process and problems as they saw them from their particular viewpoint.

After listening to all of the interested parties give us the benefit of their experience, we turned our attention back to the language in the proposed legislation and took a closer at the specific part covering "expedited elections."

This particular proposal would be most devastating to small business. Plants of 100 or fewer employees are the primary target of labor's ongoing organizational efforts. Plants of this size usually have managers who "wear several hats" and few are specialists in any sense when it comes to labor law or the legal limitations placed on them, or their organization, if a labor organizer decides to make their business a target. These small businesses are too darn busy just trying to keep their head above water and scrape out a profit to sometimes even be aware of what is going on around them. On the other hand, the labor organizer is a specialist in his single area of concentration—organizing the unorganized. He typically operated "underground," keeping a low profile, and often never comes to the employer's attention until he has secured enough "signed cards" to petition for an election. Now we begin to see why organized labor wants language in the law that would "expedite elections." Obviously, it would be to the union's advantage to press for a "speedy election." They have sold their bill of goods, made their promises that do not have to be kept, given out information that cannot be checked or refuted, and they are "hell bent for election," as the old saying goes.

But, our friends in organized labor are realists and they recognize that they may not "hold all the cards" under certain circumstances, so the proposed language in S. 2467—now H.R. 8410—includes provisions which amount to "heads I win, tails you lose" conditions that hedge their position three (3) ways.

First, if the organizer has done his job well and gets a majority of the employees to sign cards, the skids will be greased for an election to be held no less than 21 but not more than 30 days after the petition is served on the employer. Translated into boxing vernacular, that means "the employer is set up for a knockout before he even has time to lace on his gloves."

The second and third hedges built in for the union are, "all other elections must be held within 45 days unless they involve issues of unusual complexity, then such elections will be held within 75 days."

Translated into election strategy, that means if the union's strength is not quite what they believe they need to insure a victory they can utilize options two or three.

Since 80 percent of all elections are currently being held within 45 days, the proposed language is obviously unnecessary and is only inserted to provide the unions with one more bit of unfair leverage.

Incidentally, there is some additional information I would like to share with Senators and the general public regarding the signing of union authorization cards, or similar cards, petitioning for recognition or an election. Our research revealed that it really is not too difficult a task to get employees to sign authorization cards. Many employees explain

that they do it simply to get an aggressive organizer "off their back," to free themselves from daily harassment by militant coworkers, recognizing that if an election in their plant did come to pass, they would have the opportunity to express their true feelings in the privacy and sanctity of a voting booth.

So do not be misled by the fact that unions can get enough cards to support a petition for election. It is not that significant. What we as Members of the Senate, should be aware of was that big labor's original plan was to do away with the secret ballot election and recognize a union as bargaining agent if 55 percent of the eligible employees signed authorization cards. Big labor's idea of an "expedited election" was to bypass the secret ballot, thus avoiding the increasing number of embarrassing defeats they have suffered at the ballot box. "Muscle" and "pressure" would have replaced the right of people voting their conscience. Fortunately, their original proposal was withdrawn and the sanctity of the ballot box and secret election preserved. Just remember where they were headed and what their intent was in the original language as you evaluate the merits of their other proposals in this bill.

While I am on the subject of "expedited elections," I would like to emphasize again the disastrous impact this legislation could have on small businesses throughout our country. As I mentioned previously, many, many representatives from small businesses have been calling on each of us in person, or writing letters or sending telegrams to let us know how strongly they are against this bill.

Each of us must re-examine the position we have taken on this bill and ask ourselves:

"What would be best for the majority of the people we represent, not a 24 percent minority."

"What is best for the economy of our State and country, not the treasury needs of big unions."

"What is best in light of our battle to control inflation, not the political power needs of big labor leaders."

"What is best for the rights of the individual wage earner—not what is best for those who would like to put everyone under some collective agreement, that they in turn control."

The spokesmen for organized labor are laying down a heavy, "pure white" smoke screen, to cover the true intent of this proposed legislation. Each section of the bill would appear to the uninformed to be cloaked in goodness and aimed at correcting many, many violations of the existing National Labor Relations Act. This is not true and the stated intent does not fit the need of employees to choose whether they wish to remain union free or join a union. The present law protects the employees rights very well and has done so since its enactment nearly 43 years ago.

What we are seeing now is a giant smoke screen being used to mask the attempted passage of a bill that would give big labor an organizing tool so powerful and all encompassing that the present delicate balance in labor-management relations would be hopelessly tilted—not toward protection of individual employee rights but solely the enlargement of union power and privilege.

I urge Senators to weigh their decision carefully; to have the courage to be statesmen, representing all their constituents and not a rubber stamp, representing a minority; to get their value systems in balance; to think of our country's rights and needs: protection of the individual, control of inflation, and reestablishment of faith and confidence in our political and economic system.

Support us in our efforts to defeat this bill. Vote against cloture and keep voting no! Let the power-hungry few, who control organized labor, know that they do not control the conscience of the Members of the Senate and that we stand together against unnecessary alterations to the National Labor Relations Act.

As the Washington Star has aptly said—The filibuster tactic is justified.

In addition, I ask my colleagues to consider another thing, and that is that those of us who have been fighting this bill have been fighting it not because we disbelieve in the union movement, not because we want to hurt the union movement, but because we are fighting for the life blood of this country. We are fighting against inflation which this bill will cause, against the ravages to small business, which this bill would cause, and we are fighting against really the repugnant principle which this bill has within it.

I think there are more principles. What is more important is if anyone thinks that we are a willful minority trying to thwart the will of the majority in the Senate, they ought to think twice, because which is more important, the majority of the Senators in the Senate, or the vast majority. People in this country who need to be represented have spoken through virtually every poll, except the captive AFL–CIO poll, every poll by every major poll taker in this country and these polls have shown that the people do not want this bill. So we are fighting for them. I might add, it is about time somebody does. I think it is about time that we solve some of these problems right here in the Senate, and if we have to do it this way this is the way to solve them before we have a Proposition 13 in every sector of our society. I applaud the people of California for voting for that, not because it is written so well or not because it will not cause difficulties, but because it is the only way we can hit the bureaucrats between the eyes and let them know we have had enough. I think we have to do it here as well.

To my union friends and to my union leader friends, to those who really care about fairness in the work place and about fairness in right of choice, I commend them to start fighting for those rights of choice not through repressive legislation or one-side legislation or special interest legislation, but by fighting along with us to try and stop the ravages of the Federal Government, which is engulfing all of us through the fourth branch of Government, the bureaucracy, which in my opinion has become too powerful, maybe more powerful than the other three branches of Government.

Mr. President, I yield the floor.

Mr. WILLIAMS. Mr. President, what is the time remaining, please?

The PRESIDING OFFICER. The Senator from New Jersey has 14 minutes remaining.

Mr. WILLIAMS. Mr. President, I yield myself such time as I need within that and will respond to any questions that might arise from the floor.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I am happy to yield to the Senator from Alabama.

Mr. SPARKMAN. Let me say that I have tried to look into all the features of this bill. There are some things in it that I raise questions and doubts on.

Mr. WILLIAMS. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. SPARKMAN. I have heard it rumored around that amendments would be offered to cure some of the defects. Is it proposed that the amendments will be offered? And as I understand they have to be offered before the vote is taken on cloture? Will that be done?

Mr. WILLIAMS. I am happy to respond to my good friend and our most esteemed colleague from Alabama. The answer is that through this long, long period of developing this bill, through the committee and here on the floor in the debate, many areas of concern have been demonstrated. In response to that, we have been working literally days and evenings, on ways of making the present law work as Senator Wagner wanted it to work in the beginning, without losing the effectiveness of this legislation, without losing any of the principle. We will have amendments that will make the time elements and the remedy provisions of this bill more acceptable to the community that we reach. Those amendments will not be offered before this cloture vote. We know that cloture will not be voted with this first vote, and we know that there will be further time. These amendments are now being worked on. My assurance runs to the Senator that there will be amendments that, while I do not suggest they are designed to cure defects, will make this legislation easier for the business and labor community to adjust to.

Mr. SPARKMAN. I thank the Senator from New Jersey for those assurances.

Mr. WILLIAMS. I look forward to conferring after this cloture vote which we know will not reach the mark of 60. There will be time for us to discuss these amendments.

Mr. SPARKMAN. Very well. I thank the Senator.

Mr. WILLIAMS. Mr. President, the Senator from Utah feels a great righteousness about his cause and it is good for anyone to feel that righteousness about his cause. But I also suggest that there are those of equal feeling of confidence in their cause that are on the other side of the issue, and I think it is timely to print in the RECORD at this time some very thoughtful comments on this legislation from people outside the Senate, from thoughtful editorial writers in various parts of the country.

Mr. President, I first draw my colleagues' attention to the opinion of the Raleigh, N.C. News and Observer, in its editorial of Monday, May 22, 1978.

The News and Observer points out an essential truth, one which has often been lost on the opponents during debate on this measure:

Both proponents and opponents of the Labor Law Reform Act of 1978 probably exaggerate what the effects of the bill will be if it becomes law. The Senate needs to make some important changes in the legislation passed by the House. But even without these alterations, there is considerable doubt that union growth will be speeded up unreasonably by this act standing along.

The bill seeks corrective action in the same spirit of the Taft-Hartley Act of 1947 and the Landrum-Griffin Act of 1959.

Mr. President, I ask unanimous consent that the editorial of the Raleigh, N.C. News and Observer be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMENDED LABOR BILL NEEDED

Both proponents and opponents of the Labor Reform Act of 1978 probably exaggerate what the effects of the bill will be if it becomes law. The Senate needs to make some important changes in the legislation passed by the House. But even without these alterations, there is considerable doubt that union growth will be speeded up unreasonably by this act standing alone.

Conceivably, the unions might find it easier to organize a few corporations that have gone to extreme lengths to frustrate worker rights under the National Labor Relations Act. Indeed, labor and the White House want the bill principally because of the minority of companies that have engaged in unconscionable delays and violations of employee rights under current labor-management law, J. P. Stevens & Co. being a notable example.

This bill seeks corrective action in the same spirit of the Taft-Hartley Act of 1947 and the Landrum-Griffin Act of 1959.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that an editorial entitled "The Labor Bill Filibuster" in the Chicago Sun-Times of May 23, 1978, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LABOR BILL FILIBUSTER

James J. Kilpatrick, our genteel columnist, ordinarily keeps his shirt on. But on these pages yesterday he stripped down to the waist to lash out at the labor-reform bill now before the Senate. "A brazen bid for union power," he called it.

Jack Anderson, on the other hand, wrote in an accompanying column that the bill is "a mild enough measure that would strengthen the existing laws against harassment of union organizers . . . set deadlines for union elections, stiffen penalties for employers who break the law. . . ."

In this battle, we have been throwing our word grenades from Anderson's trenches. The bill cuts little new ground. Workers' rights have been guaranteed by the Wagner Act since 1935. The reform bill would apply greater pressures for compliance on the few companies that find it cheaper to fight off unions by legal stalling against conceding those rights. The great majority who are fair in their labor practices have little to fear.

The bill, as passed by the House, does, to be sure, have weaknesses. For example, it could require a representation election to be held within 15 days after a union petitions for one, which is not enough time for labor-management consideration of the issues.

Such weaknesses require spotlighting in reasoned debate; essential amendments then should be made and the whole bill subjected to an up or down vote.

But this legislative process is being frustrated through a filibuster led by Sen. Orrin G. Hatch (R-Utah). "We have an excellent chance to defeat the bill by filibuster," says Hatch.

Come, come, senator. Win if you will, but do so cleanly, democratically.

Mr. WILLIAMS. Now from an industrial city in the Northeast from Paterson, N.J.

Mr. President, I am pleased to call to the attention of the Senate the editorial opinion of the Paterson News of my own State of New Jersey, which, on Monday, May 22, 1978, offered some sage words about the labor law reform bill now before us.

The News says:

Contrary to what the U.S. Chamber of Commerce asserts the bill does not create new rights favoring employees over their bosses. It merely helps the NLRB enforce the law already on the books.

It is clear to us that employers who abide by their obligations under the current labor laws have nothing to fear from the bill. It will only hurt the law violators—which is as it should be.

In its conclusion, the News reminds us that the basic reforms which this bill would make to our national labor laws enjoy broad support by those who best understand the weaknesses of our current law:

For all the emotionalism generated over the bill, its provisions would accomplish regulatory reforms that have been recommended by the American Bar Association, the courts and the NLRB itself.

Senators should bite the bullet like their colleagues in the House and pass it.

Mr. President, I ask unanimous consent that the editorial of May 22, 1978, of the Paterson News be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LABOR REFORM ACT OF 1978

Through the years, most employers have adhered to the letter and spirit of our national labor laws. However, the laws' enforcement provisions have allowed too many employers to treat their employees with the same disregard as J. P. Stevens & Co., the country's second-largest textile company.

Stevens successfully and illegally fought attempts at unionizing its textile mills for years, despite decisions of the National Labor Relations Board and court rulings that the company was in violation of the National Labor Relations Act.

The Senate is finally getting around to voting on the Labor Reform Act of 1978 which could do much to even the odds for labor in its eternal struggle with management.

Introduced in the House by Rep. Frank Thompson (D.–N.J.), and in the Senate by Harrison Williams (D.–N.J.), the bill passed the House last October by a 257–163 margin. It has virtually lain dormant in the Senate while senators have attended to other chores such as the Panama Canal treaties and jet sales to the Arabs.

Contrary to what the U.S. Chamber of Commerce asserts, the bill does not create new rights favoring employees over their bosses. It merely helps the NLRB enforce the law already on the books.

President Carter's message to Congress in support of the bill cited lengthy delays in the implementation of employee rights. It now takes between two months to a year to complete the process by which employees certify union representation. The bill would cure that unfairness by fixing deadlines ranging from 15 to 75 days for holding union representation elections following the signing of authorization cards.

The bill would also broaden the NLRB's injunctive powers to bar firing union activists (already a violation under the NLRA), and granting it broader rule-making power to expedite enforcement. The enforcement of board decisions now can take years. (Workers in one company illegally fired for union activities in 1962—as held by the NLRB and courts—are still waiting to be paid back wages.)

Other major provisions include:

Expansion of the NLRB from five to seven members to enable it to better handle its ever-growing case load;

Facilitating review by the NLRB of its hearing examiners' decisions of charges of unfair labor practices.

Increasing compensation to employees found to have been illegally fired for union activities.

Barring an employer from participating in federal contracts for three years if it "willfully and repeatedly" violates NLRB orders.

It is clear to us that employers who abide by their obligations under the current labor laws have nothing to fear from the bill. It will only hurt the law violators—which is as it should be.

For all the emotionalism generated over the bill, its provisions would accomplish regulatory reforms that have been recommended by the American Bar Association, the courts and the NLRB itself.

Senators should bite the bullet like their colleagues in the House and pass it.

Mr. WILLIAMS. Mr. President, I commend this editorial from a very thoughtful newspaper to my colleagues, and I say—if there might be any idea that this might be a newspaper that somehow I have a very close association with—that I just do not believe they endorsed me. Maybe they did; maybe not. I do not know.

Mr. JAVITS. Mr. President, will the Senator yield to me about that particular editorial?

Mr. WILLIAMS. I yield.

Mr. JAVITS. Mr. President, I think that is one of the key points here. A great deal of sentiment has been stirred up on the theory that we are changing the basic law, that we are changing substantive rights and that the people are going to be unionized who would not have been unionized before, and especially the small business community has been simply overwhelmed with propaganda on that score and much of it has been false propaganda, and I feel that this kind of evidence from objective sources disqualifies that kind of rumor and implication. As we go along it is going to be extremely important to make the small business community feel, first, that most of it is not even involved, and second, there is

absolutely no substantive change which is being made in the bill respecting trade unionization.

Mr. WILLIAMS. I appreciate the comments highlighting this very important point that should be made clear. We thought it had been. It has not always been, however.

Another editorial, Mr. President, from the Chicago Sun-Times, of Tuesday, May 23, 1978, which will be included under the unanimous-consent request, addressed its attention not only to the labor law reform bill itself, but also to the process by which we are considering that measure in the Senate. The Sun-Times said, about the bill:

> The reform bill would apply greater pressures for compliance on the few companies that find it cheaper to fight off unions by legal stalling against conceding (workers') rights. The great majority who are fair in their labor practices have little to fear.

The Sun-Times has less kindly words about our filibuster. The paper noted that the House-passed measure contains certain "weaknesses," but the paper decries the tactics of the opponents, in not permitting these weaknesses to be discussed in earnest by the Senate. The Sun-Times said:

> Such weaknesses require spotlighting in reasoned debate; essential amendments should be made and the whole bill subjected to an up or down vote. But this legislative process is being frustrated through a filibuster led by Senator Orrin Hatch (R-Utah). "We have an excellent chance to defeat the bill by filibuster," says Hatch.

I am quoting the editorial, Mr. President.

The Sun-Times echoes the sentiments of many with respect to this tactic:

> "Come, come, Senator. Win if you will, but do so cleanly, democratically.

The Chicago Sun-Times, I will say, if the Senator did not hear me, is urging the Senator to be democratic about this and says, "Come, come, let us vote. Time for cloture, Senator HATCH." These are from Chicago; Patterson, N.J.; Raleigh, N.C. These are people who say, "All your fears are foolish fancy, Mr. HATCH."

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WILLIAMS. I have no time remaining. What is the question?

Mr. HATCH. All I can say is that if all my fears would yield that would be a wonderful, momentous day in America. The problem is that I think we have tremendous debate here. Anybody can come on the floor and say whatever he wants, and any time the Senator's side wants to they can.

Mr. WILLIAMS. That was a fine question. I thank the Senator. We are winding down now, as I understand it.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield for a question.

Mr. BUMPERS. There are two or three things about the bill I wish to discuss. I think the bill has some good points in it and some bad points in it. I wanted to ask the Senator about the provision with respect to the imposition of contracts where somebody refuses to bargain in good faith. Once he is adjudicated to have refused to bargain in good faith, this bill provides that a contract can be imposed on him based on contracts of a 5,000-employee unit.

I am not sure what that means. Does that mean the industry, that particular industry, any 5,000 employees engaged in that same kind of manufacturing?

Let me give you an illustration. Let us assume there is a small plastics manufacturing plant in my State that has, say, 50 employees, and the adjudication is made. How is the contract imposed on him?

Mr. WILLIAMS. Contract terms are imposed. This is the way it works. If it is found, through all of the adjudicative procedures, that there has been an unfair labor practice, a refusal to bargain, then for that period the "make-whole" remedy will apply A percentage of the change in what workers would have received if they had gotten the average contract under the index during that period is determined, and that percentage is added to what the affected workers were actually getting, but only during the period of the unlawful refusal to bargain.

It is not the imposition of the full contract or of any contract provisions. This is a "make-whole" money remedy for the period that the employer refuses to bargain.

Mr. BUMPERS. Let me ask the Senator about a hypothetical case. Let us asusme in this case that the average wage in this plant, we will say, is $5 an hour. Once this determination is made, I understand this 5,000-man unit is the only statistic available to the Labor Department, the Bureau of Labor Statistics, and that was chosen for that reason. But let me go ahead with the case.

Mr. WILLIAMS. I will say that was what we thought the situation was. Fortunately, the situation now appears to be better. There is another way of reaching a fairer measure, one that is fair to smaller businesses as well as larger businesses, and that we hope to provide through the amending process.

Mr. BUMPERS. I am very pleased to hear that because, of course, this is, I think, one of the serious flaws in this bill. But as the bill is presently written this would mean then that the Bureau of Labor Statistics would take the average, we will say, of a 5,000-man unit in that industry, and if the wages in that unit were $5 an hour then those employees would get an additional $1 an hour for the period the man refuses to bargain in good faith; is that correct?

Mr. WILLIAMS. Right, if the applicable index indicated a change, during that quarter, of that amount.

Mr. BUMPERS. Let me ask the Senator one other thing. In my concern—and I know it is easy to frighten people who are in a mood to be frightened, and whose suspicions are easily aroused—but my concerns about this bill do, indeed, go mostly to the survival of small business in this country, about which I am most concerned.

But would the Senator agree that if the statistics I have seen are correct that labor is winning 58 percent of the elections in bargaining units of 10 or less and only 50.1 percent of elections in bargaining units of 400 or more, would this not lead one to believe that small business, that kind of small business, is more susceptible to organizational efforts, because of the smallness, and because, perhaps, of their financial inability to withstand the onslaught of a strong organizational effort?

Mr. WILLIAMS. I am not an authority on this, my judgment is equal to anybody's. And we must remember that we are talking in terms of the unit, not necessarily the entire place of business. But when the unit, that was seeking union recognition is a small unit, I would imagine it would be easier to communicate, easier for the message to get through.

But I would also think, by the same token that ought to work both ways. So I cannot speculate on whether this bill would cause a significant increase, or even more of an increase, in organization of smaller units or larger units. But it would just seem to me that communication would be easier and that might make employees more susceptible to better understanding of both the union's and the employer's message.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILLIAMS. We are under controlled time, as the Senator knows.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. TOWER. Mr. President, the distinguished Senator from New Jersey suggests that we proceed in democratic fashion and go ahead and vote on this matter rather than continue the debate much longer. Now, what is democratic fashion in the final analysis?

William S. White, in his splendid book "Citadel: The Story of the U.S. Senate," said the function of the Senate is to protect the minority against the precipitate and emotional tyranny of the majority.

I think in this instance this is what we are doing, those of us who oppose this measure, by whatever parliamentary means are available to us, because in this particular instance it appears that the majority of the House of Representatives and a probable majority in the Senate do not reflect a majority of the American people.

Mr. Caddell's survey—and Mr. Caddell is President Carter's pollster and has to be regarded as a highly successful one—has indicated that a majority of the American people do not want to enhance the power of organized labor any more, and if the majority of the American people had available to them some of the facts in terms of what organized labor contributes to inflation and increased costs, I imagine the figure would be even much higher than Mr. Caddell indicates.

I wonder how many people are aware, for example, that the total labor cost in the processing and distribution of food is greater than the entire value of agricultural production in the United States of America? I wonder if the people are aware that 4 years ago we had $5 wheat. Today we have $2 wheat, and yet the price of bread has increased 25 percent, while the price of wheat has gone down from $5 to $2.

Where is the additional cost coming from? It is coming from the fact that organized labor continues to demand and get increases in wages and benefits that have no relationship to increases in productivity. Indeed, in many instances organized labor demands and gets reduced productivity.

Mr. WILLIAMS. Mr. President, when the Senate Human Resources Committee began consideration of the Labor Law Reform Act almost a year ago, I knew that it would generate a great deal of controversy. Accordingly, the committee took great pains to assure that our deliberations would be exhaustive, meticulous, and fair. The Labor Subcommittee held 8 days of hearings on the bill. We heard from dozens of witnesses the majority of whom represented business organizations who opposed the legislation. Testimony was submitted by over 120 witnesses, again the vast majority from the opponents of the bill.

The purpose of our deliberations was to determine the extent to which employees were being denied their right to a prompt and effective resolution of representation disputes and unfair labor practice cases. During our deliberations all of the arguments pro and con were carefully analyzed.

And in my judgment and in the judgment of an overwhelming majority of our committee, the weight of the evidence supported the conclusion that steps must be taken to insure that employees are able to make a free choice on the issue of union representation without fear of coercion.

While keeping that general purpose in mind, we were not inflexibly wedded to any specific approach, and we attempted to accommodate ourselves to the suggestions made by the witnesses. We adopted several amendments which were designed to insure balance and fairness to both labor and management and reported what is in my view a moderate bill designed to make the present law work as it was originally intended.

However, opponents of the legislation indicated their desire to fully discuss the intricacies of the bill as well as its underlying policy assumptons on the Senate floor.

I welcome this opportunity since I am confident that the committee bill will withstand careful Senatorial scrutiny.

We have now been engaged in a debate for 11 full days, and the opponents have had every opportunity to air the issues which they believe the committee left unresolved. In our debate we have analyzed this legislation so that the country and the Members of this body fully understand the bill's implications. For the most part, the debate has been informative. The opponents have presented a serious and reasoned discussion of their views on each of the bill's provisions. And the proponents have attempted to answer valid criticisms throughout our deliberations.

We have made it clear that we remain willing and able to discuss further modifications if they are warranted. Indeed, we have already taken steps in that direction.

For example, we have attempted to allay the concerns of the small businessmen of this country by supporting an amendment submitted by the distinguished majority leader which would exclude 76 percent of the small business enterprises in this country from the coverage of the act. And we have asked our opponents to schedule a vote on that amendment. Unfortunately, they have so far refused.

In short, Mr. President, we have responded in kind to each and every argument which has been raised against this bill and we have indicated our willingness to seek further accommodation.

But as long as this debate continues without cloture being invoked, we cannot provide relief for small business. We cannot address the 500 or more amendments which have been introduced; and we cannot let the majority work its will on the merits of this legislation.

I do not know how the Members of the body will respond to the pending amendments. But I believe we must have an opportunity to consider them and then make a final judgment on the matter before us.

Mr. President, in 1935 the Senate spent only 3 days debating one of the most significant pieces of legislation ever enacted—the Wagner Act. The Taft-Hartley Act, which was certainly the most comprehensive revision of our labor laws to date was debated for 14 days. In 1959 the Landrum-Griffin Act was debated for 8 days. In none of these cases was a cloture vote necessary.

Mr. President, the year after the Landrum-Griffin Act was enacted, our committee commissioned a study of the procedures of the National Labor Relations Act by a distinguished group of labor law experts headed by Archibald Cox.

That report found that the two major weaknesses in labor-management relations were the delays in processing unfair labor practices and the time it took to resolve representation disputes. That report was issued in 1960. H.R. 8410, the proposal before us today finally, 18 years after the Cox study, addresses these problems.

There is ample evidence that these problems, do in fact, exist. And while we may disagree on specific solutions, some remedial action is necessary. But no action will be taken unless cloture is invoked. I, therefore, urge my colleagues to support the cloture petition so that we can consider amendments to H.R. 8410 and at long last let the American people know where we stand on labor law reform.

● Mr. BUMPERS. Mr. President, the Senate will vote today on the first petition to invoke cloture on the bill H.R. 8410, known as the Labor Reform Act. I will cast my vote against cloture today and would like to take this opportunity to share with my colleagues a brief statement of the reasons that have led me to take this position.

It goes without saying that the issue has been an extremely difficult one. There has been more interest in this bill, both for and against, than in any other measure that has been before the Senate in my brief time here. The intensity of the views on both sides has exceeded even that which we witnessed while debating the two Panama Canal treaties. To say that the issue is an emotional and hotly contested one is a gross understatement. I have purposely refrained from announcing my position in advance, because I wanted to learn everything possible about the effects of this bill and to educate myself thoroughly on the arguments on both sides.

Some of my close friends in labor, all able and dedicated men and women, have made cogent and persuasive arguments for the bill. They have expressed their frustrations at the slowness with which the present law deals with those who flout the law. Businessmen have similarly made compelling arguments about the difficulty some of them are having just keeping their doors open, and the expenses to which they say they have been subjected with elections, specious charges, et cetera. I have heard those arguments and considered them in what I hope has been a mature and deliberate fashion.

Let me begin by saying that there are some features of the National Labor Relations Act as presently effective that could be improved. I would be willing, for example, to support an increase in the membership of the Board from five to seven Under this arrangement, there could be seven three-member panels, instead of the present five, to deal with routine cases. In addition, unlike the orders of most Federal agencies, decisions and orders of the Board are not self-executing. A person determined by the Board to be in violation of the law is not subject to any sanction unless the Board applies to a court of appeals and alleges that its order has been violated, and there are no fixed time limits for the filing of these petitions for enforcement. S. 2467 as reported by the Committee on Human Resources would remedy this problem by requiring any party aggrieved by a Board decision to file a petition for review in the appropriate court of appeals within 30 days. If no petition for review were filed within that time, the Board could file a petition for enforcement and obtain a final decree from the court without further delay. In other words, an aggrieved party would have to come forward affirmatively if he does not intend to comply with the Board's order. This provision is a big improvement on the present law, and I would support legislation containing it.

Other provisions of the bill, however, are not so defensible, and I have concluded that the bad points of the bill outweigh the good. As reported by the committee, elections in most certification cases would have to take place no less than 21 nor more than 30 days after the filing of a representation petition. This time limit, in my judgment, is too short. It would not allow the employer sufficient time to make his case.

In addition, I am disturbed by the equal-access provisions of the bill. It is always a delicate matter to balance the rights of both sides to appeal to the electorate. In my opinion, these rights are

fairly well balanced under present law. The union may go to the employees' homes and make its case, while the employer may not. In addition, the employer is severly limited in what he may say. Most statements that he might make about the effect of a vote one way or the other are out of bounds. It seems to me to go too far to require the employer, in addition, to subject himself to union access to his premises if he chooses to address a message to his employees while they are at work.

Even the posting of a notice by the employer on a plant bulletin board, as I understand the bill, would trigger the right of equal access. The union would then be privileged to post its notice on the employer's bulletin board. And if the employer should have a meeting of employees during time while he is paying them, the union would be similarly entitled to address them at the employer's expense. The Board has the power under existing law to order employers to permit union access to their plants under some special circumstances, and I think this is proper. But to make equal access the rule in all cases seems to me excessive.

I am also seriously concerned about the so-called make-whole remedy. It is true that an employer can, under present law, refuse to bargain in good faith without immediately being subject to a meaningful sanction. If he is eventually adjudicated to be in violation of the law for refusal to bargain, the only remedy is a bargaining order, telling him to do what he should have done in the first place. There is no guarantee that the contract eventually agreed to, if one does in fact result, will compensate employees for their losses caused by the unlawful delay in collective bargaining. On the other hand, the remedy proposed by the committee is too severe. It would impose upon the parties a contract that neither of them ever agreed to or, it may be, even requested. This imposed settlement would give the employees in the unit affected a scale of wages based upon compilations by the Bureau of Labor Statistics. This artificial wage scale would be paid to the employees for the period of time during which the employer refused to bargain in good faith. The scale would be based upon figures compiled by the BLS on wages and benefits as reflected by settlements reached in major collective bargaining units of 5,000 or more employees. The committee report states that these data are the only source presently available to measure the current value of wages and benefit changes negotiated during a given period of time, and I am not in a position to dispute this claim. The fact remains, however, that many bargaining units are much smaller and that BLS figures applicable to such large units may well be an unfair and imprecise measurement of an appropriate settlement for smaller units. If this provision were changed, say in such a way as to permit the Board to make case-by-case judgments as to what remedy might be appropriate to make the injured employees whole, I might be able to support it, but in its present form it appears biased against smaller businesses.

In fact, Mr. President, the effect of the bill on small business is the most important single consideration leading me to oppose it. On the whole, the power of labor and management seems fairly well balanced at the present time. In recent years labor has won about 5′ percent of represenation elections, and management has won about 50 percent. In the case of businesses with less than ten employees, however, the percentage of union success is significantly higher—about 58 percent. The comparison indicates rather strongly that small business is more vulnerable and less able to defend itself. Small businesses, many of which operate on a marginal basis, simply cannot afford the high-priced legal and economic counsel that has become a regular feature of collective bargaining in modern times. Any tilting of the balance, and the bill is clearly intended to weight the labor side of the scale, would increase the already substantial disadvantage under which small business is laboring.

Let me give some further examples of the importance of labor law to small business. In 1977 a total of about 22,750 unfair-labor-practice charges were filed. Of these charges 26.3 percent or about 6,000 involved businesses with fewer than 10 employees. Another 9.6 percent, or about 2,200 charges, involved businesses of between 10 and 20 employees. Similarly, 75 percent of all elections held involved units of 50 employees or less. Eighty-five percent of all elections are in units of 100 employees or less, and 98 percent of all elections are in units of 400 employees or less. Only 2 percent of elections are in units of more than 400 employees.

I am also impressed, Mr. President, with the small business situation report prepared by the Office of Advocacy of the Small Business Administration. I recognize, of course, that this report does not represent the official position of SBA. Quite obviously, SBA cannot officially espouse a position contrary to the official policy of the administration. The report is all the more telling for that reason. This report has previously been printed in the RECORD, and I will not burden my colleagues by repeating all of it, but the statistical correlation between union victories and elections and the size of the business unit involved is striking. In the case of units under 10, the unions in fiscal year 1976 won 58.6 percent of the elections. For units under 100, the figure dropped to 52.0 percent. For units under 300, the figure was 50.6 percent, and for units under 500, it was 50.1 percent. In other words, unions are clearly more influential as the size of the business unit decreases. And smaller businesses are obviously more vulnerable to organizing efforts, presumably because they are less able to defend themselves.

For these reasons, Mr. President, I have decided to vote against the bill. It is possible, I suppose, that amendments could be adopted to meet the concerns I have expressed. The decision on cloture has been much more difficult for me than my conclusion on the merits of the legislation itself. In general, filibusters and other delaying and obstructionist tactics are abhorrent to me. In the ordinary case, the people are entitled to have their representatives make a clear decision one way or the other on legislative proposals, and the majority does and should rule. As a matter of fact, I have voted in favor of cloture each time the issue has come up since I came to the Senate in January of 1975, with the exception of one vote, when I was unavoidably absent.

A long period of soul searching has convinced me that there are distinguishing factors about this bill justifying a departure from my usual practice. First of all, if cloture is invoked, the bill seems fairly certain to pass in something quite close to the form in which it was reported by the Committee on Human Resources. This version of the bill, in turn, is quite similar to H.R. 8410, the House companion measure. We are fairly certain to be confronted with a conference report that contains the objectionable provisions I have outlined above. It is true that conference reports are debatable, and I suppose this one will be debated extensively, but in almost every instance they are agreed to.

Second, I am gravely concerned about the future of small business in this country. This is an economic issue of transcendent importance. Big business and big labor can take care of themselves, but my own experience as the owner and operator of a hardware store in a small town in Arkansas has convinced me that small business needs all the help it can get. Many of the economic and cultural values characteristic of this country can be traced to the existence of a strong, competitive small business sector. This bill taken alone would, I am sure, not be fatal, but many small businesses already operate on the edge of disaster. After the ordinary costs of doing business are defrayed, and the owner pays himself a decent compensation for his own time and effort, there is typically little or nothing left. Resort to extended debate on behalf of a group that is nearly defenseless seems justified, in my view.

Although I am reluctant to mention this factor, there is a sectional aspect to this bill. Now that in itself, Mr. President, is not objectionable. Employees have a right to join a union, to organize, and to enjoy the fruits of collective bargaining, and I hold no brief for those who violate the law whether in labor or management.

But just beneath the surface of the debate is the suspicion that the bill's supporters believe it may help diminish the attraction of the South for new industry, and that factor is necessarily disquieting to me.

For all of these reasons, Mr. President, I have come to the conclusion that I should vote against cloture.●

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on H.R. 8410, an act to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

1. Robert C. Byrd; 2. Howard M. Metzenbaum; 3. John Melcher; 4. Harrison A. Williams, Jr.; 5. Abraham Ribicoff; 6. Spark Matsunaga; 7. Daniel Patrick Moynihan; 8. Henry M. Jackson; 9. Edward M. Kennedy; 10 Paul S. Sarbanes.

11. George McGovern; 12. Jacob K. Javits; 13. Jennings Randolph; 14. William Proxmire; 15. John A. Durkin; 16. Gaylord Nelson; 17. John H. Chafee; 18. Richard S. Schweiker; 19. Birch Bayh.

CALL OF THE ROLL

The PRESIDING OFFICER (Mr. JOHNSTON). Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 9 Leg.]

Anderson	Hansen	Nelson
Baker	Hart	Nunn
Bartlett	Haskell	Packwood
Bayh	Hatch	Pearson
Bellmon	Hatfield, Mark O.	Pell
Bentsen	Hathaway	Percy
Biden	Hayakawa	Proxmire
Bumpers	Heinz	Randolph
Burdick	Helms	Ribicoff
Byrd, Harry F., Jr.	Hodges	Riegle
Byrd, Robert C.	Hollings	Roth
Chafee	Huddleston	Sarbanes
Chiles	Inouye	Sasser
Church	Jackson	Schmitt
Clark	Javits	Schweiker
Cranston	Johnston	Scott
Culver	Kennedy	Sparkman
Curtis	Laxalt	Stafford
Danforth	Leahy	Stennis
DeConcini	Long	Stevens
Dole	Lugar	Stevenson
Domenici	Mathias	Stone
Durkin	Matsunaga	Talmadge
Eagleton	McClure	Thurmond
Eastland	McGovern	Tower
Ford	McIntyre	Wallop
Garn	Melcher	Weicker
Glenn	Metzenbaum	Williams
Goldwater	Morgan	Young
Griffin	Moynihan	Zorinsky

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. HATFIELD) the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Washington (Mr. MAGNUSON), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE) and the Senator from New Jersey (Mr. CASE) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on H.R. 8410, a bill to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act, shall be brought to a close? The yeas and nays are mandatory under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SASSER. Mr. President, on this vote, I have a live pair with Senator CANNON, of Nevada. If he were present and voting, he would vote "nay." I voted "aye." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. HATFIELD), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Washington (Mr. MAGNUSON), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), and the Senator from New Jersey (Mr. CASE) are necessarily absent.

I further announce that, if present and voting the Senator from Massachusetts (Mr. BROOKE) would vote "yea."

The result was announced—yeas 42, nays 47, as follows:

[Rollcall Vote No. 162 Leg.]

YEAS—42

Anderson	Haskell	Nelson
Bayh	Hatfield, Mark O.	Packwood
Biden	Hathaway	Pearson
Burdick	Inouye	Pell
Byrd, Robert C.	Jackson	Proxmire
Chafee	Javits	Randolph
Church	Kennedy	Ribicoff
Clark	Leahy	Riegle
Cranston	Mathias	Sarbanes
Culver	Matsunaga	Schweiker
DeConcini	McGovern	Stevenson
Durkin	Melcher	Weicker
Eagleton	Metzenbaum	Williams
Glenn	Moynihan	
Hart		

NAYS—47

Baker	Griffin	Nunn
Bartlett	Hansen	Percy
Bellmon	Hatch	Roth
Bentsen	Hayakawa	Schmitt
Bumpers	Heinz	Scott
Byrd, Harry F., Jr.	Helms	Sparkman
Chiles	Hodges	Stafford
Curtis	Hollings	Stennis
Danforth	Huddleston	Stevens
Dole	Johnston	Stone
Domenici	Laxalt	Talmadge
Eastland	Long	Thurmond
Ford	Lugar	Tower
Garn	McClure	Wallop
Goldwater	McIntyre	Young
	Morgan	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Sasser, for.

NOT VOTING—9

Abourezk	Gravel	Magnuson
Brooke	Hatfield, Paul G.	Muskie
Cannon	Humphrey	
Case		

The VICE PRESIDENT. On this vote, the yeas are 42, the nays are 47, Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

CLOTURE VOTE TOMORROW

Mr. ROBERT C. BYRD addressed the Chair.

The VICE PRESIDENT. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to invoke cloture on tomorrow begin running at the hour of 2:45 p.m. and that it run for 30 minutes, but not to exceed 30 minutes, until the hour of 3:15, in other words.

Mr. BAKER. Mr. President, reserving the right to object, I have a request on this side for one Senator to try to accommodate his schedule, to either begin at 3 o'clock and conclude the vote at 3:30 or to begin at 2:45 and conclude the vote——

Mr. JAVITS. If the Senator will yield, it is not my request, it is only the question of airplanes.

Mr. ROBERT C. BYRD. Yes.

Mr. President, I ask unanimous consent that on tomorrow the vote on cloture begin at the hour of 2:45 p.m. and that there be up to 45 minutes allowed for that vote with the understanding that the preceding quorum call under the rule be waived.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. So, Mr. President, this would mean that no quorum call would be in order at 2:45 p.m., that the vote on the cloture motion would begin at 2:45 p.m. and could run as long as 45 minutes, if necessary.

Mr. President, I wonder if we might have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I wonder if it might be possible to get an agreement on a vote on the Byrd amendment to be followed immediately, back-to-back, with a vote on the Ford amendment, as amended, if amended, and I would ask unanimous consent so as to join the issues.

Mr. President, I ask unanimous consent that a vote occur tomorrow at 2 p.m. on the Byrd amendment to the Ford amendment and that a vote then occur immediately, back-to-back, on the Ford amendment as amended, if amended.

The VICE PRESIDENT. Is there objection?

Mr. BAKER. Mr. President, I object.

The VICE PRESIDENT. Objection is heard.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator from Tennessee.

Mr. BAKER. Mr. President, I would state to the distinguished majority leader——

Mr. ROBERT C. BYRD. Mr. President. I did not give up the floor by propounding the unanimous-consent request.

Mr. BAKER. I apologize. I thought the Chair had recognized me and I apologize.

Mr. ROBERT C. BYRD. The Senator need not apologize. I do not mind his having the floor. I just wanted to make clear that I had not yielded.

Now I yield the floor.

[Laughter.]

Mr. BAKER. Mr. President, I had discussed this matter with the majority leader prior to his propounding the request. I felt that our colleagues should

know that I had indicated to him previously that it would be necessary for me to object to the setting of a time certain to vote on the amendments he identified.

I wonder, however, if the majority leader would consider the possibility of committing this bill to the Finance Committee for a time, to study the general situation, particularly the inflationary impact of this bill—say, for a week or two—and then to repropound that request, and perhaps he would find a more favorable response.

Mr. ROBERT C. BYRD. Mr. President, we have debated this matter on the floor now for 11 days, which I think is sufficient time for having debated that question. It has been debated up and down and pro and con; so I do not see the need to acquiesce in the suggestion that has been made by my friend and very distinguished colleague, the minority leader.

I hope, however, that we would consider the request I made earlier and that we might be able to arrive at a time when the Senate could vote on the Byrd amendment; that that vote be followed by a vote up or down on the Ford amendment; or, if not a back-to-back vote, at least a vote on the Byrd amendment. If we could give some thought to it and discuss it, perhaps we could arrive at some agreement.

Mr. BAKER. Mr. President, I thank the majority leader.

I regret that I cannot make an agreement of that sort today, and I am equally regretful that he cannot agree to committing the bill, say, to the Finance Committee for further examination, in light of the probable inflationary effect. We have sort of a Chinese standoff in that respect, so I suppose the best thing to do is to continue with the debate for the moment.

Mr. ROBERT C. BYRD. Except that the Finance Committee does not have jurisdiction over the bill.

Mr. BAKER. Mr. President, if we committed it to the Finance Committee with instructions to consider the inflationary impact of the bill, I wonder if the majority leader would agree with me that the Finance Committee then would be clothed with the jurisdiction to consider it.

Mr. ROBERT C. BYRD. It would, if we referred it; but we might also refer it to the Rules Committee.

Mr. BAKER. Or the Small Business Committee.

Mr. TOWER. Mr. President, I respectfully suggest the Banking Committee.

Mr. STENNIS. May we have regular order, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, it is clear that we are not going to reach an agreement in that respect.

Am I correct that we now have unanimous-consent order to proceed to the second vote on cloture beginning at 2:45 p.m. tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair, and I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, there will be no more rollcall votes today.

ANNOUNCEMENT REGARDING CLOTURE MOTIONS AND VOTES

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, I am not introducing a cloture motion today, so there will be no vote on Friday, but there will be cloture votes next week.

PRIVILEGE OF THE FLOOR

Mr. BAYH. Mr. President, I ask unanimous consent that Barbara Dixon, of my staff, have the privilege of the floor during the debate and votes on the labor law reform bill.

The PRESIDING OFFICER. Without objection, it is ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the discussion of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED FEDERAL REGULATORY PROGRAM FOR WATER MANAGEMENT—MESSAGE FROM THE PRESIDENT—PM 182

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I am today sending to Congress water policy initiatives designed to:

—improve planning and efficient management of Federal water resource programs to prevent waste and to permit necessary water projects which are cost-effective, safe and environmentally sound to move forward expeditiously;

—provide a new, national emphasis on water conservation;

—enhance Federal-State cooperation and improved State water resources planning; and

—increase attention to environmental quality.

None of the initiatives would impose any new Federal regulatory program for water management.

Last year, I directed the Water Resources Council, the Office of Management and Budget and the Council on Environmental Quality, under the chairmanship of Secretary Cecil Andrus, to make a comprehensive review of Federal water policy and to recommend proposed reforms.

This new water policy results from their review, the study of water policy ordered by the Congress in Section 80 of the Water Resources Planning Act of 1974 and our extensive consultations with members of Congress, State, county, city and other local officials and the public.

Water is an essential resource, and over the years, the programs of the Bureau of Reclamation, the Corps of Engineers, the Soil Conservation Service and the Tennessee Valley Authority have helped permit a dramatic improvement in American agriculture, have provided irrigation water essential to the development of the West, and have developed community flood protection, electric power, navigation and recreation throughout the Nation.

I ordered this review of water policies and programs because of my concern that while Federal water resources programs have been of great benefit to our Nation, they are today plagued with problems and inefficiencies. In the course of this water policy review we found that:

—Twenty-five separate Federal agencies spend more than $10 billion per year on water resources projects and related programs.

—These projects often are planned without a uniform, standard basis for estimating benefits and costs.

—States are primarily responsible for water policy within their boundaries, yet are not integrally involved in setting priorities and sharing in Federal project planning and funding.

—There is a $34 billion backlog of authorized or uncompleted projects.

—Some water projects are unsafe or environmentally unwise and have caused losses of natural streams and rivers, fish and wildlife habitat and recreational opportunities.

The study also found that water conservation has not been addressed at a national level even though we have pressing water supply problems. Of 106 watershed subregions in the country, 21 already have severe water shortages. By the year 2000 this number could increase to 39 subregions. The Nation's cities are also beginning to experience water shortage problems which can only be solved at very high cost. In some areas, precious groundwater supplies are also being depleted at a faster rate than they are replenished. In many cases an effective water conservation program could play a key role in alleviating these problems.

These water policy initiatives will make the Federal government's water programs more efficient and responsive in meeting the Nation's water-related needs. They are designed to build on fundamentally sound statutes and on the Principles and Standards which govern the planning and development of Federal water projects, and also to enhance the role of the States, where the primary responsibilities for water policy must lie. For the first time, the Federal govern-

ment will work with State and local governments and exert needed national leadership in the effort to conserve water. Above all, these policy reforms will encourage water projects which are economically and environmentally sound and will avoid projects which are wasteful or which benefit a few at the expense of many.

Across the Nation there is remarkable diversity in the role water plays. Over most of the West, water is scarce and must be managed carefully—and detailed traditions and laws have grown up to govern the use of water. In other parts of the country, flooding is more of a problem than drought, and in many areas, plentiful water resources have offered opportunities for hydroelectric power and navigation. In the urban areas of our Nation, water supply systems are the major concern—particularly where antiquated systems need rehabilitation in order to conserve water and assure continued economic growth.

Everywhere, water is fundamental to environmental quality. Clean drinking water, recreation, wildlife and beautiful natural areas depend on protection of our water resources.

Given this diversity, Federal water policy cannot attempt to prescribe water use patterns for the country. Nor should the Federal government preempt the primary responsibility of the States for water management and allocation. For those reasons, these water policy reforms will not preempt State or local water responsibilities. Yet water policy is an important national concern, and the Federal Government has major responsibilities to exercise leadership, to protect the environment and to develop and maintain hydroelectric power, irrigated agriculture, flood control and navigation.

The primary focus of the proposals is on the water resources programs of the Corps of Engineers, the Bureau of Reclamation, the Soil Conservation Service and the Tennessee Valley Authority, where annual water program budgets total approximately $3.75 billion. These agencies perform the federal government's water resource development programs. In addition, a number of Federal agencies with water-related responsibilities will be affected by this water policy.

I am charging Secretary Andrus with the lead responsibility to see that these initiatives are carried out promptly and fully. With the assistance of the Office of Management and Budget and the Council on Environmental Quality, he will be responsible for working with the other Federal agencies, the Congress, State and local governments and the public to assure proper implementation of this policy and to make appropriate recommendations for reform in the future.

SPECIFIC INITIATIVES IMPROVING FEDERAL WATER RESOURCE PROGRAMS

The Federal government has played a vital role in developing the water resources of the United States. It is essential that Federal water programs be updated and better coordinated if they are to continue to serve the nation in the best way possible. The reforms I am proposing are designed to modernize and improve the coordination of federal water programs. In addition, in a few days, I will also be sending to the Congress a Budget amendment proposing funding for a number of new water project construction and planning starts. These projects meet the criteria I am announcing today. This is the first time the Executive Branch has proposed new water project starts since Fiscal Year 1975, four years ago.

The actions I am taking include:

A directive to the Water Resources Council to improve the implementation of the Principles and Standards governing the planning of Federal water projects. The basic planning objectives of the Principles and Standards—national economic development and environmental quality—should be retained and given equal emphasis. In addition, the implementation of the Principles and Standards should be improved by:

—adding water conservation as a specific component of both the economic and environmental objectives;

—requiring the explicit formulation and consideration of a primarily non-structural plan as one alternative whenever structural water projects or programs are planned;

—instituting consistent, specific procedures for calculating benefits and costs in compliance with the Principles and Standards and other applicable planning and evaluation requirements. Benefit-cost analyses have not been uniformly applied by Federal agencies, and in some cases benefits have been improperly recognized, "double-counted" or included when inconsistent with federal policy or sound economic rationale. I am directing the Water Resources Council to prepare within 12 months a manual which ensures that benefits and costs are calculated using the best techniques and provides for consistent application of the Principles and Standards and other requirements;

—ensuring that water projects have been planned in accordance with the Principles and Standards and other planning requirements by creating, by Executive Order, a project review function located in the Water Resources Council. A professional staff will ensure an impartial review of pre-construction project plans for their consistency with established planning and benefit-cost analysis procedures and applicable requirements. They will report on compliance with these requirements to agency heads, who will include their report, together with the agency recommendations, to the Office of Management and Budget. Project reviews will be completed within 60 days, before the Cabinet officer makes his or her Budget request for the coming fiscal year. Responsibility will rest with the Cabinet officer for Budget requests to the Office of Management and Budget, but timely independent review will be provided. This review must be completed within the same budget cycle in which the Cabinet Officer intends to make Budget requests so that the process results in no delay.

—The manual, the Principles and Standards requirements and the independent review process will apply to all authorized projects (and separable project features) not yet under construction.

Establishment of the following criteria for setting priorities each year among the water projects eligible for funding or authorization, which will form the basis of my decisions on specific water projects:

—Projects should have net national economic benefits unless there are environmental benefits which clearly more than compensate for any economic deficit. Net adverse environmental consequences should be significantly outweighed by economic benefits. Generally, projects with higher benefit/cost ratios and fewer adverse environmental consequences will be given priority within the limits of available funds.

—Projects should have widely distributed benefits.

—Projects should stress water conservation and appropriate non-structural measures.

—Projects should have no significant safety problems involving design, construction or operation.

—There should be evidence of active public support including support by State and local officials.

—Projects will be given expedited consideration where State governments assume a share of costs over and above existing cost-sharing.

—There should be no significant international or inter-governmental problems.

—Where vendible outputs are involved preference should be given to projects which provide for greater recovery of Federal and State costs, consistent with project purposes.

—The project's problem assessment, environmental impacts, costs and benefits should be based on up-to-date conditions (planning should not be obsolete).

—Projects should be in compliance with all relevant environmental statutes.

—Funding for mitigation of fish and wildlife damages should be provided concurrently and proportionately with construction funding.

Preparation of a legislative proposal for improving cost-sharing for water projects. Improved cost-sharing will allow States to participate more actively in project decisions and will remove biases in the existing system against non-structural flood control measures. These changes will help assure project merit. This proposal, based on the study required by Section 80 of P.L. 93–251, has two parts:

—participation of States in the financing of federal water project construction. For project purposes with vendible outputs (such as water supply or hydroelectric power), States would contribute 10% of the costs, proportionate to and phased with

federal appropriations. Revenues would be returned to the States proportionate to their contribution. For project purposes without vendible outputs (such as flood control), the State financing share would be 5%. There would be a cap on State participation per project per year of ¼ of 1% of the State's general revenues so that a small State would not be precluded from having a very large project located in it. Where project benefits accrue to more than one State, State contributions would be calculated accordingly, but if a benefiting State did not choose to participate in cost-sharing, its share could be paid by other participating States. This State cost-sharing proposal would apply on a mandatory basis to projects not yet authorized. However, for projects in the authorized backlog, States which voluntarily enter into these cost-sharing arrangements will achieve expedited Executive Branch consideration and priority for project funding, as long as other project planning requirements are met. Soil Conservation Service projects will be completely exempt from this State cost-sharing proposal.

—equalizing cost-sharing for structural and non-structural flood control alternatives. There is existing authority for 80%–20% Federal/non-Federal cost-sharing for non-structural flood control measures (including in-kind contributions such as land and easements). I will begin approving non-structural flood control projects with this funding arrangement and will propose that a parallel cost-sharing requirement (including in-kind contributions) be enacted for structural flood control measures, which currently have a multiplicity of cost-sharing rules.

Another policy issue raised in Section 80 of P.L. 93–251 is that of the appropriate discount rate for computing the present value of future estimated economic benefits of water projects. After careful consideration of a range of options I have decided that the currently legislated discount rate formula is reasonable, and I am therefore recommending that no change be made in the current formula. Nor will I recommend retroactive changes in the discount rate for currently authorized projects.

WATER CONSERVATION

Managing our vital water resources depends on a balance of supply, demand and wise use. Using water more efficiently is often cheaper and less damaging to the environment than developing additional supplies. While increases in supply will still be necessary, these reforms place emphasis on water conservation and make clear that this is now a national priority.

In addition to adding the consideration of water conservation to the Principles and Standards, the initiatives I am taking include:

Directives to all Federal agencies with programs which affect water supply or consumption to encourage water conservation, including:

—making appropriate community water conservation measures a condition of the water supply and wastewater treatment grant and loan programs of the Environmental Protection Agency, the Department of Agriculture and the Department of Commerce;

—integrating water conservation requirements into the housing assistance programs of the Department of Housing and Urban Development, the Veterans Administration and the Department of Agriculture;

—providing technical assistance to farmers and urban dwellers on how to conserve water through existing programs of the Department of Agriculture, the Department of Interior and the Department of Housing and Urban Development;

—requiring development of water conservation programs as a condition of contracts for storage or delivery of municipal and industrial water supplies from federal projects;

—requiring the General Services Administration, in consultation with affected agencies, to establish water conservation goals and standards in Federal buildings and facilities;

—encouraging water conservation in the agricultural assistance programs of the Department of Agriculture and the Department of Interior which affect water consumption in water-short areas; and

—requesting all Federal agencies to examine their programs and policies so that they can implement appropriate measures to increase water conservation and re-use.

A directive to the Secretary of the Interior to improve the implementation of irrigation repayment and water service contract procedures under existing authorities of the Bureau of Reclamation. The Secretary will:

—require that new and renegotiated contracts include provisions for recalculation and renegotiation of water rates every five years. This will replace the previous practice of 40-year contracts which often do not reflect inflation and thus do not meet the beneficiaries' repayment obligations;

—under existing authority add provisions to recover operation and maintenance costs when existing contracts are renegotiated, or earlier where existing contracts have adjustment clauses;

—more precisely calculate and implement the "ability to pay" provision in existing law which governs recovery of a portion of project capital costs.

Preparation of legislation to allow States the option of requiring higher prices for municipal and industrial water supplies from Federal projects in order to promote conservation, provided that State revenues in excess of Federal costs would be returned to municipalities or other public water supply entities for use in water conservation or rehabilitation of water supply systems.

FEDERAL-STATE COOPERATION

States must be the focal point for water resource management. The water reforms are based on this guiding principle. Therefore, I am taking several initiatives to strengthen Federal-State relations in the water policy area and to develop a new, creative partnership. In addition to proposing that States increase their roles and responsibilities in water resources development through cost-sharing, the actions I am taking include:

Proposing a substantial increase from $3 million to $25 million annually in the funding of State water planning under the existing 50%–50% matching program administered by the Water Resources Council. State water planning would integrate water management and implementation programs which emphasize water conservation and which are tailored to each State's needs including assessment of water delivery system rehabilitation needs and development of programs to protect and manage groundwater and instream flows.

Preparation of legislation to provide $25 million annually in 50%–50% matching grant assistance to States to implement water conservation technical assistance programs. These funds could be passed through to counties and cities for use in urban or rural water conservation programs. This program will be administered by the Water Resources Council in conjunction with matching grants for water resources planning.

Working with Governors to create a Task Force of Federal, State, county, city and other local officials to continue to address water-related problems. The administrative actions and legislative proposals in this Message are designed to initiate sound water management policy at the national level. However, the Federal government must work closely with the States, and with local governments as well, to continue identifying and examining water-related problems and to help implement the initiatives I am announcing today. This Task Force will be a continuing guide as we implement the water policy reforms and will ensure that the State and local role in our Nation's water policy is constant and meaningful.

An instruction to Federal agencies to work promptly and expeditiously to inventory and quantify Federal reserved and Indian water rights. In several areas of the country, States have been unable to allocate water because these rights have not been determined. This quantification effort should focus first on high priority areas, should involve close consultation with the States and water users and should emphasize negotiations rather than litigation wherever possible.

ENVIRONMENTAL PROTECTION

Water is a basic requirement for human survival, is necessary for economic growth and prosperity, and is fundamental to protecting the natural environment. Existing environmental statutes relating to water and water projects generally are adequate, but these laws must be consistently applied and effectively enforced to achieve their purposes. Sensitivity to environmental protection must be an important aspect of all water-related planning and management decisions. I am particularly concerned about the need to improve the protection of in-

stream flows and to evolve careful management of our nation's precious groundwater supplies, which are threatened by depletion and contamination.

My initiatives in this area include the following:

A directive to the Secretary of the Interior and other Federal agency heads to implement vigorously the Fish and Wildlife Coordination Act, the Historic Preservation Act and other environmental statutes. Federal agencies will prepare formal implementing procedures for the Fish and Wildlife Coordination Act and other statutes where appropriate. Affected agencies will prepare reports on compliance with environmental statutes on a project-by-project basis for inclusion in annual submissions to the Office of Management and Budget.

A directive to agency heads requiring them to include designated funds for environmental mitigation in water project appropriation requests to provide for concurrent and proportionate expenditure of mitigation funds.

Accelerated implementation of Executive Order No. 11988 on floodplain management. This Order requires agencies to protect floodplains and to reduce risks of flood losses by not conducting, supporting or allowing actions in floodplains unless there are no practicable alternatives. Agency implementation is behind schedule and must be expedited.

A directive to the Secretaries of Army, Commerce, Housing and Urban Development and Interior to help reduce flood damages through acquisition of flood-prone land and property, where consistent with primary program purposes.

A directive to the Secretary of Agriculture to encourage more effective soil and water conservation through watershed programs of the Soil Conservation Service by:

—working with the Fish and Wildlife Service to apply fully the recently-adopted stream channel modification guidelines;

—encouraging accelerated land treatment measures prior to funding of structural measures on watershed projects, and making appropriate land treatment measures eligible for Federal cost-sharing;

—establishing periodic post-project monitoring to ensure implementation of land treatment and operation and maintenance activities specified in the work plan and to provide information helpful in improving the design of future projects.

A directive to Federal agency heads to provide increased cooperation with States and leadership in maintaining instream flows and protecting groundwater through joint assessment of needs, increased assistance in the gathering and sharing of data, appropriate design and operation of Federal water facilities, and other means. I also call upon the Governors and the Congress to work with Federal agencies to protect the fish and wildlife and other values associated with adequate instream flows. New and existing projects should be planned and operated to protect instream flows, consistent with State law and in close consultation with States. Where prior commitments and economic feasibility permit, amendments to authorizing statutes should be sought in order to provide for streamflow maintenance.

CONCLUSION

These initiatives establish the goals and the framework for water policy reform. They do so without impinging on the rights of States and by calling for a closer partnership among the Federal, State, county, city and other local levels of government. I want to work with the Congress, State and local governments and the public to implement this policy. Together we can protect and manage our nation's water resources, putting water to use for society's benefit, preserving our rivers and streams for future generations of Americans, and averting critical water shortages in the future through adequate supply, conservation and wise planning.

JIMMY CARTER.

THE WHITE HOUSE, *June 6, 1978.*

PRESIDENTIAL APPROVAL

A message from the President of the United States stated that on June 5, 1978, he had approved and signed the following act:

S. 2370. An Act to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972.

MESSAGES FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1640. An act to designate the Mike Monroney Aeronautical Center.

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 2380. An act to amend the Intervention on the High Seas to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973.

The message further announced that the House agrees to the amendment of the Senate to H.R. 130, an act to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers.

The message also announced that the House agrees to the amendments of the Senate to H.R. 3996, an act for the relief of Mrs. Young Hee Kim Kang, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 185. An act to amend section 2632 of title 10, United States Code, to provide the Secretary of the department in which the Coast Guard is operating with the authority to transport Coast Guard employees to and from certain places of employment;

H.R. 4270. An Act to designate the Federal building and United States courthouse in Hato Rey, Puerto Rico, the "Federico Degetau Federal Building";

H.R. 10343. An Act to provide for recalculation of the retired pay of individuals who served as sergeant major of the Marine Corps before December 16, 1967; and

H.R. 12138. An Act to name a certain Federal building in Laguna Niguel, California, the Chet Holifield Building.

The message also announced that the House has agreed to H. Res. 1216, relating to death of the Honorable James B. Allen, a Senator of the United States from the State of Alabama.

The message further announced that the House insists upon its amendment to the bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ECKHARDT, Mr. METCALFE, Mr. KRUEGER, Mr. CARNEY, Mr. LUKEN, Mr. MOSS, Mr. DEVINE, Mr. BROYHILL, and Mr. RINALDO were appointed managers of the conference on the part of the House.

At 3:15 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 89. A concurrent resolution authorizing the printing of additional copies of volume II of the Senate hearings entitled "Korean Influence Inquiry."

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 8394. An Act to provide for payments to local governments based upon the acreage of the National Wildlife Refuge System which is within their boundaries;

H.R. 12140. An Act to amend the Federal Water Pollution Control Act to provide additional authorizations for certain operating programs under the Act;

H.R. 12240. An Act to authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes;

H.R. 12637. An Act to amend the North Pacific Fisheries Act of 1954; and

H.R. 12668. An Act to establish a conservation program for the living marine resources of the Arctic and Southern Oceans, and for other purposes.

At 5:35 p.m., a mesage from the House of Representatives delivered by Mr. Hackney, announced that the House agrees to the amendment of the Senate to H.R. 3161, an Act to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 12250. An Act to designate the Boundary Waters Canoe Area Wilderness, to establish the Boundary Waters Canoe Area Mining Protection Area, and for other purposes.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 185. An act to amend section 2632 of title 10, United States Code, to provide the Secretary of the department in which the Coast Guart is operating with the authority to transport Coast Guard employees to and from certain places of employment; to the Committee on Commerce, Science, and Transportation.

H.R. 4270. An act to designate the Federal building and United States courthouse in Hato Rey, Puerto Rico, the "Federico Degetau Federal Building"; to the Committee on Environment and Public Works.

H.R. 8394. An act to provide for payments to local government based upon the acreage of the National Wildlife Refuge System which is within their boundaries; to the Committee on Environment and Public Works.

H.R. 10343. An act to provide for recalculation of the retired pay of individuals who served as sergeant major of the Marine Corps before December 16, 1967; to the Committee on Armed Services.

H.R. 12138. An act to name a certain Federal building in Laguna Niguel, California, the Chet Holifield Building; to the Committee on Environment and Public Works.

H.R. 12140. An act to amend the Federal Water Pollution Control Act to provide additional authorizations for certain operating programs under the act; to the Committee on Environment and Public Works.

H.R. 12250. An act to designate the Boundary Waters Canoe Area Wilderness, to establish the Boundary Waters Canoe Area Mining Protection Area, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 12637. An act to amend the North Pacific Fisheries Act of 1954; to the Committee on Commerce, Science, and Transportation.

H.R. 12668. An act to establish a conservation program for the living marine resources of the Arctic and Southern Oceans, and for other purposes; to the Committee on Commerce, Science, and Transportation.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by its title and placed on the calendar:

H.R. 12240. An act to authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-3757. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Workfare Provision of the Food Stamp Act of 1977 to extend the operation of the workfare pilot projects; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3758. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the intent to obligate $5.4 million of funds available in the Army Stock Fund for war reserve stocks; to the Committee on Appropriations.

EC-3759. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3760. A communication from the Assistant Secretary of the Navy (manpower, Reserve affairs and logistics), reporting, pursuant to law, on a proposal to transfer the obsolete fast patrol craft (PTF-17) to the city of Buffalo represented by the Buffalo Urban Renewal Agency, Buffalo, N.Y.; to the Committee on Armed Services.

EC-3761. A communication from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the accomplishments of the Department of Commerce under the Olympic Games Authorization Act of 1976 for the period September 28, 1976, to February 15, 1978; to the Committee on Commerce, Science, and Transportation.

EC-3762. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, decisions determining that certain lands in the States of Oregon, Colorado, Wyoming, and Idaho are considered as not suitable for disposal under the provisions of the unintentional Trespass Act (UTA) of September 26, 1968 (43 U.S.C. 1431); to the Committee on Energy and Natural Resources.

EC-3763. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, Volume III of the first annual report of the Energy Information Administration of the U.S. Department of Energy; to the Committee on Energy and Natural Resources.

EC-3764. A communication from the Secretary of the Interior and the Secretary of Agriculture, United States Youth Conservation Corps, transmitting, pursuant to law, a report of the YCC for 1977; to the Committee on Energy and Natural Resources.

EC-3765. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Effectiveness of the World Bank's Independent Review and Evaluation System," June 5, 1978; to the Committee on Foreign Relations.

EC-3766. A communication from the Deputy Assistant Secretary, Policy, Budget and Administration, Department of the Interior, reporting, pursuant to law, modification of a privacy act systems notice; to the Committee on Governmental Affairs.

EC-3767. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1975-1976 report on the Administration of the Public Health Service; to the Committee on Human Resources.

EC-3768. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, an order suspending deportation in the case of Alfonso Covarrubias-Espinoza, A8 805 004; to the Committee on the Judiciary.

EC-3769. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC-3770. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 752 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-684. A joint resolution adopted by the Legislature of the State of California; to the Select Committee on Indian Affairs:

"ASSEMBLY JOINT RESOLUTION No. 70

"Relative to Native Americans

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 70, Brown. Native Americans.

"This measure would urge the President and the Congress to take whatever actions are necessary to ensure defeat of certain legislation pertaining to Native Americans.

"Whereas, Native Americans are the original people of this continent; and

"Whereas, Native Americans have faced years of injustice and inequitable treatment in their native land; and

"Whereas, Native Americans have made significant contributions to American society and have served their nation well in time of war and peace; and

"Whereas, Native Americans have a separate and unique cultural heritage and identity; and

"Whereas, It is essential that Native Americans maintain the right to preserve their separate cultural identity; and

"Whereas, Legislation is now pending in Congress which would adversely limit and restrict tribal jurisdiction over issues relating to water, fishing, and hunting rights in Indian land, and would ultimately terminate all vestiges of Native American culture, heritage and the very existence of that people; and

"Whereas, Such measures are in direct contradiction to the recommendations presented by the American Indian Policy Review Commission which was created by Congress; and

"Whereas, Such congressionally created Commission strongly supports tribal sovereignty and recommends congressional action to clarify the sovereign status of Indian tribes by assisting in the removal of legal and administrative impediments to the exercise of self-government by such tribes and to strengthen the tribes' ability to exercise sovereign powers; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully urges the President and Congress of the United States to take whatever actions are necessary to ensure the defeat of all proposed legislation of federal resolutions currently pending in the United States Congress which, in any manner, threaten or abrogate the treaty rights of Native Americans, or which affect Native American self-government and tribal sovereignty, or which go counter to the recommendations of the American Indian Policy Review Commission; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-685. A joint resolution adopted by the Legislature of the State of California; to the Committee on Governmental Affairs:

"ASSEMBLY JOINT RESOLUTION No. 74

"Relative to the issuance of a postage stamp commemorating the landing by Sir Francis Drake in California in 1579

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 74, Knox. Commemorative postage stamp: Sir Francis Drake.

"This measure would memorialize the President, the United States Congress, and the

Postmaster General to issue a postage stamp commemorating the landing by Sir Francis Drake in the Golden Hinde on the California Coast in the summer of 1579.

"Whereas, The summer of 1979 will be the quadricentennial of the landing by Sir Francis Drake in the Golden Hinde on what is now the California coast during his historic circumnavigation of the world; and

"Whereas, In the summer of 1579 Captain Francis Drake discovered and named part of Western America, Nova Albion; and

"Whereas, The Native Americans did with great ceremony and dignity present a crown and scepter and the title of Hioh to Captain Francis Drake; and

"Whereas, Captain Francis Drake did then declare these people to be subjects of Her Majesty Queen Elizabeth of England, the first non-Europeans to be so honored; and

"Whereas, Nova Albion was the founding overseas dominion in the British Commonwealth of Nations; and

"Whereas, Nova Albion was the first Elizabethan discovery claim of what was to become the United States and directly contributed to the English interest in the new world which manifested itself with Sir Humphrey Gilbert's voyage to Newfoundland in 1583 and Sir Walter Raleigh's colony in Virginia in 1585; and

"Whereas, New England was given that name by Captain John Smith because Sir Francis Drake had named the opposite shore Nova Albion in honor of the oldest known name for Britain; and

"Whereas, Francis Drake was the first British navigator to circle the world and perform this 'famous voyage' in fulfillment of the Elizabethan doctrine that the 'air and the sea is common to all nations'; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States and the United States Postal Service to authorize the issuance of a commemorative stamp in honor of the landing by Sir Francis Drake in the Golden Hinde on the California Coast in the summer of 1579; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Postmaster General of the United States Postal Service."

POM-686. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Select Committee on Small Business:

"HOUSE CONCURRENT RESOLUTION No. 136

"A concurrent resolution to memorialize the Congress and President of the United States to direct the Small Business Administration to sponsor a loan forgiveness program to speed the economic recovery of Louisiana citizens affected by the recent flood in federally declared disaster area comprising the parishes of Orleans, Jefferson, St. Charles, St. Bernard, and St. John the Baptist

"Whereas, the recent nine and one-half inch rain on May 2, 1978, caused sudden and disastrous flooding in the parishes of Orleans, Jefferson, St. Charles, St. Bernard, and St. John the Baptist; and

"Whereas, the area suffered untold damage and wreaked havoc in the lives of its residents as to result in federal declaration of these parishes as a disaster area; and

"Whereas, in the aftermath of this great disaster, the Small Business Administration can most effectively aid those residents of the inundated area to whom it has loaned money by forgiving a portion of those loans. Therefore, be it

"*Resolved* by the House of Representatives of the Legislature of Louisiana, the Senate concurring herein, that the Congress and President of the United States are hereby memorialized to direct the Small Business Administration to take immediate steps to initiate and sponsor a loan forgiveness program to aid the residents of the disaster area declared by the federal government to be comprised of the parishes of Orleans, Jefferson, St. Charles, St. Bernard, and St. John the Baptist who were adversely affected by the flood of May 2, 1978 and to thereby speed their economic recovery. Be it further

"*Resolved* that a copy of this Resolution shall be transmitted to the President of the United States of America, the Speaker of the House of Representatives, the President of the Senate of the United States Congress, and to each member of the Louisiana delegation in Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HART, from the Committee on Armed Services, with an amendment and an amendment to the title:

S. 2635. A bill to authorize the disposal of eleven materials from the national and supplemental stockpiles (together with additional views) (Rept. No. 95-925).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Special Report on Spending Allocations (Rept. No. 95-926).

By Mr. HART, from the Committee on Armed Services, without amendment:

S. Res. 474. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2635. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

The following-named persons to the Members of the Federal Farm Credit Board, Farm Credit Administration:

George Warren Lacey, of Montana;
John D. Naill, Jr., of Arkansas; and
Dwight L. Tripp, Jr., of Maine.

(The above nominations from the Committee on Agriculture, Nutrition, and Forestry were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Peter F. Vaira, Jr., of Illinois, to be U.S. Attorney for the Eastern District of Pennsylvania.

Russell T. Baker, Jr., of Maryland, to be U.S. Attorney for the District of Maryland.

(The above nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT OF REPORT ON S. 3033

Mr. LEAHY. Mr. President, a number of clerical and typographical errors were made in the printing of the report on S. 3033 (Rept. No. 95-879). In order to correct the errors, I ask unanimous consent that the report be star printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOLE:

S. 3165. A bill for the relief of William Armstrong and Rita Armstrong; to the Committee on the Judiciary.

S. 3166. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income a portion of each individual's personal service income to reflect the loss in the purchasing power of that income attributable to inflation; to the Committee on Finance.

S. 3167. A bill to establish a Commission to prepare and recommend a Federal constitutional amendment to balance the Federal Budget, and for other purposes; to the Committee on Governmental Affairs.

S. 3168. A bill to amend the Congressional Budget Act to limit increases in total Federal budget outlays and new budget authority to existing real dollar levels; to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to the order of August 4, 1977, and if one committee orders the bill reported, the second committee has 30 days of continuous session in which to act.

By Mr. DURKIN:

S. 3169. A bill for the relief of Rocio Edmondson; to the Committee on the Judiciary.

By Mr. BAYH (for himself and Mr. METZENBAUM):

S. 3170. A bill to provide financial assistance to States in order to expand educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes; to the Committee on the Judiciary.

By Mr. GRIFFIN:

S. 3171. A bill to amend the Tariff Schedules of the United States to provide duty-free treatment for certain gloves and trousers which incorporate protective features designed specifically for use in forestry; to the Committee on Finance.

By Mr. TALMADGE (for himself and Mr. BENTSEN):

S. 3172. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated wtih the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Finance.

S. 3173. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Finance.

By Mr. INOUYE:

S. 3174. A bill for the relief of Kimiko Tengan Watanabe and Richard Kiyoshi Uyehara; to the Committee on the Judiciary.

By Mr. MARK O. HATFIELD:

S. 3175. A bill to facilitate the exchange of certain lands in the State of Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LAXALT:

S. 3176. A bill to amend section 118 of the Internal Revenue Code of 1954 to clarify the treatment of contributions in aid of construction to regulated electric or gas utilities; to the Committee on Finance.

By Mr. NUNN (for himself, Mr. TALMADGE, and Mr. SASSER):

S. 3177. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and County extension services to obtain excess property from the United States; to the Committee on Governmental Affairs.

By Mr. CHILES (for himself, Mr. PACKWOOD, Mr. HEINZ, and Mr. DECONCINI):

S. 3178. A bill to provide for the resolution of claims and disputes relating to Government contracts awarded by executive agencies; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent.

By Mr. NUNN (for himself, Mr. CHILES, Mr. HUDDLESTON, and Mr. JOHNSTON):

S. 3179. A bill to amend the Small Business Act to create a Small Business and Capital Ownership Development Program; to the Select Committee on Small Business.

By Mr. BAYH (for himself, Mr. BROOKE, Mr. NELSON, Mr. ABOUREZK, and Mr. WILLIAMS:)

S. 3180. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DECONCINI (by request):

S. 3181. A bill to provide for nationwide service of subpoenas in all suits involving the False Claims Act, and for other purposes; to the Committee on the Judiciary.

By Mr. TALMADGE (for himself and Mr. BENTSEN):

S. 3182. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

By Mr. DOLE:

S.J. Res. 138. Joint resolution proposing an amendment to the Constitution to provide that, except in time of national emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S.J. Res. 139. Joint resolution establishing the Aboriginal Hawaiian Claims Settlement Study Commission, and for other purposes; to the Select Committee on Indian Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE:

S. 3165. A bill for the relief of William Armstrong and Rita Armstrong; to the Committee on the Judiciary.

(The remarks of Mr. DOLE when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. DOLE:

S. 3166. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income a portion of each individual's personal service income to reflect the loss in the purchasing power of that income attributable to inflation; to the Committee on Finance.

S. 3167. A bill to establish a commission to prepare and recommend a Federal constitutional amendment to balance the Federal Budget, and for other purposes; to the Committee on Governmental Affairs.

S. 3168. A bill to amend the Congressional Budget Act to limit increases in total Federal budget outlays and new budget authority to existing real dollar levels; to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to the order of August 4, 1977, and if one committee orders the bill reported, the second committee has 30 days of continuous session in which to act.

S.J. Res. 138. A joint resolution proposing an amendment to the Constitution to provide that, except in time of national emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

(The remarks of Mr. DOLE when he introduced the bills and joint resolution appear elsewhere in today's proceedings.)

By Mr. BAYH (for himself and Mr. METZENBAUM):

S. 3170. A bill to provide financial assistance to States in order to expand educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes; to the Committee on the Judiciary.

FEDERAL CORRECTIONAL EDUCATION ASSISTANCE ACT

● Mr. BAYH. Mr. President, there can be little dispute that American prisons have not been effective in rehabilitating criminals. Recidivism studies document that at least one-third of the offenders released from prison will be reincarcerated within 5 years. What is more, even those ex-prisoners who do extricate themselves from the cycle of release and reimprisonment usually do not lead what society would deem a successful or useful life. Studies have shown that the unemployment rate among ex-offenders is three times the rate for the general public, that those who do find jobs often work in low income, semi-skilled positions, and that many ex-felons end their lives in suicide.

There is no single explanation for this tremendously high rate of postprison failure, but we do know for certain that learning disabilities and educational deficiencies are widespread among juvenile and adult offenders in this country. The Federal Bureau of Prisons has estimated that as many as 20 to 50 percent of the adults incarcerated in American prisons are illiterate. Up to 90 percent are school dropouts. A 1974 survey of prisoners in State correctional institutions showed that 61 percent of the inmates had terminated their formal schooling before receiving a high school diploma. This compares with 38.7 percent of the general population. About 25 percent of the general population had some college training, compared with only 9 percent among the inmate population.

Education and success in life are integrally related in this society. Studies have found a relationship between educational failure and inability to compete in the job market as well as a relationship between employment and the ability to stay out of prison. A Bureau of Prisons study indicates that whenever unemployment of males over 20 goes up, the population of the Federal prison system goes up correspondingly. It seems obvious that if an ex-convict is to break away from the criminal cycle, he or she must at least be able to read and write and have some marketable job skill.

Of course, there are those who would argue that we have already tried a variety of educational, counseling, and other treatment techniques, many of which have failed miserably. Some contend that the majority of offenders simply cannot be rehabilitated, at least not by any of the currently known methods, and that we should turn our emphasis from rehabilitation to punishment and incapacitation. In response, I would point out that due to poor funding and inadequate resources, corrections education has not been given a realistic chance to succeed. Examining the allocation of resources for corrections in this country reveals that at least 80 percent of all expenditures are for custody and administration, while only 20 percent are for rehabilitative programs, including education. Three recent studies in particular have confirmed how woefully inadequate our corrections education programs have been so far.

The Corrections Task Force of the National Advisory Commission on Criminal Justice Standards and Goals concluded that education within the American correctional system has not kept pace with the social, economic, political, and technological realities of society. Therefore, the quality and relevance of educational programs in institutions have suffered tremendously. These findings were further detailed by a study prepared for the U.S. Department of Labor. The report, "Vocational Preparation in U.S. Correctional Institutions: A 1974 Survey," concluded that "vocational preparation in correctional institutions is generally inadequate" and represents "a serious waste of human and material resources." Major findings of the study included the following:

Only half of the directors of vocational training programs regarded as important the development of job skills to enable an inmate to obtain outside employment. Vocational guidance, counseling and follow-up were often lacking.

More than half the inmates interviewed wanted types of training that were unavailable at their institutions.

There was an apparent lack of relationship of job training to individual and local market needs.

Less than half of the inmates who participated in training said that the job they eventually obtained upon release was related to the training they received in prison.

Institutions with vocational training programs spent on the average less than

7 percent of their total budgets on vocational training.

The correctional education project of the Education Commission of the States, which has conducted a 3-year study of education services in correctional institutions, reported that basic and vocational education programs in prisons are too few in number, too often provide training for only institutional maintenance skills, and are generally taught by poorly trained staff. The project concluded:

The evidence to date indicates that educational curricula and the methods for providing them are below any reasonable standard in view of the critical needs that should be addressed. Educational services are not closely matched to these needs in kind, quality, or availability.

Mr. President, despite these serious indictments of prison education programs in general, there have been some promising individual projects. One in particular of which I am aware is "Project NewGate," a college-level prison education program which originated in the State of Oregon in 1967. The project received initial Federal funding from the Office of Economic Opportunity, and by 1973 eight States had NewGate programs, including six programs in my own State of Indiana and six programs in Ohio. These programs include full-time staff to provide counseling, placement in community education programs, college-level instruction and postrelease supportive services. A study funded by OEO suggests that NewGate has been a successful program. Despite the fact that recidivism rates were found not to vary significantly between NewGate students and others, other measures indicate that participation in a NewGate program results in a more successful postrelease career. When compared to a matched group of nonparticipant inmates, NewGate participants were more likely to be employed or in school and to have better job stability, less likely to have continued drug or drinking problems, and more likely to have continued their education.

NewGate and programs like it demonstrate that the potential for conducting educational programs within institutions is great. However, additional resources and a new commitment are needed to actualize this potential. I am aware, of course, that prison costs are already high and growing higher, and that the States, which house the vast majority of the Nation's prisoners, face great difficulties in providing adequate funds for new correctional programs. That is why Senator METZENBAUM and I are today introducing a bill, the Federal Correctional Education Assistance Act, which would provide Federal financial assistance to the States to carry out educational programs for offenders.

The program would be administered by the Commissioner of Education, who would be authorized to make grants to qualifying State and local educational agencies, institutions of higher education and other public and private nonprofit agencies, organizations and institutions of up to 90 percent of the amount expended by the States on such programs. We realize that there are already Federal funds available for corrections assistance through the Law Enforcement Assistance Administration. However, these funds are being used for many purposes in addition to education.

We feel that there must be adequate funding available solely for the purpose of corrections education. This need for a new emphasis on education is also the reason we have chosen to have the new program administered by the Commissioner of Education. However, so as not to fund programs that are inconsistent with the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, this bill would prohibit the use of funds appropriated under it to be used for purposes inconsistent with the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The Juvenile Justice Act reflected the consensus of most professionals in the juvenile delinquency field, as well as other concerned citizens, that far too many juveniles are locked up. Many of the youths detained and incarcerated—particularly those whose conduct would not be illegal if they were adults—require, at most, nonsecure and usually temporary placement. In fact, many would better off if the State refrained from intervening in their lives at all.

Sections 223(a) (12), (13), and (14) are central to the Juvenile Justice Act. These provisions condition continued State participation in the formula grant program on a commitment to deinstitutionalization of status offenders, segregation of juvenile and adult offenders, and development of an adequate system for monitoring jails, detention facilities, and correctional facilities. Taken together, these requirements are stimulating the development of appropriate alternatives including nonintervention to fill the void between essentially ignoring unlawful behavior and continuing wholesale detention and incarceration. We in Congress and the administration have pledged to fulfill the commitments of the Juvenile Justice and Delinquency Prevention Act, as amended, and wish to make it absolutely clear that funds appropriated under this legislation and any other shall not be spent for programs that are inconsistent with this act.

Of course, I know that poor education does not necessarily cause crime and that corrections education alone cannot prevent recidivism. Education cannot solve every human problem. However, it can be said that the greater the problems people must face in coping with society, including educational problems, the greater the chances they will continue to resort to crime. Ninety-five percent of the people sent to correctional institutions eventually come back to the community, often within 2 years. We must decide whether we want them to come back worse off or better off. I feel very strongly that prison education is one way to provide prisoners with skills that will enhance their chances of success after release. If our correctional system is ever to do more than isolate or punish, if it is ever going to successfully rehabilitate people, we must meet the educational needs of offenders. Some may say that this bill is too costly for the Federal Government to afford, but I say we cannot afford not to pass it.

Mr. President, I anticipate that this legislation will be referred to the Committee on Human Resources, Subcommittee on Education, Arts and Humanities chaired by our distinguished colleague (Mr. PELL). I look forward to working with Senator PELL on this legislation to assure that our mutual goals are accomplished.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis of the legislation be placed in the RECORD at this point.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3170

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Correctional Education Assistance Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) existing educational programs in juvenile and adult correctional institutions are inadequate to meet the needs of accused or convicted offenders;

(2) State and local educational agencies and other public and private nonprofit agencies do not have the financial resources needed to respond to the increasing need of the correctional system for appropriate institutional and noninstitutional educational services for accused and convicted criminal offenders;

(3) criminal offenders who participate in improved educational programs will be more likely to adjust to society.

(4) there is a strong relationship between recidivism and the inability of a criminal offender to become a contributing member of society; and

(5) there is a growing need for immediate action by the Federal Government to assist State and local educational programs.

(b) It is, therefore, the purpose of this Act to provide financial assistance to the States to carry out educational programs for criminal offenders.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "criminal offender" means any individual who is charged with or convicted of any criminal offense including a youth offender or a juvenile offender;

(2) "correctional institution" means any prison, jail, reformatory, workfarm, detention center, halfway house, community-based rehabilitation center, or any other institution designed for the confinement or rehabilitation of criminal offenders;

(3) "Commissioner" means the Commissioner of Education;

(4) "State" means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(5) "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

AUTHORIZATION AND ALLOCATION

SEC. 4. (a) There is authorized to be appropriated $50,000,000 for the fiscal year ending September 30, 1979, and for each succeeding fiscal year ending prior to September 30, 1980, 1981, 1982 and 1983, $75,000,000 to enable the Commissioner to make grants to States in accordance with the provisions of this Act. Funds appropriated for any fiscal year may remain available until expended.

(b) The Commissioner is authorized to make grants to State and local educational agencies, institutions of higher education and other public and private nonprofit agencies, organizations and institutions,

(c) From the sums appropriated pursuant to subsection (a), the Commissioner shall allocate annually to each State an amount which bears the same ratio to such sum as the population of that State bears to the State's yearly population in correctional institutions.

(d) No sums appropriated pursuant to subsection (a) shall be used for purposes inconsistent with the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

(e) The amount by which any allotment of a State for a fiscal year under subsection (c) exceeds the amount which the Commissioner determines will be required for such fiscal year for applications approved under section 6 within such State shall be available for reallotment to other States in proportion to the original allotments to such States under subsection (c) for that year, but with such proportionate amount for any such State being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year. The total of such reduction shall be similarly reallotted among the States whose proportioned amounts were not so reduced. Any amount reallotted to a State under this subsection during a fiscal year shall be deemed part of its allotment under subsection (c) for such year.

USES OF FUNDS

SEC. 5. Grants made under this Act to States may be used, in accordance with applications approved under section 6 for the Federal share of the cost of educational programs for criminal offenders, including—

(1) academic programs for—

(A) basic education with special emphasis on reading, writing, vocabulary and arithmetic;

(B) special education programs as defined by State Law;

(C) bilingual or bicultural programs for members of minority groups;

(D) secondary school credit programs;

(E) postsecondary programs;

(F) fine arts programs;

(G) recreation and health programs; and

(H) curriculum development for the programs described in this paragraph;

(2) standard and innovative vocational training programs;

(3) library development and library service programs;

(4) training for personnel specializing in correctional educational programs, including inservice training for such individuals;

(5) educational release programs for criminal offenders, with special attention given to vocational work release training programs;

(6) remodeling of educational facilities particularly facilities for vocational training;

(7) guidance programs including testing, preparation and maintenance of case records for criminal offenders, counseling, psychological evaluation, and placement services;

(8) supportive services for criminal offenders, with special emphasis upon job placement services and coordination of educational services with other agencies furnishing services to criminal offenders after their release;

(9) incentive programs to increase the participation of criminal offenders in rehabilitative educational programs;

(10) research and experimental programs designed to develop new approaches and techniques in correctional education; and

(11) evaluation programs designed to test the effectiveness of education programs for criminal offenders, particularly programs assisted under this Act.

APPLICATION

SEC. 6. A State desiring to receive a grant under this Act shall submit an application to the Commissioner at such time, in such manner, and containing or accompanied by such information as the Commissioner deems reasonably necessary. Each such application shall—

(1) provide that the programs and projects for which assistance under this Act is sought will be administered by, or under the supervision of, the State educational agency;

(2) set forth a program for carrying out the purposes set forth in section 5 and provide for such methods of administration as are necessary for the proper and efficient operation of the program;

(3) provide assurances that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any employee in any such program because of race, color, creed, national origin, sex, political affiliation or beliefs;

(4) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this Act; and

(5) provide for making annual program and fiscal reports as the Commissioner may reasonably require and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) Applications made under this Act may be approved by the Commissioner if the Commissioner determines that—

(1) the application meets the requirements set forth in this Act; and

(2) the application for financial assistance does not exceed 90 percent of the cost of carrying out the program proposed in such application.

For the purpose of clause (2) of the preceding sentence, contributions by or on behalf of the State may be in cash or in kind, including real or personal property or any combination thereof, or services.

PAYMENTS AND WITHHOLDING

SEC. 7. (a) The Commissioner shall pay to each State which has an application approved under this Act an amount not to exceed 90 percent of the sum expended by the State for the purposes set forth in the application.

(b) Whenever the Commissioner, after giving reasonable notice and opportunity for hearing to a State under this Act, finds—

(1) that the program or project for which such assistance under this Act was made has been so changed that it no longer complies with the provisions of this Act; or

(2) that in the operation of the program or project there is failure to comply substantially with any such provision;

the Commissioner shall notify such State of the findings and no further payments may be made to such State by the Commissioner until the Commissioner is satisfied that such noncompliance has been, or will promptly be, corrected. The Commissioner may authorize the continuance of payments with respect to any projects pursuant to this Act which are being carried out by such State and which are not involved in the noncompliance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

SECTION 1

Provides that the Act may be cited as the "Federal Correctional Education Assistance Act".

SECTION 2—FINDINGS AND STATEMENT OF PURPOSE

Finds that existing education programs in juvenile and adult correctional institutions are inadequate to meet the needs of accused or convicted offenders and that state and local educational agencies and other public and private nonprofit agencies do not have the financial resources needed to respond to the increasing need of the correctional system for appropriate institutional and noninstitutional educational services for accused and convicted criminal offenders. Finds that criminal offenders who participate in improved educational programs will be more likely to adjust to society rather than continuing criminal activities. The purpose of the legislation is to provide federal financial assistance to the states to carry out educational programs for criminal offenders.

SECTION 3—DEFINITIONS

Defines "criminal offender" as any individual who is charged with or convicted of any criminal offense including a youth or juvenile offender.

Defines "correctional institution" as any prison, jail, reformatory, workfarm, detention center, halfway house, community-based rehabilitation center, or any other institution designed for the confinement or rehabilitation of criminal offenders.

Provides that "Commissioner" means the Commissioner of Education.

Provides that "State" includes each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

Defines "State educational agency" as the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

SECTION 4—AUTHORIZATION AND ALLOCATION

Authorizes the appropriation of $50 million to carry out the purposes of the legislation during fiscal year 1979. Authorizes the appropriation of $75 million for each of fiscal years 1980, 1981, 1982 and 1983.

Provides that the Commission may authorize grants to not only State educational agencies, but also local educational agencies and institutions of higher education and other public and private nonprofit agencies, organizations and institutions.

Provides that each State's allotment for a fiscal year shall bear the same ratio to the total amount of money appropriated for that year as the population of the State bears to the State's yearly population in correctional institutions.

Provides that no sums appropriated under this Act shall be used for purposes inconsistent with the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

If the Commissioner of Education determines that any State's allotment exceeds what will be required by that State for the fiscal year, then the excess amount may be reallotted to other States in the same proportion as their original allotments. If such a reallotment to a State exceeds the amount the Commissioner estimates that State will need for the year, the reallotment will be reduced accordingly and in turn will be reallotted among the States whose allotments have not been reduced. Any money reallotted to a State in this manner shall be deemed part of its original allotment.

SECTION 5—USES OF FUNDS

Provides that grants to States under this Act may be used for the Federal share of the cost of educational programs for criminal offenders including: (1) basic education programs, special education programs, bilingual or bicultural programs for minority groups,

secondary school credit and postsecondary programs, fine arts programs, recreation and health programs, and curriculum development for all these programs; (2) standard and innovative vocational training programs; (3) library development and services; (4) training, including inservice training, for personnel specializing in correctional education; (5) education release programs, with special emphasis on work release; (6) remodeling of education facilities especially vocational training facilities; (7) guidance programs; (8) supportive services with special emphasis upon job placement and coordination of educational services with other social services; (9) incentive programs; (10) research and experimental programs to develop new approaches and techniques in correctional education; and (11) evaluation programs to test the effectiveness of corrections education programs, particularly programs assisted under the Act.

SECTION 6—APPLICATION

Provides that for a State to receive a grant under the Act it must submit an application to the Commissioner of Education at such time, in such manner, and containing or accompanied by whatever information the Commissioner requires.

Requires that each application must: (1) provide that the programs or projects assisted under the Act will be administered or supervised by the State educational agency; (2) set forth a program for carrying out the purposes of the Act, including the methods to be used in administering the program; (3) assure that no person with responsibilities in the operation of the program will discriminate against any program participant or employee because of race, color, creed, national origin, sex, political affiliation or beliefs, (4) provide for fiscal control and fund accounting for Federal funds paid under the Act; and (5) provide for making annual program and fiscal reports required by the Commissioner of Education, and for keeping such records and for affording access to those records as the Commissioner finds necessary.

Provided that applications may be approved by the Commissioner if the Commissioner determines that the application meets all requirements set forth in the Act and the application does not exceed 90 percent of the cost of carrying out the proposed program. Contributions by or on behalf of the State may be in cash or in kind, including real or personal property or any combination thereof, or services.

SECTION 7—PAYMENTS AND WITHHOLDING

Provides that the Commissioner of Education shall pay to each State whose application has been approved an amount not to exceed 90 percent of the sum expended by the State for purposes set forth in its application.

If the Commissioner determines that any program or project which has received assistance under the Act has been changed so that it no longer complies with the Act's provisions, or that in its operation the program or project has substantially failed to comply with any of the provisions, then after reasonable notice and opportunity for a hearing, the Commissioner shall notify the State of the findings and no further payments shall be made to the State until the noncompliance has been or will promptly be corrected. Authorizes the Commissioner to continue payments to any projects funded under the Act which are not involved in the noncompliance. ●

By Mr. TALMADGE (for himself and Mr. BENTSEN):

S. 3172. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Finance.

S. 3182. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

DEFINITION OF CHURCH PLAN

Mr. TALMADGE. Mr. President, with my colleague, Senator BENTSEN of the State of Texas, I am introducing bills to amend the definition of "church plan" found at section 414(e) of the Internal Revenue Code and section 3(33) of the Employee Retirement Income Security Act of 1974. All of the major church denominations in this country—Protestant, Catholic, and Jewish—are of one accord in this matter. They need and desire relief.

When we enacted ERISA in 1974, we set 1982 as the date beyond which a church plan could no longer provide retirement and welfare benefits for employees of church agencies. We also forbade the church plans to provide any new agency coverage after 1974. Moreover, as I will explain later, the church plan definition is so narrow that it almost completely fails to consider the way our church plans have for decades operated. At this moment our churches are justifiably concerned that their plans do not meet the church plan requirements and are, therefore, subject to ERISA. In 1974, we did not recognize the unique character and needs of our church plans.

The church plans in this country have historically covered both ministers and lay employees of churches and church agencies. These plans are some of the oldest retirement plans in the country. Several date back to the 1700's. The average age of a church plan is at least 40 years. To comply with ERISA by 1982, the churches must divide their plans into two so that one will cover church employees and the other, agency employees. It is no small task to break up a plan that has been in existence for decades, even centuries.

The estimated legal, actuarial, and accounting costs of the initial division of church plans and the additional continuing costs of maintaining two separate plans are so significant that reduced retirement and other benefits may result unless they can be assimilated. To offset these additional costs, the churches are confronted with a very large, and possibly not absorbable, economic burden, merely to provide pre-ERISA level of benefits. There is no imposition by ERISA of such moment on the plans of other organizations.

Church agencies are essential to the churches' mission. They care for the sick and needy and disseminate religious instruction. They are, in fact, part of the churches. As a practical matter, it is doubtful that the agency plans would survive subjection to ERISA. There is an essential difference between the plans of business and the plans of church institutions. If a business incurs increased plan maintenance costs, it merely passes these on to the consumer. The incomes of most church agencies, on the other hand, are dependent solely upon tithes and other offerings. There is virtually no way for them to compensate for the additional costs of complying with ERISA. The churches fear that many of the agencies would abandon their plans. We are concerned today that the requirements of ERISA has made the maintenance of plans too expensive and demanding even for businesses which have the capacity to absorb additional costs. The impact of ERISA on church agencies would be many times as serious as that on businesses.

Ministers and lay employees have a unique need to be covered by one plan. Employment is extremely fluid within our denominations. A minister will frequently move from church to agency, or wherever his services are most needed. If he cannot be covered by one plan, gaps in coverage may occur because the agency may not have a plan or may have a waiting period before participation. If the church plan definition is allowed to remain, ministers and lay employees will not be able to pursue their missions nearly as freely as they have in the past. It is inescapable that the way our churches have functioned will be directly affected.

As I mentioned earlier, the church plan definition is so narrowly drawn that it does not in many ways even approximate the way church plans are organized or operated. For example, this definition can be interpreted to require a minister or lay employee of a church to be a current employee. Many ministers serve their faith outside the denominational structure—as chaplains in prisons, hospitals, universities, and elsewhere. Evangelist ministers are usually self-employed and have no employer. There is no valid reason for denying these persons the benefits of retirement and welfare coverage.

This type of problem is less apt to occur in a hierarchical denomination because a minister may continue to be considered an employee even though he is serving outside the church structure.

Most church plans of congregational denominations are administered by a pension board. This is usually an organization separately incorporated from, but controlled by, the denomination. Under the church plan definition, there is a question whether the plan is established by a church, as it must be, or by a pension board. This requirement also points up the inapplicability of the church plan definition to congregational churches. In this type of church, the denomination has little, if any, control over the local churches. Some differences in plan provisions occur, because the denomination cannot enforce uniformity, and the question whether the plan is maintained by the denomination or by the local churches is raised.

The inability of a congregational denomination to control its agencies makes

it difficult to see how the church agency plan could meet the requirements of ERISA. In a corporate structure lines of authority are clear. One plan covering the employees of a parent and its subsidiaries can easily meet the requirements of law because of the control executed by the parent. As I have stated, a congregational denomination cannot force the agencies to observe the requirements of ERISA. Accordingly, there is little hope that a plan established by a congregational church for its agencies could comply with ERISA.

Mr. President, these and other problems over the church plan definition under present law confront the churches today. They are worried that their plans do not now meet the church plan requirements and concerned over the impending restructuring of their plans. It is time we remove the churches from this statutory cloud. If we have enacted a statute that may require the church plans to come under ERISA, file reports, be subject to the examination of books and records and possible foreclosure of church property to satisfy plan liabilities, it must be changed because we have clearly created an excessive government entanglement with religion.

Under the provisions of our bills, effective as of January 1, 1974, a church plan shall be able to continue to cover the employees of church-associated organizations. There will be no need to separate the employees of church agencies from the church plan. The bills retain the definition of church plan as a plan established and maintained for its employees by a church or by a convention or association of churches exempt from tax under section 501. However, to accommodate the differences in beliefs, structures, and practices among our religious denominations, all employees are deemed to be employed by the denomination. The term employee is also redefined to include: One, a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry; two, an employee of an organization which is exempt from tax and which is controlled by or associated with the church; and three, certain former employees who participated in the church plan before separation from service.

Under the bill an organization is "associated" with a church if it shares common religious bonds and convictions with that church. Thus, by including an ordained minister as an employee without the requirement of an actual employment relationship, the church plan may continue to cover a minister who serves outside of the denominational structure, provided the service is in the exercise of his ministry. Accordingly, a minister serving as a prison chaplain or teaching religious studies at a university or an evangelist minister who has no employer would be entitled to participate in the church plan.

Under the bills a church plan will not have to remove from its rolls an employee who has left the denominational group but may retain his accrued benefit or account for the eventual payment of benefits under the plan. There is no real reason why a church plan should be forced to pay a former employee his accrued benefit in cash and, thus, destroy his retirement benefits. Some denominations continue to accept plan contributions for disabled employees and, temporarily, for employees who have separated from service. A minister or lay employee may reach a point in his career where he wants time to decide whether he will spend the rest of his life in the service of the church. During this period the denomination may permit the individual to continue to be covered by the church plan even though he is separated from service. Under the bills a church plan may continue to receive contributions for an individual who is a participant in the church plan at the time of his separation from service but only for a period of 5 years. A time limit is not placed upon employees who separated from service because of disability.

A plan or program funded or administered through a pension board, whether a civil law corporation or otherwise, will be considered a church plan, provided the principal purpose or function of the pension board is the administration or funding of a plan or program for the provision of retirement or welfare benefits for the employees of a church. The pension board must also be controlled by or associated with a church exempt from tax under section 501. No church plan administered or funded by a pension board would be disqualified merely because it is separately incorporated or merely because of variations in the plan provisions among the local employers.

The bill also corrects a very harsh position taken by the Treasury Department in its proposed regulations defining church plans. These proposed regulations provide that once a church plan fails to meet the requirements of church plan it can never thereafter be a church plan. This rule requires perpetual disqualification of church plan status for the smallest violation of rules that are not now clearly understood and that will take years to resolve.

Our bills provide a mechanism whereunder a church plan will be disqualified as such only after it receives appropriate notice that it has violated the church plan requirements and does not within a certain period of time correct its default. The term "correction" as used in the bill is not intended necessarily to require a church plan to undo the default completely or to put itself and other parties in precisely the same position they would have been in had the default never occurred. The degree of correction required should depend upon the equities of the situation.

For example, a possible violation of the church plan requirements would be the coverage of an impermissible number of individuals who are not defined as employees. A complete correction of this type of default would require the plan to refund to these individuals all contributions made on their behalf. Such a correction may cause the distributions to be included in the incomes of innocent persons and, hence, work a hardship on them.

In this type of situation, the default should be considered corrected if the church plan were permitted to retain the accrued benefits or accounts of these individuals for the eventual payment of benefits upon their death or retirement. But the plan should accept no further contributions with respect to them.

Therefore, Mr. President, I urge my distinguished colleagues to support these measures and I ask unanimous consent that the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 3172

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 414(e) of the Internal Revenue Code of 1954 is amended to read, as follows:

"(e) CHURCH PLAN.—

"(1) IN GENERAL.—For purposes of this part the term 'church plan' means a plan established and maintained (to the extent required in paragraph (2)(B)) for its employees (or their beneficiaries) by a church or by a convention or association of churches which is exempt from tax under section 501.

"(2) CERTAIN PLANS EXCLUDED.—The term 'church plan' does not include a plan—

"(A) which is established and maintained primarily for the benefit of employees (or their beneficiaries) of such church or convention or association of churches who are employed in connection with one or more unrelated trades or businesses (within the meaning of section 513); or

"(B) which includes individuals less than substantially all of whom are described in paragraphs (1), (3)(B), or (3)(E) (or the beneficiaries).

"(3) DEFINITIONS AND OTHER PROVISIONS.—For purposes of this subsection—

"(A) A plan established and maintained by a church or by a convention or association of churches shall include a plan established and maintained by an organization, whether a civil law corporation or otherwise, the principal purpose or function of which is the administration or fundng of a plan or program for the provision of retirement benefits or welfare benefits, or both, for the employees of a church or a convention or association of churches, if such organization is controlled by or associated with a church or a convention or association of churches.

"(B) The term 'employee' of a church or a convention or association of churches shall include—

"(i) a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry, regardless of the source of his compensation;

"(ii) an employee of an organization, whether a civil law corporation or otherwise, which is exempt from tax under section 501 and which is controlled by or associated with a church or a convention or association of churches; and

"(iii) an individual described in paragraph (3)(E).

"(C) A church or a convention or association of churches which is exempt from tax under section 501 shall be deemed the employer of any individual included as an employee under paragraph (3)(B).

"(D) An organization, whether a civil law corporation or otherwise, is associated with a church or a convention or association of churches if it shares common religious bonds and convictions with that church or convention or association of churches.

"(E) If an employee who is included in a church plan separates from the service of a church or a convention or association of churches or an organization described

in clause (ii) of paragraph (3)(B), the church plan shall not fail to meet the requirements of this subsection merely because it—

"(i) retains his accrued benefit or account for the payment of benefits to him or his beneficiaries pursuant to the terms of the plan; or

"(ii) receives contributions on his behalf after his separation from such service, but only for a period of five years after the employee's separation from service, unless the employee is disabled (within the meaning of the disability provisions of the church plan or, if there are no such provisions in the church plan, within the meaning of section 72(m)(7)) at the time of such separation from service.

"(4) CORRECTION OF FAILURE TO MEET CHURCH PLAN REQUIREMENTS.—If a plan established and maintained for its employees (or their beneficiaries) by a church or by a convention or association of churches which is exempt from tax under section 501 fails to meet one or more of the requirements of this subsection and, corrects its failure to meet such requirements within the correction period, the plan shall be deemed to meet the requirements of this subsection for the year in which the correction was made and for all prior years. If a correction is not made within the correction period, the plan shall not be deemed to meet the requirements of this subsection beginning with the date on which the earliest failure to meet one or more of such requirements occurred. The term 'correction period' means the period ending with the later of the following: (1) 270 days after the date of mailing by the Secretary of a notice of default with respect to the plan's failure to meet one or more of the requirements of this subsection; (2) such period as may be set by a court of competent jurisdiction after a determination that has become final that the plan fails to meet such requirements, or, if the final court determination does not specifiy such period, a reasonable period depending upon all the facts and circumstances, but in any event not less than 270 days after the determination has become final; or (3) any additional period which the Secretary determines is reasonable or necessary for the correction of the default."

SEC. 2. The amendments made by this Act shall be effective as of January 1, 1974.

S. 3182

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 3(33), title I, of the Employee Retirement Income Security Act of 1974 is amended to read, as follows:

"(33)(A) The term 'church plan' means a plan established and maintained (to the extent required in clause (ii) of subparagraph (B)) for its employees (or their beneficiaries) by a church or by a convention or association of churches which is exempt from tax under section 501 of the Internal Revenue Code of 1954.

"(B) The term 'church plan' does not include a plan—

"(i) which is established and maintained primarily for the benefit of employees (or their beneficiaries) of such church or convention or association of churches who are employed in connection with one or more unrelated trades or businesses (within the meaning of section 513 of the Internal Revenue Code of 1954), or

"(ii) which includes individuals less than substantially all of whom are described in subparagraph (A) and in clauses (ii) and (v) of subparagraph (C) (or their beneficiaries).

"(C) For purposes of this paragraph—

"(i) A plan established and maintained by a church or by a convention or association of churches shall include a plan established and maintained by an organization, whether a civil law corporation or otherwise, the principal purpose or function of which is the administration or funding of a plan or program for the provision of retirement benefits or welfare benefits, or both, for the employees of a church or a convention or association of churches, if such organization is controlled by or associated with a church or a convention or association of churches.

"(ii) The term 'employee' of a church or a convention or association of churches shall include: a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry, regardless of the source of his compensation; an employee of an organization, whether a civil law corporation or otherwise, which is exempt from tax under section 501 of the Internal Revenue Code of 1954 and which is controlled by or associated with a church or a convention or association of churches; and an individual described in clause (v) of subparagraph (C).

"(iii) A church or a convention or association of churches which is exempt from tax under section 501 of the Internal Revenue Code of 1954 shall be deemed the employer of any individual included as an employee under clause (ii) of subparagraph (C).

"(iv) An organization, whether a civil law corporation or otherwise, is associated with a church or a convention or association of churches if it shares common religious bonds and convictions with that church or convention or association of churches.

"(v) If any employee who is included in a church plan separates from the service of a church or a convention or association of churches or an organization, whether a civil law corporation or otherwise, which is exempt from tax under section 501 of the Internal Revenue Code of 1954 and which is controlled by or associated with a church or a convention or association of churches, the church plan shall not fail to meet the requirements of this paragraph merely because it: retains his accrued benefit or account for the payment of benefits to him or his beneficiaries pursuant to the terms of the plan; or receives contributions on his behalf after his separation from such service, but only for a period of 5 years after the employee's separation from service, unless the employee is disabled (within the meaning of the disability provisions of the church plan or, if there are no such provisions in the church plan, within the meaning of section 72(m)(7) of the Internal Revenue Code of 1954) at the time of such separation from service.

"(D) If a plan established and maintained for its employees (or their beneficiaries) by a church or by a convention or association of churches which is exempt from tax under section 501 of the Internal Revenue Code of 1954 fails to meet one or more of the requirements of this paragraph and corrects its failure to meet such requirements within the correction period, the plan shall be deemed to meet the requirements of this paragraph for the year in which the correction was made and for all prior years. If a correction is not made within the correction period, the plan shall not be deemed to meet the requirements of this paragraph beginning with the date on which the earliest failure to meet one or more of such requirements occurred. The term 'correction period' means the period ending with the later of the following: (i) 270 days after the date of mailing by the Secretary of a notice of default with respect to the plan's failure to meet one or more of the requirements of this paragraph; (ii) such period as may be set by a court of competent jurisdiction after a determination that has become final that the plan fails to meet such requirements, or, if the final court determination does not specify such period, a reasonable period depending upon all the facts and circumstances, but in any event not less than 270 days after the determination has become final; or (iii) any additional period which the Secretary determines is reasonable or necessary for the correction of the default."

SEC. 2. The amendments made by this Act shall be effective as of January 1, 1974.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 3182, to amend ERISA, one of the bills introduced by Mr. TALMADGE, be referred jointly to the Committee on Finance and the Committee on Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. TALMADGE (for himself and Mr. BENTSEN):

S. 3173. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Finance.

Mr. TALMADGE. Mr. President, my distinguished colleague, Senator BENTSEN from the State of Texas, and I, today introduce a bill to amend several provisions of the Internal Revenue Code that inequitably prevent the satisfactory accumulation of retirement benefits for the majority of the clergymen and lay employees of church denominations in this country. This bill is a large step in the direction of assuring our ministers and lay employees of an adequate retirement allowance.

It is well known that clergymen and lay employees are not well compensated. The beginning salary for a minister may be from $5,000 to $10,000 a year. Prior to retirement his salary may have increased to $15,000 or $20,000. Lay employees generally receive less compensation than ministers. Moreover, the retirement incomes of ministers and lay employees from church retirement plans are very small, being on the order of from $2,000 to $3,000 a year.

Most of our church denominations provide for the retirement of their ministers and lay employees in the form of annuities governed by section 403(b) of the code. The amount that can be contributed for the purchase of such an annuity, without income tax consequences to the employee, is limited by the "exclusion allowance" of section 403(b)(2). The amount of the exclusion allowance for any year is the excess of (1) 20 percent of the employee's includable compensation for the year times the employee's years of service with his or her employer over (2) the aggregate tax-sheltered contributions made by the employer for the employee in prior years. The exclusion allowance is designed to permit larger than usual retirement annuity contributions to be made late in the employee's career to compensate for

the years when contributions may not have been possible. These are called "catchup" contributions. The opportunity for making catchup contributions is extremely important to poorly paid persons such as ministers and lay employees. A minister who is paid $7,500 a year at the beginning of his career will need all of his income for many years to support his family and educate his children. During these years, because of the minister's low level of salary, pension contributions made on his behalf by his church will be minimal. However, when he reaches 50 years or so, his living expenses will tend to decrease. Then he or his employer may be in a position to make significant catchup contributions to his retirement annuity.

However, two provisions of the code inequitably prevent the making of catchup contributions in the case of many ministers and lay employees. In 1974 when we enacted section 415(c)(1) of the code, we placed a limitation on the amounts that can be contributed to a defined contribution plan, such as a 403(b) annuity arrangement. This limitation, which operates independently of the exclusion allowance, is the lesser of $25,000 (adjusted by increases in the cost of living) or 25 percent of the participant's compensation. In imposing this limitation, we recognized that it would have a serious effect on the ability to make catchup contributions and provided in section 415(c)(4) certain elections that a participant could make in order to override the 25-percent ceiling. However, these elections are available only to employees of educational organizations, hospitals, and home health service agencies. Obviously, we were not then aware of the extensive use of section 403(b) annuities by our churches.

The second problem area is the provision in section 403(b)(2) which limits the "years-of-service" factor of the exclusion allowance to years of service with the employee's current employer. In computing the exclusion allowance for any year, the employee is not given credit for any years of service with prior employers. It is common in many denominations for a minister or lay employee to move from one church to another within the denomination or among various agencies of the denomination during the course of their careers. Under current law each church or denominational agency for which the minister or lay employee works is treated as a separate employer for purposes of the years-of-service factor. The minister or lay employee is accordingly not given credit for all of his or her services with the denomination in the computation of the exclusion allowance. For an employee who has changed jobs frequently, as do the ministers and lay employees of many denominations, this rule severely reduces the exclusion allowance and the ability to make catchup contributions.

Mr. President, our bill would correct the first inequity by extending the right to make the elections in section 415(c)(4) to employees of churches, conventions or associations of churches, and their agencies. We believe that these persons should have the right to make the same elections as employees of educational organizations, hospitals, and home health service agencies. Our bill also provides a de minimis amount of $10,000 which may be contributed, subject to the exclusion allowance, without the necessity of making the section 415(c)(4) elections. This de minimis amount is parallel to the de minimis amount provided for defined benefit plans in section 415(b)(4) of the code. The term "agency" of a church is also defined in our bill as an exempt organization which is either controlled by or associated with a church or a convention or association of churches. We further provide that an organization is "associated" with a church or a convention or association of churches if it shares common religious bonds and convictions with that church.

Our bill also would treat the service of a minister or lay employee with any church or church agency of a religious denomination as the service with a single employer for purposes of computing the exclusion allowance. All the years of service of a minister or lay employee for churches or agencies of the denomination would be aggregated in determining the exclusion allowance for taxable years beginning after 1977. It would make no difference whether the years of service being aggregated occurred before 1978 or after 1977. Our bill will enable contributions to be made by and on behalf of ministers and lay employees in order to provide them with retirement benefits based upon the years of service with the denomination, rather than with the current employer.

Mr. President, I urge my distinguished colleagues to support this bill, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 403(b)(2) of the Internal Revenue Code of 1954 is amended by adding the following subparagraph:

"(C) NUMBER OF YEARS OF SERVICE FOR DULY ORDAINED, COMMISSIONED, OR LICENSED MINISTERS OR LAY EMPLOYEES.—For purposes of this subsection, all years of service by a duly ordained, commissioned, or licensed minister of a church, or by a lay person, as an employee of a church or a convention or association of churches or an agency of such church (or convention or association of churches) within the meaning of section 415(c)(4)(D)(iv) and described in clause (i) of paragraph (1)(A) of this subsection shall be considered as years of service for one employer, and all amounts contributed for annuity contracts by each such church (or convention or association of churches) or agency, during such years for such minister or lay person shall be considered to have been contributed by one employer."

SECTION 2. Section 515(c)(4) of the Internal Revenue Code of 1954 is amended to read, as follows:

"(4) SPECIAL ELECTION FOR SECTION 403(b) CONTRACTS PURCHASED BY EDUCATIONAL ORGANIZATIONS, HOSPITALS, AND HOME HEALTH SERVICE AGENCIES, AND CHURCHES, CONVENTIONS, OR ASSOCIATIONS OF CHURCHES, AND THEIR AGENCIES.—

"(A) In the case of amounts contributed for an annuity contract described in section 403(b) for the year in which occurs a participant's separation from the service with an educational organization, a hospital, a home health service agency, or a church or convention or association of churches or any agency of such church (or convention or association of churches), at the election of the participant there is substituted for the amount specified in paragraph (1)(B) the amount of the exclusion allowance which would be determined under section 403(b)(2) (without regard to this section) for the participant's taxable year in which such separation occurs if the participant's years of service were computed only by taking into account his service for the employer, as determined for purposes of section 403(b)(2), during the period of years (not exceeding 10) ending on the date of such separation.

"(B) In the case of amounts contributed for an annuity contract described in section 403(b) for any year in the case of a participant who is an employee of an educational organization, a hospital, or a home health service agency, or a church or convention or association of churches or any agency of such church (or convention or association of churches), at the election of the participant there is substituted for the amount specified in paragraph (1)(B) the least of—

"(i) 25 percent of the participant's includible compensation (as defined in section 403(b)(3)) plus $4,000,

"(ii) the amount of the exclusion allowance determined for the year under section 403(b)(2), or

"(iii) $15,000.

"(C) In the case of amounts contributed for an annuity contract described in section 403(b) for any year for a participant who is an employee of an educational organization, a hospital, a home health service agency, or a church or convention or association of churches or any agency of such church (or convention or association of churches), at the election of the participant the provisions of section 403(b)(2)(A) shall not apply.

"(D)(i) The provisions of this paragraph apply only if the participant elects its application at the time and in the manner provided under regulations prescribed by the Secretary. Not more than one election may be made under subparagraph (A) by any participant. A participant who elects to have the provisions of subparagraph (A), (B), or (C) of this paragraph apply to him may not elect to have any other subparagraph of this paragraph apply to him. Any election made under this paragraph is irrevocable.

"(ii) For purposes of this paragraph the term 'educational organization' means an educational organization described in section 170(b)(1)(A)(ii).

"(iii) For purposes of this paragraph the term 'home health service agency' means an organization described in subsection 501(c)(3) which is exempt from tax under section 501(a) and which has been determined by the Secretary of Health, Education, and Welfare to be a home health agency (as defined in section 1861(o) of the Social Security Act).

"(iv) For purposes of this paragraph the term 'church or convention or association of churches' shall have the same meaning as it does for purposes of section 414(e), and the term 'agency' shall mean an organization which is exempt from tax under section 501 and which is either controlled by, or associated with, a church (or convention or association of churches). An organization is associated with a church (or convention or association of churches) if it shares common religious bonds and convictions with that church."

SEC. 3. Section 415(c) of the Internal Revenue Code of 1954 is amended by adding thereto the following paragraph:

"(8) CERTAIN TOTAL ANNUAL CONTRIBUTIONS AND ADDITIONS IN EXCESS OF $10,000.—In the case of a participant eligible for the special elections provided in subsection (c)(4), notwithstanding the preceding provisions of this subsection, contributions and other additions with respect to such participant, when expressed as an annual addition (within the meaning of subsection (c)(2)) to such participant's account, shall not be deemed to exceed the limitation of subsection (c)(1) if such annual addition is not in excess of $10,000."

SEC. 4. Section 415(d)(1) of the Internal Revenue Code of 1954 is amended to read as follows:

"(1) IN GENERAL.—The Secretary shall adjust annually—

"(A) the $75,000 amount in subsection (b)(1)(A),

"(B) the $25,000 amount in subsection (c)(1)(A),

"(C) in the case of a participant who is separated from service, the amount taken into account under subsection (b)(1)(B), and

"(D) the $10,000 amount in subsection (c)(8), for increases in the cost of living in accordance with regulations prescribed by the Secretary. Such regulations shall provide for adjustment procedures which are similar to the procedures used to adjust primary insurance amounts under section 215(i)(2)(A) of the Social Security Act."

SEC. 5. Section 415(d)(2) of the Internal Revenue Code of 1954 is amended to read, as follows:

"(2) BASE PERIODS.—The base period taken into account—paragraph (1) is the calendar quarter beginning October 1, 1974,

"(B) for purposes of subparagraph (C) of paragraph (1) is the last calendar quarter of the calendar year before the calendar year in which the participant is separated from service, and

"(C) for purposes of subparagraph (D) of paragraph (1) is the calendar quarter beginning January 1, 1978."

SEC. 6. Section 403(b)(2)(B) of the Internal Revenue Code of 1954 is amended to read, as follows:

"(B) ELECTION TO HAVE ALLOWANCE DETERMINED UNDER SECTION 415 RULES.—In the case of an employee who makes an election under section 415(c)(4)(D) to have the provisions of section 415(c)(4)(C) (relating to special rule for section 403(b) contracts purchased by educational institutions, hospitals, home health service agencies, and churches, conventions, or associations of churches, and their agencies) apply, the exclusion allowance for any such employee for the taxable year is the amount which could be contributed (under section 415) by his employer under a plan described in section 403(a) if the annuity contract for the benefit of such employee were treated as a defined contribution plan maintained by the employer."

SEC. 7. The amendments made by Section 1 of this Act shall be effective in determining the exclusion allowance under section 403(b)(2) for taxable years beginning after December 31, 1977. "Years of service" prior to January 1, 1978, and thereafter shall be aggregated in accordance with these amendments. The amendments made by Sections 2 through 6 of this Act shall be effective for taxable years beginning after December 31, 1977.

By Mr. INOUYE:

S. 3174. A bill for the relief of Kimiko Tengan Watanabe and Richard Kiyoshi Uyehara; to the Committee on the Judiciary.

● Mr. INOUYE. Mr. President, today I am introducing a private bill for Mr. Richard K. Uyehara and Mrs. Kimiko Tengan "Uyehara" Watanabe. The purpose of the bill is to compensate Mr. Uyehara and his mother for the tragic death of the late Kiho Uyehara, father and husband, awarding $282,400 to Mr. Uyehara and Mrs. Watanabe.

A fisherman employed on a small vessel, the *Kiho Maru*, the late Mr. Uyehara was killed with two other crew members by American planes on December 8, 1941, the day after the Japanese bombing attack on Pearl Harbor. Four small island sampans, including the *Kiho Maru*, were strafed by American planes. The late Mr. Uyehara's wife, Kimiko Tengan Watanabe, and his son, Richard Kiyoshi Uyehara, have for 30 years suffered from their loss. The American Government now has the opportunity to compensate the wife and son of a loyal citizen mistakenly killed by his own countrymen.●

By Mr. MARK O. HATFIELD:

S. 3175. A bill to facilitate the exchange of certain lands in the State of Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. MARK O. HATFIELD. Mr. President, today I am introducing a bill entitled, "A bill to facilitate the exchange of certain lands in the State of Oregon."

For several years, the State of Oregon has attempted to arrange a land transfer which would expand public land at Tillamook Head, located on the Pacific Ocean between Seaside and Cannon Beach. This beautiful area has much historical significance, since the Lewis and Clark Trail passes through the land. Since the trail is part of the Pacific coast trail system, it is nationally significant as a federally designated recreational trail.

The effort to expand public ownership begar. when an anonymous donor from Portland agreed to give the State $1 million to acquire and develop a natural area park at the top of Tillamook Head. Much of the private land next to the park belongs to a timber company. The State has a proposal for a transfer of land with the company that will require legislation to effect.

Specifically, Oregon officials are asking that an isolated parcel of land comprising 160 acres of productive timberland near Saddle Mountain State Park, acquired by Federal patent in 1917, be exchanged for land and timber of equal value at Tillamook Head for public park and recreational purposes.

Unfortunately, the patent and supporting statute contain a reversionary clause which states that the land will revert back to the United States if the parcel is not used for park purposes. This is why this bill is being submitted. With assistance from the Interior Department, this legislation was developed to remove the reverter clause from the 160-acre tract and transfer it to the newly acquired private lands at Ecola State Park. The intent of the legislation is that no monetary gain would ensue to either party in the transaction and that the interests of the United States are adequately protected.

Finally, the transaction is affected by time constraints set by the donor mentioned earlier. Her patience has worn thin by continous negotiations, and she has announced her intentions of withdrawing the offer if some concrete results are not completed soon.

This bill is identical to H.R. 12772, introduced by my colleague from Oregon, Congressman LES AUCOIN. I understand he has received assurances of prompt hearings and House consideration. I trust this can take place in the Senate as well.●

By Mr. NUNN (for himself, Mr. TALMADGE, and Mr. SASSER):

S. 3177. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services to obtain excess property from the United States; to the Committee on Governmental Affairs.

FEDERAL SURPLUS PROPERTY TAX AMENDMENT

● Mr. NUNN. Mr. President, I rise today to introduce legislation on behalf of myself, Senator TALMADGE and Senator SASSER which I believe will correct an inadvertent oversight in existing law. During the course of the 94th Congress, we passed legislation to consolidate and update the Federal surplus and excess property programs. This legislation was ultimately enacted as Public Law 94–519. In general, I believe that this reorganization of the manner in which the Federal Government disperses its property has been successful; however, as this legislation was being developed, an inadvertent omission was made which should be remedied.

Since being established by Congress to disseminate agricultural information throughout the United States, the State extension services have been viewed as an educational arm of USDA. They operate from funds appropriated in the Federal budget for this specific use with matching funds provided by the State and local governments. Until the enactment of Public Law 94–519, the State Extension Services had been utilizing Federal excess property in increasing amounts each year. Since formal access was established by the General Services Administration in 1966, it had become a reliable and valuable source of supplies and equipment which supplemented the annual Federal appropriation.

Over the last several years, the State extension services obtained Federal excess property at a rate exceeding an average of $6 million (inventory value) annually. The loss of access to this property has had the same effect as a reduction in the annual appropriation to the U.S. Department of Agriculture for conducting educational programs in agriculture, home economics, rural development, and consumer affairs. Now a larger portion of the appropriated funds must be used to purchase items previously obtained from Federal excess property.

Since State extension services are neither Federal agencies, nor grantees, Public Law 94–519, as it is presently written, does not recognize their unique relationship with USDA. The net effect of

this omission has been to deny continued access by these offices to federally owned property for use in approved official programs of the U.S. Department of Agriculture. Instead, such property is being donated to the State agencies for surplus property where it is subsequently given to State and local agencies and certain nonprofit organizations.

The enactment of this proposed bill to amend Public Law 94–519 will restore the excess property utilization program to the State extension services and thereby accomplish what Congress originally intended.●

By Mr. CHILES (for himself, Mr. PACKWOOD, Mr. HEINZ, and Mr. DECONCINI):

S. 3178. A bill to provide for the resolution of claims and disputes relating to Government contracts awarded by executive agencies; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly by unanimous consent.

CONTRACT DISPUTES ACT OF 1978

Mr. CHILES. Mr. President, I am today reintroducing the Contract Disputes Act of 1978 which would reestablish principles of equitable treatment for both the Federal Government and Government contractors in contract disputes and claims.

The original bill, S. 2787, was introduced on March 22, 1978. Since that time, I have had extensive discussions with interested parties in both the public and private sectors. I have come to the conclusion that in the best interests of the legislative process and to facilitate the holding of hearings, a revised bill should be introduced.

The major changes are summarized as follows:

Section 8—Agency Boards of Contract Appeals will establish procedures for the accelerated disposition of any appeal from the decision of a contracting officer where the amount in dispute is $50,000 or less.

Section 9—The dollar level for a small claim is changed from $25,000 to $10,000.

Section 12—Interest on amounts found due contractors will be paid from the date the claim under section 5 accrues, that being from the point in time the cause of action arises or the additional costs are incurred, whichever is later.

Section 14—Tucker Act jurisdiction is reduced from the $100,000 as proposed in S. 2787 to $25,000.

Additional changes are made to accommodate inclusion of the Tennessee Valley Authority in this bill.

Joint hearings of the Senate Subcommittee on Federal Spending and Citizens and Shareholders Rights and Remedies are scheduled for June 14, 1978.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3178

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Contract Disputes Act of 1978."

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "agency head" means the head and any assistant head of an executive agency, and may "upon the designation by" the head of an executive agency include the chief official of any principal division of the agency;

(2) the term "executive agency" means an executive department as defined in section 101 of title 5, United States Code, an independent establishment as defined by section 104 of title 5, United States Code (except that it shall not include the General Accounting office): a military department as defined by section 102 title 5, United States Code, and a wholly owned Government corporation as defined by section 846 of Title 31, U.S. Code, the United States Postal Service, and the Postal Rate Commission;

(3) The term "contracting officer" means any person who, either by virtue of his position or by appointment in accordance with applicable regulations, has the authority to enter into and administer contracts and make determinations and findings with respect thereto. The term also includes the authorized representative of the contracting officer, acting within the limits of his authority;

(4) the term "contractor" means a party to a Government contract other than the Government;

(5) the term "Administrator" means the Administrator for Federal Procurement Policy appointed pursuant to Public Law 93–400; and

(6) the term "agency board" means an agency board of contract appeals established under section 8 of this Act.

APPLICABILITY OF LAW

SEC. 3. Unless otherwise specifically provided herein, this Act applies to any express or implied contract (including those of the nonappropriated fund activities described in sections 1346 and 1491 of title 28, United States Code) entered into by an executive agency for:

(1) the procurement of property, other than real property in being;

(2) the procurement of services;

(3) the procurement of construction, alteration, repair, or maintenance of real property; or,

(4) the disposal of personal property.

(5) the employment, use, construction, restoration, repair or salvage of vessels and aids to navigation.

This Act shall also apply to any other contract or agreement with the United States which by its terms is expressly made subject to the provisions of this Act.

CLAIMS AND DISPUTES SETTLEMENT AUTHORITY

SEC. 4. Each executive agency is authorized to settle, compromise, pay, or otherwise adjust any claim by or against, or dispute with, a contractor relating to a contract entered into by it or another agency on its behalf, including a claim or dispute initiated after award of a contract, based on breach of contract, mistake, misrepresentation, or other cause for contract modification or recission, but excluding a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another agency is specifically authorized to administer, settle, or determine.

DECISION BY THE CONTRACTING OFFICER

SEC. 5. (a) All contract claims submitted by a contractor against the Government or by the Government against a contractor shall be in writing. After the submission of a contract claim, the contracting officer shall issue a decision in writing and shall mail or otherwise furnish a copy of the decision to the contractor. The decision shall state the reasons for the decision reached, and shall inform the contractor of his rights as provided in this Act. Specific findings of fact are not required, but, if made, shall not be binding in any subsequent proceeding.

(b) The contracting officer's decision on the claim shall be final and conclusive and not subject to review by a forum, tribunal, or Government agency, unless an appeal or suit is timely commenced as authorized by this Act.

(c) A contracting officer shall issue a decision on any submitted claim promptly and, in any event, he shall issue a decision within sixty days from his receipt of a written request from the contractor that a decision be rendered within that period. This period may be extended by written agreement between the contractor and the executive agency. Any failure by the contracting officer to issue a decision on a contract claim within the period required will be deemed to be a decision by the contracting officer denying the claim and will authorize the commencement of the appeal or suit on the claim as otherwise provided in this Act. However, in the event an appeal or suit is so commenced in the absence of a prior decision by the contracting officer, the tribunal concerned may, at its option, stay the proceedings to obtain a decision on the claim by the contracting officer.

INFORMAL ADMINISTRATIVE CONFERENCE

SEC. 6. (a) It is the policy of the Congress that contractor claims should be resolved by mutual agreement, in lieu of litigation, to the maximum extent feasible. Accordingly, a contractor shall be afforded at least one opportunity, before or after a contracting officer's decision pursuant to section 5, for an informal conference with the agency involved for the purpose of considering the possibility of disposing of the claim by mutual agreement. This conference will be held within thirty days of the request for such conference, or later if mutually agreeable between the contractor and the executive agency head.

(b) The conferees may consider any matter, written or oral, relevant to the claim, but testimony or evidence shall not be taken. Any documentary materials or oral statements submitted during the conference shall not be evidence in any subsequent appeal or suit in court on the claim unless offered anew and admissible under applicable rules of evidence of the agency board or court. Any offers of settlement or compromise during or resulting from the conference shall be without prejudice and shall not be evidence or referred to in any subsequent appeal or suit in court on the claim.

(c) The designee or designees of the agency head conducting the informal conference shall be selected from a level above the office to which the contracting officer is attached, and if feasible, shall not have participated significantly in any prior consideration of the claim.

(d) Whenever an appeal or suit is initiated pursuant to this Act and the agency board or court determines that at least one informal conference requested by the contractor has not been held, the agency board or court shall stay any further proceedings until the conference is held or waived by the contractor.

CONTRACTOR'S RIGHT OF APPEAL TO BOARD OF CONTRACT APPEALS

SEC. 7. Within ninety days from the date of receipt of a contracting officer's decision under section 5, the contractor may appeal such decision to an agency board of contract appeals, as provided in section 8.

AGENCY BOARDS OF CONTRACT APPEALS

SEC. 8. (a)(1) Except as provided in paragraph (2), an agency board of contract appeals may be established within an executive agency when the agency head, with the concurrence of the Administrator, determines that the volume of con-

tract claims by such executive agency justifies the establishment of a full-time agency board of at least five members who shall have no other inconsistent duties. The Administrator may terminate any agency board established under this subsection upon his determination that the volume of contract claims by such agency no longer justifies a full-time board. The Administrator shall give the agency head written notice sixty days prior to the date of termination.

(2) The Board of Directors of the Tennessee Valley Authority may establish a board of contract appeals for the Authority of indeterminate number of members. The Administrator shall have no authority to establish or terminate any such board established by the Board of Directors of the Tennessee Valley Authority.

(b)(1) Except as provided in paragraph (2), the members of agency boards shall be selected and appointed to serve in the same manner as hearing examiners appointed pursuant to section 3105 of title 5 of the United States Code, with an additional requirement that such members shall have had not fewer than five years' experience in public contract law. Members of agency boards serving as such on the effective date of this Act shall be considered qualified. The Chairman and Vice Chairman of each board shall be designated by the agency head from members so appointed. The Chairman of each agency board shall receive compensation at a rate equal to that paid a GS–18 under the General Schedule contained in section 5332, United States Code, the Vice Chairman shall receive compensation at a rate equal to that paid a GS–17 under such General Schedule, and all other members shall receive compensation at a rate equal to that paid a GS–16 under such General Schedule. Such positions shall be in addition to the number of positions which may be placed in GS–16, GS–17, and GS–18 of such General Schedule under existing law.

(2) The Board of Directors of the Tennessee Valley Authority shall establish criteria for the appointment of members to its agency board of contract appeals established in subsection (a)(2), and shall designate a Chairman of such board. The Chairman of such board shall receive compensation at a rate equal to the daily rate paid a GS–18 under the General Schedule contained in section 5332, United States Code for each day he is engaged in the actual performance of his duties as a member of such board. All other members of such board shall receive compensation at a rate equal to the daily rate paid a GS–16 under such General Schedule for each day they are engaged in the actual performance of their duties as members of such board.

(c) If the volume of contract claims is not sufficient to justify an agency board under subsection (a) or if he otherwise considers it appropriate, any agency head shall arrange for appeals from decisions by contracting officers of his agency to be decided by a board of contract appeals of another executive agency. In the event an agency head is unable to make such an arrangement with another agency, he shall submit the case to the Administrator for placement with an agency board. The provisions of this subsection shall not apply to the Tennessee Valley Authority.

(d) Each agency board shall have jurisdiction to decide any appeal from a decision of a contracting officer (1) under a contract made by its agency, and (2) under a contract made by any other agency when such agency or the Administrator has designated the agency board to decide the appeal.

(e) An agency board shall provide to the fullest extent practicable, informal, expeditious, and inexpensive resolution of disputes, and shall issue a decision in writing or take other appropriate action on each appeal submitted, and shall mail or otherwise furnish a copy of the decision to the contractor and the contracting officer.

(f) The rules of each agency board shall include a procedure for the accelerated disposition of any appeal from a decision of a contracting officer where the amount in dispute is $50,000 or less. The accelerated procedure shall be applicable at the election of either the contractor or the Government. Appeals under the accelerated procedure shall be resolved, whenever possible, within one hundred and eighty days; from the date either party elects to utilize such procedure.

(g)(1) The decision of an agency board of contract appeals shall be final, except that—

(A) a contractor may appeal such a decision to a United States district court, if within the jurisdictional dollar limits, or to the Court of Claims within twelve months after the date of receipt of a copy of such decision or the final delivery of supplies or completion of the contract work, or acceptance, where required, whichever is later; or

(B) at the request of the agency head of the agency aggrieved by such decision, and with the approval of the Administrator, the Attorney General may appeal the decision to a United States district court, if within the jurisdictional dollar limits, or to the Court of Claims within one hundred twenty days after the date of the decision in any case.

(2) Notwithstanding the provisions of paragraph (1), the decision of the Board of Contract Appeals of the Tennessee Valley Authority shall be final, except that—

(A) a contractor may appeal such a decision to a United States district court pursuant to the provisions of section 1337 of title 28, United States Code, or to the Court of Claims within twelve months after the date of receipt of a copy of such decision or the final delivery of supplies or completion of the contract work, or acceptance, where required, whichever is later; or

(B) The Tennessee Valley Authority may appeal the decision to a United States district court pursuant to the provisions of section 1337 of title 28, United States Code, or to the Court of Claims within one hundred twenty days after the date of the decision in any case.

(h) Pursuant to the authority conferred under the Office of Federal Procurement Policy Act, the Administrator is authorized and directed, as may be necessary or desirable to carry out the provisions of this Act, to issue rules and regulations with respect to—

(A) the establishment, functions, and procedures of the agency boards; and

(B) the policy for referral of specific cases or classes of cases for decision by an agency board other than one established by an executive agency head who is party to any such case.

SMALL CLAIMS

SEC. 9. (a) The rules of each agency board shall include a procedure for the expedited disposition of any appeal from a decision of a contracting officer where the amount in dispute is $10,000 or less. The small claims procedure shall be applicable at the sole election of the contractor.

(b) The small claims procedure shall provide for simplified rules of procedure to facilitate the decision of any appeal thereunder. Such appeals may be decided by a single member of the agency board with such concurrences as may be provided by rule or regulation.

(c) Appeals under the small claims procedure shall be resolved, whenever possible, within one hundred twenty days from the date on which the contractor elects to utilize such procedure.

(d) A decision against the Government reached under the small claims procedure shall be final and conclusive and shall not be set aside except in cases of fraud. A decision against the contractor will not be subject to judicial review, except that the contractor may bring suit directly on the claim in a United States district court, if within the jurisdictional dollar limits, or the United States Court of Claims, notwithstanding any contract provision, regulation, or rule of law to the contrary, except, that in the case of a decision against the contractor in an action involving the Tennessee Valley Authority, the contractor may bring a suit directly on the claim in a United States district court pursuant to section 1337 of title 28, United States Code. Such suits must be filed within twelve months from the date of the agency board's decision, or final delivery of supplies or performance of work under the contract, or acceptance where required, whichever is later. All such suits shall proceed de novo in accordance with the rules of the court.

(e) Administrative determinations and final decisions under this section shall have no value as precedent for future cases under this Act.

(f) The Administrator is authorized to review at least every three years, beginning with the third year after the enactment of the Act, the dollar amount identified as within the guidelines of small claims, and based upon economic indexes selected by the Administrator adjust that level accordingly.

SUIT IN COURT: JUDICIAL REVIEW OF BOARD DECISIONS

SEC. 10. (a) In lieu of appealing the contracting officer's decision under section 5 to an agency board, a contractor may bring a suit directly on the claim in a United States district court, if within the jurisdictional dollar limits, or the United States Court of Claims, notwithstanding any contract provision, regulation, or rule of law to the contrary, except, that in the case of a suit against the Tennessee Valley Authority, the contractor may bring a suit directly on the claim in a United States district court pursuant to section 1337 of title 28, United States Code. All such suits must be filed within twelve months from the date of the contracting officer's decision, or final delivery of supplies or performance of the work under the contract or acceptance where required, whichever is later. All such suits shall proceed de novo in accordance with the rules of the court.

(b) In the event of an appeal by a contractor or the Government from a decision of an agency board pursuant to section 8, notwithstanding any contract provision, regulation, or rules of law to the contrary, the decision of the agency board on any question of law shall not be final or conclusive, but the decision on any question of fact shall be final and conclusive and shall not be set aside unless the decision is fraudulent or arbitrary, or capricious, or clearly erroneous.

(c) In any appeal by a contractor or the government from a decision of an agency board pursuant to Section 8, the court may render an opinion and judgment and remand the case for further action by the agency board or by the executive agency as appropriate, with such direction as the court considers just and proper, or, in its discretion and in lieu of remand it may retain the case and take such additional evidence or action as may be necessary for final disposition of the case.

(d) Except as otherwise provided in this Act, and notwithstanding any statute or other rule of law, or any contract provision, every claim founded upon the same express or implied contract with the United States shall constitute a separate cause of action for purposes of any suit in a court of competent jurisdiction, and such court may, in its discretion, consolidate separate claims for purposes of decision or judgment, or delay

acting on claim pending action on another claim.

(e) If two or more suits arising from one contract are filed in different district courts, for the convenience of parties and witnesses, in the interest of justice, the district court wherein suit was first filed may order the consolidation of such suits in that court or transfer any such suit to any district or division where it might have been brought or to the Court of Claims. If two or more suits arising from one contract are filed in the Court of Claims and one or more district courts, for the convenience of parties or witnesses, in the interest of justice, the Court of Claims may order the consolidation of such suits in that court or transfer any suits to or among the district courts involved.

(f) In any suit filed pursuant to this Act involving two or more claims, counterclaims, cross-claims, or third-party claims, and where a portion of one such claim can be divided for purposes of decision or judgment, and in any such suit where multiple parties are involved, the court, whenever such action is appropriate, may enter a judgment as to one or more but fewer than all of the claims, portions thereof, or parties.

SUBPOENA, DISCOVERY, AND DEPOSITION

SEC. 11. A member of an agency board of contract appeals may administer oaths to witnesses, authorize depositions and discovery proceedings, and require by subpoena the attendance of witnesses, and production of books and papers, for the taking of testimony or evidence by deposition or in the hearing of an appeal by the agency board. In case of contumacy or refusal to obey a subpoena by a person who resides, is found, or transacts business within the jurisdiction of a United States district court, the court, upon application of the agency board, shall have jurisdiction to issue the person an order requiring him to appear before the agency board or a member thereof, to produce evidence or to give testimony, or both. Any failure of any such person to obey the order of the court may be punished by the court as a contempt thereof. The laws with respect to the giving of false testimony, evidence, or affidavits in a Federal court proceeding shall apply to appeals before agency boards.

INTEREST

SEC. 12. Interest on amounts found due contractors on claims shall be paid to the contractor from the date the claim under section 5 accrues until payment following either a final decision of an agency board or a final decision of a court of competent jurisdiction, whichever is later, or a prior settlement thereof. The interest provided for in this section shall be paid at the rate established by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat-97) for the Renegotiation Board.

APPROPRIATIONS

SEC. 13. (a) Any judgment against the United States on a claim under this Act shall be paid promptly in accordance with the procedures provided by section 1302 of the Act of July 27, 1956 (70 Stat. 694, as amended; 31 U.S.C. 724a).

(b) Any monetary award to a contractor by an agency board of contract appeals shall be paid promptly in accordance with the procedures contained in subsection (a) above.

(c) Payments made pursuant to subsections (a) and (b) shall be reimbursed to the fund provided by section 1302 of the Act of July 27, 1956 (70 Stat. 694, as amended; 31 U.S.C. 724a) by the agency whose appropriations were used for the contract out of available funds or by obtaining additional appropriations for such purposes.

(d) (1) Notwithstanding the provisions of subsection (a) through (c), any judgment against the Tennessee Valley Authority on a claim under this Act shall be paid promptly in accordance with the provisions of section 9(b) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831(h)).

(2) Notwithstanding the provisions of subsection (a) through (c), any monetary award to a contractor by the Board of Contract Appeals for the Tennessee Valley Authority shall be paid in accordance with the provisions of section 9(b) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831(h)).

REPEALS AND AMENDMENTS

SEC. 14. (a) Section 1346(a)(2) of title 28, United States Code, is amended by striking out "not exceeding $10,000 in amount", and inserting in lieu thereof "not exceeding $25,000 in amount in contract cases or $10,000 in amount in other cases".

(b) Section 2401(a) of title 28, United States Code, is amended by striking out "Every" at the beginning and inserting in lieu thereof "Except as provided by the Contract Disputes Act of 1978, every".

(c) Section 1302 of the Act of July 27, 1956, as amended (70 Stat. 694, as amended; 31 U.S.C. 724a) is amended by adding after "2677 of title 28" the words "and decisions of boards of contract appeals".

(d) Section 2414 of title 28, United States Code, is amended by striking out "Payment" at the beginning and inserting in lieu thereof "Except as provided by the Contract disputes Act of 1978, payment".

(e) Section 2517(a) of title 28, United States Code, is amended by striking out "Every" at the beginning and inserting in lieu thereof "Except as provided by the Contract Disputes Act of 1978, every".

(f) Section 2517(b) of title 28, United States Code, is amended by inserting after "case or controversy" the following: ", unless the judgment is designated a partial judgment, in which event only the matters described therein shall be discharged,".

(g) There shall be added to subsection (c) of Section 5108 of title 5, United States Code, a paragraph (17) reading as follows:

"(17) the heads of executive departments or agencies in which boards of contract appeals are established pursuant to the Contract Disputes Act of 1978, and subject to the standards and procedures prescribed by this chapter, but without regard to subsection (d) of this section, may place additional positions, not to exceed 70 in number, in GS-16, GS-17, and GS-18 for the independent quasi-judicial determination of contract disputes, with the allocation of such positions among such executive departments and agencies determined by the Administrator for Federal Procurement Policy on the basis of relative case load."

(1) Section 1491 of Title 28, United States Code, is amended by striking out the entire last paragraph "Nothing herein shall be construed to give the Court of Claims jurisdiction in suits against, or founded on action of, the Tennessee Valley Authority, nor to amend or modify the provisions of the Tennessee Valley Authority Act of 1933, as amended, with respect to suits by or against the Authority."

SEVERABILITY CLAUSE

SEC. 15. If any provision of this Act, or the application of such provision to any persons or circumstances, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

EFFECTIVE DATE OF ACT

SEC. 16. This Act shall apply to contracts entered into 120 days after the date of enactment. Notwithstanding any provision in a contract made before the effective date of this Act, the contractor may elect to proceed under this Act with respect to any claim pending then before the contracting officer or initiated thereafter.

Mr. CHILES. Mr. President, I send the bill to the desk and ask unanimous consent that it be jointly referred to the Committee on Government Affairs and the Committee on the Judiciary.

This is a rewrite of a bill that was formerly cleared by both committees. It was formerly jointly referred to both those committees, and I ask that this bill have the same joint reference.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. NUNN (for himself, Mr. CHILES, Mr. HUDDLESTON, and Mr. JOHNSTON):

S. 3179. A bill to amend the Small Business Act to create a small business and capital ownership development program; to the Select Committee on Small Business.

SMALL BUSINESS AND CAPITAL OWNERSHIP DEVELOPMENT ACT

● Mr. NUNN. Mr. President, I rise today to address what I believe to be one of the most serious challenges facing our Nation in terms of our overall economic future. I am referring to the need to stimulate the growth of a strong, diversified small business base for America's free enterprise system.

When one realizes that 97 percent of our Nation's business enterprises qualify as "small business," providing 55 percent of our private sector jobs, 48 percent of our business output, and 43 percent of the gross national product, it is clear that any efforts we undertake to improve the health of our Nation's economy and to guarantee its strength for the generations of Americans to come must focus on that segment which lies at the very heart of our free enterprise system.

However, in order to meet this challenge, our Nation must begin to realize that broad participation in our free enterprise system is a prerequisite for any realistic progress in this regard.

No one can truly support, nurture, and ultimately enjoy this system who has no share in it.

It is therefore essential that the ownership of productive capital in this Nation be broadened in order to insure a vital stake in our economic system for all of our citizens. However, while this broadening of productive capital ownership has been a stated goal of Federal economic policies for many years, several groups within our society still represent sectors of insignificant capital ownership.

For example, two generally agreed-upon measures of capital ownership are the number of businesses owned, and the sales volume of such firms. While racial minorities account for over 18 percent of the total U.S. population, only 3 percent of our Nation's businesses are owned by these minorities. Furthermore, this 3 percent accounts for only a little more than one half of 1 percent of the total receipts of all businesses in this country. Clearly, existing Federal programs to expand and diversify the capital ownership base of America are not working as well as they should be.

I believe that one of the major reasons

for this has been the lack of a strong, clear legislative mandate for minority business development.

Existing minority business development programs were created by Executive order, primarily in response to the report of the Commission on Civil Disorders, issued in 1967. This report recommended that steps be taken to increase the level of business ownership by minorities so that they would have a better opportunity to become an integral part of the free enterprise system.

Perhaps the most important Federal program which resulted was designed to broaden capital ownership through the development of viable minority small businesses, and was placed within the 8(a) contracting program of the Small Business Administration.

Under this program, the SBA was to contract directly with a Federal procuring agency, and then subcontract on a sole source basis to a small business owned by a "socially or economically disadvantaged" person. Section 8(a) has been used to direct Federal contracts to such firms in the belief that these small businesses would slowly develop their abilities and, with the support of management and technical assistance from SBA's business development specialists, be able to "graduate" into the free enterprise system and compete for regular business.

However, this has not been the case. According to SBA's own data, since fiscal year 1968, $2.2 billion worth of contracts has been let through the 8(a) program to 3,726 participating firms. Of those 3,726 firms, only 149 have ever completed the program. A search by SBA has been able to uncover the whereabouts of only 67 of those 149 companies. Of the 67, Dunn and Bradstreet had financial information on 41. And of the 41 firms, five were bankrupt, two were in a precarious financial position, and 33 showed a positive net worth.

Let me repeat. To the best of our knowledge, only 33 out of 3,726 firms that have participated in the 8(a) program since 1968 have a positive net worth today outside the program.

I believe that these figures, standing alone, clearly indicate that there is something fundamentally wrong with the present operation of the 8(a) program. An internal audit by SBA, along with a review conducted by the General Accounting Office, have substantiated this sad situation. Finally, a thorough investigation of the program by my colleague on the Governmental Affairs Committee, Senator CHILES, has revealed serious abuses in addition to general program failure.

As a member of the Senate Select Committee on Small Business, I believe that the time has come for the Congress to provide the proper direction for minority business development programs within the Small Business Administration. Therefore, I am today introducing S. 3179, the Small Business and Capital Ownership Development Act of 1978.

I do not pretend that this measure offers the ultimate solution for each and every one of the many problems existing within the 8(a) program. However, I do believe that it can provide an essential legislative basis for this program, recognizing that, up to now, the 8(a) program has provided our Nation's minority entrepreneurs with models of ultimate failure, when models of success are so sorely needed.

After 2 days of hearings before the Subcommittee on Economic Development of the Small Business Committee, of which I am chairman, I believe that the key reason for the high failure rate of the 8(a) program is the inadequate level of management and technical assistance supplied by business development specialists and other SBA programs to 8(a) firms.

SBA itself admits that the 8(a) program historically has been focused too heavily on the simple act of delivering contracts. In 1974, to their credit, SBA realized that the volume of contract activity was not a valid measure of the 8(a) program's achievement. The SBA's 8(a) Review Board report to SBA Administrator Weaver in January of this year noted, in this regard:

> The true measure of success, the number of firms assisted by the program to achieve a competitive position in the economy, was recognized, to the extent that it was not occurring.

However, the change in emphasis from simple dollar volume of contracts to business development has, by SBA's own admission, been "more theoretical than real." SBA cites inadequate resources, both in the number of personnel and in the program budget, as the underlying reasons for this. For example, although the dollar volume of contracts let through the 8(a) program has grown from $321 million in 1975 to $538 million in 1977, the number of business development staff has grown by only three people, from 166 to 169.

In this same light, the GAO report, "Ways to Increase the Number, Type and Timeliness of 8(a) Procurement Contracts," issued in February of this year, notes that in San Francisco, the 8(a) program's business development specialist was responsible for a caseload of 72 firms, and in Los Angeles, the business development specialist (BDS) had a 77-firm caseload. GAO found:

> BDSs do not have the time to contact procuring agencies to obtain 8(a) contracts or to acquaint contracting officers with the capabilities of 8(a) firms enrolled in the program. They also did not have time to visit 8(a) firms to assess their capabilities and needs for management assistance or to follow up on recommendations that might have been made by providers of management assistance.

I am convinced, therefore, that any responsible efforts to begin to correct this dismal record must focus on a major upgrading of the business development function of the 8(a) program. We must change "theory" into "fact."

In testimony before my Small Business Subcommittee on Economic Development, Congressman PARREN MITCHELL indicated that the 8(a) program needed increased planning and research, including feasibility studies and market research. He also stated that the program needed to do a better job of identifying and developing new business opportunities:

> With the identification and development of new business opportunities, I think the furnishing of business counselling, management training, legal, and other related services are needed. I would even go so far as to suggest that Sec. 7(j) [of the Small Business Act] should not only be amended to include the 8(a) participants, but that the introductory language should be amended to read: "The Administration shall provide . . ." such services, as opposed to ". . . is authorized to provide."

In light of this testimony, as well as that of Senator CHILES, Senator JOHNSTON, the National Association of Black Manufacturers, the National Economic Development Association, the National Business League, the National Association of Women Business Owners, and other small business trade associations, the bill I am introducing today would amend section 7(j) of the Small Business Act to provide a design for the future success of the 8(a) program.

I must note that certain existing provisions of section 7(j) of the act, commonly referred to as the "call contracting" section, have remained dormant for many years because SBA has chosen not to implement them. These include the following:

> The requirement that SBA encourage the placement of subcontracts by business with small business concerns located in areas of high concentration of unemployed or low-income individuals.
>
> The power for SBA to provide incentives and assistance to businesses who are willing to place such subcontracts, so that they will aid in the training and upgrading of potential subcontractors or other small business concerns.
>
> The requirement that SBA take such steps as may be necessary, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government, or in connection with programs aided with Federal funds, are placed in such a way as to further the purposes of the minority business development programs of the SBA.

The proposed legislation adds several significant minority business development provisions to section 7(j) of the Small Business Act. These include:

> The creation of an advisory committee, composed of five high level officers from five U.S. businesses, and five representatives of minority small business, appointed by the President. The purpose of this Committee will be to help monitor and encourage both the placement of subcontracts by the private sector with minority small businesses, as well as the incentives and assistance needed by the private sector to help in the training and upgrading of such minority firms. I believe that private sector involvement in the development of minority small business is essential if lasting progress is to be made in this regard, and I believe that a Presidentially-appointed committee to foster this participation will provide a strong incentive for SBA to implement existing provisions of law in this area. In addition, the GAO will be required to evaluate SBA's performance in this regard, and report to Congress periodically on the success of this aspect of the program.
>
> The requirement that the GAO, rather than SBA, provide an independent and continuing evaluation of minority business development programs administered by the

SBA. I believe that this is most important if we are to help insure that the mistakes of the past 10 years do not continue in this vital area.

The most important portion of the proposed legislation, however, is a new section which would be added to section 7(j), creating a small business and capital ownership development program. This program would provide full service management and technical assistance exclusively to firms eligible to receive contracts through the 8(a) program, and would be the first such effort to be legislatively based and structured. While there are general management and technical assistant programs presently available for minorities, such as those provided by the Office of Minority Business Enterprise within the Department of Commerce, they are not specifically targeted, nor do they provide the kind of 1-on-1 assistance required by this bill. I believe it is essential to any future successes for the 8(a) program that SBA adequately provide its client firms with those development tools necessary to create viable minority enterprises.

The director of this new program is to be appointed by the President, and confirmed by the Senate. I believe that this is a necessary requirement, in order to elevate the importance of this program, as well as provide for the highest possible commitment from the executive branch to minority business development.

Basically, the services to be provided through this new program include general management and technical assistance, including the development of business plans, loan packaging, financial counseling, accounting, bookkeeping assistance, marketing assistance, and assistance in obtaining equity and debt financing. Through the use of existing "call-contracting" authority, combined with other development assistance tools such as the SCORE and ACE program, the Small Business Institute and the Small Business Development Center program, 8(a) contractors will begin to receive the intensive, professional management, and technical assistance which have been so sorely lacking, and without which, the sole source contracting authority cannot be effective in developing viable minority small businesses.

In addition, provisions are made to help insure proper monitoring of the advancement of firms participating in the program. At the present time, SBA, is not adequately aware of the condition of 8(a) participants from the time they enter the program, or at any time thereafter. We have only to turn to Senator CHILES' hearings on the 8(a) program to understand the dangers of this situation.

Surety bonding is another major problem in the advancement of minority business development. At some point, 8(a) firms are to enter the free enterprise system; if they never received a surety bond, or have not had to deal with the requirements for so doing, their chances of being able to obtain such bonding, once outside the program, will be very slim. In a sense, they will be like a prospective borrower with no credit rating.

I believe, therefore, that it is most important that any comprehensive assistance towards minority business development include the means for educating minority firms in the problems of bonding, as well as assistance in procuring bonds from the private sector, as opposed to operating outside it. Furthermore, the surety bonding industry needs to be made more sensitive to the needs peculiar to minority firms so that they will be more willing to deal with them across the board.

Therefore, in an attempt to improve the bonding environment for minority firms, this program will also provide complete management services, including assistance in the preparation of application forms, assistance designed to meet the specific needs of firms applying for bonds, and assistance in the preparation of all forms necessary to receive an SBA surety bond guarantee. I believe that such an approach will be much more beneficial in the long run to our minority small businesses than would be an attempt to create an artificial environment which ignores the ultimate demands of the private sector in the bonding area.

Finally, this bill requires all 8(a) participants must receive the benefits of this new program; no firm will be permitted to receive an 8(a) contract unless such full services are also made available. Furthermore, the bill will require that SBA, in providing 8(a) contracts, satisfy itself that such assistance will promote the competitive viability of the small business participant within a reasonable period of time. Due to the various individual factors involved in the potential for development of any firm, I do not believe that it would be wise to attempt to legislate a specific time period for "graduation" from the 8(a) program. However, I do believe that it is most important that this program be used as a development tool, with the understanding that, to be effective in broadening capital ownership, the program must have as its ultimate goal the survival and growth of small businesses within the competitive free enterprise system. If a firm will never be able to succeed on its own in this system, I believe it would not only be a cruel hoax on the firm itself, but a waste of valuable resources which could be applied to other small businesses, if SBA carried firms in the 8(a) program which it knew would not be able to be competitively viable within a reasonable time period.

Mr. President, the House of Representatives has already passed major amendments to the 8(a) program itself, and this measure, H.R. 11318, is currently pending before the Senate Small Business Committee. I commend the House for their willingness to come to grips with the difficult problems within the 8(a) program. I believe, however, that our task would be only partially accomplished if we simply addressed the need for increased and diversified contracts for the 8(a) program, without asking ourselves whether they can be effectively used to develop an eligible firm into a competitive, viable private sector enterprise. I am also concerned that we would only be begging the real question if we addressed the issue of eligibility without satisfying ourselves that we have provided something worth being eligible for.

It is for this reason that I am hopeful that S. 3179 can be viewed as the bottomline in our efforts to develop our Nation's minority businesses. Without such a program, we will be indicating our willingness to continue to measure the success of the 8(a) program, and minority business development in general, not by how many viable businesses are developed, but simply by how many contracts are let through it. Based on the 8(a) program's past record, I believe that this would be irresponsible, both to the taxpayer and to minorities.

Once again, Mr. President, I want to stress the importance of management and technical assistance to our Nation's small businesses in general, and to minority entrepreneurs in particular. The lack of such assistance is a primary cause of failure for all small businesses; when one considers the socioeconomic background of minorities in general, this lack of assistance is particularly critical. Historically, minorities have lacked an enterpreneurial heritage. They have not had the advantages of business exposure. They have not had the benefit of business advice and counseling from their friends, families, and experienced peers. Management and technical assistance are therefore not simply a luxury which these small businesses need, but cannot afford—they are an absolute necessity for our minority enterpreneurs. Simply continuing to provide access to Federal procurement contracts without also providing the tools necessary to be competitively viable is no way in which to provide entry to the American free enterprise system.

Mr. President, I urge my colleagues to give their most careful attention to this pressing need. I am hopeful that, once they do so, they will come to share my belief that S. 3179 can be a major step in the right direction, to the benefit not only of our Nation's minorities, but to the lasting strength of our economic future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Small Business and Capital Ownership Development Act".

SECTION 1. (a) The Congress finds—

(1) that ownership and control of productive capital is concentrated in the economy of the United States and certain groups, therefore, own and control little productive capital;

(2) that certain groups in the United States own and control little productive capital, because they have limited opportunities for small business ownership;

(3) that the broadening of small business ownership among groups that presently own and control little productive capital is essential to provide for the well-being of this Nation by promoting their increased participation in the free enterprise system of the United States;

(4) that such development of business ownership among such groups that presently own and control little productive capital will be greatly facilitated through the creation of a small business ownership development program, which shall provide services, including without limitation, financial, management, and technical assistance;

(5) that the power to let sole source Federal contracts pursuant to Section 8(a) of the Small Business Act can be an effective procurement assistance tool for development of business ownership among such groups that own control little productive capital;

(6) that the procurement authority under section 8(a) of the Small Business Act shall be used only as a tool for developing business ownership among such groups that own and control little productive capital.

(b) It is, therefore, the purpose of these amendments to section 7(j) of the Small Business Act to—

(1) foster business ownership by individuals in groups that own and control little productive capital; and

(2) promote the competitive viability of such firms by creating a Small Business and Capital Ownership Development Program to provide such available financial, technical, and management assistance as may be necessary.

SEC. 2. Section 7(j) of the Small Business Act is amended to read as follows:

"SEC. 7(j)(1) The Administration shall provide financial assistance to public or private organizations to pay all or part of the cost of projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under sections 7(i), 7(j)(10), and 8(a) of this Act, with special attention to small business located in areas of high concentration of unemployed or low-income individuals, to small businesses owned by low-income individuals, and to small businesses eligible to receive contracts pursuant to section 8(a) of this Act.

"(2) Financial assistance under this subsection may be provided for projects, including without limitation—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Government programs including programs authorized under sections 7(i), 7(j)(10), and 8(a) of this Act;

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

"(E) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing businesses, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served.

"(3) The Administration shall encourage the placement of subcontracts by business with small business concerns located in areas of high concentration of unemployed or low-income individuals, with small businesses owned by low-income individuals, and with small businesses eligible to receive contracts pursuant to section 8(a) of this Act. The Administration may provide incentives and assistance to such businesses so that they will aid in the training and upgrading of potential subcontractors or other small business concerns eligible for assistance under sections 7(i), 7(j), and 8(a) of this Act.

"(A) An advisory committee composed of five high level officers from five United States businesses and five representatives of minority small business shall be created to facilitate the achievement of the purposes of this paragraph. The members of the advisory committee shall be appointed by the President. The chairman of the advisory committee, who shall be designated by the President, shall report annually to the President and to the Congress on the activities of the advisory committee.

"(B) The General Accounting Office shall evaluate the activities taken by the Administration to achieve the purposes of this paragraph and evaluate the success of these activities in achieving the purposes of this paragraph. The General Accounting Office shall report to the Congress by January 1, 1980, and at any time after that time at the discretion of the Comptroller General on the findings of this evaluation and make recommendations on actions needed to improve the Administration's performance pursuant to this paragraph.

"(4) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small businesses owned by low-income individuals and small businesses eligible to receive contracts pursuant to section 8(a) of this Act.

"(5) The financial assistance authorized for projects under this subsection includes assistance advanced by grant, agreement, or contract.

"(6) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(7) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(8) The General Accounting Office shall provide for an independent and continuing evaluation of programs under sections 7(i), 7(j), and 8(a) of this Act, including full information on, and analysis of, the character and impact of managerial assistance provided, the location, income characteristics, and extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations deemed advisable by the General Accounting Office shall be reported to the Congress by January 1, 1980, and at any time after that time at the discretion of the Comptroller General.

"(9) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of sections 7(i), 7(j), and 8(a) of this Act.

"(10) There is established within the Administration a Small Business and Capital Ownership Development Program (hereinafter called the 'Program'), which shall provide assistance exclusively for small business concerns eligible to receive contracts pursuant to section 8(a) of this Act. The management of the Program shall be vested in a Director of Small Business and Capital Ownership Development (hereinafter called the 'Director') who shall be appointed by the President, by and with the consent of the Senate. The Director shall also manage all other services authorized under section 7(j) of this Act. The Director shall be compensated according to the schedule established for Executive Level IV appointments.

"(A) The Program shall—

"(i) assist small business concerns participating in the Program to develop comprehensive business plans with specific business targets, objectives, and goals;

"(ii) provide for such other nonfinancial services as deemed necessary for the establishment, preservation, and growth of small business concerns participating in the Program, including but not limited to (1) loan packaging, (2) financial counseling, (3) accounting and bookkeeping assistance, (4) marketing assistance, and (5) management assistance;

"(iii) assist small business concerns participating in the Program to obtain equity and debt financing;

"(iv) establish regular performance monitoring and reporting systems for small business concerns participating in the Program to assure compliance with their business plans;

"(v) analyze and report the cause of success and failure of small business concerns participating in the Program;

"(vi) provide assistance necessary to help small business concerns participating in the Program to procure surety bonds, with such assistance including without limitation (1) the preparation of application forms required to receive a surety bond, (2) special management and technical assistance designed to meet the specific needs of small business concerns participating in the Program and which have received or are applying to receive a surety bond, and (3) preparation of all forms necessary to receive a surety bond guarantee from the Administration pursuant to title IV, part B of the Small Business Investment Act of 1958.

"(B) Small business concerns eligible to receive contracts pursuant to section 8(a) of this Act shall participate in the Program.

"(C) No small business concern shall receive a contract pursuant to section 8(a) of this Act unless the Program is able to provide such small business concern with, including without limitation, such management, technical, and financial services as may be necessary to promote the competitive viability of the small business concern within a reasonable period of time.

"(11) The Director shall be responsible for coordinating and formulating policies relating to Federal assistance to small business concerns eligible for assistance under section 7(i) of this Act and small business concerns eligible to receive contracts pursuant to section 8(a) of this Act.

SEC. 3. Section 7(k) of the Small Business Act is amended by striking the words "7(i) and 7(j)" and inserting in lieu thereof "7(i), 7(j), and 8(a)".

SEC. 4. Section 4(b) of the Small Business Act is amended by striking "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible to the Administrator for the formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the Administration's execution of such programs in light of such policy.".

By Mr. BAYH (for himself, Mr. BROOKE, Mr. NELSON, Mr. ABOUREZK, and Mr. WILLIAMS):

S. 3180. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Environment and Public Works.

HUMANE PRACTICES IN GREYHOUND RACING

● Mr. BAYH. Mr. President, today I am introducing along with Senators BROOKE, NELSON, ABOUREZK, and WILLIAMS, legis-

lation to prohibit the inhumane use of live animals as lure and bait in the greyhound racing industry.

Every year approximately 20 million Americans enjoy greyhound races. In 14 States, at 47 different racetracks, the public can attend and bet on races. In all of these States only mechanical lures, designed to resemble a real rabbit, are used as encouragement for the dogs to run. From what is seen at a public greyhound racetrack, one would never suspect that there is a dark side to the sport.

I suspect that the majority of the spectators at the races would be outraged to learn that the dogs have been trained with live rabbits as bait. This revolting, inhumane practice, called coursing, is conducted primarily in the training facilities out of the view of the general public.

One of the most common methods of training with live animals is to tie the rabbit, kitten, or other animal by its hind legs to a mechanical device which dangles the creature in front of the dogs as they race after it. Occasionally they catch up with it and are able to take a bite or two.

The other method of training with live bait is equally gruesome. It is vividly described in an article from the St. Petersburg, Fla., Evening Independent of July 29, 1976:

It's no accident a dense hedge grows around the training pen at Thomas Crawford's greyhound kennels. The foliage is there to prevent you from seeing what's going on inside.

But, even so, you can hear it.

You can hear what sounds like a baby crying. It's loud and high-pitched. A frightened, eerie wail. And it draws you to the hedge for a look.

There, inside, in an arena-like perimeter, a few men and a few children work quietly and rapidly training greyhound racers to run with all their might after a fleeing rabbit.

The training session starts when one of the men reaches into a transportable wooden cage and pulls out a rabbit. The animal is a wild hare, a jack rabbit, skinny, rugged, craggy, brought to Florida from Texas where, Crawford says, they are a nuisance and slaughtered en masse.

The bleating rabbit fights vainly under grasp. It does, however, draw blood occasionally from its handler sinking sharp teeth and claws into a wrist or finger.

Some yards away, two svelte greyhounds strain at their collars to free themselves from the grasp of another man.

The dogs have just been taken from their pens. They are fresh. The entire being of each dog focuses on the handheld rabbit.

Then it happens.

The rabbit is dropped to the ground. It's allowed to scamper 30 to 40 yards—a head start. The dogs are then released. The rabbit begins a race for its life, a race it almost always loses.

A lone rabbit and a pair of greyhounds—three of the fastest animals on the planet—churn frantically about the training lot, reaching blinding speeds.

But within seconds the running is over, the chase ended. An excited greyhound holds the dangling rabbit in strong jaws. The lifeless rabbit cries no more.

One of the trainers retrieves the rabbit. Held by the feet, the bloodied carcass is used to tease triumphant dogs and hone the hunter instincts in the ancient breed.

Unfortunately, in many cases the rabbit does not completely die before the dogs are taken away. Some are used for training again, others are thrown into large piles to die a slow agonizing death.

There can be no question as to whether this is humane. Obviously throwing a rabbit to several greyhounds to rip and tear apart is not a kind act. The question that must be resolved is whether or not this cruelty is a necessary cruelty, if such a thing exists. Some breeders contend that it is necessary to use live animals as lure, others contend that artificial lures are equally effective. After examining the available information on the issue, I agree with the breeders who are not in favor of the live lures. Artificial devices are adequate substitutes.

According to the final report of the Commission on the Review of the National Policy toward Gambling, artificial lures have been available for over 55 years.

The modern version of greyhound racing in America evolved from a coursing event held in South Dakota in 1904. The sponsor of the event, Owen Patrick Smith, developed an immediate enthusiasm for the sport along with a strong distaste for the killing of hares. Smith spent the next 15 years testing and perfecting a mechanical lure. These early devices were unwellidy contraptions that often would slam into a wall, fall off the track, or stop suddenly, causing a pileup of dogs and machine. These mechanical difficulties were resolved with the invention of a folding arm that made the lure disappear while allowing the vehicle to continue around the track.

But are these devices as good as live lures? The argument has been advanced that a dog trained with a live lure has a slight edge during a race over a dog trained by artificial lures. Dr. Michael Fox of the Institute for the Study of Animal Problems, a division of the Humane Society of the United States, conducted extensive tests on greyhounds to ascertain why they ran. He found:

Most significant in my research is the fact that the chase response is usually evoked without prior experience with live prey and that the dog does not have to be rewarded or "reinforced" to chase the prey the next time by being given it to kill and eat.

Since that time in the early 1900's when Owen Patrick Smith developed the first artificial lure additional improvements have been made. In a September 1973 issue of the Greyhound Review the merits of an artificial device called a Jack-A-Lure were discussed. This product was proclaimed to be an improvement even over lures already considered effective and inexpensive. The article even advocates eventually using this product because of all the "bleeding hearts." In addition to being an improvement over the already satisfactory artificial lures, this device was touted as good enough to eliminate the need entirely for "anything other than itself." In other words, rabbits and other live lures would no longer be necessary.

Further evidence that dog racing could thrive without the use of live lures is illustrated by the action of the backers of the 1975 referendum in California to legalize dog racing. This legislation was submitted to the people of the State with a provision specifically prohibiting the use of live lures in the training of greyhound race dogs. It was admitted by the backers of the industry that such a practice was not necessary. According to Mr. George G. Hardie, who was the president of the Golden State Greyhound Association, sponsors of the California legislation:

Greyhounds are one of the seven "sight" hound breeds, and because they chase by sight and not scent, the dogs probably could be trained to chase virtually any moving object. When modern greyhound racing became widely accepted as a sport in this nation, efforts first were made to duplicate the appearance of real rabbits in order to make the dogs believe they were chasing actual, live animals. For many years, the lures were stuffed, padded, sewn, and embellished until they were hard to distinguish from a live rabbit. However, one foggy London night, when the visibility was so poor that the dogs could not see the mechanical make-believe rabbit, an enterprising English track operator fastened a red light to the rear of the lure and the greyhounds just as enthusiastically chased the light, as if nature had always equipped rabbits thusly.

The only State currently sanctioning dog racing but with prohibitions against the use of live lures is Massachusetts. In 1973, in Rink against Commonwealth of Massachusetts, the court ruled that to use live lures was in violation of the State's anti-cruelty laws. Yet the industry has not been harmed in that State.

I think the argument that use of rabbits or other live animals is necessary does not stand up under close scrutiny. There are too many good alternatives available to be able to justify this unnecessary torture.

Another cruel event which occurs in the greyhound industry is the so-called sport of public coursing. This is when an animal is set free for two greyhounds to chase and kill while the public places bets and observes the race.

The Humane Society of the United States has been especially concerned with this event for many years. They have worked diligently to bring to the attention of the American public just how inhumane these practices are. I applaud their work and ask unanimous consent that several of their reports be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RUN RABBIT RUN

Place: A fenced field in Abilene, Kansas.

Participants: About 100 greyhound dogs plus owners; 270 jackrabbits trucked in from Texas; 100 spectators on an average day.

Purpose: Pitting greyhounds against jackrabbits for testing their training as killing machines, also for entertainment and wagering.

"Run rabbit run" the spectators scream as two greyhounds chase down a jackrabbit within the confines of a diamond-shaped field. The dog owners and spectators have come to enjoy themselves watching and wagering. The dogs have come to be winners. The rabbits have come to die.

This bloody event some call "sport" is coursing. Coursing has been with us for about 100 years. Originally, the greyhound was brought to this country to help midwestern farmers rid their fields of rodents

and rabbits. According to the Greyhound Hall of Fame in Abilene, "The American farmer soon found the greyhound to also be a great source of entertainment and sport. Weekend coursing matches became popular, and eventually led to the first organized coursing meet held near Cheyenne Bottoms, Kansas, in 1886."

Today, there are about 20,000 registered greyhounds in the country. Greyhound racing is a popular "sport," and coursing remains the method of choice for training the racing dogs.

A HSUS investigator engaged the man who trucked the rabbits from Texas in a conversation. "Don't get too close to me," the driver said, "I've got hair from those damn rabbits all over me." The driver and his son had just finished unloading the rabbits. The investigator asked the driver why the rabbits had been brought from Texas. "Ain't any rabbits left in Kansas," he said. "They've all been trapped and poisoned. So, we bring them up from West Texas." The driver went on to point out that he gets $5.00 per head for the rabbits.

A typical coursing match pits two greyhounds against one rabbit. The rabbit is turned loose in the field first. If it does not immediately begin to run, men along the fence harass it until it moves. If they fail, the announcer blurts over the loudspeaker, "This rabbit won't do." The rabbit is immediately changed.

One dog wears a red collar and the other a white one. They are turned loose shortly after the rabbit begins to move. Occasionally, the dogs are so swift that the rabbit does not even know they are there until it's too late. Usually, the rabbit spots the dogs and a two or three minute chase follows.

When a rabbit get "home" (a hole in the fenced-in area that allows the rabbit to escape to another confined area), it is given a few minutes rest and then turned back into the field. If the dogs fail to get it, a relief dog is sent in to make the kill.

Some of the spectators cheer for the rabbit. Others cheer for the dogs. Large signs are posted prohibiting gambling but, even the casual observer can see money changing hands.

Speed is only one factor in determining the event's winner. Points are also awarded for the following maneuvers:

The turn—1 point. A turn is where the greyhound forces the jack to turn at right angles.

The wrench—½ point. A wrench is where the greyhound fails to turn the jack but forces him off a straight line, running in a zigzag manner.

The kill—2 points or on a descending scale in proportion to the degree of merit shown in making the kill. The kill may be of no merit. Thus, one greyhound forcing the jack to turn into his opponent's mouth, or catching a weak, stumbling jack.

The trip—1 point. A trip is where a greyhound throws the jack but fails to hold him.

During the events, the dogs don't make a sound. They're like finely tuned missiles tracking down and destroying an enemy target. The rabbits, on the other hand, make pathetic squealing noises. Occasionally the men who tear the rabbits away from the dogs show a little compassion by slamming the injured rabbit's head against a hard object to put it out of its misery. Otherwise, it will be thrown into a trash can with the dead rabbits from preceding events, to die slowly from its injuries.

HSUS investigators observed all of this and more. One of the most disturbing things they saw was a group of upper elementary grade students who had been brought to the meet on a "field trip." The children had to witness the dead and dying rabbits being tossed in garbage cans; the dogs tearing rabbits from limb to limb; and their teacher making what she thought were humorous noises imitating the dying rabbits. One investigator noted that the children were very upset by the sight of the rabbits in the trash cans.

Interestingly, during the investigation in Abilene, a new Kansas anti-cruelty law went into effect. The HSUS investigators felt that the coursing meets were in violation of the law. They approached the local county attorney and sought to sign a formal complaint. The attorney agreed that they could sign a complaint, but he suggested that the state Attorney General should give an opinion first since the new law had not been tested. As of this writing, the Kansas Attorney General has not made his opinion known.

In addition, The HSUS staffers requested assistance from Dr. Dale Schwindaman of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service. Schwindaman sent an agent to the coursing meet to witness the events to determine if the "animal fighting venture" section of the 1976 Animal Welfare Act Amendments had been violated.

At least 30 courses were run each day of the meet. Many of the rabbits were killed. Those that were left were sold to local greyhound racers for training purposes.

According to a HSUS investigator, coursing meets provide a place for people to sell and lease racing dogs, test the abilities of dogs for possible track racing. "Coursing is cruel," he said. "There's no doubt about it. There's just no redeeming qualities about it at all."

Of course, greyhound enthusiasts see it another way. One man who spoke with a HSUS investigator put it this way: "These rabbits and dogs are treated more humanely than a lot of other animals," he remarked. "You should spend your time on other cruelties rather than picking on greyhound people. The Humane Society worries about these pests (rabbits) and yet their own people kill all those dogs all over the country. Why don't you do something about those people?"

THE SCREAM OF A RABBIT

(By Bernard M. Weller)

The scene: A greyhound training track near Lubbock, Texas, at the end of the fourth race. Two boys, perhaps 10 or 11 years old, drag a screaming rabbit from the mouths of 3 vicious greyhounds. One of the boys held the mangled rabbit by its hind legs, dripping blood before him, then dropped the animal on the ground and walked away nonchalantly. I stood there speechless and unbelieving of what I had just witnessed—children being exposed to the abominably cruel practice of a training session for dog racing called "coursing."

It was early evening when I arrived at the coursing track just outside the city limits of Lubbock. My presence at the track, which trains greyhounds for dog racing in States outside Texas, was looked upon by several people there as uneventful. I felt more than a little nervous though, after seeing several handguns and rifles lying about in trucks and dog trailers in the parking area. From my past investigative experience with HSUS, I knew my life would be in danger if any one of the approximately 20 dog owners participating in the coursing sessions discovered my identity.

I walked into the track area and discovered two racetracks that were brightly illuminated by floodlights. One was a coursing track in which dogs chase and kill free-running rabbits. The other was a standard oval track used by professional greyhound racers. The well-groomed tracks were covered with soft, sandy loam that gives optimum traction for running dogs. There was a 2-acre alfalfa enclosure used as a holding pen or rabbits, where several men were catching rabbits for the upcoming runs. They loaded rabbits into wood containers and placed them near the entrance to the track.

While waiting for the first race I talked with the track owner, who informed me that coursing sessions were held twice a week on a year-round basis. He said after the dogs are trained at the track they are sent to one of 9 states that legally sanction dog racing in the U.S. He boasted that people from all over the state had come to his track to train their dogs.

The beginning of the first session was signaled by the crowd of spectators who pressed themselves eagerly against a chain-link fence that lined the fringe area of the dog track. Suddenly, a rabbit was released. Two greyhounds were set free on its trail as the dogs neared the rabbit, it turned back toward the entrance of the track, looking for an escape. The crowd on both sides of the track roared at the rabbit to scare it back in the direction of the dogs. The rabbit ran back and forth, desperately trying to elude the dogs. I cheered inside myself when the dogs became exhausted and could not keep up with the rabbit. But my elation was short-lived, as a third greyhound was released onto the track. The fresh greyhound didn't waste any time. Within seconds it grabbed the rabbit. A blood curdling scream from the helpless creature pierced the air. The rabbit's wailing increased as all three dogs began tearing it apart.

After the dogs had mauled the rabbit for a few minutes, several young children were sent onto the track to retrieve it. One youngster grabbed the rabbit from the mouth of a dog and discovered that it was still alive. He threw the animal on the ground and stomped his boot heel on the rabbit's head five or six times. The rabbit continued to make low squealing sounds of life. As a last resort, the child picked the animal up by its hind legs and slammed its head against a steel fence pole while other youngsters ducked the spattering of flying blood.

This gory scene was repeated with little variation during each of eight coursing sessions that evening. There were also several races held on the full-size track equipped with a mechanical lure. In these races, a rabbit that had been killed during the coursing sessions was cut in half, tied to the lure, and swung around the track with the dogs in hot pursuit. The lure had a noisemaker attached to it that simulated the squeal of a wounded rabbit. When these races ended the dogs were allowed to bite the bleeding carcass.

Walking to my car following the last race, I saw children about 4 or 5 years of age sitting behind a pickup truck playing with a dead rabbit. They were tossing the carcass into the air, swinging it in circles, and throwing it against the truck.

As I drove away I could not help but think of the children, the innocent victims of their parents' sadistic acts toward animals. I asked myself what kind of human beings could allow their young to view and participate in such cruelty. I am at a loss to understand them.

Mr. BAYH. Mr. President, the legislation we are introducing today will amend the Animal Welfare Act by prohibiting the interstate commerce of any greyhound which has been or is intended to be trained for racing with the use of an-

other live animal; prohibit the interstate commerce of any live animal intended to be used as live bait or lure in the training of greyhound dogs; and to prohibit public coursing. In order to stop greyhounds which have been trained with live lures in one State from going to a race in a State which prohibits such acts, a Federal law must be enacted. England and Australia have such national laws regulating their racing industry.

The Animal Welfare Act was originally passed by Congress to stop needless suffering by animals, usually incurred at the hands of man. The present law, which has been strengthened several times with amendments, regulates treatment of animals in research laboratories, zoos, exhibits, auctions, and breeding kennels, as well as setting the standards for animals in transit, and the prohibition of dog and cock fighting. I have always supported these efforts by Congress to alleviate needless suffering. As a member of the Senate Appropriations Subcommittee on Agriculture, I have consistently made efforts to insure that the Animal and Plant Health Inspection Service Office of Animal Welfare receives adequate sums to enforce these laws.

Mr. President, there will certainly be criticism that this is a bill for the "bleeding hearts" of the country who overreact to everything. I would respond by saying that I never want to see the day that compassion for even the smallest creature is scorned. It may be true that Congress has many important matters to consider. However, a Government should never be so large that it cannot take the time to alleviate the suffering of the very small and defenseless. To extend a helping hand in this case, when virtually no one loses, is a simple matter. My only regret is that this situation did not come to our attention sooner.

I ask unanimous consent that the bill and several articles be printed in the RECORD.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 3180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Animal Welfare Act Amends of 1978".

SEC. 2. (a) Section 26 (a) of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) by inserting "coursing or" immediately before "animal fighting venture";

(2) by inserting "(1)" immediately after "(a)"; and

(3) by adding at the end thereof the following new paragraph:

"(2) It shall be unlawful for any person to knowingly sponsor or exhibit a dog in any dog race to which such dog was moved in interstate or foreign commerce if such dog was trained by use of another live animal as a visual lure.".

(b) Section 26(b) of that Act is amended by—

(1) inserting "coursing or" immediately before "an animal fighting venture";

(2) by inserting "(1)" immediately after "(b)"; and

(3) by adding at the end thereof the following new paragraph:

"(2) It shall be unlawful for any person to knowingly sell, buy, transport, or deliver to another person or receive from another person for purposes of transportation, in interstate or foreign commerce—

"(A) any dog trained or to be trained for racing by use of another live animal as a visual lure, and

"(B) any live animal to be used as a visual lure in coursing.".

(c) Section 26(c) of that Act is amended by inserting "coursing or" immediately before "an animal fighting venture".

(d) Section 26(g) of that Act is amended by—

(1) adding the following new paragraph at the end thereof:

"(7) the term 'coursing' means any event which involves the pursuit by one or more dogs of another live animal used as a visual lure and is conducted for purposes of sport, wagering, entertainment, or animal training.";

(2) by striking "and" at the end of paragraph (5); and

(3) by striking the period at the end of paragraph (6) and inserting in lieu thereof a semicolon and "and".

SEC. 3. The Secretary of Agriculture shall promulgate regulations to implement the amendments made by this Act no later than nine months after the date of enactment of this Act.

SEC. 4. The amendment made by this Act shall become effective upon the date of enactment of this Act.

[From the St. Petersburg (Fla.) Evening Independent, July 29, 1976]

THE GREYHOUNDS AND THE LIVE RABBITS THEY TRAIN WITH

(By Joe Childs)

It's no accident a dense hedge grows around the training pen at Thomas Crawford's greyhound kennels. The foliage is there to prevent you from seeing what's going on inside.

But, even so, you can hear it.

You can hear what sounds like a baby crying. It's loud and high-pitched. A frightened, eerie wail. And it draws you to the hedge for a look.

There, inside, in an arena-like perimeter, a few men and a few children work quietly and rapidly training greyhound racers to run with all their might after a fleeing rabbit.

The training session starts when one of the men reaches into a transportable wooden cage and pulls out a rabbit. The animal is a wild hare, a jack rabbit, skinny, rugged, craggy, brought to Florida from Texas where, Crawford says, they are a nuisance and slaughtered en masse.

The bleating rabbit fights vainly under grasp. It does, however, draw blood occasionally from its handler, sinking sharp teeth and claws into a wrist or finger.

Some yards away, two svelte greyhounds strain at their collars to free themselves from the grasp of another man.

The dogs have just been taken from their pens. They are fresh. The entire being of each dog focuses on the hand-held rabbit.

Then it happens.

The rabbit is dropped to the ground. It's allowed to scamper 30 to 40 yards—a head start. The dogs are then released. The rabbit begins a race for its life, a race it almost always loses.

A lone rabbit and a pair of greyhounds—three of the fastest animals on the planet—churn frantically about the training lot, reaching blinding speeds.

But within seconds the running is over, the chase ended. An excited greyhound holds the dangling rabbit in strong jaws. The lifeless rabbit cries no more.

One of the trainers retrieves the rabbit. Held by the feet, the bloodied carcass is used to tease triumphant dogs and hone the hunter instincts in the ancient breed.

The rabbit is buried in a hole near the hedge.

Still inspired by their kill, the first pair of dogs is returned to the pens while two other dogs are brought into the training arena.

And the process begins again.

Another rabbit.

More cries.

The scene is legal. Although rare, the use of rabbits in training greyhounds is accepted and not prohibited by law.

Thomas Crawford, owner of the kennels and its 250 greyhounds, agrees to talk during the training session. He doesn't want pictures, but then says it's okay.

He says the dogs being trained are pups 11- to 13-months-old. Before becoming racers, at 15 months, the dogs should have chased live rabbits three or four times. Live-rabbit training, he says, is essential to a good racer.

"If these dogs did not have this, they would not run," says Crawford: "What would happen, and you've read about this, is they would fight on the track or have a tendency to play.

"They have got to learn to drive for the rabbit."

Should training with rabbits be outlawed, the dog track industry would "fall apart," contends Crawford.

During the last fiscal year, Florida netted $46.5-million in taxes from pari-mutuel dog track wagering. A total of $610-million was wagered during the year. The figures, supplied by the state's racing commission, do not reflect jobs created by the industry or tourism and other commerce generated by the lucrative industry.

Crawford, who has operated his kennels on 49th Street N near the U.S. 19 highway overpass since 1960, admits training dogs with live rabbits is "the worst part of the business."

A public outcry about the practice three years ago prompted a lawsuit and a Circuit Court (Ocala) injunction banning the mutilation of rabbits. But the matter was appealed and a higher court dismissed the injunction. Florida's Supreme Court refused to review the case.

Crawford had 48 rabbits on hand for training Wednesday night when he was visited by the Evening Independent. Not all rabbits were killed. Those that were captured, but were "too tough to die" were returned to cages minus hunks of fur. They were to be used in later training of 6-month-old puppies.

The rabbits cost Crawford $3.50 apiece. They are flown or trucked here from west Texas, the Oklahoma panhandle or from western Kansas, where, Crawford says, they are herded into bunches and killed because they become too numerous and "take over crops."

Crawford says rabbits are overabundant on prairies now and cost him half what they once did.

Grant Goheen, John McMillan and Tim Stahly, three young men who work as mechanics in shops adjacent to the kennels, say Crawford's kennels used live rabbits in training in February and, following a four-month layoff, resumed this month.

Bothered by the training methods, Goheen asked Crawford why the dogs could not train while muzzled.

"It wouldn't work," came the reply. "The dogs would never catch the rabbit and would never stop. They'd run themselves to death."

DOG TALK

(By Jack-A-Lure)

Ingenuity at work—it makes the industry go.

Ever heard of it? Probably not because it is

new. Jack-A-Lure is an ingenious device to encourage greyhounds to run. Especially young pups that need to be taught to chase. There are several different types of lures now in use in connection with a drag device that pulls them over the ground. Most of these are effective and inexpensive, and do a fairly good job. Jack-A-Lure is an improvement on every lure seen so far.

The mother of invention is of course need. Jack rabbits are becoming scarce and difficult to obtain. When they are available their quality is questionable due to long distance transport, dehydration, hot weather, or rainy cold weather. Jack rabbits are much more fragile than generally given credit. Then, of course, there are the bleeding hearts.

WHAT IS JACK-A-LURE?

The new Jack-A-Lure is a brown lure about eight inches wide and twelve to fourteen inches long with a tail and a squawker inside. The advantage of the Jack-A-Lure is that the tail is very active during the course and the squawker makes a noise with every jerk or bounce. The Jack-A-Lure was devised and first made by Keith Dillon.

HOW EFFECTIVE IS JACK-A-LURE?

For one who has not had the experience of watching Jack-A-Lure in action it is hard to understand what is going on. You just have to see "the whole thing." My experience was a jolting one because I was not ready for the trauma of success. I saw the lure demonstrated during a single early morning stint of less than an hour just like ABC. The effort involved was minimal, it was scheduled, it was complete and it was successful. Seven one year old pups that had previously had one jack and one run on the Jack-A-Lure. The greyhounds were placed in the starting box and the lure was started, the race was on and it ended upfield where the lure was stopped. It is necessary to use muzzles to protect the lure. They will beat the lure around some with the muzzles. All seven of the greyhounds ran with good desire and effort.

THE REAL TEST

Six seven and one half month old pups, that never had a collar or muzzle on previously and had never been in a greyhound trailer were put through their paces on the Jack-A-Lure. Each pup was muzzled and collared and placed in a trailer and taken to the vicinity of the starting box. The pups were hand slipped in pairs after the Jack-A-Lure. They ran the lure very well. Two of the pups were about three lengths tardy getting away because they were not looking in the direction of the lure. The pups ran the lure surprisingly well, with good desire. They appeared to chase as good if not better than they might have been expected to do chasing after a jack the first time. Their deficiency in age did not show in their run after the Jack-A-Lure.

WEANING FROM JACK-A-LURE TO TRACK TRIALS

Transferring the yearling pups over to the track was made by placing the Jack-A-Lure on the arm at the track. The running was uneventful with the pups running a little green as might be expected. They were not as much at home as they were with Jack-A-Lure on the ground.

WHAT PURPOSE DOES JACK-A-LURE SERVE?

There are various estimates as to the value of the Jack-A-Lure drag and lure. Probably a reasonable estimate would be that it would replace the alternative by about 80 percent. It may be to our advantage to start with the alternative and switch after one run, over to the Jack-A-Lure for the rest of the way. The experience of running the 7½ mo. old pups would indicate the possibility of eliminating the need for anything else other than Jack-A-Lure.

The Jack-A-Lure drag is easier to move around than a golf cart. It is easy to position and quick to get into action. You can schedule your efforts in the field with certainty with one exception, that of rain. You will not have a run down and you will not need a relief dog. You can set the distance you want your greyhounds to run. It doesn't take an army of people to manage it and you do not need a shotgun to cut down on the overextension of your greyhounds. Two people can manage these schooling stints in the field. I asked a man who has seen a great deal of the new lure if he saw anything wrong with it or if there was anything he would change. He stated he would not change a thing, "it is as near right as anything I have seen come down the pike."

AVAILABILITY

The Jack-A-Lure and drag is being manufactured by C.M.S. Machinery Co. of Olathe, Kansas, and will be distributed through the National Greyhound Association and a supply will be available in about 30 days. If you plan to come to the National Coursing and Training Track meet in October you will have an opportunity to see Jack-A-Lure in action.

STATEMENT PERTAINING TO THE USE OF LIVE PREY (RABBITS) IN TRAINING GREYHOUNDS

(by Michael W. Fox)

I have conducted extensive tests under controlled laboratory conditions on the development of prey-chasing (coursing) and killing in dogs. Also, the stimuli necessary to elicit such behaviors have been identified and evaluated, not only in domesticated dogs, but also in wolves, foxes, coyotes, jackals, and coyote x dog and wolf x dog hybrids.

In a canid with a strong inborn tendency to chase live prey—especially in canids such as the coyote and coursing hounds such as the greyhound—the most potent cue to release the chase response are visual stimuli. The shape, size and movement of the prey and its direction of travel are all critical in stimulating the dog to chase. This is an inborn response and should be amenable to genetic selection, i.e. greyhounds can be bred to be highly responsive to such stimuli. Other cues to elicit the chase response—odor and sound, are of lesser importance.

Most significant in my research is the fact that the chase response is usually evoked without prior experience with live prey and that the dog does not have to be rewarded or "reinforced" to chase the prey the next time by being given it to kill and eat.

He is just as likely to respond more the next time if he has had an opportunity to play with a dummy decoy prey after he has caught it the first time.

A greyhound trainer could just as well use a synthetic fur decoy as a live rabbit. In substituting the real rabbit for a decoy, the decoy can be 100% effective if

(1) It provides the necessary "releasing" stimuli to evoke the chase response (i.e. size, shape, movement and direction of travel away from the dog).

(2) Synthetic fur is as good as real fur as a releaser for the dog's prey-killing or playful grab-bite.

(3) Intermittent reward with food may improve performance—a press-tape "pocket" containing meat that bursts when the dog grabs the decoy training device should suffice.

(4) Occasional application of a mixture of urine and feces from a pet rabbit to the synthetic fur of the dummy rabbit substitute would provide an additional scent reward and incentive.

It is also quite feasible for an ingenious trainer to develop a "super rabbit"—a decoy that is even more effective than a normal wild rabbit.

With what is known today about animal behavior and with the expertise and ingenuity that all good dog trainers possess, there is no logical reason for not using dummy rabbits for training greyhounds, instead of live ones.

WE'RE FOR THE RABBIT

The million dollar greyhound industry in our neighboring city of Abilene has been threatened, largely because of concern for the welfare of rabbits.

The rabbit problem is so severe that the National Greyhound Association's annual competition in Abilene was canceled last week. This was the first cancellation, apparently, since the event was founded in 1935.

The competition has always been made up of two events—racing and coursing. Rabbits are essential to coursing.

Coursing is an event in which a rabbit is released in a big enclosure with two greyhounds. If the rabbit can elude the dogs long enough to reach an escape hatch it is considered the winner. If the dogs catch the rabbit they are clearly the victors.

Coursing has suffered a number of problems. Humane societies have protested fiercely, even though their efforts have thus far been unavailing. Then, too, some owners prefer racing to coursing because the financial rewards have been greater. Finally, and most important, a shortage of Kansas rabbits developed and hundreds of jackrabbits had to be trucked in from West Texas.

This combination of problems caused the Kansas Greyhound Breeders Association to recommend that coursing be eliminated from the fall competition. The national association responded by canceling the entire event.

This decision caused the most intense distress to the Abilene Chamber of Commerce and to Publisher Henry Jameson, as well as to the breeders of greyhounds in the Abilene area, all of whom feel the cancellation is a threat to the industry.

While we sympathize with the natural desire to protect a major industry, we herewith raise our voice against the so-called sport of coursing. In this matter we are squarely on the side of the rabbit—or any other animal forced to risk its life for human entertainment.

Let the competition continue, by all means. Let the greyhounds race their legs off and their hearts out in contests of speed. But spare the rabbit, we say. No life, however humble, should be sacrificed to serve a cruel sport.●

By Mr. DECONCINI (by request):

S. 3181. A bill to provide for nationwide service of subpenas in all suits involving the False Claims Act, and for other purposes; to the Committee on the Judiciary.

● Mr. DECONCINI. Mr. President, today I am introducing at the request of the administration a bill to extend the subpena power of the United States in cases brought under the False Claims Act, R.S. sections 3490–3494 and 5438. Under current law, the United States may issue subpenas in the district in which the action is brought and within 100 miles of the district. Proper venue under the False Claims Act is the district in which the defendant resides. This very often is not the district in which the acts constituting the violation occurred. Most of the witnesses in these cases are outside the reach of the subpena power of the United States. The need for a broadened subpena power is aptly detailed in a letter from the Department of Justice to the Vice President. I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
Washington, D.C., April 6, 1978.

THE VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Attached is a bill that would authorize nationwide service of subpena in cases involving the False Claims Act. The Act, R.S. §§ 3490–3494, 5438, empowers the United States to recover double damages, and one $2,000 forfeiture, for each false claim made, or caused to be made, upon the United States.

Under Rule 45(e)(1), the power of the district courts to issue trial subpenas is limited to the confines of the district, or to any place outside the district that is within 100 miles of the place of trial. Under the jurisdiction and venue provision of the False Claims Act (R.S. § 3491), however, the United States is constrained to bring suit against those who fraudulently abuse Federal programs in the judicial district in which they are "found." For individual defendants, the district in which they are found is the district in which they reside at the time that suit is commenced.

Our experience has been that the district in which an individual defendant is "found" is too often more than 100 miles from the district in which the fraudulent conduct occurred, and in which important witnesses reside. This is generally true because many False Claims Act suits follow criminal prosecutions based upon the same conduct. The impact of public disclosure of wrongdoing and indictment motivates many individuals to move away from the area in which the wrongdoing occurred, which in turn compels the Department to file suit against them in the area to which they have moved.

Thus, many real estate brokers and salesmen have been convicted over the past five years for making false statements to the Government to obtain FHA mortgage insurance in Detroit. Many of those brokers and salesmen have moved to California or other jurisdictions far removed from the Eastern District of Michigan. Because of the 100-mile limitation on effective service under Rules 45(e)(1), Federal Rules of Civil Procedure, we are unable to subpena essential witnesses from Detroit.

Similarly, False Claims Act suits for fraudulent abuse of the federally-insured student loan program frequently involve witnesses beyond the parties' subpena power. Students living in different judicial districts frequently borrow from the same lender; lenders in different states may assist the same school; and even co-defendants may "be found" in different states, necessitating separate suits for each.

The most serious prejudice to the United States resulting from the 100-mile limitation on subpena power arises in multi-million dollar False Claims Act suits for fraudulent abuse of federal grain programs. The short-weighing and misclassification of grain at issue in those cases took place in New Orleans and Galveston, but essential witnesses reside in Connecticut, in Memphis, Tennessee, and in the District of Columbia. Indeed, one False Claims Act case involving a grain exporter was brought in the District of Columbia to enable the parties to subpena witnesses there, but was transferred to New Orleans precisely because witnesses there were beyond the subpena power of the Court in the District of Columbia.

Federal criminal fraud cases pose similar problems: the case must be filed in the district where the crime occurred, but the witness may live in other states; some witnesses prove reluctant to cooperate; and the cases may span several districts. However, the distance of uncooperativeness of witnesses does not impede the prosecution of federal criminal cases because nationwide service of subpenas has been authorized under Rule 17, Federal Rules of Criminal Procedure.

Antitrust cases provide another analogy in civil cases; the issues are often complex; the litigation is involved and time-consuming; the allegations may cover operations and employees in many states. In antitrust cases, the use of nationwide service of process has been authorized under 15 U.S.C. § 23.

The timely and efficient civil prosecution of fraud requires this amendment to the False Claims Act. The alternatives are expensive and often inadequate to effective resolution of a civil fraud case. We urge you to give the bill prompt consideration.

The Office of Management and Budget has advised that there is no objection to the submission of this proposal from the standpoint of the Administration's program.

Sincerely,

PATRICIA M. WALD,
Assistant Attorney General.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S.J. Res. 139. A joint resolution establishing the Aboriginal Hawaiian Claims Settlement Study Commission, and for other purposes; to the Select Committee on Indian Affairs.

● Mr. INOUYE. Mr. President, I, along with my colleague Senator MATSUNAGA, wish to introduce for appropriate reference a Joint Resolution establishing the Aboriginal Hawaiian Claims Settlement Commission. This measure is identical to one passed by the Senate on October 20, 1977, without opposition.

That measure was amended in the House Committee on Interior and Insular Affairs and was brought up on the Suspension Calendar yesterday where it, unfortunately, failed to receive the necessary two-thirds majority vote although it had the support of a simple majority.

Mr. President, the issue of the Hawaiian Native Claims is a very important one to many, many people of my State. It is important not only to that 15 percent of our population which is of Hawaiian ancestry but to all who are concerned about the role of the Hawaiian people in our society today, the destruction of their culture and the failure of such a large proportion of the Hawaiian people to adjust to the demands of a modern competitive society.

I have tried to counsel members of the Hawaiian community who are, understandably, impatient over the long delay in receiving any recognition to their claims, to pursue the course of moderation and to have faith in the good will of the Congress and of the American people. I think it is essential that the Congress enact this measure to establish a Hawaiian Native Claims Study Commission for the purpose of making recommendations to the Congress after looking at all the evidence. It we are to have credibility with these people that we have a sincere interest in righting ancient wrongs and are willing to give them a fair hearing we must act soon.

In an effort to secure reconsideration during this Congress and favorable action to establish a forum for reasonable consideration of the merits of the Hawaiians' claim, I am bringing this measure once more before this body.●

ADDITIONAL COSPONSORS

S. 224

At the request of Mr. INOUYE, the Senator from Illinois (Mr. PERCY), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 224, to amend title 5, United States Code, to allow credit for civil service retirement purposes for time spent by Japanese-Americans in World War II interment camps.

S. 407

At the request of Mr. CHURCH, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 407, to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable toward pensions, annuities or similar benefits under various Federal retirement programs.

S. 514

At the request of Mr. RIBICOFF, the Senator from Montana (Mr. PAUL G. HATFIELD) was added as a cosponsor of S. 514, to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care.

S. 1500

At the request of Mr. DURKIN, the Senator from New Hampshire (Mr. MCINTYRE), the Senators from Colorado (Mr. HASKELL and Mr. HART), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1500, to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes.

S. 2128

At the request of Mr. INOUYE, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 2128, to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes.

S. 2384

At the request of Mr. CRANSTON, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 2384, the Veterans' and Survivors' Income Security Act.

S. 2388

At the request of Mr. PACKWOOD, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 2388, a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain employer educational assistance programs.

S. 2405

At the request of Mr. LUGAR, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 2405, to authorize an intermediate term Commodity Credit Corporation credit program for the purpose of financing the sale and export of agricultural commodities produced in the United States.

S. 2614

At the request of Mr. HELMS, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 2614, to amend the Public Health Service Act to provide alternatives to abortion.

S. 2738

At the request of Mr. DOLE, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 2738, to amend the IRC to provide for indexation of certain provisions.

S. 2759

At the request of Mr. CRANSTON, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 2759, a bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist the victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

S. 3044

At the request of Mr. KENNEDY, his name was added as a cosponsor of S. 3044, a bill to establish a tuition advance fund.

S. 3097

At the request of Mr. MARK O. HATFIELD, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 3097, a bill to reform water projects planning.

S. 3105

At the request of Mr. RIBICOFF, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 3105, the Catastrophic Health Insurance and Medical Assistance Reform Act of 1978.

S. 3147

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER), and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 3147, a bill to prohibit issuance of regulations on taxation of fringe benefits.

SENATE JOINT RESOLUTION 72

At the request of Mr. INOUYE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Joint Resolution 72, authorizing the President to proclaim annually a week during the first 10 days of May as Pacific/Asian American Heritage Week.

SENATE JOINT RESOLUTION 134

At the request of Mr. BAYH, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of Senate Joint Resolution 134, to extend the deadline for ratification of the Equal Rights Amendment.

SENATE RESOLUTION 323

At the request of Mr. DOLE, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of Senate Resolution 323, condemning the massive violations of human rights in Communist Cambodia.

SENATE RESOLUTION 474—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. HART, from the Committee on Armed Services, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 474

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2635, a bill to authorize the appropriation of funds for the acquisition of stockpile materials and to authorize the disposal of eleven excess stockpile materials.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

It was impossible for the Committee on Armed Services to properly review and give adequate consideration to S. 2635 before the May 15, 1978, deadline due to the press of other priority legislation, namely, S. 2571—the annual military procurement authorization bill, and S. 3079—the military construction authorization bill. Further, the Committee on Armed Services considered, and on May 15, 1978, reported, H.R. 4895 which completely revises the Strategic and Critical Materials Stock Piling Act and requires for the first time authorization for appropriations for stockpile acquisitions; this revision (H.R. 4895), which represents a major initiative by the Legislative Branch, logically required consideration and action before implementing legislation (S. 2635) on specific commodities could be acted on.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 2635 as reported by the Committee on Armed Services.

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—H.R. 8410

AMENDMENTS NOS. 2318 THROUGH 2327

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted 10 amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2328 THROUGH 2336

(Ordered to be printed and to lie on the table.)

Mr. MORGAN submitted nine amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

● Mr. MORGAN. At this time, Mr. President, I would like to submit several amendments to the labor law reform bill, H.R. 8410. Rather than submit a large number of amendments, I have reduced my concerns to a very few. I do believe that these amendments are more realistic and more responsible in their approach to labor law improvement.

On the whole, these amendments seek to continue the spirit of voluntary compliance found in the present law. They seek to preserve the integrity, efficiency, and discretion of the National Labor Relations Board. They seek to make reform, where necessary, more balanced and equitable. These amendments are made with a serious intent and with a good deal of deliberation and discussion.●

AMENDMENTS NOS. 2337 THROUGH 2356

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted 20 amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2357 THROUGH 2361

(Ordered to be printed and to lie on the table.)

Mr. WALLOP submitted five amendments intended to be proposed by H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2362 THROUGH 2429

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted 69 amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2430 AND 2431

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2432 THROUGH 2436

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted five amendments intended to be proposed by him to amendment No. 1768 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

BRETTON WOODS AGREEMENT AMENDMENTS—S. 2152

AMENDMENTS NOS. 2437 THROUGH 2439

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted three amendments intended to be proposed by him to the bill (S. 2152) to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund.

GOLD MEDALLION AMENDMENT TO WITTEVEEN FACILITY

Mr. HELMS. Mr. President, at the conclusion of the 94th Congress, I offered an amendment to the Bretton Woods Agreement Amendments of 1976 which would have restored the enforceability of contracts denominated in gold. That bill was significant in that it officially eliminated the use of gold from the world international monetary order.

It was not until several months later that the Gold Clause Freedom Act was passed. Now many Americans are beginning to utilize that freedom as an inflation hedge.

I now submit as an amendment to the Bretton Woods Agreement Amendments of 1978, a bill which would require the production and sale of gold medallions when the Treasury decides to sell gold.

Although this legislation is not directly related to the Witteveen facility bill, I

believe that action on the bill is of great importance. The Treasury Department has begun to sell gold from the U.S. stocks and Congress should act as expeditiously as possible. Canada, I understand, will soon be issuing its own gold piece.

The most recent gold auction is testimony to the importance of expeditious action. The officials of the Treasury Department said that the intent of selling 300,000 ounces of gold every month for 6 months would be to sell gold to Americans to slow the importation of gold from abroad. The results? Of the 300,000 ounces sold, 270,000 ounces were sold to foreign banks. Ninety percent of the American gold reserves sold went not to Americans but to the Swiss, the Germans, and the English.

In other words, the American gold is not going to Americans. The gold is going abroad. The gold that Americans want and for which they have demonstrated a $300 to $400 million demand is in the form of what is known as bullion coins, and Americans have purchased millions of them. The most popular, the Krugerrand from South Africa, contains 1 troy ounce of fine gold and is expected to sell approximately 2 million in the United States this year. Other bullion coins such as the Mexican 50 peso and Austrian 100 kronen are also selling well. Americans need and deserve a gold disk that says "United States of America" on it.

The gold medallions authorized by my amendment would be in the bullion coin market. One, the "Freedom" medallion, carrying a representation of the head of the Statue of Freedom atop the Capitol Building, would contain 1 ounce of fine gold, but would be produced from 0.900 fine gold, the traditional U.S. alloy for such pieces.

The bill also authorizes the production of the "Human Rights" medallion which contains one-half ounce of fine gold.

I would expect that these medallions would be sold at regular, periodical auctions, and a system of "dutch" auction or some other method would be used to insure, as the bill directs, that as wide a possible market would be sought for the medallions.

I understand that the Treasury has considered producing such gold pieces in the past. There is hesitation now, because they feel that the Freedom Medallion and the Human Rights Medallion would become too popular. That is a bit like saying that Reader's Digest magazine should stop publishing, because it is too successful.

I understand that there is also fear that the gold medallions would acquire value above their bullion value. If that were to be the case, then it would indicate that Americans like to have gold and will express their views in the market. That is not much of an indictment. But the medallions would carry no dollar designation and so would not carry on their face, like old U.S. silver and gold coins, an advertisement of what the dollar used to be worth.

Insofar as Treasury officials do not like the idea of a gold medallion in circulation that increases in value as measured in dollars the answer is simple: It is not the gold medallion or gold ingot that is particularly strong, it is the dollar that is weak.

The reasons behind the weakness of the dollar are fiscal and monetary policies and not the attraction gold has for some.

In fact, any gold-phobia that may be demonstrated by Treasury Department opposition to this proposal should be considered to be inconsistent and anachronistic in view of past Treasury Department policy pronouncements. Gold has been officially "demonetized." If gold has no relation to the monetary system, as Treasury says, then how can they fear gold more than pork bellies? Can Treasury consistently say that it objects to Government sale of an ounce gold medallion at market-related prices any more than they object to a 400-ounce gold bar at market-related prices?

An added irony is the means under which Treasury obtained vast quantities of gold: It was 1934 and President Roosevelt signed the bill to require that people bring their gold to the Treasury to be redeemed at $20.67 per ounce. The face value of $1.6 billion of gold—today worth over $14 billion—was turned in by patriotic citizens. Most of those tons of gold now sit in Fort Knox. The modest production of gold medallions proposed to be sold in the first year after enactment of my bill would hardly make a dent in that stock of gold—formerly U.S. gold coins—that were turned in by the American people. But, it would be a start to allowing people a chance at getting back some of the gold they or their relatives turned in.

The Gold Medallion Act is the most proper way to handle the situation. It does not stop the Treasury from selling gold. It does insure, however, that, first, the gold would be sold in a form wanted by Americans; second, the revenues received by the Treasury for the gold sales would be far greater than revenue from the sales of 400 or more ingots; and third, important symbols of American principles be distributed wherever a U.S. "Freedom" Medallion or "Human Rights" Medallion is displayed.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2437

On page 2, between lines 17 and 18, insert—

TITLE I—BRETTON WOODS AGREEMENTS ACT AMENDMENTS

On page 2, line 18, strike out "That the" and insert in lieu therof "Sec. 101. The".

On page 3, line 10, strike out "Sec. 2." and insert in lieu thereof "Sec. 102.".

At the end of the bill, add the following:

TITLE II—GOLD MEDALLIONS

SEC. 201. This title may be cited as the "Gold Medallion Act of 1978".

SEC. 202. (a)(1) Upon a determination by the Secretary of the Treasury (hereinafter referred to as the "Secretary") that it is in the national interest to sell gold, the Secretary shall offer all or part of such gold for sale to the public in accordance with this title in the form of gold medallions, of two sizes, one of which shall contain one ounce of .999 fine gold but shall be manufactured from .900 fine gold, and one such medallion shall contain one-half ounce of .999 fine gold but shall be manufactured from .900 fine gold.

(2) The one ounce medallion shall have on its face the likeness of the Statue of Freedom atop the dome of the Capitol Building, surrounded by laurel leaves. The word "freedom" shall be inscribed above the likeness, and the words "one ounce fine gold" shall be inscribed in the remaining area inside the edge of the medallion. The obverse of the one ounce medallion shall have a representation of the Great Seal of the United States, and be inscribed with the words "United States of America" and the numerals of the year the medallion is produced inside the edge of the medallion.

(3) The one-half ounce medallion shall have on its face, an appropriate design symbolizing the rights of individuals, the words "Human Rights" and the words "one-half ounce fine gold". The obverse shall have a representation of the Great Seal of the United States and be inscribed with the words "United States of America" and the numerals of the year in which the medallion is produced.

(b) If the Secretary determines that less than one and one-half million ounces of gold is to be sold in any fiscal year after the date of enactment of this title, all such gold shall be sold in the form of the medallions described in subsection (a).

(c) If the Secretary determines that more than one and one-half million ounces of gold are to be sold in any such year, that part of the excess gold which is not struck into medallions shall be sold in such a manner as the Secretary deems appropriate.

SEC. 203. (a) The medallions shall be produced in the first year of production in the ratio of two one-half ounce medallions for each one ounce medallion to be struck. In subsequent years, that ratio shall be adjusted to meet anticipated demand.

(b) Notwithstanding any other provisions of this title the number of medallions to be produced and sold in succeeding years in which sales of gold are held, shall be adjusted to meet anticipated demand.

SEC. 204. (a) Upon the determination referred to in section 2, the Secretary shall announce such determination, together with the total quantity medallions to be sold, and the date or dates on which the sale or sales will be held. For the purpose of carrying out any such sale, the Secretary shall enter into such arrangements with the Administrator of General Services as may be appropriate.

(b) Such arrangements for the sale of medallions shall be made so as to encourage broad public participation.

(c) Such rules and regulations as may be appropriate in carrying out functions under this section are hereby authorized.

SEC. 205. The Secretary shall direct the Bureau of the Mint to reserve out of the gold to be struck into the medallions under this title a quantity determined, on the basis of orders or surveys, by such Bureau to be sufficient to meet the need for premium quality medallions at a fair, market-related price.

SEC. 206. Notwithstanding any other provisions of this title, the authority contained herein shall expire five years after the date of enactment of this title.

"SUNSET" THE WITTEVEEN FACILITY

Mr. HELMS. Mr. President, the President has endorsed a proposal to provide for periodical reviews of Federal programs. Fifty-three Members of the Sen-

ate have cosponsored the legislation offered by the distinguished senior Senator from Maine (Mr. MUSKIE), S. 2.

I propose limiting the program authorized in the bill before the Senate, S. 2152, to a 5-year period similar to that cited in S. 2, the Sunset Act of 1977.

The bill, S. 2152, formally titled the "Bretton Woods Agreement Amendments of 1978," authorizes U.S. participation in a new International Monetary Fund low-interest loan program called "The Supplementary Financing Facility" after the outgoing Director of the IMF, Johannes Witteveen, who worked hard obtaining commitments from various nations to set up this new program.

The U.S. negotiators have promised to put up 1,450 special drawing rights, an indefinable sum which at the printing of the committee report is about $1.77 billion. The SDR is an accounting device based on the relative value of 13 currencies. Since those currencies float in the market and prices change daily, it is not possible to really say just how much the Treasury would be liable for if this program is approved.

Nevertheless, if the bill is approved, funds will be made available to the International Monetary Fund for use in the new facility for nations who are particularly hard hit by economic ills that have been ascribed to a number of causes.

Reading the material provided me on the bill, I find that the thrust of the arguments are in the direction of sustaining financially certain less developed countries for a period of time. The bill contemplates loans of up to 12 years. Five years would not be too soon to see how progress is being made to assure the proper use of the U.S. funds in that facility.

Perhaps at that time, added instructions should be given to U.S. representatives to the facility. Perhaps the need for the facility will have gone and U.S. participation will be no longer necessary. Perhaps, if the funds are not being used constructively, Congress would deem that different uses—such as returning them to the taxpayers—might better serve everyone concerned.

Mr. President, the time to start implementing the Sunset concept is now. If a majority of the Senate is serious in its commitment to the regular review of the programs authorized by Congress, then this amendment should be adopted.

Mr. President, I ask unanimous consent that my amendment relating to the Witteveen Facility be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2438

On page 3, line 9, strike out the quotation marks and the period following the quotation marks.

On page 3, between lines 9 and 10, insert the following:

"(c) The authority granted by this section for United States participation in the Supplementary Financing Facility expires at the close of the fiscal year 1983.".

"SUNSET" THE INTERNATIONAL MONETARY FUND

Mr. HELMS. Mr. President, as I have stated previously, a majority of the Senate as well as the President of the United States have endorsed the "sunset" concept. It is the principle that programs of the Federal Government should be reviewed periodically. It is based on the truism that Federal agencies and programs tend to develop a life of their own whether or not the reasons for their existence remain valid.

Newton said an object at rest tends to remain at rest: The first law of motion. Parkinson might have said that a bureaucracy in existence tends to remain in existence.

The International Monetary Fund has been in existence since 1946. It was intended to maintain fixed exchange rates, and act as international policemen for the gold exchange standard. Since that time, we have abandoned fixed exchange rates and eliminated gold from official use in international monetary transactions.

The IMF has now shifted its purpose to a more nebulous sort of foreign aid: That is providing nations with balance of payments financing.

It may well be asked if the world needs another foreign aid agency. Some might say that foreign aid agencies have accomplished as much harm as good. They clearly have cost the American taxpayer a good deal, and if for no other reason than that—the continued cost, the IMF should fall under the "sunset" concept.

Treasury Department officials are anxious to keep the IMF out of the budget and thereby limit budget and appropriations fights. They have not, however, argued that the transfer of funds by the International Monetary Fund does not result in the transfer of real resources. In other words, the paper transactions Treasury says are "assets exchanges" result in economic effects in the long run identical to the effects of appropriated funds. IMF transfers resources and that should be reviewed, and reconsidered regularly.

Mr. President, I ask unanimous consent that my amendment relating to regular review on U.S. participation in the International Monetary Fund be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2439

On page 2, line 20, strike out "section" and insert in lieu thereof "sections".

On page 3, line 9, strike out the quotation marks and the period following the quotation marks.

On page 3, between lines 9 and 10, insert the following:

"SEC. 29. The authority granted by this Act for the United States to maintain membership in the Fund expires at the close of fiscal year 1983.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON NUTRITION

● Mr. McGOVERN. Mr. President, I wish to announce that the Subcommittee on Nutrition of the Committee on Agriculture, Nutrition, and Forestry has scheduled hearings on June 12 and 13 on the relationship between the human diet and cancer. The hearings will look into both the current research efforts of the National Cancer Institute as well as the Institute's role in the larger nutrition research plans of the National Institutes of Health. The hearings will begin at 9 a.m. Monday, June 12 and 9:30 a.m. Tuesday, June 13 in room 324, Russell Senate Office Building. The subcommitee will hear from invited witnesses only, but anyone wishing to submit written testimony may do so. For further information, please contact the committee staff at 224–2035.●

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

● Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Agricultural Research, and General Legislation of the Agriculture Committee has scheduled a hearing on S. 3092 on Thursday, June 15 at 9 a.m. in room 324, Russell Senate Office Building. This bill would require that meat inspected or approved under the Federal Meat Inspection Act be produced only from livestock that has been humanely slaughtered. Senator DOLE will preside at the hearing. The subcommittee will hear from invited witnesses only, but anyone wishing to submit a statement may do so. For further information, please contact the committee staff at 224–2035.●

ADDITIONAL STATEMENTS

SENATOR JAMES B. ALLEN

● Mr. BENTSEN. Mr. President, I rise today to pay tribute to a man who in 9 short years became an institution in the U.S. Senate. With the loss of James B. Allen, the Senate has lost more than the benefit of the Senator from Alabama's unequaled parliamentary expertise; it has lost an important reference point in this Chamber.

During his frequent presence on the Senate floor, Senator Allen's artful use of parliamentary procedure and tactical skill added a sense of balance and timing to the legislative process that will be sorely missed by his colleagues. He employed his abilities to insure an indepth analysis and discussion of the issue at hand, forcing his associates to stop and take a long, hard look at important policy issues, before deciding what action was in the best interest of the Nation.

At times I fought beside Jim Allen. At times I opposed him. But at all times I respected his position and knew that sentiment was reciprocated. Senator Allen held a reverence for the institution of the U.S. Senate and those who served it. He was effective on the floor because he devoted his life to the legislative process. Not content to understand the broad

outlines of legislation, Senator Allen made it a point to appreciate legislation in its entirety. His mastery of parliamentary technique was a function of this understanding and dedication to our system of government.

Senator Allen was a distinguished and dedicated legislator in the time-honored tradition of this body. His integrity was unquestioned, his courtesy inveterate. Throughout his long and eminent career in State and Federal Government, he was recognized as a man of strong convictions, who was willing to fight for his principles. The State of Alabama has lost a great politician; the Nation has lost a great statesman. This Chamber will mourn the privation of his talents.●

FEMALE PAGES

● Mr. JAVITS. Mr. President, in 1971 I introduced legislation, which was subsequently passed, to allow females to serve as congressional pages. Since that time 73 women have or are currently serving as pages in the Senate.

I feel very strongly about the program—it allows all our young people to gain an insight into, and knowledge of the national legislative process. They become more aware of our Government, our country, and our people. Many of these young people have since entered Federal service, and have made real contributions to our country.

Recently Sally Cashen worked as my Senate page. Upon completion of her term she sent me a letter which expresses her feelings about the program and mine as well. And for this reason, I would like to share them with my colleagues, and ask unanimous consent that they be set forth in the RECORD.

The letter follows:

MAY 2, 1978.

DEAR SENATOR JAVITS: I deeply appreciate all you have done for me during my stay in Washington. I have enjoyed paging tremendously and I thank you for giving me the opportunity to have such an experience.

Working in the United States Senate has taught me so much about our government and I feel I have gained a great deal of knowledge. During my page term I was given the chance to see the Senate in session every day, to sit in on Committee meetings, to meet staff workers and officers of the Senate, to make lifelong friends, and much more. I now have an eagerness to know all that goes on in our government and to know where the United States stands in foreign matters. I believe that it is my duty as a citizen of the United States to always be aware of what the leaders of our country are doing and to participate as actively as possible in our democracy. I thank you for instilling in me that desire for self-awareness.

While I was here, I was treated ever so kindly by your staff and they made every effort to accommodate me graciously. I especially appreciate Ms. Dott's interest and concern in my well-being.

Again, thank you for allowing me to serve as a page, and most of all, for helping me to gain great insight to the American government.

Sincerely,

SALLY CASHEN.●

VA GI BILL REGULATIONS

● Mr. CRANSTON. Mr. President, on April 18, I submitted for the RECORD a copy of the U.S. Supreme Court's decision in the case of Max Cleland, Administrator of Veterans' Affairs, et al. against National College of Business which upheld the VA's enforcement of certain administrative provisions of the GI bill—the "8515" requirement and the "2-year rule."

On April 20, the VA issued a news release concerning this decision, noting the effect it would have on veteran-students enrolled in courses of education during the time that enforcement of these administrative provisions was barred as a result of the lower court's ruling.

Mr. President, I ask unanimous consent that a copy of the VA's news release be printed in the RECORD.

The article follows:

NEWS RELEASE

The recent Supreme Court decision upholding Congress right to bar the use of GI Bill benefits funds for certain education courses will not apply to veterans already enrolled in such classes, Veterans Administration chief Max Cleland said today.

The high court last month reversed a South Dakota federal judge who had barred VA's enforcement of legislation limiting the courses veterans could take to those which had been in existence for at least two years and those in which veterans were no more than 85 per cent of the enrollment.

The South Dakota court's ruling that the legislation was unconstitutional prevailed in that state until the Supreme Court reversed it March 20, 1978.

Cleland said the decision will not affect those students enrolled during the time that enforcement of the 85–15 and two-year rules was barred.

Both rules were intended to allow the operation of the free market to weed out courses that could not attract students other than those receiving GI Bill benefits.

The Supreme Court case involved the National College of Business which has its headquarters in South Dakota with branches in a number of states.

School officials had complained that the so-called 85–15 requirement and the two-year rule imposed by Congress were restrictions that arbitrarily denied veterans their education benefits and equal opportunity.

The Supreme Court ruled, however, that the course restrictions "are valid exercises of Congress' power" and that Congress was not irrational in concluding that the restriction would be useful in preventing "charlatans from grabbing the veteran's education money."

Cleland said the Supreme Court decision reversing Judge Andrew W. Bogue "upholds the right of the Congress to establish, and the Veterans Administration to enforce reasonable restrictions on the use of taxpayers' funds for veterans' education benefits."

Cleland said the course restrictions grew out of abuses that first occurred under the World War II GI Bill. The first version of the 85 per cent limitation was in the Korean Conflict GI Bill of 1952.

"Congress was concerned," the Senate Veterans Affairs Committee said, "about schools which developed courses specifically designed for those veterans with available federal moneys to purchase such courses.

"The requirement of a minimum enrollment of students not wholly or partially subsidized by the Veterans Administration was a way of protecting veterans by allowing the free market mechanism to operate.

"A minimum number of nonveterans were required to find the course worthwhile and valuable or the payment of federal funds to veterans who enrolled would not be authorized," the committee said.

The rule is especially appropriate now, the Senate committee report pointed out, "given the fact that under today's GI Bill . . . veterans do not comprise a major proportion of those attending institutions of higher learning."

Cleland said that while VA will continue to pay benefits to those veterans who were already enrolled in these courses, and who remain continuously enrolled, "we intend to maintain our constant vigilance in this area to protect both the veteran seeking an education and those Americans whose hard earned dollars pay for it."●

SENATOR BARRY GOLDWATER SPONSORS GOLD MEDALLION ACT OF 1978

● Mr. GOLDWATER. Mr. President, in the years I have been fortunate enough to serve in the U.S. Senate, I have witnessed a large number of acts by various Government agencies that would classify as the best kind of material for some humorist like Bob Hope or Mark Russell. Most recently, the Treasury Department proceeded to undertake a more serious, but foolish act: the selling of our gold stocks in order to help support the dollar. That is a little like bloodletting when the patient has a high fever.

The bloodletting this time is the disposal of some of our Nation's most important assets, our gold reserves. Since the United States—so regretfully—abandoned the gold standard, or even the semblance of the gold standard which we had until 1971, our inflation rate has mushroomed. The money supply has shot up and prices, of course, right with it.

The economic wizards in the White House and the Treasury Department's economic alchemists have blamed inflation on everything except the real cause: Government monetary policy and Government fiscal policy which results in floods of unneeded and unwanted currency.

The Merlins of the Treasury Department are now in the process of generating another smokescreen to hide the effects of inflation. This smokescreen is the sale of U.S. gold. The price of gold is an indicator of the decline of the dollar. So it seems that instead of stopping the decline of the dollar, Treasury tries to stop the rise of the price of gold.

If gold is to be sold, and I do not think we should sell it—we will need it at some point—then it should at least be sold to Americans in the shape and size that Americans want. They want small, gold medallions or "bullion coins." They want gold pieces that reflect their value in their weight of gold.

That Americans want such items is demonstrated in that this year an esti-

mated $400 million will be spent for these coins in the United States by Americans.

For these reasons, I am joining my good friend JESSE HELMS in sponsoring the Gold Medallion Act of 1978. This bill would not stop the Treasury sales of gold. It would require, however, that if Treasury sells gold, that at least a good portion of that gold be sold in the form of 1-ounce and one-half-ounce gold medallions. It would require that in the year after enactment of the bill in which gold sales are held, that the first 1.5 million ounces of gold be sold in the form of gold medallions at market-related prices.

It is a sure bet that the money going to the Treasury would be more than they get for 400-ounce gold bricks. Even counting production costs that might range from a few cents to a dollar or more each, it would still mean great added profit on the sales. What is perhaps more important, is that American gold stocks would be going into the hands of Americans.

The medallions would carry messages, too. The 1-ounce medallion would carry the Great Seal of the United States on one side and a representation of the head of the Statue of Freedom that stands on top of the Capitol dome, and it would have the word "Freedom." The smaller, one-half-ounce medallion would have some representation of the rights of individuals and would carry the words, "Human Rights."

These virtues are distinctly American—they represent some of the most important kinds of struggles going on on our planet today, and were these medallions to be sold abroad, not only would they provide important foreign exchange, but they would carry messages of the United States wherever they were shown.

I hope the Senate acts soon on this legislation. Gold is now being sold—primarily to foreign bankers—and Congress should mandate a change in that unfortunate policy.●

SMALL HYDRO: SENATOR STAFFORD'S IMPORTANT ROLE IN THE RETROFIT EFFORT

● Mr. DOMENICI. Mr. President, the National Journal recently carried an interesting article discussing the national opportunities for greater hydropower development. Much of this article was focused on retrofitting new power facilities at existing damsites.

Unfortunately, this article fails to mention the substantial contribution made by the Senator from Vermont (Mr. STAFFORD) in highlighting this issue. I believe it is fair to say that Senator STAFFORD, probably earlier than anyone else in the Senate, recognized the need to augment the hydroretrofit effort, particularly at small damsites. He sponsored a provision for hydroretrofit that was incorporated in S. 1529, which the Senate passed 1 year ago. He sponsored similar language last fall to S. 2114, and then to H.R. 8309, which passed the Senate last month.

In addition, Senator STAFFORD obtained the recommendation of the Committee on Environment and Public Works for increased spending for ongoing hydroretrofit studies by the Corps of Engineers during fiscal year 1979, then testified to the Appropriations Committee in support of this higher level of appropriation. In addition, he won Senate approval for an amendment to H.R. 8309 to expedite the Federal licensing of small hydroprojects.

Mr. President, after placing this issue in that context, I ask that the National Journal article be printed in the RECORD.

The article follows:

[From the National Journal, Apr. 29, 1978]

HYDROPOWER—TURNING TO WATER TO TURN THE WHEELS

(By Dick Kirschten)

It's a long way from Grenoble, at the base of the French Alps, to Vanceburg, a town of 2,000 beneath the foothills of Kentucky's coal-rich Appalachian mountain range. But, if all goes according to plan, turbines from Grenoble after being floated across the Atlantic—will begin producing low-cost electricity for Vanceburg by December 1981.

The town's municipal utility then expects to become independent of the giant private firm that now sells it electricity generated from coal. Vanceburg would become a seller of power and, by offering cheap rates and abundant supplies, hopes to attract large-scale industrial development.

This ambitious scheme places tiny Vanceburg in the vanguard of a revolution overtaking one sector of national energy production—particularly of existing dams that not very long ago were considered too small to be economical power producers.

Vanceburg is turning its back on the adjacent eastern Kentucky coalfield and looking instead to the mighty Ohio River, where those turbines from France are to be installed in the first of three navigational dams at which the city plans to produce power.

As the costs of other energy sources have spiraled upward in recent years, interest has been rekindled in power from water. Small hydro projects—even on far less formidable streams than the Ohio—are being proposed in many areas of the country. Water-rich but oil-dependent New England is leading the way.

In an era of gigantic steam plants that can generate 1,000 megawatts of power and more, hydropower may seem strangely anachronistic. But President Carter, in outlining his national energy plan in April 1977, suggested using hydroelectric capacities as low as three to five megawatts.

"Low-head" dams—those of no more than 20 meters (about 65 feet) in height—actually can generate power in considerable quantities if they are situated on fast-moving rivers. Eight turbines being installed at the 39-foot-high Rock Island Dam on the Columbia River in Washington will produce a very respectable 432 megawatts. The reason: the swift flow of the Columbia River.

At the other end of the spectrum are such truly small-scale projects as a restored half-megawatt hydroplant on Brandywine Creek in Delaware that meets most of the needs of a 186-acre museum complex. The key to the usefulness of such units is their ability to generate power where it is needed, thus reducing the power inevitably lost during transmission across great distances.

LAGGING ADMINISTRATION

Small hydroplants can be built at dams that are already in place—an attraction that would seem tailor-made for a President who opposes building new dams, champions environmental values and sees energy supply as a critical national problem.

Indeed, in his national energy plan, Carter noted that hydroelectric capacity at existing dams "could be installed at less than the cost of equivalent new coal or nuclear capacity." And he ordered a study of the "potential for additional hydropower installations at existing dam sites throughout the country."

Curiously, however, the President has managed to lose the initiative on this issue, and his Administration has been rather harshly criticized for failing to pursue the "low-head hydro" energy option aggressively. Congress has taken the lead, authorizing funds and mandating actions not requested and, in some cases, resisted—by the Administration.

David E. Lilienthal, former chairman of both the Tennessee Valley Authority and the Atomic Energy Commission, now heads a private firm that is boosting small hydropower projects. During an interview (see box, p. 674), he sharply criticized the Carter Administration's performance on this issue.

"When Congress is smarter than the executive branch, that's a real 'man bites dog' story, because they [Congress] just don't have the same staff capability," Lilienthal remarked. "Everything has to be very big for this Administration to find it interesting. As a result, their energy program is a disaster so far."

Robert L. Mauro, research and development director for the American Public Power Association, told National Journal that he has found the Administration's follow-through on support for small hydro developments to be a disappointment. "They [Administration officials] say all the right things," Mauro said, "but they don't put their money where their mouths are."

And Sen. John A. Durkin, D-N.H., accuses Energy Secretary James R. Schlesinger of hindering renewable energy options, such as small hydro and solar. "Schlesinger wants to make it impossible to go any route other than nuclear," Durkin charged during a recent interview.

Whatever the Administration's sins of omission or commission have been thus far, there are plenty of signs that hydropower will be receiving increasing attention in the months to come. In an exchange with Durkin during a Senate hearing on March 1, Schlesinger declared: "When we identify the sites, there will be a major emphasis on low-head hydro. It is not any more than anything else a cure-all, but it will be a substantial alternative, particularly attractive in New England."

CONGRESSIONAL ACTS

Without waiting for Carter to ask, Congress authorized $15 million for hydroelectric energy research, development and demonstration for fiscal 1978, of which $10 million subsequently was appropriated. In response to earlier pressure from Sen. Frank Church, D-Idaho, $1.6 million in 1977 funds has been reprogrammed late in the fiscal year to gear up a small hydro demonstration at three dams at Idaho Falls that had been damaged by the collapse of the Teton Dam upstream.

And Rep. Richard L. Ottinger, D-N.Y., found no need to await the results of the 90-day hydro potential study that Carter ordered in his energy message. Just one month later, in May 1977, Ottinger had de-

veloped his own figures. He estimated that the untapped hydroelectric potential of "the more than 49,000 undeveloped small dams in the United States" was equivalent to one million barrels of oil per day.

He simultaneously introduced legislation to provide $100 million a year in grants and loans to stimulate development of hydro installations with capacities no greater than 15 megawatts at existing dams. A month later, Durkin introduced a similar bill in the Senate. Both measures eventually were accepted as amendments to the public utilities reform segment of the Carter energy package.

As worked out in conference, $10 million a year for three years would be made available in federal loans for small hydro feasibility studies, and $100 million a year for three years in federal loans to cover project costs. The pending energy package contains provisions to speed the licensing of small hydro projects at existing dams and to guarantee that small hydro producers will be able to sell and buy power at fair rates.

By last July, the Administration had its own statistics. The Army Corps of Engineers, which completed the 90-day study requested by Carter in April, produced results strikingly similar to Ottinger's. The corps reported: "The development of all of the hydropower potential at existing hydropower and non-hydropower dams could generate almost 160 billion kilowatt hours of electricity and save 727,000 barrels of oil per day."

The Energy Research and Development Administration (ERDA)—now folded into the Energy Department—became interested enough to accept an unsolicited request to sponsor a workshop on low-head hydropower at Durham, N.H., in September. At that meeting, ERDA's leading spokesman admitted, "We at ERDA have very little knowledge about hydro and we have come here to learn." He later added, "It took a long time at ERDA to agree that we should take any action at all, some arguing that no research and development was needed for hydro."

The Energy Department subsequently hired Richard J. McDonald, the author of the 90-day Corps of Engineers hydro study, to head up its program of small hydro demonstrations. The $10 million appropriated for 1978 has been budgeted roughly as follows: $4 million for research on standardized designs for small turbine units, $2 million for continuation of the hydro demonstration involving the damaged dams at Idaho Falls, $2.5 million awarded recently for 50 small hydro feasibility studies, and $1.5 million to be available for two or three additional demonstration projects.

When the department solicited applications for the 50 feasibility study grants, it received more than 200 responses, according to Edward J. Myerson, a division chief who oversees the Energy Department's hydro programs. The Carter Administration's 1979 budget request for small hydro research development and demonstration asked for only $8 million, disappointing boosters of the technology. However, Myerson argued that the request essentially continues the program at the same funding level after allowing for one-time start-up costs encountered in the first year.

But Durkin charged that when he and Ottinger were fighting to add their $330 million, three-year, small-hydro loan provision to the Carter energy package, the Administration opposed them. "There would be no hydro program without our efforts here in Congress," the New Hampshire Senator asserted.

On the policy-making side of the Energy Department, officials involved in preparing options for the second phase of the Carter energy plan are not commenting on their activities. However, one analyst involved in the preparation of hydropower options, Ron E. White, said he would be "awfully surprised if low-head hydro is not included" on Schlesinger's forthcoming list of energy supply policies.

In the meantime, the Federal Energy Regulatory Commission (FERC), voted on April 19 to approve the first of three planned steps to speed the licensing of hydro projects. The commission proposed a rule to establish "a short-form hydroelectric license" for small projects that generate no more than 1.5 megawatts at dams no larger than 25 feet high with reservoirs that are no larger than 10 acres.

Ronald A. Corso, deputy director of FERC's division of licensed projects, said that if no problems are encountered with simplified licensing for very small projects, the commission would take similar steps for hydro projects with capacities up to 15 megawatts. That would be followed by a third phase to streamline the licensing process for large hydroelectric projects—those with capacities over 15 megawatts.

CONSTRUCTION AGENCIES

The Army Corps of Engineers and the Interior Department's Bureau of Reclamation are busily restudying all their projects, both past and pending, to identify opportunities to add new hydropower features. Brig. Gen. Drake Wilson, deputy director of civil works for the corps, said in an interview that the new emphasis on smaller projects represents a challenge that the corps is happy to meet. He noted that Congress, back in 1976, had authorized the corps to conduct a three-year "national hydropower study" that would reexamine the economic feasibility of such projects in light of "the increased cost of alternative sources of electric energy." The study is expected to be completed in 1980.

The Energy Department also has contracted with the corps to further refine the information amassed in its 90-day survey of existing ram sites in 1977. That work is to be completed by the end of this year, Wilson said. The corps also is identifying two potential sites for possible small hydro demonstrations in each of the 50 states, again at the request of the Energy Department.

At the Bureau of Reclamation, a similar set of study tasks has been assigned. Gerald W. Fauss, a bureau planning official, said his agency is undertaking five low-head hydropower research studies in cooperation with the Energy Department. The studies include power marketing and ties among power grids as well as an investigation of the lower limits of practical application.

Fauss noted that the bureau also has $900,000 budgeted for its own three-year study of low-head hydro opportunities within the 17 western states that the agency serves. This work, he said, will be integrated with a Corps of Engineers' three-year study to avoid duplicating efforts.

He also pointed out that the Administration's 1979 budget proposal restricted the bureau to 18 new project investigations this year, all of them involving possible hydropower additions at existing structures. One of those studies involves the possibility of low-head power production at a regulating dam, the Yellowtail Afterbay, on the Big Horn River in Montana. The structure is located 2.25 miles downstream from the main Yellowtail hydro dam, a facility that generates 250 megawatts of power. By adding turbines at the smaller dam downstream, an additional 11.4 megawatts could be realized.

HYDRO'S OUTLOOK

Over the years, hydropower—which as recently as 1950 accounted for more than 25 percent of the nation's electricity—has declined steadily in relation to other sources of electrical generation. During the first six months of 1977, Federal Power Commission figures showed that nuclear power with 12 percent of the nation's electrical output—surpassed hydropower (10.7 percent) for the first time.

A March 15, 1978, industry survey, by *Electrical World* magazine projects a continuation of that trend. Based on present plans for added generating capacity, the magazine survey shows conventional hydropower slipping from 10.5 percent of the nation's capacity as of the end of 1977 to 8.6 percent sometime after 1981.

It is interesting, however, to compare the magazine survey's accounting of planned additions to hydro capacity with the figures that the government has recently produced to estimate untapped hydro potential at existing structures. The magazine's figures show that the power industry plans to add 15,819 megawatts of conventional hydro power in the foreseeable future, including projects that may involve construction of new dams. This amounts to less than one-third of the 54,600-megawatt capacity projected by the Corps of Engineers in its study of hydro potential that, at least in theory, can be realized without building any new dams.

Since hydropower is the one source of electricity that is immune to rising fuel costs, there is every reason to believe that it may be due for something of a rebound. Many expect it to halt its downward slide and, at the very least, hold onto its share of the nation's electrical load. Others think there may be a slight increase in hydro's percentage of electrical production in the years to come.

Environmental objections have delayed or blocked the construction of many new hydroelectric dams. With the possible exception of Alaska, most suitable sites for big dams in the United States already have been used. Accordingly, there is growing interest in focusing the quest for new hydropower on dams that already have been built.

Environmentalists supported congressional initiatives to make federal funds available to stimulate small hydro development at existing dams. But that support was somewhat guarded. The American Rivers Conservation Council, in a December 1977 newletter, approved aid for low-head hydro because the enabling legislation includes environmental safeguards. However, it added a cautionary note: "We are, of course, very wary of stimulating any sort of development on our rivers and streams, and you would be well advised to watch any small-scale hydro proposals in your area closely."

The American Public Power Association's Bob Mauro, noting that many of his group's members utilities are governed by town councils or municipal officials, said that the small hydro movement is "attractive to our members for political and public relations reasons. It's much easier to support than a vote for a nuclear plant or a big coal-fired facility. In addition, it's attractive to them because it's inflation-proof. They don't have to look forward to raising rates because of rising fuel costs."

If environmentalists and public officials can truly join hands over the issue of small hydro, it may have a bright future indeed.

CHAMPIONING THE CAUSE OF SMALL HYDROELECTRIC UNITS

Fresh from planning and supervising the construction of a 650-foot high dam on the

Dez River in Iran. David E. Lilienthal has spent the past couple of years tub-thumping in the United States for a new and different cause: dams no taller than 25 feet.

What's more, Lilienthal, the architect of the Tennesee Valley Authority (TVA) and its vast network of huge dams and power stations, isn't even talking about building dams anymore. Instead, he and his firm, Development and Resources Corp., simply want to assist in developing small hydroelectric units in dams that already exist, many of which generated power in the past but since have been ignored.

Lilienthal, whose career dealing with "very large structures and systems" includes a stint as chairman of the Atomic Energy Commission as well as TVA, discussed his new interest during a telephone interview at his New York office.

"My situation may seem odd, championing small hydro installations," he said, "but our energy alternatives have shrunk. This is one thing that can be done, that won't take forever. It appeals to the grassroots notion that something can be done, that we can get energy that meets environmental standards. The interest in these small hydro projects should tell the Administration that they opted for something [energy conservation] that the American people don't find attractive. The idea of cutting back as a solution has had the same fate as coal conversion, it's not catching on."

Noting the uncertainties that still cloud the future of nuclear energy and massive coal combustion, Lilienthal argues that the economics of large, centralized power generation systems are no longer as favorable as once thought. In a September 1977 article in Smithsonian magazine, Lilienthal wrote:

"We were persuaded to accept the fashionable idea that great new generating stations and huge, regionalized transmission systems would deliver electric energy more efficiently at lower cost to the public than small, local, decentralized ones. Nobody foresaw what would happen to the cost of oil and gas and coal, to the cost of transporting those fuels, or to the cost of constructing huge generating plants and mighty transmission lines. No one foresaw the rapid diminution of the world's reserves of oil. We placed major reliance on nuclear energy, without being fully aware of its costs or its hazards."

Small hydro projects, Lilienthal said offer a hedge against rising fuel prices and where local communities make immediate use of the electricity generated wasteful transmission losses. "The moving waters of our rivers and streams [represent] a resource very substantial in volume, for more than half of it is still to be developed," he wrote. "It renews itself, unlike oil and coal and uranium, and its cost will not rise as the years roll on. It provides a form of energy which does not pollute the air, and need not make a violent impact upon the environment; it is widely, though not uniformly, distributed throughout America, and it is often available right where it is required."

During the interview, Lilienthal took President Carter and his energy advisers strongly to task for dismissing hydro initially. He pointed out that Robert W. Fri, former acting administrator of the Energy Research and Development Administration, had contacted Lilienthal and his associates and met with them in New York to discuss hydropower during the early days of the Carter Administration.

Asked what came of that meeting, Lilienthal replied, "The best evidence of their interest in hydropower was their failure to request any money in their first budget for it. . . . Congress has been another story, though. They recognized the grassroots interest and took the bull by the horns and put money in the budget for demonstration projects."

The Energy Department still has not found an organizational niche for hydro, which has been thrown into the Geothermal Division, sometimes described as "the division of hot and cold running water." However, Lilienthal rated the Administration's belated efforts as "all to the good," noting that he expects in the coming months to see faster action as hydropower "is approached on a private investment basis." Speaking of federal support for demonstration projects, Lilienthal remarked: "The idea of having to prove that water running down hill produces energy seems very much a 'Washington angle' demonstrating something that has been around and at work for hundreds of years."

Lilienthal's firm was the "engineer of record" on five applications filed for federal demonstration funds for projects in New York and New England, two of which won grants. Norman M. Clapp, a vice president of Development and Resources Corp., said projects such as these usually involve communities particularly dependent upon high-cost imported oil in areas where new power supply may be a critical problem in the very near future. Unlike larger-scale solutions that take 10 or more years to complete, Clapp said, new turbines installed in existing dams could be producing power within two or three years.

Lilienthal stressed that federal demonstration projects should be designed "not to show that it can be done, but to show how quickly it can be done." He estimated that some abandoned hydro sites might be brought back into operation within eight to 14 months. Many of those older units were shut down simply because hydropower was no longer "fashionable," Lilienthal said.

"There is such a thing as being unfashionable," he added. "It affects everything down to the way engineers are trained. We're going to turn that all around. We need to renew professional interest in hydro on the part of engineers. Within a few months, I think we are going to see it take off. Manufacturers of standard units for small hydro installations are starting to get hyped up. The domestic industry faces stiff foreign competition, but that is probably good for them. We are going to take this idea and run with it."●

SENATOR JAMES B. ALLEN

● Mr. RIBICOFF. Mr. President, it was with deep sorrow and a great sense of loss that I learned of the death of Senator James B. Allen of Alabama. Jim Allen was a respected colleague and a close personal friend. I will remember him always and will miss him very much. Mrs. Ribicoff and I extend our most heartfelt sympathies to Jim's widow, Maryon, and other members of the family.

Jim Allen brought to the Senate extraordinary intelligence, an unrivalled understanding of Senate rules and procedures and legislative brilliance. If he believed in a cause, whether he had 99 votes or only his own, Jim undertook to promote that cause. He did it with courage, persistence, endurance, and parliamentary skill second to none. For his abilities as a legislator and a parliamentarian, Jim Allen earned himself a place in the Nation's history. No scholarly or journalistic account of the past 10 years of Senate activities would be complete without considerable discussion and analysis of Jim Allen's actions and impact. Jim Allen, the legislator, was a credit to the Senate, the State of Alabama, and the Nation.

There is another part of the Jim Allen story that means as much to me as the public record, however. That is the man Jim Allen. Jim was one of the most gracious, thoughtful, considerate, courteous men I have ever known. He was the quintessential gentleman. He was ever mindful of the rights and wishes of others.

In his Senate career, and on the Senate Governmental Affairs Committee where Jim and I served together for most of his years in this body, I never heard Jim Allen say an unkind word about another person. He saved his unkind words for bills and proposals he opposed. That is as it should be.

On several occasions, watching Senator Allen work very hard on a cause—frequently against overwhelming odds—I would walk over to him on the Senate floor and tell him that I could not vote with him. Jim would say he understood, that each of us had to do what he felt was right.

Jim Allen fought his share of lonely battles. Sometimes he won, defying precedent, tradition, conventional wisdom. He lost some hard fought encounters as well. But through it all, win or lose, Jim Allen was a statesman and a gentleman. At times, Jim Allen may have seemed a lonely figure in the Senate, a minority of one. Regardless of appearances, though, Jim Allen was never alone. By his stature as a human being, by his high principles as a legislator, by his generosity and consideration for others, Jim Allen had won the respect and the affection of 99 other Senators. We respected him and each of us will miss him. For myself, I know it will be some time before I can accept the fact that Jim Allen is no longer with us.●

NEUTRON WEAPONS

● Mr. MARK O. HATFIELD. Mr. President, I wish to call to the attention of my colleagues the technical analyses of the merits of neutron weapons which appeared in last month's issues of Scientific American and Technology Review. Both articles conclude that deployment of neutron weapons would lower the nuclear threshold and detract from the overall security of Western Europe.

The Technology Review article is by George B. Kistiakowsky, professor of chemistry, Emeritus at Harvard University. Mr. Kistiakowsky was a member of the National Academy of Sciences Committee on Atomic Energy in 1941, and chief of the explosives division of the Los Alamos laboratory from 1944–46. He was special assistant to the President for science and technology under President Eisenhower and a member of the President's Science Advisory Committee from 1957–64. From 1962–69, he was a member of the advisory board to the

U.S. Arms Control and Disarmament Agency.

The Scientific American article is by Fred M. Kaplan, a fellow of the arms control project at the Center for International Studies of the Massachusetts Institute of Technology.

I ask that these two articles be printed in the RECORD.

The two articles follow:

ENHANCED RADIATION WARHEADS, ALIAS THE NEUTRON BOMB

Called Enhanced Radiation Warheads by their proponents, neutron bombs by their critics and the popular press, they are but low-yield variants of the same hydrogen bombs that were first tested nearly 25 years ago. The disclosure of the development of the ERW less than a year ago has generated a flood of publicity, some ill-informed or plainly biased. And so here I hope to review the technical, military and political issues which have led to the delay in ERW deployment into our tactical nuclear forces.

NEUTRONS AS A WEAPON

The uranium or plutonium in a fission (atom) bomb releases about 20 million times as much energy per pound of reacting material as TNT. This yield is usually expressed as kilotons (kt) of TNT equivalent. A kiloton—1,000 tons—of TNT creates a huge explosion. In an accidental explosion in the harbor of Texas City, Texas, a freighter loaded with a type of nitrogen fertilizer (which was not then considered dangerous) killed several hundred people in nearby buildings and totally devastated the harbor and its vicinity. I estimate that 1947 explosion to be equivalent to less than 2 kt of TNT.

While the energy released by TNT manifests itself as blast, the energy from a fission explosion typically divides into about 50 per cent blast, 35 per cent heat radiation, and 5 per cent prompt ionizing radiation (mainly neutrons and gamma rays). The remaining 10 per cent appears as delayed ionizing radiation and heat from the fission products in fallout. A large fission explosion (tens of kilotons of TNT equivalent) does most of its damage by blast and heat radiation. The distance at which the blast and heat damage done by one bomb equals that of another varies roughly as the cube root of the ratio of their total energy releases.

As the energy of a fission explosion is reduced to one kiloton equivalent or less, the damaging effects of prompt neutron and gamma ray radiation becomes dominant. The range of radiation damage does not change as rapidly as the cube root of energy release. This happens because, for example, neutrons which are produced with very high energy (two million electron volt equivalent in fission, up to 14 mev in fusion reactions) travel quite far through matter. They will travel several hundred meters in air, for instance, before they lose a significant fraction of their energy. When the neutrons slow significantly, the rest of their energy dissipates relatively rapidly, and the neutrons are captured by some atoms.

A fission explosion started in the appropriate geometrical configuration can heat and compress a mass of heavy hydrogen isotopes (deuterium or a mixture of deuterium and tritium) to a state approaching that in the interior of stars. Under such conditions an explosively rapid fusion reaction takes place in which a pair of deuterium atoms form a tritium atom and a neutron, while a a deuterium and a tritium atom combine and produce a helium atom and a neutron. This is the physics of a thermonuclear or hydrogen bomb explosion. In large thermonuclear warheads, the locus of the fusion explosion may be surrounded by a layer or "blanket" of ordinary uranium, which traps very energetic neutrons and undergoes fission itself. In this way a three-stage fission→fusion→fission explosion is obtained. This process can be amplified into those monstrous multimegaton warheads that the U.S. and the U.S.S.R. tested prior to the atmospheric test ban treaty of 1963.

Up to 80 per cent of the released energy in the fusion reaction is carried away from the locus of explosion as the kinetic energy of the neutrons. More than ten fusion events are needed to release as much total energy as one fissioning uranium atom. In explosions of equal energy release, therefore, a pure fusion device would generate about ten times as many neutrons as would a pure fission warhead, and these neutrons would be more energetic.

The heaviest elements capture very energetic neutrons to undergo fission. But the lightest chemical elements are most effective in slowing down the neutrons. Thus a plate made of paraffin wax (containing 14 per cent hydrogen) slows neutrons more effectively than an equally thick iron plate, even though the latter weighs eight times as much. The body of a human (made up largely of water) is a more effective barrier than a brick wall of the same thickness.

In their slowdown, the neutrons impart their energy to the matter through which they pass. This causes the formation of charged particles (ions) and the breaking of chemical bonds—processes that are highly damaging to living cells. So nuclear weaponeers have speculated for many years about enhancing the military effect of neutrons in nuclear munitions.

THE BIRTH OF THE NEUTRON BOMB

Dr. S. T. Cohen of the Rand Corp. claims to be the father of the neutron bomb, and the event took place about 1958. Since 1958, ERWS have been proposed and developed for several purposes. Their most recent incarnation was developed primarily for antitank use in Europe in a response to a three-to-one numerical superiority in tanks of the Warsaw Pact forces and a concern in N.A.T.O. councils that these would be used for a blitzkrieg attack on the West.

In 1960, the Atomic Energy Commission's Livermore Weapons Laboratory, at that time led by Edward Teller, lobbied hard in the Pentagon to establish military requirements for developing "pure radiation" tactical warheads. For these projects, they invented the code names of Dove and Starling. Dove and Starling were to explode without the assist of a fission trigger and therefore were to produce exceedingly small amounts of blast and fallout. I was then on President Eisenhower's staff, and recall a presentation given to a panel of the President's Science Advisory Committee (P.S.A.C.) by a Lawrence Livermore Laboratory official that (quite incorrectly) explained the bomb's effects. It was said that such a weapon, when exploded above ground, would kill everybody within a certain range nearly instantly but do no grave harm to anybody just a little further away. The Livermore proposal, notwithstanding this attractive claimed feature, did not fire Washington's imagination and was not put into practice.

The lobbying for Dove and Starling was a part of the effort to end the moratorium on nuclear testing that President Eisenhower had mandated in 1958. The mortatorium, still in effect in both the U.S. and the Soviet Union in 1960, was then vehemently opposed by strong forces within the Atomic Energy Commission (A.E.C.), including its Chairman, John McCone, by Dr. Teller, by the Air Force brass (then the chief possessors of nuclear warheads), and by the Joint Congressional Committee on Atomic Energy.

The same basic technical concept was extended to much higher yields, referred to as the clean peaceful nuclear explosives. Much publicized in the 1960s as a way to use nuclear explosions for peaceful purposes, it was endowed with the virtues of not creating radioactive fallout and minimizing long-lasting local radioactive contamination. This project, code-named Plowshare, was initiated by the Lawrence Livermore Laboratory and formalized in 1957 by the A.E.C. It was used by Dr. Teller and others to argue against a treaty for a comprehensive nuclear test ban; the project continued well into the 1970s and involved several experimental underground nuclear explosions. It gradually became evident that the economic advantages of using nuclear explosives were either nonexistent or at best marginal. When the United States lost interest in Plowshare, the Soviet Union began to insist on the great value of such projects. As a result the test ban treaties negotiated (but not ratified) in the mid-1970s included the right to use nuclear explosives for peaceful purposes.

Then last fall, to the considerable surprise of the western world, Secretary General Brezhnev announced that the Soviet Union was willing to forego these projects. At last the road to a comprehensive nuclear test ban seems not to be cluttered by this peripheral issue.

THROUGH WASHINGTON'S BACK DOOR

In the mid-1960s, the Sentinel Ballistic Missile Defense (ABM) System for American cities was being developed by the U.S. Army. It was to involve, among other components, the short-range ballistic missile called Sprint for nearby defense of cities. These missiles were to destroy the enemy ballistic missile re-entry nosecones at relatively low altitudes near cities without detonating the large incoming warheads and without their own detonation damaging the cities. To achieve this, the Los Angeles weapons laboratory of A.E.C. turned to an "enhanced radiation" design for the Sprint nuclear warhead. This design was tested underground in Nevada in the late 1960s. Later these warheads were manufactured to equip the Sprints.

Several activist groups opposed the Sentinel System on the grounds that it was ineffective, excessively costly, and militarily provocative. The inept responses of the protaganists led to such a public reaction that Project Sentinel was cancelled in 1969.

However, the Nixon administration, without substantially changing the overall design of the system, renamed the project Safeguard and gave it a new task: the defense of the Minuteman ICBM (intercontinental ballistic missile) silos against any hypothetical counterforce attack by the Soviet ballistic missiles. Thus camouflaged, the ABM project squeaked through Congress at budget time in 1969–1970, boosted by the administration's argument that it was needed as a "bargain-the chip" in the SALT negotiations with the Soviet Union on the control of nuclear strategic forces.

But then came the ABM Treaty, a part of the 1972 SALT I agreements. The ABM Treaty restricted each superpower to no more than two ABM installations. In the United States the construction of one installation near Grand Forks, N.D., went ahead. This installation was declared operational in 1974, but was shortly moth-balled as not cost-effective.

As far as I know, this $5 billion relic of the Army brass' effort to share in the strategic arms budget and activities remains inactive to this day, as do the several dozen Sprint missiles stored now in some Army ammunition depots.

During the tenure of Secretary of Defense Robert MacNamara, the emphasis in nuclear weapons was on deterrence through the maintenance of capacity for assured retaliatory destruction. The details of battlefield nuclear tactics were therefore of secondary interest; accordingly, low priority was given to the modernization of tactical nuclear weapons. However, as a part of the modernization of mobile short-range surface-to-surface missiles in the mid 1960s, several new nuclear warheads were developed to arm the new Lance missile. The one warhead of this group planned to have enhanced radiation was terminated as not satisfactory to the Army.

TRYING TO DETER THE PENTAGON

With the arrivals of Secretary Melvin Laird and then James Schlesinger, who was, judging by his public statements, more interested in problems of fighting nuclear wars than just in deterrence, the attitude toward tactical nuclear warfare changed. The Army requested funds to modernize its tactical nuclear weapons. ERWs were not included because a number of senior army leaders regarded ERWs as ineffective on the battlefield. The reason for this scepticism was the finding based on some animal experiments (and refuting what we in P.S.A.C. were told in 1960) that enemy troops would be nearly instantly incapacitated only within a relatively small area near the explosion. But troops occupying a much larger area further away would still retain their fighting capability for a short time before succumbing to the radiation effects, seriously impairing the battlefield effectiveness of small nuclear warheads.

However, the Army's plans to modernize conventional warheads were rejected by the Joint Congressional Commitee, influenced no doubt by the spokesmen of the A.E.C. weapons laboratories who, as usual, were institutionally most eager to push ahead with nuclear weapons technology. Thus in early 1973, Harold Agnew, the Director of the Los Alamos Laboratory, evidently referred to the ERWs in his testimony before the Joint Committee on Atomic Energy, when he stated: "I know we at Los Alamos are working very aggressively trying to influence the Department of Defense to consider these [deleted] . . . weapons which could be decisive on a battlefield, yet would limit collateral damage that is usually associated with nuclear weapons." As a consequence of these kinds of political pressures during the tenure of office by Mr. Schlesinger, the tactical ERWs became a major development project, which however was lost by Los Alamos and granted instead to Livermore.

By now the development of the ERW was a technical success. In 1976 President Ford, already a lame duck, signed an authorization, as required by law, to manufacture and stockpile ERWs for the Army's surface-to-surface ballistic missile Lance and nuclear-armed shells for 8-in artillery guns. This project was highly classified and known to only a few members of Congress.

The money for the production of ERWs was included in the fiscal year 1978 budget proposal and the Energy Research and Development Administration, which took on the duties of the A.E.C., buried this item in its part of the $10 billion public works section of the President's budget. E.R.D.A. provided no potentially revealing arms control impact statement, although these are required by law for new weapons. Altogether the procedure was, at the least, improper.

Subsequent events are quite involved, and I reconstruct them here partly from numerous articles in the Washington Post by Walter Pincus starting on June 6, 1977.

The review of the Ford budget proposals for fiscal year 1978 by the incoming Carter administration in early 1977 resulted in the elimination of $65 million for the production of non-nuclear Lance warheads. The reason given to Congress was that their use would not be cost-effective: the Lance missiles, which have a range of about 100 kilometers (depending on the weight of the warhead), were too expensive—about $100,000 each. Another $43-million line item, this one for nuclear warheads, was left in the budget. It appears that neither President Carter nor Secretary of Defense Brown were informed that a new technology was to be thus introduced into the military arsenal until the following June when the issue, much against the Pentagon's wishes, became public.

CONGRESS WAKES TO STRUGGLE FOR CONTROL

In the beginning of June, 1977, Senator Mark O. Hatfield (D.-Ore.) learned that the budget item for Lance nuclear warheads was actually for building neutron warheads. He may have rediscovered the earlier secret testimony on the Lance warhead before a House appropriation subcommittee by an assistant director of E.R.D.A. in charge of military applications. At any rate, Senator Hatfield offered an amendment to the Pentagon's public works budget bill then before the Senate military appropriations committee. The amendment was to strike from the bill the funds for the production of Lance nuclear warheads. The Chairman of the committee, Senator John Stennis (D.-Miss.) opposed this and the amendment failed on June 22 by a ten-to-ten tie vote.

In the meantime the White House responded to reporters' queries and issued a statement saying that President Carter was not bound by President Ford's action. President Carter would make an independent decision about the production of ERWS when certain military policy reviews were concluded, the statement said. In response to another inquiry, William J. Perry, the Director of Defense Research and Engineering, informed Senator Hatfield of the possibility that the President would not make a decision on the ERW for Lance until the start of the new fiscal year 1978 in October. Still, Mr. Perry urged Congress to appropriate the funds without waiting for this decision.

Toward the end of June, the House voted the funds for the ERWS. And on July 1, the Senate accepted an amendment by Senator Stennis designed to gut that of Mr. Hatfield. Then, on July 13, after a message from President Carter that the provision of funds for the production of the new warheads was in the national interest, the Senate held a day-long and rather bitter debate. At its end, the Senate approved the public works bill, rejected another Hatfield amendment and one introduced by Senator Edward Kennedy (D.-Mass.), which would have allowed either the House or Senate to block any presidential decision to approve construction of neutron warheads. The Senate accepted an amendment by Senator Byrd, however, which gave Congress 45 days to pass a concurrent resolution disapproving the production of these warheads if the decision to go ahead was taken by the President.

As these parliamentary maneuvers were taking place, it was revealed that the money earmarked for Lance warheads would also be used to produce enhanced radiation artillery shells (under test since 1975) for the 8-in guns which are now armed with more conventional nuclear warheads. The ongoing development of ER nuclear projectiles for the 155-mm artillery was also revealed.

PERFORMANCE ON THE BATTLEFIELD

On August 13, 1977, the U.S. Arms Control and Disarmament Agency (A.C.D.A.) delivered the requested Arms Control Impact Statement for the "W-70 Mod 3 (Lance) Warhead" to Congress. The statement noted that a 1-kt ERW gives the same expectancy of tank crew incapacitation by radiation exposure as a 10-kt fission warhead. (With both warheads, radiation is the chief anti-tank agent since armored vehicles are highly resistant to blast and thermal effects of nuclear effects of nuclear explosions.) The statement noted that collateral damage—damage to the civilian environment of the battlefield—will be only that of a 1-kt weapon, thus substantially less than that of conventional fission warheads. No impact statements for the 8-in and 155-mm artillery projectiles were released by A.C.D.A.

In the fall of 1977, President Carter once again postponed the decision on the production of ERW's.

It has been stated in open literature that the "ordinary" nuclear warheads that now arm the Lance missile have a range in yield from 1 kt to as high as 100 kt; those for the 8-in guns range up to 10 kt. The proposed ERW's for Lance and for the 8-in guns are described as of 1-kt yield, although the impact statement maintains that the Lance warhead has a "selectable yield capability," and hence its strength may be varied in the field by the crew deploying it. The presumed range is from less to more than 1 kt.

Because the fission "trigger" contributes to the explosion effects, the ERW's are not pure fusion devices. The Lance warhead, for example, releases about 60 percent fission and 40 percent fusion energy upon explosion. The handbooks on the effects of nuclear weapons describe neutron radiation intensity as a function of the distance from the center of a thermonuclear explosion. This information makes it possible to estimate the neutron radiation from the ERW's that lack a uranium blanket.

The calculation leads to the finding that at a range of 900 meters, a 1-kt ERW explosion in the open produces an exposure of 8,000 rads. Soviet tanks supposedly now have a radiation protection factor of 0.5. This means that the tank crews at 900 meter from the explosion would receive a dose in the neighborhood of 4,000 rads.

According to the Pentagon's experiments with rhesus monkeys, this dose is more than enough for "immediate transient incapacitation"; that is, it will induce within five minutes a total inability to perform physically demanding tasks. This is deemed to be an adequate incapacitation on the battlefield. Although the troops would recover partially in about half an hour, their condition would gradually deteriorate, leading to death in two to six days. At about 700 meters the radiation intensity would be double that at 900 meters, and, according to the rhesus monkey tests, that exposure would result in "immediate permanent incapacitation," the agony, however, lasting one or two days until death.

Some military strategists argue that disciplined personnel, even though exposed to the extent of "immediate transient incapacitation," would resume participation in battle after their partial recovery—perhaps even more recklessly than others, because they would know that they are the walking dead. In any case the tank crews and other military personnel exposed to less radiation than that causing "immediate transient incapacitation" would be able to participate in the battle, if temporarily. Thus, an exposure to 650 rads (at about 1,400 meters from the 1-kt ERW explosion in the open or 1,200 meters in a tank) would not impair human functions until an hour or more later. But it most likely results in death a couple of weeks later, after a gradual and painful physical decay.

RADIATION AND THE CIVILIAN POPULATION

Reliable statistical information on the delayed effects of exposure to still lower doses of ionizing radiation is available from observations on the survivors of the Hiroshima and Nagasaki bombings, and on unintended victims of nuclear weapons tests in the Pacific—the aboriginal population of the Marshall Islands and the crew of a Japanese fishing vessel.

At 1.7 km from the 1-kt ERW explosion, the radiation exposure drops to 150 rads. Statistically this exposure results in about a 10-per-cent death rate from radiation sickness within a few months, and also in high incidence of leukemia, and breast, thyroid, lung, and stomach cancers. These may be delayed as much as 20 to 30 years, killing several additional per cent of the exposed individuals. Most male survivors become sterile.

At 2.1-km, the predicted exposure drops to 15 rads. At this level radiation sickness is not experienced after exposure, but some delayed cancers and leukemia are expected in the exposed population.

The genetic effects, that is the harmful gene mutations that may manifest themselves for several generations, also decrease with lessening exposure and increasing distance. At about 2 km, the frequency of mutations in exposed individuals would be double the spontaneous rate.

These estimates of the after-effects of radiation exposures are, however, most likely conservative ones. They have been derived from observations on individuals exposed largely to gamma radiation, ERW's, however, cause damage largely by neutrons. It is well established that high-energy neutrons, per rad of exposure, produce about seven times as much biological damage as that of gamma rays. Thus, the effects described as taking place at 1.7 km distance might actually apply to 2.1 km distance, and so on.

While distance determines the amount of radiation exposure a person will receive in the open, in order to assess the total effects of an explosion one must also consider the areas involved. In the absence of specific information to the contrary, one must assume a random, that is uniform, distribution of exposed individuals over the explosion's entire range. In doing this, one finds that the immediate area in which tank crews will suffer rapid battle incapacitation is but one-fifth of the total 4-km diameter area of radiation effect. Within this area, the great majority of exposed individuals will suffer radiation illness; and a large fraction of the people will die either from that or from delayed cancers.

Considering these facts, it is preposterous to call the neutron bomb humane, as some of its proponents insist. It is no more humane than the fission warheads and, perhaps, is even worse in its similarity to the delayed effects of the poison gases used in World War I which were outlawed by the Geneva Convention of 1925.

THE BATTLEFIELD USE IS CHALLENGED

There is little doubt that collateral damage to civilian structures and persistent radioactive contamination by fallout would be reduced if the present higher-yield fission tactical warheads were to be replaced by the ERWs. Whether the same is true about civilian casualties, however, is doubtful.

The main purpose of ERWs is to restrain a major blitzkrieg breakthrough involving very many armored vehicles, a tactic calling for large numbers of ERWs—indeed for veritable neutron bomb barrages.

But Soviet war tactics call for tanks in the nuclear warfare environment to be widely spaced. Also, if N.A.T.O. forces were to deploy ERWs as their prime anti-tank weapon, the Soviets would wisely provide added radiation protection for their tank crews. A 10-cm layer of a suitable hydrogenous material, say water in plastic bags over the crew compartment, followed by a thin sheet of cadmium metal, would reduce neutron radiation intensity by about a factor of five. Thus the effective range of an ERW explosion would be reduced drastically. Furthermore, since exposure to neutron radiation would leave many of the armored vehicles in useable condition, and the battlefield not poisoned by fallout, the attacker could be prepared to use replacement crews which would return the armored vehicles to battle in short order.

Estimating the civilian effects of these ERW barrages is a depressing task. Perhaps the number of prompt deaths of bystander civilians would be lower, but when delayed deaths from radiation sickness, leukemia, cancer, etc., are counted in, it ceases to be obvious that the use of ERWs will be substantially less disastrous to the civilian population in western Europe than of fission warheads.

According to the testimony of the N.A.T.O. Commander, General A. M. Haig, Jr., before the Senate Armed Services Committee this March 1, N.A.T.O.'s military leaders mostly favor deployment of the ERWs. This, of course, is merely consistent with their continuing insistence on the recourse to nuclear weapons in case of an attack by Warsaw Pact forces.

The A.C.D.A. impace statement takes a nearly neutral position: "It can be argued that the improved ERW may make initial use of nuclear weapons in battle seem more credible, which might enhance deterrence. However, by the same token, it can be argued that it increases the likelihood that nuclear weapons would actually be used in combat." That latter argument has been advanced by several thoughtful opponents of the neutron bomb and is one which, I, too, weigh heavily. In the eyes of their protagonists, the deployment of ERWs, would enhance the credibility of the initial use of nuclear weapons. In reality it is quite likely to lower the nuclear threshold if N.A.T.O. forces are attacked, without correspondingly increasing the deterrence of attack, which is largely based on the fear of escalation of nuclear combat to an all-out warfare. And, as the impact notes, "The escalating potential is the same for this weapon as for any other nuclear weapon." This assessment is diametrically opposite to the assertion of some American military writers that the use of ERWs would avoid nuclear escalation.

The American opponents of the neutron bomb—they include all those who seek a reduction of extensions by arms control agreements—have advanced additional arguments against the deployment of ERWs. Soviet military doctrine calls for immediate massive response with nuclear weapons to any first nuclear use by the N.A.T.O. forces; and Soviet tactical warheads are estimated to be large and "dirty." This, of course, nullifies the argument that the use of ERWs would reduce collateral damage.

N.A.T.O DEBATES THE SHIFT TO NUCLEAR DETERRENTS

In last fall's postponement of the decision on whether to produce ERWs, President Carter was undoubtedly aware of the intense public debate in Europe about the acceptability of the battlefield use of the ERW. Therefore he stated that his decision about the production of ERWs would be responsive to the wishes of our N.A.T.O. allies to deploy them in Europe.

In recent years, American armchair and ambulatory strategists have stressed that the restriction of tactical nuclear weapons to mini-nukes (especially to ERWs) would create a "fire-break" against any escalation to a strategic nuclear force for a tactical nuclear war in Europe. Such decoupling of tactical and strategic nuclear warfares, which, of course, would protect American homeland, has been for years a favorite subject of American writers who favor deterrence by the use of tractical nuclear weapons.

Not surprisingly, this thesis finds little support in western Europe, especially in the Federal Republic of Germany (F.R.G.), the prime battleground in the event of an attack by Warsaw Pact forces. Thus a 1972 report of the West German Defense Ministry on N.A.T.O. states, "Only by this inseparable connection between tactical and strategic deterrence is N.A.T.O. capable of equating the conventional [military] superiority of the Warsaw Pact." And Helmut Schmidt, then the Defense Minister of the F.R.G., objected to the exclusively tactical use of nuclear warheads as "unimaginably cruel to the Europeans." The Chairman of the Armed Services Committee of the Bundestag, M. Woerner, also endorsed the need for coupling the tactical and strategic nuclear forces. He wrote in 1977 that, ". . . the territory of the U.S.S.R. cannot be allowed, in theory or in practice, to become a sanctuary in the nuclear phase of a conflict in Europe."

From the moment that the neutron bomb issue surfaced in Washington, the European and particularly the West German media the press, and the scholars and politicians have devoted much space and time to it. The conservative papers generally endose the deployment of ERWs in West Germany, but the moderate and liberal publications oppose it.

On the political level the German public debate was triggered by an article by Egon Bahr, the Executive Secretary of the Social Democratic Party (S.P.D.) and an influential member in the government of former Chancellor Brandt. In it, he unequivocally condemned the neutron bomb on both moral and ethical grounds as a "symbol of mental perversion." Most of the other spokesmen of the S.P.D. also opposed the ERWs because they would lower the nuclear threshold and encourage the initiation of a nuclear battlefield without assuring escalation to the strategic levels. A few, such as K. Ahlers, tentatively endorsed ERWs last summer, although more recently he seems to have changed his view.

At the German Socialist party convention last November, a compromise resolution was endorsed which urged upon the Schmidt government such policies which would make unnecessary the ERW's deployment in West German territory. The government of Chancellor Schmidt has so far refrained from publicly committing itself, although the Defense and Foreign Ministers have made statements which seem to be in favor of the ERW deployment.

Among the political-strategic think-tanks of German academia only one, which includes retired General Kielmansegg, endorsed the deployment of ERWs. The others, including such distinguished scholars as C. F. Weizsaeker, have opposed it on numerous occasions. Several of the senior retired German military, including such high-ranking generals as Baudissin, Steinhoff, and Heusinger, are against the deployment of ERWs because they believe the battlefield use of nuclear weapons will lead to unacceptable collateral damage in Germany.

In this extensive debate, which shows no signs of termination, other objections to ERWs have also been raised. Their deployment in large numbers near the forward N.A.T.O. defense lines may result in a loss of control by Washington over the initiation of nuclear warfare. Just such concern in-

duced the American withdrawal from Europe a decade ago of the original mini-nuke, the Davy Crockett anti-tank infantry weapon.

It was also argued that extensive deployment of ERWs may induce a pre-emptive nuclear strike by the Soviet Union. This would start nuclear warfare on terms highly unfavorable to N.A.T.O. forces.

In the rest of western Europe, the neutron bomb has been less than a burning issue. The governments of N.A.T.O. countries which were queried on their position regarding the deployment of ERWs by Congressman Christopher Dodd last September had given him "ambivalent responses." The British, for instance, produced a nice piece of officialese double-talk by assuring Mr. Dodd that they are "satisfied with the consultations that have taken place so far." Quite recently, President Brezhnev dispatched letters to the heads of governments of N.A.T.O. countries warning them against the deployment of ERWs. This intervention was preceded and followed by other forms of protest by the Soviet Union against the neutron bomb. These rather unusual personal messages from President Brezhnev were interpreted as a threat; it produced, of course, a rather negative reaction in the West and may work toward the deployment of the ERWs.

The non-goverment reaction in the West to the ERWS has been less extensive than in F.R.G. The writers associated with peace-oriented organizations, such as the Stockholm International Peace Research Institute (S.I.P.R.I.) and several unaffiliated academics concerned with disarmament strongly oppose the neutron bomb on grounds which have already been discussed here. They also are generally opposed to the introduction of ever new technologies into the military arsenals—a strategy which is now properly recognized as a major block to the cessation of the arms race.

Relatively few voices have been raised in favor of ERWs; those are largely from the conservative and the militarily oriented wings of public opinion makers.

In late February, the government of F.R.G. called for extensive arms control negotiations with the Soviet Union before any deployment of the neutron warheads takes place in Europe. Then, in early March, the Dutch Parliament voted to oppose the deployment of ERWs and instructed the Dutch government to inform its N.A.T.O. allies of this vote.

Summing up the political situation, it would appear that if the allied governments, especially that of F.R.G., recommend that President Carter approve the production and deployment of ERWs, they will do so against a significant, perhaps even very strong domestic opposition. But if the ERWs are not deployed, would that signify an inability of the N.A.T.O. alliance to counter the Warsaw Pact's military threat?

American hardliners regard this threat as massive and imminent. Frank Barnett, the director of the National Strategy Information Center wrote: "[The United States] . . . is about where Britain was in 1938, with the shadow of Hitler's Germany darkening all of Europe." The American military, including General Haig, paints a grim picture, some of which perhaps can be discounted as a necessary conditioning of Congress before military budget hearings. Indeed, the annual report of the Secretary of Defense Harold Brown, while recognizing the possibility of future threat, clearly does not regard it as imminent. Finally, Congressman Les Aspin, a highly qualified analyst of military problems, deflated Mr. Barnett on the basis of numerical data provided him by the Pentagon, which indicated that during the period of 1972 to 1976 the Soviet production of tanks and tactical aircraft (both important indicators) exceeded that required merely to maintain level inventory by only a few per cent a year—a tiny fraction of the rate of buildup of forces by Nazi Germany in 1938.

A REAL ALTERNATIVE

And although the numerical tank superiority of the Warsaw Pact forces is unquestionable, the severity of the threat this poses is disputable. Most important in this regard is the record of the 1973 Arab-Israeli war, which showed that even the modern tanks are very vulnerable to the high-technology "precision guided" munitions which were then extensively employed for the first time on the battlefield. These munitions find their origins in such early devices as the French wire-guided anti-tank rocket of the 1950s and the "smart" guided bombs of the late phase of the American war in Vietnam.

The demonstration of the effectiveness of the "precision guided" munitions against massed tanks in the Middle East has stimulated intense development efforts. According to the Annual Report for fiscal year 1979 of the Secretary of Defense, American forces in Europe now deploy weapon systems code-named Tow, Dragon, and Cobra/Tow. It has been said of these systems that "what can be seen will be hit, and what will be hit will be destroyed." The "seeing" is being done with the aid of infrared, lasers, radar, and so forth. Another important anti-tank role is attributed to a *guided* artillery shell for the 155-mm gun, code-named Copperhead. The F.R.G has deployed an anti-tank device called Milan. Our European allies have several other advanced battlefield anti-tank weapons undergoing final evaluation.

Such developments have led the Under Secretary of Defense for Research and Engineering, W. J. Perry, to say, "We can greatly enhance our ability to deter war without having to compete tank for tank, missile for missile with the Soviet Union."

The "precision guided" munitions are extremely inexpensive when compared to battlefield nuclear weapons. However, to be decisive they have to be deployed in much larger numbers than the ERWs. Therefore, their choice as the main anti-tank weapon will call for greater combat manpower, and these troops will probably have to be more intensively trained. These are serious disadvantages, but the use of such weapons in repelling a tank attack would require no authorization from some remote headquarters, which would have to work its way up and down many military and civilian echelons and hence could mean a substantial and possibly an irreparable delay.

If main reliance is placed on battlefield nuclear weapons, the concern about the possibility of an irreparable delay will certainly speed up the authorization of their use, and hence will lower the threshold to nuclear warfare. What will follow will be massive civilian casualties and other collateral damage in the environs of the battlefields, and even these will be but a prelude to the nuclear devastation of Europe, and general nuclear war.

These being the alternatives, it is impossible to escape the conclusion that N.A.T.O. military efforts should emphasize various sophisticated "precision guided" munitions, and that ERWs, as well as older battlefield nuclear weapons, should be put in mothballs.

Therefore I strongly support the decision of President Carter on April 7 not to produce the ERWs, although his making them into a sort of a "bargaining ship" with the Soviet Union is not likely to succeed, having been made public, and will probably cause him much domestic difficulty.

ENHANCED-RADIATION WEAPONS

(By Fred M. Kaplan)

The enhanced-radiation warhead (or, as it is widely and somewhat misleadingly known, the neutron bomb) is the latest development in the U.S. military's search for a "cleaner," more usable nuclear weapon. This new type of warhead, which could be available in some versions by 1979, is designed to kill more enemy soldiers per kiloton of explosive yield detonated over the battlefield than the types of nuclear weapon currently deployed for that purpose, while minimizing collateral, or unintended, damage to buildings, the countryside, friendly soldiers and nearby noncombatants.

Many military officers contend that by using these more precise and refined enhanced-radiation warheads a "limited nuclear war" could be kept limited, its damage virtually confined to the battlefield. The enhanced-radiation warhead, like the generation of tactical nuclear weapons that preceded it, is intended for use in a European ground war between the nations of the North Atlantic Treaty Organization (NATO), including the U.S., and the nations of the Warsaw Pact, including the U.S.S.R. The Carter Administration's military budget for the fiscal year 1979 allocates unprecedentedly high expenditures for U.S. forces committed to the European-war contingency. The new tactical nuclear weapon therefore merits detailed discussion, particularly in view of the extraordinary notice given the weapon and the various misunderstandings that have arisen as a result. How did the weapon come into being? How does it work? What are its effects? What is its military utility? Should it be produced and deployed?

It is important to emphasize at the outset that there is nothing new about the notion of a neutron bomb. The possibility of developing a tactical nuclear weapon of this type was recognized soon after the invention of the hydrogen, or fusion, bomb in the late 1940's. A few scientists engaged in nuclear-weapons development, principally at the Lawrence Livermore Laboratory, worked on the concept of an enhanced-radiation warhead throughout the 1950's and 1960's, and they and others were politically active on behalf of its further development and deployment.

It was not until the early 1960's, however, that Secretary of Defense Robert S. McNamara ordered a general study of the prospects of tactical nuclear weapons. On the basis of that study and various simulated war games he concluded that a European-theater nuclear war would be a losing battle for both sides. Millions of civilians would die, and the use of such weapons would not necessarily turn a European war to NATO's advantage. Far from serving as substitutes for manpower and conventional firepower, tactical nuclear weapons would necessitate higher manpower levels, so that the NATO soldiers who would be killed as a result of the U.S.S.R.'s nuclear retaliation could be readily replaced. In fact, it was decided that since the Warsaw Pact forces plan to reinforce front-line troops in echelon style, whereas the NATO forces plan for individual replacements within existing division structures, a European-theater nuclear war would probably favor the U.S.S.R. and its allies, even if NATO possessed more or "better" nuclear weapons.

Moreover, the risk of escalation to an all-out strategic nuclear war between the U.S. and the U.S.S.R. as a result of such a strategy was held to be too great, primarily for two reasons. First, the "firebreak" between conventional and nuclear warfare was at that

time clear; trying to blur the distinction between tactical and strategic nuclear war would create considerable ambiguity, leading to mutual suspicion, tension and possibly to preemptive strategic nuclear strikes. Second, the U.S.S.R. had many nuclear-armed intermediate-range ballistic missiles (IRBM's) deployed in its territory, some of them in the same areas occupied by intercontinental ballistic missiles (ICBM's); the temptation would be great in the early stages of such a European-theater nuclear war for NATO to preemptively knock out those IRBM's inside the U.S.S.R., possibly triggering a strategic nuclear exchange between the two superpowers.

After weighing these considerations McNamara turned to a policy of building up conventional, or non-nuclear, war-fighting capabilities, and he put off spending money on a new generation of tactical nuclear weapons. (He did accept the nuclear-armed Lance missile, however, because of its longer range and consequent reduced vulnerability.) During Melvin R. Laird's term as Secretary of Defense more money was allocated to develop a new generation of tactical nuclear weapons, but the negative attitude toward the modernization of tactical nuclear weapons essentially prevailed until James R. Schlesinger became Secretary in 1973.

During Schlesinger's earlier tenure as Chairman of the Atomic Energy Commission he had shown considerable enthusiasm for tactical nuclear weapons. By the time he was appointed Secretary of Defense, however, his interest appeared to have lessened. Still, Schlesinger apparently felt compelled to make some concessions to the advocates of tactical nuclear weapons, an assortment of converging interests that included the Atomic Energy Commission, the Congressional Joint Committee on Atomic Energy, the weapons laboratories, certain military departments and the Atomic Energy Division of the Office of the Secretary of Defense. Schlesinger, who had little bargaining power in the White House during the Nixon and Ford administrations, had to manage his own complex coalition. To gain support from these disparate interests for his plans to further build up conventional forces for NATO, he gave them money for the modernization of tactical nuclear weapons.

The coalition in favor of a modernization program for tactical nuclear weapons was actively aided by Schlesinger's own emphasis on enlarging the range of U.S. "options" in nuclear-force planning. Thanks in part to new technologies, such as highly accurate inertial-guidance systems for missiles, Schlesinger reprogrammed strategic nuclear weapons to have "selective strike" capabilities and greater "flexibility," creating new "target packages" that were far more diversified than those available to the defense planners of the preceding decade. Along with the expansion of strategic options, he ordered an increase in the available options for fighting a European-theater nuclear war. This new emphasis gave what appeared to be official support to those military officers who were beginning to think seriously about the possibility of fighting and winning a limited nuclear war and about the necessity, under such circumstances, of limiting collateral damage.

Meanwhile the development of the Sprint anti-ballistic-missile (ABM) system at the Los Alamos Scientific Laboratory in the mid-1960's and the subsequent ban on further ABM production imposed by the SALT I treaty of 1972 led some weapons-laboratory scientists to think about reducing the yield of the Sprint warheads to adapt them for use as tactical nuclear weapons. (Sprints were short-range "nuclear-armed anti-missile missiles designed to be detonated in the atmosphere, depending primarily on neutrons rather than X rays for their effectiveness.) All these various interests—of the armed services, the weapons laboratories, the Congressional committees and the Department of Defense—have converged to create the present situation.

Today enhanced-radiation nuclear warheads are being developed for the Lance missile and for the eight-inch artillery shell. An enhanced-radiation warhead for the 155-millimeter artillery shell is also in prospect, although it still appears to be in the early stages of development. (At least one of these warheads, probably the one for the Lance, has already been tested at an underground site near Las Vegas.) Currently deployed Lance warheads have explosive yields ranging from one kiloton to 100 kilotons; the charges of the eight-inch nuclear shells range from five to 10 kilotons. The new enhanced-radiation version of the Lance warhead will have two yields, which can be preset simply by pushing a few buttons; one yield is considerably smaller than a kiloton and the other is slightly larger than a kiloton. The eight-inch enhanced-radiation shell will have three yields, ranging from substantially under a kiloton to roughly two kilotons.

The effects of a nuclear explosion consist of blast (a shock wave of overpressure), thermal radiation (heat), prompt radiation (mostly neutrons and gamma rays) and residual radiation (radioactive fallout resulting from decaying fission products). The energy released from a fission explosion is divided into several fractions: typically 50 percent blast, 35 percent thermal radiation, 5 percent prompt radiation and 10 percent residual radiation. In a hypothetical pure-fusion weapon the effects would be 20 percent blast and thermal radiation, 80 percent prompt radiation (mostly neutrons) and comparatively little residual radiation (the precise amount depending on the characteristics of the soil under the explosion). The fusion reaction that takes place between ions of deuterium and tritium (two heavy hydrogen isotopes) is accompanied by the liberation of very-high-energy, or fast, neutrons. The energy of these neutrons is about 14 million electron volts (MeV), which is substantially more than the still quite fast 2-MeV neutrons released by a typical fission reaction. Neutrons are slowed down and eventually captured by debris from the weapon itself, by objects in their path and by the air. The faster the neutrons are, the more collisons they experience before being completely captured. Moreover, fusion produces 10 times more neutrons per kiloton of explosive yield than fission does. Thus neutrons released from a fusion weapon are higher in radiation intensity, and penetrate greater distances before being completely absorbed, than those released from a fission weapon.

The present incarnation of the enhanced-radiation warhead is a fission-fusion weapon. The fission-fusion mix differs slightly between the Lance device and the eight-inch device, but the detonating process is the same in both of them. When the weapon is detonated, the fission reaction triggers a fusion reaction, which in turn releases many fast neutrons. That is why the enhanced-radiation warhead is often called a neutron bomb. The term is correct in the sense that the enhanced-radiation warhead releases many more neutrons than other weapons of equivalent yield. It is misleading, however, in that the warhead's detonation also releases a great deal of energy in forms other than neutrons. (In fact, any nuclear weapon smaller than about two kilotons could be called a neutron bomb in the sense that at ranges corresponding to the lethal radius of the weapon, even if it were completely a fission one, the energy released in the form of prompt radiation would be greater than the fraction that goes into blast and thermal radiation, and prompt radiation in the form of neutrons would dominate prompt radiation in the form of gamma rays. If such a weapon were exploded in the air at a height of several hundred meters, it would cause only slight blast and thermal effects on the ground, even though the damage from neutrons would still be substantial.)

The enhanced-radiation warhead is not close to being a pure fusion weapon. In terms of explosive yield the subkiloton and one-kiloton enhanced-radiation warheads for the eight-inch artillery shell are roughly 50–50 fission-fusion devices. The enhanced-radiation version of the Lance warhead is about 60 percent fusion and 40 percent fission. The two-kiloton eight-inch enhanced-radiation shell is between 70 and 75 percent fusion. The energy released from the Lance and the lower-yield eight-inch enhanced-radiation weapons is divided approximately into 40 percent blast, 25 percent thermal radiation, 30 percent prompt radiation and 5 percent fallout. The highest-yield eight-inch enhanced-radiation shell produces about 10 percent more prompt radiation and slightly less blast, thermal radiation and residual radiation. In other words, the enhanced-radiation warhead promises to be neither the collateral-damage-free weapon that its supporters see nor the "ultimate capitalist weapon" (destroying only people, not property) that many people in peace groups fear.

The fundamental distinction between the enhanced-radiation warhead and other, more fission-dominated nuclear weapons of very low yield is that the former releases many more and much faster neutrons. Of the energy released by the Lance and the lower-yield eight-inch enhanced-radiation weapons, six times as much is in the form of prompt radiation than is the case in a fission warhead of equivalent yield; in the highest-yield eight-inch enhanced-radiation shell the energy available for prompt radiation (particularly neutrons) is reported to exceed that of fission weapons by as much as 10 times.

There is also a distinction, apart from the number of kilotons, between the enhanced-radiation warhead and fission-fusion weapons of higher yields. Standard fission-fusion weapons (including most strategic nuclear weapons) are surrounded by a "jacket" of uranium 238 that boosts the weapon's explosive yield; the jacket captures or considerably attenuates the fast neutrons released by the fusion process. Since enhanced-radiation weapons by definition call for very low thermal yields and the release of many fast neutrons, an enhanced-radiation warhead has no U-238 jacket.

What, then, is the military mission of the enhanced-radiation warheads supposed to be? The chief concern among many NATO military officials is the possibility of a Russian-led Warsaw Pact blitzkrieg across the northern plains of West Germany. Russian military doctrine and the deployment of Russian forces suggest that such an attack, if it were launched, would involve the onslaught of thousands of tanks as the prime mover of the offensive. Some military planners believe that an attack of this type, particularly if it were mobilized with little warning time, could not be met by NATO without the use of nuclear weapons. (This contention is vigorously disputed.) For several years some U.S. military officers have criticized the "impracticality" of most of the tactical nuclear weapons currently deployed in Western Europe, drawing attention in particular to their

comparatively high yields, some of them much higher than the yield of the 20-kiloton bomb that destroyed much of Nagasaki at the end of World War II. Such high-yield weapons would be effective for stopping Russian tanks, but they would also kill or severely injure many NATO soldiers and German civilians and would devastate much West German territory. Moreover, the effects of induced and residual radiation could make the occupation and recovery of the affected territory a lethal prospect for some time.

With the enhanced-radiation weapon the military has hit on a different tactic: to kill the Warsaw Pact soldiers inside the tanks instead of destroying the tanks themselves. This result, they say, is possible with the high neutron flux generated by the enhanced-radiation weapons.

Radiation doses are measured in rads, one rad being the absorbed dose of any nuclear radiation accompanying the liberation of 100 ergs of energy per gram of irradiated material. If tactical nuclear weapons are to be used in a war, they must kill their intended victims as quickly as possible. "Immediate permanent incapacitation, according to recent U.S. Government tests conducted with rhesus monkeys, requires 8,000 rads. Since modern tanks have a radiation-protection factor of roughly .5, tanks must be exposed to 16,000 rads instantaneouly if NATO's aims are to be optimally achieved. Recently, however, the NATO military doctrine has been revised to read that "immediate transient incapacitation," which requires only 2,500 to 3,500 rads (or, given tank protection, 5,000 to 7,000 rads), may be sufficient to neutralize invaders for military purposes.

Within five minutes a person exposed to 8,000 rads is incapacitated, and he remains incapable of performing physically demanding tasks until his death, which occurs within a day or two. A dose of 3,000 rads also incapacitates within five minutes, but the victim may partially recover within 30 minutes; still he remains a doomed man until his death four to six days later. He may also remain a helpless man, but maybe not. (It turns out that this uncertainty has significant military implications.) Exposure to 650 rads functionally impairs a human being within two hours, and he may respond to medical treatment; more likely a painful, lingering physical deterioration ends in death within a couple of weeks, a gruesome prospect, to be sure, but perhaps enough of a respite for the victim to fight on for some time.

These results are due to the ionizing effects of neutrons colliding with protons inside living cells. Ionization breaks down chromosomes, swells cell nuclei, increases the viscosity of the cell fluid, enhances cell-membrane permeability and destroys cells of all kinds, particularly those of the central nervous system. Moreover, exposure to ionizing radiation delays or destroys the process of mitosis, a long-term genetic effect that inhibits normal cell replacement.

In effect, enhanced-radiation weapons distribute given rad doses over larger areas, compared with fission weapons of an equivalent or even somewhat higher yield. For example, anyone within a 375-meter radius of a one-kiloton fission explosion (and anyone within a 630-meter radius of a 10-kiloton fission explosion) would be exposed to at least 8,000 rads. If a one-kiloton enhanced-radiation warhead were exploded instead, the 8,000-rad circle would widen to a radius of 850 meters. Thus a one-kiloton enhanced-radiation warhead could potentially kill about twice as many tankmen as a 10-kiloton fission weapon, but the blast damage to an area would be only about a fifth as large.

This feature is of course the main selling point for the enhanced-radiation warhead from the perspective of NATO military officers. The key is that the new weapon can substantially reduce the collateral damage of a nuclear explosion, meaning that blast, thermal radiation and fallout effects will be less dominant. This sounds all to the good at first. Nevertheless, it is misleading to assume, as some of the weapon's advocates seem to have done, that with this new generation of tactical nuclear weapons a European-theater nuclear war can now be safer and more easily managed than was once thought possible.

For one thing, it takes two sides to fight a "limited nuclear war," and the Russians seem to have neither the ability nor the disposition to join in. Of the 3,500 tactical nuclear weapons they have deployed to strike targets in the European theater (compared with NATO's 7,000) the majority are thought to have a yield in excess of 20 kilotons, and about 600 of the Russian missiles have a yield of between 500 kilotons and three megatons. The Warsaw Pact nations' tactical nuclear missiles are far less accurate than NATO's, making the selective-strike tactics necessary for effective damage-limiting war-fighting strategies difficult if not impossible for them to accomplish. Russian military doctrine does not seem to recognize any fine distinction between different types of tactical nuclear war, as U.S. military planning often does. Indeed, most of the Russians writings on the subject assume the inevitability of escalation, drawing no distinction between tactical nuclear war and all-out strategic nuclear war. In discussing a European-theater nuclear war such writings make virtually no mention of pinpoint accuracy and selective targeting except occasionally to hold them up to ridicule. A mass barrage punching wide holes in NATO's defenses, followed by a breakthrough with heavy tanks (whose structure and surface materials provide some protection against nuclear effects), seems to be the kind of mission envisioned for tactical nuclear weapons from the viewpoint of the U.S.S.R.

If NATO were to use enhanced-radiation weapons against Warsaw Pact tanks, the Russians would almost certainly strike back with nuclear weapons of their own. As a U.S. Army intelligence study of Russian military operations notes: "Should the first echelon [of tanks in an offensive] collapse, a series of counterattacks will be instituted, coordinated with all combat units to include . . . nuclear strikes." The Russians would probably not be very concerned about collateral damage to the West German civilian population; even if they were, the high yield and poor accuracy of their weapons would keep them from doing much about the unavoidable consequences.

Even before the virtually certain Russian nuclear retaliation the damage caused by NATO's use of enhanced-radiation warheads would be substantial, regardless of the presumed limitations of the blast, thermal and fallout effects of individual weapons. The posture statement of the U.S. Department of Defense for the fiscal year 1977 states that if nuclear weapons were used in Europe, such action "should . . . induce the Soviet Union to terminate the conflict quickly. . . . It should be done with decisiveness and shock effect to cause the Soviets to reconsider their activities." To achieve such a shock effect NATO would have to do more than stop a small number of tanks; much more damage would certainly be needed to make a dramatic impression on the Russian leaders.

How much more damage might that be? When Russian tanks are beginning an offensive, they move in two echelons (three under some circumstances). Tanks in the first echelon are spaced 75 meters apart in nonnuclear situations and 100 meters apart in nuclear situations. The second echelon moves up about three kilometers behind the first. The Warsaw Pact has some 20,000 tanks deployed for the central region of Europe, where the first battle of a NATO/Warsaw Pact war would probably be fought. Assertions by U.S. Army officers that the enhanced-radiation warhead causes little collateral damage are contingent on the weapon's being used in highly selective, even individual, strikes. Yet if NATO wanted to stop an impressive fraction of the first-echelon tanks, that is, if the enhanced-radiation weapons are to be at all useful militarily, the action would call for a barrage of many hundreds or even thousands of nuclear weapons. They would most likely include not only low-yield enhanced-radiation weapons but also low-yield and medium-yield fission weapons. Under such circumstances much radioactivity could be induced in the soil, particularly if some of the weapons were accidentally to detonate on or near the ground. In any event the number of fatalities and irradiated "walking ghost" casualties would be very high even if the nuclear war could be kept quite limited.

The enhanced-radiation warheads might reduce the collateral damage caused by blast and thermal radiation, but they would increase the damage caused by prompt radiation. Exposure even to comparatively small doses of radiation can have grave consequences for human beings, and enhanced-radiation warheads would extend the distance within which people are exposed to dangerous doses. For example, 10 percent of the people exposed to 150 rads will die from radiation sickness, and Hiroshima and Nagasaki survivors exposed to 150 rads showed a disproportionately high incidence of breast cancer. Exposure to only 30 rads doubles the mutation rate in progeny, and defective genes can be expected to appear for 10 generations. The inhabitants of the Marshall Islands who were exposed to a mere 14 rads as a result of U.S. nuclear testing in 1954 later developed thyroid nodules, cancers and leukemia.

A one-kiloton enhanced-radiation warhead releases 150 rads out to a distance of 1.7 kilometers, 30 rads out to 2.1 kilometers and 14 rads out to 2.3 kilometers. These effects can be compared respectively with 900, 1,170 and 1,300 meters for a one-kiloton fission weapon and 1,285, 1,570 and 1,700 meters for a 10-kiloton fission weapon.

With the enhanced-radiation warhead the collateral damage caused by prompt radiation would be even more extended. For radiation damage caused by gamma rays there is thought to be a threshold rad level below which no biological damage is caused. No such threshold is believed to exist for neutron radiation. Furthermore, in terms of genetic damage, leukemia and cataract of the eye, the biological effects from neutrons are about six times greater than those from gamma rays. Thus as few as one or two rads of neutron radiation could cause leukemia and cancers. Exposure to a mere five rads could double the mutation rate in the progeny of those exposed. If a single neutron collides with a strand of DNA in a sperm or egg cell, the probability of irreparable long-term genetic damage is high.

In other words, the notion that enhanced-radiation weapons are fairly benign to people on "our side" is highly questionable. Both NATO combatants and friendly noncombatants are likely to suffer much harm. The hazard to the noncombatants is increased by the fact that the eastern lands of West Germany have become highly urbanized.

The military utility of the enhanced-radiation warhead is questionable on an even more elementary level. Except for the tankmen who were fairly close to the actual detonation the exposed enemy personnel would remain alive for hours, days or even weeks; many of them could fight on, perhaps even more aggressively than before because of their knowledge that death from radiation was certain. Of course, NATO could accommodate to this problem by setting off a much larger number of enhanced-radiation weapons. Since the alleged virtues of the enhanced-radiation warhead stem mainly from its capability for precise, selective, limited strikes, however, this kind of massive barrage would undercut the entire rationale of the weapon. Besides, armor-penetrating neutrons would not make a tank so radioactive as to exclude the possibility of other tank crews' replacing those exposed to radiation. The tanks could drive on.

The effective use of these weapons also assumes a massive concentration of tanks. Yet it is a safe assumption that the NATO nations would not order the firing of any nuclear weapons unless the Warsaw Pact nations had first exhausted and overrun NATO's non-nuclear defenses. Even if the Russians had concentrated their tanks in the initial phases of the offensive, they would almost certainly disperse their armored forces after breaking through the NATO front-line defenses. (In fact, their writings on tactical operations suggest that this is exactly what they would do.) Under such conditions many thousands of enhanced-radiation warheads would have to be employed to immediately incapacitate the occupants of a significant number of Warsaw Pact tanks, again nullifying the alleged virtues of the enhanced-radiation weapon.

In spite of the apparently minimal military utility of enhanced-radiation weapons, the U.S. Department of Defense justifies them on the grounds that "if NATO arsenals contained the neutron warhead, opposing countries would be aware of NATO's ability to defend itself with less damage; this *could be* a deterrence to attack." Although the Department of Defense does not explicitly state that this weapon would enhance deterrence, the implication is that the Russians might think NATO would be more likely to use the enhanced-radiation weapons than the older, more fission-dominated weapons.

Here three comments should be made. (1) Even without the threat of enhanced-radiation weapons the Russians would be taking a big risk in attacking, since the U.S. has consistently refused to adopt a policy of not being the first to fire nuclear weapons. (2) Enormous damage would result from NATO's use of enhanced-radiation weapons, to say nothing of the damage that would be caused by a virtually certain Russian nuclear retaliation. (3) Although the topic is much too complex to treat in detail here, there is no reason to believe that NATO is incapable of defending Western Europe without resorting to nuclear weapons. Conventional firepower ratios between NATO and the Warsaw Pact nations are virtually even, and it is a well-known maxim that an attacker requires substantial superiority. The often-mentioned superiority of the Warsaw Pact nations in number of tanks is offset by the advantage NATO holds in superior antitank weapons, particularly with the recent advances in precision-guided munitions and remotely piloted vehicles. Weapons of both new types have greater ranges than the guns on Russian tanks, and both can, in the words of a U.S. Army field manual, "hit what they see, kill what they hit."

Military training in the U.S.S.R. and the other countries of Eastern Europe is notoriously poor and extremely rigid. The political reliability of the Czechoslovak and Polish divisions, at least for offensive warfare, is doubtful. Tactics and strategy in the Warsaw Pact armies rely heavily on the tank, which is becoming an increasingly vulnerable and obsolete weapons system. Moreover, the numerous surprise-attack scenarios circulating these days do not take into account the low readiness levels of the Warsaw Pact armies, the hundreds of ways intelligence agencies can observe and track signs of mobilization, the deficient Russian logistics network and many other weaknesses in the Russian war machine.

This is not to say that there is no room for improvement in NATO. Various maldeployments of forces could be corrected; lines of communication could be moved farther back, away from the forward edge of the battle area; more conventional antitank weapons could be deployed; airfields could be more widely dispersed; more aircraft could be deployed at "hardened" sites. The present U.S. Administration appears to be addressing itself to these problems. Since some of these tasks call for very substantial expenditures, it seems wasteful to spend large sums on such weapons as the enhanced-radiation warhead.

The cost of producing enhanced-radiation warheads would be enormous. The eight-inch enhanced-radiation artillery weapon will cost about $900,000 per shell (including the costs of the projectile, the casing and so forth). The enhanced-radiation version of the Lance missile is expected to cost only slightly less. Instead of buying two rounds of eight-inch enhanced-radiation shells the U.S. could obtain, say, three M–60 main-battle tanks, 50 or so advanced non-nuclear antitank weapons or more than 5,500 rounds of conventional artillery shells. In other words, if the U.S. decides to invest in enhanced-radiation devices, NATO will be acquiring an extraordinarily costly weapon that will probably never be used at the expense of comparatively cheap weapons that would markedly improve NATO's defense posture. Assuming that the Russians dispersed their tanks widely and that they adopted certain measures against neutron radiation, then conventional antitank weaponry would probably be both cheaper and militarily more effective.

It remains true that the enhanced-radiation warhead could do as much damage to an attacking force as higher-yield weapons without causing as much collateral damage. Against this clear advantage, however, one must take into account the enormous damage that would ultimately result from any introduction of nuclear weapons into a conventional war. It might also be said in favor of enhanced-radiation devices that, as the systems of this new generation of tactical nuclear weapons are currently planned, they incorporate features other than enhanced radiation. They will have a longer range (about 130 kilometers for the enhanced-radiation version of the Lance), improved command-control communication systems and securer lock mechanisms. These added features would probably have a stabilizing effect in that they would make tactical nuclear weapons less likely to be overrun by a conventional Warsaw Pact attack and less susceptible to accidental firing. Nevertheless, these features could easily be incorporated in the present generation of tactical nuclear weapons; the enhanced-radiation feature is not necessary for such purposes.

The enhanced-radiation warhead is a particularly dangerous weapon insofar as it might mislead anyone into believing that its deployment would make it possible for nuclear warfare to be safely limited and tightly controlled; in this sense its very deployment could lower the threshold separating conventional warfare from nuclear warfare. Enhanced-radiation weapons are no more (and perhaps they are less) "humane" than chemical weapons, whose first use has long been outlawed by international treaty. Moreover, the enhanced-radiation warhead has little more military utility than any other type of low-yield nuclear weapon. Finally, to the extent that the U.S.S.R. believes the U.S. will use enhanced-radiation weapons in a European ground war, their deployment invites a preemptive Russian nuclear attack in any extremely tense situation, perhaps as the first move in a European war. In any event there is no reason to believe the enhanced-radiation warhead would in any way diminish the likelihood that a European-theater nuclear war would escalate to an allout nuclear war, or that its introduction would somehow moderate the probable response of the U.S.S.R.●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that one such notification was received on May 25, 1978, three such notifications were received on June 1, 1978, and two such notifications were received on June 6, 1978.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

The notifications follow:

DEFENSE SECURTIY ASSISTANCE AGENCY,
Washington, D.C., May 25, 1978.

In reply refer to I–3367/78ct

Mr. WILLIAM RICHARDSON and Dr. HANS BINNENDIJK,
Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SIRS: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a South American country estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director Defense Security Assistance Agency.●

Attachments.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 1, 1978.
In reply refer to I-1023/78ct
Mr. WILLIAM RICHARDSON and, Dr. HANS BINNENDIJK,
Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SIRS: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an African country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA,
Director, Security Assistance Agency.

Attachments.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C. June 1, 1978.
In reply refer to I-2199/78ct
Mr. WILLIAM RICHARDSON and, Dr. HANS BINNENDIJK,
Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SIRS: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an European country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA,
Director, Security Assistance Agency.

Attachments.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 1, 1978.
In reply refer to I-1241/78ct
Mr. WILLIAM RICHARDSON and, Dr. HANS BINNENDIJK,
Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SIRS: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an European country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA,
Director, Security Assistance Agency.

Attachments.

DEFENSE SECURITY AGENCY,
Washington, D.C., June 5, 1978.
In reply refer to I-1024/78ct
Mr. WILLIAM RICHARDSON and Dr. HANS BINNENDIJK,
Subcommittee on Foreign Assistance, Committee on Foreign Relations, US. Senate, Washington, D.C.

DEAR SIRS: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA,
Director, Defense Security Assistance Agency.

Attachments.

DEFENSE SECURITY AGENCY,
Washington, D.C., June 5, 1978.
In reply refer to I-294/78ct
Mr. WILLIAM RICHARDSON and Dr. HANS BINNENDIJK,
Subcommittee on Foreign Assistance, Committee on Foreign Relations, US. Senate, Washington. D.C.

DEAR SIRS: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA,
Director, Defense Security Assistance Agency.●

Attachments.

STEVE BIKO

● Mr. GOLDWATER. Mr. President, it might interest my colleagues to know that Steve Biko, the radical revolutionary who died in a South Africa jail, was much better known in this country than in his native land. Thanks to our liberal media, Biko became a "cause celebre" when charges were made that his death was a result of white police brutality. During my recent trip to South Africa, I inquired about Steve Biko of many blacks whom I met and I found that not 1 of the 10 blacks I stopped and conversed with on the streets had ever heard of this man. I think of this when I consider the treatment given by the American press to the assassination of Clemens Kapuuo, who was scheduled to become the first President of Namibia. Although this was an act carried out by Communist-armed agents of the Southwest Africa People's Organization (SWAPO) and was a major development in Africa, almost no mention was made of it in the American press. At least the coverage was nearly nonexistent compared with the tons of ink that were used to decry the death of Steve Biko.

Mr. President, I do not know how much longer this kind of double standard is going to entitle the press to the continued respect of the American people. I believe this kind of performance by the media is not only a disservice to the American people but to the institution of a free press. Needless to say, in spite of my feelings about double standards, I shall continue to defend the concept of freedom of the press even though some members of the media are among the worst abusers of that freedom. In line with my remarks, I would like to have printed in the RECORD an article from the May issue of Government Executives on this subject.

The article follows:

PRESS AND POLICY: DOUBLE STANDARDS

Are the Red racists already running U.S. foreign policy and fourth estate?

Item: Gossip columnist Betty Beale of the *Washington Star* noted succinctly the other day at a luncheon, that a perplexed Canadian, Dennis Black, asked why Americans, who made such an effort to fight Communism in South Vietnam, now want communist guerrillas brought into the Rhodesian government. He didn't get an answer."

Item: When virtually unknown, even in South Africa, radical revolutionary Steve Biko died in a South African jail, wrath thundered from the U.S. State Department (led by Andrew Young) and from the United Nations (led by a clutch of dictator black African states.) Front pages Press banners flashed across the world, resulted in a mandatory rams embargo—which in State Department interpretation now means anything and everything—on goods destined for the South African military and/or police.

Yet, when communist-armed, trained and faithful SWAPO agents murder Clemens Kapuuo, chief of one of South West Africa's (Namibia) largest tribes (in March), and Toivo Shiyagaya, minister of health for the Owambo tribal homeland (in February), the best those tragedies rate is a wire-service release printed on the inside pages of most U.S. newspapers—and neither the UN nor the United States reacts at all.●

WATERWAY USER CHARGES: EDITORIALS CONTINUE TO URGE A VETO

● Mr. DOMENICI. Mr. President, the Louisville Times recently carried a most thoughtful and persuasive editorial discussing the issue of waterway user charges. The editorial's key sentence is this:

Athough even a token contribution from the waterway users would be a revolutionary development, both (the House and Senate) bills are totally inadequate.

I believe that this strong editorial position is most significant and important, particularly as it comes from a newspaper that serves the major river port of Louisville. I commend the Louisville Times for its courage and forthrightness.

Another major newspaper that has taken a strong stand for a more effective system of user charges is the New York Times. The New York Times points out the many problems with the shallow level of charges adopted in both the House and Senate.

Other editorials from newspapers favoring the low-level of charges approved by the Senate were recently placed in the RECORD. I believe it is ironic that the editorial of the St. Louis Post Dispatch appears based on an error in fact, as it praises the level of barge fuel tax included in the amendment Senator STEVENSON and I offered, not the one approved by the Senate.

Mr. President, I ask that the editorials from the Louisville Times and the New York Times be printed in the RECORD.

The editorials follow:

[From the Louisville Times, May 11, 1978]

PULLING THE PLUG—IT IS TIME TO END BARGE LINES' FREE RIDE ON OUR RIVERS

Jimmy Carter is the most recent of several presidents who have tried to make commercial barge lines pay a reasonable share of the cost of building and maintaining the nation's inland waterways. It appears that he, too, may be thwarted in his efforts to push through this constructive reform.

Unless members of a House-Senate conference committee have an unexpected change of heart, the most Congress is likely to accept is a small tax on the diesel fuel used by barge lines. A bill approved by the House calls for a tax that would rise from four to six cents a gallon within two years. The Senate version call for a 12-cent tax by 1990 or thereabouts.

Although even a token contribution from the waterway users would be a revolutionary development, both bills are totally inadequate. Neither would require the barge owners to pay more than a fraction of the cost of operating thousands of miles of waterways. Mr. Carter has promised to veto the measure if it does not include reasonable users fees, and he apparently will have no choice but to carry out his threat.

The Senate unfortunately rejected a plan sponsored by Sen. Pete Domenici of New Mexico which would have required waterway users to pay, through tolls or taxes, 10 per cent of the cost of building new canals, dams and locks.

Even that was a far cry from a much better bill passed by the Senate last year. It provided that half the cost of new construction and the full cost of operation and maintenance would eventually be borne by the barge owners.

The barge industry is the only major form of transportation that pays nothing for its rights-of-way. All the structures that make the Ohio and other rivers navigable were built by the federal government and are used by river traffic free of charge. There are two problems with this arrangement.

First of all, private companies are in effect charging a hefty share of their business expenses to federal taxpayers. Secondly, the barge lines have a powerful incentive to promote new water projects, including those that are environmentally and economically unsound. It's only natural that they should, since the bills are all paid by the Treasury.

Certainly such a grandiose undertaking with such uncertain benefits as the $1.8 billion Tennessee-Tombigbee Waterway would never have been seriously considered, much less started, if those who hope to profit from it knew they would have to reimburse the taxpayers for a portion of the construction costs.

Most congressmen would be content to leave this outrageous subsidy untouched if the President were not holding an ax over a $421 million project that is deal to many of their hearts.

If you don't agree to a meaningful users charge, Mr. Carter told the pork barrelers on Capitol Hill, you can forget about rebuilding the obsolete dam and locks on the Mississippi at Alton, Ill. The authorization for a bigger dam and locks is part of the fuel tax bill. A presidential veto would kill both.

Mr. Carter should proceed on the theory that if Congress wants the improvements at Alton badly enough, it will eventually see the light on users fees. Given the tenacity of the waterway lobby, another oppportunity to change the system may not present itself for a long time to come.

[From the New York Times, May 8, 1978]

SINKING THE WATERWAYS BILL

The nation's barge operators flexed their muscles last week, persuading the Senate to drop legislation that would have required them to pay part of the cost of improving rivers and canals. Now it is up to the President to make good on his promise to veto new lock and dam construction until a cost-sharing formula is found.

Waterway improvements have been traditionally provided at Federal expense. As a result, nearly a third of the cost of moving freight by barge on some 15,000 miles of deep inland waterways is borne by the taxpayers. Barge companies thus manage to shift part of their business costs to the Federal budget, while competing railroads find their traffic siphoned away by the subsidized barges. Moreover, the system encourages the development of marginal water routes, whose benefits amount to far less than their costs of construction and maintenance. Since the barge operators always gain something and lose nothing from new construction, they relentlessly promote any development regardless of its worth.

To control this giveaway, the President threatened to veto an important construction project unless reforms were made. His hostage, a $432 million lock and dam on the Mississippi near Alton, Ill., is needed by the barges that must now wait as long as three or four days in summer to pass through the overcrowded locks. To placate the President, the industry "compromised" by supporting House passage of a six-cent-a-gallon waterways fuel tax and then promoted a Senate version that would gradually raise the tax to 12 cents a gallon over a decade.

The compromise, however, is more symbolic than real: The 12-cent tax would cover less than one-tenth of the total cost of waterways use—and would leave intact the barge operators' incentives to lobby for more uneconomic projects. Under the Administration's original proposal, tolls related to construction costs would have been charged to each user of a new waterways system, thus encouraging barge operators to think twice before pressuring Congress for ill-advised construction. By contrast, the Senate's tax would depend only on fuel consumption.

This is not the deal, therefore, for which Mr. Carter should release his hold on the Alton project. He would betray those members of Congress who fought a politically daring fight for fiscal responsibility. And he would lose the best chance in a long time for real waterways reform.●

H.R. 5029: VETERANS' PROGRAMS EXTENSION ACT OF 1978

● Mr. CRANSTON. Mr. President, on Friday, May 26, 1978, the Senate passed H.R. 5029 as reported, the Veterans' Programs Extension Act of 1978. This is a very significant measure affecting a number of veterans' programs; and I would like to comment on the development of the measure and explain its provisions.

BACKGROUND OF LEGISLATION

Mr. President, with regard to the development of this legislation, the House passed H.R. 5029 on April 4, 1977, and in the Senate the measure was referred to the Committee on Veterans' Affairs. On April 27, 1977, the Subcommittee on Health and Readjustment, which I chair, conducted a hearing on H.R. 5029 as passed by the House. The subcommittee received testimony on H.R. 5029 and on other measures from Deputy Administrator of Veterans' Affairs Rufus M. Wilson, Chief Medical Director John D. Chase, and other representatives of the Veterans' Administration, and from representatives of the Republic of the Philippines, The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, AMVETS, the Paralyzed Veterans of America, and other concerned parties.

Shortly after that hearing, the committee decided to defer further consideration of the bill pending receipt of two General Accounting Office reports on VA programs in the Philippines. On May 20, 1977, the GAO issued a report (HRD–77–95) entitled "Potential for Reducing U.S. Financial Support and Ending VA Involvement in Medical Programs for Filipino Veterans," and on January 18, 1978, a report (HRD–78–26) entitled "Veterans Administration Benefits Program in the Philippines Need Reassessment."

On March 16, 1978, the full committee conducted further hearings on H.R. 5029 and heard testimony on the two GAO reports on VA programs in the Philippines and S. 2398, administration-requested legislation which I introduced, by request, on January 20, 1978. At that hearing, testimony was received from Veterans' Administration General Council Guy H. McMichael, and other representatives of the VA, Civil Service Commission Vice Chairman Jule M. Sugarman, and other representatives of the Commission, and representatives of the General Accounting Office, the Republic of the Philippines, The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the Paralyzed Veterans of America.

Mr. President, after reviewing the testimony received during the hearings and the written comments and other documents submitted to it, the full committee met on May 10, 1978, and unanimously voted to report favorably the bill with an amendment in the nature of a substitute (including a provision, sec. 402, derived, with various amendments, from S. 2398), an amendment submitted by the Senator from South Carolina (Mr. THURMOND) to the committee substitute, and a title amendment.

SUMMARY OF PROVISIONS

Mr. President, H.R. 5029 as reported has four titles: I—Extension of certain programs in the Republic of the Philippines; II—Benefits payable to persons residing outside the United States; III—Health-care amendments; and IV—Veterans' readjustment appointments and new pension program implementation.

Title I: Extension of certain programs in the Republic of the Philippines. Included in title I are provisions that would:

First, extend for 3 years, until September 30, 1981, the VA's authority to maintain a regional office in the Republic of the Philippines.

Second, extend for 5 years, until September 30, 1983, the VA's authority to reimburse the Veterans Memorial Medical Center for hospital and nursing home care and medical services for the treatment of the service-connected disabilities of Commonwealth Army veterans and new Philippine Scouts.

Third, extend for 1 year, until September 30, 1979, the VA's authority to reimburse the Veterans Memorial Medical Center for hospital care for the treatment of non-service-connected disabilities of the Commonwealth Army veterans and new Philippine Scouts, and limit

payment for nursing home care furnished to Commonwealth Army veterans and new Philippine Scouts after September 30, 1979, to those cases in which there was a period of preceding hospitalization that was primarily for the treatment of a service-connected disability.

Fourth, clarify that payment of travel expenses in connection with hospital care or medical services furnished to a Commonwealth Army veteran or new Philippine Scout may only be made if such care is paid or to be paid for by the VA, and change all references in chapter 17, title 38, to the Veterans Memorial Hospital in the Philippines to the name by which it is now known, the "Veterans Memorial Medical Center."

Fifth, extend for 5 years, until October 1, 1983, the annual $2 million limitation on payments authorized to be paid under the program.

Sixth, extend for 2 years, until September 30, 1980, the authorization of annual appropriations for grants to the Veterans Memorial Medical Center for training of health service personnel ($50,000) and for replacement and upgrading of equipment and rehabilitation of the physical plant ($50,000).

Title II: Benefits payable to persons residing outside the United States. Included in this title are provisions that would:

First, require that when payments for VA benefits are based on adoption of a child by a veteran under the laws of a foreign country, that the adoptive child be: Under age 18 at the time of the adoption; receiving one-half or more of such child's annual support from the veteran; residing with the veteran, except in certain specified circumstances; and not residing with the child's natural parent, unless the natural parent is the veteran's spouse. After the veteran's death, such an adoption would be recognized for VA benefits purposes only if the veteran was entitled to and did receive a dependent's allowance or similar benefit for the child at any time during the year before the veteran's death, or if the above requirements were met for at least 1 year prior to the veteran's death.

Second, prohibit VA benefits from being paid on the basis of a claim filed on or after October 1, 1979, by a person seeking to establish initial eligibility to benefits based on the active-duty service of a Philippine Commonwealth Army veteran or new Philippines Scout if a claim for the same benefits by that person has been previously disallowed more than once.

Third, require the VA to submit to the President and the Congress, by February 1, 1980, a report of a comprehensive study, together with the VA's recommendations, on various issues involved in the payment of VA benefits to persons residing outside the 50 States and the District of Columbia—including economic issues, issues related to adoptive relationships under foreign laws, issues involved in the amount and method of payment of benefits payable to certain persons in the Philippines, issues relating to the continued operation of a VA regional office in the Philippines and the effects of the provisions described in this title; and require that the report include estimates of the present and future costs of benefits payable to persons residing outside the 50 States and the District of Columbia.

Title III: Health-care amendments. Included in this title are provisions that would:

First, extend for 1 year, through fiscal year 1979, the VA's authority to enter into special-pay agreements with physicians and dentists under section 4118 of title 38.

Second, authorize additional appropriations necessary to meet shortfalls in appropriations available to fund approved grants and applications for the health manpower training institutions grant program under chapter 82 of title 38.

Third, authorize the provision of contract hospital care and outpatient treatment of non-service-connected disabilities to obviate the need for hospital admissions in Alaska, Hawaii, the Commonwealth of Puerto Rico, and the territories and possessions of the United States, so long as the annually determined hospital patient load and incidence of the provision of medical services at VA expense (except in Puerto Rico and the Virgin Islands) is consistent with such levels of hospital care and medical services, respectively, furnished by the VA in the 48 contiguous States. This authority would be extended, as so modified, to December 31, 1980, except that it would be made permanent with respect to Alaska and Hawaii.

Fourth, clarify that the conduct of examinations to determine entitlement to service-connected compensation has the same priority in the use of outpatient medical services as the treatment of veterans with service-connected disabilities for their other disabilities.

Fifth, authorize the provision of hospital care, nursing home care, and medical services in the United States to Commonwealth Army veterans and new Philippine Scouts for the treatment of their service-connected disabilities.

Sixth, authorize the Administrator to enter into contracts with organizations recognized under section 3402 to provide emergency medical services at national conventions of such organizations and receive reimbursement for such services, except to the extent that the recipients are otherwise eligible to receive such services.

Seventh, require the VA to prepare and submit to the President and Congress by October 1, 1979, a report assessing the health-care needs of veterans in Puerto Rico and the Virgin Islands, describing the health-care services furnished such veterans, and recommending how the health-care needs of such veterans should be addressed.

Eighth, require the VA to prepare and submit to the President and Congress by March 1, 1979, and annually thereafter, a detailed report on the VA's use of its contract care authorities.

Title IV: Veterans' readjustment appointments and pension reform implementation. Included in this title are provisions that would:

First, extend for 39 months, until September 30, 1981, the period during which certain Vietnam-era veterans may receive veterans readjustment appointments (VRA's) in the Federal Government, which are noncompetitive, 2-year appointments up to grade level GS–5 made, within 1 year after separation, of Vietnam-era veterans with 14 or less years of education. In addition to extending the VRA program, the requirement that the VRA appointment be made during the veteran's first year after separation would be eliminated, and eligibility would be restored to all those whose eligibility had expired, because they had been separated for more than 1 year; eligibility would be conferred on Vietnam-era veterans separated from active duty prior to April 10, 1969; the level of authorized appointments would be raised from GS–5 to GS–7; the 14-year-education limitation would be eliminated for certain disabled Vietnam-era veterans; and the reporting requirements regarding the use of the VRA authority would be expanded.

Third, authorize the appropriation of $350,000 in fiscal year 1979 for purposes of preparing and submitting the reports required under titles II and III of this bill.

Mr. President, I would like to make a few additional comments on some of the major provisions of H.R. 5029.

VA PROGRAMS OUTSIDE THE UNITED STATES

Various provisions of this legislation deal with Veterans' Administration programs outside the 50 States and the District of Columbia, either on a worldwide basis or with particular regard to the Republic of the Philippines, or the Commonwealth of Puerto Rico and the Virgin Islands. The committee has become increasingly aware of certain special problems and issues which arise in the context of the provision of health-care services and payment of monetary benefits outside the 50 States and the District of Columbia. Such difficulties have come to the committee's attention through its hearings on legislation to extend certain VA authorities to provide benefits and services outside the United States and in General Accounting Office reports on the VA's medical grant program ("Potential for Reducing U.S. Financial Support and Ending VA Involvement in Medical Program for Filipino Veterans," May 20, 1977, HRD–77–95) and monetary benefits program ("Veterans' Administration Programs in the Filipino Need Reassessment," January 18, 1978, HRD–78–26) in the Philippines, which the chairman of the Appropriations Subcommittee on HUD-Independent Agencies, Mr. PROXMIRE, had requested.

In addition, on October 7, 1977, I requested the GAO to investigate and report on the VA's provision of health-care services in the Commonwealth of Puerto Rico. On March 30, 1978, the GAO submitted a report on VA health-care programs in Puerto Rico and the Virgin Islands ("Health Care Needs of Veterans in Puerto Rico and the Virgin Islands Should Be Assessed," March 30, 1978, HRD–78–84).

In very general terms, the problems involved in VA programs overseas arise

from disparities between some foreign economies and the economy of the United States, on which VA benefits are based, and the apparent lack of adequate alternative sources of health-care services for veterans in locations where the VA operates health-care programs outside the 50 States.

Mr. President, in addressing these issues, the committee has, I believe, acted responsibly—paying careful attention to the recommendations of the VA, the GAO, and other interested groups, and making substantive legislative proposals where that is warranted and mandating the conduct of further studies where available information is not adequate for the resolution of certain complex issues.

VA PROGRAMS IN THE PHILIPPINES

Mr. President, with respect to the Philippines, I should note the special relationships which we have with that nation arising out of the former status of the Philippines as a Commonwealth of the United States. During and shortly after World War II hundreds of thousands of Filipinos—now known as "Filipino veterans"—served alongside our Armed Forces in the Commonwealth Army or as "new" Philippine Scouts. Although these "Filipino veterans" were not actually members of our Armed Forces, the Congress has long recognized our special obligations to them and has made them eligible for certain VA benefits.

Since 1948, the VA has provided financial support for a medical care program for "Filipino veterans." At first, this medical care program was available for only service-connected care of Commonwealth Army veterans, but over the years it has been expanded to include "new" Philippine Scouts and non-service-connected hospital care for both groups of "Filipino veterans."

In addition, many other Filipinos, known as "old" Philippine Scouts, served in and as members of our Armed Forces prior to World War II; and following World War II several thousand Filipinos have served in our Navy. These veterans of service in our Armed Forces are known as "U.S. veterans" and are eligible for the same VA benefits, including health care services, as American veterans.

Because of the scope of VA programs in the Republic of the Philippines and the large number of VA beneficiaries there, the VA, by virtue of express statutory authority, maintains a regional office in the Philippines.

The GAO, in its reports on the Philippines programs, found that in 1976 about 96 percent of "Filipino veterans" patient days paid for by the VA were for the treatment of non-service-connected illnesses. The GAO also found a variety of serious abuses of VA monetary benefit programs in the Philippines, which the GAO attributed to incentives for abuse arising from the extremely lucrative nature of VA benefits in relation to the Philippine economy. The GAO made several recommendations regarding these programs including a recommendation that consideration be given to closing the regional office in the Philippines.

Mr. President, I believe that this legislation provides a responsible framework for the VA's programs in the Philippines, while recognizing our continuing obligation for the treatment of the service-connected disabilities of "Filipino veterans." Thus, H.R. 5029 as reported would extend for 5 years the VA's authority to reimburse the Philippine Government-operated Veterans' Memorial Medical Center for the provision of health care services for the treatment of the service-connected disabilities of "Filipino veterans"; and for 1 year—until October 1, 1979—the authority to provide reimbursement for hospital (inpatient) care for the treatment of the non-service-connected disabilities of certain "Filipino veterans." Also, the VA's authority to make grants—up to $100,000 per year—to the medical center for education of health care personnel and for replacing and upgrading equipment would be extended for 2 years. These provisions are designed to provide an adequate period of time for the orderly transfer of responsibility for non-service-connected care to the Philippine Government. The VA's authority to maintain a regional office there is extended for 3 years, until September 30, 1981; and 20 months prior to that date, the VA must provide the Congress with a detailed analysis showing the advantages and the disadvantages of the further continued operation of that office.

The committee, in its examination of monetary benefit programs in the Philippines, found that large numbers of claims continue to be received to establish eligibility for benefits based on World War II service. Often, the claim is a "reopened claim"—a request for reconsideration of a previous claim which had been denied, in many cases more than once. Since only 1 percent of the claims presented in the Philippines are accepted, it seems clear that a disproportionate amount of administrative expense is incurred by the Manila regional office in the reconsideration and disposition of claims that are based on service that ended in the forties and have been previously considered and denied. To help remedy this situation, the legislation would establish an October 1, 1979, cutoff date for claims based on the service of a "Filipino veteran" if the purpose of the claim is to establish initial eligibility and if the claim has been previously denied more than once.

MONETARY BENEFITS OUTSIDE THE UNITED STATES AND FOREIGN ADOPTIONS

The rates at which monetary benefits are paid to eligible veterans are based on the economy of the United States. Thus, when those benefits are paid to veterans in countries where median per capita income and living standards are markedly lower than in the United States, questions arise as to whether the purposes of the benefits are being served and substantial incentives for abuse seem to arise. For example, the GAO found that in 1976 the average annual compensation paid to "Filipino veterans," with service-connected disabilities, who are paid at the rate of 50 cents on the dollar, was $1,080, while the average annual wage in the Philippines was $455.

In examining these issues, the committee found a need for more data and analysis before it would generally be appropriate to consider any legislative modifications. Therefore, the legislation requires the VA to conduct a comprehensive study of the issues involved in the payment of VA benefits to persons residing outside the 50 States and the District of Columbia, and to submit that report to the President and Congress by February 1, 1980.

The GAO report on VA benefit programs in the Philippines dramatically illustrates that in some instances the disproportionate value of VA benefits in some countries may provide powerful incentives for abuse. Specifically, the GAO reported some instances of aged and disabled veterans adopting children for the sole purpose of qualifying them for benefits. Since 1972, the regional office in Manila has recommended to VA's central office that a more stringent statutory standard be required for Philippine adoptions. The Administration has now agreed and, in order to discourage potential abuses, proposed that the same standards generally inherent in adoptions in the United States should be satisfied in the cases of foreign adoptions for VA benefits purposes. Thus, in an April 28, 1978, letter from the Administrator, the VA proposed that a veteran's adoption of a child outside the United States be recognized for the purposes of VA benefits only if the child is: Under 18 at the time of adoption; receiving annually one-half or more of his or her support from the veteran; not in the custody of a natural parent, unless the natural parent is the veteran's spouse, and residing with the veteran. H.R. 5029 as reported includes provisions based on the Administration's recommendations, with some refinements, which the committee believes will protect against abuse but will not affect genuine adoptive relationships.

HEALTH CARE IN PUERTO RICO AND THE VIRGIN ISLANDS

Mr. President, the committee's examination of the VA's contract health care authorities uncovered serious problems in the provisions of contract health care for the treatment of non-service-connected disabilities in Puerto Rico and the Virgin Islands. As a result of my request for an investigation and report on the VA's provision of health care services in Puerto Rico, the GAO has found that contract health care authorities were being utilized very heavily and in excess of existing statutory authority in Puerto Rico and the Virgin Islands due to the lack of alternative sources of health care services for the treatment of non-service-connected disabilities in both places, and, in Puerto Rico, due to serious economic problems. To deal with this situation on a temporary basis, the committee bill would extend, until December 1, 1980, and expand the authority to provide contract care in any territory, Commonwealth, or possession of the United States. The legislation also incorporates the GAO recommendation that the VA conduct a comprehensive assessment of health care needs of veterans in Puerto Rico and the Virgin Is-

lands. With that report, an informed decision with regard to the VA's contract health care authorities in Puerto Rico and the Virgin Islands can be made prior to the expiration of that authority in 1980.

CONTRACT CARE IN ALASKA AND HAWAII

Mr. President, in the case of Alaska and Hawaii, H.R. 5029 as reported provides permanent authority to furnish, on a contractual basis, medical services necessary to obviate the need for hospitalization for non-service-connected disabilities and hospital care for such disabilities. These are the only two States that do not have a VA hospital and the geographic characteristics of these States present unique problems of veterans' accessibility to the small VA facilities that are available. Thus, the authority to furnish contract health care is necessary to assure that veterans in those States have the same opportunities for VA care as veterans living in the other States. In order to assure that a disproportionate amount of care is not furnished through this mechanism, the use of this authority is subject to a limitation designed to keep the overall levels of health care services provided in those States in line with the levels being provided in the other States.

PHYSICIAN AND DENTIST SPECIAL PAY

Mr. President, this legislation also extends, for the 4th year, the VA's authority to enter into special-pay agreements with physicians and dentists in the Department of Medicine and Surgery for the purpose of overcoming difficulties in the recruitment and retention of high quality health care professionals.

This extension is necessary as a stopgap measure pending a Federal governmentwide resolution of the general problems of recruitment and retention of physicians and dentists. In order to get the legislative process moving toward such a comprehensive solution, I have been urging the administration to keep its commitment to submit a permanent, uniform pay proposal for Federal physicians and dentists. The administration has already failed to meet its commitment to provide such a proposal in January, with the President's budget. In an April 1, 1978, letter, I asked the Office of Management and Budget to advise me as to the status of the proposal and the anticipated date for its submission. I have yet to receive a response to that letter.

Until such time as a comprehensive solution is proposed and enacted, the Congress will continue to be forced to deal with stopgap and partial solutions to these problems. It is, therefore, extremely important that the administration come forward with a comprehensive proposal.

ASSISTANCE TO HEALTH MANPOWER TRAINING INSTITUTIONS

Mr. President, this legislation authorizes increased appropriations to meet shortfalls in the assistance to health manpower training institutions program. Under that program, the VA made commitments to States to help finance medical schools in areas that had shortages of physicians. The committee believes that such commitments should be honored. Specifically, two supplemental grants to new State medical schools remain approved but unfunded—$5.4 million for the University of South Carolina and $2.5 million for Marshall University in West Virginia. Appropriations for a number of smaller grants already awarded to 18 other health manpower training institutions, totaling $8.3 million, would also be authorized under this measure.

VETERANS READJUSTMENT APPOINTMENTS

Mr. President, in order to provide needed assistance to Vietnam-era veterans in finding employment opportunities, this legislation would extend for 39 months, from June 30, 1978, until September 30, 1981, the period during which certain Vietnam-era veterans may receive veterans readjustment appointments (VRA's) in the Federal Government—noncompetitive, 2-year appointments, presently up to grade level GS–5 made, within 1 year after separation, of Vietnam-era veterans with 14 or less years of education. In addition, the VRA authority would be expanded to eliminate the requirement that such appointments be made during the veterans' first year after separation; to restore VRA eligibility to those who have been separated for more than 1 year; to confer eligibility on Vietnam-era veterans separated from active duty between the beginning of the Vietnam era—August 5, 1964, and April 10, 1969—and to raise the level of authorized appointments from GS–5 to GS–7; and to eliminate the 14-year education limitation for certain disabled Vietnam-era veterans.

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of this measure, I include in the RECORD at this point pertinent excerpts from Committee Report No. 95–825 accompanying this bill.

The excerpts follow:

DISCUSSION

TITLE I—EXTENSION OF CERTAIN PROGRAMS IN THE REPUBLIC OF THE PHILIPPINES

Background

The Philippine Islands were acquired by the United States after the Spanish-American War. During World War II, hundreds of thousands of Americans and Filipinos served side by side. In 1946, the Republic of the Philippines gained its independence from the United States after several years of amicable negotiations between the United States and the Commonwealth of the Philippines.

The Republic of the Philippines is the only foreign country in which the Veterans' Administration operates a comprehensive benefits program and maintains a regional office.

U.S. Veterans

There are two basic categories of Filipinos who have served in or with the United States Armed Forces in the Philippines. First are those with active-duty service in the regular components of the United States Armed Forces—including approximately 50,000 Filipinos who served before and during World War II as Philippine Scouts, called Old Scouts. Also included are postwar veterans of the United States Armed Forces. The Department of the Navy carries on an active recruitment program in the Philippines. Since 1953, approximately 28,000 Filipinos have been recruited, and the Navy continues to recruit several hundred Filipinos each year. These veterans—referred to as "U.S. veterans"—and their dependents and survivors are eligible for all benefits and services available to American veterans and their dependents and survivors. In fiscal year 1977, 25,000 persons were receiving VA benefits in the Philippines based on the service of U.S. veterans.

"Filipino Veterans"

Members of the other group, comprising about 452,000 persons, are eligible for certain specified benefits as a result of military service with (but not in or as members of) United States military forces during and immediately after World War II. These include approximately 110,000 Filipinos who served in the Philippine Commonwealth Army; approximately 312,000 who fought in recognized guerrilla units during World War II; and 30,000 Philippine Scouts, called New Scouts, who served after World War II. These veterans—referred to as "Filipino veterans"—are eligible for service-connected disability compensation and burial benefits. The survivors of "Filipino veterans" are eligible for death compensation and disability and indemnity compensation; and the children of those veterans who are permanently and totally disabled from service-connected causes, or who have died from such causes, are entitled to educational assistance benefits. All benefits based on the service of "Filipino veterans" are payable in Philippine pesos at the rate of 50 cents per U.S. dollar otherwise authorized. In fiscal year 1977, approximately 32,000 persons were receiving benefits on that basis.

VA Manila Regional Office

The VA has maintained an office in the Philippines since 1921. In 1947, the VA was authorized to establish and maintain a regional office in that newly independent nation by Public Law 80–474. The authority to maintain the regional office has been extended five times and is presently due to expire on September 30, 1978.

The purpose of the Manila regional office is to provide assistance to U.S. and Filipino veterans and to the dependents and survivors of those veterans and to carry out the other administrative functions required of any VA regional office.

Philippines Health Care Programs

In 1948, a grant program for medical care for service-connected-disabled "Filipino veterans" and the construction of a VA hospital in the Philippines were authorized by Public Law 80–865. The hospital now known as the Veterans Memorial Medical Center (VMMC),[1] was turned over to the Philippine Government in 1955. In 1966, Public Law 89–612, in addition to extending the program for an additional 5 years, expanded it to include, for the first time, VA payment for hospital care for non-service-connected disabilities for "Filipino veterans" who are unable to defray the cost of such care and established a $2 million annual limit on the total amount of payments for the care of "Filipino veterans." Prior to 1966 expenditures charged to the program had been declining. Since then, the cost of the program experienced an upward trend increasing from less than $300,000 in 1966 to approximately $2 million, the limit imposed by the 1966 law, in 1974. Since 1974, program costs have remained at the $2 million level.

Public Law 89–612 also authorized appropriations of $500,000 for replacing and upgrading equipment and rehabilitating the physical plant and facilities of the hospital. It further authorized yearly appropriations of $100,000 for 6 years, beginning in 1967.

[1] The hospital was recently renamed the Veterans Memorial Medical Center, but is referred to in chapter 17 of title 38 by its former name, the Veterans Memorial Hospital. The committee bill makes the conforming changes in sec. 102.

for grants to the Center for medical research and training of health service personnel.

The medical-care program for "Filipino veterans," now codified in section 632 of title 38, has been extended continuously for consecutive 5-year periods and is due to expire on September 30, 1978. Currently, section 632(a) of title 38, United States Code, authorizes the VA to enter into a cost-reimbursement contract with the VMMC for VA payment of:

Hospital (inpatient) care and medical (outpatient) services for the service-connected disabilities of "Filipino veterans," either at the Center or elsewhere by contract;

Hospital care, at the Center only, for the non-service-connected disabilities of "Filipino veterans" who are unable to defray the costs of such care;

Reimbursement of the veteran for travel in connection with care or treatment; and

Post-hospital nursing-home care at any approved facility in the Philippines, generally limited to a 6-month stay.

Under clause (6) of section 632(a), payments for hospital care are based on a per diem rate agreed to by the two Governments each year.

Section 632(b) limits the total annual payments under subsection (a) to $2 million, with a $250,000 ceiling on reimbursement for nursing-home care.

Section 632(c) allows the VMMC to be used by the Philippine Government for other purposes as long as "Filipino veterans" receive priority and such "other" use does not preclude the use of available Center facilities on a contract basis for the care of persons eligible for VA care ("U.S. veterans"). According to the VA's testimony at the 1978 hearing, 60 percent of the care (as measured by the number of patients hospitalized) provided at the Center is for nonveterans.

Section 632(d) authorizes annual appropriations of $100,000 through fiscal year 1978—$50,000 for grants to assist in health-care personnel training at the VMMC and $50,000 for grants for equipment upgrading and facility rehabilitation at the Center.

In fiscal year 1977, $2,100,000 was appropriated for this program; $2 million for medical care and treatment; $50,000 for training of health service personnel; and $50,000 for equipment upgrading and facility rehabilitation. In fiscal year 1978, $1,700,000 has been appropriated; and, in the President's budget for fiscal year 1979, that is the total amount estimated for fiscal year 1978.

The VMMC has more than 1,500 employees and provides a wide range of inpatient and outpatient services to "U.S." and "Filipino veterans." Its mission was expanded in 1960 from that of a hospital for veterans only to that of a general hospital, offering specialties such as obstetrics, gynecology, pediatrics, and psychiatry, and the Center now provides a wide variety of specialized services and programs including nuclear medicine, open-heart surgery, radiotherapy, and renal dialysis.

In 1960, the Republic of the Philippines also began using the VMMC for its own veterans' program. In addition to the Veterans' Memorial Medical Center, the Philippine Government has at least 13 other medical facilities which are available to Filipino veterans.

The VA itself maintains an outpatient clinic in Manila where it provides "Filipino veterans" with service-connected care only. (The funding of such care, according to VA testimony at the 1978 hearing, is charged against section 632 funds.) The VA also uses the clinic to provide "U.S. veterans" with treatment (on the same basis as American veterans are provided VA care in the United States).

Administration position

Although last year the administration initially requested a 5-year extension of the above-mentioned authorities and authorizations, in the President's budget for fiscal year 1979, it has proposed eliminating all funding of health-care programs in the Philippines for "Filipino veterans." The administration still favors a 5-year extension of its authority to maintain a regional office in the Philippines.

Health care programs extensions

Throughout the history of legislation authorizing a medical program for "Filipino veterans" in the Philippines, it has always been assumed that the Government of the Philippines would one day assume complete responsibility for such care. The administration believes that the time has come for that Government to do so.

At the 1978 hearing, representatives of the Government of the Philippines urged continuation of the VA program. They also testified that, if VA funding of the care of "Filipino veterans" were terminated, their Government would assume that responsibility "but only to the extent and limit of its capability," and that this might "affect adversely the quantity and quality of medical care now enjoyed by * * * [Filipino] veterans under the U.S. program * * *".

The GAO, in its May 1977, report on VA medical programs in the Philippines, stated that VA funding of the medical care of "Filipino veterans" was being used primarily for non-service-connected illnesses at the VMMC. In 1976, VA payments for inpatient care of "Filipino veterans" at the Center totalled $1.5 million; and 96 percent of such care was non-service-connected. The GAO also expressed the view that, because VA funding of non-service-connected care of "Filipino veterans" was limited to inpatient care, the program was resulting in many unnecessary admissions for inpatient care.

The committee believes that, in the event of discontinuation of any part of this program, there should be a transitional period for the Government of the Philippines to plan for and make the necessary changes in its allocations of resources to maintain the quality of care at the VMMC. An abrupt halt in funding for non-service-connected care could have a detrimental impact on the availability and quality of care for those veterans. Thus, the committee seeks to assure an adequate transitional period before VA reimbursements for non-service-connected care is discontinued.

The committee does feel a continuing sense of commitment to provide for the service-connected disabilities of "Filipino veterans," most of whom served during World War II while the Philippines was still a Commonwealth of the United States, and hence has provided a long-term 5-year extension of the authority for such care.

Section 102 of the committee bill would amend section 632 of title 38 as follows:

(1) the limited authorization for reimbursing the Philippine Government for the furnishing of health-care services to "Filipino veterans" would be continued for 5 more years (fiscal years 1979 through 1983) at the present $2 million maximum, but only for service-connected care;

(2) the VA's current authority to reimburse the VMMC for non-service-connected care of Filipino veterans"—hospital care provided at the VMMC and post-hospital nursing-home care of "Filipino veterans" whose hospitalization had not been primarily for the treatment of service-connected disabilities—would extend only to such care provided prior to October 1, 1979; and

(3) the authorization of appropriations for grants to be VMMC for health-care personnel training ($50,000) and for facility rehabilitation and equipment upgrading ($50,000) would continue for 2 years (fiscal years 1979 and 1980) at the present $100,000 level.

Thus, in fiscal years 1979 through 1983, the VA would continue to have authority to reimburse the VMMC for all service-connected care of "Filipino veterans"—including inpatient, outpatient, and nursing-home care at the VMMC and elsewhere in the Philippines, and related travel expenses. However, the VA's authority to reimburse the Center for non-service-connected hospital and nursing-home care would apply only to care provided prior to October 1, 1979, and the authorization of appropriations for training grants and equipment and facility grants to the Center would expire at the end of fiscal year 1980.

This approach fully honors the original U.S. commitment to provide for the service-connected care of "Filipino veterans"; and allows for a sufficient period of transition for returning to the Philippine government sole responsibility for non-service-connected care (a responsibility assumed, in part, by the United States in 1966).

Authority to maintain VA regional office in the Philippines

The committee bill would extend the authority of the VA to maintain a regional office in the Philippines through September 30, 1981, a period of 3 years. This period, intermediate between the 1-year extension in the bill as passed by the House and the VA's recommendation of a 5-year extension, will ensure the continuation of benefit-processing services to veterans and survivors living in the Philippines and will also permit the VA to monitor its operations in that country in connection with completing a comprehensive study, more fully discussed below, which requires the VA to evaluate certain modifications which would be made by the committee bill and to make recommendations on VA programs in the Philippines and in other foreign countries, including the preparation of a tentative plan (and a cost estimate therefor) to transfer the functions of that regional office to other VA offices in the United States and to the U.S. Embassy in Manila.

TITLE II—BENEFITS PAYABLE TO PERSONS RESIDING OUTSIDE THE UNITED STATES

Background

The level of benefits paid to veterans of service in the U.S. Armed Forces and to their dependents and survivors under title 38, United States Code, has historically been derived from data regarding economic conditions in this country. For example, service-connected disability compensation payments (ch. 11) to veterans who have suffered an injury or illness in the line of duty are based on the average impairment of earnings capacity in the United States. Educational assistance payments (GI bill benefits) under chapter 34 of title 38 to veterans enrolled as full-time students are based on educational costs and the cost of living in the United States. Cost-of-living increases periodically enacted by Congress for those programs and other VA benefit programs, such as pension (ch. 15) and dependency and indemnity compensation (ch. 13), are based on the rate of inflation in the United States.

When payments are made to veterans residing in countries where median per capita income and living standards are markedly lower than in the United States, it may be questioned whether the basic purposes of the benefits are being served. In addition, substantial incentives for abuse seem to arise when the benefits are extremely lucrative in relationship to those economic conditions.

Issues such as these clearly emerged in the General Accounting Office's January 18, 1978, report (HRD–78–26) on benefit programs in the Philippines, entitled "Veterans Administration Benefits Programs in the Philippines Need Reassessment." In that report, the GAO found that in 1976 the average annual com-

pensation payment to a Filipino veteran was $1,080, while the average annual wage in the Philippines was $455. A 100-percent service-connected-disabled "Filipino veteran" with a wife and two children was receiving $4,794 per year—7.5 times the Philippine median income. If compensation benefits payable to a similarly situated American veteran living in the United States had borne the same ratio to median income in the United States, the American veteran would have been receiving $102,750 per year.

Apparently, the method by which Filipino veterans are paid has also contributed to the disparity in the relative value of benefits to Filipino and American veterans living in the United States. As previously noted, benefits for Filipino veterans are paid in pesos at the rate of 50 cents on the dollar. The GAO in its report pointed out that devaluation of the peso had caused the exchange rate to rise from 3.9 pesos per dollar in 1966 to 7.4 pesos per dollar in 1976. As a result, according to the GAO, devaluations of the pesos and benefit rate increases enacted over the same period had caused payments to a 100-percent service-connected-disabled "Filipino veteran" with a wife and two children to rise from 694 pesos per month in December, 1966, to 2,960 pesos per month in December 1976—a 427 percent increase. Benefits paid to an American veteran in the same circumstances had risen from $355 per month to $799 per month over the same period—an increase of only 125 percent.

As the GAO noted, compensation benefits to "U.S. veterans" in the Philippines (who receive benefits at full value) are, obviously, even further out of line with the Philippine economy; and pension benefits paid to U.S. veterans in the Philippines are also disproportionately high relative to that economy. The average annual compensation benefit paid to "U.S. veterans" in that country was $2,700 in 1976 and the average pension payment to "U.S. veterans" was $1,615. Such veterans receive in benefits far more than they would receive even in some highly skilled and professional occupations, as shown by the following table, which appeared on page 11 of the GAO report:

TABLE 1.—*Average annual salaries of selected occupations in the Philippines*

Carpenter	$699
Medical technician	809
X-ray technician	814
Clerk	823
Mechanic	829
Nurse	863
Pharmacist	924
Clinical physician	2,267

Source: 1976 Salary and Wage Survey in the Philippines, Philippine Budget Commission.

The GAO also found that education assistance payments to "U.S. veterans" in the Philippines and certain dependents and survivors of U.S. and Filipino veterans are far higher, in relation to the costs of education, than in the United States, and far higher than the average monthly salaries paid to their instructors.

GAO findings and recommendations on program abuse

The GAO asserted that the lucrativeness of VA benefits in the Philippines has led to numerous abuses, including among others:

Benefits being paid on behalf of adopted children where the veteran had not assumed a parental role;

Benefits being paid on behalf of numerous illegitimate children of some veterans;

Wide-spread enrollment in school solely to receive income from GI bill benefits;

Existence of numerous "claims fixers," individuals who encourage and help Filipinos to file spurious claims; and

Wide-spread submission of false documentation to support claims.

In order to curtail program abuses in the Philippines and to bring benefit payments more in line with the prevailing income level in the Philippines, the GAO recommended exploration of the following alternatives:

Retaining the present level of benefits but not increasing them in the future.

Moving VA functions to the United States.

Changing the basis used to compute benefits.

Setting up a trust fund or negotiating a lump-sum settlement to cover costs of all remaining benefits.

The GAO also recommended withdrawal of the United States Department of Defense's authority to enlist Filipino citizens in the Armed Forces in order to eliminate their continued flow into the benefits program.

VA response to GAO report

In a letter from the Deputy Administrator of Veterans' Affairs to the chairman, dated April 28, 1978, the VA provided its views with respect to the GAO recommendations. The VA conceded that the 50-percent-payment rate is overly generous to Filipino veterans and proposed as one approach to this problem a "freeze" on cost-of-living increases in those benefits until the benefits payable are more nearly compatible with the Philippine economy. However, the VA stated that such a freeze should not apply to service-connected disability compensation benefits payable to "U.S. veterans" in that country.

The VA also agreed that the level of educational benefits in the Philippines does encourage enrollment under the GI bill in order to receive the income provided rather than the benefit of training. In the April 28 letter, the VA suggested consideration of a freeze on future cost-of-living increases in these benefits—without regard to whether the beneficiary was a "U.S. veteran" or dependent or a "Filipino veteran" dependent—until an equitable ratio to Philippine median income has been achieved. In the VA's view, this would lessen abuses but would also permit a gradual adjustment without inflicting undue hardship.

With respect to the alleged procreation of illegitimate children in order to receive increased benefits, the VA considered the abuse to be reprehensible, but opposed the notion of disqualifying children solely on grounds of illegitimacy. In its view, the only step that should be taken to counter this abuse would be to decrease gradually, through a freeze on cost-of-living increases, the extremely high value of the benefits in relationship to the Philippine economy.

With respect to Philippine adoptions, the VA stated its intention to recommend legislation which would preclude the recognition of adoptions under foreign law unless the child is living in the household of the adopting parent, is not in the custody of the natural parent or parents, receives the major portion of his or her support from the adopting parent, and is under age 18 at the time of the adoption.

The VA, as noted, supports the extension of its authority to maintain a regional office in the Philippines and favors legislation to extend such authority for 5 years. The importance of maintaining a regional office in that country, according to the VA, is related in part to the frequency of spurious claims and false documentation and the activities of "claims fixers" in that country. The VA asserts that personnel at the regional office in Manila are very adept at discerning such fraudulent activities, and that their expertise would be lost should the functions of that office be transferred to the United States.

With respect to setting up a trust fund or negotiating a lump-sum settlement with the Philippine Government to cover the costs of all future benefits, the VA's position was expressed in testimony at the 1978 hearing on H.R. 5029 as follows:

We do not believe that changing the basis used to compute benefits or negotiating a lump-sum settlement of our future benefit obligations to the Philippines with elimination of enlistments by Filipino nationals represents a viable approach to resolution of the problems identified in connection with VA programs in the Philippines. The lump-sum alternative would be a marked departure from the present scheme of continuing income maintenance through disability compensation, or pension in the case of United States veterans, with periodic adjustment to take into account such variables as increases and decreases in disability and numbers of dependents. It would be difficult to determine what level of disability should be used as a basis for negotiating a settlement since it may be assumed that all disabilities are not static. We believe that there is a distinction to be made between our obligation to the veterans in the Philippines and our obligation as a nation to the Government of the Republic of the Philippines. Our historical approach has been to fulfill our obligation to the veteran directly and we would propose that this be continued for the foreseeable future.

At the hearing, the committee requested the VA to review with the Department of Defense the policy of recruiting Filipino citizens into the services of the U.S. Armed Forces. The Department of the Navy is the only branch of the service which has recruited Filipino citizens since World War II. Since 1953, approximately 27,883 Filipinos have been recruited, and the Navy currently recruits about 300 Filipinos annually. The VA advised the committee that the Department of Defense would respond directly to the committee on this issue; and in an April 25, 1978, letter to the chairman, the Department of Defense stated that by June 5, 1978, it would provide the committee with its comments on the GAO's recommendation that the authority to recruit Filipino citizens be withdrawn.

Committee position

The many difficult issues raised in the GAO report were carefully examined by the committee, and the VA's responses and recommendations as well as those of the GAO were thoroughly explored. The committee determined that many of the issues with regard to the Philippines also might have applicability to other countries with similar economic conditions and that, therefore, these questions regarding the payment of VA benefits to persons residing outside the United States required more detailed study. However, the committee also determined that legislation to correct certain serious and unconscionable abuses of VA programs—without harm to the legitimate interests of veterans and survivors living outside the United States—was necessary and desirable at the present time. Thus, the committee bill would require equitable standards to be met with respect to adoptions under foreign laws and establish a cutoff date for the reopening of certain types of claims in the Philippines. In addition, it would mandate the VA to conduct a comprehensive study of the issues raised by the GAO report and other related matters.

Adoptions Under Foreign Laws

The definition of the term "child" in section 101(4) of title 38, United States Code, provides the ground rules for determining whether a person is to be considered a child of a veteran for various purposes under that title. For example, when the definition is satisfied, a dependent's allowance may be paid a veteran receiving compensation or GI bill benefits and a veteran receiving pension may receive an increased monthly payment for the child. Also, the children of permanently and total disabled veterans are en-

titled to certain educational assistance benefits under chapter 35 of title 38.

By virtue of the definition in section 101(4), legally adopted children of veterans are afforded exactly the same treatment as veterans' natural children. In addition, the term "legally adopted" is broadly construed to include certain situations prior to the completion of the procedures required in a legal adoption, such as when an interlocutory (preliminary) decree of adoption has been issued and the child is in the veteran's custody.

In the committee's view, the equal treatment of adopted children accords with sound social public policy and clearly is in the best interests of the children involved. Moreover, the committee believes that in this country the equal treatment afforded adopted children under child-support, inheritance, and other laws, together with appropriateness of the relationship between veterans' benefits and economic conditions in this country, provide adequate assurance that adoptions here do not result in any significant abuses of veterans' benefits programs.

However, as indicated by the GAO report on VA benefit programs in the Philippines, the same safeguards may not always prevail in other countries, and the disproportionate value of VA benefits in some countries may provide powerful incentives for abuse.

With respect to the Philippines, the GAO report stated:

Since 1972 VA's Manila office has recommended to VA's central office that a more stringent statutory requirement be instituted for Philippine adoptions. The Manila office reported to the central office instances of aged and disabled veterans adopting children for the sole purpose of qualifying them for benefits. Several examples reported by the Manila office are shown below:

A 70-year-old single veteran adopted his 6-year-old great grandnephew, even though the natural parents were still alive and living with the veteran.

A 69-year-old single veteran adopted two great grandnieces, 4 years and 8 months, respectively. The children remained in their natural parents' custody.

A 68-year-old married veteran adopted four great grandnieces and grandnephews, even though two of the children never lived with the veteran.

Since the adoptions were granted by Philippine courts, VA recognized them as valid and awarded increased benefits. Often the children can continue to receive benefits through age 23, and in some cases, can receive education benefits thereafter. A VA official in Manila informed us that the Manila office processes about 50 adoption cases each year, but because of recently liberalized adoption laws—permitting persons with natural children to adopt—this number could increase in the future.

In March 1976 a VA committee commenting on recommendations made as a result of a 1973 internal audit of the programs stated that it concurred with an internal audit recommendation that a more stringent statutory requirement was needed for Philippine adoptions and recommended that VA's general counsel formulate appropriate guidelines for a change in legislation. According to VA officials, a legislative proposal to limit the recognition and definition of adopted children was submitted to the Office of Management and Budget in September 1976. As of December 1977 this proposal has not been submitted to the Congress.

According to a former director of VA's Manila office, the practice of allowing veterans who receive sizable VA benefits to adopt children of relatives solely for the purpose of providing financial support for these children and their natural parents defeats the philosophy of providing benefits to children legitimately adopted by veterans.

The committee agrees with the VA that, in order to discourage such abuses, the same standards generally inhering in adoptions in the United States should be satisfied in the cases of foreign adoptions. The committee also agrees that the standards outlined in the Administrator's April 28, 1978, letter to the chairman of this committee are generally appropriate. Thus, section 201 of the committee bill amends the definition of "child" in section 101(4) of title 38, so that, while the veteran is living and the child is residing outside the United States, a veteran's adoption of a child under foreign laws will be recognized for purposes of VA benefits only if the child—

(1) is under age 18 at the time of the adoption;

(2) is receiving annually one-half or more of his or her support from the veteran;

(3) is not in the custody of a natural parent, unless the natural parent is the veteran's spouse; and

(4) is residing with the veteran (or in the case of divorce following adoption, with the divorced spouse who is also an adoptive or natural parent) except for periods during which the child is residing apart from the adoptive parent for the purposes of full-time attendance at an educational institution or the veteran (or such divorced spouse) or child is confined, in a hospital, nursing home, other health-care facility, or other institution.

If the veteran is deceased, the amendment made by the committee bill would require that the veteran must have been receiving a VA dependent's allowance for the child within 1 year of the veteran's death, or the child must have met the above four requirements for a period of at least 1 year during the veteran's lifetime.

The committee emphasizes its belief that, while protecting against abuse, this provision will not affect genuine adoptive relaships. This very complex problem would also be required to be addressed in the comprehensive study, previously noted, which would evaluate the implementation of this provision.

Cutoff Date for Reopened Claims Based on the Service of "Filipino Veterans"

"Filipino veterans," if eligible, receive benefits pursuant to section 107 of title 38, United States Code, which provides that they are generally to be deemed veterans of active service only for purposes of compensation (including DIC) and burial benefits. Under section 1775, the children of certain Filipino veterans—those who are permanently and totally disabled as the result of service-connected causes or who have died from such causes—are entitled to educational assistance benefits. All benefits based on the service of Filipino veterans are paid in pesos at the rate of 50 cents per dollar of the amounts established for U.S. veterans and their dependents and survivors.

The service of all "Filipino veterans" ended about 28 or more years ago. Despite the length of time that has passed since these individuals served, the VA testified that it still receives large numbers of claims involving attempts to establish eligibility for benefits based on their service. Moreover, the claim often is a "reopened claim"—a request for reconsideration of a previous claim which has been denied, in many cases, more than once.

Only 1 percent of the claims presented in the Philippines are accepted. Thus, it seems clear that a disproportionate amount of administrative expense is incurred by the Manila regional office in the reconsideration and disposition of claims that are based on service that ended in the 1940's and have been previously considered and denied.

To help remedy this situation, section 202 of the committee bill would amend section 107 of title 38 to establish an October 1, 1979, cutoff date for claims based on the service of a "Filipino veteran" if the purpose of the claim is to establish initial eligibility and the claim has been previously denied more than once. This provision would not affect, of course, claims for an increase in the rating of a service-connected disability or the initial claim (or the first request for the reopening of a claim) of a survivor for benefits based on the death of a service-connected disabled Filipino veteran. The committee's intention with respect to this amendment is twofold: First, to decrease the administrative burdens which repeated, unwarranted claims impose upon the limited resources of the VA; and second, to discourage indirectly the questionable activities of "claims-fixers" in the Philippines.

Study of Benefit Payments Outside the United States

As previously discussed, the payment of veterans benefits outside the United States raises questions regarding the appropriate levels for such payments and the potential for abuse of VA benefit programs. In attempting to deal with those issues at the present time, the committee found that, generally, there was a need for much more data and analysis of numerous questions before it would be appropriate to consider whether any legislative modifications should be made.

Therefore, the committee bill includes in section 203 a requirement that the VA conduct a comprehensive study of the issues involved in the payment of VA benefits to persons residing outside the fifty States and the District of Columbia, with a report to be submitted to the President and the Congress by February 1, 1980. The study would include analyses of those aspects of the economy of each foreign country and each territory, possession, and Commonwealth of the United States in which a substantial number[1] of beneficiaries reside which are relevant to the issues involved, such as the rate of inflation, the standard of living, and health-care, educational, housing, and burial costs.

The committee emphasizes that this listing of relevant aspects with respect to the economies of foreign countries where VA benefits are paid, is not intended to be all-inclusive. There may well be several other economic factors that should be carefully analyzed.

Under S. 2384, the proposed Veterans' and Survivors' Pension Improvement Act, ordered reported by the committee on March 23, 1978, a study would be required of the payment of VA pension benefits to persons living outside the fifty States and the District of Columbia, including similar economic analyses of foreign countries and U.S. possessions and commonwealths in which substantial numbers of pension beneficiaries reside. The study required under that provision would deal with the same kinds of issues pertaining to pension benefits as are required to be studied under the committee bill with respect to all benefits. Under section 305(a) of S. 2384, no payments under the new program of benefits which that bill would establish would be payable to persons residing outside the United States.

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[1] In the committee's view, a "substantial number" of VA beneficiaries for purposes of the study is any number exceeding 400 individuals as of June 1977. Using that number, the study would pertain to ten countries, two possessions, and the Commonwealth of Puerto Rico. It should be noted that the total number of VA beneficiaries living outside the fifty States and the District of Columbia is less than 160,000, according to June 1977 data made available to the committee by the VA.

The following table shows the number of VA beneficiaries living outside the fifty States and the District of Columbia in selected countries.

TABLE 2.—*VA beneficiaries in selected countries, June 1977*

Possessions, territories, and commonwealth:	*Number*
Canal Zone	263
Guam	781
Puerto Rico	44,832
Samoa	285
Virgin Islands	631
Countries:	
Australia	432
Canada	2,668
France	430
West Germany	13,413
Great Britain	1,097
Greece	1,003
Ireland	541
Israel	164
Italy	2,232
Japan	1,086
Mexico	949
Norway	276
Panama	190
Philippines	56,883
Spain	203
Sweden	227
Switzerland	91

Source: VA Department of Veterans' Benefits.

The study would also contain an analysis of the issues involved in the payment of VA benefits resulting from adoptions under laws other than those of the 50 States and the District of Columbia. This analysis would include, for example, adoptive relationships under the laws of Puerto Rico and possessions and territories of the United States which would not be affected by the new standards provided in the committee bill for adoptions under foreign laws, and it would permit the committee to examine in depth any difficulties presented by those adoptive relationships.

The amounts and method of payment of benefits to "Filipino veterans" and their survivors—who are paid in pesos at the rate of 50 cents for each dollar authorized—would also be studied.

The study report would also include estimates of the present and future costs of the payment of VA benefits to persons residing outside the United States. Such information is necessary not because the committee has reason to believe that such costs are exorbitant, but because the information might be helpful in bringing into perspective the problems associated with the payment of VA benefits outside the United States.

The VA would also be required to evaluate in the study the desirability of continuing to maintain the VA Regional Office in the Philippines past the extension date established by section 101 of the committee bill, September 30, 1981, in the light of the modifications of VA programs in that country provided for in the committee bill. This would include consideration of whether or not it might increase administrative efficiency to transfer certain routine functions—such as the processing of approved payments and recordkeeping—to the United States; and whether or not, if the "reopened claims cutoff" provision in section 201 of the committee bill is enacted and produces a significant decline in the regional office's workload, the VA field investigations staff could be reduced and transferred to the U.S. Embassy in the Philippines. Consequently, the study would require the VA to prepare a provisional plan for the phasing out of the Manila Regional Office, together with comparative estimates of the costs of continuing to maintain the office through September 30, 1985, as opposed to closing it by September 30, 1981.

The extended period for the study and report should provide ample time for thorough research into the issues involved and careful consideration of the recommendations to be made. The committee strongly urges the VA to begin the necessary planning and research for the study promptly, with due consideration of the time required for the clearance process in the executive branch, so that the report will be submitted in timely fashion.

TITLE III—HEALTH CARE AMENDMENTS

Contract care issues

Under current law (sec. 601(4)(C)(v) in conjunction with other provisions of ch. 17 of title 38), the Veterans' Administration has authority to provide contract hospital care for the treatment of non-service-connected conditions in any State, territory, Commonwealth, or possession of the United States not contiguous to the 48 contiguous States; but the "annually determined average hospital patient load per thousand veteran population hospitalized at Veterans' Administration expense in Government and private facilities in each such noncontiguous State (Alaska and Hawaii) may not exceed the averge patient load per thousand veteran population hospitalized by the VA within the 48 contiguous States." This authority to provide contract hospital care for non-service-connected disabilities is due to expire on December 31, 1978.

Last year, the committee reported and the Senate passed legislation, section 101(2) of H.R. 5027, amending section 601(4)(C)(v) of title 38 so as to authorize the VA to provide outpatient treatment for non-service-connected disabilities which would "obviate the need for hospital admission" in Alaska, Hawaii, and the territories and possessions of the United States and the Commonwealth of Puerto Rico. However, the House has not yet acted on that measure. That same legislation would modify the existing provision in order to make less restrictive the limitation on the amount of hospital care and "obviate" medical services which would be provided outside the 48 contiguous States. The Senate-passed legislation would require that the hospital patient load and incidence of the provision of medical services provided at VA expense outside the 48 contiguous States "be consistent with the patient load or incidence of the provision of medical services for veterans hospitalized or treated by the Veterans Administration within the 48 contiguous States". In the report accompanying H.R. 5027 (S. Rept. No. 95-390), the committee stated:

This change reflects the committee's view that equitable considerations do not require holding the level of care and treatment to the average in the 48 contiguous States before contract hospital care and outpatient treatment, respectively, may be furnished for the treatment of non-service-connected disabilities. Rather, the committee believes that, for these purposes, the level of care and treatment within and without the 48 contiguous States should be "consistent" to the extent that * * * the level of care outside those States does not exceed the highest level being provided in any one of those States. In other words, the authority to provide "obviate" care on a fee basis, should, in the committee's view, be provided only where the overall level of outpatient services would not be higher than that which is being provided in each of the 48 contiguous States.

However, the committee also noted that in Puerto Rico hospital care and medical services were being provided at levels substantially exceeding those in any of the 48 contiguous States. In light of that situation, the extensive poverty in Puerto Rico, and the apparent inadequacy of non-VA public medical facilities to which veterans might be referred if VA medical services there were sustantially reduced, Puerto Rico was exempted from the above-described limitation. Subsequently, by letter dated October 7, 1977, the chairman requested the General Accounting Office to conduct a review of VA medical care programs in Puerto Rico in order to determine:

The use made of VA's authority to provide medical treatment and hospital care for non-service-connected disabilities under contractual arrangements with private facilities and physicians in Puerto Rico during the past 4 years;

The justification which may exist for a special authority to provide such contract care and services in Puerto Rico; and

The conditions which should be imposed on such authority in the interest of the equitable geographic allocation of VA resources.

The GAO included the Virgin Islands (which is under the jurisdiction of the San Juan (Puerto Rico) VA hospital) in its study and found that the VA is making extensive use of contract hospital care and fee-basis outpatient care for veterans in both places. It also found that the VA is providing a substantial amount of non-service-connected fee-basis outpatient care to veterans who are not eligible for it (apparently because VA officials in Puerto Rico did not understand that the restrictions placed on fee-basis non-service-connected outpatient care in Public Law 94-581 were applicable in Puerto Rico and the Virgin Islands).

In the concluding chapter of its report, the GAO stated:

In considering the future of the programs, the Congress must recognize that the delivery of health care to veterans in Puerto Rico and the Virgin Islands is unique in that there are no alternative VA facilities available. This lack of alternative facilities, their locations, and the socio-economic conditions existing in Puerto Rico must be considered in deciding the future of the contract hospital and fee-basis programs.

If the programs are continued without limitations, it must be recognized that they will probably, as in the past, benefit largely veterans with non-service-connected conditions. It can also be expected that if the San Juan outpatient clinic program is expanded, as planned, its workload will probably be increased by treatment of veterans with non-service-connected conditions and may have little or no impact on the fee-basis program.

We believe that a comprehensive assessment is needed of the health care needs of veterans in Puerto Rico and the Virgin Islands. We believe that such an assessment should also address the issue of the high rate of service-connected mental disorders in Puerto Rico as well as the management weaknesses we found in the contract hospital and fee-basis programs.

In order to provide time for VA to make a complete assessment of the total health care needs of veterans in Puerto Rico and the Virgin Islands, we recommended that a 1-year extension—to December 31, 1979—be granted for the contract hospital program. We also recommended that the Congress direct VA to make such an assessment and to provide a report, with appropriate legislative recommendations, to the Congress no later than April 1, 1979.

In light of the GAO's findings and recommendations and in order to achieve the same basic objectives of the legislation passed by the Senate last year, section 301 of the committee bill incorporates the provisions of H.R. 5029 as passed by the Senate last year with three modifications. First, the authority to furnish non-service-connected contract hospitals care and "obviate" medical services outside the 48 contiguous States is generally extended through December 31, 1980. Second, that authority is made permanent in Alaska and Hawaii. Third, the limitation on the

use of that authority—restricting its use to those places in which the amounts of VA-furnished hospital care and medical services are consistent with the amounts of such care and services being furnished by the VA in the 48 contiguous States—is made applicable to the Virgin Islands as well as Puerto Rico.

In addition, section 304 of the committee bill would require the VA to conduct a study, as the GAO has recommended, including a comprehensive assessment of the health-care needs of veterans in Puerto Rico and the Virgin Islands. The report of that study due to be submitted to the President and the Congress, will include a detailed report on contract health care furnished and planned to be furnished to such veterans, and recommendations as to how such health-care needs should be addressed, taking into account the following considerations: The extent of poverty in Puerto Rico and the Virgin Islands; alternative sources of health care if VA care for non-service-connected disabilities were substantially reduced; the equitable distribution of VA health-care resources; and the priority given to the care and treatment of service-connected disabilities. This section would also require annual reports, beginning not later than March 1, 1979, by the VA on its use of contract-care authorities. The information to be provided in the reports required by section 304 should be of major assistance to the Congress in understanding the extent of the use of this authority in order to consider further extension and modifications.

Priority for compensation examinations

In Public Law 94–581, the Veterans' Omnibus Health Care Act of 1976, Congress enacted a statutory hierarchy of priorities for outpatient care eligibility as part of its efforts to control the rapid growth in outpatient care and to refocus existing resources for veterans suffering from service-connected disabilities. Thus, a new provision, section 612(1) of title 38 was added under which veterans seeking treatment for a service-connected disability are accorded the highest priority. The next priority is assigned to veterans with service-connected disabilities rated at 50 percent or more. Third priority is given to any veteran with a disability rated as service-connected; and fourth priority is given to veterans with permanent and catastrophic non-service-connected disabilities who require regular aid and attendance or are permanently housebound.

Since 1973, there has been rapid growth in the demand for outpatient services at VA facilities. In that year, eligibility for outpatient care benefits was broadly expanded to permit the treatment of any veteran suffering from a non-service-connected disability for whom outpatient treatment would "obviate the need" for hospital admission. This significant liberalization led to the sudden surge in the number of non-service-connected outpatient staff visits between 1973 and 1976. In fiscal year 1973, the year before enactment of the liberalizing "obviate" clause, there were 3,491,635 outpatient visits for the treatment of non-service-connected disabilities at VA facilities. For fiscal year 1978, the first full year after enactment of the statutory priorities, 7,646,000 non-service-connected outpatient visits are estimated, a 119-percent increase over fiscal year 1973 and a 7-percent increase over fiscal year 1977.

The establishment in 1976 of statutory priorities for outpatient care in new section 612(1) was designed to ensure that funds for outpatient care are spent first for the benefit of veterans with service-connected disabilities and, then, as funds and facilities are available, for other veterans in need of such care. The demand for outpatient services coupled with the statutory priorities has created significant delays in the physical examinations of veterans applying for, or requesting an increase in, service-connected disability compensation. Once a veteran files a compensation claim with a VA regional office, it may be determined that a physical examination of the veteran is necessary to establish the claim, and such a request is sent to a nearby VA hospital or outpatient clinic.

For the 12-month period ending October 31, 1977, the average length of time to process initial disability compensation claims from the date they were first received by the VA to the date the first check reached the veteran was 111 days. The length of time in processing a veteran's claim is, according to the VA, affected most by delays in obtaining evidence needed to reach a decision on the claim, which includes obtaining the report of the physical examination.

Section 302 of the committee bill would modify the statutory hierarchy of outpatient priorities contained in section 612(1) by amending clause (3) to make clear that examinations for service-connected compensation claims would have the third priority along with nonservice-connected care to veterans with service-connected disabilities. This should help to speed the processing of compensation claims.

Service-connected care for "Filipino veterans" in the United States

Under current law, although "Filipino veterans" are eligible for VA-paid hospital and nursing-home care and medical services in the Philippines for their service-connected disabilities and those who are unable to afford hospital care for a non-service-connected disability may receive such care at VA expense at the Veterans Memorial Medical Center in Manila, they are not eligible for any VA care in the United States, even if they have become citizens of this country. The Committee considers this an anomalous situation that should be corrected because of the commitment that the United States has to provide for the care of such veterans for their service-connected disabilities. In the committee's view, the fact that a Filipino veteran has come to this country should not diminish that commitment.

Thus, section 302 of the committee bill would add a new section to title 38 making "Filipino veterans" in the United States eligible for VA hospital care, nursing-home care, and medical services here for their service-connected disabilities. This provision would benefit approximately 200 "Filipino veterans" who are now living in the United States—165 who receive service-connected compensation and (according to VA estimates based on extrapolations from experience with American veterans) another 20 to 35 who have service-connected disabilities that are non-compensable (rated at 0 percent).

Extension of special-pay authority

The administration has requested legislation, which was introduced by the chairman (by request) on April 5, 1978, as S. 2836, to extend for a period of 1 year, until September 30, 1979, the VA's authority to enter into special-pay agreements with physicians and dentists.

Last year, the Congress passed legislation (Public Law 95–201) providing a similar 1-year extension (for fiscal year 1978), and making needed improvements in the VA's special-pay program. One such amendment—to section 4118 of title 38—provided that no special-pay agreements may extend beyond September 30, 1981. The purpose of this cutoff date is to prepare for a smooth termination of the special-pay program and transition to any new Federal government-wide program of special pay for civilian physicians and dentists that may be enacted in the next 2 years. The administration has promised for a long time to submit a legislative proposal for a comprehensive solution to the present lack of uniformity among various Federal agencies with respect to physician and dentist pay.

In a May 2, 1977, letter to Congressman Ray Roberts, chairman of the House Committee on Veterans' Affairs, the Director of the Office of Management and Budget stated that relevant studies were being reviewed and that "[l]egislative proposals based upon this review will be reflected in the President's fiscal year 1979 budget". The President's budget, however, did not reflect any such proposal but merely provided for extensions of the current bonus pay authorities.

In testimony on March 10, 1978, before the Senate Subcommittee on Civil Service and General Services, the Civil Service Commission testified on S. 990, which would provide authority to provide bonus pay for civil service physicians. In response to questioning on when a uniform physician-pay proposal would be presented to Congress, the Civil Service Commission would state only that such a proposal would be made to Congress "in the near future." As of this date, that proposal had not been submitted.

In considering special-pay legislation last year, the committee held hearings on July 1, 1977, at which it received extensive testimony supporting the need for VA authority to enter into new special-pay agreements in order to enable it to hire and retain highly qualified physicians and dentists. No change in circumstances has occurred since that time. Thus, in the absence of any administration proposal for such a government-wide program, section 305 of the committee bill incorporates the provisions of S. 2836.

Assistance for health manpower training institutions

Legislation is needed to meet shortfalls in the assistance to health manpower training institutions program. Under subchapter I of this program (ch. 82 of title 38), the VA provides grant assistance for the establishment of new State medical schools. Under subchapters II, III, and IV of this program, grants are made to medical schools and other health manpower training institutions affiliated with the VA. The program is authorized at an annual appropriation of $75 million through the end of fiscal year 1979, and, even if the full amount authorized under this program were appropriated in fiscal year 1979, all the grants currently approved could not be funded.

Shortfalls under the program have been identified as follows: $5.4 million in a supplemental subchapter I grant approved but unfunded for the University of South Carolina; $2.5 million in another supplemental subchapter I grant approved but unfunded for Marshall University ($3.8 million of an approved $6.3 million supplemental grant was recently appropriated by Congress in chapter II of title I of H.R. 9375, enacted as Public Law 95–240, on March 7, 1978, leaving a $2.5 million balance); and $8.3 million in 18 smaller grants under subchapters II, III, and IV. This shortfall of $16.2 million could be partially offset if the $4 million still available to be appropriated in fiscal year 1978 were appropriated. Even if such funds were appropriated, however, there would still be a shortfall in meeting approved grants.

Section 306 of the committee bill would authorize additional fiscal year 1979 appropriations to the extent necessary to fund the above-mentioned grants—those approved prior to May 1, 1978.

The committee is particularly concerned that applications approved under subchapter I be funded. Under this subchapter, the VA made commitments to help finance new State medical schools in areas that had shortages of physicians. The committee strongly believes that such commitments, made to the States concerned, should be honored. Thus, section 306 also provides that, of the funds which may be appropriated under the new

authorization, grants under subchapters II, III, and IV may only be made after subchapter I supplemental grant funds have been obligated in full to meet commitments for supplemental grants made prior to May 1, 1978.

Emergency care at veterans' conventions

In 1973, Public Law 93-82 amended section 612(f) of title 38 to expand eligibility for medical services for the treatment of non-service-connected conditions to include outpatient care where such care was reasonably necessary to obviate the need for hospital admission. The VA interpreted that provision as authorizing it to provide such "obviate" care in a non-VA facility to eligible veterans. Under that authority, the VA, upon request, had provided emergency medical care at the national conventions of recognized veterans' service organizations. Usually, the nearest VA hospital would detail a physician and a nurse to be on duty at the convention site.

According to an opinion of the VA General Counsel on August 9, 1977, Public Law 94-581, the Veterans' Omnibus Health Care Act of 1976, revoked the authority to provide such care by requiring that outpatient medical services be provided "within the limits of Veterans' Administration facilities."

At large national gatherings of veterans' organizations, there are large numbers of veterans, including many with service-connected disabilities, who are eligible for VA outpatient medical services. The committee believes that it may be beneficial to such veterans for VA health-care personnel to be close at hand at the conventions to deal with any emergency medical situations that may arise. In order to provide clear authority to provide such services, section 307 of the committee bill authorizes the Administrator to enter into contracts with organizations recognized under section 3402 of title 38 to furnish emergency medical services at the national conventions of such organizations. The provision of such emergency medical services would be on a reimbursable basis as prescribed by the Administrator. However, no reimbursement would be required for services rendered to veterans entitled under law to such care. The Committee believes that this amendment strikes an equitable balance between the need for the emergency treatment of veterans and others who are attending the national conventions of veterans organizations and who may not be eligible for VA outpatient medical services and the fulfillment of the VA's primary commitment to the care of service-connected disabled veterans.

TITLE IV—VETERANS READJUSTMENT APPOINTMENTS AND PENSION REFORM IMPLEMENTATION

Veterans readjustment appointments

On March 26, 1970, the President issued Executive Order No. 11521, which has been incorporated in section 2014(b) of title 38 by Public Law 93-508, to make educationally disadvantaged, Vietnam-era veterans eligible for excepted appointments—referred to as "veterans readjustment appointments" (VRA's)—in the Federal civil service. The purpose of the VRA authority is to assist certain Vietnam-era veterans by making it possible for them to be hired noncompetitively for positions up to grade GS-5 or the equivalent. After 2 years of the veteran's successful performance on the job, which includes a program of education and training, the veteran's civil service status is converted to career or career-conditional. To be eligible, the veteran must be qualified for the position, must have completed no more than 14 years of education, must have served on active duty during the Vietnam era, and generally must have been separated from the service for one year or less. The program does not provide for the creation of additional jobs; all VRA positions are regular civil service positions that count against an agency's staffing ceiling. The VRA authority is due to expire on June 30, 1978.

Because the unemployment rate among the younger, especially minority group, and disabled veterans of the Vietnam era has continued to be inordinately high, on November 29, 1977, the administration requested legislation, introduced by the chairman (by request) on January 20, 1978, as S. 2398, to extend and expand the authority for the VRA's. That administration bill would extend the authorization for the appointments until September 30, 1980, and would make any veteran who was eligible on April 9, 1970 (the effective date of Executive Order No. 11521), or who was separated from service on or after that date, eligible for such an appointment. Thus, the bill would restore eligibility to those who were at one time eligible but became ineligible when they had been separated from active-duty service for more than 2 years. Section 401 of the committee bill incorporates the provisions of S. 2398 with modifications.

The committee's modifications to the provisions of S. 2398 would extend eligibility to Vietnam-era veterans who, because they had been discharged more than 1 year prior to the April 9, 1970, effective date of the Executive order, were never previously eligible for a VRA appointment; eliminate, for disabled veterans of the Vietnam era, the limitation on the maximum number of years of completed education in order to be eligible; raise the maximum grade level for VRA's from GS-5 to GS-7 or its equivalent; extend the VRA authority for 3 years, instead of two; and expand the requirements for reporting on the use of this authority and related authorities for the appointment of Vietnam-era and disabled veterans.

VRA's have provided employment opportunities for over 100,000 Vietnam-era veterans since the program's inception in 1970. Despite this and other employment programs aimed at helping these veterans, however, they continue to have problems obtaining meaningful jobs and job training opportunities. Tragically high rates of unemployment still plague young and young-minority-group Vietnam-era veterans—16.1 percent and 30.9 percent, respectively, in the first quarter of 1978. These two subgroups of the labor force suffer from higher rates of unemployment than any other subgroups (except those under 20 years of age) for which statistics are collected. In addition, while statistics on disabled veterans are not available from the Bureau of Labor Statistics, estimates of unemployment rates for disabled and catastrophically-disabled veterans range as high as 50 percent and 80 percent, respectively, according to surveys conducted by the Disabled American Veterans and Paralyzed Veterans of America. Unemployment rates for native American Vietnam-era veterans are estimated to be well over 50 percent.

The changes made in the VRA program by the committee bill are designed to help solve these problems.

First, the committee bill would extend eligibility to all Vietnam-era veterans with no more than 14 years of education, not just those separated after April 9, 1969. That original "front-end" eligibility date of April 9, 1969, under the Executive order, seems to have had no basis other than the determination made at that time that these appointments should generally be made only within the first year after the date of separation from service. This 1-year limitation was established, in view of the continuous flow of veterans returning to civilian life at that time, in order to be fair to those returning later and because it was believed that most veterans would readjust through employment within a year after discharge. As the administration has itself attested, that 1-year eligibility has proven to be insufficient. Therefore, the committee bill would eliminate the 1-year restriction. If that restriction is removed, little if any justification remains for generally limiting VRA eligibility to only those Vietnam-era veterans discharged after April 9, 1969. Thus, the committee bill provides eligibility to all otherwise qualified veterans whose active duty included service during the Vietnam era—between August 5, 1964, and May 7, 1975. In addition, it authorizes one more year for the appointing authority than recommended by the administration.

To expand the VRA program to include greater numbers of disabled veterans, the committee bill would remove the limitation on the maximum number—14—of years of education for veterans with service-connected disabilities rated at 30 percent or more and those who were discharged or released because of a service-connected disability.

By raising the grade level limitation for VRA's from GS-5 to GS-7, or its equivalent, the committee bill would allow a veteran who has gained employment experience or training since the time of separation from service, as well as a disabled veteran with more than 14 years of education, to receive an appointment to a higher level job for which he or she may be qualified. This expansion of the positions for which VRA's may be used is designed to make the program more effective, particularly with respect to the employment of disabled veterans.

The present reporting requirement in subsection (d) of section 2014 of title 38 requires a semiannual report by the Civil Service Commission containing information provided by agencies on the implementation and activities of such agencies pursuant to the VRA authority in section 2014. The information that has been submitted pursuant to this required report has not been adequate to determine the effectiveness of this appointing authority. For example, the Civil Service Commission has no data now on the number of disabled veterans appointed or the reason for determinations among VRA appointees, nor any significant information regarding the education and training programs—except that they have been varied and, generally, not very substantial—undertaken by the veteran during the 2-year period of the excepted appointment. Therefore, the committee bill would extend the reporting requirement to include, broken down as to disabled and other veterans, the numbers and grade levels of appointments made, the number of conversions and terminations of appointees, causes for termination, and a description of the education and training programs in which the appointees are participating.

New pension program implementation

On March 23, 1978, the committee ordered reported S. 2384, the proposed "Veterans' and Survivors' Pension Improvement Act"; and on March 13, 1978, the House Committee on Veterans' Affairs ordered a similar measure reported—H.R. 10173, the proposed "Veterans' and Survivors' Pension Improvement Act of 1978". Those bills would establish a new program of pension benefits under chapter 15 of title 38 applicable to needy wartime veterans who are totally and permanently disabled from non-service-connected causes and needy survivors of wartime veterans. Section 402 of the committee bill, based on a similar provision in S. 2384 and in anticipation of the enactment of a measure based on the Senate and House Committee's pension bills, would authorize the appropriation of $5 million for fiscal year 1979 for the implementation of the expected new program of pension benefits. Those funds are intended to promote maximum efficiency in the implementation of such a program without impairing the efficient administration of other VA pro-

grams. The appropriation would also permit the VA to conduct a program of public information designed to advise, fully and fairly, all persons who may be affected by such a pension-reform measure of its implications for them.

Inclusion of this provision in the committee bill, rather than in S. 2384, is necessitated because S. 2384 will not be reported on or before the May 15, 1978, deadline under section 402(a) of the Congressional Budget Act for the reporting of legislation authorizing appropriations for fiscal year 1979.

Authorization of appropriations for studies

The committee bill also authorizes the appropriation of $350,000 for fiscal year 1979 in order to carry out the three studies required under sections 203 and 304 of the bill. This amount will permit the VA to complete those studies without undue adverse effect on the performance of other responsibilities by its staff and will facilitate the timely submission of the report.

Cost estimate

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91–150, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $28.1 million in fiscal year 1979; $38.4 million in fiscal year 1980; $18.5 million in fiscal year 1981; $14.6 million in fiscal year 1982; and $14.5 million in fiscal year 1983. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 5029.

2. Bill title: Veterans' Programs Extension Act of 1978.

3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs, May 10, 1978.

4. Bill purpose:

Title I

Section 101: Extends the authority of the VA to maintain a regional office in the Republic of the Philippines to September 20, 1981.

Section 102: Extends the authority of the VA to enter into contracts and grants to provide hospital care, medical services, and nursing home care to Commonwealth Army veterans and new Philippine Scouts. Although the program is extended through 1983, medical care benefits for non-service-connected disabilities are ended after 1979, and the grant program for the Veterans Memorial Medical Center is ended after 1980.

Title II

Section 201: Changes the definition of a child for the purpose of granting dependents benefits to assure that adoptions by veterans residing outside the U.S. bear characteristics similar to legal adoptions within the U.S.

Section 202: Places an October 1, 1979 deadline on the filing of reopened claims for veterans status based on service before July 1, 1946 in the organized military forces of the Commonwealth of the Philippines or in the Philippine Scouts.

Section 203: Mandates the VA to conduct a comprehensive study of benefits payable under title 38, United States Code, to persons residing outside of the 50 States and the District of Columbia.

Title III

Section 301: Extends the authority of the VA to provide contract care for the treatment of non-service-connected conditions in any State, territory, commonwealth, or possession of the United States not contiguous to the 48 contiguous States. The authorization is made permanent for Alaska and Hawaii; it expires on December 31, 1978 for the other covered areas. In addition, such non-service-connected conditions may now also be treated through outpatient services.

Section 302: Provides that those veterans seeking physical examinations that are required in the process of applying for service-connected compensation be placed third in the statutory hierarchy of priorities for outpatient care eligibility.

Section 303: Provides that hospital care, nursing home care, and medical services may be provided for the treatment of service-connected disabilities of Filipino veterans residing in the United States.

Section 304: Requires the conduct of a study of health care needs of veterans in Puerto Rico and the Virgin Islands and an annual report on the VA's use of its contract care authorities.

Section 305: Extends for 1 year the provisions of the Physician and Dentist Pay Comparability Act of 1975.

Section 306: Provides authority to meet shortfalls in the program of assistance to health manpower training institutions.

Section 307: Allows the Administrator to enter into contracts to provide emergency medical services at national conventions.

Title IV

Section 401: Extends the cutoff date for veterans readjustment appointments to September 30, 1981; opens eligibility for such appointments to all Vietnam era veterans regardless of their date of discharge; authorizes the inclusion of GS–7 level positions, and authorizes the eligibility of disabled veterans without regard to their level of education.

Section 403: Authorizes the appropriation of $350,000 in fiscal year 1979 for the implementation of a new program of benefits under chapter 15, title 38, United States Code.

Section 403: Authorizes the appropriation of $350,000 in fiscal year 1979 for the conduct of studies and reports under sections 203 and 304 of the bill.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1978	1979	1980	1981	1982	1983
Title I						
Sec. 101:[1]						
Outlays	(0.3)	(1.4)	(1.4)	(1.5)		
Request budget authority	(.3)	(1.4)	(1.5)	(1.6)		
Sec. 102:						
Authorization level		2.1	2.1	2.0	2.0	2.0
Costs		1.6	.6	.2	.2	.3
Title II:						
Sec. 201:						
Outlays		[2]	[2]	[2]	[2]	[2]
Request budget authority		[2]	[2]	[2]	[2]	[2]
Sec. 202:						
Outlays		[2]	[2]	[2]	[2]	[2]
Request budget authority		[2]	[2]	[2]	[2]	[2]
Sec. 203: Authorized under sec. 403						
Title III:						
Sec. 301:						
Authorization level:						
Contract care		13.6	19.7	13.6	11.9	12.0
Outpatient program		2.6	3.7	1.8	1.9	2.1
Total		16.2	23.4	15.4	13.8	14.1
Costs		13.3	22.0	17.4	14.3	14.1
Sec. 302: No costs						
Sec. 303:						
Authorization level		.1	.1	.1	.1	.1
Costs		.1	.1	.1	.1	.1
Sec. 304: Authorized under sec. 403						
Sec. 305:						
Authorization level		8.1				
Costs		7.6	.5			
Sec. 306:						
Authorization level		16.2				
Costs		.2	15.2	.8		
Sec. 307: No cost						
Title IV:						
Sec. 401: No cost:						
Outlays						
Request budget authority						
Sec. 402:						
Authorization level		5.0				
Estimated net cost		5.0				
Sec. 403:						
Authorization level		.322	.028			
Estimated net cost		.322	.028			

[1] VA sources indicate that the cost of this section could be absorbed in the current budget request. The figures shown here, therefore, are nonadd.

[2] Less than $500,000.

The costs of this bill fall within budget function 700.

6. Basis for estimate:

Title I

Section 101: The estimated cost of maintaining the VA regional office in Manila for the full fiscal year 1978 is $1,302,000. To estimate the 1979–81 costs of extending this authority, the salaries portion of the fiscal year 1978 cost was inflated by the index for federal pay raises and the remainder of costs by a midpoint between the index for federal purchases of nondurables and the index of Federal purchases of rent, communications and utilities services. VA sources indicate, however, that the cost of continuing the regional office in Manila could be absorbed in the President's budget request for this account.

Section 102: The authorizations for this program were as stated in the bill. The outlays were calculated with spendout rates that reflect H.R. 5029's elimination of non-service-connected disability care from the program beginning in fiscal year 1980. Calculation for these decreases in costs were based on data in a GAO study of the Philippines medical care program.

Title II

Section 201: Restricting the eligibility of children adopted by veterans outside of the United States to those cases which are similar to legal adoptions within the United States would result in some savings of benefit costs. This savings, however, is expected to be minimal.

Section 202: According to VA, a large number of reopened claims (claims which have previously been denied) for veteran status are still filed each year on service (not with the U.S. Armed Forces) during or immediately after World War II. Only one

percent of such claims are accepted. The cutoff date in this provision, therefore, would result in some savings of administrative costs and a minimal savings in benefit costs. The total amount of such savings, however, is estimated to be less than $500,000 a year.

Section 203: A study of veterans' benefits payable to individuals residing outside of the United States will most likely entail a certain amount of travel. It is estimated that the administrative cost of this study would be approximately $600,000.

Title III

Section 301: Authorization levels for this section were calculated assuming that approximately 90 percent of VA hospital contract are costs in Hawaii, Alaska, Puerto Rico, et al., were attributable to nonservice-connected disability services. Such an assumption is based on the predominance of such cases in the VA's total workload and the experience of the Philippine medical program that operates under similar constraints. Authorizations for the outpatient program were calculated by assuming that existing participation patterns for those already eligible for such services on the mainland would apply to those in this program. It should be noted, however, that data from both the VA and GAO indicate that a large number of currently ineligible veterans (but not ineligible under this bill) are already receiving outpatient services. Therefore, this estimate may be considered high since the VA is already providing some of the services covered in this section.

Out-years for both programs were calculated using CBO's medical care deflator. Authorizations were assumed to be fully appropriated at the beginning of each fiscal year.

Section 302: This section is estimated to have no cost since it only moves up in priority the examination schedule for those already eligible for this service.

Section 303: It was assumed that approximately 200 Filipino veterans would be eligible for this program. An average cost per eligible was calculated on the basis of existing VA program data. Authorizations were assumed to be fully appropriated at the beginning of each fiscal year.

Section 304: This study was assumed to create no additional Federal costs.

Section 305: This estimate is based on CBO's previous cost estimate for extending the Physicians' and Dentists' Pay Comparability Act. Authorizations were assumed to be fully appropriated at the beginning of each fiscal year.

Section 306: Authorizations were based on data provided by the VA on the extent of its overcommitment in grant assistance programs. Outlays were based on appropriate programmatic spendout rates and it was assumed that authorizations would be fully appropriated at the beginning of each fiscal year.

Section 307: No costs are attributed to this section since the costs of any services provided to ineligible veterans would be reimbursed to the VA.

Title IV

Section 401: This provision to enlarge the scope of the veterans readjustment appointments program would result in no additional Federal costs, since the program does not affect total federal employment levels.

Section 402: S. 2384 would establish a new program of benefits under chapter 15, title 38, United States Code. The bill has been ordered reported by the full Senate Committee on Veterans' Affairs, but the report has not yet been filed. This provision authorizing the appropriation of funds for the implementation of the new program has been included in H.R. 5029 to insure that the May 15 deadline for authorization legislation will be met. It is assumed that the funds authorized by this section will spend out entirely in fiscal year 1979.

Section 403: An authorized amounts were assumed to be fully appropriated at the beginning of each fiscal year. Outlay rates were estimated on the basis of data provided by the VA.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: K. W. Shepherd; John Nelson (225–7766).

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In compliance with paragraph 5 of rule XXIX of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the provisions of the committee bill. The results of that evaluation are described below according to the four titles of the committee bill: I—Extension of certain programs in the Republic of the Philippines; II—Benefits payable to persons residing outside the United States; III—Health-care amendments; and IV—Veterans' readjustment appointments and new pension program implementation.

A. Estimate of the numbers of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses

Title I.—Title I basically extends for limited periods existing Veterans' Administration authorities and would not result in the regulation of any businesses or individuals.

Title II.—Persons who would be affected by regulations promulgated under the bill are (1) veterans receiving VA benefits on behalf of children living outside the United States whom they have adopted under the laws of foreign countries, surviving spouses of such veterans, and, in certain cases, the adopted children, themselves, and (2) persons who, after October 1, 1979, submit claims based on the service of "Filipino veterans" in cases in which the claim is intended to establish eligibility for benefits and has been disallowed more than once. The number of individuals who will be affected is not expected to be substantial except that, after October 1, 1979, a significant number of individuals in the Philippines who might otherwise seek to "reopen" claims previously disallowed two or more times will be precluded from having their claims considered further. No businesses would be regulated by these provisions.

Title III.—Except to the extent indicated hereafter, title III would not result in significant regulation of any businesses or individuals.

Title III expands to a limited extent the eligibility of veterans in a noncontiguous State, territory, Commonwealth, or possession for contract health care service. Private physicians and health care facilities choosing to furnish care and treatment services under contractual arrangements to veterans eligible for contract health care services would be regulated only to the extent they would be required to conform with existing VA regulations governing such contractual arrangements. It is not possible to estimate the number of such private physicians and health care facilities that might choose to furnish health care services on this basis.

In order to receive the benefit of the special-pay program as extended by this title, an eligible VA physician and dentist must enter an agreement to serve for at least 1 year in the Department of Medicine and Surgery. Under primary and incentive special-pay agreements, if the physician or dentist fails, voluntarily or because of misconduct, to complete at least 1 year of service pursuant to such an agreement, he or she must refund all special pay received unless the Chief Medical Director determines, under regulations prescribed by the Administrator, that such failure was necessitated by circumstances beyond the individual's control. Approximately 1,400 physicians and dentists are expected to enter into full-time or part-time special-pay agreements as a result of the Committee bill provision.

Title IV.—No provisions would result in the regulation of any individuals or businesses except for the provisions extending and expanding the authority for making veterans readjustment appointments (VRA's) under which veterans are provided with employment in the Federal Government. Although the number of future VRA's cannot be predicted accurately, 15,696 such appointments were made in fiscal year 1977 and the provisions expanding the program may result in substantial increases.

B. Determination of the economic impact of such regulations on individuals, consumers, and businesses affected

Title I.—The economic impact of such regulations on individual veterans (the consumers of health care services) and businesses is expected to be minimal.

Title II.—Individuals who would otherwise receive benefits, such as dependent's allowances, on behalf of children residing outside the United States who were adopted under foreign laws but do not meet the new standards for the recognition of such adoptions for purposes of VA benefits, would no longer be entitled to receive such benefits. Similarly, such adopted children of veterans would themselves be unable to receive benefits to which they would otherwise be entitled.

Also, any person affected by the provision precluding the "reopening" after September 30, 1979, of a claim for initial eligibility for benefits based on the service of a Filipino veteran where the same claim by that same person had previously been denied two or more times would be unable to obtain eligibility for the benefit involved.

Title III.—The economic impact of regulations under this title on individual veterans (the consumers of health care services), individual health-care employees, and medical schools is expected to be minimal.

Title IV.—There would be no economic impact on individuals, consumers, or businesses other than the beneficial impact on Vietnam-era veterans obtaining employment through the VRA program.

C. Determination of the impact on the personal privacy of the individuals affected

Title I.—There would be no significant impact on the personal privacy of individuals, veterans, or VA health-care employees beyond any loss of privacy ordinarily entailed by the individual veterans (consumers of health-care services) in connection with the receipt of health-care services.

Title II.—With respect to persons residing outside the United States who have been adopted under the laws of a foreign country by a veteran, personal privacy would be affected to the extent necessary to determine whether they meet the standards for the recognition of adoptions for purposes of VA benefits.

Title III.—There would be no significant impact on the personal privacy of individuals, veterans, or VA health-care employees beyond any loss of privacy ordinarily entailed by the individual veterans (consumers of health-care services) in connection with the receipt of health-care services.

Title IV.—The personal privacy of individuals would not be affected except to the extent ordinarily incident to Federal employment, in the cases of veterans appointed under the VRA authority.

D. Determination of the amount of additional paperwork that will result from regulations promulgated under the bill

Title I.—Any changes in VA regulations would be in the nature of extensions of existing regulations and thus should not result in any additional paperwork.

Title II.—The generation of additional paperwork would essentially be limited to the notification of VA-benefit receipts potentially affected by the new standards for the recognition of certain foreign adoptions, documentation of the satisfaction of the new standards, and the conduct and reporting of the mandated study.

Title III.—Any changes in regulations would be in the nature of modifications of existing regulations to reflect the limited expansion of the VA's authority to furnish health-care services on a contractual basis, and would result in no additional paperwork beyond that ordinarily required for the furnishing of such services through contractual arrangements.

Regulations governing the VA's special-pay program would be extended as a result of the 1-year extension, made by this title, of the VA's authority to enter into special-pay agreements with physicians and dentists. The extension of such regulations is not expected to generate any significant paperwork.

Paperwork requirements for the health manpower training program will be minimal as the regulations are already in effect and only supplemental grants and applications already approved and commitments already made would be funded.

Any regulations pertaining to the provision of health-care services at national conventions of certain recognized organizations would result in no additional paperwork other than the contracts between the VA and organizations involved for the provision of such services and such recordkeeping as may be necessary to determine the extent to which reimbursement would be required.

The study required on the health-care needs of veterans in Puerto Rico and the Virgin Islands and the annual report of the VA's use of its contract care authority would generate additional paperwork for the Veterans' Administration in the preparation of those reports. The report on the health-care needs of veterans in Puerto Rico and the Virgin Islands is a one-time report, and would not require extensive paperwork. The contract-care report will be an annual report and its paperwork requirements would be more substantial.

Title IV.—The expanded VRA-program reporting requirements would increase paperwork for both the Civil Service Commission and agencies making VRA appointments. At present, the appointing agencies are required to report to the Commission semiannually on their activities to maximize the employment opportunities of Vietnam-era veterans (including the use of VRA appointments) and the results of their affirmative action plans for disabled veterans. These reports are then published by the Commission. The new reporting requirements in this section will require the collection of additional specific data, which can be obtained through the Commission's central personnel data file.

This expanded reporting requirement will also require more detailed narrative reports from the agencies than are presently required.

SECTION-BY-SECTION ANALYSIS OF H.R. 5029 AS REPORTED

Section 1

Establishes the short title of the bill as the "Veterans' Programs Extension Act of 1978".

TITLE I—EXTENSION OF CERTAIN PROGRAMS IN THE REPUBLIC OF THE PHILIPPINES

Section 101

Amends subsection (b) of section 230, title 38, United States Code, relating to authority for central and regional offices of the Veterans' Administration, to extend for 3 years, until September 30, 1981, the authority of the VA to maintain a regional office in the Republic of the Philippines.

Section 102

Subsection (a) of section 102 amends subsection (c) of section 624 of title 38, United States Code, relating to authority for hospital care, medical services, and nursing home care abroad, to change the reference to the Veterans Memorial Hospital in the Republic of the Philippines to the "Veterans Memorial Medical Center."

Subsection (b) of section 102 amends section 632 of title 38, United States Code, relating to VA payments for the provision of health-care service to Commonwealth Army veterans and new Philippine Scouts.

Clause (1) of subsection (b) amends section 632 to change the reference to the Veterans Memorial Hospital in the Republic of the Philippines to the "Veterans Memorial Medical Center" throughout that section.

Clause (2) of subsection (b) amends subsection (a) of section 632, to extend for 5 years, until September 30, 1983, the period during which the Administrator of Veterans' Affairs may contract with the Veterans Memorial Medical Center for payment by the United States for the provision of health-care services, as specified in clauses (1) through (4) of section 632(a), in the Republic of the Philippines for the treatment of the service-connected disabilities of Commonwealth Army veterans and new Philippine Scouts.

Clause (3) of subsection (b) amends clause (2) of section 632(a) to limit care provided prior to October 1, 1979, the authority to pay for the provision of hospital care at the Veterans Memorial Medical Center for the treatment of the non-service-connected disabilities of Commonwealth Army veterans and new Philippine Scouts.

Clause (4) of subsection (b) amends clause (3) of section 632(a) to make clear that the payment of travel expenses for such veterans and Scouts in connection with hospital care or medical services furnished them may be made only if such care or services is paid, or to be paid, for by the United States under section 632.

Clause (5) of subsection (b) amends clause (4) of section 632(a) to limit the authority to pay for nursing home care furnished Commonwealth Army veterans and new Philippine Scouts after September 30, 1979, to those cases in which the preceding hospitalization was primarily for the treatment of a service-connected disability.

Clause (6) of subsection (b) amends subsection (b) of section 632 to extend for five years, until September 30, 1983, the annual limitation of $2 million on payments which may be made under section 632(a).

Clause (7) of subsection (b) amends subsection (d) of section 632, which authorizes annual appropriations of $50,000 for grants to the Veterans Memorial Medical Center for the education and training of personnel assigned to the Center and $50,000 for grants to the Center for assisting in the upgrading of equipment and in rehabilitating the physical plant and facilities of the Center, to extend for fiscal years 1979 and 1980 the authorization of such appropriations.

TITLE II—BENEFITS PAYABLE TO PERSONS RESIDING OUTSIDE THE UNITED STATES

Section 201

Amends paragraph (4) of section 101, title 38, United States Code, relating to the definition of "child".

Clause (1) of section 201 redesignates existing paragraph (4) as subparagraph (A) of paragraph (4), and redesignate clauses (A), (B), and (C) within such subparagraph as clauses (i), (ii), and (iii), respectively.

Clause 2 of section 201 amends such paragraph (4) by adding a new subparagraph (B).

New subparagraph (B) of paragraph (4) of section 101: Provides that for purposes of subparagraph (A) (as so redesignated), which defines "child" for most purposes under title 38, certain standards, as set forth in clause (i) and (ii) of new subparagraph (B), must be met before a person residing in a foreign country who has been adopted under the laws of a foreign country may be recognized as a child of a veteran (including a Commonwealth Army veteran or "New" Philippine Scout, as defined in section 1766 of title 38).

Clause (i) of new subparagraph (B): Provides that, for such a person to be considered the child of a veteran, he or she must have been less than 18 years of age at the time of the adoption; must be receiving one-half or more of his or her annual support from the veteran; may not be in the custody of the natural parent unless the natural parent is the veteran's spouse; and must be residing with the veteran (or in the case of a divorce following the adoption, with the divorced spouse who is also an adoptive or natural parent) except for periods during which the legally adopted child is attending school full-time or during which either the veteran (or such divorced spouse) or the child is institutionalized.

Clause (ii) of new subparagraph (B): Provides that for a person to be considered the child of a deceased veteran, the veteran must have been entitled to and must have received, at any time during the year immediately preceding the veteran's death, a dependent's allowance or similar monetary benefit for the child under title 38, or the requirements of clause (i) of new subparagraph (B) of section 101(4) must have been met for a period of at least one year prior to the veteran's death.

Section 202

Amends section 107 of title 38, United States Code, relating to the purposes for which the service of Commonwealth Army veterans and new Philippine Scouts may be considered active-duty service and the manner in which benefits may be paid based on such service, to add a new subsection (c).

New subsection (c) of section 107: Provides that, notwithstanding subsections (a) and (b) of section 107 (providing for the payment of compensation and dependency and indemnity compensation benefits) and subchapter VII of chapter 35 of title 38 (providing for educational assistance allowances generally to certain eligible dependents and survivors of veterans who are permanently and totally disabled as a result of service-connected causes or who have died from such causes), where a claim of a person seeking to establish initial eligibility to VA benefits (as distinguished from a revised rating, for example) based on the service of a Commonwealth Army veteran or new Philippine Scout, has previously been denied two or more times, no VA benefits may be paid on the basis of a further claim filed after September 30, 1979, by that same person for the same benefit.

Section 203

Subsection (a) of section 203 requires the VA to carry out a comprehensive study of benefits payable under title 38, United States Code, to persons residing outside the 50 States and the District of Columbia, including—

(1) an analysis of the issues involved in the payment of benefits to persons who reside outside the 50 States and the District of Columbia, together with analyses of those

aspects of the economy of each foreign country and each territory, possession, and Commonwealth of the United States in which a substantial number of persons receiving benefits reside which are relevant to such issues (such as the rate of inflation, the standard of living, and health care, educational, housing, and burial costs);

(2) an analysis of the issues involved in the payment of benefits as the result of adoptions under laws of a political entity other than any of the 50 States or the District of Columbia;

(3) an analysis of the amounts and method of payment of benefits payable to persons entitled to benefits under chapters 11 (compensation), 13 (dependency and indemnity compensation), and 35 (educational assistance) of title 38 on the basis of the service of a Commonwealth Army veteran or new Philippine Scout;

(4) estimates of the present and future costs of paying VA benefits to persons described in clauses (1) and (3) of new subsection (a);

(5) an evaluation of the desirability of continuing to maintain the VA regional office in the Republic of the Philippines, taking into consideration (A) the current and expected future workloads of such office, (B) the estimated cost in fiscal years 1981 through 1985 of continuing to maintain that office, (C) the feasibility and desirability of transferring appropriate functions of that office to the U.S. Embassy in the Republic of the Philippines, and (D) a tentative plan, which the Administrator shall develop, for the closing of that office and so transferring those functions, together with cost estimates for fiscal years 1981 through 1985 for the implementation of such a plan assuming that the office is closed prior to October 1, 1981; and

(6) an evaluation of the effects of the amendments to title 38 made by sections 201 and 202 of the bill.

Subsection (b) of section 203 requires the VA to report to the Congress and the President, not later than February 1, 1980, the results of the study required by subsection (a) of section 203 together with recommendations for resolving the issues to be analyzed and evaluated in the study.

TITLE III—HEALTH CARE AMENDMENTS

Section 301

Amends clause (C) of paragraph (4) of present section 601 of title 38, United States Code, which defines "Veterans' Administration facilities" to include, under the circumstances described in such clause (c), private facilities and, thus, in conjunction with certain other provisions of chapter 17, provides authority for the furnishing of contract hospital care and medical services (so-called "fee" care or "fee-basis" care) under those same circumstances. The amendment modifies subclause (v) of clause (C) to expand the VA's contract authority in Alaska, Hawaii, and Puerto Rico, and the territories and possessions of the United States to include medical services which will obviate the need for hospital admission of veterans with non-service-connected disabilities. Existing subclause (v), in effect, authorizes the furnishing of contract hospital care for non-service-connected disabilities of veterans in Alaska, Hawaii, the Commonwealth of Puerto Rico, and the territories and possessions of the United States, and conditions the provision of such care in Alaska and Hawaii on satisfaction of the requirement that the annually determined average hospital-patient load per thousand veteran population hospitalized at VA expense in Alaska or Hawaii not exceed the average level of such care provided by the VA within the 48 contiguous States. The amendment modifies the standard for measuring the level for the provision of both hospital care and medical services for non-service-connected disabilities. The new condition is that the annually determined hospital patient load and incidence of the provision of medical services to veterans hospitalized or treated at VA expense in each such noncontiguous State or other geographic area (except Puerto Rico and the Virgin Islands) must be consistent with the level of such care and services, respectively, furnished by the VA within the 48 contiguous States. The authority for such care and services is extended through December 31, 1980, except that the authority is made permanent with respect to Alaska and Hawaii.

Section 302

Amends clause (3) of subsection (i) of section 612 of title 38, United States Code, relating to priorities for furnishing medical services, to clarify that the conduct of an examination to determine eligibility for service-connected compensation is included in the third priority along with care for veterans with a disability rated as service connected.

Section 303

Subsection (a) of section 303 amends subchapter IV of chapter 17 of title 38, United States Code, relating to hospital and medical care for Philippine Commonwealth veterans, by redesignating section 634 as 635 and adding a new section 634.

New section 634: Authorizes the provision, within the United States, of hospital and nursing home care and medical services to Commonwealth Army veterans or new Philippine Scouts for the treatment of their service-connected disabilities.

Subsection (b) of section 303 amends the table of sections at the beginning of Chapter 17 to reflect the addition of the new section 634 made by section (a) of this section of the Committee bill.

Section 304

Subsection (a) of section 304 requires the Administrator of Veterans' Affairs to submit to the Congress and the President, not later than October 1, 1979, a report on the furnishing of hospital care and medical services by the VA in Puerto Rico and the Virgin Islands, including a comprehensive assessment of veterans' health care needs there, a detailed report on the furnishing of hospital care and medical services there during fiscal years 1975 through 1981, and recommendations as to how such health-care needs can best be addressed by the VA within existing authority and what additional authority, if any, is necessary and desirable to meet those health-care needs. The recommendations as to how those health-care needs can be addressed must take into consideration the extent of poverty there, alternative sources of health care available there if non-service-connected care were substantially reduced, the equitable distribution of VA health-care resources there, and the priority attaching to the care and treatment of service-connected disabilities.

Subsection (b) of section 304 requires the VA to provide the appropriate congressional committees with annual reports (on March 1 of each year beginning in 1979) on its implementation of the VA's contract-care authorities, including detailed breakdowns of the numbers of veterans provided contract care and the cost and duration of such care according to the specific authority for the furnishing of such care under title 38 and the amendment made by section 301 of the committee bill.

Section 305

Amends section 6(a)(2) of Public Law 94–123, the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975, to extend until September 30, 1979, the special-pay program (that is, the authority to enter into new special-pay agreements) which, under section 6(a)(2) of that Act, as amended by section 112(a) of Public Law 94–581, the Veterans Omnibus Health Care Act of 1976, and Public Law 95–201, the Veterans' Administration Physician and Dentist Pay Comparability Amendments of 1977, is due to expire on September 30, 1978.

Section 306

Amends section 5082 of title 38, United States Code, which authorizes appropriations for grant assistance to certain health manpower training institutions (ch. 82 of title 38) under which the VA provides assistance for the establishment of new State medical schools (subch. I) and provides to affiliated health manpower training institutions and VA health care facilities grants to expand and improve their training capacities (subchs. II, III, and IV) by adding a new subsection (c).

New subsection (c) of section 5082: Authorizes an appropriation in fiscal year 1979 of such sums as may be necessary to make supplemental grants to meet continuing commitments under applications approved prior to May 1, 1978. No funds so appropriated may be expended for grants under subchapters II, III, and IV until the funds for approved supplemental grants under subchapter I agreements have been obligated.

Section 307

Amends section 611 of title 38, United States Code, relating to the authority to furnish care incident to physical examinations necessary in carrying out other laws and the authority to furnish care in emergencies, to authorize the VA to enter into contracts with organizations recognized under section 3402 to provide emergency medical services at national conventions of such organizations on a reimbursable basis, as prescribed by the Administrator, except that reimbursement will not be required for the treatment of veterans eligible for the care so provided.

TITLE IV—VETERANS READJUSTMENT APPOINTMENTS AND PENSION REFORM LEGISLATION

Section 401

Amends section 2014 of title 38, United States Code, relating to Federal employment of certain Vietnam-era veterans and to extend the veterans readjustment appointment (VRA) authority—the authority for noncompetitive 2-year appointments of certain Vietnam-era veterans (generally those separated from active-duty service after April 9, 1969) up to the level of GS–5 or the equivalent. Following successful completion of the 2-year appointment, including a program of education or training, a veteran is eligible for conversion to career or career-conditional status.

Clause (1) of section 401 amends subsection (b) of section 2014, the VRA authority, to extend until September 30, 1981, the time during which VRA appointments may be made; extend eligibility to any Vietnam-era veteran (a veteran whose active service included duty between August 5, 1964, and May 7, 1975) by opening up appointments to those who served before April 10, 1969, and eliminating entirely the restriction generally limiting appointments to the first year after separation; authorize VRAs to be made up to and including the level GS–7 or its equivalent; and eliminate for any disabled veteran of the Vietnam era the 14-year maximum number of completed years of education in order to be eligible.

Clause (2) of section 401 amends subsection (d) of section 2014 to expand the existing reporting authority to include the following information, broken down according to disabled and other veterans: The number and grade levels of VRA's; the number of appointees converted or terminated; the causes for such terminations; the number of terminations initiated by the employer and by the veteran; and a description of the education and training programs in which the appointees are participating.

Clause (3) of section 401 amends subsection (f) of section 2014 to make the definitions of "veteran" and "disabled veteran" as used in civil service law and regulations ap-

plicable only to subsections (a) and (c) of section 2014, thus making the definitions of these terms in title 38 (sec. 101(2) ("veteran") and section 2011(1) ("disabled veteran") applicable for the remainder of section 2014).

Section 402

Authorizes the appropriation of $5 million for fiscal year 1979 to be expended by the VA for the efficient implementation of any act with an effective date prior to October 1, 1979, which establishes a new program of benefits under chapter 15 of title 38 (pension for non-service-connected disability or death or for service), including in such implementation the conduct of a program of public information designed to advise, fully and fairly, all persons who may be affected by such an Act of its implications for them. This provision is included in contemplation of the enactment of a pension measure based on S. 2384 and H.R. 10173, which have been ordered reported by Senate and House Committees on Veterans' Affairs, respectively.

Section 403

Subsection (a) of section 403 authorizes the appropriation of $350,000 for fiscal year 1979 to carry out the studies and reports required under sections 203 and 304 of the bill—the studies and reports on the payment of benefits outside the United States and on health care in Puerto Rico and Virgin Islands, and the report on the use of contract health care authorities.

Subsection (b) of section 403 permits sums appropriated pursuant to subsection (a) of section 403 to remain available until expended.

CONCLUSION

Mr. CRANSTON. Mr. President, in closing I want to express my appreciation to the other members of the committee for the excellent contributions which they and their staffs made in the development of this legislation and for their enthusiastic support of this measure. In this connection, I would note that, upon the recommendation of committee members at the May 10, 1978, markup on the bill, I introduced an identical measure, S. 3096, so that each member of the committee could demonstrate his support for the provisions of this measure through cosponsorship of the Senate bill.

I want to express my particular appreciation to the ranking minority member of the committee, the Senator from Vermont (Mr. STAFFORD), and the ranking minority member of the Subcommittee on Health and Readjustment, the Senator from South Carolina (Mr. THURMOND), for their excellent work and bipartisan spirit of cooperation in the development of this legislation. They were most ably assisted by the Minority Counsel, Garner Shriver, and Assistant Minority Counsel, Gary Crawford.

I also wish to thank, for their diligent and effective work on this measure, committee staff members Jon Steinberg, Ed Scott, Mary Sears, Ellen Miyasato, Janice Orr, Harold Carter, and Louise Ringwalt.●

● Mr. STAFFORD. Mr. President, H.R. 5029 extends for 1 year, until September 30, 1979, the authorization for appropriations for certain health care programs in the Philippines and the authority of the Veterans' Administration to maintain a regional office in the Philippines. Included as amendments to H.R. 5029 are a number of additional legislative initiatives of considerable importance to our veterans and veterans' programs.

The House of Representatives passed H.R. 5029 on April 4, 1977, and on April 27, 1977, the Subcommittee on Health and Readjustment of the Senate Committee on Veterans' Affairs conducted a hearing on H.R. 5029, as passed by the House. The committee at that time deferred further consideration of the bill pending receipt of two General Accounting Office reports on VA programs in the Philippines.

The General Accounting Office has now filed two reports, May 20, 1977, and January 18, 1978. Our Senate committee carefully examined the several difficult issues and recommendations raised in the GAO reports and determined that many of the issues with regard to the Philippines might also apply to other countries with similar economic conditions and these questions relative to the payment of VA benefits to persons residing outside the United States required more detailed study.

The committee determined that legislation to correct certain abuses of VA programs was necessary at this time. The committee bill would require equitable standards to be met with respect to adoptions under foreign laws and establish a cutoff date for the reopening of certain types of claims in the Philippines. The bill also requires the VA to conduct a comprehensive study of the issues raised by the GAO report. The report is to be submitted to the President and the Congress by February 1, 1980.

The study will include analyses of the economy of each foreign country and each territory, possession, and Commonwealth of the United States in which a substantial number of beneficiaries reside as to such aspects as the rate of inflation, the standard of living, health care, education, housing, and burial costs. Included also in the study will be the matter of continuance of the VA regional office in the Philippines beyond the extension date set in this bill, September 30, 1981.

H.R. 5029 would: First, extend for 3 years, until September 30, 1981; the VA's authority to maintain a regional office in the Republic of the Philippines; second, extend for 5 years, until September 30, 1983, the VA's authority to reimburse the Veterans Memorial Medical Center for hospital and nursing home care and medical services for the treatment of the service-connected disabilities of Commonwealth Army veterans and new Philippine Scouts; three, extend for 1 year, until September 30, 1979, the VA's authority to reimburse the Veterans Memorial Medical Center for hospital care for the treatment of non-service-connected disabilities of Commonwealth Army veterans and new Philippine Scouts, and limit payment for nursing home care furnished to Commonwealth Army veterans and new Philippine Scouts after September 30, 1979, to those cases in which there was a period of preceding hospitalization that was primarily for the treatment of a service-connected disability; fourth, clarify that payment for travel expenses in connection with hospital care or medical services furnished to a Commonwealth Army veteran or new Philippine Scout may only be made if such care is paid or to be paid for by the VA; fifth, extend for 5 years, until October 1, 1983, the annual $2 million limitation on certain payments authorized under section 632(b); and sixth, extend for 2 years, until September 30, 1980, the authorizations of annual appropriations for grants to the Veterans Memorial Medical Center for training of health service personnel ($50,000) and for replacement and upgrading of equipment and rehabilitation of the physical plant ($50,000).

H.R. 5029 extends for a period of 1 year, until September 30, 1979, the VA physicians' and dentists' special pay authority.

Last year, the Congress passed legislation providing a similar 1-year extension, and making needed improvements in the VA's special pay program. One amendment provided that no special pay agreements may extend beyond September 30, 1981. The purpose of the cutoff date was to prepare for a smooth termination of the special pay program and transition to any new Federal Government-wide program of special pay for civilian physicians and dentists that may be enacted in the next 2 years.

I direct attention to the committee report on H.R. 5029, to the discussion concerning special pay authority:

The administration has requested legislation, which was introduced by the chairman (by request) on April 5, 1978, as S. 2836, to extend for a period of 1 year, until September 30, 1979, the VA's authority to enter into special-pay agreements with physicians and dentists.

Last year, the Congress passed legislation (P.L. 95-201) providing a similar 1-year extension (for fiscal year 1978), and making needed improvements in the VA's special-pay program. One such amendment—to section 4118 of title 38—provided that no special-pay agreements may extend beyond September 30, 1981. The purpose of this cutoff date is to prepare for a smooth termination of the special-pay program and transition to any new Federal governmentwide program of special pay for civilian physicians and dentists that may be enacted in the next 2 years. The Administration has promised for a long time to submit a legislative proposal for a comprehensive solution to the present lack of uniformity among various Federal agencies with respect to physician and dentist pay.

In a May 2, 1977, letter to Congressman Ray Roberts, chairman of the House Committee on Veterans' Affairs, the Director of the Office of Management and Budget stated that relevant studies were being reviewed and that "legislative proposals based upon this review will be reflected in the President's fiscal year 1979 budget". The President's budget, however, did not reflect any such proposal but merely provided for extensions of the current bonus pay authorities.

In testimony on March 10, 1978, before the Senate Subcommittee on Civil Service and General Services, the Civil Service Commission testified on S. 990, which would provide authority to provide bonus pay for civil service physicians. In response to questioning on when a uniform physician-pay proposal would be presented to Congress, the Civil Service Commission would state only that such a proposal would be made to Congress

"in the near future." As of this date, that proposal had not been submitted.

In considering special-pay legislation last year, the committee held hearings on July 1, 1977, at which it received extensive testimony supporting the need for VA authority to enter into new special-pay agreements in order to enable it to hire and retain highly qualified physicians and dentists. No change in circumstances has occurred since that time. Thus, in the absence of any administration proposal for such a government-wide program, section 305 of the committee bill incorporates the provisions of S. 2836.

The bill also extends VA authority to furnish contract care for the treatment of non-service-connected disabilities. The present authorization to provide contract hospital care for non-service-connected disabilities will expire on December 31, 1978. The VA has no hospital facilities of its own in Alaska or Hawaii. It is important that this authority to provide contract care be extended. Last year, the committee reported and the Senate passed legislation (still at the Speaker's desk in the House) to authorize the VA to provide outpatient treatment for non-service-connected disabilities which would "obviate the need for hospital admission" in Alaska, Hawaii, and the territories and Puerto Rico.

To meet recommendations made by GAO and to accomplish objectives of last year's legislation, the committee bill includes the provisions of the Senate-passed bill with two modifications—that the "Puerto Rico exception apply as well to the Virgin Islands and that the authority to furnish non-service-connected contract hospital care and medical services expire on December 31, 1978." However, with respect to Alaska and Hawaii, that authority would be made permanent.

The committee bill would provide needed assistance to meet shortfalls in the assistance to health manpower training institutions program. Under the current program, grants are made to medical schools and other health manpower training institutions affiliated with the VA; it is authorized at an annual appropriation of $75 million through fiscal year 1979 and even if the full amount authorized under this program were appropriated in 1979, all the grants currently approved could not be funded.

This legislation would authorize additional fiscal year 1979 funds necessary to fund a supplemental grant approved but unfunded for the University of South Carolina and a supplemental grant approved but unfunded for Marshall University in West Virginia.

The bill includes an extension and expansion of veterans readjustment appointment—VRA authority, a special appointing authority within the Federal Civil Service for Vietnam-era veterans who have 14 years or less of education and who have been separated from the service for 1 year or less. The appointments may be made up to and including GS–5, or its equivalent, and are made for 2 years. Upon satisfactory completion of the 2-year appointment, including an approved education or training program, the expected appointment is converted to a career-conditional appointment.

A hearing was held on S. 2398 on March 16 and support was expressed by the administration and interested organizations.

It is proposed to continue the VRA program, first, to make any Vietnam-era veteran with 14 years or less of education eligible for a VRA appointment up to Grade GS–7 or its equivalent at any time prior to October 1, 1981, and second, make any "disabled veteran"—30 percent or more or discharged by reason of disability—eligible for a VRA under the same terms and conditions.

The Veterans Readjustment Authority, or VRA, was established by Executive order of President Nixon in April 1970, to provide a means by which the Federal Government might do more in the readjustment of veterans returning from Southeast Asia. The authorization was intended to facilitate employment of our veterans returning from Vietnam and provide them with the training and education needed to enable them to assume productive roles in society.

Vietnam-era veterans continue to need the assistance that Veterans Readjustment Authority would provide. Many of the young veterans who served honorably in an unpopular conflict continue to find themselves unable to find and hold jobs. The unemployment rate for Vietnam-era veterans is among the highest in the country. The extension and enlargement of the VRA program is a most important part of the bill.

The Veterans Readjustment Authority has been one of the most successful Government programs, and we do not often read or hear about it. More than 100,000 veterans employed by the Federal Government as a direct result of this program can verify the importance of the program. More needs to be done by extending and improving the program. H.R. 5029 accomplishes the needed objective in further assisting the Vietnam-era veterans.●

MILITARY COMPENSATION AND RETIREMENT

● Mr. GOLDWATER. Mr. President, recently a report which was published by the President's Commission on Military Compensation which recommended numerous changes in the way our Nation treats its military personnel. So far, most of the public comment on the report has been completely limited to the retirement portion of this report to the exclusion of other important aspects of the problem. Because of this, we are indebted to the Association of the U.S. Army for the publication of a special report responding in detail to the recommendations of the President's Commission. I ask that this report be printed in the RECORD.

The report follows:

SPECIAL REPORT: MILITARY COMPENSATION AND RETIREMENT

INTRODUCTION

"The soldier's heart, the soldier's spirit, the soldier's soul are everything. It is morale that wins the victory. With it all things are possible; without it everything else—planning, preparation, production—count for naught."—George Catlett Marshall, General of the Army.

In the succinct sentences above, General Marshall captured the essence of the Army's dependency on the people who wear its uniform. There is little likelihood that this dependency will diminish in the foreseeable future.

The Association of the United States Army has long been in the vanguard of those who sought to protect the welfare of the Army's most precious asset. There have been times in which the supply of soldiers seemed inexhaustible; when it seemed reasonable to turn greater attention to the development of sophisticated weapons systems than to the consideration of the legitimate needs and aspirations of the people who would man them. There were, more frequently, times in which the lure of quick cost-savings through personnel-related cuts was irresistible for those whose primary concerns centered on money. Through all those periods AUSA continued to emphasize the fundamental concern of the Army for its people.

In October 1977, the Association of the United States Army developed "A Bill of Rights for Those Who Serve," summarizing the broad spectrum of military compensation practices and problems and recommending actions that would correct the deficiencies and curb growing apprehension on the part of career military personnel.

During the past ten years there have been at least six major studies of the military compensation system and AUSA made some input into each of those that sought advice from outside its staff. The three most-recent studies—a two-year effort by the Defense Manpower Commission to look at the complete spectrum of manpower problems and requirements, another two years spent by the Department of Defense through the Third Quadrennial Review of Military Compensation and, most recently, the nine-month study of the President's Commission on Military Compensation—are of the greatest interest. Much of what the first two did served as grist for the third.

This report by the Association of the United States Army will concern itself almost exclusively with the findings of the President's Commission, not just because it is the most recent but, more importantly, because Defense Department reaction to the first two studies was deliberately delayed in the expectation that the work of the PCMC would take precedence over anything of earlier vintage.

In fact, the Department of Defense did not react with detailed comments on the findings of the Defense Manpower Commission until the recommendations of the PCMC were a foregone conclusion, almost two years after the DMC made its report. In at least 38 instances DoD's remarks on the Manpower Commission report took no stand at all, deferring reaction to the PCMC. Unfortunately, the PCMC itself took no action on 17 of the subjects, leaving DoD without a position.

There are several points about AUSA's approach to the PCMC report that should be made clear at the outset. First of all AUSA concedes that the present military compensation system is not perfect. There are flaws ranging all the way from basic allowances to the operation of the retirement program. But there are even more features of the system that are working perfectly well and should not be considered for change simply because change may be in vogue. While it would seem that any change that might save moneys should have a *prima facie* cause for adoption, there are some important facets of the system that can be ruined by focusing only on cost. It seems to AUSA that the key question which must be asked is "what works?" not "how much does it cost?"

Everyone who reads this analysis should remember that, at this juncture, the recommendations of the PCMC reflect nothing more concrete than the collective opinions of a short-lived group of hard-working, conscientious people. Before any of their recom-

mendations, popular or not, can have any impact on military paychecks or morale, they must be approved by the President, translated into draft legislation, examined and approved by the concerned committees of Congress and passed by both the House and the Senate. Clearly, the process of closing that intricate loop will take many months, probably several years.

In this report it is AUSA's intent to put the findings of the President's Commission on Military Compensation into perspective with other recommendations and with the "real world" of military personnel management. We hope that perspective will reflect facts and reason, not bias or emotion for or against any issue. Primarily, we will use AUSA's "Bill of Rights for Those Who Serve" as the vehicle for this examination.

BACKGROUND

The President's Commission on Military Compensation began its official life on June 27, 1977 in a formal ceremony in the Rose Garden outside President Carter's White House office. This formal beginning had been preceded by repeated promises that such a commission would be established, each promise usually an embellishment of some criticism of the military compensation system.

The Commission was chaired by Florida banker Charles J. Zwick, a former Director of the White House Office of Management and Budget (the Bureau of the Budget at that time). The balance of the Commission members consisted of another banker, a lawyer, an insurance executive, a sporting goods company vice president, a management consultant, an academician who had formerly been a civilian appointee in the Pentagon, and two retired general officers.

President Carter instructed Chairman Zwick and his compatriots to look for solutions to ". . . the following critical military compensation issues."

The purpose and design of the military retirement system.

The form of military compensation—pay and allowances or salary—and the plan for setting and adjusting military pay.

The need for specific pay standards.

The need to recognize specifically the special characteristics of military service in compensation, and

The criteria for setting and adjusting differential pay.

The Association of the United States Army applauded the establishment of the Commission as a sign that others were beginning to recognize the need to study military compensation in its totality, a point of view long held by the Association and reinforced in its Special Report. *A Bill of Rights for Those Who Serve.*

The Commission was given nine months, until March 15, 1978, to complete its work and report to the President. Actually, the Commission did not make its report formally until April 10, 1978 but a preliminary report was available on March 15, This was a very short time to come to grips with such a broad and complex subject and, unfortunately, in AUSA's view, the report reflects that lack of time.

As will be pointed out in the body of this commentary, the Commission did not deal adequately with some points and took no action on still others. While the AUSA appreciates the lack of time, the Association must be disappointed that the final report is not truly a complete review of military compensation. It is unfortunate, too, that the Commission seemed overly intent on modifying the military retirement system. While this fixation is understandable in an atmosphere of public, congressional and press criticism of military retirement—salted with comments from the President himself on the evils of such things as "double dipping" by military retirees—the Commission spent too much of its brief time on retirement, to the detriment of other issues. Their work is not the comprehensive study AUSA had hoped for.

To be sure, there are some who don't agree with AUSA on this point. Secretary of Defense Harold Brown has called the study ". . . a responsible and thorough review." He has directed the military services to comment on the report almost immediately and has pledged to have implementing legislation drafted and approved by the President in time to reach Congress early in its next session (January, 1979).

AUSA's point-by-point discussion of the report of the President's Commission on Military Compensation follows:

THE AUSA BILL OF RIGHTS FOR THOSE WHO SERVE VIS-A VIS THE PRESIDENT'S COMMISSION—A POINT BY POINT ANALYSIS

Point Number One: Acknowledgement of the Federal Government's responsibility to adequately pay, house, feed and provide medical and dental care to active duty military personnel and their dependents.

The report of the President's Commission on Military Compensation alludes several times to the notion that military service brings with it a sense of community that is found in a few other ways of life. The Commission in fact makes recommendations that support continued payment of allowances for housing and food which, it says, preserves ". . . the kinds of institutional distinctions that some people believe the military should retain."

The Third Quadrennial Review of Military Compensation, in dealing with what it called "the military factor," was even stronger in its support of the need to "belong."

"The ability to function in combat, to disregard personal safety for goals higher in the hierarchy of human needs, in the intense danger and confusion of warfare, has been known to be the result of group power, the need for group approval, and the acceptance of group goals and ethics," the QRMC said.

Items that contribute to that group cohesion, in the opinion of the QRMC, include the uniform, life on military posts, commissaries, medical benefits, exchanges, parades, decorations, shared dangers and even military cemeteries. Based on the experience with employees on the Alaska pipeline, where extremely high wages were paid but absenteeism was also very high, the QRMC concluded that a high salary alone cannot motivate people to serve under extremely disagreeable or hazardous circumstances.

In a recent speech to the AUSA Chapter at Fort Hood, Texas, Secretary of the Army Clifford Alexander outlined his version of the considerations that should be followed in establishing the form or level of military compensation. After ticking off the obligations and loss of personal flexibility associated with a commitment to military service, the Secretary said any approach to the subject of military compensation must begin with a clear understanding of the nature of the obligations involved.

"As the individual is obligated to the institution, so too is the institution obligated to the welfare of the individual," the Secretary continued.

In his view, proper military compensation includes, "A range of services and benefits beyond pay which convince soldiers that the Army is a caring institution."

The PCMC report says, "Military compensation should be cost effective, flexible and fair." According to the report, it should be cost effective because the nation cannot afford to waste taxpayers' dollars. It should be flexible because the armed services are competing with private and other public employers for manpower and the rules for that competition are constantly changing. Military personnel managers should have the flexibility to adapt to these changes.

"Compensation should be fair in the eyes of the public at large as well as in the eyes of the service members," the report says. "In the absence of equity for both of these groups, there will be continuing pressure for change."

The Commission is more definite in its reaction to questions about the status and future of military health care, saying that ". . . the Commission recommends that provision of health care to service members and their dependents be continued as a basic policy and practice."

The report calls the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) ". . . a poor substitute for in-house care," and recommends a thorough study of cost-effective ways to deliver needed health care and fair benefit levels for members and dependents. The Commission saw the need to clearly define health benefit levels for members, dependents and retirees and to guarantee the delivery of those benefits, once they are established. (Medical care will be examined in more detail later in this paper.)

While the Commission ultimately comes down in favor of a system that supports the notion of "belonging," AUSA would be more comfortable with the report if the Commission put itself more strongly on the record as acknowledging the need for cohesiveness. Instead, their report is dotted with phrases like, "some people believe," and "for those who believe." When the time comes for Congress to look at the Commission's recommendations in this area, the supporting argument would be much stronger if it could say, "The Commission is convinced" that the military compensation system should reflect the need for a sense of belonging, as characterized by provision of housing, food and medical care, as so strongly stressed by the Secretary fo the Army and the Army's Chief of Staff in their testimony before the Commission.

Point Number Two: A pay and allowances system which recognizes the special nature of military service.

The charter of the President's Commission was written in a way that seemed to direct it toward recommending conversion to a salary system. Indeed, the Commission argues more strongly in favor of a salary than it does for continuation of the present pay and allowances. Its recommendation in favor of continuing the present system comes as something of a pleasant surprise.

The points made to support the salary system include:

The allowances differentiate, perhaps unfairly, between married and single people doing the same jobs.

Frequently, when allowances are received "in kind" (government housing and food) they are more valuable than when they are paid in cash which is inadequate to cover actual expense.

A salary based on grade and seniority alone would be more fair.

A salary would be more readily understood by both military people and the public.

These arguments favor retaining the pay plus allowances system:

To institute a salary plan, the pay of single service members would have to be increased to match that of married members or the married salary would have to be cut. A considerable expense is involved in the first case and the imposition of a demoralizing pay cut would accompany the second choice.

By shifting to a salary the military would be denied the tax advantage that is now concurrent with the tax-free allowances. Assuming that this loss would be compensated in the form of a higher salary nothing would be accomplished. The treasury would pay the extra money out of one hand and take back the higher taxes with the other. The report concludes:

"While the arguments in favor of conversion to a salary system remain valid, such a change would represent a fundamental redefinition of an underlying philosophy from one identifying specific components of compensation to satisfy food and housing needs to one of paying a single cash payment without explicit recognition of such needs—a redefinition we are hesistant to recommend, particularly in the face of strong warnings from both the civilian and the uniformed military leadership."

Thus, after seeming to argue against it, the Commission opts in favor of continuing the pay and allowances system and turns aside the argument that military service is just another job.

AUSA welcomes the Commission's recommendation for the retention of a pay and allowances system but, at the same time, would like to see the arguments in favor of retention made more positively. One is left with the impression that the recommendation is based more on the conclusion that a shift to a salary system would pay no monetary dividends that on true conviction that the pay and allowances system is better.

The Commission recommends that the level of military compensation not be linked to any sort of comparability with the civilian sector, citing the great difficulty in finding a civilian counterpart. "The commission notes," says the report, "that pay standards do not account for the special characteristics of military service."

In place of a comparability link the Commission would have military pay examined every four years to make sure it is keeping pace with—and certainly not exceeding—civilian pay. The Commission examined present military pay and finds that regular military compensation, or RMC (base pay, plus quarters and subsistence allowances plus the tax advantage) falls "within a reasonable range of private sector pay, using gross comparisons." AUSA can support this conclusion and recommendation.

The PCMC makes no recommendations, beyond the establishment of a variable housing allowance, that might have a favorable impact on service personnel stationed in high cost areas, worldwide. This void is difficult to explain in view of the fact that the Commission deliberated during a time when the news media was giving heavy coverage to the cost-of-living hardships being experienced by many U.S. service people in areas such as Germany and Japan. Admittedly, the problem is not an easy one to cope with, since it is bred by a combination of international monetary circumstances as well as by laws affecting the support of junior enlisted personnel and their families.

The morale and equity impact of requiring military personnel to serve in areas where their pay and allowances are insufficient to permit a reasonably comfortable standard of living comprise a subject that should have been high on the list for PCMC attention.

Point Number Three: A precise description of the rules for annual adjustment to pay components.

The Commission would continue the practice of linking cost-of-living adjustments to military pay directly to those granted federal civil servants. This is a well-understood procedure that has usually reflected wage rate changes in the private sector—except at times when the federal payroll has been singled out as a futile example to the rest of the country that "holding the line" in pay raises may slow inflation.

But at this point the Commission pitches a roundhouse curve:

"... The Secretary of Defense should be permitted to propose a split of the total pay raise amount within the cash elements of RMC by pay grade, by occupation, by service or by other appropriate class of personnel based upon the relative manning posture of each class. In general, though, this differential raise authority ought to be reserved as a means of correcting persistent rather than short-term problems."

They see this flexibility in allocating the raises as a tool for the Secretary of Defense to use in making a particular service or a particular job within a service more attractive at times when recruiting for that service or that job is lagging, or retention becomes a problem. The Commission did not place any limits on what part of an annual pay raise might be subject to maneuvering by the Secretary of Defense, saying only that "every service member should receive *some* increase in RMC ..." (italics added).

In a minority report General William E. DePuy, USA (Ret.), one of the commissioners, held that every service member should be protected so he or she was assured of an annual pay raise at least equal to the amount of inflation. While opposing the whole notion of Sec Def flexibility in pay raise allocation General DePuy noted, "I do not question the judgment of the Secretary, but fear that the dynamics of the budget process would apply all or most of these funds to endemic retention problems and thus deny the average service member his yearly CPI adjustment."

The Commission report says, "We decided against recommending any particular limit on the degree of flexibility, on the basis that practical considerations will insure moderation and fairness." There is no mechanism proposed to monitor "moderation and fairness," to raise questions or to protest a pay split that does not seem to meet that high-flown standard.

Congress has already given the President authority to shift a limited portion of annual military pay increases from base pay to the allowances but the Commission would go far beyond this. The Army—or whichever service might be lagging in recruiting at a given point in time—could be given a bigger pay raise than the Navy or the Air Force. Within a service, two members working side-by-side could be given different raises because one had a skill that was in short supply.

A document listing the Secretary of the Army's stated positions on the various commission proposals says, "Selective allocation of pay raises would create further inequities in an inequitable pay system." AUSA agrees. The potential for negative morale impact in this recommendation is overwhelming. Personnel policymakers are already calling this proposal a "managerial nightmare."

TABLE 1.—COMPARISON OF MILITARY PAY RAISES AND CONSUMER PRICE INDEX INCREASES, 1967–77

[In percent]

Year	Average increases in RMC cash elements	CPI increase
1967	5.2	2.9
1968	5.2	4.2
1969	9.3	5.4
1970	6.6	5.9
1971	[1] 6.8	4.3
1972	[2] 11.7	3.3
1973	7.3	6.2
1974	5.5	11.0
1975	5.0	7.8
1976	4.8	5.5
1977	7.05	6.6

[1] Does not include the large increase given in November 1971 as a result of Gates commission recommendations regarding an all-volunteer force.

[2] Includes raises in January and October 1972.

Source: Col. 1: Draft Report of the Third Quadrennial Review of Military Compensation, "Military Compensation Background Papers: Compensation Elements and Related Manpower Cost. Items, Their Purpose and Legislative Background" (Washington, D.C.: U.S. Government Printing Office, 1976), p. 6; Col. 2: U.S. Department of Labor, "Employment Training Report of the President" (Washington: U.S. Government Printing Office, 1977), p 287.

The foolhardiness of the pay raise allocation recommendation is all the more difficult to understand when it is followed by another recommendation which would provide greater flexibility in the use of differential pay (enlistment and reenlistment bonuses and incentive pays) to accomplish very much the same goal. The Commission was convinced, and AUSA would agree, that the operation of these special pays and bonuses is hamstrung by the need for new legislation almost every time a situation shifts or a special problem arises. The Defense Department should have the flexibility to change the forms and amounts of bonuses and incentive pays, and to alter the categories of recipients with Congress involved only in the process of authorizing and appropriating the necessary funds—as they are already—on a year-by-year basis.

In essence, what the Commission would do is to lump all special and incentive pays for officers into a single bonus system. It would wrap all specialties, such as aviation, medicine, and nuclear power, into this single bonus structure and give the Secretary of Defense authority to manipulate the amount paid to each specialty for a commitment to a specified term of service. As envisioned by the Commission the amount would be varied according to the need for and availability of qualified people. The bonus was chosen over monthly payments because the lump sums paid would have more impact and because the monthly payments tend to lose their identity becoming just another figure on a monthly pay slip.

Enlisted members would be approached from two directions: first by enlistment and reenlistment bonuses that would be adjusted to match shortage experience for individual specialties. The second technique would continue differential pays by the location and types of duty to account for the way these factors contribute to shortages. While the Commission acknowledges that the second may wind up looking very much like the first, it claims the second type would provide the personnel manager with flexibility he does not now have. Current differential pays that might be embraced in the second category are: sea, demolition, experimental stress, parachute and diving pay.

This is a novel approach that appears to have some merit. However, AUSA is concerned that, like the authority to allocate annual RMC adjustments, the manipulation of differential pay would generate a never-ending stream of misunderstanding. The periodic process of explaining to one group receiving differential pay that they do not deserve as much money as some other group would be still another morale and managerial nightmare. Providing rational reasons for *awarding* differential pay is easy. Building an acceptable case for taking it away may start out on a rational basis but it will surely be confronted with pure emotion on the part of those who will be losing money.

The Commission recommends that longevity pay raises be based on time in grade, rather than on time in service. ". . . as a way to enhance the pay of superior performers who advance rapidly through the ranks." The explanation of this recommendation contained in the Commission report is not very clear but a commission staff member sketched the scenario the commissioners followed:

If we take two people entering military service on the same day one of them will eventually qualify for promotion before the other because of superior performance and will receive more pay until the second member eventually gets promoted to the same grade. At that point they will both have the same time in service, be in the same grade and be getting the same pay. The superior performer has accomplished nothing except to get a leg up on the next promotion when

he or she will once again be temporarily in a higher grade. If, however, the increases in pay were based on time in grade the superior performer could stay ahead of the slower mover by getting in-grade raises that cannot be matched by simply "sticking around." According to the Commission, the present career difference in total compensation between a superior performer who makes every promotion "on schedule" and the individual who barely avoids separation by being "picked up" the second or third time he is considered is less than 10 percent.

The Secretary of the Army notes that this proposal may create additional management problems for "normal" soldiers. AUSA believes this is an idea worth trying. If the Army and the other services are to attract and keep the best people there is a real need to accent achievement and to provide tangible rewards for excellence.

One particularly significant recommendation made by the Commission would replace the existing basic allowance for quarters with a variable housing allowance, as AUSA has been suggesting for some time. This would compensate for gross differences in the rents service members must pay in various parts of the country. It would make BAQ more precisely what it was intended to be—an amount sufficient to pay for adequate civilian quarters when government-owned quarters are not available.

TABLE 2.—1975 COSTS OF FAMILY HOUSING: MILITARY VERSUS COMMUNITY

Grade	Difference, community average (CONUS)[1]	Married monthly BAQ	Monthly	Annual	Percentage of RMC
O–7	$378	$331	$47	$564	1.4
O–4	334	227	107	1,284	5.6
O–1	214	149	75	900	7.8
E–7	240	170	70	840	6.0
E–4	170	128	42	504	5.7
E–1	156	110	46	552	7.8

[1] Continental United States.

Source: OSD/OMB Housing Study, vol. 2, Oct. 31, 1975, p. 139.

But, while the notion of a variable housing allowance is a good one, the Commission's version has some pitfalls. To begin with, it would not necessarily compensate completely for higher housing costs. The report divides the housing market into three subsections, low cost, medium cost and high cost, derived from a 1975 Naval Facilities Engineering Command survey. Those stationed in an area in which the housing costs exceeded the average cost nationwide by more than 10 percent (the high cost bracket) would get a 20 percent boost in BAQ. Those living where the costs exceed the average by less than 10 percent (the medium cost bracket) would get a 10 percent BAQ augmentation, and those living in the low cost areas where housing is at or below the national average, would get the standard BAQ. The Commission acknowledges that the differentials are arbitrary and that they might have to be changed, either upward or downward, if better housing cost data become available.

TABLE 3.—*Effect of a variable basic allowance for quarters*

Population	Percentage of population receiving BAQ increase
Total force	26
High-cost areas	7
Medium-cost areas	19
Married persons	36
Unmarried persons	8
Officers	33
Enlisted persons	24

Then there is the question of where the money will come from to make the additional payments. The Commission recommendation ". . . would permit funding the increase incrementally [in the annual budget] *or by allocation of part of the annual RMC increase.*" We have added the italics for emphasis. They show the real possibility that rather than get an actual increase on usable pay the military person paying rent in a high cost area may simply have a smaller annual adjustment to base pay to a higher BAQ can be supported within the same budget. AUSA is convinced this is an evasion of the issue that would result in no actual help for service families. In a recent interview, Assistant Secretary of Defense for Manpower John P. White is reported to have said that he favors separate budgeting for the variable housing allowance. This is a hopeful sign someone in authority recognizes the fact that this is the only way the VBAQ will be of any benefit.

The Quadrennial Review of Military Compensation made a similar recommendation, calling for a variable housing allowance based on the annual Navy survey of housing costs. QMRC, however, added a recommendation for special treatment for bachelors—requiring an adjustment to the survey to provide data on housing costs for single persons—and also recommended that the allowance be adjusted for those families (and bachelors) who buy their homes. The QRMC did not set limits on the amount the allowance might be increased, thereby creating the possibility that it could truly reflect actual housing costs, something the PCMC plan would not necessarily do.

It appears to AUSA that the QRMC takes a far more realistic approach by encompassing all categories of people in the housing market—family, bachelor, renting and buying—than does the PCMC. While AUSA welcomes the support the PCMC gives to the notion of a variable housing allowance the proposal by the QRMC fits the need better.

Unfortunately, the Commission did not come to grips with the other basic allowance—subsistence. The present methods of dealing with subsistence are shot through with anomalies. There is little reason, for example, to vary the Basic Allowance for Subsistence amounts between officers and enlisted personnel. Rank has nothing to do with the amount an individual eats or how much it costs to buy food.

Similarly, if an enlisted member is authorized to "mess separately" he or she should be reimbursed for food costs at a single standard rate, eliminating the present second standard of "government mess not available."

What is needed, then, is a reliable source of data on which to base subsistence rates. The difficulties inherent to a system that would attempt to keep track of local variations in food costs are obvious. They would be affected by every variable from weather to labor disputes. It would be next to impossible to budget realistically at the beginning of one fiscal year for food to be bought at the end of the year. Only straightline inflation could reliably be built into the food budget.

The Third Quadrennial Review of Military Compensation found a source of reliable figures in the form of family budgets prepared by the Bureau of Labor Statistics. The bureau annually prepares these budgets at three levels: *lower, intermediate* and *higher*. Using the intermediate budget level and factoring it for an individual (since BAS is designed to compensate only for feeding the individual service member) the QRMC arrived at an annual food budget of $1,353 or a monthly rate of $113 (compared to the present enlisted BAS rate of $77 and officer rate of $53). This would be the standard BAS for all ranks.

Bureau of Labor Statistics rates that would support his new approach to setting BAS are updated yearly and adjusted for inflation. They include the cost of food consumed away from home as well as meals at home. By tying all BAS rates to the BLS Family Budgets, annual adjustments to BAS would be routine, without a need to seek special legislation each time one element falls behind. While AUSA's Bill of Rights referred to a BAS based on raw food costs, the complexity of operating such a system now makes it seem more practical to follow an approach like that proposed by the QRMC.

Point Number Four: A full range of medical and dental care for active duty service personnel and dependents, and to retirees and their families . . .

The Commission's statement on the future of military health care is one of the most positive in the report. As noted earlier in this analysis, the Commission was convinced that the provision of health care should be ". . . continued as a basic policy and practice."

As the Commission sees it, the fundamental problem in military health care is not a shortage of physicians but uncertainty over the nature of the system. Is it designed to be purely mission-oriented toward mobilization or is it supposed to provide a benefit? There is no question that the people who serve in the armed forces are convinced it should be a benefit—for themselves and their families through their active service and into retirement. The government, on the record at least, sees it differently.

A 1975 joint report sponsored by the Departments of Defense and Health, Education, and Welfare and by the White House Office of Management and Budget said, "National security mobilization, contingency and other essential force requirements should be the primary determinants of the size and composition of the peacetime medical force."

Thus the availability of any "benefit" that might accrue to eligible recipients of military health care depends mostly on how well the mission-oriented system can be adopted to shift from the care of a mostly young, healthy combat force to the care of every type of medical problem from conception to senility.

A health care benefits package, as the Commission points out, is a standard part of almost every civilian labor-management agreement, including those for the federal civil service. Many of these also encompass dental care, which is severely delimited for the otherwise-eligible participants in military health care. Civilian health care programs, in fact, have grown so much and are so broadly encompassing that the military family, long considered to be in an enviable position for health care, now lags behind its civilian counterpart.

In its surveys of military personnel, the Commission found that health care is the second-most highly regarded benefit, after retirement. In the Commission's opinion the Defense Department and the services have done a poor job of defining the medical benefit with the result that beneficiaries have an inflated perception of their entitlements. Recruiting literature is misleading, the Commission says, and some brochures promising completely free care for dependents generate unrealistic expectations.

In defense of the military health care manager we must remember that it is not easy to strike a balance between mobilization requirements and the day-to-day needs of a broad spectrum of patient types and ages. One of the most difficult tasks the surgeons general of the military services face is to convince administration budgeteers and the Congress that few doctors are interested in working in the restricted area of the active forces but prefer to see and treat the whole range of possible patient types. Only through this kind of experience can they become well-rounded physicians. If the in-house military medical system is to become a true *benefit* to military people, however, this point must be

accepted by those who control policy and the purse strings.

The Commission recommends that alternatives be examined to see if there are better ways to supplement in-house care than the Civilian Health and Medical Care Program of the Uniformed Services (CHAMPUS). This present augmentation is being badly mismanaged by the Department of Defense, the Commission says, by using unrealistically low reimbursement scales that cause many physicians to refuse participation and by running an inefficient, slow claims processing service that forces patients to bear the cost of treatment until the system belatedly reimburses them.

One of the possible alternatives is enrollment in a prepaid health plan like Blue Cross/Blue Shield with the government paying the insurance premiums directly or providing extra money to service members to pay the premiums. A second alternative is government-sponsored enrollment in a health maintenance organization (HMO) of the kind being found more frequently in the United States.

AUSA strongly endorses the Commission recommendation for a precise definition of the health care benefit in relation to all the categories of people who now believe they are entitled to it. This should be followed by a pledge that the defined benefit will be provided. Once the definition is agreed to by everyone concerned, including the Congress, progress toward a system that could make that definition work should be relatively easy.

AUSA is convinced that treatment in the in-house medical facilities is a major contributor to the sense of community that is a vital part of military life. The Association would prefer that the defined benefits be made available through the in-house system, but obviously there will be times at which this becomes impossible or economically infeasible. In that event there must be an alternative source of medical care. The CHAMPUS system is not beyond repair but it certainly must be improved or take the financial burden from the patients and to make its administration more responsible to both the patients and the health providers. The Association agrees with the commissioners that a test of a completely prepaid plan, like Blue Cross/Blue Shield—including coverage for dependent dental care—would go a long way toward determining which of the various alternatives to in-house care might best suit the need.

The Commission might also have dealt with issues such as care for individuals with long-term chronic illnesses and could have made a recommendation about the propriety of shifting the care of service-connected disabilities from military facilities to the Veterans Administration. The first issue is one involving potentially great financial hardship for the families of persons eligible for military health care but who find it impossible to get the protracted care needed outside of high-cost civilian rest homes. The second issue is an emotional one, primarily, because disabled career military personnel who are shunted off to VA hospitals feel they have been abandoned by their services. This practice is prescribed by law but DoD has recently suspended it while awaiting passage of corrective legislation. Support for that legislation by the PCMC would have been helpful.

There was insufficient time, the Commission report says, for an examination of how well existing health care resources are being used. This is probably true but that is a step that must be taken before any satisfactory plan can be set up to deal with the health care problem in general.

By simply identifying the problem, delineating it as a lack of agreement on what the true health care system should do, the Commission has rendered a major service. In the short time available to it not much more could be done. AUSA will continue to press for health care improvements and one of the first steps should be the definition and pledge recommended by the Commission.

Point Number Five: Availability of complete commissary and exchange systems with continued current level appropriated fund support.

The Commission makes no specific recommendation about the future of the commissary or exchange system and yet, by mentioning them as a benefit to future retirees, seems to assume that they will go on unchallenged and with full value as a traditional fringe benefit. (The Commission's approach to this benefit for future retirees will be discussed in detail in the retirement section of this analysis.)

At one other point in the Commission report there is a brief comment that commissaries and exchanges have been, along with educational benefits, among the facets of military life "reassessed" by Congress and others. This reassessment, the Commission says, has contributed to alarm on the part of service personnel that the future of the compensation system is uncertain.

If, as the Commission claims, the goal of their work was to recommend a compensation system for the future, then the absence of a recommendation about the future of two activities that play a major role in the economic well-being of service families, is difficult to understand. If the commissioners shared AUSA's conviction that the commissary system should continue to get full appropriated support, they should have said so. If they felt that the exchange system should continue in its present form, that sentiment should have been made part of the record.

The absence of any Commission action keeps the door open for future misguided actions by the Congress or the White House that could set the whole "erosion of benefits" issue bubbling again.

Point Number Six: Appropriated fund support of essential military recreation programs.

Each year profits from exchange and resale systems of the armed forces contribute about $100 million to support morale and recreation programs designed to help keep military personnel in a high state of physical and mental fitness. In some instances, where the activity is located in an isolated area lacking civilian recreation facilities, the government augments the funds available with appropriated money.

The profits from the exchanges represent a contribution from individual service members of a portion of their disposable income. Theoretically, if there were no morale and recreation programs to support, or if appropriated funds were used exclusively to sustain them, the need for profits from the exchanges would be reduced, prices could be lower and the service members would have more money to spend or save. This interrelationship is a very real part of the military compensation picture. It is unfortunate that the Commission could not examine it and take some kind of position.

Point Number Seven: Equitable travel and transportation entitlements for all ranks . . .

The Commission gives very strong support to this proposition. They recommend that junior enlisted personnel should receive ". . . allowances for travel, transportation of household goods, overseas housing, overseas cost of living, temporary lodging and family separation," on the same basis as all other ranks.

Following the lead of AUSA, the Commission points out that a significantly higher percentage of junior personnel are now married, and, as a matter of simple equity, they should be properly compensated.

The Defense Department has requested funds in the Fiscal Year 1979 budget for junior enlisted overseas travel but even this limited improvement is beginning to encounter resistance in Congress. Some members of Congress are using this issue as an excuse to resurrect arguments against having dependents at overseas stations.

Commission arguments in favor of junior travel entitlements come at a good time to influence the outcome of this issue in the 1979 budget. Whether this argument, buttressed by those from AUSA and other interested groups, will be strong enough to overcome the congressional bias will not be known for sure until mid-September when authorization and appropriation bills are finally completed.

The Commission points out that there is a significant disparity in the authorizations for shipment of household goods between officers and enlisted personnel with the same length of service and, presumably, the same size family. Comparing an E–8 and an O–5, both with 20 years' service, they found that the sergeant is now authorized just 9,000 pounds while the lieutenant colonel can ship 13,500 pounds. The senior sergeant's allocation is 500 pounds less than that for a newly commissioned second lieutenant who probably has acquired little in the way of household goods.

By recommending that the limits on household goods shipments be based on length of service instead of rank alone the Commission has pointed the way toward a satisfactory solution to a long standing inequity.

Point Number Eight: An expense reimbursement system which compensates for the actual expenses of official duty and travel.

This is another issue passed over by the Commission for either lack of time or failure to identify it as an area requiring their attention.

This subject represents a whole thicket of problems for service personnel, ranging from the questionable adequacy of uniform issue and maintenance allowances, to the time lag between increases in the cost of food and lodging and the eventual rise in military travelers' per diem rates and to the gross inadequacy of provisions for reimbursing members traveling to new duty stations.

Each of these tangles constitutes another way members of the armed forces must subsidize their performance of duty out of their own pocket. The $250 allowed some officers to buy uniforms when they initially enter active duty does not cover the purchase of all the items they are required to have. Then, when uniforms change or old ones wear out, they must be replaced "out of pocket" and the Internal Revenue Service does not consider that cost a deductible professional expense.

When service families move as directed by official orders they do not receive per diem and the only additional allowance made, except for a minimal mileage payment, is a "dislocation allowance" equal to one month's basic allowance for quarters. For a family with several children that amount can be eaten up in just a few days of motel living.

There is no question that the military family on the move between duty stations is not supported by the "employer" as well as a civilian family being moved by a corporate boss. While there is no insistence on the part of the military family for the government to underwrite extended periods of plush hotel living or to subsidize the purchase of a new home at the new location, as is common among corporate policies, there is a reasonable demand for reimbursement of out-of-pocket expenses associated with the move. Army surveys show that the average family spends about $1,000 of its own money during a move with no hope of reimbursement.

The lack of corrective recommendations in this area by the President's Commission is a disappointment.

Point Number Nine: A retirement system modeled on the proposed Retirement Modern-

ization Act which places a premium on longer service while retaining 20-year retirement at lower rates . . .

Time after time, when military personnel have been asked to rank the benefits of service in order of their importance, the retirement benefit has been listed as number one. To be sure the perception of retirement becomes more acute as an individual service member accumulates years toward that goal, with the younger people tending to rank travel, education and even "adventure" ahead of retirement.

But military retirement, for all its value as an incentive to serve is still one of the least-well understood parts of the military manpower program. Unfortunately, much of the misunderstanding is centered in Congress and in the press where the control of purse strings and public attitudes can have great impact. Few people outside the military realize, for example, that only about ten percent of those who enter the armed forces will ever reach retirement eligibility and that the departure of the other 90 percent, through personal decision or administrative culling out, is an integral part of the retirement program.

Few people, even among those in the military, realize that military retirement is not an old-age pension but a form of deferred compensation, earned during active service years and paid after the individual leaves the active ranks. A career soldier, sailor or airman, after all, never leaves the rolls of his service but is simply moved from the active list to the retired list where he or she may be subject to recall for many years in the event of an emergency.

In many instances, when military people argue against any constrictions on retirement at the 20-year point, they are not aware that even under today's laws a "normal" service career is supposed to be 30 years long. The exercise of the 20-year retirement option is left to the discretion of the service secretaries who may cut it off any time the need arises. The misunderstanding arises from the fact that 20-year retirement has proved to be such a valuable tool for military personnel managers that its constant use has created a perception of permanency. No one now has the "right" to retire after twenty years of service.

The faulty perception of military retirement contributes to issues like that of "double dipping." Those in Congress and in the Press—and apparently in the White House—who do not understand that retirees are simply being paid money they have earned in previous years, claim that the ex-military person working for the Federal government is drawing two salaries for doing one job. They do not stop to ask themselves if a federal civilian employee with income from investments made during earlier private sector employment is another kind of double dipper. Nor do they consider the fact that, if the military retiree leaves his Federal job his retired pay will continue and the government will have to hire someone else to take his place—at no net money saving and probably a reduction in job qualification.

And in their rush to defend 20-year retirement many military people tend to overlook the impact of one of the present retirement system's most serious shortcomings—the lack of any vesting of the deferred compensation earned between first entry into service and the point an individual is guaranteed service to retirement. This shortcoming is particularly hard on enlisted people because, for them, a denial of reenlistment can mean the total loss of any deferred compensation. Officers are a little better off, since they can receive up to $15,000 in "readjustment pay" if forced out before retirement eligibility. But even this is usually far short of the amount one might have expected to accrue.

This inequity cuts two ways. It denies the individual who serves less than 20 years the full value of the compensation earned. It also acts as a constraint on the personnel manager who is reluctant to separate individuals short of retirement eligibility, even though their performance of duty may not warrant retention, simply because he knows the individuals will be financially penalized. The tendency is to let more people serve to retirement eligibility, thus raising the long-term cost of the retirement program and opening it even wider for criticism.

In 1974, the Defense Department sent a proposed Retirement Modernization Act to Congress which would have plainly set the normal career at 30 years while still permitting 20-year retirement at a reduced rate of pay. The RMA would also have established vesting for all personnel forced to leave the service before becoming eligible for retirement and contained both "save pay" and transition provisions that would have lessened the impact on those already serving, in proportion to their length of service. While the draft legislation had some shortcomings, particularly in the area of Social Security integration, the Association of the United States Army supported its major provisions. Unfortunately the bill never moved past the preliminary subcommittee hearing stage and, with the prospect of a report from the President's Commission on Military Compensation, the Carter administration has not resubmitted it to Congress.

In its report to the President the Commission described the objectives of the retirement system this way:

The military nondisability retirement system is an important element of total compensation. It should supplement and complement other elements and be the most stable and enduring element. Other items of compensation should be used first as a way to respond to varying manpower supply and force-level requirement. Service members should be confident when they begin a military career that retirement benefits are not subject to the threat of frequent change.

TABLE 4.—*Percentage of new recruits who will receive benefits*

	Current system	Commission plan [1]
Enlisted persons	10.5	20.0
Officers	28.6	47.3

[1] Based on moderate retention estimates for Commission plan. Estimated impacts on retention are discussed in the following section.

TABLE 5.—LIFETIME VALUE OF MILITARY RETIREMENT UNDER DIFFERENT RETIREMENT PROVISIONS

Retirement plan	20 yr of service		30 yr of service	
	Value	Age annuity begins	Value	Age annuity begins
Officers:				
U.S. military	$420,000	43	$590,000	53
Typical private	40,000	62	135,000	62
Typical non-Federal public	70,000	60	225,000	60
Federal civil service	90,000	60	465,000	55
Typical police and fire	260,000	50	575,000	53
West German military	(1)		880,000	53
British military	350,000	43	490,000	53
Canadian military	360,000	43	550,000	53
Enlisted persons:				
U.S. military	$190,000	39	$280,000	49
Typical private	15,000	62	45,000	62
Typical non-Federal public	20,000	60	70,000	60
Federal civil service	25,000	60	155,000	55
Typical police and fire [2]	90,000	50	265,000	50
West German military [3]	(1)		360,000	52
British military	(1)		215,000	49
Canadian military [4]	165,000	40	260,000	49

[1] Not entitled.

[2] For 30 yr of service, it is assumed that an enlisted person enters at age 20 and retires at age 50, the earliest age the typical policeman or fireman can retire.

[3] The West German military does not allow retirement until age 52 and does not provide for deferred annuities. Therefore, estimate for enlisted person with 30 yr of service assumes an entry age of 22 with annuity beginning at age 52.

[4] The Canadian military does not allow retirement before age 40. Estimate for 20-yr enlisted person assumes entry age at 20 with annuity beginning at age 40.

Note: Estimates represent the lifetime value of retired pay in fiscal year 1978 dollars at the time the person completes 20 or 30 years of service. Social security payments are not included in the estimates. For annuities protected from inflation, pensions remain in fiscal year 1978 dollars until death. When annuities have no CPI protection or only partial CPI protection, future pensions are deflated to convert to fiscal year 1978 dollars. The estimates assume that inflation averages 4 percent per year. In calculating the income base for determining annuities, average career paths and a typical U.S. military wage history were assumed, with a nominal wage growth of 5.56 percent (1.5-percent real wage growth and 4-percent inflation).

Estimates assume enlisted members enter at age 19, and officers enter at age 23. Estimates assume people leave employment in January 1978 with the same years of service and at the same age. This results in some people leaving their organizations but not receiving immediate annuities. Deferred annuities are not adjusted for cost-of-living increases from the time the person leaves active service to the time the deferred annuity begins. This lack of inflation protection accounts for a large part of the difference in lifetime values between the military programs and the civilian programs. For instance, if the estimates assumed persons retired in 1978 with 20 yr of service in the private sector plan, but at ages old enough to receive immediate pensions, then the value would increase by 100 to 125 percent. When a person begins receiving an annuity the following annual CPI adjustments were assumed: 4 percent, U.S. military, Federal Civil Service, British and Canadian military; 3 percent, non-Federal public, police and fire. West German military plans are adjusted by changes in wages or 5.56 percent per year. The private pension plan is assumed to have no protection from inflation.

With this definition as background the Commission set out to design a retirement system that has as its primary goal the provision of adequate old age benefits. In the view of the Commission a person who spends a full career in the military should be "rewarded" with an old age pension which, combined with Social Security, will ensure a standard of living comparable to that enjoyed while on active duty. Those serving less than a full career, the Commission holds, should receive proportionately smaller old age benefits from their military service.

One of the Commission's fundamental decisions, which should be discussed early in the examination of this part of its work, was to continue the non-contributory nature of the military retirement system. The Commission should be commended for having the fortitude to resist pressure from many directions to make the military system more like the federal civil service plan under which the participants contribute about seven percent of their salary toward their ultimate retirement. The Commission undoubtedly realized that a shift to a contributory system would have required either an increase in

military pay to maintain stable take-home pay or a very unpopular and morale-defeating retirement deduction with no compensating raise.

The basic elements of the Commission plan are:

Recommendation One—Provide an old age pension for all members serving for at least ten years, with the rate based on the high three-year average of active duty pay.

Recommendation Two—At Social Security age, reduce the military retired pay by a percentage of the initial Social Security primary benefit but in no case should the offset (reduction) be more than 50 percent of the military retirement paycheck.

Recommendation Three—Adjust all annuities for changes in the Consumer Price Index using a procedure similar to that now in use.

Recommendation Four—Part One: Establish a deferred compensation trust fund for each member who completes five years of service, with the government making the contributions to this fund and paying interest on it.

Part Two: The amount in the individual trust fund account would be vested in the member at the ten-year point to be paid when the member leaves active duty or on his subsequent death.

Part Three: Permit members still on active duty to withdraw part of their trust account under highly restrictive rules to be developed by the Defense Department. The fund and its accrued interest would be taxed only when withdrawn.

Recommendation Five—Makes severance payment to officers and enlisted members who are involuntarily separated for nondisability reasons after serving five or more years. This severance pay would not exceed one year's basic pay nor would it be paid to anyone already eligible for an immediate annuity (those who served 30 years and are at least 55 yers old).

Recommendation Six—Provide medical, exchange and commissary benefits for retirees with only those having served 25 or more years being immediately eligible. Those serving between 15 and 24 years would get the benefits when their deferred annuity begins at age 62 or 60. Those with 14 or fewer years of service would never receive the benefits.

Recommendation Seven—Retired members who go to work for the Federal Civil Service would not receive their retired pay while on that job but would be permitted to receive deferred compensation. At the end of that period, however, they would be permitted to add these periods of service to either the Civil Service or military retirement plan, whichever is most advantageous to them. In either case their retired pay would be eventually offset by Social Security, as described in Recommendation Two.

Recommendation Eight—The retirement rules now in force would continue to apply to all those who, at the date of passage of a new retirement law, had served four or more years, were on their second enlistment or were serving beyond their initial period of obligated service.

The Commission proposal contains many recommendations that are new to the military but deserve consideration rather than summary rejection because of their newness. For example, the Commission would consider any individual who is forced off active duty before being eligible for an immediate retirement annuity (at age 55 and with 30 years of service) an involuntary separatee, despite the fact that the individual would have accrued deferred compensation and eligibility for an eventual pension. The involuntary separatee, then, would be eligible for all three elements of compensation envisioned by the Commission for those whose service has ended; access to the funds in the deferred compensation account, lump sum separation pay and, eventually, an old age annuity. The voluntary separatee would receive the deferred compennsation in his account and, ultimately, the old age pension.

The term old age annuity is also new to the discussion of military compensation. Under the present system a retired member of the armed services draws retired pay from the day of retirement to the day he dies. At the appropriate time retired pay is supplemented by Social Security which is an old age annuity. It is very likely that many of the misapprehensions about the current system are due to the inability of most non-military people to differentiate between deferred income in the form of retired pay—often received by relatively young military retirees—and what they themselves expect to receive in the form of a pension from their employer when they reach a more advanced retirement age. The Commission may have done the military system a favor by shifting to this terminology even though many military people do not like the implication of old age annuity.

The big difference, of course, between the Commission proposal and the current system is that the annuity would not start immediately on retirement unless the retiree has served at least 30 years and is 55 years old. Those who have served between 10 and 19 years would not begin receiving their annuity until they are 62, while a person who has served between 20 and 29 years would begin getting it at 60. The Commission assumes that between the time of retirement and the time the old age annuity begins the retiree would be employed and/or would use the proceeds from his deferred compensation trust fund account (to be discussed later).

The Commission points out that this old age annuity is not designed to help personnel managers shape the size and composition of the force but rather to provide assured old age income for anyone who has served in the military for 10 years or more. Under the present system a service member must stay on active duty for a full 20 years before having that assurance.

Unlike the present computation of the amount of retired pay (a percentage of the final base pay) the old age annuity would be based—like the Federal Civil Service retirement program—on a percentage of the average pay received over the highest three-year period served. Since many military people get their final promotion during the last year or two of their service and, since pay is adjusted annually, the "high three" averaging would unquestionably lower the ultimate value of the annuity.

Current computation of retired pay stops at 30 years of service when the multiplier reaches 75 percent. The Commission proposes to continue accumulation of the multiplier to 35 years, which, under their scheme, would bring the retiree an annuity of 90 percent of the high three average. The multiplier at 30 years would go up slightly, to 76.25 percent. While relatively few military personnel serve to the 35-year point, the Commission proposal would, for the first time, make the extra years of service financially rewarding.

The Commission recommendation for computing the old age annuity overlooks a long-standing contradiction in the current method. Now officers are permitted to include reserve service in the total number of years used for computation. Enlisted members are not. This is an illogical situation that does not require extensive study. It is unfortunate that the Commission did not deal with it.

The Commission retirement plan integrates Social Security payments into the old age annuity at either age 62 or age 65, depending on when the individual chooses to begin participating in Social Security. But the plan also calls for a reduction, or offset of the old age annuity by 1.25 percent of the initial Social Security primary benefit for each year of service—with a limitation of 50 percent on the amount the old age annuity can be reduced. The Social Security entitlement upon which the offset is based is calculated from contributions made during civilian employment, either before or after military service, as well as those made during military active duty. Some previous plans, such as that offered by the Retirement Modernization Act, have recommended offsets based only on the period of military service and have most frequently opted for reduction only in an amount equal to the government's contribution—50 percent of the Social Security annuity deprived only from military service.

AUSA believes the Commission's proposal is a strong argument for taking the military career force out of the Social Security system altogether. While this may run counter to the present trend of bringing more and more categories of workers under the Social Security umbrella, it would be consistent with the status of Federal Civil Service retirement (which is not supplemented by Social Security) and would, once and for all, eliminate the misunderstandings which evolve from military retirees getting two paychecks from the Federal government. It could even be said that the receipt of the two federal old age annuity checks for the same period of service is "double dipping" in the true sense. If the military retirement compensation (old age annuity) is set at a level to provide an adequate income for a retiree the addition of Social Security is not cost effective.

The President's Commission was concerned that the continuity of Social Security contributions be maintained through the period of military service so an individual who chooses to stop short of a military career commitment would have uninterrupted coverage. It would seem to AUSA that Social Security coverage might be continued up to the point at which the individual makes that career decision—the beginning of the second enlistment, perhaps, for enlisted personnel or the end of initial obligated service for officers. At that point the service member could be considered a careerist and dropped from the Social Security system until he/she enters the civilian job market.

Figure No. 6 shows the percentage of offset predicted by the Commission for various grades and periods of service with the lower grades and shorter service taking the brunt, since their old age annuity based on military service would be relatively small. Clearly, the Commission's plan for integration of Social Security into its old age security plan would work to the detriment of the military participants.

TABLE 6.—EFFECT OF SOCIAL SECURITY OFFSET ON RETIRED PAY AT AGE 65 FOR PERSON LEAVING ACTIVE DUTY IN 1978

Grade	Years of service	Percentage reduction in military retired pay at age 65 due to social security offset [1]
O-3	10	32.0
E-5	10	50.0
O-4	15	23.1
E-6	15	39.4
O-5	20	17.4
E-7	20	34.3
O-5	25	13.1
E-8	25	26.6
O-6	30	11.2
E-8	30	20.0

[1] Social security benefits were calculated using the provisions of the 1977 Social Security Act amendments, assuming an individual will collect social security benefits in the future at age 65. Military covered earnings were based on average enlisted and officer career paths; civilian covered earnings were based on the median income of high school graduates for enlisted persons and the median income of college graduates for officers assuming a 1.5 percent annual real wage growth.

One of the more clear-cut recommendations of the Commission calls for constant adjustment of all annuities for changes in the Consumer Price Index. This would apply to annuities being paid as well as to the contributions being made by the government into the deferred compensation trust fund that will be available to tide the retiree over until his old age annuity begins. This is an apparent effort on the part of the Commission to avoid chronic problems such as the long-term demand to recompute the retired pay of some individuals whose active duty base pay was too low to provide adequate retired pay. Specifically, however, the Commission declined to take up the recomputation issue.

The Commission's proposal to establish a deferred compensation account for each service member reaching the five-year point in service is one of its radical departures from the present system or from what other studies have proposed. As noted earlier, however, the notion of deferred compensation is not really new. What is new in the Commission's proposal is the manner in which the fund will be administered and the options open for its eventual payout.

Under the current retirement system a service member has no idea of the accumulated value of his or her deferred compensation and can only collect any of it by serving to retirement (no less than 20 years) and, unlike the PCMC proposal, must be alive to collect it. The Commission recommends that each receive periodic statements of the value of the account and, under tightly controlled circumstances not yet established, be permitted to withdraw a portion of the fund while still on active duty. One of the eventualities envisioned by the Commission for authorized withdrawal was payment for college expenses of the members' children.

But the fundamental purpose of the deferred compensation trust fund is to provide some military-related income for the member between the end of active service and the time the old age pension starts or, if he ends his service early, to help make the transition back to civilian life. Obviously, the longer an individual serves the more valuable deferred compensation becomes (Figure 7 shows the accumulation predicted by the Commission). But, while the idea is not a bad one, the amounts payable out of the fund could not be considered adequate to sustain a retiree over the long span of years between retirement at 20 years of service and the beginning of the old age annuity at age 60. The Commission obviously assumes the early retiree will work at a civilian job during those years.

TABLE 7.—AMOUNT OF DEFERRED COMPENSATION ACCRUED FOR AN INDIVIDUAL WHO ENTERS ACTIVE DUTY IN 1978

Years service	Commission plan	AUSA's alternative proposal
Enlisted persons:		
10	$8,610	$12,920
15	23,230	39,100
20	42,400	73,480
25	57,610	81,460
30	66,210	85,450
Officers:		
10	18,320	27,470
15	48,550	81,630
20	88,960	154,080
25	122,850	171,470
30	140,890	179,880

Note: Figures shown are fiscal year 1978 dollars for an individual who enters 1 January 1978 and leaves in the future with stated years of service. Calculations are based on an assumed 1.5 percent real wage growth, and a 1.0 percent real interest rate on the fund.

Two of the commissioners, General William DePuy and Dr. Herbert York, considered the value of the deferred compensation account so low that they issued a minority report calling for higher payments into the account. They proposed an increase (also in Figure 7) of almost 50 percent in the amount accrued over the first ten years of service, a major increase of about 73 percent in the amount accrued by the 20-year point and a somewhat smaller (about 30 percent) increase in the accumulation at the 30-year point where the individual would be within a few years of eligibility for an old age annuity at age 55. All of the increases are to a level approximating the RMA early retirement proposal.

Some early comments on the deferred annuity portion of the Commission's retirement proposal raised concern that the availability of such a large sum of money could act as a disincentive to continue serving.

Table 8.—Member Options for Distribution of Deferred Compensation Account Upon Leaving Active Duty [a]

I Leave in account and withdraw at later point.

II Convert to monthly annuity for no less than 2 years.

III Convert to annual payments for no less than 2 years.

These comments talk of a hypothetical military careerist who, faced with repetitive changes of station and family disruption, yield to the clamor of an unhappy spouse, and "take his money and run." The answer to that supposition, of course, is that there is no way for anyone to get all that money in a lump sum. The very briefest span of time over which it could be withdrawn is two years (see table 8) and, for an E–5 with over ten years' service, a two-year split of the $8,100 the Commission estimates would be in the kitty at that point would not buy much in the way of security.

Obviously the $30,600 in the fund for an E–7 with over 18 years of service could provide a reasonable living for a couple of years but, if he or she opted to leave the service and take the money in those big lumps, there would be no more military-related income before age 62 and the cutoff would come at a time when the member's children would be approaching the highest cost period of their life at home.

In AUSA's view the deferred compensation account would serve as a visible incentive to stay in the service rather than a lure to quit. To be sure, the rates by which the fund is built up must be increased along the lines suggested by Commissioners DePuy and York if it is to do the job the whole Commission was convinced it could do. Even then the lifetime accrual of benefits (from the Commission plan augmented at the DePuy/York contribution rates) would still fall behind the expectations under the current system (see figure 9).

The Commission's approach to the subject of severance pay for members involuntarily released from service for non-punitive and non-disability reasons is, in AUSA's opinion, a major step in the right direction. Most importantly, it would eliminate the long standing inequity which denies enlisted persons severance pay. It would be available to everyone separated involuntarily without disability after completing five years of service.

The payment scale proposed by the Commission would be one-fourth of a month's basic pay for each year served between five and ten, and one-half a month's basic pay for each year served between 11 and 30. In no case would the total severance pay exceed one year's basic pay but this cap would probably affect only the top enlisted and officer ranks (see figure 10). Under the current system the enlisted person denied reenlistment before reaching retirement eligibility gets nothing while an officer gets a maximum of $15,000, depending on grade, length of service and component (reserve or regular).

TABLE 10.—COMPARISON OF SEVERANCE PAY: COMMISSION PLAN VERSUS CURRENT SYSTEM

Years of service at separation	Officers		Enlisted persons	
	Current system	Commission plan	Current system [1]	Commission plan
5	$12,804	$1,431	0	$721
10	15,000	3,475	0	1,643
15	15,000	8,493	0	4,057
20	NA	15,325	NA	7,157
25	NA	24,620	NA	11,598
30	NA	[2] 32,040	NA	[2] 15,473

[1] Enlisted reservists with 5 or more years of active duty are entitled to severance pay.
[2] Maximum of 1 yr's basic pay.

Under the Commission plan more former service members would eventually be eligible for military medical care, commissionary and exchange benefits but a large group would have to wait longer to qualify for those benefits. Only those having served 25 or more years would be immediately eligible for this benefit package. Those who served between 15 and 24 years would have to wait until their old age annuities begin at age 62 or 60 and those serving less than 15 years would never qualify.

The Commission makes the argument that those leaving military service after 25 years would have the hardest time arranging health care (because of more advanced age) and should therefore have priority. "The government," the Commission report says, "has less responsibility to help those with shorter service."

The current cutoff for those benefits is 20 years and AUSA sees no reason to arbitrarily change the eligibility thresholds. By the time they have lived in the military community that long the service family is thoroughly dependent on these benefits. Also the value of medical care and other benefits has traditionally been considered in military pay-setting and the effect of this benefit reduction would be to compound the damage already done by the lifetime shrinkage in retirement benefits recommended by the Commission.

Early in his administration President Carter told several groups of Federal civilian employees that he would eliminate the "problem" of "double dipping" by military retirees. This remark consistently drew cheers from civilian audiences and expressions of disappointment from any active or retired military people present. One wonders, while reading the Commission report, whether the issue would have been addressed at all in their study if the President had not made a personal issue of it. The Commission makes no arguments for or against dual compensation but simply recommends a change in the rules.

Like all the other parts of the retirement-related proposal the section on dual compensation is prospective in nature, with all present military retirees working in Federal civil service still firmly in their jobs and unthreatened by the Commission's recommendations and almost all those now serving "grandfather." Only those retiring and seeking federal employment after the Commission plan had become law would be affected by its provisions.

If we assume that the Congress buys the whole Commission retirement package, including the dual compensation provisions, there would eventually be a whole new ballgame, not just new rules about Federal civilian employment. The military retiree under age 55 (which is also the minimum Civil Service retirement age) would not be drawing retired pay but receiving the proceeds of his or her deferred compensation trust fund account. This would not be affected

[a] Yearly distribution from the account should never exceed basic pay for the last year on active duty.

by Civil Service employment, so there would be no dual compensation or "double dipping" problem. Only those military separatees who continued to work in Civil Service jobs after reaching military old age annuity eligibility would feel the pinch. They could not draw the annuity and their Federal civilian paycheck.

One aspect of the Commission's dual compensation recommendation that makes good sense is what they choose to call "complete portability between the military and Civil Service retirement systems." Once an individual is vested in one of the systems (at 10 years for the military and 5 years for the Civil Service system) all credits are completely transferable and the prospective retiree may choose whichever combination of service and resulting annuities that is to his advantage.

The Commission's proposal on dual compensation looks so far into the future that AUSA wonders if political reality will permit it to happen. After all, the military retirees now working in Civil Service are not affected and most of the people still on active duty would have the current options (including dual compensation restrictions for regular officers) open to them. The Commission's plan, therefore, would impact only on the relatively small number of people not covered by the grandfather clause and those who would eventually begin retiring under the proposed plan. This could be as long as 30 years away. In the meantime, "anti-double dipper" pressure on the President and Congress from federal employee unions will continue to grow.

The final recommendation of the Commission's retirement section is its lock-in or "grandfather" clause. Under its provisions all persons on active duty at the time the Commission's proposal became law, except those who had served less than four years, had not started their second enlistment or, in the case of officers, were still in their initial period of obligated service, would be bound to the retirement system in effect now. This, of course, encompasses most military people and all careerists.

In support of its grandfather clause the Commission points out that many people are serving because of an implied promise of 20-year retirement. "As a responsible employer the government should honor those promises," the Commission says. Those now serving but in the non-protected categories may have been attracted to military service by the current retirement system but, according to the Commission, ". . . they have not yet made a significant commitment to a military career." The Commission is convinced that the new system would have sufficient appeal to these service members to keep them on board.

While AUSA welcomes the Commission's effort to protect most of the people now serving from a threat to their expectation of retirement benefits, there is concern that the Commission might have gone too far in one area of protection. The need to provide separation or readjustment compensation for enlisted personnel forced to leave the service before achieving retirement eligibility is so strong that the separation pay provisions of the Commission plan should become effective immediately for everyone. By extending the grandfathered protection to that facet of their proposal the Commission would perpetuate an inequity that needs to be corrected now, not in the future.

Point Number Ten: An equitable survivor benefits plan with the Social Security offset reduced to 50 percent of the benefit attributable to military service and eliminating the offset when the beneficiary is entitled to equal or greater benefits due to his or her own employment.

In describing its philosophy and approach to its task, the Commission inferred that survivor benefits were not a major compensation problem and therefore chose not to deal with them. While AUSA appreciates the fact that the Commission's time was very limited, it is distressing to note that the importance of survivor benefits is so poorly understood.

For military personnel, whose semi-nomadic life makes it difficult to acquire an estate of sufficient magnitude to assure the welfare of surviving spouses and minor children, an equitable survivor benefits program is a practical imperative. And yet less than 50 percent of retiring military personnel avail themselves of participation in the current system.

The biggest contributor to this lack of saleability for the SBP program as it now exists is the Social Security offset which reduces the annuity paid to survivors by the full amount of Social Security payments when the survivor reaches the appropriate age. Thus the SBP annuity, to which the retiree contributed heavily while still alive, is depleted by both the amount he or she contributed to Social Security and by the employer's (the government, in this case) contribution. The offset applies even if the survivor has accrued Social Security entitlements from his or her own employment.

This fault in the present SBP has been pointed out in repeated hearings before several congressional committees. The Defense Manpower Commission said, "The inherent inequities of Social Security offsets make the existing Social Security offset provisions in the Survivor Benefits Plan contrary to the proper objectives of such a plan."

AUSA has taken the position that the offset can only be justified in the amount of the government's contribution since payment of the full Social Security pension and the full SBP annuity would amount to the survivor getting two pensions from the same source. The survivors of current retirees and of those "grandfathered" into the present system should continue to receive the Social Security attributable to the deceased retiree's contributions and should certainly be entitled to the full amount he or she accrued by contributions during periods of their own employment. The problem would be eliminated by dropping future career military personnel from Social Security coverage.

A recommendation from the President's Commission could have brought considerable weight to bear on a Congress that is reluctant to modify any aspect of the Social Security program, even when it is not working properly. It is unfortunate that the Commission chose to steer a path around this issue.

Point Number Eleven: Precise rules for structural changes to the form and levels of pays and benefits . . .

In its Special Report, A Bill of Rights for Those Who Serve, the Association of the United States Army pointed out the dangers of a piecemeal approach to changes in the military compensation system and called for a coordinated effort to look at the entire range of pays and benefits while assessing the impact of changes proposed to a single element.

In a broad sense the President's Commission on Military Compensation has attempted to do this in its own study, even though they chose to ignore some elements that, AUSA contends, should have been considered.

AUSA is concerned, though, that the implementation of some of the Commission's recommendations may tend to exacerbate the piecemeal approach to change. By giving the Secretary of Defense the authority to juggle the application of annual pay adjustments, for example, the Commission opens the door for willy-nilly change to be applied at the whim of DoD statisticians. One wonders how a company commander would deal with the morale problems caused by having different groups of soldiers in his unit receive varied amounts of pay depending on how valuable their skills are or how difficult it has been to recruit for their specialties. One wonders, too, how those soldiers would react to unexpected changes in their pay mandated by changing evaluation of their worth to the unit and to the Army.

Perhaps most of all, one wonders how the rank and file of Soldiers, Sailors, Airmen and Marines would react to the possibility of getting an annual adjustment to their pay amounting to something less than the amount of inflation while others around them got considerably more.

SUMMARY AND CONCLUSIONS

A recitation of what the President's Commission on Military Compensation accomplished in its brief life must include a list of things it did which the Association of the United States Army supports, what it did that the Association cannot support and what it did not do at all.

Here are the things it failed to do:

It did not address many issues that the Army has identified as bearing on "The Quality of Life" in the armed services. These include needed recommendations on policy toward construction of more on-post quarters for individuals and families, on providing support for community services programs or on improvements to post-separation educational benefits.

While the report does put its finger on what may be the root cause of deteriorating medical care, it makes no substantive recommendations toward improvement.

The report does not take a stand on dental care for dependents and retirees.

It ignores the inadequacy and inequities of the current basic allowance for subsistence.

Other than an assumption that commissaries and exchanges will be operating when its retirement plan would be implemented, the Commission ignores the problems and misconceptions associated with these very valuable contributors to the total compensation picture.

It overlooks the fact that the lack of separation pay for enlisted personnel now serving constitutes a gross inequity that needs to be corrected at once, not when all those to be grandfathered into the current system have finished their service.

The report passes over inadequacies in the operating survivor benefits program, also a major part of the total compensation picture.

The Commission either overlooked or was not aware of the dual officer/enlisted standard for the use of reserve service in computing retired pay.

While it reported that other people claimed military service has special characteristics that set it apart from civilian employment, the Commission never acknowledged its support of that concept. It is impossible to tell whether the Commission's recommendations were based on acquiescence to other people's opinions or on its own convictions. A strong statement of conviction by the Commission would have added force to its recommendations.

The media environment surrounding the period of the Commission's existence was replete with reportage of the difficulties being experienced by military people stationed in high cost overseas areas. Yet the Commission made no effort to come to grips with that problem. Certainly the ability of military families to live under reasonably comfortable conditions is an underlying consideration of any compensation system. AUSA finds it difficult to understand how the Commission could turn this problem aside.

The Commission made a number of recommendations that AUSA cannot support. They include:

The proposal to give the Secretary of De-

fense essentially complete freedom to allocate annual adjustments to military pay. While AUSA acknowledges that more flexibility is needed in the application of incentives to problem areas, this is not the way to do it. The result would be a morale and management disaster.

The rate at which government contributions would be made to the individual deferred compensation trust fund. The lifetime effect of these low payments amounts to a major reduction in the total income to be derived from military service. Even the substantial increases recommended by a minority of the commissioners, and supported by AUSA as a "no less than" adjustment to the majority proposal, does not always bring the total to the present level.

The full integration of Social Security into the old age pension section of the proposal and the accompanying offset of the annuity by the amount due from Social Security. This proposal denies the retired service person full access to the Social Security benefits he has contributed to during both military service and any prior or subsequent civilian employment. The offset should be reduced to an amount equivalent to the government's contribution to the individual's Social Security account, or military personnel should be separated from participation in the Social Security program entirely.

The plan to delay eligibility for immediate medical, commissary and exchange benefits. AUSA sees no logic in changing the eligibility threshold. By the time the military member has reached the 20-year point he and his family have come to count these benefits as integral parts of their compensation and a peremptory cutoff at that point would be perceived as adding insult to the injury of leaving the service without immediate retired pay.

The use of the "high three" years of pay for determining the amount of old age annuity to be received eventually. The nature of a military career is such that many personnel reach their highest grade in the last year or two of service. To spread the average income from which the old age annuity will be based over the high three years will bring a reduction in the annuity expected by many people. For those reasons AUSA supports the "high one" procedure recommended by the Third Quadrennial Review of Military Compensation.

And, while the summary so far has been mostly negative, there are many points in the Commission's proposal that AUSA can support wholeheartedly—and in many instances was supporting before the Commission made its recommendations. They include:

The continuation of the pay and allowances system of compensation.

The establishment of a variable housing allowance to compensate those assigned in areas where rents exceed the established allowance. AUSA welcomes this recommendation but would like to see a more realistic plan, like that recommended by the Third QRMC, which would raise all BAQ rates to a national average and then make additional adjustments based on regional costs.

The use of time-in-grade to qualify for pay increments rather than time-in-service. This proposal accents superior performance and deemphasizes "hanging on." It is a concept that could contribute heavily to personal incentives.

Support for equality in travel entitlements for all grades. This is an acknowledgement that the nature of the armed forces is changing in a volunteer environment and AUSA supports it as a matter of simple equity.

Establishing levels of household goods shipping authorization based on time-in-service, rather than grade. In the environment of adequate pay for all grades the factor most determinant of household goods is service, not grade. The services no longer tolerate the continuance of junior people to long periods of service, so there is little likelihood that we will encounter E–5's or O–2's with extended service.

The maintenance of a non-contributory retirement system. In the context of all the other retirement changes suggested by the Commission a recommendation to shift to a contributory system might have launched the whole report into a sea of emotional and financial controversy. The Commission obviously recognized the absence of any real gain from such a shift. AUSA is pleased by their perception.

Extension of the service base for calculating the old age annuity from the present 30 years to 35 years. This increase, bringing the maximum retirement multiplier to 90 percent from the present maximum level of 75 percent, truly puts the accent on longer service. While it would affect relatively few people it is a highly desirable concept.

As was stated early in this report, the Commission had a very short time to deal with a whole galaxy of sensitive areas and, while AUSA is not in agreement with some of their recommendations, the commissioners deserve the thanks of all who serve this country in her armed forces.

Secretary of Defense Brown has pledged to translate their report into legislation to reach Congress in January, 1979 and the individual services are hard at work commenting on the way the Commission's work impacts on their personnel programs. The Department of Defense is not bound to the Commission's recommendations and may deviate from them in major ways. AUSA will continue to track the department's approach to the compensation problem with the view of assuring that it melds with the needs of the services and of the individual service men and women.

Congress has shown great reluctance to move quickly on complicated military personnel legislation, so the time frame in which any of the ultimate recommendations might become law is very uncertain. Once again, AUSA will monitor the progress of the legislative effort in the best interests of all concerned.

The Army, its people, and those of the other services deserve nothing less.

A. Retirement	Current system	Interagency Committee (1971)	Retirement Modernization Act (1972–1975)	Defense Manpower Commission (1973–1976)	Quadrennial Review of Military Compensation (1975–1976)	Aspin (1976)	President's Commission on Military Compensation (1977–1978)	Remarks	AUSA position (1978)
1. Participation	Non-contributory	Non-contributory	Non-contributory	Non-contributory	Non-contributory	Contributory (under study, 7% matched by Government.)	Non-contributory	Contributory system would either add to RMC cost or result in major reduction in take home pay.	Non-contributory.
2. Eligibility for Annuity.	20 YOS	20 YOS	20–29 YOS (Annuity reduced by 15% base pay until 30 YOS Anniversary. Full Annuity @ 30	30 YOS or 20 YOS or more w/30 retirement points.	RMA	5–19 YOS @ age 62 20–29 YOS @ age 60 30+YOS @ age 55	10–19 YOS @ age 62 20–29 YOS @ age 60 30 (more) YOS @ age 55	PCMC addresses one of main criticisms of current system: immediate FULL retired pay for early retirement. RMA would have same effect.	PCMC proposal.
3. Computation	2½% base pay × YOS.	20–24 YOS: 2½% base pay × YOS. 25–30 YOS: 3% base pay × YOS. 31–35 YOS: 2% base pay × YOS.	20–24 YOS: 2½% base pay × YOS. 25–30 YOS: 3% base pay × YOS.	2½% per retirement point.	RMA	1–5 YOS: 1½% × RMC. 6–10 YOS: 1¾% × RMC. 11 YOS and beyond: 2% × RMC.	1–5 YOS: 2% × Base Pay 6–10 YOS: 2.25% × Base Pay 11–35 YOS: 2.75% × Base Pay.	PCMC offers incentives for longer service. Provide more selective management tool.	PCMC proposal.
4. Calculation Base	Terminal Base Pay	High 3 Base Pay	High 1 Base Pay	High-3 Base Pay	High-1 Base Pay	High-3 RMC (Base, Quarters. Subsistence and Tax Advantage).	High-3 Base Pay	High 1 eliminates inequity of choosing advantageous retirement date as well as High-3 and offers greater incentive for continued service.	High-1 Base Pay.
5. Length of service	Over 6 mos=full year	Not addressed	Actual Service by days.	Actual Service by days.	Actual Service by days.	Actual Service by days.	Not addressed	March 1978 GAO recommends rounding to nearest month.	Actual Service by days.

A. Retirement	Current system	Interagency Committee (1971)	Retirement Modernization Act (1972–1975)	Defense Manpower Commission (1973–1976)	Quadrennial Review of Military Compensation (1975–1976)	Aspin (1976)	President's Commission on Military Compensation (1977–1978)	Remarks	AUSA position (1978)
6. Maximum Pay	75% of base pay (30 YOS).	88% base pay (35 YOS).	78% Base Pay (30 YOS).	80% base pay (30 YOS).	78% Base Pay (30 YOS).	Not addressed	90% Base Pay (35 YOS)	PCMC provides greater incentive for longer service. —Military retirement system should provide adequate benefits.—Federal Government should not contribute to two retirement plans for same period of service. —Social Security (civilian employment) 100% additive.	90% Base Pay (35 YOS). Career military (2d enlistment/5 YOS) withdrawn from Social Security Plan. Rejoin following return to civilian job market.
7. Social Security Old Age Benefits.	100% additive	At age 65, retired pay reduced by 50% of SS benefit attributable to military service.	At age 65, retired pay reduced by 50% of SS benefit attributable to military service. Guarantee min. 50% of deferred annuity.	100% additive. Consider when developing multiplier for salary system.	RMA	100% additive	At age 62 (65), military retirement annuity reduced by 1.25% × YOS × primary Social Security benefit. Guarantee 50% of military retirement.		
8. Transition Provisions.	Not Applicable	Retirees with under 30 YOS, transition spans 10 pay raises.	—Full 15% reduction-new members only. Current members' reductions proportional to length of service under current system. Members w/20+ YOS-no reduction. —50% SS offset to new members only. Offset for current members proportional to YOS under new plan at retirement.	Non-specific	RMA	—Effective on enactment for all members having less than 6 YOS—Annuity received immediately on sliding Scale of YOS at retirement based on YOS at enactment. —20+ YOS on enactment not affected.	All members beyond 1st enlistment, obligatory tour or in 5th YOS on enactment are not affected.	Protection of rights of current career personnel essential.	Grandfather all members beyond first enlistment, obligatory tour or in 5th YOS.
9. Option	N/A	No	No	Non-specific	No	No	No	Option for grandfather personnel would increase cost but lead to improved morale at opportunity to elect to participate. Management problems.	No option.
10. Save Pay provisions.	Tower amendment: Guarantee retiree receive as much annuity as he/she would have received if retired earlier but after 1 Jan. 71.	Guarantee future retirees at least as much annuity as similar members retiring before them.	Guarantee retirees annuity at least as large as CPI adjusted amount he/she would have been entitled to if retired at earlier date (following completion of minimum service for retirement.	Tower Amendment	RMA	Not addressed	Tower Amendment for all members grandfathered.		Tower Amendment for grandfathered careerists.
11. Cost-of-Living Adjustments.	Semi-annually based on CPI percentage increase previous 6 mos.	Not addressed	Current System	Two-part adjustment: Increase in CPI plus one-time "catch-up" payment each adjustment period.	Not addressed	Tie to COL benefit increases in SS benefits.	Current System	Current System is equitable	Current System.
12. Recomputation	No provision in DoD Budget.	Not addressed	No provision	Not addressed	Not addressed	Recompute if recalled to duty for 1 year +.	Not addressed	AUSA Resolutions support "Recomp" to 1 Jan. 71 level (one time at age 60 or at once if 50% disabled).	One time Recomp to 1 Jan. 71 pay levels at age 60 (immediately if 50% disabled).
13. Residual Benefits	Commissary, PX, health care (mil and CHAMPUS).	Not addressed	—20 YOS: Commissary, PX, health care available immediately. —Less than 20 YOS (Vol & Invol) at age 60.	Deny benefits to deferred annuitants (under 20 YOS).		Not addressed	Commissary, PX & Health Care available: 15–19 YOS at age 62 20–24 YOS at age 60 25+ YOS immediately	No PCMC rationale for change. After 20 YOS military family conditioned to these benefits. Loss would add to perception of reduced benefits.	Commissary, PX & Health Care at 20 YOS (Current).
14. Employment Restrictions.	Dual Compensation Act (Regular officers/WO only) restricts military retired pay to first $4,219 plu 50% of remainder during periods of Federal employment.	Dual Compensation Act.	Not addressed		Not addressed	Involuntary separatee's retired pay offset monthly by one half of earned income.	—No military annuity (old age) while employed by Federal Government (age 55 above) —Deferred Compensation NOT affected —Retirees employed in Civil Service have choice: (1) Credit mil YOS to CS, calculate retirement on High 3 Civil Svc and integrate SS as No. 7 above (2) Same but credit CS YOS to military service and calculate on CPI adjusted High 3 Base Pay; integrate SS	AUSA favors free labor market. Best qualified for Civil Service job should be hired. Some military skills in short supply in Civil Service leading to exceptions to Dual Comp. (doctors). PCMC Provides flexible and readily transferable benefit. See remarks under No. 7.	—No military annuit (old age) while employed by Civil Service —Deferred compensation NOT affected. —Military retiree has choice: (1) Credit military YOS to Civil Service, calculate retirement on Civil Service High 3. (2) Credit Civil Service YOS to military service, calculate retirement on CPI adjusted Military High 1 Base Pay. —No Social Security offset.

B. Deferred compensation:									
1. Participation	Non-contributory (non-additive to retired pay).	Non-contributory	Non-contributory	Non-contributory	RMA	Contributory system under consideration.	Non-contributory		Non-contributory.
2. Eligibility	20 YOS	10 YOS	10 YOS	10 YOS	RMA	5 YOS	10 YOS (Gov. contribution start in 6th YOS).		Support PCMC 10 YOS.
3. Amount/Timing	Monthly on retirement	10–19 YOS: monthly annuity 2½% base pay × YOS @ age 60.	—10–20 YOS: Monthly annuity, 2½% CPI adjusted base pay × YOS @ age 60. —20+ YOS: Increased annuity @ 30 YOS anniversary point equal to 2½% base pay × YOS.	10+ YOS: monthly annuity High 3 Base Pay × retirement points @ age 65.	RMA	5–19 YOS: Pension @ age 62	Govt. contribution: 6–10 YOS: 20% BP 11–20 YOS: 25% BP 21–25 YOS: 15% BP 26–30 YOS: 5% BP Ave Amt* OFF Enlisted 10 YOS: $18,320 $8,610 15 YOS: 48,550 23,230 20 YOS: 88,960 42,400 25 YOS: 122,850 57,610 30 YOS: 140,890 66,210 *In FY 78 dollars, assuming average promotions, 1.5% real wage growth, 4% CPI & 5% int. ann.	Level of PCMC deferred compensation too low, particularly as it bears on enlisted retention at 8–13 YOS point. Provides no incentive over current system for longer service.	Increase deferred compensation to RMA early retirement level: 10–24 Y S: (2½% YOS–15%) BP 25–30 YOS: (3% YOS–15%) BP.
4. Withdrawal Provisions.	No alternatives	Alt: Lump sum 5% × YOS × Annual Base Pay.	No alternatives	Alt: Reduced annuity option at 60.	RMA	No alternatives	After 10 YOS, separated or on active duty: —Leave in account and withdraw later. —Convert to monthly annuity for no less than 2 years.* —Convert to annual payments for no less than 2 years.* *Restricted to 50% of total in account for active duty personnel.	—For the individual PCMC proposal provides equity for under 20 YOS personnel and greater financial flexibility for all, active duty and separatee. —Concern over negative retention factor (pull to leave).	PCMC proposal, subject to service retention analysis.
C. Severance Pay (Invol):									
1. Eligibility	Officers only: after 5 YOS.	All: 10 YOS	All: 5–20 YOS	All: 10 YOS	RMA	All: 5 YOS	All: 5–30 YOS	Involuntary separatees (all ranks) not separated for medical, unfitness reasons should be provided readjustment pay as matter of equity. PCMC "grandfather" clause precludes current career enlisted personnel from participation.	PCMC proposal should apply to all personnel on duty at time of enactment and thereafter.
2. Amount	2 Mos BP×YOS, max $15,000 or 2 years BP (lesser of).	5% BP×YOS as alternative to deferred compensation; non-additive.	Options: —Monthly annuity @ 60 2½% BP (CPI adjusted) YOS plus lump sum 5% Annual BP×YOS. —Lump sum 10% Annual BP×YOS.	Options: —Lump sum: BP× 24× retirement points plus deferred annuity @ 65 discussed above. —Lump sum: BP× 48×retirement points.	RMA	Immediate retired pay	1–10 YOS: .25 BP×YOS 11–30 YOS: .5 BP×YOS* *Maximum: 12 mos BP. Additive to Deferred Compensation and old age (retired) pay.	PCMC provides inadequate separation pay for junior officer and enlisted personnel. RMA lump sum amount more appropriate.	PCMC proposal as amended.
D. Estate	Survivor Benefit Plan	Not addressed	Survivor Benefit Plan	Delete Social Security offset plus other recommendations now law.	Survivor Benefit Plan	Not addressed	Not addressed	SBP defects, including SS offset and inequitable cost computations affected by CPI adjustments, require correction.	SBP, with SS offset deleted and annual cost increases limited to CPI increase as opposed to straight 10%.
E. Pay:									
1. Level	Current pay tables	Not addressed	Not applicable	Establish independent Federal Compensa-	Modernized pay tables	Secretary of Labor to set up permanent system of military/civilian pay comparability.	Current pay tables w/Quadrennial reviews.		Current pay tables.
2. Method	Pay abd allowances (non-taxable).	Not addressed	Not applicable	—Salary, fully taxable —No area differentials other than those currently in existence.	Pay and allowances (non-taxable) —BAQ revised on national averages of member expenditure; VHA when US Regional housing costs by grade exceed BAQ —BAS: Standard for all ranks based on BLS civilian food costs ($113/mo).	Single salary system with deductions for housing, food and housing, food and medical care.	Pay and allowances (non-taxable) —VHA to account for geographic differences: High Cost=BAQ+20% Medium Cost=BAQ+10% Low Cost=BAQ —Remain mute on Fair Market Rental —Accept difference in married/single BAQ —Accept current BAS.	Salary system trends toward view of service as job. PCMC opted for pay/allowances based on Service Chiefs testimony. PCMC did not address need (community) for more/better housing on post for families and bachelors. 3d QRMC BAQ recommendation is more rational reimbursement when govt. cannot provide adequate quarters. Subsistence should not depend on rank; single amount as proposed by QRMC.	Modernized Pay/allowance: Current pay table QRMC BAQ & BAS.
3. Longevity	Time in Service (TIS)	Not addressed	Not addressed	Re-examine to remove from base pay table.	Time in service but varies from current system.	Not addressed	Time in grade (TIG)	PCMC rewards the outstanding performer.	Time in Grade.

A. Retirement	Current system	Interagency Committee (1971)	Retirement Modernization Act (1972–1975)	Defense Manpower Commission (1973–1976)	Quadrennial Review of Military Compensation (1975–1976)	Aspin (1976)	President's Commission on Military Compensation (1977–1978)	Remarks	AUSA position (1978)
4. Travel	—Full entitlement to E–4 (2 yrs) above.	—Not addressed	—Not addressed	—Not addressed		—Not addressed	—Full entitlement to all ranks.	—Equity requires full entitlements to all after BCT.	—PCMC proposal.
	—Household furniture weight allowance based on rank.	—Not addressed	—Not addressed	—Not addressed		—Not addressed	—Household furniture weight allowance based on Time in Service (TIS).	—Size of family and possessions depends primarily on time in service.	—PCMC proposal.
5. Annual Adjustment	—Based on civilian wage rate changes. Average civil service increase. President has authority to reallocate up to 25% of increase to BAQ/BAS.	Not addressed	Not addressed	Federal Comp Bd	Current System	Not addressed	Sec Def to propose split of total pay raise amount (aggregate based on average CS increase) within cash elements of RMC by grade, occupation, service or other class of personnel. Complete flexibility.	PCMC proposal to tally unmanageable. Could deny even COL increases to some members. Would create further inequities in the system.	Current system.
6. Differential/Special Pays.	Wide variety of bonuses, special and incentives pays. Primarily non-discretionary (fixed by law).	Not addressed	Not addressed	Federal Comp. Bd	Current System	Not addressed	Discretionary to target short term problem areas: —Officers: one bonus system at various levels. —Enlisted: (1) Enlistment/re-enlistment bonus by shortage MOS. (2) Differential pays by location/type of duty.	Non-discretionary pays lose impact, becoming part of monthly chack. Legislation required to change, reducing timeliness of response to manning level problems.	PCMC proposal.

A BILL OF RIGHTS FOR THOSE WHO SERVE

It has long been the Association's belief that military compensation is not fully understood by the Administration, the Congress or the service members to whom it should provide a clear incentive for service. We further believe that the piecemeal approach used to develop the total package has contributed to this misunderstanding, to the inequities which now exist, and to the loss of confidence of the military personnel in their civilian leadership.

The widespread perception among soldiers that the national commitment to their welfare is declining remains.

As military and civilian manpower costs have continued to absorb a large part of the defense budget, there has been a definitive effort on the part of the Administration to reduce those elements of military compensation which set military service apart from a civilian job. Delayed facilities modernization and cost reduction actions by DOD and the Congress in the CHAMPUS program—payment at the 75th percentile level, institution of the 40-mile rule and elimination of retiree service-connected disability and chronically ill care—coupled with the active duty doctor shortage and concomitant downgrading of military health care facilities from hospitals to clinics, in some areas, presaged continued deterioration of the military health care program. Further examples are the thrice rejected Administration and Senate effort to establish self-sufficient commissaries and the fair-market rental government housing proposal. In addition, there are pressures to subject commissary and exchange sales to state taxes, as well as isolated instance of attempt to tax the value of government quarters. The rationale to support these changes is based on theoretical military pay comparability.

In view of the unique mission of the Armed Forces, the Association continues to believe that mission accomplishment would be seriously jeopardized should the Armed Forces become simply a place to earn a living. Men and women do not remain committed to the Army and to the inherent burdens and dangers involved for financial rewards alone or, for that matter, solely because of patriotism. Rather, this commitment is developed through a sense of belonging to an institution which is unique. The Army, in providing on-post housing, medical care, commissary, post exchange and recreational facilities for its members and their families, reinforces the opportunity for total identification and commitment. The continued use of substandard World War II temporary troop billets is intolerable and is a negative factor to this commitment.

The keystone of military service is loyalty, reaching upward through the ranks to the Commander-in-Chief and to the Congress representing the people. To be deserved, this loyalty must also be reflected downward so that the newest recruit can be assured of constant attention to his or her welfare. Because of the effects of the uncoordinated management actions of recent years, a new approach is required to restore the confidence of the military in their political leaders. AUSA agrees with the Defense Manpower Commission that the servicemen's trust and confidence in the system has been shaken to the point where legislation is necessary to restore it, concurring wholeheartedly that, ". . . A Bill of Rights should be enacted."

This Bill of Rights should include:

Acknowledgment of the Federal Government's responsibilibity to adequately pay, house, feed and provide medical and dental care to active duty service personnel, and their dependents.

A pay and allowance system which recognizes the special nature of military service.

Basic pay to compete with other employment systems, equitably rewarding progressive achievement in the military system.

Housing, or quarters allowance, provided for all single service personnel. Family housing, or quarters allowance, for all married personnel in pay grades E–4 and a quarters allowance for all other grades. The basic allowance per grade for quarters should be set on a standard of total housing costs, varied by locale in exceptionally low and high cost areas.

A basic subsistence allowance for all personnel authorized to mess separately, set on a single standard tied to the cost of raw food.

Pay augmentation to offset exceptionally severe living expenses for personnel stationed at certain high cost locales worldwide.

A precise description of the rules for annual adjustment to pay components.

A full range of medical and dental care for active duty service personnel and dependents, and to retirees and their families by military health care facilities augmented by CHAMPUS in its original form; i.e., 90th percentile payments, care of service-connected disabilities and long-term chronic problems.

Availability of complete commissary and exchange systems with continued current level appropriated fund support.

Appropriated fund support of essential military recreation programs.

Equitable travel and transportation entitlement for all ranks to include family separation allowances (FSA–II), dependent travel, and shipment of household goods for all married personnel in pay grades E–4 and above.

An expense reimbursement system which compensates for the actual expenses of official duty and travel.

A retirement system modeled on the proposed Retirement Modernization Act which places a premium on longer service while retaining 20-year retirement at lower rates, but which would also provide equity in the form of separation pay for enlisted and officer personnel, involuntarily separated without prejudice prior to reaching retirement eligibility. Included should be a description of the basis for adjustments to

the level of retired pay and survivors benefits to maintain purchasing power.

An equitable Survivor Benefits Plan with the Social Security offset reduced to 50 percent of the benefit attributable to military service and eliminating offset when the beneficiary is entitled to equal or greater benefits due to his or her own employment.

Precise rules for structural changes to the form and levels of pays and benefits. Where changes are necessary, they should provide protection for those already serving, including a save-pay clause as appropriate.

As many of the shortcomings of the present system can be attributed to piecemeal, uncoordinated changes, the final statement of principle held by AUSA is that no single sub-element of the military compensation system should be studied, evaluated or modified without putting it in the context of the entire system.

We therefcre resolve to urge strongly that the Congress, charged with raising and maintaining the Armed Forces of the United States, support by appropriate legislation the described elements for a "Bill of Rights for Those Who Serve."

We further resolve to urge strongly that the Administration give its full public backing to such a Bill of Rights.●

PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the two notifications I have just received.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., June 5, 1978.

In reply refer to: I-295/78ct
Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78-48, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $40 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
LT. GEN. ERNEST GRAVES,
Director.

Transmittal No. 78-48: Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act.

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value: Major Defense Equipment,* $0.0 million; other, $40.0 million; total, $40.0 million.

(iii) Description of Articles or Services Offered: Repair parts, spares and supplies for follow-on stock outfitting of a Naval Supply Center and Naval Supply Depot to be located at Jubail and Jidda, Saudi Arabia, in support of ships, training, and communications equipment being provided under separate FMS cases.

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 5, 1978.

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., June 5, 1978.

In reply refer to: I-296/78ct
Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78-51, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $150 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
Lt. Gen. ERNEST GRAVES,
Director.

Transmittal No. 78-51: Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act.

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value: Major Defense Equipment* $0.0 million; Other $150.0 million; total $150.0 million.

(iii) Description of Articles or Services Offered: Contractor services to provide technical training to Saudi Naval Forces personnel which will prepare them to operate and maintain the modern ships they are purchasing under the Saudi Naval Expansion Program (SNEP).

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 5, 1978.●

THE PRESIDENT'S WATER POLICY

● Mr. DOMENICI. Mr. President, during yesterday's recess out of respect for our late colleague, Senator Allen, President Carter submitted a message dealing with national water policy. Generally, the President has offered a reasoned approach for improving the utilization of a resource which may confront us with our next major natural resources "crisis" if we do not act effectively.

While the President's water policy statement will not please everyone, I believe it represents a sound beginning, one we must weigh with great care in the coming weeks and months. As the ranking member of the Senate's Subcommittee on Water Resources, I know of the broad interest in this issue. I believe it might be helpful to make a few comments in an effort to place the President's initiatives in perspective.

As the President has said, Federal water programs should be "updated and better coordinated if they are to continue to serve the Nation in the best way possible." And I agree with the President when he says that "States must be the focal point for water resource management."

While the statement of the President is 10 pages long, it nevertheless is too general in many cases to provide the basis for a thorough and specific evaluation at this time. A main focus of the message appears to be the future of irrigation programs. I think it is ironic that irrigation programs, which involve cost recovery, and are designed to assist small, family operated farms, may be restrained, somewhat, by the President's program, while the policy makes no mention of the totally free navigation program benefiting major industrial corporations.

The President places new emphasis on the need for "conservation." While this is a wise and necessary approach, we must recognize that conservation in many arid regions involves water storage.

A constructive aspect of the President's message is the effort to improve coordination among the variou agencies now involved in water development. We should encourage greater consistency among the agencies, thus restraining shopping among agencies for the best deal. Within this context, I agree with the President in the need for "a uniform, standard basis for estimating benefits and costs." Much of the President's program appears to focus on this question of the benefit-cost analysis, which truly is the soft underbelly of the water resources program.

As I have noted previously, we should move away from total reliance on the benefit-cost approach in analyzing projects toward one of greater reliance on cost sharing. The benefit-cost analysis is too arbitrary and susceptible to juggling, even when standardized. A better approach may be to enable beneficiaries to vote for the worthiness of a project with a partial contribution of dollars, which would provide a reasonable procedure to screen out wasteful, unneeded projects.

I must, however, disagree with the President's presumption that "projects with higher benefit/cost ratios will be given priority within the limits of available funds." Because of the inadequacies and certainties of the benefit-cost analysis. I believe cost sharing is a far preferable approach.

Yet I must also note the President's program of cost sharing might be considered rather inconsistent. Cost sharing in the range of 5 percent or 10 percent may prove to be too low to provide any true test of the sufficiency of some types of projects. I am also concerned over language in the message indicating an increase in cost sharing on all flood protection to a flat 20-percent contribution, while other forms of water resources—many with a greater capability to pay—pay far less, or pay nothing.

The President's approach also appears to ignore the needs for cost sharing on any now-authorized projects, leaving that to a voluntary State effort. There is little that indicates how the administration intends to set priorities for the $34 billion backlog, other than to perpetuate the present ad hoc approach to project funding. I question how the President's suggestion for voluntary "cost-sharing arrangements" can work to ex-

pedite executive branch consideration and priority for project funding.

One important oversight in the water policy message is the President's failure to express any reliance in his message on the work of the Office of Water Research and Technology. Many areas of this Nation, for example, may be able to meet fully their future water needs through more effective development of techniques to convert fresh water from brackish sources. This should be encouraged. Within recent days, the Senate passed S. 2704, which would significantly augment this research work.

In addition, the Senate last month passed H.R. 8309 which contains several initiatives I sponsored to improve the water supply program, and to address issues such as the problem of windfall benefits, occasionally a side effect of a Federal flood control project.

Personally, I intend to ask the Governor and State legislature of New Mexico for their views on this message, as well as other experts in water policy. I am, of course, anxious to see the President's specific legislative suggestion.

We may need to develop an organic act on water policy, possibly considering some block grants to local units of government to allow them to set their own priorities. In the meantime, I hope that we can hold hearings in the near future to give everyone an opportunity to evaluate these important issues in greater depth.●

WATERHOLE IKE

● Mr. GOLDWATER. Mr. President, I think we can get a little insight into the operations of the Federal bureaucracy if we consider the interesting case of a character from Nevada named "Waterhole Ike." It seems that Ike is a "never-do-well"—you might even call him a drunken bum—who never works, has dozens of dependents and holds social security card number 530–80–4623. Interestingly enough, Waterhole Ike is a pig, not only in his habits, but in actual fact. The case of Waterhole Ike was drawn to my attention by a constituent who enclosed an Associated Press story about Ike datelined Golconda, Nev. In response to this, I inquired of the Social Security Administration about the facts of Waterhole Ike. In reply, Thomas E. Parrott, Associate Commissioner for External Affairs in the Social Security Administration, replied "As painful as it is to report, the story about our having issued a social security number to a pig is essentially correct."

Mr. President, I submit that it is not only essentially correct; but from the contents of the news story and Mr. Parrott's letter, I should say that it is absolutely correct.

Because of its great interest to all of us who have had our share of problems with the Federal bureaucracy, I should like to submit for the RECORD the Associated Press story about Waterhole Ike and the Social Security Administration's reply to my inquiry based on information supplied by Mr. Richard L. Howard of Tucson, Ariz.

The material follows:

HOGS SOCIAL SECURITY MOOLA—BEERY 'IKE' MAKES PIG OF SELF

(By The Associated Press)

GOLCONDA, NEV.—The holder of Social Security number 530–80–4623 is a pig. In fact, he's a drunken pig.

Waterhole Ike never works; has dozens, if not hundreds, of dependents; and just rolls around in the mud.

Every morning he comes into Mark Crowley's cafe-tavern—Waterhole No. 1—and drinks beer from a five-gallon bucket. The bar is located in this northern Nevada town—population 50 on a crowded day.

"He's all right until about 10:30 a.m. and then he comes in, has his drink and he's in hog heaven," Crowley said. "It uncurls his tail."

See, Waterhole Ike had to have a Social Security number to get a savings account, but there's more about that later.

After a drink, Waterhole Ike—an alcoholic—listens as Cowley reads him letters Waterhole has received from around the state.

By now you've guessed that Waterhole Ike is a real hog with four legs. Too bad he can't read.

Cowley heads a syndicate promoting the pig. He already has sold about 1,000 shares of stock in the porker at $1 a share.

Cowley figures if Secretariat, the great triple-crown thoroughbred, can be syndicated, then so can a pig.

"The racehorse, Secretariat, was syndicated and worth I don't know how many millions," Cowley said. "And he had trouble performing stud service."

Waterhole Ike also is used for stud service, for a charge of $25.

It all began about two years ago, when Cowley and eight of his bar patrons formed the syndicate. All the money collected was placed in a cigar box.

When the syndicate outgrew the cigar box, Cowley decide to open a savings account for the pig.

But the savings and loan firm which opened the account said it needed a Social Security number for the account holder to report interest to the Internal Revenue Service. So Cowley applied for a Social Security card.

"Everything I put on there was the truth," Cowley said "His mother was Go-Pig-Go, and his father was Three Stars. He was born on May 1, 1974

"Down at the bottom where it says signature, I wondered what to do since everybody knows a 2-year-old pig can't write," he continued "So I wrote Waterhole Ike by Mark Cowley"

Soon the Department of Health, Education and Welfare sent Waterhole Ike a Social Security card and Cowley gave the number to the bank

"I went to the welfare people and told them I knew this guy who couldn't work because he is an alcoholic and he has 10 dependents

"The welfare department was going to give him $650 a month. I even almost got him into the alcoholic rehabilitation program As far as the government is concerned, he's just the same as you or I"

The bank which was Waterhole's account recently wrote the pig a letter

"The letter said he is now eligible to borrow from $2,500 to $25,000 or more at any of their statewide offices," Cowley said

The future seems secure for Waterhole Ike. More stock certificates are being issued and he now has just about $1,000 in the bank.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
SOCIAL SECURITY ADMINISTRATION,
Baltimore, Md., May 9, 1978.

Re Mr. Richard L. Howard, c/o Motorola C and E, Suite 103, 2015 North Forbes Boulevard, Tucson, Arizona 85705.

Hon. BARRY GOLDWATER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GOLDWATER: As painful as it is to report, the story about our having issued a social security number to a pig is essentially correct.

Apparently, by completing an application for a social security number and giving "correct" answers, a number was actually issued. Although our employees review applications for social security numbers for a variety of reasons (including situations such as this where someone wants to have fun at our expense), this one was missed. For this, I apologize.

Although in this instance the "pig is already out of the sty," for the last several years we have been tightening our procedures for issuing social security numbers. Beginning May 15, 1978, every applicant for a social security number or a replacement of a lost social security card will be required to submit documentation of identity, age, and citizenship. Instances such as this should be effectively prevented.

On a somewhat positive note, I am advised that no earnings have been credited to the social security record assigned to Waterhole Ike, and I have been assured that no earnings will be credited in the future, nor will we allow any other use of that number.

As indicated in the news story, the pig's owner apparently identified Waterhole Ike as a person rather than an animal when asking about welfare assistance. A representative in our Reno office contacted the people in the Winnemucca welfare office—the office that serves the area in which the pig is located—and asked about the potential welfare benefit of $650 a month mentioned in the newspaper. However, no record of the matter could be located. It is very unlikely that the people in the welfare office would have processed an application without conducting a personal interview and obtaining evidence to support a claim.

Sincerely yours,

THOMAS C. PARROTT,
Associate Commissioner for External Affairs.●

TUITION ADVANCE FUND—S. 3044

● Mr. KENNEDY, Mr. President, I am pleased today to cosponsor S. 3044, the bill to establish a tuition advance fund.

The enactment of this legislation would provide truly effective assistance to students at the time that they need it. It would distribute aid to all those who need it. And, the tuition advance fund would eventually be self-sustaining.

Under the TAF, a college sophomore, junior or senior would be eligible for up to $5,000 a year in student assistance from the Federal Government. This student would, in turn, repay the Government 2 percent of his income a year until he had repaid 150 percent of the original loan.

Thus, someone borrows $10,000. In his first year after college he makes $20,000. He would pay back $400. Such payments would continue until $15,000 had been paid.

The bill, which owes much to the creativity and effort of Dr. John Silber, the president of Boston University, has been introduced in this Chamber by Senator JOHN DURKIN and was introduced in the House of Representatives by Congressman MICHAEL HARRINGTON.

There are a multitude of virtues to this proposal. Let me list some of them:

The most important is that it would make enough money available to allow people to continue in college. It is difficult for students to meet the burden of tuition, room and board today. Other proposals being made to supplement student assistance might not be adequate to the need. For instance, the proposed tuition tax credit would return only $250 a year in tax savings to the family which was putting someone through college—and this money would be returned some 10 months after the close of the school door for the year. It is obvious that $250 10 months late is not going to make much of a difference.

Second, the tuition advance would be available to all people who are going to accredited colleges. People with financial needs would not have to search through a variety of programs and hope that, in the year in which they are applying, enough money remains in the program, or that they meet that year's eligibility criteria.

Third, the proposal recognizes that students who go through college are the primary beneficiaries of a college education. They owe something to a society which has allowed them the resources to enjoy that education. They begin to pay society for the benefit which has been extended to them through this bill. In turn, they make it possible for society to award similar funds to students who follow in their path. It is fair that they so do. Those who go to college enjoy far greater earnings over the course of their lifetime than those who do not; they enjoy the other benefits that education bestows. They should be paying for that education when they can afford to do so, to help those who subsequently need assistance.

Fourth, the bill promotes societal values through a payback scheme which does not force people into taking jobs purely because those jobs offer higher salaries. Those people who wish to take lower paying jobs whch might be of service to society—those people who want to enter VISTA after their graduation, or those people who cannot find higher paying jobs would only pay a flat percentage of their salary that year, rather than an amount calculated purely on the basis of the amount that they borrowed. This compares to the present system where, like a home mortgage, people must pay back their loans in a certain period regardless of their incomes. Gaging payback rates to income will also probably lead to fewer outright defaults.

Fifth, the program would eventually be self-sustaining. During the first few years, we would have to spend more money on educational loans than we now do. But within a few years college graduates would begin paying back loans. Some 15 years from now the plan will bring in as much as it costs; a few years after that it should begin paying back money to the government. As compared to the social security system, the tuition system would result, over the next few decades, in a larger and larger proportion of people graduating and paying back the amount they borrowed as they moved into jobs. The numbers going to college remain basically the same.

Eventually, the proportions would become stable, since both college and the working years are for a relatively finite period. And, there are always far more people in the work force, who are there for a 40-year period, than in college, where they are eligible for a tuition advance for a 3-year period.

Mr. President, as we bring this bill to the attention of the interested public, I am sure that valid changes will be suggested. I do not know if we need to have a separate trust fund for tuition advances or whether an entitlement program would work as well. I am generally leary of trust funds, and it may be the case that in certain years down the road funds will be coming in that we may choose to divert to other purposes.

I am also unsure as to whether the payback scheme should be administered by the Internal Revenue Service—although it is clear that we need a regularized procedure for payback which cannot be circumvented. It may very well be that the IRS is not the Government institution which can process the payback most efficiently. In this connection, I have written to Commissioner Kurtz to request the views of the IRS on the proposal to process the payback most efficiently. Certainly we should consider other methods of administering the payback as well.

But these concerns do not blunt the overriding thrust of this bill—toward a system in which people can be guaranteed that they will have enough money to get through college; that they, rather than their families or taxpayers as a whole will pay the money back, but will only have to do so when they are better able to; and that we will have a program which would eventually be self-sustaining.

I think this is a bill which is deserving of widespread attention and conversation, and, I hope, it will merit widespread support. I think this bill presents an admirable way of providing for college costs in a comprehensive fashion, and with a financing scheme that is equitable to the recipients and other taxpayers as well.●

KISSINGER-MOYNIHAN CONVERSATION

● Mr. LAXALT. Mr. President, is our leadership somehow failing our people? Have we lost our nerve? Must we now accommodate our policy to Soviet military preponderance in the world? I certainly do not think so, although I must admit that present trends are most disturbing.

In a recent conversation conducted under the auspices of the American Enterprise Institute, my distinguished colleague, Senator MOYNIHAN, and former Secretary of State Henry Kissinger discussed these and other questions surrounding a possible "crisis of spirit" in the West.

I believe that a certain malaise has, indeed, affected our traditional foreign policy establishment in such a way as to preclude it from conducting the kind of mature, self-confident foreign policy which our people deserve. But, as Senator MOYNIHAN and Dr. Kissinger point out, there is nothing inevitable about this mind-set. In my opinion, we can, we should, and we must reverse it while we still can.

With that in mind, I ask that the text of the Kissinger-Moynihan conversation as it appeared in the May-June issue of Public Opinion be printed in the RECORD.

The article follows:

IS THERE A CRISIS OF SPIRIT IN THE WEST?

(A Conversation With Dr. Henry A. Kissinger and Senator DANIEL P. MOYNIHAN)

BEN J. WATTENBERG. Gentlemen, in order to begin this discussion, we have prepared a short preliminary statement for your consideration:

Our central question is whether there is a "crisis of spirit" in the West, and if so, what could, or should, be done about it.

It has seemed to many observers in recent years that the core of the Western dilemma is indeed in the realm of spirit—that we face a profound problem of public opinion, or perhaps more specifically, of elite opinion.

Consider the situation: a collection of nations—successful beyond belief, industrially dominant, technologically potent, responding demonstrably to time-honored human desires—is found to be under both physical and ideological threat.

Militarily, our primary challenger has mounted a massive build-up of arms, and even though a plurality of Americans now say for the first time that the Soviet Union—not the United States—is the most powerful military force in the world, our leadership seems to shirk from redressing the military balance, as we have seen most recently in decisions concerning new weapons systems. In various trouble spots around the world—Africa the most noticeable right now—the public seems unwilling to support strong Western initiatives and the Communist side has advanced. Intellectually, our values are under siege from what has been called "the totalitarian temptation." Communism in Western Europe has gained ground—if not in the popular vote, surely by many political tests. Our nations are assailed in international forums for colonial guilt, economic rape and underwater plunder.

Challenged militarily, ideologically and economically, the nations of the West seem to respond reluctantly and with a noticeable lack of passion. Ironically, most ovservers are convinced that if the Western nations would choose to muster their forces, most of these threats would diminish, in degree if not in kind. The flesh is willing, the spirit is weak.

Dr. Kissinger, you have said that the West-

ern world suffers from an "inner uncertainty" and that "the aspect of contemporary life that worries me most is the lack of purpose and direction in so much of the Western world."

Senator Moynihan, you have talked of a "failure of nerve" on the part of the West.

In the past, you gentlemen have agreed on many questions pertaining to these issues and you have disagreed on others. Today we would like to explore your current feelings in the context of a free-flowing conversation.

Senator Moynihan, perhaps you could begin. You have spoken of a failure of nerve in the past. Do you still see a failure of nerve and is it currently affecting our foreign policy?

DANIEL P. MOYNIHAN. Very much. More so now than a few years ago when I originally sensed it.

First, we had the enormous failure of Vietnam, which was an enterprise begun by an extraordinarily confident and powerful foreign policy establishment—a bipartisan establishment—which had run affairs for a quarter century. That establishment may have been performing with diminishing degrees of success, but overall it had done a brilliant job and it had never had a failure.

Then came Vietnam, and when it failed, something more important than that happened. The social base on which that elite rested turned against its own policies. The great symbolic moment, at least in my mind, occurred at the Kennedy Institute of Politics one evening in the fall of 1966 when Robert McNamara came and suddenly found himself and his car surrounded by protesting students. I was in Cambridge at the time, and we were dazed, uncertain of what was happening. After all, McNamara had been President Kennedy's secretary of defense, and his visit symbolized many things. He was coming to the Kennedy Institute of Politics, to Kennedy's university, to his own graduate school, to talk about the war—and suddenly he found that the very base of his establishment had turned. That had to be an unnerving experience, and it was.

Most elites that lose wars lose their heads in the process. That has happened in this country in a way, and it has made for great internal change. I have this joke—which Henry may or may not appreciate—about the people who started the war and ran it and are still working here in Washington. Their excuse today is that "I was only giving orders." [Laughter.]

Mr. WATTENBERG. Dr. Kissinger, do you agree that this failure of spirit, this crisis of spirit—if that is the correct phrase—is a phenomenon of elites, or is it of the public or both?

HENRY A. KISSINGER. I think there are three phenomena.

The first is the one that Pat described, the loss of nerve of the establishment that ran foreign policy in the postwar period and then conspicuously failed in Vietnam. Failure is always painful, and therefore, there is lacking now that supporting group which gives leaders in complicated situations self-confidence by conferring on them the approbation of people of prestige.

The second phenomenon is that partly among that group and partly among the intellectuals who grew up in that period—people of the ages, say, between thirty-five and forty and fifty—there developed not just a disappointment with a lost war but almost a *desire* to lose.

When we left Vietnam, it wasn't enough for the protestors that we got out. Vietnam had to be cut off from supplies. Our country was not permitted to have one vestige of possible success, lest we do it again. An attitude developed that we must not conduct any policy—other than rhetoric—anywhere in the world that might possibly succeed. This feeling goes beyond disillusionment with the war. It turns into a self-hatred in which, as Michael Ledeen said the other day in the *New Republic* (April 8, 1978), the myth is that "The enemy is us."

Then a third problem going beyond Vietnam is that during the entire postwar period, there have been groups in the political establishment who have maintained that the whole cold war and the whole international enterprise were unnecessary, that the Soviets were misunderstood, and that there is a hardline group in the Kremlin opposing a softline group. In this perspective the softline group always turns out to be the incumbent. The incumbent becomes a hardliner only in retrospect. As they saw it, Stalin was a softliner when he was in office, and Harry Hopkins was writing that, "Of course, we can trust Stalin, but we do not know what sinister forces are lurking in the dark recesses of the Kremlin." Similar claims were made about Khrushchev and are now being made about Brezhnev. But what you have now—through the demoralization of the establishment—is that this third group, which had always believed that there was no geopolitical problem and that there was no ideological problem, is much more unopposed today than it was in the past.

To summarize, I do not believe—in this problem. In this country we have a leadership problem. The public has a rather healthy perception, elemental perhaps, but fundamentally sound.

Senator Moynihan: I would like very much to confirm my sense of the reality of that third group, that third phenomenon you describe. It's a phenomenon that is not normally absent from Western counties but that frequently appears under auspices that deprive it of some legitimacy, having said that as indirectly as I can. In recent years, that group appears to have been legitimized here by seeming to have been right about the foreign policy in the last decade.

Henry, you mentioned Ledeen's passage about the view that the enemy is us, Walt Kelley's phrase. I'll not forget an incident from the Vietnam period. We're sitting here today not very far from the Peace Corps headquarters. We developed the poverty program, OEO, in that building in 1963. I remember in Washington in 1969 there was an antiwar demonstration of some kind, and a group of returned Peace Corps volunteers took over that building and flew the Vietcong flag from the flagpole of the Peace Corps building. At that moment, it suddenly came to me that these young people had adopted an identification with the aggressor.

I'll tell a story. Fifteen years ago I was in Washington. Our children were young, and there was a movie shown called "The Swiss Family Robinson" which was an old sort of bowdlerized Robinson Crusoe. The Swiss Family is shipwrecked and has wonderful adventures. They do very clever things, and they get rescued finally. You had to take all the children to see this movie. One Saturday afternoon, we did, and everything was going nicely in this little movie house chirping with young children.

Suddenly the snake scene began. A little boy is playing around in the stream, probably doing something useful, gathering mussels or something, when the music begins to change, and the camera moves up above him to a tree.

And suddenly there it is—the snake! And the snake starts moving down slowly. The music gets very somber, and the theater falls absolutely silent. In the middle of that silence, my five-year-old daughter is heard to say, "That snake likes me." [Laughter.]

Now, that's normal in a five-year-old, but abnormal in a thirty-five-year-old. For, in fact, the snake wants to eat you. And I think we have some of that phenomenon in our country just now.

But I much agree with the secretary that it's a phenomenon, in a curious way, of leadership cadres and elites. The public is still very silent about it.

Dr. KISSINGER. To take this point of Pat's, I think, for example, I can understand that people can come to the conclusion that a war is lost and that it has to be liquidated on the best terms available. This is a sad event because no one can want his country to lose a war. What I have difficulty understanding is the relish in that event.

When I see, for example, the head of ACTION going to a meeting where the North Vietnamese ambassador upon joining the U.N. castigates the United States, and this American official says, "This is the proudest day of my life. This is what we've been working for all these years," that raises to me really profound questions about the fundamental motivation from the beginning.

Senator MOYNIHAN. That scene where the Vietcong flag was flown from the Peace Corps headquarters took place during a demonstration which that particular man organized.

Dr. KISSINGER. Exactly.

Senator MOYNIHAN. But I suggest to you that fear may be much more of an explanation of the problems we have been discussing than any perversity of mind, and that our difficulties would be even larger if, in fact, we had all become fearful.

Dr. KISSINGER. We also have to remember that we are talking about decent people. We are not talking about a conspiracy.

Mr. WATTENBERG. I understand. But you are describing a mentality that you have seen developing in our country. Let me ask if that mentality is at work today in the State Department, in the White House, in the National Security Council, the Department of Defense?

Senator MOYNIHAN. I'll tell you where it is at work—and this will neither surprise nor please the former secretary—but that sort of mentality is at work now in our debates over Africa. We are continually told today that we have to do this or that, accept this or that unattractive option because if we do not, the Russians will send in the Cubans. And this settles an argument! That is the end of an argument. Well, you can see where that kind of assumption will get you eventually.

Dr. KISSINGER. I think there are two problems with respect to your question, Ben. One, I believe that on the foreign policy side, at the second and third levels of this administration, many people came in who are "graduates" of this Vietnam period. Some of them, in fact supported the war at the beginning and are now working their way back by sometimes rewriting their own history. They have some convictions that if America is not to be punished for its presumption, then at least we must be sure that the country is never presumptuous enough to undertake any more distant enterprises.

Now, with respect to the point that Pat made, yes, we hear that if we don't do this or that, the Cubans will come in. I would say there will be no constructive policy in Africa until we make it clear that, however issues are settled, it will not be by the threat of Cuban intervention. After that point is established, we can have some sensible discussions. But if we are forever blackmailed by the Cubans—a country of nine million off our shores—no constructive policy is possible. What has become of our country when we explain foreign policy by the myth of the invincible Cubans?

Mr. WATTENBERG. As we have talked of this crisis of the spirit, you have both alluded to Vietnam, which was largely an American phenomenon. Yet this so-called malaise is apparently found throughout the Western world. Western Europe did not have that

particular Vietnam problem, and yet this malaise seems to extend to there. Is that correct? Is that sort of spiritual disillusionment present on the continent as well as in the United States?

Dr. KISSINGER. I think there are a number of forces at work. One is the tendency to escape current dilemmas by making the most favorable assumption about the future. This temptation is overwhelming in societies on the whole satisfied with their lot, and it is one reason why the Communist challenge has been interpreted in the most benign fashion in every decade in the existence of Communism.

Second, there is the phenomenon that the modern bureaucratic state does not give the idealists among the younger generation an outlet for actions that they think might be relevant.

Third, there is the problem that as the pressures of their electoral process have increased, governments have become more and more tactically oriented. The more tactically oriented they are, the more short-term their policies. The more short-term their policies, the less successful they are. So we have the paradox that governments following public opinion polls begin to look more and more incompetent. And as they look incompetent, confidence in government begins to disintegrate, so that the rebels, or the radicals, or those who challenge the society, can get at least enough support for conspicuous terrorism or for the growth of the Communist parties in Western Europe.

I don't know what Pat thinks about that.

Senator MOYNIHAN. That's a marvelous idea. The more inphase a government tries to get with opinion, the more confidence declines and the government feels that it must get even more inphase.

Dr. KISSINGER. You see, I think what the public wants from its government is a solution to its problems. The public's perception of the solution may be very nebulous, and the public judges its leaders by the results, not by whether its policies follow every fad.

Senator Moynihan. But could I suggest that behind some of the psychological and political difficulties of today, there is an "objective reality"—the extraordinary success of Soviet policy.

Our former colleague, Adam Ulam, in an article in the New Republic in the spring of 1975, wrote that the Soviet Union under Brezhnev had achieved—and he said it would be both dangerous and ungenerous for us to deny it—the leading, if not yet the dominant position in world politics.

That dominance is clearly perceived in Western Europe, and it is beginning to be perceived here. I don't think anybody knows very much about how external politics affect mood and so forth; some people do, I don't anyway. But I said in a speech last weekend that it seemed to me that much of the difficulty we have understanding our Middle East situation is that for the first time, American policy is beginning to accommodate to the assumption that the Soviets are now, or soon will be, the superior military power.

Remarkably, we now have senior officials of this administration coming around to us in the Senate saying we must have a SALT treaty soon because if we do not, by the mid-1980s the Soviets will have surpassed us in strategic power.

I can imagine what you, Henry, would think about a negotiating position in which the other side had only to wait 2,000 days to get where they want to be. Surely we must be able to say to them, "Look, you had better deal with us now, or we will go back and raise such hell, we will double the defense budget, we will quadruple the budget; we can spend indefinitely such that when you are bankrupt we will not be, and so you had better negotiate with us." But if you have psychologically discarded that bargaining technique, then, in fact, you are disarmed.

I think this assumption about Soviet power is becoming an objective reality. If it does, it will begin to show up in ways that will baffle us because we have never, as a people, had the experience of being militarily inferior to anybody since about 1830. I should think Henry Clay would be the last secretary of state who would even give any thought to the idea.

Mr. Wattenberg. We are running in this issue of Public Opinion magazine one of the first polls that I have ever seen that shows a plurality of the American people believing that the Soviet Union is stronger than the United States militarily.

Senator Moynihan. You mentioned that in your opening statement, and I was going to ask where you got that.

Mr. Wattenberg. It's a new poll.

Dr. KISSINGER. I think one ought to get this question of Soviet strength into proper perspective. The Soviets have a stagnant system; they have not solved the problem of the modern economy and they cannot possibly solve it. We have problems with the economy, but we know ways of dealing with it, and our problems would be their successes if they could ever get to our situation. Furthermore, they have not solved the problem of succession. In no Communist country has there ever been a legitimate succession. Their foreign policy is basically unimaginative. The outstanding quality of the Soviet foreign policy is enormous persistence in whatever course they are pursuing, and this tends to play into our impatience. In a negotiation, if we haven't made a new proposal for three months, we start getting restless. And potentially, we are militarily stronger.

Therefore, I think, in terms of assets, as you said in the beginning, Ben, it is an absolute absurdity to say that the Soviets are stronger than we.

The Soviets have a bureaucratic, unimaginative society, in which all the leaders get old simultaneously, and it ought to be possible to manage whatever challenge they pose.

In every confrontation, we could have had the upper hand. We had them defeated in Angola, and then we defeated ourselves. I don't know what the possibilities were in Ethiopia. I cannot believe that a country of nine million can conduct a global policy and the greatest industrial state in the world cannot find a means of stopping it; I just can't believe that. So all I'm saying is that while the phenomenon is described correctly by Pat, there is no reason why this sense of inferiority or retreat has to happen here.

Mr. WATTENBERG. But our dilemma is that it is happening. Now both of you seem to be pointing to a lack of passion, of conviction in the essential idea of freedom and human liberty, which at one time was the greatest of rallying cries.

Dr. Kissinger, in a recent paper of yours, you quoted Archibald MacLeish who said that "Freedom is still the last great revolutionary cause." Is the problem that the elites are unable to communicate to the voters in Western societies that freedom is still a cause of passion and ardor?

Dr. KISSINGER. One other thing is missing. In addition to a belief in freedom, you must have a geopolitical theory or view. You have to know how to go from your values to your security, your world structure, or whatever it is you are aiming for. You cannot simply do it in a fit of moral enthusiasm.

Without the enthusiasm you will have the fortitude to do what is necessary. But without some conception of what security is, of what it is that you cannot permit and what it is you are to try for, you really will be constantly confronted with a series of confusing situations through which you cannot find your way.

Senator MOYNIHAN. I could point to a specific here of the Panama Canal treaties. Let me start by saying that President Carter has taken the issue of human rights and made it a central element in his foreign policy—for which all praise. However, it too often comes out as a doctrine directed against Nicaragua or . . .

Dr. KISSINGER. (nodding) Against weak allies.

Senator MOYNIHAN. Yes. Against weak allies.

But now if ever there was a situation where you would hope for a confident elite able to come down to the United States Senate and say, "Look, let's sign these Panama Canal treaties. This is a small country; it's been a good friend. The canal is perhaps a wasting asset, but it's the right thing to do. And we, people who spend most of our time thinking about these matters, say to you, let's do this, so we can get on with our real business in the world, which is maintaining the perimeters of freedom and expanding them as we can, and being a self-confident and vibrant alternative to totalitarianism around the world." Now that's what we need, but instead we have a spectacle; I'm afraid it is a spectacle of a fearful Senate—fearful of giving up the Panama Canal. Well, if you're fearful of that, think how much else you really are fearful about, in terms of what the world is really like.

Somewhere we are going to have to generate a larger confidence, not just as to the satisfactory condition of our circumstances, but in the essential purpose of the country. In the end, you have to have a purpose to inform your policy. And our purpose has to be to ensure that free societies survive the mortmain of the Soviet Union—a dead, dreary culture, which nonetheless has advantages in its encounter with us. It does have advantages, Henry, you've experienced them.

Dr. KISSINGER. Oh, yes.

Mr. WATTENBERG. How do we go about rallying the public toward the issue of freedom that both of you have spoken so eloquently about in the past? What is the agenda? What comes first? What should we do?

Senator MOYNIHAN. Presidents do it, and they do it by taking a stand. And they say, "Here we are and we will not move, that's all; while I'm here, we won't move." The trouble is, the last President who did that was Lyndon Johnson, and that's the misery of it all.

What do you think, Henry, now that you have a perspective of thirteen, fourteen months out of office?

Dr. KISSINGER. I think it cannot be done without the President. The President has to explain, and he has to be willing to explain even if it runs counter to elite views. And he has to keep explaining it.

Second, the traditional establishment isn't going to help much in this effort. But I think there are leaders around this country—in business, in labor, in law and maybe even in universities—who are not part of a defeatist consensus and who could be mobilized, who could be given confidence and who could inspire confidence. The problem is that our country is so amorphous that no one is organizing them, and when I say organize, I mean things like discussion groups.

In the 1950s, we had discussion groups on arms control at Harvard and MIT, at a time when one thought serious thinking made a difference and before intellectuals became totally power mad and tried to effect tomorrow's policy.

Mr. WATTENBERG. As you look back now over the two administrations that you served, Dr. Kissinger, do you think that those administrations did a good enough job at raising the passionate standard of freedom?

Dr. KISSINGER. You have to remember what we were up against. We found 550,000 troops abroad, and the very people who had put them there were purging their souls by depriving us of any possibility of negotiating their withdrawal. Whatever position was being adopted by our government, they went three steps further, so that all the North Vietnamese had to do was to wait. So this country was being torn apart. Every defense program was being challenged; the view of American overtextension was widesperad.

At that time, it was difficult to maintain the defense budget against the constant assault. It was difficult to move out of Vietnam under some controlled plan—which was, after all, all we wanted; we above all did not want to tempt the Soviets into any adventures. That was the context in which we had to operate. And I think we managed to preserve the American honor and to maintain a strong foreign policy within this context. Throughout we stood for human rights quietly. We managed to increase Jewish emigration from the Soviet Union from 400 a year to 35,000.

Then came 1974. The first time we had a chance, after Watergate, to do the positive thing was in that year. Maybe we were still so shell-shocked by the events that we didn't seize the moment early enough.

But you have to remember, leaders have to conduct the policies that the circumstances make possible for them. And at the time of the war, the universities were rioting every day there were people walking around with coffins in front of the White House, people were signing books of the war dead—as if we were not conscious of the fact that people were dying. In that period, there would have been no support for a crusading policy, as you have suggested; our worry was that the assault on our foreign policy would collapse all our commitments.

When we appointed Pat to the U.N., we showed an understanding, at least, of what was needed. He was appointed because I read an article of his in Commentary which made exactly your point. But whether the turnaround in our policy happened quickly enough or not, I'll leave that open.

Mr. WATTENBERG. Dr. Kissinger, did the policy of détente—in declaring a relaxation of tensions—let us lower our guard? You're familiar with that argument.

Dr. KISSINGER. I'm familiar with that argument. But if you look at the internal discussions, you will see that we never unilaterally gave up a weapons system during this period; we resisted—or sought to resist—every Communist geopolitical maneuver.

In 1972, as a result of decisions made in the 1960s, and as a result of budgets imposed on us by the Congress in the 1970s, we had no strategic weapons program that could be produced for five years. We speeded up our programs after the SALT agreement in 1972. I think if you look at the record, you will find that the White House always chose the highest defense option that came over from the Pentagon. There was no illusion on our part that we could deal with the Soviet Union from a position of weakness. There was no illusion that we could win the hearts and minds of men as a substitute for a foreign policy, though we didn't reject winning the hearts and minds of men.

The problem we had was that we had to demonstrate we were not an obstacle to peace, and we also had to show that we could conduct a strong foreign policy. To mesh these two in the "civil war" atmosphere that existed proved not always easy.

Mr. WATTENBERG. Let me ask this, Dr. Kissinger: you talked about a "civil war" in the country and people with coffins, and gory things that did, in fact, go on. Yet those were, I believe, activities of the elites. But as you've said today, and as I believed then, the public was still behind the President. You know, Nixon beat McGovern, and everybody forgot that LBJ had beaten Eugene McCarthy in the New Hampshire primary without even going up there. Is it possible, with 20–20 hindsight, that the Nixon administration perhaps overreacted to the elites and didn't rally public opinion when it was, in fact, ralliable? Was this a misperception by the administration?

Dr. KISSINGER. Well, Nixon did make that speech on November 3, 1969. But Nixon did not have the grace of reaching out. It was one of his great weaknesses.

You must also recognize that when you have the elites against you, even if you have the mass of the population for you, the constant drum fire of elite opinion creates significant doubt. Washington is a curious city in the sense that the one thing you can be sure everybody reads is columnists who may not be read outside of Washington in any significant numbers. It may be that there is an element of auto-suggestion here.

But again, I would say we actually did succeed in the objectives we set for ourselves in Vietnam. We had one principal objective: that we would not end the war in which 50,000 Americans had been killed by installing a Communist government. This was the one demand that we could not accept; it is the one demand Hanoi never changed until October 1972. And we achieved this objective. The fact that it then failed was due more to Watergate—which was totally unpredictable—than to the policy.

South Vietnam collapsed in large part because—as a result of Watergate—the Congress in two successive years cut aid to South Vietnam by 50 percent and the Congress passed a law that prohibited any military action in and around Vietnam to maintain the agreement.

Mr. WATTENBERG. Senator Moynihan, let me ask you about your U.N. experience. Your position then, as I recall it, was criticized on the grounds that perhaps it represented a new moral crusade and a falling into the "Wilsonian trap." In view of that experience, what ought to be our method of rallying public opinon which, as I gather from this conversation, is really the central problem in the West?

Senator MOYNIHAN. Let me first say very explicitly, that when I spoke out at the United Nations, I was carrying out the policies of the secretary of state and the president.

We were criticized by people whose basic attitude was fearful. You cannot explain why they said "never anger a Russian," except for their fear that he would gobble us up in consequence.

I will always remember the last day of the General Assembly that I was there for. The United States, as the host country, gives the penultimate speech at the General Assembly. Then the president of the assembly speaks.

My speech was not very friendly. As a General Assembly, I said, we hadn't done anything to distinguish ourselves. But there would be another one, and our delegation would be there. Don't anybody doubt it, we'll again be just as hard to live with if the rest of you continue to behave the way everyone seemingly wants to behave toward us. And then I proceeded to quote Sakharov.

Half and hour before I was to give the speech, Soviet Ambassador Malik had asked me to come to the back of the assembly chamber to meet with him. He sat down and said, "You have this quote from Mr Sakharov." I said, "Yes." He said, "He is an enemy of the Soviet people." I said, "But surely not. He's a winner of the Nobel Peace Prize, your most distinguished scientist. He helped build your hydrogen bomb."

"He is an enemy of the Soviet people. You must not do it."

I said, "Well, I surely can't accept that thought."

And so when in my speech I got to this little passage of Sakharov, up gets Malik and out he walks. I paused for a long while and let everybody turn around and see this representative of a great powerful country incapable of hearing a paragraph from a Nobel Peace Laureate.

Now, consider the advantage we have. We are politically and psychologically the more powerful of these two cultures. This would come with our asserting it once again.

I don't know what the dynamic is but it needs to be asserted. Right now you've got an elite which is rather behind the country.

If I have one fear for the future, it would be that a kind of a reaction on the right could be coming—the kind you used to talk about, Henry. And it would come with the left in no mood to do battle—as if they were ashamed of what they had done.

Dr. KISSINGER. I agree. I don't think you can attack the values of a middle-class society systematically without getting some reaction.

Mr. WATTENBERG. Let me come back to an earlier point. What should the President of the United States do? We've said that he's the man who's got to rally the country. But what should he actually do? Is it a public relations campaign?

Senator MOYNIHAN. Dr. Kissinger, as a distinguished member of the opposition, here is your chance.

Dr. KISSINGER. I was going to say he is your President. [Laughter.] I supported his opponent.

I think the President has to define the issues and stick with it—not just put forward some proposals and then let them drop like a stone in the water—and become an educator of the public.

Then he has to mobilize that part of elite opinion—or create a new elite—that can help him get the word around the country. Incidentally, all of this is "do-able."

I also believe that the success of this President is really quite important for the country. We haven't had a successful two-term administration since the 1950s.

Senator MOYNIHAN. Dwight Eisenhower.

Dr. KISSINGER. So that anyone who is younger than forty will probably not remember what it was like to have a more or less normal government.

But I think the President has to convey the impression that he is in command of events, not that he succeeds all the time, but that he seeks to dominate events.

For example, on the issue of Communism in Europe, I do not understand how an administration dedicated to human rights can say, as was said for a year, "We can work with any party. Of course, we prefer another one, but if they come to power, we can work with them."

We have to make agreements with the Soviets on a number of issues, but I think we also have to make clear to the public that we are facing a profound geopolitical and ideological challenge. This is especially true if there is a SALT agreement this year.

And if the President and his people do not do it, then it leads to confusion.

SENATOR MOYNIHAN. It leads to fear at home of an order that makes any finally concluded SALT agreement terribly difficult to get approved. We will have to assert ourselves if we're not going to be overwhelmed by fear.●

SOUTHWEST IOWA LEARNING RESOURCES CENTER

● Mr. CULVER. Mr. President, few things are as important to our future as the provision of a high quality education for our young people. And when the learning process is an enjoyable experience, its value increases. It is not surprising, then, that educators have special praise for programs that are both practi-

cal and imaginative, generating an eagerness to learn while imparting useful knowledge.

The Southwest Iowa Learning Resources Center (LRC), in Red Oak, Iowa, has developed several programs marked by these qualities since its start 11 years ago as a 3-year title III, Elementary and Secondary Education Act project. Though the original project was eventually phased out, the Learning Resources Center has continued to provide excellent media and curriculum service, not only to Red Oak, but throughout Iowa. It has also expanded its activities outside Iowa and has received recognition and commendation for its programs from HEW's Office of Education on a number of occasions.

"Project Discovery," developed in 1971 by the LRC, was recently selected by HEW as one of the country's top 200 education programs. "Project Discovery" is a career education program that offers students a chance to learn about the possible occupations open to them. Currently, 28 careers can be explored with the help of imaginative material packages that include the tools of each trade, readable instructions, cartoons showing how the job is done, films, notes for the instructor, and guidance and counseling materials. These learning aids focus on nonprofessional occupations which require short-term or on-the-job training, and the students may study several packages a year, giving them a chance to discover undeveloped talents and interests.

"Project Discovery" is still growing, with at least 50 more career packages being developed. It has been recognized for its excellence, not only because it is working so well in Red Oak, but also for its adaptability to many types of learning situations.

Another innovative program originated at the LRC is "Media Now," a comprehensive course on film, radio, TV, and other forms of mass audiovisual communication. The course is designed to involve students in all aspects of media production, beginning with the mechanics, and continuing with an increasing emphasis on the role mass media plays in our lives, and the impact it can have.

"Media Now," first developed in 1971, and now being used in more than 600 high schools and colleges across the country, was selected in 1973, from more than 2,000 title III projects, for the Educational Pacesetters Award presented by the President's National Advisory Council "in recognition of the project's success in areas relative to innovativeness and pupil achievement."

Mr. President, I am very proud of the quality of Iowa's educational system, and I am most pleased at the national recognition being given to the Southwest Iowa Learning Resources Center. The April edition of American Education magazine, published by the Department of Health, Education, and Welfare, included an article about "Media Now" and the success students are having with it. I request that the article be printed in the RECORD.

The article follows:

[From American Education, April 1978]

"MEDIA NOW"—AND FOREVER

(By Iris Carpenter)

Pioneers in the field of photography thought of their craft as "painting with the sun," considering the sunlight to be the paint, and the lens of the camera to be the canvas. With that brief introduction, Jay Fellows—tall, bespectacled, in his early thirties—holds a camera high so that the half dozen students standing before a classroom wallboard can see it. "This course," Fellows tells his students, "begins with study of the camera because it's a basic tool for most of today's mass media. Whether it's complicated enough to use on a spacecraft or so simple you could make it yourself for about a dollar, a camera has six major parts." Fellows identifies and describes the functions of the parts and asks the students to sketch them and note what each part does. He watches them start sketching before moving to another part of the big classroom.

Here a projector is set up and three students are awaiting instructions in threading and otherwise preparing the machine to throw a picture onto a small screen on the classroom wall. They have already studied the "how to" of this from illustrations and have drawn diagrams of the procedure in earlier lessons. Now, under their instructor's supervision, they are going to take turns in actually handling the machine. The operation proves easier for Edith and Patricia than for Kim. "My fingers are so big they kind of get in the way," he complains as he tries to thread the narrow film through the small channels. He succeeds after several attempts and then adjusts the knobs until the blur of light on the screen sharpens into a clear picture. He feels pretty proud of his accomplishment.

Four students gathered at one of the classroom windows next claim Fellows's attention. One holds an eight millimeter movie camera, and all four have an obvious urge to use it. Fellows takes the camera. "Let's run over what we did yesterday," he says. "Remember, don't walk while you're shooting or you'll get a blurred picture. If you're doing a moving sequence, *you* do the moving between shots—at least at this stage of the game. Take a shot, walk to your next shooting position and stand perfectly still while you take the shot."

The four—Jo, Julian, Jane, and Fred—pass the camera around and practice shots and camera angles for a few minutes. Then Fellows announces, "The sun looks O.K. for some outdoor work. Here's 50 feet of film. I want you to load the camera, take it outside, and produce a TV spot with a commercial message in 15 shots or less."

The four hurry out of the classroom making up a plot as they go. Outside they huddle while Fellows watches them through the classroom window. For their commercial spot the youngsters choose a message on the wisdom of using traveler's checks. Julian is held up and robbed by Jane, but he doesn't seem to be greatly perturbed over his misfortune. Then the reason for his coolness becomes clear as Jo waves a piece of paper representing the traveler's check that has saved Julian's money. Meanwhile Fred is busily filming the action.

Back in the classroom another group is working with a reel-to-reel tape recorder. One after another the students take turns using the microphone to record answers to such questions as Why are you taking this course? and How do you plan to use it? Adrienne takes the mike to tell the group that she plans to become a lawyer and feels the course will help her acquire poise and confidence in speaking with people. Darlene thinks that she would like to get into films or TV and wants to learn everything she can that will help her attain her goal. David aims to be a cameraman; John wants to produce movies or TV programs. Petite, vibrant Lisa has made up her mind to be a reporter. "I'm going to tell it like it is, and I need this course to help me," she says firmly.

Terry adjusts the recorder and the group listens as the playback begins. Fellows listens too. "Stop right there, Terry," he says, and then as the tape is backed up and rerun, he observes, "You were speaking too close to the mike, Adrienne. That makes your voice sound breathy. Let's do another take and this time hold the mike back a bit."

The young people engaged in these somewhat unusual classroom activities are students at McKinley High School in Washington, D.C., one of the first schools in the nation to adopt "Media Now," a course on film, radio, TV, and other forms of mass audiovisual communication. American children today spend an estimated 3,000 to 4,000 hours looking at television before they even enter kindergarten and at least 15,000 hours watching film and TV before they graduate from high school. Yet, for most of them, any study of media means nothing more than watching a movie or switching on radio or TV. It rarely occurs to them to think of the creativity, the work, and the know-how that go into making a good film or radio or TV show. Nor do they give much thought to the impact that these mass persuaders have on society. The course offered to these teenagers at McKinley, and to hundreds of other youngsters in equally forward-looking schools around the country, is programed to change this easy acceptance into critical, discerning, and more appreciative attitudes.

Toward this end Media Now is organized into seven units—Hardware, Production, Genre (types of productions), Evaluation, Message Interpretation, Aesthetics, and Presentation. Each unit has its own packages of instructional materials, there being 50 packages in all, of which 26 deal with handling the hardware and the technicalities of production. The remaining 24—especially those dealing with evaluation, message interpretation, and aesthetics—direct student attention to the effect that the mass media can have upon people's lives and the responsibility that communicators shoulder every time they use the media. Three manuals complement the 50 packages: an activity book for teachers and a learning activity book and an activity guide for students. The two student books suggest more than 620 tasks for students to perform as they work their way through the course.

All students taking Media Now begin their studies much like those at McKinley, by learning how to handle cameras and other media hardware. The Hardware unit contains ten learning packages. By the time students are finished with them, they are not only completely at home with cameras, projectors, and tape recorders, but they know how to develop, print, and enlarge film, edit and repair tape and film, properly light sets and subjects, and record programs or parts of programs from one electronic device to another. What's more, they are ready and eager to begin work on the unit marked Production.

The Production unit consists of 16 packages which take students all the way from idea concepts to audience presentation. In this part of the course the youngsters learn such practical factors as trying out camera angles and lens effects, and putting together a photo essay. They also cover the professional requirements for speaking and acting for film and radio. One entire package is concerned with film animation and its production. Throughout, individual creativity is encouraged and developed as students dis-

cover what a story-board is and how to use it an how to write a script and visualize it for production.

From the package on scriptwriting, students find to their surprise that all plots, when reduced to a simple phrase or sentence, fall into only three dozen broad categories. They memorize these and watch films and TV shows, trying to place each into its proper category or categories. Then from what they've learned, students try to write their own original scripts.

Almost half of the Media Now course is devoted to the study of the impact that the media have upon the masses. As students work on the packages concerned with evaluation, they are asked to read the reviews of some of the better known critics and make a list of the things—good as well as bad—that they comment on. They are also asked to write essays on a film or program given them in their study manuals and to consider questions like Does it show creativity? Does it cause you to do or feel anything? or Is it antisocial in theme?

In working on the Message Interpretation package, students come to realize as they classify and analyze that the media can be a powerfully persuasive force, that words and visuals can move people to do things or can shape their opinions. They learn how a story can be slanted into propaganda, how an advertisement can motivate a reader or listener to serve an advertiser's purpose.

After this kind of eye-opening, the students move on to the seven learning packages that make up the unit on Aesthetics, perhaps the most important of the 50 units constituting the course. Here they cover such hard-to-define areas as creativity, persistence of vision, why man creates, listening emotionally, seeing emotionally and developing mood to feel emotionally. Together, the seven packages give students insight into the aesthetic principles used in the production and evaluation of the media. More important, the packages give them some appreciation and understanding of all that is involved in using film, radio, TV, and other media to influence public taste and opinion.

Media Now was designed as a high school course for 10th, 11th, and 12th graders, and most teachers, like Jay Fellows, are using it in daily lessons over an entire school year. Others are using selected modules from the course and fitting them in with their classes in English, drama, and other relevant subjects. Some teachers, like Margaret Harris at Surattsville High School in Clinton, Maryland, fit the course into the format of a Media Club. Her students follow the normal course routine and meet in the school library after school hours to work on their assignment and do special projects. Harris and librarian Brenda Karnes work with them, spending from six to eight after-school hours a week. A project may be the filming of some of the Washington monuments lit up after dark, or possibly interviewing prominent people in the nation's capital. During the last semester the class won two prizes in the Prince George's County Film Festival—one for "The Eggside Story," an animated cartoon on segregation using eggs as characters, and one for a tape presentation on the loneliness of old people in a big city.

Media Now is being taught in more than 600 schools and colleges in 30 states and is piling up some impressive achievements. Outstanding among them is the work of students at Roberto Clemente High School in Chicago, one of the first schools to adopt the course. The man teaching it, John West, had six years of professional film experience before earning a master's degree in teaching and a second one in film and radio at Columbia University.

West's students were among the first, if not the first, to have their own radio show aired regularly on a commercial station. The show, "Clemente High: The Way We Are," highlights the activities, the problems, and the people of the school and the community; it is aired once a week on the public schools' Station WEBZ (FM).

In addition, two Clemente class productions won awards at the Chicago 1977 International Film Festival: "Some Day We'll All Be Free," a 21-minute color movie about a young inner-city Latino's struggle to make good, was awarded a silver plaque in a student competition that involved 137 other entrants; "Why Tower Fell," a drama on drug abuse, received a good plaque. Scripted and played by students and produced in and around the school, it documents the downfall, because of drug addiction, of young John Tower as it might happen to a teenager in any of our big cities. Both productions were telecast over Chicago Channels 2 and 11 and continue to be shown around the country.

Clemente class efforts in media production have been shown on more than a score of local and network stations and include the students' proudest achievement—their contribution to the Public Broadcasting Service network series, "As We See It." This series, produced last year and still running on PBS stations, consists of 26 programs relating to the experiences and problems of young people of mixed ethnic backgrounds. Nineteen groups of high school students participated in it and John West's group at Clemente was featured in five of the programs.

West has been teaching the Media Now course at Clemente for the past three years. "It has rewards like no other kind of teaching because the students are like no other kinds of students," he says. "You've got a bunch of kids who want to be special people, to use their individual creative specialties in writing, music, speaking, acting, and putting sound and wisdom together to communicate as individuals and as a team. So you hand them a camera, a microphone, recorders, and projectors and try to help them. If you're lucky enough to help some of them get it all together in a well-scripted, well-photographed, well-acted, well-produced film or program, it's a pretty good feeling. If the product is good enough to win a place in a public showcase—whether a movie screen or a broadcast channel—it's the most satisfying and ego-fulfilling credit that either instructor or student could hope for."

Media Now was first introduced into classrooms in Iowa with the vision of a media teacher and a grant under Title III of the Elementary and Secondary Education Act from the U.S. Office of Education. The teacher, Ron Curtis, who is now Director of Education at the Southwest Iowa Learning Resources Center in Red Oak, developed the course and is primarily responsible for its adoption in classrooms in other parts of the country. Prior to its widespread adoption, the course had been evaluated and tested in every type of school setting. Since receiving its OE grant in 1970, Media Now has been selected from more than 2,000 Title III projects for the Educational Pacesetters Award, presented by the President's National Advisory Council "in recognition of the project's success in areas relating to innovativeness and pupil achievement."

Currently, Media Now has its own awareness and dissemination network, headquartered at the Southwest Iowa Learning Resources Center, a nonprofit educational corporation. From the center, four regional coordinators supervise 36 demonstration schools throughout the country and work with national, state, and local groups in promotion, training, and other activities. The project is also listed with the National Diffusion Network, Division of Educational Replication, U.S. Office of Education.

Those working with the program acknowledge that there is nothing unusual about the study of mass media. But Media Now is new and different, they say, because it gives students the opportunity to learn the "how-to's" of media production while at the same time it challenges them to think about the potential impact of media products upon society—all in one systematically organized and packaged course.

Some of the first students who went through the course are already putting their classroom experiences to professional use. Aldo Gandia, writer-director of Clemente's award-winning "Some Day We'll All Be Free," is working in the audiovisual production department of Standard Oil. Martha Hidalgo, a star of the same film, is with Radio/TV Station WGN in Chicago. Eleven other graduates from Clemente are contributing scriptwriting, announcing, or some other talent to TV Station WTTW in Chicago.

Not all the young people studying the course, however, will make a career in the media field. A good many find that their interest in the media is well enough served as they become more discriminating and appreciative members of an audience.

That, course developer Ron Curtis feels, is as it should be. "The course is designed," he says, "as much for the development of discriminating audiences as it is for the making of successful producers. One of the basic skills for doing a good job of living is communication, which means receiving as well as giving information. This is an age of audiovisual bombardment and it's time we thought more seriously about what all this film, TV, and sound exposure can do to us and how we can learn to use it to the best advantage. Not all the students who take Media Now will or should become communicators. Many of them—perhaps the majority—will be on the receiving end. But all of them will share responsibility for what is communicated and for the impact that media communication can have upon our society."

Curtis sees the course helping stimulate wider appreciation of this sobering responsibility. He sees it stirring communicators to give their very best to today's and tomorrow's awesome mass-persuasion media. At the other end of the tube, he sees it stirring audiences to accept nothing less than productions of quality and taste.●

ACLU SPONSORS FREE SPEECH CONVOCATION

● Mr. MATHIAS. Mr. President, every Member of this body would agree, I am sure, that protection of the free speech guarantees of the first amendment is fundamental to our free society. The decisions which affect the lives of citizens in a democracy should not be made without the widest exposure of information, ideas, and opinions on every side of the issue.

We should never forget or minimize the value of the first amendment in assuring to each individual the right of personal expression. There are, fortunately, many people and many institutions in our country dedicated to seeing that we do not forget this constitutional guarantee to free speech, no matter how difficult, sensitive, or controversial an issue may be. One such organization is the American Civil Liberties Union, which for 58 years has worked in the courts and legislatures of the Nation and before the bar of public opinion to remind us of our historical commitment to free speech.

Today is a time of special importance to our first amendment freedoms. Old issues persist concerning the contours of free expression and new ones arise.

For this reason, I welcome the National Free Speech Convocation the ACLU has organized to take place in New York City on June 13 at the Hilton Hotel. Ninety-three distinguished Americans will gather in 15 panels to discuss the meaning of the first amendment in today's complex world. These people represent a wide diversity of opinion about the exercise of first amendment rights.

The distinguished cochairs of this important event are Morris Abram, honorary president of the American Jewish Committee; John Cowles, Jr., industrialist and publisher of the Minneapolis Star and Tribune; Winthrop Knowlton, president of Harper & Row, publishers; Eleanor Holmes Norton, Chair of the U.S. Equal Employment Opportunity Commission; and Arthur Ochs Sulzberger, publisher of the New York Times.

I would like to call to the attention of my colleagues the many important topics to be discussed at this convocation and to list the panelists in order to demonstrate how serious an examination of the most precious right we possess—the right to express ourselves freely—will be conducted.

I am also pleased to note that at the concluding dinner of the National Convocation on Free Speech, two distinguished Members of this body, the senior Senator from New York, Mr. JAVITS, and the senior Senator from Massachusetts, Mr. KENNEDY, will speak. They will be joined by Congresswoman ELIZABETH HOLTZMAN, the prominent psychologist Kenneth Clark, and the founder of the American Civil Liberties Union, Roger Baldwin. Mr. Baldwin, who is now 94 years old and still active in the pursuit of civil liberties, will be given an award for distinguished service by the ACLU's chairman, Prof. Norman Dorsen of New York University School of Law. I submit the panels and their participants at the Convocation on Free Speech for the RECORD as follows:

PANEL I—CENSORSHIP AND OBSCENITY

Susan Brownmiller, Author.

Herald Price Fahringer, General Counsel, First Amendment Lawyer's Association.

Irving Garvin, Vice President, Morality in Media.

Susan Jacoby, Freelance Writer.

Rev. Howard Moody, Senior Minister, Judson Memorial Chruch.

Ken Norwick, Partner, Norwick, Raggio, Jaffe & Kayser.

Larry E. Parrish, Attorney.

PANEL II—VIOLENCE IN THE MEDIA

Carlton B. Goodlet, President, New Publishers Association, Black Press of America.

Franklin Haiman, Professor of Communication Studies & Urban Affairs Northwestern University.

Dr. Edward A. Lawrence, Executive Director, North Shore Unitarian Veatch Program.

Frank Mankiewicz, President, National Public Radio.

Rev. Everett C. Parker, Director, Office of Communications United Church of Christ.

Steven Scheuer, Editor and Publisher, "TV Key."

Alfred R. Schneider, Vice President, American Broadcasting Company, Inc.

PANEL III—FREE SPEECH AND MONEY IN ELECTIONS

Herbert E. Alexander, Director, Citizen's Research Foundation.

Frances T. Farenthold, President, Wells College.

Eugene McCarthy, Former Senator, Minnesota.

Stewart R. Mott, Philanthropist & Political Activist.

Max Ralevsky, Industrialist.

Maurice Stans, Business Consultant, Former Secretary of Commerce.

Philip M. Stern, President, Stern Fund.

PANEL IV—FREE SPEECH IN GOVERNMENT EMPLOYMENT

Ralph Brown, Professor Yale Law School.

A. Ernest Fitzgerald, Industrial Engineer presently employed by the federal government.

Victor Gotbaum, Executive Director, American Federation of State, County and Municipal Workers.

Simon Lazarus, Associate Director, Domestic policy, White House Staff.

John Lindsay, Attorney, Webster & Sheffield.

Jean O'Leary, Co-Executive Director National Gay Task Force.

Ralph J. Temple, Legal Director, ACLU of the National Capital Area.

PANEL V—FREE SPEECH FOR RACISTS AND TOTALITARIANS

Morris Abram, Partner, Paul Weiss, Rifkind, Wharton and Garrison Honorary President, American Jewish Committee.

Hadley Arkes, Professor of Political Science, Amherst College.

David Goldberger, Legal Director, Illinois Division, ACLU.

William Kunstler, Center for Constiutional Rights.

Aryeh Neier, Executive Director, ACLU.

Roger Wilkins, Urban Affairs Columnist for the New York Times.

PANEL VI—FREE PRESS AND FAIR TRIAL

Alan Dershowitz, Professor, Harvard Law School.

John McAvoy, Partner, White & Case.

Burt Neuborne, Professor, New York University Law School of Law.

John L. Siegenthaler, Publisher, The Tennessean.

Nina Totenberg, Legal Affairs Correspondent National Public Radio.

PANEL VII—FREE SPEECH IN THE CORPORATION

James C. Calaway President, Southwest Minerals, Inc.

David Ewing, Executive Editor, Planning, Harvard Business Review.

Ira Glasser, Director, New York Civil Liberties Union.

Bertrand E. Pogrebin, Partner, Rains, Pogrebin & Scher.

Studs Terkel, Author and Playwright.

PANEL VIII—FREE SPEECH AND PRIVACY

Floyd Abrams, Attorney, Cahill Gordon & Reindel.

James Godale, Executive Vice President and Counsel, New York Times.

Jack Nelson, Washington Bureau Chief, Los Angeles Times.

Harriet F. Pilpel, Lawyer, 1st Vice Chairperson National Advisory Council ACLU.

John Shattuck, Director, ACLU Washington Office.

Dr. Alan F. Westin, Professor of Public Law and Government, Columbia University.

PANEL IX—SHOULD COMMERCIAL SPEECH BE FREE?

Hope Eastman, Partner, Charles Morgan Jr. Associates, Chartered.

Monroe Freedman, Professor of Law, Hofstra Law School.

Mark Green, Director, Public Citizens' Congress Watch.

Rhoda Karpatkin, Executive Director, Consumers Union of the U.S. Inc.

Theodore I. Koskoff, President, Roscoe Pound American Trial Lawyers' Foundation.

PANEL X—FREE SPEECH AND LIBEL

Heather Florence, Vice President and General Counsel, Bantam Books.

David Gershenson, President, David Gershenson & Associates.

Elmer Gertz, Professor, John Marshall Law School.

Nat Hentoff, Author, Staff Writer for the Village Voice and The New Yorker.

Burton Joseph, Partner, Lipnick, Barsy and Joseph.

Victor Kovner, Partner, Lankenau, Kovner and Bickford.

Ephraim London, Practicing Attorney, London & Buttenweiser.

PANEL XI—FREEDOM TO TEACH AND LEARN

Blanche Blank, Vice President, Yeshiva University.

Fred Hechinger, President, New York Times Company Foundation.

Alan Levine, Partner, Clark, Wulf & Levine.

William McGill, President, Columbia University.

Peter O. Steiner, Professor of Economics and Law, University of Michigan.

PANEL XII—FREEDOM IN BROADCASTING

Lester Brown, Television Correspondent, New York Times.

Norman Lear.

Benno C. Schmidt, Jr., Professor of Law, Columbia University.

Daniel Schorr, Syndicated Columnist, Des Moines Register & Tribune Syndicate.

Mike Wallace, Correspondent.

Margita E. White, Commissioner, Federal Communications Commission.

PANEL XIII—FREE SPEECH AND NATIONAL SECURITY

Morris Abram, Partner, Paul, Weiss, Rifkind, Wharton & Garrison, Honorary President, American Jewish Committee.

Bella Abzug, Attorney, Former Congresswoman, New York.

William E. Colby, Partner, Colby, Miller and Hanes.

Thomas Emerson, Lines Professor Emeritus, Yale Law School.

Morton Halperin, Director, Center for National Security Studies.

Victor Marchetti, Writer, Lecturer.

Sven F. Kraemer, Program Director, Washington Office, National Strategy Information Office.

PANEL XIV—FREE SPEECH FOR CHILDREN

Irving Anker, Chancellor, New York City Board of Education.

Nancy L. Buc, Attorney, Weil, Gotshal and Manges.

Peggy Charren, President, Action for Children's Television.

Albert H. Kramer, Director, Bureau of Consumer Protection, Federal Trade Commission.

Judith F. Krug, Director, Office for Intellectual Freedom American Library Association.

PANEL XV—FREE SPEECH IN OTHER COUNTRIES

Reza Barzehine, Iranian.

Robert Bernwtein, Chairman, Random House (U.S.A.).

Rene Cruz, National Coalition, Anti-Martial Law Coalition (Philippines).

Martin Garbus, Attorney, Teacher, Author (U.S.A.).

Dumisani S. Kumalo, Journalist, Writer (South Africa).

Tugen Loebel, Professor Economics and Political Science, Vassar, Author, Lecturer (Czech).

Tip Surinyachard, Thailand.

Valentin Turchin, Russian.●

SENATE COMMITTEE ON AGING HEARING ON MEDIGAP POLICIES

● Mr. CHURCH. Mr. President, the Committee on Aging conducted a hearing on May 16 concerning older Americans who may be purchasing more private health insurance protection than actually needed to supplement the gaps in medicare coverage

Senator LAWTON CHILES chaired these hearings. Witnesses raised several fundamental questions about so-called medigap insurance. Some witnesses suggested that older Americans purchase policies of questionable value, multiple coverage in excess of probable need, and policies offering benefits inappropriate for their needs.

There also appears to be considerable confusion about what medicare will and will not cover. I am pleased, though, to learn that the Medicare Bureau of the Health Care Financing Administration has begun a unique pilot program to assist older Americans with problems they may encounter under medicare. Nelson Cruikshank, the President's Counselor on Aging, and Leonard Woodcock, the former president of the United Auto Workers, were instrumental in advancing this idea.

Objectives include: First, helping the beneficiary cope with the numerous Government forms and assisting them in obtaining answers; second, assisting the beneficiary in understanding what medicare pays for; and third, alerting the Medicare Bureau about problems that beneficiaries are encountering under medicare.

These services are provided by senior volunteers and senior aides who are compensated for their services under the Older American Community Service Employment Act.

When a medicare beneficiary is admitted to the hospital, he is informed that the hospital is participating in the medicare technician program. If the beneficiary has not already contacted the technician, he or she will visit the beneficiary and provide assistance in obtaining answers to his problems.

I am optimistic about the outcome of these projects and hope that we can take appropriate steps to improve the delivery of medicare benefits. These actions, it seems to me, will assist the elderly and disabled in coping with and understanding medicare policies and procedures.●

INTERNATIONAL ENVIRONMENTAL IMPACTS: IS THE WORLD MARCHING INTO CATASTROPHES?

● Mr. PERCY. Mr. President, today I wish to announce my support for Senate Resolution 49. This resolution, introduced by my distinguished colleague Senator PELL, expresses the sense of the Senate that the U.S. Government should seek a multilateral treaty requiring the preparation of an international environmental assessment for any major project that may have an adverse effect on the environment of another nation or global commons area.

Hearings were recently held on the revised resolution in the Senate Subcommittee on Arms Control, Oceans and International Environment of which I am ranking minority member. All of the witnesses who testified supported this revised version. Thomas B. Stoel, Jr., on behalf of the Natural Resource Defense Council, testified that Senate Resolution 49 "urges action to combat one of the greatest problems facing mankind: Environmental degradation around the globe which threatens human well-being."

I see this legislation as part of the foundation of a larger global commitment to environmental quality. As one of the largest developed Nations in the world, the United States must establish itself in the forefront of the protection of the environment. Our lack of foresight in the past, has resulted in considable environmental damage both within our borders and without.

We cannot stop adverse environmental consequences of an activity unless we understand that activity. An environmental impact assessment is designed to do just this, approaching international activities with environmental foresight.

This resolution is not a new idea. It is merely a mechanism for an already established international mandate. Senate Resolution 49, if adopted as a treaty, would implement principle 21 of the Stockholm Declaration of Environmental Principles which provides that nations "have the responsibility to insure that activities within their jurisdiction or control do not cause damage to the environment of other states or areas beyond the limits of national jurisdiction." This principle is widely accepted, but has not had a formal mechanism for insuring action on its intent. This proposed treaty is the logical step forward in stimulating concern and action by many peoples and nations.

The United States has seen within its borders and beyond the environmental impacts of well-intended programs that have had extremely dangerous effects on the environment and human health.

In Ryukyu Islands following World War II, United States programs designed to improve sanitary and dietary standards in the schools inadvertently led to the spread of trachoma. This eye disease, left untreated, can lead to blindness.

In Egypt, the Aswan High Dam financed by the Soviet Union has increased the incidence of a blood disease caused by a water parasite from 5 percent to 65 percent among farmers living on the Nile.

In Mexico, a U.S.-supported herbicidal spraying program for the eradication of marihuana may cause serious health risks to millions of American citizens. Tons of this paraquat-contaminated marihuana are entering this country and tests indicate that it can cause irreparable lung damage for users.

Currently the United States allows the exportation of many products that are banned within our country, including tris-treated sleepwear for children, and various pesticides that have been deemed too harmful for domestic use.

On a global scale, the burning of fossil fuels may create a serious buildup of carbon dioxide in the atmosphere. This accumulation may cause the Earth to heat up and eventually melt the polar caps creating serious and widespread destruction.

These examples of past and impending environmental disasters serve to point out the immediate necessity to make all nations more aware of the transnational environmental impacts of their activities. This proposed treaty would supply a convenient and useful mechanism for insuring that this awareness is translated into action.

The U.S. Environmental Protection Agency was established in 1970 and was the first national agency designed for that purpose. Since 1970, almost 100 countries have formed some kind of national environmental protection machinery. Many of these countries look to the United States as a model.

The human prospect is very dark unless environmental protection extends beyond national boundaries. Senate Resolution 49 calls for greater international cooperation, and increased national responsibility. It is a call that has long been needed. The current negligence on the part of this country and other nations in assessing the environmental impacts of activities around the globe only insures an international march to environmental catastrophes. Senate Resolution 49 should help the world break this stride.●

PUBLIC OVERWHELMINGLY SUPPORTS USE OF PARAPROFESSIONALS IN HEALTH CARE

● Mr. GLENN. Mr. President, on May 26, 1978 I introduced S. 3160, the "Urban and Rural Paramedical Act of 1978," to expand the Federal Government's efforts to train paramedics, to utilize the skills of veterans with paramedical training, and to target these programs to rural and inner-city areas which are medically underserved. By giving priority in selection of trainees to residents, it will help alleviate unemployment in these areas.

At a briefing yesterday, opinion researcher Louis Harris gave the results of the National Opinion Research Survey on Hospital Care in America, which was developed by two Yale University professors and conducted by Louis Harris Associates. More than 1,700 in-person interviews, lasting an average of 90 minutes, were conducted with consumers, physicians, Members of Congress, hospital administrators and trustees, and health insurance executives.

According to Mr. Harris, one of the most surprising results of the survey is that large majorities of all groups, including doctors, would favor increased use of paramedics. At this point in the RECORD I would like to submit the results of the survey on attitudes toward the use of paraprofessionals.

The survey follows:

HOSPITAL CARE IN AMERICA

VII–10. ATTITUDES TOWARD THE USE OF PARAPROFESSIONALS

Over the last few years hospitals have increasingly employed paraprofessionals or paramedics to run various machines and give injections, replacing doctors who used to perform these tasks. Because they are paid substantially less than doctors, this results in a significant savings.

A wider extension of this practice and the use of many more paramedics and doctors' assistants would appear to be possible, it would arouse opposition from only a very small minority.

TABLE 55.—*Attitudes toward paramedics*

Q. P–52/L–45: One suggestion for cutting hospital costs would be to employ more paraprofessionals or paramedics, trained to do some things doctors now do, for example, to run various machines and give injections. Do you think this could be done in hospitals serving this neighborhood without damaging the quality of health care or not?

[In percent]

	Total public	Patient within last year	Leaders: Congress	Doctors	Health insurance executives	Hospital trustees	Hospital administrators
Sample size	(1,503)	(242)	(61)	(105)	(29)	(62)	(26)
Yes; could be done	85	82	98	74	97	84	73
No; could not be done	8	9	----	24	3	11	27
Not sure	7	9	2	2	----	5	----

Q. P–33/46: Would you have any objection to a properly trained doctor's assistant or paramedic giving you an injection or operating a hospital machine for you, instead of a doctor?

[In percent]

	Total public	Patient within last year	Leaders: Congress	Doctors	Health insurance executives	Hospital trustees	Hospital administrators
Sample size	(1,503)	(242)	(61)	(105)	(29)	(62)	(26)
Would have objection	13	17	3	16	----	6	19
Would not have objection	82	77	97	82	100	92	77
Not sure	5	6	----	2	----	2	4

Leaders Only:
Q. L–47: Do you think most people would, or would not, have any objection if a properly trained doctor's assistant or paramedic gave them injections or operated machines for them, instead of a doctor?

[In percent]

	Congress	Doctors	Health insurance executives	Hospital trustees	Hospital Administrators
Sample size	(60)	(105)	(29)	(62)	(26)
Would have objection	8	15	10	8	12
Would not have objection	90	81	90	90	88
Not sure	2	4	----	2	----

PRESIDENT CARTER ADDRESSES 1978 GRADUATING CLASS OF THE U.S. NAVAL ACADEMY

● Mr. MATHIAS. Mr. President, the State of Maryland was honored today by a visit from the President of the United States who addressed the graduating class at the Naval Academy in Annapolis. The President received a warm welcome as the first graduate of the Academy to become Commander in Chief. It was a pleasure for me to accompany the President and Mrs. Carter on the trip to Annapolis and to attend the graduation ceremonies as a member of the board of visitors.

The President's speech was a message not only for the midshipmen, but also for the Nation and the world. Members of the Senate will want to be advised of the President's statement delivered at Annapolis this morning.

I ask, therefore, to print in the RECORD the text of the President's address to the 1978 graduating class of the U.S. Naval Academy.

The text of the address follows:

TEXT OF THE PRESIDENT'S ADDRESS TO THE 1978 GRADUATING CLASS OF THE U.S. NAVAL ACADEMY

I congratulate you members of the Class of '78. Although your education has just begun, you have laid the foundation for a career that can be as rewarding and challenging as any in the world.

As officers in the modern Navy, you will be actors in a worldwide political and military drama. You will be called upon not only to master the technicalities of military science and leadership, but also to have a sensitive understanding of the international community in which the Navy operates.

Today I would like to discuss one of the most important aspects of that international context—the relationship between the world's two greatest powers, the United States and the Soviet Union.

We must realize that, for a very long time, our relationship with the Soviet Union will be competitive. If that competition is to be constructive instead of dangerous and potentially disastrous, then our relationship must be cooperative as well.

We must avoid excessive swings in our public mood—from euphoria when things are going well, to despair when they are not; from an exaggerated sense of compatibility to open expressions of hostility.

Detente between our two countries is central to world peace. It is important for the world, for the American public, and for you as future leaders of the Navy to understand its complex and sensitive nature.

The word "detente" is simplictically defined as "an easing of tension between nations." The word is, in practice, further defined by experience as those nations evolve new means by which they can live together in peace.

To be stable, to be supported by the American people, and to be a basis for widening the scope of cooperation, detente must be broadly defined and truly reciprocal. Both nations must exercise restraint in troubled areas and in turbulent times. Both must honor meticulously those agreements which have already been reached to widen cooperation, mutually limit nuclear arms production, permit the free movement of people and the expression of ideas, and to protect human rights.

Neither of us should entertain the notion that military supremacy can be attained, or that any transient military advantage can be politically exploited.

Our principal goal is to help shape a world which is more responsive to the desire of people everywhere for economic well-being, social justice, political self-determination, and basic human rights.

We seek a world of peace. But such a world must accommodate diversity—social, political and ideological. Only then can there be genuine cooperation among many nations and cultures.

We desire to dominate no one. We will continue to widen our cooperation with the positive new forces in the world.

We want to increase our collaboration with the Soviet Union, but also with the emerging nations, with the countries in Eastern Europe, and with the People's Republic of China. We are particularly dedicated to genuine self-determination and majority rule in those parts of the world where these goals are yet to be attained.

Our long-term objective must be to convince the Soviet Union of the advantages of cooperation and of the costs of disruptive behavior.

We remember that the United States and the Soviet Union were allies in the Second World War. One of the great historical accomplishments of the U.S. Navy was to guide and protect the tremendous shipments of armaments and supplies from our country to Murmansk and other Soviet ports in support of our joint effort to meet the Nazi threat.

In the agony of that massive conflict, 20 million people in the Soviet Union died. Millions more still recall the horror and the hunger of that time.

I am convinced that the people of the Soviet Union want peace. I cannot believe they could want war.

●

Through the years our nation has sought accommodation with the Soviet Union as demonstrated by the Austrian Peace Treaty, the Quadripartite Agreement in Berlin, the termination of nuclear testing in the atmosphere, joint scientific explorations in space, trade agreements, the Anti-Ballistic Missile Treaty, and Interim Agreement on Strategic Offensive Armaments and the limited test ban agreement.

Efforts continue now with negotiations toward a SALT II agreement, a comprehensive test ban, reductions in conventional arms transfers to other countries, the prohibition of attacks on satellites, an agreement to stabilize the level of forces deployed in the Indian Ocean, and increased trade, scientific and cultural exchange.

We must be willing to explore such avenues of cooperation despite the basic issues which divide us. The risks of nuclear war alone propel us in this direction.

The numbers and destructive potential of nuclear weapons have been increasing at an alarming rate. That is why a SALT agreement which enhances the security of both nations is of fundamental importance.

We and the Soviet Union are negotiating in good faith because we both know that failure would precipitate a resumption of a massive nuclear arms race. I am glad to report that the prospects for a SALT II agreement are good.

Beyond this, improved trade and technological and cultural exchange are among the immediate benefits of cooperation.

However, these efforts to cooperate do not erase the significant differences between us.

What are these differences?

To the Soviet Union, detente seems to mean a continuing aggressive struggle for political advantage and increased influence in a variety of ways.

The Soviet Union apparently sees military power and military assistance as the best means of expanding their influence abroad.

Obviously, areas of instability provide a tempting target for their effort, and all too often they seem ready to exploit any such opportunity.

As became apparent in Korea, Angola and Ethiopia, they prefer to use proxy forces to achieve their purposes.

To other nations the Soviet military buildup appears to be excessive—far beyond any legitimate requirement for defense of themselves or their allies. For more than 15 years they have maintained this program of military growth, investing almost 15 percent of their gross national product in armaments, and this sustained effort continues.

The abuse of basic human rights in their own country in violation of the agreement reached at Helsinki has earned them the condemnation of people everywhere who love freedom. By their actions they have demonstrated that the Soviet system cannot tolerate freely expressed ideas, notions of loyal opposition, and the free movement of peoples.

The Soviet Union attempts to export a totalitarian and repressive form of government, resulting in a closed society.

These characteristics and goals themselves create problems for the Soviet Union.

Outside their tightly controlled bloc, the Soviets have difficult political relations with other nations. Their cultural bonds with others are few and frayed.

Their form of government is becoming increasingly unattractive to other nations, so that even Marxist-Leninist groups no longer look on the Soviet Union as a model to be imitated.

Many countries are becoming concerned that the non-aligned movement is being subverted by Cuba, which is obviously closely aligned with and dependent upon the Soviet Union for economic sustenance and for political and military guidance and direction.

Although the Soviet Union has the second largest economic system in the world, its growth is slowing greatly, and its standard of living does not compare favorably with that of other nations at an equivalent stage of development.

Agricultural production still remains a serious problem for the Soviet Union, so that in times of average or adverse crop-growing conditions they must turn to us or to other nations for food supplies.

We are in a much more favorable position. Our industrial base and productivity are unmatched; our scientific and technological capability is superior to all others; our alliances with other free nations are strong and growing stronger; and our military capability is second to none. We are surrounded by friendly neighbors and wide seas. Our societal structure is stable and cohesive, and our foreign policy enjoys bi-partisan public support which gives it continuity.

We are also strong because of what we stand for as a nation: the realistic chance for every person to build a better life; protection by law and custom from arbitrary exercise of government power; the right of every individual to speak out, to participate fully in government—to share political power.

Our philosophy is based on personal freedom, the most powerful of all ideas, and our democratic way of life warrants admiration and emulation by other people.

Our work for human rights makes us part of an international tide, growing in force. We are strengthened by being a part of it.

Our growing economic strength is also a major potential influence for the benefit of others. Our gross national product exceeds that of all nine countries in the European Economic Community, and is more than twice as great as that of the Soviet Union. Additionally, we are now learning how to use our resources more wisely, creating a new harmony between our people and our environment.

Our analysis of American military strength also furnishes a basis for confidence.

We know that neither the United States nor the Soviet Union can launch a nuclear assault on the other without suffering a devastating counterattack which could destroy the aggressor.

Although the Soviet Union has more missile launchers, greater throw-weight and more air defense; the United States has more warheads, generally greater accuracy, more heavy bombers, a more balanced nuclear force, better missile submarines and superior anti-submarine warfare capability.

A successful SALT II agreement will leave both nations with equal but lower ceilings on missile launchers and missiles with multiple warheads. We envision in SALT III an even greater mutual reduction in nuclear weapons.

With essential nuclear equivalence, relative conventional force strength has now become more important. The fact is that the military capability of the United States and our Allies is adequate to meet any foreseeable threat.

It is possible that each side tends to exaggerate the relative military capability of the other. Accurate analyses are important as a basis for making decisions for the future.

False or excessive estimates of Soviet strength or of American weakness contributes to the effectiveness of Soviet propaganda efforts.

For example, recent alarming news reports of military budget proposals for the U.S. Navy ignored the fact that we have the highest defense budget in history and that the largest portion of this will go to the Navy.

You men are joining a long tradition of superior leadership, seamanship, tactics and ship design. I am confident that the U.S. Navy has no peer on the seas today and that you will keep it so.

Let there be no doubt about our present and future strength. This brief assessment shows that we need not be overly concerned about our ability to compete and to compete successfully. There is certainly no cause for alarm. The healthy self-criticism and free debate which are essential in a democracy should never be confused with weakness, despair or lack of purpose.

What are the principle elements of American policy toward the Soviet Union.

We will continue to maintain equivalent nuclear strength because we believe that, in the absence of worldwide nuclear disarmament, such equivalency in the least threatening, most stable situation for the world.

We will maintain a prudent and sustained level of military spending, keyed to a stronger NATO, more mobile forces and an undiminished presence in the Pacific. We and our Allies must and will be able to meet any foreseeable challenge to our security from strategic nuclear forces or from conventional forces. America has the capability to honor this commitment without excessive sacrifice by the people of our country, and that commitment to military strength will be honored.

Looking beyond our alliances, we will support worldwide and regional organizations dedicated to enhancing international harmony, such as the United Nations, Organization of American States, and the Organization for African Unity.

In Africa we and our African friends want to see a continent that is free of the dominance of outside powers, free of the bitterness of racial injustice, free of conflict, and free of the burdens of poverty, hunger and disease. We are convinced that the best way to work toward these objectives is through affirmative policies that recognize African realities and aspirations.

The persistent and increasing military involvement of the Soviet Union and Cuba in Africa could deny this vision. We are deeply concerned about this threat to regional peace and to the autonomy of countries within which these foreign troops seem permanently to be stationed. This is why I have spoken up on this subject. This is why I and the American people will support African efforts to contain such intrusion, as we have done recently in Zaire.

I urge again that all other powers join us in emphasizing works of peace rather than weapons of war in their assistance to Africa. Let the Soviet Union join us in seeking a peaceful and speedy transition to majority rule in Rhodesia and Namibia. Let us see efforts to resolve peacefully the conflicts in Eritrea and Angola. Let us all work—not to divide and seek domination in Africa—but to help those nations fulfill their great potential.

We will seek peace, better communication and understanding, cultural and scientific exchange, and increased trade with the Soviet Union and other nations.

We will attempt to prevent the proliferation of nuclear weapons among nations not now having this capability.

We will continue to negotiate constructively and persistently for a fair Strategic Arms Limitation agreement. We know that there are no ideological victories to be won by the use of nuclear weapons. We have no desire to link this negotiation with other competitive relationships nor to impose other special conditions on the process. In a democratic society, however, where public opinion is an integral factor in the shaping and implementation of foreign policy, we recognize that tensions, sharp disputes, or threats to peace will complicate the quest for an agreement. This is not a matter of our preference but a recognition of fact.

The Soviet Union can choose either confrontation or cooperation. The United States is adequately prepared to meet either choice.

We would prefer cooperation through a detente that increasingly involves similar restraint for both sides, similar readiness to resolve disputes by negotiation and not violence, similar willingness to compete peacefully and not militarily. Anything less than that is likely to undermine detente, and this is why I hope that no one will underestimate the concerns which I have expressed today.

A competition without restraint and without shared rules will escalate into graver tensions, and our relationship as a whole will suffer. I do not wish this to happen—I do not believe Mr. Brezhnev desires it either—and this is why it is time for us to speak frankly and to face the problem squarely.

By a combination of adequate American strength, of quiet self-restraint in the use of it, of a refusal to believe in the inevitability of war, and of a patient and persistent development of more peaceful alternatives, we hope eventually to lead international society into a more stable and hopeful future.

You and I leave here today to do our common duty—protecting our Nation's vital interests by peaceful means if possible, by resolute action if necessary.

We go forth sobered by those responsibilities, but confident in our strength. We go forth knowing that our Nation's goals—peace, security, liberty for ourselves and others—will utilimately prevail.

To attain those goals, our Nation will require exactly those qualities of courage, self-sacrifice, idealism and self-discipline, which you as Midshipmen have learned so well. That is why your Nation expects so much of you, and why you have so much to give.

I leave you with my congratulations, and with a prayer that both you and I will prove worthy of the task that is before us and the Nation we have sworn to serve.●

INVESTIGATION OF THE GENERAL SERVICES ADMINISTRATION'S PROCUREMENT ACTIVITIES

● Mr. CHILES. Mr. President, I wish to advise the Senate and the public that I have scheduled hearings on June 22 and 23 in room 3302, Dirksen Senate Office Building, to address the problems involved in the current series of scandals which are plaguing the General Services Administration.

As I reported to you last month, it appears that a considerable number of GSA employees have either been corrupted by Government contractors, or have insisted on being corrupted by them, to the tune of millions of dollars and the apparent criminal involvement of scores of Federal employees and contractors.

Mr. Jay Solomon, the GSA Administrator, has recently appointed Mr. Vincent Alto, a former assistant U.S. attorney, who has eminently respectable credentials as a criminal prosecutor, to serve as his special counsel and as a de facto inspector general. It appears that both he and the U.S. attorneys involved in these cases are making satisfactory efforts to identify and punish the crooked contractors and Government employees involved.

Therefore, I consider it only fair, and certainly appropriate, that Mr. Solomon and Mr. Alto and other GSA officials have an opportunity to make a public statement of the firmness of their intent, give us a general outline of the kinds of problems they are facing, discuss how they intend to go about solving them, and give preliminary notice of what institutional reforms they are going to make to assure that this does not happen again.

I think it is necessary to assure the public that this time the guilty are going to be caught, and this time GSA is going to be cleaned up. The public needs to see that responsible men and women are making vigorous and responsible efforts. There is a climate of distrust and dislike for Government these days. The kind of scandals we see here does nothing to ameliorate that image. So it is particularly important that the public is reassured that there are good people working hard to punish the wrongdoers. All 40,000 GSA employees should not be tarred with the same brush because some dozens of their colleagues are common thieves.

I would also like to use these hearings to get an approximate date as to when GSA can report back to the Senate and the public about what measures have been taken, and what success they have had not only in catching crooks, but in curing what appears to be a widespread attitude within the agency of "our job is to provide services. Who cares what it costs? If we waste a little, if some people steal a little, well, it's not our money anyway."

Well, it is their money. They are taxpayers too. And it is not a little, it is a lot. I am particularly disturbed by recent press reports that, once again, GSA has fallen victim to the end of the fiscal year "get the money out the door" syndrome. Since I am also chairman of GSA's Appropriations Subcommittee, I intend to address that topic as well. It is not going to do us much good if we stop the stealing, and then lose more money through carelessness, inefficiency, and waste.

I think we need to move quickly on all of these matters, in order that we can use the lessons learned from the embarrassment of today to insure against any further disasters tomorrow.●

PRODUCTIVITY: THE KEY TO A GROWING U.S. ECONOMY

● Mr. PERCY. Mr. President, last March the Comptroller General, Elmer B. Staats, spoke before a joint meeting of the Society of Manufacturing Engineers and the American Society for Metals. The topic of his address was productivity and its essential role in the health of our economy.

Productivity is often described as a concept everyone supports but no one understands. Yet it goes to the very heart of our present difficulties with domestic inflation and marketing overseas. Productivity growth is the lowest in the United States when compared with other major industrial countries. West Germany's, for example, is nearly three times the rate of our productivity growth. Even Italy and Great Britain outpace us.

The Federal Government has not done its part to encourage productivity and the investment that nurtures it. At times, Federal policies have actually undermined U.S. productivity. Brookings economist Edward Denison even attributes our decline in productivity to Government regulation and was recently quoted in Business Week as saying:

You can optimistically say that productivity is now growing at 2 per cent a year. That means we have lost fully one-third of our productivity growth, and productivity is the only source of an expanding economic pie from which competing social claims can be satisfied.

There is a great deal the Federal Government can do to reverse this trend, the greatest being to provide badly needed incentives for investment. Mr. Staats points out several others in his address and urges cooperation between business and Government. I commend his statement to my colleagues and ask that it be printed in the RECORD.

The statement follows:

PRODUCTIVITY, SCIENCE AND TECHNOLOGY: KEYS TO U.S. ECONOMIC GROWTH

(Address by Elmer B. Staats)

At the outset, I would be remiss if I did not express my personal appreciation, as well as that of my associates in the General Accounting Office, for the assistance which your organizations gave us in our 1976 report on the subject, "Manufacturing Technology: A Changing Challenge to Productivity." We are pleased that you recognize that this report has contributed to the discussion of this very important subject which we are continuing here today. And the dialogue has not terminated. In fact, we will be testifying before the Congress in the near future on the broad issues involved in enhancing productivity in both the public and the private sectors.

We have witnessed many changes in the Nation's economy since you first met 15 years ago. In this period, as never before, our attention has focused on the twin problems of the decline in the growth of productivity and lowered competitiveness in world trade. Daily, we are reminded in the press, in congressional debate, and by business and labor leaders that technology innovation has not kept pace with that of our principal industry competitors; that we are becoming an increasingly "have not" Nation in the critical areas of energy and minerals; of the seriousness of decline in the value of the dollar against the hard currencies of many countries—a direct result of our large adverse balance of payments; and of the impact on production costs arising from popular demands for stricter regulations dealing with health, safety and the environment.

All of these changes are having a profound effect on the roles of industry and Government—especially the Federal Government—as partners in our nationwide science and technology endeavors.

Dr. Jordan Baruch, Assistant Secretary of Commerce for Science and Technology, recently emphasized the importance of industrial innovation and productivity as—

"* * * central to the economic viability of the Nation, to the economies and tax base of our cities and states and to the ability of the Nation to provide for the health, well-being, employment, and financial security of our citizens."

Other countries are sustaining higher rates of productivity growth because they have found ways to achieve close harmony among the institutions necessary to technology development—Government, finance and industry, and the universities. But in the United States, many perceive an almost adversary relationship among these elements. I say to you that this must be reversed.

Your invitation to someone from Government to speak today implies a recognition of the need for Government and industry to work in closer unity. Indeed it is in conferences such as this that the seeds can be sown to generate compatible objectives and better working relationships. I am here because I applaud your efforts.

ROLE OF THE MARKET AND THE IMPORTANCE OF TECHNOLOGICAL INNOVATION

The U.S. market is the largest, most diversified, most sought after in the world. The continued economic strength of the U.S., and to a large extent that of all industrialized nations, depends heavily on the health of the U.S. market. This interdependency is a major reason why erosion of the dollar is raising so much havoc in world money markets.

What impact does technological innovation have on the economy and the American workforce? During the 25 years between 1947 and 1972, manufacturing productivity per man-hour increased largely by growing total output with relatively little change in man-hour input. Much of this is attributable to new and higher technology equipment, better plant lay-outs, and more efficient processing techniques.

There is also considerable evidence that productivity, or at least output, is influenced directly by the number, variety, and quality of products developed. This is exemplified by the number and variety of our automobiles, hand-held calculators, electronic watches, and a host of other items.

But without the underlying scientific understanding and primary technological developments, the countless applications would not have come. A single basic technological change, such as the transistor or the integrated circuit, provides thousands of opportunities for application to computers and consumer electronics.

Thus, it appears that variety now dominates quantity as a leading market force. This is largely a result of the increasing population, supplemented by more and better jobs, which, in turn, create more affluent consumers with more discretionary income and time to seek new ways of expressing their evolving aspirations.

In looking at the U.S. population, it is important to take into account not only the trend in size, but also the size of the available workforce and how technology fits into the picture.

The impact from technological innovation on jobs, sales and tax benefits was pointed out recently by Senator Gaylord Nelson of Wisconsin. He summarized a study by the Massachusetts Institute of Technology of five technology-intensive companies. This showed that over a 5-year period jobs grew at a compounded annual rate of 41 percent, sales grew at the rate of 42 percent, and corporate taxes paid to the Treasury grew at 34 percent annually.

Last year, these five companies had combined annual sales of almost $2 billion and employed over 67,000 people. This is encouraging, but to meet the national policy goal of full employment, the U.S. requires technological innovation on a scale it has not achieved for over a decade. Since 1955, the number of people reaching working age has been increasing at an accelerated rate. At present, nearly twice as many new jobs must be created each year as were needed 20 years ago. This is largely the result of the baby boom following World War II and the Korean War, and the entry of more women and minorities into the workforce.

THE STATUS OF U.S. TECHNOLOGICAL LEADERSHIP

A report by the National Science Board entitled "Science Indicators, 1976" offers a comprehensive look at U.S. scientific and technological enterprise in the World today. The few statistics I will cite are taken from that report.

In comparing the level of R&D effort of one country to another, the measure most often used is the ratio of gross national expenditures for R&D of a country to its gross national product. Only two countries—the Soviet Union and Japan—have maintained a steady growth in relative R&D expenditures. The United States ranks second behind the Soviets and has shown a cumulative decline of 25 percent since 1964 of R&D expenditures to GNP. Of course each country's R&D expenditures reflect different mixes of spending between the defense, space, and civilian sectors. The U.S. and the U.S.S.R. spend large shares for defense and space; Japan and Germany spend most of theirs for civilian applications.

Another common measure of the intensity of a nation's R&D is the number of scientists and engineers engaged in that pursuit per 10,000 population. Of seven industrial nations, the United States is the only country showing a long-term decline in this ratio. And this decline is due primarily to our shrinking space programs.

An examination of the patent balance between nations also portrays a comparison of technological advancement. The patent balance is the difference between the worldwide number of patents granted by a country to its citizens compared to the number of patents it grants to foreigners. The overall U.S. patent balance with the 10 nations making up the bulk of foreign patenting activity in the U.S. has declined almost 47 percent from 1966 to 1975. And the U.S., as of 1975, had a negative patent balance with West Germany, Japan, and the Soviet Union.

Important also is the trend in relative productivity growth in manufacturing between the U.S. and France, West Germany, Japan, the United Kingdom, and Canada for the past 10 years. The U.S. ranks the lowest of these six countries in average rate of productivity increase. The rates for West Germany and France have been twice the U.S. rate. Japan has posted gains over four times greater than that of the U.S. Although we had a relatively high level of productivity in 1960, the tremendous relative increases posted by other nations could have serious implications for the U.S. economic position.

TECHNOLOGY TRANSFER

This discussion of the rather negative trends in U.S. technological superiority leads to the related and somewhat contradictory issue of transferring our technology to other countries. Exporting high technology goods is particularly important to the United States balance of trade. Consider the overall trade balance as being split into two categories—an R&D balance and a non-R&D balance. The 1976 trade balance for R&D intensive manufactured products was over five times larger than the figure in 1960—an increase to almost $29 billion. Meanwhile, the 1976 trade balance for non-R&D intensive products sank to a negative $16.5 billion—a deficit over 80 times greater than the comparable balance in 1960. Unquestionably, the positive balance of trade in R&D goods is of utmost importance to the future U.S. trading position. There are many issues associated with technology transfer and world trade.

After World War II, technology transfer was a relatively simple matter. New technologies were growing and the U.S. had most of them. Then came the subject of the technological gap between the U.S. and most other industrial nations. After that, the explosion of technological innovation occurred in the 1960s in all industrial nations and we no longer spoke of a technological gap. Because so much of today's technology is interacting and overlapping, trying to differentiate between military-sensitive and non-sensitive technology is about as easy as tying a string around your shadow.

For example, what kinds of technologies should we try to control? What processes or mechanisms do we need to control them? Even if we developed a workable mechanism, what assurance do we have that other countries will abide by the rules, whether intentionally or unintentionally?

There are two areas of concern: One is the control of military-sensitive technology, which you have no doubt heard much about. Our deterrent strategy rests in large part on our ability to maintain technological leadtime. The other concern is the transfer of technology, which is not controlled but can have potentially serious economic impact. How can we promote a policy of encouraging trade while restricting the export of goods and technology because they could adversely affect our national security?

Until now, control has been directed for the most part at specific products. A departure from this idea was proposed in a 1976 Report by the Defense Science Board. The primary conclusion was that design and manufacturing know-how should be the principal elements of strategic technology control, not the products themselves. This included arrays of design and manufacturing know-how; keystone manufacturing, inspection, and test equipment; and products accompanied by sophisticated operation, application, or maintenance know-how. There has been no decision as to whether the Defense Science Board's recommendations should be implemented. The issues outlined in the report are far from resolved.

The second area of concern is that dealing with the release of unique and proprietary technology by U.S. firms to foreign enterprises. Our companies find these arrangements attractive because—they don't have enough capital of their own and some foreign enterprises are strongly supported by Government policies and financing; the U.S. firms can't afford the enormity of R. & D. outlays or production tooling requirements; the arrangements provide non-tariff entry into foreign markets, some of which are otherwise inaccessible; and they offer an alternative to confronting U.S. antitrust laws.

These terms can be attractive in negotiating joint ventures. Some U.S. firms argue, perhaps speciously, that this type of involvement locks associated foreign enterprises into a continuing technological dependence. But there are also obvious dangers and side-effects:

The danger of a foreign partner spinning off on his own and competing against the donor of his technology, and

Effects to other U.S. firms in both domestic and foreign markets.

On the other side, a Department of Labor study showed that if the technology buyers had not come to the U.S., alternative sources probably were available either from firms in Japan or Western Europe. The economic implications for the U.S. are not good. Maximizing returns on technology assets has a favorable short-term benefit to those corporations directly involved—quick pay back, lower risks, less capital strain, access to markets; etc.

However, focus on short-term gain could have a detrimental impact through erosion of U.S. production of jobs in industries such as computers, aircraft, consumer electronics, and chemicals; and it could be particularly troublesome under adverse domestic conditions, such as low economic growth, high inflation, and unfavorable balance-of-trade.

The release of front-end technology to commercially astute and aggressive foreign enterprises could prove especially damaging to other U.S. producers in that industry because of large numbers of sales of hardware, and sales of improved technology to other foreign competitors.

A leading computer manufacturer in Japan, Fujitsu, Ltd., acquired progressive access to highly advanced American computer technology between 1972 and 1975. It was developed by an American firm founded in 1970 by a design engineer formerly associated with a large U.S. computer firm. In return for successive rounds of venture capital, and with strong encouragement from the Japanese Government, Fujitsu acquired full patent and manufacturing rights for Japan, then moved the technology to Spain, and now is negotiating with several German computer firms to establish joint ventures to enter the European market. By 1980, this U.S.-Japanese joint venture could sell a sufficiently large number of systems in North America, Western Europe, and Japan to displace more than $500 million in revenue to American firms.

There is evidence that some U.S. companies are marketing their technology—that is, the know-how—rather than going into competitive production in the high-wage U.S. economy. This has far-reaching implications on American jobs, on the faltering proficiency of U.S. production, and on the difficulty of raising expansion capital, as well as maintaining our technological leadership.

Besides these problems, there are additional marketing and technological stresses placed on industry by the increasing costs of energy and materials, as well as actions necessary (1) for occupational health and safety and (2) to protect the environment.

THE IMPACT OF ENERGY AND MATERIALS COSTS

We all know how important to the future of U.S. industrial enterprise are the availability and cost of energy and raw materials. Decisions made today, or more aptly, those not made today, will chart the course of our supply of energy and materials, affecting the future health of the U.S. economy.

Until 1969, a constant relationship existed between the cost of materials in manufacturing and the cost of wages. In 1970 the cost of materials began to increase more rapidly than wages. During 1973 and 1974, material costs and the ratio of material costs to wages jumped abruptly. This change is attributable largely to the decline in domestic production of oil, beginning in 1970, and of natural gas, beginning in 1973; compounded by the OPEC embargo in 1973, the subsequent huge increase in the price of imported energy, and the continuing increase in domestic demand for energy. The increasing cost of imported oil alone is staggering. The 1978 Economic Report of the President shows that the cost to the U.S. of imported oil rose $10 billion from 1976 to 1977 alone. The annual rate this year is approximately $45 billion.

These trends have had two influences: First, they established a limitation on further increases in the output of those particular items requiring energy to operate them, such as gas-guzzling automobiles or large heating plants using natural gas. Secondly, there also is an influence on the direction of technological innovation, for example, placing more emphasis on developing products which are energy conserving or developing alternate sources of energy altogether.

The conversion from coal to oil and natural gas prior to 1970 tended to advance productivity. The future conversion from oil and natural gas to other sources through technological innovation will tend to decrease productivity. This is the consequence of more complex steps required to obtain usable energy in an environmentally acceptable form.

Let us turn to raw materials. For decades, the U.S. generated most of its raw materials but these are running out. Increasingly, we must import them at higher prices, and so must the other industrialized nations. The U.S. and its trading partners rely heavily on these imported materials and the list and extent of dependency is growing. Increasingly, scarcity and international competition can be expected to raise their costs. These costs can be offset, but only through productivity improvements, which, in turn, must come through technological innovation.

Another fast-emerging consideration is that many of the areas where raw materials are obtained are in the less-developed countries. Industralized nations increasingly will rely on LDCs—as these countries are called—as sources for raw materials, even as some LDC's establish industrial bases of their own.

Typically, these LDCs' implant industries with their abundance of low cost labor will be capturing larger and larger shares of international markets once dominated by the industralized nations.

This creates a two-pronged problem: First, because of our growing dependence on LDCs for raw materials, combined with the uncertainty of the political and economic leanings of some of these countries, the U.S. may find itself walking an economic tight rope. Maintaining our balance may rest heavily on our diplomatic prowess. Secondly, our recent and continuing experience with labor intensive industries such as steel, footwear, textiles and TVs suggests that the industrialized nations will become less and less cost competitive with the LDCs for these goods, if we are to maintain any semblance of a free trade environment.

Obviously, the more the output of those countries begins to capture large shares of world markets, the more strain it places on unemployment and economic problems of the United States and other industrialized countries.

Again, the best potential for countering this appears to lie in increased technological innovation to improve the quality and variety of products, creating more jobs for the workforce, and strengthening U.S. industries and their competitiveness.

Cohesive national policies are called for—first, to buy all the time we can by conserving the energy sources we do have; second, to save all the time we can by all-out efforts to develop new sources. It seems to me that we can't hope for much improvement unless and until Government, industry and the academic community join forces harmoniously to identify the major issues, rank them in terms of where the priorities need to be placed, and set out systematically to resolve them.

GOVERNMENT'S ROLE IN SUPPORTING TECHNOLOGICAL INNOVATION

In 1975 the National Commission on Productivity identified four major factors contributing to productivity improvement:

1. There must be a strong underlying scientific base to provide the technological change from which practical applications can be developed.

2. There must be access to available technical information and know-how about products and processes.

3. There must be incentive to develop new products or to invest in products developed by others, and

4. There must be adequate capital resources available to finance the development and installation of new products and processes.

These are proper goals. The Federal Government can play an important part in achieving them. However, unless the private sector agrees and supports these goals, almost any Federal program is doomed from the start. As it turns out, gaining the support and confidence of private sector productivity in a Federal role may be far more difficult than we might expect.

Last fall, GAO sent questionnaires to 1,200 firms throughout the country to obtain their perspectives on productivity and determine whether there is an appropriate role for the Federal Government. A vast majority of these firms said they did not want Federal assistance, and most were adamantly opposed to any further Government interference in private sector operations. What most of them wanted was more favorable tax structures for corporations, investment tax credits and depreciation formulas, and an easing of Government restrictions and regulations. Given a choice between receiving help from the Federal Government or from private sector institutions, 85 percent opted for the private sector.

During the last five years—and this included the 1973–75 recession—most of these firms experienced growth in productivity, higher sales, and hired more people. Few were concerned about national issues—unpredictable markets, failure to exploit technology, availability of investment capital, return on investment, or import penetration of the U.S. market.

We in GAO are concerned that individual business managers may not be aware of such adverse national symptoms, nor aware as to how those symptoms apply to their own business operations. Unfortunately, recent experiences suggest that firms and even entire industries do not become aware of a potential market loss until the loss had occurred. Then it may be too late. We are concerned also that many in Government may not be sensitive to important needs of the private sector.

Perhaps the chief problem inhibiting Government-industry cooperation is a lack of mutual trust. Many Government officials are suspicious of industrial motives and the potential economic and political power of large corporations, especially those with multinational affiliations. On the other side, industry is concerned that Government officials do not understand and appreciate the profit motive. Industry also believes there is a lack of understanding by Government officials of the technology innovation process.

Ultimately, improvements in national productivity growth must be the cumulative results of improvements by individual business enterprises, industries, communities, and institutions throughout the United States. Unless national productivity issues are reduced to specific local actions, and unless local interest and concern can be spurred to take these needed actions, no appreciable improvements are likely to occur.

The role of the Federal Government as a regulator and policymaker is obvious. The Government is well suited to provide a mechanism through which national issues can be translated into local actions.

This role must embrace universities, trade associations, professional societies, and other organizations representing virtually every sector of our private enterprise system. GAO has emphasized the Federal Government's role in private sector productivity as supportive but limited.

There are certain tasks the Federal Government can appropriately do to help accelerate the rate of productivity growth. These include:

Assessing periodically the nature, extent, and location of productivity problems and the status of ongoing productivity programs for all sectors of the economy.

Acting as a facilitator in bringing various groups together in a non-adversary environment to discuss productivity problems affecting more than one group, organization, or industry. Similarly, it can serve as a neutral third party, encouraging labor-management cooperation in finding ways to better use the energy and talents of workers.

Operating a productivity clearinghouse to provide national and international productivity date and knowledge on what is known about various aspects of productivity: Who knows what methods work, how much they cost, and how long they take to accomplish. This would serve all sectors of the economy.

To counteract industry's reluctance to invest in innovative R&D, the Government should seek ways to stabilize the economic outlook and the regulatory environment. The Carter administration has indicated a need to better understand how the Federal Government can assist in the technology innovation process. I have been informed that the President's Science Advisor, Dr. Frank Press, will soon be proposing to the President that his Office and the Department of Commerce, undertake a year-long domestic policy review of how the Federal Government can assist industry in stimulating the rate of technological innovation.

The administration's stand on Government sponsorship of R&D is also encouraging. President Carter said in his State of the Union Message earlier this year:

"I encourage a new surge in technological innovation by American industry * * * I am determined to maintaiin our Nation's leadership role in science and technology."

He backed this view by increasing the fiscal year 1979 Federal R&D budget to $27.9 billion. After adjusting for inflation, that's a 5-percent increase over fiscal year 1978 which itself was up significantly over the previous years. As characterized by the Industrial Research Institute, that's not great but is a step forward. The problem remaining is where and how to spend the money.

Today we have reviewed many of the difficult problems yet to be resolved. I am hopeful that by keeping the lines of communication between Government and industry open, no problem will be insuperable. But we must work together.

In closing, let me express the hope that we can work together in the future as in the past toward our common objective of enhancing national productivity and increasing U.S. competitiveness in world markets. For our part, we will be continuing our interest and efforts in this area. We will be looking at ways to improve the measurement of productivity with the hope that we can better define the elements which bear directly upon productivity. We are attempting to identify those programs of the Federal Government which contribute to productivity improvement or which may have a negative impact. In this respect, we will be concerned with tax policies, regulatory programs, loans and technical assistance, rules governing the transfer of technology to other countries, the adequacy of Federal support of research and development, and many others. In short, we will be looking at Federal operations which affect the cost of production and the cost of operations of the Federal Government.

If you have suggestions, let us have them. Your efforts in this respect would be in the spirit of the kind of cooperation between industry and Government which we so badly need.●

JAMES BROWNING ALLEN

● Mr. MOYNIHAN. Mr. President, I join my colleagues in paying tribute to Senator James Allen of Alabama, not least because he embodied in our time a certain valuable tradition. It was the tradition of plain speaking and plain respect for the inherited customs of the Senate. He has been described as a "great parliamentarian," because of his vast mastery of Senate procedure, but I think it goes beyond that.

Jefferson wrote the Senate's first manual of procedure. There have been changes, of course, but the original Jeffersonian vision of this body persists: this is a place where the rights of individuals and minorities are to be respected, a place where the proposed powers of Government are to receive the most careful and, if necessary, the most extended scrutiny. There is, indeed, a sense in which a proposal which cannot survive that manner of scrutiny is probably defective in some major respect.

Now Senator Allen understood that the rules of this Chamber—whether written or unwritten—had an important and specific purpose, the refinement of the legislature's product. His unfailing courtesy reflected his inner being, to be sure, but it also reflected his sense that our political process depends on civility and dignity more than is usually appreciated. The arrangements of the Senate, which some may choose to regard as antique, nonetheless serve that important mission. Simple civility does much to make democratic politics possible.

The people of Alabama know that, in James Allen, they had a stalwart defender of their interests. They know that they had in him a legislative craftsman of the grand tradition associated with the American South. He was surely a righteous man, of great and unique gifts, who more than once reminded the Senate of its responsibilities to itself and to its history.

For this, we are surely grateful, for his career in the Senate had an important meaning.●

OREGON: A BICENTENNIAL HISTORY

● Mr. PACKWOOD. Mr. President, Gordon B. Dodds is a distinguished historian whose book "Oregon: A Bicentennial History" will be a valuable addition to the literature of the history of the great State of Oregon. Professor Dodds describes Oregon's contribution to the national experience in terms of the men and women who settled there and the events which shaped their lives.

This is a fine book about Oregon's past. In his remarks on the official presentation of the book, Professor Dodd focuses not only on the past but on the future as well and the young people who will be the men and women who will shape that future. He worries that graduation requirements for history are being dropped in the public schools of Oregon and throughout the Nation. I share his concern. It has been said that those who ignore history are doomed to repeat its mistakes. I fear, Mr. President that we are in imminent danger of producing a generation so doomed. I commend these remarks to my colleagues on a crucial subject for us as parents, citizens, and legislators and submit them for the RECORD.

The remarks follow:

DRAFT OF PRESENTATION REMARKS

Good afternoon Governor Straub, ladies, and gentlemen:

Please accept for the state a copy of my book, *Oregon: A Bicentennial History*. On this occasion of giving and receiving I want to begin by presenting my thanks to two of America's most useful educational enterprises for their indispensable role in the creation of this volume: the American Association for State and Local History for its editorial assistance and the National Endowment for the Humanities for its financial support that made possible the bicentennial states and the nation history series of which this book is a part.

In this short book, Governor Straub, I try to present an overview of Oregon's life since the coming of the white man in the days of the discoverers and explorers. It is in part a story of colorful individuals, in part an account of quiet long-term developments. One can read in it of such persons as Dick Johnson, the Christian Indian whose acceptance of the white man's values cost him his life; of George Washington Bush, the black pioneer who led an inter-racial wagon train across the Oregon Trail, and founded a new community; of William Adams whose satirical political drama was so controversial that most copies of it were destroyed; of Abigail Scott Duniway, successful wife and mother, who was one of America's most distinguished feminists; and of Senator John Mitchell whose stolen love letters to his wife's sister were emblazoned in the press, but who continued to win political office.

But one can also find in Oregon's history the story of the average citizens and what they have achieved. In this respect, by way of generalizations, I see our citizens as being dependent upon natural resources for their livelihood, and thus being part of a colonial economy that must look elsewhere for markets, capital, and labor supply. I see our people as being—with notable exceptions—very similar ethnically, culturally, racially, occupationally, and religiously. I see our cultural life—again with some exceptions—as being competent but not distinguished, in the realms of art, science, and education. Finally, I see our political life as being conservative in the 19th century, somewhat progressive in the 20th, but always willing to adjust institutions to changing conditions rather than blindly following either the pull of an imagined glorious past or the promise of a perfect radical future.

What all this adds up to, what I think is Oregon's contribution to the national experience, is a commonwealth of men and women who have in many cases achieved the ideals of America's revolutionary generation of a society dedicated to life, liberty, and the pursuit of happiness. More specifically what we have is a state with a history of civil personal relations, of a community with a concern for finding somehow a livable relationship between Man and Nature, of a people neither impassioned nor cerebral, of a commonwealth neither isolated nor cosmopolitan. This historical record may be unspectacular, but—although the Howard Cosells would not agree—I believe it is more important to be moral, that is, to respect the dignity of the individual, than to be noticed.

Whether we would all agree upon these judgments is doubtful. What we might all agree about is not the historical past, but the future of the study of history, and I am afraid that our agreement would be upon the fact that that future is very gloomy indeed. If I might abandon my role of historian for the role of prophet, I see the state's history, indeed all history, soon disappearing from public view as the shameful record of the neglect of history teaching in Oregon's public schools grow with each passing year. Thanks to the research of Dr. William Bilderback of the Oregon Historical Society, whose work is financed by a grant from the Oregon Committee for the Humanities, we all can know that ten years ago one year of American history was required for graduation in all the high schools in the state. About ⅓ of the high schools at that time also required one year of world history for graduation. Today it is possible to obtain a diploma without any knowledge of history whatsoever, at least at the high school level. Thanks to the State Board of Education and to local school boards a student may be certified as an educated person with-

out knowing about the birth of civilization in the great river valleys of the Nile, Ganges, and Tigris; about the glory that was Greece and the grandeur that was Rome; about the development of the Judeo-Christian religious tradition that is the basis of our morality; about the artistic heritage of the Renaissance; about the rise of modern urbanism and industrialism. One can obtain a diploma without learning anything about the American Revolution; the formation of the Constitution; the heroism of Frederick Douglass; the causes of the Civil War; the origins of the feminist movement; the displacement of the Indian; the story of the immigrants' quest for the promised land; the civil rights movement; the First World War, or even the Second. Boards of education have thus obliterated whole centuries of historical study from our curriculum.

The result of this is that they have condemned our young people to be forever like little children, for without a past they have no information for deciding what to do with their lives or with society's concerns except to gratify their immediate wishes. I suggest that in a state with Oregon's tradition of independent thought and concern for a decent society, that this condition of historical ignorance is not only appalling but intolerable.

If this book, Governor, can accomplish anything to recover our citizens' interest in their past, and their concern for the teaching of the past to serve the present and the future, I will feel amply rewarded for writing it.

Thank you.●

HUMANITARIAN FOOD ASSISTANCE TO LAOS

● Mr. KENNEDY. Mr. President, I was gratified to learn last week while one a mission to Geneva that the administration has finally moved to respond to a direct diplomatic appeal from Laos to provide emergency food assistance—to help avert famine conditions developing in many areas. This offer of Public Law 480 food is in the finest humanitarian traditions of the American people—and will be administered through the United Nations.

There is no question that urgent food needs exist today in Laos, due to the combined effects of serious drought and the dislocations of war. These needs were made clear in a United Nations appeal dating back to last summer, and in subsequent assessments by the Department of State and our Embassy in Vientiane.

And, Mr. President, there can be no question today that our humanitarian food assistance will be put to good use. In discussions I had in Geneva last week, with the United Nations High Commissioner for Refugees, Mr. Paul Hartling, and from information my staff received during visits with officials of the FAO's world food program in Rome, it is clear that ongoing programs are in place and need whatever food resources we can provide. In fact, the 10,000 metric tons of rice we have pledged to Laos still leaves a 25,000-ton gap in the initial United Nations appeal.

But, Mr. President, I am gratified that the administration has responded to the cries for help from the people of Laos. For I believe there is hardly an American who would deny food to a starving people, whatever our differences may be in political geography, or fail to respond to human needs wherever they may exist.●

NATIONAL DISEASE PREVENTION AND HEALTH PROMOTION ACT OF 1978

● Mr. CHAFEE. Mr. President, I would like to express my strong support for the National Disease Prevention and Health Promotion Act of 1978, which was recently introduced by the chairman of the Human Resources Committee's Health Subcommittee, Senator KENNEDY.

As Americans become more and more concerned about health and the spiraling costs of medical care, the "right" to health care has emerged as a national slogan. We have already committed enormous financial and human resources to a system of delivering curative medical care. The Federal Government is playing an increasingly larger role in this system, and the Federal programs have had a tremendous impact on the quality and availability of health care. In an effort to reduce inequality and to assure good health to all people, our commitment of public funds to finance medical care has more than tripled since 1970.

But with this national preoccupation with highly sophisticated medical technology, I fear our priorities have become confused. In the pursuit of good health, we have focused our attention and resources on treating sickness rather than preventing it, even though we know prevention is much more desirable and less costly. While no one can deny the spectacular advances modern medicine has made in treating illness, there is evidence that medical care can have only marginal results in improving health. Historically, prevention measures such as good nutrition, a safe environment, and promotion of good health habits have made greater improvements in the people's health status than has medical intervention. And yet, we spend less than 2 percent of our enormous Federal health care budget, now approaching $48 billion, on prevention.

I would suggest that this is very shortsighted policy. The National Disease Prevention and Health Promotion Act represents an important new direction in national health policy, one which places much higher priority on keeping people healthy. It contains the many elements which are necessary to launch a serious campaign against illness and death.

Mr. President, we know how successful our disease prevention efforts have been in the past. In fact, they have been so successful that many of the infectious and communicable diseases which once killed and disabled our citizens are all but forgotten. Much of the credit for this success goes to our public health departments across the country who have been quietly going about the business of eliminating and controlling diseases.

Today, the major causes of illness and death—cancer, stroke, heart disease, accidents, arthritis, diabetes—are also, in large measure, preventable. We are learning more every day about the relationship between the environment and these diseases. We also know that lifestyle is a major determinant. We know that prevention requires changes in personal behavior. Admittedly, this is not easy, but I believe if we devote the same kind of attention to prevention of modern-day diseases as we did in conquering the diseases of the past, the result could be just as dramatic.

We have good reason to believe such efforts will be successful. According to the National Center for Health Statistics, since 1972, heart attacks are down 10 percent and deaths from strokes have declined 20 percent. These reductions have been attributed largely to public education campaigns alerting both laymen and physicians to the danger of high blood pressure as well as increased understanding of the role of high-cholesterol diets, smoking, and physical fitness relative to heart disease.

Public health departments, which have always been primarily concerned with prevention, are equipped to organize and conduct such a campaign, including an intensive public information program which should be a cornerstone of any prevention program. This legislation contains the basic concepts which were in the bill I previously introduced, National Health Incentives Grants Act, which gives public health departments the support needed to maintain existing disease control programs and added resources to launch new and innovative programs aimed at the chronic diseases which are now the major health problems.

It will provide national leadership while still allowing the necessary flexibility for each State to deal with its own unique problems, based on its individual mortality and morbidity experience. This bill also contains an important cost-sharing feature which was in my bill, and creates an incentive for State and local governments to make a greater commitment to public health and disease prevention programs.

In addition, the bill which Senator KENNEDY introduced contains a special emphasis on a health communications program. This is a very important provision. If any prevention effort is to be successful, the most effective and efficient means of getting information to the public, including the mass media, must be utilized.

I have had an opportunity to learn firsthand how intensely interested Americans are in their health. Earlier this year, I sponsored a symposium on preventive health in Rhode Island and invited the general public to hear a number of experts speak about nutrition, immunization, physical fitness, and the importance of health maintenance. The amount of interest and attendance gave me reason to believe that the public is more than willing to respond to efforts at public education.

We must begin a national campaign to educate people about the individual choices they can make to assure themselves a healthy, productive, and long life. Experts believe that 7 to 11 years could be added to our life expectancy through simple changes in lifestyle. For instance, 20 to 40 percent of all cancers are attributable to cigarette smoking alone, and it has been estimated that improved diet could eliminate 25 percent of the deaths from cardiovascular disease. The overconsumption of fat, cholesterol, sugar, salt, and alcohol have been related to 6 of the 10 leading causes of death.

Malnutrition, caused by both over and underconsumption, are as damaging to our health as the widespread contagious diseases were to past generations.

The Disease Prevention and Health Promotion Act contains, in addition to support for prevention programs carried on by public health departments, programs which are aimed specifically at well-known causes of disease. One of the most important is the emphasis on deterring people, especially children, from smoking. In addition, this antismoking campaign will be aimed at more effective labeling, gradual reduction in tar and nicotine levels and providing protection for nonsmokers in public areas. Although I realize, Mr. President, that this is a controversial issue, it is incontrovertible that if cigarette smoking could be reduced, thousands of lives and much suffering could be saved.

The categorical grant authority, which expands certain existing programs of proven effectiveness such as immunization, hypertension control, rat control, and prevention of lead-based paint poisoning, also adds some new project grants for physical fitness programs, prevention of dental disease, and provision of environmental health services. These project grants can take advantage of an array of public and private entities which can effectively provide specific primary and secondary preventive services. This initiative also supports research and demonstrations aimed at improving our capacity to organize and deliver preventive services.

Another feature of this program in which I am particularly interested is the requirement for nutritional labeling on food. This is an important adjunct to nutritional education, which will give consumers more control over their individual diets.

Mr. President, I believe this initiative represents one of the most important commitments this Government can make—a commitment to preserving the health of Americans. Compared to the amount we are spending on medical services, it still represents a modest commitment. However, the savings in individual health bills and taxes which could be realized from preventing illness is considerable, and could be diverted to other important personal and social needs. I am hopeful it will receive favorable consideration in the very near future.●

ANZUS COUNCIL MEETING

● Mr. GLENN. Mr. President, today, June 7, the ANZUS Council meeting will start at the Department of State. I believe it is relevant to briefly comment upon this valuable organization.

The ANZUS Treaty came into operation on April 29, 1952. The treaty contains no limiting duration, thus recognizing the continuing and enduring common interest of the members. Australia, New Zealand, and the United States are allies whose ties were even more firmly bound during those dark days of World War II when national survival was threatened. The United States acquired the benefits of wise counsel and geographically significant bases. The ANZUS image, as friends with common interests and working together prevailed and is still celebrated at the Australian-American Memorial in Canberra and at various commemorations of the Battle of the Coral Sea.

It is customary on occasions such as this to make reference to the "special relationship" that prevails. Yet, I for one have never been certain exactly what commentators mean by "special relationship." There are, obviously, ties of language, of kinship, of history, and of cultural heritage. Perhaps the true significance of these ties in a global political sense was affirmed by John Foster Dulles at the second ANZUS Council meeting when he described the alliance as affecting "a vast area of the globe, an area of not only great strategic importance, but also an area of tremendous cultural and material significance." Indeed, those points remain valid today and are tributes to the far-sighted leadership of New Zealand Prime Minister Holland, and the recently deceased Australian Prime Minister Menzies.

This year's meeting will discuss the global political balance, economic questions, security issues in the Pacific, and general developments in Asia and the Pacific. In my judgment, our deepening ties of trade, investment, and cultural exposure to one another, moreover, have benefited the remainder of Asia.

The Colombo plan, an Australian initiative that brought other Asian people into these countries for education and exposure has had widespread and unquantifiable benefits to other Asian societies. Today, these three allies—despite each facing innumerable economic problems—have been attempting to work closely with the Association of Southeast Asian Nations to find viable mechanisms for encouraging economic development within the region. This, in my mind, is in the forefront of values of such an alliance.

The challenge we all face today is to forge a common perspective that allows us to draw new purpose from shared aspirations. We cannot permit the ANZUS alliance to atrophy or to erode through neglect, rather we must continue to seek out those positive areas that benefit not only our three countries, but also move toward insuring a more stable and peaceful Pacific region.

It is the function of the ANZUS Council, composed of the foreign ministers of the three countries, to coordinate the efforts of the member states. These close relationships are based on common perceptions, objectives, and purposes. Charles Lamb once said in one of his essays that "there is nothing so irrelevant as a poor relation." Although, periodically through the years a few of our Pacific neighbors have maintained this is the case, I emphatically reject it. Our close relationship with Australia and New Zealand is based to a large extent on our common heritage and willingness of each nation to make unique contributions in seeking a better world.

I would conclude by simply noting an old Australian song which makes even clearer the shared pioneering experience of the three allies. In "A Centennial Song" in 1888, some typical Australians, Philip Beck and Fergus Hume, Melbourne Argus, January 26, 1888, page 5, noted:

Girdled by our isolation, as the old war fades from view,
Ancient quarrels are forgotten; we begin the world anew.

To begin anew is the challenge this alliance faces in a changing Asia increasingly focused on economic conditions. But I, for one, am confident that these allies still have much to offer to one another and to their Asian friends. It is in that vein that I extend my welcome to our ANZUS friends.●

TRIBUTE TO JAMES ALLEN, DEMOCRAT OF ALABAMA

● Mr. NUNN. Mr. President, it is always a sad day for the U.S. Senate when one of its Members falls. The death of Senator James Allen is particularly tragic to me since I considered Jim one of my close friends.

In the nearly 10 years that Jim Allen served in the Senate he distinguished himself as a master of parliamentary procedure whose skills knew no peer. For his invaluable contributions to the legislative process, we owe a special debt of gratitude.

Friends and adversaries alike saw him as a man of eminent fairness, a gentle symbol of decency and integrity in the Senate of the United States. No less inspiring to me was his deep and abiding Christian faith. As one of the leaders of the weekly prayer breakfast group, he contributed much to the spiritual welfare of the Senate. Over the years he reminded us constantly that a deep religious faith is the foundation of America's strength and greatness.

He was a man who was always aware of the spiritual significance of our decisions in the Senate. He believed that—and I quote him:

The stronger men are spiritually, the better their earthly government will be.

He subscribed to the philosophy contained in these words from the poet Walt Whitman:

Why build these cities glorious if man unbuilded goes,
In vain we build the world unless the builder also grows,

Shortly after arriving in the Senate, Jim addressed the weekly prayer breakfast group for the first time. On that occasion, he shared with his colleagues a letter he had received from one of his constituents, a letter which said in part:

Far from being handicapped by being a Christian, it is my view that the best businessman, the best public servant, the best professional man, the best person in any walk of life is a Christian.

To that, Jim added:

We need to set the tone for high and lofty conduct for all the people. Our conduct should inspire confidence and respect and give the people greater faith and confidence in our government and in us as their duly elected representatives.

He spoke those words in May 1969, and they guided his steps daily throughout his years of service in the Senate.

Yes, Jim Allen had a profound impact on legislation considered by the Senate in the nearly 10 years he served here, but he had an even greater impact on the lives of those Senators who were privileged to work with him. His presence enriched the lives of all of us. He was a great Senator, a great American, a dedicated Christian, and a wonderful friend. Every citizen of this country has suffered a great loss in his untimely death.●

THE NEW JERSEY ELECTIONS

● Mr. MOYNIHAN. Mr. President, we learn this morning that Senator CLIFFORD CASE of New Jersey has not received the nomination of his party for a fifth term in the Senate. One cannot believe that those results reflect a verdict of disapproval for one of the most extraordinary Senate careers of our time. While others may search for an explanation, I wish only to record my own feeling that the Senate will be sorely diminished by the absence of CLIFFORD CASE.

I have served in this body not yet 2 years. In my first year here it became near overwhelmingly apparent that the inner dignity of this institution had no finer exemplar than CLIFFORD CASE. Put simply, he is a thoroughly honorable man, without a hint of pretense. His integrity is so manifest that his moral judgments have a near unassailable authority. If one has had the good fortune to share his side in a legislative battle—as I have had on more than one occasion—one joins the fray with an inner serenity, buoyed by the solidity of his own conviction.

Our Nation has, for many years, relied on CLIFFORD CASE, and such is the rarity of his character that it is thus not easy to imagine how he can be replaced. There are things to say which, it seems to me, must go beyond our normal political or partisan discourse. The contribution of CLIFFORD CASE is one such subject. I say simply: I envy my Republican friends in this body for having among them this wholly remarkable man.●

JOHN HOYT ADDRESSES NEW JERSEY HUMANE SOCIETY

● Mr. WILLIAMS. Mr. President, the New Jersey Branch of the Humane Society of the United States recently celebrated its 20th Anniversary. On that occasion, Mr. John A. Hoyt, the national President of HSUS, delivered a thought-provoking address entitled, "A Matter of Values." I would like to share Mr. Hoyt's remarks with my colleagues, and, accordingly, I ask that his speech be printed in the RECORD.

The speech follows:

A MATTER OF VALUES

Those of you who have heard me speak before know that I am particularly concerned with the ethical and moral basis of our work and efforts on behalf of animal welfare. I believe most assuredly, and it is a growing conviction, that the humane movement has a very special role to play in the formulation of those values that shall ultimately direct and govern man's relationship with other men and all other creatures with whom he shares this planet. It is for that reason I have chosen to speak on the theme, A Matter of Values.

There are undoubtedly many things that could be said about the values underlying animal welfare concerns which are self-evident and, thus, not requiring discussion. At the same time, there are a number of issues concerning which there is considerable divergence of opinion and conviction. Even within the humane movement itself there is no one testament of belief and purpose, let alone a common agreement on such details as structure, tactics, and goals. Yet it is generally agreed that the primary purpose of the humane movement is the prevention of cruelty and suffering to animals. Simple enough in its definition, but a monumental objective as regards its achievement.

But why should this purpose and objective, the prevention of cruelty and suffering to animals, elicit the commitment and dedication of so many people? Why should it cause people to give literally millions of dollars annually and thousands upon thousands of hours daily towards its realization? And by what presumption should it become the basis for challenging many of the preconceived and often sacredly held convictions of other disciplines and various self-interest groups?

There are, of course, many answers to those questions. But the fundamental answer to each of them is that it is simply a matter of right, a matter of justice, and a matter of responsibility. In the final analysis, it is a matter of attempting to discover and affirm one's own humanity through the realization and expression of those values of kindness and compassion which are, perhaps, our most uniquely human capabilities.

Over the centuries, man has variously regarded the nature of animals vis-a-vis himself. He has worshiped some and desecrated others. He has sometimes classified them as things and other times accepted them as brothers. He has constructively used them and arrogantly abused them. Yet at no time has man so universally respected animals that it could be said they were safe from cruelty and suffering at his hands. It is still so today.

I believe there is an essential quality of being that is as common to animals as to the man-animal. To be sure, it is lacking the mystical, metaphysical appropriations surrounding man which have evolved from the historical philosophies and religions, not the least of which is the Judeo-Christian tradition. Yet, it is entirely possible that the essence of animal being is just as important as that of man's and, in a nonreligious sense, just as sacred. Man, remember, has calculated and defined his own essence and, thus, his own value as a being among beings. That animals have not done likewise, we can only surmise. Or if they have, they haven't discussed it with us. Consequently, it is left to us to *define*, at least for our own understanding, what *is* the essence of animal being and what is their inherent value. Not value in the sense that they are socially and economically valuable to us, but to themselves and life.

Obviously, we are a long way from giving much serious consideration to that question in a community sense. Individually, yes, and in some esoteric groupings, perhaps. But as regards society in general, there is no consensus regarding the essential nature or quality of animal being, or any great sense of urgency that such consideration merits much attention. But it is happening here and there. For example, the HSUS in association with the American Horse Protection Association recently won a major court victory in the interest of protecting wild horses from a roundup scheduled by the Bureau of Land Management. "Arbitrary, capricious, contrary to law, an abuse of discretion and illegal" were among the terms used by presiding trial judge, Charles R. Richey, in describing the government's plan. The judge further censured the government for its lack of attention to providing for on the site veterinary service in conjunction with such a proposed roundup. "In light of testimony that injuries occur in even the most humane roundup," the judge said, "the casual arrangement made with respect to veterinary care make the proposed act not only arbitrary and capricious but constitute a serious abuse of discretion. I hope it will never happen again in any other region or this region."

Another example reflective of the fact that there is an awakening social conscience to a concern for animal welfare was recently discovered on the table of a local restaurant in Washington, D.C. Printed on a standup card on each table was this announcement:

Due to the outrageous destruction of porpoise by Tuna Fishermen, we will no longer be serving tuna fish. If, in our opinion, this situation abates, the Bagel Den will resume purchasing tuna fish.

Concern for animals, though surely not pervasive throughout our country, is happening here and there.

A few months ago, The HSUS adopted a statement of principles and beliefs which serves as the basis for our work and efforts. The preamble reads as follows:

Every living thing has an intrinsic value that derives from creation. It exists by reason of a design and order not of man's making. Yet man has all too often abused or destroyed other life capriciously and wantonly. The primary and motivating concern of The Humane Society of the United States is the prevention of cruelty to all living creatures. We are mindful that man has been uniquely endowed with a sense of moral values. For this reason, we believe he is responsible for the welfare of those animals that he had domesticated and those upon whose natural environment he encroaches. This responsibility, we believe, must be shared by all people. It does not matter if they benefit from the use of such domestic animals or participate in the alteration of environments supporting the life of other creatures. As the dominant intelligent life form on earth, we are accountable as a species. Though we are not opposed to the legitimate and appropriate utilization of animals in the service of man, such utilization gives man neither the right nor the license to exploit or abuse any animals in the process.

Perhaps it is presumptuous to suggest that this dimension of moral and ethical emphasis is that which most distinguishes The HSUS from certain other animal oriented organizations and agencies. Nonetheless, I believe there exists within the framework of our organization a major emphasis on the philosophical basis of our work and program alongside the technical and practical emphasis. To be sure, the latter is both necessary and important. But unless undergirded by the former, it is a role and function hardly distinguishable from that of the animal scientist or technician.

The fundamental question that must be addressed by all of us who are involved in the process of utilizing animals for the benefits and enjoyment of man is this: To what extent is such utilization appropriate and what are the constraints that should define and limit such activity?

There is probably no question so troubling or divisive as this one. Even those who profess a genuine concern for animal welfare are at considerable odds in formulating their conclusion in response to this question. And those who realize a direct social or economic benefit from the utilization of animals are clearly at odds with those in the animal welfare movement.

There are, I believe, three basic questions that must be confronted in seeking to formulate a position regarding the appropriate

utilization of animals in association with man. They are as follows:

1. Is such utilization in the interest of the animal itself?

2. Is the purpose for which the animal is utilized necessary to man's well-being or survival?

3. Is the animal cared for and treated in the most humane manner possible?

As regards question number one, there are only few activities and functions which could be said to be in the interest of the animal itself. And almost without exception, these activities are to mitigate the various acts of misuse of animals inflicted by man. For example, providing shelter and care for animals is clearly in the interest of the animal, but this activity is generally the result of someone else's abuse or irresponsibility. Providing habitate for wildlife is certainly in the interest of the animal. Yet, this is made necessary by the inevitable destruction of habitat resulting from man's civilization. Breeding certain species of animals may well be in the interest of preserving an animal species, but most generally this is made necessary because man has acted to threaten the species in the first instance. And because we have domesticated certain species of animals, it is most certainly in the interest of those animals to provide them food, care and love.

Likewise there are certain rescue missions resulting from man-made or natural disasters that are clearly in the interest of the animal itself. But except for these few activities there is little that occurs at the interface of man and animal that could be regarded as benefiting animals for their own sakes. What then? Should we adopt the position of simply leaving them alone, in no way utilizing them or benefiting from them?

There are a few who would say "yes" to that question but for all practical purposes it is an unrealistic position. For animals, like man, are a part of our civilization, and in the same sense that we are dependent upon each other, we are also dependent upon animals. Consequently, the more difficult question is question number two, and it is at this point that we encounter the greatest disagreement.

Is the purpose for which the animal is utilized necessary to man's well-being or survival? In this category, most of us would agree that animals are necessary and thus justifiably utilized for food, for clothing, for assistance in labor, for certain research purposes, for companionship, and in some cases for entertainment and recreation. Yet all of these functions can result in abuse, and often do. The simplistic way to avoid such abuse is to decline such utilization as do certain vegetarians, anti-vivisectionists, and others. But again, such a position, while perhaps viable and possible, is not one that is embraced by our civilization and culture. Consequently, The HSUS has acknowledged such utilization as generally appropriate under certain circumstances while at the same time seeking restraints and conditions that would protect that animal from abuse and cruelty.

It is at this level that the question of priorities and values must be given careful consideration. For though it can surely be argued that the utilization of animals in the service of man may be appropriate, it is only appropriate if the cost to the animal in terms of suffering and abuse has been resolved in the animal's favor. Clearly there are certain areas of activity and utilization where such is not the case and the purpose would hardly seem to justify the consequences to the animals. Among them are:

Hunting and shooting animals for sport.

Trapping animals for fur products.

Contest events such as dogfighting, cock fighting, bull fighting, coursing, rodeo, endurance rides, etc.

Research activities not demonstrably in the service of animals or man.

Certain predator control methods such as poisoning, trapping and denning.

Even when the purpose for which the animal is being used is justifiable, we objected to its use when conditions for obtaining the animal result in abuse and cruelty or a threat to the species in question. Toward this end, we have called for a boycott of all tuna products until the fishing industry ceases to kill dolphins in the catching of tuna. We have joined with other groups in boycotting the purchase of Japanese and Russian products so long as these countries continue to threaten the existence of certain species of whales. We have urged people to refuse to purchase fur products obtained by trapping wild animals. We have urged the avoidance of certain other food and clothing products that require gross cruelty or species endangerment as a result of acquisition. Likewise, we have strongly opposed the kind of research on animals currently taking place at The American Museum of Natural History in New York City.

None of the above activities would seem to meet the criteria of question number two, and thus, on a principle, are rejected as necessary or appropriate utilization of animals.

The third question, "Is the animal cared for and treated in the most humane manner possible" is a question which again involves a value judgment. Certainly it can be argued that there are few practices utilizing animals that insure absolute protection from suffering and abuse. Yet it is possible within the limits of technological capability to seek such protection.

Toward this end, The HSUS has worked to ensure the humane handling and slaughtering of food animals, safeguards for animals used in research, improved conditions for animals in zoos and circuses, proper training methods for performing animals, and proper care for animals, such as horses in riding stables, to name only a few.

To be sure, there will be honest debate for years and, perhaps even centuries to come, regarding the appropriate conduct of man toward his fellow creatures. And unquestionable, the harder decisions pertaining to the appropriate use of animals for food and medical research purpose will not be resolved easily. But even while those debates continue, there are certain other areas in which the resolving of the animal's right to protection from suffering and abuse should not be so long delayed.

The hunter, the cowboy, the trapper, the dog and cock fighter, the matador, the animal trainer—all these will argue that either they do not cause animals pain and suffering or that such, in whatever degree, is justified for their various purposes of sport, recreation, economical gain, etc. And again, they will counter our protests that they have as much right to their activities as the researcher, the cattleman, or those of us who condemn animals to death and slaughter in more refined and less personal ways. We cannot dismiss such arguments out of hand. But at this level we can prevail, for I am confident that decency and social morality are on our side. Further, there is a sincerity and spontaneity about our convictions on these matters that are the fuel of social and political change.

"Dr. Victor Scheffer in his book, *A Voice For Wildlife*, writes: These people, whom I have called the new conservationists, are a moral frontier. They are propelled by a concern which keeps them headed toward a decent society, a society that seems to them not only 'right' but natural and sensible. The sportsman and fur trapper will complain that the new conservationists—referred to by them as deep-breathers, weepers, bleeding hearts, idealists, or posy-sniffers—are mixing 'emotion' with fact. But should one try to pull emotion apart from fact? 'Knowledge without feeling', says the poet Archibald MacLeish, 'is not knowledge at all'."

Albert Schweitzer said, "I am life which wills to live. Life outside a person is an extension of the life within him. This compels him to be part of it and accept responsibility for all creatures great and small. Life becomes harder for us when we live for ohers, but it also becomes richer and happier."

I recently came across an article which described the work and activities of two elderly men living in Crisfield, Maryland named Lem and Steve Ward, brothers of eighty and seventy-nine respectively. The Ward brothers made a living barbering and carving waterfowl decoys. Steve was especially proficient with the whittling knife and Lem was a master with a paintbrush. So it happened that they worked together. Out from their little barbershop came as fine a stool of shooting decoys as a man could find in the Bay Country. The orders poured in, but in time both sickened of the gunning market that was a big industry around Crisfield in the 1930's. Lem, in fact, took to handing out copies of a poem called "Remorse" by a friend of his who had watched a pair of Canada geese die in mutual embrace:

A hunter shot at a flock of geese
That flew within his reach.
Two were stopped in their rapid flight
And fell on the sandy beach.
The male bird lay at the water's edge
And just before he died
He faintly called to his wounded mate
And she dragged herself to his side.
She bent her head and crooned to him
In a way distressed and wild
Caressing her one and only mate
As a mother would a child.
Then covering him with her broken wing
And gasping with failing breath
She laid her head against his breast
A feeble honk . . . then death.
This story is true, though crudely told,
I was the man in the case.
I stood knee deep in the drizzle and cold
And the hot tears burned my face.
I buried the birds in the sand where they lay,
Wrapped in my hunting coat,
And I threw my gun and belt in the Bay when I crossed in the open boat.
Hunters will call me a right poor sport
And scoff at the thing I did;
But that day something broke in my heart,
And shoot again? God forbid! ●

JAMES B. ALLEN

Mr. STENNIS. Mr. President, yesterday among the rolling mountains of northeast Alabama, in his home country, we laid to rest what was mortal of our our late friend and colleague, James B. Allen of the State of Alabama.

Tributes by the membership to his work and his memory will be paid in this Chamber later.

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) paid tribute to the late Senator during the funeral services. He spoke accurately and well, indeed, for the Senate membership who knew the beloved Senator Allen best.

I think that Senator BYRD's remarks should be made a part of the RECORD as well as a part of the final memorial proceedings. I ask unanimous consent that this be done.

There being no objection, the eulogy delivered by Senator HARRY F. BYRD, JR., was ordered to be printed in the RECORD, as follows:

EULOGY FOR SENATOR JAMES B. ALLEN DELIVERED BY SENATOR HARRY F. BYRD, JR.

(Gasden, Ala.)

In reflecting on the Senate career of James B. Allen of Alabama, several words instinctively come to mind: integrity, determination, ability, dedication.

During his years in the United States Senate, Senator Allen not only represented the people of Alabama with great skill and great dedication—but he became, indeed, a Senator of the United States. His service to our nation has been acclaimed far beyond the borders of the great state in which we are assembled today.

I speak for my colleagues in the United States Senate when I express deep and heartfelt distress at the untimely death of Senator Allen.

All of us in the Senate disagree with one another from time to time. Jim Allen, more often than not, was on the minority side of an issue, presenting his viewpoint with eloquence and with patient perseverance.

But even those who opposed him the most, admired his tenaciousness and his skill as much as did those of us who customarily followed his brilliant parliamentary leadership.

Through the years, just as it does now—the Senate of the United States has had within its membership many splendid individuals. But never have I known a finer man than James B. Allen, nor one in whom I had greater confidence.

What a combination of qualities did the Alabama Senator possess—strong convictions, great courage and a fierce determination to protect the principles of government in which he deeply believed.

Yet, with it all, he was kind and thoughtful and humble.

The government of our great nation is established on the principle of majority rule.

It is a sound principle—indeed, a foundation stone of democracy.

But Jim Allen once said this:

"I don't feel the majority is always right. There are times when the majority can run rough-shod over the minority."

The Alabama Senator recognized that majorities are transient—and from time to time vanish.

But he knew, too, that when a majority is alive and strong, it has awesome power.

If what Jefferson called the "inalienable rights" of the minority are to be safeguarded, there must be sentinels of democracy, vigorous champions of those who may hold views contrary to the passing but powerful majorities of the day.

Such a sentinel, such a champion, was Senator James B. Allen of Alabama.

Often he carried out his lonely battles against great numbers, and against immense pressures.

Yet, he never flagged in his efforts.

Some of his battles ended in victory, some in defeat.

Jim Allen, like any individual, would prefer that his cause prevail; unlike most, however, he believed that there is something more important than being on the prevailing side.

An important measure of the man to whom we say farewell today was that his fairness and integrity became a legend in the Senate—a legend based on the unassailable fact that James Allen was a man whose dedication and courage were matched only by his honesty and sense of justice.

If one is to be both accurate and candid, perhaps it needs to be said that too many persons in public life seek or use public office for personal advantage.

With Jim Allen, however, precisely the reverse was true.

He gave to the people of Alabama—and to the Senate of the United States—far more than he received.

His service was unselfish. His Senate hours were long and difficult. And when the Senate was not in session, he was out amongst the people of Alabama.

He was, indeed, a servant of the people, giving without limit his time and talent—and his health.

But his sacrifices were not without reward. In my many conversations with him, I am convinced that what meant the most to him—aside from his wonderful wife, Maryon—was the feeling in his heart that he had the confidence and the support and the admiration of the people of Alabama. What more could a person ask?

Such a treasure did Jim Allen possess, a treasure beyond price.

In his death, the people of Alabama have lost an unselfish and dedicated champion; the Senate of the United States has lost a courageous—and, perhaps, irreplaceable leader; and I have lost a dear friend.

THE DEATH OF SENATOR ALLEN

Mr. TALMADGE. Mr. President, I deeply regret the tragic and untimely death of Senator James B. Allen of Alabama and I join the Senate in mourning his passing.

This was a loss to the people of the State of Alabama, to our Nation, and to the Senate of the United States. As chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, I will particularly miss Jim Allen. He began serving on the Agriculture Committee when he first came to the Senate in 1969 and he distinguished himself as one of our most effective, dedicated, and hard working members.

Jim Allen exerted significant leadership on the committee and he was in the forefront of the enactment of many pieces of legislation of great importance to agriculture and forestry in the United States.

He pushed for and secured improvements in the rural electrification program and the exchange of credit for family farmers. He was the moving force behind the passage of important Federal pesticide legislation to insure the safe usage of insecticides, fungicides, and rodenticides. This year he was instrumental in securing enactment of major forestry legislation which will help family farmers increase their incomes from their forest lands.

Jim Allen, although he was an attorney by profession and not a farmer himself, never lost touch with the farmers of Alabama. He returned to his State at every opportunity and made it an annual practice to visit every county seat in the State in order to keep in touch with the people and to maintain close contact with farmers and their needs.

In addition to his determined dedication to the improvement of American agriculture, Jim Allen distinguished himself in the Senate as an ardent defender of the Constitution and champion of Senate rules. Not since the late Senator Richard Brevard Russell has there been such an expert parliamentarian in the Senate as Jim Allen.

I valued our personal friendship and professional association and honor his memory today. Jim Allen was a great Alabamian and a great citizen and I extend my heartfelt sympathies to all his family and his many friends throughout his State.

PROPOSITION 13

Mr. TALMADGE. Mr. President, voters in California by an overwhelming majority have sent to the Nation what I believe is an unmistakable message. I hope government at every level—and especially the U.S. Congress—is paying attention.

There was no doubt in anyone's mind on how the California referendum on proposition 13 would turn out. Elected officials in Congress and in State Houses all over the country who read their mail and who listen to their constituents ought to know by now that the American people are fed up.

They are fed up with oppressive taxation which is fast approaching outright confiscation of the earnings of working people, particularly the vast segment of our society known as the middle class. The average working person is fed up with having to labor 4 months out of the year just to pay his Federal, State, and local taxes.

Taxpayers are fed up with having their paychecks raided by the Federal Government to finance ill-advised and grandiose spending schemes at home and abroad. Almost everyday people learn of extravagance in the Federal Government that eats up their tax dollars, or worse, of outright waste and fraud running into billions of dollars.

Taxpayers are fed up with deficits in the tens of billions of dollars year after year, after year, which fire inflation, send interest rates skyrocketing, and wreck the dollar on the world market.

In short, taxpayers want Government operations tightened up. They want less spending, not more. They want their tax dollars to be used wisely and frugally.

Taxpayers in California, whom I believe speak for an overwhelming majority of American taxpayers everywhere, have made it clear that they do not intend to stand still forever and take a beating by runaway Government or unrestrained spending.

As I have said on many occasions, I am totally surprised that there has not been a tax revolt, not just in the State of California but all across the Nation. Unless the Congress and unless the administration take more positive action to put our fiscal affairs in better order, and unless the line is drawn on the big spenders and the big programers, I have no doubt that the entire Nation will find itself in the midst of a tax revolt on the order of what took place in California yesterday.

In other words, if Government itself does not exercise the initiative to install fiscal responsibility, then the taxpayers themselves eventually will seize the initiative themselves—just as they have done in California.

Congress can and must take the lead. The time is long overdue for Congress to pull its head out of the sand—to drastically reduce spending in every possible area—to move toward balancing the budget—and, to let the people know that we intend to restore sanity and responsibility to Federal fiscal policy.

I, along with a number of other Senators and Members of the House of Representatives, have for years been pushing a proposed amendment to the Constitution which would require Congress to bal-

ance the budget each fiscal year, except in cases of national emergency expressly declared by Congress. This proposal is very simple. It is the only way I know to prevent the Congress from spending money we do not have for programs we do not need.

Public opinion polls over the past several years show that about 80 percent of the American people favor such an amendment. The Southern Governors Conference endorsed it unanimously. Milton Friedman, who won a Nobel Prize in economics, endorses it as the right approach.

A constitutional mandate against spending our Nation deeper and deeper into debt—and against robbing future generations of hope and security—is an idea whose time has come.

Massive deficit spending, persistent inflation which may soon get into double digits, and the fall of the dollar constitute our Nation's most grievous problem. It ranks above all others in importance to the strength and security of our Nation and the well-being of the American people.

If it will meet the problem head on—if it will put responsibility above politics and special interest—and, if it will demonstrate the kind of legislative courage that we need in our country at this time, this Congress can make a distinguished mark on history.

I plan to continue to pursue the adoption of my budget amendment with every resource at my command. I intend to call it up before the Senate at an appropriate time and to ask that it be debated and acted on.

At that time, I hope people from throughout all the country will let the Senate know where they stand on this issue—and that the Senate will stand up for fiscal restraint and responsible Government.

PROFESSOR GERALD DUNNE ON GOLD CLAUSE CONTRACTS

Mr. HELMS. Mr. President, Prof. Gerald Dunne, of the St. Louis University Law School is editor of the Banking Law Journal, a publication which concentrates on the legal problems and freedoms of the banking profession.

Professor Dunne was one of those on whom I depended for backup work in the course of developing the gold clause freedom bill (Public Law 95-147).

Recently, Professor Dunne sent me a brief paper entitled "Modern Gold Clauses in Contracts." In addition, the most recent issue of Banking Law Journal contains a short article by Professor Dunne entitled, "Fine Tuning Gold Clauses."

Because of considerable interest in this issue, I ask unanimous consent that Professor Dunne's excellent paper and article on gold clause contracts be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MODERN GOLD CLAUSES

(By Gerald T. Dunne)

The enactment of H.R. 5675, which provides that so-called "gold clause" resolution (joint resolution, approved June 5, 1933, 31 USC 463 authorizing every obligation payable in money to be discharged dollar for dollar in any coin or currency which at such time is legal tender for public and private debts) shall not apply to obligations issued on or after the date of its embodiment into law does not necessarily restore the status quo ante and in fact raises questions of the legal technique and draftsmanship required to give it actual effect.

The threshhold difficulty is the long-time cessation of American gold coinage and the consequent frustration of giving effect to the historic gold clause, viz: "The Corporation . . . promises to pay . . . to the holder hereof . . . $1,000 in gold coin of the United States of the standard of weight and fineness existing on June 1, 1932 . . ." (Getman "The Right to Use Gold Clauses," 42 Brooklyn L.R. 480, n. 5.)

Beyond this is the paralyzing inhibition of legal creativity imposed by the hardline application of the joint resolution in constructions such as Justice Black's opinion in *Guaranty Trust* v. *Henwood*, 307 U.S. 247 (1938) (outlawing payment of railroad bonds in a foreign currency as a circumvention of the Joint Resolution), and especially Justice Cardozo's assertion in *Holyoke Water Power Co.* v. *American Writing Paper*, 300 U.S. at 336 (1937) (which banned payment of rent by delivery of a quantity of gold which shall be equal in amount in $1500 of U.S. gold coin of the standard of weight and fineness of 1894 or the equivalent of this commodity in United States currency (*Id.* at 333), on the ground that "[w]easel words will not avail to defeat the triumph of intention." (p. 336)

Two alternatives suggest themselves in such an impasse. The first is that if the United States Government does not make available a coinage beyond its power to depreciate, resort should be had to a government which does. (Presumably, the cupidity of the United States Treasury to garner minting a distribution seigiorage will overcome its longtime ideological bias against personal monetary autonomy.) Here a foreign gold coin with a known quantity of gold suggests itself as a logical unit of account with the new gold clause reading as follows: "The Corporation promises to deliver to the holder hereof '———' coins of '———' weight and '———' fineness,"* (* the specific number entered must, of course, be obtained dividing the contemplated dollar value of the obligation by the market price one troy ounce of gold—e.g., by the daily fixing price such as that as carried in the *Wall Street Journal*—on the date of issuance of the obligation itself.)

Indeed the very effort to make the foregoing a contract for the delivery of a commodity rather than one for the payment of money* suggests that the new freedom afforded by H.R. 5675 to effect the same result directly and that resort may now had to the nineteenth century calculus afforded by the *Holyoke Water Power* case, viz.

"Obligor hereunder promises to pay to the bearer hereof '———' troy ounces of gold, at the option of bearer, the amount of dollars which would have been required to purchase the same number of ounces on the date of payment.

("In this clause, a preliminary calculus equilibrating nominal dollar amounts and gold bullion equivalence will be required.")

Finally, the passage of H.R. 5675 permits a "fine-tuning" of value equivalence clauses by the application of modern statistical techniques, to a degree uncontemplated by the original draftsmen of gold clauses. Interestingly, the dollor-for-dollar provision of the original text renders suspect all indexation arrangements, and latent flaw in these arrangements is accordingly exercised by the enactment of H.R. 5675.

Thus, a consumer contract or a credit arrangement keyed to domestic economic conditions could well read:

"Obligor hereunder promises to pay $ multiplied by the difference between the Consumer Price Indices of the Bureau of Labor Statistics prevailing on the dates of issuance and of payment hereof,"

Correspondingly, an obligation to which international financial considerations are critical could contain the following clause:

"Obligor hereunder promises to pay to bearer $——— multiplied by the differences between the Federal Reserve Wholesale Price Indices prevailing on the date of issuance and of payment hereof."

COUNSEL'S CORNER

FINE-TUNING THE GOLD CLAUSE

The recent presidential approval of Public Law 95-147, which makes the Joint Resolution of June 5, 1933 inapplicable to all obligations entered into after the date of such approval, does not necessarily resuscitate covenants to pay gold coin of the United States "of an equivalent to the standard of weight and fineness"[1] prevailing on the date of the covenant. First, a gold coinage of the United States must be reestablished. (Why should South Africa reap a monopoloid Krugerrand profit from this circumstance?)

Pending such reestablishment, however, it is possible to use the statistical indices of the government itself to obtain flexibility, precision, and sensitivity to the economic circumstances of the contracting parties in a mode far surpassing that afforded by the historic gold clause. Thus, where the price of paper was a critical factor, a finetuned clause might read:

"Any amount initially payable hereunder shall be multiplied by one, plus an Adjustment Factor obtained by subtracting the index number of the paper component of the Federal Wholesale Price Index (1967=100) prevailing on the initial date of borrowing from the corresponding index number prevailing on the date of maturity; such numbers shall be those of the first days of the months nearest to the borrowing and maturity dates, respectively."

Using the foregoing formula, a loan of $1,000 in July 1975 would be discharged by a payment of $1,105 in July 1976, i.e., its principal being amplified by an adjustment factor of 1.105 (180.5 minus 170.0).[2] Of course, a similar variable can be effected for textiles, hides, chemicals, and the other components of the Wholesale Price Index. Two caveats might be in order:

(1) Given inevitable statistical lags, perhaps, the adjustment increment might be made payable three months after the maturity date of the initial principal.

(2) Perhaps more important, care should be taken to analyze the adjustment as interest, lest the transactions run afoul of prohibitions on usury.[3]

SUBSTITUTION OF SENATOR McGOVERN FOR SENATOR ALLEN AS A CONFEREE—S. 1678

Mr. TALMADGE. I ask unanimous consent that the Senator from South Dakota (Mr. McGOVERN) be appointed as a conferee on S. 1678, vice the Senator from Alabama (Mr. Allen), deceased.

The PRESIDING OFFICER. Without objection, it is so ordered.

* See, e.g., *Aztec Properties* v. *Union Planters National Bank*, 44 LW 2209 (Tenn. 1975).

[1] See Norman v. B&O, 294 U.S. 240 n.1 (1935).

[2] See F.R.B. A53 (Aug. 1976).

[3] See Aztec Properties, Inc. v. Union Planters Nat'l Bank, 530 S.W.2d 756 (Tenn. 1975).

SUBSTITUTION OF SENATOR EASTLAND FOR SENATOR ALLEN AS A CONFEREE—H.R. 11504

Mr. TALMADGE. I ask unanimous consent that the Senator from Mississippi (Mr. EASTLAND) be appointed as a conferee on H.R. 11504, vice the Senator from Alabama (Mr. Allen), deceased.

The PRESIDING OFFICER. Without objection, it is so ordered.

BEEF IMPORTS AND INFLATION

Mr. WALLOP. Mr. President, today President Carter announced his intention to increase beef imports in an attempt to reduce beef prices for consumers. I share the President's concern over inflation, but an increase in beef imports can only be seen as a dangerous, even cruel charade. The President's action defies the economic arguments of his own agricultural advisors. The notion that increased beef imports will substantially reduce inflation is a hoax on the consumer and a betrayal of the American cattlemen.

The problem of inflation is fought with a media campaign as though it could be won through gestures and hollow rhetoric. The administration has distorted the image of the effect that beef prices have on the Urban Consumer Price Index by portraying beef as the driving force behind rising food costs. Food only represents 17.7 percent of the total Consumer Price Index, while beef represents less than 1.5 percent of the total price index. The 2.4-percent increase in food prices during April coupled with increased concerns over inflation forced the administration to select a strawman to be knocked down in the inflation fight. No genuine attempts to reduce the Federal deficit, which is the root cause of inflation, have been taken, but considerable effort will be made to jawbone business and intimidate certain industries.

The increased beef import quota is being pushed as a tough stance against food price increases. In fact, this move will have little effect on beef prices. USDA and private economists agree that increasing beef imports will force at most a 2-to-3-cent decrease on hamburger prices in the short run. This could be considered a small victory were it not for the fact that increased beef quotas will further destabilize the cattle industry and set economic forces in motion that will shrink the cattle herd and increase prices in the long run.

After 4 years of debt and depression in the cattle industry in subsidizing the consumer, a move to increase beef imports is a signal to the beef industry that this administration has little concern for the indebted cattleman. This action can only discourage cattlemen from building up the herd, and a continuation of the present liquidation phase of the cattle cycle will result in much higher prices in the future. A miniscule gain on the inflation front for the short term will bring far higher beef prices in the future and destroy an American industry in the process. Consumers will face beef shortages that cannot be alleviated by the unpredictable supplies of the international beef trade. The recent improvements in cattle prices have had no benefits for western cattlemen who will not market their cattle until this fall. The President's action to increase beef imports will make economic recovery for many cattlemen just a dream of the past.

The most tragic aspect of this economic gimmickry is that the President has ignored the advice of his own Secretary of Agriculture who argued that increasing beef imports will not only hurt the cattlemen but also the consumer as well. The countercyclical beef import formula supported by the Secretary and the cattle industry would have done much to alleviate the cyclical beef/supply problem. Unfortunately, the President has chosen to ignore his economic advisers and has followed the counsel of those who contend that inflation can be talked away.

The fight against inflation should not be left to media experts bent on a campaign of hype and misinformation. Food prices will not subside by setting up one industry as the culprit of food inflation. What we see are symptoms of the general inflationary forces that grow in the economy as this Government continually spends itself senseless. The administration could just as easily provide that money to help the consumer buy beef, than to ruin a viable industry. We see for example no initiative to fight inflation by reducing subsidies to the peanut industry or lift the quota and tariff restraint programs that help the peanut farmers. Typically, the President has singled out the cattle industry as the whipping boy for his economic woes. President Carter has blamed the cattle industry for inflation. Of all the ridiculous posturing. The American consumer will pay for the President's misguided decision to increase beef imports.

DETENTE WITH THE SOVIET UNION

Mr. DOLE. Mr. President, in his address to the U.S. Naval Academy today, President Carter correctly noted that the choice between cooperation or confrontation now rests with the Soviet Union. The President, however, must recognize the very real possibility that the Soviets will choose to pursue their aggressive policies in Africa and elsewhere, and he must be prepared to make some hard decisions himself once the Soviet decision becomes clear. Words of hope and caution are not enough. It is not enough to continue to say that we prefer detente while hostile Soviet intentions clearly demonstrate otherwise.

In the same vein, it should be remembered that conclusion of a Salt Treaty agreement between the United States and the Soviet Union is not, alone, a determination of "detente." It does not signal a final chapter in our efforts to maintain good will and harmony with that nation.

Likewise, it is to be hoped that the President's verbal commitments to a strong American defense and to equivalency in nuclear strength will be reflected in his policy decisions. The administration's recommendations on defense spending, its decisions on essential weapons production, and its position on a final SALT II agreement will speak louder than words in this respect.

The President's accolades for majority rule in Africa, and his commitment to "affirmative policies that recognize realities," calls into question his refusal to support the very realistic Interim Settlement in Rhodesia. It is difficult to understand why this administration continues to insist that those who would seize power by bullets rather than ballots must be accommodated, when an orderly democratic transition to majority rule is already underway in Rhodesia.

COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 809.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3033) to authorize and direct the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Cooperative Forestry Assistance Act of 1978".

POLICY AND PURPOSE

SEC. 2. (a) Congress finds and declares that—

(1) most of the Nation's productive forest land is in private, State, and local governmental ownership, and the Nation's capacity to produce renewable forest resources is significantly dependent on these non-Federal forest lands;

(2) adequate supplies of timber and other forest resources are essential to the Nation, and adequate supplies are dependent upon efficient methods for establishing, managing, and harvesting trees and processing, marketing, and using wood and wood products;

(3) managed forest lands provide habitats for fish and wildlife, as well as esthetics, outdoor recreation opportunities, and other forest resources;

(4) insects and diseases affecting trees occur and sometimes create emergency conditions on all land, whether Federal or non-Federal, and efforts to prevent and control such insects and diseases often require coordinated action by both Federal and non-Federal land managers;

(5) fires in rural areas threaten human lives, property, and forests and other resources, and Federal-State cooperation in forest fire protection has proven effective and valuable;

(6) trees and forests are of great environmental and economic value to urban areas; and

(7) managed forests contribute to improving the quality, quantity, and timing of water yields, which are of broad benefit to society.

(b) The purpose of this Act is to authorize the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary"), with respect to non-Federal forest lands, to assist in—

(1) the advancement of forest resources management;

(2) the encouragement of the production of timber;

(3) the prevention and control of insects and diseases affecting trees and forests;

(4) the prevention and control of rural fires;

(5) the efficient utilization of wood and wood residues, including the recycling of wood fiber;

(6) the improvement and maintenance of fish and wildlife habitat; and

(7) the planning and conduct of urban forestry programs.

(c) It is in the national interest for the Secretary to work through and in cooperation with State foresters or equivalent State officials in implementing Federal programs affecting non-Federal forest lands.

(d) This Act shall be deemed to complement the policies and direction set forth in the Forest and Rangeland Renewable Resources Planning Act of 1974.

RURAL FORESTRY ASSISTANCE

SEC. 3. (a) Congress finds that—

(1) production of timber on non-Federal forest lands and the efficient processing and use of wood produced on these lands are important in meeting the Nation's demand for wood and wood products;

(2) the Federal Government can assist in increasing timber inventories, improving and maintaining fish and wildlife habitat, and providing other forest resources on non-Federal forest lands; and

(3) Federal assistance in forest resources management on non-Federal forest lands and the utilization of resources from these lands contribute to the economic strength and environmental quality of the Nation, providing many public benefits.

(b) The Secretary is authorized to provide financial, technical, and related assistance to State foresters or equivalent State officials to—

(1) develop genetically improved tree seeds;

(2) procure, produce, and distribute tree seeds and trees for the purpose of establishing forests, windbreaks, shelterbelts, woodlots, and other plantings;

(3) plant tree seeds and trees for the reforestation or afforestation of non-Federal forest lands suitable for the production of timber and other benefits associated with the growing of trees;

(4) plan, organize, and implement measures on non-Federal forest lands, including, but not limited to, thinning, prescribed burning, and other silvicultural practices designed to increase the quantity and improve the quality of trees and other vegetation, fish and wildlife habitat, and water yielded therefrom;

(5) protect or improve soil fertility on non-Federal forest lands and the quality, quantity, and timing of water yields; and

(6) provide technical information, advice, and related assistance to private forest landowners and managers, vendors, forest operators, wood processors, public agencies, and individuals regarding—

(A) the harvesting, processing, and marketing of timber and other forest resources and the marketing and utilization of wood and wood products;

(B) conversion of wood to energy for domestic, industrial, municipal, and other uses;

(C) management planning and treatment of forest land, including, but not limited to, site preparation, reforestation, thinning, prescribed burning, and other silvicultural practices designed to increase the quantity and improve the quality of timber and other forest resources;

(D) protection and improvement of forest soil fertility and the quality, quantity, and timing of water yields; and

(E) the effects of forestry practices on fish and wildlife and their habitats.

(c) There are hereby authorized to be appropriated annually such sums as may be needed to implement this section.

FORESTRY INCENTIVES

SEC. 4. (a) The Secretary is authorized to develop and implement a forestry incentives program to encourage the development, management, and protection of nonindustrial private forest lands. The purposes of such program shall be to encourage landowners to apply practices that will provide for afforestation of suitable open lands, reforestation of cutover or other nonstocked or understocked forest lands, timber stand improvement practices, including thinning, prescribed burning, and other silvicultural treatments, and forest resources management and protection, so as to provide for the production of timber and other forest resources associated therewith.

(b) For the purposes of this section, the term "private forest land" means land capable of producing crops of industrial wood and owned by any private individual, group, Indian tribe or other native group, association, corporation, or other legal entity.

(c) Landowners shall be eligible for cost sharing under this program if they own 1,000 acres or less of private forest land, except that the Secretary may approve cost sharing with landowners owning more than 1,000 acres of such land if significant public benefits will accrue. In no case, however, may the Secretary approve cost sharing with landowners owning more than 5,000 acres of private forest land.

(d) The Secretary shall administer this section in accordance with regulations the Secretary shall develop in consultation with the committee described in section 10(c) of this Act. Regulations issued under title X of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973, to the extent not inconsistent with the provisions of this section, shall remain in effect until reworked or amended by regulation issued under this subsection. The regulations issued under this subsection shall include guidelines for the administration of this section at the Federal and State levels, and shall identify the measures and activities eligible for cost sharing under this section.

(e) Individual forest management plans developed by the landowner in cooperation with and approved by the State forester or equivalent State official shall be the basis for agreements between the landowner and the Secretary under this section. The Secretary shall encourage participating States to use private agencies, consultants, organizations, and firms to the extent feasible for the preparation of individual forest management plans.

(f) In return for the agreement by the landowner, the Secretary shall agree to share the cost of implementing those forestry practices and measures set forth in the agreement for which the Secretary determines that cost sharing is appropriate. The portion of such cost (including labor) to be shared shall be that portion that the Secretary determines is necessary and appropriate to implement the forestry practices and measures under the agreement, but not more than 75 percent of the actual costs incurred by the landowner. The maximum amount any individual may receive annually under the program authorized by this section shall be determined by the Secretary in consultation with the committee described in section 10 (c) of this Act.

(g) The Secretary shall, for the purposes of this section, distribute funds available for cost sharing among the States only after assessing the public benefit incident thereto, and after giving appropriate consideration to (1) the acreage of private commercial forest land in each State, (2) the potential productivity of such land, (3) the number of ownerships eligible for cost sharing in each State, (4) the need for reforestation, timber stand improvement, or other forestry investments on such ownerships, and (5) the enhancement of other forest resources.

(h) The Secretary may, if the Secretary determines that doing so will contribute to the effective and equitable administration of the program authorized by this section, use an advertising and bid procedure in determining the lands in any area to be covered by agreement under this section.

(i) In implementing this section, the Secretary is authorized to use the authorities provided in sections 1001, 1002, 1003, 1004, and 1008 of the Agricultural Act of 1970, as added by the Agricultural and Consumer Protection Act of 1973.

(j) There are hereby authorized to be appropriated annually such sums as may be needed to implement this section, including funds necessary for technical assistance and expenses associated therewith.

INSECT AND DISEASE CONTROL

SEC. 5. (a) The Secretary is authorized to protect from insects and diseases, trees and forests and wood products, stored wood, and wood in use directly on the National Forest System and in cooperation with others on other lands in the United States, in order to—

(1) enhance the growth and maintenance of trees and forests;

(2) promote the stability of forest-related industries and employment associated therewith through protection of forest resources;

(3) aid in forest fire prevention and control;

(4) conserve forest cover on watersheds;

(5) protect outdoor recreation opportunities and other forest resources; and

(6) extend timber supplied by protecting wood products, stored wood, and wood in use.

(b) Subject to the provisions of subsections (c), (d), and (e) of this section and subject to whatever other conditions the Secretary may prescribe, the Secretary is authorized, directly on the National Forest System, and in cooperation with other Federal departments on other Federal lands, and in cooperation with State foresters or equivalent State officials, subdivisions of States, agencies, institutions, organizations, or individuals on non-Federal lands, to—

(1) conduct surveys to detect and appraise insect infestations and disease conditions affecting trees;

(2) determine the biological, chemical, and mechanical measures necessary to prevent, retard, control, or suppress incipient, potential, threatening, or emergency insect infestations and disease conditions affecting trees;

(3) plan, organize, direct, and perform measures the Secretary determines necessary to prevent, retard, control, or suppress incipient, potential, threatening, or emergency insect infestations and disease epidemics affecting trees;

(4) provide technical information, advice, and related assistance in managing and coordinating the use of pesticides and other toxic substances applied to trees and other vegetation, and to wood products, stored wood, and wood in use; and

(5) take any other actions the Secretary deems necessary to accomplish the objectives and purposes of this section.

(c) Operations planned to prevent, retard, control, or suppress insects or diseases affecting forests and trees on land not controlled or administered by the Secretary shall not be conducted without the consent, cooperation, and participation of the entity having ownership of or jurisdiction over the affected land.

(d) No money appropriated to implement this section shall be expended to prevent, retard, control, or suppress insects or diseases affecting trees on non-Federal land

until the entity having ownerhip of or jurisdiction over the affected land contributes, or agrees to contribute, to the work to be done in the amount and in the manner determined by the Secretary.

(e) The Secretary may, in the Secretary's discretion and out of any money appropriated to implement this section, make allocations to Federal agencies having jurisdiction over lands held or owned by the United States in the amounts the Secretary deems necessary to prevent, retard, control, or suppress insect infestations and disease epidemics affecting trees on those lands.

(f) Any money appropriated to implement this section shall be available for necessary expenses. However, no money appropriated to implement this section shall be used to (1) pay the cost of felling and removing dead or dying trees unless the Secretary determines that such actions are necessary to prevent the spread of a major insect infestation or disease epidemic severely affecting trees, or (2) compensate for the value of any property injured, damaged, or destroyed by any cause. The Secretary may procure materials and equipment necessary to prevent, retard, control, or suppress insects and diseases affecting trees without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), under whatever procedures the Secretary may prescribe, whenever the Secretary deems such action necessary and in the public interest.

(g) There are hereby authorized to be appropriated annually such sums as may be needed to implement this section.

URBAN FORESTRY ASSISTANCE

SEC. 6. (a) Congress finds that—

(1) trees and forests in urban areas, including cities, their suburbs, and towns, improve esthetic quality, reduce noise, filter impurities from the air and add oxygen to it, save energy by moderating temperature extremes, control wind and water erosion, and provide habitat for wildlife;

(2) trees and forests in urban areas are weakened, damaged, or killed by highway and street widening, sidewalk construction, air pollution, modified drainage patterns, erosion, depletion of soil fertility, insects and diseases, mechanical and structural facilities, and other adverse influences that result from or are aggravated by the concentrated use of land; and

(3) planting, protecting, and maintaining trees and forests and utilizing wood from pruned limbs, damaged trees, and felled trees in urban areas makes those areas more pleasant and healthful.

(b) The Secretary is authorized to provide financial, technical, and related assistance to State foresters or equivalent State officials for the purpose of encouraging States to provide information and technical assistance to units of local government and others that will encourage cooperative efforts to plan urban forestry programs and to plant, protect, and maintain, and utilize wood from, trees in open spaces, greenbelts, roadside screens, parks, woodlands, curb areas, and residential developments in urban areas. The Secretary is also authorized to cooperate directly with units of local government and others in implementing this section whenever the Secretary and the affected State forester or equivalent State official agree that direct cooperation would better achieve the purposes of this section.

(c) There are hereby authorized to be appropriated annually such sums as may be needed to implement this section.

RURAL FIRE PREVENTION AND CONTROL

SEC. 7. (a) Congress finds that—

(1) significant accomplishments have been made by the Secretary and cooperating States in the prevention and control of fires on forest lands and on nonforested watersheds for more than fifty years;

(2) progress is being made by the Secretary and cooperating States and rural communities in the protection of human lives, agricultural crops and livestock, property and other improvements, and natural resources from fires in rural areas;

(3) notwithstanding the accomplishments and progress that have been made, fire prevention and control on rural lands and in rural communities are of continuing high priority to protect human lives, agricultural crops and livestock, property and other improvements, and natural resources;

(4) the effective cooperative relationships between the Secretary and the States regarding fire prevention and control on rural lands and in rural communities should be retained and improved;

(5) efforts in fire prevention and control in rural areas should be coordinated among Federal, State, and local agencies; and

(6) in addition to providing assistance to State and local rural fire prevention and control programs, the Secretary should provide prompt and adequate assistance whenever a rural fire emergency overwhelms, or threatens to overwhelm, the firefighting capability of the affected State or rural area.

(b) Notwithstanding the Federal Fire Prevention and Control Act of 1974, the Secretary is authorized, under whatever conditions the Secretary may prescribe, to—

(1) cooperate with State foresters or equivalent State officials in developing systems and methods for the prevention, control, suppression, and prescribed use of fires on rural lands and in rural communities that will protect human lives, agricultural crops and livestock, property and other improvements, and natural resources;

(2) provide financial, technical, and related assistance to State foresters or equivalent State officials, and through them to other agencies and individuals, for the prevention, control, suppression, and prescribed use of fires on non-Federal forest lands and other non-Federal land; and

(3) provide financial, technical, and related assistance to State foresters or equivalent State officials in cooperative efforts to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas. As used herein, the term "rural areas" shall have the meaning set out in the first clause of section 306(a)(7) of the Consolidated Farm and Rural Development Act.

(c) The Secretary, with the cooperation and assistance of the Administrator of General Services, shall encourage the use of excess personal property (within the meaning of the Federal Property and Administrative Services Act of 1949) by State and local fire force receiving assistance under this section.

(d) To promote maximum effectiveness and economy, the Secretary shall seek to coordinate the assistance the Secretary provides under this section with the assistance provided by the Secretary of Commerce under the Federal Fire Prevention and Control Act of 1974.

(e) There are hereby authorized to be appropriated annually such sums as may be needed to implement subsection (b) of this section.

(f) There shall be established in the Treasury a special rural fire disaster fund that shall be immediately available to and used by the Secretary to supplement any other money available to carry out this section with respect to rural fire emergencies, as determined by the Secretary. The Secretary shall determine that State and local resources are fully used or will be fully used before expending money in the disaster fund to assist a State in which one or more rural fire emergencies exist. There are hereby authorized to be appropriated such sums as may be needed to establish and replenish the disaster fund established by this subsection.

MANAGEMENT ASSISTANCE, PLANNING ASSISTANCE, AND TECHNOLOGY IMPLEMENTATION

SEC. 8. (a) To aid in achieving maximum effectiveness in the programs and activities conducted under this Act, the Secretary is authorized to provide financial, technical, and related assistance to State foresters or equivalent State officials for the development of stronger and more efficient State organizations that will enable them to fulfill better their responsibilities for the protection and management of non-Federal Forest lands. Assistance under this subsection may include, but not be limited to, assistance in matters related to organization management, program planning and management, budget and fiscal accounting services, personnel training and management, information services, and recordkeeping. Assistance under this subsection may be extended only upon request by State foresters or equivalent State officials.

(b) To ensure that data regarding forest lands are available for and effectively presented in State and Federal natural resources planning, the Secretary is authorized to provide financial, technical, and related assistance to State foresters or equivalent State officials in the assembly, analysis, display, and reporting of State forest resources data, in the training of State forest resources planners, and in participating in natural resources planning at the State and Federal levels. The Secretary shall restrict assistance under this subsection to the implementation of the forestry aspects of State and Federal natural resources planning conducted under other laws. This subsection shall not be construed, in any way whatsoever, as extending, limiting, amending, repealing, or otherwise affecting any other law or authority.

(c) To ensure that new technology is introduced, new information is integrated into existing technology, and forest resources research findings are promptly made available to State forestry personnel, private forest landowners and managers, vendors, forest operators, wood processors, public agencies, and individuals, the Secretary is authorized to carry out a program of technology implementation.

(1) In implementing this subsection, the Secretary is authorized to work through State foresters or equivalent State officials, and, if the State forester or equivalent State official is unable to deliver these services, the Secretary is authorized to act through appropriate United States Department of Agriculture agencies, subdivisions of States, agencies, institutions, organizations, or individuals to—

(A) strengthen technical assistance and service programs of cooperators participating in programs under this Act by applying research results and conducting pilot projects and field tests of management and utilization practices, equipment, and technclogies, related to programs and activities authorized under this Act;

(B) study the effects of tax laws, methods, and practices on forest management;

(C) develop and maintain technical information systems in support of programs and activities authorized under this Act;

(D) test, evaluate, and seek registration of chemicals for use in implementing the programs and activities authorized under this Act;

(E) implement other activities, including training of State forestry personnel whom the Secretary deems necessary to ensure that the programs and activities authorized under this Act are responsive to special problems, unique situations, and changing conditions.

(2) The Secretary may make funds available to cooperators under this Act without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), which prohibits advances of public money.

(3) The Secretary shall use forest resources planning committees at National and State levels in implementing this subsection.

(d) There are hereby authorized to be appropriated annually such sums as may be needed to implement this section.

CONSOLIDATED PAYMENTS

SEC. 9. (a) To provide flexibility in funding activities authorized under this Act, the Secretary may, upon the request of any State, consolidate the annual financial assistance payments to that State under this Act, in lieu of functional cost sharing mechanisms, formulas, or agreements. However, consolidated payments shall not include money appropriated under section 4 of this Act or money from any special Treasury fund established under this Act.

(b) Consolidation of payments made under this section shall be based upon State forest resources programs developed by State foresters or equivalent State officials, and reviewed by the Secretary.

(c) Consolidated payments to any State during any fiscal year shall not exceed the total amount of non-Federal funds expended within the State during that year to implement its State forest resources program. However, the Secretary may make payments that exceed the non-Federal amount expended for selected activities under the program, if the total Federal expenditure during any fiscal year does not exceed the total non-Federal expenditure during that year under the State forest resources program.

(d) The Secretary may make consolidated payments on the certificate of the State forester or equivalent State official that the conditions for Federal payment have been met.

(e) The Secretary shall administer this section to ensure that the use of consolidated payments does not adversely affect or eliminate any program authorized by this Act.

(f) Subject to applicable appropriation Acts, the total annual amount of financial assistance to any participating State after the enactment of this Act shall not be less than the base amount of financial assistance provided to that State under all the provisions of law specified in section 13 of this Act during the fiscal year in which this Act is enacted. However, financial assistance for special projects of two years (or less) duration shall not be included in determining the base amount for any participating State.

GENERAL PROVISIONS

SEC. 10. (a) In implementing this Act, the Secretary shall, to the maximum extent practicable—

(1) work through, cooperate with, and assist State foresters or equivalent State officials;

(2) encourage cooperation and coordination between State foresters or equivalent State officials and other State agencies that manage renewable natural resources;

(3) use and encourage cooperators under this Act to use, private agencies, consultants, organizations, firms, and individuals to furnish necessary materials and services; and

(4) promote effectiveness and economy by coordinating the direct actions and assistance authorized under this Act with related programs the Secretary administers, and with cooperative programs of other agencies.

(b) Money appropriated under this Act shall remain available until expended.

(c) Requirements for the development of State forest resources programs and State participation in management assistance, planning assistance, and technology implementation, the apportionment of funds among States participating under this Act, the administrative expenses in connection with activities and programs under this Act, and the amounts to be expended by the Secretary to assist non-State cooperators under this Act, shall be determined by the Secretary in consultation with a committee of not less than five State foresters or equivalent State officials selected by a majority of the State foresters or equivalent State officials from States participating in programs under this Act. However, the Secretary need not consult with such committee regarding funds to be expended under emergency conditions that the Secretary may determine.

(d) For the purposes of this Act—

(1) The terms "United States" and "State" shall include each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, the Commonwealth of the North Mariana Islands, the Trust Territory of the Pacific Islands, and the territories and possessions of the United States;

(2) The term "forest resources" shall include esthetics, fish and wildlife, forage, outdoor recreation opportunities, timber, and water; and

(3) The term "urban forestry" means the planning, establishment, protection, and management of trees and associated plants, individually, in small groups, or under forest conditions within cities, their suburbs, and towns.

(e) The Secretary may prescribe rules and regulations, as the Secretary deems appropriate, to implement the provisions of this Act.

(f) The Secretary is authorized to make grants, agreements, contracts, and other arrangements the Secretary deems necessary to implement this Act.

(g) This Act shall be construed as supplementing all other laws relating to the Department of Agriculture and shall not be construed as limiting or repealing any existing law or authority of the Secretary, except as specifically cited in section 13 of this Act.

STATEMENT OF LIMITATIONS

SEC. 11. This Act does not authorize the Federal Government to regulate the use of private land or to deprive owners of land of their rights to property or to income from the sale of property, and this Act does not diminish in any way the rights and responsibilities of the States and political subdivisions of States.

REPORTS

SEC. 12. To ensure that Congress has adequate information to implement its oversight responsibilities and to provide accountability for expenditures and activities under this Act, section 8(c) of the Forest and Rangeland Renewable Resources Planning Act of 1974 is amended by—

(1) inserting immediately before the period at the end of the last sentence "and in cooperative State and private Forest Service programs"; and

(2) adding a new sentence at the end thereof as follows: "With regard to the cooperative forestry assistance part of the program, the report shall include, but not be limited to, a description of the status, accomplishments, needs, and work backlogs for the programs and activities conducted under the Cooperative Forestry Assistance Act of 1978.".

REPEAL OF OTHER LAWS; EXISTING CONTRACTS AND AGREEMENTS; APPROPRIATIONS

SEC. 13. (a) The following laws, and portions of laws, are hereby repealed:

(1) sections 1, 2, 3, and 4 of the Act of June 7, 1924, known as the Clarke-McNary Act (43 Stat. 653–654, as amended; 16 U.S.C. 564, 565, 566, 567);

(2) the Act of April 26, 1940, known as the White Pine Blister Rust Protection Act (54 Stat. 168; 16 U.S.C. 594a);

(3) the Forest Pest Control Act;

(4) the Cooperative Forest Management Act;

(5) section 401 of the Agricultural Act of 1956;

(6) title IV of the Rural Development Act of 1972; and

(7) section 1009 and the proviso to section 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973.

(b) Contracts and cooperative and other agreements under cooperative forestry programs executed under authority of the Acts, or portions thereof, repealed under subsection (a) of this section shall remain in effect until revoked or amended by their own terms or under other provisions of law.

(c) Funds appropriated under the authority of the Acts, or portions thereof, repealed under subsection (a) of this section shall be available for expenditure for the programs authorized under this Act.

EFFECTIVE DATE

SEC. 14. The provisions of this Act shall become effective October 1, 1978.

UP AMENDMENT NO. 1325

(Purpose: To correct technical and clerical errors in the text of the bill)

Mr. ROBERT C. BYRD. Mr. President I send to the desk technical amendments and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes unprinted amendment No. 1325.

The amendment is as follows:

On page 32, line 12, strike out "reworked" and insert in lieu thereof "revoked".

On page 32, line 13, strike out "regulation" and insert in lieu thereof "regulations".

On page 34, line 3, strike out "agreement" and insert in lieu thereof "agreements".

On page 34, strike out "is au-" in line 4 and "thorized to" in line 5, and insert in lieu thereof "may".

On page 34, line 7, strike out "Agricultural" and insert in lieu thereof "Agriculture".

On page 35, line 3, strike out "supplied" and insert in lieu thereof "supplies".

On page 38, line 12, strike out "makes" and insert in lieu thereof "make".

On page 42, line 24, insert "will" immediately before "not be limited to".

On page 45, line 3, strike out "implement" and insert in lieu thereof "conduct".

On page 46, line 22, strike out "by" and insert in lieu thereof "under".

On page 47, strike out "(or" in line 4 and "less)" in line 5, and insert in lieu thereof "or less".

On page 48, line 17, strike out "and "State" shall" and insert in lieu thereof "and "State" shall".

On page 50, line 14, strike out "program" and insert in lieu thereof "Program".

The PRESIDING OFFICER. The question is on agreeing to the technical amendments en bloc.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The

question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 843, which is a companion House bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 11777) to authorize and direct the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all after the enacting clause of H.R. 11777 be stricken and that the language of the Senate bill, as amended, be substituted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 11777) was passed.

The title was amended so as to read:

A bill to authorize the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to indefinitely postpone Calendar Order No. 809, S. 3033.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-879), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 3033 consolidates in one statute and clarifies the authorities for several existing cooperative forestry assistance programs now contained in seven separate statutes, which are administered by the Secretary of Agriculture. These existing authorities would be repealed.

SUMMARY OF MAJOR PROVISIONS

The major provisions of S. 3033 would—

(1) establish congressional policy regarding the desirability of a cooperative Federal and State effort to maintain and improve non-Federal forest lands;

(2) separate the existing cooperative forestry technical assistance programs of the Department of Agriculture between rural and urban areas, and strengthen the role of the State foresters in implementing these programs;

(3) continue the forestry incentives cost-share program, and strengthen the role of State foresters in implementing this program;

(4) Increase the acreage limitation in the forestry incentives cost-share program from 500 to 1,000 acres (and to 5,000 acres if significant public benefits will accrue from the cost sharing);

(5) eliminate the $25 million annual appropriation limit on the forestry incentives program;

(6) continue the forestry insect and disease control program, and expand it to include protection of wood products, stored wood, and wood in use;

(7) continue the cooperation in forest fire control and rural community fire protection programs and direct that these programs be coordinated with the programs of the Department of Commerce under the Federal Fire Prevention and Control Act of 1974;

(8) establish a rural life disaster fund that would be available to the Secretary to assist States in dealing with rural fire emergencies;

(9) establish programs of management assistance, planning assistance, and technology implementation for State foresters;

(10) permit States, upon development of a State forestry plan, to consolidate individual Federal cooperative forestry program grant (except for forestry incentive cost share payments and payments from any special Treasury fund (into a single annual grant—to be matched by the State. The use of consolidated payments could not, of itself, reduce the total amount of financial assistance that would otherwise be available to a State under existing procedures;

(11) provide that the cooperative forestry programs are to be administered to complement the related activities of the Forest Service and other agencies of the Department of Agriculture;

(12) require the Secretary to consult with a committee composed of not less than five State foresters or equivalent State officials, selected by the State foresters and equivalent State officials, in making determinations regarding (a) requirements for the development of State forest resources programs and State participation in management and planning assistance and technology implementation, (b) apportionment of program funds among States, (c) administrative expenses in connection with programs under the bill, and (d) amounts to be expended to assist non-State cooperators under the bill;

(13) expand the scope of the annual report to Congress required under the Forest and Rangeland Renewable Resources Planning Act of 1974 to include a report on the status of the cooperative forestry programs under the bill;

(14) provide general authorizations for appropriations for the cooperative forestry programs under the bill and make cooperative forestry program funds available until expended; and

(15) Repeal—

(a) sections 1 through 4 of the Act of June 7, 1924, known as the Clarke-McNary Act,

(b) the Act of April 26, 1940, known as the White Pine Blister Rust Protection Act,

(c) the Forest Pest Control Act,

(d) the Cooperative Forest Management Act,

(e) section 401 of the Agriculture Act of 1956,

(f) title IV of the Rural Development Act of 1972, and

(g) section 1009 and the proviso to section 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973.

FOREST AND RANGELAND RENEWABLE RESOURCES RESEARCH ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 810.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3034) to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative assistance for such research to States and others, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Forest and Rangeland Renewable Resources Research Act of 1978".

PURPOSE

SEC. 2. (a) Congress finds that scientific discoveries and technological advances must be made and applied to support the protection, management, and utilization of the Nation's renewable resources. It is the purpose of this Act to authorize the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") to implement a comprehensive program of forest and rangeland renewable resources research and dissemination of the findings of such research.

(b) This Act shall be deemed to complement the policies and direction set forth in the Forest and Rangeland Renewable Resources Planning Act of 1974.

RESEARCH AUTHORIZATION

SEC. 3. (a) The Secretary is authorized to conduct, support, and cooperate in investigations, experiments, tests, and other activities the Secretary deems necessary to obtain, analyze, develop, demonstrate, and disseminate scientific information about protecting, managing, and utilizing forest and rangeland renewable resources in rural, suburban, and urban areas. The activities conducted, supported, or cooperated in by the Secretary under this Act shall include, but not be limited to, the five major areas of renewable resources research identified in paragraphs (1) through (5) of this subsection.

(1) Renewable resource management research shall include, as appropriate, research activities related to managing, reproducing, planting, and growing vegetation on forests and rangelands for timber, forage, water, fish and wildlife, esthetics, recreation, wilderness, and other purposes; determining the role of forest and rangeland management in the productive use of forests and rangelands, in diversified agriculture, and in mining, transportation, and other industries and developing alternatives for the management of forests and rangelands that will make possible the most effective use of their multiple products and services.

(2) Renewable resource environmental research shall include, as appropriate, research activities related to understanding and managing surface and subsurface water flow, preventing and controlling erosion, and restoring damaged or disturbed soils on forest and rangeland watersheds; maintaining and improving wildlife and fish habitats; man-

aging vegetation to reduce air and water pollution, provide amenities, and for other purposes; and understanding, predicting, and modifying weather, climatic, and other environmental conditions that affect the protection and management of forests and rangelands.

(3) Renewable resource protection research shall include, as appropriate, research activities related to protecting vegetation and other forest rangeland resources, including threatened and endangered flora and fauna, as well as wood and wood products in storage or use, from fires, insects, diseases, noxious plants, animals, air pollutants, and other agents through biological, chemical, and mechanical control methods and systems; and protecting people, natural resources, and property from fires in rural areas.

(4) Renewable resource utilization research shall include, as appropriate, research activities related to harvesting, transporting, processing, marketing, distributing, and utilizing wood and other materials derived from forest and rangeland renewable resources; recycling and fully utilizing wood fiber; and testing forest products, including necessary fieldwork associated therewith.

(5) Renewable resource assessment research shall include, as appropriate, research activities related to developing and applying scientific knowledge and technology in support of the survey and analysis of forest and rangeland renewable resources described in subsection (b) of this section.

(b) To ensure the availability of adequate data and scientific information for development of the periodic Renewable Resources Assessment provided for in section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974, the Secretary of Agriculture shall make and keep current a comprehensive survey and analysis of the present and prospective conditions of and requirements for renewable resources of the forests and rangelands of the United States and of the supplies of such renewable resources, including a determination of the present and potential productivity of the land, and of such other facts as may be necessary and useful in the determination of ways and means needed to balance the demand for and supply of these renewable resources, benefits, and uses in meeting the needs of the people of the United States. The Secretary shall conduct the survey and analysis under such plans as the Secretary may determine to be fair and equitable, and cooperate with appropriate officials of each State and, either through them or directly, with private or other entities.

RESEARCH FACILITIES AND COOPERATION

SEC. 4. (a) In implementing this Act, the Secretary is authorized to establish and maintain a system of experiment stations, research laboratories, experimental areas, and other forest and rangeland research facilities. The Secretary is authorized, with donated or appropriated funds, to acquire by lease, donation, purchase, exchange, or otherwise, land or interests in land within the United States needed to implement this Act, to make necessary expenditures to examine, appraise, and survey such property, and to do all things incident to perfecting title thereto in the United States.

(b) In implementing this Act, the Secretary is authorized to accept, hold, and administer gifts, donations, and bequests of money, real property, or personal property from any source not otherwise prohibited by law and to use such gifts, donations, and bequests to (1) establish or operate any forest and rangeland research facility within the United States, or (2) perform any forest and rangeland renewable resource research activity authorized by this Act. Such gifts, donations, and bequests, or the proceeds thereof, and money appropriated for these purposes shall be deposited in the Treasury in a special fund. At the request of the Secretary, the Secretary of the Treasury may invest or reinvest any money in the fund that in the opinion of the Secretary is not needed for current operations. Such investments shall be in public debt securities with maturities suitable for the needs of the fund and bearing interest at prevailing market rates. There are hereby authorized to be expended from such fund such amounts as may be specified in annual appropriation Acts, which shall remain available until expended.

(c) In implementing this Act, the Secretary may cooperate with Federal, State, and other governmental agencies, with public or private agencies, institutions, universities, and organizations, and with businesses and individuals in the United States and in other countries. The Secretary may receive money and other contributions from cooperators under such conditions the Secretary may prescribe. Any money contributions received under this subsection shall be credited to the applicable appropriation or fund to be used for the same purposes and shall remain available until extended as the Secretary may direct for use in conducting research activities authorized by this Act and in making refunds to contributors.

(d) The paragraph headed "Forest research:" under the center heading "FOREST SERVICE" and the center subheading "SALARIES AND EXPENSES" of title I of the Department of Agriculture Appropriation Act, 1952 (65 Stat. 233, 16 U.S.C. 581a–1), is amended by inserting a period immediately after the figure "$5,108,603" and by striking all that follows in that paragraph.

COMPETITIVE RESEARCH GRANTS

SEC. 5. In addition to any grants made under other laws, the Secretary is authorized to make competitive grants that will further research activities authorized by this Act to Federal, State, and other goevrnmental agencies, public or private agencies, institutions, universities, and organizations, and businesses and individuals in the United States. In making these grants, the Secretary shall emphasize basic and applied research activities that are important to achieving the purposes of this Act, and shall obtain, through review by qualified scientists and other methods, participation in research activities of scientists throughout the United States who have expertise in matters related to forest and rangeland renewable resources. Grants under this section shall be made at the discretion of the Secretary under whatever conditions the Secretary may prescribe, after publicly soliciting research proposals, allowing sufficient time for submission of the proposals, and considering qualitative, quantitative, financial, administrative, and other factors that the Secretary deems important in judging, comparing, and accepting the proposals. The Secretary may reject any or all proposals received under this section if the Secretary determines that it is in the public interest to do so.

GENERAL RESEARCH PROVISIONS

SEC. 6. (a) The Secretary may make funds available to cooperators and grantees under this Act without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), which prohibits advances of public money.

(b) To avoid duplication, the Secretary shall coordinate cooperative aid and grants under this Act with cooperative aid and grants the Secretary makes under any other authority.

(c) The Secertary shall use the authorities and means available to the Secretary to disseminate the knowledge and technology developed from research activities conducted under or supported by this Act. In meeting this responsibility, the Secretary shall cooperate, as the Secretary deems appropriate, with the entities identified in subsection (d)(3) of this section and with others.

(d) In implementing this Act the Secretary, as the Secretary deems appropriate and practical, shall

(1) use, and encourage cooperators and grantees to use, the best available scientific skills from a variety of disciplines within and outside the fields of agriculture and forestry;

(2) seek, and encourage cooperators and grantees to seek, a proper mixture of short-term and long-term research and a proper mixture of basic and applied research;

(3) avoid unnecessary duplication and coordinate activities under this section among agencies of the Department of Agriculture and with other affected Federal departments and agencies, State agricultural experiment stations, State extension services, State foresters or equivalent State officials, forestry schools, and private research organizations; and

(4) encourage the development, employment, retention, and exchange of qualified scientists and other specialists through postgraduate, postdoctoral, and other training national and international exchange of scientists, and other incentives and programs to improve the quality of forest and rangeland renewable resources research.

(e) This Act shall be construed as supplementing all other laws relating to the Department of Agriculture and shall not be construed as limiting or repealing any existing law or authority of the Secretary except as specifically cited in this Act.

(f) For the purposes of this Act, the terms "United States" and "States" shall include each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the territories and possessions of the United States.

RESEARCH APPROPRIATIONS AUTHORIZATION

SEC. 7. There are hereby authorized to be appropriated annually such sums as may be needed to implement this Act. Money appropriated under this Act shall remain available until expended.

REPEAL OF M'SWEENEY-M'NARY ACT; REGULATIONS AND COORDINATION; APPROPRIATIONS

SEC. 8. (a) The Act of May 22, 1928, known as the McSweeney-McNary Act (45 Stat. 699–702, as amended; 16 U.S.C. 581, 581a, 581a–1, 581b–5811), is hereby repealed.

(b) Contracts and cooperative and other agreements under the McSweeney-McNary Act shall remain in effect until revoked or amended by their own terms or under other provisions of law.

(c) The Secretary is authorized to issue such rules and regulations as the Secretary deems necessary to implement the provisions of this Act and to coordinate this Act with title XIV of the Food and Agriculture Act of 1977.

(d) Funds appropriated under the authority of the McSweeney-McNary Act shall be available for expenditure for the programs authorized under this Act.

EFFECTIVE DATE

SEC. 9. The provisions of this Act shall become effective October 1, 1978.

UP AMENDMENT NO. 1326

(Purpose: To correct technical and clerical errors in the text of the bill)

Mr. ROBERT C. BYRD. Mr. President, I send to the desk certain technical amendments and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without

objection, the amendments will be considered en bloc.

The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 13, line 24, strike out "Resources" and insert in lieu thereof "Resource".

On page 16, line 5, insert "as" immediately after "such conditions".

On page 16, line 8, strike out "extended" and insert in lieu thereof "expended".

On page 16, line 15, strike out the comma immediately after "233" and insert in lieu thereof a semicolon.

On page 16, line 20, strike out "Secretaray" and insert in lieu thereof "Secretary".

On page 17, line 4, strike out "of" and insert in lieu thereof "by".

On page 18, line 8, insert a comma immediately after "this Act".

On page 18, line 9, strike out "shall" and insert in lieu thereof "shall—"

On page 20, line 5, strike out "581a–1,".

On page 19, line 23, strike out "Money" and insert in lieu thereof "Funds".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar order No. 844.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 11778) to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative assistance for such research to States and others, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that the language of the Senate bill, as amended, be inserted in lieu thereof; that the bill be advanced to third reading, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 3034 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended so as to read:

A bill to direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–880), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 3034 replaces the McSweeney-McNary Act of 1928 with an updated and expanded authority for the Secretary of Agriculture to implement programs of forest and rangeland renewable resources research. The major provisions of S. 3034 would—

(1) Authorize the Secretary of Agriculture to conduct forest and rangeland renewable resources research, including—

(a) management research,

(b) environmental research,

(c) resource protection research,

(d) resource utilization research, and

(e) resource assessment research;

(2) Direct the Secretary to perform, and keep current, a comprehensive survey and analysis of the status of renewable resources in the Nation's forests and rangelands, in order to assure the availability of information for the periodic assessments of forests and rangelands required under the Forest and Rangeland Renewable Resources Planning Act of 1974;

(3) Authorize the Secretary to establish and maintain a system of experiment stations and other facilities for conducting renewable resources research;

(4) Expand the Secretary's authority to acquire land and to accept donated money and property for renewable resources research;

(5) Establish a special fund in the U.S. Treasury for the deposit of research donations;

(6) Provide the Secretary new authority to cooperate with persons in foreign nations in renewable resources research;

(7) Authorize the Secretary to make competitive grants to further the research activities under the bill;

(8) Authorize advances of funds to grantees and persons cooperating with the Secretary in performing research under the bill;

(9) Direct the Secretary to coordinate cooperative aid and grants for research under the bill to avoid duplication of effort;

(10) Direct the Secretary to disseminate the information developed from research conducted under, or supported by, the bill;

(11) Authorize appropriations to implement the bill, with moneys appropriated under the bill remaining available until expended; and

(12) Repeal the McSweeney-McNary Act of 1928.

BACKGROUND AND NEED FOR LEGISLATION

I

Forest and rangeland renewable resources research by the Department of Agriculture is conducted by almost 1,000 Forest Service scientists located in eight regional experiment stations, a national forest products laboratory, and three institutes of forestry—one each located in Alaska, Puerto Rico, and Hawaii. Each of the regional experiment stations has several field laboratories, usually located on the campuses of, and maintained in cooperation with, universities. The field laboratories frequently include experimental forests, ranges, watersheds, and other areas maintained especially for research.

Planning and coordination of the research programs are conducted at several levels within the Forest Service research organization. Cooperators and users of research are actively involved in program planning.

II

The primary statutory authority for forest and rangeland renewable resources research by the Department of Agriculture is contained in the Act of May 22, 1928, known as the McSweeney-McNary Act.

Over the years, the McSweeney-McNary Act has been complicated by a series of amendments to meet needs in certain specific areas. In addition, it has been supplemented by other legislation with respect to renewable resources cooperative research and research grant assistance. The Act of April 6, 1956, is the authority now used for advances of funds to universities and other organizations for cooperative research. The Acts of September 6, 1958, and August 4, 1965, are the authorities now used for advances of funds for grants for the conduct of basic and applied research.

In short, the McSweeney-McNary Act is outdated and inadequate. Although it has served forestry well, the changes during the last 50 years and the need for new direction in the research effort toward a comprehensive, interdisciplinary basic and applied research program require that it be substantially revised.

III

S. 3034 meets the need for a substantial revision of the McSweeney-McNary Act. The bill represents a major effort on the part of the Forest Service and the forestry, university, and conservation communities to respond to the request of Chairman Herman E. Talmadge for draft legislation to improve Federal programs that affect non-Federal forests and rangelands.

S. 3034 would preserve the sound statutory base of the McSweeney-McNary Act, but would also provide updated, clearer, more specific language as the basis for a comprehensive, long-term program of forestry research.

In addition, S. 3034 would benefit the Federal forestry research effort by placing special emphasis on the need for increased cooperation and coordination among Federal and State agencies, universities, private interests, and other groups in forestry research.

Also, the bill will help improve the quality of forestry research through competitive grants for forest and rangeland research.

S. 3034 will clarify some of the "gray areas" in the existing forestry research authority. For example, the bill would make clear that fish, esthetics, recreation, and wilderness are resources concerning which forestry research may be conducted, and that the scope of forestry research extends to suburban and urban areas.

The importance of responsive and effective renewable resources research is recognized by all. By updating the statutory authority for this research, S. 3034 will provide a substantially better base for the achievement of today's research goals.

RENEWABLE RESOURCES EXTENSION ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 811.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill (S. 3035) to provide for an expanded and comprehensive extension program for forest and rangeland renewable

resources, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Renewable Resources Extension Act of 1978".

FINDINGS

SEC. 2. Congress finds that—

(1) the extension program of the Department of Agriculture and the extension activities of each State provide useful and productive educational programs for private forest and range landowners and processors and consumptive and nonconsumptive users of forest and rangeland renewable resources, and these educational programs complement research and assistance programs conducted by the Department of Agriculture;

(2) to meet national goals, it is essential that all forest and rangeland renewable resources (hereinafter in this Act referred to as "renewable resources"), including fish and wildlife, forage, outdoor recreation opportunities, timber, and water, be fully considered in designing educational programs for landowners, processors, and users;

(3) more efficient utilization and marketing of renewable resources extend available supplies of such resources, provide products to consumers at prices less than they would otherwise be, and promote reasonable returns on the investments of landowners, processors, and users;

(4) trees and forests in urban areas improve esthetic quality, reduce noise, filter impurities from the air and add oxygen to it, save energy by moderating temperature extremes, control wind and water erosion, and provide habitat for wildlife; and

(5) trees and shrubs used as shelterbelts protect farm lands from wind and water erosion, promote moisture accumulation in the soil, and provide habitat for wildlife.

TYPES OF PROGRAMS; ELIGIBLE COLLEGES AND UNIVERSITIES

SEC. 3. (a) The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary"), under conditions the Secretary may prescribe and in cooperation with the State directors of cooperative extension service programs and eligible colleges and universities, shall—

(1) provide educational programs that enable individuals to recognize, analyze, and resolve problems dealing with renewable resources, including forest- and range-based outdoor recreation opportunities, trees and forests in urban areas, and trees and shrubs in shelter-belts;

(2) use educational programs to disseminate the results of research on renewable resources;

(3) conduct educational programs that transfer the best available technology to those involved in the management and protection of forests and rangelands and the processing and use of their associated renewable resources;

(4) develop and implement educational programs that give special attention to the educational needs of small, private nonindustrial forest landowners;

(5) to develop and implement educational programs in range and fish and wildlife management;

(6) assist in providing continuing education programs for professionally trained individuals in fish and wildlife, forest, range, and watershed management and related fields;

(7) help forest and range landowners in securing technical and financial assistance to bring appropriate expertise to bear on their problems; and

(8) help identify areas of needed research regarding renewable resources.

(b) As used in this Act, the term "eligible colleges and universities" means colleges and universities eligible to be supported and maintained, in whole or in part, with funds made available under the provisions of the Act of July 2, 1862 (12 Stat. 503–505, as amended; 7 U.S.C. 301–305, 307, 308), and the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326, 328), including Tuskegee Institute, and colleges and universities eligible for assistance under the Act of October 10, 1962 (76 Stat. 806–807 as amended; 16 U.S.C. 582a, 582a–1—582a–7).

(c) In implementing this section, all appropriate educational methods may be used, including, but not limited to, meetings, short courses, workshops, tours, demonstrations, publications, news releases, and radio and television programs.

STATE RENEWABLE RESOURCES EXTENSION PROGRAMS

SEC. 4. (a) The State director of cooperative extension programs (hereinafter in this Act referred to as the "State director") and the administrative heads of extension for eligible colleges and universities in each State shall jointly develop, by mutual agreement, a single comprehensive and coordinated renewable resources extension program in which the role of each eligible college and university is well-defined. In carrying out this responsibility, the State director and the administrative heads of extension for eligible colleges and universities shall consult and seek agreement with the administrative technical representatives and the forestry representatives provided for by the Secretary in implementation of the Act of October 10, 1962 (76 Stat. 806–807, as amended; 16 U.S.C. 582a, 582a–1—582a–7), in the State. Each State's renewable resources extension program shall be submitted to the Secretary annually. The National Agricultural Research and Extension Users Advisory Board established under section 1408 of the Food and Agriculture Act of 1977 shall review and make recommendations to the Secretary pertaining to programs conducted under this Act.

(b) The State director and the administrative heads of extension for eligible colleges and universities in each State shall encourage close cooperation between Extension staffs at the county and State levels, and State and Federal research organizations dealing with renewable resources, State and Federal agencies that manage forests and rangelands and their associated renewable resources, State and Federal agencies that have responsibilities associated with the processing or use of renewable resources, and other agencies or organizations the director and administrative heads deem appropriate.

(c) Each State renewable resources extension program shall be administered and coordinated by the State director, except that, in States having colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326, 328), including Tuskegee Institute, the State renewable resources extension program shall be administered by the State director and the administrative heads of extension for the college or colleges eligible to receive such funds.

(d) In meeting the provisions of this section, each State director and administrative heads of extension for eligible colleges and universities shall appoint and use one or more advisory committees comprised of forest and range landowners, professionally trained individuals in fish and wildlife, forest, range, and watershed management, and related fields, as appropriate, and other suitable persons.

(e) For the purposes of this Act, the term "State" means any one of the fifty States, the Commonwealth of Puerto Rico, Guam, the District of Columbia, and the Virgin Islands of the United States.

NATIONAL RENEWABLE RESOURCES EXTENSION PROGRAM

SEC. 5. (a) The Secretary shall prepare a five-year plan for implementing this Act, which is to be called the "Renewable Resources Extension Program" and submitted to Congress no later than the last day of the first half of the fiscal year ending September 30, 1980, and the last day of the first half of each fifth fiscal year thereafter. The Renewable Resources Extension Program shall provide national emphasis and direction as well as guidance to State directors and administrative heads of extension for eligible colleges and universities in the development of their respective State renewable resources extension programs, which are to be appropriate in terms of the conditions, needs, and opportunities in each State. The Renewable Resources Extension Program shall contain, but not be limited to, brief outlines of general extension programs for fish and wildlife mangement (for both game and nongame species), range management, timber management (including brief outlines of general extension programs for timber utilization, timber harvesting, timber marketing, wood utilization, and wood products marketing), and watershed management (giving special attention to water quality protection), as well as brief outlines of general extension programs for recognition and enhancement of forest- and range-based outdoor recreation opportunities, for planting and management of trees and forests in urban areas, and for planting and management of trees and shrubs in shelterbelts.

(b) In preparing the Renewable Resources Extension Program, the Secretary shall take into account the respective capabilities of private forests and rangelands for yielding renewable resources and the relative needs for such resources identified in the periodic Renewable Resource Assessment provided for in section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the periodic appraisal of land and water resources provided for in section 5 of the Soil and Water Resources Conservation Act of 1977.

(c) To provide information that will aid Congress in its oversight responsibilities and to provide accountability in implementing this Act, the Secretary shall prepare an annual report, which shall be furnished to Congress at the time of submission of each annual fiscal budget, beginning with the annual fiscal budget for the fiscal year ending September 30, 1981. The annual report shall set forth accomplishments of the Renewable Resources Extension Program, its strengths and weaknesses, recommendations for improvement, and costs of program administration, each with respect to the preceding fiscal year.

APPROPRIATIONS AUTHORIZATION

SEC. 6. There are hereby authorized to be appropriated to implement this Act $15,000,000 for the fiscal year ending September 30, 1979, and $15,000,000 for each of the next nine fiscal years. Generally, States shall be eligible for funds appropriated under this Act according to the respective capabilities of their private forests and rangelands for yielding renewable resources and relative needs for such resources identified in the periodic Renewable Resource Assessment provided for in section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the periodic appraisal of land and water resources provided for in section 5 of the Soil and Water Resources Conservation Act of 1977.

REGULATIONS AND COORDINATION

SEC. 7. The Secretary is authorized to issue such rules and regulations as the Secretary deems necessary to implement the provisions of this Act and to coordinate this

Act with title XIV of the Food and Agriculture Act of 1977.

EFFECTIVE DATES

SEC. 8. The provisions of this Act shall be effective for the period beginning October 1, 1978, and ending September 30, 1988.

UP AMENDMENT NO. 1327

Mr. ROBERT C. BYRD. Mr. President, I send to the desk certain technical amendments. I ask unanimous consent that the reading be dispensed with, and that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments are as follows:

On page 11, line 6, insert "the" immediately after "improve".

On page 12, line 14, strike out "to".

On page 13, line 9, insert a coma immediately after "806–807".

On page 13, line 24, strike out "carrying out" and insert in lieu thereof "meeting".

On page 14, line 15, strike out "country" and insert in lieu thereof "county".

On page 14, line 21, strike out "the director and administrative heads" and insert in lieu thereof "the State director and administrative heads of extension".

On page 15, line 3, insert "head or" immediately after "the administrative".

On page 15, line 20, strike out "submitted" and insert in lieu thereof "shall submit such plan".

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed now to the consideration of Calendar Order No. 861, which is a companion House measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 11779) to provide for an expanded and comprehensive extension program for forest and range land renewable resources.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all after the enacting clause be stricken; that the language of the Senate bill, as amended, be inserted in lieu thereof; that the bill be advanced to third reading, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent that S. 3035 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–881), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

SHORT EXPLANATION

S. 3035 would provide for a comprehensive extension program for forest and rangeland renewable resources. The major provisions of the bill would—

(1) Require the Secretary of Agriculture to provide educational programs covering a broad range of renewable resource problems and subject areas and a broad range of audiences (the programs are to be developed by the Secretary in cooperation with State directors of cooperative extension service program and eligible universities and colleges—land-grant colleges, 1890 colleges, and schools that receive assistance under the McIntire-Stennis Act);

(2) Place responsibility for the development of each State renewable resources extension program jointly with the State director of cooperative extension programs and the administrative heads of extension at eligible colleges and universities in the State, who would be required to (*a*) consult with those responsible for forestry research in the State in developing the State extension programs, (*b*) appoint advisory committees—that include in their membership forest and range landowners and professionally trained managers of renewable resources—to aid in the State extension effort, and (*c*) encourage cooperation in the State extension effort among all renewable resource agencies that operate in the State;

(3) Require review of renewable resources extension programs by the National Agricultural Research and Extension Users Advisory Board established under title XIV of the Food and Agriculture Act of 1977;

(4) Place responsibility for the administration of each State renewable Resources Planning Act of 1974 and the Soil and Water Reoperative extension programs—except in States that have 1890 colleges where the program would be administered by the State director and the administrative heads for extension at the 1890 college or colleges in the State;

(5) Require the Secretary to prepare a series of 5-year plans for implementing the bill, to be called the "renewable resources extension program." (the programs are (*a*) to provide national emphasis and direction as well as guidance to State directors of extension and administrative heads of extension at eligible schools, and (*b*) to be based on information provided through the Forest and Rangeland Renewable Resources Planning Act of 1974 and the Soil and Water Resources Conservation Act of 1977);

(6) Require the Secretary to submit annual reports to Congress on the status of the program;

(7) Authorize appropriations—of up to $15 million per year for each of the 10 years beginning with fiscal year 1979—to implement the bill;

(8) Require the allocation of appropriated funds to States on the basis of the productive capabilities of each State's private forests and rangelands, and the relative needs of each State for forest and rangeland renewable resources—with information on which the allocation of funds is to be based to be provided through the Forest and Rangeland Renewable Resources Planning Act of 1974 and the Soil and Water Resources Conservation Act of 1977; and

(9) Make the bill effective for the period beginning October 1, 1978, and ending September 30, 1988.

BACKGROUND AND NEED FOR LEGISLATION

I

Nearly two-thirds of the renewable resource-producing lands in the United States are privately held. The resources these lands produce include timber, range, fish, wildlife, recreation sites, shelterbelts, and watersheds.

The operation and management of privately held lands are important to the Nation because the United States needs the renewable resources these lands are capable of producing. Efficient production of renewable resources on these lands will satisfy consumer demands that otherwise would have to be met by production on public lands.

If we are to see more efficient production of renewable resources from private lands, the owners of the land, especially owners of small, nonindustrial plots of forest or rangeland, need more information about the production potential of their land and how they can better manage and use renewable resources. With better understanding of how their lands can produce renewable resources, private landowners can be motivated to take voluntary actions to improve or conserve such resources.

II

The Extension Service currently conducts renewable resources education programs for forest and rangeland owners and others, involving 180 forestry and wildlife specialists, and 39 fisheries and aquaculture specialists. An additional 80 specialists employed in extension work are supported by the Department of Commerce sea grant program.

The Department of Agriculture, however, has recognized the need to strengthen forest resource extension programs.

An interagency group composed of representatives of all Department of Agriculture agencies having forest resources programs met in October 1977 to consider interagency coordination. This group concluded that the level of extension forestry activities is so inadequate in most States that essential educational support of forestry programs is weak or nonexistent, and that extension programs in other renewable resources subject areas are similarly weak.

The 1978 Department of Agriculture Interagency Agreement on Forestry includes as an objective: To design and build an extension component into all relevant forestry activities and programs—at the formative stage of new efforts, and through modification of ongoing or expanding programs as appropriate.

III

There is a clear need to provide the legal framework and policy direction for the development by the Department of Agriculture of a comprehensive national renewable resources extension program.

S. 3035 will meet this need. The bill represents a major effort on the part of the Forest Service and the forestry, university, and conservation communities to respond to the request of Chairman Herman E. Talmadge for draft legislation to improve Federal programs that affect non-Federal forests and rangelands. It would authorize the Secretary of Agriculture to establish a comprehensive extension program directed toward private landowners, to be implemented through land-grant and other eligible colleges and universities.

FORESTRY LEGISLATION

Mr. LEAHY. These three bills, S. 3033, dealing with cooperative forestry, S. 3034, dealing with forest and rangeland renewable resources research, and S. 3035, dealing with renewable resource extension, have been unanimously reported by the Committee on Agriculture,

Nutrition, and Forestry. These bills had the strong support of Chairman HERMAN TALMADGE and ranking member, Senator ROBERT DOLE.

I think it would be useful to outline the significant legislative efforts over the past several years of which these bills are the most recent result.

I would be remiss if I did not point out that the late Hubert Humphrey, working with his customary diligence and foresight, teamed with Chairman TALMADGE in what has become a bipartisan effort to chart a renewable resources conservation course that will stand this Nation in good stead far into the future. Senators JOHN STENNIS and George Aiken have also played significant roles in this effort to improve the management of our forests and rangelands, both private and public.

The modern era of conservation began in 1960 when the Forest Service Multiple-Use and Sustained-Yield Act was passed, followed by the McIntire-Stennis Act of 1962 and the Wilderness Act of 1964. In 1974, new ground was charted with the passage of the Forest and Rangeland Renewable Resources Planning Act, authored by Senator Humphrey. This act created a modern and flexible planning mechanism, whereby the Forest Service prepares periodically an "assessment" of the demand and supply of the Nation's 1.6 billion acres of forest and rangelands, and a program for the management of national forests, forest research, and Federal cooperative assistance to States and private landowners.

The year 1976 marked a full reform of the basic authorities for the management of the 190-million-acre national forest system. There remained, however, three areas in need of modernization: cooperative forestry, renewable resources research, and renewable resources extension.

Following enactment of the National Forest Management Act in 1976, Chairman TALMADGE wrote to the Chief of the Forest Service regarding forestry on non-Federal lands. In that letter Chairman TALMADGE concluded that the enactment of the National Forest Management Act had resolved most of the competitive disputes surrounding Federal forest lands, but that neither the 1976 act nor the Forest and Rangeland Renewable Resources Planning Act of 1974 had properly addressed the problems of resource management on, and timber supply from, the 296 million acres of nonindustrial private forest and rangelands.

Chairman TALMADGE asked the Forest Service for legislative drafting service in developing a bill to use cooperative forest management, research, and extension to increase the benefits from these lands.

The Forest Service responded to this request. State foresters, researchers, and extension personnel were brought to a 2-day seminar in Washington to discuss how to deal with Chairman TALMADGE's request. From that meeting, a bill was developed containing separate titles for cooperative forest management, research, and extension.

Chairman TALMADGE then asked the Society of American Foresters, the American Forestry Association, and various elements of the timber industry to comment on the bill and attempt to improve it. This improvement process took all of 1977 and continued into 1978.

On April 29, 1977, Senator JACOB JAVITS of New York introduced S. 1426, to authorize the Secretary of Agriculture to make grants to States for urban forestry.

On May 27, 1977, Senators Hubert Humphrey and JOHN STENNIS introduced S. 1630 which was the research title of the bill developed by the Forest Service.

On July 14, 1977, Senator MARK O. HATFIELD introduced S. 1856, a bill to provide for a cooperative forest resources extension program.

Working cooperatively with Chairman TALMADGE, I reintroduced these bills earlier this year to conform the language of legislation with changes being made by the House Committee on Agriculture. Congressman WEAVER of Oregon is the prime sponsor of the House companion bills.

What do these bills do?

The Cooperative Forestry Assistance Act, S. 3033, consolidates into one statute, existing assistance programs now in seven statutes. The bill provides for technical and financial assistance in rural forestry, utilizing the combined authority in section 4 of the Clark-McNary Act, the Cooperative Forest Management Act, and title IV of the Agricultural Act of 1956 to, first, develop genetically improved tree seeds; second, provide tree seeds and trees to establish forests, windbreaks, shelterbelts, woodlots, and other plantings; third, plant tree seeds and trees for the reforestation of forest lands and the afforestation of other lands; fourth, perform a variety of silvicultural practices designed to improve timber stands on non-Federal lands, and fifth, provide technical assistance to private landowners, vendors, forest operators, wood processors, public agencies, and individuals.

The bill would consolidate into one, the authorities and policies of the Clark-McNary Act, the Cooperative Forest Management Act, and title IV of the Agricultural Act of 1956.

It would also go a step further providing financial assistance for timber stand improvement on non-Federal lands through the forestry incentives program.

The forestry incentives program would essentially be a cost-sharing program for small forest landowners—farmers, ranchers, recreation homeowners, and others—holding land of sufficient size and quality efficiently to produce crops of industrial wood, either of softwood or hardwood species, or both. By raising the general-size limitation for eligibility to 1,000 acres, and placing a 5,000-acre maximum limit on eligibility, this bill will continue the national commitment to help small forest landowners.

This bill will also strengthen the ability of our States, working with local groups, to promote in each State the type of forestry and renewable resources efforts that will assure the multiple benefits of the forests will be achieved.

S. 3035, the Renewable Resources Extension Act, is an important companion to the Cooperative Forestry Assistance Act, S. 333. This bill broadens the effectiveness of USDA by tieing the improvements developed in the management program to its educational program in the Extension Service. The bill provides forestry extension with its own funding authority thus eliminating competition between forestry and agricultural interests. Furthermore, the bill reestablishes the boundaries of the forestry extension program which have been eroded through years and years of financial neglect.

The third bill, the Forest and Rangeland Renewable Resources Research Act, S. 3034, continues and strengthens research in all facets of renewable resource activity. This bill is not limited to botanical research on forest and rangeland but, rather, covers the whole spectrum of ecologic, economic, and social research, resource utilization, and urban forestry.

The research bill also continues the long standing authority for the Forest Service to conduct resource condition surveys at the national, State, and local level. This authority is one of the more important ones in aggravating information essential to identifying problems and to planning both public and private actions.

In addition, the Secretary of Agriculture is newly authorized to cooperate with other countries in renewable resource research, as well as to enter into competitive grants.

Research is an important part of management, and the bill directs the Secretary to disseminate information developed by research efforts.

I want to thank James Geltmeier, Phil Froas, and Carl Rose of the Agricultural Committee, Robert Wolfe of the Congressional Research Service, and Margaret Gross and Leon Murphy of my staff for their help in guiding this legislation through the legislative process.

Mr. DOLE. Mr. President, I am pleased to rise in support of S. 3033, S. 3034, and S. 3035. The bills reform and improve existing law. They have broad support among environmental and forestry groups. They are a natural conclusion to the work begun in 1973 by Senator Hubert Humphrey when he initiated the Forest and Rangeland Renewable Resources Planning Act.

S. 3033 consolidates eight laws into one, and provides a flexible framework through which State foresters and private consultants can help nonindustrial woodlot owners to make additional income from their land while assisting the Nation in meeting its timber needs for the future.

S. 3034 is a forestry companion to the outstanding agricultural research title which the Congress approved last year in the farm bill. Now all of our renewable resources are tied together in a research program which will make sense because it will establish research priorities and eliminate duplicative efforts that are wasteful and cost the taxpayers needlessly.

S. 3035 puts the enormously efficient machinery of the cooperative Extension Service to work providing forestry and other resource information to farmers

and small landowners. The programs sponsored under this bill will provide for Extension to take the fruits of renewable resource research and deliver them to our farmers so that they can be put into action.

As I said, Senator Humphrey initiated the early steps to get the Committee on Agriculture, Nutrition, and Forestry to focus on our renewable resource needs. But several other members of the committee have been especially active and effective in the area of protecting our renewable natural resources. At this point I would like to say a word on behalf of one of those Senators—the Senator from North Carolina (Mr. HELMS) who worked vigorously for this legislation.

Mr. LEAHY. Mr. President, I would like to add my own voice to that of Senator DOLE in that regard. Senator HELMS was not only a cosponsor of this legislation but a strong backer of the legislation in our committee.

Mr. DOLE. This week, my distinguished colleague from North Carolina (Mr. HELMS) was named as one of the "Dirty Dozen." That is, some faceless group has decided that Senator HELMS, Senator THURMOND, and 10 Members of the House are among the worst enemies of the environment.

Since Senator HELMS serves on the committee with me, I know his work best. And I know that those who say he is an antienvironmentalist are grossly misinformed.

In 1974 our committee caused to be enacted the Forest and Rangeland Renewable Resources Planning Act. That bill was passed with the full support of virtually every environmental organization in the country. It was labeled as the most important forestry legislation in 15 years. JESSE HELMS was a supporter of that bill, and he worked hard for it.

In 1975 the committee began work on what was then called the Land and Water Resources Conservation Act. It was a new charter for the Soil Conservation Service. The bill was widely supported by most environmental organizations. Last year that bill became law, and JESSE HELMS was one of its cosponsors.

In 1976, in cooperation with the Energy and Natural Resources Committee, our committee caused to be enacted the National Forest Management Act. Environmental and forestry organizations called the bill the most important and worthwhile renewable resources legislation since the 1897 Organic Act of the Forest Service. JESSE HELMS was a sponsor of that legislation, and he worked as hard as any member of our committee to get it passed. Senator THURMOND also supported the bill strongly.

As I pointed out earlier, the bills we are considering today are endorsed by such organizations as the National Audubon Society and the National Wildlife Federation. The environmental movement wants them. JESSE HELMS has cosponsored them all.

I do not know what it takes to stay off the list.

But I do know this. In the past 4 years the Committee on Agriculture, Nutrition, and Forestry has been responsible for some of the most significant environmental legislation that this Congress has passed in some time. JESSE HELMS was there. He was involved. He helped get the job done.

If Senator HELMS is against a clean environment, then I say we all are.

Those responsible for making the "Dirty Dozen" list have done a great disservice to a fine Senator.

Mr. President, I urge my colleagues in the Senate to give unanimous support to these bills before us.

Mr. HELMS. Mr. President, of course I am grateful to my distinguished colleague, Senator DOLE, and my equally distinguished colleague from Vermont (Mr. LEAHY) for their kind remarks.

Mr. President, I am pleased to fully support S. 3033, 3034, and 3035, the three forestry bills that are before the Senate. I am an active cosponsor of each bill because each one provides an opportunity for private individuals with the cooperative assistance of their Federal, State, and local Governments to improve our forests and our use of wood products. S. 3033, the Cooperative Forestry Assistance Act should enable the Federal Government, through its programs of cooperation with States, to enable local landowners to more effectively protect and manage the over 350 million acres that some 4 million Americans own. These privately owned lands are the backbone of our Nations 500 million acres of forested lands. Many of these holdings are associated and linked with farms. Many of these holdings are the woodlots of America that can help rural America maintain its economic and social strength and character.

The various authorities assure that governmental actions will be the kind that assist rather than the kind that coerce. The authorities have been brought together in a way that promotes private initiative.

S. 3035, the Renewable Resources Extension Act of 1978 provides needed authority for State cooperative extension services in cooperation with the participating universities, to more effectively promote renewable resource education. It draws in, through advisory committees to be made of knowledgeable local people, a way to assure that the best efforts are supported. It provides for effective grassroots planning, brought together so that the Federal response will be useful in achieving locally devised goals in a national framework.

These two acts are part of a process of renewable resource improvement on a national basis developed on the concept of building from the ground up. These bills are designed to produce constant progress rather than some massive infusion of Federal money. These acts represent a conservative approach in the best sense of that word. We are building on progress achieved to date, we are encouraging individual initiative, we are encouraging sensible assistance that functions at the local service level of government, we are containing the Federal role to being the catalyst and coordinator, not the director.

The third act, S. 3034, the Forest and Rangeland Renewable Resources Research Act of 1978, represents a complete and constructive modernization of the research authorities. It repeals outmoded authorities, brings together in a more coordinated manner the authorities that are needed and strengthens direction so that both basic and applied research can be balanced. It enhances the vital need to get research from the laboratory to practice. It would not be proper to indicate which lines of research should be favored, and the bill does not do this. These determinations are left to the need to develop a line of research and coordination of various research activities. Each area of research thus stands on its own set of merits. Increased fire control research may be significant in some areas, research on various types of insects and diseases will face changing priorities as new conditions emerge. Research on the interrelation between various plant and animal communities and the impact of various management practices will vary with forest age, condition, and sites.

Certainly one of the areas that is of major importance and deserving of most careful development of well planned research is in the field of resource utilization and especially wood and tree utilization.

Finally the bill continues the authority of the Forest Service to make resource surveys and assessments and economic studies. The development, on a cooperative basis, of good basic information and analyses is fundamental to equipping local people to develop local plans based on good facts. The development of good resource data by type of ownership, the analysis of forest and range conditions, studies of effects of various management practices, studies of the effects of taxation and other costs that affect land and its values and uses, studies of use versus waste, can all help provide solid data on which local plans can be devised that work to meet local goals. The Forest Service has long made national, State, regional, and local surveys. All of these useful authorities are continued.

One new authority, adequately described in the report on the bill permits the use of competitive grants for research. This along with the coordinating machinery in the bill, should provide sound administrative opportunities to enhance the effectiveness of research efforts.

Early in the move to develop these bills, I worked closely and cooperatively with the late Senator from Minnesota who exercised, along with our Chairman, Senator TALMADGE, a constructive leadership role in persuading the administration on the need for modernization of the law to promote private resource management. We recognized that it is the private landowner, the private land base, private initiative, and private interest that in the long run will assure our national abundance of renewable resources from forest and rangeland.

These three acts are major contributions to improved natural resource management.

CUSTOMS PROCEDURAL REFORM AND SIMPLIFICATION ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 711.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill (H.R. 8149) to provide customs procedural reform, and for other purposes, which had been reported from the Committee on Finance with amendments as follows:

On page 1, beginning with line 3, insert the following:

That this Act may be cited as the "Customs Procedural Reform and Simplification Act of 1978".

On page 1, beginning with line 6, strike through and including line 7;

On page 1, line 8, strike "102" and insert "101";

On page 2, line 9, strike "103" and insert "102";

On page 2, line 9, strike "484(a)" and insert "484";

On page 2, line 10, strike "1484(a)" and insert "1484";

On page 2, line 14, strike "each" and insert "the";

On page 2, line 21, strike "(either at the time of entry or within such time thereafter as the Secretary may prescribe under paragraph (2)(B) of this subsection)";

On page 3, line 11, strike "If the" and insert "The";

On page 3, line 13, strike "is not" and insert "shall be";

On page 3, line 14, strike "made, such documentation shall be filed" and insert "made or";

On page 3, line 16, strike "Sundays" and insert "Saturdays, Sundays,";

On page 3, line 20, strike "paragraph shall" and insert the following:

subsection, shall establish procedures which insure the accuracy and timeliness of import statistics, particularly statistics relevant to the classification and valuation of imports. Corrections of errors in such statistical data discovered after the release of merchandise shall be transmitted immediately to the Director of the Bureau of the Census, who shall make corrections in the statistics maintained by the Bureau. The Secretary shall also

On page 4, line 4, strike "the timely collection of import statistics,";

On page 4, beginning with line 11, insert the following:

(b) The amendments made by this section shall take effect 60 days after the date of enactment of this Act.

On page 4, line 13, strike "104" and insert "103";

On page 4, line 14, strike "1505" and insert "1505"(a)";

On page 4, line 23, strike "105" and insert "104";

On page 5, line 6, strike "records, statements, declarations, and other documents" and insert "records (including statements, declarations, and other documents)";

On page 5, beginning with line 18, strike through and including line 22 and insert in lieu thereof the following:

"(c) LIMITATION.—For the purposes of this section and section 509, a person ordering merchandise from an importer in a domestic transaction does and knowingly cause merchandise to be imported unless—

On page 6, line 5, strike "or";

On page 6, line 6, strike "components or" and insert "components, or";

On page 6, line 10, insert a period after the quotation mark;

On page 6, line 11, strike "106" and insert "105";

On page 6, line 24, strike "notice of reasonable specificity" and insert "notice";

On page 6, line 25, after "document," insert "described in the notice with reasonable specificity,";

On page 7, line 2, strike "or material";

On page 7, line 18, strike "such";

On page 7, line 19, strike "statements, declarations, and other documents";

On page 7, line 21, strike "or material";

On page 7, line 25, strike "or material";

On page 8, line 15, strike "certainty" and insert "specificity";

On page 10, line 1, strike "person, or, in the absence of a last known address, is left with the person summoned. If such notice is mailed, it shall be sufficient if mailed to the last known address of the person entitled to notice" and insert "person";

On page 11, line 8, strike "(1)" and insert "(2)";

On page 12, line 3, strike "107" and insert "106";

On page 12, line 7, strike "neglects or refuses to appear, to testify, or to produce records" and insert "does not comply with the summons. Failure";

On page 12, beginning with line 17, strike through and including page 13, line 6, and insert in lieu thereof the following:

"(b) SANCTIONS.—(1) For so long as a person fails to comply with a summons with which he has been ordered by the court to comply, the Secretary may—

"(A) prohibit that person from importing merchandise into the customs territory of the United States directly or indirectly or for his account, and

"(B) instruct the appropriate customs officers to withhold delivery of merchandise imported directly or indirectly by that person or for his account.

"(2) If the failure of a person to comply with a summons continues for more than one year after the date on which the Secretary issues such instructions, such customs officers shall cause all merchandise held in customs custody pursuant to this provision to be sold at public auction or otherwise disposed of under the customs laws.

"(3) The sanctions which may be imposed under paragraphs (1) and (2) are in addition to any punishment which may be imposed by the court for contempt.".

On page 14, line 1, strike "108" and insert "107";

On page 14, line 3, strike "109" and insert "108";

On page 14, beginning with line 12, insert the following:

(b)(1) Sections 557 and 559 of the Tariff Act of 1930 (19 U.S.C. 1557 and 1559) are amended by striking out "three years" each place it appears and inserting in lieu thereof "5 years" in each such place.

(2) For purposes of applying the amendments made by paragraph (1) to merchandise remaining in a bonded warehouse on the date of enactment of this Act, any period of time the merchandise was in the bonded warehouse before that date shall be disregarded.

On page 14, line 21, strike "110" and insert "109";

On page 14, beginning with line 23, insert the following:

(1) by striking out the first word of each paragraph and inserting in lieu thereof—

(A) "(a) GENERAL RULE.—(1) Any" in the first paragraph,

(B) "(2) If" in the second paragraph, and

(C) "(3) If" in the last paragraph;

(2) by inserting "lesser of $10,000 or the domestic" immediately after "penalty equal to the" in the first sentence of the first paragraph;

On page 15, line 8, strike "(1)" and insert "(3)";

On page 15, line 12, strike "undesignated paragraph of such section" and insert "paragraph";

On page 15, beginning with line 14, insert the following:

(4) by adding at the end of the first paragraph the following new sentence: "For purposes of this subsection, the term 'clerical error' means a nonnegligent, inadvertent, or typographical mistake in the preparation, assembly, or submission of the manifest.";

On page 15, line 19, strike "(2)" and insert "(5)";

On page 15, line 23, strike "undesignated paragraph of such section; and" insert "paragraph;";

On page 16, line 1, strike "(3)" and insert "(6)";

On page 16, line 5, strike "undesignated paragraph of such section," and insert "paragraph;";

On page 16, beginning with line 7, insert the following:

(7) by inserting "or any person directly or indirectly responsible for crude opium being in such merchandise" immediately after "or the owner of such vessel or vehicle" in the third sentence of the second paragraph; and

(8) by adding at the end thereof the following new subsection:

"(b) PROCEDURES.—(1) If the appropriate customs officer has reasonable cause to believe that there has been a violation of subsection (a)(1) and determines that further proceedings are warranted, he shall issue to the person concerned a written notice of his intention to issue a claim for a monetary penalty. Such notice shall—

"(A) describe the merchandise;

"(B) set forth the details of the error in the manifest;

"(C) specify all laws and regulations allegedly violated;

"(D) disclose all the material facts which establish the alleged violation;

"(E) state the estimated loss of lawful duties, if any, and, taking into account all of the circumstances, the amount of the proposed monetary penalty; and

"(F) inform such person that he will have a reasonable opportunity to make representations, both oral and written, as to why such penalty claim should not be issued.

No notice is required under this subsection for any violation of subsection (a)(1) for which the proposed penalty is $250 or less.

(2) After considering representations, if any, made by the person concerned pursuant to the notice issued under paragraph (1), the appropriate customs officer shall determine whether any violation of subsection (a)(1), as alleged in the notice, has occurred. If such officer determines that there was a violation, he shall issue a written penalty claim to such person. The written penalty claim shall specify all changes in the information provided under subparagraphs (A) through (E) of paragraph (1).".

On page 17, line 22, strike "111" and insert "110";

On page 18, beginning with line 3, strike through and including page 24, line 10, and insert in lieu thereof the following:

"(a) PROHIBITION.—

"(1) GENERAL RULE.—No person may enter, introduce, attempt to enter or introduce, or aid or procure the entry or introduction of any merchandise into the commerce of the United States by means of—

"(A) any document, written or oral statement, or act which is material and false, or

"(B) any omission which is material.

"(2) EXCEPTION.—Clerical errors or mistakes of fact are not violations of paragraph (1) unless they are part of a pattern of negligent conduct.

"(b) PROCEDURES.—

"(1) PRE-PENALTY NOTICE.—

(A) IN GENERAL.—If the appropriate customs officer has reasonable cause to believe that there has been a violation of subsection

(a) and determines that further proceedings are warranted, he shall issue to the person concerned a written notice of his intention to issue a claim for a monetary penalty. Such notice shall—

"(i) describe the merchandise;

"(ii) set forth the details of the entry or introduction, the attempted entry or introduction, or the aiding or procuring of the entry or introduction;

"(iii) specify all laws and regulations allegedly violated;

"(iv) disclose all the material facts which establish the alleged violation;

"(v) state whether the alleged violation occurred as a result of fraud, gross negligence, or negligence;

"(vi) state the estimated loss of lawful duties, if any, and, taking into account all circumstances, the amount of the proposed monetary penalty; and

"(vii) inform such person that he shall have a reasonable opportunity to make representations, both oral and written, as to why a claim for a monetary penalty should not be issued in the amount stated.

"(B) EXCEPTIONS.—The preceding subparagraph shall not apply if—

"(i) the importation with respect to which the violation of subsection (a) occurs is noncommercial in nature, or

"(ii) the amount of the penalty in the penalty claim issued under paragraph (2) is $1,000 or less.

(2) PENALTY CLAIM.—After considering representations, if any, made by the person concerned pursuant to the notice issued under paragraph (1), the appropriate customs officer shall determine whether any violation of subsection (a), as alleged in the notice, has occurred. If such officer determines there was a violation, he shall issue a written penalty claim to such persons. The written penalty claim shall specify all changes in the information provided under clauses (i) through (vi) of paragraph (1)(A).

"(c) MAXIMUM PENALTIES.—

"(1) FRAUD.—A fraudulent violation of subsection (a) is punishable by a civil penalty in an amount not to exceed the dutiable value of the merchandise.

"(2) GROSS NEGLIGENCE.—A grossly negligent violation of subsection (a) is punishable by a civil penalty in an amount not to exceed—

"(A) the lesser of—

"(i) the dutiable value of the merchandise, or

"(ii) four times the lawful duties of which the United States is or may be deprived, or

"(B) if the violation did not affect the assessment of duties, 40 percent of the dutiable value of the merchandise.

"(3) NEGLIGENCE.—A negligent violation of subsection (a) is punishable by a civil penalty in an amount not to exceed—

"(A) the lesser of—

"(i) the dutiable value of the merchandise, or

"(ii) two times the lawful duties of which the United States is or may be deprived, or

"(B) if the violation did not affect the assessment of duties, 20 percent of the dutiable value of the merchandise.

"(4) PRIOR DISCLOSURE.—If the person concerned discloses the circumstances of a violation of subsection (a) before, or without knowledge of, the commencement of a formal investigation of such violation, with respect to such violation, merchandise shall not be seized and any monetary penalty to be assessed under subsection (c) shall not exceed—

"(A) if the violation resulted from fraud—

"(i) an amount equal to 100 percent of the lawful duties of which the United States is or may be deprived, so long as such person tenders the unpaid amount of the lawful duties at the time of disclosure or within thirty days, or such longer period as the appropriate customs officer may provide, after notice by the appropriate customs officer of his calculation of such unpaid amount, or

"(ii) if such violation did not affect the assessment of duties, 10 percent of the dutiable value; or

"(B) if such violation resulted from negligence or gross negligence, the interest (computed from the date of liquidation at the prevailing rate of interest applied under section 6621 of the Internal Revenue Code of 1954) on the amount of lawful duties of which the United States is or may be deprived so long as such person tenders the unpaid amount of the lawful duties at he time of disclosure or within 30 days, or such longer period as the appropriate customs officer may provide, after notice by the appropriate customs officer of his calculation of such unpaid amount.

The person asserting lack of knowledge of the commencement of a formal investigation has the burden of proof in establishing such lack of knowledge.

"(5) SEIZURE.—If the Secretary has reasonable cause to believe that a person has violated the provisions of subsection (a) and that such person is insolvent or beyond the jurisdiction of the United States or that seizure is otherwise essential to protect the revenue of the United States or to prevent the introduction of prohibited or restricted merchandise into the customs territory of the United States, then such merchandise may be seized and, upon assessment of a monetary penalty, forfeited unless the monetary penalty is paid within the time specified by law. Within a reasonable time after any such seizure is made, the Secretary shall issue to the person concerned a written statement containing the reasons for the seizure. After seizure of merchandise under this subsection, the Secretary may, in the case of restricted merchandise, and shall, in the case of any other merchandise (other than prohibited merchandise), return such merchandise upon the deposit of security not to exceed the maximum monetary penalty which may be assessed under subsection (c).

"(d) DEPRIVATION OF LAWFUL DUTIES.—Notwithstanding section 514 of this Act, if the United States has been deprived of lawful duties as a result of a violation of subsection (a), the appropriate customs officer shall require that such lawful duties be restored, whether or not a monetary penalty is assessed.

"(e) DISTRICT COURT PROCEEDINGS.—Notwithstanding any other provision of law, in any proceeding in a United States district court commenced by the United States pursuant to section 604 of this Act for the recovery of any monetary penalty claimed under this section—

"(1) all issues, including the amount of the penalty, shall be tried de novo;

"(2) if the monetary penalty is based on fraud, the United States shall have the burden of proof to establish the alleged violation by clear and convincing evidence;

"(3) if the monetary penalty is based on gross negligence, the United States shall have the burden of proof to establish all the elements of the alleged violation; and

"(4) if the monetary penalty is based on negligence, the United States shall have the burden of proof to establish the act or omission constituting the violation, and the alleged violator shall have the burden of proof that the act or omission did not occur as a result of negligence.".

On page 31, line 17, strike "subsection" and insert "section";

On page 32, line 11, strike "592(g) of this Act" and insert "592(e) of the Tariff Act of 1930";

On page 32, line 14, strike "(c)" and insert "(e)";

On page 33, line 6, strike "which ever" and insert "whichever";

On page 33, line 11, strike "112" and insert "111";

On page 33, line 25, strike "113" and insert "112";

On page 34, line 3, strike "RULINGS" and insert "DECISIONS";

On page 34, line 4, strike "ruling" and insert "precedential decision (including any ruling letter, internal advice memorandum, or protest review decision)";

On page 34, line 7, strike "prospective";

On page 34, line 8, strike "ruling" and insert "decision";

On page 34, line 9, strike "ruling" and insert "decision";

On page 34, beginning with line 11, strike through and including page 35, line 2;

On page 35, beginning with line 4, strike through and including line 5;

On page 35, line 6, strike "202(a)" and insert "201";

On page 35, line 10, after "any" insert "bulk";

On page 35, line 10, strike "including any receptacle, vessel, or form of package, bottle, tank, or pipeline" and insert "(including a pipeline)";

On page 35, line 13, strike "wines and" and insert "wines, or";

On page 35, line 16, strike "wines and" and insert "wines, or";

On page 35, line 18, after "on" insert "such";

On page 35, line 19, after "Any" insert "such";

On page 35, line 22, strike "brand or stamp" insert "brand, stamp,";

On page 36, beginning with line 1, strike through and including line 16;

On page 36, line 17, strike "203" and insert "202";

On page 37, beginning with line 14, strike through and including line 22, and insert in lieu thereof the following:

(5) Subpart A of part 2 is amended by striking out items 813.30 and 813.31 and by inserting in lieu thereof the following new items:

"

	Other articles, including not more than 100 cigars, acquired abroad as an incident of the journey from which the person is returning if such person arrives from the Virgin Islands of the United States or from a contiguous country which maintains a free zone or free port, or arrives from any other country after having remained beyond the United States for a period of not less than 48 hours, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury and if such person has not claimed an exemption under item 813.30 or 813.31 within 30 days preceding his arrival:		
813.30	Articles, accompanying a person, not over $500 in aggregate fair retail value in the country of acquisition, including (but only in the case of an individual who has attained the age of 21) not more than 1 quart of alcoholic beverages	Free	Free
813.31	Articles, whether or not accompanying a person, not over $1,000 in aggregate fair market value in the country of acquisition, including (but only in the case of an individual who has attained the age of 21) not more than 1 wine gallon of alcoholic beverages, not more than 1 quart of which shall have been acquired elsewhere than in such insular possessions, if such person arrives directly or indirectly from American Samoa, Guam, or the Virgin Islands, not more than $500 of which shall have been acquired elsewhere than in such insular possessions	Free	Free ."

(6) The item description appearing immediately before item 813.30 (as amended by paragraph (5)) is amended by inserting "200 cigarettes and" before "100 cigars".

(7) Item 813.30 (as amended by paragraph (5)) is amended by striking out "1 quart" and inserting in lieu thereof "1 liter".

(8) Item 813.31 (as amended by paragraph (5)) is amended by striking out "1 wine gallon" and inserting in lieu thereof "4 liters", and by striking out "1 quart" and inserting in lieu thereof "1 liter".

On page 39, line 1, strike "(7)" and insert "(9)";

On page 39, line 5, strike "(8)" and insert "(10)";

On page 39, line 10, strike "(9)" and insert "(11)";

On page 39, line 19, after the period, insert "For purposes of this subsection, the amendment made by paragraph (3) of subsection (a) shall not be considered an amendment with respect to metric conversion.";

On page 39, line 23, strike "204" and insert "203";

On page 40, strike the language following line 3 and insert in lieu thereof the following:

"

	PART 6.—NONCOMMERCIAL IMPORTATIONS OF LIMITED VALUE		
	Part 6 headnote: For the purposes of this part the rates of duty for articles provided in this part shall be assessed in lieu of any other rates of duty, except free rates of duty on such articles, unless the Secretary of the Treasury or his delegate determines, in accordance with regulations, that the application of the rate of duty provided in this part to any article in lieu of the rate of duty otherwise applicable thereto adversely affects the economic interest of the United States.		
	Articles for personal or household use, or as bona fide gifts, not imported for the account of another person, valued in the aggregate at not over $600 fair retail value in the country of acquisition, if the person claiming the benefit of item 869.00 or 869.10, or both, has not received the benefits thereof within the 30 days immediately preceding his arrival:		
869.00	Accompanying a person, arriving in the United States (exclusive of duty-free articles and articles acquired in American Samoa, Guam, or the Virgin Islands of the United States).	10% of the fair retail value	10% of the fair retail value
869.10	Imported by or for the account of a person (whether or not accompanying him) arriving directly or indirectly from American Samoa, Guam, or the Virgin Islands of the United States, acquired in such insular possessions as an incident of such person's physical presence	5% of the fair retail value	5% of the fair retail value ."

On page 41, line 4, strike "205" and insert "204";

On page 42, line 3, strike "206" and insert "205";

On page 42, line 17, after "striking" insert "out";

On page 42, line 19, strike "SEC. 207. Section 466(a)" and insert "SEC. 206. Section 466";

On page 42, line 20, strike "1466(a)" and insert "1466";

On page 42, line 21, strike "amended by" and insert "amended—";

On page 42, at the beginning of line 1, insert "(1) by";

On page 42, line 22, after "master" insert "in subsection (a)";

On page 42, line 11, after the semicolon, insert "and";

On page 42, beginning with line 12, insert the following:

(2) by redesignating subsection (b) and (c) as (d) and (e), respectively, and by inserting after subsection (a) the following new subsections:

"(b) NOTICE.—If the appropriate customs officer has reasonable cause to believe a violation has occurred and determines that further proceedings are warranted, he shall issue to the person concerned a written notice of his intention to issue a penalty claim. Such notice shall—

"(1) describe the circumstances of the alleged violation;

"(2) specify all laws and regulations allegedly violated;

"(3) disclose all the material facts which establish the alleged violation;

"(4) state the estimated loss of lawful duties, if any, and taking into account all of the circumstances, the amount of the proposed penalty; and

"(5) inform such person that he shall have a reasonable opportunity to make representations, both oral and written, as to why such penalty claim should not be issued.

"(c) VIOLATION.—After considering representations, if any, made by the person concerned pursuant to the notice issued under subsection (b), the appropriate customs officer shall determine whether any violation of subsection (a), as alleged in the notice, has occurred. If such officer determines that there was no violation, he shall promptly notify, in writing, the person to whom the notice was sent. If such officer determines that there was a violation, he shall issue a written penalty claim to such person. The written penalty claim shall specify all changes in the information provided under paragraphs (1) through (4) of subsection (b).".

On page 44, line 19, strike "208" and insert "207";

On page 45, line 6, strike "209" and insert "208";

On page 45, line 12, strike "BEER" and insert "MALT LIQUORS";

On page 45, beginning with line 15, strike through and including line 16;

On page 45, line 17, strike "(4)" and insert "(3)";

On page 45, line 19, strike "beer" and insert "malt liquors";

On page 46, line 1, strike "beer" and insert "malt liquor";

On page 46, line 7, strike "beer" and insert "malt liquor";

On page 46, line 14, strike "beer" and insert "malt liquor";

On page 46, line 17, strike "210" and insert "209";

On page 47, line 5, strike "104" and insert "505(a)";

On page 47, line 10, strike "Notwithstanding section 500(c) of this Act, notice of liquidation need not be given of an entry deemed liquidated.";

On page 47, line 21, strike "or such extension is" and insert "as";

On page 47, line 22, strike "statute;" and insert "statute or court order; or";

On page 47, beginning with line 23, strike through and including line 24;

On page 48, line 1, strike "(4)" and insert "(3)";

On page 48, line 14, strike "pursuant to" and insert "as required by";

On page 48, line 20, strike "211" and insert "210";

On page 49, line 6, strike "212" and insert "211";

On page 50, line 1, strike "the" and insert "this";

On page 50, beginning with line 19, insert the following:

(c) Section 526 of the Tariff Act of 1930 (19 U.S.C. 1526) is amended by adding at the end of the following new subsection:

"(e) Any such merchandise imported into the United States in violation of the provisions of section 42 of the Act of July 5, 1946 (60 Stat. 440; 15 U.S.C. 1124), shall be seized and, in the absence of the written consent of the trademark owner, forfeited for violations of the customs laws. Upon seizure of such merchandise, the Secretary shall notify the owner of the trademark, and shall, after forfeiture, dispose of the goods seized—

"(1) by delivery to such Federal, State, and local government agencies as in the opinion of the Secretary have a need for such merchandise,

"(2) by gift to such eleemosynary institutions as in the opinion of the Secretary have a need for such merchandise,

"(3) more than 1 year after the date of forfeiture, by sale by appropriate customs officers at public auction under such regulations as the Secretary prescribes, except that before making any such sale the Secretary—

"(A) shall determine that no Federal, State, or local government agency or eleemosynary institution has established a need for such merchandise under paragraph (1) or (2), and,

"(B) shall obliterate the trademark where feasible, or

"(4) if the merchandise is unsafe or a hazard to health, by destruction.".

On page 51, line 24, strike "213" and insert "212";

On page 52, line 4, strike "214" and insert "213";

On page 52, line 13, strike "215" and insert "214";

On page 52, beginning with line 17, strike through and including line 21, and insert in lieu thereof the following:

(b) The Secretary may charge such fees as may be necessary to cover the costs of providing services similar to or the same as services furnished by customs officers under the sections repealed by subsection (a).

On page 53, beginning with line 1, strike through and including line 15, and insert in lieu thereof the following:

SEC. 215. Except as otherwise provided by law, no individual returning to the United States from abroad shall be—

(1) admitted free of duty without entry of his or her baggage and effects; or

(2) entitled to expedited customs examination and clearance of his or her baggage and effects.

Paragraph (2) shall not apply to individuals in special circumstances (including being seriously ill or infirm, having been summoned by news of affliction or disaster, and accompanying the body of a deceased relative).

On page 54, line 4, strike "officer or employee" and insert "individual";

On page 54, beginning with line 10, insert the following:

SEC. 216. The Comptroller General, in cooperation with the Customs Service of the Department of the Treasury and the Immigration and Naturalization Service of the Department of Justice, shall study clearance procedures for individuals entering or reentering the United States. The study shall include an analysis and comparison of the clearance procedures employed by other countries for individuals entering or reentering such other countries and an analysis of the usefulness of preentry forms completed by travelers for use when entering or reentering the United States. The Comptroller General shall report the results of his study and any recommendations he may have for expediting the clearance process (including recommendations for legislation) to the Committee on Finance of the United States Senate not later than February 1, 1979.

On page 55, line 3, strike "(a)";

On page 55, line 6, strike "as are authorized by subsection (b) or";

On page 55, beginning with line 9, strike through and including line 13;

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, the committee amendments will be considered en bloc and are agreed to en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–778), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. SUMMARY

The Customs Procedural Reform and Simplification Act of 1978 (H.R. 8149), as amended by the Committee on Finance, is intended to achieve three major objectives—

1. To permit the establishment of more efficient and flexible procedures for handling the documentary and financial aspects of import transactions while insuring compliance with customs laws and the collection of accurate import statistics,

2. to relate the amount of the customs penalty for false and material statements to Customs to the culpability of the offender and insure due process for persons potentially liable for penalties, and

3. to modify numerous customs procedures to expedite the processing of goods and individuals while reducing administrative costs for the government.

UP AMENDMENT NO. 1328

Mr. CURTIS. Mr. President, on behalf of myself and the distinguished Senator from North Carolina (Mr. MORGAN) I propose an amendment.

The PRESIDING OFFICER. The clerk will report the amendment to the Senator from Nebraska.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) for himself and Mr. MORGAN proposes an unprinted amendment numbered 1328.

Mr. CURTIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, strike out lines 7 through 13 and insert in lieu thereof the following:

(f)(1)(A) Except as provided in subparagraphs (B) and (C), subsections (a) through (d), other than new section 592(e) of the Tariff Act of 1930 as added by subsection (a), shall be effective with respect to proceedings commenced after the 89th day after the date of enactment of this Act.

(B) Section 592(e) of the Tariff Act of 1930 (as added by subsection (a)) shall be effective on the date of enactment of this Act.

(C) The amendments made by subsections (a) through (d), other than new section 592(e) of the Tariff Act of 1930 as added by subsection (a), shall not apply to alleged violations of section 592 of the Tariff Act of 1930 resulting from intentional acts or omissions committed before the date of enactment of this Act if such violations were the subject of an investigation by the U.S. Customs Service before such date.

Mr. CURTIS. This amendment is intended to ensure that prior intentional false filings with the Custom Service will be judged and penalized in accordance with the law as it now exists.

It assures that the more difficult proof standards and lower penalty provisions of H.R. 8149 will apply to prospective violations and not to past violations that have been under investigation by the Customs Service.

● Mr. MORGAN. Mr. President, I am pleased to cosponsor this amendment to H.R. 8149. It is an important amendment, Mr. President, because a number of prior intentional violations of the false filing provisions of the Tariff Act are part of a broader conspiracy in violation of our antitrust and antidumping laws that has virtually decimated our domestic television industry. Under these circumstances and with knowledge of such ongoing investigations, we should not retroactively increase the burden of proof on the Government in order to exact the maximum penalties under then-existing law for such intentional violations. Nor should we permit the possibility of lower penalties being assessed against companies under investigation, because of the retroactive application of this bill.

My understanding of its purpose is to assure that deliberate false statements and/or false filings, encompassed within the prohibitions of section 592 of the Tariff Act, made prior to the enactment of H.R. 8149 and already the subject of investigation (formal or informal) will not be affected by the substantive or penalty provisions of H.R. 8149.

Under the amendment, activities in violation of section 592 already under investigation by the Customs Service, the Department of Justice, or other departments or agencies of the United States will be judged and penalized in accordance with the law as it existed prior to enactment of H.R. 8149. I cannot state with certainty how many such deliberate prior violations are currently under investigation. I knew that it would apply, however, to at least the false statements and false filings made over the past 10 years or so in connection with the importation into the United States of color television receivers from Japan.

If we do not demonstrate our support of American industry that is being preyed upon by foreign companies and others through violations of law, Mr. President, in the long run we will be forced to turn protectionist which will not be in anyone's interest.

I include in my statement several documents having a bearing on this problem, which the amendment is concerned with.

Mr. President, I ask that the attachments to my statement be printed in the RECORD at this point.

[Attachment 1]

STATEMENT OF CONGRESSMAN CHARLES A. VANIK

On Friday, March 31, the Treasury Department issued a press release announcing that the Customs Service had assessed dumping duties of $46 million on entries of television sets entering through calendar year 1973.

We understand, however, that the Treasury has compiled data on the extent of dumping of Japanese TV sets between April 1972 and April 1977—and that the government believes that the total amount of dumping duties is approximately $400 million.

We question, therefore, why Treasury is only acting to resolve unliquidated entries of 1972 and early 1973—and leave 4 years of imports unresolved.

We understand that the Department limited its original action in this long-drawn-out case to one year of assessments so as to minimize the adverse impact on importers—and, probably, to avoid banner headlines on the extent of Japanese dumping in the American market. But the magnitude of the present dumping liability on imported Japanese TVs is a problem of Treasury's own making, since it is responsible for its failure to enforce the Antidumping Act in a vigorous and timely fashion.

A second basis for Treasury's decision was the expectation that importers will protest the assessments (indeed, the press release seems to invite such protests) based on Treasury's use of the commodity tax value of the imports to arrive at the foreign market value. Thus, in effect, Treasury is making a "trial run" by liquidating only a small portion of the backlog of entries representing less than one-eighth of the total dumping liability. Furthermore, the Department has not yet decided when it will liquidate the remaining entries.

Delaying liquidation because of fear of protests serves no useful function unless Treasury intends to process no further entries until the outcome of the protest is decided, perhaps several years from now.

Zenith, one of the companies affected by the failure to assess dumping duties, announced last fall that it was moving its color TV operations overseas and eliminating some 5,000 domestic jobs, since it simply could no longer compete with TV imports. In view of this Administration's and previous Administrations' failures to enforce the Antidumping Act, it is easy to see why Zenith, the only remaining domestic producer of color TVs at the time, gave up hope of obtaining relief under U.S. trade laws. Rather than encouraging the importers to challenge the liquidations in court, the government should be explaining to unemployed American TV workers why there is no enforcement of the antidumping laws.

We also believe that the decision by the Treasury Department to liquidate only a portion of the outstanding entries was made following a meeting with high ranking officials of the Japanese Embassy accompanied by counsel representing the exporters and importers involved in the TV case. It appears that the Treasury Department has been more solicitous of foreign sensitivities than it has of the plight of unemployed U.S. workers.

The history in this particular case of the lack of enforcement of the law as it was written calls for a reconsideration by the Congress of where the responsibility for ad-

ministering the Act should be placed. The degree to which counsel for importers have been permitted to tie the hands of government counsel in procedural snarls raises serious questions as to whether Treasury intends to enforce the Antidumping Act at all. It is unfortunate that the Treasury Department thought it appropriate to consult both with counsel for the importers and representatives of the Japanese government as to its proposed action in this case but did not see fit to consult with Congress or representatives of the domestic industry.

We intend to pursue our examination of Treasury's action in this case and to do all we can to achieve assessment of full dumping duties as expeditiously as possible.

U.S. CUSTOMS SERVICE ASSESSES ANTIDUMPING DUTIES DUE ON JAPANESE COLOR AND MONOCHROME TV SETS IMPORTED IN 1972 AND 1973

The Treasury Department today announced that the Customs Service has assessed antidumping duties, totalling about $46 million, which are due on Japanese television sets imported into the United States in 1972 and 1973.

The assessed duties are subject to "protests"—a legal process—by importers, and subsequent court review. More than 100 U.S. importers are involved.

Today's action follows a 1971 Treasury Department finding that Japanese televisions are being "dumped" at prices below fair market value in the United States. The current action constitutes the first step in the Customs Service's effort to eliminate the five-year backlog of television import duties, covering the period from 1972 to 1977.

"The Treasury Department is aware of the potential impact of such a large proceeding on United States television importers," stated Robert H. Mundheim, General Counsel of the U.S. Treasury. "The Customs Service consequently intends to attempt to work with affected parties to design an opportunity for promptly hearing and resolving any claims, including that the amount involved is incorrect, and avoiding unnecessary disruption of the business affairs of the importers."

In acting to clear up the backlog, Customs found it necessary to modify its routine approach to the computation of antidumping duties. Customs normally receives information about the prices at which goods are imported into the United States from the importer, and information about the "adjusted" wholesale prices of comparable merchandise in Japan from the manufacturer. Antidumping duties are then assessed to the extent that the Japanese price exceeds the U.S. price.

In this proceeding, much of the needed information was insufficient. Consequently, as is permitted by U.S. statute, Customs chose to use alternate data as the "best evidence" available. Using experts from the Federal Communications Commission, the U.S. International Trade Commission and Customs, the most comparable Japanese domestic television sets were determined. Customs then computed the appropriate adjusted wholesale prices (known as foreign market values) from the retail prices of those selected television models. These values were calculated by using a numerical ratio employed in the Japanese Commodity Tax for the purpose of relating wholesale prices to retail prices.

This is the first time that the U.S. Customs Service has assessed antidumping duties using the Japanese Commodity Tax to compute wholesale prices.

In commenting on this, Mr. Mundheim said: "The Treasury recognizes that importers may exercise their right to file administrative protests challenging this approach, and some may later appeal to the Customs Court."

[Attachment 2]

SCANDALS—KICKBACKS IN LIVING COLOR

The flood of Japanese TV sets on the U.S. market has long been a sore point with American TV manufacturers and labor unions. By one estimate, 70,000 jobs have been lost to Japanese imports, which last year accounted for 2.9 million sets, or 38% of the domestic market. In May, the Carter Administration worked out a deal with Japanese makers to limit imports. But now the picture is darkening again; U.S. Government investigators are probing charges that Japanese manufacturers have been making illegal kickbacks to U.S. importers as a way of getting around federal "antidumping" regulations, and selling color TV sets in the U.S. at bargain-basement prices. Government sources told TIME that one executive of a U.S. importing company has admitted that his firm has received millions of dollars in such kickbacks. John Nevin, chairman of Zenith, the U.S. company whose complaint touched off the investigation about a year ago, calls the kickback probe "the largest customs fraud investigation I know of."

Illegal Rebates. The kickbacks supposedly work this way: if a Japanese manufacturer sells a TV set in the U.S. for a price lower than it charges for the same set in Japan, that constitutes "dumping" under international trade rules and subjects the manufacturer to a penalty tariff. So the Japanese manufacturer quotes the U.S. importer an official price equal to the Japanese price, then makes under-the-table payments—in effect, illegal rebates—that allow the U.S. company to offer the set at prices that undercut U.S.-made TVs by $100 or more. Sometimes the payments are disguised as rebates or "credits" for advertising or shipping.

Zenith Chairman Nevin claims that the practice has been going on for years and that several big Japanese makers are involved. As to the number of U.S. kickback recipients, Nevin says: "I don't believe any large American buyer did not have the opportunity to get involved." A senior official at the U.S. embassy in Tokyo told TIME last week that 86 U.S. importers—presumably distributors and retailers, including some well-known chain stores—are under investigation. Worried embassy officials concede that they are convinced a major scandal is about to break.

At this point, two separate investigations are under way. One is by the U.S. Customs Service, the Treasury and the Department of Justice. They are looking into allegations of false invoicing by Japanese makers to avoid paying dumping duties. This is the probe that has turned up the kickback charges. The second investigation is by the U.S. International Trade Commission. Its lawyers are checking the possibility of unfair trade practices by the Japanese (a noncriminal charge), and they have talked to officials of Hitachi, Sanyo, Sharp, Toshiba and Mitsubishi.

Investigators also suspect, though they cannot yet prove, that the Japanese may have pressured the Nixon White House—or sought its favor—into backing off from any firm action against dumping. The Japanese TV industry was found guilty of dumping by U.S. authorities in 1971, but no dumping penalties were ever assessed. In 1973 the Japanese did raise official prices of TV sets sold in the U.S. Right after that, the kickbacks supposedly began.

If the kickback allegations are ultimately proved to be true, Japanese manufacturers doubtless will face fines and perhaps even stiffer penalties at the hands of the Carter Administration, which, while in a flexible negotiating mood, seems determined to enforce the rules of trade. The elimination of any kickbacks would help preserve the U.S. TV manufacturing industry, but consumers would eventually pick up the tab in the form of higher prices for sets made in Japan.

[Attachment 3]

THE ADEQUACY AND THE ADMINISTRATION OF THE ANTIDUMPING ACT OF 1921

Mr. ROSTENKOWSKI. Yes.

Mr. MUNDHEIM. Well, the primary—if any carbon steelplate is entered into the United States, the Japanese—excuse me—the importer of that Japanese steel must post bond with a value of 32 percent of the value of what is being entered. That is the basic surety that when margins are ultimately assessed, that they will be paid.

Mr. ROSTENKOWSKI. Commissioner Chasen, in your opinion, do the bonding fees represent in any way a barrier to discourage foreign manufacturers from dumping?

Mr. CHASEN. I do not believe so.

Mr. VANIK. Will the gentleman yield at that point?

I have to raise the issue because of the antidumping cases and the Japanese TV and steel bar cases. Entries have not been liquidated in years.

Secretary Blumenthal told us, on June 16 of this year, that, he states the delay in liquidating the entries of Japanese TV's is partially due to Treasury's inability to evaluate the exporters' requested price adjustments, as you have earlier indicated, due to the complexity of cost of the production figures, the reluctance of Japanese to provide the data.

Now, I would like to have inserted, as further response to Mr. Rostenkowski's question. I would like you to determine what is the value of the televisions that entered the United States since 1973 when the entries were last liquidated. How much does this represent in normal entry duties and how much of the amount has been collected to date?

Can you estimate the total amount of uncollected entry duties arising from unliquidated entries, subject to dumping fines?

What is the average length of time between an entry and a liquidation for imports subject to a dumping finding?

If there's a significant period of time between entry and liquidation, doesn't this adversely affect Government revenues, while, at the same time present the importers with a windfall float?

Finally, I would like to submit for your consideration an example of the cost to the importer of the payment of entry and dumping duties, compared with the cost of bonds.

They can make an awful lot of money. According to my figures that staff has prepared, imports in televisions in 1976 from Japan were $572,736,000, over a half a billion. The entry duties owing at 5 percent were $28,636,800.

The cost of the bond to cover these entries at $1.25 per 1,000 was $35,796, and the bond covering the dumping duties, the required face amount, was $51,546,000 and the cost of that bond, at $5, would be $257,731 and at $10, would be $515,462; that at a maximum cost of $551,258 importers defer a minimum payment of $28,636,800. Now, I don't know how they can borrow money at more attractive terms anywhere.

I am submitting this as the very case in point to demonstrate the way the system does not work, to demonstrate its failure, and to demonstrate the duty sytem, both regular and for dumping, can be obviated by the bond procedures which permits the duty to be deferred. Payments deferred are like justice deferred they are lost.

Now, I don't know if these will ever be recovered.

I would like to submit that to both Mr. Chasen and to you, Mr. Mundheim, for your examination, because it proves definitely that in response to the questions Mr. Rostenkowski has raised, there is insufficient effort to

liquidate these things and get off the bond system.

This has gone on since 1973.

[For response see p. 191.]

Mr. VANIK. In the meanwhile, the television industry is moving, principally out of Mr. Rostenkowski's area, and we are very much concerned about that.

Now, I would say this, Mr. Rostenkowski. If these duties had been properly collected and liquidated, some of the industry that's in America might still be in place.

Mr. MUNDHEIM. Well, I can't disagree with you. As I indicated to you in my prepared statement, there is no satisfactory way to explain that situation.

Just one comment, Mr. Chairman. One of the problems in any system is, if somebody fraudulently tells—gives you fraudulent information.

Mr. VANIK. There is no fraud in this. I don't know there's any fraud.

Mr. MUNDHEIM. That's one of the problems here, I think. That's the so-called double-pricing system, which may well involve the use of illegal rebates, and that, in that sense, lowers what seems to be the applicable duty.

Now, that, of course, undermines any kind of bonding system.

On the other hand, if you discover there is fraud and you can prove it, there are very substantial penalties which are far in excess of the duties.

I don't want you to read me as saying things are perfect, but I——

Mr. VANIK. That doesn't exempt you from collecting the normal duties.

What you are doing in your fraud search is fine, but that doesn't give you any justification for relaxation. You are not collecting the normal duties that should be imposed by the tariff laws and by the antidumping laws.

Mr. MUNDHEIM. I don't want to disagree with you. As I said, I hope we are going to come up with an approach that will make you a little happier with us.

Mr. VANIK. I know you are suffering a loss in your industry, Mr. Rostenkowski. Is there any hope they would change their minds?

Mr. ROSTENKOWSKI. I was told 6 years ago, that given entry to the markets in Japan, there wouldn't have been any reason in the world for our domestic manufacturers to look elsewhere to put up factories. But I am afraid that these pleas fell on deaf ears.

I would ask another question. Have you any reason to believe that Japanese TV manufacturers, or importers of their TV receivers submitted incorrect or false prices to the U.S. customs service upon the entry of the merchandise or in the TV dumping case?

I am asking Mr. Chasen that question.

Mr. CHASEN. Sir, that is part of an ongoing investigation, and I would rather decline to comment at this time.

Mr. ROSTENKOWSKI. All right. I will look forward to the conclusion of that investigation then for your answers.

Have you liquidated any TV imports involved in the TV dumping case in reliance on any submissions you now believe may have been false or incorrect?

Mr. CHASEN. I would have to give you the same answer.

Mr. ROSTENKOWSKI. In the TV dumping case, has the Service attempted to examine, under oath, any owner, importer, consignee, or other person on any material matter relating to the investigation?

Mr. CHASEN. I think we have to give you the same answer, sir.

Mr. ROSTENKOWSKI. Thank you, Mr. Chairman.

Mr. VANIK. Thank you very much.

Before, I proceed to Mr. Jones, I want to read something that we have prepared here.

"We, the undersigned members of the Trade Subcommittee, hereby petition the Treasury Department to investigate the dumping in the United States of British steel, which is injuring or likely to injure the American steel industry.

"The other essential information on pages 12306 and 12307 of the Congressional Record, 11–3–77," signed by Charles Vanik, Mr. Steiger, Mr. Frenzel, Mr. Jones and Mr. Rostenkowski."

Now, there may be some things technically wrong about this petition, but we expect you to bring it up in good form. That is what the Government is about. You have to help us.

We help people borrow money from the Government and help people who ask for loans and grants, so we expect you to get this in good form.

Mr. MUNDHEIM. We have helped people file their petitions and we will be glad to help you.

Mr. VANIK. We don't want to hear any more about that action until you make your investigation. Take that to your Department and mark it filed as of today, and we will deliver it to you now.

Now, we will proceed to Mr. Jones.

Mr. JONES. Mr. Chairman, I have two or three areas I want to develop for the record.

First of all, Mr. Chasen, with regard to the staffing in the customs service, I believe, in your statement, you mentioned there were about 13 in the technical division handling the antidumping matters. Is that correct?

Mr. CHASEN. Sixteen, Congressman.

Mr. JONES. Now, how many did you have——

Mr. CHASEN. That is professional people.

Mr. JONES. How does this compare to 1972?

Mr. CHASEN. In 1972, we had 38 professionals.

Mr. JONES. So, you had a substantial decrease.

Now, these 16 professionals you have today also do things other than antidumping matters.

They work on countervailing duty matters and other things. Is that correct?

Mr. CHASEN. Yes. Dumping and countervailing, but they——

Mr. JONES. So, you have had a straight professional staff in the technical branch—it is less than 50 percent of what it was 5 years ago, and you have substantially more antidumping activity on your hands than you did at that time.

[Attachment 4]

[From the Chicago Sun-Times, July 7, 1977]

UNITED STATES PROBES TV IMPORT KICKBACKS

(By Lisa Myers)

WASHINGTON.—A major Customs Bureau investigation has uncovered evidence of secret kickbacks from Japanese television manufacturers to U.S. importers, The Sun-Times has learned.

Government sources said limited findings of the continuing 18-month investigation revealed that some companies falsified records to hide the payments, most of the time in attempts to circumvent U.S. antidumping laws aimed at protecting some American industries. That would be a criminal offense.

Investigators also have indications of other possible illegal acts in connection with the rebate scheme, including perjury, obstruction of justice and conspiracy to defraud the U.S. government.

Although Customs officials will say only that the potentially explosive investigation is going "pretty well," the bureau privately has asked the Justice Department to impanel a grand jury to consider indicting both U.S. companies and individual executives. Benjamin R. Civiletti, assistant attorney general in charge of the criminal division, said "the department is reviewing the matter."

Among the 63 U.S. companies under scrutiny in one of the most sweeping Customs fraud investigations in recent years are corporate giants such as Sears, Roebuck & Co., Montgomery Ward & Co., J. C. Penney Co., Gamble-Skogmo Inc., General Electric Co., Western Auto Supply Co. and Midland International Corp.

Louis L. Poplinger, a lawyer representing Western Auto and Midland, said both companies have acknowledged receiving rebates from Japanese television set makers for many years. But he denied that any improprieties or illegalities were involved.

The other companies confirmed that they were targets of the investigation but declined further comment.

The investigation centers on allegations that the importers have received millions of dollars a year in secret rebates, enabling them to sell Japanese color sets at bargain-basement prices. Rebates per se aren't illegal. But they take on criminal overtones if their purpose is to circumvent federal antidumping laws, and if they aren't reflected in the declared value of the imports as reported to Customs.

Kenneth E. Ryan, the bureau's top fraud investigator, said 25 special agents around the country are cross-checking invoices and other documents dating as far back at 1968 to see whether there were "deletions, discounts or rebates" not reported to Customs.

So far, they have turned up evidence of "a widespread pattern of rebates not limited to one or two companies," a well-informed source said. There also were instances of "variation between actual value of the merchandise and the value declared on the invoice," he said, indicating falsification of documents.

At stake for the companies is millions of dollars in back "dumping" duties, plus equally large civil or criminal fraud penalties. There also are possible antitrust violations if the rebates were part of a concerted effort to monopolize the U.S. market—a possibility that Justice Department investigators are looking into.

Some contend that the Japanese conspired to drive U.S. television set manufacturers out of business by undercutting their prices and forcing them to sell at no profit, or even a loss, simply to remain competitive. Once such predatory pricing eliminated enough U.S. manufacturers, the Japanese in effect could monopolize the American market.

Under U.S. law, if a foreign manufacturer sells a product in the United States for less than it charges in its home market, that's "dumping." A penalty tariff is imposed to make up the difference.

To avoid this duty and enable the sets to be sold in the United States at a lower price, Japanese companies allegedly quoted U.S. importers the equivalent of the Japanese price and then slipped some of the money back under the table.

One source said rebates averaged $5 to $15 per set. For a big U.S. company importing a half million sets a year, a $5-a-set rebate would be worth $2.5 million annually.

The secret payments reportedly were made through a variety of devices, such as deposits in Swiss bank accounts or yen accounts in Japan and credits against purchases of other goods. In some instances, satchels stuffed with cash allegedly were brought into the United States—in itself a violation of U.S. law banning transportation of more than $5,000 in currency into the country without filing a report.

Administration officials, worried about the "potentially very explosive effect" of the case on already strained U.S.-Japan trade relations, are keeping the Japanese informed of in the investigations. "If this thing blows wide open, as it very well may, it will be of great concern to the Japanese government," a trade official said.

Although it is unlikely any of the 18 Japanese companies would be charged in the

United States, they could face criminal charges in their country if covert payments were verified.

To avoid the embarrassment of allegations of "dumping" and cutthroat competition among exporters, Japan's Ministry of International Trade and Industry long ago set "check" prices, the minimum price for which a product can be sold abroad. In almost all cases, rebates would put the actual TV sales price below the check price—a crime for which MITI has prosecuted in the past.

Many believe kickbacks actually were a reaction to TV check prices established in the late 1960s. Big U.S. importers resisted the higher prices, but reportedly suggested they could live with them if some of the money were funneled back. After mulling it over, some say, the Japanese decided to go ahead on the assumption "that's the American way of doing business."

[Attachment 5]

WASHINGTON, D.C.,
May 5, 1978.

HON. STROM THURMOND,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: During recent Senate Judiciary Committee hearings, you asked the Attorney General a series of questions regarding the status of investigations into possible federal antitrust and criminal law violations in connection with the importation of Japanese color television sets into the United States. One of your questions specifically related to possible false Customs declarations apparently intended to avoid "dumping" duties which would have been assessed by the Treasury Department had the true value of the television sets been known at the time they were brought into the United States.

The referral from the Customs Service to the Department of Justice was dated March 31, 1978, and my office was informed by a brief notice of referral on April 7. The matter has been assigned for review to the Government Regulations and Labor Section of the Criminal Division. Although at this time the Department must refrain from commenting on the facts of this situation to avoid prejudicing the investigation and any potential case, we can assure the Committee that if, after review, the referral indicates a basis for a federal grand jury investigation, a grand jury will be impaneled and the matter will be pursued. This recent Customs referral is a separate matter from the antitrust investigation which has been discussed on various occasions by Attorney General Bell and Assistant Attorney General Shenefield in appearances before the Senate Judiciary Committee.

Very truly yours,

BENJAMIN R. CIVILETTI,
Acting Deputy Attorney General.●

Mr. ROBERT C. BYRD. Mr. President, I understand the amendment has been cleared on this side of the aisle.

Mr. CURTIS. That is my understanding.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the sessions of the Senate on Thursday, June 8, and Wednesday, June 14, 1978, to hold hearings on S. 2 and S. 1244, sunset legislation and other legislative matters.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. I sincerely regret that the request in this form cannot be approved on this side. I must object to it, and I do now object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE REAL CAUSES OF INFLATION

Mr. PROXMIRE. Mr. President, Prof. Walter Adams of Michigan State University is one of the best economists in the country. On Sunday, June 4, an article he wrote appeared in the Washington Post entitled "How U.S. Aids Inflation."

As he pointed out the present inflation is not caused by too much money chasing too few goods—the traditional "demand" inflation. Instead it is a "cost-push" inflation where certain structural imperfections in the economy have led to higher prices.

As a result the answers to such an inflation differs considerably from those needed to stem a wartime, demand inflation.

First and foremost he would allow genuine competition in the economy to take place. Unnecessary restrictions on imports, the bolstering of public monopolies through the various regulatory agencies, and the failure to enforce competition in the private sector through the vigorous enforcement of the antitrust laws are three of the main weapons he proposes.

Personally, I would add to that a major reduction in unessential Federal spending accompanied by a tax reduction of at least an equal or a larger amount.

I think Professor Adams' proposals are far sounder than the tight money, higher interest, deepening unemployment answers being given to us by those who have failed to analyze the kind of inflation we face.

Mr. President I ask unanimous consent that the article by Professor Adams be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW UNITED STATES AIDS INFLATION—IMPORT RESTRICTIONS ENCOURAGE PRICE RISES

(By Walter Adams)

The foremost economic problem of the day—in the United States as well as the industrial nations of the West—is how to control inflation without precipitating intolerable levels of unemployment. It is a problem not in economics, but in political economy.

The purveyors of conventional economic wisdom have been of little help to policy makers. Immobilized by the specter of the Phillips Curve—the "inevitable" trade-off between the twin goals of full employment and price stability—orthodox conservatives and orthodox liberals have joined in a desultory debate on the precise specifications for an "optimum" monetary/fiscal policy. Conservatives, at the margin, prefer to fight inflation. Liberals, at the margin, prefer to fight unemployment. On this they agree: We must choose one or the other; we can't have both at the same time. They act, as if the problem can be dealt with by using "macroeconomic" tools such as tax cuts, tighter or looser interest rates and the creation of budget deficits or surpluses.

Neither conservatives nor liberals seem to recognize that the current inflation is not a classical demand-pull inflation, and that monetary/fiscal policy is, therefore, not the appropriate remedy. In fact, the current inflation is a cost-push inflation, fueled by an unchecked price-wage spiral, and reflecting deep-seated structural imperfections in the economy. The current inflation is as much a political as an economic problem of unbridled power concentrations. It is the result of a power grab by highly organized vested interests for a larger share of a fixed pie—or a pie growing more slowly than the combined appetites of the interests which desire to devour it. It is the result of private power plays which the government does little to countervail, and much to reinforce.

Steel is a case in point. This industry was the prime mover in virtually every cost-push inflation since World War II. A cozy oligopoly, immune from intramural competition, the industry pursued a price policy flexible in only one direction—upward.

Starting with the long strike of 1959, however, burgeoning imports began to moderate the industry's penchant for price escalation. Between Jan. 1, 1960, and Dec. 31, 1968—thanks largely to import competition—the composite steel price index increased by an average of only 0.45 points annually. The industry deemed this pressure intolerable, and mounted a political campaign for government protection against import competition.

Relief came when—with the help of the State Department—foreign producers agreed to a "voluntary" restraint agreement on imports into the United States. As a result, while this agreement was in effect between Jan. 1, 1969, and Dec. 31, 1972, the composite steel index rose by an average of 6.67 points annually—a rate 14 times greater than during the previous nine years of unrestrained import competition!

After the restraint agreement was abandoned—largely because of a Consumers Union court challenge—the steel industry, with the active support of the United Steel Workers, continued to press the government for import quotas, "orderly marketing agreements" and other protectionist measures to neutralize import competition. In the words of The Wall Street Journal, the industry was really "angling for worldwide market rigging and price fixing"— a revival of the old international steel cartel.

This time relief came in the form of the trigger price system, administered by the U.S. Treasury. Announced on Dec. 6, 1977, this was a thinly veiled scheme to put a floor under the price of imported steel, and

thus to liberate the domestic industry to resume its price escalation game. Not surprisingly, one day after the announcement of the trigger price system, on Dec. 7, the industry said it would raise prices an average of 5.5 percent across the board. This increase was followed by a further price rise of 1.1 percent in April, 1978.

These increases, which have been variously estimated to cost the economy from $1–6 billion annually, were only the beginning of a predestined scenario. On May 8, 1978, the Treasury struck again. It announced that trigger prices would be increased: 5.5 percent on sheet, plate, wire and cold finished bars; 13.9 percent on angles; 14 percent on reinforcing bars, and 14.5 percent on flat bars. In short, while ceremonially wringing its hands about wage-price inflation, the government itself provided the indispensable mechanism for validating the inflationary price increases engineered by a basic industry in blissful cooperation with its compliant trade union.

No monetary/fiscal policy—whether "conservative" or "liberal"—can cope with this kind of inflation. Nor can jawboning, implemented by a toothless tiger. Nor can price-and-wage control if they are administered by a pusillanimous administration that fears the constant threat of political blackmail and that tries desperately to inspire business confidence by acceding to protectionist pressures.

There is a better way. A government intent on controlling cost-plus inflation and curbing the voracious appetite of special interests would dispense with moral suasion and, instead, mobilize the forces of market competition.

First, it would remove the artificial restraints on import competition in basic items like steel, consumer durables like television receivers, consumer necessities like shoes and food items like meat, sugar and dairy products. While such import competition may exacerbate unemployment in the short run, it would also stimulate the affected industries to do what they must to survive and prosper—i.e., to cut costs and to foster innovation in order to become more efficient and hence more competitive. There is no inherent reason for the inability of American industry to survive without government protection; witness the recent decisions by the Japanese and Germans to set up production facilities in this country.

Second, it would overhaul that part of its regulatory apparatus (trucking, airlines, communications, etc.) which shields established firms from competition rather than protecting consumers against exploitation. It would dismantle those federal protectorates which live in a cozy world of cost-plus, safety immunized from the spector of competition, efficiency and innovation. Witness what has already been accomplished in the airline industry by the mere threat of deregulation and by the Civil Aeronautics Board's new policy of encouraging route and price competition.

Finally, it would turn to vigorous antitrust enforcement—criminal and civil—to remove those trade restraints which impede the workings of effective competition. In the process, government might discover what Adam Smith understood 200 years ago—that competition is a mighty weapon in defense of the public interest.

THE GENOCIDE CONVENTION: SO THE PAST SHALL NOT BE REPEATED

Mr. PROXMIRE. Mr. President, recently I had occasion to read a study entitled "Did 6 Million Really Die?" In an effort to minimize Nazi atrocities, its author claims that only a few thousand Jews perished at the hands of German Fascists.

Although the study is a transparently dishonest piece of historical scholarship, I am afraid that a good number of people may fail to see through the lies and distortions that it contains.

The farther we become removed in time from the Second World War, the more difficult it becomes for all of us to remember the horrors perpetrated under Hitler's regime. We must be careful not to allow the suffering of European Jewry to be trivialized or forgotten.

One important way of preserving their memory and preventing future mass murder is to aggressively and truthfully report the extent of German war crimes.

Another way is to make genocide punishable by law. The Genocide Convention does precisely that, condemning genocide as an international crime.

Unfortunately, the United States has yet to add its name to the signatories of this convention. This document has been pending 30 years before this body, ever since President Truman sent it to the Senate for ratification in 1949.

Mr. President, need I mention that Presidents Eisenhower, Kennedy, Johnson, Nixon, and Ford all urged the Senate to act on this important treaty? Over 80 nations have already approved it. We in the Senate are the one obstacle that stands in the way of this fundamental human rights convention. Of course, President Carter has emphatically added his strong endorsement to this basic human rights treaty.

Our recent emphasis on eliminating human rights violations throughout the world makes it imperative that we make the Genocide Convention the cornerstone of that policy. Our failure to endorse the convention can I fear, only create embarrassing doubts regarding our sincerity. No document is more consistent with the fundamental principles for which this country stands. I call upon the Senate to delay no longer and bring the Genocide Convention to a vote.

SAUDI SELF-INTEREST PREDETERMINES ATTITUDE OF THE UNITED STATES

Mr. PROXMIRE. Mr. President, during the recent controversy on the sale of sophisticated aircraft to Saudi Arabia, Israel, and Egypt, considerable attention was paid to the argument that the United States could not afford to discount or dismiss the oil weapon. The new factor in U.S. relations in the Middle East was said to be the dependence of the United States on the good word and actions of the dominant oil power—Saudi Arabia.

In essence it was hinted and at times boldly stated that the United States was hostage to Saudi oil pricing. Saudi dollars in the U.S. market could have a disastrous effect if pulled out. Saudi oil prices could create a new recession. Saudi purchases, if foregone, could depress the marketplace. In short, the United States was in the economic hands of a faraway but increasingly influential nation of oil barons.

Well, in truth, Mr. President, this was an exaggeration of mammoth proportions. For various sound economic reasons, the Saudis could not take any of the actions stated above without the most severe consequences for themselves. It turns out that they are more dependent on the United States, economically and politically, than had been previously thought.

The best analysis of this point of view comes from one of our Nation's most respected economists, Robert Solomon, of the Brookings Institution. His article on the subject should have been available at the time of the Senate debate for it would have dispelled many myths.

Mr. President, I ask unanimous consent that the Solomon article, published in the Journal of Commerce on May 23, 1978, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SAUDI CONNECTION EYED

(By Robert Solomon)

The Carter administration's decision to sell fighter planes to Saudi Arabia, along with Egypt and Israel, and the Senate vote on that package were determined by a number of considerations of a political and security nature. During the debates leading up to the vote in the Senate, references were made to economic and financial factors.

In particular, it was suggested that Saudi Arabia's position as a major supplier of oil and as a major holder of dollars was an additional reason for approving the sale of fighters.

SIMPLE REASON

One senator summed up his reasons for voting in favor of the plane sale in a single word: oil.

It is useful, therefore, to examine the nature an dextent of Saudi Arabia's bargaining power. Does its economic and financial status give it the ability to influence American decisions?

First there is the question of Saudi Arabia as a supplier of oil. Because it spends only a fraction of its huge oil revenues, it can reduce the supply of oil on world markets and thereby raise the price. Is the Saudi ability to raise the world price of oil a significant bargaining weapon against the United States?

As we learned only too well in 1974–75, an increase in the price of oil has effects on oil-importing countries very much like a rise in tax rates. By siphoning off purchasing power in Saudi Arabia and other OPEC countries in surplus, the higher oil price leads to a reduction in spending for other goods and services in oil-importing countries. The recession of 1975—the deepest since the 1930s—was to a significant degree caused by the very large jump in oil prices in 1973–74.

RECOVERY CONTINUING

The industrial countries have still not fully recovered from that recession. And the recession in the industrial world has created severe economic problems for many of the developing countries on top of their higher oil bills.

In Europe, the economic problems of Italy, Spain, Portugal, Turkey, among others, have been aggravated, if not caused, by the stagnation in the larger industrial countries. In these circumstances, many nations have severe balance-of-payments problems and are trying to cope with them, as well as with inflation, by restricting the expansion of their own economies. Thus, unemployment in Europe is as high or even higher than it was at the bottom of the recession in 1975.

The political values of the Saudi regime are well-known. It is impossible to believe

that the Saudi leaders are not concerned about the political effects of continuing high unemployment and depressed real income in the European countries that border the Mediterranean. A significant increase in the price of oil would certainly aggravate the economic problems of these countries.

Thus, leaving aside the fact that the oil market is currently experiencing a glut and output is being cut back by the OPEC countries in order to prevent a drop in the price, Saudi Arabia is not likely in the long run to be indifferent to the economic and political impacts of sizeable increases in the price of oil.

Since rising oil prices run against the political interests of Saudi Arabia, the threat to raise them is not much of a bargaining lever.

Is a refusal by Saudi Arabia to sell oil to the United States a credible threat? Such a selective embargo woud lead to an increase in the oil price if Saudi Arabia reduced its output by the amount of its sales to the United States. This country would bid for oil from other suppliers, thus forcing up the price. The effects would be as described above and hardly in the interest of Saudi Arabia.

Finally there is the question of the large and growing Saudi holdings of dollar assets. Does this give Saudi Arabia a bargaining weapon? The answer is no, and for several reasons. For one thing, there simply is no alternative financial market into which Saudi Arabia could switch what it now holds in dollars in the United States and in the Eurodollar market.

Secondly, an attempt by Saudi Arabia to convert dollar holdings into other currencies would push up the value of those currencies and depreciate the dollar. The value of the bulk of Saudi dollar assets would go down. Saudi Arabia, like other countries with large foreign exchange reserves, is essentially locked into its dollar assets.

Thirdly, a depreciation of the dollar brought on by an attempted Saudi switch to other currencies would have depressing effects on the economies of Europe and Japan, with repercussions similar to those identified above in connection with an increase in the price of oil.

It is worth noting, finally, that even an attempt by Saudi Arabia to avoid acquiring dollars at the margin—in payment for current and future sales of oil—would have similar effects.

It may be concluded that both the economic and political interests of Saudi Arabia stand by the way of its use of oil a a bargaining tool in its relations with the United State. And, needless to say, there are even broader reasons why the Saudi leaders would hesitate to incur the enmity of this country.

In contrast to some other nations, it is inconceivable that Saudi Arabia would turn to the Soviet Union for friendship and help.

The making of foreign policy involves the balancing of many considerations, political, economic and military. The possible use by Saudi Arabia of its oil and its financial wealth as bargaining counters need not enter into that balance.

ORDER FOR SENATE TO CONVENE AT 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate convene at 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow under the standing order, Mr. PERCY, Mr. BARTLETT, Mr. GOLDWATER, and Mr. BAKER be recognized, each for not to exceed 15 minutes, after which the Senate resume its consideration of the unfinished business.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, will the Senator from West Virginia include the Senator from Virginia at the end of that list?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HARRY F. BYRD, JR., be at the head of the list, for 15 minutes. Is that agreeable?

Mr. HARRY F. BYRD, JR. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered

Mr. ROBERT C. BYRD. At the conclusion of the orders for recognition of Senators, the Senate will resume its consideration of the unfinished business.

(After a pause.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. PERCY tomorrow be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. PROXMIRE. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to, and at 6:18 p.m. the Senate recessed until tomorrow, Thursday, June 8, 1978, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate on June 7, 1978:

OVERSEAS PRIVATE INVESTMENT CORPORATION

Edward L. Marcus, of Connecticut, to be a member of the board of directors of the Overseas Private Investment Corporation for a term expiring December 17, 1980, vice Herbert Salzman.

THE JUDICIARY

Louis H. Pollak, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania, vice A. Leon Higginbotham, Jr., elevated.

DEPARTMENT OF JUSTICE

Joseph I. St. George, of New York, to be U.S. Marshal for the western district of New York for the term of 4 years, vice Edward S. King.

HOUSE OF REPRESENTATIVES—*Wednesday, June 7, 1978*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Fear God and keep His commandments; for this is the whole duty of man.—Ecclesiastes 12: 13.

Eternal God, our Father, source of wisdom, power, and love, lead us through all the changes of this life on Earth to build our lives and the life of our Nation upon the eternal foundations of truth and love. Save us from haste and hurry, from perpetual movement and persistent motion. Lift us up to that plane where we can be one with Thee.

In the assurance of Thy Spirit help us to accept our responsibilities for this day. Draw us to that plane where we can feel the appeal of great tasks and accept our responsibility for their fulfillment. Give us strength to carry our heavy burdens, peace amid the pressure of compelling duties and power to think clearly and act wisely for the sake of our Nation and the world in which we live.

In these troubled days grant us wisdom, grant us courage that we fail not man nor Thee. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. WYDLER. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 331, nays 15, answered "present" 3, not voting 85, as follows:

[Roll No. 421]

YEAS—331

Addabbo	Bingham	Burlison, Mo.
Akaka	Blanchard	Burton, Phillip
Alexander	Blouin	Butler
Ammerman	Boggs	Caputo
Anderson, Calif.	Boland	Carr
	Bonior	Carter
Andrews, N. Dak.	Bonker	Cavanaugh
	Bowen	Cederberg
Annunzio	Brademas	Chisholm
Armstrong	Breaux	Clausen, Don H.
Ashbrook	Breckinridge	
Ashley	Brinkley	Clawson, Del
Aspin	Brodhead	Clay
AuCoin	Brooks	Cleveland
Badham	Broomfield	Cohen
Bafalis	Brown, Calif.	Coleman
Baldus	Brown, Ohio	Collins, Tex.
Barnard	Broyhill	Conable
Bauman	Buchanan	Conte
Beard, R.I.	Burgener	Corcoran
Benjamin	Burke, Fla.	Corman
Bennett	Burke, Mass.	Cornell
Bevill	Burleson, Tex.	Cornwell

Cotter	Kastenmeier	Railsback
Crane	Kazen	Rangel
Cunningham	Kelly	Regula
D'Amours	Kemp	Reuss
Daniel, Dan	Ketchum	Rhodes
Daniel, R. W.	Keys	Richmond
Davis	Kildee	Rinaldo
de la Garza	Kindness	Risenhoover
Delaney	Kostmayer	Roberts
Derrick	Krebs	Robinson
Derwinski	LaFalce	Roe
Devine	Lagomarsino	Rogers
Dickinson	Latta	Rooney
Dicks	Le Fante	Rose
Downey	Leach	Rosenthal
Drinan	Lederer	Rostenkowski
Duncan, Tenn.	Leggett	Rousselot
Early	Lehman	Roybal
Eckhardt	Lent	Rudd
Edgar	Levitas	Ruppe
Edwards, Ala.	Lloyd, Tenn.	Russo
Edwards, Calif.	Long, La.	Satterfield
Eilberg	Long, Md.	Sawyer
Emery	Lott	Scheuer
English	Lujan	Schroeder
Erlenborn	Luken	Schulze
Ertel	McClory	Sebelius
Evans, Colo.	McCormack	Seiberling
Evans, Del.	McDade	Sharp
Evans, Ga.	McFall	Shipley
Evans, Ind.	McHugh	Shuster
Fary	McKay	Sikes
Fascell	Madigan	Sisk
Fenwick	Maguire	Skelton
Findley	Mahon	Slack
Fish	Mann	Smith, Iowa
Fisher	Markey	Smith, Nebr.
Fithian	Marks	Snyder
Flippo	Marlenee	Solarz
Flood	Marriott	Spellman
Florio	Martin	Spence
Flynt	Mazzoli	St Germain
Foley	Meeds	Staggers
Ford, Mich.	Metcalfe	Stangeland
Ford, Tenn.	Meyner	Stanton
Fowler	Michel	Steed
Frenzel	Mikulski	Steers
Frey	Mikva	Stockman
Fuqua	Miller, Calif.	Stokes
Gammage	Miller, Ohio	Stratton
Garcia	Mineta	Studds
Ginn	Mitchell, N.Y.	Symms
Glickman	Moakley	Taylor
Goldwater	Moffett	Thompson
Gonzalez	Moore	Thone
Gore	Moorhead, Calif.	Thornton
Gradison	Moorhead, Pa.	Traxler
Grassley	Moss	Treen
Green	Mottl	Trible
Gudger	Murphy, Pa.	Tsongas
Guyer	Murtha	Udall
Hagedorn	Myers, Gary	Ullman
Hall	Myers, John	Van Deerlin
Hammer-schmidt	Myers, Michael	Vento
Hanley	Natcher	Volkmer
Hansen	Neal	Waggonner
Harsha	Nedzi	Walgren
Hawkins	Nichols	Walsh
Heftel	Nolan	Wampler
Hightower	Nowak	Watkins
Hillis	O'Brien	Weaver
Hollenbeck	Oberstar	Weiss
Holtzman	Obey	Whalen
Horton	Ottinger	White
Huckaby	Panetta	Whitehurst
Hughes	Patterson	Whitley
Ichord	Pattison	Wilson, Tex.
Ireland	Pease	Winn
Jeffords	Perkins	Wirth
Jenkins	Pettis	Wolff
Jenrette	Pickle	Wright
Johnson, Calif.	Poage	Wydler
Johnson, Colo.	Preyer	Wylie
Jones, N.C.	Price	Yates
Jones, Okla.	Pritchard	Yatron
Jones, Tenn.	Pursell	Young, Fla.
Jordan	Quillen	Young, Mo.
Kasten	Rahall	Zablocki
		Zeferetti

NAYS—15

Abdnor	Holland	Quayle
Brown, Mich.	Jacobs	Sarasin
Coughlin	Lloyd, Calif.	Steiger
Forsythe	Mattox	Walker
Goodling	Mitchell, Md.	Wilson, Bob

ANSWERED "PRESENT"—3

Harrington	McEwen	Skubitz

NOT VOTING—85

Allen	Applegate	Bedell
Ambro	Archer	Beilenson
Anderson, Ill.	Baucus	Biaggi
Andrews, N.C.	Beard, Tenn.	Bolling
Burke, Calif.	Hamilton	Patten
Burton, John	Hannaford	Pepper
Byron	Harkin	Pike
Carney	Harris	Pressler
Chappell	Heckler	Quie
Cochran	Hefner	Rodino
Collins, Ill.	Holt	Roncalio
Conyers	Howard	Runnels
Danielson	Hubbard	Ryan
Dellums	Hyde	Santini
Dent	Krueger	Simon
Diggs	Livingston	Stark
Dingell	Lundine	Stump
Dodd	McCloskey	Teague
Dornan	McDonald	Tucker
Duncan, Oreg.	McKinney	Vander Jagt
Edwards, Okla.	Mathis	Vanik
Flowers	Milford	Waxman
Fountain	Minish	Whitten
Fraser	Mollohan	Wiggins
Gaydos	Montgomery	Wilson, C. H.
Gephardt	Murphy, Ill.	Young, Alaska
Giaimo	Murphy, N.Y.	Young, Tex.
Gibbons	Nix	
Gilman	Oakar	

Mr. COLLINS of Texas changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2931. An act to amend chapter 89 of title 5, United States Code, to establish uniformity in Federal employee health benefits and coverage provided pursuant to contracts made under such chapter by preempting State or local laws pertaining to such benefits and coverage which are inconsistent with such contracts.

H.R. 3161. An act to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes.

H.R. 10823. An act to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1979, and for other purposes.

CONGRESS MUST LISTEN TO THE PEOPLE

(Mr. KEMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEMP. Mr. Speaker, I am glad to join my colleagues who have just spoken, about the significance of the California vote yesterday—proposition 13. As a past supporter of Jarvis-Garn, I was pleased to see it pass, but more than that, pleased to see my colleagues responses. Congress must listen to what the people are telling us.

But, I suggest that inflation is the real enemy, the root cause of our economic ills. It is inflation which has pushed up the taxed value of real property. It is inflation which has pushed up the cost of government. It is inflation which has eaten away purchasing power and undercut savings. It is inflation which is pushing all working and saving Americans into steeper income tax brackets. The people in California yesterday rebelled against a result of tax inflation. The people are rebelling from California to Ohio, to New Jersey; it goes on from coast to coast. Jeff Bell's upset victory in New Jersey is a signal to Congress—lower the tax rates and restore incentive to the worker and investor. Inflation is certainly the enemy insofar as individual Federal income taxes are concerned, because for each 10-percent increase in the nominal income of a person, he or she pays 16 percent more in Federal taxes. The harder you run, the further you fall behind.

The people are telling us that they want lower taxes, lower prices, and more jobs in the private sector. They want an economy which is growing, and that is particularly true for minorities and our youth, who are the last hired and first fired.

I have been spending much time in my district listening to people who come to my office, write me, speak to me. The overriding concern of the people in western New York—and I believe in California and the rest of the country—is that the people feel that they are only working to pay their taxes. They feel that they are not getting ahead. That the hope, the dream, the opportunity, and the aspiration that the American people to climb up the economic ladder is being taken away. And that is to the detriment of the worker, the investor, the saver, and the producer and all the American people.

Congress must listen to the people. We must adopt a legislative agenda which reflects that.

I will address these points in more detail in a special order this afternoon.

PROPOSITION 13

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, the people of California voted on a proposition yesterday that will have the effect of sending at least $700 or $800 million more to the Federal Treasury. They voted out of their disgust for the 8 years of the Reagan administration out there, which raised the taxes by better than $2.7 billion and never addressed the property tax relief problem.

Mr. Speaker, I would just ask, as we sit here today, to have a moment of silence for those who live in mosquito abatement districts in California, because they have just been wiped out and all of the money will go to the State capitol, where Gov. Jerry Brown in 2 weeks will stand with Howard Jarvis and say, "I knew we could do it."

LABOR–HEW APPROPRIATIONS

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, I find it ironic that the administration is today evidently supporting an amendment which would cut back by some $230 million the middle-income student assistant pack-

age. That $230 million, as everyone here who is a political realist knows, is in that bill in order to provide the President with a viable alternative to the tuition tax credit proposal which he—at least last week—opposed. I would suggest that his reversal of field on this proposition is a betrayal of every single person in this House, Democrat and Republican, who stuck with the President last week in opposition to the tuition tax credit proposal. It is another indication, I presume, of how you can count on the administration pulling the rug out from under you a week after you support them on an administration proposal.

GROWING DISSATISFACTION WITH TAX BURDEN

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAGEDORN. Mr. Speaker, the success of proposition 13 in California, as well as the recent tax limitation amendment approved in Tennessee, demonstrates clearly the growing dissatisfaction with their tax burden felt by citizens throughout the country.

On the Federal level, fiscal year 1979 is the third year of the budget process—with fiscal year 1976 having been a trial run in most respects. During this time, Congress will have run up more than $180 billion in new budget deficits, and will have increased total outlays by more than 40 percent or $132 billion.

Clearly, whatever benefits have accrued from the new budgetary process—and it has provided the opportunity to assess the budget in a more coordinated and comprehensive manner—fiscal discipline is not one of them.

Federal expenditures, in short, have continued to grow faster than the economy as a whole, with the public sector taking an increasing proportion of the earnings of its citizens. It is the total level of Federal expenditures, not merely the nominal level of Federal revenues that represents the true Federal tax burden upon citizens, as Nobel Prize winning economist Milton Friedman has observed.

I am proposing a constitutional amendment which would extend the same basic limitation principle adopted in California and Tennessee to the Federal Government although, for obvious reasons, it is cast in the form of a spending rather than a tax limitation.

The amendment would require that, except during times of war or other national emergency, annual increases in levels of budget and off-budget outlays would not exceed the average annual percentage increase in the GNP during the 3 calendar years preceding.

The amendment would not only impose substantially more discipline upon the Federal budgetary process, but would also affect significantly the character of that process. Special interests would no longer be in competition with the taxpayer to raise the total ante in the budget; instead, they would be competing with each other to increase their relative share of a fixed ante.

Mr. Speaker, the lesson from California and Tennessee ring loud and clear. It is time for the worst culprit of them all—the Federal Government—to reform its ways equally as well as these States.

THE TAX REVOLT IN CALIFORNIA

(Mr. SYMMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYMMS. Mr. Speaker, in 1773 the people of Massachusetts threw tea into the harbor. That started the American Revolution. Just yesterday California fired a second shot that will be heard around the world by dumping some more tea into the harbor by passing the property tax limit.

Mr. Speaker, there is no question about it. A nationwide tax revolt has been brewing for years. It got started very well yesterday. I say three cheers for Mr. Jarvis.

A nationwide tax revolt has been brewing for years, and yesterday in California the first shot in all-out war was fired. The citizens of California voted by a 2-to-1 margin to sharply reduce property taxes and to limit them to 1 percent of the assessed valuation of the property.

Today, in response to the overwhelming vote in California, I am introducing legislation to establish a constitutional limit on Federal taxation and spending power. The legislation limits Federal taxation of American citizens to 15 percent of the gross national product. Federal deficit spending is also prohibited and budget expenditures would be limited to the amount actually accrued through taxes. The only exception to these provisions would be made in time of declared war or a national emergency.

The need for this legislation is obvious. In 1900, 3 percent of the national income was spent for Government at all levels. By 1950, the figure had increased to 26 percent and today Government at all levels takes more than 40 percent of the national income. And since Government has not been satisfied to spend the massive amounts of money it takes from its citizens, the country has amassed a huge national debt. Americans suffer daily as their spending power is eroded through Government-caused inflation.

As the tax burden has increased, Americans have protested the excesses, but their anger has been ignored by a Government bureaucracy that claims to know what is best for each of its citizens and which seeks to control virtually every aspect of our lives by controlling our income. Now the citizens have spoken in a voice that cannot be ignored. As California Governor Jerry Brown, the latest supporter of tax cuts, said:

> The people have sent a message to all of us . . . The vote . . . comes from liberals, conservatives, moderates, Republicans and Democrats.

Nobel Laureate Prof. Milton Friedman has said that only tax limitation will directly attack the Government's fiscal irresponsibility, which inevitably is paid for in taxes and inflation.

I urge my colleagues to listen to the message from the voters of California and to support this legislation. Reducing taxation on the State level will not alter the plight of taxpaying Americans unless significant action is taken to limit taxation on the Federal level.

THE ADMINISTRATION SHOULD REEVALUATE ITS GRANT PROGRAM VERSUS TUITION TAX CREDIT POSITION

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, in response to the comments of the gentleman from Wisconsin (Mr. OBEY), I do hope the administration is reevaluating its position on its grant program versus the tuition tax credit. I hope the President will not veto the tuition tax credit bill, which has been passed by a very, very substantial majority of this House and which this House has expressed its will a number of times. Again, I hope the administration will support it.

Mr. Speaker, the American people support the tuition tax credit approach as opposed to the administration's approach. I hope the administration is getting the message, because people allowed the tuition tax credit will be able to keep their own money to help finance education rather than having the money go to the Government and then having the people try to get their money back.

That is the approach reflected in the recent elections, and that is the approach we should take.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. BRADEMAS). The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, do not the rules of the House require that any former Members with a direct interest in the legislation pending before the House or any committees or subcommittees thereof absent themselves completely from the floor of the House?

The SPEAKER pro tempore. The Chair will read the rule from the House Rules and Manual, at page 658. Clause 3, rule XXXII reads as follows:

> Ex-Members of the House of Representatives, former Parliamentarians of the House, and former elected officers and former elected minority employees of the House, shall be entitled to the privilege of admission to the Hall of the House and rooms leading thereto only if they don't have any direct personal or pecuniary interest in any legislative measure pending before the House or reported by any committee of the House and only if they are not in the employ of, or do not represent, any party or organization for the purpose of influencing, directly or indirectly, the passage, defeat or amendment of any legislative measure pending before the House, reported by any committee of the

House or under consideration in any of its committees or subcommittees.

The Chair therefore responds to the gentleman's inquiry in the affirmative.

Mr. BAUMAN. I thank the Speaker, and I assume that the Chair will enforce the rule.

PARLIAMENTARY INQUIRY

Mr. CHARLES WILSON of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CHARLES WILSON of Texas. Mr. Speaker, would it be the opinion of the Chair that that restriction would apply only to the time that the legislation that the former Member might be interested in was before the House?

The SPEAKER pro tempore. The rule reads, "or reported by any committee of the House or under consideration in any of its committees or subcommittees."

Mr. CHARLES WILSON of Texas. I thank the Chair.

PARLIAMENTARY INQUIRY

Mr. DICKS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DICKS. Mr. Speaker, I would ask the question, when it says, "personal or pecuniary interest," does that not mean directly in an individual sense, and not in an official government capacity? Many people have an interest in the defense bill or the HEW bill in an official capacity. This says, "personal or pecuniary," and I would suggest—thinking that I know who the gentleman is talking about—that he has no direct personal or pecuniary interest in an individual sense.

The SPEAKER pro tempore. The Chair would respond to the gentleman from Washington by saying that there are two parts of the rule. The part to which the gentleman from Washington has just referred quite accurately runs to the matter of direct personal or pecuniary interest, while the second part of the rules runs to the question of whether or not the ex-Member is in the employ of or represents any party or organization for the purpose of influencing the passage, defeat, or amendment of any legislative measure pending before the House, or reported by any committee of the House, or under consideration in a committee or subcommittee.

Mr. DICKS. So it is to that part that the Chair refers?

The SPEAKER pro tempore. The gentleman is correct.

PROVIDING FOR CONSIDERATION OF PRIVILEGED RESOLUTIONS REPORTED BY COMMITTEE ON HOUSE ADMINISTRATION

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that several privileged resolutions reported by the Committee on House Administration be considered at this time.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING FOR PRINTING AS HOUSE DOCUMENT OF PRINT OF COMMITTEE ON SCIENCE AND TECHNOLOGY "WORLD-WIDE SPACE ACTIVITIES"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 847 providing for the printing as a House document of a print of the Committee on Science and Technology, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 847

Resolved, That there be printed as a House document the print of the Committee on Science and Technology dated September 1977, and entitled "World-Wide Space Activities"; and that additional copies to the amount of $1,200 be printed for the use of the Committee on Science and Technology.

Mr. HAWKINS. Mr. Speaker, House Resolution 837, introduced by the gentleman from Texas (Mr. TEAGUE) and the gentleman from Florida (Mr. FUQUA), authorizes the printing as a House document the committee print entitled, "World-wide Space Activities," in the amount of $8,724.55.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR PRINTING OF REPORT "MANDATORY RETIREMENT: THE SOCIAL AND HUMAN COST OF ENFORCED IDLENESS"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 932 providing for the printing of the report "Mandatory Retirement: The Social and Human Cost of Enforced Idleness," and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 932

Resolved, That there shall be printed for the use of the Select Committee on Aging 3,500 copies of the report, "Mandatory Retirement: The Social and Human Cost of Enforced Idleness", Ninety-fifth Congress.

Mr. HAWKINS. Mr. Speaker, this resolution (H. Res. 932) is the first of a series of resolutions reported by the committee for the Select Committee on Aging, authored by the gentleman from Florida (Mr. PEPPER). The amount of the resolution is $1,113.69. The report is entitled, "Mandatory Retirement: The Social and Human Cost of Enforced Idleness."

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE PRINTING OF THE REPORT "SENIOR TRANSPORTATION: TICKET TO DIGNITY"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 933, providing for the printing of the report "Senior Transportation: Ticket to Dignity," and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 933

Resolved, That there shall be printed for the use of the Select Committee on Aging 1,500 copies of the report, "Senior Transportation: Ticket to Dignity", Ninety-fourth Congress.

Mr. HAWKINS. Mr. Speaker, this is the second of the resolutions in this series by the gentleman from Florida (Mr. PEPPER). It is a copy of the report entitled "Senior Transportation: Ticket to Dignity." It is in the amount of $1,073.16.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE PRINTING OF THE COMMITTEE PRINT "FEDERAL RESPONSIBILITY TO THE ELDERLY"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call House Resolution 934, providing for the printing of the committee print, "Federal Responsibility to the Elderly," and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 934

Resolved, That there shall be printed for the use of the Select Committee on Aging 6,000 copies, with typographical corrections, of the committee print, "Federal Responsibility to the Elderly", Ninety-fifth Congress.

Mr. HAWKINS. Mr. Speaker, this is another of the resolutions by the gentleman from Florida (Mr. PEPPER) in the series of resolutions providing documents for the use of the Select Committee on Aging. This one is entitled "Federal Responsibility to the Elderly."

The printing cost is in the amount of $1,119.64.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE PRINTING OF A BOOKLET ENTITLED "DUTIES OF THE SPEAKER"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 1136, providing for the printing of a booklet entitled "Duties of the Speaker," and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1136

Resolved, That ten thousand copies of a booklet entitled "Duties of the Speaker" be printed as a House document for the use of the Speaker of the House of Representatives.

SEC. 2. The number of copies authorized to be printed by the first section of this resolution shall be in lieu of the usual number of copies.

Mr. HAWKINS. Mr. Speaker, this resolution updates the booklet entitled "Duties of the Speaker." It is for the use of the Speaker of the House. The current one is obsolete because it contains the information on the previous administration.

This resolution provides for the amount of $2,422.94.

Mr. Speaker, I move the previous question on the resolution:

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE PRINTING OF THE REPORT "NEW PERSPECTIVES IN HEALTH CARE FOR OLDER AMERICANS"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 441, providing for the printing of the report "New Perspectives in Health Care for Older Americans," and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 441

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for the use of the Select Committee on Aging 1,500 copies of the report "New Perspectives in Health Care for Older Americans", Ninety-fourth Congress.

Mr. HAWKINS. Mr. Speaker, this is the last of the resolutions for the Select Committee on Aging. This one calls for the printing of copies of the report "New Perspectives in Health Care for Older Americans" and is in the amount of $1,616.51.

Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING AS A HOUSE DOCUMENT THE FOLDER "THE UNITED STATES CAPITOL"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 561, authorizing the printing as a House document the folder "The United States Capitol," and ask for its immediate consideration.

The clerk read the concurrent resolution, as follows:

H. CON. RES. 561

Resolved by the House of Representatives (the Senate concurring), That there shall be revised and reprinted as a House Document a visitors' information folder entitled "The United States Capitol" and that eight hundred and eighty-four thousand copies shall be printed for the use of the United States House of Representatives. Two hundred thousand copies shall be printed for the use the United States Senate. One million copies shall also be printed for use of the Capitol Guide Board.

Mr. HAWKINS. Mr. Speaker, House Concurrent Resolution 561 authorizes the printing, as a House document, of a visitors information booklet entitled "The United States Capitol." This is for the use of visitors to our Capitol. It is a House document which is used for this purpose. It is in the amount of $53,056.54.

Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. JENRETTE). The question is on the concurrent resolution.

The question was taken and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 349, nays 24, not voting 61, as follows:

[Roll No. 422]

YEAS—349

Abdnor	Cederberg	Foley
Addabbo	Chappell	Ford, Mich.
Akaka	Chisholm	Ford, Tenn.
Alexander	Clausen, Don H.	Forsythe
Ammerman	Clawson, Del	Fowler
Anderson, Calif.	Clay	Frenzel
Anderson, Ill.	Cleveland	Frey
Andrews, N. Dak.	Cohen	Fuqua
Annunzio	Coleman	Gammage
Archer	Conable	Garcia
Armstrong	Conte	Gaydos
Ashbrook	Conyers	Gephardt
Ashley	Corcoran	Ginn
Aspin	Corman	Goldwater
AuCoin	Cornell	Gonzalez
Badham	Cornwell	Gradison
Bafalis	Cotter	Grassley
Baldus	Coughlin	Green
Barnard	Crane	Gudger
Bauman	Cunningham	Guyer
Beard, R.I.	Daniel, Dan	Hagedorn
Beard, Tenn.	Daniel, R. W.	Hall
Bedell	Davis	Hammer-schmidt
Benjamin	Delaney	Hanley
Bevill	Derwinski	Hannaford
Bingham	Devine	Harkin
Blanchard	Dickinson	Harrington
Blouin	Dicks	Harris
Boggs	Dingell	Harsha
Boland	Dodd	Hawkins
Bonior	Downey	Hefner
Bonker	Drinan	Heftel
Bowen	Duncan, Tenn.	Hightower
Brademas	Early	Holland
Breaux	Eckhardt	Hollenbeck
Breckinridge	Edgar	Holtzman
Brinkley	Edwards, Ala.	Horton
Brodhead	Edwards, Calif.	Huckaby
Brooks	Eilberg	Hughes
Broomfield	Emery	Ichord
Brown, Calif.	English	Ireland
Brown, Mich.	Erlenborn	Jacobs
Brown, Ohio	Ertel	Jeffords
Buchanan	Evans, Colo.	Jenkins
Burgener	Evans, Del.	Jenrette
Burke, Fla.	Evans, Ga.	Johnson, Calif.
Burke, Mass.	Fary	Johnson, Colo.
Burleson, Tex.	Fascell	Jones, N.C.
Burlison, Mo.	Fenwick	Jones, Okla.
Burton, John	Findley	Jones, Tenn.
Burton, Phillip	Fish	Jordan
Butler	Fisher	Kasten
Byron	Fithian	Kastenmeier
Caputo	Flippo	Kazen
Carter	Flood	Kemp
Cavanaugh	Florio	Ketchum
	Flynt	Keys
Kildee	Myers, John	Shipley
Kindness	Myers, Michael	Shuster
Krebs	Natcher	Sikes
LaFalce	Nedzi	Sisk
Lagomarsino	Nichols	Skelton
Latta	Nix	Skubitz
Le Fante	Nolan	Slack
Leach	Nowak	Smith, Iowa
Lederer	O'Brien	Smith, Nebr.
Leggett	Oberstar	Snyder
Lehman	Obey	Solarz
Lent	Ottinger	Spellman
Levitas	Panetta	Spence
Lloyd, Calif.	Patten	St Germain
Lloyd, Tenn.	Patterson	Staggers
Long, La.	Pattison	Stangeland
Long, Md.	Pease	Stanton
Lott	Pepper	Steed
Lujan	Perkins	Steers
Luken	Pettis	Steiger
Lundine	Pickle	Stockman
McClory	Poage	Stokes
McCormack	Preyer	Stratton
McDade	Price	Studds
McEwen	Pursell	Symms
McFall	Quayle	Taylor
McHugh	Quillen	Thompson
McKay	Rahall	Thone
Madigan	Railsback	Traxler
Maguire	Rangel	Trible
Mahon	Regula	Tsongas
Mann	Reuss	Udall
Markey	Rhodes	Ullman
Marks	Richmond	Van Deerlin
Marlenee	Rinaldo	Vento
Marriott	Risenhoover	Volkmer
Martin	Roberts	Waggonner
Mathis	Robinson	Walgren
Mattox	Roe	Walker
Mazzoli	Rogers	Walsh
Meeds	Roncalio	Wampler
Metcalfe	Rooney	Weaver
Meyner	Rose	Weiss
Michel	Rosenthal	Whalen
Mikulski	Rostenkowski	White
Mikva	Rousselot	Whitehurst
Miller, Calif.	Roybal	Whitley
Miller, Ohio	Rudd	Wiggins
Mineta	Ruppe	Wilson, Bob
Mitchell, Md.	Russo	Winn
Mitchell, N.Y.	Ryan	Wirth
Moakley	Santini	Wolff
Moffett	Sarasin	Wylie
Moore	Satterfield	Yates
Moorhead, Calif.	Sawyer	Yatron
Moorhead, Pa.	Scheuer	Young, Alaska
Moss	Schulze	Young, Fla.
Murphy, Ill.	Sebelius	Young, Mo.
Murtha	Seiberling	Zablocki
	Sharp	Zeferetti

NAYS—24

Bennett	Glickman	Mottl
Broyhill	Goodling	Myers, Gary
Carr	Gore	Neal
Collins, Tex.	Hansen	Pritchard
D'Amours	Hillis	Schroeder
Derrick	Kelly	Treen
Edwards, Okla.	Kostmayer	Wilson, Tex.
Evans, Ind.	McDonald	Wydler

NOT VOTING—61

Allen	Fraser	Pike
Ambro	Giaimo	Pressler
Andrews, N.C.	Gibbons	Quie
Applegate	Gilman	Rodino
Baucus	Hamilton	Runnels
Beilenson	Heckler	Simon
Biaggi	Holt	Stark
Bolling	Howard	Stump
Burke, Calif.	Hubbard	Teague
Carney	Hyde	Thornton
Cochran	Krueger	Tucker
Collins, Ill.	Livingston	Vander Jagt
Danielson	McCloskey	Vanik
de la Garza	McKinney	Watkins
Dellums	Milford	Waxman
Dent	Minish	Whitten
Diggs	Mollohan	Wilson, C. H.
Dornan	Montgomery	Wright
Duncan, Oreg.	Murphy, N.Y.	Young, Tex.
Flowers	Murphy, Pa.	
Fountain	Oakar	

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF ADDITIONAL COPIES OF VOLUME II OF SENATE HEARINGS ENTITLED "KOREAN INFLUENCE INQUIRY"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate privileged concurrent resolution (S. Con. Res. 89) authorizing the printing of additional copies of volume II of the Senate hearings entitled "Korean Influence Inquiry," and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 89

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Select Committee on Ethics two thousand additional copies of volume II of its hearings of the Ninety-fifth Congress, second session, entitled "Korean Influence Inquiry".

Mr. HAWKINS. Mr. Speaker, Senate Concurrent Resolution 89 provides for the printing of 2,000 additional copies of volume II of the hearings held by the Senate Select Committee on Ethics, entitled, "Korean Influence Inquiry."

The estimated cost of this printing is $4,439.50.

Mr. Speaker, I move the previous question on the Senate concurrent resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the Senate concurrent resolution.

Mr. McDONALD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 329, nays 50, not voting 55, as follows:

[Roll No. 423]

YEAS—329

Abdnor	Breaux	Corman
Addabbo	Breckinridge	Cornell
Akaka	Brinkley	Cotter
Alexander	Brodhead	Coughlin
Ambro	Brooks	Cunningham
Ammerman	Brown, Calif.	D'Amours
Anderson, Calif.	Brown, Mich.	Daniel, Dan
Anderson, Ill.	Brown, Ohio	Daniel, R. W.
Andrews, N. Dak.	Broyhill	Davis
Annunzio	Buchanan	de la Garza
Archer	Burgener	Delaney
Armstrong	Burke, Fla.	Derwinski
Ashbrook	Burke, Mass.	Devine
Ashley	Burleson, Tex.	Dickinson
Aspin	Burlison, Mo.	Dicks
AuCoin	Burton, John	Diggs
Badham	Burton, Phillip	Dodd
Bafalis	Butler	Downey
Baldus	Byron	Drinan
Barnard	Caputo	Duncan, Oreg.
Beard, R.I.	Carter	Duncan, Tenn.
Bedell	Cavanaugh	Early
Benjamin	Cederberg	Eckhardt
Bennett	Chappell	Edgar
Bevill	Chisholm	Edwards, Ala.
Bingham	Clausen, Don H.	Edwards, Calif.
Blanchard	Clay	Edwards, Okla.
Blouin	Cleveland	Eilberg
Boggs	Cohen	Emery
Boland	Coleman	English
Bonior	Collins, Ill.	Erlenborn
Bonker	Conable	Ertel
Bowen	Conte	Evans, Colo.
Brademas	Conyers	Evans, Del.
	Corcoran	Fary
		Fascell
Fenwick	Long, Md.	Roberts
Findley	Lott	Robinson
Fish	Luken	Roe
Fisher	Lundine	Rogers
Fithian	McClory	Roncalio
Flippo	McCormack	Rooney
Flood	McDade	Rose
Florio	McEwen	Rosenthal
Flynt	McFall	Rostenkowski
Foley	McHugh	Rousselot
Ford, Mich.	McKay	Roybal
Ford, Tenn.	Maguire	Ruppe
Forsythe	Mahon	Russo
Fowler	Mann	Ryan
Frenzel	Markey	Santini
Frey	Marks	Sarasin
Fuqua	Marlenee	Satterfield
Gammage	Marriott	Sawyer
Garcia	Mathis	Scheuer
Gaydos	Mattox	Schroeder
Giaimo	Mazzoli	Schulze
Ginn	Meeds	Seiberling
Goldwater	Metcalfe	Shipley
Gonzalez	Meyner	Sikes
Gore	Michel	Sisk
Gradison	Mikulski	Skelton
Green	Mikva	Slack
Gudger	Miller, Calif.	Smith, Iowa
Guyer	Miller, Ohio	Smith, Nebr.
Hall	Mineta	Solarz
Hammer-schmidt	Mitchell, Md.	Spellman
	Mitchell, N.Y.	Spence
Hanley	Moakley	St Germain
Hannaford	Moffett	Staggers
Harkin	Moore	Stanton
Harrington	Moorhead, Calif.	Steed
Harris	Moorhead, Pa.	Steers
Harsha	Moss	Steiger
Hawkins	Murphy, Ill.	Stockman
Hefner	Murphy, Pa.	Stokes
Heftel	Murtha	Stratton
Holland	Myers, Gary	Studds
Hollenbeck	Myers, Michael	Thompson
Holtzman	Natcher	Thone
Horton	Neal	Traxler
Huckaby	Nedzi	Treen
Hughes	Nichols	Trible
Ichord	Nix	Tsongas
Jacobs	Nolan	Udall
Jenkins	Nowak	Ullman
Jenrette	O'Brien	Van Deerlin
Johnson, Calif.	Oberstar	Vento
Johnson, Colo.	Ottinger	Waggonner
Jones, N.C.	Panetta	Walgren
Jones, Tenn.	Patten	Walker
Jordan	Patterson	Walsh
Kasten	Pattison	Wampler
Kastenmeier	Pepper	Watkins
Kazen	Perkins	Weaver
Kemp	Pickle	Weiss
Ketchum	Poage	Whalen
Keys	Preyer	White
Kildee	Price	Whitehurst
Kindness	Pritchard	Whitley
Krebs	Pursell	Wiggins
LaFalce	Quillen	Wilson, Tex.
Lagomarsino	Rahall	Wolff
Latta	Railsback	Wright
Le Fante	Rangel	Wylie
Leach	Regula	Yates
Lederer	Reuss	Yatron
Lehman	Rhodes	Young, Alaska
Lent	Richmond	Zablocki
Levitas	Rinaldo	Zeferetti
Livingston	Risenhoover	
Long, La.		

NAYS—50

Bauman	Hansen	Quayle
Beard, Tenn.	Hightower	Rudd
Broomfield	Hillis	Sebelius
Carr	Jeffords	Sharp
Clawson, Del	Jones, Okla.	Shuster
Collins, Tex.	Kelly	Skubitz
Cornwell	Kostmayer	Snyder
Crane	Lloyd, Calif.	Stangeland
Derrick	Lloyd, Tenn.	Symms
Dingell	Lujan	Taylor
Evans, Ga.	McDonald	Volkmer
Evans, Ind.	Madigan	Wilson, Bob
Gephardt	Martin	Winn
Glickman	Mottl	Wirth
Goodling	Myers, John	Wydler
Grassley	Pease	Young, Fla.
Hagedorn	Pettis	

NOT VOTING—55

Allen	Bellenson	Danielson
Andrews, N.C.	Biaggi	Dellums
Applegate	Bolling	Dent
Burke, Calif.	Carney	Dornan
Baucus	Cochran	Flowers
Fountain	McKinney	Stark
Fraser	Milford	Stump
Gibbons	Minish	Teague
Gilman	Mollohan	Thornton
Hamilton	Montgomery	Tucker
Heckler	Murphy, N.Y.	Vander Jagt
Holt	Oakar	Vanik
Howard	Obey	Waxman
Hubbard	Pike	Whitten
Hyde	Pressler	Wilson, C. H.
Ireland	Quie	Young, Mo.
Krueger	Rodino	Young, Tex.
Leggett	Runnels	
McCloskey	Simon	

Mr. GLICKMAN changed his vote from "yea" to "nay."

So the Senate concurrent resolution was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1979

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1218 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1218

Resolved, That during the consideration of the bill (H.R. 12930) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1979, and for other purposes, all points of order against the following provisions in the said bill for failure to comply with the provisions of clause 2, rule XXI are hereby waived; beginning on page 8, line 9 through page 9, line 11; beginning on page 9, line 22 through page 10, line 8; beginning on page 10, line 21 through page 11, line 4; beginning on page 11, line 22 through page 12, line 6; and beginning on page 26, line 14 through page 27, line 5.

The SPEAKER pro tempore (Mr. JENRETTE). The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1218 makes in order consideration of the bill H.R. 12930, making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1979, and for other purposes. The resolution would waive all points of order under clause 2 of rule XXI against certain programs covered by the bill for which authorizing legislation has not yet been enacted into law. The necessary authorizing legislation has, however, been passed by the House, and the Appropriations Committee assures us that the recommendations are in keeping with the legislation as passed by this body.

In title III of the bill H.R. 12930, House Resolution 1218 would grant a waiver relating to appropriations for the Executive Office of the President, including the Office of Administration, the White House Office, the Executive residence, special assistance to the Presi-

dent, domestic policy staff, and certain unanticipated needs in case of emergency. In passing the bill, H.R. 11003, the authorizing legislation for title 3, the House furnished the necessary authority for this appropriation, and thus the Committee on Rules saw fit to grant a waiver of clause 2 of rule XXI.

On May 24, 1978, the House passed H.R. 10929, the Defense Department authorization, which includes authority for the appropriation for the Defense Civil Preparedness Agency. Thus the Committee on Rules also saw fit to grant a waiver of clause 2 of rule XXI against this program found in title IV of H.R. 12930.

Mr. Speaker, this appropriations measure recommends a total of $8,663,-161,000 in new budget authority for all programs covered by the bill. This figure represents a reduction of $26,439,000 below the budget estimates submitted by the President. I shall leave further discussion of the details of this appropriation to the members of that committee who have worked so hard to pare down Federal spending in the areas for which the bill appropriates funds.

However, I should like to take this opportunity to commend the actions of the committee in one particular aspect of this bill concerning the Bureau of Alcohol, Tobacco, and Firearms. H.R. 12930 reduces the requested budget of this agency by $4.2 million, and provides that no part of the appropriation may be used to carry out proposed regulations concerning reports of firearms transactions. I strongly believe that all Americans should make their own determinations as to their ownership of firearms as guaranteed by the Constitution. The action of the Appropriations Committee should effectively curtail this unauthorized proposal of the Bureau of Alcohol, Tobacco, and Firearms, which would be a burdensome infringement of our civil liberties.

In addition, I should like to point out that the vigilance of the Appropriations Committee in preventing regulations which in this case clearly go beyond the intent of the Congress represents congressional oversight at its best. The committee directive to the Bureau "not to initiate controversial or sensitive programs without clear legislation and congressional auhorization" succinctly states a problem that concerns many of us here in the House of Representatives. My Subcommittee on the Rules and Organization of the House is in the process of holding hearings on various methods of the congressional veto, and we have been discussing a variety of methods of oversight. I know of no more effective illustration of the problem than the case here in point, where the Bureau of Alcohol, Tobacco, and Firearms has clearly overstepped its bounds with regard to the registration of firearms.

I should like to call to the attention of the Members of the House the language of the committee report which should serve as fair warning to the Bureau of Alcohol, Tobacco, and Firearms and its regulation writers that the Congress will not take lightly such flagrant excesses of authority. The committee report states:

On March 21, 1978, the Bureau published in the Federal Register several proposed regulations on firearms. One of these proposed regulations would require all licensees (manufacturers, wholesalers, and retailers) in the firearms business to report all transactions between licensees to the Bureau. This information, including serial numbers of weapons, would be entered into an ATF computer which would enable the Bureau to trace guns from manufacturers and importers to the dealers who made the sale to the ultimate consumer.

The committee is extremely concerned about this proposed regulation. The committee notes that at the appropriation hearings on the Bureau's 1979 budget request, held on March 3, 1978, the Bureau did not notify the committee of its intention to issue this regulation; nor did it inform the committee that it was even considering it. The committee also notes, by way of background, that it has been concerned about the Bureau's tendency to cover what the Bureau perceives to be "gaps" in the law by issuing regulations. In House Report 94–1229, dated June 8, 1976, this committee warned the Bureau about this tendency to legislate by regulation and cautioned it about its role in our system of government, particularly in a sensitive and controversial area such as gun control.

The committee has, therefore, taken action to make it abundantly clear to the Bureau that it ought not attempt to do by regulation what the Congress has not done by legislation. The committee has inserted language in the accompanying bill which would prohibit the use of any funds appropriated to the Bureau for issuing or carrying out any of the proposed regulations published in the Federal Register on March 21, 1978, on gun control.

The committee allows the 4,068 positions requested, a decrease of 72 from the level authorized for fiscal year 1978.

Mr. Speaker, I urge the adoption of House Resolution 1218 and reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule waives points of order against H.R. 12930, the Treasury, Postal Service, and general government appropriation bill for 1979.

The waivers are necessary because the bill includes appropriations for a number of programs for which authorizing legislation has not yet been enacted. The authorizing legislation has already passed the House.

The parts of the bill that are not authorized are located in two separate titles. In title III, which appropriates funds for the Executive Office of the President, there are six parts requiring a waiver: First, Office of Administration; second, White House Office, third, Executive residence; fourth, special assistance to the President; fifth, domestic policy staff; and sixth, unanticipated needs.

In title IV, which appropriates funds for certain independent agencies, a waiver is necessary to protect the appropriation for the Defense Civil Preparedness Agency.

Mr. Speaker, all the items for which a waiver is being proposed are covered by authorization bills which have passed the House, but not yet been enacted into law.

Mr. Speaker, this bill appropriates $8,-634,300,000. In addition to this amount, significant sums are made available each year for these same agencies under permanent authority which does not require consideration by the Congress during the annual appropriation process. The principal item in this category is payment of interest on the public debt which alone is anticipated to reach $55.4 billion for fiscal year 1979.

The amounts recommended in this bill, together with the funds provided under the permanent authority referred to above will provide approximately $90.5 billion during fiscal year 1979 for the agencies and activities under the general heading of this bill.

Mr. Speaker, I would also like to point out a matter which will probably come to the attention of the House, or at least I have heard a rumor that it will come to the attention of the House, by way of an amendment to strike a limitation which has been placed in this bill on page 3, by the subcommittee, which reads:

Provided, That no funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of the Treasury the records of receipt and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978.

Mr. Speaker, I appeared before the subcommittee when it was hearing this bill and urged that the subcommittee take the action set forth in this limitation.

Mr. Speaker, there has been widespread publicity concerning the unauthorized action by the BATF which this amendment would terminate by reason of lack of funds to carry it out. Members have learned about this very devious attempt by the BATF to circumvent the will of the Congress in this matter. Congress has at no time supported such a proposed registration of firearms. I wish to commend the subcommittee for inserting this limitation in this bill to see to it that no funds are used for this purpose. I also wish to commend the full committee for backing up the subcommittee by a vote of 38 to 3 on this amendment.

Mr. Speaker, I have no requests for time and I support the rule.

Mr. LONG of Louisiana. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I thank the gentleman from Louisiana (Mr. LONG) for yielding this time to me. I want to commend the gentleman for his excellent presentation of this rule in his usually efficient and elucidating manner.

However, I want to be absolutely certain about one aspect of this rule. Normally and appropriately, the authorization of expenditures should precede ap-

propriations of expenditures. Here in this rule, as the gentleman from Louisiana (Mr. LONG) explained, there are waivers of this very important rule that says we should not appropriate before we authorize.

It is my understanding from the explanation of the gentleman from Louisiana (Mr. LONG) that each waiver contained in this rule has to do with a bill that has already passed the House; is that correct?

Mr. LONG of Louisiana. Mr. Speaker, if the gentleman will yield, that is the information that was furnished the Committee on Rules by the Committee on Appropriations of the House.

Mr. LEVITAS. Just to be very specific, is there any waiver of an authorization contained in this rule on a bill upon which the House has acted and rejected the authorization?

Mr. LONG of Louisiana. Mr. Speaker, perhaps the gentleman should direct his question to the chairman of the subcommittee, the gentleman from Oklahoma (Mr. STEED), but to the best of my knowledge and according to the information that has been furnished to the Committee on Rules, the answer to the question is no.

Mr. STEED. Mr. Speaker, if the gentleman will yield, the pieces of legislation referred to are pending before the other body, and we have been assured that they will be acted on shortly.

Mr. LEVITAS. Mr. Speaker, I thank the gentleman for his explanation, and I thank the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROWN of Michigan. I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 376, nays 1, not voting 57, as follows:

[Roll No. 424]

YEAS—376

Abdnor	Badham	Bowen
Addabbo	Bafalis	Brademas
Akaka	Baldus	Breaux
Alexander	Barnard	Breckinridge
Ambro	Bauman	Brinkley
Ammerman	Beard, R.I.	Brodhead
Anderson, Calif.	Beard, Tenn.	Brooks
	Bedell	Broomfield
Anderson, Ill.	Benjamin	Brown, Calif.
Andrews, N. Dak.	Bennett	Brown, Mich.
	Bevill	Brown, Ohio
Annunzio	Bingham	Broyhill
Archer	Blanchard	Buchanan
Armstrong	Boggs	Burgener
Ashbrook	Boland	Burke, Fla.
Ashley	Bolling	Burke, Mass.
Aspin	Bonior	Burleson, Tex.
AuCoin	Bonker	Burlison, Mo.
Burton, John	Hammer-schmidt	Murphy, Pa.
Burton, Phillip	Hanley	Murtha
Butler	Hannaford	Myers, Gary
Byron	Hansen	Myers, John
Caputo	Harkin	Myers, Michael
Carr	Harrington	Natcher
Carter	Harris	Neal
Cavanaugh	Harsha	Nedzi
Cederberg	Hawkins	Nichols
Chappell	Hefner	Nix
Chisholm	Heftel	Nolan
Clausen, Don H.	Hightower	Nowak
	Hillis	O'Brien
Clawson, Del	Holland	Oberstar
Clay	Hollenbeck	Obey
Cleveland	Holtzman	Panetta
Cohen	Horton	Patten
Coleman	Huckaby	Patterson
Collins, Ill.	Hughes	Pattison
Collins, Tex.	Ichord	Pease
Conable	Ireland	Pepper
Conte	Jeffords	Perkins
Conyers	Jenkins	Pettis
Corcoran	Jenrette	Pickle
Corman	Johnson, Calif.	Poage
Cornell	Jones, N.C.	Preyer
Cornwell	Jones, Okla.	Price
Cotter	Jones, Tenn.	Pritchard
Coughlin	Jordan	Pursell
Crane	Kasten	Quayle
Cunningham	Kastenmeier	Quillen
D'Amours	Kazen	Rahall
Daniel, R. W.	Kelly	Railsback
de la Garza	Kemp	Rangel
Delaney	Ketchum	Regula
Derrick	Keys	Reuss
Derwinski	Kildee	Rhodes
Devine	Kindness	Richmond
Dickinson	Kostmayer	Rinaldo
Dicks	Krebs	Risenhoover
Diggs	LaFalce	Roberts
Dingell	Lagomarsino	Robinson
Dodd	Latta	Roe
Downey	Le Fante	Rogers
Drinan	Leach	Roncalio
Duncan, Oreg.	Lederer	Rooney
Duncan, Tenn.	Lehman	Rose
Early	Lent	Rosenthal
Eckhardt	Levitas	Rostenkowski
Edgar	Livingston	Rousselot
Edwards, Ala.	Lloyd, Calif.	Roybal
Edwards, Calif.	Lloyd, Tenn.	Rudd
Edwards, Okla.	Long, La.	Ruppe
Eilberg	Long, Md.	Russo
Emery	Lott	Ryan
English	Lujan	Santini
Erlenborn	Luken	Sarasin
Ertel	Lundine	Satterfield
Evans, Colo.	McClory	Sawyer
Evans, Del.	McCormack	Scheuer
Evans, Ga.	McDade	Schroeder
Evans, Ind.	McDonald	Schulze
Fary	McEwen	Sebelius
Fascell	McFall	Seiberling
Fenwick	McHugh	Sharp
Findley	McKay	Shipley
Fish	Madigan	Shuster
Fisher	Maguire	Sikes
Fithian	Mahon	Sisk
Flippo	Mann	Skelton
Flood	Markey	Skubitz
Florio	Marks	Slack
Flynt	Marlenee	Smith, Iowa
Foley	Marriott	Smith, Nebr.
Ford, Mich.	Martin	Snyder
Ford, Tenn.	Mazzoli	Solarz
Forsythe	Meeds	Spellman
Fowler	Metcalfe	Spence
Frenzel	Meyner	St Germain
Frey	Michel	Staggers
Fuqua	Mikulski	Stangeland
Gammage	Mikva	Stanton
Garcia	Milford	Steed
Gaydos	Miller, Calif.	Steers
Gephardt	Miller, Ohio	Steiger
Giaimo	Mineta	Stockman
Ginn	Mitchell, Md.	Stokes
Goldwater	Mitchell, N.Y.	Stratton
Gonzalez	Moakley	Studds
Goodling	Moffett	Symms
Gore	Moore	Taylor
Gradison	Moorhead, Calif.	Thompson
Grassley		Thone
Green	Moorhead, Pa.	Thornton
Gudger	Moss	Traxler
Guyer	Motti	Treen
Hagedorn	Murphy, Ill.	Trible
Hall		Tsongas
Udall	Weaver	Wolff
Ullman	Weiss	Wright
Van Deerlin	Whalen	Wydler
Vento	White	Wylie
Volkmer	Whitehurst	Yates
Waggonner	Whitley	Yatron
Walgren	Wiggins	Young, Alaska
Walker	Wilson, Bob	Young, Fla.
Walsh	Wilson, Tex.	Young, Mo.
Wampler	Winn	Zablocki
Watkins	Wirth	Zeferetti

NAYS—1

Ottinger

NOT VOTING—57

Allen	Gibbons	Montgomery
Andrews, N.C.	Gilman	Murphy, N.Y.
Applegate	Glickman	Oakar
Baucus	Hamilton	Pike
Beilenson	Heckler	Pressler
Biaggi	Holt	Quie
Blouin	Howard	Rodino
Burke, Calif.	Hubbard	Runnels
Carney	Hyde	Simon
Cochran	Jacobs	Stark
Daniel, Dan	Johnson, Colo.	Stump
Danielson	Krueger	Teague
Davis	Leggett	Tucker
Dellums	McCloskey	Vander Jagt
Dent	McKinney	Vanik
Dornan	Mathis	Waxman
Flowers	Mattox	Whitten
Fountain	Minish	Wilson, C. H.
Fraser	Mollohan	Young, Tex.

The Clerk announced the following pairs:

Mr. Howard with Mr. Allen.
Mr. Carney with Mr. Dent.
Mrs. Burke of California with Mr. Pressler.
Mr. Hamilton with Mr. Cochran of Mississippi.
Mr. Baucus with Mr. Dornan.
Mr. Danielson with Mr. Teague.
Mr. Gibbons with Mr. Whitten.
Mr. Minish with Mr. Quie.
Mr. Biaggi with Mr. Andrews of North Carolina.
Mr. Murphy of New York with Mr. McCloskey.
Ms. Oakar with Mr. Vander Jagt.
Mr. Simons with Mr. Stump.
Mr. Waxman with Mr. Montgomery.
Mr. Charles H. Wilson of California with Mr. Gilman.
Mr. Runnels with Mrs. Holt.
Mr. Applegate with Mr. Hubbard.
Mr. Beilenson with Mr. Fraser.
Mr. Dellums with Mr. McKinney.
Mr. Mollohan with Mr. Hyde.
Mr. Pike with Mr. Glickman.
Mr. Stark with Mr. Blouin.
Mr. Dan Daniel with Mr. Davis.
Mr. Flowers with Mr Fountain.
Mr. Jacobs with Mr. Leggett.
Mr. Mathis with Ms. Heckler.
Mr. Krueger with Mr. Mattox.
Mr. Vanik with Mr. Tucker.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STEED. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12930) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1979, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally

divided and controlled by the gentleman from Ohio (Mr. MILLER) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oklahoma.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 12930, with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Oklahoma (Mr. STEED) will be recognized for 1 hour, and the gentleman from Ohio (Mr. MILLER) will be recognized for 1 hour.

The Chair recognizes the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a very great pleasure and a privilege for me to be here today with the first appropriation bill of this session. In presenting the bill to the House I want to take the opportunity to say a word of appreciation and thanks to those who helped make this presentation here today possible. We have been working on this bill since last January and have held almost 90 hours of committee hearings and it has been only due to the diligence, effectiveness, efficiency and dedication of our fine staff and the wonderful committee members that we are able to be here today with, as I say, the first of the series of 1979 appropriation bills.

I also want to pay special thanks to the gentleman from Ohio (Mr. MILLER). He has been very dedicated and very faithful in helping me and he has made a major contribution to the information and the facts contained in the hearings we have held. I believe we can take a great deal of pride in the product that we have produced this year.

Mr. Chairman, the bill we have before us today covers not only new authority for operations of what we consider to be the very heart and soul of the Federal Government, but it also covers an acknowledgement of many other automatic costs of the Government.

In total, we are talking about in this bill over $90.5 billion. However, only about $8.6 billion is under the jurisdiction and consideration of the committee during the annual appropriations process. The part that we can work on is $1,155,000,000 more than the appropriations for the current year. Approval of some supplementals later this year will change that amount to some extent.

In addition to the new obligational authority recommended in the bill, significant sums are made available for these same agencies under permanent authority which do not require consideration by the Congress. The details of these items are contained in the tables at the end of our report but the principal item in this category is for payment of interest on the public debt which alone is anticipated to be $54.4 billion dollars for fiscal year 1979; interest on Internal Revenue Service refunds of income tax overpayments, payments of some claims and judgments, payments in connection with the Civil Service Retirement and Disability Fund, and payments to Puerto Rico and the Virgin Islands for Internal Revenue and Customs collections. Also included is an item for the Presidential Election Campaign Fund. It is estimated that the fiscal year 1979 requirement for funds for these purposes will be increased over 1978 by $9.9 billion which is, of course, the major part of the $11 billion total increase overall in the bill.

In addition to the agencies whose funds are derived from direct appropriations and from permanent authority as shown in the tables that I have just mentioned, there are other agencies that operate under authorities which exempt them from congressional review, in whole or in part, during the annual appropriations process or, as a matter of fact, from any other regular oversight by the Congress. For example, the U.S. Postal Service, under the Postal Reorganization Act, is authorized to use all of its income from postage and services for its own purposes and to request an appropriation from the Congress for certain subsidies. Therefore, only the amount of the subsidy requirement from the Congress is reviewed by the Congress.

In the Treasury Department, the Office of the Comptroller of the Currency is also exempt of congressional review of funds coming from assessments made to financial institutions throughout the country. Also the Exchange Stabilization Fund derives its income principally from handling charges imposed on purchases and sales of gold for the fund, profits on foreign exchange transactions and interest on investments and it, too, is exempt from congressional review.

Now, first in the items under our consideration is the Treasury Department. Their actions cover the world's largest law enforcement agency, activities such as the U.S. Secret Service, the Bureau of Alcohol, Tobacco and Firearms, Internal Revenue Service, and the U.S. Customs Service.

Although their major functions have to do and all originated from the need of Government to collect taxes and fees, it has the total effect of presenting a very large amount of law enforcement activity. These agencies are, of course, the most important part of the Federal Government, and their workload is well known over many years. It is easy for us to follow the volume of business they are called on to transact and to adjust their budgets accordingly. The budget-making in this part of the Federal Government is a very precise thing and, therefore, does not lend itself to very many dramatic cuts on the part of Congress inasmuch as we have to be sure that these agencies function, because without them there just would not be any Federal Government.

To give the Members an idea of some of the things that we run into and how astronomical the work of the Government is, in the Customs Service for instance, they will probably process 240 million people across our borders this coming year. There will be somewhere between 60 and 70 million vehicles, ships, planes, trucks, and cars crossing our border, and that is in addition to all the importations of goods from all over the world. These things have to be dealt with, and it takes manpower.

They also have a growing problem of smuggling, not only in a lot of contraband such as jewelry and this sort of thing but also in the field of illicit drugs, and that is the problem that has grown every year for several years. So we can go on and on talking about the types of agencies we have here.

Everybody, of course, is familiar with the Postal Service. One improvement in the bill this year is in the Executive Offices of the President. We passed a bill which authorizes the funding of the seven major White House functions. It has not passed the other body as yet, but we understand it is on their Consent Calendar and soon will be acted on.

We have some problem with the civil defense because that legislation has not cleared yet. We have done the best we can to hold it together at this point so the legislation can clear. When that has been done, it will be a fairly simple matter to provide whatever additional funds are needed.

We also have here this year the matter of treating with the reorganization plans that are going on downtown. We think we have budgets sufficient to take care of the needs if no reorganization comes forth and also to be able to adjust to whatever changes any reorganization may impose. I do not know all the details yet, but we have been in touch with the people doing the task force work, and they tell us that they hope to have some actual proposals for the President's signature to present to the Congress very shortly.

In the terms of manpower, in the total bill we have increased the number of jobs by 2,127, which is about 55 less than the budget requests. This brings the total work force in this bill up to slightly over 127,000. In addition to that, the people employed by these other activities I mentioned and not under our direct jurisdiction will total about 560,000, principally for the Postal Service. This means that directly and indirectly in this bill more than 40 percent of the entire Federal work force is involved in the bill we have here today.

Mr. Chairman, we have tried to make as clear as we know how the things in the bill and the reasons why the decisions affecting the bill were made by the subcommittee as they were. I urge the Members to read it.

Mr. Chairman, I have one final thing I would like to mention. In the course

of our hearings on the Treasury budget we had the budget, of course, for the Bureau of the Public Debt. It is amazing how many people are surprised when they find out we have a Bureau of the Public Debt; but it may interest the Members to know that the cost to operate that Bureau this year will be $183 million.

Now, the people who run the Bureau of the Public Debt, of course, have to pay off the bonds and interest and all this sort of thing. About half of their expense is in fixed charges for supplies and postage and this sort of thing; but during the course of the hearings, the Commissioner of the Bureau of the Public Debt, who I think is equal to, if not superior to any other authority in the world on the source of money and the investment markets and, of course, on the public debt, his name is Mr. Hintgen, and during the hearings we had a colloquy on what is a debt limit.

Now, everybody in the Congress gets faced with that issue a lot and I thought at least once and for all it may interest the Members to know why we have the interest on the public debt, what it means and what defeat of the debt limit the other day really adds up to. If we can also get the media to understand what the public debt is, maybe they will quit telling the American people that a vote against the debt limit is a vote for economy. It has nothing to do with that. It is the only way that the Congress has of paying bills for money already spent.

I would commend that to you. It is in volume 1 of the hearings, page 748. I believe it would be time well spent for any Member not familiar with the public debt limit to read that and I commend it to them. We did it on purpose, so that those interested would have an opportunity to hear from the best authority we have on what this whole thing is all about.

Mr. Chairman, I reserve the balance of my time.

Mr. MILLER of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will not go over the same ground that was plowed by our chairman who gave a very good insight of what is in the bill.

I would like to convey the message that the bill is under the budget request by $28,161,000. But we are over the 1978 appropriation by $1,155 million.

We have had some problems in the subcommittee and in the full committee trying to unravel where the dollars will be spent. One of the problems we had was with the Executive Office of the President and the White House Office itself. We should be able to find out from the administration just exactly what is needed in the way of personnel and dollars at the White House. I have conflicting reports here that were prepared for us by the Office of Management and Budget, and by the Office of Administration of the Executive Office. As a matter of fact, OMB came up with two reports. The chairman of the full Committee on Appropriations and the chairman of the Subcommittee on the Treasury, Postal Service and General Government, signed a letter, along with myself and the gentleman from Michigan (Mr. CEDERBERG), the ranking minority member of the Committee on Appropriations.

That letter went to the General Accounting Office recommending an evaluation of the Reorganization Plan No. 1. to find out what was taking place at the White House. The President had stated that the staff would be reduced by one-third, and there is some inkling there was a reduction. But the bottom line is the main thing on which we have to rely, and the bottom line shows that for the Executive Office of the President for fiscal year 1977 the costs were $79.1 million. For fiscal year 1979, we have in the budget $79.8 million, about $750,000 more. So the bottom line is that at least in dollars it costs more.

Some of the confusion was created apparently by what we would have to call a "shell game." The administration shifted people around. They started a new office within the Executive Office of the President, and the new office itself will have about 150 people. But again it is the bottom line that I would like to convey to the Members, because we are not going to be able to give exact information as to how many people will be employed at the White House and at what level. We do not have all that information. But there is one thing I do want to mention to the Members from the report by the GAO. On the first page of their letter they made a statement that will show how confusing it is to try to get the information from the White House as to how many people will be employed there.

The GAO report says this: "25 other personnel were apparently transferred out of the Executive Office between September 30, 1977, and February 28, 1978. However, we were unable to document who they were or where they went."

That is about as far as we can go in actually justifying the budget request we have for the Executive Office of the President.

Another item about which I am very concerned—and we have it in this budget—relates to why our bill goes in total to a figure of over $90 billion, with $55 billion going for interest on the national debt. I would like to convey to the Members the information that I have included in the minority report. In the back section of the report, are several tables. Some of those tables show what is taking place and where we are borrowing the money to pay our debt.

This falls in line with our consideration today because of what took place yesterday in California in the election when Proposition 13 was passed. The people are tired of paying high taxes. The Congress is spending like money is going out of style.

I would like to convey to the Members where we receive some of the funds we have used to cover our national debt. It is just this simple: Last year we had a deficit of $60 billion, and this year we will have a deficit of $60 billion.

The point is that we will have a large debt, and we are never sure what the deficit is until the year winds up. But we have foreign holdings on our national debt. From those countries that lend us money to cover the deficit that we have each year, those total holdings by foreign nations amount to $103 billion. Those are nations that we aided, that we helped in the past.

As a matter of fact, let us consider West Germany. West Germany has loaned us $26 billion, a part of the interest that is included in this bill will have to be paid to West Germany. We will send them interest on the loan of $26 billion. The last year that we have figures for is 1977, and we have had to send West Germany $1,435,000,000 in interest alone in 1977.

I guess we can do very little about it here. But I think we have the responsibility, in order to convey the message as to where we are going, what direction we are taking. And it seems to me that that direction is in continuing to spend.

Italy has loaned us $4.8 billion. We know Italy has great problems at the present time, but somehow we apparently are worse off because we are borrowing money from them.

In Latin America, Venezuela has loaned us $490 million.

We had a big problem around here just a few weeks ago concerning Panama. Panama has loaned us $13.7 million.

Colombia has loaned us $483 million.

Japan. We are in competition with Japan in many fields. Bob Strauss, our international negotiator, has negotiated with Japan concerning steel, concerning electronics, concerning television tubes. He has said that he has accomplished something, and I will have to give him credit for it. He has worked hard and he has accomplished a great deal in order to hold back some of those imports that would be coming into America from Japan. But what has Japan done? They have loaned us $18.6 billion, and last year we sent to Japan $779 million in interest on the the $18.6 billion they loaned us.

We have heard a great deal around here, a hue and cry, about India. India has many problems, and there certainly is malnutrition in India. But India has found a way to loan us $775 million on our national debt.

Mr. Chairman, I think these things need to be pointed out. I am not sure when they can be pointed out, other than at a time like this, when we are asking for an appropriation for interest on the national debt.

I have one other point I would like to cover, because I think it is time that we find out what is happening to the postal subsidy of about $1.8 billion that is in this bill.

I would like to refer the Members to page 56 of the report, and that again is the minority report. There I have listed what I found out in committee by asking the Postal Service, "Let us put some names and amounts to these dollars, as

to where they go." I asked why it had not been done before, and apparently it had not been requested. It is not something that is paid to a producer, or to a newspaper publisher; but it is the amount that it costs the taxpayers, above the postage paid, to deliver the magazine or the newspaper. It costs the taxpayers additional dollars. And those additional dollars show that the Wall Street Journal pays the amount required by law, but it costs almost $10 million additional of taxpayers' dollars to deliver the Wall Street Journal per year.

For Better Homes and Gardens it costs $4.36 million additional in order to deliver the magazine Better Homes and Gardens, over and above the postage paid by that particular corporation.

Good Housekeeping, $2 million.

McCalls, $3.33 million.

Playboy, $1.29 million.

Reader's Digest, $7.47 million.

Sports Illustrated, $4.23 million.

Time Magazine, $7.39 million.

Mr. Chairman, we cannot change that today but again we have a responsibility to convey to the Members of the House and the committee that this is the direction we are going. It has to be changed in the authorizing committee. It is public law now. I feel that it should be changed.

Mr. Chairman, I hope, because of some of the remarks that were made and the facts that were given, that message will be conveyed so that the chairmen of the authorizing committees will take a fresh look at all these matters and help correct them.

Mr. Chairman, I reserve the balance of my time.

Mr. STEED. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman. I rise in support of the committee bill and I would like to take this opportunity to compliment subcommittee chairman, Mr. STEED, ranking minority member, Mr. MILLER, and full committee chairman, Mr. MAHON, all of whom have performed with their usual diligence and sensitivity and our dedicated and learned staff headed by Tex Gunnels.

We have put many hours of hard labor into this bill and I believe that in general, we have produced a bill which deserves the full support of the House.

I am particularly proud that the subcommittee saw fit to add additional funds for the program to tax explosives. This is a program which will eventually help reduce acts of terrorism. We in New York City still remember with horror the explosion at La Guardia Airport in which 12 persons were needlessly killed through terrorism. Today, the explosives used in that mindless act could be traced far better and the law enforcement authorities would be that much closer to apprehending those responsible.

We have also provided additional money for upgrading the work of the Customs people who are overburdened in their fight to prevent smugglers from breaching our shores.

We have provided $8 million for the Federal Election Commission in the coming year, an increase over the present year. The same is true for the White House operation.

On those two matters, I would like to make specific observations. The Congress approved public financing of Presidential elections on the basis that not only would the total cost of running for the Nation's highest office be less but that the Nation's taxpayers would be able to determine easily how that money financed by the Public Treasury was spent. As far as I am concerned, it has taken far too long for FEC to monitor compliance with the 1976 Presidential campaign. We have allowed the Commission additional positions this year, and I would hope that the Commission would begin now to set up procedures to assure that the 1980 Presidential campaign can be audited quickly and with fewer delays than was the case in 1976.

The White House budget allows for 149 positions over fiscal 1978, even with a reduction of the White House budget of $673,000. The subcommittee finds that there is a need for transfer authority for executive department personnel to work with White House staff for up to 6 months but that these transferred personnel should not be assigned to perform routine staff functions.

Overall, I believe the subcommittee has been fair but prudent in approving spending requests for fiscal 1979. We have increased the total budget somewhat but when the inflation factors are added in, we have been distinctly sparing in our spending for the new year.

Mr. Chairman, I support this bill and I would urge the House to pass it overwhelmingly.

Mr. STEED. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I thank the distinguished chairman of this subcommittee for yielding me this time, and I compliment him and his colleagues for the usual good and efficient job they have done on this appropriation bill.

I note among the items in this bill an appropriation for the Council on Wage and Price Stability. I also note in the report that the committee made a reduction in the budget request for that agency, and I wish to commend the committee for that action.

Mr. Chairman, I intend to offer no amendment to reduce or do away with that appropriation because of the lack of consultation with the chairman of the subcommittee and because I have been concentrating with respect to the problem that I have had with this Council on the authorization level, with Chairman JOHN MOSS.

The truth is, Mr. Chairman, that if it were up to me, I would approve no funds at all for this organization. The Council on Wage and Price Stability is like the human appendix. It has no function or value, but does have the capability of doing great damage to health and life. The Council is left over from the discredited and thoroughly disastrous economic control policies of the Nixon era. It did nothing good then, and it does nothing of any value now.

Mr. Chairman, I would like to cite one specific case to emphasize this point. The most important regulatory rate proceeding in the Nation as of this date is a case before the Interstate Commerce Commission involving the cost of transportation of western coal, specifically from Gillette County in Wyoming 1,000 miles down to my home city of San Antonio, Tex.

This case will set the pattern for all western coal rates in the future. The transportation of western coal is the biggest freight movement in all history, and upon this great issue hangs hundreds of millions of dollars.

I would like to point out to my eastern and northeastern colleagues from that section of the country that although we sit in the middle of the gas fields in Texas, we are the first city to take up seriously the national program that has been advocated by President Carter, President Ford before, and President Nixon before President Ford. That is, to convert from the use of gas to coal in the firing of generators and boilers for the generating of electricity. But, here we are, sitting in the middle of the gas fields—to show the Members how upside down and topsy-turvy our policies are—the city of San Antonio has expended about half a billion dollars to convert from gas to coal burning. The city entered into a contract with the railroad to transport over a thousand miles the coal, from 1,000 miles away into the middle of the gas fields in San Antonio, and the railroad entering initially into a contract and bargaining at a set price, has now demanded better than a 400-percent increase in freight charges from that original contract.

Now, there is more than just one issue, because it is a national issue; more than just a San Antonio issue. Upon that same issue also hangs the question of how many communities will be able to substitute coal for oil or natural gas, because in the coal business the transportation price is equally as important as the price of the coal itself.

There is more. Upon this issue hangs a vast inflationary pressure, for needless transportation costs for coal will drive up the cost of living of every community in the West. It is understandable that the railroads, with their absolute monopoly on coal transportation, would want to take full advantage of their situation, and they are doing a darn good job of so doing.

One would think that the Council on Wage and Price Stability would want to resist that kind of rapacity. After all, they condemned the wage settlement for miners earlier this year, and that was something like a 7-percent settlement.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. STEED. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

At the time of the point of order of no quorum, the gentleman from Texas (Mr. GONZALEZ) had been recognized for an additional 2 minutes.

The Chair recognizes the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, as I said and repeat, it is understandable that the railroads would want to take advantage of this opportunity to gouge its customers and, in fact, they are; but as I said also, there is a lot more involved than just that. It is a national issue more than a local issue. You would think that the Council on Wage and Price Stability would want to resist that kind of trend; but the truth is that the Council in all its genius engaged in a conversation only with two railroad lawyers and lobbyists and then later filed a brief before the Interstate Commerce Commission that fully supports the railroads' unprecedented and unconscionable freight increase request, on the side of inflation, in other words, not the side of restraint; but without even giving a chance for such entities as the municipality of San Antonio that is so heavily involved to give the other side.

In other words, this Council has acted unilaterally only after listening to the lobbyists and the railroad lawyers. Who knows how many other cases there are in which the Council has gone to the side of the lobbyists, the bigtime corporations, and against the side of the people and consumers in cases just like this, in cases that take place in the obscurity and the silence of regulatory proceedings. Who knows how often this Council has been irresponsible, unresponsive, and arrogant, as it has been in the San Antonio case.

I have observed this Council from its beginning. I have yet to see anything of good or value that has proceeded from it. This Council does what the Council of Economic Advisers is supposed to do. It does what the Treasury, and the Federal Reserve are charged to do. It does what the President's special inflation fighter, Mr. Strauss, is supposed to do.

I might say, Mr. Chairman, by way of parenthesis, that I communicated with Mr. Strauss over 2 months ago and have yet to hear from him.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. STEED. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. Chairman, if the gentleman will yield, may I say, this is the first time this information has come to the attention of the subcommittee. I find it very interesting.

I assure the gentleman we will take steps to see that the proper authorities downtown are made aware of it.

Mr. GONZALEZ. Mr. Chairman, I deeply appreciate this, because coming from this chairman I know what it means and it is the first ray of hope I see in our fight to resist this unconscionable move.

Mr. Chairman, as I said, I have not even had an acknowledgment from Mr. Strauss, who is supposed to be the chief inflation fighter. This compounds the arrogance, because I have not even had an acknowledgment or a reply from Barry Bosworth, the head of the Council, to the letter that I wrote him also some 2 months ago or better.

Also, to compound it further, our former colleague, now Secretary of Transportation, Mr. Brock Adams, has shown the same kind of I guess you could call it bureaucratic arrogance, because it took almost 3 months before I had an acknowledgment of a letter I sent him last December; so that this becomes more interesting as it goes on.

In truth, this Council is a useless spate of obscureness, emperors with no empires, generals with no troops, no drag and no brass, which is worse.

Here is a body that we can well do without. It is for and not against inflation. It is part of the problem, and like the appendage that it is, the Council ought to be excised from the body politic.

Mr. MILLER of Ohio. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I plan to offer an amendment when we get to that stage of this proceeding to remedy what I regard as two wrongs that are involved in this legislation.

First and most important from my standpoint is the cut, the reduction of $4.2 million from the budget of the Bureau of Alcohol, Tobacco and Firearms, an amount that was budgeted and appropriate in this legislation is the saw fit to eliminate from this legislation.

The other matter that I think is inappropriate in this legislation is the language on page 3 that attempts to prevent any implementation of regulations which have been proposed by the Bureau of Alcohol, Tobacco, and Firearms.

When the Committee on Appropriations heard testimony from BATF, I believe it assumed that appropriated moneys would be used for the implementation of these regulations, a position which some members of the committee personally opposed. My information is, however, that their assumption was not correct. Perhaps if the facts are understood by everyone, this language would be deleted.

I have in my hand a letter from Robert Carswell, Deputy Secretary of the Treasury, dated June 2, 1978, to the chairman of the Committee on Appropriations. A similar communication was sent to the Senate, I understand. Mr. Carswell requested that the $4.2 million be restored, and he stated clearly—and I quote from the letter:

> If a decision is made to implement any . . . regulations, it would be necessary . . . to seek either a supplemental appropriation for 1979 or include a request for funds in our 1980 submission.

This promise is consistent with pledges made in testimony before the Committee on the Judiciary. Still, the Committee on Appropriations apparently misunderstood and sliced $4.2 million from the amount President Carter had requested and which, as I say, was included in the budget. As a result of this, I feel great injury will be done to this program.

The committee chairman will recall, I am sure, the colloquy we had here on the floor in June 1976, in which we discussed the CUE on concentrated urban enforcement program. At that time the committee recommended a cut and did succeed in eliminating $13 million from the funds requested by the Bureau of Alcohol, Tobacco, and Firearms, with the assurance that these funds were being reduced so that the CUE program would be permitted in only 3 cities instead of in the 10 cities which were requested.

I followed this matter quite closely, and my information is that the CUE program, which has been carried out during this very limited period in the three cities of Washington, D.C., Chicago, and Boston has been highly successful from the standpoint of intercepting the illegal trafficking in arms and in helping to reduce crime in these areas. An independent study was made by an agency that investigated the CUE program, and it was shown that an 18-percent reduction in all major reported offenses, a 24-percent decrease in firearms crimes and a 27-percent drop in firearms, related robberies. There was a 55-percent increase in the number of cases that were processed by the Bureau of Alcohol, Tobacco, and Firearms and a 47-percent increase in convictions in the cases that were investigated by BATF. There was also a resurgence in the number of illegal weapons seized, going up from 171 in 1975 to 1,667 in 1976.

These are all anticrime measures that were carried out under a successful program which had only limited support. Therefore, it seems to me it is very unfortunate and very shortsighted of us to eliminate and discourage this program.

The chairman of the committee will recall that I appeared before his committee not only with respect to this subject of the regulations but primarily for the purpose of supporting the CUE pro-

gram and to encourage the funding for that program. It now appears that we are eliminating 78 positions in the Bureau of Alcohol, Tobacco, and Firearms and eliminating this valuable CUE program.

This is the only Federal program directed toward the eliminating of trafficking in firearms. It is the only Federal program which is investigating the subject of firearms-related crimes.

I might say that the regulations which have been proposed are likewise in my opinion directed solely at the subject of law enforcement and the elimination of crime in this country. It is a program that is supported by the International Association of Chiefs of Police and by many law enforcement people. It seems to me that we should get away from this hangup that we have with respect to all handguns and handgun regulations and see these programs of the Bureau of Alcohol, Tobacco, and Firearms for what they are—anticrime programs directed at the criminal elements of this country—programs which we should strongly support.

Mr. Chairman, I hope at least that the committee will see fit to support my amendment insofar as the restoration of funds is concerned.

Mr. MILLER of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN of Illinois. Mr. Chairman, earlier this year this House passed H.R. 7700, which provides for a comprehensive reform of the U.S. Postal Service. In connection with that legislation, this House also adopted an amendment that I offered, which would require that the U.S. Postal Service provide to Congress by February 1, of each year, a report detailing by function the costs of the various public service programs that are provided to the American people by the U.S. Postal Service.

Under current law, which has been the law since 1970, the Congress appropriates every year a $920 million public service subsidy directly to the U.S. Postal Service. The reason for the amendment that I offered, and I think the reason why it was approved by this House, is that the Congress of the United States, as well as, I believe, the people of the United States, want to learn more about where those tax dollars are being spent.

We have seen recently where there has been a continuation of the practice begun in 1971, where periodically there are increases in rates and almost simultaneously reductions in service. We want to turn that policy around. I believe H.R. 7700 will do that. As I said, my concern is with the purpose and the amount of the tax dollars that are being spent in this $920 million subsidy.

As contained in the legislation pending before the House today, there is a continuation of the $920 million subsidy.

I would like to ask the distinguished chairman of the subcommittee, the gentleman from Oklahoma (Mr. STEED), a couple of questions regarding this particular $920 million subsidy.

First of all, in general, I would like to know how responsive the U.S. Postal Service has been in providing the subcommittee with the kind of information that is needed for the basis on which to make a judgment.

So my first question would be:

Does the Postal Service provide the gentleman's subcommittee with a comprehensive list of the public service functions it performs, and the cost of each of the functions?

Mr. STEED. Mr. Chairman, if the gentleman will yield, I would have to answer in the affirmative.

We have always been able to get any and all information, pertinent or otherwise, that we thought we needed from the Postal Service.

More directly to the gentleman's question, I think if the gentleman would read the transcript of our hearings, starting on page 23 of volume II, the gentleman will see where there is a direct statement affecting public service by the Postmaster General, which will be of considerable interest to the gentleman.

This is the last year when the full 10 percent of the 1971 budget will be authorized. And it begins to go down at the rate of $92 million a year until the year 1984, I believe, when it will be down to around $460 million.

The whole subject is probably better explained there than I could do it, and I commend that to the gentleman for his benefit.

The basic thing we have had to do is to determine if the amounts asked for under the three provisions of law for subsidy are accurate; and when we have done that, that is the end of our jurisdiction.

Mr. CORCORAN of Illinois. Is the gentleman suggesting, then, that we do not at this time know, certainly in the legislation before us, how much money is earmarked, for instance, for 6-day delivery; how much money is earmarked for door-to-door delivery; how much money it costs in terms of a public service subsidy for locating post offices in accessible areas for the convenience of the customer, not necessarily the most economical way in which to distribute the mails?

Mr. STEED. If my memory serves me correctly, we went into all of that, and so did the legislative committee back when the postal corporation bill was passed. At that time it was part and parcel of that 10 percent that was agreed on for all types of what we call public service. That included these items, and in our report that year or the year before—I do not remember which—we had a complete, itemized statement of the items contained in the public service subsidy—the 10 percent of the 1971 appropriation for the Postal Service. The details of it do not seem to be of any significance, so we have never gone beyond that point.

Mr. CORCORAN of Illinois. So that today we do not have the details with respect to how much of the $920 million is earmarked for each of those public service functions; is that correct?

Mr. STEED. Except to say that the postal people tell us that we should do the same thing today.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. CORCORAN) has expired.

Mr. MILLER of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. STEED. Mr. Chairman, will the gentleman yield further?

Mr. CORCORAN of Illinois. I yield to the gentleman from Oklahoma.

Mr. STEED. As I was saying, Mr. Chairman, the postal people tell us that to do the same things today that they did in 1970, would require 15 percent of last year's budget rather than 10 percent of the 1971 budget. That would be what it would cost to keep up all public services as visualized at the beginning of the postal corporation concept.

Mr. CORCORAN of Illinois. Mr. Chairman, I thank the gentleman.

Mr. MILLER of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I had planned to offer amendments to increase the total appropriation in the bill for civil defense from what the Committee on Armed Services agreed to, from $96.5 million to $137 million.

As a member of the Committee on Armed Services, I have been concerned about the great superiority of the Soviet system over ours.

We attended three sets of hearings over a period of 2 years, and we learned that the Soviets are superior to us, with a ratio of about 10- or 20-to-1 in most instances. They have a four-star general who has cabinet rank in charge of their program; we do not. They have 100,000 Soviet citizens involved in the program, and we have about 5,000. They spend about $1 billion a year in civil defense and have for several years, and we spend $100 million a year.

With an expenditure of $100 million, Mr. Chairman, our system is in disarray, despite the dedicated efforts of many of the professionals in that field in this country.

My first concern is that we have learned through the years that the best way to maintain peace is to keep a strategic balance between the Soviet Union and the United States. We have learned also that we enjoy something called "rough equivalence," as far as weaponry is concerned; but from my vantage point, it seems to get rougher every year.

Mr. Chairman, if their weapons can destroy more of our population than our weapons can of theirs, then it is as though they have more weapons.

We heard many estimates in our hearings to the effect that if the Soviet Union had an opportunity to put their civil defense system in place and if there was an all-out nuclear attack and both sides were involved totally, the difference, in those killed would once again be about 10 to 1. There would be about 10 million Soviet citizens killed, and about half our

population, or 100 million Americans, would be destroyed.

Therefore, our lack of civil defense hardly makes for a proper strategic balance. There just is not a strategic balance, and it gives the Soviet Union a great advantage when it comes to the negotiating table and a great advantage when it comes to situations like their adventurism in Africa.

However, Mr. Chairman, the good news is that there is an inexpensive solution, and that is a civil defense system. Our Defense Department has finally become concerned with this matter, and they conducted a study this year and came up with some good results. They are recommending a 7-year program that would cost $1.9 billion, which is about $1 billion more than we would be spending over a 7-year period with current appropriations levels. If one averages out the cost for each year, it would cost about one-fifth of 1 percent of our Defense Department budget annually.

Mr. Chairman, it seems like a good investment in peace and in the saving of lives. Most of the $125 billion we spend now goes for destruction or killing. It seems that it is a good idea to spend a few million dollars to save American lives.

Mr. Chairman, in the committee report there is mention that next year would be a better year to begin this program because of the reorganization going on within the civil defense community.

Mr. Chairman, it is not necessary anymore. I learned yesterday that the President signed on for the reorganization of the civil defense system for the country. They still have a lot of nuts and bolts to put together, but the program has been agreed to in principle.

Also, we have learned in testimony before the Armed Services Committee, from DCPA Director Tirana, that they can spend the money efficiently, the additional $137 million. As recently as May 21, in Parade magazine in the Washington Post, Director Tirana explained the inadequacy of our civil defense system. He was asked by the interviewer, "What would you advise your wife to do in the event of nuclear attack?"

He said, "I guess I would have her get the kids in the car and drive."

In answer to the question, "Where to," he said, "I don't know."

That is the situation of preparedness in America, and it is pretty nearly a disgrace. I have here the issue of Parade in which the interview appears.

I would like to make inquiry of our distinguished committee chairman, if I might. I have no compulsion to offer amendments to the bill. My goal is to secure an adequate civil defense system for the country as soon as possible. It is my understanding that the chairman has been a long and strong supporter of civil defense, and I further understand the most expeditious route to follow is to provide increased funding through another procedure, and for me not to offer amendments.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MILLER of Ohio. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York (Mr. MITCHELL).

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, let me tell the gentleman that for the last several years this subcommittee has struggled with this problem, because we have tried to fund civil defense activities, Federal preparedness activities, as well as the national disaster programs. It has been our idea that these programs needed modernizing and bringing up to date.

We think what is in the mill now will do that. What we have tried to do here, lacking a final official legislative authority, is that we have tried to hang on to what is possible. We have a waiver in the rule so that even though it would otherwise be subject to a point of order, we can maintain this part of it in the bill.

In the meantime, if the bill is making progress through the other body and if the law does become finalized, we can add to it; or, if it becomes necessary later on to have a supplemental, we can do that. So, we have done the best we can to keep the ball going at this point in time.

It has been our desire, and we have tried all these years, to make a good program and get to the point the gentleman is talking about. We agree on that, but it has been lack of authority. So. I think we are heading in the right direction if everybody continues to push for the passage of the authorizing legislation.

Mr. MITCHELL of New York. If the Senate authorizes the amendment which the House Armed Services Committee had of $137 million for civil defense, if they do that, and the President signs it and it becomes an official authorization, does the gentleman feel that he could go along with the $137 million?

Mr. STEED. We could accept a Senate amendment in conference. We would know under new law how it would be used. Otherwise, we would have to bring anything different between the House and Senate back in disagreement. I do not think the gentleman wants that.

Mr. MITCHELL of New York. I just want to make sure if this becomes an official authorization there will be $137 million for civil defense this year. Is that what the gentleman is saying?

Mr. STEED. There is a reorganization plan now being considered which may improve the outcome.

Mr. MITCHELL of New York. I understand. I thank the chairman for his response, and I will not be offering my amendments.

Mr. STEED. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, this is the first regular appropriation bill to be considered by the House for fiscal year 1979. During the next several weeks the House will consider most of the regular appropriation bills and other spending bills for the next fiscal year, following the timetables set forth in the Congressional Budget Act. As each appropriation bill or spending bill comes before the House, the Budget Committee will provide the House with a perspective. We will compare the amounts that would be appropriated by the bill with the subcommittee targets that were established by the Congress in connection with the first budget resolution.

In addition, beginning next week, the Budget Committee summaries of spending bills that will be considered by the House in the coming week will be available to the Members through the House Information Systems computer consoles.

The bill before us, the appropriation bill for the Treasury Department, the Postal Service, and the Executive Office of the President and certain independent agencies of the general Government is consistent with and within the allocations of the budget authorities and outlays made by the Appropriations Committee.

Pursuant to the Budget Act, the Appropriations Committee allocated $8.87 billion of budget authority to this bill. The reported bill would appropriate $8.634 billion, or $223 million under the subcommittee subdivision. However that is as far as we have gone to date. As we project into the future and take into consideration anticipated supplementals and CBO reestimates, this subdivision which the Appropriations Committee has allocated to this subcommittee could exceed and would exceed the first budget resolution if there were to be no changes.

Assuming no changes for the remaining budget resolution assumptions in this function, we could be over to the tune of $126 million. I point this out because, as I say, this is the first bill which is coming before us. There are going to be many others, with many, many overages in them. I call upon everyone to realize that if we intend to control spending, if we intend to get a better handle on spending, the time to start is now as we address ourselves to the spending bills.

Members will recall that during consideration of the first budget resolution there was a great deal of concern about the level of Federal spending, and efforts were made on that resolution to get a better control over Federal spending and in many instances to reduce Federal spending.

I submit to the Members that it is not sufficient to do that only in a budget resolution. The real way to control Federal spending is to address that problem when we consider on this floor the appropriations, the entitlement bills, and all the other spending bills. We are going to be doing that in the coming weeks and in the next couple of months, and I urge Members to scrutinize these items of legislation carefully, not just the particular bill before us today but the others that will be coming up. If we are going to be serious about controlling Federal spending and reducing Federal spending, we must do it on the spending bills as they come before us.

● Mr. VANIK. Mr. Chairman, as chairman of the Subcommittee on Trade of the Committee on Ways and Means, I have been very concerned about the widespread practice of dumping in international trade in steel mill products. Throughout the world, foreign governments have subsidized their nation's steel mills to maintain their domestic production and employment—and as a result, they have been exporting their potential unemployment to the United States. Last year saw the closing of four major U.S. mills—Alan Wood, the Lackawanna and Johnstown plants of Bethlehem Steel, and the Youngstown Sheet and Tube Works. Tens of thousands of American steelworkers were forced into unemployment largely as a result of unfair import competition.

To deal with the problem of widespread dumping, the administration established the Solomon Task Force which developed a number of recommendations for the revitalization of the American steel industry. The cornerstone of that plan is the reference or trigger price mechanism. This TPM is a system whereby the Customs Service receives special information on the price of steel imports and, by comparing the price of imports with those from the world's most efficient producer of steel, the Japanese, is able to identify rapidly probable cases where steel is being dumped. Once a potential dumped import is identified, Customs can initiate a special, fast antidumping investigation in order to provide timely protection against unfair imports.

As part of its report to the Budget Committee, the Subcommittee on Trade of the Committee on Ways and Means considered the appropriations request of the Customs Service for fiscal year 1979. During our hearing, it was pointed out that in order to administer the new trigger price mechanism to protect the United States against unfair trade in steel mill products, the service would need an additional $2 million and an additional 83 people. Yet the administration's budget revealed that Customs was reducing the number of personnel assigned to the appraisement and entry processing function—the area where additional people are needed to help with the TPM.

As a result, the subcommittee recommended to the Budget Committee that an additional $2 million be provided to enable Customs to deal with the increasing workload of appraisement and entry processing of merchandise and to administer the steel reference price mechanism without curtailing other necessary operations.

I regret that the administration's budget request and this bill do not contain any funds to deal with the specific extra burdens imposed by the TPM. This will make it more difficult to administer the antidumping laws more quickly and effectively and will mean that Customs will have to backlog or reduce its efforts in other areas.

I regret that the Department turned down the fiscal year 1978 supplemental which was so important to administer the program. When the committee considers the supplemental for Customs later this year, I hope the Appropriations Committee will support additional funds for Customs to enforce the antidumping laws including this TPM program in a manner consistent with congressional intent to stop unfair import practices of dumping in the U.S. market.

I note that the appropriation provides for the acquisition of three new aircraft by Customs. I note from a review of fiscal year 1978 hearings that in fiscal year 1976 Customs seized some 130 aircraft carrying narcotics and drug contraband—about one plane every third day of the year.

But then I noted from the hearings that Commissioner Acree testified:

> We believe . . . that, on an average, every night between 10 to 15 aircraft illegally enter the U.S. across the Mexican border. This estimate may be very low and, in fact, DEA has estimated that a more accurate figure would be 150 aircraft per night.

He then went on to estimate that some 10 to 15 illegal, drug-bearing aircraft a day enter the southeast part of the country from the Caribbean.

In other words, we are facing an aerial invasion of smugglers. Somewhere between 30 and 165 illegal flights a day are entering the country.

I certainly support the Customs Services' efforts to stop this invasion—but three new aircraft will hardly make a dent in this problem.

I understand that the Customs Service and the Air Force have signed a recent agreement to use the new AWACS aircraft to help track smugglers. I hope that the Customs Service will take additional steps to obtain the help and cooperation of the Air Force's equipment in dealing with this massive smuggling operation.●

● Mr. DERWINSKI. Mr. Chairman, title II of H.R. 12930 reflects the congressional obligation under the Postal Reorganization Act to provide certain payments to the Postal Service Fund, and I support the recommendations of the committee and urge their adoption.

The appropriation of $1.8 billion is broken down into three categories, each authorized by existing law. They include $920 million for public service costs, which has been standard since the enactment of the 1970 Postal Reorganization Act, $65,632,000 for certain liabilities which occurred under the old Post Office Department, and $844,362,000 for free and reduced rate mail. This latter category covers the revenue loss as a result of congressionally mandated phased rates and free mail for the blind.

Essentially, this appropriation together with the increased revenues the Postal Service will realize under its new postal rate schedule should make the Postal Service financially whole. I would not expect them to return to the Congress for additional appropriations.

Of course, the financial future of the Postal Service will be affected by the wage settlement negotiations which are currently in progress between the Postal Service and the employee unions. The outcome of these negotiations is in the hands of postal management operating with White House instructions and we will then see if the settlement is within the wage guidelines laid down by President Carter. Additional subsidies should not be necessary if postal management and labor base their contract on the public interest. Postmaster General Bolger has made it clear the Postal Service can operate within the financial guidelines provided in this legislation.

As a matter of fact, a noninflationary wage contract could obviate the need for any so-called postal reform legislation for this session.

Mr. Chairman, an issue which has grown to dwarf the basic bill itself is the subject of the $4.2 million for the Bureau of Alcohol, Tobacco, and Firearms contained in this bill.

In my judgment, two wrongs do not make a right, and I see very little value in this muddled legislative situation. As I understand it, when the Appropriations Subcommittee held hearings in March on the BATF funding, the committee members were unaware that BATF was going to publish the firearms regulations. An informal meeting was held when the plan surfaced, and the subcommittee decided not to approve the funding which BATF had estimated would be $4.2 million for implementation of the regulations. The full committee then met and approved the entire bill which included the reduction in the BATF budget by $4.2 million and language prohibiting the use of funds to implement the regulations.

Also resolutions of disapproval in the Subcommittee on Crime of the Judiciary Committee are pending. There were oversight hearings on the BATF regulations, but nothing further has taken place.

To further complicate the situation, it seems to me that jurisdiction in this case does lie with the Judiciary Committee, not Appropriations. While it is obvious that the Judiciary Committee is sharply divided on this subject, this does not remove their responsibility nor should it have us prejudge their determination or ability to resolve the problem.

In addition, as a member of the House International Relations Committee, I have seen many budget cuts accompanied by committee language or floor explanations aimed at programs which are not line items. This is the case here, and the preciseness of congressional control is questionable.

Presumably, the Appropriations Committee has been advised by Treasury that none of the funds appropriated would be used to implement their proposed gun regulations and that they would seek supplemental funds for this purpose at a later date. Thus the issue is not closed here.

The practicality of the cut, whether it would serve its purpose, as well as the broader question of proper procedure, must be kept in mind. Therefore, I am

voting for the amendment to restore the funds for the Bureau of Alcohol, Tobacco, and Firearms since it is not a gun control issue.●

● Mr. DRINAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois. The firearms regulations which this amendment would restore constitute a very sharply focused program to provide assistance to law enforcement officials in their efforts to curtail illegal gun trafficking and trace firearms used in the commission of crimes. I find it remarkable that so many of my colleagues who consistently call for increased Federal efforts and expenditures to combat crime oppose these regulations, which would help law enforcement officers significantly at a very modest cost.

In my 7½ years in Congress I have seldom seen a proposed law or regulation subject to more distortion than the firearms regulations promulgated by the Bureau of Alcohol, Tobacco, and Firearms on March 21, 1978. Opponents of these regulations have repeatedly called them a "gun control" or "gun registration" program and have asserted that they exceed the authority of the Bureau. These descriptions of the regulations are simply inaccurate.

The most frequent criticism of the March 21 regulations is their alleged establishment of a "national gun registration" system. Is it possible to establish such a system under a set of regulations which prohibit the submission, collection, or maintenance on file of the identities of owners and purchasers of firearms? Clearly, the answer is no. These regulations are not directed at gun purchasers; they are designed instead to aid law enforcement officers by requiring that firearms manufacturers and dealers keep track of firearms transactions. Put more simply, the regulations will trace guns, not gun owners. Individual purchasers of firearms will not have to register their weapons, and the Bureau will not establish a centralized registry of firearms owners.

What, then, will these regulations accomplish? Essentially, they will do four things: first, each manufacturer and dealer would report, on a quarterly basis, the disposition of their firearms, with no reference to purchasers; second, each manufacturer or dealer would report, within 24 hours, any theft or loss of any firearm; third, each firearm manufactured in the United States would bear a serial number; and fourth, military personnel would be required to secure permission before bringing into the country a firearm purchased abroad.

These regulations will permit the Bureau of Alcohol, Tobacco, and Firearms to discharge with greater speed and accuracy its responsibility to trace firearms. No new authority is granted and no new responsibility is assumed. The regulations will enable the Bureau to provide law enforcement officers with information about firearms used in crimes or stolen from dealers or manufacturers with much greater efficiency. The endorsement of this approach by the International Association of Chiefs of Police is an indication of the principal purpose of the regulations: The provision of additional assistance to law enforcement officers.

Allegations that the March 21 regulations exceed the authority of the Bureau are directly refuted by section 923(g) of the Gun Control Act, of 1968, which states in part that manufacturers, importers, and dealers of firearms are required "to maintain such records" and to submit to the Secretary of the Treasury—the Bureau of Alcohol, Tobacco, and Firearms—"such records and information with respect to such records and the contents thereof as he [the Secretary] may prescribe." There is no question as to the authority of the Bureau to take the actions described in the March 21 regulations to improve the Federal firearms tracing system.

It is difficult to comprehend the basis for the opposition to these regulations and for the action by Appropriations Committee to prohibit the use of funds for their implementation and to delete their estimated annual cost—$4.2 million—from the Bureau's budget. Surely those who oppose these regulations do not want to impede law enforcement officers. One can only conclude that they have acted out of an almost automatic reaction against anything which even remotely resembles the licensing or registration of firearms or might fall within the generic category of "gun control." Apparently, this includes action such as that proposed on March 21 by the Bureau of Alcohol, Tobacco, and Firearms, which would help law enforcement officers identify guns used in crimes, with no provision for the identification of gun owners or the registration of firearms.

The amendment offered by the gentleman from Illinois would restore a sharply focused set of regulations designed to combat crime and would remove a prohibition which ignores the facts. I urge my colleagues to vote in favor of this anticrime amendment and thereby vote against the growing impression that this Congress will not accept anything which can be characterized as "gun control," no matter how far removed it may be from actual controls on the availability of firearms.●

Mr. STEED. Mr. Chairman, I have no further requests for time.

Mr. MILLER of Ohio. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms including purchase of (not to exceed three hundred and fifty of which three hundred shall be for replacement only, for police-type use), and hire of passenger motor vehicles; hire of aircraft; and services of expert witnesses at such rates as may be determined by the Director; $131,322,000: *Provided*, That no funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of the Treasury the records of receipt and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco, and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978.

AMENDMENT OFFERED BY MR. M'CLORY

Mr. McCLORY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLORY: Page 3, strike out line 13 and everything that follows through line 21 and insert in lieu thereof "$135,522,000."

Mr. McCLORY. Mr. Chairman what this amendment undertakes to do is two things, first of all, it proposes to restore $4.2 million which is budgeted and which was requested but which was deleted by the subcommittee and then by the full committee. These funds were intended for the law enforcement and investigative activities of the Bureau of Alcohol, Tobacco, and Firearms.

I might say on that subject that I appeared before the subcommittee and I requested not only that these funds be retained but I requested that they provide an additional $8.5 million in order to continue the so-called CUE program, the comprehensive urban enforcement program which, in my opinion, has been so highly successful in intercepting the illegal traffic in firearms in the three major cities which were designated for this pilot operation, namely Chicago, Washington, D.C., and Boston. Let me add that the results of this program are just tremendous insofar as reducing criminal activities and helping to reduce the number of crimes committed with firearms.

It is because of the success of this program, which has been delineated in a report which is available to all Members of the House, that it seems to me so extremely important that we should include and retain the $4.2 million in funds.

The other part of my amendment would strike the language which the committee gratuitously put into the report, which seeks to restrain the Bureau of Alcohol, Tobacco, and Firearms from implementing some regulations that they have proposed, and I might say that these regulations relate to the tracing of firearms.

Mr. Chairman, I have visited the tracing center of the Bureau, which is in downtown Washington. The program is carried on with five or six young women who sit at telephones and receive information from our law enforcement people, local police departments throughout the country, asking for information with regard to firearms that have been used in connection with the commission of crimes. They trace the sales and transfers of weapons by telephoning thousands of manufacturers, wholesalers, and dealers of firearms, and through this procedure they are able to trace, over a period of a couple of weeks, generally, where a given firearm was last transferred.

What the Bureau has undertaken to do is to recommend installment of an updated system which would enable them to have available immediately, for the benefit of our law enforcement people, information with regard to the last sale of a firearm to the purchaser. The regulation would not permit the name of the purchaser to be reported or recorded. There would be no registration of gun owners, nothing of that nature at all, but the tracing center at BATF would be able to identify the last sale which was made.

It seems to me that this is all in the interest of law enforcement. It seems to me that this is all in the interest of reducing criminal activities. My whole interest in this subject is directed toward this. I am sure the Members must know this. I have no interest whatever in confiscating anybody's firearms or to take away anybody's weapons. I have never introduced any legislation like that and I have never supported any legislation like that. It is completely inconsistent with my view on the subject. But there are many areas, there are many things that we can and should do with regard to regulation and control of firearms, particularly the so-called Saturday night specials which, as the CUE report indicates and establishes, is the principal weapon used in connection with criminal activity in this Nation.

It is most unfortunate that we blind ourselves to the reality of the situation because we become overwhelmed by a lobby which is concerned about the constitutional right or interest of American citizens to possess and bear arms, and to get that issue confused with what should be our underlying effort of reducing crime in America by doing something about the illegal traffic and illegal use of firearms.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding. The gentleman is an active member of the Committee on the Judiciary. Does the gentleman not feel that before any regulations are promulgated, which are tantamount to law, that there should be some reporting done back to the Committee on the Judiciary, or some act on the part of the Congress and that there should not be a back door revision of the legislative process?

Mr. McCLORY. Mr. Chairman, if I may respond to the gentleman from New York (Mr. ADDABBO) I have no objection to the hearings that are now going on, going on right now before the Committee on the Judiciary. May I say that, jurisdictionally, it is that committee's province, the Committee on the Judiciary, and that is why we have had testimony before the Subcommittee on Crime in connection with these proposed regulations. The Treasury and BATF officials have testified before our Subcommittee on Crime.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. ADDABBO, and by unanimous consent, Mr. McCLORY was allowed to proceed for 2 additional minutes.)

Mr. McCLORY. Let me complete my sentence. They called Mr. Richard Davis, who I believe is Assistant Secretary of the Treasury, and Rex Davis, who is head of the Bureau, and they testified with regard to these subjects. So it is entirely appropriate that there should be hearings there. I have no objection to that.

Mr. ADDABBO. Will the gentleman further yield?

Mr. McCLORY. I am happy to yield to the gentleman from New York.

Mr. ADDABBO. Does the gentleman agree that there should be proposed legislation, or actually legislation enacted by the Congress, before any agency should promulgate laws changing existing law?

Mr. McCLORY. Oh, I would agree with that. But let me just say this, that the regulations, it seems to me—and I have studied this quite carefully—are entirely consistent with the 1968 law. I think what they are doing is trying to update their system consistent with what their legal authority is. If they were not, I would not be supporting them, but I am supporting what they are trying to do because it seems to me they are trying to carry out the mandate or the direction of the Congress in trying to trace weapons. They do trace them now, and they can trace them, but with their present primitive system it takes a lot of time and it limits their investigative and law enforcement capacities.

Mr. ADDABBO. Will the gentleman yield?

Mr. McCLORY. I yield to the gentleman.

Mr. ADDABBO. I know the gentleman made a very careful indepth study. He also knows that the hearings and all the studies that have been made do prove that most of the crime has been committed with the so-called Saturday night special. Would this legislation, if promulgated by ATF, in any way stop the wending of the way of the Saturday night special into New York where we have had tremendous crime?

Mr. McCLORY. What it would do is this: It would help the law enforcement people in New York City—and I might say the superintendent of police of the city of New York supported legislation that I was favoring—to improve our existing Federal gun laws—in tracing weapons that are used in connection with crimes. Very definitely it would help.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McCLORY was allowed to proceed for 1 additional minute.)

Mr. McCLORY. The noted case which is cited frequently is the case of the attempted murder of George Wallace, which took only, I believe, 9 minutes and 20 seconds to trace because the people at BATF got on the telephone very fast and were able to get information from the manufacturer, the wholesaler, and the retail dealer, and were able to trace the delivery used in that crime to the criminal who ultimately purchased it. But ordinarily that is not the case. Ordinarily it takes 2 weeks with the pencil-and-paper operation they have at BATF now.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding.

I want to say I respect the gentleman in the well very much, but I rise in opposition to his amendment.

Mr. Chairman, with all due respect for my esteemed collegue, Mr. McCLORY, I rise to express my staunch opposition to any effort to strike the present language in the Treasury-Postal Service appropriations bill which prohibits the Bureau of Alcohol, Tobacco, and Firearms from spending any of their funds to implement their proposed firearms regulations, and restore $4.2 million from their budget increase—the amount of money BATF stated they would need to implement these regulations.

These regulations have been the subject of considerable controversy, not only because of their content, but also because of the way the Bureau has handled the entire matter. It is interesting to note that at the appropriation hearings on the Bureau's 1979 budget request, held on March 3, 1978, the Bureau did not notify the Appropriations Committee of its intention to issue these regulations nor did it inform the committee that it was even considering it. Furthermore, I am very concerned about the Bureau's tendency to legislate by regulation, particularly in a sensitive and controversial area such as gun control.

The Bureau ought not attempt to do by regulation what Congress has not done by legislation, and I have no doubt that these regulations amount to unlegislated gun control. The language in the bill to prohibit any funds to be used to implement the regulations should remain intact.

If allowed to go into effect, these regulations would require all transactions to be reported quarterly to the Bureau. Reporting would cover all dealer sales to individual citizens, as well as all transactions between manufacturers, importers, exporters, wholesalers, jobbers, distributors, and dealers.

On at least seven previous occasions, Congress has voted against regulation and centralized recordkeeping for firearms. During the 1968 Gun Control Act debate, the issue of national gun registration was raised and soundly defeated by a better than 2 to 1 margin. Since that time, Congress has rejected all national gun control schemes which have been proposed. Clearly, Congress has refused to give the bureaucracy this authority.

Upon learning of this "back door" attempt to supersede the mandate of Congress, I immediately joined with several

of my colleagues to sponsor House Joint Resolution 872 which disapproves of the proposed regulations for the following main reasons:

First. Only Congress should decide whether any form of Federal registration of firearms sales should be permitted.

Second. "Data bank" collections of information about citizens should be avoided if at all possible.

Third. Tracing of illegal firearms has been effective under present law.

Fourth. Cost of computerization. Thirty-five to forty million transactions per year will be entered into Federal computers.

Fifth. Criminal penalties for dealers who fail to report gun thefts will be more severe than those imposed upon the thief.

While the Bureau denies that its proposed firearms regulations would, if implemented, constitute a national firearms registry, the very opposite is in reality the case. The records acquired through this process could effectively be used by agents of the BAFT to trace purchasers of firearms through the proposed dealer quarterly reports.

What we are seeing is a treacherous attempt by a bureaucracy to circumvent and overrule the repeatedly expressed intent of the Congress of the United States and to initiate through bureaucratic channels a gradual step-by-step process of firerams regulation.

The full Appropriations Committee decision on this critical issue should be upheld. Congress, not a Federal agency, has the authority over firearms legislation.

I thank the gentleman for yielding.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

I would like to say that those on the subcommittee and the Committee on the Judiciary that held hearings on this were quite upset to find that the people from the Bureau had on April 1 of this year issued a news article or memorandum.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. VOLKMER, and by unanimous consent, Mr. McCLORY was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. If the gentleman will yield, in that memorandum—and, basically, that is supposedly what they wanted the rules and regulations for—they had said, and I am quoting verbatim from it:

Most traces take a few hours or days, depending on the urgency or complexity of the request. Information can be relayed in minutes if necessary. Trace data is telephoned or mailed back to the requesting special agent or other law enforcement authority.

In 1977, the center received 62,498 trace requests and successfully completed 34,597. More than 50 percent of all trace requests are completed successfully. For firearms purchased after 1968, the percent of successful traces is closer to 90 percent.

Mr. Chairman, when they were confronted with this—this is their own news release—do you know what they said about it? They said it was not true. They said that when they issued this memorandum on April 1 it was untrue.

Mr. McCLORY. Well, I do not know whether those figures relate to the CUE program or not, but I think the tracing operation was improved during the CUE program. I would say while in some instances they were only able to trace 50 percent of them, I would think they could trace 100 percent of them if these regulations were implemented. That is what I would like to see.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield further, you are never going to trace weapons that were manufactured 50 or 60 years ago, of which there are no records.

Mr. McCLORY. That is true, but most crimes are committed with weapons purchased within the last 2 years.

Mr. VOLKMER. If the news release is true, they can trace 90 percent of those.

Mr. McCLORY. I think what they did is trace 90 percent of the 50 percent.

Mr. VOLKMER. No, it is 90 percent.

Mr. McCLORY. I question that. This would enable them to trace virtually all the weapons if it went into effect.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. McCLORY) has again expired.

(At the request of Mr. RAILSBACK, and by unanimous consent, Mr. McCLORY was allowed to proceed for an additional 2 minutes.)

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, in fairness to the Bureau, I think what the Bureau said was that the 90-percent figure and the very short time span was referring only to traces that were called urgent traces. They explained that the normal or the ordinary trace would take a longer period of time.

As the gentleman in the well knows, I happen to disagree with what the gentleman is trying to do. I just happen to think there are many more effective ways to do something about the gun control problem than to try to have a firearms tracing center, particularly after we had voted down the gentleman's amendment where the gentleman sought to have a handgun tracing center.

What the Bureau is trying to do is kind of an end run. What they are trying to do is forget what Congress did 2 years ago when we voted down an amendment that would provide for a handgun tracing center.

Now they are even including long guns, rifles, and shotguns. I think it would be a terrible mistake to let them do this.

Mr. McCLORY. Mr. Chairman, I would like to disagree with the gentleman's perception because at the present time the dealers who are supposed to keep these records, frequently have them in the basement. They are not available. They are not accessible and the tracing operation is completely frustrated because of lack of information; so all this proposed regulation would accomplish would be to provide the information useful to law enforcement agencies.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. McCLORY) has again expired.

(At the request of Mr. BONIOR, and by unanimous consent, Mr. McCLORY was allowed to proceed for 1 additional minute.)

Mr. BONIOR. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Michigan.

Mr. BONIOR. Mr. Chairman, I would like to compliment the gentleman in the well. I think the gentleman shows courage in bringing this issue to the floor. I think it is an issue we have long neglected in this Congress.

I support this amendment and I support the other amendment the gentleman will offer.

The point we have just raised concerning traceability and the requirements immediately before to the BATF, is it not true that there are dealers who wait 6 or 8 months or a year before they report missing firearms?

Mr. McCLORY. A great many of the traces are impossible to carry out for lack of information. The regulation would require unique serial numbers with regard to firearms manufactured and sold in the future so there would be no duplication or confusion as there is now.

I might say that 54 Members of the House have joined in communicating to the Bureau their support of the proposed regulation.

Mr. BONIOR. It is a modest proposal. I commend the gentleman again for offering the amendment.

Mr. ASHBROOK. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, it was not my intention to play the numbers game with my colleague, the gentleman from Illinois, my very good friend, with whom I find myself often in agreement; but when the gentleman indicated that 54 Members of the House had expressed approval of the BATF regulations, let me point out that over 200 Members have introduced resolutions or in this body are all in favor of the absolute rescinding of these regulations.

So I would say to my good friend, the gentleman from Illinois (Mr. McCLORY), that he makes a rather poor case when he says the BATF has been supported by only 54 Members who agree with this end run bureaucratic play. I agree thoroughly with my colleague, the gentleman from Illinois (Mr. RAILSBACK), that this is an effort to make an end run.

The Congress, both the House and the Senate, on 16 different occasions in the last decade, both in committee and on the floor out of committee, has expressed its clear disapproval of registration of

firearms. Yet what we are confronted with here is an effort by a bureaucratic agency, notwithstanding the very clear statement of Congress time and time again, to circumvent this and come in through the back door. By hanging to one section of the 1968 act, BATF would start a process which will eventually bring about the total registration of firearms.

I want to make that perfectly clear. As I study the situation, there is no question in my mind that this is just the first step in a two- or three-stage process. Of course, in the beginning all they want is a unique manufacturer's serial number and to put those numbers in a central data bank. The second step obviously is to come along later, if we let this happen, and get the names and addresses of the people who own the firearms.

BATF say, "No, we don't want the names and addresses." No, of course not. Not now. But they will want them later.

I particularly want to rise in support of the Committee on Appropriations and commend it for its very good work in assuring us that a Federal agency will not override the will of the Congress and will not act independently through the back door in accomplishing something that the Congress is thoroughly on record as opposing.

I especially want to commend the chairman of the subcommittee, the gentleman from Oklahoma (Mr. STEED), and my colleague, the gentleman from Ohio (Mr. MILLER), the ranking minority member, for their diligence, in pointing out the significance of the proposed regulations.

I see my colleague, the gentleman from New Jersey (Mr. PATTEN), on the floor, and I particularly want to commend him. In the committee hearings the gentleman from New Jersey (Mr. PATTEN) indicated—and this is the feeling of many Members—that he probably favors some form of registration of firearms or some form of gun control, but he particularly, as a Member of Congress and as a member of the Committee on Appropriations, was offended by this effort of a regulatory agency to accomplish through the back door what they should only accomplish through legislative action. I think the gentleman from New Jersey (Mr. PATTEN) represents the position of many Members of this body, those who believe that we do need some form of gun control but who want to accomplish it directly, honestly, openly, and through the proper legislative process.

That is, of course, the key issue here. I think it should be especially offensive to every Member of this body, and particularly to the Committee on Appropriations, that the BATF did not even have the courtesy of disclosing its intentions to create a central firearms data bank and to transfer appropriated funds for that purpose. BATF did not even disclose this to the Committee on Appropriations when they appeared before the committee, and the record shows they had their drafts ready. They had circulated their drafts for the promulgation of the March regulations, and yet they did not even have the courtesy to tell the Committee on Appropriations, when they appeared before it in testimony, that this indeed was the way they were going to expend money appropriated by this Congress, and that they intended that the regulations they offered in March of this year would go into effect.

We made it very clear and we laid it flat out that there is only one way to stop this effort. This is an example of bureaucracy fighting the will of the Congress. I think we are going to get the support of both factions on this issue, the support of those who oppose gun control on principle and those who, like the gentleman from New Jersey (Mr. PATTEN) and others, may differ with us somewhat but who believe that the integrity of the legislative process and the integrity of the appropriation process must be preserved.

Mr. Chairman, I welcome both schools of thought in the consideration of this amendment, and again I commend the Committee on Appropriations for its diligent work.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(On request of Mr. BAUMAN, and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I just want to say to the gentleman from Ohio (Mr. ASHBROOK) that he is certainly right in offering commendations to the Members, in particular to all those who have worked hard in trying to stop this bureaucratic attempt to usurp the powers of Congress on a major national issue that has been pending for a number of years.

But I would say that the gentleman from Ohio (Mr. ASHBROOK) is modest because he himself has been the major opponent of these Treasury regulations, and he has indeed been one of the major opponents of Federal gun control for some years. Without his diligent work on the Committee on the Judiciary in exposing the plans of the Treasury we could not have known the dimensions of those plans.

Mr. Chairman, several times in this debate today we have heard the words "back door attempt" to describe the action by the Bureau of Alcohol, Tobacco and Firearms which sought to circumvent the congressional process and impose their bureaucratic will on honest and innocent American gunowners. The pending amendment is an attempt to provide approval for these misguided regulations and I will predict that the amendment will be overwhelmingly defeated, as it should be.

By now it should be well-established that BATF, in its self-appointed legislative role, intends eventually to go far beyond a centralized Federal registry of firearms. Its ultimate goal is full gun registration and Federal control. Indeed some of those who have sided with BATF in this matter are advocates of complete confiscation.

Sooner or later logic is going to enlighten those who think that penalizing law abiding gunowners stops criminals from illegally obtaining and using firearms to commit crime. Strangely, those who are loudest in their support of gun control also remain silent when persons such as myself advocate mandatory sentencing of those who commit crimes with guns.

So I commend again, the gentleman from Ohio (Mr. ASHBROOK), and urge the Members to oppose the pending amendment.

Mr. ASHBROOK. I thank my colleague.

Mr. Chairman, let me say that it is a well-known fact that the subcommittee chairman, the gentleman from Michigan (Mr. CONYERS), and I disagree on this basic issue. Yet when the regulations were offered, the gentleman from Michigan (Mr. CONYERS) hestitated not 1 minute to call a hearing of our subcommittee to address this problem openly and honestly, in the best legislative tradition, even though it might be apparent from the beginning that his own purposes would not be served by the hearings. And I think it has been with that spirit across the board that we addressed this issue. I congratulate the gentleman from Michigan (Mr. CONYERS), I congratulate the Appropriations Committee, and I congratulate all of those, regardless of their point of view, who express opposition to this back door bureaucratic method of implementing something that the Congress did not approve and should not allow to be enacted without direct congressional action.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(On request of Mr. SYMMS and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to share in the commendation to the gentleman for the work he has done. As one of those who helped the gentleman gather cosponsors, where we have over 200 cosponsors on the resolution we introduced to limit the BATF, I would like to give a little history on this. On July 19, 1968, again on July 23, 1968, the House voted on record vote on this subject. Then again, in the other body, in September 1968, there were four record votes on amendments dealing with this particular subject, where the Congress of the United States has definitely been on record opposing those.

I appreciate the support of those Members today who want to stop the back door way of getting at gun control. I think many times in politics it is soon perceived by the public what is actually taking place in the selling of an idea. And this vote today will be definitely interpreted by the public whether you are for or against gun control. So there

should be no misunderstanding about that.

Mr. Chairman, I would urge the Members to vote down this amendment.

Mr. ASHBROOK. Mr. Chairman, the BATF did not disclose their intentions to create a Federal firearms data bank to the Appropriations Committee, even though they had completed their drafts prior to their own appearances before the committees for fiscal year 1979 appropriations. A belated letter of May 23 to Mr. STEED as chairman of the Senate subcommittee with appropriations authority over BATF was cited in the Washington Post article of May 28 as follows:

> If a decision is made to implement any of [these regulations], it would be necessary to seek either a supplemental appropriation for 1979 or include a request for such funds in our 1980 submission.
>
> We will not implement these proposals without receiving from Congress the funds to do so.

As ranking minority member of the committee charged with oversight of the Bureau of Alcohol, Tobacco and Firearms, I have insisted upon full disclosure of the nature of this proposed rulemaking since the first day I knew of the plan. At our subcommittee briefing of March 16, the BATF first advised us of their intentions. After studying the proposal, I issued a statement that—

> A broad sweeping plan for gun control is being pushed by a Federal agency without the consent of Congress. This sneak attack is the Carter administration's way of getting gun control without public knowledge.

Since that statement was carried by the news media, the BATF has carried on an aggressive lobbying effort to discredit the opinions of Members of Congress who have determined to stop the implementation of these proposals.

They stated during briefings and oversight hearings that they had the authority to implement these regulations. Yet, they now promise to return to us for authority to spend the funds to implement their plan. Just what has the BATF said? Do they intend to rescind the regulations, or do they intend to put them on the books? Put them on the books and wait for funding?

During our hearings, when confronted with a "90-percent tracing success" press release of April 1, 1978, BATF Director Rex Davis disclaimed the accuracy of that figure, and claimed the need for improved firearms tracing capability.

The latter, taken in tandem with other erroneous press announcements, casts serious doubt upon the BATF's credibility by stating one thing to the media, and another to the Congress. They have succeeded in creating an atmosphere of doubt and mistrust.

The agency has stated, in correspondence with congressional offices, that the regulations would not amount to registration of individual gunowners. However, the regulations on their face will permit massive cataloging of names and addresses of citizens who purchase firearms as follows:

From a firearms licensee who goes out of business—23,000 yearly;

Purchases of more than one handgun in a period of 5 days from the same firearms licensee;

Military personnel who desire to purchase firearms while on duty for later return to the United States; and

Firearms that are imported by a firearms licensee.

It is clear to me after close study that these March BATF regulations were step 1 in a two-step process. Get a new numbering central system now with numbers only and later get the names and addresses.

I should like to urge my colleagues who believe that the history is clear, that Congress has spoken loudly against Federal registration on at least 16 previous occasions, in both Houses and in the committees of the Houses, to join in this effort in the battle against the implementation of these regulations. While it is not a permanent measure, it will stop the plans for fiscal year 1979. I ask the nearly 200 Members of the House who have joined me in sponsorship of resolutions disapproving the proposed regulations to be counted in support of the Appropriations Committee language. I urge those of you who may not share my own views in opposition to gun controls to join us in preserving the integrity of the process of financing our Government. He spoke in favor of the language offered by Mr. MILLER which appears in the bill before you. I commend Mr. PATTEN for what I believe to be a nonpartisan, professional view of his role in the legislative process. He said he may support some gun control proposals but wanted us to back down on registration. I commend Mr. MILLER and his staff for their diligent work in drafting the needed language for this bill.

A vote in favor of the motion to strike is not simply a vote for gun control. It is a vote against the committee process in Congress. It is a vote against the sanctity of the check and balance system of Government.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since firearms control first became an issue before the Congress and throughout the legislative history of the Gun Control Act of 1968, Congress has specifically and repeatedly rejected national gun registration. I do not think there can be any question as to the feelings of the Congress or the feelings of the people of the United States on this matter. The current attempt by the Bureau of Alcohol, Tobacco and Firearms to usurp congressional authority demonstrates again that some governmental officials seem altogether too indifferent to the expressed will of the Congress and to the wishes of the American people.

It is disappointing that the Congress is now asked to approve a "foot-in-the-door" approach to gun registration in America. It is not the criminal who would be hurt by this proviso. It is the law-abiding American citizen who wants to own weapons for protection of his home and family or for legitimate sport. In most instances, the criminal will steal the gun he wants and, if it is registered, it is the law-abiding owner who finds himself in trouble—not the person who committed the crime.

Instead of coming to Congress, the Bureau resorted to proposed firearms regulations printed in the Federal Register on March 21, 1978. The Steed subcommittee was not notified of the intention of the Bureau to issue these regulations, and I fully support the committee's action to make clear to the Bureau that it should not attempt to accomplish by regulation what has not been done through legislation.

There is no way to disguise the fact that one proposed regulation would require all licensees—manufacturers, wholesalers, and retailers to report transactions. This information, including serial numbers, would enable a Bureau of Alcohol, Tobacco and Firearms computer to trace guns from manufacturers and importers to dealers and to their customers who purchase the weapons. Let us not try to disguise this as an innocent step toward crime control. It is the beginning of the realization of bureaucracy's dream of controlling the sale and ownership of weapons in America. I congratulate the distinguished gentleman from Oklahoma and the members of his subcommittee for this thorough and diligent work in this regard.

I oppose the amendment and urge its overwhelming defeat.

Mr. SEBELIUS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Illinois. I feel my colleagues on the Appropriations Committee acted wisely in dropping funds for the implementation of additional gun regulations.

The folks of western Kansas certainly do not want these regulations. I have received over 1,000 letters from Kansans opposed to these proposals, and only 1 favoring them.

And even those who might favor some form of gun control make one thing crystal clear—gun control should come from a Congress accountable to the people, not from an anonymous agency isolated from the desires of the people.

And I daresay most Americans feel the same as the good people of western Kansas.

They are asking us to do what only Congress can do—stop these unneeded, unwanted regulations. I urge my colleagues to do so by voting against the amendment of the gentleman from Illinois.

Mr. MOORHEAD of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the McClory amendment.

First, there is the question of who makes the laws and sets the policy for this country? The elected Congress or a bureau whose sole function is to carry out the law and not to make it.

Congress has time and time again defeated attempts to create gun registration schemes in the past. In 1976, in my committee—the Judiciary Committee—we defeated an amendment creating a centralized National Handgun Tracing Center. The proposed BATF—Bureau of

Alcohol, Tobacco and Firearms—regulations purport to establish such a center for all firearms. If we fully fund BATF's programs on gun registration after we have explicitly told them not to go ahead with this type of a program, we are sending the bureaucrats a clear message that regulations promulgated by them carry as much or greater weight than a statute passed by the Congress. This delegation of legislative authority to bureaucrats is an affront to our constituents.

Second, the gun registration scheme proposed by BATF will do nothing but impinge upon fourth amendment rights, cost the taxpayers millions, and instigate unwanted and unwarranted paperwork.

The people are fed up with bureaucrats, paperwork, and the tax money they consume. If you do not believe that you had better read about the tax revolt taking place all across the country in the morning papers.

Mr. MIKVA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of this amendment not because I am the greatest fan that the Bureau of Alcohol, Tobacco and Firearms has ever had. As a matter of fact, I think perhaps if they had done their job a little better in the past, we might not be in the awful situation we are in now.

However, I must say, Mr. Chairman, that when they do finally lean forward in their foxhole, it seems that they cannot do that either without being jumped upon by the Congress.

Mr. Chairman, all the reasons my colleague, the gentleman from Illinois, suggested were good reasons for restoring the cut, the only cut, I might add, that was made in the Treasury recommendation; but I think there is an additional reason.

This $4.2 million is a punitive cut because the Bureau did not seek to use money to enforce these regulations. These regulations are not promulgated.

I can disagree with my colleague, the gentleman from Ohio, and I will, on whether they do or do not have the authority to issue the regulations; but these regulations are not in force.

Moreover, the $4.2 million is not what was going to be used to enforce those regulations. The $4.2 million is a signal which the Committee on Appropriations sent. I have every reason to believe that the House will confirm that signal. The committee said, in effect, "You had better not promulgate those regulations and try to enforce them or we will cut your legs off."

Mr. Chairman, the Bureau of Alochol, Tobacco and Firearms will reluctantly, perhaps, go back to its previous supine position of not doing too much about either alcohol or tobacco and certainly not about firearms.

Mr. Chairman, one of my colleagues said that an awful lot of mail is coming in. That is true. I am well known as being for gun control, perhaps for as strong a bill as any that has been proposed; and even my mail is running in favor of the cut.

I wonder whether it has anything to do with the most massive blitz which the National Rifle Association has put on, by their own admission, since 1975 in connection with the proposed regulations which the BATF was thinking of putting in some time next year?

Mr. Chairman, when the NRA speaks, we all listen. We all listen because they have lots of clout. Their clout is that they have the fastest mimeograph machines in the West, and they mount a vertible paper blitz. I doubt that there is a Member in the House who has not been loaded down with paper on this issue. A lot of the letters look similar. A lot of the letters look suspiciously like other letters which the NRA itself is sending out.

What disturbs me, Mr. Chairman, is that it is a tax-subsidized blitz.

Mr. Chairman, as an example of a tax subsidy compounded upon another tax subsidy and of why we get so many letters on simple things like this, here is a franked envelope sent out under the supposed auspices of the Department of the Army—and I know the Army never approved this—the letter in the envelope was signed by a lieutenant colonel in the U.S. Army Reserve. He apparently sent this letter out to his whole unit. In it he says the following:

> Your right to own a weapon may be starting down the drain next week. If you value marksmanship as a recreational activity.

And so forth.

He includes the whole NRA diatribe which the Members have all seen, and some remarks of his own. I would like to read one of his remarks:

> P.S. If you'd also like to help the fight against gun confiscation financially, contributions are tax-deductible (up to $200.00 on a joint return) . . .
>
> I'd suggest contributing at least the cost of a couple boxes of ammo. How many boxes of ARCOM's have you shot for free?

You gentlemen who are better shooters than I am know what they are. That is the tax-free, tax paid for ammunition that the members of NRA get, along with the bargain-basement weapons they can buy from Army surplus.

Here is a letter urging the members of this unit to send the Members letters, send many letters saying, "Do not let those regulations go into effect," and they are sent in a franked envelope. I am sure this colonel went way beyond his authority, and he may even have to miss the next shooting match after the Army is through with him on this, but what I suggest is that if we really ought to dismiss any lobbying activity, we ought to do so on guns, because we know that a big piece of it is financed by a tax subsidy.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent Mr. MIKVA was allowed to proceed for 2 additional minutes.)

Mr. MIKVA. When we finally take away all the tax subsidies and make the NRA compete with the Round Table and Chamber of Commerce and AFL–CIO and all the other lobbies that have to use aftertax dollars to send mail, and do not get subsidized with ammunition and rifles, maybe the amount of mail will diminish and we will be able to decide these issues on their merits. But, until then anything we can do to show the public that the NRA does not run this Congress has to be a blow for good administration.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield at this time?

Mr. MIKVA. Now, I yield to my colleague from Ohio.

Mr. ASHBROOK. Now that the applause has subsidized, I will not address myself to the last part of the gentleman's statement regarding the NRA. I think they can take care of themselves.

Mr. MIKVA. They sure can. We both agree on that.

Mr. ASHBROOK. But, regarding the appropriation, my colleague is aware, I am sure, that the Department of the Treasury and the BATF indicated in March that they had the right to transfer money to implement the gun regulations, were the regulations to be promulgated. I think it is entirely appropriate to tell that agency that the $4 million they were going to transfer was improper. You are right on one point. This is a strong signal to them. Possibly in the future they will not be so inclined to have a back door regulation implemented, and then transfer money appropriated by Congress for other purposes through reprograming, in effect letting their judgment supercede ours.

Mr. MIKVA. Assistant Secretary Davis repeated what he said in his May 4 testimony before the House Judiciary Committee—and I was there—that no funds to implement these regulations were included in fiscal year 1979 budget, and any decision to implement them would require seeking funds from Congress.

This is not taking away the money we were going to spend on enforcing these regulations. This is giving them a whack on the hand, because they dared to suggest that some day they would issue regulations.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. ASHBROOK, and by unanimous consent, Mr. MIKVA was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. My colleague very accurately stated the position of the Department of the Treasury and the BATF in May. I am stating the Department of the Treasury and BATF position 2 months prior to that, when they said they did have the authority and would use it. Of course, they backed down once they ran into the opposition from Congress. They got burned badly. Richard Davis' statement of May 4 represented their fallback position and you know that very well. You are taking the position they retreated to and making it their official position. The Appropriation Committee appropriately acted on the position they arrogantly announced in March when they planned reprograming of appropriated funds.

Mr. MIKVA. Maybe my good colleague from Ohio and I can finally collaborate on something which has to do with guns. Maybe we ought to abolish the Bureau of Alcohol, Tobacco and Firearms and just get the job done once and for all.

Mr. ASHBROOK. If the gentleman wishes to put in a resolution, bring it around, and I may join you.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to my colleague from Illinois.

Mr. McCLORY. Mr. Chairman, I commend the gentleman for his statement, and I agree with the gentleman's reasons; $4.2 million is retribution or penalty for having had the audacity to issue or to recommend regulations which, in my opinion and in the gentleman's opinion, are entirely consistent with the law. What I would like to do is point out that in addition to this $4.2 million reduction below the budget, that they are eliminating the CUE program of $8.5 million, which, according to the report is shown to have been so entirely successful, including in the city of Chicago, where it demonstrated that the major crimes, the major number of crimes with firearms, were committed with the "Saturday night special."

These account for crimes of murder and rape and robbery and all the kinds of crimes we want to eliminate in our society. This agency is the one providing us with the information and regulations to try to reduce crime in America. It is so inconsistent with that philosophy that we are trying to reduce this amount today.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MIKVA) has expired.

(On request of Mr. MILLER of Ohio, and by unanimous consent, Mr. MIKVA was allowed to proceed for 3 additional minutes.)

Mr. MIKVA. Mr. Chairman, if I may just continue in support of what my colleague, the gentleman from Illinois, has said, in all the rhetoric and in all the invective we are hurling at each other, what may be lost sight of is that the thrust of these proposed regulations is to make it easier to trace firearms that are used in crimes. That is why the International Chiefs of Police Association is for these regulations. That is why every law enforcement official I have talked to is for them.

We can argue from now until doomsday as to who is for or against what gun controls. I would say these regulations are for tracing guns and it is for seeking to trace weapons that were used in crimes.

Mr. MILLER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Chairman, there were two points on which I wanted to comment. One was that the $4.2 million is a slap on the arm for the firearms people. It is not. That is what was planned to be reported in the fiscal year 1979 program to put into effect the regulations that the Bureau of Alcohol, Tobacco and Firearms had published in the Federal Register on March 21. That is the system we were operating under in the subcommittee.

I have the report. I would read it to the Members. It is the original report of the subcommittee and it states that very thing. So we are not giving them a slap on the arm. It is the money that would have been reprogramed. We are saying, "No you cannot have it." If that is money which is the additional $4.2 million, they do not need that money. If they are going to put the computerized system into operation and put $4.2 million from the regular budget into it, we are saying they shall not have the $4.2 million and they cannot put into effect that system.

Mr. MIKVA. All I can say is that I am reading from the testimony which I heard him deliver in May, that there was not intention to use that money in the budget and there was no budget money in that.

Mr. MILLER of Ohio. They said they would use the money. There is no doubt about it. They said they wanted the $4.2 million to put the system into operation and we said they cannot have the $4.2 million.

Mr. MIKVA. All I can say is I read all the information about what your committee gave them and I cannot find anything that contravenes what the Treasury Department said.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, I commend the gentleman from Illinois for his remarks.

I associate myself with his remarks. I urge a vote in favor of the amendment.

Mr. Chairman, the amendment should be enacted for several reasons:

First of all, such a prohibition is inappropriate in an appropriation bill. It is more in the nature of an authorizing provision. By now, this Congress should recognize the dangers of using the appropriation process in this way. It forces us to make ill-informed decisions without the benefit of hearings and considered debate.

Second, there can be no question that the regulations themselves are within the letter and spirit of existing law. Any fair reading of the 1968 Omnibus Crime Control and Safe Streets Act must lead you to concur in this judgment. To rely on subsequent congressional and executive action and inaction is simply not good law, especially in the face of the clear language of the statute itself. Thus, we must recognize this provision for what it is—an attempt to repeal the authority of the Secretary to promulgate certain regulations.

Finally, on the merits, these regulations make sense. In fact, they require so little new that I must conclude that opposition is really based on fear of future regulations. The regulations themselves simply specify what information in records already being kept must be reported to the Bureau of Alcohol, Tobacco and Firearms. There would be no more information available to law enforcement agencies than currently. The reporting requirements would, on the other hand, make investigations significantly simpler.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MIKVA) has again expired.

(On request of Mr. MILLER of Ohio, and by unanimous consent, Mr. MIKVA was allowed to proceed for 3 additional minutes.)

Mr. MILLER of Ohio. Mr. Chairman, if the gentleman will yield further, I would like to read from the original report of the Subcommittee on the Treasury and Postal Service. In this report we are discussing the regulations of the BATF.

In this report we discuss the proposed regulations of the BATF, to convey the message about the March 21 regulations that I have here. It explains the problem and that the committee is extremely concerned about this, and then the report states:

> The committee has, therefore, taken action to make it abundantly clear to the Bureau that it ought not attempt to do by regulation what the Congress has not done by legislation. The committee has reduced the budget request by $4.2 million (the estimated annual cost of implementing the proposed regulations) and inserted language in the accompanying bill which would prohibit the use of any funds appropriated to the Bureau for implementing any of the proposed regulations published in the Federal Register on March 21, 1978, on gun control.

Mr. MIKVA. Mr. Chairman, my colleague the gentleman from Ohio (Mr. MILLER) is a very careful lawmaker and I am sure he would agree that what he says that the subcommittee said about what somebody else said does not have the same probative value as what the man himself said about what he said his intentions were.

Can my able colleague, the gentleman from Ohio (Mr. MILLER) point out any document or point to any testimony or anything that he said here or anywhere else that would show that Davis said they intended to take money out of this budget without further authorization of the committee and without further authorization of the Congress and use it to implement and put these regulations into effect? Will the gentleman show me one line of testimony to that effect.

Mr. MILLER of Ohio. That is the direct testimony.

Mr. MIKVA. That is what our colleagues said.

Mr. MILLER of Ohio. It was conveyed to the subcommittee by the Bureau of Alcohol, Tobacco, and Firearms.

Mr. MIKVA. I hate to yell "hearsay" to my colleague but it is hearsay three times over.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I will be glad to yield to the gentleman from Ohio (Mr. ASHBROOK) on that specific point.

Mr. ASHBROOK. On that specific point only. The testimony will show that in March Under Secretary Richard Davis and BTAF Director Davis said they did have the authority to reprogram the funds and they intended to reprogram the $1 million. The gentleman from Illinois (Mr. MIKVA) is giving us the position they took after they were burned.

The point of the gentleman from Ohio (Mr. MILLER) is absolutely correct that if they had $4.2 million to transfer in March or April, and had planned to so transfer it then that would indicate that they had money not used on important

functions so we said we were going to take it out of the budget.

Mr. MIKVA. My colleague the gentleman from Ohio (Mr. ASHBROOK) is, again, a careful lawmaker and yet he has not been able to establish one single shred of probative testimony by the testimony that was given that they said that they would take that money and use it for that purpose.

Mr. YATES. Mr. Chairman, if the gentleman will yield, the gentleman from Ohio (Mr. ASHBROOK) should know that the committee took the position that the Bureau could not transfer funds without the approval of the committee.

Mr. MIKVA. That is correct.

Mr. YATES. So it was prohibited, if it had the money, from transferring the funds because the committee insisted it could not do so without its approval.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. GARY A. MYERS, and by unanimous consent, Mr. MIKVA was allowed to proceed for 2 additional minutes.)

Mr. LATTA. Mr. Chairman, I would like the record to show that I will object to any further extension of time to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, let me say this, that I think the gentleman from Idaho has said it correctly, this has nothing to do with whether the Treasury Department is going to use $4.2 million for promulgating the regulations, what it does have to do with, should the Bureau ever do this, this would happen to them.

Mr. GARY A. MYERS. Mr. Chairman, if the gentleman will yield, the gentleman indicated his support of the amendment was in part because of the fact that some police organization suggested this will help eliminate crime. If the Justice Department had issued some regulation which allowed warrantless entries into private property and some police organization said or would say that that would help them in fighting crime, would the gentleman from Illinois be on the floor of the House today arguing in support of that legislation?

Mr. MIKVA. No, and if my good colleagues can find any kind of information where they propose to do something to attempt to do that, to make any and all kinds of searches and seizures, I will withdraw my support and join your side.

The gentleman's analogy is not apt.

Mr. GARY A. MYERS. It would seem that you can get a considerable number of law enforcement organizations to endorse that sort of approach. I am trying to draw a correlation between support from that second community and the first community. We cannot always agree with them.

Mr. MIKVA. All we are asking for is to make it easier to try and trace weapons used in crime.

The street crime lobby ought to be the only opponents to these regulations. I guess there are some things in this issue I do not see.

I have not been able to understand why all good gun owners, good law abiding gun owners should not want to make it easier to get after the people who use guns in crimes.

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Most good gun owners are willing to support programs which will have mandatory sentences for those people who abuse the use of guns in crime.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

The usual argument of the National Rifle Association which the gentleman is advancing is let us have mandatory sentences for criminals who are caught with guns. But that requires catching the criminal first. What the Bureau wants to do is to be able to catch the criminal in the first instance by tracing his guns.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WEISS. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois (Mr. MIKVA) be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. LATTA. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I was constrained to object to this last unanimous-consent request as we have heard the same argument over and over and over again. There comes a time when we should stop talking and vote on the issue before us. I think that time is soon approaching.

Let me say it is interesting to observe these debates on gun control as we always see the same few individuals supporting it and the same individuals opposing it. It does not surprise me to see the gentleman from Illinois (Mr. MIKVA) who just left the well supporting the McClory proposal; nor am I surprised to see the gentleman from Illinois (Mr. MCCLORY) proposing to restore the funds for the BATF to put its registration plan into effect. There are certain individuals in the House who would like to take guns away from everybody. This McClory amendment probably does not go as far as they would like. I know there are individuals in this House who would like to have complete registration of firearms. I do not happen to be one of those individuals. I am for going after the criminals rather than the law-abiding gun owners. This administration does not seem to want to go in this direction.

I have proposed time after time that we have mandatory sentences for individuals committing a crime with a firearm. Nothing has come out of the Committee on the Judiciary to do this, however. This brings me to the point that I want to discuss about this matter before us now. That is the devious end run taken by the BATF around the Congress to get their registration regulations on the books. They knew full well they could not get these regulations passed by the Congress of the United States or they would have come in here in the first place and requested them in regular form. I object very strenuously not only to this agency's but any agency's attempting an end run around the Congress of the United States and promulgating regulations which could not pass the Congress. It seems to me, that the gentleman from Illinois (Mr. MCCLORY) and the gentleman from Illinois (Mr. MIKVA) should object to this method of legislating. We are the representative body charged with the function of legislating—not BATF or any other agency.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I would be glad to yield in just a second. If the gentleman is for it, that is good. I am not. If the gentleman wants to say he is for it, go right ahead. If the gentleman is for this way of legislating, I will yield to him, for a yes or no answer.

Mr. MIKVA. I thank the gentleman for yielding.

I want to say to the gentleman that I am from Evanston, not Chicago.

Mr. LATTA. I am sorry I had you in the wrong city.

Mr. MCCLORY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. May I ask the gentleman, is he for legislating by the agencies? That is what I am asking. Is he for permitting the BATF to legislate for him as well as the people whom he is supposed to represent? I yield to the gentleman.

Mr. MCCLORY. No, no, no. I want the Bureau of Alcohol, Tobacco, and Firearms to provide regulations.

Mr. LATTA. The gentleman is not answering the question. Is he for the BATF legislating for him?

Mr. MCCLORY. They are consistent with the law.

Mr. LATTA. I refuse to yield further. Apparently the gentleman does not want to answer the question.

Mr. MCCLORY. The gentleman does not understand that regulations can be issued.

The CHAIRMAN. Let us see if it is not possible to speak one at a time in order to assist the reporters.

The gentleman may proceed.

Mr. LATTA. Mr. Chairman, I am not going to yield any more time. My time is about up.

Let me say once again we as legislators of the people, regardless of what we think about this proposal, ought to vote to support the committee and preserve our function as legislators. By a vote of 38 to 3, the Appropriations Committee supported the amendment to delete these funds necessary to implement gun registration. In addition to the fact that BATF was attempting an end run around the Congress of the United States on a very important matter, the sizable vote in the Appropriations Committee indicates the feeling against gun registration. This is not the way to legislate, and I want the people down in the BATF to know it. I think that the Congress of the United States ought to inform all bureaucrats—I do not care whether they

are in the BATF or whether they are not—that, if they continue to put things in the Federal Register having the force and effect of law, they are heading for trouble from this Congress. Especially so, when they know the position of the Congress and take an opposite position.

Mr. YATES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Ohio is correct. The same people seem to get up every year and take the same positions they always do either for or against particular issues. I do not know why that is important in this discussion.

The gentleman makes the same argument that the gentleman has made over the years, the same one that those who support the NRA position have made throughout the years. Yes; they are for fighting criminals. They are for giving the criminals long sentences in the penitentiary if they have used handguns. But you have to catch the criminals first. The Bureau wants to do that. What is so unusual about the request of the Bureau in this instance? The Bureau now has the power to trace handguns. Under the law, manufacturers, importers, dealers, are required to register handguns. And it is true that registration helps fight crime by helping the police to trace guns used in crime.

The sole purpose of the proposed regulations is to permit that procedure to be expedited, to permit the tracing to be computerized, so that instead of going through altogether for the slow process of having to check from dealer to dealer to dealer until they finally find the right dealer, if they ever do. Identifying guns by computer will be a major step forward in crime fighting. You push a button and there is the information, so that the police are enabled to attack the problem promptly, rather than waiting for weeks to go by, perhaps months before the gun can be identified.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am glad to yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, let me say that one of the problems that bothers many of us is that in balancing the need to improve the tracing, which may be a legitimate need——

Mr. YATES. Of course, it is.

Mr. RAILSBACK. At the same time, they are requiring for the first time quarterly reporting from every single dealer, regardless of his size. Many of us believe that that is an important enough step that it ought to be legislated, rather than regulated, in other words, without any express auhority.

This is an end run. We have not talked about one provision that relates to the reporting of theft, which would involve a felony penalty. In other words, for mere failure under those regulations, for mere failure to report a theft, they have a 5-year sentence, could have up to a 5-year prison sentence or a 5-year penalty.

Mr. YATES. But that is the fault of the gentleman's committee. The gentleman is a member of the committee that establishes the penalties. It is not up to the Bureau to establish the penalties for crimes.

Mr. RAILSBACK. Mr. Chairman, I agree with the gentleman.

Mr. YATES. Mr. Chairman, I refuse to yield further.

I want to make the point that it is important first to trace the gun in order to find the criminal. After the criminal is found the NRA argument about stricter sentences comes into effect. Give the criminal a stiffer sentence, send him to jail for many more years if he has a handgun, true, we can agree upon that. But you have to find him first. In order to fight crime you have to be able to identify not only the handgun itself, but you have to do it quickly in order to have a better chance to catch the criminal.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I came to the conclusion I did on this subject after about a year of committee hearings. At the conclusion of the extensive hearings that we conducted, including hearings in the States of New York, Michigan, Illinois, and elsewhere we determined that additional legislation was needed in order to support the local law enforcement agencies. That is what we are trying to do here. I never introduced any legislation which did not provide for increased penalties for crimes committed with guns. That has always been part of the legislation I have sponsored, and I have never provided any legislation which would have confiscated anyone's gun. It is extremely unfortunate that the issue before us has been so seriously—and I suspect in some instances—deliberately—misrepresented.

It is an entire misconception which the NRA projects and which so many spokesmen on this floor seem to accept and to reiterate.

Mr. YATES. Mr. Chairman, the gentleman is exactly right. Opponents to your amendment are fogging the issue.

It is important to remember: Who is required to have their guns registered? It is not the personal gun owner, it is not the individual who may happen to own a gun. It is the people who are engaged in the business of distributing the guns; it is the people who make their money from guns; it is those who handle guns.

The regulations seek only a uniform, accurate system of reporting. They seek the type and number on the gun through registration that will enable crime fighting officers to carry on their work better and more quickly.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. YATES) has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for yielding.

In the interest of historical accuracy, I would state to my colleague, the gentleman from Illinois, that in my view, in what we are referring to as the history of this issue, it sounds a little like we are on some sort of locoweed. The gentleman said that we concluded that we need a gun registration program.

My recollection, I would say to the gentleman from Illinois (Mr. McCLORY), is that the subcommittee and the committee voted that down, so I do not know who the "we" is that he is talking about. I think the collective "we"' to whom he refers did not agree with him.

Mr. YATES. Mr. Chairman, I think it is about time the Congress again review and approve this kind of crime fighting and law enforcement program. It has been 10 years since the assassination of Bobby Kennedy, it has been 10 years since the assassination of Martin Luther King. Scores and hundreds of murders have taken place with handguns since that time.

Indeed the handgun is the criminal's favorite weapon.

How do we deal with the criminals if the law enforcement officers are not allowed every good tool to trace the criminal after the crime has been committed?

What the Bureau has done in this case is not unusual. I do not think it has assumed undue power unto itself. The law gives the Bureau the right to establish regulations, and that is what had been done in this case.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I simply want to point out that in 1978, at the request of State and local agencies, the Bureau tried to trace over 62,000 guns. Despite its best efforts, it was successful in only 55 percent of the cases, and in most of those cases they were asked to trace guns because the crime that was committed was committed by the use of a handgun.

Mr. YATES. Mr. Chairman, the gentleman is correct. This is a regulation to help fight the criminals, and if we are interested in helping to fight crime, we will support the efforts of the Bureau.

Mr. WEISS. Mr. Chairman, right now, while we are debating this amendment, an illegal handgun is being used to commit a crime. The impact of these weapons on crime is enormous. These guns are everywhere. The metal detectors in the halls of this building are a grim reminder of their prevalence.

The attempts to trace these guns carry law enforcement officials across the country. Last year, for example, over half the firearms confiscated in this city came from out of State, and most of the illegal handguns used in Chicago came from Mississippi.

In 1978, often at the request of State and local agencies, the Bureau of Alcohol, Tobacco, and Firearms tried to trace over 62,000 guns. Despite its best efforts, the Bureau was successful in only 55 percent of the cases. It is clear that the Bureau needs help.

The gentleman from Illinois (Mr.

McCLORY) amendment provides this help. By striking the prohibition in the bill on the use of funds by the Bureau to enforce its March 21 regulations regarding firearms, it will be much easier to curtail illegal gun trafficking.

These regulations have been subject to a great deal of misunderstanding. They do not require individual owners of firearms to register their weapons, nor do they require or permit the development of a centralized registry of firearms owners. In fact, the new regulations specifically prohibit the reporting of the names and addresses of private purchasers.

The proposed regulations do provide additional mechanisms to enable the Federal, State, and local enforcement officials to prohibit illegal traffic in weapons and to trace weapons which have been used in a crime. Specifically, they require unique serial numbers stamped on every firearm, reports of all thefts of firearms to the Bureau of Alcohol, Tobacco and Firearms (BATF) and quarterly reports to BATF on all sales or other dispositions of firearms between licensed manufacturers, importers and dealers.

The proposed regulations will significantly improve the Federal Government's ability to carry out its regulatory responsibilities under the Gun Control Act of 1968—which contrary to the charges that BATF is exceeding its regulatory authority is the legislative authority for these regulations. The 1968 Gun Control Act specifically requires licensed firearms manufacturers, importers, dealers, and collectors to maintain the records mandated by the BATF regulations.

In addition to reducing illegal gun traffic, these regulations will allow BATF to reach a better understanding of the firearms industry in this country. Not only will the Bureau know how many guns are manufactured, but it will be able to trace these guns as they are dispersed throughout the Nation. What is most important is that the location of these guns when they leave commercial channels will be able to be pinpointed.

I strongly support this amendment. If it does not pass, we will find ourselves in the untenable position of emasculating regulations that will go a long way toward reducing violent crimes. I, for one, would not want to explain why this amendment was defeated to the loved one of someone killed by one of these illegal guns. I urge you to join me in voting for this important amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Maryland.

Mr. Chairman, I rise in support of the McClory amendment to strike the prohibition in the Treasury-Postal Service-General Government appropriations bill (H.R. 12930) on the use of funds by the Bureau of Alcohol, Tobacco, and Firearms to carry out its recently proposed gun control regulations.

There should be no question as to the value of such regulations as have been proposed by the Bureau. To prohibit the use of funds to implement the enforcement of these regulations is, in my mind, to question the value of human life and how far we as legislators are willing to go in our efforts to protect it.

I am certain that it will come as no surprise to my colleagues that approximately 95 percent of the correspondence which has been received in my office on the issue of the proposed BATF regulations has represented opposition to the Bureau's actions. It strikes me as slightly ironic that a substantial percentage of these leters have been from private citizens as opposed to major firearm manufacturers. So many of our citizens seem to feel that the Bureau's proposed regulations represent yet another intrusion by the Federal Government into their private lives. Then there are numerous others who continually cite their constitutional right to bear arms.

I must take issue with both of these assertions. First, when we speak of interference into private lives, I am in agreement that there are many responsible citizens who will be affected by handgun control regulations. These are citizens who undoubtedly have the highest regard for human life and its protection. They certainly would not use their firearms to deliberately harm anyone. Sadly enough, these citizens cannot and do not provide any recompense for the families of those who have been victims of firearm abuses. These responsible citizens cannot and do not compensate for those irresponsible citizens who, like them, may have the highest regard for human life but may accidentally harm others by misusing firearms. Further, these responsible citizens cannot and do not compensate for those who may illegally purchase firearms and, consequently failing to properly register them, commit the all too many crimes of passion and greed. Need I say more?

To address the many citizens' adamant outcries with respect to a constitutional right to bear arms, I will continue to stand by a long series of U.S. Supreme and appellate court decisions that have clearly established that the second amendment guarantee of a right to bear arms refers only to the right of the States to maintain an armed militia, rather than the right of individuals to possess firearms.

Let me say that I agree with the right to privacy for all citizens. Let me further state that I am aware of the many cases in which our law enforcement officials may have provided less than adequate protection for our lives and property. However, the proposed regulations by the BATF do not seek to violate any private rights of citizens. These regulations encourage citizen participation in helping the Bureau to carry out, among other things, proper registration programs, and reports of thefts or losses of any firearms.

We must continue to hold the preservation of human life as a top priority. Our Nation has professed to hold the protection of human rights as a principal on which it stands. We as legislators can play a vital part in that principal by seeing to it that such measures as those that have been proposed by the U.S. Treasury Department's Bureau of Alcohol, Firearms, and Tobacco are enacted. If we are indeed concerned about the protection and preservation of human life in this country, we will vote in favor of the McClory amendment.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, first of all, I want to attempt to correct the record, if that is at all possible in this setting.

BATF is not engaged in a back door move or some kind of circuitous tactic. The Bureau is proceeding under authority that was granted it by the Omnibus Crime Control and Safe Streets Act 10 years ago. Provisions of that act require manufacturers and dealers in firearms to do two things: keep records of their transactions, and, second, file reports about those transactions in such manner as the Secretary of the Treasury, by regulation specifies.

They are already keeping the records, and all the BATF regulations would do is specify the information from those records that is required to be reported.

It is inaccurate to say that this question has been passed on in the Committee on the Judiciary and rejected many times. This matter has never been before the Committee on the Judiciary, because this proposal specifically excludes recording the name of the individual nonlicensee purchaser of the firearm. Owners are not included in this reporting, so this is not a central registration system such as has been suggested in the Committee on the Judiciary. It is incorrect to so label it.

Additionally, the police chiefs, the law enforcement officers, and the police foundations have all said—and I hope all the Members who will vote on this issue will recognize this—that this is not at all a question of whether one supports gun control or is opposed to gun control.

I know this has been asserted. But it is not true. What this is in fact is a question of whether we want to update the inefficient system that already exists.

Oh, yes, it is a convenient vehicle to make people think that the old argument of gun control is now up on the floor, but I must disabuse you. It is not. The question is whether we want to improve the efficiency of our mechanisms for tracing the guns that are killing so many of our constituents.

I hope, as I am sure do all the police officials who testified at our subcommittee hearings on this matter, that the Members support the McClory amendment.

Mr. BONIOR. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to my colleague from Michigan.

Mr. BONIOR. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the gentleman on his statement, and I am glad that he clarifies the fact that indeed the BATF is operating under legislative mandate. I think he cites that well. I believe that they are operating under the statutory authority we gave them.

In addition to that, I might add that the Attorney General's office has ruled

on the legality of the decisions and the requirements that the BATF acquired.

I would like to cite to the gentleman, if I could, some statistics.

Mr. CONYERS. Mr. Chairman, if my colleague will desist for just a moment, I want to make this point:

Let me say that the Subcommittee on Crime is aware of the fact that there may be provisions in the proposed regulations which do not accord with what we may agree on here, and we are prepared to make recommendations for changes in the regulations. There are going to be public hearings. Everyone will be reading this record. But I think we owe the American people this one consideration: If we really want to improve the efficiency in reporting of the hundreds of thousands of firearms that are sold each month so that illegal traffic in firearms used in crimes can be traced, please support this amendment. It will not compromise whatever our individual views are on gun control.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, there are three points to the proposed regulation.

One is to have a unique serial number so that there will be no duplication of serial numbers or confusion about weapons which may be employed in the commission of a crime and concerning which a trace may be undertaken. Another part relates to lost and stolen weapons.

And the third part, of course, relates to the quarterly reports which would reveal the sales of large numbers of guns, because the Bureau has demonstrated that some small gun dealers are dealing in hundreds of guns, and these are the guns which are entering illegal channels and ending up in cities such as New York City, Chicago, and Detroit.

Mr. STEED. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 15 minutes, the last 5 minutes being reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, can we agree that there will be no transfer of time of the Members? I would object to that.

The CHAIRMAN. The Chair will state to the gentleman that that was not a part of the unanimous-consent request. That would require unanimous consent.

Mr. ASHBROOK. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for 20 seconds each.

The Chair recognizes the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Chairman, I am one of the almost 200 Members of this body who have opposed by resolution any attempt at gun control by the BATF.

I am opposed to this amendment, and I ask my fellow Members to oppose it.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BURKE).

Mr. BURKE of Florida. Mr. Chairman, I wish to concur with my colleague from Ohio (Mr. ASHBROOK) when he complimented the members of the Appropriations Committee. I rise in support of language contained in the House Appropriations Committee report to H.R. 12930, the Treasury-Postal-General Government appropriations authorization for fiscal year 1979, which prohibits the Treasury Department Bureau of Alcohol, Tobacco, and Firearms from redistributing appropriated funds to implement the proposed BATF gun control regulations, and deletes $4.2 million from the BATF budget request for the establishment of a centralized computer system for firearms records.

The $4.2 million addition for BATF which Mr. McCLORY wishes to put back in I believe is only a drop in the bucket for what will come later.

I object to both the intent and manner by which the BATF promulgated its regulations in the March 21 Federal Register and believe the BATF exceeded its rulemaking authority which was granted by Congress to the Department of the Treasury under statutory provision 18 U.S.C. 923(g) of the Gun Control Act of 1968, first enacted as part of the Omnibus Crime Control and Safe Streets Act of 1968. By requiring that a unique serial number appear on each firearm, that all thefts from firearms dealers be reported, and that licensed manufacturers, distributors, and dealers quarterly report to the BATF on firearms transactions, the BATF is attempting to regulate what Congress has, time and time again, refused to legislate.

The BATF spokesmen who appeared as witnesses before the Appropriations Committee on Treasury Department funding for fiscal year 1979 knowingly withheld during testimony all knowledge of these gun control proposals and the Department's intent to publish them only 18 days following the committee hearings. By doing so, the BATF willfully circumvented all congressional authority and imposed its will on this legislative body and the American people.

The simple fact that gun control has never been effectively resolved by the Congress despite the numerous occasions this subject has been addressed not only now during the 95th Congress but in previous sessions of Congress as well, should provide us all with a clue as to the complexity of national gun control regulation. Although I personally feel that stronger enforcement of our existing laws and stricter penalties against criminals would be more successful in reducing crime than would the registration of guns, the rising incidence of violent crimes in this country that involve the use of handguns would indicate, if for no other reason than common sense, the need for careful, well thought out legislation respecting handguns should be heard.

I urge my colleagues to support the committee's recommendations, denounce the backdoor tactics practiced by the BATF, and reassert our authority as this Nation's chief legislative body.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, I oppose the amendment.

Mr. Chairman, I wholeheartedly oppose any attempts to strike the language contained in H.R. 12930 relating to not allowing any funds whatsoever to be utilized to implement regulations proposed on March 21 by the Bureau of Alcohol, Tobacco, and Firearms (BATF). Both the subcommittee and full Appropriations Committee acted wisely in insisting that language be inserted into this bill to prevent BATF from circumventing existing legislative authority, costing taxpayers millions upon millions of dollars and creating a centralized firearms information system repugnant to a vast majority of Americans.

BATF's intent in proposing its highly objectionable regulations are expressed in glowing terms of vastly improving its ability to trace lost or stolen firearms. BATF feels that this regulatory approach will have a profound effect on reducing the Nation's crime rate—of reducing the rate of needless murders and shootings. Yet, for this grandious plan BATF expects the American taxpayer to pay millions and millions of dollars. BATF expects to increase by Fiscal Year 1980 the number of cases perfected against perpetrators of firearms theft by 25 percent, compared to current levels under their interstate firearms theft program.

However, BATF's track record in this area indicates that over a 5-year period this program has uncovered only slightly over 3,300 incidents of theft of loss—involving 18,300 firearms. This represents 0.00072 percent of the estimated 25 million new firearms in commerce over that 5-year period. For such a marginal improvement in BATF's ability to increase the efficiency of tracing missing firearms, it is far too high a price to pay.

My personal experience with BATF in its ability to respond to a problem as simple as a congressional inquiry is less than satisfactory. Shortly after BATF published its proposed regulations, I sent a letter to Mr. Rex Davis, Director of the Bureau, requesting a justification of the statutory authority and cost effectiveness of the regulations and, to this date, I have not received a response. I shall insert this letter into the RECORD for the edification of other Members of this body:

APRIL 13, 1978.

Mr. REX D. DAVIS,
Director, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, Washington, D.C.

DEAR MR. DAVIS: This is in regard to proposed regulations that the Bureau of Alcohol, Tobacco and Firearms published in the March 21, 1978 *Federal Register* with respect to firearms regulations. The publication of these proposed regulations has caused me considerable concern with respect to the

regulatory, cost-effective and statutory impact they will have if formalized. With this in mind, there are several questions to which I would like to receive a response. For clarity of issue, I have divided my questions into three general subject areas: *Authority, Cost* and *Need.*

I. AUTHORITY

A. What is the ATF's statutory authority to promulgate these regulations under the Gun Control Act of 1968?

B. In light of Congressional rejection of such proposals in the past, how will the proposed regulations be consistent with the legislative intent of the Gun Control Act of 1968?

II. COST

A. What has been the annual cost of the National Firearms Tracing Center since it started in 1972?

B. What would be the cost of implementing the new provisions?

C. What will be the ultimate cost to the consumer?

D. How many dealers will the proposal put out of business?

E. Is a regulatory analysis being prepared under Executive Order?

III. NEED

The Department of the Treasury says that in 1977 90 percent of traces on firearms manufactured after 1968 were successful. There were 62,498 traces in 1977 and 51,466 in 1976. The largest category is traces on recovered firearms to determine purchasers who falsify firearms records and individuals who deal in firearms without licenses. With respect to this data:

A. What percent of traces are on firearms produced since 1968?

B. What percent of traces on firearms produced since 1975 were successful?

C. What are the reasons for the 10 percent unsuccessful traces on firearms produced since 1968? How many of those would have been successful if there had been a registration system? Describe each instance.

D. What percentage of requests are generated by ATF to determine purchasers who falsify Forms 4473? How many arrests, indictments, and successful prosecutions resulted from those traces?

E. What percentage of traces are generated by ATF to determine individuals who deal in firearms without licenses? How many arrests, indictments and successful prosecutions resulted from those traces?

F. How does ATF establish priorities for traces? What percentage receive highest priority (immediate attention)? What time is required to conduct high priority traces? How much time would be saved by the registration scheme?

G. What good is a quarterly report on how firearms are transported?

H. With respect to "unique serial numbers," what will be the cost to the consumer?

I. Of the 6,250 unsuccessful traces in 1977, how many are attributable to duplicate serial numbers? Describe each instance.

J. With respect to "theft reporting," how many firearms used in crime are stolen from licensees or during transit between licensees?

K. What will ATF do to ensure that innocent persons are not harassed as a result of a report of a stolen firearm if the report turns out to be erroneous or the firearm is recovered?

Since you have imposed a May 22 deadline on comments regarding the proposed regulations, I would appreciate a response to the foregoing letter as soon as practicable. If possible, I would like to receive an answer to this letter prior to May 7, 1978.

With every good wish,

Sincerely yours,

JOHN D. DINGELL,
Member of Congress.

This lack of response to my inquiries leaves me with an impression of an ostrich with its bureaucratic head buried beneath the sand.

I must emphasize—it was never the intent of Congress to approve what BATF has proposed and I do not believe that this Congress should condone—let alone approve—the expenditure of millions of dollars for a regulatory nightmare repugnant to a majority of this Congress and a great majority of the American people. Again, I request that the membership join me in opposing any amendments which would strike the language prohibiting the expenditure of these funds.

(By unanimous consent, Messrs. WEISS, MITCHELL of Maryland, and MOFFETT yielded their time to Mr. CONYERS.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. CONYERS) for 1 minute and 20 seconds.

Mr. CONYERS. Mr. Chairman, I would like to speak to the nearly 200 Members of this body who sponsored the resolutions condemning these regulations. I wish to suggest to them that we can now, under the present debate and considering the material that was circulated by myself and other Members of Congress, recognize that the full presentation of this matter was not made to the Members of the House before they were asked to sponsor those resolutions. As a result, we can join with the police chiefs and other people who frankly oppose gun control and support a measure that regulates more efficiently the traffic in firearms.

That is in no way contradictory and it is important at this time in history that we make this point.

Mr. Chairman, let me point out the one thing that we do not require is that citizens' names be forwarded into this improved system. That does not occur. Second, the Bureau of Alcohol, Tobacco, and Firearms on proposing these rules is in no way in conflict with the legislation.

Mr. Chairman, there is ample time for us to modify any part of these regulations to which we may have objection, which is perfectly understandable. There will be public hearings by BATF. Members of Congress as well as citizens will be able to move forward to address themselves to any part of them which needs further analysis. This is not a pro- or anti-gun control amendment, and support for this anticrime measure in no way compromises any Member's view on the gun control issue. I urge approval of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. NEAL).

Mr. NEAL. Mr. Chairman, I oppose the amendment.

Mr. Chairman, over the years there have been any number of attempts to enact gun control legislation which would ban or limit the private ownership of firearms. The Congress time and again has repected these efforts, and, I think very wisely, has protected the constitutional right to keep and bear arms.

Now, Mr. Chairman, nonelected officials at the Bureau of Alcohol, Tobacco and Firearms are attempting an insidious end run around Congress. They are trying to do through regulation what the elected representatives of this country historically have refused to do by legislation.

Before addressing the issue of gun control itself, I must point out that this is an usurpation of power which raises a serious constitutional question. The Congress of the United States is empowered by the Constitution to write laws. The Bureau of Alcohol, Tobacco and Firearms has no power to write law, change law, or interpret the law in any manner inconsistent with the intent of the Congress. Its job is to administer the law as written by the Congress and interpreted by the courts. Its employees have never been elected to do anything, and therefore are not accountable to the electorate. Yet They would sneak into the back door the same wolf the Congress has repeatedly beaten away from the front door. Make no mistake about it. This is an attempt at gun control, no matter how beguiling the coat under which BATF has concealed it.

Mr. Chairman, we have had some experience in this Nation with so-called gun control. There are some 20,000 gun laws already on the books at local, State, and Federal levels. Many of them have been passed in recent years in an effort to curb crime and violence. Yet the rate of violent crime committed with guns continues to increase in all parts of the country.

As recently as 1973, some 20 percent of all murders in the Nation occurred in just four cities: Chicago, Detroit, New York City, and Washington, D.C. Ironically, all four cities haxe extremely restrictive gun registration and licensing laws.

Further, there are an estimated 50 million handguns in circulation in the United States. To substantially lessen the availability of guns, these would have to be confiscated which would be ineffective, expensive, and would inevitably infringe upon the individual rights of our people. To avoid giving up a gun, the owner could simply conceal it or declare it did not exist. I cannot imagine the American people tolerating for even a day the massive searches which would be necessary to bring about gun control.

Mr. Chairman, just as prohibition did not dry up the flow of alcoholic beverages, neither would stricter laws retard the illegal traffic in handguns. Illegal manufacture and importation would flourish. Illicit dealers would reap greater profits. Guns would become prized targets of thieves. Criminals would continue to obtain guns, either through theft or illegal purchase. An unarmed citizenry would become easier prey for criminals.

Mr. Chairman, from time to time we are told by gun control advocates that the presence of a gun in one's household does not deter the criminal, but only exposes the occupant to graver retaliatory action. The fear of encountering an armed citizen does, however, appear to be a major deterrent to crime. In Orlando, Fla., for example, police trained some 6,000 women in self-defense with firearms. The Orlando rape rate was cut in half and there was a substantial decline in robberies and burglaries.

In Highland Park, Mich., store holdups dropped from 1.5 per day to no robberies for 4 months after police began a well-publicized firearms training class for merchants. In neither Orlando nor Highland Park did those trained citizens kill an attacker, or, so far as is known, even display their guns in warding off an attack.

We also know, Mr. Chairman, that gun control advocates make much of the fact that Japan, a virtually "gunless" country, has a low crime rate, which they attribute to the absence of guns. They fail to point out, however, that the real "control" is cultural, rather than legal. True, there are very few handgun murders in Japan; however, murder by any method is rare in Japan.

It cannot be said that the people in Japan, if allowed access to handguns, would suddenly start slaughtering each other. Japanese-Americans living in the United States have access to handguns. yet the Japanese living in Tokyo commit more than twice as many murders per 100,000 population as do Japanese-Americans living in the United States.

Mr. Chairman, I do not challenge the good intentions of people who want to lower the rate of crime and violence in this country. I share that desire, and fervently wish that we could eliminate all forms of inhumanity toward one another. But the argument that gun control is equivalent to crime control is without merit. Dr. Don Kates, an associate professor of law at St. Louis University, has put it this way:

> Violence can be reduced or eliminated only by sweeping changes in our institutions, social and economic relationships, and the ideologies and mores which produce a violence-inclined people. Gun control efforts are fundamentally obstructive, because they divert attention from this arduous task by promising a simple mechanical solution at the cost of an easily vilified group, gun owners.

To many, he writes, handgun prohibition provides a simple and obvious partial solution to our society's remarkable capacity for producing violent people. That, he says, cannot be validated by crime studies in either the United States or Great Britain. Five different criminological studies have compared the homicide and violent crime rates of "gun control" jurisdictions with those of States which allow handguns. The conclusion of each study is that, taken together, the handgun-prohibiting jurisdictions have consistently higher homicide and violence rates, although the jurisdictions were not markedly different, demographically. When matched demographically, the handgun-prohibiting jurisdictions still had substantially higher homicide and violence rates.

> The most massive, extensive and sophisticated study ever done of gun control's potential for reducing violence was carried out under federal funding at the University of Wisconsin in 1974–75. This computerized analysis took into account every demographic variable which was found to have any statistically significant impact upon a comparison of states with differing gun laws. With demographic bias thus absolutely nullified, the Wisconsin report finds ". . . the conclusion is, inevitably, that gun control laws have no individual or collective effect in reducing the rates of violent crime."

The study found, in other words, that homicide and violence rates do not increase as rates of handgun ownership increase, nor do they decrease when the rate of handgun ownership decreases.

In New York, for example, there has been a drastic reduction over the past 65 years in handgun ownership. Yet this prohibition has not resulted in a similiar reduction in homicides. Therefore, Dr. Kates concludes that handgun prohibition in the United States would seem to be irrelevant, if not downright counterproductive.

Mr. Chairman, it is my opinion—and that of most criminologists—that the strongest and surest deterrent to crime is sure and swift justice for criminal offenders. We ought to have mandatory prison sentence for crimes committed with firearms, and I have cosponsored legislation to bring that about.

Or efforts against crime should be directed against criminals, and not against law-abiding citizens who happen to own guns. We should concentrate on more productive areas, such as law enforcement. We need to alleviate the problems of our overburdened courts, and stop handing out lenient sentences—or no imprisonment at all—to people who have committed serious crimes. The answer is not a costly, unmanageable registration scheme, but better enforcement of the laws we already have, and mandatory prison sentences for those who have committed crimes with guns.

It is my hope, Mr. Chairman, that my colleagues will join me in saying "no" to the Bureau of Alcohol, Tobacco and Firearms on this issue. Let us tell them, by this vote, that the Congress rejects their attempt at gun control and also rejects their attempt at an end run around the Congress.

I urge defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Chairman, I rise in strong support of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I rise in opposition to the amendment. This is a centralized computer system which is much more than the nose of the camel under the tent. It is the whole head, and maybe the first hump. I think it will be interpreted as a big step toward gun control.

I urge a no vote on this amendment. They talk about polls showing the American people favor gun control—hogwash. The American people are going to get a poll in just a few minutes—a yes vote is a vote for Federal gun control, a no vote is against it. I hope the national news media will give the poll we are about to take with this vote the same coverage they recently gave the national committee to control handguns.

Vote "no."

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, I agree with the remarks of the gentleman from Idaho.

Mr. Chairman, I rise in opposition to the amendment by Mr. MCCLORY. I believe the Appropriations Committee acted wisely in adopting an amendment to delete $4,200,000 from the budget request of the Bureau of Alcohol, Tobacco and Firearms. These funds would be used to establish a centralized computer registration system for firearms. Language has also been inserted into the bill which will prohibit BATF from using appropriated funds to implement the proposed gun control regulations which were published in the March 21, 1978, issue of the Federal Register.

Mr. Chairman, I urge my colleagues to oppose this amendment. The BATF is attempting an "end run" around Congress. Congress has opposed firearms registration time after time. Rejection of this amendment would be a clear signal to the people and to the bureaucracy that it is the Congress that makes the policy decisions in this country. We have made our decision in the past and now the unelected bureaucrats are attempting to bypass the elected representatives of the people on this important issue.

It is time for Congress to reassert itself in this area and to say to the bureaucracy that we are the policymakers. Passage of the McClory amendment would not only be unwise, unnecessary and expensive, but it would also be detrimental to the legislative prerogatives of this body. This maneuver and lack of responsiveness to the will of a majority of the Congress and a majority of the American people again points up the need for the passage of the congressional review and veto mechanism, so that the Congress can have a better opportunity to stop unwise regulations such as this.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Chairman, I rise in opposition to this amendment. There is no question but what the Judiciary Committee spent a number of days 2 years ago going over this same legislation that the Bureau is trying to foist on us now by regulation. We rejected it, and I think the time has come for the House of Representatives to stand up and tell the bureaucrats that they cannot do the things we disapprove of.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I rise in opposition to this bad amendment and urge its defeat.

Mr. Chairman, I oppose this amendment to strike the prohibition against implementation of the Bureau of Alcohol, Tobacco and Firearms' proposed gun control registration regulations.

I have distributed a fact sheet on these BATF regulations to my constituents in Arizona and would like to include that fact sheet at this point in the RECORD:

> PROPOSED FIREARMS REGULATIONS, U.S. TREASURY DEPARTMENT, FEDERAL REGISTER, MARCH 21, 1978
>
> The U.S. Department of the Treasury has published regulations (*Federal Register*,

March 21, 1978) to establish a national computerized central firearms registration system.

The regulations, if allowed to go into effect, would require *all* transactions of all firearms within existing Federally licensed commerce to be reported quarterly to the Bureau of Alochol, Tobacco, and Firearms (BATF). Reporting would cover all dealer sales to individual citizens, as well as all transactions between manufacturers, importers, exporters, wholesalers, jobbers, distributors, and dealers.

Based on BATF estimates of the 5.2 million new firearms in commerce in fiscal year 1977, and BATF claims that an average of four transactions occur *before* a dealer sale to an individual citizen occurs, the reporting requirements would conservatively total at least 25 million separate computer entries.

When used firearms are included, the number of firearms transactions which would be computerized total between 35 and 40 million.

The system would require 688,000 quarterly reports yearly from 172,000 holders of Federal Firearms Licenses. BATF estimates that the paperwork costs to dealers would be $8 million annually.

The Treasury Department claims that the start-up cost of this massive system would be about $5 million. According to Assistant Secretary Richard Davis, funding to implement the new gun registration system would not have to be authorized or appropriated by Congress, but would be simply "redirected" from existing BATF funding.

However, that $5 million estimate does not begin to agree with past BATF firearms registration cost estimates. BATF Director Rex Davis has previously estimated that a national handgun registration system would call for a $35 to $100 million start-up cost, followed by an additional $20 million per year in operational costs. This proposed gun registration by regulation would cover all firearms—rifles, shotguns, and handguns.

In both the March 16th Congressional and public briefings on the proposals, Assistant Treasury Secretary Richard Davis declared that the regulations would give BATF authority to call in and computerize all existing Federal Form 4473s (which list the name and address of each firearms purchaser) that have been completed by individual firearms buyers since enactment of the Gun Control Act of 1968. Assistant Secretary Davis qualified that declaration in the Congressional briefing by saying that such an action today would be "politically unrealistic."

Assistant Secretary Davis' predecessor, David R. MacDonald, told Congress during 1975 House Judiciary Committee hearings that the Treasury Department should not act to centralize existing gun dealer records without specific Congressional authority. Also in 1975, BATF estimated that they could trace a firearm within 27 minutes under existing record keeping requirements, if it is a "priority." There can be no justification for the proposed centralization, other than expansion of bureaucratic authority and a desire in fact to register firearms.

Although the Treasury Department says that the reporting requirements do not include the names and addresses of individual private firearms purchasers, officials maintain that they can easily obtain such information under the proposed new regulations with a telephone call from BATF to the dealer making such a sale.

The regulations would also order the institution of a new "unique" system of identifying firearms with a common 14-digit serial code.

With this serial number, which would be required for all firearms manufactured after the regulations are placed into effect, the BATF could computerize information as to every gun's make, model, barrel length, caliber, and individual number of all such firearms.

With this information, the Treasury Department or any other agency of government with access to it could locate the purchasers of any firearms or category of firearms that might be prohibited or declared illegal in the future. BATF estimates that the cost to consumers would be $5 million for retooling, in order to implement the serial number requirement.

Other provisions in the proposed new Treasury Department gun registration regulations include—

Redefinition of import and export regulations.

A requirement that all firearms lost or stolen while in Federally licensed commerce must be reported within 24 hours of the discovered loss or theft. (Failure to record or report such loss or theft to the satisfaction of BATF would be a felony, punishable by 5 years in prison and a $5,000 fine or both. In many instances, the failure to report a theft of a firearm under these regulations could result in a much harsher penalty for the person or dealer who lost the gun than for the thief.)

During the debate in Congress on the Gun Control Act of 1968, the issue of national gun registration was raised, and soundly defeated by better than a 2-to-1 margin.

Since that time, Congress has rejected all national gun registration schemes that have been proposed. Clearly, Congress has refused to give the Federal bureaucracy this authority to impose national gun registration and control, which these regulations seek to impose.

This proposed regulation—whether it is called gun registration or "reporting"—amounts to the same thing: Centralized national firearms registration.

The proposed regulations were published in the *Federal Register* (Part III) on March 21, 1978. They will be open to public comment until June 30, 1978. Comments must be submitted in duplicate to: Director, Bureau of Alcohol, Tobacco, and Firearms, U.S. Department of the Treasury, 1200 Pennsylvania Avenue, N.W., Washington, D.C. 20226. (Attn: Regulations and Procedures Division).

Mr. Chairman, the Committee on Appropriations is to be commended for including language in this bill to bar the use of any Treasury Department funds to implement these BATF gun control regulations.

I urge defeat of this amendment to strike that language.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR. Mr. Chairman, I commend the committee for this language in this bill; and I rise in opposition to the amendment which seeks to restore funds that will permit the Bureau of Alcohol, Tobacco and Firearms to establish a Federal firearms registration program.

The BATF is in effect seeking to do by regulation that which the Congress over the years has refused to do by legislation. This is one more example of how the bureaucracy is attempting to usurp the prerogatives of the U.S. Congress.

Mr. Speaker, not only do I doubt that the Federal registration of firearms will be an effective way of stopping crime, neither do I believe that it will be an effective way of tracing weapons used to commit a crime. The Bureau's own records support the validity of this statement.

What the program will do is to further harass the honest, law abiding gunowners, dealers, and manufacturers by adding to their burden of paperwork and forms they must submit and adding to the cost of their hobby or business.

We are talking about requiring 168,000 federally licensed firearms dealers, manufacturers, and importers to submit nearly 700,000 reports each year at a cost of something like $10 million to the taxpayers.

Mr. Chairman, if proponents of Federal firearm registration desire to have such a law on the books then let them introduce a bill and bring it before the House through the regular legislative process and a yea and nay vote. This idea of legislating through the backdoor by regulation is not in the great tradition of this body where the people's representatives are permitted to fully debate the issues on their merits.

It is time that the Congress reasserts its authority over the bureaucracy and this is the place to begin.

I urge defeat of this pro gun control amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. QUAYLE).

Mr. QUAYLE. Mr. Chairman, the issue, as I see it, is the constitutional issue and not really a gun control issue. Sixteen times in the last 10 years the Congress has voted down a similar proposal, and now by regulation and not by legislation we are going to try to get the thing through which the elected Congress has voted down.

I ask the Congress, who does it wish to legislate measures in this country, the elected Congress or the unelected bureaucrats?

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. VOLKMER).

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I rise in opposition to the amendment.

Mr. VOLKMER. Mr. Chairman, I also rise in opposition to the amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I rise in support of the amendment. In New Jersey we have much stronger laws and splendid gun clubs. There is absolutely nothing that will hurt anybody in this amendment.

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New York.

● Mr. BINGHAM. Mr. Chairman, I rise in support of the amendment offered by my esteemed colleague (Mr. MCCLORY) which would delete the rider from the Bureau of Alcohol, Tobacco, and Firearms appropriation and would restore

$4.2 million to their budget. It troubles me to realize that the majority of the Appropriations Committee could be so influenced by the over-reaction to the BATF's recently proposed firearms regulations. The committee deleted the $4.2 million and stipulated that none of the BATF's appropriation can be used to implement the new regulations. In my judgment, the committee failed to examine the case rationally.

The Bureau has tried to make it quite clear that these regulations can not be implemented without a supplemental appropriation above their requested budget figure. To get this supplemental appropriation they would have to bring the matter of these regulations before the full House for their consideration. Their other option would be to include the amount necessary to implement the regulations in their request for funds in fiscal year 1980. It is ironic that the amount of the $4.2 million cut made by the Appropriations Committee represents merely a ball park estimate of what these regulations might cost to implement. The Bureau of Alcohol, Tobacco, and Firearms has not yet indicated what the full cost of implementing these regulations would be. So, in effect, the Appropriations Committee is punishing the BATF by deleting the $4.2 million from their normal operating budget. Some of the valuable and successful programs of the BATF will have to be curtailed because of this reduction of funding.

In addition, the rider added to the bill would prohibit the BATF from using any of their funding to implement the regulations. It seems to me that it is grossly out of place for the Appropriations Committee to put this kind of legislative language in an appropriations bill. This kind of provision is a polciy matter which should be handled by the Judiciary Committee and not by the Appropriations Committee.

The Bureau of Alcohol, Tobacco, and Firearms proposed these rather innocuous regulations as a means of speeding up their archaic search system. The firearms searches that are undertaken by the BATF usually take 1 to 2 weeks. This is precious time that the law enforcement agencies could be using in capturing a criminal. With the new system, the tracing process would only take seconds.

Time and again the National Rifle Association and similar groups have argued against any kind of gun control, calling instead for action against gun wielding criminals. Now the BATF has proposed regulations that would help in tracing the weapons used in the commission of crimes, not the weapons of responsible citizens. And what happens? The NRA bombards its membership and everyone else with propaganda. This propaganda has resulted in a massive letter-writing campaign to the Members of this body and to the BATF berating them for trying to do something that would make it easier to track down criminals. The NRA has successfully convinced its members that these regulations, if implemented, would be the first step to a national gun registration—and then who knows? Maybe confiscation is next. They have also said that the BATF had no right to propose these regulations—that only Congress can legislate gun control measures. What they failed to tell their membership was that the Gun Control Act of 1968 stated that the Secretary of the Treasury can require that "importers manufacturers, dealers, and collectors shall make such records available for inspection at all reasonable times, and shall submit to the Secretary such reports and information with respect to such records and the contents thereof as he shall by regulations prescribe. . . ."

The Secretary has decided that the proposed regulations are necessary to speed up the tracing process and meet the ever-rising demand for more weapons traces. If the NRA is for law and order, then why cannot they see that, by trying to block these regulations, they are giving law and order a low blow.

It is time for the Members of this body to realize that something must be done to curb illegal use of firearms. The regulations proposed by the Bureau of Alcohol, Tobacco, and Firearms are a very small step in what should be a continuing fight to stop gun-related crimes. I urge you to support this amendment. I urge you to untie the hands of the Bureau of Alcohol, Tobacco, and Firearms. I urge you to restore the funding of the BATF to the level requested by the administration so that their worthwhile programs can be continued.●

The CHAIRMAN. The Chair recognizes the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Chairman, I rise in opposition to this amendment, which allows the BATF to take the first step in the control of our firearms. We must send a message loud and clear to the BATF that we will not tolerate this type of action. The massive centralized recordkeeping system that the BATF is seeking to impose has been rejected by Congress in the past, and the system is a major step toward Federal registration of firearms which has never been authorized. Federal registration of firearms is the first step toward confiscation and cancellation of our constitutional right to keep and bear arms. I, as the Congressman from Montana, will never vote for legislation that will weaken that right.

The action by the BATF is arrogant and shows a complete disregard for the Congress and the American people. It is the Congress that has the power to legislate and that power must never be circumvented by any division in the executive branch.

Americans have clearly spoken out on these regulations and the Congress, as representatives of these people, must act. We should not sit idly by and watch the executive branch ignore the wishes and rights of the people.

If we do not act, Mr. Chairman, it is a signal to every agency that it can regulate at its whim without concern for what Americans want. By voting down this amendment, we can halt the BATF's intentional action to bypass the legislative process.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I rise in opposition to the amendment. I agree with those who say that this is a first step towards total gun registration, and the individuals supporting the McClory amendment would have to agree that it is a first step if they would speak their consciences.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, the good name of the International Chiefs of Police has been invoked several times by my colleague from Illinois (Mr. MIKVA) and by my colleague from Michigan (Mr. CONYERS).

The testimony is very clear. I was there. I listened to them. I had the opportunity to ask my questions. First, the position was taken by a handful of members in executive committee and it was far from unanimous, something like 16 to 7, and in response to my questioning the representatives of the police chiefs said that many local chiefs of police would oppose their organization's position. I believe that most chiefs of police in small and medium sized cities would oppose registration schemes.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Chairman, there are two parts to this amendment I have offered. One is extremely important, it seems to me, that we restore the $4.2 million which was budgeted and which the department needs. To cut that amount of money out of a law enforcement agency it seems to me would be very wrong. Also, it seems to me the proposed regulations are entirely consistent with the laws already on the books and we should allow the agency to modernize and improve its system for tracing weapons used in criminal activities. We are going to have an anticrime vote here on this amendment, and we should vote in support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, the amendment before us says that the Bureau of Alcohol, Tobacco, and Firearms could enact the regulations that they printed in the Federal Register on March 21, 1978. I did introduce the language in the subcommittee that says they shall not use the funds in this bill to enact those regulations.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. STEED) for 5 minutes to conclude the debate.

Mr. STEED. Mr. Chairman, first let me say I do not believe any subcommittee or any chairman of any appropriations subcommittee in the Congress has done more to try to keep faith with the legislative committees than I have.

What we have here today is part of an effort on our part to see to it that people in Government who want authority to regulate and enact new activities have to come to the legislature first.

I have been chairman of the committee that has handled the BATF since it

started, and I do not think anybody can say they have a better friend in Congress than I have been. I consider Rex Davis, the recently resigned chief of that activity, as my personal friend. I think he has done a very fine job and is entitled to commendation, and I regretted to see him leave.

Anybody who says this cut was made for punitive purposes is wrong. I have never brought a truer or more honest bill to this floor than I do today. This cut was made because it was deserved. This agency will have $2 million more under this budget than they have this year, even with this cut.

In addition to what the gentleman from Ohio (Mr. MILLER) said were the reasons for the cut, there are also some other things going on down there that convinced me, and I am sure the rest of the subcommittee, that this cut was legitimate and that they can live with it and still do all the things they are now authorized to do.

This language they want to knock out, all this does is settle one issue that we could never get the two Mr. Davises in the Treasury to agree on. They said they would come back with either a supplemental or a transfer. We said, "No." "No." For any new programs we do not want any transfers before this subcommittee. We said we wanted a request to be considered in a fair and open hearing.

They have got about all their friends in the world to agree with them. I would have had more sympathy if they had not. I do not want this program to get into being by a simple transfer of funds, and that is what this is here. We must have this language in the bill if this House is to maintain its authority to legislate on new programs.

Make no mistake about it, Mr. Chairman, an aye vote on this is a blank check to the ATF to put gun control in being and do anything else down there they see fit to do.

Mr. MILLER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman from Oklahoma (Mr. STEED) for yielding to me.

I have asked the gentleman to yield in order to complete what I was saying just a moment ago, and that is that the amendment would strike the language that was put in the bill in the subcommittee and was continued in the bill in the full committee. It says that the Bureau of Alcohol, Tobacco, and Firearms shall not put into effect the firearms regulations that the ATF issued on March 21, 1978. The amendment says also that $4.2 million will be restored in the bill so that the Bureau of Alcohol, Tobacco, and Firearms will have the money to put those regulations into effect.

I request a no vote on the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. STEED. I am happy to yield to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Illinois. I compliment the gentleman from Oklahoma for his leadership on this issue and associate myself with his remarks.

The previous speakers are correct. We have heard all of the arguments on gun control on both sides of the issue of gun control from the same people year after year.

Essentially I think those who favor Federal gun control generally consist of those who follow the Rousseauean philosophy that the behavior of man can be controlled by shaping his environment, that is, man will not commit crimes if he lives in an environment where guns are restricted or denied and we of the opposition who generally believe that the most effective way of solving the problem of criminal use of guns is to proceed against the criminal himself with swift apprehension, speedy trial, and sufficiently severe punishment that will deter the person and others from committing similar crimes with the illegal use of guns in the future.

But the issues involved here, Mr. Chairman, go far beyond Federal gun control. The immediate issue is whether a Bureau can do by regulation what it has been refused the right to do by legislation.

A recent study conducted by the Washington University of St. Louis, entitled "The Costs of Government Regulation of Business" noted that Federal rules and regulations will cost $102.7 billion in 1979, of which $4.8 billion represents the administrative costs for the Federal agencies involved and $97.9 billion marks the compliance costs for the private sector. Specific examples cited on the effect of regulations on consumer prices were staggering. For instance, the study estimated that regulations have driven up the price of a new car by $666 and the price of a new house by $1,500 to $2,500. There are currently over 4,400 different Federal forms that the private sector must fill out each year, requiring an estimated 143 million manhours to complete the same. We have reached the point where America is no longer run by the Congress or the President but by a nonelected bureaucracy. We already have too many statutes on the books permitting agencies to promulgate too many rules and regulations. Surely the House, in a short while, will blow the whistle against the Bureau of Alcohol, Tobacco and Firearms for attempting to saddle the American people with additional rules and regulations, where the legislative history is clear that it does not have the authority, by an overwhelming vote against this amendment.

● Mr. DON H. CLAUSEN. Mr. Chairman, I would like to take this opportunity to commend my distinguished colleagues on the House Appropriations Committee for their strong stand against implementation by the Bureau of Alcohol, Tobacco and Firearms (BATF) of a regulation, promulgated on March 21, 1978, which would require all licensees including manufacturers, wholesalers, and retailers in the firearms business to report all transactions between themselves to BATF.

I support the committee's effort to cut the budget for BATF by $4.2 million to prevent implementation of the regulation and the language inserted in the bill to prohibit any funds being used for this purpose.

Numerous gun control bills have been introduced in this Congress and are pending before the Crime Subcommittee of the House Judiciary Committee. The committee has not, however, taken any action on the proposals in response to overwhelming opposition by the Congress to gun control. Allowing BATF to promulgate and implement its regulations would, in effect, be circumventing the legislative process and usurping the powers of the legislative branch to enact legislation or not to enact legislation where it believes it is not necessary.

I believe very strongly that gun control, either in the form of legislation or regulations, is contrary to our basic constitutional rights and that we must continue to allow law-abiding citizens to own and bear firearms. If you outlaw guns only outlaws will have guns.

Gun control measures will not take handguns off the streets where crime is committed. It is the person behind the gun which we should be concerned with and our efforts should be directed at strengthening our judicial system and criminal code to permit the degree of law enforcement needed to prevent crimes involving handguns.

I have received over 500 letters and telephone calls from my constituents opposed to BATF's regulations. In particular, these letters have expressed the concerns of gun owners living in rural areas and the local merchants who are licensed to carry ammunition and firearms to supply neighboring farmers and ranchers.

I urge my colleagues to support the committee's proposal and to oppose any amendments designed to restore funding for implementation of the regulations.●

● Mr. EDGAR. Mr. Chairman, I rise in support of this amendment and to point out to my colleagues a provision of this appropriation bill which troubles me.

The provision would cut $4.2 million from the budget of the Bureau of Alcohol, Tobacco, and Firearms. The stated purpose of this deletion, as described in the report accompanying this bill, is to restrict the implementation of the new BATF regulations which would assist authorities in limiting illegal gun trafficking. This cut in the BATF budget is an excellent example of how the Congress responds to the outcry from constituents who belong to a special interest group. If we just stepped back a bit from the emotion of this issue, we could see where we went wrong here.

First of all, the $4.2 million figure is the committee's own estimate of the cost implementing those regulations. According to an editorial of the Washington Post which appeared last Saturday, the Treasury Department did not include the cost of implementing these regulations in their budget. For this reason, the $4.2 million budget cut would affect many of the programs which both the committee and the House endorse. If we truly felt that these regulations were not in the public interest, it would have made much more sense to restore the $4.2 million, and require that none of the funds

in the bill could be used to implement the March 21, 1978, BATF regulations.

Of course the BATF can come back to Congress and request a $4.2 million supplemental appropriation. But the message implicit in the deletion is clear to these agencies: If you decide to propose regulations that cause our offices to be bombarded with thousands of form postcards, regardless of the merit of the regulations, be prepared not only to have those regulations overturned by the Congress, but also to suffer some punitive action, such as a budget cut.

Second, the regulations are hardly a threat to lawful gun owners. Contrary to what many fear, they do not require individual owners to register their weapons, nor do they create a centralized national registry of gun owners. What they do require is that newly manufactured firearms carry a special serial number. The regulations require that gun dealers file reports on the serial numbers of guns which are sold, but not the individual names of gun purchasers. When firearms are stolen from a gun dealer or manufacturer, the dealer or manufacturer must report the theft, together with the serial numbers, within 24 hours. Clearly, this system would make the job of law enforcement officials in tracing stolen weapons much easier. These stolen weapons have been implicated in over one-third of gun crimes.

I believe that if we as Members of Congress took the time to explain the need for these regulations, our concerned constituents would not continue to see them as a first step to gun confiscation. On the contrary, some Members who do support gun control do so because stolen guns are so easily available. These regulations, if implemented, would be another argument against gun control, assuring that those who are not law-abiding citizens would find it much more difficult to obtain stolen guns with impunity. Without these regulations, it is possible that stolen gun traffic will get completely out of control. If this occurs it will be much more likely that true gun control will become not only a reality, but a true public necessity. ●

● Mr. FRENZEL. Mr. Chairman, much of what is in the Treasury-Postal Service appropriation bill is useful and necessary. However, it is more than 15 percent over last year's expense, and I see no way we can even reduce the deficit by increasing our spending 15 percent each year.

I will vote against the McClory amendment to restore the right of the Bureau of Alcohol, Tobacco, and Firearms of the Treasury Department to establish regulations concerning the serializing, and reporting of transfers, of firearms.

The point is not exclusively gun registration, although that is an important principle, and the program is cumbersome, expensive, and probably totally ineffective. The real question is who shall write the law. If the McClory amendment prevails, the BATF will be writing the law. I hope it is defeated so Congress will be the only group writing the law.

Large annual increases in annual appropriations for governmental departments are exactly what put us into our deficit position. As long as the spending increases at a 15 percent rate, we can be assured that inflation, at similar rates, is here to stay.

I shall vote against H.R. 12930. ●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. McCLORY).

The question was taken; and the Chairman announced that noes appeared to have it.

RECORDED VOTE

Mr. VOLKMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 80, noes 314, not voting 40, as follows:

[Roll No. 425]

AYES—80

Addabbo	Fraser	Ottinger
Anderson, Ill.	Garcia	Pritchard
Ashley	Gonzalez	Rangel
Beard, R.I.	Green	Richmond
Bingham	Harrington	Rosenthal
Bolling	Harris	Rostenkowski
Bonior	Hawkins	Russo
Brademas	Heftel	Ryan
Brodhead	Holtzman	Scheuer
Burton, Phillip	Jordan	Schroeder
Chisholm	Kastenmeier	Seiberling
Clay	Leggett	Solarz
Collins, Ill.	Lehman	St Germain
Conyers	McClory	Stark
Corman	Maguire	Steers
Delaney	Markey	Stokes
Derwinski	Mazzoli	Studds
Diggs	Metcalfe	Thompson
Dodd	Mikva	Tsongas
Downey	Miller, Calif.	Van Deerlin
Drinan	Mineta	Vanik
Edgar	Mitchell, Md.	Weiss
Edwards, Calif.	Moakley	Whalen
Erlenborn	Moffett	Wiggins
Evans, Colo.	Moss	Wolff
Fascell	Murphy, Ill.	Yates
Fenwick	Nolan	

NOES—314

Abdnor	Burlison, Mo.	Evans, Ga.
Akaka	Burton, John	Evans, Ind.
Alexander	Butler	Fary
Ambro	Byron	Findley
Ammerman	Caputo	Fish
Anderson, Calif.	Carr	Fisher
Andrews, N.C.	Carter	Fithian
Andrews, N. Dak.	Cavanaugh	Flippo
Annunzio	Cederberg	Flood
Archer	Chappell	Florio
Armstrong	Clausen, Don H.	Flynt
Ashbrook	Clawson, Del	Foley
Aspin	Cleveland	Ford, Mich.
AuCoin	Cohen	Ford, Tenn.
Badham	Coleman	Forsythe
Bafalis	Collins, Tex.	Fountain
Baldus	Conte	Fowler
Barnard	Corcoran	Frenzel
Bauman	Cornell	Frey
Beard, Tenn.	Cornwell	Fuqua
Bedell	Cotter	Gammage
Benjamin	Coughlin	Gaydos
Bennett	Crane	Gephardt
Bevill	Cunningham	Giaimo
Biaggi	D'Amours	Ginn
Blanchard	Daniel, Dan	Glickman
Blouin	Daniel, R. W.	Goldwater
Boggs	Davis	Goodling
Boland	de la Garza	Gore
Bonker	Derrick	Gradison
Bowen	Devine	Grassley
Breaux	Dickinson	Gudger
Breckinridge	Dicks	Guyer
Brinkley	Dingell	Hagedorn
Brooks	Dornan	Hall
Broomfield	Duncan, Oreg.	Hammer-schmidt
Brown, Calif.	Duncan, Tenn.	Hanley
Brown, Mich.	Early	Hannaford
Brown, Ohio	Eckhardt	Hansen
Broyhill	Edwards, Ala.	Harkin
Buchanan	Edwards, Okla.	Harsha
Burgener	Eilberg	Hefner
Burke, Fla.	Emery	Hightower
Burke, Mass.	English	Hillis
Burleson, Tex.	Ertel	Holland
	Evans, Del.	Hollenbeck
Holt	Meyner	Sarasin
Horton	Michel	Satterfield
Huckaby	Mikulski	Sawyer
Hughes	Milford	Schulze
Hyde	Miller, Ohio	Sebelius
Ichord	Mitchell, N.Y.	Sharp
Ireland	Mollohan	Shipley
Jacobs	Montgomery	Shuster
Jeffords	Moore	Sikes
Jenkins	Moorhead, Calif.	Sisk
Jenrette	Moorhead, Pa.	Skelton
Johnson, Calif.	Mottl	Skubitz
Johnson, Colo.	Murphy, Pa.	Slack
Jones, N.C.	Murtha	Smith, Iowa
Jones, Okla.	Myers, Gary	Smith, Nebr.
Jones, Tenn.	Myers, John	Snyder
Kasten	Myers, Michael	Spellman
Kazen	Natcher	Spence
Kelly	Neal	Staggers
Kemp	Nichols	Stangeland
Ketchum	Nix	Stanton
Keys	Nowak	Steed
Kildee	O'Brien	Steiger
Kindness	Oberstar	Stockman
Kostmayer	Obey	Stratton
Krebs	Panetta	Symms
LaFalce	Patten	Taylor
Lagomarsino	Patterson	Thone
Latta	Pattison	Thornton
Le Fante	Pease	Traxler
Leach	Pepper	Treen
Lederer	Perkins	Trible
Lent	Pettis	Udall
Levitas	Pickle	Ullman
Livingston	Poage	Vander Jagt
Lloyd, Calif.	Preyer	Vento
Lloyd, Tenn.	Price	Volkmer
Long, La.	Pursell	Waggonner
Long, Md.	Quayle	Walgren
Lott	Quillen	Walker
Lujan	Rahall	Walsh
Luken	Railsback	Wampler
Lundine	Regula	Watkins
McCormack	Reuss	Weaver
McDade	Rhodes	White
McDonald	Rinaldo	Whitehurst
McEwen	Risenhoover	Whitley
McFall	Roberts	Wilson, Bob
McHugh	Robinson	Winn
McKay	Roe	Wirth
Madigan	Rogers	Wright
Mahon	Roncalio	Wydler
Mann	Rooney	Wylie
Marks	Rose	Yatron
Marlenee	Rousselot	Young, Fla.
Marriott	Roybal	Young, Mo.
Martin	Rudd	Zablocki
Mathis	Ruppe	Zeferetti
Mattox	Santini	
Meeds		

NOT VOTING—40

Allen	Hamilton	Rodino
Applegate	Heckler	Runnels
Baucus	Howard	Simon
Bellenson	Hubbard	Stump
Burke, Calif.	Krueger	Teague
Carney	McCloskey	Tucker
Cochran	McKinney	Waxman
Conable	Minish	Whitten
Danielson	Murphy, N.Y.	Wilson, C. H.
Dellums	Nedzi	Wilson, Tex.
Dent	Oakar	Young, Alaska
Flowers	Pike	Young, Tex.
Gibbons	Pressler	
Gilman	Quie	

The Clerk announced the following pairs:

On this vote:

Mrs. Burke of California for, with Mr. Carney against.

Mr. Waxman for, with Mr. Hamilton against.

Mr. Dellums for, with Mr. Krueger against.

Mr. DICKS and Mr. BEDELL changed their vote from "aye" to "no."

Messrs. DODD, RICHMOND, RANGEL, BRODHEAD, and NOLAN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. M'CLORY

Mr. McCLORY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLORY: Page 3, strike out $131,322,000" on line 13 and insert in lieu thereof $135,522,000."

Mr. McCLORY. Mr. Chairman, all that this amendment does is to restore a $4.2 million cut in the funds for the Bureau of Alcohol, Tobacco, and Firearms, which the Appropriations Committee has recommended and presents here today.

During the earlier debate, it was suggested that this was some kind of retribution for the audacity of the Bureau of Alcohol, Tobacco, and Firearms to undertake to promulgate regulations which would have the effect of computerizing a reporting agency in Washington of firearms, including lost and stolen weapons.

I do not want to suggest that that is the case. But I do want to say that the Bureau has been underfunded for many years, and it seems to me that it is entirely inconsistent with the assurances given to me by the committee 2 years ago with regard to the CUE operation, which has been proven to be so effective that that operation should now be discontinued and that those funds should be denied.

It was suggested that the $4.2 million was the estimate and apparently the committee estimate as to what it would cost to implement these regulations.

But I think the $4.2 million is a figure taken out of thin air.

Mr. Chairman, I do not think anybody can question but that this Bureau does a very, very effective job with a limited budget with regard to the whole subject of law enforcement and of investigation of crime. It is charged with tremendous responsibility in the enforcement of our Federal gun laws.

It has been suggested recently that their operations and their responsibilities with regard to firearms should be transferred to the Department of Justice. Maybe that should occur because we must have better law enforcement with regard to the illegal trafficking in all kinds of firearms, particularly the small weapons that cross State lines and get into our cities where local law enforcement officials try to control the firearms commerce, and try to control the crimes committed with these firearms. They cannot do it, however, without effective Federal legislation—and adequate resources in terms of personnel and equipment.

Mr. Chairman, it seems to me that we are not assuming our responsibility. We are not doing our job in providing the guidelines, in providing the framework under which local law enforcement agencies can effectively enforce their own laws; and to deny $4.2 million to this agency at this time and to require them to take 78 personnel off of their payroll just seems to me to be absolutely absurd. At a time when crime is a major problem in this country, to deny funds and deny personnel to law enforcement agencies is entirely inconsistent with what I think are the goals and ideals and aims of this body.

Mr. Chairman, I hope that the least we can do is to restore $4.2 million to the Bureau of Alcohol, Tobacco, and Firearms to help them carry on an effective law enforcement and anticrime program.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think the people of this country owe the gentleman from Illinois (Mr. McCLORY) a debt of gratitude for making this fight.

I hope that the Members have been reading the polls recently because the latest Harris poll, as I recall, shows that over 70 percent of the American people want some kind of effective control, particularly on handguns.

All this amendment is doing is retaining the system we already have which, as everybody knows, is very minimal.

Mr. McCLORY. Mr. Chairman, I agree with the gentleman. This amendment, of course, has nothing at all to do with handguns or gun control or anything of that kind. It merely provides for a restoration of funds budgeted for the agency, through which it can help in the investigation of crime and assist in the prosecution of crime.

It seems to me that it is very shortsighted; it is just absurd that we would not restore these funds.

Mr. Chairman, I hope that there will be an overwhelming "aye" vote on the amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I just heard the gentleman from Ohio (Mr. SEIBERLING) say that the latest Harris poll showed that 70 percent of the American people support gun control.

It was not the Harris poll. It was a poll paid for and put out by a very strong pro-gun control group, and that should be considered.

Mr. McCLORY. I do not know about that. Misrepresentations are sometimes made by the National Rifle Association, as far as that is concerned.

Mr. STEED. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not think we need to debate this matter. We have been talking about it all afternoon. We just made an overwhelming decision against this amendment.

Let me assure the House again that the cut we recommend in no way cripples this agency. They are still going to have $2 million more in the coming year than they have this year. The record shows that they are not going to expand the CUE program. It has been a flop.

Furthermore, there is a matter going on downtown right now that will probably have as its purpose the transferring of part of this activity over to the Department of Justice.

Therefore, under the circumstances, everything they need to do, which is mostly the collection of taxes, they have manpower for. They have a sufficient budget.

Therefore, Mr. Chairman, I recommend that we again turn down this waste of $4.2 million.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Do we have the chairman's assurance that the agency has sufficient money to pursue investigation and apprehension of violators and that this is not a penalty or some form of retribution for what the agency has engaged in involving handguns?

Mr. STEED. Absolutely. They still would have the manpower to do the things that they intended to do when they made this budget, in the first place.

PARLIAMENTARY INQUIRY

Mr. SEIBERLING. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SEIBERLING. Mr. Chairman, what is the amendment pending before us?

The CHAIRMAN. The Chair will state that the Clerk has reported it. If the gentleman wishes to ask unanimous consent to have it reread, that is his priviledge.

Mr. SEIBERLING. I would like to know, Mr. Chairman, whether a vote "aye" is a vote to restore the additional money to the alcohol and tobacco unit.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words.

I will make this very short. If we vote and restore the $4.2 million, we will be telling the Bureau of Alcohol, Tobacco, and Firearms that they can put into effect the regulations like they published in the Federal Register.

Mr. ANDERSON of Illinois. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I realize that the Committee is anxious to proceed to a vote on this issue. I take this time only because I was necessarily absent during the discussion of the previous amendment which would have stricken the language that is now in the bill. I did arrive on the floor in time to vote for that amendment.

I do support the gentleman from Illinois in the effort that he is making. I think the issue truly is one of law enforcement, and not the harassment of legitimate gun owners. Therefore, I would suggest that we support the gentleman in the effort he is now making to restore these funds.

Mr. Chairman, it is my understanding that the Bureau of Alcohol, Tobacco, and Firearms (BATF) has testified that none of the funds it had requested for fiscal year 1979 would be used to implement the proposed gun regulations, and that it would instead seek a supplemental appropriation at a later date if those regulations are put into effect. I, therefore, think the Committee has been especially arbitrary and capricious in reducing the BATF request by $4.2 million, which, not coincidentally, is the amount it would

later take to implement the gun regulations. What the Committee action really means is that existing BATF programs will suffer, programs like the successful concentrated urban enforcement program (CUE) which involves the cities of Chicago, Boston, and Washington, D.C.

But if I may, Mr. Chairman, since I was not present for the debate on the previous amendment of the gentleman from Illinois (Mr. McCLORY), I would like to discuss briefly what I consider to be the very legitimate and necessary aims of the proposed BATF firearms regulations. There has been much misunderstanding among certain constituent groups about these regulations. This is not, I repeat, not Federal gun registration. Individual gunowners would not have to register their guns personally with the BATF, or would their names be submitted to BATF by gun dealers for registration purposes. Instead, these proposed regulations would require a unique serial number on each gun manufactured or imported into the United States, require prompt reporting to the BATF of all thefts and losses of guns by manufacturers, importers, and retail dealers, and require the reporting to BATF of all dispositions between manufacturers, wholesalers, importers, and retail dealers.

Mr. Chairman, a second misconception about these regulations is that the BATF has no congressional authority to issue such regulations. But a reading of the Omnibus Crime Control and Safe Streets Act of 1968 makes it quite clear that gun importers, manufacturers, dealers, and collectors shall keep records of their transactions, make these available for inspection by the Secretary of the Treasury, and "submit to the Secretary such reports and information with respect to such records and the contents thereof as he shall by regulations prescribe." So, the authority is clearly there for what is required by the proposed regulations.

Finally, I cannot stress enough that the purpose of these proposed regulations is not to harass the law-abiding gunowner. The fact is, those regulations will not impose one additional burden on the gun purchaser. The whole purpose of these regulations is to improve on present law enforcement techniques in tracing firearms used in crimes. I am appalled that there are those who would want to prevent better law enforcement. The need for the proposed regulations is evident from the facts. Last year the BATF conducted a record 62,498 gun trace efforts with success in only 55 percent of the cases. The unique serial numbers, and the centralized and computerized commercial records which will be possible by the quarterly reporting requirement will make it possible to trace guns which have been used illegaly in a much easier and expeditious manner.

Mr. Chairman, I regret that there is so much misunderstanding about these proposed regulations and I regret my colleague's earlier amendment was rejected. The regulations are not only reasonable but I think essential to finding criminals who use guns in the commission of a crime, and putting them behind bars where they belong. I urge adoption of the pending amendment to restore $4.2 million to the BATF so it can perform its other duties.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to my colleague from Illinois.

Mr. McCLORY. I thank the gentleman for yielding to me.

Mr. Chairman, the amendment that we are going to vote on now would not have the effect as stated by the gentleman from Ohio, because the prohibition against utilizing funds for implementing the BATF regulation remains in the bill, and that prohibition would continue there. But, the present amendment might provide some funds for continuing the CUE program, which has been proven to be so effective and which is contained in a report every Member has, and which has reduced crime in those large cities where they have had an opportunity to carry out the program.

It seems to me that we should support that kind of program through these additional $4.2 million in funds.

Mr. RISENHOOVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to compliment the chairman of the subcommittee for the work he has done on this bill, and make note of the fact that in 1967 my newspaper out in Tahlequah, Okla., was burned. The only agency that responded and did the best job of investigating was the Bureau of Alcohol, Tobacco and Firearms of the Treasury Department.

But, this is not the first time that this agency has come up and tried to be a law interpretation agency instead of a law enforcement agency. If they cannot get a director in there who can be a lawman instead of a judge or interpreter or whatever, I am going to start voting against all their appropriations.

I compliment the chairman on what he has done to the extent of keeping these people out of the gun control business.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. McCLORY).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk continued to read the bill.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 30, after line 24, insert the following new section:

SEC. 510. None of the funds available under this Act shall be used by the Treasury Department to make or apply any determination as to whether any individual is an employee for purposes of chapter 21 (relating to Federal Insurance Contributions Act), 23 (relating to Federal Unemployment Tax Act), or 24 (relating to collection of income tax at source on wages) of the Internal Revenue Code of 1954 other than under the audit practices, interpretations, regulations, and federal court decisions in effect on December 31, 1975.

Mr. STEED. Mr. Chairman, I reserve a point of order against the amendment.

Mr. PANETTA. Mr. Chairman, the presentation of this amendment is to cure an inequity in our present tax laws as administered by the Internal Revenue Service. The key element of a fair and efficient tax system is that the laws must be clear; they must be unambiguous; and they must not be subject to arbitrary interpretation, either by the taxpayer or by the Government. There is presently an area in the law that is not clear, that is ambiguous, and that is being subject to arbitrary interpretations by the IRS. It deals with what is the definition of an independent contractor and what is the definition of an employee.

There are a number of occupations that are being affected by the arbitrary interpretations that are presently going on, occupations in the area of small business: insurance agents, direct salesmen, real estate salesmen, beauticians, barbers, service station operators, and a number of others. The basic problem is this: that the individual who considers himself—and the employer as well considers that individual—as a self-employed person or an independent contractor files his self-employment taxes and also contributes to his retirement program. Then a year or 2 years or 3 years later the IRS comes in to that business and says, No, that person was not an independent contractor; he was, in fact, an employee; and as a result the employer then must come forward with all of the back social security and unemployment taxes. The problem is obvious. It results in double taxation whereby both the employer and the person who paid his or her self-employment taxes is penalized by that analysis.

Second, it can very well result in bankruptcy, because the IRS has come forward requesting back payments sometimes in excess of $300,000, $400,000, or $500,000 for one business, in effect in excess of the value of the business.

There is no question but that we are dealing with an inequity. I do not question the right of the IRS to do these audits, but what I do question is the right of the IRS to implement what is an arbitrary interpretation in the law. This is particularly true when the Congress told the IRS in the Tax Reform Act of 1976 to hold it; we want to study this area; we need to come up with a definition of what is an employee and what is an independent contractor. In fact, that request was specifically contained in the conference report in the Tax Reform Act of 1976.

In addition to that, there was a GAO study on this very issue to the Joint Committee on Taxation, the conclusion of which is that this is an area of our tax laws that is not clear, that is ambiguous, and that it requires clarification by the Congress. Indeed, the IRS in responding to the GAO report said,

"You are right. It is an area of confusion, and we think something ought to be done to clarify it." Everybody agrees something ought to be done to clarify it, and all I am saying is allow the Committee on Ways and Means to come up with a definition and in the interim have IRS apply the interpretations that were in existence in 1975 and not make any new or arbitrary interpretations. I think that makes our laws clear. It makes them fair. It removes the ambiguity in the tax laws. For that reason I would request support for this amendment to stop the IRS from proceeding with new interpretations affecting small businesses until the Congress can clarify this very important area.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. STEED. I do, Mr. Chairman.

Mr. Chairman, although I am sympathetic to the gentleman's aim, but in order to keep faith with the legislative committee, I think this is the place where an invasion of their prerogatives in an appropriation bill is involved. I have to insist on my point of order.

Mr. Chairman, I make a point of order against the proposed amendment, because it is legislation on an appropriations bill, in violation of clause 2 of rule XXI. This amendment would impose new duties of an executive officer.

The Commissioner and employees of IRS would be required to make a determination as to whether or not a "certain audit, interpretation, regulation, or Federal appellate court decision" is "inconsistent with audit practices, interpretations, regulations, and Federal court decisions in effect on December 31, 1975."

The executive officer would be required by this amendment to interpret Federal appellate court decisions in 1975, interpret court decisions now, and make a decision as to whether or not they are inconsistent. This clearly imposes new duties on an executive officer and is clearly in violation of clause 2 of rule XXI. This can be found in section 843, page 572 of the current rules of the House of Representatives.

As further precedent, Mr. Chairman, I would like to cite the following from Cannon's Procedures in the House of Representatives, section 843 on page 64:

In construing an amendment offered as a limitation the practice of the House relating thereto should be construed strictly in order to avoid incorporation of legislation in appropriation bills under guise of limitations.

That is in volume VII, Cannon's Precedents, section 1720.

Further quoting:

The purpose rather than the form of a proposed limitation is the proper criterion by which its admissibility should be judged, and if its purpose appears to be a restriction of Executive discretion to a degree that may be fairly termed a change in policy rather than a matter of administrative detail it is not in order.

That is in volume VII, Cannon's Precedents, section 1691.

Further quoting:

Legislation may not be proposed under the form of a limitation.

That is section 1607.

Further quoting, this time from volume VII, Cannon's Precedents, section 1628:

And a provision which under the guise of limitation repeals or modifies existing law is legislation and is not in order on an appropriation bill.

For these reasons, Mr. Chairman, it is obvious that this amendment would impose additional duties on an executive officer and, therefore, clearly is subject to a point of order.

The CHAIRMAN. Does the gentleman from California (Mr. PANETTA) desire to be heard further on the point of order?

Mr. PANETTA. Mr. Chairman, in response to the point of order, I just make two points.

One, the fact that this is a limitation on an expenditure of funds, this is permitted under the House rules, that is, it is permitted where it involves small administrative detail, and that is essentially what we are dealing with here. We are not dealing with reinterpretation. We are not requiring new interpretation by the Internal Revenue Service, but what we are doing is telling them to abide by those procedures that were in effect in 1975.

Mr. Chairman, for those reasons, I think the amendment is in order.

The CHAIRMAN. If the gentleman from California (Mr. PANETTA) would permit the Chair to direct a question to the gentleman for clarification, as the Chair understood the statement of the gentleman's colleague from California in the concluding remarks, the amendment does, in fact, does it not, require going back to the law as it was prior to December 31, 1975, rather than the law as it exists today?

Mr. PANETTA. Mr. Chairman, that is correct.

The CHAIRMAN (Mr. SISK). The Chair appreciates the candor of the gentleman from California (Mr. PANETTA) in answer to the question. The Chair will state that he certainly did not mean to put the gentleman in this position purposely, but in view of the Chair's understanding of the language contained herein, he felt constrained to ask the question.

The statement of the gentleman from California (Mr. PANETTA) would indicate that in fact the amendment would require a return to the law as it existed prior to December 31, 1955, and, therefore, the amendment does change existing law and constitutes legislation on an appropriation bill.

Therefore, the Chair sustains the point of order.

The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. STEED. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FUQUA) having assumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12930) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1979, and for other purposes had directed him to report the bill back to the House, with the recommendation that the bill do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLER of Ohio moves to recommit H.R. 12930 to the Committee on Appropriations, with instructions to that Committe to report the bill back to the House forthwith, with the following amendment:

On Page 38, after line 2, insert the following paragraph:

Of the total budget authority provided in this Act, for payments not required by law, five per centum shall be withheld from obligated and expenditure; *provided*, that of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed ten per centum.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MIKVA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a point of order a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 297, nays 98, not voting 39, as follows:

[Roll No. 426]

YEAS—297

Abdnor	Fisher	Murphy, Pa.
Addabbo	Fithian	Murtha
Akaka	Flippo	Myers, Michael
Ambro	Flood	Natcher
Ammerman	Florio	Nichols
Anderson, Calif.	Flynt	Nix
	Foley	Nowak
Anderson, Ill.	Ford, Mich.	O'Brien
Andrews, N.C.	Ford, Tenn.	Oakar
Andrews, N. Dak.	Fowler	Oberstar
	Fraser	Obey
Annunzio	Frey	Ottinger
Armstrong	Fuqua	Patten
Ashbrook	Gaydos	Patterson
Ashley	Giaimo	Pattison
Aspin	Ginn	Pepper
Bafalis	Gonzalez	Perkins
Baldus	Gore	Pettis
Barnard	Gradison	Pickle
Beard, R.I.	Green	Poage
Bedell	Guyer	Preyer
Benjamin	Hamilton	Price
Bevill	Hammer-schmidt	Pritchard
		Quillen
Biaggi	Hanley	Rahall
Bingham	Hannaford	Railsback
Boggs	Harris	Rangel
Boland	Harsha	Regula
Bolling	Hawkins	Reuss
Bonker	Hefner	Rhodes
Bowen	Heftel	Risenhoover
Brademas	Hightower	Roberts
Breaux	Holland	Robinson
Breckinridge	Hollenbeck	Roe
Brinkley	Holt	Rogers
Brooks	Horton	Roncalio
Broomfield	Huckaby	Rooney
Brown, Calif.	Hyde	Rose
Brown, Mich.	Ichord	Rostenkowski
Brown, Ohio	Ireland	Roybal
Buchanan	Jeffords	Ruppe
Burgener	Jenkins	Ryan
Burke, Fla.	Jenrette	Santini
Burke, Mass.	Johnson, Calif.	Sarasin
Burleson, Tex.	Johnson, Colo.	Satterfield
Burlison, Mo.	Jones, N.C.	Scheuer
Butler	Jones, Okla.	Schulze
Byron	Jones, Tenn.	Seiberling
Caputo	Jordan	Sharp
Carter	Kazen	Shipley
Cederberg	Ketchum	Sikes
Chappell	Kildee	Sisk
Chisholm	Kindness	Skelton
Clausen, Don H.	Krebs	Skubitz
	LaFalce	Slack
Clawson, Del	Lagomarsino	Smith, Iowa
Cleveland	Latta	Smith, Nebr.
Cohen	Le Fante	Snyder
Coleman	Lederer	Solarz
Collins, Ill.	Leggett	Spellman
Conte	Lent	Spence
Corcoran	Levitas	St Germain
Corman	Lloyd, Calif.	Staggers
Cornell	Long, La.	Stanton
Cornwell	Long, Md.	Steed
Cotter	Lujan	Steers
Cunningham	Lundine	Stratton
D'Amours	McCormack	Studds
Daniel, Dan	McDade	Taylor
Daniel, R. W.	McEwen	Thompson
Davis	McFall	Thone
de la Garza	McHugh	Thornton
Delaney	McKay	Trible
Derrick	Madigan	Tsongas
Derwinski	Mahon	Udall
Devine	Mann	Ullman
Dicks	Markey	Van Deerlin
Dingell	Marks	Vander Jagt
Dornan	Marlenee	Vanik
Downey	Marriott	Vento
Drinan	Mathis	Volkmer
Duncan, Oreg.	Mazzoli	Waggonner
Duncan, Tenn.	Meeds	Walgren
Early	Meyner	Walsh
Eckhardt	Michel	Wampler
Edgar	Mikulski	Watkins
Edwards, Ala.	Milford	Weaver
Edwards, Okla.	Mineta	Whalen
Eilberg	Mitchell, Md.	White
Emery	Mitchell, N.Y.	Whitehurst
English	Moakley	Whitley
Erlenborn	Mollohan	Wiggins
Ertel	Montgomery	Wilson, Bob
Evans, Colo.	Moorhead, Calif.	Winn
Evans, Del.		Wirth
Evans, Ga.	Moorhead, Pa.	Wolff
Fary	Moss	Wright
Findley	Murphy, Ill.	Wydler
Fish		
Wylie	Young, Alaska	Zablocki
Yates	Young, Fla.	Zeferetti
Yatron	Young, Mo.	

NAYS—98

Alexander	Glickman	Miller, Ohio
Archer	Goldwater	Moffett
AuCoin	Goodling	Moore
Badham	Grassley	Mottl
Bauman	Gudger	Myers, Gary
Beard, Tenn.	Hagedorn	Myers, John
Bennett	Hall	Neal
Blanchard	Hansen	Nolan
Blouin	Harkin	Panetta
Bonior	Hillis	Pease
Brodhead	Holtzman	Pursell
Broyhill	Hughes	Quayle
Burton, John	Jacobs	Richmond
Burton, Phillip	Kasten	Rinaldo
Carr	Kastenmeier	Rosenthal
Cavanaugh	Kelly	Rousselot
Clay	Kemp	Rudd
Collins, Tex.	Keys	Russo
Conyers	Kostmayer	Sawyer
Coughlin	Leach	Schroeder
Crane	Lehman	Sebelius
Dickinson	Livingston	Shuster
Dodd	Lloyd, Tenn.	Stangeland
Edwards, Calif.	Lott	Stark
Evans, Ind.	Luken	Steiger
Fascell	McClory	Stockman
Fenwick	McDonald	Stokes
Forsythe	Maguire	Symms
Fountain	Martin	Traxler
Frenzel	Mattox	Treen
Gammage	Metcalfe	Walker
Garcia	Mikva	Weiss
Gephardt	Miller, Calif.	

NOT VOTING—39

Allen	Gibbons	Pressler
Applegate	Gilman	Quie
Baucus	Harrington	Rodino
Beilenson	Heckler	Runnels
Burke, Calif.	Howard	Simon
Carney	Hubbard	Stump
Cochran	Krueger	Teague
Conable	McCloskey	Tucker
Danielson	McKinney	Waxman
Dellums	Minish	Whitten
Dent	Murphy, N.Y.	Wilson, C. H.
Diggs	Nedzi	Wilson, Tex.
Flowers	Pike	Young, Tex.

The Clerk announced the following pairs.

On this vote:

Mr. Howard for, with Mr. Stump against.
Mr. Simon for, with Mr. Dellums against.
Mr. Murphy of New York for, with Mr. Diggs against.

Mr. Carney for, with Mrs. Burke of California against.

Until further notice:

Mr. Krueger with Mr. Tucker.
Mr. Minish with Mr. Harrington.
Mr. Baucus with Mrs. Heckler.
Mr. Applegate with Mr. Conable.
Mr. Danielson with Mr. Hubbard.
Mr. Gibbons with Mr. Gilman.
Mr. Charles H. Wilson of California with Mr. McCloskey.
Mr. Nedzi with Mr. Cochran of Mississippi.
Mr. Waxman with Mr. Quie.
Mr. Whitten with Mr. Pressler.
Mr. Flowers with Mr. Teague.
Mr. Beilenson with Mr. Dent.
Mr. Charles Wilson of Texas with Mr. Pike.
Mr. Runnels with Mr. McKinney.

Mr. TRIBLE changed his vote from "nay" to "yea."

Messrs. TRAXLER, ARCHER, STOCKMAN, LUKEN, BADHAM, GAMMAGE, DODD, JACOBS, ALEXANDER, COUGHLIN, LEACH, LIVINGSTON, RUDD, NEAL and BLANCHARD, Ms. KEYS, Mr. LEHMAN, Mrs. LLOYD of Tennessee, and Messrs. GOODLING, GUDGER, and HALL changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STEED. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the bill just passed.

The SPEAKER pro tempore. (Mr. FUQUA). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

BASIC WORKWEEK OF FEDERAL FIREFIGHTERS

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill, H.R. 3161, to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, line 14, strike out "(a) (c)" and insert: "(a)-(c)".

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST THE BILL, H.R. 12933, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1979

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95-1273), on the resolution (H. Res. 1219) waiving certain points of order against the bill (H.R. 12933), making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House calendar and ordered to be printed.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1979

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95-1274), on the resolution (H. Res. 1220) waiving certain points of order against the bill (H.R. 12929), making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30,

1979, and for other purposes, which was referred to the House Calendar and ordered to be printed:

H. RES. 1220

Resolved, That during the consideration of the bill (H.R. 12929) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes, all points of order against section 209 of said bill for failure to comply with the provisions of clause 2, Rule XXI are hereby waived, and said section shall not be subject to amendment except pro forma amendments for the purpose of debating said section, one motion to strike out said section, and one amendment in the following form: "strike out section 209 on page 39, lines 14 through 17 and insert in lieu thereof the following:

"SEC. 209. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

"Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

"The Secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced."

all points of order against said amendment are hereby waived, said amendment shall not be subject to amendment but may be debated by the offering of pro forma amendments, and no other amendment to said bill, including an amendment in the nature of a substitute, in the House or in the Committee of the Whole, to restrict the use of funds for abortions or abortion-related services shall be in order during the consideration of H.R. 12929.

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1220 and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER pro tempore. The question is, Will the House now consider House Resolution 1220?

The question was taken; and (two-thirds having voted in favor thereof), the House agreed to consider House Resolution 1220.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING), is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA). Pending that, I yield my self such time as I may consume.

Mr. Speaker, this is an unusual rule. It was requested by the majority leader. It was adopted by the Committee on Rules and sent to the floor by a voice vote. It is an attempt to save the House a great deal of time over a period of months. It provides that a very controversial matter be considered in what the Committee on Rules and the majority leader felt would be a fair fashion, fair to all people involved.

There is language in the appropriation bill dealing with abortion. It is the so-called Conte amendment. If it were not protected by the rule, it could be stricken on a point of order. The rule protects that language.

There is also a provision in the rule that makes in order a motion to strike that language. Thus, those who oppose that language have a direct opportunity to defeat it.

Third, there is a provision in the rule including the language of a substitute amendment which may be offered to the Conte language in the appropriation bill, and that language is identical to the language adopted by the House in a continuing resolution, as I understand it, which was the compromise that made it possible after 28 rollcalls in both bodies, months of efforts, much of it apparently wasted, for the House and the Senate to pass the legislation which would fund HEW.

We never got an appropriation bill through the last time. This is an attempt to make it possible to come to a quicker conclusion on this very controversial matter in a totally fair fashion. It is hoped, and even expected, that if this language of the substitute goes to the Senate, it may then be possible to get a quick agreement with the Senate and to dispose of the matter finally for this year.

Mr. Speaker, I commend the gentleman from Texas (Mr. WRIGHT), the majority leader, for the gentleman's initiative. I am pleased that the members of the Committee on Rules agreed to it and that the House has agreed to its consideration. I hope that the resolution will be adopted.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Speaker, this is the rule I would like to have had on Monday when my boundary waters canoe area bill came to the floor. With it, I think I could have prevailed.

I do support this rule. I think it is a very fair and responsible rule that protects the interests of all who are concerned with this issue.

I rise in support of the rule, not because I support the language of last year, which I very strongly oppose, but rather because I think with this rule we can defeat that language and I shall at the proper time urge defeat of the language of last year; but I think it protects the rights of all who are concerned on both sides of the issue to advocate their positions in a very fair way that will not obstruct further consideration of the Labor-HEW appropriations bill.

Mr. Speaker, I do commend the gentleman from Missouri for the gentleman's advocacy of it and the gentleman from Texas (Mr. WRIGHT) for a very fairminded approach in proposing this rule.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Minnesota for his contribution.

Mr. Speaker, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the resolution indicates, there will be one motion to strike section 209. For the Members who have not read section 209, it reads as follows:

None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

And then one amendment in the following form:

"SEC. 209. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

"Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

"The Secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced.",

Mr. Speaker, I would also like to point out to the Members of the House that this bill would directly appropriate $57,982,268,000, which is $5,957,034,000 over the amount that was appropriated last year.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I am certainly not going to oppose this rule. I simply want to say that comments have been made yesterday before the Committee on Rules that we wasted 26 to 28 hours of prime time on this issue.

I find that statement dismaying, because this issue is a very important one to many Members in this House on both sides of the question. Whether we are concerned about the quality of life, whether we are concerned about equal protection of the law, or whether we are concerned about the execution of 300,000 innocent, inconvenient human lives, it is an important issue. It is one of the most important issues since Dred Scott.

To say that this House, with Members who feel passionately on both sides of the issue, wasted time in discussing the preservation of human life and whether tax dollars shall go to exterminate human life or not or whether we are talking about human life speaks more in my judgment of the sense of values of the people uttering that remarks than it serves as any rebuke to those of us who feel the issue is of paramount importance.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I agree with the gentleman on that point, but I also feel that we should have language from the Authorization Committee, and that that should be debated in this House and in the Senate and finally resolved. Otherwise we are going to be doing this every year; is that not correct?

Mr. HYDE. I would say that is a reasonable statement, and I certainly do not

seek extended debate of the issue. However, I do not view any debate of this issue on either side of the question as a waste of time.

Mr. VOLKMER. I do not either, but we are doing this on the appropriation bill and we do not have an authorization bill before us and we never have a chance to work on that. So would it not be better really to have an authorization bill?

Mr. HYDE. Yes; I would say so.

Mr. VOLKMER. Mr. Speaker, I thank the gentleman.

Mr. HYDE. Mr. Speaker, I yield back the balance of my time.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Speaker, I take this time to pose a question to the distinguished gentleman from Missouri (Mr. BOLLING) or perhaps the distinguished chairman of the subcommittee.

As I understand it, there is money in this bill to fund the President's Middle-Income Student Assistance Act; am I correct?

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the chairman of the subcommittee.

Mr. FLOOD. The gentleman is correct, yes.

Mr. COUGHLIN. Mr. Speaker, it is my further understanding that that act has not been authorized, and in fact this House has recently defeated an attempt to bring that bill to the floor.

Therefore, I will ask the distinguished gentleman if points of order against those funds have been waived.

Mr. FLOOD. No. We can do this under the current law, so it is not subject to a point of order.

Mr. COUGHLIN. So that no waiver of points of order against those funds is necessary?

Mr. BOLLING. Mr. Speaker, if the gentleman will yield, there are no waivers on anything except what I have described.

Mr. COUGHLIN. Is a waiver of points of order against the funds for the Middle-Income Student Assistance Act necessary or not?

Mr. BOLLING. Mr. Speaker, I am not prepared to try to answer that question, because it was not raised, and I am by no means expert on it. I am not the proper Member to make that judgment. Perhaps the gentleman should ask the chairman of the subcommittee.

Mr. COUGHLIN. It would seem to me that either those funds are subject to a point of order, in which case I would raise a point of order, or if they are not subject to a point of order, then the act was not necessary and indeed the whole Middle-Income Student Assistance Act was a felicitous sham.

Mr. BOLLING. Mr. Speaker, I would ask the gentleman to yield to the gentleman from Pennsylvania to comment on that. I am not going to make a parliamentary ruling.

Mr. COUGHLIN. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. FLOOD. No, it is not necessary for a waiver. That is very clear.

Mr. LEVITAS. Mr. Speaker, will the gentleman from Missouri (Mr. BOLLING) yield?

Mr. COUGHLIN. Mr. Speaker, I have the time.

The SPEAKER pro tempore. The gentleman is correct. The gentleman from Pennsylvania (Mr. COUGHLIN) has the time.

Mr. BOLLING. That is correct, Mr. Speaker. I have no time. I am just standing here.

The SPEAKER pro tempore. The Chair will state that the time of the gentleman from Pennsylvania (Mr. COUGHLIN) has now expired.

Mr. LATTA. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I would like to ask the gentleman from Missouri (Mr. BOLLING) a question along the same lines as that addressed by the gentleman from Missouri (Mr. VOLKMER).

Are there any subject matters covered by this appropriation for which authorizations have either not been voted by the House of Representatives or which the House of Representatives has defeated by a vote?

Mr. BOLLING. Mr. Speaker, I will ask the chairman of the subcommittee to answer that question.

Mr. FLOOD. Mr. Speaker, if the gentleman will yield, the answer is no.

Mr. LEVITAS. Mr. Speaker, I thank the gentleman.

Mr. COUGHLIN. Mr. Speaker, I would then say that if the Middle-Income Student Assistance Act is not necessary, and if the program can be funded under this bill, then indeed that act was a sham and a political stunt.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FLOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12929) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Illinois (Mr. MICHEL) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12929, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Pennsylvania (Mr. FLOOD) will be recognized for 1 hour, and the gentleman from Illinois (Mr. MICHEL) will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we are dealing with one of the largest and the most complex bill which comes before this House; that is, the Labor-HEW Appropriations bill.

The bill which we bring before the House today appropriates $57,982,268,000 from the general funds of the Treasury, and another $4,780,335,000 from the trust funds. The total would be much much larger, but we deferred action on budget requests amounting to $17,615,443,000 for which there was no authorization.

Mr. Chairman, another way to measure the size of the programs covered by this bill is to add in the budget authority for trust funds, such as medicare, social security, and unemployment insurance. If we do that, we come up with a big, round, fat figure of about $221 billion, or close to 40 percent of the total Federal budget.

Conversely, it is interesting to note that only a small portion of the budget for the Departments of Labor and Health, Education, and Welfare and related agencies is really controllable through the annual appropriation process. Except for administrative costs, the trust funds are automatically appropriated each year. Furthermore, out of the $57,982,268,000 in general funds included in the bill, $38,752,754,000 falls in the mandatory and the uncontrollable category, such programs as medicaid or special assistance, where we are bound by law to match the amounts spent by the States.

There is very little that we can do in appropriation bills to influence the levels of these mandatory programs, although we can and we do try to take steps to reduce fraud, abuse, and error.

For example, this bill provides funds which will permit the filling of 250 additional positions in the Office of the Inspector General in HEW to do audits and investigations, primarily of medicaid, public assistance, and student aid.

In addition, there are funds to support another 195 positions for quality control in the medicaid program.

In total, HEW will have 5,636 employees working in fiscal year 1979 on discovery and elimination of fraud, abuse, and error, primarily in the so-called entitlement programs.

Another example is the $10 million that we have added to the budget for unemployment insurance services to finance approximately 500 additional positions for purposes of fraud control and eligibility review in the unemployment compensation program.

As already mentioned, we have deferred consideration of many unauthorized items. But we have acted on many, many items about which many of you have expressed interest. I imagine I received at least one letter from each Member of the House dealing with some program funded in this bill. I cannot possibly cover them all in the very short time allowed here now, but I hope the Members will read this report. This is a first-class report in which everything is set forth in considerable detail.

On paper, our recommendations provide an increase of $5,949,534,000 over the appropriation to date for the current fiscal year. The true increase is not really that large since we have substantial carry-forward balances in some programs in 1978, which reduce the need for appropriations for that year. Also, we have not yet acted upon supplemental budget requests for fiscal year 1978, which now add up to over $850 million.

About $1.3 billion of the increase is for medicaid and medicare and is considerably less than would be required just to meet the current rate of inflation, which, in the case of health care, is running at about 9 percent for physician services and 14.5 percent for hospitals.

Another $885 million increase over fiscal year 1978 is for supplemental security income, assistance payments, and social services, all of which are entitled programs where we do not have much choice except to approve the budget request.

Almost $2.8 billion of the increase is for the education programs, including $344 million for grants for education of disadvantaged children under title I of the Elementary and Secondary Education Act. There is $56 million for our old friend, impacted area aid; $38 million for vocational education; $9 million for adult education; and $1.4 billion for student assistance. Our student assistance recommendations are directly in line with the administration's proposals, as modified by the House Committee on Education and Labor.

The intent is to make available assistance to a broader range of postsecondary students other than just those from the very poorest families. Under this proposal many additional students will become eligible for basic opportunity grants, which will help finance their postsecondary education.

In addition to these fairly sizable increases over the current level, we have many smaller increases in education programs in which Members have traditionally had a special interest. For instance, we recommend increases of $4,763,000 for public libraries; $7,400,000 for school libraries and instructional resources; $15 million for bilingual education; $16,800,000 for emergency aid to desegregating school districts; $25 million for special programs for disadvantaged college students; and $2 million for language training and area studies.

One item on which all Members have been getting a lot of mail—and I am pretty sure of that, because they have been sending it to me—is $35 million in this bill for initial funding for career education. No funds were requested for this new program. We received letters from many, many Members on this subject, and the ranking minority member of the committee, the gentleman from Michigan (Mr. CEDERBERG) I might say made a very, very strong argument for it when our subcommittee marked up this bill.

Now, in the health area, aside from medicare and medicaid, the budget presented us with a problem because it held many programs at the 1978 dollar level, with no provision for inflation. Other health programs were cut below the 1978 dollar levels. We know that reductions in health research, training, and services simply would not be acceptable to Members of the House.

One of our biggest problems every year is to arrive at a budget for the National Institutes of Health which is adequate and fair, in view of all the competing demands for research of the various diseases and health conditions. This year, we are recommending a total of $2,832,-681,000 for the research institutes, an increase of $312,936,000, or 12.4 percent over last year.

We believe this allowance will permit each institute to fund the highest priority applications for research projects. In addition, we have included funds to complete construction of a new ambulatory care facility, and a new building for the National Institute of Child Health and Human Development. We have tried to maintain Federal support for the existing programs for the training of the health professionals, including physicians, osteopaths, dentists, veterinarians, optometrists, podiatrists, pharmacists, and public health workers.

Members may be surprised that I have not mentioned nurses. Do not worry about that—we have learned never to turn our backs on a nurse. The reason for omitting them happens to be that the Nurse Training Act has expired, and we deferred appropriations until it is extended.

Many of us think that there is not so much a shortage as there is a maldistribution of health professions. This bill provides an increase of $30 million for support of a National Health Service Corps, which trains physicians and other professionals for service in small towns, rural areas, and the inner cities.

For community mental health centers there is an increase of $44,612,000 for commitments to existing centers. There are no funds for new starts, simply because authorizing legislation has expired.

Our recommendations for the Department of Labor show an increase over 1978 appropriations of $324,253,000 from general funds, and $164,865,000 from the trust fund. The most important element of the increase is the new black lung program, for which we also have a fiscal year 1978 supplemental.

We are also funding for the first time in this bill the new Mine Health and Safety Act. This was just recently transferred over to the Department of Labor. Most of the Labor Department budget, by the way, a total of around $11 billion, has been deferred pending extension of the Comprehensive Employment and Training Act, known to the Members best as CETA.

This has been a very brief statement, Mr. Chairman, of the high points of this bill. I know that at this time of evening the Members are not in the mood to listen to a very long speech. Members should take a look at the report.

I certainly ask the Members to do that. They will see that our recommendations add up to $643,330,000 over the President's budget. Frankly I am surprised it is not much higher. It would be easy to add another billion or another $2 billion to this bill as would be the case if we accepted all the suggestions which were made to us.

This is the only one of the appropriation bills which has been reported so far which has found it necessary to recommend appropriations in excess of the President's budget. If Members examine the report, as I have mentioned half a dozen times, they will easily understand why.

There may be efforts made to add something here on the floor. There may be efforts to cut it here and there. There usually is. But we believe we have done a good job in balancing the needs of all these programs against the need for fiscal restraint. We are all aware of the need for that.

I would urge all the Members of the House to support the committee recommendations.

Mr. Chairman, in closing I would like to mention—and I emphasize this—that all of the members of this Labor-HEW appropriation bill committee have made important and constructive contributions, everyone without exception, to the development of our recommendations. I would like to commend also our subcommittee staff for their outstanding efforts and the terrific job they have done in putting together this very large and this complicated bill, which I have often said affects the lives of every man, woman, and child in this country.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as our chairman indicated, this bill contains nearly $58 billion, and when the trust funds are added in, total spending in the areas covered by the bill exceeds $203 billion. If we also add $17 billion in unauthorized items, we find that spending in the Labor-HEW area accounts for over 44 percent of all Federal expenditures.

The $58 billion in the bill is on the surface some $5.8 billion over current spending levels and $643 million over the President's budget. The percentage increase over current levels is 11 percent, which is substantially above the rate of inflation. More importantly, when we leave out the $35 billion in so-called mandatory items, which include such things as social security, medicaid, AFDC, and unemployment benefits, the increase in spending in the bill over current levels is not 11 percent, but a substantial 16 percent.

So we cannot blame the spending increase on mandatory items. It is in the discretionary arena where the major increases occur. What this shows is that absolutely no effort whatsoever was made

to show any spending restraint in this bill. Inflation is headed back up into the double digit range but spending in this area continues on its merry upward way, totally oblivious to existing economic conditions. Secretary Califano called the bill a budget buster, and I have to agree.

The $643 million by which this bill is over the President's budget is a little misleading on the low side, because it masks over some $244 million in reductions made in the mandatory medicaid and AFDC programs. The subcommittee decided to use lower CBO estimates in this regard, rather than the administration's estimates. Only time will tell who is right.

So, in the discretionary arena, the bill is some $887 million over the budget.

UNAUTHORIZED ITEMS

It is also important to keep in mind, as I mentioned earlier, that some $17.6 billion in unauthorized items are not included in the bill, so we could well be headed over the budget by in excess of a billion dollars before we are all through.

Let me run through a number of the unauthorized items left out of the bill, because you may find some of your favorite programs among them:

CETA job training.
Youth jobs and training.
Summer Youth Employment Program (for 1979).
Jobs Corps.
Community Services Employment for Older Americans.
Public Service Jobs.
Community Health Centers.
Family Planning.
Migrant Health.
Venereal Disease.
Immunization.
Rat Control.
Lead-based paint poisoning prevention.
NIH training.
New Community Mental Health Centers.
Drug Abuse Community Programs.
Health Planning Agencies.
Nursing.
Health Statistics.
Health Services Research.
Follow Through.
Educational Broadcasting Facilities.
Head Start.
Aging (including community services and nutrition).
Rehabilitation programs.
Developmentally Disabled programs.
ACTION (including VISTA, RSVP, Foster Grandparents).
Community Services Administration (including Community Action Agencies and Community Economic Development).
Corporation for Public Broadcasting.

INCREASES OVER CURRENT LEVELS

The biggest increases over current spending levels in the discretionary field are in:

	Millions
NIH	$318
Mental Health	63
ESEA Title I	344
Impact Aid	56
Student Assistance (Billion)	1.4
Guaranteed Student Loan Program	445
Social Services Title 20	261

INCREASES OVER BUDGET

The largest increases over the President's Budget are in:

	Millions
NIH	$305
Health Professions Capitation Grants	67
ESEA Title I	100
Student Assistance	256
Vocational Education	47
TRIO programs (Upward Bound, etc.)	25
Career Education	25

WASTE AND ABUSE

Before discussing some of the individual programs, I want to assure you that we are well aware of the recent report by the Inspector General that some $7 billion a year is lost due to waste, fraud, and abuse in HEW programs. We have been giving HEW the tools over the past few years to deal with this problem, many at the urging of this Member, and if they put these tools to proper use, they ought to be able to come up with significant savings.

At the proper time, I will be offering an amendment reducing these areas of waste, fraud, and abuse by a billion dollars in order to both spur on the effort by the bureaucracy and to insure that our taxpaying constituents receive the benefit of such savings.

LABOR DEPARTMENT

In running down some of the individual items in the bill, we have $2.5 billion included for the Labor Department, an amount which excludes all the CETA programs I referred to earlier. Of this $2.5 billion, nearly a billion goes for unemployment and trade adjustment benefits. Incidentally our committee added $10 million to finance approximately 500 additional positions for purposes of fraud control and eligibility review.

BLACK LUNG

Another $422 million was included to cover payments under the new black lung disability trust fund. This money will not actually come from general revenues, but under the law, the committee is required to authorize such expenditures from the trust fund. We have also included $200 million under the advances to the unemployment trust fund for the purpose of covering any shortages in the black lung trust fund until such time as the receipts from the tax on coal are sufficient to enable the fund to meet its obligations.

I might also mention there currently is nearly a billion dollar surplus in this advances account, an amount that will lapse back to the Treasury on September 30.

OSHA

We have $167 million in the bill for OSHA, an increase of $28 million over the current level. This includes an increase of 86 positions over the budget request. I am not sure the case was all that sound for such an increase.

I might point out that by July 1 of this year, the Department plans to have onsite consultation in all States and territories.

They also claim to have dropped 1,100 provisions from their OSHA standards, but when one realizes that this is only 10 percent of the total volume, the accomplishment is not all that significant. This is particularly true in the face of their proposed sweeping plan to regulate all potential cancer causing chemicals at places of employment in one fell swoop. I expect that you will be hearing considerably more about this in the months ahead.

We have again retained the language added 2 years ago which exempts farms employing 10 or fewer people and prohibits the assessment of civil penalties for first instance nonserious violations of the act, providing there are less than 10 such violations, except that the farm provision was modified to exempt those farms having a temporary labor camp.

We have also added an additional limitation which prohibits the promulgation or enforcement of any regulation which restricts work activity in any area by reason of the potential for recreational hunting, fishing, or sports shooting in that area.

BUREAU OF LABOR STATISTICS

The Bureau of Labor Statistics is allotted $94.7 million in the bill, an increase of $9 million over the current level. $3 million of this goes for expansion of local area unemployment statistics.

The bill contains $500,000 for continued development of a job vacancy survey, and we have also included report language clarifying our intent in this regard and urging that action be expedited. The Bureau has been slow in getting this project off the ground.

ORGANIZED CRIME

I also want to point out that we have language in the report directing the Labor Department to provide at least 64 compliance officers for full-time participation in the Organized Crime Strike Forces. This has been an issue of conflict between the Labor Department and the Justice Department. Labor's budget provided for a discontinuation of its participation in the strike forces, but many people in Justice expressed strong concern over this, and the result was an apparent agreement between the Departments for a resumption of Labor participation. However, we just learned that OMB turned down Labor's request for additional personnel for this purpose, so this reemphasizes the need for our report language. Frankly, this appears to be another area where the President needs to get his house in order.

HEW

Moving to the Department of Health, Education and Welfare, the bill contains $55 billion for HEW, an increase of nearly $5.6 billion over the current level and $641 million over the budget.

HEALTH SERVICES

Among the key items in the health services area, we have $375.8 million for maternal and child health programs of which $345.5 million is for grants to the States on a formula basis. The States will, of course, practically double this amount from their own funds.

We also have $57 million for the National Health Service Corps program, an increase of $15 million over current level.

$152.5 million is included for the Public Health hospitals, equal to the budget recommendation, but $24 million below the current level. The total, however, is still some $22 million above the amount appropriated 2 years ago.

We have included funding at the current level for the portion of the emergency medical services program that is authorized, and we also added $300,000 and 30 positions to beef up the central EMS office. Our committee investigative staff found that they were understaffed and were not able to effectively provide the amount of technical assistance needed in the field.

CENTER FOR DISEASE CONTROL

We have $159 million in the bill for the various programs administered by the Center for Disease Control, including $12.5 million for health education. I call this latter item to your attention because it represents part of the amount requested by the President for his anti-smoking campaign. The President wanted to use the entire amount for anti-smoking activities, but we specified in the report that the funds are to be used for a broad range of health information and promotion activities, and not just concentrated on smoking.

NIH

The bill contains $2,952,191,000 for the National Institutes of Health. This excludes some $238 million in unauthorized items, mostly training.

As I indicated earlier, this total represents a massive $305 million increase over the current level. The biggest increases in the latter case are $60 million for the Heart and Lung Institute, $44 million for the Arthritis Institute, and $37 million for cancer.

I am quite concerned about this overall increase for NIH, because I think we have made a serious mistake here which will have some very detrimental long-range repercussions. I speak not only of the increase itself, but also of the formula used to determine the increase.

For those of you not familiar with the grant approval process in NIH, all applications are reviewed by peer review groups, and are either approved or rejected. Those approved are then given a rating, falling between 100 and 500 with 100 being the best. The applications are then funded in the order of their rating and in accord with the amount of funds available.

For the first time, we have based funding for NIH on the amount it will take to fund all approved applications with scores of 250 or better. What does this do? It in effect places our funding decisions in the hand of the scientists on the peer review panels. I am afraid there will be a temptation here to award higher scores to some grant applications so that more of their colleagues can get funded.

Once we establish a certain score level as the funding criteria, it will be almost impossible to pull back from it, because all the special interest groups will latch onto it and demand that we continue with that same level year after year.

What does this mean in terms of funds? Let me tick off to you the percentage increases over current levels which this new funding formula results in for each of the Institutes except Cancer:

	Percent
Heart and Lung	14
Dental	11
Arthritis	18
Neurological	11
Allergy	18
General Medical Sciences	15
Child Health	30
Aging	56
Eye	25
Environmental Health Sciences	24

This funding level produces a 23-percent increase over the current level in total applications funded, bringing the total up over $16,000. The current level itself is an all-time high, and represents a 36-percent increase in just 6 years. What is more, the funding increase for 1979 will produce a 30-percent increase in new grants and competing renewals. These are 3-year grants, so this increase will be built into the budget for at least the next 2 years. On top of this, we can expect the pressure will be on for another increase in new grants as well next year, so let me tell you, you can expect increases of not $300 million, but $500–$600 million next year, based on the action we are taking this year. That is one of the reasons the administration and Secretary Califano are unhappy about the large increases over the budget provided for in this bill.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

The bill contains a total of $805 million for the various mental health, drug abuse, and alcoholism programs. Over half of that amount, some $481 million, is for mental health, including $123 million for mental health research and $257 million for the community mental health centers. We have not included funds for new starts, pending the enactment of new authorizing legislation.

I might point out that while we reduced the budget requests somewhat for both mental health research and drug abuse research, we did provide 15-percent increases for both. Our feeling was that the budget increase was excessive, particularly in view of the questionable nature of some of the research projects.

HEALTH RESOURCES

We have included $147 million in the bill for health profession capitation grants, a slight increase over the current level but a $60 million increase over the budget. The administration wanted to cut this program back on the basis that it is no longer effective in dealing with the maldistribution problem.

The bill contains $95 million for health professions student assistance, and $126 million for a series of programs geared mainly to addressing the problem of maldistribution.

EDUCATION

In this bill, we have a total of $12.8 billion for the various education programs, an increase of $2.8 billion over the current level and $465 million over the budget. The increase over the current level represents a 28-percent increase, which is really hard to justify under any circumstances, but particularly at a time when the States are running surpluses and we are running a major deficit.

TITLE I

One of the big increases over current spending levels in this area that is particularly uncalled for is the $343 million increase for the title I—education grants for disadvantaged children—program, which will bring total spending for the program up to $3.1 billion.

This is a perfect example of the philosophy that if we simply pour more and more money into a program, it has got to do the job. Well, my friends, it is not doing the job. We have spent $25 billion on this program during the past decade, and the experts are still extremly hard pressed to come up with any significant accomplishments. The fact is that the program is not working because it is missing the point. The problem is not one of a lack of quality instruction, but one of a willingness of children to learn. We can have all the special instruction programs we want, but if the students lack interest in learning, they are not going to accomplish one single thing. Motivation is the basic problem, something which was pointed out rather graphically in the recent series of articles in the Washington Post. Title I might be helpful if coupled with the proper degree of motivation, but until we have that motivation, continuing to pile more and more money into title I is like pouring money down a bottomless well.

BILINGUAL EDUCATION

I have to also be concerned over the $15 million increase over current levels in the bilingual education program, bringing the total up to $150 million. An evaluation of this program by the Office of Education found that less than one-third of the participants in the programs were of limited English-speaking ability; that Spanish-speaking students participating in the program did poorer than nonparticipating Spanish-speaking students as far as English language skills were concerned; and that in 85 percent of the projects studied, children continued to receive instruction in their native language even after they had learned enough English to survive in an all English-speaking class. With such shortcomings in the program, now does not seem to be the time to add even more money.

IMPACT AID

The bill contains $856 million for impact aid, equal to the budget request and an increase of $36 million over current levels. The program will operate at the same level as at present, with the increase involving mainly increases in per pupil expenditures.

EMERGENCY SCHOOL AID

We have $327 million in the bill for emergency school aid, a reduction of $5.7 million from the budget, but a $16.8 million increase over current levels.

HANDICAPPED

As I mentioned at the outset, the bill contains a big $349 million increase over current levels for the education for the handicapped program, all but $10 million of it going into the State grant program. The total for the program is $971 million, $804 million of it in the State grant program. The amount for State grants represents a 73-percent increase and will result in a significant expansion in services.

I should point out that the States did not spend all the money allocated to them last year, and may not spend everything this year. So it remains to be seen whether they will be able to spend all the money in this bill.

I should also mention Secretary Califano's statement to the subcommittee that many school districts are misinterpreting the section 504 regulations as requiring more renovation and construction than is really necessary for compliance. There are ways to get around major construction, and the Secretary implied that considerable flexibility will be used in enforcing the regulations.

VOCATIONAL EDUCATION

We have $766 million in the bill for occupational, vocational, and adult education, an increase of $40 million over the current level and $47 million over the budget. Of particular note, we restored the budget reduction for consumer and homemaking education, bringing the total back up to $40.9 million. We also added $9 million for adult education, bringing the total up to an even $100 million.

STUDENT ASSISTANCE

For student financial aid, the bill provides nearly $4.7 billion, an increase of $1.4 billion, or 45 percent, over the current level. Virtually the entire increase is for the President's middle income assistance proposal, and as a matter of fact, It exceeds the President's proposal by $257 million to reflect the bill reported by the Education and Labor Committee.

HIGHER EDUCATION

The bill contains $140 million for the so-called TRIO programs (Upward Bound, Talent Search, Special Services), an increase of $25 million over both the budget and the current level. Also included is $120 million to assist developing institutions, such as the black colleges.

We have deleted a budget request of $50 million to assist institutions of higher education in the removal of architectural barriers for the handicapped. We did so mainly because we do not have any good estimates as to what the total costs may be to remove such barriers, and it is thus premature to start funding such a program before we know what we are getting into. The committee has directed HEW to have a cost estimate developed by the end of the year.

LIBRARY RESOURCES

The bill contains $257 million for the various library programs. This includes an increase of $7.4 million over the budget for the school libraries and instructional resources program, and a restoration of the college library resources program at the $9.9 million level.

CAREER EDUCATION

We have included $35 million to launch the Career Education Incentive Act. $25 million is for the elementary and secondary portion, and $10 million for higher education. The purpose of this funding is really to stimulate the development of programs at the local level, and not to provide continuing and long-term Federal funding. That message ought to be clear to our local communities.

GUARANTEED LOANS

The bill contains $750 million to pay defaults and interest subsidies in the guaranteed student loan program, an increase of $445 million over the amount we appropriated last year. $193 million of the total will go to pay defaults.

Despite all the publicity from Secretary Califano about how he is seeking to deal with the default problem, the fact is that the default rate is still rising, and is projected to reach 14.9 percent in 1979. It is also true that the States are doing a better job than the Federal Government in collecting loans.

I should also point out that the guaranteed loan portion of the President's middle income assistance proposal is not in here, because it needs special authorization.

INSPECTOR GENERAL

The bill provides $35.6 million for the Inspector General, an increase of $8.9 million over the current level. This increase provides 60 additional auditors and 100 additional positions for the office of investigations, bringing the latter up to a total of 214. These increases will result in a total of 1,224 positions overall for the Inspector General, and should give him plenty of resources for the battle against waste, fraud, and abuse.

MANDATORY PROGRAMS

In concluding, let me cite the figures in the bill for the major mandatory programs, and their comparison with current levels:

AFDC: $5,908,000,000, an increase of $280 million.

SSI: $5,557,854,000, an increase of $308 million.

Black Lung: $1,016,608,000, an increase of $49 million.

Medicaid: $11,515,000,000, an increase of $816 million.

Medicare: $6,853,064,000, an increase of $470 million.

The fact is that even though these are considered mandatory programs, that does not mean they are beyond our control. We most definitely can control their administration, and in turn, the actual amounts spent. Much of the waste, fraud and abuse I referred to earlier is occurring in these areas, and the amendment I will be offering at the proper time will seek to help us get at this problem.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for the enlightenment he has given to us here with respect to this piece of appropriation language.

The question I wanted to ask the gentleman, I read a very interesting article in the Battleline this week by Mr. John Lofton about the fact that when Mr. Califano admitted they had lost $7 billion, he said that is only 5 percent of their total budget and it is not enough to be alarmed about. Of course, it is enough to run the State of Idaho for 10 or 12 years and it comprises the tax dollars of many States.

We have very little coverage in the national news media about this. What would happen if the Pentagon would admit they lost $7 billion or $5 billion or $4 billion, which would be the appropriate amount compared with the HEW budget? I wonder how the news media would respond to that.

Mr. MICHEL. Mr. Speaker, I am not altogether sure, but we made a special point; in fact, wrote a piece for the New York Times commenting on the fact that the Los Angeles Times was the only newspaper in this country that carried it as a front-page story; the Washington Post had it back with the hemorrhoid and hernia ads on page 29 or something, as was the case with the New York Times. It's unfortunate that initially the $6 to $7 billion story was not given the visibility it should have had, but I do believe there were some followup stories that have been helpful to our cause.

Mr. SYMMS. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, at the appropriate time I will insert the article written by John Loftus in the Battleline in the section of RECORD called Extensions of Remarks, because I think it is very pertinent for the Members of this body to recognize that if something goes wrong with the Pentagon it is a big front page story; but if something goes wrong and they are squandering the taxpayers' money, particularly in the area of HEW, that the news media somehow does not have the ability to see where it makes a story. I think that is very unfortunate and I think that it is a great disservice to the American people by not reporting it, because here we have freedom of the press, freedom of speech being imposed upon John Singlaub, that he cannot say what he thinks is right without being fired; but the Secretary of HEW can say anything he wants, whether it has to do with a tobacco-producing State or not, with no ruffles and no feathers. I think it is very interesting and very amusing, and does not speak well for the news media.

Mr. MICHEL. Mr. Chairman, I might make one quick observation, and that is that back in 1962, when I was serving on the Subcommittee on Agriculture of the Committee on Appropriations, we established the Office of Inspector General because there was a considerable amount of hanky-panky going on in that Department at the time and we felt the necessity for getting at the bottom of it with a thorough in-house investigation.

Then just 2 years ago we established the Office of Inspector General for the Department of HEW, and it was only about 3 or 4 weeks ago that under suspension of the rules, by a vote of about 388 to 6 or 7, we provided for inspector generals for practically every other department of Government.

So I think we are wedded to the concept. My point is that if we think that is the route to go, then we ought to heed the warnings of those inspector generals and implement as best we can their recommendations to correct those notorious cases of fraud, abuse, waste, and mismanagement.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, I have listened with interest to the gentleman's presentation, and I commend him for several observations he made. I may very well support some of them.

As to the one on the bilingual situation, however, I do not think that is necessarily a bad reflection on the program, even though one-third of those who are learning English still prefer to speak a language other than English. I think this is a wholesome move in this Nation. We have to become more bilingual. We are conducting business in every country on Earth, and we confront

a babble of tongues that are represented in other nations around the world. It is high time we have an abundance of people proficient in all of them.

Mr. Chairman, what is "Battle Ground"? Is that the name of the publication?

Mr. SYMMS. Mr. Chairman, the publication is "Battle Line."

Mr. RONCALIO. Battle Line. By whom is that published?

Mr. SYMMS. Mr. Chairman, if the gentleman from Illinois (Mr. MICHEL) will yield, that is put out by the very distinguished American Conservative Union.

Mr. RONCALIO. Yes, I thought so. They just downgraded me from 10 percent down to 2 percent. Some of my friends were beginning to have doubts about me. I am pleased and feel much more comfortable with the new rating.

Let me point out that $1 billion can get lost pretty easily. We lost $1 billion in the gentleman's lovely State, the State of Idaho, trying to devise a nuclear engine for an airplane. That billion dollars spent over a decade or so by the old AEC, is gone. So money comes and goes, and it goes pretty fast in private as well as public business. I guess we all need the money.

Mr. SYMMS. Just keep sending it. We need to keep the State green.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, to turn to a different topic, I read with interest the portion of the hearings before the subcommittee in which Secretary Califano testified regarding the present Federal law governing abortions and payment for those abortions, as well as the regulations which the Secretary subsequently issued to carry out the present law.

The gentleman from Illinois (Mr. MICHEL) was, of course, one of those who sought to effect a compromise last year, and the result was the present statute. I think the gentleman knows, of course, from my own talks with him and the fact that I cosigned a protest letter with a large number of Members of the House that I have been strongly opposed to the regulations that were issued by Secretary Califano since the intent of those of us who support the "right to life" was indeed to save the maximum number of lives. These most liberal regulations have not accomplished that objective and instead have permitted thousands of deaths of unborn children.

Am I correct in my understanding that the Secretary's testimony before your subcommittee expressed a dissatisfaction on his part with the regulations, but he felt bound, based on the debates in the House and in the other body last year to issue the regulations and in fact suggested in a letter to the committee that changes be made in the current law so that it could be tightened up? Is that correct?

Mr. MICHEL. Yes, that is true. Actually, the Secretary came prepared with clippings from the CONGRESSIONAL RECORD that were, I think, about 2 inches thick. These were statements that had been made at one time or another by Members when the issue was before us, over an extended period of time.

I would have to admit that having to go through that kind of a volume of legislative history was a task in itself. Admittedly statements of some Members were ambiguous particularly if you considered all of them said at the 28 or 29 different times the issue was discussed in both the House and Senate.

I must confess, however, that in my own case I was inclined to put some measure of confidence in the public statements that had been made repeatedly by the Secretary and, as a matter of fact, by the President on the subject of abortion. When we finally arrived at the compromise language, it was with the hope and expectation that those regulations, when they were promulgated, would be much stronger and tightly drawn than they ultimately turned out to be.

I have no alternative now but to alter my position, now that the rule provides for that very same language to be in order. Later on, when we are reading the bill, I am going to have to oppose that language, even though in some respects some people may attribute some of it as being my own language. In other words, knowing now that we cannot count on the Secretary forcing his professed will on his subordinates to promulgate stronger regulations, I am forced to stick with the language we now have in the bill.

At one point I asked the Secretary specifically:

> How could you arrive at 60 days as an appropriate figure for prompt reporting?

He said:

> We cut the difference between 30 days and 90 days, and that is 60.

That is normally what we do in conferences in arriving at money figures.

But where we are talking about what is prompt for the case of rape or incest, you don't just split the difference so to speak between 30 and 90 days. That, is one of the reasons why I have to change my position on the language.

Mr. BAUMAN. I appreciate the gentleman's statement. I am pleased to know that he will oppose the present law's language that was made in order by the rule. I do not think it is a misinterpretation of the Secretary's testimony to say that he is not satisfied with the current law either, and it seems to me that the only way we can make those changes is to stand by the committee language, and I commend the gentleman for including it.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding, and I am delighted to hear the gentleman's statement. I am delighted to hear the gentleman will actively oppose the language made in order under the rule, and I think that will help our cause immensely.

I would like to inquire of the gentleman if there were any regulations written to implement the original Hyde language of 2 years ago.

Mr. MICHEL. That question was never put to the Secretary, to my knowledge, nor would we find any kind of exchange of that kind in the hearings.

Mr. OBERSTAR. If the gentleman will yield further, I would doubt if there were. I would doubt that, if the language in the committee bill were retained, that there would be any need to write new language. We could save an awful lot of work at HEW, maybe even strike a few jobs for regulation writers, if we would just stick with the commttee language. I commend the gentleman for his position.

Mr. MICHEL. I thank the gentleman.

I was just handed a copy of a letter that Secretary Califano addressed to our subcommittee chairman, under date of April 24, 1978, and in the second paragraph of the letter it reads as follows:

> In connection with the exception for rape or incest, the Congress may want to consider reducing the period of time for reporting from the present 60 days specified in the regulation to a shorter period of time.

I offer that as a supplement to what we were talking about. But I understand that does not square with the gentleman from Minnesota, who has another view, and obviously shared by other Members of this body.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. TRAXLER. I thank the gentleman for yielding, and I found his comments interesting.

I looked at the annual report from the Office of the Inspector General. That is under date of April 1, 1977, to December 31, 1977; is that correct?

Mr. MICHEL. That is correct, it covers that period although the report itself is dated March 31, 1978.

Mr. TRAXLER. I also noted that there is a description in the report of fraud and abuse and waste. Can the gentleman tell me, of the figures that are quoted in the report—I must confess I have not had a chance to read it thoroughly—how much was for fraud, how much was for overpayment, and so forth?

Mr. MICHEL. The way they characterized that is as follows:

Medicaid, $3.2 billion to $3.6 billion; medicare, $2.21 billion; AFDC, $669 million; social security, anywhere from $160 million to $867 million; SSI, $334 million; social services, $88 million; student assistance, $356 million; ESEA, $97 million; indirect costs, $102 million.

Those are the specific areas.

Mr. TRAXLER. They deal with all of the categories I mentioned to the gentleman. I am specifically interested in the categories of fraud and abuse, the narrow definition of fraud and abuse, not waste, which we find in every agency, including the defense agency. For fraud and abuse the figure is $1,049 million; is that correct?

Mr. MICHEL. That is correct.

Mr. TRAXLER. That is out of a total of $7 billion; is that correct?

Mr. MICHEL. If you want to talk about hard core fraud and abuse only, that is correct, but if you include waste and mismanagement, the figure is much higher.

Mr. TRAXLER. Therefore, one-seventh of the total figure is outright

fraud, is that correct, based on this report?

Mr. MICHEL. $1,049 billion is clearly identified as fraud and abuse.

Mr. TRAXLER. The rest would fall into categories which we could probably find in any agency of Government; is that correct?

Mr. MICHEL. Excuse me?

Mr. TRAXLER. The rest would fall into categories of waste which we could find anywhere in Government; is that correct?

Mr. MICHEL. I happen to think there is an extraordinary amount in HEW which we would not find in some other areas of Government; and I think it is probably true of any program where there are exorbitant sums of money.

Mr. TRAXLER. Mr. Chairman, I totally agree with the gentleman on that, and I thank the gentleman.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to make a comment on that because I have had reports from my own State.

One of the problems is that increases in mismanagement, if we want to call it that, are not related to direct fraud and abuse, but to the complexity of the regulations and the different eligibility requirements. They contribute heavily to it.

Indeed, I have a letter saying that one of the main problems is the complexity and the number of our own regulations. This letter is from HEW. That is one of the problems.

I do not know what we are going to do; but while we are on the subject, I would like to mention something I am working on now.

Does the gentleman realize that a half empty bus can go by a whole bunch of old people who qualify under one program, but because they do not qualify under that particular program, they cannot get on the bus?

It seems to me that the same thing is true in the health field. It costs $150 a day, roughly, in a hospital. There are a lot of people kept in hospitals because they cannot get into nursing homes. Why can they not get into nursing homes or into home health care if there are no beds in the nursing homes? Because home health care has an additional $220 a month income requirement, whereas one can have a $500 a month income and still qualify for a nursing home. In other words, he or she can get into a nursing home even if he or she has a $500 a month income. Consequently, there are a lot of people staying in hospitals. Although they have incomes of $300 a month, they cannot get the benefit of home health care and cannot get out of the hospital.

The cost in five counties in my State alone was $2.6 million in 1 year. That includes one big county and the others are not so heavy populated.

Really and truly, Mr. Chairman, we have to examine this problem. Commonsense is not operating; nothing is operating but a series of complex, conflicting, and totally irreconcilable regulations.

That is where waste is coming from; it is not a question of fraud.

Mr. NATCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Subcommittee for the Departments of Labor and Health, Education, and Welfare and related agencies appropriations once again brings to the floor of the House for your approval the annual appropriations bill for fiscal year 1979.

Mr. Chairman, the appropriations bill before the House today contains our recommendations for funding for elementary and secondary education; higher education; the National Institutes of Health; social and rehabilitation services; Social Security Administration authorization funding; Community Services Administration; Corporation for Public Broadcasting; National Labor Relations Board; Soldiers and Airmens Homes and a great many other departments and related agencies.

Before completing hearings on the bill we hear hundreds and hundreds of witnesses. As a general rule, it requires some 9 weeks to complete hearings and to present the bill to the full Committee on Appropriations. Since the year 1969, the Departments of Labor and Health, Education, and Welfare and related agencies appropriations bill has been vetoed seven times. Only on two occasions have we been able to override the vetoes of this bill. Down through the years our Presidents in submitting the HEW budget have reduced funding on impacted aid, elementary and secondary education, higher education, library services, cancer, heart, and strike research, and for the National Institutes of Health generally.

This bill, as you know Mr. Chairman, is known as the "people's bill" because all of the programs that are so close to the hearts of the majority of our people are funded in this legislation. It is right difficult at times to understand just why this bill has been vetoed so many times. The amount of money involved, of course, is tremendous, and according to the present Secretary of HEW, from $6 to $7 billion is wasted each year and the main reason is that a great many of the programs are abused and, in some instances, we have fraud. If the new Secretary of HEW is able to reduce the amounts involved, $6 to $7 billion, by stopping abuse waste and fraud in some of the programs, he should be commended for his accomplishment.

On our committtee we are always amazed at the practice in the executive branch of imposing year-end employment ceilings which, in effect, contravene congressional directives and overturn decisions made by Congress in the course of the appropriations process. This action, of course, can be compared to an item veto. We all know that the President must veto an entire bill, sign it, or let it become law without his signature.

This bill contains a great many programs which are of concern to all of the Members of the House. In the bill we recommended $14.1 billion in direct appropriations for payments financed from general funds, including those provided to black lung and SSI beneficiaries and the Federal share of State welfare and refugee assistance costs. Some 46.8 million individuals benefit directly from monthly cash payments made under these programs. The bill also provides $123.4 million for the mental health service program. This is an increase of $16 million for this program over 1978 funding levels. For elementary and secondary education, we included 3 billion 456 million dollars; and 3 billion 78 million dollars is included for title I disadvantaged assistance. This is an increase of $343 million over the 1978 appropriations.

We recommend $2,952,000,000 for the National Institutes of Health. This is an increase of $318 million over the 1978 levels and an increase of $306 million over the President's budget. We recommend $889 million for the National Cancer Institute.

In this bill, we recommend $376 million for the maternal and child health program. This includes $30 million for research and training activities; $346 million is provided in grants for States. Under the provisions of this bill, we provide for authority to spend $422 million in the black lung disability trust fund. $1,016,000,000 is also authorized for this purpose from general funds.

We recommend $123,500,000 for the Mine Safety and Health Administration. In addition, we recommend $57 million for the National Health Service Corps for the placement of health professionals in shortage areas. This is the maximum authorized and an increase of $14.5 million over 1978 funding.

Mr. Chairman, this bill allocates $62 million for research and training directed at making the American workplace less hazardous. We also recommend $972 million to assist in the education of all handicapped children. This is an increase of $349 million over the 1978 funding. For students of higher education, we recommend $4,675,000,000. This is a 44 percent increase in funds over the $1,421,000,000 in 1978.

Mr. Chairman, we recommend the sum of $123,500,000 for the Mine Safety and Health Administration which was recently transferred to the Department of Labor from the Department of the Interior.

This bill includes $1,715,200,000 for grants to States for unemployment insurance and employment services. This is an increase of $10 million over the budget request and $132,600,000 over the 1978 appropriation.

Mr. Chairman, I want to call your attention especially to two portions of our report. On page 19 of the report, we have the following language:

The committee recommends $12,560,000 for health education, the same amount as the budget request and an increase of $7,980,000 over the comparable 1978 appropriation. The committee believes that the increased funds requested in the budget and approved by the committee should be used for the support of a broad range of health information and promotion activities, as contemplated in Title XVII of the Public Health Service Act, and not concentrated on any one health problem, to the exclusion of all others, as proposed in the budget. The subjects specifically mentioned in Title XVII include the publication of information on child care, family life and human development, disease prevention (particularly prevention of pul-

monary disease, cardiovascular disease, and cancer), physical fitness, dental health, environmental health, nutrition, safety and accident prevention, drug abuse and alcoholism, mental health, and management of chronic disease (including diabetes and arthritis, venereal disease, obesity, and hypertension.) The funds can and should be used to carry out the mandate of Title XVII to develop health information and health promotion materials and teaching programs including (a) model curriculums for the training of educational and health professionals and paraprofessionals in health education by medical, dental, and nursing schools, schools of public health, and other institutions engaged in training of educational or health professionals, (b) model curriculums to be used in elementary and secondary schools and institutions of higher learning, (c) materials and programs for the continuing education of health professionals and paraprofessionals in the health education of their patients, (d) materials for public use by the printed and broadcast media, and (e) materials and programs to assist providers of health care in providing health education to their patients. Elsewhere in the report, the Committee has indicated concern about the inadequate training of health professionals in environmental health, occupational health, and health of the aging. The Committee believes that a portion of the increased funds provided for health education should be directed to correction of these deficiencies in medical school curricula. In addition, the Committee believes that very high priority should be given to activities aimed at the problem of teenage pregnancy.

In addition, Mr. Chairman, on page 38 of the report, we find the following:

The Committee expects this Institute to utilize a portion of its increase to expand diabetes research, within the limits of high quality research available, as recommended by the Diabetes Commission.

The additional $9 million for research grants provided by the committee, together with the $28,827,000 for new grants requested in the budget, is to be used to support the regular research grant program with major emphasis on investigator initiated research. The budget request included an increase of $4 million earmarked exclusively for research on smoking and health. The committee does not agree with this proposal. Throughout this report, the committee has refrained from earmarking specific amounts for specific categories of disease or types of research, in the belief that such judgments should be made through the peer review system on the basis of scientific merit of the research applications involved. In the National Institute of Child Health and Human Development, and in all of the research institutes, it is the intent of the committee that the entire amount provided for new research grants should be used to fund those projects which are assigned the highest priority through the peer review system, and that specific amounts should not be earmarked for lower quality research only because of its subject matter.

Mr. Chairman, in this bill we recommend the sum of $54,562,000 for the National Institute on Aging.

This is an increase of $18,600,000 over the amount requested in the budget and $19,630,000 over the 1978 appropriation.

This bill includes $856,400,000, the same as the budget request for school assistance in federally affected areas. This is $56,400,000 over the 1978 appropriation.

For library resources, we recommend $257,975,000. This is an increase of $25,138,000 over the budget request and $4,663.000 over the amount appropriated for 1978.

Mr. Chairman, this is a good bill and our Committee on Appropriations recommends it to the Members of the House of Representatives.

Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. SMITH), a member of the subcommittee.

Mr. SMITH of Iowa. Mr. Chairman, there has been considerable discussion here about waste in the departments that are appropriated for in this bill.

I think some waste occurs as a result of the departments not knowing until many months after they should know, what the program is going to be that they are going to be administering; also, due to this they do not have adequate time to promulgate regulations. Also, local governments do not know the level of funding until they are well within the fiscal year in which they have to operate.

I find a good many of my constituents do not understand the two-step procedure under which we proceed.

First of all, authorizing committees are supposed to authorize the legislation and set up the formulas. Then, it should be completed and sent down to the department by September of the year before we appropriate. That means that the authorizations for programs in this bill—and there would be 130 of them in here if they were all authorized—should have been completed by last September. At that time the departments then would look at the new formulas, at the new programs, and they would make their proposals with regard to funding for this particular year. They would be included in the President's budget, and we would consider the proposals this spring. Instead of that, more than one-third of all the 130 programs we are eventually going to appropriate for were not authorized. They are still not authorized. The authorizing committees, especially Commerce and Education and Labor, are 1 year tardy with much of their legislation.

Mr. Chairman, it is not possible not to have waste in programs when the authorizing committees perform in that manner. Therefore, I think we should take a look at the way our own Congress is performing.

Mr. Chairman, we passed the Budget Act. One of the primary results that we had hoped for, I think, in the passage of the Budget Act, was that it would cause the authorizing committees to be prompt and on time with their authorizing legislation, but we find that the delays are just about as bad as ever.

Here we are with 130 programs in a bill, and a third of them have not been authorized, so that we cannot consider funding for those in the House without a special rule. If we have a special rule permitting funding without the authorization, then we in fact are authorizing at the same time we are appropriating. If we do that, we might as well abolish the authorizing committees. So, this system is not working. If we do not secure such a special rule, then the Senate controls the cap on the funding for that year.

The authorizing committees should authorize these bills a year ahead of the time we are going to fund them. In this bill here we have, as the gentleman from Illinois mentioned, a total of $17 billion in budget requests for programs that have been left out of this bill because the authorizing legislation has not been passed. They are very important programs such as the Community Health Services, Home Health Services, Comprehensive Health Office, Hypertension Center Disease Control, National Institutes of Health—some of them—Alcohol and Drug Abuse, and a whole host of others.

I think that until the authorizing committees get on the stick and follow the procedures they are supposed to follow, we are never going to get rid of much of waste in these departments.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I just want to commend the gentleman for the statement he has made, because I can foresee that as we get nearer and nearer to the end of the session, and elections are approaching and we are under the gun timewise, we are not going to be in a position, with the second half of this bill, in whatever form it takes, to give the kind of meticulous attention and extended hearings for the balance of the bill that we went through with this bill for months and months. That means that we are all going to get shortchanged as a result of our not being able to give it as much attention as we should.

Mr. SMITH of Iowa. I would add to that, in conclusion, that the result of this is to deny the Members of the House the opportunity to do the shifting in funding levels between programs that we would have. By having no money in this budget for a program, when we go to the Senate, the Senate sets the ceiling by itself. That means on those programs that we are denied the opportunity to adjust above the Senate's request if we want to emphasize some programs as compared to others.

So, actually the authorizing committees, being a year tardy, are really denying the Members of the House a good part of the prerogatives they need in setting priorities in funding the various 130 programs in this bill.

Programs lacking authorization in fiscal year 1979

PROGRAM	
Health services:	*1979 Request*
Community Health Centers [1]	$286,000,000
Home Health Services	6,000,000
Comprehensive Health Grants to States [2]	180,000,000
Hypertension [2]	22,000,000
Maternal and Child Health [2 3]	320,490,000
Sudden Infant Death Syndrome	2,802,000
Genetic Diseases	7,000,000
Family Planning	145,000,000
Migrant Health	34,500,000
National Health Service Corps [4]	5,947,000
Emergency Medical Services [5]	8,925,000
Subtotal, HSA	1,018,664,000
Center for Disease Control:	*1977 Request*
Immunization	$35,000,000
Venereal Disease	32,000,000
Lead-Based Paint Poisoning	10,250,000
Rat control	13,000,000
Subtotal, CDC	90,250,000

National Institutes of Health:	
National Cancer Institute	$878,802,000
National Research Service Awards	127,482,000
Family Planning Research (PHS Act, Sec. 1004)	82,300,000
National Heart, Lung and Blood Institute	432,184,000
Subtotal, NIH	1,520,768,000

[1] Excludes $15,000,000 for Health Underserved Rural Areas which has indefinite authorization under SSA, Sec. 1110.

[2] Includes amounts for Advance Funding.

[3] Total request is $720,354,000. Program has existing authorization for only $399,864,000.

[4] Total request is $62,947,000. Program has existing authorization for only $57,000,000.

[5] Total request is $42,625,000. New legislation is proposed for feasibility, planning and first-year initial operations grants (PHS Act, Secs. 1202 and 1203). FY 1979 request for these items is $8,925,000.

PROGRAM	1979 Request
Alcohol, Drug Abuse and Mental Health Administration	
General Mental Health:	
Research (CMHC Act, Sec. 231 (d))	$6,000,000
Research Training (PHS Act, Sec. 472)	18,691,000
Community Programs:	
Planning (CMHC Act, Sec. 202 (d))	
Initial Operations (CMHC Act, Sec. 203(d)(1))	
Consul. and Education (CMHC Act, Sec. 204(c))	7,438,000
Conv. Grants (CMHC Act, Sec. 205(c))	24,366,000
Financial Distress (CMHC Act, Sec. 213)	2,220,000
Facil. Assist. (CMHC Act, Sec. 228)	
Drug Abuse:	
Research Training (PHS Act, Sec. 472)	784,000
Community Programs:	
Special Projects Grants and and Contracts (DAOT Act. Sec. 410)	161,000,000
Grants to States (DAOT Act, Sec. 409)	40,000,000
Alcohol:	
Research Training (PHS Act, Sec. 472)	2,350,000
Subtotal, ADAMHA	262,849,000
Health Resources Administration	
Health Planning and Resources Development:	
Health Planning:	
Local Planning Agencies	115,400,000
State Agencies	30,000,000
Planning Methods Development/Centers	6,900,000
Health Facilities Construction [1]	
Health Professions Education:	
Nursing:	
Nurse Practitioner	13,000,000
Special Projects	7,500,000
Subtotal, HRA	272,800,000

[1] Authorization requested for outpatient facilities construction, and hospital conversion/closure projects for FY 1980 and 1981.

PROGRAM	1979 Request
Assistant Secretary for Health	
Health Statistics:	
National Surveys and Analysis	$23,432,000
Cooperative Health Statistics	16,759,000
Health Services Research	23,812,000
Health Maintenance Organizations [1]	$15,850,000
Adolescent Health, Services, and Pregnancy Prevention	60,000,000
Subtotal, ASH	139,853,000
Total, PHS	3,305,184,000

[1] Total request is $25,810,000. Proposed legislation would change the language for the existing $50,000,000 authorization for initial development grants to include planning and feasibility grants. The FY 1979 request for planning and feasibility grants is $15,850,000.

Education Programs Lacking Authorization in Fiscal Year 1979

PROGRAM	1979 Request
Elementary and Secondary Education:	
Follow Through	$35,000,000
Drug Abuse Education	2,000,000
Educational Broadcasting Facilities (Telecommunications Demonstrations)	1,000,000
Environmental Education	3,500,000
Bilingual Education:	
Information Clearinghouse [a]	1,000,000
Research and studies [a]	12,500,000
Proposed Legislation:	
Grants for Disadvantaged	400,000,000
Impact Aid (Maintenance and Operations)	−76,000,000
Special Projects Act	11,365,000

[a] These activities are authorized under Title VII, Part C of the Elementary and Secondary Education Act. The 1979 request of $13,500,000 for these activities exceeds the Part C authorization which is $5,000,000.

Welfare Programs Lacking Authorizations for Appropriations, fiscal year 1979

HUMAN DEVELOPMENT SERVICE	
1. Children, Youth and Families:	
(a) Head Start	$680,000,000
(b) Child Abuse	21,228,000
Subtotal	701,228,000
2. Aging Programs:	
(a) Community Services	
1. State Agency activities	19,000,000
2. Area Planning and Social Services	153,000,000
3. Model Projects	15,000,000
(b) Nutrition	287,000,000
(c) Reserach, Demonstration and Manpower.	
1. Research	8,500,000
2. Training	17,000,000
3. Multidisciplinary Centers on Gerontology	3,800,000
(d) Federal Council on Aging	450,000
(e) Multipurpose Senior Centers	40,000,000
(f) National Clearinghouse	2,000,000
Subtotal	
3. Programs for Handicapped Individuals:	
(a) Rehabilitation Services and Facilities	
1. Basic State Grants	785,457,000
2. Innovation and Expansion	19,800,000
3. Services Projects	
a. Deaf-Blind Center	2,500,000
b. Special Projects	17,430,000
c. Training and Facilities	
(i) Training services	5,000,000
(ii) Facility improvement	2,400,000
d. Evaluation	2,500,000
4. Research	31,500,000
5. Training	45,228,000
Subtotal, Rehabilitation	911,815,000
(b) Developmental Disabilities Programs	
1. Basic State Grants and Advocacy	49,880,000
2. Service Grants	5,557,000
3. University-Affiliated Facilities	6,500,000
Subtotal, Developmental Disabilities	61,937,000
Subotal, Handicapped Individuals	973,752,000
4. Native Americans Programs	33,800,000
Total	2,254,530,000

Welfare Programs Lacking Authorizations for Appropriations, Fiscal Year 1979—Con.

HUMAN DEVELOPMENT SERVICE—Continued	
Department of Labor:	*1979 request*
Employment & Training Program Administration	90,438,000
Employment & Training Assistance	4,852,828,000
Temporary Employment Assistance (Public Service Jobs)	5,955,286,000
Related agencies:	
ACTION	130,986,000
Community Services Administration	538,000,000
Corporation for Public Broadcasting	172,000,000
Total requests for which appropriations were not included due to lack of authorizing legislation	17,615,443,000

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE), who has served with such distinction on our subcommittee.

Mr. EARLY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to one of the most valuable members on the HEW Appropriations Committee, my good friend from Massachusetts (Mr. EARLY).

Mr. EARLY. Mr. Chairman, will the gentleman from Massachusetts, a member of the subcommittee, confirm a situation which I have heard of regarding the upcoming International Union Against Cancer meeting?

I understand that this organization plans to hold its meeting in Buenos Aires with the financial support of the National Cancer Institute through a sizable grant. Since our deliberations this afternoon directly affect the Institute's operations, NCI, I wonder what complications this direct U.S. support will have on the persistent problems concerning the political climate in Argentina. Will the gentleman please comment?

Mr. CONTE. Mr. Chairman, I want to compliment the gentleman from Massachusetts, my colleague, for posing that question, a very important question.

Mr. Chairman, I am pleased to respond to the question the gentleman poses. The International Union Against Cancer is scheduled to hold its Congress in Buenos Aires, this coming October. I believe this scheduled meeting is relevant to our deliberations because it is being funded through a $250,000 grant from the National Cancer Institute, a part of the Department of Health, Education, and Welfare. As the gentleman knows, I have repeatedly spoken out against the injustices that have occurred in Argentina, and in some instances, that have been allowed to continue. A particular case in point involved Mr. Jacobo Timerman, the former editor and publisher of La Opinion, who was jailed 1 year while

the Government tried unsuccessfully to substantiate the vague accusations of economic crimes that were raised against this brave individual. Finding that they could not substantiate these accusations, the Government released Mr. Timerman last April 18 from his prison cell. However, Mr. Timerman now finds himself under "house arrest" while the sluggish judicial system avoids the scheduling of a public hearing to clear Mr. Timerman of the unjustified accusations, thus allowing him to emigrate out of Argentina with his family.

The gentleman knows that I, along with many of my colleagues, have spoken out against this violation of human rights. We hear of the tremendous strides made in Argentina toward reestablishing true democracy, but it is hard for the free world to believe that this is the situation in Argentina as long as Mr. Timerman remains under this injust house arrest. What further complicates the situation is the fact that numerous threats have been made on Mr. Timerman's life by various political groups operating within Argentina. The Argentine officials, recognizing the seriousness of this possibility, especially the threat it poses to the world image it is desperately trying to exhibit, have placed 40 guards around Mr. Timerman's house. Why they simply do not allow Mr. Timerman and his family to leave the country, thus escaping the ever-present threats on his life, is not understood. As the gentleman knows, I have repeatedly posed this question to the appropriate officials of Argentina, with little satisfaction.

In light of this glaring example of continued political injustice, I would strenuously urge the officials of the National Cancer Institute to reconsider their funding of this important meeting in a "democratic" country.

Such a change in the selection of this vital international meeting will assist the free world in reiterating two points First, we anxiously await the full return of democracy and social justice in Argentina. But, as Mr. Timerman's situation demonstrates, the officials must hasten this return before we can again fully extol the virtues of that country. Second, by relocating in another country, with a more favorable climate, we will assure the participants at this important meeting, that they receive all the support and coverage that the world's scientific community deserves. For these reasons, in response to the question, I would urge the National Cancer Institute to withhold the funding of this October meeting of the International Union Against Cancer until a satisfactory site can be chosen.

I thank the gentleman for his timely question and trust this answers his inquiry.

Mr. EARLY. I commend the gentleman from Massachusetts (Mr. CONTE) for his comments. I hope the National Cancer Institute will pay attention to the gentleman's remarks.

Mr. CONTE. I thank the gentleman from Massachusetts (Mr. EARLY) for his valuable contribution.

Mr. Chairman, as a member of the Labor-HEW Appropriations Subcommittee, I am proud of the progress being made in the areas of such vital necessity to the well-being of our people. The programs initiated this year, as well as the increased moneys are a symbol of concern, commitment and encouragement on the part of this Congress. I, for one, can demonstrate my willingness to help our country by aiding in the appropriations process. I feel that the bill which is currently before the House is a good bill. In fact, it is one of the best bills presented in the Congress during the 20 years it has been my privilege to be here. I would like to take a few moments now to share parts of the bill which merit the attention of this body. I, along with my friend and colleague, the distinguished gentleman from Massachusetts (Mr. EARLY) cosponsored amendments in these areas of special interest.

To provide startup assistance for health professions institutes the $5 million will enable, among other things, a veterinary school and osteopathic school to be established.

A new $37 million basic research facility to be constructed on the campus of the National Institute of Child Health and Human Development. This will be the first single national research facility in the Western World committed to the improvement of each infant's chances for a healthy and productive life.

A sum of $889 million for the National Cancer Institute. The President's request of $858 million, an increase of only seven-tenths of 1 percent over last year's funding level, would not allow even the current level of research to continue when inflation is figured in, much less break new ground in our battle against cancer.

The Heart, Lung and Blood Institute will continue both its blood research program and it clinical research program on Cooley's anemia.

The Institute of Arthritis, Metabolism and Digestive Diseases will continue its activities and research in the areas of osteogenesis imperfecta, the brittle bones disease; inflammatory bowel diseases including ileitis and colitis; and cystic fibrosis, which is the number one genetic killer in this country. The Cystic Fibrosis Foundation recently completed a three-volume report which sets forth a solid plan for expanding research in this area. In response to the report and congressional interest, NIH has indicated that they intend to increase spending for cystic fibrosis research by $2.5 million next year. I hope they consider this to be a minimum and that more will be devoted to this problem if sufficient high-quality grant applications come in. I also think that this research effort will be improved if NIH begins to implement the new resources program outlined in the Cystic Fibrosis Foundation report.

The National Institute of Neurological and Communicative Disorders and Stroke will receive $188.9 million and will be able to implement the recommendations of the National Commissions for Epilepsy and Huntington's Disease to as great an extent as possible.

A sum of $69 million for new initiatives in State mental health manpower development.

A sum of $152.899 million for biomedical research support grants.

A sum of $120.1 million for medical, osteopathic and dental schools.

A sum of $18 million for veterinary, optometry, pharmacy and podiatry schools.

A sum of $9 million for public health assistance.

A sum of $17.5 million for primary care residences and training program.

A sum of $10 million for the health professions student loan program.

A sum of $1 million for the office of the Assistant Secretary for Health, allowing for 5 additional staff positions on the President's Council for Physical Fitness and Sports.

For the National Institute of General Medical Sciences, we also offered report language recommending that basic biomedical research be considered an essential element in the progression toward improvement of our Nation's health.

And, along with my colleague, the distinguished gentleman from California (Mr. ROYBAL) I helped provide $54.5 million for the National Institute on Aging.

In the education field, Mr. EARLY and I teamed up again to add $500,000 to the administration's funding request for the National Committee, Arts for the Handicapped. I also offered a successful amendment to provide $5 million to assist the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota in Minneapolis-St. Paul and $2.5 million to aid the Everett McKinley Dirksen Congressional Leadership Research Center in Pekin, Ill. These institutions, named after two beloved and respected public servants, will provide opportunities for study in public affairs, congressional leadership, and political science. Both will be living memorials to these great men who contributed so much during their lives to our Government.

I am pleased to note that the committee, at the urging of my distinguished senior colleague from Michigan (Mr. CEDERBURG) has provided first-year funding for the Career Educational Incentive Act at a level of $35 million for career education special projects at the elementary, secondary and post-secondary level.

Every increase I have mentioned is warranted. Each new initiative is justified.

It is very hard for me to grasp the meaning of the President concerning his intentions to exercise veto power over this bill. Or to offer an amendment eliminating some necessary moneys. Can anyone among us say in clear conscience that these programs are unworthy, that these projects are unnecessary, that this research is unfounded, that these moneys are not needed? I think not.

Where would the cuts occur? In those areas where progress has been slow though advances have been made? In those areas where gains have already been marked? Who among us will cast the first stone?

I dare say we, as elected Representatives, are here to serve, to do for our constituents, to provide the assistance necessary to advance. This bill gives us the opportunity to do so. I ask for your support in this most worthwhile endeavor.

Mr. SYMMS. Mr. Chairman, I make

the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole House has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 427]

Allen	Evans, Ga.	Pattison
Andrews, N.C.	Fascell	Pike
Applegate	Fish	Pressler
Archer	Flowers	Quie
Armstrong	Forsythe	Rahall
Ashley	Fraser	Rodino
Aspin	Garcia	Rosenthal
Baucus	Gibbons	Runnels
Beilenson	Harrington	Ruppe
Biaggi	Hollenbeck	Santini
Bingham	Howard	Sarasin
Bonior	Hubbard	Scheuer
Bonker	Jones, N.C.	Seiberling
Brademas	Kastenmeier	Shuster
Brown, Calif.	Kemp	Sikes
Burke, Calif.	Krueger	Simon
Burton, John	Leggett	Sisk
Burton, Phillip	Livingston	Skubitz
Caputo	Long, La.	Stark
Carney	Long, Md.	Stockman
Cederberg	Lujan	Stump
Chisholm	McCloskey	Teague
Clawson, Del	McDade	Thornton
Cochran	McDonald	Tsongas
Collins, Ill.	McKinney	Tucker
Conable	Madigan	Udall
Conyers	Martin	Ullman
Corman	Mathis	Wampler
Danielson	Mazzoli	Waxman
Davis	Meeds	Whitten
Delaney	Mikva	Wiggins
Dent	Milford	Wilson, C. H.
Derwinski	Minish	Wilson, Tex.
Diggs	Mitchell, Md.	Wydler
Dingell	Moffett	Young, Tex.
Drinan	Murphy, N.Y.	Zablocki
Edwards, Calif.	Myers, Gary	Zeferetti
Erlenborn	Nedzi	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12929, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 321 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. CONTE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Chairman, I will not take the full 5 minutes. I merely would like to touch lightly on what will be explained in more detail when we get to the amendment stage.

Hard on the heels of proposition 13 comes now a Congressman who considers himself a moderate conservative, asking the Members to increase the appropriation for Labor and HEW in two categories; one for gifted children and one for the handicapped.

I think I should point out that for a period of 3 years we have, in our largesse, allowed $2.56 million of help for the gifted, highly talented American child. This is the child who one of these days may be sitting in this Chamber long after we are gone, who may be in the White House or in the Senate or in the State capitols, who may be heading our corporations, leading our labor unions and handling our successful agribusinesses. One particular gifted child is an extraordinarily handicapped child, too, because, if he or she happens to be disadvantaged or happens to be in a minority, then we deliberately point him or her in the wrong direction, and quite possibly he or she will end up in an area of enterprise that will be antithetic to what we are seeking; namely, the betterment of our country and the betterment of our citizens.

I simply point out to the Members that this amendment will come up when we are about halfway through the reading of the bill, and in it I propose, with the help of the gentlewoman from New York (Mrs. CHISHOLM) and the gentleman from Michigan (Mr. PURSELL), to raise that figure from $5 million to $10 million.

On the other side of the coin, dealing with Americans who are handicapped, it is our intention to ask the Congress to add to this bill the sum of $225 million: $100 million for elementary and secondary education, $75 million for the colleges and universities, that particular group being the only one in which the private school participates; and $25 million for public libraries; and $25 million for vocational rehabilitation facilities.

This is what we intend to do, and we will explain it in more detail later on.

But as a parting shot and curtain dropper, I would like to mention a personal experience. Two weeks ago tomorrow evening, when we were packing up for our Memorial Day recess, as all of us were trying to leave for our districts, I, in my anxiety at the airport, hurriedly pushing my luggage along, just pushed it a little too far, too fast, and I sprained a muscle in my back. While it made me extremely uncomfortable, more importantly, it was an enormous temporary handicap to me, and I thought to myself how bitterly angry I might be or disheartened and disappointed if I had to live that way, with that particular restrictive and binding cramp, the rest of my life. I believe I am almost over it, but it was a dramatic illustration to me of what these amendments are all about. In trying to be fair to all people, let us not forget to include those who just want to have the chance to be average as well as those who want to demonstrate their right to be recognized as exceptionally gifted.

I hope Members will support these amendments when we present them at the proper time in the reading of the bill.

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN of Illinois. Mr. Chairman, I do not intend to take the full 5 minutes, but I do think that the appropriation bill which is before us does touch on an important public question which is pending before the Congress and which affects those of us who support tuition tax credits as against those who support an alternative approach which would essentially extend existing student assistance grant and assistance programs of the Federal Government to middle-income families.

The report accompanying the legislation before us today in my opinion takes a clear preference for the so-called middle-income assistance proposal in contrast and in opposition to the tuition tax credit.

Therefore, I would like to ask the chairman of the committee, the distinguished gentleman from Pennsylvania (Mr. FLOOD), this question.

Mr. Chairman, the concern I have with respect to this appropriation bill is that it would seem that the committee has taken a choice between the tuition tax credit legislation and the middle-income student assistance legislation, both of which bills are still pending before the Congress. And I would like to know by what authority the appropriation bill takes preference between those two particular bills?

Mr. FLOOD. Mr. Chairman, if the gentleman would yield, I might say that the committee recommendation is based on the House version of the Middle-Income Student Assistance Act, H.R. 11274, as reported by the authorization committee, the Committee on Education and Labor.

Even though that legislation is still pending, appropriations can be made under existing law, to achieve the general aim of the legislation and the proposals of the administration. The recommended increase of $1.4 billion before us today is designed to expand the existing student aid program to help the middle-income students.

By deciding to expand student aid, the committee is not expressing a position on the subject of tuition tax credits. Members still have the choice of voting for expanded student aid or the tuition tax credits; or both of them; or, if you like, neither one of them; or, if you prefer, some combination of the two.

Mr. CORCORAN of Illinois. Mr. Chairman, if the gentleman from Pennsylvania (Mr. FLOOD) would permit another question, I think what the gentleman is saying is that the Congress has not taken a position with respect to the authorizing legislative bills which are working their way separately through the Congress?

Mr. FLOOD. That is right.

Mr. CORCORAN of Illinois. Therefore, would the gentleman agree that if we should vote to approve the money which is in the appropriation bill we are simply extending the existing BEOG program, and the other student programs to a few more people, but we are not solving the problem of assisting students via recommendations contained in the bill, H.R. 11274, pending in the Committee on Rules in preference to the tuition tax

credit bill H.R. 12050, already passed by the House?

Mr. FLOOD. That, or any combination thereof.

Mr. CORCORAN of Illinois. I thank the gentleman from Pennsylvania (Mr. FLOOD) for his response.

Mr. FLOOD. Mr. Chairman, I now yield such time as he may consume to the distinguished gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I would just like to engage in a little colloquy with the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. FLOOD).

I have a pamphlet or a report from the Department of Health, Education, and Welfare, in which they recommend money for the facilities in Cincinnati, Ohio, and in Morgantown, W. Va., for NIOSH.

I understand that this was brought up too late to be put into this program this year.

I would like to call the attention of the chairman, if I could, to the importance of this program and what it means not only to our State but to the mining and welfare research in Morgantown, and with regard to health particularly.

Mr. FLOOD. Mr. Chairman, if the gentleman will yield, let me say to the gentleman from West Virginia (Mr. STAGGERS) that we will endeavor to deal with this report in the future.

Mr. STAGGERS. I thank the gentleman.

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Ohio.

Mr. GRADISON. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. FLOOD) for yielding to me.

I would also like to thank the gentleman from West Virginia (Mr. STAGGERS) for the comments he has made.

Let me point out that the problem which we face, very simply, is that over the years there have been a number of studies of this subject. The most recent one, which the Committee on Appropriations had asked for, was thrown out by Secretary Califano last year. A year ago today the Secretary advised the chairman of the Appropriations Subcommittee that the Department of Health, Education, and Welfare was going to set up a board to review the NIOSH program and their need for facilities. The recommendation which came in a few weeks ago called for additional investment in facilities of about $28 million, $16 million of which would be in the district represented by the gentleman from West Virginia (Mr. STAGGERS) and the balance would be in the Cincinnati area.

We are fully aware that there has been no opportunity for the committee to consider this in connection with the budget now before us.

Of course, we recognize that, as the chairman of the subcommittee has indicated, this matter will be taken up at the appropriate time. Bringing it up now, however, is done for an additional purpose. That is to recognize the possibility, remote perhaps, but the possibility that the other body might consider this matter since they will have the report before them. There is a possibility that they may make some recommendation with respect to the facilities in Morgantown or in Cincinnati, or both or neither, and, therefore, to ask that the Appropriations Subcommittee and its staff take a look at this matter in anticipation not only of the normal review process next year but of the possibility that this question may be brought before the subcommittee through the conference procedure.

Mr. FLOOD. We will look at this matter carefully, and we will be prepared to deal with it.

Mr. GRADISON. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, I yield myself 2 minutes, first of all, to tell my friend, the gentleman from Ohio (Mr. GRADISON), that the committee is well aware of that report. He raises a very good question here in view of the fact that there are, as we talked about earlier, $17 billion of items that have been unauthorized to which we are going to have to address ourselves at a later date. Conceivably those items will be in conference with the other body, where we will be at zero and they will be at some certain figure. This item could very well be, as the gentleman has pointed out, a subject for the conference, and he has made a good case for that facility in his own community of Cincinnati. As a matter of fact, in the report alternative 3 is recommended which should serve the gentleman's purpose in good stead if we follow the recommendations given in the report.

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. GRADISON. I thank the gentleman for yielding.

Without question the report is one which the citizens of my community will support. It is not all we had hoped for because it will continue the operation of NIOSH at scattered locations throughout our metropolitan area, but it goes a long way toward resolving the continued uncertainty which has been hanging over the lives of the employees of NIOSH for years who really do not know year after year whether their children are going to be going to school in Cincinnati, in Morgantown, or other parts of the United States. I think one way or the other this should be resolved so that there is an added degree of certainty, not just for the benefit of the employees but also so that the programs of NIOSH can go forward with some degree of permanence.

Mr. MICHEL. The point the gentleman made is very well taken. I think we are all in support of the end result of NIOSH. The controversy has all surrounded the site location for the new construction, and while the subcommittee has had some differences, within it, I believe our members will put our stock in the report that was made and I think the gentleman's fears will be allayed by the position this subcommittee will take in conference.

Mr. GRADISON. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, that concludes the numbers of requests I have had on this side for general debate. We might want to move on to reading the bill.

● Mr. FRENZEL. Mr. Chairman, today we are called upon to vote for the Labor-HEW appropriation bill for fiscal year 1979. Last year the committee asked us to support a bill that was some $32.5 billion over the previous year's bill and this year's bill is $36.3 billion over the fiscal year 1978 bill. That is a whopping 15 percent increase.

This year's budget buster comes shortly after a report was released from the Inspector General of the Department of HEW, estimating that from $6.3 to $7.4 billion in HEW funds is being lost per year due to waste, fraud, and abuse.

I cannot support a bill that is a least 15 percent over last year's bill and does not even include appropriations for yet-to-be-authorized programs totaling some additional $17.6 billion. The taxpayers in my district are like the voters of California. They are tired of big spending.

Year after year, we continue to fund the same old categorical programs with little regard to effectiveness in reaching their promised goals. I believe a legitimate role of the Federal Government is to support programs designed to promote quality education, health research and benefits for the aged and disadvantaged. However, I do not think we can continue with our insane policy of pouring more tax dollars into old programs as a cure-all for all problems. Impact aid is a perfect example of an old, inequitable program—yet, this year's budget for impact aid is some 56.4 million over last year's bill. Student loan defaults is another perfect example.

Congress has done nothing to reduce the onerous burden of bureaucratic red-tape and regulation. I would prefer to see a regulation reduction program, and a program which would give local officials greater flexibility and responsibility over those Federal programs affecting them.

Not every item in this year's bill deserve rejection, nor does every item deserve support. I am not opposed to increased funding for education programs or health research. On the contrary, I support responsible increases in these categories and my voting record in the past 7 years reflects such support. I intend to support amendments like that of the gentleman from Illinois (Mr. O'BRIEN) which adds to the total cost, but involve worthwhile, needed programs. But, ultimately Congress must consider the total cost of the bill and not the individual line items. I have no choice but to base my final decision on the $203,482,657,000 total. I have to oppose a bill which will significantly add to our present fiscal deficit.

This bill further emphasizes Congress record as the greatest and most wasteful spender in the history of the world. H.R. 12929 means not only that Congress does not care about present deficits, but also that it has no interest in ever balancing our budget.

Therefore, I will support the Michel amendment to reduce the bill's cost by $1 billion. This amendment is intended to create a greater incentive for HEW to step up its effort in the waste, fraud, and abuse area. The $1 billion is only about

15 percent of the waste the Department itself admits to.

The time has come to apply some pressure through the appropriation process to show Congress dissatisfaction with continuing waste, fraud, and abuse existing in the Department of HEW. I shall vote against H.R. 12929.●

● Mr. UDALL. Mr. Chairman, title II of the Labor-HEW appropriations bill contains funding for the National Institute of Arthritis, Metabolism, and Digestive Diseases at a level of $287,869,000. This represents an increase over the budget request of $38,500,000, and is $44,400,000 more than the fiscal year 1978 appropriation.

I strongly support the Appropriation Committee's action in increasing the level of funding for this Institute. Unfortunately, the increase cannot all be used in an area which I feel is of the highest importance: arthritis research. Arthritis is a cruel, constant companion, afflicting millions of our citizens of all ages.

The Appropriations Committee did not choose to earmark money for specific areas, but is allowing the Institute to use its expertise to decide in which areas the money can be most effectively used. I wish to express my hope that the Institute will allocate the maximum possible amount of money to arthritis research. I realize, of course, that the Institute is also responsible for other areas of medical research. Diabetes, for example, is part of the Institute's responsibility.

It is unfortunate that we cannot appropriate enough money to fight arthritis, and other diseases, at higher levels. I know that there are budgetary considerations, however, and that some medical research cannot be forced, no matter how much money is used. The battle against arthritis, however, should be one of our national priorities, and I will support this appropriation and all future appropriations to fight this dreaded affliction.●

The CHAIRMAN. Does the gentleman from Pennsylvania desire to yield further time?

Mr. FLOOD. We have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $167,474,000: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful, or repeated violations under section 17 of the Act) resulting from the inspection of any establishment of workplace subject to the Act, unless such establishment or workplace is cited, on the basis of such inspection, for 10 or more violations: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: *Provided further*, That of the funds appropriated under this paragraph may be used to promulgate or enforce any regulation under the Occupational Safety and Health Act of 1970 which restricts, by reason of the potential for recreational hunting, fishing, or sports shooting in any area, work activity in such area by reason of such potential.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: On page 7, line 6, strike the figure "$167,474,000" and insert in lieu thereof the figure "$139,070,000".

Mr. SYMMS. Mr. Chairman, my remarks will be very brief. This is an amendment that the Members have had an opportunity to vote on each year on the Labor-HEW appropriation bill; that is, to hold OSHA funding to the level of last year.

Now, many things have happened this past year to make this, I think, more apropos than in the past. For one thing, we have had the famous ruling in the case of Bill Barlow against United States where warrantless searches will be limited, somewhat.

We have had Mrs. Eulah Bingham, the new Director of OSHA, state that OSHA is no longer going after the nitpicking things they have in the past. They are going to go after the big things, which means they will not be harassing the honest citizenry of the United States; at least as they have in the past.

This will reduce the appropriation for fiscal year 1979 to the fiscal year 1978 level. It involves a reduction of $28,404,000 in the committee bill. The committee bill provides for an increase of 86 positions with OSHA; including 45 positions and $878,000 for technical support for the compliance staff. It also includes 25 new positions and $506,000 for training of compliance officers.

Mr. Chairman, if there has ever been a time when it would be appropriate for this body to start making some meaningful cuts in spending, I think it would be today, in view of the elections yesterday in California and New Jersey. Across this Nation people have indicated their desire for cutting taxes and cutting spending to go with it.

I think it is very appropriate today that we take this very modest, moderate step, to limit an agency of the Federal Government, to keep them within the bounds where they were last year.

This is not going to abolish OSHA or do away with the concern and interest that the Federal Government has for safety. It very simply is going to hold it to last years level. That is the way for this Congress to send a message downtown to HEW and to OSHA that we want to stop this tax and tax and spend and spend politics that the taxpayers of this country are so tired of and the harassment and the regulations.

I think it would be appropriate if the Committee would accept the amendment. I would happy to yield to either the Chairman of the Committee or the ranking member to accept the amendment, because it is so moderate.

I see the gentleman from Pennsylvania is not jumping to his feet, so I will just ask for a vote at the appropriate time.

Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the problem with the Symms amendment is that it does not do what I am sure the gentleman from Idaho thinks it does. In fact, what this amendment would do is to engage in a frontal assault on a variety of initiatives designed by this committee to reform OSHA and to help small businesses, initiatives which have been applauded by the National Federation of Independent Businesses.

Why do I say that? For a very simple reason; No. 1, year after year Members have stood on this floor when this bill came up and they would say, "Why can't a businessman who simply wants to comply—he is not trying to mess things up, he is not trying to get away with something—get some advice from OSHA without being subjected to a fine the minute an inspector walks onto the premises?"

This committee said, "That's right, small business ought to be able to get that kind of advice from OSHA without having to run the risk of being fined because they have asked someone to tell them how they can get into compliance."

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I will yield after I have finished my statement.

Mr. Chairman, this bill funds that consultation program for small businessmen. It is a program they have been asking for for years, and this expands that program.

No. 2, Members have stood on this floor and they have asked, "Why doesn't OSHA get rid of those ridiculous nuisance standards?" So what OSHA did this year is this: they started, section by section, and got rid of 70 pages of standards in an action just a few months ago.

This bill provides them with the additional staff to accelerate that effort, to go through all those standards, and to toss out the 14 "Mickey Mouse" pages of standards on ladders, for instance, and many other items.

Thirdly, we have heard people ask, "Why don't you get OSHA out of the business of attacking the question of split toilet seats and, instead, get them into important questions like protecting worker health?" It has been pointed out that 9 out of every 10 people who die each year from occupational problems, die from health problems, not safety problems.

So what this committee did was to fund the ability of OSHA to do that by retraining inspectors. The problem we have with OSHA is that they have a lot of inspectors who have been trained only in safety questions. It is very easy for any idiot to walk into a business and say, "Well, that window is 4 inches too high" or "That vent is 4 inches too small, and you've got to redesign it." They do not understand the complicated question which really affect worker health.

So we have funded efforts to increase the retraining of inspectors. We do not think it ought to take 10 years to retrain every OSHA inspector. This bill cuts down the timelag between now and the

date when all those inspectors will be retrained.

I also want to make it perfectly clear that there is no increase in this committee bill over last year's position ceiling for inspectors. We do not add any money in this bill over last year's ceiling for inspectors. We have 86 positions which provide support and technical assistance for people in the field so that they can analyze air samples, for instance, and things like that. What we are trying to do is to get OSHA out of its old habits, and it takes some money and it takes some new people to do it.

I beg the Members, if you want to have a target you can shoot at, if all you want to do is go home and brag to your businessmen about how much you hate OSHA, fine; then you will not do anything to change it, and you will agree to the gentleman's amendment.

But, Mr. Chairman, if we really want to do something to correct OSHA, we will accept the money we have in this bill which enables us to do just that.

Mr. SYMMS. Mr. Chairman, will the gentleman yield now?

Mr. OBEY. Yes, I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I could not agree more with the laudable goals the gentleman has set forth. I agree with everything the gentleman said in pointing out that this is the basic bottom-line problem we face as Members of Congress in trying to direct the regulatory agencies.

We want them to do exactly what the gentleman has outlined, but we want them to do it within their budget and cut out some of the nonsense. That is what every housewife in America and every small businessman in America has to put up with. They have to live with this nonsense.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, I have asked for this additional time to answer the gentleman's statement.

I understand what the gentleman wants to do, but we have to recognize certain facts. I cannot change the facts, I am sorry; all I can tell the gentleman is what the initiatives are that he would be cutting out if he cut out the add-on, because we have problems which a lot of people are trying to correct, problems with the civil service regulations and all the rest.

But the fact is, if we want to change OSHA, we have to have more money for instructors to train those inspectors in some of the more important questions so we can get them out of the nit-picking. If we want them to deal with more sophisticated problems, we have to have technical back-up staffs.

Mr. Chairman, that is what this bill does, and if we knock out the money, we knock out OSHA reform. It is just that simple.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the people of this Nation waited over 200 years to put together some type of an act to protect those working people who have been ignored all that time.

I just came back with the committee from a trip to New Orleans. We went there to take a look at the grain elevators and investigate recent grain explosions.

One of the points repeated during the testimony we took down in New Orleans was that OSHA had an insufficient number of inspectors, so that OSHA's hands were tied. Over 50 workers were killed in those explosions in New Orleans.

Why? Because the inspections were so lousy and so infrequent. As a result, we as a committee had to go down and expend large sums of money and time to determine why OSHA was not working.

Mr. Chairman, let me give the Members some facts, and then I think reasonable minds will conclude whether or not OSHA should be funded at last year's level or not.

I ask the Members to look at these facts. They speak for themselves.

Last year, 1977, OSHA conducted more than 1,700 inspections in direct response to reported industrial accidents or injuries.

What is one supposed to do? If we did not have the law, there would be no attention paid to those accidents, to those 1,700 requests. Now we have the law and we do not have sufficient personnel to investigate those requests.

I think it is only commonsense, equity, and fairness, to conclude we owe to those who work with their hands, in particular, in the so-called blue-collar jobs, some type of reasonable inspection, especially since we throw money around all over the world on all kinds of programs, like it is going out of style.

I do not hear such vehement arguments on this floor to protect our workers as I hear on other spending measures. I have seen many a foreign aid bill come and go, and nobody got up to speak against them.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding to me, and I would like to join in his remarks.

As we sat in oversight in our subcommittee, we heard the stories about the lack of manpower, if you will, within OSHA to respond to major industrial catastrophies, to major industrial accidents. And what do we really find? Every time something goes wrong in somebody's district, they are yelling for OSHA to be out there the next morning, whether it is the grain elevators, whether it is cooling towers that collapsed. We find all the time that then we want a political response, we want OSHA in our district the next morning. As a consequence, we are having to shuttle highly trained people, when we have these industrial accidents, from one part of the country to the other.

I think Dr. Bingham has made a dramatic start in getting rid of the frivolous regulations and has concentrated on major industrial problems in this country for the protection of our workers.

I think the amendment offered by the gentleman from Idaho (Mr. SYMMS) is simply one that does not deal with the realities of the working place or with a concentrated effort by the administration to deal with the very necessary troubles in that working place, to make it safe for safety and for health.

And, finally, let me say that I believe that most of the problems that were incurred by OSHA were because the past administration, the Republican administration, sicced OSHA onto the small businessmen, hoping they would write letters to us and hoping we would abolish OSHA, because it was those people who were running the program. And when this very articulate person came in, a very experienced individual, Eula Bingham, the first thing she did was rip up those regulations that were written that did nothing but hassle small businessmen.

And now we are acting in those areas where people's lives are in jeopardy. I think to accept this amendment would be a major step away from our commitment to health and safety for our working people.

Mr. GAYDOS. Mr. Chairman, I wish to thank the gentleman from California for his remarks and for his sharing the responsibility during these hearings and for his complete support during the last year.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 5 additional minutes.)

Mr. GAYDOS. Mr. Chairman, I think that everybody should remember that if OSHA is properly supervised and if inspections are fair and adequate, we will reap many benefits, one of which is most significant. That is a reduction in the cost for workmen's compensation insurance. We just came back from the west coast where we held hearings involving some of those extraordinary workman's compensation rates. Something like $30 or $35 per $100 for workmen's compensation insurance coverage.

Therefore, it is not just the immediate necessity of providing adequate inspection but we are also talking about the economic aspect, the free enterprise concept which so many people talk about.

Look at these statistics and then decide how to consider this amendment.

By comparison, today there are 1,000 Federal grain inspectors for 10,000 grain elevators. That sounds, perhaps, good or bad. We have in the OSHA program 1,500 inspectors to protect more than 65 million workers in 5 million work places.

Who is asking for unreasonable funds? Is not that statistic alone significant?

Mr. Chairman, we have in this country 7,200 poultry and meatpacking plants. Yes, they should be inspected; but we have 8,500 full-time and 1,000 part-time

meat inspectors. That is good. I believe we should have those inspectors, but what about this business of working for a living? What about all those dependent children and families who have a right to expect their Government to provide a reasonably safe workplace?

Mr. Chairman, I want the Members to know, as a matter of public record, based upon a list just recently compiled by OSHA, there are 1,100 regulations which will be eliminated, having been classified as a "Mickey Mouse" type of regulation.

Further, Mr. Chairman, I want the Members to know that the sincerity of Dr. Bingham cannot be attacked. She is doing what she said she was going to do.

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Chairman, I appreciate the gentleman's yielding.

I suppose, in a sense, up until my friend, the gentleman from California, and my friend, the gentleman from Pennsylvania, got into the attack on the previous administration, I was with the gentleman from Pennsylvania (Mr. GAYDOS).

That is irrelevant at this point, and I do not think it makes much difference, frankly.

The point is, however—and the gentleman from Wisconsin and my friend in the well, the gentleman from Pennsylvania (Mr. GAYDOS) have both stressed this—if we take the Symms amendment—and I know from whence our colleague, the gentleman from Idaho comes—what we are doing is keeping the inspection process going without anything being done, and we are depriving or taking out the $3 million that is in here for the training of employees and employers. We are taking away the retraining money for the compliance officers, and that is wrong. That is not a good step to take.

Therefore, I think the Symms amendment ought to be rejected.

Mr. SYMMS. Mr. Chairman, will the gentleman yield.

Mr. GAYDOS. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

First, Mr. Chairman, my good friend, the gentleman from Wisconsin, the father of OSHA, is assuming that Dr. Bingham is not going to be able to manage OSHA to do what we want, onsite inspections and so forth.

I think the gentleman from Pennsylvania (Mr. GAYDOS) knows very well that when safety regulations become punitive in nature, the people on the job—and this is a bona fide fact with respect to mine safety, that the coal mining people try to hide the safety problems from the inspector, whereas the hard-rock mine people always show the inspector the problems. Therefore, cooperation is what we want in safety, not something punitive in nature.

OSHA has been a punitive agency.

I would also like to say to the gentleman that long before OSHA was ever provided for by law, the system here in America did more for job safety than in any other place in the world. That was through capital formation, new technology, and better ways to do things. Therefore, job safety has been improved in this country because of the ingenuity of people who, because of good business practices, are paid not to have accidents on the job.

New technology and capital formation to make new tools and so forth helped to do that. OSHA had very little to do with that.

Mr. Chairman, I ask the gentleman, who was it who told the grain elevator people to put all the dust in bags so that it becomes combustible, whereas if the grain dust is allowed to flow freely in the air, it only burns; it does not explode?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. That old turkey was pursued during our hearings, I can assure the gentleman that this was not the activity that was promulgated, nor was it directed, by OSHA. There was some conflict as to what to do with grain elevator dust, some conflicts as to whether to bag it, throw it outside, throw it inside et cetera, but that was not an OSHA regulation.

Mr. Chairman, Dr. Eula Bingham has shifted the larger portion of her inspections from safety over to health. Every year NIOSH lists 500 additional carcinogenic identifications—500 additional every year. Who is going to monitor these, who is going to conduct these health programs, who is going to devise ways of controlling these? Members have to answer these questions in their own consciences.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. As a member of the Budget Committee, and though I know all members of the Budget Committee do not share my point of view on this issue, I believe OSHA can more than adequately handle its activities on $139 million. They did it this current year, and I think this is one area where we do not have to add to the inflationary spiral unnecessarily.

When OSHA was originally passed, we were told that the main emphasis was to get the State governments to assume the responsibility and upgrade their areas of responsibility in promoting health and safety of workers. Most States have responded to that effort, and have done the job. They have done it in California.

We do not need to keep expanding the expenditure of this agency which, in many instances, has proven to be absolutely worthless. I am not saying in all cases, but in a number of cases it has not proven to be effective at all but rather the opposite. The original intent was to have the Federal Government encourage State governments to put in place adequate and sufficient health and safety inspectors, and so forth. That is currently being done, and now we are asked to increase the appropriation when it really is not needed.

This is one place where I think my colleagues can carry on responsibly to not inflate a budget that does not need to be inflated. I am talking about the Federal OSHA program, which most Members know has basically been a joke in the way it has carried out its mandate in many instances. I believe that the new director is making a real effort to eliminate unnecessary rules and regulations and stopping any activity that has proven to be worthless. But, I believe that if we were really sincere in our original intent to encourage the State governments to undertake this responsibility, the best way we can do it is to continue the expense level of $139 million.

An appropriation of this magnitude is not a starvation diet. Let us keep it at the same level it was this year, and not increase it. This is the best way we can emphasize, as we intended when the law was originally put into place, that we expect the State governments to undertake this responsibility and do it correctly.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for making those very salient points. I wonder if the gentleman would care to venture a guess as to how that Californian and great American, Mr. Jarvis, would vote on this amendment if he were here this afternoon?

Mr. ROUSSELOT. I am not sure Mr. Jarvis would want me to speak for him, but on the basis of proposition 13 I am sure he would also consider this to be an unnecessary increase. Mr. Jarvis is not running for Congress that I know of.

Mr. GAYDOS. Would my friend, the gentleman from California, yield?

Mr. ROUSSELOT. I yield to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, does the gentleman not think that we have given the free enterprise system the gentleman refers to, enough time to provide a safe working place, furthermore, there are just mountains—mountains—of evidence that indicate they have not done the job? I am not too critical. It is a difficult job to do. That is why we passed OSHA.

Mr. ROUSSELOT. Let me recoup my time.

I believe that many of the States have accepted their responsibility. California has done so admirably.

Mr. GAYDOS. The facts do not support that.

Mr. ROUSSELOT. California has, and I disagree with the gentleman that many States have neglected the responsibility. Some have not. Some have gone ahead and passed new laws—I agree, not every single State. I do not know what has happened in Pennsylvania. The gentleman can speak for Pennsylvania.

In California they have assumed the responsibility and moved ahead to put into place higher standards of safety and have hired inspectors.

I do not think we need to continue to balloon this appropriation, and I believe the gentleman from Idaho has appropriately said we should make it clear to the rest of the country that we expect the State governments to assume that responsibility and that this is what we intended when we passed this law 5 or more years ago, in 1970, or whenever it was. Where is the father of OSHA? He can tell us when it was.

Mr. FLOOD. Mr. Chairman, I rise to oppose the amendment.

At first blush—if we blush around here any more—this amendment sounds fairly reasonable. But on the contrary—and we get a lot of that around here—it is actually very unreasonable. Let me tell the Members why in a few words, and we have been through this time and again.

Virtually all of this increase over 1978 that we are talking about for OSHA was requested in the budget. The add-on by the committee was small, comparatively small. I would like Members to understand now that there is not one new inspector provided in this bill. Not one, period.

We think there are good reasons for appropriating these funds, and we think the Members will agree with this. There is an increase of $3.5 million over last year, for consultation programs for employers, particularly small business. We think the Members support increased consultation and assistance to employers to help them to understand and voluntarily comply with the act. What is the matter with that?

Also there is an increase of $5 million over last year to provide increased safety and health training for employers and employees, and this training is to enable the employers and employees to voluntarily comply with the act we are talking about. I certainly believe that the Members will support that. All right.

There is an increase of $8.4 million for the Federal share of operating the State occupational safety and health programs. About half the States operate their own programs with no Federal inspectors in those States at all. And, believe me, the Governors of these States certainly want this increase so they can continue to run their own State programs. Instead of having Federal inspectors running around their States, they want to run their own programs, and the Federal Government puts up 50 percent of the money for that.

Then there is a $2 million increase to enable the Secretary of Labor to evaluate and study the whole OSHA program with a view toward improving and simplifying the whole method of operation.

We certainly think that that is more than reasonable, under the circumstances.

Then, what else? The committee added 16 new jobs to enable OSHA to weed out, to get rid of some of these superfluous safety standards which are nothing more than a nuisance. We certainly think that should be done.

All right, what else? We added new positions to staff up the OSHA training program so that these inspectors we are talking about are well trained when they make their inspections and not just picked off the street. We want them well trained. So do you.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. In just a moment I will be glad to yield to the gentleman from Illinois.

As I was saying, we want them well trained so that they will not go off half cocked someplace, like they have done sometimes in the past.

There is $3.3 million for increases that are generally considered mandatory in any budget process. I am speaking now about increases in the GSA space rental charge, or where there is an increase in utility costs, things like that. They have to be paid. There is no choice about those.

That covers, Mr. Chairman, the bulk of these increases we are talking about. I think they are good increases and are for very good reasons. We did not pick these off the left-field wall, or someplace. They were mighty carefully thought out.

I would urge you to resist this meat-ax approach and reject the amendment. This is a very unwise amendment.

Mr. ANDERSON of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the question that I had intended to put to the distinguished chairman, the gentleman from Pennsylvania (Mr. FLOOD), had the gentleman yielded to me, is that I have just been handed a sheet from the other side of the aisle in opposition to the Symms amendment, and it cites a number of reasons, many of which seem very good.

The first one talks about the fact that the Symms amendment would halt consideration of the $3.5 million initiative to provide all small businesses with onsite help and advice without the threat of fine. I do not want to see that happen because on past occasions I have been among those in this Chamber who have strongly advocated onsite consultation as an alternative to the Government exercising its punitive power against small businesses.

But I come down to the third reason, and it says that this would eliminate funds needed to train incompetent OSHA inspectors. That bothers me a little bit.

I have been talking this afternoon to the mayor of the city of New York, our former colleague Mr. Koch and he very proudly has told me about all of the incompetent people on the New York City payroll that he has simply fired in the last few months. He has gotten rid of the deadwood, or some of it, at least, on the payroll of that city. I believe we should certainly follow no lesser example here at the Federal level. I wonder why we want to spend money to retrain incompetent inspectors? Why, in Heaven's name, do we not simply fire them and get people who are competent?

I have talked to enough small businessmen in my district who already think we have too many incompetent people on the payroll and I do not want to go home and tell them that I am spending money to retrain incompetent people. I would feel much better telling them that we are weeding out our incompetents and we are going to insure that we have got people competent enough to handle the work.

Mr. OBEY. Mr. Chairman, if the gentleman will yield, let me take full responsibility for the word "incompetent." I think if an inspector walks into a small business and he does not have tact and he is not well trained in the health area that then he is incompetent to do the job.

It does not necessarily mean, really, that he is not otherwise an intelligent individual, it means he has the wrong training and therefore does not fill the bill. The problem is that 75 percent of the OSHA inspectors today have not been trained in the health areas. Therefore, that means that they are incompetent in that area and will remain so until they are properly trained.

Mr. ANDERSON of Illinois. Should they have been hired, then, in the first place is my question of the gentleman from Wisconsin. Do we have standards for Federal employment?

Mr. OBEY. Until 3 years ago only 10 percent of the OSHA inspectors were trained in the health area. We have retrained 25 percent of them over the last 2 years. We are trying to retrain the other 75 percent. It is not that they are incompetent individuals; it is just that the entire training program for OSHA has been incompetent.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

I think the explanation for this is this: When this agency was set up, the people running the Department at the time decided they would transfer other people in who were not needed in other places, rather than to lift them and put them in this Agency. They were not trained in the field. They were not people who were hired on the basis of their competence. They knew that they were going to give them severance pay or something somewhere else, so instead of doing that, they just transferred them into these jobs, and it really has not worked out.

Mr. ANDERSON of Illinois. I think the gentleman has been commendably frank in supplying me with that information and with that explanation, but I simply want to make the point that I think we have to be very careful that we do not convey the impression to the employers, and particularly the small businessmen of this country, who do fire incompetent, untrained, or ill-equipped people, that somehow we have the right on the Federal level, in order to simply find a sinecure for someone or to find a place for someone who otherwise would have to go out and seek private employment, to continue them on Federal payrolls at added expense to the taxpayers.

I think the emphasis, I repeat, ought to be on recruiting trained individuals.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield,

Mr. ANDERSON of Illinois. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. I thank the gentleman for yielding.

I know that the gentleman takes a very conscientious position, but I would like to inform my colleague that 250 to 300 slots remained unfilled for years because they could not find sufficiently trained personnel. They are now being slowly filled.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BAUMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to congratulate the gentleman from Illinois (Mr. ANDERSON) for discovering the "phantom" of the House. Apparently the gentleman from Wisconsin (Mr. OBEY) takes responsibility for this handout which suddenly appeared miraculously on the tables on the minority side and in the back of the Chamber which no identification, not even a credit line or a political committee "By authority of" as Federal law requires in campaigns.

I think the members of the committee know that in recent weeks we have seen this emergence of unidentified campaign handouts, especially "phantom" handouts at the doors during rollcalls. This unfortuante tactic has a certain advantage because no one knows who is responsible. But the word is written down and, therefore, obviously it must be truth since all things that are printed are truth.

The gentleman from Illinois has been very helpful in eliciting the source of this information and has underscored one of its weaknesses. I hope that in the future he will join me in cosponsoring a change in the rules that will require an authority line on all handouts and, thus, put to rest once and for all the "phantom" of the House. I thank the gentleman for his contribution and urge that the amendment be passed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 179, not voting 54, as follows:

[Rollcall No. 428]

AYES—201

Abdnor	Bennett	Byron
Andrews, N.C.	Bevill	Cavanaugh
Andrews, N. Dak.	Blouin	Clausen, Don H.
Archer	Bowen	Clawson, Del
Armstrong	Breaux	Cleveland
Ashbrook	Brinkley	Cohen
Badham	Brooks	Coleman
Bafalis	Broomfield	Collins, Tex.
Barnard	Brown, Ohio	Corcoran
Baucus	Broyhill	Cornwell
Bauman	Burgener	Cotter
Beard, Tenn.	Burke, Fla.	Crane
Bedell	Burleson, Tex.	Cunningham
Butler		
D'Amours	Ichord	Pettis
Daniel, Dan	Ireland	Pickle
Daniel, R. W.	Jacobs	Poage
de la Garza	Jenkins	Preyer
Derrick	Jenrette	Quayle
Derwinski	Johnson, Colo.	Quillen
Devine	Jones, N.C.	Rhodes
Dickinson	Jones, Okla.	Risenhoover
Dornan	Jones, Tenn.	Robinson
Duncan, Oreg.	Kasten	Rogers
Duncan, Tenn.	Kazen	Rose
Edwards, Ala.	Kelly	Rostenkowski
Edwards, Okla.	Kemp	Rudd
Emery	Ketchum	Russo
English	Kindness	Ryan
Ertel	Krebs	Satterfield
Evans, Del.	LaFalce	Sawyer
Evans, Ga.	Lagomarsino	Schulze
Evans, Ind.	Latta	Sebelius
Fary	Leach	Shuster
Findley	Lent	Sikes
Fisher	Levitas	Skubitz
Fithian	Livingston	Slack
Flippo	Lloyd, Calif.	Smith, Nebr.
Forsythe	Lloyd, Tenn	Snyder
Fountain	Long, La.	Spence
Fowler	Lott	Stangeland
Frey	Lujan	Stratton
Fuqua	Luken	Symms
Gammage	McClory	Taylor
Gephardt	McCloskey	Thone
Giaimo	McDonald	Thornton
Ginn	McEwen	Treen
Glickman	McKay	Vander Jagt
Goldwater	Madigan	Volkmer
Goodling	Mahon	Waggonner
Grassley	Mann	Walgren
Gudger	Marlenee	Walker
Guyer	Marriott	Walsh
Hagedorn	Martin	Wampler
Hall	Mathis	Watkins
Hammer-schmidt	Michel	Weaver
Hanley	Milford	White
Hansen	Miller, Ohio	Whitehurst
Harkin	Mitchell, N.Y.	Whitley
Harsha	Montgomery	Whitten
Hefner	Moore	Wilson, Bob
Heftel	Moorhead, Calif.	Winn
Hightower	Murphy, Ill.	Wolff
Holland	Myers, John	Wright
Holt	Neal	Yatron
Huckaby	Nichols	Young, Alaska
Hughes	O'Brien	Young, Fla.
Hyde	Panetta	

NOES—179

Addabbo	Dingell	McFall
Akaka	Dodd	McHugh
Ambro	Downey	Maguire
Ammerman	Drinan	Markey
Anderson, Calif.	Early	Marks
Anderson, Ill.	Edgar	Mattox
Annunzio	Edwards, Calif.	Mazzoli
Ashley	Eilberg	Meeds
Aspin	Erlenborn	Metcalfe
AuCoin	Fenwick	Meyner
Baldus	Fish	Mikulski
Beard, R.I.	Flood	Mikva
Benjamin	Florio	Miller, Calif.
Biaggi	Foley	Mineta
Bingham	Ford, Mich.	Mitchell, Md.
Blanchard	Ford, Tenn.	Moakley
Boggs	Fraser	Moffett
Boland	Frenzel	Mollohan
Bolling	Garcia	Moorhead, Pa.
Bonior	Gaydos	Mottl
Bonker	Gilman	Murphy, Pa.
Brademas	Gonzalez	Murtha
Breckinridge	Gore	Myers, Michael
Brodhead	Gradison	Natcher
Brown, Mich.	Green	Nolan
Buchanan	Hamilton	Nowak
Burke, Mass.	Hannaford	Oakar
Burlison, Mo.	Harris	Oberstar
Burton, John	Hawkins	Obey
Burton, Phillip	Heckler	Ottinger
Caputo	Hillis	Patten
Carr	Hollenbeck	Patterson
Carter	Holtzman	Pattison
Cederberg	Horton	Pease
Chisholm	Jeffords	Pepper
Clay	Johnson, Calif.	Perkins
Collins, Ill.	Jordan	Pritchard
Conte	Kastenmeier	Pursell
Conyers	Keys	Railsback
Corman	Kildee	Rangel
Cornell	Kostmayer	Regula
Coughlin	Le Fante	Reuss
Danielson	Lederer	Richmond
Davis	Lehman	Rinaldo
Delaney	Long, Md.	Roe
Dellums	Lundine	Roncalio
Dicks	McCormack	Rooney
	McDade	Rosenthal
Roybal	Staggers	Van Deerlin
Sarasin	Stanton	Vanik
Scheuer	Stark	Vento
Schroeder	Steed	Weiss
Seiberling	Steers	Whalen
Sharp	Steiger	Wirth
Shipley	Stokes	Wydler
Skelton	Studds	Wylie
Smith, Iowa	Thompson	Yates
Solarz	Traxler	Young, Mo.
Spellman	Udall	Zablocki
St Germain	Ullman	Zeferetti

NOT VOTING—54

Alexander	Harrington	Rodino
Allen	Howard	Rousselot
Applegate	Hubbard	Runnels
Beilenson	Krueger	Ruppe
Brown, Calif.	Leggett	Santini
Burke, Calif.	McKinney	Simon
Carney	Minish	Sisk
Chappell	Moss	Stockman
Cochran	Murphy, N.Y.	Stump
Conable	Myers, Gary	Teague
Dent	Nedzi	Trible
Diggs	Nix	Tsongas
Eckhardt	Pike	Tucker
Evans, Colo.	Pressler	Waxman
Fascell	Price	Wiggins
Flowers	Quie	Wilson, C. H.
Flynt	Rahall	Wilson, Tex.
Gibbons	Roberts	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Santini for, with Mr. Carney against.

Mr. Chappell for, with Mrs. Burke of California against.

Mr. Teague for, with Mr. Diggs against.

Mr. Runnels for, with Mr. Murphy of New York against.

Mr. VOLKMER and Mr. ERTEL changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 7, line 23, after "further," strike all language through page 8, line 3, and add the following language:

"That none of the funds approriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreational hunting, shooting, or fishing."

The CHAIRMAN. The gentleman from Massachusetts (Mr. CONTE) is recognized for 5 minutes in support of his amendment.

Mr. CONTE. Mr. Chairman, my floor amendment to the provision I included in the bill in committee is a clarifying one. It seeks to preclude OSHA from enforcing not only standards, but also the general duty clause of the act, the latter being the basis on which OSHA recently took action against an employer.

In January 1978, a citation was issued against a Louisiana lumber firm seeking to limit deer hunting throughout 60,000 acres of land. It appears that the only employees who could possibly be endangered in this situation would be three forest technicians who travel on foot to mark trees. Yet, as a proposed settlement to the case, OSHA has tendered the following to the employer as what the Agency believes is necessary to abate the allegedly recognized hazard:

First. Eliminate access by hunters to the areas where work is being performed by employees, by use of a permit system.

Complainant agrees permit system already in use is adequate, if vigorously enforced.

Second. Posting of caution signs such as "caution—employees at work," around the entire area in which work is to be performed by employees before such work begins.

Third. Provide patrols in work areas for enforcement of keeping hunters out of work area.

Fourth. Placement of portable caution signs on access roads, advising that workers are in the area.

Fifth. Mandatory use of high visibility vests and hats at all times by Olinkraft employees while in the forest.

Sixth. Gating or barricading access roads to work areas.

It is quite obvious from the above proposal that OSHA has lost all capacity to take a reasonable and responsible stand on what is needed to protect the employee. For instance, one may legitimately ask how the members of the patrol, as proposed in the OSHA settlement, are to be protected from hunters? Are we to expect a patrol to protect the members of the first patrol? Moreover, by requiring the putting of additional workers in the forest is not OSHA increasing the theoretical risks of injury? Finally, to comply with the requirement that the employer enforce the "no trespassing" laws against hunters in Louisiana, it has been represented to us that it would entail a cost of $4 million to string the triple strands of barbed wire required under State law.

Historically, the research on this subject suggests clearly that there have been no significant number, if any, deaths or injuries on timberland grounds involving hunters and employees in the past decade.

In studies by State fish and game wardens, no need has been shown for such OSHA regulations. Regulation of hunting has traditionally been a State function. Some States require hunter proficiency and permit systems. If OSHA is permitted to regulate forestland hunting, it would amount to a backdoor preemption of previous State authority over hunting.

For these reasons it is imperative that the Congress act now to stop this abuse of the act by the agency.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, we will accept the gentleman's amendment.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I applaud my colleague (Mr. CONTE) for proposing our amended OSHA language. It will be more effective.

OSHA's order barring hunters from private timberlands is not a "fluke" or isolated incident. It is an official interpretation that the "general duty" clause, section 5(a)(1), requires that an employer must "eliminate access by hunters to the areas where work is being performed by employees." In the Louisiana case, this is applied to 60,000 acres of woodlands on which three forest technicians work.

Significantly, that case did not involve some unusual or serious problem. No workers there have ever been shot at, nor were gunshots even heard on the dates cited in the OSHA citation. The only "threat" to the single complaining worker was a rumored one arising from a non-work-related dispute on a previous weekend. (The employee had reported two men—one a deputy sheriff—to the game warden for hunting from a public road in violation of State law.)

The Louisiana Timber Co. and its predecessors have not had a hunting accident involving employees in over 70 years of operation. Here again it does not stand out as an exception to the general hunting safety record of the timber industry, which in the entire United States has had only a single very minor incident in the past two decades.

There is therefore no justification for regarding OSHA's new interpretation of section 5(a)(1) as an aberration that may safely be ignored. In establishing what is required conduct for employers, it also mandates that failure to comply will be considered a serious violation of the OSHA Act. Thereafter, if inspectors visit any silviculture operations for any reason—disgruntled employee complaint antihunting campaign, unionization drive, or just a general inspection, the company must be cited if hunting is allowed on the land.

Nor is this order limited to timber companies or even to private property. Agriculture and grazing land, for example, on which hunting is allowed, would also become off-limits. And Federal lands would also be affected by this order, without the need for any further action by OSHA, since section 19 of the act and various Executive orders make clear that Federal employees must be protected no less than those in the private sector.

It is consequently imperative that Congress enact legislation that would prevent such a chain of events, since all other attempts to dissuade OSHA from this course have proved unavailing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANSEN: On page 8, line 3, strike the period and insert the following: ": Provided further, That none of the funds appropriated under this paragraph shall be obligated or expended for conducting any inspection of any establishment or workplace which employs 100 or fewer employees without a search warrant obtained in accordance with the procedures currently provided for pursuant to Sec. 8(a) of the Occupational Safety and Health Act of 1970 (P.L. 91-596)"

Mr. CONTE. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Massachusetts reserves a point of order on the amendment.

The Chair recognizes the gentleman from Idaho (Mr. HANSEN) for 5 minutes in support of his amendment.

Mr. HANSEN. Mr. Chairman, this amendment is to clarify to a degree the powers of the Occupational Safety and Health Administration to inspect small firms pursuant to the Supreme Court decision. The Supreme Court recently came down with a decision that said that any individual in the United States, any employer, who is confronted by an Occupational Safety and Health inspector, is able to insist upon a search warrant if he is to be inspected.

The problem is when we talk about small firms and small employers within the equal protection clause of the 14th amendment. When they stand up and demand their rights under the fourth amendment of the Constitution with respect to a search warrant, there is concern that they may be subject to reprisal by an inspector who feels that he is being made to do extra work. We should standardize this so that no citizen is put in a circumstance inviting reprisal.

We should try to make it possible for OSHA to do its job where really, I think, they were intended; that is, to take care of the big problems such as kepone in Virginia, the scaffolding failure in West Virginia, and the explosions in grain elevators across the country, and let the small businessman do his job without interference unless problems are so obvious that they are not properly doing their job that a search warrant can be secured.

The point I am making is that my amendment does not put the Secretary, basically, to any extra effort other than that which can already be demanded of him by individual exercise of an employer's rights under the fourth amendment. So, this provision does not ask for additional efforts on the part of the Secretary other than what he is authorized and obligated to do. The figures are already collected and there is no problem in this respect. I feel it is important that we do what we can to keep the little man from being subject to the heavy reprisal hand of the Federal Government.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. I thank the gentleman for yielding to me. I would like to ask my friend whether or not he is familiar with the fact that of the 400 inspections made since the Supreme Court decision, only in 21 instances was there a refusal. Is not the gentleman's amendment designed in such a way that it is going to be a very costly item? We just voted on an amendment that was based primarily upon costs, and now we are putting costs back into the picture and forcing all of the inspectors in 98 percent of the businesses to have to get 98 percent of those inspections done by warrant.

Mr. HANSEN. I would like to answer the gentleman in this respect: In the im-

mediate wake of the Supreme Court decision it has not been possible for the country to be educated as yet as to what their individual rights are. I think, that once the word is out and the educational situation has transpired, that there is a good chance that many—perhaps most and maybe all individuals—will demand a search warrant. So, all we would be doing is to standardize. The absence in the law of any real distinction of whether there should be or not be a warrant has caused much confusion to begin with. This effort to set a kind of pattern for the expenditure of funds is, I think, totally in order, totally germane.

Mr. GAYDOS. Does not the employer today have a choice of whether or not to ask that a warrant be issued? There are many employers who want inspection of their premises. They want advice; they want OSHA people to come in and give them instructions and information regarding safe working places. The gentleman is denying that to them.

Mr. HANSEN. If the gentleman, the chairman of the subcommittee would make it possible for them to invite in, through new enabling legislation, the OSHA inspector on a consulting basis with absolute guarantee that it would not precipitate or prejudice an inspection, then I think we would solve part of the problem. But right now when they invite an inspector in, even for consultation, they are inviting an interest and possible inspection with resultant fines and compliance costs. And most employers do not refuse to invite OSHA in because they are afraid to.

Mr. GAYDOS. Under the law when an inspection is made when they are invited, there is no fine that can be levied. That is an automatic procedure. We solved that problem already. That is a very sensitive area and it has been answered. That is not true.

The CHAIRMAN. The gentleman from Massachusetts (Mr. CONTE) reserved a point of order.

Mr. CONTE. Mr. Chairman, I now pursue my point of order.

The CHAIRMAN. The gentleman from Massachusetts will be heard.

Mr. CONTE. Mr. Chairman, I feel that the amendment offered by my friend, the gentleman from Idaho, is an interesting amendment. I certainly understand what the gentleman from Idaho is trying to do and I sympathize with him, but I feel this is the wrong way to go about it, and that is why I am raising the point of order.

I feel the amendment requires search warrants in every instance and even goes beyond the Supreme Court decision as a result of which I understand a search warrant would be required when an OSHA inspector comes into his factory.

This would impose additional duties on the OSHA Agency to go out and get a warrant in every instance of inspection, and therefore it is legislation on an appropriation bill and I feel the point of order should be sustained.

The CHAIRMAN. Does the gentleman from Idaho desire to be heard on the point of order?

Mr. HANSEN. Yes, Mr. Chairman.

I think it is possible one can say there would be additional duties, but it is just as possible to say there would be no additional duties because if each individual knows his rights and stands up and says: "I demand a search warrant before you enter my premises," then there are no additional duties. Those duties are already in the present law, so I cannot see where there is any problem here except the possibility of the Secretary to backslide because the people did not demand their rights.

The CHAIRMAN. The Chair is prepared to rule.

During the proceedings on this same appropriation bill last year the Chair was confronted with a similar situation and the Chair ruled that the amendment required search warrants even with voluntary inspections and that the point of order was valid—and cited the following basis for that—reading the language from the record:

On that basis it appears to the Chairman that the precedent which appears on page 678, Volume 7, Cannon's Precedents, section 1686:

"A limitation upon an appropriation must not be accompanied by provisions requiring affirmative action by an executive in order to render the appropriation available."

The Chairman therefore sustains the point of order for the reasons cited.

Mr. HANSEN. Would the Chairman entertain a rebuttal?

The CHAIRMAN. The Chair has ruled.

The Clerk will read.

The Clerk read as follows:

GENERAL PROVISIONS

SEC. 101. Appropriations in this Act available for salaries and expenses shall be available for supplies, services, and rental of conference space within the District of Columbia, as the Secretary of Labor shall deem necessary for settlement of labor-management disputes.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 9 after line 24 insert the following:

SEC. 102. None of the funds appropriated by this title may be used by the Department of Labor to carry out any activities for or on behalf of any individual who is an alien in the United States in violation of the Immigration and Nationality Act or any other law, convention or treaty of the United States relating to the immigration, exclusion, deportation or expulsion of aliens.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, we will accept the amendment offered by the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for accepting the amendment.

Let me add, Mr. Chairman, that this amendment is quite basic. It proposes that none of the $2.4 billion in funds requested for the Department of Labor be used to benefit directly or indirectly illegal aliens. It is identical to an amendment I offered last year to this same Labor-HEW appropriations. The amendment was accepted. It also survived conference.

The fact is this amendment may be the only positive step or rather the only step we will take this year to deal with the illegal alien problem. I regret deeply that no action has been taken on the many proposals including the President's to control the illegal alien problem. We cannot afford to wait so amendments like this are necessary.

Today we still find in excess of 1 million illegal aliens employed, many in jobs paying above the minimum wage. We still have no accurate estimates as to how many illegal aliens are employed in federally funded jobs but we can assume that since there are no laws prohibiting the hiring of illegals, there could be quite a number. This amendment is necessary to prevent further subsidization by taxpayers of employment for illegal aliens.

Employment remains the primary magnet luring illegal aliens to this Nation. I and others in this Congress have attempted to deal with this problem by imposing sanctions including criminal penalties on employers who knowingly hire illegal aliens. The President somewhat belatedly and in a considerably weaker fashion has endorsed this idea, but the simple fact is we have no legislative product. I maintain my belief in the wisdom and necessity of penalizing those who hire illegal aliens. It is a practice which must be deterred. As long as it continues unchecked, more and more illegals will flock into this Nation seeking the better life. Many find employment—many even with employment suffer indignities and exploitation. So, from a number of vantage points penalties on employers of illegal aliens is long overdue.

My amendment simply says that where the Federal Government is the employer none of the funds it uses should be for illegal aliens. My amendment is to protect the interests of the workers of this Nation.

I recall the comments of the distinguished subcommittee chairman, Mr. FLOOD, when I offered this amendment last year. He expressed concern citing that the President himself is trying very hard to cope with this problem.

Mr. Chairman, while the President continues to try, I suggest the Congress take action. A vote for my amendment is a good way to begin.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: At page 9, Line 7, strike $76,247,000, and insert in lieu thereof $75,029,800, together with not to exceed $1,817,000 to be derived from the Employment Security Administration account, Unemployment Trust Fund, provided that not more than $4,772,700 provided in this paragraph shall be used for legal services for the Occupational Safety and Health Administration.

POINT OF ORDER

Mr. OBEY. Mr. Chairman, I rise to make a point of order against the amendment offered by the gentleman from Illinois (Mr. CRANE).

The CHAIRMAN. The gentleman from Wisconsin (Mr. OBEY) will state his point of order.

Mr. OBEY. Mr. Chairman, the amendment offered by the gentleman from Illinois (Mr. CRANE) is out of order since we have already passed that portion of the bill to which the amendment is addressed and the amendment comes too late.

The CHAIRMAN. The Chair will state that the gentleman from Wisconsin (Mr. OBEY) is correct in his point of order and the point of order is sustained.

Mr. CRANE. Mr. Chairman, I ask unanimous consent that the amendment be considered in order.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. OBEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

To carry out, except as otherwise provided, title IV of the Public Health Service Act with respect to child health and human development, $119,005,000.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise now to stress my interest in preserving life. Fifteen years ago President John F. Kennedy started the National Institute of Child Health and Human Development. Research into maternal, fetal and child health is essential to our very survival. But less than 5 percent of our national health research dollars are going into this effort. And, because of our neglect of scientific and medical research into the beginnings of life, precious opportunities for progress have been missed. The results are tragic. The United States, the richest nation in the world, stands 15th among all nations in infant and perinatal mortality. Instead of the best, we have the worst record of any industrialized nation. Healthy mothers, healthy babies, healthy children in the future require greatly expanded research now.

To this end, I, along with my friend and colleague, the distinguished gentleman from Massachusetts (Mr. EARLY) offered the amendment to provide for the construction of an on-site basic research facility for the National Institute of Child Health and Human Development. This new $37 million building, which will house the institute's intramural research program, will be constructed on the National Institute of Health campus in Bethesda, Md. For 1979, the International Year of the Child, it is fitting to establish the first single national research facility in the western world committed to the improvement of each infant's chances for a healthy and productive life. I am convinced of the need for a physical, conceptual and organizational focus for research dedicated to the improvement of the health of infants, mothers, and children.

This facility provides us with the only route to follow to insure the health and well being of our future, our children.

We know that unborn life is human life. We must respect all life, be it born or unborn.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For expenses, not otherwise provided for, necessary to carry out title IV of the Public Health Service Act with respect to general medical sciences, $225,092,000.

Provided, That none of these funds, with the exception of funds for the Minority Biomedical Support program, shall be used to pay recipients of the general research support grants programs any amount for indirect expenses in connection with such grants.

Mr. RONCALIO. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

For carrying out the Public Health Service Act with respect to mental health, the Community Mental Health Centers Act, as amended (42 U.S.C. 2681, et seq.), and the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, as amended, $730,022,000.

Mr. DODD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the increased appropriation for the National Institute of Health, which was recommended by the Committee on Appropriations. I believe it is essential we approve this additional funding for NIH and particularly for the National Institute of Arthritis, Metabolism, and Digestive Diseases (NIAMDD), which is principally responsible for diabetes research.

Diabetes, and particularly juvenile diabetes, has not received as much national attention in recent years as have other diseases. Yet the statistics on diabetes are shocking and staggering. It is believed that approximately 10 million persons in the United States are afflicted with diabetes. It is currently the fifth leading cause of death by disease in the Nation, directly resulting in the death of 35,000 Americans each year. However, in addition to that number, for several times that number of 35,000 diabetes is a contributing factor to heart attacks, stroke, kidney failure, vascular—blood vessel—disease, and blindness.

Juvenile diabetes is in itself a terrible problem, and is now the leading cause of blindness in youth, seriously reducing life expectancy in this group.

Recognizing the acute need for research, the National Diabetes Mellitus Research and Education Act of 1974 established the National Diabetes Commission, which submitted to the Congress in 1975 a long-range plan to combat diabetes. Subsequently, in October 1976, Congress enacted far-reaching legislation for the purpose of implementing this diabetes plan.

Funding for diabetes research increased accordingly. Congress also authorized the creation of a series of new and highly specialized multipurpose centers for research, training and education in diabetes. A National Diabetes Advisory Board was created to review and evaluate the implementation of the plan by NIAMDD, other NIH institutes, and other Federal agencies.

Diabetes research is fragmented and scattered throughout several institutes within NIH. The principal agency is NIAMDD, although research is also carried on within institutes as diverse as the National Institute of Allergy and Infectious Diseases and the National Institute on Aging.

Consistent with a plan proposed by the National Commission on Diabetes, NIAMDD has awarded grants to establish five diabetes research and training centers and is planning additional awards. It has also significantly increased its support of research on many aspects of diabetes.

This research is critically needed, and the additional level of funding recommended by the committee will go a long way toward helping them reach their goals.

NIAMDD is involved in research into a number of different diseases, and since earmarking a specific amount of funding is not permitted, it is not possible to know precisely how much money will be spent on diabetes research during the next year. However, the Labor-HEW Appropriation Subcommittee has requested that diabetes be given a high priority in the distribution of funds within the institute, and I hope that this can be done. During the subcommittee hearings Dr. Donald Frederickson, Director at NIH stated that with increased funding, NIH could give priority to maternal diabetes research, diabetic retinopathy, and other areas relating to diabetes.

I would urge my colleagues to support the full funding for the National Institute of Arthritis, Metabolism, and Digestive Diseases, and bring renewed hope to the millions of Americans, both adult and children, who are afflicted with this disease.

The CHAIRMAN. The Clerk will read.

The Clerk continued to read the bill.

Mr. FLOOD (during the reading). Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12929) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

CORRECTION IN TEXT OF SENATE BILL, S. 2821

(Mr. PHILLIP BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PHILLIP BURTON. Mr. Speaker, last Monday the House approved S. 2821 after considering H.R. 12481—a bill dealing with the insular areas of the United States. Unfortunately, due to a staff error in drafting one of the amendments it is necessary to make a technical correction in the text of the House amendment. In order to save the time of the Congress in processing this important

legislation I propose to call it up by unanimous consent and make the necessary correction when I am recognized for that purpose. This change will assure the Virgin Islands the same treatment that is afforded to Guam and will extend the prepayment provisions to all taxes paid to the Virgin Islands Government. This is what was originally intended, but unfortunately the language of the present text does not accomplish this objective.

INTRODUCTION OF BILL ON FEDERAL SPENDING

(Mr. THONE asked and was given permission to address the House for 1 minute and to revise and extend his remark.)

Mr. THONE. Mr. Speaker, California voters yesterday fired the shot that will be heard around the Nation, if not around the world.

By their overwhelming approval of proposition 13, California voters started what I believe will be a nationwide taxpayers' revolt. Americans are tired of being overgoverned, overregulated and, most of all, overtaxed.

In many cases, the burden that has been placed on taxpayers by State and local governments is certainly too high. What the Federal Government is doing to the taxpayers, however, is much worse.

Each year the Federal Government is extracting a new record total sum from the taxpayers' pockets. For Federal Government's chief crime is that despite its record income, it is each year setting even higher records for expenditures. There are many causes of inflation, of course, but the dominant one is the huge deficits of the Federal Government.

The year-after-year red-ink budgets of the Federal Government are the major cause of driving up the cost of living. The Federal Government drives up the cost of everything through inflation. Then, when workers get pay raises to offset inflation, they find they have been put into higher Federal income tax brackets, where Uncle Sam takes a much larger percentage of their earnings.

The first concurrent resolution on the budget for the year that begins this coming October provides for $38 billion increase in spending over the current year. This comes on top of a $60 billion increase this year over last year.

The present congressional budget system is not working. The majority in Congress goes at the budget process backwards. The only sensible way to prepare any budget is first to estimate income and the wisdom of any borrowing, and second to cut wanted expenditures to fit the budget. Instead, the majority in Congress is first voting for every spending program imaginable and second providing for however huge a deficit is required to cover the foolish spending.

Our appropriations system is not working. Now, the bulk of Federal expenditures is not subject to annual appropriations.

The way to insure that some sense is brought to our Federal fiscal policy, I believe, is to put a lid on total Federal expenditures.

To achieve that purpose I am today introducing the Federal Spending Discipline Act of 1978.

It provides for a 1-year freeze on Federal spending. Its passage would mandate that total Federal budget authority and budget outlays for fiscal 1980 could not exceed those for 1979. Timely passage of this legislation will give both the President and the Congress sufficient months to prepare for its effect.

The Federal Spending Discipline Act has a 4-year limitation. After a 1-year freeze, it provides that total Federal expenditures can grow at a rate of not more than 5 percent per year during the next 3 years.

Since so many Federal programs are now outside the congressional budgeting process, the Federal Spending Discipline Act gives the President power to reduce any budget authority or budget outlay during those 4 years by up to 10 percent.

Passage of this legislation will convince the American people that the United States is going to get inflation under control. The Carter administration's present so-called anti-inflation program is silly. Now it is ridiculous for the administration to be jawboning management and labor to control inflation, when the Federal Government itself is the chief inflationary factor. But if the Federal Spending Discipline Act becomes law, both management and labor will believe that inflation can be controlled.

A 1-year freeze on Federal spending, followed by 3 years in which spending grows at no more than 5-percent annually, will cause this Congress to reexamine many existing programs. When Congress has to cut its expenditures to come within a prescribed budget, it will take a far different view as to the necessity for some of our present spending. Even the most essential Federal programs can be conducted more efficiently so as to cut costs.

Mr. Speaker, the Federal Spending Discipline Act of 1978 might be referred to as the national version of California's proposition 13. Some say that 13 is an unlucky number. I hope that Members of Congress will realize that it might just possibly be unlucky for them if they do not support the Federal Spending Discipline Act of 1978.

VACATING PROCEEDINGS ON SENATE BILL, S. 2821

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent to vacate the proceedings by which the House amended and passed the provisions of the Senate bill, S. 2821, with an amendment, and I ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California to vacate the proceedings?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIP BURTON: Strike out all after the enacting clause and insert:

GUAM

SECTION. 1. (a)(1) For grants to the government of Guam for the rehabilitation, upgrading, and construction of public facilities, there is hereby authorized to be appropriated to the Secretary of the Interior (hereinafter in this Act referred to as the Secretary) $13,868,000 for fiscal year 1979, and $9,900,000 annually for fiscal years 1980, 1981, 1982, and 1983 (October 1978 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved

(2) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (a)(1) hereof, which are not inconsistent with any stipulations placed on the use of such sums by any other Act of Congress.

(3) Grants provided pursuant to this Act and not obligated or expended by the government of Guam during any fiscal year will remain available for obligation or expenditure by such government in susequent fiscal years for the purposes for which the funds were appropriated.

(4) Funds provided under paragraph (a)(1) may be used by Guam as the matching share for Federal programs and services.

(5) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(b) The government of Guam in carrying out the purposes of this Act or Public Law 95-134, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Such amounts may be credited to the appropriation or fund which provided the services and facilities.

(c) Section 30 of the Organic Act of Guam (64 Stat. 384, as amended, 48 U.S.C. 1421h), is amended by adding at the end thereof the following: "Beginning as soon as the Legislature of Guam enacts legislation establishing a fiscal year commencing on October 1 and ending on September 30, and annually thereafter for five succeeding fiscal years, the foregoing sums shall be covered into the treasury of Guam on the basis of the total amount of such duties, taxes, and fees as the Governor of Guam, with the concurrence of the government comptroller of Guam, estimates will be collected in or derived from Guam during the fiscal year beginning on the following day. As soon as practicable after the close of each fiscal year, the Secretary of the Treasury shall determine the total amount of such duties, taxes, and fees that were actually collected in or derived from Guam during such fiscal year. If the amount covered into the treasury of Guam pursuant to the estimate exceeds the actual amount determined by the Secretary of the Treasury, then such excess amount shall be deducted from the amount next covered into the treasury of Guam pursuant to this section. If the amount covered into the treasury of Guam pursuant to the estimate is less than

the actual amount so determined, then the Secretary of the Treasury shall as soon as practicable transfer the difference to the treasury of Guam.".

(d) Section 205 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95-134) is amended by striking out "$25,000,000; *Provided*" and inserting in lieu thereof "$35,000,000: *Provided*, That $10,000,000 of such sum is not authorized to be appropriated prior to October 1, 1978. Health care needs shall include goods and services provided to maintain and operate the Medical Center of the Marianas: *Provided further*".

TRUST TERRITORIES OF THE PACIFIC ISLANDS

SEC. 2. (a) There is hereby authorized to be appropriated $15,000,000 for the Bikini people evacuated from Bikini Atoll, Trust Territory of the Pacific Islands, as a result of United States nuclear tests commencing in 1946, and their descendants. Of this $15,000,000:

(1) $12,000,000 is authorized for the relocation and resettlement of the Bikini people within the Marshall Islands; and

(2) to compensate the Bikini people for the radiological damage inflicted on their atoll:

Ten percent of said $15,000,000 is authorized to be distributed as ex gratia payments to such individuals and in such a manner as the Secretary may determine, and an additional ten percent ex gratia of said $15,000,000 shall be held in trust pursuant to the trust agreement established by Public Law 94-34, with the proceeds to be distributed in accordance with the provisions thereof.

(b) None of the funds authorized pursuant to subsection (a)(2) above shall be available for payment of any attorneys fees or associated expenses, but there are authorized to be appropriated to the Secretary of the Interior such additional sums as he may find to be necessary to satisfy any claim for services rendered in connection with such ex gratia payments. Any claim for compensation under this clause must be filed with the Secretary within one year from the approval date of the ex gratia payment or shall be forever barred.

No claim for payment under subsection (a)(2) shall be allowed if the claimant has otherwise been compensated or in any way reimbursed for the services rendered or if the service was intended to be a voluntary public service and the decision of the Secretary with respect to the reasonableness of the claim and all findings and conclusions shall be final.

Authorizations of moneys to be appropriated under this section shall be effective on October 1, 1978.

NORTHERN MARIANA ISLANDS

SEC. 3. (a) There is hereby authorized to be appropriated for expenditure after October 1, 1978, not more than $12,000,000 (October 1978 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved, to assist in the acquisition and construction of a powerplant for the Northern Mariana Islands together with upgrading, rehabilitation, or replacement of distribution facilities.

(b)(1) The government of the Northern Marianas in carrying out the purposes of this Act, Public Law 95-134 or Public Law 94-241, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Such amounts may be credited to the appropriation or fund which provided the services and facilities.

(2) Any funds made available to the Northern Mariana Islands under grant-in-aid programs by section 502 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94-241) or pursuant to any other Act of Congress enacted after March 24, 1976, are hereby authorized to remain available until expended.

(3) Any amount authorized by the Covenant described in paragraph (2), or by any other Act of Congress enacted after March 24, 1976, which authorizes appropriations for the Northern Mariana Islands, but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

(c) Notwithstanding the provisions of the Food Stamp Act of 1977, the Governor of the Northern Mariana Islands may (1) request that the Secretary of Agriculture implement a food stamp program in all or some of the Northern Mariana Islands subject to the same income standards of eligibility, deductions, and allotment of values as are applicable to Guam or, (2) acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands and for the period during which such legislation is effective, request that the Secretary of Agriculture (A) implement a food stamp program in all or some of the Northern Mariana Islands with such income standards of eligibility, deductions, and allotment values as the Secretary determines to be suited to the economic and social circumstances of such islands: *Provided*, That in no event shall such standards or values exceed those in the forty-eight contiguous States or be less than those requested by the Governor and/or (B) distribute or permit distribution in all or some of such islands of federally donated foods. This authority shall remain in effect through September 30, 1981, and shall not apply to section 403 of Public Law 95-135.

(d) The Secretary of the Treasury is authorized and directed, upon the request of the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, to detail to the Northern Mariana Islands such employees of the Internal Revenue Service as may be required, without reimbursement or other cost to the government of the Northern Mariana Islands, to administer and enforce the provisions of section 601, 603, or 604 of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94-241; 90 Stat. 263, 269) and in order to administer and enforce the collection of any payroll tax or other tax measured by income that may be in force in the Northern Mariana Islands pursuant to section 602 of such Covernant. This authority shall continue until such time as the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, requests the Secretary of the Treasury to discontinue the administration and enforcement of such taxes. The administration and enforcement of such taxes by the government of the Northern Mariana Islands shall begin on January 1 of the year following the year in which such Northern Mariana Islands law is enacted.

VIRGIN ISLANDS

SEC. 4. (a) There is hereby authorized to be appropriated to the Secretary the sum of $1,000,000 for each of the five fiscal years beginning with fiscal year 1979, to be paid to the government of the Virgin Islands for the purpose of promoting economic development in the Virgin Islands. The Secretary shall by regulation prescribe the types of programs for which such sums may be used.

(b)(1) There is authorized to be appropriated for construction of hospital facilities in the Virgin Islands not more than $4,000,000 in fiscal year 1979, and $12,000,000 annually for fiscal years 1980, 1981, 1982, and 1983 (October 1978 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved.

(2) Grants provided pursuant to this section and not obligated or expended by the government of the Virgin Islands during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(3) Funds provided under paragraph (b)(1) may be used by the Virgin Islands as the matching share for Federal programs and services.

(4) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(c)(1) Section 9(c) of the Revised Organic Act of the Virgin Islands is amended by deleting the period at the end thereof and inserting "or such other date as the Legislature of the Virgin Islands may determine."

(2) Section 28(b) of the Revised Organic Act of the Virgin Islands is amended to read as follows:

"(b) Subparagraph (A) of section 7652(b)(3) of the Act of August 16, 1954 (68A Stat. (3) is amended to read as follows:

"'(A) Beginning as soon as the Legislature of the Virgin Islands establishes a fiscal year commencing on October 1 and ending on September 30, and annually thereafter for five succeeding fiscal years, there shall be transferred and paid over to the government of the Virgin Islands from the amounts so determined a sum equal to the total amount of revenue estimated to be collected in the fiscal year commencing the following day, such estimate to be made by the Governor of the Virgin Islands, with the concurrence of the government comptroller of the Virgin Islands. The moneys so transferred and paid over shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as provided by the laws of the Virgin Islands for the expenditure of funds generally. As soon as practicable at the close of each fiscal year, the government comptroller of the Virgin Islands shall certify the total amount of revenue actually collected by the government of the Virgin Islands during such fiscal year. If the amount transferred and paid over pursuant to the estimate exceeds such actual collections, then such excess amount shall be deducted from the amount next transferred and paid over pursuant to the first sentence hereof. If the amount transferred and paid over pursuant to the estimate is less than such annual collection, then the Secretary of the Treasury shall as soon as practicable transfer and pay over the difference to the government of the Virgin Islands.'".

(3) Section 28(a) of the Revised Organic Act of the Virgin Islands is amended to read as follows:

"SEC. 28. (a) The proceeds of customs duties, the proceeds of the United States income tax, the proceeds of any taxes levied by the Congress on the inhabitants of the Virgin Islands, and the proceeds of all quarantine, passport, immigration and naturalization

fees collected in the Virgin Islands, shall be covered into the treasury of the Virgin Islands, and shall be available for expenditure as the Legislature of the Virgin Islands may provide: *Provided*, That the term 'inhabitants of the Virgin Islands' as used in this section shall include all persons whose permanent residence is in the Virgin Islands, and such persons shall satisfy their income tax obligations under applicable taxing statutes of the United States by paying their tax on income derived from all sources both within and outside of the Virgin Islands into the treasury of the Virgin Islands: *Provided further*, That nothing in this Act shall be construed to apply to any tax specified in section 3811 of the Internal Revenue Code of 1939: *Provided further*, all proceeds collected pursuant to this paragraph shall be transferred and paid over, in advance, to the government of the Virgin Islands in the same manner and under the same terms and conditions as the revenues collected pursuant to paragraph (b) of this section."

AMERICAN MEMORIAL PARK

SEC. 5. (a) The Secretary, acting through the Director of the National Park Service, is authorized and directed to develop, maintain, and administer the existing American Memorial Park (hereinafter in this section referred to as the "park"), located at Tanapag Harbor Reservation, Saipan. The park shall be administered for the primary purpose of honoring the dead in the World War II Mariana Islands campaign.

(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Mariana Islands to develop, maintain, and administer the park.

(c) Other points in the Northern Mariana Islands pertinent to this legislation may be identified, established and marked by the Secretary in agreement with the Governor of the Northern Mariana Islands.

(d) The Secretary shall provide for interpretative activities at the park, for which he is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities shall be conducted in the following four languages: English, Chamorro, Carolinian, and Japanese.

(e)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the American Memorial Park.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel, past or present, or dependents of such personnel for entrance or admission into the American Memorial Park.

(f) The Secretary shall transfer administration of the park to the government of the Northern Mariana Islands at such time as the Governor, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, requests such a transfer. All improvements, including real and personal property, shall thereupon be transferred without cost to the government of the Northern Mariana Islands and thereafter the full cost of development, administration, and maintenance for the park shall be borne by the government of the Northern Mariana Islands except as provided in subsection (g).

(g) For the development, maintenance, and operation of the park (but not for any acquisition of land or interests in lands), there is hereby authorized to be appropriated the sum of $3,000,000 effective October 1, 1978. Amounts appropriated pursuant to this subsection shall remain available until expended.

(h) Nothing contained in this Act is intended to alter or diminish the authority to exercise the five-year option contained in article VIII of Public Law 94-241.

WAR IN THE PACIFIC NATIONAL HISTORICAL PARK

SEC. 6. (a) In order to commemorate the bravery and sacrifice of those participating in the campaigns of the Pacific theater of World War II and to conserve and interpret outstanding natural, scenic, and historic values and objects on the island of Guam for the benefit and enjoyment of present and future generations, the War in the Pacific National Historical Park (hereinafter in this section referred to as the "park") is hereby established.

(b) The boundaries of the park shall be as generally depicted on the drawing entitled "Boundary Map, War in the Pacific National Historical Park, Guam" numbered P-24-80,000-B and dated March 1978, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior. Following ninety days notice to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate, the Secretary may make minor revisions of the boundary of the park by publication of a revised map in the Federal Register.

(c) Within the boundaries of the park, the Secretary may acquire lands and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer.

(d) Other points on the island of Guam pertinent to this legislation may be identified, established, and marked by the Secretary in agreement with the Governor of Guam.

(e) The Secretary shall administer property acquired in accordance with the laws generally applicable to the management of units of the National Park System.

(f) The Secretary is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities will be conducted in the following three languages: English, Chamorro, and Japanese.

(g) The Secretary is authorized to enter into negotiations with the Secretary of Defense for the berthing and interpretation of a naval vessel of World War II vintage which shall be accessible to the public on the island of Guam.

(h) Within two years from the date of enactment of this Act, the Secretary shall develop and transmit to the committees named in subsection (b) a general management plan for the national historical park consistent with the purposes of this section.

(i) The Secretary is authorized and directed, to the maximum extent feasible, to employ and train residents of Guam or of the Northern Mariana Islands to develop, maintain, and administer the park.

(j)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the War in the Pacific National Historical Park.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel, past or present, or dependents of such personnel for entrance or admission into the War in the Pacific National Historical Park.

(k) For the purposes of the park established under this section, effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary but not to exceed $16,000,000 for the acquisition of lands or interests in lands and $500,000 for development.

VIRGIN ISLANDS NATIONAL PARK

SEC. 7. (a)(1) The first paragraph of section 1 of the Act of October 5, 1962 (76 Stat. 746; 16 U.S.C. 398c), is amended by adding a comma after the words "adjoining lands, submerged lands, and waters" and inserting "and Hassel Island located in Saint Thomas Harbor and adjoining lands, submerged lands, and waters,".

(2) Such section 1 is further amended by inserting immediately before the last paragraph, the following:

"HASSEL ISLAND

"The area known as Hassel Island in Saint Thomas Harbor consisting of approximately 135 acres, together with such adjoining lands, submerged lands, and waters as the Secretary of the Interior deems appropriate, but the boundaries shall not, in any event, extend beyond 100 yards from the mean high water mark of the island.".

(b) Section 2 of such Act is amended by—

(1) inserting "(a)" after "SEC. 2.";

(2) adding at the end of the first sentence the following: "In acquiring such lands, up to 6.6 acres, the Secretary may, when agreed upon by the landowner involved, defer payment or schedule payments over a period of ten years and pay interest on the unpaid balance at a rate not exceeding the current prevailing commercial rate."; and

(3) adding the following at the end thereof:

"(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Virgin Islands to develop, maintain, and administer the Virgin Islands National Park.

"(c) Subject to continued protection and use of Hassel Island for park and recreation purposes and such other conditions as the Secretary may deem appropriate, the Territory of the Virgin Islands may, within but not after five years after the date of the enactment of this subsection, by duly enacted legislation acquire all interests of the United States in Hassel Island by reimbursing the United States in an amount equal to the amount actually expended by the United States for the acquisition of lands and interests in lands and for the costs of construction of permanent improvements, if any.

"(d)(1) Except for property deemed necessary by the Secretary of the Interior for visitor facilities or administration of the park, any owner or owners of improved property on Hassel Island on the date of its acquisition, may retain for themselves a nontransferrable right of use and occupancy of the property for noncommercial residential purposes, for twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the owner's spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner. The authority of the Secretary to acquire the property commonly known as the Royal Mail (hotel) by condemnation shall be suspended for ten years from the date of enactment and the Secretary shall acquire such property only with the consent of the owner or owners thereof, if such owner or owners agree, in writing, within ninety days after the enactment of this subsection to grant to the United States the right of first refusal to purchase such

property at a purchase price not exceeding the fixed value of said property on July 1, 1978.

"(2) As used in subsection (d)(1), 'improved property' means a single-family dwelling, the construction of which began before January 1, 1977, together with such lands as are in the same ownership and appurtenant buildings located thereon.

"(3) The Secretary may terminate a right of use and occupancy retained pursuant to subsection (d)(1) upon his determination that such use and occupancy is being, or may be, exercised in a manner inconsistent with the purposes for which they were included within the park and upon tender to the holder of such right of the amount equal to the value of that portion of the right which remains unexpired on the date of termination.".

(3) Section 3 is amended by inserting "(a)" immediately after "SEC. 3." and by adding the following new subsection at the end thereof:

"(b)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of the Virgin Islands for entrance or admission into the Virgin Islands National Park.

"(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the Virgin Islands National Park.".

(4) Section 4 is amended to read as follows:

"SEC. 4. Effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests in lands within the Virgin Islands National Park. For purposes of this section, acquisition of land on Hassel Island shall be deemed to be acquisitions qualifying for payment under the provisions of paragraph (2) of the Act of June 10, 1977 (Public Law 95–42; 91 Stat. 210). In addition to such sums as may have heretofore been appropriated for development of public facilities within the Virgin Islands National Park; effective October 1, 1978, there are authorized to be appropriated not more than $1,000,000 for restoration and rehabilitation of historic structures and for development of public facilities on Hassel Island: Provided, That not more than $500,000 of such amount may be paid to the Territory of the Virgin Islands for its use in furthering projects undertaken pursuant to the Land and Water Conservation Fund Act, the Historic Preservation Act, or other comparable programs upon the transfer of title to the United States of all properties held by the territory on Hassel Island.".

(5) Section 2(c) of the Act entitled "An Act to authorize the establishment of the Virgin Islands National Park, and for other purposes" (70 Stat. 940; 16 U.S.C. 398) is amended by adding the following sentence at the end thereof: "Notwithstanding the acreage limitations and boundary designations contained in this section, the Secretary is authorized to accept through donation, or purchase from a willing seller, the real and personal property located on Lots 251–252 Estate Contant Enighed, Parcels 86B and 86AA Cruz Bay Quarter."

AUTHORIZATIONS TO REMAIN AVAILABLE

SEC. 8. Any amount authorized by this Act or by the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134; 91 Stat. 1159) but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

TECHNICAL AMENDMENTS

SEC. 9. Section 501 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134; 91 Stat. 1159) is amended—

(1) by inserting ", notwithstanding any provision of law to the contrary," after "it is hereby declared to be the policy of the Congress"; and

(2) in subsection (a) by striking out "Notwithstanding any provision of law to the contrary, any" and inserting in lieu thereof "Any".

SEC. 10. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1978.

Amend the title so as to read: "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes."

Mr. PHILLIP BURTON (during the reading). Mr. Speaker, I ask unanimous consent that the reading of the amendment be dispensed with, and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, this is the same text as H.R. 12481, which was approved by the House on Monday by a vote of 292 to 54, except that it corrects a drafting error in the provision dealing with the prepayment provisions for the Virgin Islands. This technical change retains the existing tax provisions for the Virgin Islands, but makes them subject to the same prepayment provisions that apply to excise taxes.

The SPEAKER. The question is on the amendment offered by the gentleman from California (Mr. PHILLIP BURTON).

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the gentleman from Illinois (Mr. ROSTENKOWSKI) as to the program for the balance of the evening and tomorrow, if it is available.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the distinguished gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Speaker, it is the intention of the leadership to go into the Committee of the Whole House and conclude the debate on the New York resolution, to go no later than 9 o'clock, but it is our hope, of course, that the general debate will be concluded before then and to adjourn at that time.

Mr. RHODES. Mr. Speaker, does the gentleman have any forecast as to the probable program for tomorrow?

Mr. ROSTENKOWSKI. Mr. Speaker, it is our intention to conclude the New York Financial Assistance Act and then go into the Labor-HEW appropriations bill.

Mr. RHODES. Mr. Speaker, I thank the gentleman.

GENERAL LEAVE

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks, and include extraneous matter, on the bill H.R. 12426, New York City Financial Assistance Act of 1978, during debate in the Committee of the Whole today.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

NEW YORK CITY ASSISTANCE FINANCIAL ASSISTANCE ACT OF 1978

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12426) to authorize the Secretary of the Treasury to provide financial assistance for the city of New York.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 12426, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. By unanimous consent, the first reading of the bill will be dispensed with.

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I do so only to observe that hundreds of Members have just fled from the Chamber in a horde, like locusts swarming over the countryside. I cannot imagine why the Members would not want to stay here tonight, since the leadership has said we must stay and debate this important legislation. It really is unfortunate.

I was going to observe that this is a multibillion dollar loan guarantee bill, that sets a dangerous precedent for the Nation. So perhaps we should read the bill in full. It is just amazing to me that Members would leave.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) withdraws his reservation of objection.

By unanimous consent, the first reading of the bill will be dispensed with.

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. MOORHEAD) will be recognized for 1 hour, the gentleman from Ohio (Mr. STANTON) will be recognized for 1 hour, the gentleman from New York (Mr. RANGEL) will be recognized for 15 minutes, and the

gentleman from Minnesota (Mr. FRENZEL) will be recognized for 15 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. REUSS), the chairman of the Committee on Banking, Finance and Urban Affairs.

Mr. REUSS. Mr. Chairman, the New York City Financial Assistance Act is one of the most difficult and one of the most important pieces of legislation the Banking Committee has had to consider in this 95th Congress. Difficult, because we had to decide whether in the circumstances of New York's present financial situation it is necessary for our Federal Government for the first time to provide long-term credit assistance to a municipality. And important, because our subject city is not just one of our Nation's municipalities, it is our largest city, our financial center, indeed, the one city which in the perception of much of the rest of the world is synonymous with the words "United States."

As you know, the committee's decision was overwhelmingly in favor of long-term assistance for New York, because the circumstances require it. New York simply is unable to enter the credit markets on its own at this time.

You will remember that the 1975 seasonal loan legislation was intended to provide the "bridge" assistance New York needed to get its fiscal house in order and to reestablish its credit-worthiness. Since the 1975 crisis New York City and State have taken all the steps they were told were necessary to accomplish that purpose and to qualify for the Federal loans.

The Municipal Assistance Corporation was created to borrow on behalf of the city to refinance city short-term debt. MAC has refinanced $5.5 billion of that debt.

An emergency financial control board was created and authorized to review, and approve or reject, the city's financial plans and its borrowings and expenditures, including its labor contracts. This the control board has been doing for the past 2½ years.

By fiscal year 1978, the city was told it must have a balanced operating budget—balanced within the framework of accounting practices prescribed by the State. New York will end this fiscal year on June 30 with a budget surplus on that basis.

All of the requirements of the seasonal loan program were met, the loans were repaid on time, even in the face of the 1976 court order to repay the notes put into moratorium, and the Government will have realized a profit of about $40 million on those loans.

None of these steps were easy for New York City. We have all heard the recitation of the wrenching changes that had to be made—the reduction in the city workforce, imposition of tuition at the university, the wage freeze.

But the day of reckoning had come, and I submit that the past 3 years have seen tremendous progress on the part of that great city to eliminate the fiscal and financial excesses of the past and to start living within its means.

The Federal seasonal loans helped New York avoid the catastrophe of default and aided it along the path to fiscal responsibility—but they were simply not enough. The market is not yet ready to receive New York without some credit backstop—and that can only be the Federal Government. The Banking Committee believes that Federal credit assistance over the next 4 years for $2 billion of the city's borrowing needs will provide the shot in the arm that is necessary to restore investor confidence in New York City.

Chairman MOORHEAD, whose Subcommittee on Economic Stabilization developed this legislation after lengthy and laborious study and hearings, will give you the details of the bill. This is a responsible piece of legislation. It will provide the assistance the city needs, and at the same time it will require as conditions for that assistance the very things New York still needs to do to regain market access.

If we do not extend credit assistance to New York City after June 30 of this year, I am convinced the city will shortly thereafter face insolvency and perhaps bankruptcy. This would have a devastating effect on the city and would undoubtedly hurt the borrowing ability of New York State. Beyond that, I am convinced that such an event would have a serious adverse impact on the national municipal market. And the possible psychological effect on the foreign exchange market and on the dollar is a very real one.

I believe these risks should not be taken. I urge my colleagues to vote in favor of H.R. 12426 to give New York City the assistance it needs to complete its return to financial self-sufficiency.

But quite apart from these financial considerations are questions of good feeling brotherhood, and national solidarity.

That crusty sage of Baltimore, H. L. Mencken, said in his epitaph:

> If, after I depart this vale, you have thought to please my ghost, forgive some sinner, and wink your eye at some homely girl.

Heaven knows that New York City, before its conversion, was a miserable financial sinner. Heaven knows that today much of it, ranging from the burnt-out South Bronx to Times Square, is no marvel of beauty.

But let us forgive it, let us wink an eye at it, because today New York needs us. And just as sure as we are a unified Nation, we need New York.

Mr. BLOUIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair now recognizes the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today the Congress is again faced with a debate on Federal aid to New York City. Almost 3 years ago we went through a similar process. There are, however, at least three major distinctions between today's debate and that of 3 years ago. First, in 1975 the city of New York was literally on the verge of bankruptcy. A default had already occurred, and investor confidence in city obligations had totally disappeared. Today, although the threat of bankruptcy still exists, the city has shown a willingness to solve its own financial problems. During the past 2½ years, the city has laid off thousands of employees. It has raised its transit fares by 45 percent. Also, it has started to adopt sound budgetary procedures and to practice fiscal management.

Second, in 1975 the full House did not consider the issue of long-term assistance for New York City. At that time, short-term seasonal loan assistance was the only program which was politically acceptable to the President and the Congress. Today, we shall give full and adequate consideration to the question of long-term loan guarantees, as outlined in the committee bill, H.R. 12426.

Third, during the past 2½ years, the seasonal loan program has proven to be a successful approach for maintaining the solvency of New York City. Under the program, the city has borrowed over $5 billion, all of which has been timely repaid.

In light of these three distinctions, especially the city's actions during the past 2½ years and the proven success of the seasonal loan program, I have concluded that the long-term approach of H.R. 12426 is not a solution I can personally support. Long-term assistance would exceed the Congress responsibility to the city. I believe that the responsibility of the Federal Government is only to maintain the solvency of the city. Long-term guarantees go beyond this responsibility by not only meeting seasonal financing needs but by also helping finance capital improvements. While capital improvements are undoubtedly needed to maintain the vitality of the city, it is my firm conviction that the Federal Government should avoid this type of direct involvement in municipal affairs.

In conclusion, let me repeat that I think the city definitely needs continued Federal assistance, whether it be short-term cash flow assistance or long-term 15-year loan guarantees. The difference lies in what each will accomplish. Seasonal cash flow assistance has proven

its ability to keep the city out of bankruptcy and, hopefully, would enable the city in the next 3 years to reenter the public markets under the leadership of its extremely capable mayor.

● Mr. McKINNEY. Mr. Chairman, in recent weeks one question that I have been asked by a number of my friends who have not been as intimately involved with New York City as we on the Banking Committee is why do we have to take this up again? I thought we had taken care of New York already.

This is a perfectly understandable comment for the great majority of House Members. The Banking Committee's job today is to bring you up to date about a few developments which upset the original 1975 finance plan and to the outstanding progress the city has made incoming as far as it has under a short term seasonal loan program.

As structured in 1975, the city's recovery and resulting access to the capital market depended on a moratorium on debt service passed in 1975 by the New York State Legislature. This act required the city to offer an option to convert notes due to mature between December 1975 and March 1976 into long term Municipal Assistance Corporation bonds. The moratorium would have solved the original problem of redeeming $1.1 billion in notes during the most critical period. However, a State court ruled the act unconstitutional and the city was once again forced to come up with a billion dollars on short notice. To its credit the city was able to develop a plan which met the court's requirements and satisfied the noteholders.

In spite of that difficulty, the city continued to work to meet the restrictions we had imposed under the Seasonal Loan Act in December 1975. The number of municipal employees during this time has been reduced by more than 60,000, or 20 percent of the total city work force. An additional 20,000 cut will occur by 1982. The city has instituted independent audits, an integrated financial management system that should serve as a model for other cities, a new personnel control system, tuition at City College for the first time in its history, improved tax collection procedures and an independent fiscal monitor was created by the State which has had veto power over all contractual agreements. In dollars and cents these steps mean the New York City has reduced its deficit from approximately $2 billion in 1975 to a projected $480 million in 1978.

As I said earlier, this is outstanding progress on the city's part. However, as early as June 28, 1976, the Comptroller General of the United States, in a letter to the Speaker stated:

> The magnitude of the above factors points to the need for a city plan covering a period longer than 3 years. A longer plan, if properly detailed, should provide a more realistic view of the city's financial picture. By recognizing its problems and planning for their resolution, the city should be able to improve its creditability, increase investor confidence, and enhance its chances to re-enter the private credit market when the Federal loans terminate.

Unfortunately, that was proven true when the city tried to reenter the market in November 1977. In spite of its achievements, confidence still remained low and the city was unable to sell even a small issue. Our subsequent committee hearings exposed a strong feeling among members of the investment community, as well as potential investors such as city and State employee pension funds, that they were confident the city would overcome its remaining difficulties and regain investor confidence. But—and this is the key to our consideration—as fiduciaries they felt unable at this time to make the type of long term commitment that is needed.

Their concern is valid. Our laws protect the person who has contributed to pension funds or who leaves his money in trust at a bank by placing the burden of responsibility on the trustee to make wise investments. In recent years we have diluted these laws to a dangerous point. I am firmly opposed to any further weakening of that protection.

Under what circumstances then could money from these pension funds be invested in New York City or Municipal Assistance Corporation securities? Our committee was told that the key was a Federal guarantee of the bonds. Please make the distinction: we are not saying Federal loans as we did in 1975 or even grants as we say in many other cases. We are asking for insurance for new investments in New York City by the pension funds.

Once more you might ask why not just extend the existing program. The difficulty with that approach is simple. The city has done as much as it can with short-term funds. It now needs to restructure its long-term debt and replace the deteriorating capital investments such as schools, bridges, hospitals, and roads. It cannot do this by issuing bonds that mature in 3 or 4 years. In another letter from the General Accounting Office on March 30, 1978, the Comptroller General expressed his concern about the use of a seasonal loan extension. His arguments basically are those we heard earlier. This procedure would not meet the long-term issue. In fact it would result in this Congress having to take up the issue of aid to New York in 3 or 4 years if the city were able to avoid bankruptcy for that long. The above letters will be printed as part of this statement.

New York City has one major problem left to overcome. It needs to be able to assure investors that it will be fiscally sound in future years. That translates as investor confidence. The hardest part will be the next 5 years which includes some short-term borrowing, but mostly long-term needs as I mentioned previously. The bill we are considering today meets the city's needs but with adequate protection for the U.S. taxpayers. The guarantee we are considering would provide insurance for no more than $2 billion of bonds to be purchased by the pension funds. It would expire after 15 years although the bonds might mature at a later date. If New York City is able to improve its circumstances as much as I expect it to, the Secretary of the Treasury can raise the guarantee fee to induce the city to enter the private market and use the proceeds to retire the guaranteed issue.

The conditions of this guarantee are extremely tight. I urge my colleagues to review this bill and to support the committee bill when we vote in 2 days. Our failure to complete the job this time would insure that New York City would become a ward of Congress in the truest sense. The success of the city's recovery depends entirely on the success of H.R. 12426.

The material follows:

WASHINGTON, D.C.
March 30, 1978.

Hon. STEWART B. MCKINNEY,
Ranking Minority Member, Subcommittee on Economic Stabilization; Committee on Banking, Finance and Urban Affairs, House of Representatives.

DEAR MR. MCKINNEY: In your letter of March 10, 1978, written jointly with the Honorable William S. Moorhead, you requested that we respond to the question of whether there would be a serious risk of default, insolvency or bankruptcy if the Federal Government provided only seasonal loans to New York City in lieu of some other proposals which have been discussed during your Subcommittee's hearings. You stated that you had no specific term in mind for the seasonal loans but a simple 1-year extension had been suggested as a possibility. The Subcommittee staff subsequently asked that we also comment on a 3-year extension.

We have closely followed the extremely complex New York City situation for the past 2 years, but like most other observers we cannot answer your questions with complete confidence. We are nevertheless offering our opinions on your questions, as well as some of our thoughts on the conditions we think should accompany any program of aid to New York City.

In our judgment, there is a risk associated with the seasonal loan approach. It is not possible to predict with certainty the actions of all the city's long-term financing sources—the pension fund trustees, the banks, and the investing public. Pension fund trustees, both State and city, have indicated they will not invest fund assets unless the securities are guaranteed by the Federal Government. In addition, the Chairman of the Municipal Assistance Corporation (MAC) has stated that MAC might not be able to market its securities without Federal involvement in a total financing package and he has contended that a stand-by Federal seasonal loan program, as well as Federal guarantees of long-term obligations, is needed.

The risk, then lies in underestimating the sincerity or judgment of those individuals.

First and foremost, in considering the option of 1-year financing, there is a question as to whether the Secretary of the Treasury could make such a loan. The existing legislation requires the Secretary to make a determination that there is a reasonable prospect of repayment before he approves any loans. We assume new legislation would include a similar provision and there might be considerable doubt about the prospect of repayment in the absence of continued long-term financing for the city. Such long-term financing from MAC and the pension funds might be constrained without a strong indication of Federal involvement for longer than 1 year.

The city's 4-year financing plan projects long-term financing needs in fiscal year 1979 of $1.2 billion as follows:

Purpose:	*In millions*
True capital needs (mostly owed on existing contracts)	$423
Operating expenses in capital budget	450
Bonding of MAC capital reserve	200
Refunding of MAC bonds	100
Total	1,173

The plan proposed that the true capital financing needs ($423 million) be provided through the proceeds of Federally guaranteed bonds to be sold to the city and State pension funds with the balance ($750 million) to be sold by MAC, without guarantees, to financial institutions and the public.

The Senate Banking Committee, in its February report, concluded the city's long-term financing needs were somewhat less and felt they could be met by essentially the same sources the city designated, but without any Federal guarantees.

Regardless of which estimate is correct, if Federal assistance is limited to a 1-year extension of seasonal financing, certain obstacles need to be overcome. The continuing investment of the city pension funds in city obligations without Federal gaurantees must be considered questionable. While these funds have invested about $2 billion in New York City paper between 1975 and 1977 without a guarantee, there is no assurance they will continue to do so. The trustees have stated they do not intend to make such investments without a guarantee, emphasizing that their fiduciary duty compels them to seek a more diversified portfolio of investments. On the other hand, faced with a similar situation in 1975, the pension fund trustees did invest in New York City and they may have no option but to do so again to protect their existing investment.

The State pension funds do not currently hold any city or MAC securities. The sole trustee of these funds has stated that he will not invest in them without "iron clad" Federal guarantees.

Public reception to new MAC offerings to meet the city's long-term financing needs also seems far from assured. The Chairman of MAC and other officials representing the city and State have insisted that the total financing package, both long-term and seasonal, called for in the city's plan, is needed to assure investor confidence in city securities. In view of these statements, the question arises as to whether any proposal that calls for substantially less Federal involvement, such as a 1-year extension of seasonal loans, will instill the necessary confidence in investors.

The 3-year approach may be somewhat less risky than the 1-year approach. There is a possibility that it might induce others to invest but the city's financing sources might view seasonal loans, even for 3 years, as too short a Federal commitment. If that view is taken, the city would continue to face difficulty in obtaining long-term funds and the Congress could expect to be faced with the same problem again.

The long-term financing needs over the next 3 years according to the city's plan are as follows:

[In millions]

Purpose	1979	1980	1981	Tota
True capital needs	$423	$537	$746	$1,706
Operating expenses in capital budget	450	300	150	900
Bonding State advance		200	300	500
Bonding of MAC capital reserve	200	50		250
Refunding of MAC bonds	100	200	200	500
Total long-term financing needs	1,173	1,287	1,396	3,856

Under a seasonal loan approach, and assuming the same sources of financing the city has assumed, the city and State employees pension funds would be called on to invest $1.6 billion in unguaranteed city bonds, financial institutions and the public would be asked to invest $2.15 billion in MAC bonds, and the public would be expected to invest $100 million in city bonds. It is simply not possible to know if these sources would provide the funding necessary if Federal participation were restricted to 3 years.

If the Congress decides to continue a Federal financing role, we believe the wisest course of action would be one which offers a long-range solution rather than a series of temporary measures which tend to obscure and complicate the problem. We strongly believe that the terms of any Federal assistance should be quite stringent and provide a strong incentive for the city to end its reliance on the Federal Government as soon as possible.

In that regard, a strict fiscal control mechanism would be an essential condition. Further, an important precondition to continuing Federal assistance should be a resolution of the city's present labor negotiations in a manner which does not increase the projected deficits in the city's 4-year financial plan.

The pertinent portion of a report we issued on April 4, 1977, entitled "Assessment of New York City's Performance and Prospects Under Its 3-Year Emergency Financial Plan," is enclosed. In that report, we outlined the conditions we believe should be included in any long-term solution involving Federal loans or guarantees for New York City or any other local government. In essence these conditions, as we would view them as applying to New York City, are:

1. Federal loans or loan guarantees should only be made available after a clear demonstration to the Federal Government that the city has no alternate source for borrowing and the State is unable to provide the needed financing. There should also be a determination by the Federal Government that there is a reasonable prospect for repayment.

2. An independent State board of managers should be established for the duration of any Federal involvement. The board should be responsible for supervising the fiscal affairs of New York City and should have the power to approve, disapprove and modify the city's budgets or any line items within those budgets. That authority should enable it not only to assure that the budgets will be balanced, but also to approve the means by which the balance is achieved. The Secretary of the Treasury could be empowered to appoint an independent respected member of the financial community, knowledgeable in municipal affairs, as a Federal representative on the board. Any Federal loans or loan guarantees should be made through the board, or an appropriate State agency, rather than directly to the city.

3. To encourage State and city efforts to disengage from Federal dependence, monetary penalties should be attached. Interest rates on direct Federal loans should be set at a level so that the city receives less favorable treatment than others borrowing in the private market. For loan guarantees, a fee could be discretionary based on the Federal Government's evaluation of the risk involved.

4. The loan or loan guarantee agreements should provide an automatic review mechanism to assess the potential for refinancing the loans in the private market as soon as practical.

5. Provisions should be made for Federal audit and review.

6. Long-term borrowing for current operating expenses represents such an undesirable fiscal practice that the use of Federal loans or guarantees for such purposes should be prohibited.

In commenting on similar conditions in our prior report, city officials found them unduly onerous and thought some might be an infringement on the rights of elected city officials. We understand their concern. The potential disruption of our federal system of government is of great concern to us. However, we believe continued Federal assistance mandates strong independent involvement in, and control over, the financial operations of the city for what will be, hopefully, a short period of time. Through such involvement there will be the best assurance that the difficult decisions will be made—

To close the city's revenue and expense gap,

To end the special Federal and State involvement in the city's affairs,

To return the management of the city to locally elected officials, and

To restore normalcy in intergovernmental relations.

Subsequent to the preparation of the above response, a bill was introduced in the House, cosponsored by you and eleven other Representatives, which addresses many of the issues we raise in this letter.

The basic thrust of this bill seems to promise the long-range solution that we discussed above. We believe, however, that a more specific statement of the terms to be imposed as a condition of Federal assistance would better insure a rapid recovery of the city to a position of fiscal stability.

In particular, we think that the powers of the "independent fiscal monitor" should be more specifically enumerated, along the lines of the second condition listed on page 5 of this letter. The monitor, or board as we call it, should be authorized to modify specific line items in the city's budget. The existing Emergency Financial Control Board generally looks only at the aggregates of the budget, and not the details making up those aggregates. The condition we outlined represents a significant change in the way the board would be expected to function.

We would also suggest that you consider the possible merits of having a Federal representative appointed to the board, possibly by the Secretary of the Treasury. Such appointment, not unusual in a large credit arrangement, would provide a third-party voice to represent the national interest. This representative would be a party to all of the discussions and decision-making processes now participated in by only State and city officials or appointees of those officials.

We would be happy to meet with you to discuss these observations further.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.●

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Ways and Means Committee considered only title II of the loan guarantee bill (H.R. 12426) which affects the Internal Revenue Code. Title II of the legislation amends the Internal Revenue Code so that the interest payments on federally guaranteed bonds issued by New York City or on behalf of New York City will be taxable.

The Ways and Means Committee believes it is important to tax the interest yield on bonds issued by or for New York City and which carry a Federal guarantee because the guarantee makes the bonds quite comparable—in terms of security and interest rates—to Federal

bonds which are taxable. If the interest on the guaranteed bonds was tax exempt, as is the case with interest on State and local bonds, the Federal Government would be providing a double subsidy and would make these New York bonds more attractive than Federal bonds.

Accordingly, title II of the bill as reported by the Ways and Means Committee provides for Federal income taxation of interest earned on New York City obligations as long as a Federal guarantee of principal or interest on the obligation under title I is in effect. Interest earned during a guarantee period is taxable, whether the interest is paid during the guarantee period or accrued then for later payment. In addition, the committee amendment to title II provides that the Federal Financing Bank may not purchase guaranteed bonds issued by New York City, or issued on behalf of New York City. The committee added this provision because it was concerned that the services of the Federal Financing Bank should be confined to obligations issued by the Federal Government and its agencies.

After the committee had reported the tax provision in title II, Secretary Blumenthal wrote to Chairman REUSS and Chairman ULLMAN to indicate that he would not provide a guarantee for any bond issued before the effective date of the bill. This is important because title I of the bill provides for Federal guarantees of bonds issued by or on behalf of New York City without respect to when they were issued. Thus, were outstanding bonds to be guaranteed, current bondholders would find the interest on them taxable, whereas they bought the bonds initially with the understanding that the interest would be tax exempt. I understand that it has been the intention of the Banking Committee all along that only bonds issued after the effective date of the bill are to be guaranteed under the bill, and I am grateful for the clarification provided by Secretary Blumenthal.

Mr. Speaker, I urge the adoption of title II.

The CHAIRMAN. The Chair now recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I concur in the explanation given by the distinguished gentleman from New York (Mr. RANGEL) about title II of the bill because that is the only title that the Committee on Ways and Means reviewed and our feeling was unanimously, or nearly so, that title II ought to be adopted.

As the gentleman from New York (Mr. RANGEL) has explained, primarily title II simply provides that interest received on obligations guaranteed under title I will be taxable until the guarantee expires. We did that because we did not want to make the New York City bonds a double advantage to the city of New York to make them more competitive than our own Treasury bonds.

Mr. Chairman, there are members of our committee who have other feelings about title I. I personally share the feeling expressed by the distinguished gentleman from Ohio (Mr. STANTON) about title I and have the same reservations, however, I can recommend title II without reservation to the members of the Committee.

Mr. Chairman, I rise in support of title II of H.R. 12426 which amends the Internal Revenue Code of 1954 with respect to interest received on obligations that are guaranteed under the bill—the New York City Financial Assistance Act of 1978.

As part of the Federal Government's continuing assistance to New York City, title I of H.R. 12426 authorizes the Secretary of the Treasury to guarantee the principal or interest of certain obligations issued on behalf of New York City. This portion of the bill was considered by the Banking, Finance and Urban Affairs Committee.

Title II of the bill was considered by the Ways and Means Committee and provides in part that interest received on obligations guaranteed under title I of the bill will be taxable until the guarantee expires. This is a departure from the general rule that interest on obligations of State or local governments is not taxable.

The committee felt this departure was appropriate because it would limit the revenue loss and would make the guaranteed bonds competitive with, but not superior to, Federal obligations.

In addition, the bill prohibits the Federal Financing Bank from acquiring obligations that are guaranteed under title I of the bill.

Title II of H.R. 12426 makes appropriate amendments to the Internal Revenue Code and I urge its immediate approval.

Mr. Chairman, I have no requests for time and I yield back the remainder of the time allotted to me under the rule.

The CHAIRMAN. The gentleman from Minnesota (Mr. FRENZEL) yields back the balance of his time and the gentleman has consumed 2 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I have no further requests for time and yield back the remainder of my time.

The CHAIRMAN. The gentleman from New York (Mr. RANGEL) yields back the balance of his time.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in support of H.R. 12426, the New York City Financial Assistance Act of 1978, which was reported by your Committee on Banking by a bipartisan vote of 32 to 9 and by the subcommittee which conducted the hearings by a vote of 12 to 2.

Before I proceed with a statement on the merits of H.R. 12426, I am going to make one unusual suggestion and one unusual statement.

First, the suggestion. I suggest that each of you press the page button at your seat and get a page to get you a copy of H.R. 12426. All of the questions you might have about this legislation are answered in the bill itself.

Before I make my unusual statement, let me praise the work of all the members of the subcommittee and the full committee, both the proponents and opponents, for their contribution to the creation of this legislation. The same goes for the majority and minority members of the staff of the subcommittee and full committee—all of them did a superb job.

My unusual statement is to praise an unsung institution of the Congress—the Office of the Legislative Counsel of the Congress of the United States. The bill before you was drafted by that important and essential arm of the Congress.

In all of my nearly 20 years in the Congress I have never seen a more carefully drafted, tighter piece of legislation.

As the late great Wright Patman used to say, this bill is constructed like a good Texas fence—"it is horse high, bull strong, and pig tight."

But no matter how good the draftsmanship, members of the committee are entitled to ask why any New York City financial assistance bill should be on this floor at this time and why this particular bill.

Mr. Chairman, there is a need for Federal financial assistance to New York City.

Mr. Chairman, despite all of its very laudable efforts to cut expenditures and aim toward a balanced budget, New York City has not yet regained access to the private credit market. Its unsuccessful attempt to market $200 million of fully secured short-term notes last November is testimony to that fact.

Sometime after June 30—probably about mid-July—when the present seasonal loan program expires, the city will run out of cash. The potential lenders—the pension funds, the banks and other institutional lenders—have made it clear they cannot meet the city's borrowing needs without the assurance of some continued Federal credit assistance.

All of the witnesses before our subcommittee agreed with this conclusion.

It is, of course, possible that all of these witnesses and your committee are wrong and that New York City can enter the credit markets without Federal assistance. In this case no harm will be done by the enactment of this legislation, because section 103(a)(1) provides that there will be no guarantees unless the Secretary determines that the city is effectively unable to obtain credit in the private market or elsewhere.

If, however, we are right and the failure to enact this legislation would mean insolvency or bankruptcy by New York City, the results nationally and internationally would be catastrophic.

In the minicrisis of 1975, when there was no bankruptcy but merely the fear of it, the total additional borrowing costs for all 49 States of the United States, excluding New York, was estimated to be in excess of $641,000,000.

Under leave previously granted, I will insert at this point in the record a table

submitted by Mr. John Peterson of the Municipal Finance Officers Association, setting forth State-by-State and region-by-region the added borrowing costs resulting from the New York crisis situation of 1975:

TABLE 2.—ESTIMATE OF EFFECTS OF 1975 CREDIT EROSION ON BORROWING COSTS BY REGION AND STATE

[In millions of dollars]

	Estimated annual volume [1]	Added borrowing costs	
		1st year	Over life of issues
Total, South Central States	3,654.9	6.103	81.803
Allocated by State:			
Oklahoma	145.4	.254	3.053
Arkansas	62.9	.110	1.321
Louisiana	480.2	.840	16.084
Texas	1,430.4	2.503	30.038
Kentucky	233.3	.408	4.899
Tennessee	617.2	1.080	12.961
Mississippi	228.4	.400	4.800
Alabama	411.8	.721	8.647
Total, Mountain States	1,639.2	2.196	26.358
Allocated by State:			
Idaho	25.8	.035	.415
Montana	28.7	.038	.462
Wyoming	70.5	.094	1.134
Nevada	83.4	.112	1.344
Utah	151.3	.203	2.433
Colorado	399.2	.535	6.419
Arizona	625.1	.838	10.052
New Mexico	255.2	.342	4.104
Total, South Atlantic States	3,654.9	6.103	73.244
Allocated by State:			
Florida	926.3	1.547	18.560
Georgia	426.9	.713	8.560
South Carolina	172.1	.287	3.448
North Carolina	219.5	.367	4.404
Virginia	548.1	.915	10.980
West Virginia	323.6	.540	6.480
Maryland	904.9	1.511	18.132
Delaware	133.5	.223	2.676
Total, Pacific States	4,164.5	8.912	106.944
Allocated by State:			
Hawaii	265.1	.567	6.808
Alaska	382.8	.819	9.830
California	1,982.7	4.243	50.916
Oregon	753.9	1.613	19.360
Washington	780.0	1.669	20.030
Total, Northeastern States	2,346.7	9.762	117.147
Allocated by State:			
Maine	218.3	.908	10.898
Vermont	57.2	.238	2.855
New Hampshire	80.5	.335	4.019
Massachusetts	1,372.7	5.710	68.525
Connecticut	580.2	2.414	28.964
Rhode Island	37.8	.157	1.887
Total, north-central region	6,292.0	5.285	63.415
Allocated by State:			
North Dakota	20.6	.017	.200
South Dakota	56.1	.047	.565
Minnesota	621.5	.522	6.265
Iowa	98.4	.083	.992
Nebraska	251.6	.211	2.536
Kansas	206.4	.173	2.080
Missouri	316.3	.266	3.188
Wisconsin	581.1	.488	5.858
Illinois	1,823.1	1.531	18.376
Indiana	330.1	.277	3.327
Michigan	1,124.5	.945	11.335
Ohio	862.4	.724	8.693
Total, Middle Atlantic States [1]	2,708.2	14.841	178.091
Allocated by State:			
Pennsylvania	1,615.8	8.855	106.255
New Jersey	644.2	3.530	42.363
Puerto Rico	448.2	2.456	29.474
New York [2]	965.0	4.391	52.689
New York State [3] agencies, MAC	4,477.0	89.542	761.090
Total:			
All States excluding New York	24,445.5	53.416	641.002
All States including New York	29,887.5	147.349	1,454.781

[1] This table applies the regional 1975 credit erosion coefficients to the estimated 1975 volume of bond sales by State. The annual rates are based on the 1st 10 mo actual bond sales. The average maturity of these issues is assumed to be 12 yr.

[2] This is an estimate of annual volume excluding New York City and associated State financings

[3] This estimate is based on actual bond financing (July–September 1975) at a premium of 200 basis points. The average life is 8½ yr.

Remember that this was not the case of bankruptcy, merely the threat of it. I am reminded of a story of the tourist driving by the National Archives Building in Washington who asked the driver of the meaning of the words "The past is prolog," and he replied, "That means, lady, you ain't seen nothing yet."

Mr. Chairman, no matter what the other body does, I do not believe that the Members of this House should be charged with the catastrophy that would follow if we fail to act on this legislation.

Why should we act at this time? Mr. Chairman, we should act at this time because the 1975 act providing for direct seasonal loans to New York City expires on June 30. We all know that the legislative process takes some time and we should have the legislation firmly in place by June 30. A major psychological roadblock to the enactment of this legislation was removed when a collective bargaining agreement was reached between the city and the major municipal unions. However, even if the agreement had not been reached, this carefully drafted bill provides in section 103(A) (2) and (3) that the city must have a balanced budget in order to be eligible for the Federal loan guarantees.

We in the Congress should not concern ourselves with the hourly rates paid to different employees or other details of the collective bargaining settlement. But I think it should be pointed out that, on a liberal interpretation, this settlement amounts to about 5.5 percent over 2 years—and this at a time when there is controversy over the President's proposal to hold Federal civil servants to 5.5 percent over 1 year and private settlements run well above that.

But to repeat, these details are not our concern. We should not even be involved with the total of city expenditures. We should be concerned only about the bottom line, and that is a balanced budget. H.R. 12426 is directed toward that end.

Mr. Chairman, H.R. 12426 has two objectives: First, to prevent a default, insolvency or bankruptcy in New York City, and second, to provide complete protection for the Federal taxpayers in the event of such default, insolvency, or bankruptcy.

To achieve these two objectives the bill provides for Federal guarantees of up to $2 billion of the city's total projected borrowing needs of $4.5 billion over the next 4 years. The administration supports this bill. Indeed, it represents the program which Secretary Blumenthal spelled out before the Subcommittee on Economic Stabilization as the administration's proposal for continued help for New York City.

With $2 billion of Federal guarantees available, I am confident the city can find investors for the remaining $2.5 billion of the financial package and section 103(a)(5) requires such a package as a precondition to any guarantees.

Mr. Chairman, I want to explain briefly the conditions New York City and State must meet in order to obtain the Federal guarantees.

By June 30, 1982, the city must have achieved an operating budget balanced in accordance with generally accepted accounting principles. As we all know, New York's past accounting practices have been one of the chief factors which led to loss of credibility in the city's financial reports. Many of these unacceptable practices have been eliminated. Others will take some time to phase out. Under the bill, the city has until fiscal year 1982 to get rid of all practices which are presently unacceptable to the accounting profession, and it must present continuous financial plans over the life of the guarantees to demonstrate how it will achieve and adhere to these budgets balanced in accordance with GAAP.

There must be a State-legislated fiscal monitor in place, covenanted for the period of the guarantees, with authority to control the city's fiscal and financial affairs.

Annual independent audits of the city's financial reports are required.

A guarantee fee of no less than one-half of 1 percent of the outstanding principal guaranteed must be imposed.

Before guarantees can be issued, the Secretary of the Treasury must be rea-

sonably assured that the balance of the financing package has been committed from other, unguaranteed, sources.

Mr. Chairman, some people have argued that passage of this bill will give the city a new license to overspend. I cannot stress enough that apart from all the safeguards in this bill, the overwhelming weight of incentives and self-interest in New York City itself is to succeed in the effort to get the budget back into true balance. This point has been widely overlooked and some very mistaken conclusions have been drawn. Those who believe this have not talked to the elected officials that are in charge of New York City.

The fact is that loss of the city's credit standing and a perpetual danger of bankruptcy has been a searing experience for the city and those who govern it. They have not only had to cut back on city services that are popular, they have also had to reduce their badly needed capital outlays virtually to nothing. They have given up part of their freedom to make decisions to a state-imposed control board. No one will lend them a dime.

Only when New York gets its budget back into genuine balance can it again enter the private credit market and start to operate normally again. Everybody in high office knows that. If they slide back into the old ways, they will be doomed to a perpetual denial of badly needed private credit.

Elected officials in other cities are aware of all this. Far from getting in line for comparable Federal assistance, they have bent every effort to avoid the perils that New York is in. They have done so because that is their own clear self-interest. Flirting with bankruptcy has proved all pain and no pleasure.

This, you might say, is what we really have going for us in New York—the city's self-interest in getting out of the box it has got itself into. As we say in our report on this bill, the city has nothing to gain and everything to lose from a return to the budgetary practices of the past. It is just plain wrong to argue that this bill offers a temptation to budgetary excess. The people who run New York, including our former colleague Ed Koch, know better.

Mr. Chairman, I want to say a word about the provisions in the bill for protecting the Federal taxpayers' interest. If the city defaults on a guaranteed obligation, the Secretary of the Treasury is required to withhold a similar amount of Federal transfer payments to New York City or New York State. The bill also provides that in the event of insolvency or bankruptcy, the interests of the United States take priority over other creditors.

Mr. Chairman, this is a tough bill. New York City will have to give up a large measure of its autonomy for a long time in order to obtain this Federal assistance. I am convinced, however, that we need these provisions to protect the Federal taxpayers and, as I stated earlier, I am convinced that these tough provisions are as much in New York City's interest as they are in ours.

I urge my colleagues to vote in favor of H.R. 12426.

Mr. STANTON. Mr. Chairman, I yield 12 minutes to the distinguished gentleman from New York, a new member of our committee and a very distinguished member, Mr. GREEN.

Mr. GREEN. Mr. Chairman, I rise in support of H.R. 12426, the New York City Financial Assistance Act of 1978. As a Representative for Manhattan and a cosponsor of H.R. 12426, I am pleased that the full House of Representatives is having this opportunity to discuss New York City's financial situation and to consider legislation that will enable the city to get back into the municipal bond market.

The bill before us is intended to help New York City to help itself. It is not a "giveaway" of the taxpayers' money. It is not a "bail-out." It is not even a subsidy program.

New York City is not a spendthrift who has run out of money and now is coming to Uncle Sam for a handout. Instead, New York City is only asking that Uncle Sam stand in support of the city's efforts to obtain self-help financing through the private credit market. As our House Banking Committee report stated:

> This legislation does not subsidize profligacy but rather gives indispensable support to a process of rehabilitation.

To understand the need for this legislation, we must return to the situation the city faced in 1975. In 1975, New York City teetered on the edge of bankruptcy. The crisis was triggered by a lack of confidence in the city's financial health. Soon banks refused to underwrite New York municipal bonds, and the city found itself denied access to private credit markets. To date, no new city securities have been sold in the market since 1975. This continues to impair New York's efforts to recover from the crisis of 1975.

With New York City facing default, Congress passed the New York City Seasonal Financing Act of 1975. This legislation was a stop-gap measure to help the city avert bankruptcy. Rather than providing Federal guarantees for New York City municipal bonds to address the city's long-term financial needs, the 1975 bill authorized the Treasury to provide short-term loans to New York City. The city was required to repay the loans, which could not exceed $2.3 billion in any fiscal year, by the end of the fiscal year in which they were made. The interest rate on the loans was 1 percent above the rates for comparable loans. The Secretary of the Treasury's authority to issue these seasonal loans expires on June 30.

New York City's performance under the seasonal loan program truly has been remarkable.

The city has repaid every Federal loan either on time or ahead of time.

The maximum amount of loans to be outstanding was $2.3 billion, and the peak drawing was $2.1 billion in 1977.

Over and above interest and administrative expenses, the city will have returned to the U.S. Treasury a "profit" of nearly $40 million by the expiration date of the 1975 act.

At no time has the city been in arrears.

It is most significant that in 1975, New York City's "true" budget deficit was approximately $2 billion. By July 1978, that deficit will be down to about $600 million. In addition, the city has kept outlays constant since 1975, despite the 6-percent annual inflation rate.

The city has achieved this record by taking tough action to reduce expenditures. Let me cite some of the specific initiatives that have been undertaken.

The city has reduced the number of city employees by 61,000 jobs or 20 percent of the 1975 level. At the same time, employee contributions to pensions have increased, saving the city $49 million in fiscal year 1978 and $97 million in fiscal year 1979.

Welfare rolls have been cut from a high in 1972 of 1,265,300 to 931,600. Moreover, the number of ineligible recipients has been reduced from 14.3 percent in the first 6 months of fiscal year 1975 to 7.9 percent in the first 6 months of fiscal year 1978. I would like to point out to my colleagues that New York City, unlike cities in most other States, is required by New York State law to pay for 25 percent of welfare costs out of its own revenue.

In addition, tuition fees have been imposed at the City University and subway fares have been increased by 42 percent. Some 19 fire companies have been closed and funding for 77 day care centers has been eliminated. Accounting practices have been reformed and a new financial management and control system has been put into effect.

These actions taken by New York City demonstrate that the city is willing to sacrifice and to tighten its belt in an effort to resolve its financial difficulties. All the city is asking from the Federal Government is support for its municipal bonds so that the efforts New York has initiated to help itself recover can be continued. New York City is only asking for a "jump start" from Washington, not a new battery.

Some of my colleagues have asked why New York State cannot do more. The record indicates that the State already has contributed significantly to help the city. New York State presently supplies $800 million on an annual basis to provide working capital for the city. The State has assumed 75 percent of the cost of the City University of New York and 50 percent of the cost of the city's courts. In addition, the State established the emergency financial control board to oversee the city's budget and borrowings and the Municipal Assistance Corporation to assist the city financially.

State aid to New York City in fiscal year 1978 was $3.16 billion. It should be noted that the State of New York is spending nearly as much on New York City as on all other communities in the State combined. Moreover, State aid to help reduce the city's budget deficit is expected to double over the next 4 years.

Clearly, the State of New York has pitched in to help New York City. But there is one thing the State is prohibited

under the New York Constitution from doing: guaranteeing the city's bonds. That is why New York City has turned to Washington and that is why the legislation before us is so vitally needed to help the city regain its fiscal integrity.

The key to recovery for New York City is to secure access to the private credit market. It has become evident that only a program of long-term loan guarantees will enable the city to do this.

As our House Committee on Banking, Finance and Urban Affairs asserted in the report to accompany H.R. 12426:

> A mere extension of the 1975 act is no solution to the city's problem and might not even avert bankruptcy.

The seasonal loan program helped New York in 1975 and provided a framework within which the city's self-supporting initiatives could move forward. However, a continuation of seasonal financing would not allow the city to get back on its feet and into the private credit market. Morton J. Getman, executive vice president and general counsel of the New York Chamber of Commerce and industry, explained the need for long-term loan guarantees in a memo to members of the House Banking Committee:

> Despite this record of solid progress, the city was unable to find a market even for a limited, heavily-secured short-term borrowing offered in November, 1977. This experience suggests strongly that a direct Federal loan program—no matter how successful—does little to re-establish the City creditworthiness in the private markets.
>
> A loan guarantee program, while relying on Federal participation, does give the city a precious foothold in the private markets. Why continue to provide direct Federal loans, with no demonstrable progress towards credit market re-entry, when a loan guarantee option is available?

The New York City Financial Act of 1978 will permit the city to resolve its fiscal crisis and regain investor confidence. To maintain a 3-year-old program of temporary, seasonal assistance would serve only to treat the symptoms of the city's afflictions. The time has come for action that instead will help to restore the city to economic health.

The legislation we are considering will allow the Treasury to guarantee over the next 4 years up to $2 billion of New York City's obligations, with a maximum maturity of 15 years. The bill requires the city or the financing agent to pay a guarantee fee of at least one-half of 1 percent of the principal of the guaranteed obligations. The result of this will be that the Federal Government actually stands to make a "profit" on this legislation, just as it did on the seasonal financing legislation of 1975.

It is most important to emphasize that the Federal guarantees will not be given without strings. The conditions of eligibility, contained in section 103 of the bill, are strict and rigorous.

There are those who are worried that this legislation will set a bad precedent. They are concerned that it will lead other financially troubled cities to seek similar Federal assistance. I would invite adherents of this "domino theory" to examine section 103. There are very few cities that would want to submit themselves to the outside scrutiny and controls set as conditions of eligibility in H.R. 12426. It is worthwhile to cite the nine conditions imposed by section 103.

First, the Treasury Department must make a determination that New York City is unable to meet its financing needs in the private market or elsewhere.

Second, the city must submit a plan, with the approval of an independent fiscal monitor and based on accounting principals prescribed by the Treasury Department, to balance its budget during each of the first 3 full years after it applies for Federal guarantee assistance.

Third, the city must publish an annual analysis comparing its previous year's projected budget to actual revenues and expenditures during that year.

Fourth, the city must balance its budget during the fourth full year after applying for assistance, and each year thereafter.

Fifth, the independent fiscal monitor established by the State is required to demonstrate to the Treasury Department's satisfaction that it has the authority to control the fiscal affairs of the city for as long as assistance will be outstanding.

Sixth, before Federal guarantees can be issued, the Treasury Department must obtain assurances that a substantial portion of the city's borrowing needs will be met through sources other than the Federal assistance provided under this legislation.

Seventh, the Treasury Department must make a determination that there is a reasonable prospect that the obligations to be guaranteed will be repaid according to their terms and conditions.

Eighth, independent public accountants must annually audit the city's books as long as assistance under the act is outstanding.

And ninth, the city must pay reasonable interest rates on the obligations issued.

In addition, another paragraph in section 103 states that the city "agrees to comply with other terms or conditions" which the Treasury Department deems appropriate.

I would also like to note that section 107 of the bill authorizes the General Accounting Office to conduct audits of the financial records of the city or any financing agent, and requires the city or any financing agent to agree to such audits as a condition of the issuance of the Federal guarantees.

With respect to remedies, the bill in section 105 provides that in the event of default, the Treasury Department may withhold "any payments from the United States to the city or State which may be or may become due pursuant to any law." That is a broad and tough penalty to impose. It is essential to keep in mind that the State of New York, as well as the city, is liable as far as the Federal Government is concerned in case of default.

Section 105 also gives the United States a priority claim over other creditors in the event of insolvency or bankruptcy of New York City. This protects the Nation's taxpayers in this matter.

The conditions of eligibility set forth in this legislation are most rigid. The Federal Government is extracting a high price in terms of oversight and intervention into New York City's financial situation in return for the guarantees to be granted. I think my colleagues would have to agree that the requirements laid out here are more demanding than any that have accompanied U.S. assistance for farm credits or contributions to international lending institutions.

So far I have discussed the efforts the city has made to return to financial health and the important and necessary role that H.R. 12426 would play in guaranteeing the success of those efforts. At this time, I would like to highlight briefly what might happen if we fail to pass the New York City Financial Assistance Act.

The impact of a New York City bankruptcy would be felt both throughout the Nation and throughout the world. Nationally, default would have widespread adverse repercussions in all capital markets. It is evident that there would be a crisis of confidence in the marketplace with respect to the dependability of the contractual obligations of municipal governments in general. In the wake of a lack of confidence in the municipal bond market, the Federal Government certainly would be called upon to help maintain municipal services and to bear increasingly more of their expenses.

Accompanying a decline in the borrowing power of States and localities would be an increase in interest costs to them. New York City's near bankruptcy in 1975 led to added interest costs estimated at $150 million per year for bonds sold during that year. The cost projected over the 10-year average life of these bonds amounted to $1.5 billion.

It is important to keep in mind that municipal securities, which would be threatened by a New York City bankruptcy, are widely held by banks and other financial institutions. A sharp decline in their value would be bound to result in a contraction of the general credit market. This certainly would have a severe impact on marginal financial institutions.

Internationally, a New York default would further erode confidence in the value of the dollar. Those overseas would see the failure of New York City as an indication of weak and unresponsive leadership on the part of the United States in the midst of a fiscal crisis. There is no question that the financial collapse of the financial center of the United States would have devastating consequences on foreign exchange markets.

The credibility of the U.S. banking system clearly would be brought into doubt. Foreign banks would have to reassess their business dealings with U.S. banking institutions. Of course, U.S. financial institutions located in New York City, which conduct extensive foreign exchange transactions, would be especially affected in this regard.

Finally, in the event of bankruptcy on the part of New York City, the Federal Government would find itself having to intervene in the situation. The irony of this was duly observed in the House Banking Committee's report:

> Thus, it is quite possible that if the worst came to worst and bankruptcy occurred, the Federal government would find itself as the "lender of last resort," with far greater cost than under the legislation your committee has approved.

It is a matter of putting a little oil in now, or having to pay for an engine overhaul later.

I call upon my colleagues to carefully examine the legislation before us to assist New York City and to review the city's remarkable achievements since 1975. The New York City Financial Assistance Act is a fair, carefully crafted piece of legislation. It imposes tough conditions on New York City as it provides the catalyst the city needs in its process of economic recovery.

The loan guarantees permitted in H.R. 12426 will be a wise step, involving no cost to the Federal taxpayer, that will enable our country's greatest city to regain its financial health. New York City has passed the tests that were given in 1975.

I urge my colleagues to vote in favor of the New York City Financial Assistance Act of 1978 to give New York the chance to complete the work it began in 1975. Let us have the opportunity to continue a program of self-help efforts that can be an example in urban recovery for cities across the Nation to follow.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I just want to say that I do not agree with hardly anything the gentleman from New York has said, but I do want to say this for the gentleman: Anyone who will lobby and proselytize the gentleman from Maryland on this issue to the extent the gentleman has, certainly deserves credit for his courage, at least, if not his wisdom, and I do want to commend the gentleman for the ability he has demonstrated in presenting his viewpoint.

However, I do find it very difficult to agree with that viewpoint.

Mr. GREEN. Mr. Chairman, I thank the gentleman from Maryland for his limited approval.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, not even the most devoted and chauvinistic New Yorker will argue that New York City has been well managed. The profligacy of the city, under a whole series of administrations, is already legendary. It is a tragic kind of joke that in the city where financial genius is legendary, no one could even say what the city took in and what it spent, so disastrous were its accounting practices. New York existed on dreams, supported by tricks and mirrors. If there was not a financial sin in the book to cover its practices, the city would invent new ones. Inevitably it all collapsed.

No one will argue that New York has reformed all its malpractices. Its budget is still a half billion dollars in the red.

And yet there is good reason to support this bill. New York has cut its deficit by a billion and a half dollars since 1975; the work force of the city has been reduced by no less than 20 percent. In fact, as in the case of the City College of New York, it is cut too much. Welfare policies have been tightened up; the whole accounting system of the city has been reformed. Management practices have been transformed, and the city is now, for the first time ever, operating on a sound financial plan.

Disaster did not come to New York overnight, and we must recognize that it will take a few more years to work out the problems of the past.

We need not pretend that any of the reforms, and they are numerous, took place easily or even voluntarily. New York is in fact run not by its elected government, but by the independent board of overseers that was formed by its reluctant bankers—the State of New York, the Federal Government, and the curious amalgam of people who own the issues of the Municipal Assistance Corporation.

Nor do we need to pretend that whatever magnanimity we feel will be returned to us in kind. No one of my colleagues from New York has ever expressed any interest or concern over the cost of energy to my constitutents, though they expect me to be concerned about the cost of energy to New Yorkers.

New York enjoys a most favorable treatment from Federal revenue sharing, from community development bloc grants, from energy subsidies, from any number of other programs. My colleagues from New York would never blink if my own city were on the verge of bankruptcy; they are of a remarkably provincial mind, leaders in "war between the States."

It would give me much personal satisfaction to vote against this bill, but personal satisfaction is something that I cannot indulge in a question of legislative responsibility.

There are a number of good reasons to support this bill.

The people of New York City have a new and determined spirit to see reform through; they no longer believe that it is possible to finance a city on imagination alone.

The city government has a new and realistic kind of management; it knows what its capabilities are, it knows what its needs are, it knows what its limitations are.

New York City is not quite ready to return to self-government, and it will not be so long as it must depend on Federal guarantees for its financing. Hopefully the conditions of this help are so onerous that the drive toward self-government will continue.

But the greatest reason to support this bill goes beyond all the impressive progress that has been made since 1975.

The powerful people who drove New York City into its melancholy condition would not suffer from a bankruptcy of the city; they have been retired from office long since. The rich, the organized, the clever, the entrenched—all of these may have had some share of responsibility, but they would not suffer from a financial emergency of the city. Those who would suffer would be the poor, the unorganized, the helpless, and the hapless—those who are perhaps most innocent and least responsible would be the most grievously wounded. There is no point in venting our anger on them.

Moreover, the least expensive Federal action is probably to approve this legislation. It assures us that the unknown consequences of a collapse can be avoided, at a minimal risk and cost to the Government. It protects the innocent and weak people who would be victimized by a financial failure. It assures, with powerful instruments, that reform of the city will continue, and that it will be genuine.

I have to hold my nose to vote for this bill, but it is the best choice.

Mr. STANTON. Mr. Chairman, I yield 3 minutes to my distinguished colleague, the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise in opposition to H.R. 12426.

In 1975 I voted for the direct loan program to New York City. At that time New York City had a very serious cash-flow problem which was immediate and urgent. I might favor some sort of extension of that type of short-term arrangement on the theory that some progress has been made in the city of New York in getting its house in order. However, I am opposed to H.R. 12426 because of the dangerous precedent I feel it would set.

If New York City, why not Cleveland? Why not my own city of Columbus, Ohio?

Mr. Chairman, it seems to me as though this does violence to the Federal-State relationship on which our system of government is based and as a result of which we have prospered.

If we guarantee the bonds of the city of New York, where does that leave the other municipalities? How could they compete in the bond market?

In the municipal bond market just recently, the city of Columbus was able to sell some municipal bonds for 5.5 percent because our bonds are competitive, and we operate on a sound fiscal policy basis. We pay our bills in Columbus, Ohio.

The people of my district did not exactly approve of my vote in 1975, although I think I was able to persuade most of them of the wisdom of it. However, I was reminded in a letter which came to my attention just last night that Ohio, among all the States, is 48th in the amount of tax dollars it receives back, based on the amount of tax dollars we send to Washington. We get back $1 for every $1.44 we send to Washington.

My title, after all, is Representative to Congress. That means I represent the entity of the constituency of my district. The people in my district have suggested that I vote against this bill, and I think I will respect their wishes on this occasion.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Georgia (Mr. BARNARD).

Mr. BARNARD. Mr. Chairman, my remarks will focus on the disastrous effects of a possible New York bankruptcy on other governmental entities throughout America. Throughout the hearings held by the Economic Stabilization Subcommittee on New York's fiscal and financial situation, it became increasingly clear that the private market could not be convinced of the city's creditworthiness without Federal assistance, and that without such assistance, New York City could, indeed, become a national disaster area without end.

I would like to call to the attention of all my colleagues the testimony of John Petersen, Director of the Government Finance Research Center of the Municipal Finance Officers Association, given on February 22, 1978. He brought out two very important points for all of us to weigh at this time:

First. He made it abundantly clear that the 1975 fiscal crisis of New York City was not a "one-shot" situation with only local impact and consequences. On the contrary, as he described it, it was a near-miss that sent some rather violent shock waves throughout the entire municipal bond market. It clearly lead to higher borrowing costs for all governments. And I would emphasize that he said all governments.

Second. He documented for us the fact that since 1975 and in large part due to the efforts of the Congress in shoring up New York, the municipal bond market has enjoyed a restoration of confidence and borrowing power.

I, for one, came away convinced that we should continue to support that restoration process and that we had to do so, or face the very real prospect of another New York fiscal crisis with all its attendant disruptions.

Mr. Chairman, we do not need any more shock waves of the type unleashed by the 1975 New York financial crisis.

Let me point out what they meant in terms of cost at that time and today.

In my own region, which covers those States from Maryland to Florida, $73 million will have to be paid out in additional borrowing costs over the lifetime of the issues placed in 1975.

My own State of Georgia will be forced to pay $8.5 million and my neighboring State of Florida will pay $18½ million in additional costs for borrowing.

The State of New Jersey will pay $42 million in higher borrowing costs while the State of California will pay $51 million in extra costs.

Even Pennsylvania, the home State of my chairman, BILL MOORHEAD, will have to endure the astronomical amount of $106 million in additional borrowing costs because of the 1975 New York financial crisis.

Those additional expenses will have to be met. In part, that will probably come through higher taxes. Additional taxes which will have to be levied at a time when most Americans have had it with higher taxes.

But all that was 3 years ago and remedial action has been taken.

New York City has made great strides toward putting its financial house in order. It is well on the road to fiscal health. To name just a few corrective steps taken by the city since 1975: reduction of its budget deficit by $1,400 million; progress toward a truly balanced budget, which will be achieved within the next 4 years; payroll reduction of 20 percent in less than 3 years; and an increase of transit fares by 42 percent.

What we are here to do now is to move favorably on legislation which will continue to accelerate the process of New York City's recovery toward fiscal soundness.

If we do not do this, we almost certainly can convert Mr. Peterson's near-miss of 1975 into a direct hit in 1978—a direct hit which will send shock waves throughout this country if not throughout the world.

If a near-miss has accurately been calculated to cost up to $1½ billion, one wonders, truly wonders, what a direct hit would actually add up to.

To Georgia, it has already meant $8½ million. That may be a small enough amount to pay for what I believe to be a very valuable object lesson. I do not think it is necessary to extend the cost of learning that we are a Nation of interdependent parts.

It is clear that what happens in New York City and to New York affects all of us.

Seventeen years ago we listened to then-President Kennedy exhort us to understand that a rising tide lifts all boats and thus that we should work together for the betterment of all Americans. His advice would be well taken by those who would join today in moving this legislation toward successful passage. For what we can do to avert a repetition of a financial crisis in New York City will indeed be in our own enlightened self-interest.

Mr. Chairman, I urge my colleagues to vote in favor of H.R. 12426.

Mr. STANTON. Mr. Chairman, I yield 10 minutes to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Chairman, the people have sent a message to all of us. The vote that was taken yesterday in California, I have heard comes from liberals, conservatives, moderates, Republicans, and Democrats. We need a sensitive, human response to what 60 to 70 percent of the people in California told us.

Now, I would like to lay claim to that great message, but that is what was said by the Governor of California, in this morning's paper, after proposition 13 was approved by the voters of California by a vote of 2 to 1. I think it has direct application to the bill that we have under discussion, and a bill which I oppose.

Mr. Chairman, the issue is not partisanship, Republican or Democratic. It is not a question of liberal versus conservative. It is a question of decency and responsibility.

The forces at work in New York are corrupt, so it comes down to the question: Are we, those elected to serve and to lead, going to take a let-them-eat-cake attitude and abandon the Government and the political leadership of our Nation to volunteers, like Howard Jarvis?

The people of New York City are the heaviest-taxed people in the United States of America. They are burdened by the largest per capita debt in the country. When Congress bailed out New York City in 1975, the politicians promised to balance the budget, and they did not. But what they did do was to increase the cost of Government's burden by $1.7 billion and they have only reduced the debt of New York City by $69.5 million.

Proposition 13 that was just passed by the people of California says that people want relief. We in Congress ignored the people of New York in 1975, and now we are asked to do the same thing again.

There is a new set of New York politicians, but the promises and the rhetoric are the same: "We will balance the budget." "We will not need help again." "All New York needs is a chance."

But what are the facts? Right in the middle of an obvious taxpayers' revolt in California, Ohio, and New Jersey, this Congress is being asked to float the present administration in New York City, which is presently and actively engaged in doing the very thing that has brought the richest city in the United States of America to the sorry state of panhandling on the steps of the Nation's Capitol. The present mayor has just caved in to the labor unions and has granted a $1.1 billion pay increase to the highest paid public service employees in the United States. This same mayor says that New York City is going bankrupt if we do not bail them out.

Now what, pray tell, is the difference between this mayor and John Lindsay or Mayor Beame or any of the others that are charged with the responsibility for the sorry plight of New York, except that the city is now alleged to be financially sick, sicker, and in need of artificial respiration. And what the present mayor is doing is being done to a weakened city by a man who came to his position of trust by disguising himself as a savior.

But Mayor Koch is not the issue, nor is the fact that he is our former colleague, nor is the fact that we want to help him—or all of the above.

The issue is: Are we going to finance the destruction of New York City by politicians that are so under the control of labor bosses that they cannot say no? The issue is: Are we going to compel New York City politicians to reduce spending and give relief to the people of New York City or must their salvation wait for some volunteer, such as Howard Jarvis?

If America's elected leadership is going to demonstrate that kind of bankruptcy then there certainly is no question where the revolt in California came from.

This is all a put-on by New York City. It is the biggest hoax that has ever been perpetrated on this country. There is no reason on this Earth why New York needs the help of this Congress. All they have to do is to go home and quit spending so much money. That is the only problem. Financing is not the problem of New York City but spending too much money is.

The solution in New York will only happen if the leadership and the people of New York let it happen. Based on performance I have little confidence in the political leadership but I do have confidence in our system of government and the people. If this Congress will pass up the opportunity to distort the process, the people of New York will take action and solve their financial problem. The mayor could and I believe would if reality is restored in New York City.

These remarks are not made for the purpose of being abrasive but to dispel the nonsense that the problem was caused by some past political group for which the present administration has no responsibility and that now the present administration is taking another direction. The facts are: It is business and politics as usual and the present administration has indicated that things are just the same way now that they have always been and that the result is going to be the same.

I urge, Mr. Chairman, that the Members of this Congress remember that which we did in 1975 is not an excuse for what we do today.

This is the day after proposition 13.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, it is my understanding that this legislation that is being proposed would not loan any money to New York City, it would simply guarantee loans and bonds which the city itself undertakes to issue under traditions established by the present Secretary of the Treasury and by the Financial Control Board.

Mr. KELLY. Mr. Chairman, I wish to try to conserve as much of my time as I can.

Is the gentleman trying to make the suggestion it is not the same?

Mr. Chairman, I wish to regain my time.

If the gentleman is suggesting that this is a guarantee instead of a loan, I think the gentleman is correct.

Mr. STRATTON. If the gentleman will yield, does the gentleman support the committee substitute?

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. STRATTON. Mr. Chairman, I ask unanimous consent that the gentleman from Florida (Mr. KELLY) may have 2 additional minutes.

The CHAIRMAN. The Chair will state that the time is controlled by the gentleman from Ohio (Mr. STANTON).

The Chair now recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes of the gentleman from New York (Mr. LUNDINE).

Mr. LUNDINE. Mr. Chairman I would like to ask the chairman of the subcommittee several questions of a clarifying nature.

The bill as drafted would appear to permit the guarantee of already outstanding obligations of the city or its financing agent. My understanding is that only newly issued securities are to be guaranteed. Is that correct?

Mr. MOORHEAD of Pennsylvania. If the gentleman would yield the gentleman is absolutely correct. There has been no proposal to guarantee outstanding securities and there would appear to be no purpose or advantage to any party in doing so. In any case, the bill is intended to apply only to newly issued securities.

Mr. LUNDINE. There is an apparent conflict in the report between the short summary at the beginning and the body of the report on the question of the term of the obligations to be guaranteed. My understanding, and the statement in the body of the report, is that the obligations can be for any length but that the guarantees can run for only 15 years. Is that correct?

Mr. MOORHEAD of Pennsylvania. If the gentleman will yield, the gentleman is absolutely correct. The brief summary at the beginning of the report is mistaken in this respect and the body of the report is correct. The securities can have a term longer than 15 years, but the guarantee can run for only 15 years.

Mr. LUNDINE. The report on page 16 discusses the unacceptable accounting practices that the city is now using, and is allowed to use under State law, but which must be phased out during the next 4 years to arrive at a balanced budget on generally accepted accounting principles. The only such practice discussed is the funding of part of the operating budget by long-term borrowing in the capital budget. Are other unacceptable accounting practices meant to be covered by this provision as well?

Mr. MOORHEAD of Pennsylvania. If the gentleman would yield further, yes; they are. All present accounting practices that do not pass muster under generally accepted accounting principles must be eliminated to achieve a truly balanced budget. This includes such things as deferring overdue pension funding obligations, for example. The gentleman is aware, I am sure, that these unacceptable accounting practices that are still being used are now out in the open and do not represent budgetary deception. They cannot be eliminated at once, which only means that a true balanced budget cannot be achieved at once, without severe disruption. The achievement of a balanced budget on generally accepted accounting principles by the fourth city fiscal year means, by definition, elimination of all of these accounting practices by that time.

Mr. STANTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I rise in support of H.R. 12426. I do not live in New York City. I represent a rural conservative congressional district in upstate New York, but I am strongly supportive of the bill.

For the past 3 weeks I have been seeking support for the New York City loan guarantee package from my Republican colleagues. I would like to share my experience with you.

First of all, it is generally understood it is a much easier vote than last time. New York City has put its fiscal house in order. Granted, there is still room for improvement. Everyone has his own personal remedy and suggestion, but generally New York City is running a sound fiscal operation.

We must admit in the past New York City leaders were guilty of committing pretty nearly every single sin of fiscal irresponsibility. No more. They are gone. Let me touch on just a few ways New York City has cleaned up its act. Let me address the safeguards that are now in place.

In the 33 months since the onset of the financial crisis, the city has taken the following actions necessary for recovery:

The city's workforce has been reduced by 61,000 jobs or 20% of the 1975 level;

Employee contributions to pensions have increased, saving the city $49 million in fiscal year 1978 and $97 million in fiscal year 1979;

Welfare rolls have been reduced from a high in 1972 of 1,265,300 to 931,600, and the number of ineligible recipients has been reduced from 14.3 percent in the first 6 months of fiscal year 1975 to 7.9 percent in the first 6 months of fiscal year 1978;

Tuition fees have been imposed at City University;

Subway fares have been increased by 42 percent;

19 fire companies have been closed and funding for 77 day care centers has been eliminated;

A demonstration program of "absence control" in four mayoral agencies yielded an overall reduction of 33 percent. This program was expanded to all agencies;

Accounting practices have been reformed and a new financial management and control system has been installed.

Another reason it is easier to vote for the New York City fiscal package this year is because New York City has met its earlier obligation to the Federal Government. It met its obligation on time and the Federal Government realized a $30 million profit. The city has been acting responsibly.

Then, too, we now have the Emergency Financial Control Board in place. Non-elected officials have an oversight responsibility and veto power over the elected city officials. For example, New York City cannot enter into labor contracts that would unbalance the budget or that are beyond the ability of the city to pay. Just last week the state legislature voted to extend the Emergency Financial Control Board for another 20 years—far beyond the time frame of our loan guarantee.

Members are also sympathetic to the fact a default or a bankruptcy of the city of New York would have serious ramifications far beyond the city's borders. Last time, when I was soliciting help for the city package I heard the sentiment expressed quite frequently that "they brought this on themselves with their

wasteful ways and their spendthrift attitude, let them stew in their own juice—let them suffer."

I do not hear as much of this sentiment expressed this time. It is there but heard far less frequently.

Let me tell you, for example, the probable effects of a city default on my congressional district. My district is located 222 miles northwest of the city of New York. It has an even greater separation philosophically from the city. The majority of my constituency tends toward conservatism where the majority of the city population tends toward liberalism. Local governments and agencies have for many, many years maintained sound fiscal practices. They do balance their budgets. They do pay their bills. But it is an economically depressed rural area.

I asked our State legislative leaders if the city defaults can the State be saved. They answered "yes, but to do so they would have to divert huge sums of money now allocated to aid to education and aid to municipalities to State institutions." If this occurred with most of the political subdivisions already near their taxing ceilings, chaos would result. There would be many defaults of school districts and municipalities. Services would be severely curtailed. Schools would be closed. Police forces and fire departments would be reduced.

My constituents have had nothing whatsoever to do with the fiscal crisis of New York City. I ask my colleagues in the House to show compassion or as we call it in my district Christian charity, for these innocent people who are already sorely pressed financially and would not be able to compensate in local real property taxes for the vast sums the State would have to cut in local aid to save the State of New York.

I would like to talk too, ladies and gentlemen, about our voting psychology in the House. We all realize it is easier to vote "no" on an issue than it is to vote "yes." There is always some flaw, some aspect of a bill or program we would like otherwise. Anyone can nitpick a bill to pieces. Often a "yes" or a "no" vote is not terribly important to us as an individual. The overall condition being addressed by the legislation will not change things that much whether the bill passes or fails. If it fails, the problem can be addressed in the next Congress. Life will go on.

Ladies and gentlemen. This is not one of those throwaway "no" vote situations. In this instance it is vital, vital and I use the term advisably, that this loan guarantee be provided New York City.

Some of my colleagues said when asked for a "yes" vote, "I could go for it if it was a seasonal loan." That is fine, but it will not do the job, we need the loan guarantee for a long term solution. Others would prefer a somewhat different package, a different timetable or a different amount of money or a tougher shot at the unions or more generosity from the banks—this type response falls in the "none of the above category."

These are all interesting observations but they are of academic interest only. Ladies and gentlemen, we can only succeed with the loan guarantee package. It is the only game in town.

No one knows precisely where a default would lead. It is like playing Russian roulette to suggest we take that route. There is a great chance for disaster—turmoil and chaos. A good chance of rioting, burning, a huge increase in crime, personal injury, and property loss.

Then, purely from a fiscal point of view the House Banking Committee concluded it would cost the Federal Government far more to default. "If the worst came to worst and bankruptcy occurred, the Federal Government would find itself as 'the lender of last resort,' with far greater cost than under the legislation your committee has approved."

There would be adverse ramifications across the Nation. I would hate to have these results of a default on my conscience. Municipal securities would take a nosedive in value. The dollar would decline worldwide. There would be huge increases in borrowing costs for municipalities. For example, last time it cost States and localities an additional $1.5 billion because of the threat of bankruptcy of New York City. The legal proceeding of bankruptcy could easily consume 25 years. Why gamble with disaster? Why court chaos when there is a simple remedy that will not cost the Federal Government anything. In fact, putting in place the loan guarantee will bring in revenues. Why not take the predictable path, the human path?

Secretary Blumenthal testified this legislation would solve the city's fiscal crisis once and for all. I urge my colleagues to vote "yes" on this vital legislation. Let us get the problem behind us once and for all. Let us demonstrate our concern for the millions of people that would suffer by the default route.

Mr. STANTON. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, I thank the gentleman from Ohio (Mr. STANTON) for yielding this time to me.

As I have sat here this evening and listened to the discussion, the thing that impresses me the most is the loyalty, the enthusiasm, and the staunch spirit of all the Members from New York. All of us in the House of Representatives think in terms of our home State. I can well understand how the Members from New York feel.

But I would like particularly to thank those Members who have sat in on this discussion and who are from the opposition, because I believe they are speaking from their hearts. I thank the gentleman from Iowa (Mr. GRASSLEY), my good friend, the gentleman from Ohio (Mr. WYLIE), the gentleman from Maryland (Mr. BAUMAN), and the gentleman from Ohio (Mr. STANTON) for their remarks. I want particularly to salute the gentleman from Florida (Mr. KELLY).

The gentleman from Florida just said that the people in California yesterday sent a message to this country, and they did. What they said to us was that the American people are tired of taxes. They have too many taxes, and they just do not want any more taxes. But the fight that the gentleman from Florida (Judge KELLY) has been leading for us is just as important and perhaps, I think, more important.

What the gentleman, Judge KELLY, is saying is that we have too much government in this country. We have more government than we need, we have more government than we can afford, and what is more, we have more government than the people of America want. I would say to the gentleman, "What you have been doing, Judge KELLY, is fighting for America," and the best thing we can do for New York City is to give the people of the city the courage to act for themselves and give them the bottom line, which they do not seem to be able to draw for themselves.

I want to get specific on this matter, because these facts absolutely shake me up. I do not know what the city employees do in New York, but they certainly do have plenty of them. The statistics show that in the city of New York 49 out of each 1,000 people work for the city.

I went down to my State and checked to see how we do in Texas, because we are a growing community and our people work hard; basically, they are all served well by the municipal people who work for our cities. I found that in Dallas, 16 persons per thousand work for the city, in Houston they only have 12 per thousand working for the city, and in San Antonio 14 per thousand work for the city.

What that means is this: That in New York City 5 people out of every 100 works for the city. Being a politician, that tells me something else: That by the time they get there with all their relatives and kinfolk and friends, they must own city hall, because otherwise they would have ended up with a situation similar to what we have. It is just a top-heavy employee situation.

Mr. Chairman, I want to emphasize to the Members, though, that with 49 persons employed by the city, compared to 16, that means that every time 1 person works for one of our cities providing a city function, it takes 3 to do the same work for New York City.

I can understand why it takes so many. It is because they are all resting up for their retirement. New York City is the only city I know of where you can retire in 20 years. This does not exactly bring tears to the eyes of the people down home when we talk to them about some young fellow who gets a job and works very hard for 40 hours a week while the city employee in New York City works only 35 hours a week. And then we say that based on that statistic in New York City, they are going to retire in 20 years.

A retirement after 20 years—that is not the American way of life. The first thing we should tell these 40-year-olds and 45-year-old retirees is:

Let's stop this and have you go back to earning a living like the folks do in the rest of the country.

Something else they can do in New York is to improve their garbage collection service. I am amazed that it costs $45 a ton in New York City to collect garbage. I am amazed, because it costs an average of $15 a ton to collect garbage in the rest of the country. The

first thing I would do in the city of New York is to subcontract that business, because obviously they have the most inefficient sanitary department in the world.

The bonds, we keep talking about the bonds, and how these bonds are wonderful. We all know the New York City bonds are no good. And the reason they are no good is because the American people have no confidence in the people who are in positions of responsibility in New York City. If the bonds were any good, Wall Street is right there, and the people on Wall Street know the sad situation best of all. They will not touch these bonds with a 10-foot pole.

New York State has all of this money up there in Albany. They already have all of these New York City bonds setting there in the lockbox, and they do not want any more, but want Congress to endorse them.

New York City is the most generous town in the world with its tax dollars. The average person is making $26,654 if they work for the city government in New York City. Of that, $10,384 are fringe benefits.

What is interesting is that they are paying the people in New York City twice as much as they do a good man or woman in San Antonio who is working 40 hours a week where this fellow in New York City is working 35 hours.

We are just asking for simple justice. We just ask that you do for the rest of the people of the United States what you do for the people of New York.

New York City has the highest paid municipal work force in America. That is not anything to be proud of. One thing the high wage scale proves is that they have the best union leadership in the world. But on the other side of the table, we must have the most inefficient people who represent the taxpayers, the citizens. The union has sold the biggest bill of goods to New York City; more than any city in the United States.

We talk about what Congress has done for New York City. This shakes me up as much as anything. I looked at a per capita comparison on revenue sharing. We are already giving them a lot of money. On a per capita basis, New York City gets $929. In Texas, we get $59 in Dallas, $51 in Houston, and $50 in San Antonio. While we are getting $50 per capita in Texas, we are just shipping that money by the trainload to New York. They are getting $929 per capita in New York City.

What they need to do in New York City Hall is to become reasonable. They need to get their feet back on God's green earth and they need to get the message that the gentleman from Florida (Mr. KELLY) was trying to get to them. They have too much government. If they would cut their government in half, they still would have as many people as we have at home.

They also lead the country in what they pay people on welfare. That is very generous of them, but if they would not pay so much in welfare, those people would migrate to other parts of the country. I think that would be helpful for New York City. They do not need to have all of the indigent in the country. Distribute them around. But as long as you pay the highest welfare, you are going to have a lot of welfare people in New York City.

Mr. Chairman, I include in my remarks at this point the excellent statement set forth in the dissenting views of the gentleman from Florida (Mr. KELLY) and the gentleman from Iowa (Mr. GRASSLEY), and I urge my colleagues to read it:

DISSENTING VIEWS OF REPRESENTATIVES RICHARD KELLY AND CHARLES E. GRASSLEY ON H.R. 12426

The underlying question of aid to New York City is whether the pattern there is an experience you want repeated in your hometown, counties and state.

Just as bad money drives out good, so does bad government drive out good government.

New York has burdened its people through excessive taxes, the highest debt levels on record and outlandish municipal wage policies. New York City now wants to do the same to the American taxpayer by demanding that Congress underwrite for a second "final" time the bailout of a government that stubbornly refuses to live within its means.

To accomplish this the city has launched a massive lobbying effort which includes a fully staffed New York City office in Washington, D.C., consciousness-raising cocktail parties for those who are skeptical about continued bailouts for New York City, and self-serving statements during Congressional hearings by New York politicians bent on winning elections, not saving their city.

Armed with lists of city "accomplishments" and ever-changing, restated and revised budgetary estimates based on fingers-crossed projections, these same politicians attempt to soft sell Congress the notion that New York Ciy is a national responsibility; that, somehow, different criteria of responsibility apply to New York, fiscal mismanagement than are used for the rest of the country.

In one of his impassioned pleas on New York City's behalf Mayor Ed Koch referred to the city as a "stroke of genius." And it almost requires a belief in magic to comprehend that New York City is truly in need of financial assistance from America's taxpayers.

The contradictions are too numerous:

Compare what you know about compensation for city workers at home with these New York City salary packages. These salaries have gone up since these figures were computed and are going to be increased this year. New contracts are being negotiated and the city has made an offer:

Sanitation worker	$28,033
Firefighter	35,288
Teacher	30,288
Social worker	31,009
Climber/pruner	27,351
Senior clerk	18,952
Nurse's aide	20,093

Source: Temporary Commission on City Finances.

How many cities in your district pay their average city employee a total wage package of $26,707?

A New York welfare family receives average monthly benefits of $370—the highest in the country. Compare this with:

Mississippi	$47.23
South Carolina	83.57
Ohio	201.61
Massachusetts	297.54
Florida	144.42
Georgia	103.96
Minnesota	271.11
Michigan	277.08
California	308.68
Oregon	270.80
Missouri	183.79
Arizona	141.68
Texas	105.21

The average payment for the United States is $240.01 per family.

New York State already ranks first in federal aid to states and has a surplus. This could be used to assist New York City, the state's political subdivision, but it is an election year and Governor Carey wants to use the surplus for state tax cuts. That is an admirable long range goal but it makes no sense in terms of New York City's immediate problem.

The Senate Banking, Housing and Urban Affairs Committee concluded that New York City could institute basic budgetary reforms, and be in a position "to meet all of its basic financing needs, both short term and long term, from sources available in New York City and New York State." This written finding followed extensive hearings.

Municipal workers' salaries were "frozen" during the height of the fiscal crisis; but "frozen" salaries increased as much as 19.9 percent.

As a "cost-saving" measure, the number of full-time city employee declined by 61,000 or 20.7 percent between January 1, 1975, and June 30, 1977, but expenses declined by only one percent. The reason: the workers that remained received higher pay.

New York City outspends the average American city by 46.5 percent per capita. The most recent figures list New York City's annual per capita expenditures as $1,716.52, compared with $1,236 for Baltimore; $599.93 for Philadelphia; $450.29 for Detroit; and $265.78 for Dallas. New York City's per capita tax burden of $1,186, and per capita long term debt of $1,520.41 are also the highest.

City officials in January showed Congress a bare-boned financial plan with no provision for wage increases; now they have miraculously "found" a surplus to give workers raises of $610 million. Why can't the city combine this sum with an honest wage freeze and bail itself out?

When New York municipal workers should be marshalling their best productive capacities to keep the city afloat, the New York State Comptroller General, in a report dated April 4 1978, complains that in one city department alone New York City workers are "not productive 61 percent of their work days." The report states these practices "potentially cost the city about $16 million annually."

Mayor Beame's blue-ribbon "Temporary Commission on City Finances" found that rent control and stabilization destroy the city's tax base and contribute to further deterioration of the city's housing stock. Other experts agree. They recommend ending rent controls to stabilize the tax base and bring investors back to the city. But Mayor Koch bows to a large tenant constituency and still favors maintaining rent controls.

The bill reported favorably by the committee is bad because it encourages New York City to perpetuate the bad practices outlined above without improving the long-term fiscal health of the City. The City is required to balance its budget within four years, but what if it fails? If you are unwilling to cause New York to face up to its responsibilities to its people now, why would it be expected you would later?

Congress bailed out New York City in 1975. New York officials said then it was the only time, the last time. Now they want to be bailed out again—for a second "last and only" time. We have to do this only once more and we will be doing it annually * * * forever.

If we bail out New York City we set a precedent that tells every American city to live beyond its means because there is no tomorrow.

Now we are told that New York City will have a balanced budget in four years. But that was a promise made in 1975. The performance we got on that promise was a "legally" balanced budget that hid continuing operating expenses in the capital budget and went through some wild gyrations producing grossly out of balance 1977 and 1979 budgets in order to squeeze the 1978 budget into balance—but not according to generally accepted accounting principles. And the gap still approached $1 billion.

Current revised budget estimates promise balanced spending by treating as fact what are only hoped for developments; federal subsidies not yet law such as: revision of revenue sharing to give the City more money; passage of the urban aid package; and state assumption of more welfare costs.

The bill requires New York City to operate on a balanced budget. But it has no provisions to bring this about. It provides no sanctions if the politicians fail.

New York City is distressed because New York City spends beyond its means.

But the bill does not demand a reduction in spending.

Between Fiscal Years 1975 and 1978, when city revenues increased by $1.363 billion, New York City only decreased its gross debt by $69.5 million (from $12.306 billion to $12.237 billion for the current year). The latter figure does not include the $1.875 billion federal seasonal loan due to be repaid by June 30th.

Much has been made of municipal hospital closings as a cost saving measure. But in reality this is how it works: The old Lincoln, Fordham and Morrisania hospitals are closed, reducing capacity by 1,061 beds. However, this is offset by the opening of two new hospitals (Lincoln and North Central Bronx) with a capacity of 1,006 beds. So the net closings actually are 55 beds in this example. Since December 1975 there was a net closing of 1,060 city hospital beds out of a total of 12,550—a very poor record in view of the fact that the city has a surplus bed capacity of 5,047 and an occupancy rate of 70 percent.

The Senate Banking Committee found that New York State was able to provide adequate financing for the City of New York. However, it was argued that the State couldn't help the city in this regard because of constitutional prohibitions. Therefore, I offered an amendment that limited the Federal guarantee until 1982, which would have given the State ample opportunity to change the constitution so that the State could fulfill its obligation to its political subdivision.

The rejection of this amendment, as well as my amendment to require the City to reduce expenditures progressively over four years to a total of 5 percent by 1982, demonstrated the Committee's attitude that there was no intention to have New York manage its own affairs, but simply to provide federal assistance regardless of any logical arguments to the contrary.

Given the recommendations of the Senate Banking Committee, and overwhelming evidence that New York City has done little to show self-discipline, it is not in the best interests of New York City or the American taxpayer for Congress to adopt this bill.

America's taxpayers are painfully aware of inflation's insidious bite. They are rightfully resentful of mismanagement at all levels. They are not in a spending mood. Local government and school board bond issues are meeting wholesale rejection throughout the country. The taxpayers are not likely to look kindly on subsidizing mismanagement in New York City.

When we artificially finance mismanagement in New York City, we abandon any consideration for the workers, taxpayers, businessmen and investors who live there.

If we vote for this bill we abandon any consideration of our own constituents by giving special privilege to New York in order to pay New York City workers more in retirement than many of our people earn during their peak working years.

The facts are plain. New York City spends more, taxes more and borrows more than any city in the United States. If we vote for this second bailout, we can expect New York City to come back for more, again and again.

New York City will be only the first in line. And we guarantee there will be a line if we pass this bill.

RICHARD KELLY.
CHARLES E. GRASSLEY.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Chairman, what the gentleman has said has been of great concern to all of us, not just New Yorkers, in the House.

It would seem to me that what the gentleman is referring to is past criticism that we have all been concerned about as we debated here some 3 years ago the number of city employees per thousand.

As the gentleman knows, they have been reduced now by some 60,000 or 61,000 in the intervening time. I think the gentleman also knows that the 4-year plan the city has no control over because it is losing control over its financial management.

Therefore, I ask the gentleman this question: In view of all of the gentleman's criticisms of city employees and the imbalanced budget and all that sort of thing, if these things are taken care of, would that change the gentleman's mind? Would the gentleman then vote for this bill?

Mr. COLLINS of Texas. Let me ask a question of the distinguished gentleman from New York, who is certainly a statesman, and I highly respect him.

Mr. FISH. Would the gentleman stop right there?

Mr. COLLINS of Texas. Let me ask the gentleman a question: When is New York City going to start working more than 35 hours a week like the rest of the country, which works a 40-hour week? When are they going to move up to the 40-hour week? I think they could solve the whole question of the budget with that one move.

Mr. FISH. I say to the gentleman that that is not the issue. It is a lot more complicated than that. The gentleman is from a part of the country that has been, in many ways, responsible for the enormous welfare costs of people coming to our city.

I just asked the gentleman the question because I really do feel confident myself. I believe this takes a little bit of confidence. A lot of things have been done, as enumerated before by our colleague, the gentleman from New York, for whom I have enormous respect.

There is this program in place, and this is an integral program and is going to meet many of the objections which the gentleman has raised and will meet many of the problems which the gentleman has raised.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I wonder whether the gentleman in the well would agree that the present administration might have gone a long way in fulfilling any promise with respect to future conduct by not caving in to the unions for a $1.1 billion pay increase on top of all of the other goodies which the gentleman from Texas (Mr. COLLINS) has pointed out.

The CHAIRMAN. The time of the gentleman from Texas (Mr. COLLINS) has expired.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GARCIA), a very able new member of the Committee on Banking, Finance, and Urban Affairs.

Mr. GARCIA. Mr. Chairman, I take the floor, although I was not going to speak on this measure, because over the past 3 years I was at the other end of the legislative body that was responsible. That was the State of New York, and I was a State senator during those 3 years, from 1975 through the early part of this year.

Mr. Chairman, I would just like to say a few words, if I may, about the State's role.

First of all, I think we have to get complete comparisons as opposed to incomplete comparisons.

With respect to the State of New York and the city of New York—and let me speak very specifically about the city—the city of New York does not have county governments as opposed to many other cities across this country. While county governments also share in part of the funding of that particular city, we in the city of New York have one municipal government.

Mr. Chairman, I can give an example of other cities across this country that have a city government as well as the county government. Thus, there are two entities sharing that particular burden.

I would just like to go into the legislation dealing with the city of New York. The first piece of legislation that we passed in the State was what we call MAC, the Municipal Assistance Corp. That was put in place so that we would be able to go to the market and sell paper.

The next one was the Emergency Financial Control Board. One of the problems that I have heard about since I have been a Member and especially within the last couple of weeks was that the State should assume more of a role in terms of the city's problems.

Under the Emergency Financial Control Board, no moneys can be spent by the city without the consent of the State government. The Governor of the State of New York sits as the chairperson of that board, so that any dollars that are spent must go through that process.

I would also like to say that as a person who represents probably one of the poorest communities in the country, we have been hit very hard by what has taken place in the city of New York. We, number one, have been the ones, in terms of the 61,000 people who have been laid off, to become victims of the layoffs. We all know the old cliche: The last hired, the first fired. Therefore we shared that

great burden in terms of what happened to communities such as mine.

In speaking of the City University, the City University has always been a bastion of strength to give the poor an opportunity for an education. Today the poor must pay to go to that City University.

Mr. Chairman, I am glad that my colleague, the gentleman from Texas (Mr. COLLINS), alluded to that because I think education is the keys to all of our kingdoms in terms of breaking out of cycles of poverty.

The CHAIRMAN. The time of the gentleman from New York (Mr. GARCIA) has expired.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 1 additional minute to the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. Mr. Chairman, I would like to say to my colleague from Florida that in fairness to him, when he has criticized the city of New York he has not done it just from this floor, but he has also gone to the city itself. I suppose if you are going to beat up on us, you might as well do it in our own back yard.

I would just like to say this to the gentleman from Florida, if I may: We in the city of New York have worked on a bipartisan level, because our Senate is controlled by the gentleman's party. The Assembly, or House of Representatives, is controlled by my party. The fact of the matter is that since the very beginning in 1975, the effort as the gentleman has seen demonstrated by the New York delegation on this floor is the same in terms of the New York State Legislature, so that we have all one mind in terms of the city of New York.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 1 additional minute to the gentleman from New York (Mr. GARCIA).

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I would like to state to the gentleman in the well that if he feels that there was any real justification for laying off such a high percentage of the poor people that needed work, the number of them in his district, when no economy was accomplished—his by the Mayor's own statement, the present Mayor's own statement—that 95 percent of all of the money that was saved by those layoffs was paid to the 80 percent of the employees that were left on the payroll. So, the rich got richer and the poor got poorer.

I wonder how the gentleman justifies that as a representative of this district and a supporter of the Mayor.

Mr. GARCIA. I would like to respond in the manner as I stated before. The fact is that nobody wants to see anybody laid off, especially when the last hired are people at the bottom line, and so we have suffered. I will tell the gentleman that I would hope that some day we would be able to reverse the situation, and our situation would be back on a stable basis. That is why we are here today.

Mr. STANTON. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. CAPUTO).

Mr. CAPUTO. Mr. Chairman, I looked around the room and noticed that everybody in here is either a New Yorker or a New York hater, with the exception of Mr. BENNETT, who listens dutifully to all the debates no matter what the subject—except for Mr. BAUMAN.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. CAPUTO. For a short period.

Mr. KELLY. I thank the gentleman for yielding. There is one other exception, a person who loves the people of New York and wants to save them.

Mr. CAPUTO. Who is that, Mr. Kelly?

Mr. KELLY. It is the gentleman from Florida.

Mr. CAPUTO. You could have fooled me.

Mr. Chairman, I wanted to make one point for the record. I think it might be useful, especially in light of what happened in California yesterday. There is a legitimate concern that if we do this for New York, there will be a flood of similar requests by municipalities from around the country.

I have the privilege of representing the only other insolvent municipality in the United States—Yonkers—as well as New York. Yonkers came to the Treasury and asked for special consideration. The Treasury's answer, in substance, was, "You go back to Yonkers and lay off 20 percent of the employees that work for the city, and then impose an outside control board to supervise the city's debts and spending and taxing; and then raise the sales tax a penny; and then raise the real property tax and impose an income tax. When all of that is done, you come back, and if we think you have done enough we will consider some kind of seasonal loan."

If Yonkers had done one-half of what New York City has already done, its budget problem would be cured.

There will be no flood of municipalities, because the medicine prescribed here is strong enough to cure the budget problem in any municipality.

The point is we are not setting a precedent that is either inviting or likely to be sought by any other municipality. What New York has already done, not because of the courage of their elected officials but because of the instructions from this Congress and our Treasury, is sufficient to cure the problems that any municipality is likely to face and sufficient to drive them away from the Treasury rather than attract them.

● Mr. SCHEUER. Mr. Chairman, I rise in strong support of H.R. 12426, the New York City Financial Assistance Act of 1978. At the outset, I want to thank and congratulate the Committees on Banking, Finance, and Urban Affairs, and Ways and Means for their work on this complicated and at times controversial bill. In addition, special thanks should be extended to the subcommittee on the city chaired by our colleague HENRY REUSS for its outstanding work in the area of urban affairs.

I am also gratified by the tone of the debate which has tended to be more positive than in 1975 when the attitude of some Members of Congress seemed more one of: "Why should we help New York; what has the city done for us lately?" It is transparently clear that New York has made a strong comeback in the public consciousness during the past 2 years.

The Democratic Convention was a big step up for us. Nearly all the delegates walked away with some feeling of warmth for New York. The pride of the city's residents in New York has also taken a turn for the better. There is now a Citizen's Committee for New York which has produced a booklet called the "New York Self-Help Handbook" which urban affairs columnist Neil Pierce calls "the most exhaustive listing ever compiled of what citizens, on their own, can do to enhance the quality of life in their city."

Over 10,000 of the city's 35,000 blocks have formed associations active in areas from crime control to credit unions. The Citizens Committee organized an "Operation Sweep" and gave away 5,000 brooms to citizens willing to sweep their sidewalks regularly. It also ran public service ads asking New Yorkers to volunteer for social work in the city agencies. More than 8,000 responded and more than a quarter of these were placed.

It is obvious that New Yorkers have come a long way in rebuilding their city's reputation in a comparatively short period of time. We still have some problems, as do many areas of the country but the tone of this Congress suggests that our efforts to help ourselves have already proven worthwhile.

The fact that New York has done a great deal to improve its own image in the past 2 years by hard work and tough sacrifices is only one reason to vote for this loan guaranty package. A second reason concerns the costs—both direct and indirect—which other parts of the country would incur as a result of a worsening of New York's fiscal problems:

Ronald Forbes and John Peterson used a complicated regression model to calculate the costs of interest rate increases over the life of state and local bonds directly attributable to the 1974–75 fiscal crisis. All 50 States had some cost ranging from less than half a million dollars to more than $800 million for New York. Excluding New York State, the national cost of these higher interest costs was $641 million. If New York goes under these costs, nationally, will soar into the stratosphere.

In addition, a substantial number of bond issues were either withdrawn from the market or rejected outright by voters during the city's last fiscal crisis. The Daily Bond Buyer estimates that 39 States shared in this cost which totaled almost $1.4 billion for the United States. New York's share of this problem was relatively small only about 15 percent. These costs, likewise—would soar— social and political costs included.

The consequences of the city going bankrupt are virtually inestimable. However, some statements can be made. Two thirds of the banks holding New York

City notes are non-New York banks, according to the House Subcommittee on Commerce, Consumer, and Monetary Affairs. And, more than $4.5 billion in city notes are held by individual private investors. Additionally, New York City owes $320 million to private vendors in 37 other States. Default would not only cause a great many private vendors to lose money owed to them, but also would cause these vendors to lose the benefit of doing future business with New York.

The bottom line remains the same in 1978 as it was in 1975. We New Yorkers fully understand that no matter how positive the attitude in the Congress may be toward New York, and no matter how much New York may mean to the rest of the Nation, in order to qualify for assistance from the Federal Government, New York must show itself to be on the road to financial recovery by dint of it own efforts. Many of my colleagues have discussed how much New York has done to reduce its budget deficits. For example, city leadership has effected:

A 61 percent reduction in the workforce since 1975 (61,000 jobs);

A 42 percent increase in mass transportation fares;

A $41 million reduction in fringe benefits for City employees;

The closing of 25 fire companies;

The elimination of 77 day care centers;

Cuts in the deficit from $2 billion in 1975 to $600 million today; and

Imposition of tuition charges at all city universities.

Any observer of the city's operations today knows full well that these cuts have hurt and in many cases have hurt badly. Nevertheless, these and similar cuts are going to continue into the future as the city moves toward a balanced budget. Yet even the most financially successful cities require some access to the credit markets and, without Federal guarantees, there is unanimity among experts that the city could not hope to float a bond issue successfully. Thus, even with the city well on its way to financial stability, there is still a need for access to the credit markets, and this access is impossible without passage of this bill by Congress.

Mr. Chairman, New York is unique among all other American cities. The House Select Committee on Population, which I chair, has been holding hearings on the dynamics of population change within the United States. Some of the following issues were raised in various weeks of these hearings:

In terms of population growth and decline, New York really is a special case. New York is experiencing a rapid outmigration of middle class citizens, along with a massive inflow of illegal and legal immigrants who may or may not show up in the official census figures. Dr. Thomas Mueller of the Urban Institute in Washington, D.C. testified that the population of New York has declined 8 percent between 1970 and 1976 or by 638,000 people. According to the Bureau of the Census, most of these migrants had a medium income higher than the average income for the city.

At the same time, New York continues to be a magnet for both legal and illegal low income immigrants in need of a wider array of social services. In every year since 1966 more legal immigrants have given New York as their State of intended permanent residence than any other State in the country. From 1966 to 1975 more than 900,000 illegal aliens declared New York as their state of legal residence. The Immigration and Naturalization Service estimated in 1976 that 1.5 million illegal immigrants were living in New York State, two thirds of them residing within the city. Thus, New York finds itself losing middle class residents and retaining a significant dependent population.

Traditionally, it is argued that the young, the elderly, and the poor are the most dependent of populations. New York does have a proportionally higher number of young and elderly and its low income dependent population is rising.

While the population of New York City declined 8 percent from 1970 to 1976, the school enrollment declined only 1.5 percent. Dr. Mueller speculated that this might be due to the large numbers of illegal aliens in the schools. In any event, one thing is clear: As the middle class leaves the city, thus depleting the tax base, the dependent population—including the school age population in school—remains roughly constant. This places a unique burden on New York's financial structure.

New York City, under State reimbursement regulations, pays 25 percent of the total cost—half the non-Federal share—of welfare. Thus, for every increase in $100 in benefits mandated by the State, New York City pays $25. While Los Angeles in 1973 spent less than .1 percent of its total budget on welfare and Chicago contributed only 1.1 percent, New York City was saddled with a bill of almost $2.5 billion or 21.6 percent of its total budget—200 times the proportion Los Angeles is forced to pay and 20 times the proportion Chicago is forced to pay. These are costs totally beyond the control of the city—or its ability to cope.

Other declining cities have experienced some growth in their labor markets since the recession of the early 1970's, but New York has continued to lose jobs. From 1966 to 1977 New York City lost 686,200 jobs, a number larger than the work force in 12 States.

New York's taxation is also unrivaled in the United States. The city itself levies 18 taxes. New Yorkers pay a higher percentage of their incomes and larger per capita taxes than any other citizens in the United States. Per capita taxes in 1974 for New York were $1,186. No city except Boston had a per capita tax of greater than $1,000.

Capital investment by both public and private sources is near zero. For example, public investment in capital development prior to the fiscal crisis was running at $700 million a year. Now, the city spends only $150 million on maintaining its capital plant, a policy which is sure to cost the city more in the long run than would a moderately increased investment now. But we simply cannot afford it.

The per capita cost of providing essential public services such as police and fire protection and sanitation increases with city size. Thus, all other things being equal, New York, as a large city would have to pay more per capita for social services than would Richmond or Omaha or any other smaller city.

Now, however, when all is said and done, New York, after recognizing and acknowledging the unique position of the city, must learn to plan differently and live differently than in the past.

We must learn to live with a declining population base. We must learn to adapt to a smaller demand for labor. We must learn how to make do with our declining tax base. In short, we must learn to think smaller than we have in the past.

The Koch administration has made some very significant inroads with this kind of attitude. The projections for a balanced budget do not include pipe dream predictions of large businesses and wealthy individuals rushing back into the city. Rather, they include projections of continued conservation spending, continued cutbacks in the size of the city's labor force, and continued disciplined financial management and long-term planning.

It is to this last issue—the issue of financial management and planning—that I shall turn last. Five policy prescriptions for the city of New York seem appropriate:

First. We should consider establishing a system of charging incidental fees for overused and abused social services. The purpose of these fees would be twofold. First, they would partially offset the cost to the city of providing these services. And second, they would help to reduce the unnecessary demand for such services. Many, many other cities have adopted nominal fees on water and sanitation collection with great success.

Second. We must approach the State and the Federal Government and discuss revision of the reimbursement formulas for medicaid and welfare. New York City's disproportionate burden, widely discussed in recent years, has already continued far too long.

Third. Since so many Federal programs are tied to the number of people living within a region, it is critical that the city come up with a plan to correct the almost certainly significant census undercount in the State. The tremendous outmigration of the past 5 or 6 years which has not been balanced in the census figures by the influx of legal and illegal aliens is bound to cost the city millions of dollars. The total undercount is costing the city approximately $30 million annually.

Fourth. Since 80 percent of the city budget is labor force related—salaries, benefits, and pensions—serious attention must be paid to managing the city's work force far more effectively. The Koch administration has already taken a strong stand on wage increases. The pension abuses of the past are in the process of being corrected. Many jobs have been phased out and, through the humane process of attrition, many more jobs will go. However, one area which has received little attention is the issue of improving the productivity of city workers. Some

reform of the city's civil service laws may be necessary. Also, future pay increases should be tied as much as possible to productivity gains so that the unit cost of labor to the city can remain stable.

Fifth. Something must be done to increase business and capital investment in the region. Industries must be enticed to return to New York. And industries already located in New York must be convinced to remain, expand, and renovate in New York instead of moving to the suburbs. This can be encouraged through changes in the tax laws and in zoning ordinances. Once this process begins to work, unemployment in New York will fall causing a reduction in employer contributions to unemployment compensation, thus providing another built-in incentive for businesses to come back into the city.

New York City has come a long way since 1975. We have pulled ourselves up by our bootstraps and we have given ourselves some tough lectures and lessons on financial planning. We have cut the budget right down to the bone and in some cases right into the bone. We have some ideas for truly innovative urban financial management which I have just discussed. Now we urgently need long-term access to the credit markets. Passage of this bill would achieve that goal.●

● Mr. SOLARZ. Mr. Speaker, today we are scheduled to begin consideration of H.R. 12426, the New York City Financial Assistance Act which would provide up to $2 billion in Federal guarantees of New York City municipal bonds over the next 15 years.

The legislation which has emerged from the House Banking Committee is a reasoned and careful approach to the serious financial problems faced by one of the Nation's oldest and largest cities. The strictness of the terms for the granting of these guarantees and the levels of review and control mandated on the city's finances must assure my colleagues that this legislation will not set off a wave of other municipal requests for Federal loan guarantees. As a New Yorker, I am obviously anxious to avert a fiscal collapse in New York which would drastically affect the Nation's municipal bond market and put the city into Federal receivership.

New York City in the past decade lost over 510,000 jobs—an amount which represents more than the total public and private employment of all but a handful of other cities. The city has suffered this loss due to the cyclical downturn in our nation's economy and the long-term shift of industry out of the Northeast.

Three years ago New York City came to this Congress on the verge of collapse to request a 3-year seasonal loan program which staved off municipal bankruptcy and earned $30 million for the Federal Government in interest payments when the city repaid those loans with interest, and ahead of schedule.

In 1975, everyone felt that the city would be able to reenter the bond market when the loans expired in 1978, providing we tightened our belts and cut the fat from our then-bloated budget.

We did all that, and more. During the past 2 years, for example, the city has:

Slashed its work force by some 61,000 positions, or 20 percent of the total payroll.

Eliminated free tuition at the City University.

Boosted the transit fare by a whopping 40 percent.

Cut fringe benefits for city workers by $41 million.

Closed 25 fire companies.

Eliminated 77 day care centers.

Reduced welfare rolls by 300,000.

Installed a new financial control system including independent audits.

These cuts were intended to demonstrate to the investment community that the city was capable of handling its financial affairs in a responsible fashion. Nevertheless, despite all of the slashes and sacrifices, it has now become obvious that the city still does not have access to the credit market.

And that is why we once again find ourselves teetering on the brink of bankruptcy.

What is really at stake here, it seems to me, is not just the financial future of New York City, but quite possibly, the stability of our entire economy. If the city goes bankrupt, chances are that New York State will succumb as well, and that could very easily result in a collapse of confidence in the municipal bond market throughout the country. At the very least, this would result in a substantial increase in the interest rate which thousands of municipalities would have to pay in order to sell their securities.

The way to avoid all this is for the Federal Government to provide long-term Federal guarantees to the city before the expiration of the seasonal loan program.

Committee support for these loan guarantees crossed all regional and political lines, indicating the reasonableness of this approach and the widespread recognition of the good faith efforts of the city and State to put New York City back on its feet. In addition, the committee recognized that the amount of the loan guarantees is quite small, and in fact would add only six-tenths of 1 percent to the total of Federal loan guarantees outstanding in 1978. New York City would in fact be joining the ranks of individual homeowners, multinational and other corporations, farmers, businessmen, shippers, steel companies, students, foreign governments, and new communities—all interests which the Congress, recognizing the unavailability of full private financing, has assisted by providing Federal loan guarantees.

I urge my colleagues to support the enactment of H.R. 12426.●

● Mr. BIAGGI. Mr. Chairman, I rise not only in support of H.R. 12426 but more importantly as a lifelong resident, I rise in support of this Nation's greatest city, New York. I read a story recently about an ambitious young man who is out to break the world record for knocking down dominoes. I could not help but draw a parallel to what we are considering today. The fact is our failure to enact this legislation will trigger a domino like chain reaction of catastrophic events which could culminate with the default and fiscal collapse of New York City.

It is perhaps important at the outset to state what this bill is and is not. Most critical to comprehend—H.R. 12426 is not bail out II. We are not proposing a subsidy for New York City. H.R. 12426 is pure and simple a guarantee by the Federal Government of the long-term obligations of the city. The only time the guarantees would be needed would be if the city were to default—something which the guarantees are supposed to avert. Even then this guarantee is fully collateralized with New York's share of revenue sharing funds always being in the hands of the Government. Taxpayers would not be exposed to 1 penny of liability.

New York City did not want to come back for new legislation. They felt that the many dramatic improvements they were able to make thanks to the seasonal loan program of 1975 were sufficient enough to restore confidence in their situation in the private credit market. The fact is, the private credit market as recently as October 1977 refused the city access, meaning they are unable to borrow and resume a condition of relative fiscal autonomy.

Thus the need for this legislation. In part it can be said that it is prompted more by the discriminatory practices of the private credit markets than the present condition of New York City.

The city has made considerable advances since 1975. Their budget deficit has been trimmed by $1.4 billion. The city repaid on time or even in advance its loan installments with the Treasury picking up a tidy $40 million profit on interest.

In human terms, the cost of the city's fiscal improvements have been high. The city's payroll has been scalped by 60,000 persons. Tuition has been charged for the first time in the City University system. The transit fare has risen by 40 percent, an especially burdensome problem for the poor and elderly who so greatly rely on public transportation. City services have been cut back in some instances to dangerous levels. This was especially true in the public safety areas, longer response time by police in crimes, to fire units in fires, even to ambulances. Further, municipal employees have invested 35 percent of their pensions in city securities as a demonstration of support. An important theme emerges from all this—New Yorkers have and will continue to make sacrifices. The city and its people have acted in good faith. Justice and compassion for them dictate support for this bill.

I wish to emphasize the fact that what is being proposed for New York City is not unique. Consider the fact that when fiscal year 1978 ends, the Federal Government will have paid out some $81 billion in loan guarantees in areas ranging from energy, to foreign military sales, to bonds for our territories. Outstanding loan guarantees will reach $324 billion by end of fiscal year 1978 and will soar to $368 billion at the end of fiscal year 1979.

Since 1975 some 32 different bills have been enacted into law by Congress which

in whole or in part provide loan guarantees for a variety of causes and interests.

A sum of $1 billion in loan guarantees for railroad revitalization.

A sum of $2.4 billion in military sales guarantees for foreign nations under the International Security Assistance Act.

A sum of $96 million in authority to permit the Treasury to guarantee bonds issued by Guam and the Virgin Islands.

Also a sum of $60 million in guarantees for research and development of electric and hybrid vehicles.

Most recently on April 24 was passed H.R. 11504 establishing an emergency loan program for farmers and ranchers affected by climatic disasters. I supported this legislation employing the same sense of fairness which I hope will be returned today.

It is also important to note that the city is being required to adhere to very stringent terms as a precondition for receiving these guarantees. If I wasn't so concerned about New York City I might oppose this legislation purely on the grounds of the Federal Government imposing such onerous conditions. These include:

Submission of a plan for a balanced budget within 3 years after it applies for guarantee assistance;

Publish an annual analysis comparing its previous year proposed budget to actual revenues and expenditures; and

Independent CPA's can do audits on city books as long as assistance is outstanding.

In fact the city is forced to practically surrender its responsibility to manage its own budget and spending. It is a rather bitter pill to swallow for a bill which does not require any actual appropriation of new funds.

Let me offer another observation to paraphrase "he who lives in an area where there is no fiscal troubles, let him cast the first nay vote." I wager the thought that many other cities large and small in this Nation are sympathetic to New York's plight. This legislation is to help a city whose fiscal problems are real, immediate, and totally up front.

When we are considering reasons for supporting this legislation let us reflect on the tremendous work and energy being expended by our former colleague, Mayor Ed Koch. Mayor Koch literally walked into this hornet's nest on day 1 of his administration. He was forced to immediately assess the city's situation and prepare a plan for presentation to the Congress for this legislation. He has performed virtual miracles including last night concluding negotiations with the 200,000 city municipal workers providing a contract which is most prudent and fiscally responsible. Our sense of understanding and appreciation for the extraordinary tasks which Ed Koch had handled so well provides another good reason to support this bill.

It should be remembered that New York City's fiscal problems are not entirely their own doing. Consider welfare. New York City faces an enormous burden with respect to welfare costs. Meaningful relief has been promised but thus far that is all it is—a promise. The city has been shortchanged by formulas for key Federal programs such as elementary and secondary education. It continues to be swamped by a relentless invasion of illegal aliens which saps its already limited social services resources. Yet, illegal aliens are still not counted when distribution of Federal funds is made.

I have seen a diminution of the demagogic rhetoric which accompanied consideration of the 1975 New York City bill and for this I am glad. Its repetition would have demonstrated an insensitivity to the improvements and sacrifices made by the city. Despite my advocacy for New York I recognize its fiscal and management shortcomings—past and present. I know and could have predicted the consequences of reckless spending—and all the shoddy practices of past city administrations. But the time for retributions has long passed. It is instead to use the words of Mayor Koch time for a renaissance in New York, to have it lifted from the fiscal doldrums into prosperity and vibrancy.

We are beginning consideration of this legislation. The vote will come on Thursday. We have taken a long and difficult journey to reach this point today and we have arrived. A tremendous amount of credit must go to the collective efforts of the New York congressional delegation which performed yeoman like work on behalf of promoting this legislation. Of special note are those New York Members who served on the task force on New York City finances which I chaired. I have communicated personally with many of my colleagues on the majority side. I appreciate your commitments and your honesty when one was not possible. I feel we have the votes to insure passage. The choice is simple: Do we allow for continued recovery or imminent disaster for New York City?

Few choices have been so clear. Few have been so important. Few have spelled the future of 8 million of our citizens. The challenge is before us. Let us combine fiscal prudency, compassion for our fellow man, and foresightedness for the future of urban America and pass this bill on Thursday.●

● Mr. NATCHER. Mr. Chairman, New York City is one of the great cities in this country and the successful operation of this city is of great importance to the State of New York and to the other 49 States in this Union.

The spectacle of the U.S. Government to allow its largest city to go into bankruptcy would clearly be a most disadvantageous one and would create complications throughout this country and in the international money markets that would be serious. Today, we have before the House, one of the most critical issues that will be presented to us during the 95th Congress. The issue before us is how we can all work together to insure that New York City regains a balanced budget and financial stability in the years to come.

New York City is a vital part of the United States and it is a symbol of the United States throughout the world. The stability and financial health of this great city is obviously of great importance, not only to the people of that city and of New York State, but also to the entire country.

I rise in support of H.R. 12426, The New York City Financial Assistance Act of 1978. If adopted, this legislation will support and complete the process of fiscal rehabilitation of New York City by authorizing over the next 4 years, the issuance of Federal guarantees for up to $2 billion of the city's securities with a maximum maturity of up to 15 years. This bill will make guarantees and require the assembling of a financial package by private lenders that will meet the city's minimum credit needs including short term seasonal borrowing and capital outlays to prevent deterioration of the city's financial structure. Unless this legislation is enacted and, this legislation provides for Federal credit support, there is a serious risk of default, insolvency, or bankruptcy later this year after the expiration of the current Federal seasonal loan legislation on June 30. New York City, as a consequence of its past, still cannot borrow the needed large sums in the private markets. A bankruptcy of New York City would have significant financial impact and especially in the municipal bond market.

Since enacting the legislation in 1975 to assist New York City, the city has reduced expenditures. Its payroll has been cut back by 60,000 persons or 20 percent in a little less than 3 years. The subsidy for the City University has been cut sharply by the imposition of tuition. The transit fare has been increased by 42 percent to reduce the subsidy expense. A much tougher approach to welfare eligibility has brought about a decline of 932,000 on the welfare rolls in the beginning of this year of 1978.

Mr. Chairman, under the leadership of our former colleague (Ed Koch) the city of New York has made progress and is making every effort to survive and to remain as one of the great cities of the world. Certainly this is no time for us to turn our backs on New York City.

Mr. Chairman, I remember long before being elected a Member of Congress, of the plea that was made following World War II for the Marshal Plan. This plan started our present foreign aid system and under the Marshal Plan, we saved Europe and to me, every dollar expended was well invested. This is the action that we decided was necessary to help our friends and allies abroad. Turning our back on New York City, one of the great cities in this country, should not take place. Certainly we should help our friends and allies abroad and at the same time, we should help New York City so that bankruptcy will not take place.

The situation concerning New York City is considerably different from any other city in this country. There is no county between New York City and the State of New York. Unlike many of our other large cities in this country, there is no governmental entity interposed between the city and the State.

Mr. Chairman, the Members of this House know that there is no Wayne County as there is for the city of Detroit. They further know that there is no Cook County as there is for the city of Chicago. Here we have governmental entities in the counties mentioned that have police forces, hospitals, welfare programs, and all of the other programs that we find in

New York City, with New York City having to carry the burden alone.

Mr. Chairman, I have served as a Member of this body for 24 years and I am serving my 25th year. Permitting New York City to become bankrupt is of great concern to the people that I represent in the Congress. All down through the years since I have been a Member, when we needed help in my part of the country, I can still see the Members of New York City, both Democrats and Republicans marching up the center aisle to join with us and to help us solve problems which might not have been of too much concern at that particular time to the city of New York. Votes that would have been good votes to New York City's members on the negative side, but the loyalty of these members and their love of our country generally and knowing that we have 50 States in this Union was enough to keep this action from taking place.

Mr. Chairman, I will vote for H.R. 12426, the New York City Financial Assistance Act of 1978 and hope that every Member from the South and the border States join with me in this vote.●

● Mr. WOLFF. Mr. Chairman, I would first like to take this opportunity to commend the distinguished chairman of the Committee on Banking, Finance, and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS), and the chairman and ranking minority member of the Economic Stabilization Subcommittee, the gentleman from Pennsylvania (Mr. MOORHEAD) and the gentleman from Connecticut (Mr. MCKINNEY) for their hard work and leadership in bringing this important legislation to the floor of the House.

Congress is now confronted with the problem of whether to extend aid to the city of New York. Mr. Chairman, the current New York City financial crisis came to a head in the spring of 1975 as the result of a lack of confidence by investors in the city's financial management. Throughout the summer and fall of 1975, the city was continually on the brink of default and bankruptcy. After much debate this Congress passed, and the President signed, the New York City Seasonal Financing Act of 1975. This much needed legislation provided for Federal short-term loans to the city, in an aggregate not to exceed $2.3 billion in any fiscal year. This authority expires on June 30, 1978. The issue before this House is to decide whether further Federal assistance to the city is justified on its merits, in view of what action the city has taken, and whether continuation of such aid is in the national interest.

A brief look at the record demonstrates that New York City has been active in attemping to solve its problems:

First, the people of New York have elected a sensible, fair, and economy-minded mayor in the person of Ed Koch—a mayor dedicated to getting New York back on its feet.

Second, the city has trimmed its payroll by 60,000 persons, or 20 percent, in the last 3 years, in an effort to reduce outlays.

Third, the city has instituted a tuition for the City University system with a resulting decrease in that subsidy.

Fourth, New York has increased the transit fare by 42 percent to reduce that subsidy.

Fifth, the city has reduced its welfare role from 1.3 million several years ago to 932,000 in early 1978.

Sixth, the city has permitted, indeed, welcomed, supervision of all of its budget decisions, including labor contracts.

Finally, the city has opened up all of its books for audit by the Treasury Department and the General Accounting Office.

What have been the results of the city and its mayor having embarked upon its program of fiscal reform to improve efficiency and control costs?

First, the city is well on the road to rehabilitation. It has already progressed more than half way toward a truly balanced budget.

Second, New York City has repaid all of its obligations to the United States on time and in full. The Federal guarantee program has not cost the American taxpayer one cent.

Third, far from being a raid on the U.S. Treasury, the current seasonal loan program has produced a $30.2 million profit for the Federal Government.

Yet despite these commendable efforts, despite its efforts in rehabilitating its fiscal and financial practices, the city of New York cannot yet meet its borrowing needs through the private credit market without further Federal assistance.

Mr. Chairman, proponents of the bill now before us do not absolve the city of responsibility for its past fiscal practices. Indeed, New York City has an annual debt service of $2 billion out of an annual budget of $13.5 billion. If it was not for past mismanagement which resulted in a debt of this magnitude, the city would now be solvent.

But the question is, has New York City taken steps to get its financial house in order? As I have shown, it has. So it remains for us to decide whether we will stand by and do nothing as the city defaults with the attending grave consequences for the Nation and the world.

Basically, I should like to address myself to what I forsee as the consequences of a New York City default in the international and national arenas.

First, in the area of international affairs, a bankrupt New York would have a further depressing influence on the dollar in the principal foreign exchange markets. The resulting loss of confidence in the dollar would diminish both the value of the dollar and the value of our investments abroad. A default of this magnitude would have a severe impact on our enormous balance of payments deficit.

Second, in the domestic field, a bankruptcy will cause a loss of confidence in U.S. credit markets. There will be a sharp depression in these markets—an increase in municipal bond yields that go beyond the trend of current interest rates. Moreover, all public financings will experience increases in interest rates on bond sales. Granted, there are other cities facing financial difficulties, perhaps not as serious as the ones faced by New York, but the collapse of New York would endanger the entire economic viability of the Nation.

There will be other effects on the Nation as well—effects felt by the constituents on my colleagues. The number of private investors throughout the country who hold New York City bonds has not been estimated. But it stands to reason that a great many people hold such bonds, and many would stand to lose large sums of money—even their entire savings—if New York City is allowed to default. Furthermore, it is estimated that New York City does business with 40,000 vendors in over 40 States. Businesses in these 40 States would stand to lose in excess of $1.2 billion in annual contracts providing goods and services to New York City. In addition, there are at least 306 banks in the country that hold New York City obligations amounting to greater than 20 percent of their capital.

Finally, there is at least a potential for severe fiscal consequences if New York City defaults. A bankruptcy might well require larger amounts of direct Federal aid which enactment of this bill is designed to prevent. The Federal Government might well find itself as a "lender of last resort" at a far greater cost than under legislation now considered.

Yet despite the merits of the case for continued Federal aid to New York, opponents will come before us today urging defeat of this bill, the grace consequences of doing so not withstanding.

Opponents will argue against this bill on the grounds that it sets—or continues—some sort of precedent, and that officials from other cities will come before us seeking money for their cities. But even a brief examination shows the spaciousness of these arguments.

First, on the question of a precedent, I submit that the principle of a Federal guarantee for indebtedness is well established. If Congress votes to guarantee $2 billion in New York City loans, it will only increase the amount of guarantees issued next year from $81 to $83 billion. It is estimated that by next year the total amount of outstanding loans guaranteed by the Federal Government will be $324 billion. The estimate for fiscal year 1979 is $368 billion. The $2 billion contemplated here will increase the total amount of outstanding Federal loan guarantees in 1978 by six-tenths of 1 percent. In addition, the Federal Government already guarantees loans for home owners, small businesses, multinational corporations, farmers, shippers, steel companies, students, and foreign governments—many of which present a far greater risk of non-payment than does the city of New York.

Some examples of Federal loan guarantees issued last year are:

FHA, $11.5 billion;

Student loans, more than $1 billion;

Farmers Home Administration and Rural Electrification Administration, $8.5 billion; and

Maritime Administration, $955 million.

So upon examination, the claim that aid to New York sets some sort of dangerous precedent must fall.

With respect to the assertion that other cities will seek Federal money, I should point out that few of their citizens would tolerate the severe cutbacks in local outlays, of the kind experienced

by the city of New York, as a condition for Federal assistance. Nor would these cities welcome enforced inspection of all their major budget decisions; nor would they submit to the kinds of audits to which the books of the city of New York have been subjected.

Mr. Chairman, in closing I would just like to point out that the bill now under consideration will cost the Treasury nothing. Even if the city did default under the terms of this bill, and the Federal Government had to make good on the guaranteed loans, the bill provides for reimbursement to the Federal Government by the city and State. The bill requires the withholding of Federal payments to the city or State in the event of default on the guaranteed obligations.

New York City is a revenue producer. Billions of New York tax dollars have gone to farmers, big business, home owners, car drivers, students, and doctors. In spite of, and during all of New York City's fiscal crisis, the city has sent out billions of dollars more than it received from Washington.

The record shows that New York City has repaid all of its debts to the Federal Government in full and on time. The bill now before us is stringent legislation with maximum safeguards for U.S. taxpayers. I urge passage of this important legislation.●

NEW YORK CITY AID

● Mr. ZEFERETTI. Mr. Chairman, H.R. 12426 bears the title of the "New York City Financial Assistance Act of 1978," but this bill concerns much more than New York City. New York is a national and international, cultural, financial, and social center, and as such the Congress' action on this legislation will affect profoundly the national economy, the international financial community, and the operations of Federal, State, and local government. Millions of people are watching what we are doing here today, and it is vital that the Congress act consistently in dealing with this massive financial crisis. For the sake of the national interest, we must try to adopt the most reasonable and least disruptive course of action to help New York along its road to recovery and I believe, Mr. Speaker, that H.R. 12426 represents that course.

I am sure that the rationale for and the history of the Congress' efforts to help New York in the past are familiar to each person in this Chamber, the sacrifices and the remarkable progress toward fiscal retrenchment that the city has made from December 1975 right up to the labor contract settlement of yesterday. I also hope that my colleagues recognize the reasonableness of the plan for financial recovery that this legislation presents. Providing long-term financial guarantees that will allow the city first to finance its short term needs through the private sector and eventually to rely on the private markets for all of its needs is a consistent and necessary way of helping New York regain its financial balance.

Most of the arguments for and against this legislation are also familiar to my colleagues, so let me try to make a couple of points that I believe are less obvious but need to be made if we are to consider this legislation carefully and fully.

First, the dedication to fiscal responsibility and a balanced budget that New York has demonstrated during the past 3 years should make it much easier for Congress to lend the city assistance at this time. In 1975, Congress acted to help the city despite great uncertainty about the city's ability to repay Federal loans, its dedication to sacrifice and prudent management, and its ability to solve its labor problems. Then as now the possible effects of a default remain unclear, but since 1975, the city has unquestionably proven itself capable of sound financial management, and I believe that Congress can act today with certain knowledge of the city's commitment to working with the Federal Government for the economic good of New York City, New York State, and the Nation.

Second, I think we should all be aware of the beneficial effects of the city's crisis: New York has emerged from the dark days of 1975 with a responsible accounting system and with a renewed civic pride that manifests itself across the city in the form of local self-help organizations and projects. And, nationally, the New York crisis precipitated a healthy national self-examination of local government spending and accounting.

In view of New York City's financial turn around and in view of the lessons that this Nation has learned from the events of the past several years, I hope it is evident to my colleagues as it is to me that we, the Members of Congress, must sustain this recovery by acting in a manner consistent with our 1975 actions and responsive to the good faith efforts that New York has shown to us.

We must ask: If the Federal Government abandons New York City which has made great progress during the past 3 years but still faces severe but by no means irresolvable financial problems, how can we expect the private financial community to help the city? If the Federal Government does not demonstrate its commitment to economic stability and responsible management of the national economy, can we expect responsive and responsible action from those in a position to lend money to New York?

All involved in solving this problem have acknowledged that investor confidence is the crucial element in this crisis and is the one thing that the present legislation tries to create, but how can we expect investor confidence to grow if we in the Congress do not use our power to create an atmosphere in which such confidence is possible? Indeed, if we do not pass this bill, how can we expect that the financial community's confidence in New York's financial situation will not be shattered?

In the case of New York City, and in the case of this legislation, the situation demands above all consistent action. The New York Financial Assistance Act of 1978 is the next logical step in the effort to which we pledged ourselves in 1975, to insure that New York is given a chance to recover financially and to retain a vestige of pride and self-government in the process.●

NEW YORK CITY FINANCIAL AID

● Mr. WEISS. Mr. Chairman, the legislation we are considering today is absolutely essential to the survival and stability of our Nation's largest city.

H.R. 12426 would establish a program of $2 billion in Federal loan guarantees to New York City through June 30, 1982. The conditions incorporated in the bill will insure that the city continues its demonstrable progress toward a truly balanced budget. And the legislation's provisions will likewise effectively insulate the Federal Government from any risk of financial loss should the city become insolvent.

In fact, H.R. 12426, like the seasonal loan program which it replaces, will generate considerable amounts of revenue for the U.S. Treasury. The bill stipulates that a fee of at least one-half of 1 percent on outstanding principal shall be charged to the city as a condition of receiving Federal guarantees on its borrowings.

By approving this measure, the House will be reenforcing the fiscal security of not only New York City and State but of the entire Nation. As the world's financial center, New York plays an unsurpassed role in the commerce, banking, and securities affairs of our country. A fiscal collapse in New York City would have such wide-ranging and severe consequences nationally and, indeed, internationally, that it is incumbent upon Congress to prevent such a catastrophic eventuality.

A recent survey showed, for example, that of the Nation's 306 largest banks, about one-third had 20 percent or more of their equity capital invested in obligations issued by New York City, New York State or the Municipal Assistance Corp. And more than two-thirds of these approximately 100 banks with large New York holdings are located outside New York. Clearly, then, a default by New York City could not and would not be contained within the five boroughs or even within New York State, but would instead quickly send shock waves throughout the national banking structure.

The loan guarantee legislation before us today will obviate the possibility of such a national crisis. New York City has shown conclusively that it is committed to budgetary restraint and that it can make good on its obligations to creditors. The city has made remarkable progress, accomplished through unprecedented sacrifices, since the enactment in 1975 of the seasonal loan program.

New Yorkers are well aware of the austerity measures that have been implemented by the municipal government during the past 3 years. Perhaps the most troubling of these developments, from a political perspective, has been the erosion of home rule and the infringements on local self-governance represented by the establishment of the Emergency Financial Control Board.

In many key respects, New York City no longer controls its own destiny. The city has demonstrated its total determination to resolve its fiscal crisis by agreeing to hand over important powers to an independent board whose member-

ship includes State officials and business executives. The control board sees to it that the city lives within budgetary constraints, and Mayor Edward Koch has recently agreed to a 15-year extension of the board.

Among the immediately tangible sacrifices made by the city since 1975, perhaps the most dramatic and tragic has been the loss of some 60,000 municipal workers. No municipal service or department has been spared in the drive to achieve fiscal stability.

The city has closed 77 day care centers. Tuition has been imposed at the City University system for the first time in its 130-year history. The subway and bus fare has been increased by 40 percent. The mental health budget has been slashed by one-third. Three municipal hospitals and more than 50 health department clinics have been shut down. Welfare grants remain at a level established in 1971, while more than 100,000 clients have been dropped from the public assistance rolls. Municipally assisted housing construction and rehabilitation has come to a virtual standstill. Class sizes in public elementary and secondary schools have risen substantially in the wake of school closings and teacher layoffs. Police and fire department personnel have been reduced through attrition.

Mr. Chairman, I do not think that New York City has to make any apologies for its fiscal performance over the last 3 years. The record of service cutbacks and firings speaks for itself. And I also believe that the city is not now seeking any special favors or extraordinary treatment from the Federal Government.

All that New York City asks is a program of $2 billion in Federal loan guarantees. This is not really considerable when put in the context of the more than $80 billion in loan guarantees approved by Congress last fiscal year for projects ranging from farm aid to fishing vessel construction. The $2 billion in loan guarantees for our largest city also not a very large proportion of the $360 billion in Federal guarantees that will be outstanding in fiscal 1979.

Just 2 months ago, this House voted a $4 billion loan program for our Nation's farmers. They deserved this assistance and I voted in favor of the necessary relief they sought. I would therefore hope and expect that my colleagues from farm areas and those who represent districts which receive Federal loan guarantees will look favorably upon New York City's request.

New York City has contributed a great deal to our Nation. Now the city needs this measure of assistance from the Federal Government. This is not a "handout"—this is simply equity. I urge my colleagues to vote affirmatively on H.R. 12426 so that New York can continue its efforts to achieve fiscal stability.●

● Mr. KEMP. Mr. Chairman, I support this legislation because the message which Washington sends to New York City cannot be "drop dead." The message I want to send it is "come alive." Why? Because a revitalized New York City will help turn around the declining economy of New York State, and a revitalized New York State will not only boost the economy of the Northeast but also the Nation. Helping New York is making an investment in all of our futures.

I know that severe problems still exist and will continue to do so in the next several years, but New York City has and is continuing to make progress toward remedying its past and remaining fiscal unsoundness. The proof of that progress lies in how much better matters are today than when the Congress first considered this matter several years ago.

The problems New York City faces are severe enough, in my opinion, to make current private market borrowing near impossible and to hold out the possibilities of illiquidity and even insolvency and bankruptcy in the absence of State and Federal loans and guarantees. The Municipal Assistance Corporation—MAC, the Emergency Financial Control Board—EFCB, city and to some extent State employee pension fund purchases of municipal securities, and the $2.3 billion Federal seasonal loan program are the most obvious indications of the continuing need.

There is a way out of the plight in which New York City found itself several years ago. That way out was started at that time, and I think it will be continued here this week. I do not want to focus here on what went wrong in New York City and why. I want to focus on the future—on the actions which New York City and New York State should take to restore the city's fiscal, physical, and economic health.

These actions fall roughly into the following five and somewhat overlapping categories:

First, management, that is resource allocation, contracts and purchasing, et cetera;

Second, labor, that is wages, work rules, fringe benefits, retirement;

Third, debt policy, that is short- and long-term borrowing, pension funds, et cetera;

Fourth, programs, that is benefit cost, cost effectiveness, and policy, and

Fifth, taxation, including the first best and second best optimal tax system structures.

I want to deal with each of these, although very briefly on the first ones, because I think my colleagues deserve to know what is being done and what ought to be done if our assistance is to provide the maximum benefit to the community and is to resolve the question both favorably to the city and permanently.

MANAGEMENT

The problems of management—not only of labor, but of real estate, capital, space, and materials—have been reported frequently. They warrant only brief recapitulation.

The city's overstaffing of many agencies is well known and clear from the continued level of services that has been maintained in the face of a major work force reduction.

Let me do this by way of examples.

The most generally documented case is that of the sanitation department. Estimates indicate that private contracting could have reduced the costs of refuse collection by up to 50 percent. A sanitation commissioner in the previous administration suggested experiments with private contracting, but his suggestions were overruled. He was even removed shortly thereafter.

The Koch administration does appear to be attempting to lower overstaffing in the school board's central administration.

Various real estate administration and rental policies have been both grossly inefficient and ethically questionable.

The extent of inefficiency and fraud in the medicaid program has been well documented by the U.S. Senate.

Only such solutions as computerization, more thorough management, and greater vigil at the budget bureau and controller's office.

LABOR

The temporary commission on city finances has extensively documented numerous examples of inflated fringe benefits—pensions, disability retirement, vacations, sickleave, and so forth—and unproductive work rules, which offer a rich potential for decreasing costs without reducing city services. These items have been termed "give backs" in the recent contract negotiations. The recent transit settlement does not give us reason for more than qualified optimism at best.

DEBT POLICY

Though New York City's present range of debt policy choices is quite restricted, it is obvious that options will increase as private markets open. Due to that and some city discretion with regard to the magnitude and composition of Federal direct loans and guarantees, an examination of past policies and suggestion of future ones is worth our time.

City borrowing was excessive, nonamortizing, and reflected a poor choice of term structure—maturities. The city's widespread use of short-term borrowing to finance long-term projects, for example, Michell-Lama housing, and rollover debt without repayment subjected it to enormous refunding difficulties during the crisis. Michell-Lama boards have often refused to pay current interest payments, however, the city has typically taken little or no action in these cases.

In addition, the city was given State permission to include short-term items in the capital budget and thus squeeze out legitimate maintenance, for example, city bridges, the west side highway, and so forth. This practice is being eliminated; however, it remains one of the factors which causes the city's deficit to be actually much larger than otherwise reflected.

Other than the obvious conclusions that can be drawn from what I have just said with regard to future budgeting and borrowing, can other insights into the best use of any Federal loans or guarantees forthcoming be gleaned? Yes.

If the city's short-term liquidity were assured, it would be best to use Federal loan guarantees to support the longest possible maturities thereby gaining the longest possible period in which to adjust present and recover past actions. The city not only needs to eliminate the current deficit but also requires time in

which to reduce the excessive outstanding debt.

PROGRAMS

There is no need for me to reiterate the litany of programs whose costs are greater than benefits, are not cost effective, et cetera. Others have done that. I think it is useful, though, to indicate the problem and how the mechanism works.

Federal subsidies often induced the city and State to embark on program expansions in the belief that the program would not only create some benefits but also justify the local share of their costs through a local macromultiplier. But the city often proved unable to administer the programs prudently and encountered great political pressures in attempting to do so, for example, welfare, medicaid, medicare, nursing homes, free lunch programs, et cetera.

It is in this sense that the State and Federal Governments must share in the blame for inefficiency and fiscal insolvency, for they often failed to impose sufficient cost controls, monitoring, and limits.

OPTIMAL TAXES, FEES, USER CHARGES, AND SO FORTH

Optimal pricing and taxation is one of the major, perhaps most neglected, least understood, and often reversed way of restoring the city's fiscal health—increasing revenues, increasing incomes, and employment, while reducing the excess burden of taxes.

Recent theoretical and empirical studies have indicated that local redistribution is, in the long run, strongly limited by interlocal competitive forces. New York City attempted to redistribute to an extent that was not possible, efficient, or even helpful to the poor. This redistribution consists of both direct taxation and welfare in addition to indirect programs, for example, rent control, make-work overstaffing of various agencies—the health and hospitals corporation is a primary case of this—and elevated property tax assessment ratios for office and new rental apartment buildings.

Taxation of nonresidents if done properly, should at least be explored as an option. Replacing the city income tax with a payroll tax would achieve this and several other goals of efficient and equitable taxation. It would:

First, permit the average effective rate to be lowered;

Second, reduce the nonresident differential, thereby reducing the incentive for the middle class to leave the city;

Third, make the tax deductible for those who do not itemize deduction; and

Fourth, permit the progressive rates which may be counterproductive to be reduced. At this point, I mention this only as an option for consideration.

The primary principle of efficient taxation put succinctly and simply is to tax most those things that are least affected by taxes and never tax anything at rates that are at or above the revenue maximizing or monopoly point. The last part of this principle should be the most easily understood. Setting a tax rate so high as to reduce revenue will not only result in less city revenue, after the adjustment period, but in reduced employment, economic activity, and social welfare. Taxation at such rates is enormously destructive in every way. It must be understood that when we discuss the changes in revenue that occur as a result of a tax rate we mean the change in revenues not only from that tax, but from all taxes whose bases are affected.

In a joint study by Ronald E. Grieson of the department of economics at Columbia University and other scholars, it was found that increasing the rate of the New York City business income tax would increase revenues from that tax. However, the reductions in employment, output, and investment which would be induced by the tax rate increase resulted in lesser revenue from many other city taxes—personal sales, income, and property taxes in addition to sales, utility taxes and property taxes on businesses—in addition to further losses in State revenues. Additional calculators, made by the temporary commission on city finances in its ninth interim report to the mayor, indicated that in attempting to increase business income tax revenues by $1 per year, other tax collections would eventually be reduced by $4 to $6 per year. The reverse would presumably apply to lowering the tax on manufacturing—the city would gain $4 to $6 for each $1. This study was one of the very few scientific studies of any local tax and indicated it to be well above the revenue maximizing rate making one wonder as to the vast array of New York City taxes which have not been studied. In spite of the counterproductiveness of this tax and the study thereof, its rate was increased from 6.7 percent to 10.05 percent in 1975. It had been increased to 6.7 percent in 1971.

How did such a situation come about? The 50 percent increase in the already counterproductive manufacturing income tax rate took place in a highly charged political atmosphere. As a condition for Federal loans to New York City, then-President Ford wanted a $200 million decrease in New York City's current budget deficit. The city had the option of cutting expenditures or raising taxes, and it chose the latter. The $200 million tax increase packaged adopted also included increases in the estate and stock transfer taxes, later repealed due to their unproductiveness, and a 25-percent increase in the city's income tax rates. Our best estimate is that within 3 to 5 years the package would perhaps have reduced, rather than increased, tax collections by $200 million. Many of these taxes were levied on small or unorganized groups of the population who were more likely to leave the city than to engage in strong political action. Hence, politically it is often easier to raise taxes on the most economically sensitive or elastic groups. They may well be the least politically reactive. This mistake cannot be repeated.

Unfortunately, no scientific study of the effects of the city income tax has been undertaken, though one has reason to wonder if it too may be near or even above the revenue maximizing point. The socially optimal set of rates is, of course, lower than this. All of these tax rate increases, revenue producing or not, reduce State tax revenues, hence there ought to be State and city coordination. The city's cigarette tax is counterproductive for the city and certainly for the State.

In my opinion, Congress ought to suggest strongly that the temporary commission on city finance's recommendations with regard to the taxation of manufacturing be undertaken along with a study of the effects of the city income tax.

Movements toward the more rapid and equitable elimination of rent control would similarly aid the city in that it would surely reduce the rate of abandonment, while increasing the efficiency of allocation of, investment in, and taxes derivable from our housing stocks.

What can the State do? Given the large proportion of employment in New York State's manufacturing industries represented by New York City and the very dramatic effect of the city business income tax thereon, it is not difficult to believe the State's corporate income tax is distorting at least and may be quite counterproductive. The recently announced removal of the surcharge on the State's corporate income is thus to be praised, though its retroactive introduction a few years ago was certainly a mistake. I believe, however, that a further reduction in this tax is indicated.

As in the case of the city income tax, there exists strong analytic reasoning that the State income tax is also quite distorting, if not actually counterproductive, that it is above the revenue maximizing set of rates. Contrasting New York's income tax rates with those of New Jersey, Massachusetts, and Connecticut would indicate the rates on higher incomes and married individuals filing jointly to present the most significant problems. In the case of "married filing jointly" the higher tax rates they are subject to and the greater ease with which they can relocate out of the State, when only one is earning most or all of their income, as compared to married filing separately—who pay lower rates and need both commute if a move is made—constitutes a strong argument.

WHAT NEW YORK STATE AND NEW YORK CITY TAXES HAVE DONE TO THEIR ECONOMIES

No clearer case can be made for the critical importance of enacting permanent tax rate reductions in New York State and New York City than the evidence of what the present, unnecessarily high, and theoretically ill-founded tax rates have done to the State and the city. I want to address myself to that, beginning with the conceptual framework.

Generally speaking, if you tax something, you get less of it.

If you subsidize something you get more of it.

In New York, we tax work, production, savings and investment, while subsidizing nonwork, consumption, welfare, and debt.

Is is any wonder that we are getting less and less of the former and more and more of the latter?

At the State level, taxes have increased, both as the result of inflation and legislated tax increases, to the point

where New York State has the highest per capita tax burden in America.

And because the cost of living is higher in New York, largely because of high taxes, workers have to be paid more in order to get the same real income as someone living in another State where taxes and the cost of living are lower. This means that New Yorkers also pay higher Federal taxes than elsewhere.

The combined State and Federal tax burden in New York is what is responsible for the stagnating economic condition and the loss of jobs: 435,000 since 1970.

As business and individual tax burrens rise it discourages incentive and initiative. Eventually, our most productive citizens have no choice but to leave the State in order to increase their aftertax income. And since 1970 537,000 people have moved out of New York.

I believe that the best thing the Federal Government can do to help New York State is reduce Federal income tax rates across the board. And the best thing New York State can do to help itself is reduce State income tax rates across the board.

It is no secret to anyone that the economy of New York State has been declining for more than a decade. The real mystery is why our political leaders cannot or will not do something about it.

The single most important factor in the poor position of New York is the State and local tax burden. This burden increased 175.5 percent in New York between 1965 and 1975, from $372 per capita to $1,025 per capita. This means that per 1,000 in personal income, the tax bite in New York went up to from $118.72 in 1965 to $166.53 in 1975. The following list of changes in the State's tax law shows why this increase was so pronounced:

CHANGES IN STATE'S TAX LAWS

1965—The State sales and use tax was imposed at 2 percent. The cigarette tax was doubled from 5 cents to 10 cents per pack.

1966—A "temporary" 25 percent surtax was added to the stock transfer tax. (This was made permanent in 1968.)

1967—Taxes were increased on banks, corporations, utilities, and insurance companies, also in cigarettes and gasoline. Four new brackets were added to the state income tax. In addition, new taxes were imposed on real estate transfers and fuel.

1969—The state sales tax was increased from two percent to three percent.

1970—A new business incomes tax was imposed and a minimum tax for individuals was established.

1971—The state sales tax was increased from three percent to four percent. In addition, taxes were increased on corporations, banks and utilities. Taxes on alcoholic beverages, cigarettes and gasoline were increased, another bracket was added to the personal income tax (bringing it up to the present rate of 15 percent on incomes over 325,000), the minimum tax was doubled, a gift tax was imposed, and a 2.5 percent surcharge was added to the personal income tax.

1975—The stock transfer tax was increased 25 percent. The bank tax was increased from eight percent to 12 percent on net income and a 30 percent surcharge was imposed on bank tax liability for 1975 and 1976. The corporation franchise tax was increased from 9 percent to 10 percent of net income, and a "one year" surcharge of 20 percent was added to the corporation franchise tax.

1976—The 2.5 percent surcharge on the personal income tax was extended through March 31, 1977 (Governor Carey later allowed it to expire on January 1, 1977).

At the same time that State taxes were increasing, local taxes were going up even faster—especially in New York City—and inflation was raising individual incomes and pushing people into higher tax brackets. Because the State income tax is steeply graduated, every 1 percent of inflation raises income tax revenues roughly 1.5 percent. This is approximately the same amount by which Federal income tax revenues go up in response to inflation. This more than proportional increase in income taxes resulting from inflation is especially harmful to New Yorkers because their nominal incomes are higher.

The situation in New York City is especially bad. As the table demonstrates, personal income taxes on a middle-income family of four have gone up 143.2 percent in the past decade. And because New York City accounts for almost half of all the population and industry in New York State, whatever problems arise in New York City inevitably affect the rest of the State.

Family of 4	Low level	Intermediate level	High level
Total budget:			
United States	$10,041	$16,236	$23,759
New York City	$10,835	$18,866	$29,677
Percent change in total budget:			
Spring 1967 to fall 1976:			
United States	69.8	78.9	82.1
New York City	80.0	89.1	99.6
Fall 1975 to fall 1976:			
United States	4.7	6.0	6.6
New York City	5.5	7.8	9.6
Personal income tax:			
United States	$825	$2,236	$4,565
New York City	$1,063	$3,162	$7,596
Percent change in personal income tax:			
Spring 1967 to fall 1976:			
United States	74.4	110.5	131.8
New York City	111.3	143.2	192.4
Fall 1975 to fall 1976:			
United States	5.6	8.7	10.5
New York City	5.5	14.0	19.1

Source: Bureau of Labor Statistics.

Thus, New York City has lost 468,000 jobs since 1970, and more than 328,000 in population. Part of this loss is due to the movement of many companies out of the city. In the early 1960's, for example, over 140 of the Nation's top 500 industrial corporations had their headquarters in New York City. Today that number has been reduced to less than 80. In the past year alone, Union Carbide, Mobil, the Pittston Co., Texasgulf, General Host, Anaconda, and Texaco have either left the city or made firm plans to do so.

Remember, it was Adam Smith's fourth maxim of taxation that every tax ought to be so contrived so as not to obstruct the industry of the people "and discourage them from applying to certain branches of business which might give maintenance and employment to great multitudes."

Both New York City and New York State are clearly in the counterproductive range. A study by the Southern Regional Economic Board recently said that New York State's overutilization of its tax potential may be as high as 34 percent above the optimum range.

New York City is even more obviously in the counterproductive range. On top of already high State tax rates the city imposes a 5-percent personal income tax and an incredible variety of other taxes, in addition to the property tax. Like New York State, the history of New York City taxation is an almost unbroken upward trend:

HISTORY OF TAXATION

1933—City sales tax increased to 4 percent. City commercial rent occupancy tax imposed at 5 percent.

1965—City sales tax decreased to 3 percent.

1966—Gross receipts tax replaced with general corporation tax at 5.5 percent.

1970—City commercial rent occupancy tax increased to 7.5 percent.

1971—General corporation tax increased to 6.7 percent.

1974—City sales tax increased to 4 percent.

1975—General corporation tax increased to 10.5 percent.

Were the financial community to carry out its threat and move out of New York City, this city and the State governments would stand to lose enormous revenues. One study shows that direct and indirect taxes on the securities industry alone provide 15 percent of all New York City revenues and 10 percent of all New York State revenues.

This is because there are tremendous multipliers at work, in that every industry creates considerable business, employment, and revenue for support industries. In the case of the securities industry, the multiplier most strongly affects printing, advertising, law, accounting, and computer-related firms, with the corresponding generation of tax revenues. The same is true for manufacturing, and by way of illustration the following table shows how much tax revenue is derived from each manufacturing job.

Type of revenue (estimated revenue per employee)	
City income tax	$115
City sales tax [1]	135
Bus and subway tolls [2]	200
Miscellaneous city taxes	15
Residential property taxes [3]	300
Total city personal taxes per employee	765
City business taxes per employee [4]	630
Total city taxes per employee	1,395

[1] With adjustment for difference from state sales tax, i.e., parking tax, entertainment tax, tax on services, etc.

[2] Based on an assumed average of 40 rides per year. (While bus and subway fares are not technically taxes, the City's subsidization of the transit system gives them that effect.)

[3] Assuming an average assessment of $3,000 per employee's family.

[4] Included with these taxes are the fees and charges, especially water charges, levied on manufacturers in New York City.

Source: Temporary Commission on City Finances.

The full impact of State and local taxes on the families living in New York City is dramatically demonstrated by the chart which follows. It shows New York City's families as the most heavily taxed of any city in the United States, no matter what the income level $5,000, $15,000, $30,000, $40,000, or more.

FAMILY BY FAMILY: HOW TAXES COMPARE

[State and local taxes for typical families of 4 in 1975]

	$5,000 income		$15,000 income		$30,000 income		$40,000 income	
	Taxes	Percent	Taxes	Percent	Taxes	Percent	Taxes	Percent
New York City	$1,005	20.1	$2,755	18.4	$5,716	19.1	$8,037	20.1
Boston	811	16.2	2,420	16.1	4,499	15.0	5,856	14.6
Buffalo	719	14.4	2,026	13.5	4,314	14.4	6,144	15.4
Chicago	651	13.0	1,609	10.7	2,758	9.2	3,442	8.6
Los Angeles	584	11.7	1,820	12.1	3,826	12.8	5,380	13.5
San Francisco	553	11.1	1,694	11.3	3,576	11.9	5,053	12.6
Pittsburgh	552	11.0	1,566	10.4	2,698	9.0	3,393	8.5
Indianapolis	537	10.7	1,326	8.8	2,312	7.7	2,894	7.2
San Antonio	537	10.7	1,200	8.0	1,984	6.6	2,439	6.1
Seattle	510	10.2	1,072	7.1	1,687	5.6	2,042	5.1
St Louis	475	9.5	1,316	8.8	2,503	8.3	3,222	8.1
Philadelphia	473	9.5	1,487	9.9	2,674	8.9	3,421	8.6
Denver	459	9.2	1,251	8.3	2,505	8.4	3,250	8.1
Dallas	455	9.1	1,009	6.7	1,653	5.5	2,023	5.1
Phoenix	441	8.8	1,131	7.5	2,310	7.7	3,035	7.6
Cincinnati	441	8.8	1,144	7.6	2,248	7.5	2,978	7.4
Washington	441	8.8	1,396	9.3	2,963	9.9	4,076	10.2
Memphis	434	8.7	896	6.0	1,350	4.5	1,609	4.0
Detroit	433	8.7	1,534	10.2	3,115	10.4	4,123	10.3
Milwaukee	429	8.6	2,135	14.2	4,424	14.7	5,890	14.7
Baltimore	420	8.4	1,442	9.6	2,862	9.5	3,757	9.4
Nashville	405	8.1	834	5.6	1,245	4.2	1,477	3.7
Kansas City, Mo	405	8.1	1,172	7.8	2,265	7.5	2,940	7.4
Cleveland	397	7.9	1,007	6.7	1,968	6.6	2,602	6.5
San Diego	395	7.9	1,312	8.7	2,918	9.7	4,226	10.6
Atlanta	393	7.9	1,245	8.3	2,670	8.9	3,571	8.9
Houston	391	7.8	868	5.8	1,414	4.7	1,723	4.3
Columbus, Ohio	366	7.3	960	6.4	1,919	6.4	2,557	6.4
New Orleans	339	6.8	1,029	6.9	1,877	6.3	2,455	6.1
Jacksonville	173	3.5	485	3.2	804	2.7	9.6	2.4
30-city average	487	9.7	1,371	9.1	2,635	8.8	3,486	8.7

Note: It is assumed that a family has 1 wage earner, 2 school-age children and lives in own home; families with $5,000 income own 1 car, others 2.

Source: District of Columbia government.

Mr. Chairman, Congress is attempting here this week to meet what it perceives is a Fedral responsibility to help New York City. But the State and the city must continue to do their very best, and that not only includes what I have outlined as remaining problems in general but also the burden of taxes in particular. New York State and New York City simply must reduce their respective tax rates.●

ON THE MATTER OF FEDERAL AID PROPOSALS FOR THE FISCAL RELIEF OF NEW YORK CITY

● Mr. HANLEY. Mr. Chairman, it may be more than symbolic that the debate and deliberation of this issue of Federal guarantees for New York City long-term borrowings began on the anniversary of the struggle to liberate Western Europe from Nazi tyranny, "D-Day." What we begin today is phase two of the struggle to reinforce and protect the fiscal fate of our premier city from the undertow of investor uncertainty. Unfortunately, the erosion of public confidence by continued confusion about the desire and ability of New York City leaders to deliver on optimistic expectations about labor settlements, budget reforms, economic improvement, and ending its tradition of bookkeeping by charade is not abated.

That is what this legislation is all about—giving the city and the people of the city and State of New York the firm foundation upon which to build the confidence of the marketplace to such a level as will encourage and promote the lending and borrowing process independent of governmental guarantees.

The simple fact is that at present and for the immediate future there is no expectation that an unaided New York will be able to pay its own way and support itself. The fact is that an unaided New York may falter under the weight of a need for short term and long-term credit and will never escape the hand-to-mouth syndrome which has characterized the last 3 years of its operations.

While the marketplace may be unwilling to look at the progress made in these 3 years by the city and by the State, it is not possible for this body—acting in the national interest to preserve the viability of New York—to dismiss or discount such success as both have made so far. Even as we begin this debate and as the Senate Banking Committee begins its hearings, there is witness that the local leaders are doing their part to live up to the constraints of the operating plan of the present Federal Seasonal Loan Plan. Labor contract negotiations are proceeding in a spirit of restraint and considerably diminished self-interest by the union leadership. Such enlightened action is applauded and should be a mark in favor of the new determination of city, State, and labor leaders to resolve as much as possible among themselves the difficulties of inflation, wages, and budget shortfalls.

Just as the public sector is operating to resolve the fiscal difficulties of the city, so is the private sector being called upon to invest in New York bonds—to the hefty sum of $1 billion, half again what the Federal guarantee will be under this bill before us.

A recent report to Chairman BILL MOORHEAD by the Comptroller of the Currency on the holdings by 306 banks holding over 20 percent of capital in New York paper indicates that New York banks now hold 80 percent of the outstanding city securities, with almost 60 percent held by the New York Clearing House Association alone.

And Mr. Chairman, I would like to submit for the RECORD at this time the report of Comptroller John Heimann which details the extent and dimension of the holdings by banks across the country which have invested in New York. This report does not detail the extent of the investment of thousands of Americans and many other financial institutions holding less than 20 percent of their capital in New York securities. However, these investors look to us as the giants of finance do for a backup of their good faith investments in New York. If we can backstop the city, the city can fulfill its commitment to these investors without default and without unnecessary loss to anyone:

COMPTROLLER OF THE CURRENCY,
Administrator of National Banks,
Washington, D.C., March 2, 1978.

Re: Bankruptcy of the City of New York and the Banking System

Hon. WILLIAM S. MOORHEAD,
Chairman, Subcommittee on Economic Stabilization, Committee on Banking, Finance & Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: You have asked me to provide an assessment of the consequences for the nation's banking system of a bankruptcy or default by New York City. Specifically, a geographic summary report was requested on the impact on bank holders of New York City securities.

The Comptroller of the Currency, in conjunction with the Federal Reserve System, recently completed a survey of commercial bank ownership of certain New York securities. The obligations covered were those issued by New York City, New York State, New York agencies, and the Municipal Assistance Corporation (MAC). The institutions surveyed were 954 banks that had reported holdings of New York securities amounting to at least 20 percent of capital in our November, 1975 survey.

At that time, 718 banks held New York obligations totaling from 20 to 50 percent of their capital. Of those banks, 236 had holdings in excess of 50 percent of capital. The recently completed survey reflects that 236 banks now hold New York obligations amounting from 20 to 50 percent of capital and only 70 over 50 percent of capital.

Among the 306 banks which presently hold New York securities (state as well as city) amounting to more than 20 percent of capital, the holdings of New York City obligations total to only 3.6 percent of the total capital of those banks. We note that 80 percent of the outstanding city securities in the survey are held by institutions in New York State, with almost 60 percent held by the New York Clearing House Association (NYCHA) banks alone. However, this concentration of city paper held by the NYCHA banks totals only 2.5 percent of their capital. Based on this data, only a handful of (relatively small) commercial banks might suffer potentially severe capital or liquidity problems.[1]

Certainly a default by New York City would have some impact on the capital, liquidity and earnings on a larger number of banks. The extent of that impact would depend upon presently unknown circumstances including, for example, the city's financial position at that time; the degree of confidence in the city's future; the existence of any MAC exchange offer at that time; other conditions in the economy and the banking system; and the nature and extent of State and Federal actions taken to restore New York City's financial strength. In any event, from the perspectives of both the banking system and individual banks, the impact of a New York default would be manageable.

Before proceeding further, I should

[1] Information concerning the asset size and location of national banks holding New York securities in excess of 50 percent of capital is presently being compiled. We will provide it to you within the next day or two under separate cover.

acknowledge a potential bias. I am a New Yorker, and proud to be one. It has been my home, where I have voted and paid taxes. Despite these ties, I have attempted to be objective and speak as a bank regulator who has spent virtually all his working life associated with financial markets.

From that vantage point, it seems that the most important question is a systemic one. In my judgment, we must address the impact of the city's failure on the capital markets of the nation and the world. Certainly, the securities of other municipalities and States would be questioned. And notwithstanding facts, confidence in some major financial institutions might also be questioned. This country is one of the centers of world capital markets, and New York City is its financial heart. As such, our handling of the city's financial problems will significantly influence all those who trade with or invest in our nation.

Certainly, a default by New York City would be poorly received in the international capital markets. This is not because they are awash with New York City paper. Rather, the impact would be attitudinal, engendering the belief that our strong and diversified nation is unable to come to grips with its own problems. Foreign capital would demand increasingly greater levels of protection as the price for entering segments of our economy. From the foreigners' point of view, that would be an apparently responsible course of action.

In short, it is my view that a New York City default or bankruptcy would result in an unfortunate loss of confidence in our system. Or economy and capital markets could ill afford that loss.

The problems of New York City are of concern to this Office and to me personally. Please be assured that we will continue to monitor closely the impacts of these problems, especially on our commercial banking system, and we stand ready to provide further analysis and assistance as necessary. I trust that this will prove useful to you and the Subcommittee, and remain

Very truly yours,

JOHN C. HEIMANN,
Comptroller of the Currency.

HOLDINGS OF NEW YORK OBLIGATIONS BY THE NEW YORK CLEARING HOUSE BANKS

[Dollar amounts in millions]

	As of Dec. 31, 1977		New York City obligations	Municipal assistance corporation	New York State obligations	New York State agencies obligations	Total New York obligations
	Gross capital[1]	Total deposits					
New York City Clearing House banks	$13,319	$112,601	$328	$1,662	$1,316	$912	$4,218

[1] Includes reserve for possible loan losses for member banks.

Source of data: The data were obtained from a survey of all member banks located in New York State conducted as of Dec. 31, 1977, by the Federal Reserve Bank of New York.

DISTRIBUTION BY STATE OF SIGNIFICANT HOLDINGS (PAR VALUE) BY COMMERCIAL DEPARTMENTS OF BANKS OF NEW YORK OBLIGATIONS

[Dollar amounts in thousands]

State	Number of Banks	Total deposits	New York City obligations	New York State obligations	New York State agencies obligations	Municipal assistance corporation obligations	Total New York obligations	Total capital	Number of banks with total New York obligations equal to: 20 to 50 percent of their capital	Number of banks with total New York obligations equal to: Over 50 percent of their capital
Alabama	10	$356,096	$4,425	$1,529	$3,925	$1,215	$11,094	$26,125	8	2
Arkansas	16	422,195	7,865	1,105	1,350	100	10,420	31,157	15	1
Florida	45	2,989,476	36,980	6,390	29,013	6,350	78,733	225,318	38	7
Illinois	15	667,153	8,419	1,989	3,725	0	14,133	54,427	14	1
Indiana	4	128,810	1,280	1,050	1,000	0	3,330	11,123	4	0
Louisiana	6	249,514	4,670	450	3,335	0	8,455	23,505	6	0
Massachusetts	5	413,409	6,060	150	5,610	200	12,020	27,276	4	1
Missouri	13	177,547	4,258	550	1,110	0	5,918	17,202	12	1
New Jersey	4	165,449	705	1,250	3,845	200	6,000	16,757	4	1
New York	98	218,351,864	443,172	1,880,481	1,191,019	1,695,305	5,209,977	14,642,939	51	40
North Dakota	5	62,370	1,335	445	145	0	1,925	6,301	3	7
Ohio	10	356,948	180	7,235	1,380	0	8,615	29,952	10	2
Pennsylvania	15	733,219	7,200	3,925	6,305	450	17,880	62,009	14	0
Tennessee	9	215,088	3,555	180	1,655	550	5,940	19,499	8	1
Texas	8	131,701	3,415	250	200	225	4,090	11,142	6	2

COMPTROLLER OF THE CURRENCY,
Washington, D.C., March 8, 1978.

Hon. WILLIAM S. MOORHEAD
Chairman, Subcommittee on Economic Stabilization, Committee on Banking, Finance and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: As indicated in our letter of March 2, 1978, please find two tables enclosed showing the distribution by size and location of national banks holding New York securities in excess of 50% of their capital. These tables should be read in conjunction with those enclosed with our March 2 letter.

If we may be of any further service, please feel free to contact us.

Very truly yours,

JOHN G. HEIMANN,
Comptroller of the Currency.

DISTRIBUTION BY BANK LOCATION

Number of national banks that hold New York City, New York State, New York State Agencies, and Municipal Assistance Corporation obligations in excess of 50% of their capital.

State	
District of Columbia	1
Florida	6
Massachusetts	1
New York	32
Pennsylvania	1
West Virginia	1
Total	42

DISTRIBUTION BY BANK SIZE

Number of national banks that hold New York City, New York State, New York State Agencies, and Municipal Assistance Corporation obligations in excess of 50% of their capital.

Asset Size as of 12–31–77
(In dollars)

	Number
Under 25 million	10
25–100	17
100–500	11
500–1 billion	2
Over 1 billion	2
Total	42

Mr. Chairman, if we fail to secure the economic base of the city, not only will these investors lose, but the Federal Government will be faced with a rescue effort costing more than the backup guarantee.

I know that each Member has received the report from the mayor of New York. It is dated April 27, 1978, but it is still germane and not outdated in its substance. Acknowledging with deep gratitude the rescue aid within the seasonal loan program which expires on June 30, all New Yorkers join the mayor in emphasizing that what is requested in this bill is not a loan. It is not cash in advance. It is merely a promise, a guarantee by the Federal Government extended under the strictest terms and conditions that should New York falter, the bonds would be redeemed.

THE CITY OF NEW YORK,
OFFICE OF THE MAYOR,
New York, N.Y., April 27, 1978.

A REPORT FROM THE MAYOR OF NEW YORK CITY

To: Members of the Senate and the House of Representatives

From: Edward I. Koch, Mayor of the City of New York

Although I left Congress on December 31st to become Mayor of New York City, the fate of my City requires that I return to Washington for assistance. During the past four months, I have spoken with a number of Members about New York City's aid request and I recognize that there is a lot of misunderstanding about what we are asking of the Federal Government. Indeed, one Member recently said to me, "How can you expect the Congress to give New York $2 billion?" The answer is we can't—and in fact we are not asking the Federal Government to give a cent. We are asking for loan guarantees, not a subsidy. We are asking the Federal Government to provide temporary relief to enable the City to correct the problems of the past and put the City back on its feet financially.

I would like to outline specifically what we are requesting and the actions I am taking

as New York City's new Mayor to prove why our financing proposal represents a minimal risk for the Federal Government, and why in fact it is a good investment.

On June 30, 1978, the Seasonal Financing Act, which provided short-term financing to the City of New York, will expire. This legislation, enacted in the fall of 1975, provided immediate relief to the City and helped to save it from fiscal disaster.

Substantial contributions to this relief effort also have been made by City pension funds, municipal employees, the State of New York, the financial community, and the Municipal Assistance Corporation.

CITY ACTIONS

In the thirty-three months since the onset of the financial crisis, the City has taken the following actions necessary for recovery:

The City's workforce has been reduced by 61,000 jobs or 20 percent of the 1975 level;

Employee contributions to pensions have increased, saving the City $49 million in Fiscal Year 1978 and $97 million in Fiscal Year 1979;

Welfare rolls have been reduced from a high in 1972 of 1,265,300 to 931,600, and the number of ineligible recipients has been reduced from 14.3 percent in the first six months of FY 1975 to 7.9 percent in the first six months of FY 1978;

Tuition fees have been imposed at City University;

Subway fares have been increased by 42 percent;

19 fire companies have been closed and funding for 77 day care centers has been eliminated;

A demonstration program of "absence control" in four Mayoral agencies yielded an overall reduction of 33 percent. This program was expanded to all agencies;

Accounting practices have been reformed and a new financial management and control system has been installed.

Although the City has accomplished a great deal since 1975, these actions and decisions have not enabled it to regain access to the public credit markets. This was evidenced by the failure of a New York City note offering in November as well as by the Municipal Assistance Corporation's difficulties in marketing a refunding issue in January. Additionally, the 1975 legislation did not provide the City with money to meet its long-term needs. Our physical plant has deteriorated visibly but the current rate of capital spending does not permit needed rehabilitation. At the present rate of spending, the City's sewers would be replaced at a cycle of once every 300 years and its streets and water mains at a cycle of once every 200 years. No urban area can long survive with this level of investment because a deteriorating plant undermines all attempts to stimulate economic development and to provide a decent quality of life.

For these reasons, the City is proposing that the Seasonal Financing Act be replaced by a program of guarantees that will permit the City to resolve the fiscal crisis and regain investor confidence. The guarantees would support up to $2 billion in City obligations to be sold over the next four years to City and State pension funds. These obligations would have a maturity of up to fifteen years thereby permitting the City to meet its long and short term financing needs. As part of the Four Year Financial Plan, the City is also seeking a $1 billion commitment from New York based financial institutions. Finally, another $1.5 billion in obligations would be sold in additional private placements or through public offerings. This plan should enable the City to meet all of its financing needs at the end of the Four Year Plan without further Federal assistance.

The principal bill embodying the City's financing proposals is H.R. 12426, introduced by Representative William Moorhead. This legislation has been reported out of the House Banking Subcommittee on Economic Stabilization. Additionally, the Administration's proposal has been introduced by Senators Moynihan and Javits as S. 2892.

Initially, the City had hoped to settle its labor negotiations before approaching the Congress for legislation. This proved impossible. At this time, the City of New York is awaiting the ratification of the transit pact and negotiations with municipal unions are continuing.

The City cannot effectively negotiate under time constraints imposed by a demand to finalize a labor settlement with all City workers before enacting the Federal loan guarantee program. The fate of 7½ million New Yorkers must not be jeopardized by the demands of 190,000 City workers. What is important is that the City conform to the objectives outlined in the Four Year Plan, so that any labor agreements do not result in an unbalanced budget.

It should be noted that with the continuation of the independent fiscal monitor—a requirement of both the House and Senate bills—the City cannot enter into labor contracts that would unbalance our budget or that are beyond the ability of the city to pay under the Four Year Financial Plan. In addition, the Federal legislation could contain the condition that no guarantees would be provided unless the Secretary of the Treasury certifies that the Financial Plan, which is on file with the Secretary, has not been breached.

On April 26, I submitted the Fiscal Year 1979 Executive Budget, which is balanced in accordance with the MAC Act. This budget provides funds for a reasonable settlement with the municipal labor unions. As you know, the Four Year Financial Plan made no provision for a labor settlement. The 1979 Budget, by making provisions for a labor agreement, eliminates this uncertainty.

Our offer to the coalition of municipal employees amounts to $610 million over two years, less $100 million in "give-backs" of previously negotiated benefits. In the context of our $13.5 billion budget, I believe that this increase, which is over two years, would be a very reasonable settlement. I realize that a reasonable labor settlement is critical to the availability of Federal assistance. Yet delay in action on the legislation is undercutting my ability to negotiate such a settlement.

As you review the City's request for guarantees, it is important that you note that the City has repaid all of its borrowings under the 1975 Act on time or in advance, at an interest rate of 1% above the Treasury's borrowing rate. This has resulted in a profit for the Federal government of over $30 million. When our proposed guarantee program is fully established, the Federal government will reap a profit of up to $10 million a year from the guarantee fee.

For the rest of this report, I want to explain the steps I am taking as Mayor to ensure that the risk is minimized.

MANAGEMENT REFORMS

One of my objectives as Mayor is to guarantee that every opportunity for economy—no matter how small—is utilized. I am seeking to instill that attitude throughout the City's workforce. For example, I refused to permit City workers to take "snow days" during the recent storms. By requiring City workers to report for duty regardless of the snow, I saved the City over $8½ million in overtime and compensatory time costs. As I stated my position, "If the Mayor can report to work, so can other City employees."

In the same spirit, I have limited the assignment of cars to City officials and placed restrictions on City vehicle pools. When one official requested a car and driver to examine bus routes, I turned down his request and suggested that he take the bus instead.

On a larger scale, I have sought to implement management reforms that will save the City dollars, and will also maintain or improve the quality of City services to the greatest extent possible. These efforts include:

"desk audits" of managerial positions in the City to determine whether the job's duties are needed and if the pay is appropriate.

the reorganization of several social programs. I have totally restructured our Model Cities program to cut administrative costs, eliminate ineffective programs, and improve services. The City's Community Action Program has been brought under my direct supervision in order to stem the abuse of these anti-poverty funds by some unscrupulous sponsors. Similarly, I have instituted strict review procedures for private entities receiving CETA contracts to guarantee that contracts are awarded to reliable sponsors;

strengthening the Offices of Inspector General throughout agencies to increase oversight capabilities and better monitor performance within the agencies;

formation of a special Task Force under Deputy Mayor Herman Badillo to oversee agency follow-through on the City Comptroller's audits;

a concerted effort to reduce further the cost of welfare abuse. Secretary Califano and I have announced an HEW-sponsored upgrading of the City's computerized control system;

issuance of an executive order establishing new procedures to insure competitive bidding in awarding concessions, which should raise City revenues by millions of dollars.

SUMMARY

I have tried to inform you of the efforts New York City has made and is making to regain financial stability. Extending the Federal financing facility would give New York City the time it needs to restore investor confidence in its securities. For Fiscal Year 1978, the U.S. Government has outstanding loan guarantees of $324 billion for projects ranging from Washington D.C.'s subway and RFK Stadium to $27 million for the Geothermal Resources Development Fund. The Maritime Administration, which has guaranteed loans to shipbuilders since the 1950's, is permitted by statute to guarantee up to $17 billion in loans. Under New York City's proposal, the Federal Government's exposure would at no time exceed $2 billion.

President Carter's national urban policy has been a widely discussed topic these past few months. I submit to you that the most cost-effective urban policy that could be advanced by the Congress and the White House would be a program that provides New York City with the means to rectify its fiscal situation, while creating a foundation for economic recovery that will restore investor confidence in our municipality.

I would like to express the City's appreciation to Congressman William Moorhead, Chairman of the Economic Stabilization Subcommittee; his colleague, Congressman Stewart McKinney; Congressman Henry Reuss, Chairman of the House Banking Committee; New York's two Senators, Patrick Moynihan and Jacob Javits; and President Jimmy Carter and Secretary Michael Blumenthal for working with us in helping us achieve our goals.

NEW YORK'S FINANCIAL SITUATION
QUESTIONS AND ANSWERS

1. Q. What is the City requesting from the Federal government in order to become financially self-sustaining by Fiscal Year 1982?

A. The City is seeking Federal guarantees of $2 billion which could be used either for seasonal loans or for long-term loans to finance true capital projects. These capital projects would protect the revenue base of the City and reduce operating expenses. The guarantees would last up to fifteen years, and

the City would pay a guarantee fee of .5 percent each year on the amount guaranteed.

2. Q. Aren't there more than enough funds within New York to meet the City's financial needs?

A. While there are more than ample financial resources within New York, the ability to lend and the willingness to lend are unfortunately not the same thing. As seen by the failure of the City's Note Offering in November, the private credit markets remain closed to the City of New York, even though the City has repaid its Federal loans on or ahead of schedule and has met all other obligations to its creditors. To overcome the continuing concerns expressed over fiduciary requirements and other issues, the City has requested Federal guarantees of some of its securities which it will market over the next four years.

3. Q. In 1975, the City said the Seasonal Financing Act would be the only financing help it needed from the Federal government. Are there any assurances that the guarantee program is the last Federal financing help the City needs?

A. In 1975, City and State officials believed that the three year Seasonal Financing program would allow sufficient time for the City to balance its budget in accordance with the MAC Act and thereby regain access to the credit markets. Although the City expects such a balanced budget for the Fiscal Year ending June 30, 1978, the market problems were more severe than anyone realized and the City has not been able to sell its securities publicly, as seen in the failure of its Note Offering in November. Part of the problem is that the budget does not conform in all respects to generally accepted accounting principles (GAAP). By Fiscal Year 1982, it will. In addition, the seasonal loan facility did not enable the City to make the capital improvements necessary to attain long-term vitality. Without that vitality, investors lack asurance that the balance between revenues and expenses can be maintained. While no one can predict the future with certainty, City officials believe that the Federal guarantee program will give the City time to achieve a record of balanced budgets while reducing past financing pressures so that it can enter the market on its own strength at the expiration of the proposed four year program.

4. Q. What will be the cost to the Federal government?

A. It is expected that the guarantee will, like the Seasonal Financing Act, produce a profit for the Treasury. This profit will come from the guarantee fee the City is offering to pay the Federal government. The Federal government will have made over thirty million dollars from the Seasonal Financing Act by June 30, 1978 as a result of the premium the City has paid for this facility over the Government's interest cost.

5. Q. What has the State done to help the City?

A. As Secretary Blumenthal said in his testimony, New York State has taken major steps to help. It now advances $800 million annually to provide working capital for the City. It funds 75 percent of the costs of the City University senior colleges. It is assuming responsibility for funding the City's courts. It established the Emergency Financial Control Board to oversee the City's budgets and borrowings. Most recently, Govenor Carey provided the City with $250 million in additional aid to help the City balance its fiscal 1979 budget and he pledged over $75 million to help pay for the transit settlement.

6. Q. Why can't the State guarantee the City's bonds?

A. The State of New York is constitutionally prohibited from lending its credit in this way.

7. Q. Why has the State cut taxes by $750 million if the City needs more help?

A. As previously mentioned, the State has provided $250 million for Fiscal Year 1979 to help the City balance its budget. The tax cut is designed to stimulate economic activity within the State. In the past, businesses left the State because of the heavy tax burden but it is believed that the tax cut will stop or at least reduce the outflow. To the extent this happens, it will benefit the City. Even with the tax reductions, New York will continue to rank as one of the highest in per capita State and local tax collections.

8. Q. When will the City obtain a truly balanced budget?

A. As mentioned, the City has taken many steps to obtain an equilibrium between its revenues and its expenses and it expects to have a balanced budget in the current fiscal year in accordance with the MAC legislation. As outlined in the Four Year Financial Plan submitted to the Secretary of the Treasury on January 20th, the City expects to have a budget balanced in accordance with generally accepted accounting principles in fiscal 1982.

9. Q. Won't a high labor contract make a balanced budget difficult to achieve?

A. The Fiscal 1979 Executive Budget is balanced and provides for a reasonable labor settlement, and the Four Year Financial Plan identifies additional funds for labor costs in the following years without increasing the City's projected budget gap.

10. Q. What is the impact of New York City's financial problems on other localities?

A. One example of the impact of New York's financial situation on other localities became evident shortly after the fiscal crisis became fully public in July 1975. According to Dr. John E. Peterson of the Municipal Finance Officers Association, municipalities in every state experienced increases in the interest rates on the bonds sales. He estimated that the added-interest costs of state and local borrowers was $147 million in the first year.

What is very important to note is that by extending this medium term backing of up to 15 years for borrowings by the city, the Federal Government creates an environment of stability within which shorter term cash needs can be managed by public borrowings.

In short reprise of the major points in the bill produced after great deliberation by the Economic Stabilization Subcommittee under the leadership of our colleague from Pennsylvania, BILL MOORHEAD, and by the Full Banking Committee under the guidance of our colleague from Wisconsin, HENRY REUSS, I note several items worth mention.

First, this is not a cash outlay such as the seasonal loan is: It is long term and callable only if default is inevitable.

Second, minimal Federal involvement is envisioned: Covering a portion of the risk of the borrowings for as short a time as possible.

Third, it is required that a balanced budget—without fiscal gimmicks—be adhered to.

Fourth, a right to the Secretary of Treasury to intercept transfer payments owed and due the city under Federal projects, but which the city has ransomed to its credit future.

Fifth, a strong State oversight responsibility for the city.

Sixth, sincere and effective labor negotiations restricting wages and increasing job productivity of municipal workers and professional staffs.

Seventh, a negotiated interest fee to the Federal Government of all moneys actually extended as part of the guarantee will not be below the market price for Federal funds at that same time. The Federal Government will make money on any loan.

Eighth, additionally, a .5 percent fee will be collected by the Treasury to cover the administration of the guarantee, whether the guarantees are called upon or not. Again, the Treasury and the Federal taxpayer makes money on New York.

Ninth, the ripple effect on New York's failure will hit home in every bond sale in the country as risk-taking for public purposes gets a black eye in the money markets. School bonds, road projects, and water and sewer bondings would all reflect the price of investor reluctance to "go public" in their portfolios.

In summation, Mr. Speaker, I would urge approval of this aid package in order to get New York on its own feet and off the back of the Federal Government. The city and the State want no more the role of a dependent or an indentured servant than the Federal Government wants another mouth to feed. But until it can go it alone, the city needs our help, our assurance, our blessing of its reformation and renascence.

Thank you Mr. Chairman.●

● Mr. LONG of Louisiana. Mr. Chairman, the decision on extending aid to New York has been a particularly troubling one for many Members of the House.

I have been as concerned as anyone about lending Federal credit to a local government. New York got into trouble 3 years ago as a result of excessive borrowing, loose spending, and budgetary gimmicks. No Government official or private citizen can view New York's past fiscal procedures with anything but alarm. In 1975, when the House first considered aid to the city, I reluctantly supported the seasonal financing program only after sufficient assurances had been given that the city's indulgences were past and that it would put its financial house in order.

Since that time, New York has repaid to the Treasury the full $2.3 billion in short term loans, plus a $40 million profit on the interest payments. There have been other signs of fiscal rehabilitation. Free tuition at the city university has been ended, the city work force has been reduced by 20 percent, there is a tougher attitude toward welfare eligibility. New York is more than halfway to a balanced budget, based upon generally accepted accounting principles.

The prospect of a balanced budget is central to our decision here because without it, the city can never hope to get back into the private credit market. And without sustained access to the private credit market—for both seasonal and long term borrowing—the city can never hope to function.

In my consideration of this issue, I have had to weigh carefully the evidence of New York's efforts at rehabilitation. I have also had to consider carefully the effects of the city's financial stability on communities—large and small—throughout the Nation. New York produces an impact on the market from which no one is immune.

As a representative from Louisiana, I

was particularly concerned to note that my State is ranked among the top 10 which would suffer most if New York should default. Louisiana currently has contracts with the city totaling $30.6 million with total outstanding contract liabilities of $26.4 million. There are only four States in the union which would have greater potential financial vulnerability than Louisiana should New York be forced into bankruptcy and subsequently default on its obligations. My own congressional district, which is a predominantly rural area in the heartland of the State, has outstanding contracts of more than half a million dollars.

Not only do the various regions of our Nation have a stake in the stability of New York, but so too do other nations. As long as New York remains the financial capital of the world, we cannot afford to ignore the psychological implications of a default on the foreign exchange market and, ultimately, on the date of the dollar abroad.

In sum, it would seem shortsighted to risk bankruptcy at this stage—particularly with all the consequences for the financial markets and for the municipal bond interest rates. This is why I have determined that the sensible course for all concerns is to keep the process of recovery going through the Federal bond guarantees proposed in this legislation. It is a protection for the Nation and for the State of Louisiana. If all contingencies are satisfied, it is a protection that will cost the taxpayers nothing.●

● Mr. LEGGETT. Mr. Chairman, I am obviously not from New York City, so I lay claim to the objective view of its problems that distance can provide. From that vantage point, I have determined that the proposal before us should be approved.

Like virtually every American not directly connected with New York's problems, I was frankly appalled at some of the examples of fiscal profligacy that served to create the circumstances we are dealing with. But things change, and New York City has, too.

When Congress passed the New York City Seasonal Financing Act of 1975, the city had a true budget deficit of at least $2 billion. By the start of July 1978 the deficit should be down to about $600 million. The city has repaid all seasonal loans on or ahead of schedule and has provided the Treasury Department with a $40 million profit from interest payments on the loans. Additionally, the city has kept outlays constant since 1975 despite a 6 percent annual inflation rate. It has cut the number of city employees by 20 percent, reduced subsidies to the city university and instituted tuition fees, increased subway fares 42 percent, and tightened welfare requirements to reduce the city's welfare rolls.

Past budgetary practices are being corrected and projected deficits have been higher than actual deficits, rather than lower as was common in the past. The city is phasing out its use of long term capital borrowing for administrative and operating expenses—uses that would not be considered acceptable accounting procedures in the private business community.

Nevertheless, while the patient is improving, the recovery is not yet complete. And there are reasons to believe that the fever will spread in the absence of Federal action. The entire structure of municipal bonding twitched to the tune of $700 million in increased costs to localities as a result of the New York experience. The fallout of a full-scale default on such markets defies the imagination. So it is literally true that New York's problems are all of our problems.

I have communicated directly with our former colleague, Ed Koch, on this matter, and his message to those who support this measure is, "You will not be sorry." I believe him, and I believe that our committee has brought forth a sound bridge to fiscal solvency which New York is prepared to cross in good faith.●

● Ms. HOLTZMAN. Mr. Chairman, I rise in strong support of the H.R. 12426, the New York City Financial Assistance Act of 1978.

There has been much discussion about the property of the Federal Government's providing long-term loan guarantees to New York City. There is no question in my mind that such loans are both proper and desirable and I would like to bring several important facts to the attention of my colleagues.

First, New York City has complied with every condition required of it by the Congress in 1975 when the original legislation was passed. The city has repaid all seasonal loans on or ahead of schedule and has paid over $40 million in interest charges.

Second, the city has significantly decreased its expenditures. It has cut the number of city employees by 20 percent, imposed tuition at the city university, increased subway fares by 42 percent, and tightened welfare requirements to reduce the city's welfare rolls. In addition, fire stations and day care centers have been closed, and services have been cut back. The sacrifices made by the people of New York have been extraordinary.

Third, New York City has substantially reformed its budgeting practices. All expense items are being phased out of the capital budget 4 years earlier than required by law, so that the New York City budget is expected to be in balance (according to generally accepted accounting principles) by 1981. A sophisticated computerized fiscal management system has been installed. An independent accounting firm now audits all city accounts.

Finally, the State-controlled Emergency Finance Control Board closely monitors all of New York's financial transactions. As a result of all these measures the city has reduced its true budget deficit by over 67 percent.

Clearly, New York City has demonstrated both a willingness and an ability to put its financial house in order when it is given the time to do so.

Loans and loan guarantees are not unusual—the United States routinely provides them to foreign governments. At my request, the Agency for International Development prepared several tables which show that since 1975, over $3.8 billion in such loans have been made by the United States. Most of these loans have been made for a 40-year period with a 2-percent interest rate for the first 10 years and 3 percent for the remaining 30 years. Contrast these terms with those forced upon New York City for its $2.2 billion short term loans: an 8 percent rate of interest with each loan payable within 1 year. Furthermore, New York City has repaid every cent that it has borrowed—how many foreign countries can make that claim?

No one can seriously argue that the financial stability of New York City is any less important to the security of the United States than that of Botswana, Guyana, Malawi, or Zaire, all of which have received loans since 1975. Clearly we should be willing to do at least as much for Americans as we are willing to do for foreign countries.

We should also bear in mind that a default by New York City would have disastrous effects on the rest of the country and the world. The municipal bond market would be shaken; other States and cities would as a result have to pay unacceptably high interest rates to make their securities marketable, or might even find themselves shut out of the bond market entirely. If a number of State and local agencies are unable to borrow, or can borrow less money than before, or must defer borrowing because they cannot afford higher interest rates, the effects will be even more severe: taxes will have to be raised to balance some local budgets; schools will not be built; construction projects will be terminated; and government services will be curtailed.

A New York default would also have an adverse impact on the already unsteady value of the American dollar and would undermine world confidence in the ability of the United States to solve its serious economic problems at home.

The potential costs of allowing New York City to go into bankruptcy could, therefore, be substantial. On the other hand, H.R. 12426 will not result in any additional cost to Federal taxpayers. Despite the misleading comments from the anti-New York diehards, this bill will not cost any taxpayer a single penny. In fact, the Federal Government will make money from this bill. The fees that New York City will be charged in connection with these loan guarantees will more than offset the costs of implementing the program. Moreover, since the bonds to be guaranteed will be taxable the Federal Government will receive additional tax revenues.

The widespread impression that New York is already receving substantial Federal assistance is only part of the story and therefore misleading. In 1976, New York actually paid out $7.4 billion more in taxes than was received from the Federal Government. Thus this "deficit" was used at New York's expense to finance facilities and services throughout the rest of the country.

But New York City is not asking for a handout of additional Federal funds. Instead, it is merely asking that the Federal Government display its confidence in the city's ability to handle its own financial problems—an ability that has been amply demonstrated over the past 3 years—by guaranteeing its securities.

This is not simply an issue of local concern. New York City is the Nation's largest and most important city and the communications, cultural, financial, and social hub of the Western World. New York's survival is crucial to America.

I strongly urge my colleagues to support this bill.●

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I understand that the gentleman from Ohio (Mr. STANTON) has no further requests for time.

Mr. STANTON. Mr. Chairman, the gentleman from Pennsylvania is correct.

I yield back the balance of my time.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

The CHAIRMAN. Under the rule, the Clerk will now read the bill by titles. No amendment to title II of the bill, including an amendment in the nature of a substitute which would change title II, shall be in order except amendments recommended by the Committee on Ways and Means, and said amendments shall not be subject to amendment.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "New York City Financial Assistance Act of 1978."

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. STRATTON) having assumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12426) to authorize the Secretary of the Treasury to provide financial assistance for the city of New York, had come to no resolution thereon.

STATUS OF THE CONGRESSIONAL BUDGET FOR FISCAL YEAR 1978

(Mr. GIAIMO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GIAIMO. Mr. Speaker, the House Budget Committee today has notified the Speaker of the House on the status of the fiscal year 1978 congressional budget. A copy of my letter to the Speaker and the committee's report are attached at the end of these remarks.

My last report to the House compared the current level, that is, the level of spending and revenues committed by Congress as of March 9 to the second budget resolution. Today's report revises the current level to account for spending actions of Congress since then and several reestimates as a result of the President's March 13 review required by the Budget Act.

Legislation enacted since my last report which changes the current level for budget authority and outlays includes the first budget rescission bill, the disaster relief supplemental, the USRA supplemental, and the SBA disaster loan supplemental. In addition, the District of Columbia appropriation for fiscal year 1978 has been signed into law. The President's March 13 budget revisions resulted in downward outlay reestimates to the current level for the Export-Import Bank and Strategic Petroleum Reserves. The attached chart summarizes these changes to the current level.

These changes to the current level result in an amount remaining of $3.5 billion in budget authority and $6.9 billion in outlays when compared to the aggregates contained in the second budget resolution. All spending or revenue measures for fiscal year 1978 must be funded from this amount remaining if the Congress is to stay within the limits of its budget between now and the close of the fiscal year on September 30.

CHANGES TO THE CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1978

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level, as of Mar. 9, 1978	495,479	452,029	398,525
Reestimates		−1,235	
Redwood Park expansion readjustment assistance (Public Law 95-250)	1	1	
First budget rescission bill (Public Law 95-254)	−55		
Disaster relief supplemental (Public Law 95-255)	300	174	
U.S. Railway Association supplemental appropriation (Public Law 95-282)	13	10	
SBA Disaster Loan supplemental appropriation (Public Law 95-284)	821	358	
District of Columbia, 1978—net effect of substituting enacted bill for continuing resolution	28	28	
Current level, as of May 23, 1978	496,587	451,366	398,525
Second budget resolution	500,100	458,250	397,000
Amount remaining	3,513	6,884	1,525

WASHINGTON, D.C.,
June 6, 1978.

Hon. THOMAS P. O'NEILL, JR.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedures which it had adopted in connection with its responsibilities under Sec. 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under H. Con. Res. 341, the Second Budget Resolution for FY 1978. This report reflects the resolution of September 15, 1977, and estimates of budget authority, outlays and revenues based on all completed action on spending and revenue measures as of close of legislative business, May 23, 1978.

Sincerely,

ROBERT N. GIAIMO,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1978 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 341

Reflecting completed action as of May 23, 1978

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	500,100	458,250	397,000
Current level	496,587	451,366	398,525
Amount remaining	3,513	6,884	1,525

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $3,513 million for fiscal year 1978, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 341 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is included in the current level estimate and which would result in outlays exceeding $6,884 million for fiscal year 1978, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 341 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $1,525 million for fiscal year 1978, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 341.

WASHINGTON, D.C.,
May 23, 1978.

Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the

Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenue in comparison with the appropriate levels for these items contained in the most recently agreed to concurrent resolution on the 1978 budget. The current level estimates are as of close of business May 23, 1978.

Since my last report the President has signed into law two recently passed supplemental appropriations, for the disaster loan program (P.L. 95–284) and the U.S. Railway Association (P.L. 95–282). Also, the appropriation for fiscal year 1978 for the District of Columbia has cleared both Houses and been sent to the President for signature, changing both budget authority and outlays.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	492,235	447,129	398,525
2. Entitlement authority and other mandatory items requiring further appropriation action	3,953	3,828	.....
3. Continuing resolution authority	.....	.....	.....
4. Conference agreements ratified by both Houses	399	409	.....
Current level	496,587	451,366	398,525
Second concurrent resolution	500,100	458,250	397,000
Amount remaining:			
Under ceiling	3,513	6,884	.....
Over floor	.....	.....	1,525

Sincerely,

ALICE M. RIVLIN,
Director.

PARLIAMENTARIAN STATUS REPORT SUPPORTING DETAIL, FISCAL YEAR 1978 AS OF CLOSE OF BUSINESS MAY 23, 1978

[In millions]

	Budget authority	Outlays
I. Enacted		
Permanent appropriations and trust funds	241,420	222,805
Offsetting receipts	−62,488	−62,488
Enacted last session	304,310	284,439
Enacted this session:		
Black Lung Benefits Revenue Act of 1977 (P.L. 95–227)	92	.....
Black Lung Benefits Reform (P.L. 95–239)	.....	69
Endangered American Wilderness Act (P.L. 237)	9	9
Supplemental Appropriation Bill, 1978 (P.L. 95–240)	7,800	1,739
Urgent Power Supplemental Appropriation (P.L. 95–246)	13	13
First Budget Rescission Bill, 1978 (P.L. 95–254)	−55	.....
Disaster Relief Supplemental Appropriation (P.L. 95–255)	300	174
U.S. Railway Supplemental Appropriation (P.L. 95–282)	13	10
SBA Disaster Loan Supplemental Appropriation (P.L. 95–284)	821	358
Total, enacted	492,235	447,129
II. Entitlement authority and other mandatory items requiring further appropriation action		
Function 050:		
Retired pay (anticipated supplemental)	140	140
Department of Defense, civilian and military pay (anticipated supplemental)	2,161	2,096
Function 600:		
Black Lung Benefits Reform (P.L. 95–239) (anticipated supplemental)	4	4
Readjustment assistance for workers displaced by Redwood Park expansion (P.L. 95–250)	1	1
Function 700:		
Veterans compensation and pensions (anticipated supplemental)	490	445
Veterans Administration physician and dentist pay comparability (anticipated supplemental)	4	4
Function 800:		
Payment to Civil Service Retirement Disability Trust Fund (anticipated supplemental)	439	439
Offsetting receipts	−439	−439
Function 920:		
Civilian agency pay raise (anticipated supplemental	1,153	1,138
Total, entitlement authority	3,953	3,828
III. Continuing Resolution Authority	(1)	(1)
IV. Conference Agreements Ratified by both Houses:		
District of Columbia Appropriations, 1978 (H.R. 9005)	399	409
Total current level, as of May 23, 1978	496,587	451,366
Current resolution of September 15, 1977	500,100	458,250
Amount remaining:		
Over ceiling	.....	.....
Under ceiling	3,513	6,884

[1] Continuing Resolution (P.L. 95–205) authority provides funding through September 30, 1978 for Labor-HEW appropriations, at level of conference agreement on H.R. 7555, at 1977 rate. Amounts are shown in the enacted category above.

YOUNG AND THE POLITICS OF WORLD HUNGER

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, I am pleased to say that the information I have been presenting in my ongoing debate on Foreign Aid is causing increasing discussion not only here in Washington, but all over the country. This is good.

This debate, even though heated at times, is a welcome change from the past when only token consideration was given to foreign aid bills before they passed and then were conveniently ignored with the hope that the people would ignore them too. Like any debate, this one has two sides. In this case, there are those who agree with me and those who do not. I appreciate them both, because only through a thorough presentation of both sides can the American people know just what foreign aid is and is not.

As ranking minority member of the Appropriations Committee's Subcommittee on Foreign Operations, I have to be extremely cautious about the accuracy of the facts I use in presenting my arguments. A great deal of checking and double-checking this material is done before it is used in my presentations. Even most of those who disagree philosophically with me on the floor of the Congress have been highly complimentary about the homework I do, not only in developing and presenting information, but in establishing its accuracy.

Unfortunately, the most recent and vocal criticism of my efforts to reform our foreign aid program has been somewhat less then accurate. It has been charged that what I am really trying to do is keep food from the hungry people in foreign nations. While that premise certainly stimulates emotion, it is just not the case. The program through which Americans feed hungry people around the world is our food for peace program, operated under Public Law 480. This is not the law to which my efforts are or have been directed, in fact, my subcommittee does not even have jurisdiction over this program.

For the record, let me establish again that the "indirect" American aid to Vietnam, Cambodia, Laos, Uganda, and Cuba which I seek to stop is not "food." The aid to Vietnam is for development of their coal mines and other energy facilities, to rebuild Vietnamese railroads and to build dams and water control facilities on the Saigon River. How much good would it do to send aid to Cambodia while its Communist leaders are systematically starving thousands of their own countrymen to death, or to Uganda where Idi Amin presides over one of the most ruthless and corrupt governments or to Cuba while Castro uses other resources to spread violence and communism throughout Africa?

So I say to those who agree and to those who disagree, let us continue the debate, because the American people should know not only about the present commitments of our foreign aid program, but also the long-range commitments of our foreign aid program. The American people have a right to know what is in store for them when the so-called "New International Economic System" is established. And I must say also that if this debate is to mean anything to the Americans whose billions of dollars pay for the foreign aid program, it is important that the level of accuracy be kept high and that the level of innuendo be kept low.

PRESIDENT CARTER'S ADDRESS AT ANNAPOLIS ON RELATIONS BETWEEN THE UNITED STATES AND THE SOVIET UNION

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous material.)

Mr. BRADEMAS. Mr. Speaker, in just a few minutes President Carter will deliver an address to the 1978 graduating class of the U.S. Naval Academy at Annapolis, Md. I have read the text of the President's speech, which is devoted to a discussion of U.S. relations with the Soviet Union. I believe the address to be a most thoughtful, balanced, and significant expression of the policy of our country toward the Soviet Union.

I am sure that all Members of the House will read with great interest the President's address on this occasion, and I insert the text of his remarks at this point in the RECORD:

TEXT OF THE PRESIDENT'S ADDRESS TO THE 1978 GRADUATING CLASS OF THE U.S. NAVAL ACADEMY, ANNAPOLIS, MD., JUNE 7, 1978

I congratulate you members of the Class of '78. Although your education has just begun, you have laid the foundation for a career that can be as rewarding and challenging as any in the world.

As officers in the modern Navy, you will be actors in a worldwide political and military drama. You will be called upon not only to master the technicalities of military science and leadership, but also to have a sensitive understanding of the international community in which the Navy operates.

Today I would like to discuss one of the most important aspects of that international context—the relationship between the world's two greatest powers, the United States and the Soviet Union.

We must realize that, for a very long time, our relationship with the Soviet Union will be competitive. If that competition is to be constructive instead of dangerous and potentially disastrous, then our relationship must be cooperative as well.

We must avoid excessive swings in our public mood—from euphoria when things are going well, to despair when they are not; from an exaggerated sense of compatibility to open expressions of hostility.

Detente between our two countries is central to world peace. It is important for the world, for the American public, and for you as future leaders of the Navy to understand its complex and sensitive nature.

The word "detente" is simplistically defined as "an easing of tension between nations." The word is, in practice, further defined by experience as those nations evolve new means by which they can live together in peace.

To be stable, to be supported by the American people, and to be a basis for widening the scope of cooperation, detente must be broadly defined and truly reciprocal. Both nations must exercise restraint in troubled areas and in turbulent times. Both must honor meticulously those agreements which have already been reached to widen cooperation, mutually limit nuclear arms production, permit the free movement of people and the expression of ideas, and to protect human rights.

Neither of us should entertain the notion that military supremacy can be attained, or that any transient military advantage can be politically exploited.

Our principal goal is to help shape a world which is more responsive to the desire of people everywhere for economic well-being, social justice, political self-determination, and basic human rights.

We seek a world of peace. But such a world must accommodate diversity—social, political and ideological. Only then can there be genuine cooperation among many nations and cultures.

We desire to dominate no one. We will continue to widen our cooperation with the positive new forces in the world.

We want to increase our collaboration with the Soviet Union, but also with the emerging nations, with the countries in Eastern Europe, and with the People's Republic of China. We are particularly dedicated to genuine self-determination and majority rule in those parts of the world where these goals are yet to be attained.

Our long-term objective must be to convince the Soviet Union of the advantages of cooperation and of the costs of disruptive behavior.

We remember that the United States and the Soviet Union were allies in the Second World War. One of the great historical accomplishments of the U.S. Navy was to guide and protect the tremendous shipments of armaments and supplies from our country to Murmansk and other Soviet ports in support of our joint effort to meet the Nazi threat.

In the agony of that massive conflict, 20 million people in the Soviet Union died. Millions more still recall the horror and the hunger of that time.

I am convinced that the people of the Soviet Union want peace. I cannot believe they could want war.

Through the years our nation has sought accommodation with the Soviet Union as demonstrated by the Austrian Peace Treaty, the Quadripartite Agreement in Berlin, the termination of nuclear testing in the atmosphere, joint scientific explorations in space, trade agreements, the Anti-Ballistic Missile Treaty, and Interim Agreement on Strategic Offensive Armaments and the limited test ban agreement.

Efforts continue now with negotiations toward a SALT II agreement, a comprehensive test ban, reductions in conventional arms transfers to other countries, the prohibition of attacks on satellites, an agreement to stabilize the level of forces deployed in the Indian Ocean, and increased trade scientific and cultural exchange.

We must be willing to explore such avenues of cooperation despite the basic issues which divide us. The risks of nuclear war alone propel us in this direction.

The numbers and destructive potential of nuclear weapons have been increasing at an alarming rate. That is why a SALT agreement which enhances the security of both nations is of fundamental importance.

We and the Soviet Union are negotiating in good faith because we both know that failure would precipitate a resumption of a massive nuclear arms race. I am glad to repeat that the prospects for a SALT II agreement are good.

Beyond this, improved trade and technological and cultural exchange are among the immediate benefits of cooperation.

However, these efforts to cooperate do not erase the significant differences between us.

What are these differences?

To the Soviet Union, detente seems to mean a continuing aggressive struggle for political advantage and increased influence in a variety of ways.

The Soviet Union apparently sees military power and military assistance as the best means of expanding their influence abroad.

Obviously, areas of instability provide a tempting target for their effort, and all too often they seem ready to exploit any such opportunity.

As became apparent in Korea, Angola and Ethiopia, they prefer to use proxy forces to achieve their purposes.

To other nations the Soviet military buildup appears to be excessive—far beyond any legitimate requirement for defense of themselves or their allies. For more than 15 years they have maintained this program of military growth, investing almost 15 percent of their gross national product in armaments, and this sustained effort continues.

The abuse of basic human rights in their own country in violation of the agreement reached at Helsinki has earned them the condemnation of people everywhere who love freedom. By their actions they have demonstrated that the Soviet system cannot tolerate freely expressed ideas, notions of loyal opposition, and the free movement of peoples.

The Soviet Union attempts to export a totalitarian and repressive form of government, resulting in a closed society.

These characteristics and goals themselves create problems for the Soviet Union.

Outside their tightly controlled bloc, the Soviets have difficult political relations with other nations. Their cultural bonds with others are few and frayed.

Their form of government is becoming increasingly unattractive to other nations, so that even Marxist-Leninist groups no longer look on the Soviet Union as a model to be imitated.

Many countries are becoming concerned that the non-aligned movement is being subverted by Cuba, which is obviously closely aligned with and dependent upon the Soviet Union for economic sustenance and for political and military guidance and direction.

Although the Soviet Union has the second largest economic system in the world, its growth is slowing greatly, and its standard of living does not compare favorably with that of other nations at an equivalent stage of development.

Agricultural production still remains a serious problem for the Soviet Union, so that in times of average or adverse crop-growing conditions they must turn to us or to other nations for food supplies.

We are in a much more favorable position. Our industrial base and productivity are unmatched; our scientific and technological capability is superior to all others; our alliances with other free nations are strong and growing stronger; and our military capability is second to none. We are surrounded by friendly neighbors and wide seas. Our societal structure is stable and cohesive, and our foreign policy enjoys bi-partisan public support which gives it continuity.

We are also strong because of what we stand for as a nation: the realistic chance for every person to build a better life; protection by law and custom from arbitrary exercise of government power; the right of every individual to speak out, to participate full in government—to share political power.

Our philosophy is based on personal freedom, the most powerful of all ideas, and

our democratic way of life warrants admiration and emulation by other people.

Our work for human rights makes us part of an international tide, growing in force. We are strengthened by being a part of it.

Our growing economic strength is also a major potential influence for the benefit of others. Our gross national product exceeds that of all nine countries in the European Economic Community, and is more than twice as great as that of the Soviet Union. Additionally, we are now learning how to use our resources more wisely, creating a new harmony between our people and our environment.

Our analysis of American military strength also furnishes a basis for confidence.

We know that neither the United States nor the Soviet Union can launch a nuclear assault on the other without suffering a devastating counterattack which could destroy the aggressor.

Although the Soviet Union has more missile launchers, greater throw-weight and more air defense; the United States has more warheads, generally greater accuracy, more heavy bombers, a more balanced nuclear force, better missile submarines and superior anti-submarine warfare capability.

A successful SALT II agreement will leave both nations with equal but lower ceilings on missile launchers and missiles with multiple warheads. We envision in SALT III an even greater mutual reduction in nuclear weapons.

With essential nuclear equivalence, relative conventional force strength has now become more important. The fact is that the military capability of the United States and our Allies is adequate to meet any foreseeable threat.

It is possible that each side tends to exaggerate the relative military capability of the other. Accurate analyses are important as a basis for making decisions for the future.

False or excessive estimates of Soviet strength or of American weakness contributes to the effectiveness of Soviet propaganda efforts.

For example, recent alarming news reports of military budget proposals for the U.S. Navy ignored the fact that we have the highest defense budget in history and that the largest portion of this will go to the Navy.

You men are joining a long tradition of superior leadership, seamanship, tactics and ship design. I am confident that the U.S. Navy has no peer on the seas today and that you will keep it so.

Let there be no doubt about our present and future strength. This brief assessment shows that we need not be overly concerned about our ability to compete and to compete successfully. There is certainly no cause for alarm. The healthy self-criticism and free debate which are essential in a democracy should never be confused with weakness, despair or lack of purpose.

What are the principal elements of American policy toward the Soviet Union? Let me outline them very briefly.

We will continue to maintain equivalent nuclear strength because we believe that, in the absence of worldwide nuclear disarmament, such equivalency is the least threatening and most stable situation for the world.

We will maintain a prudent and sustained level of military spending, keyed to a stronger NATO, more mobile forces and an undiminished presence in the Pacific. We and our Allies must and will be able to meet any foreseeable challenge to our security from stratgic nuclear forces or from conventional forces. America has the capability to honor this commitment without excessive sacrifice by the people of our country, and that commitment to military strength will be honored.

Looking beyond our alliances, we will support worldwide and regional organizations dedicated to enhancing international harmony, such as the United Nations, Organization of American States, and the Organization for African Unity.

In Africa we and our African friends want to see a continent that is free of the dominance of outside powers, free of the bitterness of racial injustice, free of conflict, and free of the burdens of poverty, hunger and disease. We are convinced that the best way to work toward these objectives is through affirmative policies that recognize African realities and aspirations.

The persistent and increasing military involvement of the Soviet Union and Cuba in Africa could deny this vision. We are deeply concerned about this threat to regional peace and to the autonomy of countries within which these foreign troops seem permanently to be stationed. This is why I have spoken up on this subject. This is why I and the American people will support African efforts to contain such intrusion, as we have done recently in Zaire.

I urge again that all other powers join us in emphasizing works of peace rather than weapons of war in their assistance to Africa. Let the Soviet Union join us in seeking a peaceful and speedy transition to majority rule in Rhodesia and Namibia. Let us see efforts to resolve peacefully the conflicts in Eritrea and Angola. Let us all work—not to divide and seek domination in Africa—but to help those nations fulfill their great potential.

We will seek peace, better communication and understanding, cultural and scientific exchange, and increased trade with the Soviet Union and other nations.

We will attempt to prevent the proliferation of nuclear weapons among nations not now having this capability.

We will continue to negotiate constructively and persistently for a fair Strategic Arms Limitation agreement. We know that there are no ideological victories to be won by the use of nuclear weapons. We have no desire to link this negotiation with other competitive relationships nor to impose other special conditions on the process. In a democratic society, however, where public opinion is an integral factor in the shaping and implementation of foreign policy, we recognize that tensions, sharp disputes, or threats to peace will complicate the quest for an agreement. This is not a matter of our preference but a recognition of fact.

The Soviet Union can choose either confrontation or cooperation. The United States is adequately prepared to meet either choice.

We would prefer cooperation through a detente that increasingly involves similar restraint for both sides, similar readiness to resolve disputes by negotiation and not violence, similar willingness to compete peacefully and not militarily. Anything less than that is likely to undermine detente, and this is why I hope that no one will underestimate the concerns which I have expressed today.

A competition without restraint and without shared rules will escalate into graver tensions, and our relationship as a whole will suffer. I do not wish this to happen—I do not believe Mr. Brezhnev desires it either—and this is why it is time for us to speak frankly and to face the problem squarely.

By a combination of adequate American strength, of quiet self-restraint in the use of it, of a refusal to believe in the inevitability of war, and of a patient and persistent development of more peaceful alternatives, we hope eventually to lead international society into a more stable and hopeful future.

You and I leave here today to do our common duty—protecting our Nation's vital interests by peaceful means if possible, by resolute action if necessary.

We go forth sobered by those responsibilities, but confident in our strength. We go forth knowing that our Nation's goals—peace, security, liberty for ourselves and others—will ultimately prevail.

To attain those goals, our Nation will require exactly those qualities of courage, self-sacrifice, idealism and self-discipline, which you as Midshipmen have learned so well. That is why your Nation expects so much of you, and why you have so much to give.

I leave you with my congratulations, and with a prayer that both you and I will prove worthy of the task that is before us and the Nation we have sworn to serve.

THE JEWISH COMMUNITY COUNCIL OF WASHINGTON HEIGHTS AND INWOOD

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, an organization in my congressional district has performed outstanding work on behalf of Soviet refugees coming to our country, and I would like to call my colleagues' attention to this group's excellent efforts.

In the past 4 years, the Jewish Community Council—JCC—of Washington Heights and Inwood has served over 300 families and individuals who have settled in northern Manhattan after leaving the Soviet Union. The JCC aids these newcomers in finding employment in their adopted country, in learning English, in arranging for their children to receive religious training and in generally acclimating them to life in our country. JCC has also established a special orientation program for teenagers that facilitates their adjustment to schooling in America. This program has become a model for similar efforts throughout the country.

Under the able guidance of Mrs. Elizabeth Wurzburger, the executive vice president, and Judge Herman Kahn, the chairman of the board, the council is demonstrating every day that the American tradition of welcoming refugees and assisting them in their new surroundings is alive and well.

During the 4 years it has conducted these programs, JCC has aided many newcomers in understanding the American political and economic system and in participating fully in our free society.

The Washington Heights and Inwood communities have benefited immeasurably from the services offered by the Jewish Community Council. And by helping Soviet refugees—many of whom are professionals in various fields—the council is making a further contribution to the future of northern Manhattan.

Mr. Speaker, I have in the past called attention to other groups assisting Soviet refugees, and I am pleased to have this opportunity to salute a local organization whose work deserves national recognition.

TAXPAYERS REVOLT: CONGRESS TAKE HEED

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, what happened in California yesterday with the passage of proposition 13 is not a one-time thing. What happened in California is going to happen again and

again unless, or until, the Congress of the United States takes heed and takes the lead in the monumental battle against inflation.

Inflation—generated in large part by Federal deficit spending—is the No. 1 enemy that created the taxpayers revolt in California. Inflation is the monster that is stirring the fires of more revolts throughout the United States. Inflation is forcing prices up, housing up, and yes, wages. But higher wages, under our progressive Federal tax structure mean only one thing—higher taxes. Is there any wonder that taxpayers are up in arms.

There is no doubt in my mind, and obviously in the minds of at least 50 of my colleagues, that the Federal Government and its deficit spending is at the heart of our inflationary spiral. On May 17, 1978, I introduced House Joint Resolution 916, which calls for a constitutional amendment to balance the Federal budget except in times of national emergency. And just yesterday, 50 colleagues asked to join me as cosponsors.

The Federal Government's penchant for spending is going to ruin this country if we do not move immediately to stop it. Fifty billion dollar annual deficits can no longer be tolerated. A $1 trillion total national debt is unthinkable, yet it is just around the corner if we do not change our ways. This wasteful, irresponsible attitude on the part of Congress and the President completely nullifies the fiscally responsible efforts of our country's States, cities, counties, and small towns which must, by law, live within balanced budgets. Our wave of deficit spending is swallowing up the individual who is forced to pay the price of inflated land values, home mortgages, higher interest rates, education, food, clothing, shelter, and taxes.

I urge my colleagues not to stand idly by and merely react. We have the opportunity before us today, and in the days to come, to stand with courage and to forcefully act to save America and the well-being of the American taxpayer. We can balance the Federal budget and bring inflation to a grinding halt. Or, we can go blindly on our way passing spending bill after spending bill with no thought to the long-range effects on our country.

I welcome all Members of Congress to join me in cosponsoring House Joint Resolution 916, a constitutional amendment requiring a balanced Federal budget.

INTRODUCTION OF COMMUNICATIONS ACT OF 1978

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VAN DEERLIN. Mr. Speaker, today the gentleman from Florida (Mr. FREY) and I are introducing what we ambitiously call the Communications Act of 1978. It is the result of some 20 months of hearings and research by our Subcommittee on Communications. It goes into all phases of communications, and into rapidly changing technologies in the United States.

I would implore all the Members to withhold making commitments to anyone on any part of this proposed act until they have seen the result of more hearings, and have listened to all the arguments.

Mr. Speaker, this bill marks the first effort in 44 years to rewrite the communications laws of the land. It would repeal the Federal Communications Act of 1934, which forms the basis for all Federal regulation of telecommunications.

Our Communications Subcommittee of the House Commerce Committee will begin hearings next month, and expects to complete 6 weeks of consideration of this landmark legislation by the end of the year.

By early next year, a sufficient record should have been compiled to allow expeditious action by the Commerce Committee and the full House.

The bill is 217 pages long, and as vast in scope as its length suggests. Many aspects will be highly controversial, but taken together they promise new directions in the unfolding of communications policies. In an era of sweeping technological change, the old Communications Act is as outmoded as the horse-and-buggy.

Because of the great interest in this legislation, I am at this point including a summary of its major provisions:

HIGHLIGHTS OF COMMUNICATIONS ACT OF 1978

REORGANIZATION

1. Abolishes the Federal Communications Commission, replacing it with a Communications Regulatory Commission, and makes a finding that regulation should be necessary only "to the extent marketplace forces are deficient."

2. Sets up the National Telecommunications Agency, as an independent policy-making arm of the Executive Branch, replacing the National Telecommunications and Information Administration in the Commerce Department.

BROADCASTING

3. Deregulates radio; licenses would be for indefinite terms, subject to revocation only for violations of technical rules.

4. Extends television license terms from three to five years, but they also would become indefinite 10 years after enactment of bill.

5. Replaces the "Fairness Doctrine" with the "Equity Principle" applicable only to television.

6. Exempts candidates for President, Vice President, U.S. Senate, and other statewide offices from equal time requirements (which also would apply only to television).

7. Limits multiple ownership to five radio and five television stations and provides that no individual may own more than three TV stations in the top-50 markets—no divestiture would be required, however; these provisions would take effect at time of transfer or sale. Owners may now hold up to 21 stations—seven TV (no more than five of which can be VHF), seven AM radio and seven FM radio.

8. Restricts ownership of broadcast stations to one per market.

9. Establishes a license fee that would reflect both the cost of processing the license application and the value of the spectrum occupied by the user (applies to broadcasting and nonbroadcasting services).

10. Creates the "Telecommunications Fund" with the license fees collected; fund would support the Communications Regulatory Commission and new programs for aiding public broadcast programming, minority ownership of stations and the development of telecommunications services in rural areas.

CABLE

11. Prohibits federal regulation of cable television.

COMMON CARRIER

12. Allows any common carrier (defined in the bill as "any person engaged in the transmission of telecommunications for hire") to provide any service, through a separate company, which the Communications Regulatory Commission finds to be telecommunications or related to telecommunications; this would have the effect of freeing AT&T from the restraints of a 1956 consent decree under which the telephone company can use its equipment only to provide telephone service and is prohibited from providing unregulated services.

13. Requires any monopoly carrier (for example, AT&T) to divest itself of equipment manufacturing (for example, Western Electric) within three years after enactment.

14. Establishes the "Universal Service Compensation Fund," financed by access charges on carriers using local exchange facilities; Communications Regulatory Commission would administer fund to assure "affordable" telephone rates and the availability of nationwide basic voice telephone service.

15. Creates a task force to coordinate international telecommunications facility planning.

PUBLIC TELECOMMUNICATIONS

16. Replaces the Corporation for Public Broadcasting with a private non-profit corporation to be known as the "Public Telecommunications Programming Endowment," sole purpose of which would be to provide grants for production and acquisition of programming.

17. Removes restrictions on editorializing and endorsement of political candidates by public broadcasters.

Mr. FREY. Mr. Speaker, will the gentleman yield?

Mr. VAN DEERLIN. I am pleased at this time to yield to the able gentleman from Florida (Mr. FREY).

Mr. FREY. Mr. Speaker, I join with the chairman of the Subcommittee on Communications in introducing the Communications Act of 1978 and in asking the Members of Congress to look at this legislation thoroughly. It is one of the few bills I have seen that really takes us toward deregulation and gets away from government controls; it relies on competition in the marketplace in all phases of telecommunications.

It is a comprehensive act bill which, I hope, will be the foundation for a national communications policy. I am proud, Mr. Speaker, to have been able to cosponsor this act, and I hope to see it passed.

MR. VAN DEERLIN. Mr. Speaker, I thank the gentleman.

THE RECENT SUPREME COURT DECISION VIS-A-VIS ABUSE OF THE SEARCH WARRANT

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. QUAYLE. Mr. Speaker, I am introducing the Citizen Protection Act of 1978 in response to the recent Supreme Court decision Zurcher against Sanford, which allowed surprise searches with a

warrant in a newspaper office not suspected of any criminal wrong-doing. The Court sanctioned the warrant searches rather than relying on a much preferable method of the subpena to gather investigatory evidence.

The Citizen Protection Act mandates any law official to use a subpena in cases where "the person in possession of the evidence has a reasonable expectation of privacy."

A warrant would be issued only in the case where there was "probable cause to believe the person or persons in possession of the evidence may be involved in the crime" or where there is probable cause to believe the evidence sought may be "destroyed, hidden, or moved."

Under the act, the new standards would be applicable to both State and Federal officials.

Although the facts of the Zurcher case concerned a newspaper, the effect of the decision goes far beyond the news media. In effect every business, home and office would be subject to a forcible entry and search even though the person or organization was not in the least suspected of any criminal complicity. No one would argue that prosecutors and law enforcement officers should have the authority to gather evidence.

However, the guidelines established by the Court do not set a good example of how our administration of justice should be executed.

Supreme Court Justice Stevens explained the magnitude of the decision in his dissent:

> Just as the witnesses who participated in an investigation or a trial far outnumber the defendants, the persons who possess evidence that may help to identify an offender or explain an aspect of a criminal transaction, far outnumber those who have custody of weapons or plunder. Countless law abiding citizens—doctors, lawyers, merchants, customers, bystanders—may have documents in their possession that relate to an ongoing criminal investigation. The consequences of subjecting this large category of persons to unannounced police searchers are extremely serious.
>
> The dramatic character of a sudden search may cause an entirely unjustified injury to the reputation of the persons searched.

Though our cherished first amendment applies to all citizens, there are special problems when it comes to operating a newspaper or any news-gathering organization. There is no doubt a search of a newspaper is a burden to the first amendment. The very fact of having a law officer in a newsroom would be disruptive to the normal process. Under a warrant situation, the stay could be quite long, whereas, a subpena would be less disruptive. Also, the unannounced search of a newspaper could jeopardize the confidential sources that journalists have gathered.

A search warrant, unlike a subpena, would allow a police officer to go through the files of a newspaper until he found what he wanted. A subpena would allow the newspaper to produce only the specific documents ordered.

Thus a search has the potential of uncovering the confidential sources so inherently critical to the newspaper reporter. There is little doubt an unannounced search would have a chilling effect upon a newspaper.

The majority opinion in its conclusion stated the legislature could define nonconstitutional protections against possible abuses of the search warrant procedure. The Court was actually asking the Congress to come forth with certain guidelines to offer protection that is not interpreted by the Court from the Constitution.

Thus, the majority decision refused to set up a constitutional standard for seizure of materials held by persons not involved with criminal activity. So to insure the privacy of all Americans, to protect our revered first amendment right, and to further delineate the fourth amendment, I offer the Citizen's Protection Act of 1978 and urge your support.

H.R. 13017

A bill to secure and protect the rights of citizens and to protect freedom of the press

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Citizen's Protection Act of 1978."

SEC. 1. Subject to the exceptions found in section 2 of this Act, any one acting under color of law who has probable cause to believe evidence of a crime is located on or about premises in which the person in possession of the evidence has a reasonable expectation of privacy shall attempt to secure that evidence only through a subpoena duces tecum.

SEC. 2. Notwithstanding section 1 of this Act; a warrant may be issued if:

(1) there is probable cause to believe the person or persons in possession of the evidence may be involved in the crime under investigation; or

(2) there is probable cause to believe the evidence sought to be seized would be destroyed, hidden or moved if the procedures set out in section 1 were followed.

SEC. 3. Any person aggrieved by a violation of this Act may commence a civil action in an appropriate United States district court or State court at any time not later than three years after the alleged violation occurred or terminated, or one year after the discovery of such alleged violaton, whichever is later.

(a) In any action brought under this section the court may award such general damages as may be appropriate as well as punitive damages not to exceed $10,000 for each violation."

LABOR-HEW APPROPRIATIONS

(Mr. FORD of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FORD of Michigan. Mr. Speaker, I was saddened to learn that the administration is peddling someplace here among our colleagues an amendment or amendments to cut the recommendations of the Appropriations Committee chaired by the gentleman from Pennsylvania (Mr. FLOOD), which will come to us later today.

I heard this morning from groups representing all of the student organizations at the college level across the country, and I would like to share with my colleagues by inserting in the RECORD the letter that they have sent to us, asking us not to support the administration in this ill-timed and unwise attempt to cut back on funding levels that are supported even by great spenders like the gentleman from Illinois (Mr. MICHEL), who stands to my left.

The letter is as follows:

JUNE 6, 1978.

DEAR REPRESENTATIVE: The United States National Student Association (USNSA), the National Student Lobby (NSL), the Coalition of Independent College and University Students (COPUS), and the Americans for Democratic Action (ADA) Youth Caucus, jointly representing close to four million young people and college students throughout the country, strongly urge you to support the FY 79 Appropriations for the Department of Labor and HEW as reported from the full House Appropriations Committee on June 1.

The bill, as reported contains $4.675 billion for student financial assistance programs, for college students from both low and middle-income families. This will provide approximately 5.7 million grants, loans, and work-study jobs in the 1979–80 academic year. The Administration is attempting to cut between $400–500 million from the Labor-HEW bill, with student aid being one of the areas targeted for reduction. We urge you in the strongest possible term to vote against such a cutback in the bill, particularly in the areas of student aid, TRIO, and other higher education programs.

If the student aid programs are reduced, all students who receive Basic Opportunity Grants, (almost 3.5 million) will have their awards reduced. College costs have risen 76.7% at independent colleges and universities and 74.2% at public colleges between 1967 and 1976, while national median income after taxes increased only 66.8%. These families are substantially worse off now in the ability to afford college than they were a decade ago. Financial student assistance, as proposed in the Labor-HEW Appropriations bill, is desperately needed to enable low and middle-income families to attend the college of their choice.

The total funds in the bill exceed the President's budget request only slightly more than 1%. We once again urge you to vote against any reduction in the bill.

Sincerely,

JOEL PACKER,
Legislative Director,
National Student Lobby.

FRANK X. VIGGIANO,
President,
National Student Association.

JANET TOPOLSKY,
Executive Director,
ADA Youth Caucus.

LAWRENCE S. ZAGLANICZNY,
National Director,
Coalition of Independent College and University Students (COPUS).

MEMBERS IN SUPPORT OF ROLLBACK OF SOCIAL SECURITY PAYROLL TAXES

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to bring to the attention of my colleagues the following list containing the names of 198 Members of the U.S. Congress who have indicated that they wish to see legislation, enacted

this year, which would reflect the use of general revenue funds to defray the cost of social security.

It is important that each Member who feels strongly that this principle be carried out contact each of the members of the Committee on Ways and Means to urge that legislation providing for a rollback of social security payroll taxes be considered along with the pending tax cut proposal.

Mr. Speaker, the following Members have indicated by their actions that they wish to see a rollback in the high social security payroll taxes:

MEMBERS WHO HAVE GONE ON RECORD IN SUPPORT OF A ROLLBACK OF SOCIAL SECURITY PAYROLL TAXES

Addabbo, Joseph of New York.
Akaka, Dennis of Hawaii.
Allen, Clifford of Tennessee.
Ambro, Jerome of New York.
Ammerman, Joseph of Pennsylvania.
Anderson, Glenn of Illinois.
Annunzio, Frank of Illinois.
Applegate, Douglas of Ohio.
Aspin, Les of Wisconsin.
Barnard, Doug of Georgia.
Baucus, Max of Montana.
Beard, Ed of Rhode Island.
Bedell, Berkley of Iowa.
Biaggi, Mario of New York.
Bingham, Jonathan of New York.
Blanchard, James J. of Michigan.
Blouin, Michael T. of Iowa.
Boland, Edward of Massachusetts.
Bonior, David of Michigan.
Bonker, Don of Washington.
Brademas, John of Indiana.
Brodhead, William of Michigan.
Burke, James of Massachusetts.
Burke, Yvonne of California.
Burton, John of California.
Burton, Phillip of California.
Carney, Charles of Ohio.
Carr, Bob of Michigan.
Cavanaugh, John J. of Nebraska.
Chisholm, Shirley of New York.
Clay, William of Missouri.
Collins, Cardiss of Illinois.
Conte, Silvio of Massachusetts.
Conyers, John of Michigan.
Corman, James of California.
Cornell, Robert of Wisconsin.
Corrada, Baltasar of Puerto Rico.
D'Amours, Norman of New Hampshire.
Danielson, George E. of California.
Dellums, Ron of California.
DeLugo, Ron of Virgin Islands.
Dent, John of Pennsylvania.
Dicks, Norman of Washington.
Diggs, Charles of Michigan.
Dodd, Chris of Connecticut.
Downey, Tom of New York.
Drinan, Robert of Massachusetts.
Early, Joseph of Massachusetts.
Eckhardt, Bob of Texas.
Edgar, Robert of Pennsylvania.
Edwards, Don of California.
Eilberg, Joshua of Pennsylvania.
Ertel, Allen of Pennsylvania.
Evans, Billy Lee of Georgia.
Evans, Frank of Colorado.
Fary, John of Illinois.
Fauntroy, Walter of District of Columbia.
Fithian, Floyd J. of Indiana.
Flood, Daniel J. of Pennsylvania.
Florio, James J. of New Jersey.
Ford, Harold E. of Tennessee.
Ford, William of Michigan.
Fraser, Don of Minnesota.
Garcia, Robert of New York.
Gaydos, Joseph M. of Pennsylvania.
Gephardt, Richard A. of Missouri.
Giaimo, Robert N. of Connecticut.
Gibbons, Sam of Florida.
Ginn, Bo of Georgia.
Glickman, Dan of Kansas.
Gore, Albert Jr. of Tennessee.
Guyer, Tennyson of Ohio.
Hanley, James M. of New York.
Hannaford, Mark W. of California.
Harkin, Tom of Iowa.
Harrington, Michael of Massachusetts.
Harris, Herbert II of Virginia.
Harsha, William H. of Ohio.
Hawkins, Augustus of California.
Heckler, Margaret of Massachusetts.
Heftel, Cecil of Hawaii.
Holland, Ken of South Carolina.
Holtzman, Elizabeth of New York.
Howard, Jim of New Jersey.
Huckaby, Jerry of Louisiana.
Hughes, William J. of New Jersey.
Jenrette, John W., Jr. of South Carolina.
Johnston, Harold of California.
Jones, Ed of Tennessee.
Jones, Walter of North Carolina.
Jordan, Barbara of Texas.
Kastenmeier, Robert of Wisconsin.
Kildee, Dale of Michigan.
Kostmayer, Peter H. of Pennsylvania.
Krebs, John of California.
Lederer, Raymond of Pennsylvania.
Le Fante, Joseph A. of New Jersey.
Leggett, Robert L. of California.
Levitas, Elliott H., of Georgia.
Lloyd, Jim of California.
Lloyd, Marilyn of Tennessee.
Long, Clarence of Maryland.
Lundine, Stanley of New York.
Maguire, Andrew of New Jersey.
Markey, Edward of Massachusetts.
Mathis, Dawson of Georgia.
Mattox, Jim of Texas.
McFall, John of California.
McHugh, Matthew F. of New York.
McKinney, Stewart of Connecticut.
Metcalfe, Ralph of Illinois.
Meyner, Helen S. of New Jersey.
Milkulski, Barbara of Maryland.
Mikva, Abner J. of Illinois.
Miller, George of California.
Mineta, Norman Y. of California.
Minish, Joe of New Jersey.
Mitchell, Parren J. of Maryland.
Moakley, Joe of Massachusetts.
Moffett, Anthony Toby of Connecticut.
Moorhead, William of Pennsylvania.
Moss, John E. of California.
Murphy, Austin J. of Pennsylvania.
Murphy, Morgan of Illinois.
Myers, Michael O. of Pennsylvania.
Neal, Stephen L. of North Carolina.
Nedzi, Lucien N. of Michigan.
Nix, Robert of Pennsylvania.
Nolan, Richard of Minnesota.
Nowak, Henry of New York.
Oakar, Mary Rose of Ohio.
Oberstar, James L. of Minnesota.
Obey, David R. of Wisconsin.
Ottinger, Richard of New York.
Panetta, Leon E. of California.
Patten, Edward of New Jersey.
Patterson, Jerry of California.
Pattison, Edward W. of New York.
Pepper, Claude of Florida.
Perkins, Carl D. of Kentucky.
Price, Melvin of Illinois.
Quillen, James H. of Tennessee.
Rahall, Nick Joe, II of West Virginia.
Rangel, Charles of New York.
Reuss, Henry of Wisconsin.
Richmond, Frederick of New York.
Risenhoover, Ted of Oklahoma.
Rodino, Peter W. of New Jersey.
Roe, Robert of New Jersey.
Roncalio, Teno of Wyoming.
Rooney, Fred B. of Pennsylvania.
Rose, Charles of North Carolina.
Rosenthal, Benjamin S. of New York.
Roybal, Edward R. of California.
Ryan, Leo J. of California.
St Germain, Fernand of Rhode Island.
Scheuer, James H. of New York.
Schroeder, Patricia of Colorado.
Seiberling, John F. of Ohio.
Shipley, George of Illinois.
Sikes, Robert L. F. of Florida.
Simon, Paul of Illinois.
Sisk, B. F. of California.
Skelton, Ike of Missouri.
Smith, Neal of Iowa.
Spellman, Gladys Noon of Maryland.
Stark, Pete Fortney of California.
Steed, Tom of Oklahoma.
Stokes, Louis of Ohio.
Stratton, Samuel S. of New York.
Studds, Gerry of Massachusetts.
Thompson, Frank of New Jersey.
Traxler, Bob of Michigan.
Tsongas, Paul of Massachusetts.
Tucker, Jim Guy of Arkansas.
Van Deerlin, Lionel of California.
Vento, Bruce of Minnesota.
Volkmer, Harold L. of Missouri.
Walgren, Doug of Pennsylvania.
Waxman, Henry A. of California.
Weaver, James of Oregon.
Weiss, Ted of New York.
Wilson, Charles H. of California.
Wirth, Timothy E. of Colorado.
Wolff, Lester of New York.
Won Pat, Antonio B. of Guam.
Yates, Sidney R. of Illinois.
Yatron, Gus of Pennsylvania.
Young, Robert A. of Maine.
Zablocki, Clement of Wisconsin.
Zeferetti, Leo C. of New York.

SENATORS

Abourezk, James of South Dakota.
Durkin, John A. of New Hampshire.
Eagleton, Tom of Missouri.
Hatfield, Mark of Oregon.
Hathaway, William of Maine.
Moynihan, Daniel P. of New York.
Riegle, Don of Michigan.

REPRESENTATIVE KEMP ANNOUNCES THE FORMATION OF A COALITION FOR ECONOMIC GROWTH: THE VICTORY OF THE JARVIS-GANN PROPOSITION MUST BE EXPANDED INTO A GRASSROOTS MOVEMENT FOR PERMANENT TAX RATE REDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

● Mr. KEMP. Mr. Speaker, the stunning victory of proposition 13 in California yesterday should be taken as a signal by every public official in this country. That signal is to begin now to reduce the burden and incidence of taxes upon the American people. It is also a signal to begin now to reduce the rate of inflation, the root cause of the tax problems confronting us.

The people know the effects of taxes on them. They are unable to pay their bills, because they have less take-home pay. They are unable to save enough for a new house, for their children's education, for retirement. They also know the effect of inflation upon their pay and savings, their present and future.

Yes, there is a taxpayers revolt going on across this country.

It was seen yesterday in the passage of the Jarvis-Gann proposition in California by the overwhelming margin of 64 to 36 percent.

It has been seen for the past several years in the rejection of countless bond issues, bonds which would have had to have been paid off from future taxes.

In the past 2 years, the people have voted in major bond issues in New York, California, Ohio, Illinois, Michigan, Massachusetts, Minnesota, Wisconsin, Maryland, Iowa, Nebraska, Missouri, Maine, Washington State, and South Dakota on whether to be taxed more or not. The score? Yes—0. No—15.

It has been seen in the formation of a number of State and local organizations dedicated to stopping the tax increase. More power to them.

As Howard Jarvis pointed out in his victory statement in California last evening, the stunning margin of proposition 13's win has launched a "new revolution," one telling the "arrogant politicians and insensitive bureaucrats" that "enough is enough." That tax-and-tax, spend-and-spend, elect-and-elect politics is on its way out. That we have started the end of the bankrupting of the American people.

The Republican nomination of Jeffrey Bell in New Jersey, almost exclusively on this issue, underscores the validity of those observations.

And the tax revolt has been the impetus for those of us in Congress who not only oppose tax increases—energy taxes, social security taxes—but also seek the enactment of permanent tax rate reductions and indexing now. We need permanent tax reductions to offset the effects of workers having been pushed into higher brackets from the past inflation. We need indexing to offset the effects of future inflation.

The intriguing thing about what happened in California yesterday and what has happened across the country is that the people know their economics far better than many economists. They know it is high taxes which have denied them the ability to save and invest, that have eroded buyer and producer confidence, and have kept us in the longest recession in decades. But most importantly, they know the effects of high taxes upon the productivity which is required to get us out of that recession. They know about the tens of billions in production which is lost forever because work is deferred when workers will not work more, because it pushes them into higher brackets. They know it, because the more they earn, the greater the percentage they pay in taxes due to steeply progressive tax rates.

The frustration of the people and genuine concern of those in elective office committed to reducing taxes has manifested itself in a number of ways in which to deal positively with the question. Some have called for spending limitations, either in law or in constitutions. Others have called for tax limitations, usually established as a percentage of aggregate personal income. Still others have called for permanent tax rate reductions and indexing. The point is, not that any of these is the 100-percent right or the 100-percent wrong way to deal with the question, but rather that they are all aimed at reducing the tax burden on the American people.

What emerges from that is the necessity of a national coalition to bring all this worker, saver, taxpayer, voter pressure to bear in the political process.

THE COALITION FOR ECONOMIC GROWTH

I am today filing the articles of incorporation for the Coalition for Economic Growth, a nationwide coalition to serve just this purpose. This is the coalition whose formation I announced on NBC's "Today" show this morning.

The coalition's sole purpose will be the lowering of the Federal income tax rate to 25 percent by the middle of the 1980's.

The economic goal of this is clear: It will restore incentive and noninflationary growth to the U.S. economy, create jobs, and expand the tax base.

The organizational goal is equally clear: It constitutes a proposal which is both a permanent tax rate reduction and a limitation.

The coalition will aim to rally the American people through the education of opinion leaders. Freedom of choice, jobs, and real income growth for all Americans will be our goals.

We do not need an outfit to lobby just Congress. There are plenty of us in Congress who are already doing that. And we do not have to educate people themselves. As I indicated just a moment ago, the people already know this country is being destroyed with unnecessarily high tax rates. Rather, it is the opinion leaders in business, in labor, in ethics, racial and church groups who have to be persuaded that inflated tax rates must be reduced, across the board, for every American. Jarvis-Gann showed us yesterday how much of this work has already been done, but it also showed us how much remains to be done.

The coalition will include men and women of both political parties who want this country to grow great again. Businessmen and labor, people of all races and people of all income classes. We want everyone to be better off. The incorporators are proof of this support. The three incorporators are Wendell Wilkie Gunn, a young black entrepreneur and an officer of Chase Manhattan Bank, Walter Janczak, a leader in a United Steelworkers local in western New York, and myself. That is an Independent, a Democrat, and a Republican.

The board of directors now being assembled, as well as the interest coming our way from throughout the country, show a similar breadth of background, experience, and concern for getting America and the world moving again in real terms.

The coalition is a nonprofit District of Columbia corporation. It will be headquartered in New York City, still the economic center of the United States, and it may have a branch office in Washington at some point. It will apply for a section 501(c)(4) "action organization" tax status. It is not a political action committee of any kind and will not be involved in election campaigns in New York or anywhere else. It will function under no direct or indirect control of any political action committees. Its work will be done by its own officers and staff in their offices.

This effort will take as its theme President John F. Kennedy's quote about the importance of a vibrant economy to all the people: "A rising tide lifts all boats."

That is a crucial point, because at the very time that people in lower income groups were about to make breakthroughs, when racial barriers began to come down in the 1960's, the economic ground rules were changed. Blacks made it to the front of the train only to find the train had stopped. I am, of course, talking about the economy. The solid middle class, as well as the mountains, built by individuals and other groups which made economic breakthroughs were created during periods of economic expansion. How can a large black middle class, a large Chicano middle class, et cetera, be built during the period of economic contraction in which we now find ourselves? They know this. They also know they will not find the independence from Government largess when the only jobs for them are Government-created jobs.

This is no gimmick. The efforts it will support are no gimmicks. The formation of this coalition and the enactment of the measures proposed are real necessities.

I am confident our objectives can be met.

HISTORICAL PRECEDENTS

I am confident of our mission for a number of reasons.

The Tax Reduction Act, commonly referred to as the Kemp-Roth bill, now has 168 cosponsors in the House and Senate, Republicans and Democrats. When it was offered as an amendment to the Humphrey-Hawkins full employment bill in April, 193 Members voted for it, including 54 Democrats. When one considers that a majority in the House is only 218, one can see how close we are to a major victory.

But I am confident for another reason. That is because there are many examples from history which prove this is the way to go, that permanent tax rate reductions are the way to get the economy moving and to get our policymakers off the horns of the inflation versus unemployment dilemma.

Long before the Kennedy tax cuts of the 1960's there was ample evidence from American history that tax rates reductions would lead to higher tax revenues. The most important example is from the 1920's.

The Republican Party took control of the White House and the Congress in 1920 by promising a return to normalcy. A primary aspect of this "return to normalcy" was a reduction in high wartime tax rates, which went as high as 63 percent. Andrew Mellon, Secretary of the Treasury, led the campaign for lower tax rates. In his book, "Taxation: The People's Business," he wrote:

> The history of taxation shows that taxes which are inherently excessive are not paid. The high rates inevitably put pressure upon the taxpayer to withdraw his capital from productive business and invest it in tax-exempt securities or to find other lawful methods of avoiding the realization of taxable income. The result is that the sources of taxation are drying up; wealth is failing to carry its share of the tax burden; and capital is being diverted into channels which yield neither revenue to the Government nor profit to the people. . . . Experience has shown that the present high rates of sur-

tax are bringing in each year progressively less revenue to the Government. This means that the price is too high to the large taxpayer and he is avoiding a taxable income by the many ways that are available to him. What rates will bring in the largest revenue to the Government experience has not yet developed, but it is estimated that by cutting the surtaxes in half, the Government, when the full effect of the reduction is felt, will receive more revenue from the owners of large incomes at the lower rates of tax than it would have received at the higher rates.

Thereafter the Congress reduced tax rates every year from 1921 to 1925, lowering the highest tax rate from 63 to 25 percent and the lowest tax rate from 4 to 1½ percent. This led to an enormous economic boom in the United States, no inflation and a reduction of the national debt.

I ask my colleagues to join with me in this endeavor to restore incentive to our economy and to show the rest of the world how to achieve rising real incomes and more jobs for their citizens.●

NEW YORK CITY FINANCIAL ASSISTANCE ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 15 minutes.

Mr. GREEN. Mr. Speaker, I have been asked numerous questions by Members regarding H.R. 12426, the New York City Financial Assistance Act. I should like to respond to those questions:

First. How are institutions other than the Federal Government aiding the city to meet its financial needs?

In addition to the steps the city has taken to help itself, the State of New York has contributed significantly to assisting the city to meet its financial needs.

During the period since enactment of the New York City Seasonal Financing Act of 1975, the city's minimum required long-term borrowing has come from two sources: The local municipal employees' pension plans and sales of securities by the Municipal Assistance Corporation. Both are nearing their limits as sources of long-term finance without some supplemental assistance from the Federal Government.

By June 30, some 35 percent of the assets of the municipal pension funds will have been invested in obligations of the city and MAC. Their spokesman, Jack Bigel, has stated that further investments will be dependent upon the availability of Federal guarantees. The same situation prevails with respect to the State employees' pension plans, according to the trustee of these plans, State Comptroller Arthur Levitt.

Second. What has New York State done to help? Why can the State not guarantee bonds?

New York State presently supplies $800 million on an annual basis to provide working capital for the city. The State has assumed 75 percent of the cost of the City University of New York and 50 percent of the cost of the city's courts. In addition, the State established the Emergency Financial Control Board to oversee the city's budget and borrowings and the Municipal Assistance Corporation to assist the city financially.

State aid to New York City in fiscal year 1978 was $3.16 billion. It should be noted that the State of New York is spending nearly as much on New York City as on all other communities in the State combined. Moreover, State aid to help reduce the city's budget deficit is expected to double over the next 4 years.

Most recently, Governor Carey provided the city with $250 million in additional aid to help the city balance its fiscal year 1979 budget and he pledged over $75 million to help pay for the transit settlement.

As far as the State is concerned, there has been some criticism of the State tax cut designed to stimulate economic activity within the State. Certainly the vote in California yesterday on proposition 13 is an indication that the State tax reductions are strongly supported and are gathering nationwide momentum.

In the past, businesses have left the State of New York and New York City, because of the heavy tax burden. The tax cut will help to reduce such outflow, and this clearly will benefit the city and its overall economic well-being. Even with the tax reductions, New York will continue to rank as one of the highest in per capita State and local tax collections. In 1974, for example, the total of New York State and local taxes amounted to an average of 20.9 percent of per capita income.

The State cannot guarantee the city's bonds. New York State is constitutionally prohibited from lending its credit in this way. That is why New York City has turned to Washington and that is why passage of H.R. 12426 is so vitally needed to help the city regain its fiscal integrity.

Three. What steps has New York City taken to reduce its spending?

In 1975, New York City's "true" budget deficit was approximately $2 billion. By July 1978, that deficit will be down to about $600 million. In addition, the city has kept outlays constant since 1975, despite the 6-percent annual inflation rate.

The city has achieved this record by taking tough action to reduce expenditures.

Welfare rolls have been cut from a high in 1972 of 1,265,300 to 931,600. Moreover, the number of ineligible recipients has been reduced from 14.3 percent in the first 6 months of fiscal year 1975 to 7.9 percent in the first 6 months of fiscal year 1978. I would like to point out that New York City, unlike cities in most other States, is required by New York State law to pay for 25 percent of welfare costs out of its own revenues.

In addition, tuition fees have been imposed at the City University and subway fares have been increased by 42 percent. Some 19 fire companies have been closed and funding for 77-day care centers has been eliminated. Accounting practices have been reformed and a new financial management and control system has been put into effect.

Fourth. What of the city's claim that it has cut its work force by 20 percent or 60,000 jobs in 3 years? Is this a fact or not?

According to information from the mayor's office, the city's work force has been reduced by 61,000 jobs or 20 percent of the 1975 level. At the same time, employee contributions to pensions have increased, saving the city $49 million in fiscal year 1978 and $97 million in fiscal year 1979.

Fifth. What guarantees does the Federal Government have that New York City will continue its efforts?

The guarantees in this regard are written into H.R. 12426, the New York City Financial Assistance Act of 1978. The conditions of eligibility for the Federal loan guarantees, contained in section 103 of the bill, are most strict and rigorous.

Under section 103, the city must submit a plan, with the approval of an independent fiscal monitor and based on accounting principles prescribed by the Treasury Department, to balance its budget during each of the first 3 full years after it applies for Federal guarantee assistance. The city must actually balance its budget during the fourth full year after applying for assistance, and each year thereafter.

Recall that the House rejected an amendment to the Humphrey-Hawkins bill to require the Federal Government to balance its budget in 5 years. Section 103 requires New York City to balance its budget in 4 years.

Section 103 also requires that before Federal guarantees can be issued, the Treasury Department must obtain assurances that a substantial portion of the city's borrowing needs will be met through sources other than the Federal assistance provided under the bill.

Another condition of eligibility is that independent public accountants must annually audit the city's books as long as assistance under the act is outstanding. Section 107 of H.R. 12426 authorizes the General Accounting Office to conduct audits of the financial records of the city or any financing agent, and requires the city or any financing agent to agree to such audits as a condition of the issuance of Federal guarantees.

With respect to remedies, the bill in section 105 provides that in the event of default, the Treasury Department may withhold "any payments from the United States to the city or State which may become due pursuant to any law." That is certainly a broad and tough penalty to impose. It is essential to keep in mind that the State of New York, as well as the city, is liable as far as the Federal Government is concerned in case of default.

Section 105 also gives the United States a priority claim over other creditors in the event of insolvency or bankruptcy of New York City.

Sixth. Are there still outstanding labor agreements to be reached which could upset this balance?

Police and firefighters were not part of the municipal labor coalition with which New York City reached a contract agreement on June 5. Given the successful settlement that was concluded with the over 200,000 municipal workers, I am

hopeful that contract agreements can be reached with the police and firefighter's groups.

Seven. What will this cost the Federal Government?

Believe it or not, it will not cost the Federal Government anything. As a matter of fact, the Federal Government actually will gain money on this legislation.

First, I want to emphasize that this legislation is not a "giveaway" of the taxpayers' money. Indeed, the taxpayers' money is really not directly involved in this program of loan guarantees.

The bill is not a "bail-out." The Federal Government will not be providing funds under this legislation in the form of contributions to New York City's budget. Further, it is not even a subsidy program.

What the bill really provides is a form of Federal insurance—called guarantees—for up to $2 billion of New York City obligations, with a maximum maturity of 15 years.

The New York City Financial Assistance Act requires the city to pay a guarantee fee of at least one-half of 1 percent of the principal of the guaranteed obligations. The result of this will be that the Federal Government will make a "profit" on this legislation, just as it did on the seasonal financing legislation of 1975. By June 30 of this year, when the 1975 act expires, the city will have returned nearly $40 million to the Treasury, representing the difference between the interest on the loans and administrative expenses.

Eight. Has New York City repaid the earlier seasonal borrowings which we guaranteed?

The city has repaid every Federal loan either on time or ahead of time. While the maximum amount of loans to be outstanding was $2.3 billion, the peak drawing was $2.1 billion in 1977.

Nine. What are the alternatives to this loan guarantee?

Quite frankly, the bottom line is that the alternative is bankruptcy. The city certainly would be forced to reduce drastically essential services and there would be massive layoffs to keep the budget going. But none of these measures would help the city acquire access to the private credit market, which is the key to the city's recovery. The city would not be able to sell its municipal obligations and soon would find itself in a position of having to default.

The impact of a New York City bankruptcy would be felt both throughout the Nation and throughout the world. Nationally, default would have widespread adverse repercussions in all capital markets. It is evident that there would be a crisis of confidence in the marketplace with respect to the dependability of the contractual obligations of municipal governments in general. In the wake of a lack of confidence in the municipal bond market, the Federal Government certainly would be called upon to help maintain municipal services and to bear increasingly more of their expenses.

Accompanying a decline in the borrowing power of States and localities would be an increase in interest costs to them. New York City's near bankruptcy in 1975 led to added interest costs estimated at $150 million per year for bonds sold during that year. The cost projected over the 10-year average life of these bonds amounted to $1.5 billion.

It is important to keep in mind that municipal securities, which would be threatened by a New York City bankruptcy, are widely held by banks and other financial institutions. A sharp decline in their value would be bound to result in a contraction of the general credit market. This certainly would have a severe impact on marginal financial institutions.

Internationally, a New York default would further erode confidence in the value of the dollar. Those overseas would see the failure of New York City as an indication of weak and unresponsive leadership on the part of the United States in the midst of a fiscal crisis. There is no question that the financial collapse of the financial center of the United States would have devastating consequences on foreign exchange markets. Foreign banks would find themselves having to reassess their business dealings with U.S. banking institutions.

Finally, in the event of bankruptcy on the part of New York City, the Federal Government would find itself having to intervene in the situation. The irony of this was duly observed in the House Banking Committee's report:

> Thus, it is quite possible that if the worst came to worst and bankruptcy occurred, the Federal government would find itself as the "lender of last resort," with far greater cost than under the legislation your committee has approved.

As far as alternatives are concerned, it is a matter of putting a little oil in now, or having to pay for an engine overhaul later.

I would like to point out that a continuation of seasonal financing would not allow the city to get back on its feet and into the private credit market. Only a program of long-term loan guarantees will enable the city to do this. Keep in mind that the city was unable to find a market even for a limited, heavily secured short-term borrowing offered last fall. Extension of the seasonal financing program would only perpetuate a declining status quo situation. The experience of the last 3 years offers no hope that the city could achieve credit market reentry under present Federal legislation.

Tenth. Will this establish a precedent for other cities?

There is very little likelihood that this legislation will lead other financially troubled cities to seek similar Federal assistance. I would invite adherents of such a "domino theory" to review the conditions of eligibility for the guarantees set forth in section 103. There are very few cities that would want to submit themselves to the outside scrutiny and controls established as conditions. The independent audits, balanced budget requirements, and Federal payment-withholding remedies would be unpalatable to most municipal governments.

Eleventh. Who will purchase the guaranteed bonds?

The guaranteed bonds would be marketed by the city or through its financing agent.

The Federal guarantee would attract additional investment from the municipal pension funds and would increase MAC's prospects of acquiring financing in the private credit market.

The bill provides that the Federal guarantee lapses if the obligation is disposed of by the initial purchaser. The Federal backup for a limited amount of the city's debt is offered primarily to make it possible for the city's local lenders, especially the pension funds, to purchase some of the city's long-term obligations. This section of the bill (102(c)), will prevent wide holdings by the public of federally guaranteed municipal securities and prevent the bill from becoming a precedent for Federal guarantees of the debts of other cities.

SENATOR JOSEPH M. MONTOYA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, last week-end I heard the unhappy news that our former colleague, and my friend, Joseph Montoya was critically ill. When I returned to Washington on Monday, I learned of his death. I have lost a friend. The Nation has lost a great public servant.

Joseph Montoya lived for 62 years. In that short span of life, he served four decades in public office, in capacities ranging from State representative to U.S. Senator.

At age 21, Joseph Montoya was elected to the State legislature of New Mexico. Later he became Lieutenant Governor of his State. In 1957, he was elected to the House of Representatives, and he served here for 7 years. From 1964 until 1976 he was U.S. Senator for the State of New Mexico.

Joseph Montoya came from a part of the country where the sky is an incredible blue; where the stars can be seen in their endless number and splendor, so clear that it seems you could reach out and touch them; and it is a country of great horizons. New Mexico is not an easy country; it can be as harsh as it is beautiful. It is a place of big people, big in vision, big in heart, big in courage, big in ambition. Joe Montoya reflected his State in every way.

Joe Montoya was a big man in his vision, in his heart, in his courage and in his ambition.

It took a man of vision to rise, as he did, from obscurity and poverty to wealth and prominence.

It took a man of heart to remember, as he did, all the hurts and sorrows and all the needs of the poor, the unfortunate, the ordinary people. He defended with vigor and courage the right of people to be treated fairly by their Govern-

ment; he worked in behalf of the poor and the oppressed; he had the courage to speak out against the lavish public benefits that had been proposed for the disgraced Richard M. Nixon. It took a man of courage and heart to do these things.

He was a man of ambition. All his adult life he sought to serve in public offices of ever greater responsibility, and he succeeded.

He was a man of the people.

To his widow, Della, to his family and friends, go my heartfelt sympathy. All of us who knew him are fortunate that Joe Montoya came our way; his State and our country are fortunate that he chose to serve. A good and gracious man, who graced this Earth too briefly has left, and he will be missed.

NEW YORK CITY DESERVES A VOTE OF CONFIDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER), is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, our majority leader, JIM WRIGHT, has written a thoughtful Dear Colleague letter to each of us. For the benefit of those Members who might have missed it in the rush of events, the letter is as follows:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., June 6, 1978.

Hon. ROBERT BAUMAN,
U.S. House of Representatives, Washington, D.C.

DEAR BOB: Whenever any part of our big American family has been smitten by disaster, the rest of us always have been willing to come to the rescue. That is an American tradition as old as the nation itself. It is part of what makes us "one nation under God indivisible."

New York City needs our help. Judged by past performance, it will not cost the rest of us one penny to give that city a limited loan guarantee, which is all they are asking. To refuse would not even be intelligently selfish because any such refusal would inevitably hurt the rest of us.

Please bear the following thoughts in mind when the New York City Financial Assistance Act (H.R. 12426) comes before us for a vote this Thursday:

1. New York has faithfully repaid every penny of the load extended in 1975, on or ahead of schedule, and with interest. The loan has not cost the nation's taxpayers one red cent. The government, in fact, has gained a net profit on the loan in the amount of approximately $13 million.

2. The City has tightened its belt and accomplished every internal reform it pledged to accomplish in 1975. It has trimmed the city payroll by 60,000 employees. It has closed hospitals and required tuition payments of all students at City College. It has reduced its budget deficit from $1.8 billion in 1975 to approximately $760 million in 1978—less than half the former figure.

3. New York citizens have extended themselves in truly impressive self-help measures. The City's employees pension funds have purchased $2.65 billion in long-term city and MAC bonds. New York State has willingly done its share, advanced $800 million annually to help restore the city's liquidity.

4. The city is asking now only for a loan guarantee to see it safely over the hump in long-term securities. Treasury Secretary Blumenthal evaluates the city's financial plan as "well-conceived" and says it "will achieve its objectives."

5. Think of the alternatives. If the rest of us should refuse, after all of this, to extend the needed guarantees, the bankruptcy of America's largest city would send shock waves throughout the entire economy. That would have an extremely adverse effect upon the bond market for every city in the Nation. Citizens of your communities and mine would have to pay higher property taxes to finance necessary local improvements. Our cities would be confronted with skyrocketing interest charges on municipal bonds of all kinds.

6. Members of Congress from New York City have consistently supported progressive measures to help the rest of the country. A substantial majority of them, over the years, have supported flood control for our own smitten communities, water projects for the American West, the Great Plains conservation program, drought relief for the Southwest, the Appalachian Development program, and the entire range of other programs when the rest of our country has come to them in our time of need. Citizens of New York City have paid $1 out of every $10 in Federal taxes that have gone to help the rest of us through these and similar programs.

Now it is our turn to reciprocate. To turn our backs on America's largest city in its hour of need would be not only ungrateful and undemocratic; it would be downright stupid!

Please bear all these thoughts in mind on Thursday. Let us give our fellow citizens in New York the vote of confidence for which they ask and reaffirm our faith in the indivisible future of our Nation.

Sincerely,

JIM WRIGHT.●

CHAIRMAN McKINNEY TAKES ANOTHER BOLD STEP FOR THE INNER CITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, all of us interested in seeing that the Nation's urban areas are revitalized and that housing funds are available for inner cities must be pleased by the active role that Chairman Robert H. McKinney has taken at the Federal Home Loan Bank Board.

Since Mr. McKinney's arrival on the scene, much of his time and effort has been expended on efforts to make the savings and loan industry and the Home Loan Bank Board system more effective tools for the solution of inner city problems.

As part of Chairman McKinney's efforts, a new $10 billion program to aid neighborhoods in the cities will be announced tomorrow at the White House. Mr. McKinney's efforts are to be applauded and I sincerely hope that they will serve as an example to the other financial regulatory agencies in using their best powers to move the resources of the Nation's financial community into areas where it is needed the most.

Mr. Speaker, I want to place in the RECORD a news article by John Holusha which appears in today's editions of the Washington Star outlining Chairman McKinney's imaginative and innovative moves to help our inner city neighborhoods.

The article follows:

[From the Washington Star, June 7, 1978]

$10 BILLION AID TO INNER CITIES READIED

(By John Holusha)

A $10 billion program to aid in the rejuvenation of inner-city neighborhoods is expected to be announced in a White House ceremony tomorrow by the Federal Home Loan Bank Board.

The agency, which regulates the nation's $400 billion savings and loan industry, will announce the program as part of the administration's effort to rejuvenate aging urban neighborhods. The program will provide subsidized mortgage loans targeted at areas that had previously been "redlined" by mortgage lenders.

The aid program, which will provide $2 billion a year for five years, will be part of the agency's new initiative in urban lending. Earlier the FHLBB had issued a tough set of regulations intended to prevent savings and loans from redlining—refusing to provide mortgage funds for use in older urban neighborhoods.

The new program will draw on the resources of the Federal Home Loan Bank System, which is analagous to the Federal Reserve in that it has accumulated substantial financial reserves.

Announcing the new program at the White House will be FHLBB Chairman Robert H. McKinney, who has provided a high profile for the previously obscure regulatory agency.

McKinney, who was a Naval Academy classmate of President Carter, employed a White House forum last fall when the agency first moved against redlining.

Carter's presence at tomorrow's announcement indicates once again McKinney's unique relationship as a regulatory agency head with the White House.

The program is expected to funnel low-cost funds to savings and loan associations who have established creditable records in lending in urban areas. The action will come at a time when mortgage funds are becoming scarce as interest rates increase in response to Federal Reserve actions.

McKinney, has staked out an activist position on urban home lending after surviving a difficult confirmation fight during which his activities as chairman of an Indianapolis savings and loan association were criticized as being insensitive to older urban neighborhoods.

McKinney has pledged to lead the effort to make financing available in urban areas even over the opposition of much of the savings and loan industry.

The savings and loan industry accounts for well over half the home loans made each year in this country. In commenting upon the agency's anti-redlining rule, the majority of savings and loan executives objected to federal intrusion on their lending decisions.

However, this is not the first time that the resources of the regional bank system have been used to help subsidize urban lending.

The McKinney announcement tomorrow will indicate a renewed interest in tapping the assets of the regional home loan bank system to funnel special assistance into urban loans.●

PROPOSED INCREASE IN BEEF IMPORTS

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. POAGE) is recognized for 5 minutes.

● Mr. POAGE. Mr. Speaker, I include a copy of a letter that I have written to President Carter in regard to his proposal to increase the imports of beef. The letter, which is self-explanatory, follows:

HOUSE OF REPRESENTATIVES,
White House, Washington, D.C.

HON. JIMMY CARTER,
The President, United States of America, the White House, Washington, D.C.

DEAR MR. PRESIDENT: It is generally reported that you are about to issue an order to increase the quota on beef imported from foreign countries. I well recognize the pressure that has developed as the result of a rapid increase in cattle prices. Unfortunately this hysteria is not based on any serious thought; nor would the proposed action bring about any lasting benefits. Indeed, it is very questionable whether it will bring about any benefits to any of our people. I have understood that you contemplated an increase in a foreign quota for about 18 percent (200 million pounds). This would probably be an increase in our total meat supply of less than 2 percent.

Mr. President, in spite of the predictions of our economic soothsayers, I cannot imagine that such an increase is going to result in any reduction in the retail price of meat. It will, however, in my judgment, have a very serious impact on the domestic production of meat at the very time when we need greater production. About four or five years ago the price of beef went extremely high in the United States. Housewives boycotted beef. At the same time, these high prices, which had been developing for several years, were bringing into production excessive amounts of domestic beef. For the last four years we have had far more production of beef than we needed in the United States. Within the last year cattle populations have been falling rather rapidly, and for the past six months the price of live cattle has been going up rather spectacularly. Compared with other agricultural products, beef cattle are now bringing attractive prices, but it should be noted that with all of the increase in price, we have not yet gotten back to the price level that producers were receiving four, five and six years ago.

We have reached a price level which almost everyone agrees will result in increasing our cattle population and providing more domestic beef, but this kind of increase cannot take place overnight. Surely it is fair to say that there will be no such substantial change in the cattle population as to provide an adequate supply in less than two years. If producers can see a profit in production, the desired increase will ultimately take place; but if the producers see nothing more in the future than the losses they have sustained in recent years, there will be no increase in our cattle population; and in the course of four or five years, this nation may well find itself in the same unhappy position in regard to beef that it is now experiencing in regard to oil. Certainly, we can ill afford at this time to increase our imports so as to create a still greater imbalance in our foreign trade. Surely, this must be avoided; but just as clearly the proposed increase in imports of meat assure an increase in our unfavorable balance.

Mr. President, there is no way whereby we can expect to provide the supplies of beef that the United States needs other than to let cattlemen see the possibility of a profit. We need not guarantee a profit, but we do need to assure cattle producers that the government is not going to destroy their business should it become profitable. I believe that rather than increasing imports at this time, we should adopt legislation, such as that which has passed the Senate and is now pending in the House Committee on Ways and Means. This legislation would result in making our imports largest when our cattle supply is smallest and smaller when our domestic supply increases. Such legislation, as that which I have introduced in the House, would allow us to bring in more beef when domestic supplies get short; but it would in return reduce importations when domestic supplies are excessive. I believe that in that way we can encourage production, and at the same time protect consumers from unwarrantably high prices.

Thanking you and with best wishes, I am,
Yours sincerely,

W. R. POAGE,
Congressman.●

H.R. 12611, THE AIR SERVICE IMPROVEMENT ACT OF 1978

(Mr. MILFORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MILFORD. Mr. Speaker, the Public Works and Transportation Committee, on which I serve, has just completed consideration of H.R. 12611, the Air Service Improvement Act of 1978. This is the so-called "Deregulation Bill".

Members of the Texas delegation have been bombarded by a series of claims from the chairman of the Texas Aeronautics Commission (TAC), the staff of TAC and the president of a Texas intrastate air carrier. Many of these claims are totally false and others are grossly distorted or very misleading.

From the original charges, made by the chairman of the TAC, numerous newspapers in Texas printed articles and editorials lambasting the provisions in H.R. 12611. One congressional candidate in the Dallas-Fort Worth area further complicated the matter by making the press media's false reports about this bill a primary campaign issue.

So that Texas Members may responsibly evaluate the numerous charges and countercharges concerning this bill, and its effect on Texas airlines, I have posed several questions to the chief counsel of the Public Works and Transportation Committee and to the general counsel of the Civil Aeronautics Board. The entire list of questions and answers will be included in the RECORD immediately after my remarks. These questions and answers go to the heart of the controversy and will give Texas Members an authentic reference upon which they can make a rational judgment, based on merit, rather than having access only to charges and countercharges from unknowledgeable politicians and those with special interest involvements.

There are three primary communications that have been grossly in error or highly distorted. They are: First, a press release issued by the chairman of the Texas Aeronautics Commission (TAC), from which numerous Texas newspaper articles were written; second, an editorial in the Dallas Times Herald; and third, a letter from the president of Southwest Airlines.

I submit all of these documents for inclusion in the RECORD at this point.

[Texas Aeronautics Commission Press Release, Mar. 24, 1978]

TAC CHAIRMAN BLASTS CONGRESSIONAL ACTION

Chairman David A. Witts of the Texas Aeronautics Commission today sharply criticized a Congressional subcommittee's recent decision by a 12 to 11 vote to outlaw state regulation of the commuter airline industry within the state's borders and of intrastate airlines should they be granted authority by the Civil Aeronautics Board to provide any interstate service.

"This action by the House Aviation Subcommittee on H.R. 11145 totally negates state regulation's outstanding record of consumer service and low fares, and is in direct contradiction to deregulation's goal of a less restrictive regulatory environment," Witts observed.

"The last thing this country needs is more federal interference with people's lives and businesses. Without instruction from Washington, private business in Texas has built a commuter airline industry that is unmatched anywhere in the world for convenience, low costs and safety. At a time when the federally regulated carriers were cutting schedules, raising fares and gulping subsidies, the commuter carriers were establishing themselves as profitable businesses, contributing vastly to the public convenience. Now, suddenly and without request from anywhere, Washington wants to take our people away from all this," said Witts.

"The absurdity," Witts claimed, "is that the existing airline regulatory system in states like Texas, California and Florida has served as the effective yardstick for comparison purposes with federally authorized rates and services. Now, rather than reward these states for innovative regulation, their regulatory framework would be demolished by this action of the subcommittee." "The real tragedy," Witts observed, "is that the movement in the subcommittee was led by none other than a Texas Congressman—Dale Milliford of Dallas.

"Perhaps over this Congressional Easter recess, Mr. Milliford and the other Texas Congressmen can return home to learn that last year 2,971,026 Texans were traveling on the intrastate network regulated by the Texas Aeronautics Commission and were saving $9,028,473 while flying on Southwest Airlines alone. Looking at Mr. Milford's hometown of Dallas, we note that TAC carriers last year brought 1,632,882 passengers in and out of Love Field and 361,858 in and out of Dallas/Fort Worth Airport," Mr. Witts said. "Surely these constituents would not like to see their air transportation network totally destroyed," he added.

"That Texas cannot rely on the CAB's regulatory policies is best exemplified by the fact that of the 55 cities in Texas that were receiving service from CAB carriers in 1948, only 20 of those cities retain CAB service today. Of the 29 Texas cities now served by TAC carriers, 17 of these are offered no CAB service at all," Witts pointed out.

"The CAB carriers have no interest in serving commuter traffic. They do not have the equipment or the logistics to properly or profitably provide commuter transportation. It is for that reason that they have deliberately abandoned air service on a continuing basis to the medium and small towns and are busy seeking only long haul routes which are profitable for their large equipment and large cargo of government subsidy," Witts asserted.

"Why, Witts asked, "should the people of any state be forced to abandon cheap and convenient local air service and return to the time-tested and time-proven failure of the heavy hand of federal government regulation? It is very ironic indeed that in this very year when the CAB carriers have awakened to the axiom that low fares and greater frequency produce more volume which produces more revenue and more jobs, and in the first year when many CAB carriers are showing their first profits in years, declaring dividends, and buying new equipment, the public is suddenly called upon to return to the dark ages.

"Where," Witts asked, "is the grass roots demand for further bureaucratic overreaction in Washington? To my knowledge, not one single voice was raised requesting that the federal government intervene in the successful, profitable and very conven-

ient services furnished to commuting passengers by airlines operating within the boundaries of a single state.

"Texas does not need unnecessary bungling, unwarranted interference and undesired encroachment from Washington.

"The air transportation network that the subcommittee's action would destroy is one that presently provides local intrastate service from Mr. Milford's hometown and mine, Dallas, to Abilene, Austin, Corpus Christi, El Paso, Harlingen, Houston, Lubbock, Midland/Odessa and San Antonio, as well as connecting traffic through Dallas/Fort Worth from Brownwood, College Station, Greenville, Killeen, Longview, Lufkin, Nacogdoches, Paris, Temple, Tyler, Waco and Wichita Falls," Witts observed. "We are proud of this network and must preserve it.

"The Texas Aeronautics Commission cannot endorse any legislative action which curtails legitimate state regulatory authority in the name of simplifying procedures," said Witts. "Nor will we tolerate further federal restrictions, regulations, and red tape."

Mr. Witts concluded his remarks by suggesting that full House committee markup on the bill following the Easter Recess could reverse the subcommittee's action on federal preemption if a tough grassroots campaign is waged in the next few weeks with letters to the Congressional delegation reminding the federal lawmakers that state and local interests are best represented by state and local government bodies.

[From the Dallas Times Herald May 16, 1978]

MILFORD'S FLIGHT PLAN

An agency of the Texas state government has done an unusual thing. It has asked the members of the Texas congressional delegation to work to defeat a measure introduced by a Texas congressman, because it would damage the congressman's home state.

Rep. Dale Milford, who has been defeated by Dallas-area Democratic voters in his bid for another term, has introduced an amendment to a federal aviation bill that the Texas Aeronautics Commission believes would destroy the state's pioneering effort to establish low-fare commuter airlines. And Southwest Airlines, the state's largest and most successful commuter line, believes the amendment is aimed squarely at its budgeoning low-fare business.

Under the amendment, any intrastate line that opens any interstate route would become subject to regulation by the federal Civil Aeronautics Board. And by strange coincidence, Southwest is planning to start a new route flying from Chicago to other cities in the Midwest. Southwest's Midwest operation would be entirely separate from its Texas business, offering no connecting flights between the two areas. But under the Milford amendment, regulation of the airline would pass from the Texas Aeronautics Board to the CAB.

And that would mean higher intrastate fares for Southwest's customers—a highly desirable development for Southwest's two principal CAB-regulated competititors, Braniff and Texas International.

Congressman Milford claims that he does not intend to injure Southwest, but it is impossible to see any other motive, since his amendment exempts California—the only other state with a thriving intrastate air system—from its provisions.

The Milford flight plan is harmful to the Texas airlines industry and to the low fares that the state's intrastate travelers now enjoy. Texans—and only Texans—will pay for Mr. Milford's folly if Congress approves his amendment.

We urge the other members of the Texas delegation to heed the plea of the Texas Aeronautics Commission and work for the amendment's defeat.

SOUTHWEST AIRLINES,
Dallas, Tex., May 18, 1978.

Congressman DALE MILFORD,
405 Cannon House Office Bldg.,
Washington, D.C.

DEAR CONGRESSMAN MILFORD: It is my understanding that H.R. 11145, as reported out of the House Committee on Public Works and Transportation, would convert Southwest Airlines into a totally CAB regulated interstate air carrier if Southwest extended its route system to include even one city beyond the boundaries of the State of Texas.

This is, indeed, a poor reward for the air carrier whose example has encouraged the regulatory reform movement and provoked the charging of lower fares to air passengers on a nationwide basis.

Ever since enactment of the Civil Aviation Act of 1938, the Congress has recognized the desirability of permitting States to regulate intrastate commercial air service while the Federal government has regulated interstate air transportation. The existence of this dual system of regulation is what has permitted the intrastate carriers to exist and to show the way to more profitable competition through lower fares and higher load factors.

If Southwest extends its routes beyond Texas, it will have to do so with the permission and consent of the Federal Civil Aeronautics Board. This should not subject its carriage of Texas passengers, within the State of Texas, to CAB jurisdiction, just as the carriage of such passengers by the CAB certificated carriers is presently not subject to CAB jurisdiction, nor, in fact, to the jurisdiction of any regulatory body, Federal or State.

If Southwest's carriage of interstate passengers is subject to CAB jurisdiction, and its carriage of strictly Texas intrastate passengers is not, Southwest will be on a par with the CAB air carriers and subject to exactly the same economic, and safety, regulations as they are. Any statement to the contrary simply represents an attempt by the present CAB air carriers to avoid further competition.

I respectfully urge you to vote against H.R. 11145 unless it is amended to permit retention of your State's jurisdiction over Southwest's intrastate operations. The Senate Bill on the same subject provides that our intrastate air operations will remain free of Federal regulation until more than 50% of our revenues flow from interstate operations. This at least represents a fair compromise.

Yours sincerely,

HERBERT D. KELLEHER.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 7, 1978.

Mr. HERBERT D. KELLEHER,
President, Southwest Airlines,
Dallas, Tex.

DEAR MR. KELLEHER: This is in response to your letter of May 18, opposing the federal preemption provision of H.R. 12611, the regulatory reform bill recently reported by the House Public Works Committee.

You are correct in your understanding that the bill provides that if Southwest Airlines obtains an interstate route from the Civil Aeronautics Board, then all of Southwest's operations would be subject to regulation by CAB. This provision is designed to end uncertainties and discriminatory fares which have arisen under existing law, and to end the dual federal-state regulatory controls that now exist.

Under existing law, when an interstate airline also carries intrastate traffic its operations are regulated by both the Civil Aeronautics Board and the state. The CAB sets fares for interstate passengers, including passengers traveling between two cities in the same state who are then connecting to another airline for out-of-state transportation. The state regulates the fares of purely intrastate passengers whose entire journey is between two cities in the same state. This dual regulation has sometimes resulted in different fares being charged passengers traveling between two cities on the same plane, depending on whether these passengers were interstate or intrastate passengers. The CAB has ruled that in certain circumstances the charging of different fares for passengers traveling between the same cities may be unlawful discrimination. CAB's decision has been challenged in the courts and the case is now pending.

H.R. 12611 would resolve these problems by providing that all airline operations involving interstate passengers would be regulated by CAB. All air carriers operating totally within the boundaries of a state would continue to be regulated solely by the state.

Should an existing intrastate air carrier extend its operations into the interstate arena and thereby come under the control of the CAB, that carrier's existing fare rates, routes and safety requirements would in no way be affected. H.R. 12611 does not in any way grant CAB the authority to raise fares or to establish fares. This is done by the carrier according to its own business sense. Any existing intrastate routes are automatically incorporated into CAB approval of the new interstate route.

In view of these considerations, I do not think that the federal preemption provisions of H.R. 12611 would be contrary to the best interests of Texas passengers.

Sincerely,

DALE MILFORD, M. C.

CIVIL AERONAUTICS BOARD,
Washington, D.C., May 25, 1978.

Hon. DALE MILFORD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MILFORD: In response to your questions concerning the impact of H.R. 12611 we enclose the following analysis. We would like to have undertaken a more thorough consideration of some of the questions, but have done what we could within the limited response period set out in your letter of May 22. If any additional thoughts or qualifications arise, we will pass them on to you promptly.

Sincerely,

PHILIP J. BAKES, Jr.,
General Counsel.

QUESTIONS TO CAB COMMITTEE COUNSEL

1. Under present law, please describe the class and type of air carriers that are regulated (routes and fare rates only) by (1) CAB, and (2) by the various states?

(1) The Board regulates fully (that is routes and rates) several classes of air carriers—all of which by definition are engaged in service between two states, or U.S. territories, or foreign nations. These classes are trunk carriers, the local service carriers, and the all-cargo carriers (in their international operations). Supplemental air carriers, and commuter carriers that operate interstate or internationally are also within the Board's jurisdiction, but are not regulated extensively as to routes or prices.

(2) States have authority to regulate the routes and rates of carriers whose operations are wholly intrastate. The states also have limited jurisdiction, particularly with respect to rates, over the intrastate operations of interstate carriers. We have not undertaken a state by state analysis of how the states use the authority they have to regulate. We have attached an excerpt from the Simat, Helliesen & Eichner study, "An Analysis of the Intrastate Air Carrier Regulatory Forum" which outlines regulation by Texas and California.

2. Under the provisions of H.R. 12611, how

has the situation, reflected in your anwers to No. 1 above, been changed?

H.R. 12611 eliminates whatever rights to regulate intrastate routes and rates of interstate carriers that the states may now have.

3. Under present law: (1) does CAB have the authority to establish or control rates or routes of commuter air carriers? (2) If so, does CAB control commuter air carriers' rates or routes?

(1) Yes, it does. The Board has the authority to regulate the interstate operations of commuter airlines under the existing statute.

(2) No, the Board has chosen to exempt this class of carrier from rate and fare regulation.

4. Under the provisions of H.R. 12611: (1) Would CAB have the authority to regulate routes or fare rates of commuter air carriers? (2) Would the various states have authority to regulate routes or rates of commuter air carriers?

(1)—The Board's authority to regulate the routes of commuter air carriers would be eliminated under H.R. 12611. The Board would have discretion to exempt the commuters from other requirements of regulation including rate regulation.

(2)—The states would have the authority to regulate commuter air carriers which were engaged in operations wholly within the particular state.

5. Under the provisions of H.R. 12611, would regulatory authority concerning the operations of Southwest Airlines or any other intrastate air carrier, be changed from present law?

As long as an intrastate carrier's operations remain intrastate, regulatory authority over those operations would not change under H.R. 12611.

6. Are there any provisions in H.R. 12611 that would allow CAB to assume regulatory control over routes or fare rates of Southwest Airlines or any other intrastate air carrier?

No, as long as an intrastate carrier's operations remain intrastate, the CAB will not assume regulatory control over its operations. But, as we pointed in answer to question two, H.R. 12611 eliminates whatever rights to regulate intrastate routes and rates of interstate carriers that the states may now have. Therefore, if Southwest Airlines becomes an interstate carrier the Board would have authority to regulate it.

7. Presently Midway Southwest, a subsidiary company of Southwest Airlines, has an application pending before CAB to operate several interstate routes out of Chicago's Midway Airport. Would CAB approval of the Midway Southwest application result in CAB regulation of the Southwest Airlines intrastate routes and fare rates, in lieu of state regulation presently administered by the Texas Aeronautics Commission?

CAB approval of the Midway Southwest application would not result in CAB regulation of Southwest Airlines. The Board has tentatively determined that Southwest is not an "air carrier," within the meaning of the Act because its operations are intrastate; it does not become an air carrier as a result of its subsidiary holding a federal certificate.

8. Are there any provisions whatsoever in H.R. 12611 which would result in an intrastate air carrier (such as Southwest Airlines) having an economic advantage over an interstate air carrier (such as Braniff or Texas International) or vice versa?

We are not aware of any.

9. Are there any provisions whatsoever in H.R. 12611 that would change the present relationship between Southwest Airlines and Braniff or Texas International?

We are not aware of any.

10. With reference to state controls of air carriers, are there any provisions whatsoever in H.R. 12611 that grant any exceptions to the State of California?

There are no such provisions. However, P.L. 95-163, passed in November 1977, provided the intrastate carriers of California and Florida specific statutory authorization to enter interline arrangements with interstate carriers. Intrastate carriers from other states may enter these arrangements only after receiving CAB approval.

11. Please name the states that presently have significant intrastate air carrier operations that are regulated by state agencies?

The following states have significant intrastate operations by companies operating large aircraft: California, Alaska, Texas, and Florida.

12. Would each of the intrastate air carrier operating states named in answers to No. 11 above be equally affected by the provisions found in H.R. 12611?

H.R. 12611 would permit the Board to decrease the passenger and property capacities relating to the commuter exemption within Alaska and may require commuter carriers operating within Alaska, even those with interstate status, to obtain operating authority from the State of Alaska. (See Section 22).

13. In one of the earlier versions of the Air Services Improvement Act, now known as H.R. 12611, the "FEDERAL PREEMPTION" section (section 4) contained a provision which would allow an intrastate air carrier to expand into interstate with the intrastate portions of his route remaining under state control until over 25 percent of the carrier's total revenues would come from interstate business. Was this provision eliminated in H.R. 12611?

Yes.

14. Based on your own knowledge and/or the Committee record, why was the provision, depicted in No. 13 above, changed to the present provision found in H.R. 12611?

We do not know why this provision was eliminated.

CIVIL AERONAUTICS BOARD,
Washington, D.C., June 5, 1978.

Hon. DALE MILFORD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MILFORD: Since I wrote you the other day, it has come to my attention that there is a provision in the H.R. 12611 that seems to favor interstate air carriers over intrastate air carriers. That provision is part of the experimental entry program. While intrastate carriers such as Southwest are eligible to participate in the program, *i.e.*, to select one new interstate or overseas market in the year following enactment of the bill, those carriers may not protect one of their routes from entry by other carriers as the interstate carriers have the authority to do.

If I can be of any further assistance, please let me know.

Sincerely,

PHILIP J. BAKES, Jr.,
General Counsel.

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION,
Washington, D.C., May 25, 1978.

Hon. DALE MILFORD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MILFORD: This is in response to your letter of May 22 asking my opinion on a number of questions involving the economic regulation of air transportation under existing law and under the changes in existing law which would result from H.R. 12611. Your questions and my answers are set forth below.

1. Under present law, please describe the class and type of air carriers that are regulated (routes and fare rates only) by (1) CAB, and (2) by the various states?

(a) *Carriers regulated by CAB*

Under present law, the CAB regulates "air carriers"[1] (Federal Aviation Act, Section 401 and 101(3)). An air carrier is a company engaging in interstate air transportation including flights between cities in different states and flights between cities in the same state, carrying passengers who are connecting to another airline for an out-of-state flight.

There are two main classes of carriers which CAB regulates under present law; the certificated interstate carriers, such as United, Western, and Texas International, whose routes and fares are regulated in detail, and the commuter air carriers, such as Air Wisconsin and Golden West, who operate small aircraft of 30 seats or less, and whose routes and fares are basically unregulated.

When commuters or certificated carriers operate between cities in different states the CAB has exclusive jurisdiction over their routes and fares. When these carriers operate between two cities in the same state there is dual jurisdiction. CAB regulates the fares of interstate passengers and the states may regulate the fares of intrastate passengers (passengers whose entire journey is between two cities in the state). Recently CAB has ruled that in certain circumstances the Federal Aviation Act does not permit the states to regulate fares of interstate carriers if the result is different fares for interstate and intrastate passengers. This decision has been challenged in the courts and is now under judicial review.

(b) *Carriers Regulated by States*

The states have jurisdiction to regulate intrastate air carriers who do not carry interstate passengers. Also, as indicated above, the states have some jurisdiction over intrastate service by interstate carriers.

2. Under the provisions of H.R. 12611, how has the situation, reflected in your answers to No. 1 above, been changed?

Section 4 of H.R. 12611 provides that interstate carriers will be regulated exclusively by CAB. Thus, the bill would eliminate the states' authority to regulate the intrastate operations of interstate carriers. The bill does not change the states' authority to regulate exclusively intrastate carriers.

3. Under present law: (1) does CAB have the authority to establish or control rates or routes of commuter air carriers? (2) If so, does CAB control commuter air carriers' rates or routes?

Under present law the CAB does have authority to regulate the rates and routes of commuter air carriers. However, as a matter of discretion, the CAB has decided to exempt commuter air carriers from regulation of their fares and routes (see part 298 of the CAB Economic Regulations).

4. Under the provisions of H.R. 12611: (1) Would CAB have the authority to regulate routes or fare rates of commuter air carriers? (2) Would the various states have authority to regulate routes or rates of commuter air carriers?

Under Section 22 of H.R. 12611 the CAB is not permitted to regulate the routes of commuter air carriers. The bill gives CAB discretion as to whether to exempt the commuters from rate regulation. A commuter is defined as an interstate air carrier operating aircraft of less than 50-seat capacity.

Section 4, the Federal Preemption Section of H.R. 12611, would prevent the states from regulating routes or rates of commuter air carriers (as defined above).

5. Under the provisions of H.R. 12611, would regulatory authority concerning the operations of Southwest Airlines or any other intrastate air carrier, be changed from present law?

Under Section 4 of H.R. 12611 there would be no change in the states' authority to reg-

[1] CAB also regulates "foreign air carriers" who are foreign-owned companies providing international transportation to the United States.

ulate intrastate air carriers so long as these carriers do not obtain authority under Title IV of the Federal Aviation Act to provide interstate air transportation.

6. Are there any provisions in H.R. 12611 that would allow CAB to assume regulatory control over routes or fare rates of Southwest Airlines or any other intrastate air carrier?

There are no provisions in H.R. 12611 that would allow the CAB to regulate the operations of intrastate air carriers unless these carriers obtain authority under Title IV of the Federal Aviation Act to provide interstate air transportation.

7. Presently Midway Southwest, a subsidiary company of Southwest Airlines, has an application pending before CAB to operate several interstate routes out of Chicago's Midway Airport. Would CAB approval of the Midway Southwest application result in CAB regulation of the Southwest Airlines intrastate routes and fare rates, in lieu of state regulation presently administered by the Texas Aeronautics Commission?

Midway Southwest is a separate company. If it was awarded a CAB certificate to operate interstate routes, it would become an air carrier. Its parent company, Southwest Airlines, would not receive a certificate. Thus, award of a certificate to Midway Southwest would not affect state authority to regulate Southwest itself.

8. Are there any provisions whatsoever in H.R. 12611 which would result in an intrastate air carrier (such as Southwest Airlines) having an economic advantage over an interstate air carrier (such as Braniff or Texas International) or vice versa?

H.R. 12611 would give the interstate air carriers more freedom to determine the routes they serve and the fares they charge. H.R. 12611 would give the intrastate carriers, such as Southwest, the right to enter one interstate markets in 1979. The bill would also preempt state regulation of intrastate service provided by interstate airlines. It is difficult to determine the net effect of these provisions on the competitive situation. In my opinion the provisions are unlikely to change the competitive balance substantially.

9. Are there any provisions whatsoever in H.R. 12611 that would change the present relationship between Southwest Airlines and Braniff or Texas International?

Same answer as question 8.

10. With reference to state controls of air carriers, are there any provisions whatsoever in H.R. 12611 that grant any exceptions to the State of California?

No.

11. Please name the states that presently have significant intrastate air carrier operations that are regulated by state agencies?

California, Texas, Florida, Illinois, and Alaska.

12. Would each of the intrastate air carrier operating states named in your answers to #11 above be equally affected by the provisions found in H.R. 12611?

Yes, except that the commuter exemption provision, section 22, contains an exemption for the State of Alaska permitting the Board to decrease the 50-seat limit for commuters in Alaska and permitting the Board to require carriers engaged in Alaska intrastate air transportation to obtain operating authority from the State of Alaska.

13. In one of the earlier versions of the Air Service Improvement Act, now known as H.R. 12611 the "FEDERAL PREEMPTION" (section 4) contained a provision which would allow an intrastate air carrier to expand into interstate portions of his route remaining under state control until over 25% of the carriers' total revenues would come from interstate business. Was this provision eliminated in H.R 12611?

Yes, this provision was eliminated.

14. Based on your own knowledge and/or the Committee record, why was the provision, depicted in No. 13 above, changed to the present provision found in H.R. 12611?

My impression is that there was a feeling among many of the Committee members that it is not desirable to have a carrier partially regulated by a state and partially regulated by the Federal Government, and that once an intrastate carrier expands into interstate air transportation, it should be totally regulated by CAB.

Please let me know if I can be of further assistance.

Sincerely,

RICHARD J. SULLIVAN,
Chief Counsel.●

A SPECIAL IN-DEPTH SURVEY OF THE AMERICAN PUBLIC ON THE SUBJECT OF FEDERAL ASSISTANCE TO NEW YORK CITY

(Mr. MOORHEAD of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, many statements of opinion have been rendered concerning the public's attitude about New York City, and whether this Congress should do anything to assist in the city's further recovering from the financial problems which have beset it since 1975. The most recent effort to measure these opinions is contained in a Lou Harris poll, released today.

I am naturally gratified by the results of this poll. The perceptions and opinions of the people at large, covering all regions, political philosophies, and the like, are very similar to those of a large majority of the members of the Subcommittee on Economic Stabilization and of the full Banking Committee, which handled the New York financial assistance legislation, H.R. 12426, now before the House for its action tomorrow.

I am particularly pleased the huge majority of 85 to 8 percent, with 7 percent undecided, supported a guarantee of New York City bonds in preference to default or bankruptcy. As the question was posed, the people expressed that preference "if the City balances its budget and such a plan would not cost the taxpayers any actual money." That is precisely what H.R. 12426 provides. It requires the city to complete progress toward a truly balanced budget in not more than 4 years, and there will be almost no risk of cost to the taxpayer since Federal transfer payments can be withheld as an offset against any possible failure of New York City to balance their budget.

Mr. Speaker, the American people have shown typical good sense in this poll. They do not like some of the things that have gone on in New York in the past, and neither do I, but they correctly perceive that bankruptcy would be a disaster and that the Federal Government can and should prevent such a needless and costly event.

Mr. Speaker, notwithstanding the cost to reproduce this latest Harris poll in the RECORD because of its length, I ask that it be reprinted in its entirety so that my colleagues may share in its findings and conclusions.

A SPECIAL IN DEPTH SURVEY OF THE AMERICAN PUBLIC ON THE SUBJECT OF FEDERAL ASSISTANCE TO NEW YORK CITY

(Conducted by Louis Harris and Associates, Inc., May 1978)

A WORD ABOUT THE SURVEY

Back in 1975, Louis Harris and Associates conducted a survey of a cross-section of the American public to determine the attitudes of the public toward federal assistance to New York City. Then it was found that the American people rejected the notion of New York City going bankrupt, with a substantial 69–18% majority preferring a federal loan to New York City.

Federal loan guarantees to New York City expire on June 30th of this year, and once again the federal government must decide whether or not it will give financial assistance to the city, and what terms ought to be attached to that help if it is rendered. While many of the same questions asked back in 1975 were asked of a comparable cross-section in the latest survey, two additional pivotal issues have also been tested with the public: the federal government guaranteeing up to 90% of special New York City bonds to be sold to pension funds, and a year-by-year renewal of the current $1.2 billion federal loan to New York City until it is no longer needed.

This survey has also measured the degree to which the public nationwide believes that cities in general are in financial trouble and whether federal financial help for cities is worthwhile. A comparable series was also asked about the degree to which New York City is still perceived as being in financial straits, whether such Federal assistance is still worthwhile, and what the possible consequences are of a default by New York City this summer. As in 1975, this survey also tested public attitudes toward continuing financial assistance to New York City vs. the course of bankruptcy and default.

All interviewing took place between May 5 and 11 among a cross-section of 1,494 adults who were surveyed by telephone through a random digit dialing method employed to ensure randomness in the final sample.

ANALYSIS

Should federal financial assistance to New York be extended and what form should it take?

The number of Americans who reject the idea that "New York City ought to default and go bankrupt" and instead prefer that "the Federal government guarantee loans to New York City and bonds New York City would sell if the city balances its budget and such a plan would not cost the taxpayers any actual money" has risen dramatically from 69–18 percent in 1975 to 85–8 percent in 1978, an increase in approval of 16 points.

On two other trend questions, a rise in support of federal financial assistance to New York City is also evident:

Having the "federal government guarantee loans that would be made by banks and other lenders to the city" is now backed by a 73–19 percent majority, up from 65–22 percent in 1975.

Having the "federal government guarantee some of New York City's debt under a plan that would not cost the taxpayers any actual money, if the city balances its budget" is now supported by an 85–8 percent majority, up from a comparable 68–22 percent majority in 1975, an increase in approval of 17 points.

Observation: By any measure, it is immediately apparent that support for federal financial help for New York City has gone up quite dramatically over the past few years. Contrary to the claims of some, at least as far as the American people are concerned, it is apparent that the national mood today is much more favorable to fed-

eral financial assistance for New York City than it was in 1975.

On two key specific forms of assistance in 1978, clear majorities register their support:

The suggestion that "special New York City bonds be sold to any pension funds, with the federal government guaranteeing up to 90 percent of those bonds" is favored by a 59–31 percent majority.

"Renewing the current $1.2 billion federal loan to New York City on a year-to-year basis until it is no longer needed" is supported by a 66–24 percent majority nationwide.

Observation: Thus, the essence of the bill which has passed the House Subcommittee on Economic Stabilization receives substantial majority backing from people all across the country. The people once again reject the notion of New York City going bankrupt. A federal guarantee of up to 90 percent on a new special bond issue by the city or the Municipal Assistance Corporation, which would be offered only to pension funds, is well backed, as is continuance of the direct federal loan program.

The conditions under which this federal support should be given to New York City—

As in 1975, the American public still feels that there are certain conditions which the city must pledge to meet in order to make federal financial assistance an equitable proposition:

—By 84–13 percent, the people feel it is "highly important" that "the city should be forced to balance its budget and not spend more money than it takes in." In 1975, an even higher 90–8 percent majority felt the same way.

—By 73–23 percent, a sizable majority also assign high importance to "the city should trim non-productive employees off the payroll." In 1975, a higher 77–17 percent majority felt the same.

By 64–28 percent, a majority also believe it "highly important" that "the city should put in tough productivity programs for its employees," only slightly below the 68–23 percent majority who felt the same a few years ago.

By 62–29 percent, a majority also feel that it is very important that "the special New York State agency which now monitors all spending by New York City should be continued," almost identical to the 62–28 percent majority recorded in 1975.

By 53–39 percent, a majority also feel it highly important that "the State of New York should increase its share of the financial aid it gives to New York City," virtually the same as the 52–37 percent majority who felt that way in 1975.

However, it also must be noted that there were four other potential conditions for New York City tested in this study which were not evaluated as being "highly important" for the city to meet. Among these were: ending rent control, viewed as very important by no more than 34 percent, up marginally from 29 percent in 1975; increased loans from city union pension funds, thought to be highly important by 25 percent; having the New York State employee pension funds buy city bonds, put in the highly important category by only 31 percent; and having banks which loaned New York City money and bought its bonds in the past do more of this, viewed as highly important by 44 percent.

Observation: Clearly, the trade-offs that the American people want from New York City in return for more federal guarantees and the extension of current loans are that the city live within its means, that it trim nonproductive employees off the payroll, that it institute tough productivity programs, that the special monitoring of all expenses by the state be continued, and that New York State increase its financial assistance to the city. If given such assurance, then a lopsided 73–19 percent majority would go along with the terms of a federal guarantee of the city's loans and special bond issues.

The consequences of a New York City default.—

Majorities of the American people are worried about likely results if New York City were to go bankrupt. A substantial 86 percent think it is at least "somewhat likely" in the case of default that "many individual bondholders and businesses across the nation who sell to New York City could be seriously hurt." Almost as many, 85 percent, feel it is at least somewhat likely that "many individual bondholders who purchased New York City bonds in good faith could have their life savings wiped out." And 79 percent are concerned that "the risk of borrowing for almost all other cities, counties, and states could go up a lot, making it necessary to raise taxes." In addition, 78 percent think it is at least somewhat likely that default "could cause the dollar to drop in value more than ever, because foreign banking leaders will feel the U.S. is in really deep trouble." In the view of 66 percent, New York City bankruptcy "could trigger a recession, or even a depression in the country." And 68 percent are concerned that "banks around the country who are heavy holders of New York City bonds could go out of business."

Observation: It is evident that the people themselves are sizable risks to the entire U.S. economy at home and to the dollar abroad in the event of a default or bankruptcy by New York City.

The crosses New York City still bears.—

Despite the sharp rise in backing for the federal government giving New York City financial assistance again, the city still receives substantial criticism for the way it has been run. In most cases, however, these negatives have fallen off some since 1975:

By 75–15 percent, a majority feel that "New York City has been at fault by not living within its means, spending more money than it takes in," slightly down from a comparable 82–8 percent majority who felt that way back in 1975.

By 63–15 percent, a majority also hold the view that "the unions of city employees in New York City have become so powerful they have obtained excessive settlements on wages and benefits," down only a bit from the 67–9 percent majority who shared that point of view in 1975.

By 62–19 percent, a majority also make the criticism that "New York City has to spend too much on welfare because too many poor people have gone to live there since welfare benefits in New York are higher than most other places," up from the 57–18 percent majority who felt the same a few years back.

By 60–22 percent, a majority feel that "with about 250,000 city employees, New York City is a bureaucracy out of control," down some from the 66–12 percent who felt that way in 1975.

By 58–19 percent, a majority also hold the view that "since New York City received help from the federal government in 1975, the city government has not really done much to stop its habit of living beyond its means."

By 48–37 percent, a plurality agree with the criticism that "by letting policemen, firemen, sanitationmen, and teachers retire on half pay after 20 years of service, New York City has been far too generous on pensions." However, a higher 58–27 percent majority felt that way in 1975.

However, by 48–40 percent, a plurality of the public deny the charge that "New York City is the center of much of what's rotten and immoral in America," a reversal of a narrow 41–40 percent plurality who felt that way about the city a few years back.

Observation.—These results point up clearly that most Americans do not yet feel that New York has totally changed some of its practices which put it in financial trouble in the first place. But it is important to point out that these criticisms are diminishing and do not in the aggregate add up to a dominant "get New York" attitude in the country as a whole.

What is going for New York.—

Despite the criticisms of New York City, there is widespread recognition of the important and unique role that New York City plays in the life of the country. On almost all counts, appreciation of New York has gone up since 1975:

By 88–7 percent, a sizable majority feel that "as the financial center of America, the center of communications and publishing, the headquarters city of major companies, the center of arts and culture, the home of the United Nations, New York City is an important part of America to keep going," up from an 82–10 percent majority who felt that way in 1975.

By 81–13 percent, a majority also believe that "New York City and other cities are important business and cultural centers and must be kept from going bankrupt," up from a 70–20 percent majority who felt identically a few years back.

By 74–19 percent, a majority of Americans hold the view that "it is important to preserve New York City as the most important city in the world, where much of the world's business is conducted and some of the most important international decisions are made," an increase from a 67–21 percent majority who felt that way in 1975.

By 72–21 percent, a majority also feel that "it is important to have big cities like New York, which attract the most talented and capable people who can work closely together for the well-being of the country," up from a 63–25 percent majority who felt that way a few years back.

By 69–21 percent, a majority believe that "to collect garbage for 8 million people, to provide adequate fire and police protection, to educate over 1 million children, it is necessary for New York to have the second biggest government in the country," up from a 61–22 percent majority who shared this view in 1975.

By 51–113 percent, a majority express the assessment that "New York City has a new Mayor who ran on a platform of cutting out the frills in city government and is now trying to get the city to live within its means."

By 51–23 percent, a majority also hold the view that "over the past 3 years, because members of New York City's municipal unions have lost jobs, not received pay increases, and have loaned the city some of their pension money by buying city bonds, these unions have done their share to help New York City."

By the same token, a 48–15 percent plurality agree that "the reason the municipal union leaders in New York City don't like Mayor Koch is that he won't give away fat wage increases to them as past mayors did."

There are some other arguments justifying continued assistance to New York City which majorities of the public embrace:

By 74–19 percent, a majority hold the view that "the U.S. government has given billions in aid abroad to other governments, so the least it can do is help out New York City when it is in need," up 10 points in agreement from the 64–28 percent majority who felt the same back in 1975.

By 81–11 percent, a sizable majority feel that "if New York City defaulted, it would be a real injustice to thousands of people who could lose their life savings which are invested in New York City bonds," up from a 73–17 percent majority who shared this view a few years back.

By 62–29 percent, a majority also feel that "since the federal government bailed out

Lockheed and the Penn Central Railroad with billions of dollars, the least it can do is help bail out New York City," up from 55–33 percent majority who felt identically in 1975.

Significantly, by 60–28 percent, a majority reject the claim that "New York City has been a rip-off city for so long it ought to be allowed to default and thereby be taught a lesson," up from a 53–32 percent majority who felt that way a few years ago.

Observation: It is evident that since 1975 the American people have come to hold a more positive view of New York City in most of the specifics tested. Not only are the negative attributes going down some, but the positive elements about New York are appreciated by bigger majorities of the public. Undoubtedly, the unwillingness of the people themselves to buy some of the negative shibboleths about the city, and the sense that the city has an improved city administration and is more determined to correct its past profligate ways, all combine to persuade solid majorities of the wisdom of the federal government once again helping New York solve its financial crisis.

The widespread support for financial aid to New York City.—

The following table illustrates dramatically the growth of majorities in many regions and key segments of the American public to prefer a federal guarantee for New York City, instead of letting the city go bankrupt:

FEDERAL GUARANTEE TO NEW YORK CITY, OR LET NEW YORK CITY GO BANKRUPT?

[In percent]

	1978			1975		
	Federal guarantee	Let go bankrupt	Not sure	Federal guarantee	Let go bankrupt	Not sure
Nationwide	85	8	7	69	18	13
By region:						
East	87	6	7	76	14	10
Midwest	86	8	6	72	16	12
South	84	9	7	63	20	17
West	86	8	6	63	25	12
By size of place:						
Cities	87	8	5	77	14	9
Suburbs	87	8	5	63	21	16
Towns	81	8	11	68	23	9
Rural	84	8	8	67	19	14
By age:						
18 to 29	92	6	2	82	10	8
30 to 49	90	5	5	69	21	10
50 and over	76	12	12	59	22	19
By political philosophy:						
Conservative	83	8	9	63	25	12
Middle-of-the-road	89	6	5	71	16	13
Liberal	91	7	2	81	11	8
By political party:						
Republican	82	10	8	62	24	14
Democrat	88	5	7	74	14	12
Independent	87	8	5	68	20	12

Observation: It is evident that the rise in backing for federal financial help to New York City is wide and deep by region of the country, political party, political philosophy, and size of place. People feel progress has been made and now they want to see the job finished.

Attached is a copy of the questionnaire asked of the cross-section of the public, with the over-all results and trend data (where applicable) for each attitudinal question filled in. Copies of the complete computer print-outs of the study are available in the headquarters of Louis Harris and Associates, Inc., 630 Fifth Avenue, New York, New York 10020.

The only restriction on the publication of this study is that if any part of it is quoted, the entire report must be made public in its entirety, without exception.

Are you 18 years of age or older? (If no, ask if anyone in household is 18 years old or older and ask to speak with that person. If no one in household is 18 or older, screen out).

Yes, (continue with questionnaire).
No, (screen out).
Refused, (screen out).

1a. How serious do you feel the financial crisis facing cities in this country is—very serious, only somewhat serious, or not serious at all?

	Nov. 1978	Nov. 1975
Very serious (15)	67	66
Only somewhat serious	26	26
Not serious at all	3	4
Not sure	4	4

1b. How important do you feel it is for the federal government to help the cities of the country solve their financial problems—very important, only somewhat important, or not important at all?

Very important (16)	49	40
Only somewhat important	31	28
Not important at all	16	26
Not sure	4	6

1c. Over the past 5 years, do you feel that most of the cities of the country, as places in which to live and work, have improved, gone downhill, or not changed much?

Have improved (17)	30	24
Gone downhill	38	49
Not changed much	26	21
Not sure	6	6

1d. Do you feel it is worthwhile for the federal government to help make the cities better places in which to live and work, or do you think it is not a worthwhile effort?

Worthwhile (18)	79	73
Not worthwhile	17	21
Not sure	4	6

1e. How serious do you feel the financial crisis facing New York City is—very serious, only somewhat serious, or not serious at all?

Very serious (19)	64	78
Only somewhat serious	21	13
Not serious at all	3	3
Not sure	12	6

1f. How important do you feel it is for the Federal government to help New York City solve its financial problems—very important, only somewhat important, or not important at all?

Very important (20)	44	40
Only somewhat important	34	27
Not important at all	17	26
Not sure	5	7

1g. Over the past 5 years, do you feel that New York City, as a place in which to live and work has improved, gone downhill, or not changed much?

Improved (21)	11	7
Gone downhill	42	56
Not changed much	20	12
Not sure	27	25

1h. Do you feel it is worthwhile for the Federal government to help make New York City a better place in which to live and work, or do you think it is not a worthwhile effort?

Worthwhile (22)	71	64
Not worthwhile	22	27
Not sure	7	9

2. LET ME READ YOU SOME STATEMENTS SOME PEOPLE HAVE MADE ABOUT NEW YORK CITY AND ITS CURRENT FINANCIAL TROUBLES. FOR EACH, TELL ME IF YOU TEND TO AGREE OR DISAGREE. (READ STATEMENTS AND RECORD FOR EACH ONE.)

	1978			1975		
	Agree	Disagree	Not sure	Agree	Disagree	Not sure
1. New York City has been at fault by not living within its means, spending more money than it takes in	75	15	10	82	8	1
2. To collect garbage for 8,000,000 people, to provide adequate fire and police protection, to educate over 1,000,000 children, it is necessary to have the 2d biggest government in the country	69	21	10	61	22	17
3. By letting policemen, firemen, sanitationmen, and teachers retire on half pay after 20 yr service, New York City has been far too generous on pensions	48	37	15	58	27	15
4. New York City and other cities are important business and cultural centers and must be kept from going bankrupt	81	13	6	70	20	10
5. Since New York City received help from the Federal Government in 1975, the city government has not really done much to stop its habit of living beyond its means	58	19	23			
6. As the financial center of America, the center of communications and publishing, the headquarters city of major companies, the center of arts and culture, the home of the United Nations, New York City is an important part of America to keep going	88	7	5	82	10	
7. The unions of city employees in New York City have become so powerful they have obtained excessive settlements on wages and benefits	63	15	22	67	9	24
8. It is important to preserve New York City as the most important city of the world, where much of the world's business is conducted and some of the most important international decisions are made	74	19	7	67	21	12
9. With about 250,000 city employees, New York City is a bureaucracy out of control	60	22	18	66	12	22

	Agree	Disagree	Not sure	Agree	Disagree	Not sure
10. New York City has not received its fair share back from the taxes it pays to the Federal Government	30	30	40	20	28	52
11. New York City is the center of much of what's rotten and immoral in America	40	48	12	41	40	19
12. It is important to have big cities like New York, which attract the most talented and capable people who can work closely together for the well-being of the country	72	21	7	63	25	11
13. New York City has to spend too much on welfare because too many poor people have gone to live there since welfare benefits in New York are higher than most other places	62	19	19	57	18	25
14. New York City has a new mayor who ran on a platform of cutting out the frills in city government and is now trying to get the city to live within its means	53	13	34	----	----	----
15. Over the past 3 yr, because members of New York City's municipal unions have lost jobs, not received pay increases, and have loaned the city their pension by buying city bonds, those unions have done their share to help New York City	51	23	26	----	----	----
16. The reason the municipal union leaders in New York City don't like Mayor Koch (Kotch) is that he won't give away fat wage increases to them as past mayors did	48	15	37	----	----	----

3A. AS YOU KNOW, THE CONGRESS HAS BEEN DEBATING WHETHER TO HELP NEW YORK CITY BY GUARANTEEING LOANS MADE TO IT, OR TO ALLOW THE CITY TO GO BANKRUPT AND DEFAULT ON PAYING BACK THE PEOPLE WHO OWN NEW YORK CITY BONDS. NOW LET ME READ YOU SOME STATEMENTS SOME PEOPLE HAVE MADE ABOUT WHAT OUGHT TO BE DONE ABOUT NEW YORK CITY. FOR EACH, TELL ME IF YOU TEND TO AGREE OR DISAGREE. (READ STATEMENTS AND RECORD FOR EACH ONE.)

	Agree	Disagree	Not sure	Agree	Disagree	Not sure
1. New York City has been a rip-off city for so long it ought to be allowed to default and thereby be taught a lesson	28	60	12	32	53	15
2. The U.S. Government has given billions in aid abroad to other Governments, so the least it can do is to help out New York City when it is in need	74	19	7	64	28	8
3. If the Federal Government bails out New York City, it will be an open invitation for many other cities, counties, and States to do the same and that is wrong	57	36	7	67	24	9
4. If New York City defaulted, it would be a real injustice to thousands of people who could lose their life savings which are invested in New York City bonds	81	11	8	73	17	9 10
5. Unless New York City is allowed to go broke, the same old politicians will continue to mismanage the city	45	42	13	48	33	19
6. Since the Federal Government bailed out Lockheed and the Penn Central Railroad with billions of dollars, the least it can do is help bail out New York City	62	29	9	55	33	12

3b. IF NEW YORK CITY DEFAULTS, HERE ARE SOME THINGS THAT COULD HAPPEN AS A RESULT. FOR EACH, TELL ME IF YOU THINK THAT WOULD BE A VERY LIKELY CONSEQUENCE, ONLY SOMEWHAT LIKELY OR NOT LIKELY AT ALL. (READ STATEMENTS AND RECORD FOR EACH ONE.)

					November 1975			
	Very likely	Only somewhat likely	Not likely at all	Not sure	Very likely	Only somewhat likely	Not likely at all	Not sure
1. Many individual bondholders who purchased New York City bonds in good faith could have their life savings wiped out	57	28	10	5	58	23	12	9
2. Banks around the country who are heavy holders of New York City bonds could go out of business	34	34	25	7	35	28	27	10
3. The risk of borrowing for almost all other cities. counties, and States could go up a lot, making it necessary to raise taxes	48	31	14	7	52	25	13	10
4. A New York City default could trigger a recession. or even a depression in the country	34	32	27	7	40	24	25	11
5. Confidence in financing local. county, and State governments could be undermined	38	34	19	9	40	25	20	15
6. Many individual bondholders and businesses across the Nation who sell to New York City could be seriously hurt	56	30	8	6	----	----	----	----
7. It could cause the dollar to drop in value more than ever, because foreign banking leaders will feel the United States is really in deep trouble	51	27	17	5	----	----	----	----

Now let me ask you about a number of things that have been suggested New York City will have to do if it is going to deserve to be helped out of its troubles by the federal government. For each, tell me if you think it is highly important, only somewhat important, or hardly important in order for New York City to receive federal help. (READ LIST AND RECORD FOR EACH ITEM.)

	Highly important		Only somewhat important		Hardly important		Not sure	
1. The city should be forced to balance its budget and not spend more money than it takes in	84	[1] 90	11	[1] 7	2	[1] 1	3	[1] 2
2. The State of New York should increase its share of the financial aid it gives to New York City	53	[1] 52	29	[1] 23	10	[1] 14	8	[1] 11
3. The city should end rent control, which has reduced its income from real estate taxes	34	[1] 29	32	[1] 26	20	[1] 21	14	[1] 24
4. City union pension funds which have loaned the city money in the past, should loan more now (new)	25	----	34	----	32	----	9	----
5. New York State employee pension funds should loan the city money by buying the city's bonds (new)	31	----	33	----	24	----	12	----
6. The city should put in tough productivity programs for its employees	64	[1] 68	21	[1] 15	7	[1] 8	8	[1] 9
7. The city should trim nonproductive employees off the payroll	73	[1] 77	14	[1] 11	9	[1] 6	4	[1] 6
8. The special New York State agency which now monitors all spending by New York City should be continued	62	[1] 62	21	[1] 17	8	[1] 11	9	[1] 10
9. Banks which have loaned New York City money and bought its bonds should do more of this (new)	44	----	31	----	14	----	11	----

[1] November 1975.

5a. Now, if New York City puts in reforms such as those we've just asked you about, would you favor or oppose the federal government guaranteeing loans that would be made by banks and other leaders to the city?

Favor (57)	73	65
Oppose	19	22
Not sure	8	13

5b. If the city balances its budget, would you favor or oppose the federal government guaranteeing some of New York City's debt under a plan that would not cost the taxpayers any actual money?

Favor (58)	85	68
Oppose	8	22
Not sure	7	10

5c. Part of New York City's problem is that the city can't raise money by selling its bonds in the open market, because its financial future is so uncertain. It has been suggested that special New York City bonds be sold to any pension funds, with the federal government guaranteeing up to 90% of those bonds. Would you favor or oppose such a plan?

Favor (59)	59
Oppose	31
Not sure	10

5d. In addition to the federal guarantee of up to 90% of bonds sold to pension plans, it has been suggested that the current $1.2 billion federal loan to New York City be renewed on a year-to-year basis until it is no longer needed. Would you favor or oppose such a plan?

Favor (60)	66
Oppose	24
Not sure	10

5e. All in all, do you favor the federal government guaranteeing loans to New York City and bonds New York City would sell if the city balances its budget and such a plan would not cost the taxpayers any actual money, or do you think it is better for New York City to default and go bankrupt?

Favor guarantee of loan (61)	85	69
Favor default	8	18
Not sure	7	13

5f. How would you rate the way (read list) has handled himself on dealing with New York City's financial problems—excellent, pretty good, only fair, or poor? (record below for each person on list).

	Excellent		Pretty good		Only fair		Poor		Not sure	
1. President Carter (1975 Ford)	4	[1]12	21	[1]26	39	[1]26	21	[1]27	15	[1]9
2. Treasury Secretary Michael Blumenthal (1975 William Simon)	2	[1]3	19	[1]12	32	[1]18	10	[1]16	37	[1]51
3. Governor Carey of New York	3	[1]1	20	[1]13	28	[1]22	12	[1]24	37	[1]40
4. Mayor Koch of New York City (1975 Beame)	4	[1]2	28	[1]13	24	[1]19	8	[1]35	36	[1]31
5. Senator William Proxmire, of the Senate Banking Committee	4	[1]1	23	[1]9	26	[1]16	8	[1]11	39	[1]63
6. Congress as a whole	2	[1]3	21	[1]17	39	[1]26	21	[1]24	17	[1]30

[1] November 1975.

To be asked of everyone.

F1. Regardless of how you voted in the last election, what do you usually consider yourself—a Republican, a Democrat, an independent or what?

Republican (68)	22
Democrat	43
Independent	29
Other	2
Not sure	2

F2. How would you describe your own personal political philosophy—conservative, middle-of-the-road, liberal, or radical?

Conservative (69)	37
Middle-of-the-road	36
Liberal	19
Radical	3
Not sure	5

F3. Did you happen to vote or not in the last presidential election?

Voted (ask F4) (70)	72
Didn't vote (skip to F5)	27
Not sure	1

F4. In the last election for President, did you vote for Gerald Ford the Republican, or for Jimmy Carter the Democrat?

Ford (71)	40
Carter	54
Other (vol.)	2
Not sure	4

Ask everyone.

F5. Are you or is any member of this household a member of a labor union?

Yes (72)	23
No	76
Not sure	1

F6. What is your occupation?

Professional (73)	12
Manager, official	6
Proprietor (small business)	3
Clerical worker	8
Sales worker	3
Skilled craftsman, foreman	9
Operative, unskilled laborer (except farm)	10
Service worker	6
Farmer, farm manager, farm laborer	2
Other (e.g., civil servant, etc.) (Specify)	1
Student	3
Housewife	20
Military service (74)	1
Unemployed	2
Retired	12
Other (Specify)	--
Refused	1

F7. What was the last grade of school you completed?

No formal schooling (75)	--
1st through 7th grade	3
8th grade	6
Some high school	14
High school graduate	38
Some college	15
2 year college graduate	5
4 year college graduate	11
Post graduate	7
*Trade/technical/vocational after high school	--
Refused	--

*Interviewer: ask for details, and code into one of the above categories.

F8. With which religious group do you identify? Would you describe yourself as Protestant, Catholic, Jewish, or what?

Protestant (76)	57
Catholic	26
Jewish	3
Other	3
None	6
Don't know, no answer, refused	1

F9. Would you tell me into which of the following age groups you fall? (Read list.)

18 to 20 (77)	8
21 to 24	10
25 to 29	11
30 to 34	11
35 to 39	8
40 to 49	16
50 to 64	21
65 and over	15
Refused	*

F10. Could you estimate for me the total 1977 yearly income of your household before taxes?

Under $5,000 (78)	16
$5,000 to $6,000	9
$7,000 to $9,999	11
$10,000 to $14,999	19
$15,000 to $19,999	16
$20,000 to $24,999	10
$25,000 to $34,999	8
$35,000 and over	6
Don't know, no answer, refused	5

F11. What is your race? Are you black, white, hispanic or what?

Black (79)	10
White	86
Hispanic	2
Other (specify)	1
Refused	*

*From observation—Record only, don't ask:

F12. Sex:

Male (80)	48
Female	52

Thank you very much for your cooperation!

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. FOUNTAIN (at the request of Mr. WRIGHT), until 12 noon today, on account of official business.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. ROBERTS (at the request of Mr. WRIGHT), for the balance of the week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PURSELL) and to revise and extend their remarks and include extraneous matter:)

Mr. HILLIS, for 60 minutes, on July 11.

Mr. SEBELIUS, for 60 minutes, on June 8.

Mr. KEMP, for 15 minutes, today.

Mr. GREEN, for 15 minutes, today.

(The following Members (at the request of Mr. WEISS), to revise and extend their remarks, and to include extraneous matter to:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. SCHEUER, for 5 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

Mr. POAGE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MOORHEAD of Pennsylvania, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,971.

Mr. MILFORD, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $986.

Mr. SMITH of Iowa, and to include extraneous matter on H.R. 12929, the Labor-HEW appropriations bill.

Mr. EDGAR, immediately preceding the vote on the McClory amendment to H.R. 12930 in the Committee of the Whole today.

Mr. COLLINS of Texas, and to include extraneous matter.

(The following Members (at the request of Mr. PURSELL) and to include extraneous material:)

Mr. KETCHUM.

Mr. FINDLEY.

Mr. MITCHELL of New York.

Mr. RHODES in two instances.

Mr. WALSH.

Mr. DORNAN in four instances.

Mr. STEERS.

Mr. BOB WILSON.

Mr. EDWARDS of Oklahoma.

Mr. FRENZEL in three instances.

Mr. FREY in two instances.

Mr. BADHAM.

Mr. WALKER.

Mr. SYMMS.

Mr. THONE.

Mr. ASHBROOK in two instances.

Mr. KEMP.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. ROE in two instances.

Mr. FRASER in five instances.

Mr. MATHIS.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. LAFALCE.

Mr. FISHER in two instances.

Mr. CARNEY in two instances.
Mr. RISENHOOVER.
Mr. MCDONALD in five instances.
Mr. MCCORMACK.
Mr. FASCELL.
Mr. ENGLISH.
Mr. BALDUS.
Mr. EILBERG.
Mr. MILFORD.
Mr. STUDDS.
Mr. RONCALIO.
Mr. BRECKINRIDGE.
Mr. DODD.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 130. An act to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers.

H.R. 3996. An act for the relief of Young Hee Kim Kang and her children, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1640. An act to designate the Mike Monroney Aeronautical Center.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 5, 1978, present to the President, for his approval, a bill of the House of the following title:

H.R. 11657. To amend the Central, Western and South Pacific Fisheries Development Act to increase the appropriation authorization through fiscal year 1982, to expand the United States fisheries development effort, and to cooperate in the formation and research of the South Pacific regional fishery agency, and for other purposes.

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Thursday, June 8, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4335. A letter from the Acting Comptroller General of the United States, transmitting his review of the rescission and deferrals of budget authority contained in the message from the President dated May 12, 1978 (H. Doc. No. 95-335), pursuant to section 1014 of Public Law 93-344 (H. Doc. 95-348); to the Committee on Appropriations and ordered to be printed.

4336. A letter from the Secretary of Health, Education, and Welfare, transmitting the report on his annual evaluation of the definition of the term "developmental disabilities," pursuant to section 301(a) of Public Law 94-103; to the Committee on Interstate and Foreign Commerce.

4337. A letter from the Secretary of Health, Education, and Welfare, transmitting the 1975-76 report on the administration of the Public Health Service, pursuant to section 511 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

4338. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the March 1976 report of the National Advisory Council on Extension and Continuing Education, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

4339. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the June 1976 report of the Board of Visitors to the Air Force Academy, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

4340. A letter from the General Counsel, Department of Transportation, retransmitting drafts of proposed legislation relating to vessel documentation and tonnage measurement; to the Committee on Merchant Marine and Fisheries.

4341. A letter from the Comptroller General of the United States, transmitting a report on the Veterans' Administration's community care program for veterans who have received maximum hospital benefits, but who have no homes of their own to which they can return (HRD-78-107, June 6, 1978); jointly, to the Committees on Government Operations, and Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules, House Resolution 1219. Resolution waiving certain points of order against H.R. 12933. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes (Rept No. 95-1273). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1220. Resolution waiving certain points of order against H.R. 12929. A bill making appropriations for the Department of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95-1274). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself, Mr. WYLIE, Mr. MOORHEAD of Pennsylvania, Mr. ST GERMAIN, Mr. MINISH, Mr. HANLEY, Mr. MITCHELL of Maryland, Mr. ALLEN, Mr. FAUNTROY, Mrs. SPELLMAN, Mr. REUSS, Mr. D'AMOURS, Mr. PATTISON of New York, Mr. VENTO, Mr. PATTERSON of California, Mr. CAVANAUGH, Mr. STANTON, Mr. HYDE, Mr. KELLY, Mrs. FENWICK, Mr. STEERS, Mr. EVANS of Delaware, Mr. HOLLENBECK, Mr. GREEN, and Mr. MCKINNEY):

H.R. 13007. A bill to amend the Consumer Credit Protection Act to establish rights, remedies, and responsibilities for all participants in the utilization of electronic fund transfer services; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BURKE of Massachusetts (for himself and Mrs. LLOYD of Tennessee):

H.R. 13008. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 13009. A bill to amend the Internal Revenue Code of 1954 to provide that any written interpretation of a tax law which is issued by the Internal Revenue Service to a taxpayer shall be binding with respect to such taxpayer until the Internal Revenue Service revokes the interpretation; to the Committee on Ways and Means.

By Mr. GIAIMO:

H.R. 13010. A bill to rescind certain budget authority contained in the message of the President of June 5, 1978 (H. Doc. 95-346) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. HOLLAND (for himself, Mr. BROYHILL, Mr. BUTLER, Mr. LEHMAN, Mr. ST GERMAIN, Mr. LUJAN, Mr. BROWN of Michigan, Mr. LLOYD of California, Mr. CEDERBERG, Mr. POAGE, and Mr. MOORE):

H.R. 13011. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. BALDUS, Mr. GEPHARDT, Mr. PATTERSON of California, Mr. SIMON, Mr. TRAXLER, and Mr. CHARLES H. WILSON of California):

H.R. 13012. A bill to amend section 553 of title 5, United States Code, to improve Federal rulemaking practice by creating procedures for regulatory issuance in two or more parts; to the Committee on the Judiciary.

By Mr. LIVINGSTON:

H.R. 13013. A bill to direct the Secretary of the Army to replace the seawall located at Mandeville, St. Tammany Parish, La.; to the Committee on Public Works and Transportation.

By Mr. MCCORMACK (for himself, Mr. TEAGUE, Mr. GOLDWATER, Mr. CHARLES H. WILSON of California, Mr. EMERY, Mr. WAXMAN, Mr. CORMAN, Mr. RYAN, Mr. HARRINGTON, Mr. MCCLORY, Mrs. FENWICK, Mr. PANETTA, Mr. HANNAFORD, Mr. AKAKA, Mr. MINETA, Mr. LAGOMARSINO, Mr. JOHN L. BURTON, and Mr. BURGENER):

H.R. 13014. A bill to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies; to the Committee on Science and Technology.

By Mr. VAN DEERLIN (for himself and Mr. FREY):

H.R. 13015. A bill to establish certain requirements relating to interstate and foreign telecommunications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MARKS:

H.R. 13016. A bill to amend the Internal

Revenue Code of 1954 to allow a deduction of not more than $1,500 for amounts paid or incurred for maintaining a household a member of which is a dependent of the taxpayer who has attained the age of 65, or who is handicapped; to the Committee on Ways and Means.

By Mr. QUAYLE:

H.R. 13017. A bill to secure and protect the rights of citizens and protect freedom of the press; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 13018. A bill to establish the Food Research Corporation to support efforts to eliminate malnutrition and starvation throughout the world, and to amend the Internal Revenue Code of 1954 to allow the designation of certain Federal income tax liability for use by such corporation; jointly to the Committees on Agriculture, and Ways and Means.

By Mr. SOLARZ:

H.R. 13019. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred for certain State and local individual income taxes and to repeal the deduction for State and local general sales taxes; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself, Mr. EILBERG, Mr. MAGUIRE, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. BONIOR, Mr. FASCELL, Mr. JOHN L. BURTON, Mr. HIGHTOWER, Mr. FLOOD, Mr. LEHMAN, Mr. SEIBERLING, Mr. RODINO, Mr. LONG of Louisiana, Ms. MIKULSKI, Mr. LUNDINE, Mr. BLOUIN, Mrs. BURKE of California, Mr. VAN DEERLIN, Mr. DOWNEY, Mr. EVANS of GEORGIA, Mr. DRINAN, Ms. HOLTZMAN, Mr. GARCIA, and Mr. FRASER):

H.R. 13020. A bill to amend chapter 73 of title 10, United States Code, to provide that a former spouse of a member of the Uniformed Services who is married to such member for 10 years or more shall be entitled to a portion of such member's retired pay and to a portion of the annuity of a surviving spouse of such member, and that such member may not elect not to provide such an annuity without the consent of the spouse and any former spouse of the member, and for other purposes; to the Committee on Armed Services.

By Mrs. SCHROEDER (for herself, Mr. PATTERSON of California, Ms. KEYS, Mrs. COLLINS of Illinois, Mr. PATTISON of New York, Mr. RUPPE, Mr. RYAN, Ms. OAKAR, Mrs. MEYNER, and Mr. RICHMOND):

H.R. 13021. A bill to amend chapter 73 of title 10, United State Code, to provide that a former spouse of a member of the Uniformed Services who is married to such member for 10 years or more shall be entitled to a portion of such member's retired pay and to a portion of the annuity of a surviving spouse of such member, and that such member may not elect not to provide such an annuity without the consent of the spouse and any former spouse of the member, and for other purposes; to the Committee on Armed Services.

By Mr. ANDERSON of California (for himself and Mr. WHITEHURST):

H.R. 13022. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Agriculture.

By Mr. BRODHEAD:

H.R. 13023. A bill to amend title II of the Social Security Act to provide a more equitable method of determining average monthly wages for purposes of computing disability insurance benefits in the case of certain individuals who qualify for such benefits before attaining age 31; to the Committee on Ways and Means.

By Mr. HEFTEL:

H.R. 13024. A bill to amend title 5, United States Code, to provide that any health insurance carrier that has a governing board a majority of which is composed of physicians or hospital administrators shall not be eligible to be contracted with for purposes of providing health insurance coverage to Federal employees; to the Committee on Post Office and Civil Service.

By Mr. HOLLENBECK (for himself, Mr. TSONGAS, and Mr. MOFFETT):

H.R. 13025. A bill to establish a materials policy for the United States; to provide that the Congress and the Nation shall be alert to the consequences of materials production, distribution, consumption for the natural environment, for material resources, including specifically, nonfuel minerals and other material resources on Federal and public lands, and for the political, social, and economic structure of the Nation; to provide for a national materials policy plan which shall be coordinated with the technological, economic, and social progress of the Nation: to provide for cooperation among nations in the safe, efficient, and beneficial use of international materials resources; to provide for appropriate organizations within the Federal Government; and for other purposes; jointly, to the Committees on Government Operations, Interior and Insular Affairs, Interstate and Foreign Commerce, and Rules.

By Mr. THONE:

H.R. 13026. A bill to amend the Congressional Budget and Impoundment Control Act to limit total Federal budget authority and budget outlays in fiscal years 1980, 1981, 1982, and 1983; jointly, to the Committees on Government Operations, and Rules.

By Mr. TSONGAS (for himself, Mr. HOLLENBECK, and Mr. MOFFETT):

H.R. 13027. A bill to provide that the Congress and the Nation shall be alert to the consequences of energy production, distribution, consumption for the natural environment, for sources and reserves of energy, including specifically petroleum and other energy reserves on Federal lands, and for the political, social, and economic structure of the Nation; to provide that the National Energy Policy Plan shall be coordinated with the technological, economic, and social progress of the Nation; to provide for cooperation among nations in the safe, efficient, and beneficial use of international energy resources; to provide for appropriate organizations within the Federal Government; to amend the Department of Energy Organization Act; and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, Science and Technology, and Rules.

By Mr. WAMPLER:

H.R. 13028. A bill to direct the Administrator of the Environmental Protection Agency to request the National Academy of Science to conduct a study concerning standardizing certain tests for determining potential carcinogenicity, and for other purposes; jointly, to the Committee on Agriculture, and Interstate and Foreign Commerce.

By Mr. MOORHEAD of Pennsylvania:

H.J. Res. 963. Joint resolution designating July 8, 1979, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. SYMMS (for himself, Mr. DEL CLAWSON, Mr. GUYER, Mr. LATTA, Mr. DEVINE, Mr. MARRIOTT, Mr. MCDONALD, Mr. STANGELAND, Mr. KELLY, Mr. HANSEN, Mr. ROUSSELOT, Mr. LUJAN, Mr. GOLDWATER, Mr. ASHBROOK, Mr. EDWARDS of Oklahoma, Mr. KETCHUM, Mr. BURGENER, Mr. BAUMAN, Mr. YOUNG of Alaska, Mr. CRANE, Mr. BAFALIS, Mr. BADHAM, and Mr. RUDD):

H.J. Res. 964. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judicary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRODHEAD:

H.R. 13029. A bill for the relief of Michelle A. Mudie; to the Committee on the Judiciary.

By Mr. DON H. CLAUSEN:

H.R. 13030. A bill for the relief of Lenore Prewitt; to the Committee on the Judiciary.

By Mr. VOLKMER:

H.R. 13031. A bill for the relief of Amala; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 10285

By Mr. BALDUS:

—Strike out all of Section 12 beginning on page 14, line 10 through and including page 15, line 18, and insert in lieu thereof the following:

SEC. 12. The Commodity Exchange Act is amended by adding after section 6c a new section as follows:

"SEC. 6d. (1) Notwithstanding any other provision of law, in order to promote effective enforcement, curtail and prevent fraud, protect the public interest, and effectively utilize the resources available to State agencies, any State agency or official may investigate and prosecute violations of State laws which are identical to sections 4b, 4c, 4d, and 4o of this Act and section 217 of the Commodity Futures Trading Commission Act of 1974 or the rules and regulations of the Commission under those sections: *Provided* that any civil and criminal penalties provided for under such State laws do not exceed the civil and criminal penalties provided for violation of the identical sections of this Act and of the Commodity Futures Trading Commission Act of 1974. Any such State law shall include the following language: 'In any such action, Federal law, including the decisions of the Federal courts and the decisions and published interpretations of the Commission, shall be controlling.' Notwithstanding the foregoing, a State agency or official may not investigate or prosecute any violation committed or alleged to be committed by a designated contract market or a board of trade licensed by the Commission or any violation committed or alleged to be committed by any persons if said violation occurs solely on such designated contract market or licensed board of trade. Any agency bringing an action under authority of this section shall give notice of the action to the Commission by mailing a copy of the original pleadings or of the original indictment to the Commission no later than three business days after the action is filed, and the Commission may intervene of right in any such action at any time.

"(2) Nothing contained in this Act shall affect the authority of any State to seek alternative enforcement remedies which are consistent with the Commission's jurisdiction granted under this Act, including actions as described in subsection (1) of this section, actions under a State's general criminal or civil antifraud statutes, its general consumer protection laws, or other similar laws of general applicability."

H.R. 12611

By Mr. RONCALIO:

—"Nothing in this Act shall prohibit contracts entered by air carriers which contracts provide cost reimbursement for persons who furnish directly or indirectly substantial

services, equipment, or facilities, in connection with passenger air transportation purchased by such persons: *Provided* such cost reimbursement shall not exceed the cost savings realized by the carriers, or 3% of the published air fare, whichever is lower, and persons receiving such cost reimbursement shall not be eligible to be travel agents: *Provided further*, that copies of all such contracts entered by carriers shall be filed with an approval by the Board."

H.R. 12929

By Mr. WALKER:
—Page 46, immediately after line 12, insert the following new section:

SEC. 410. No part of any appropriation contained in this Act may be obligated or expended in connection with the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order which includes any ratio, quota, or other numerical requirement related to race, creed, color, national origin, or sex, and which requires any individual or entity to take any action with respect to (1) the hiring or promotion policies or practices of such individual or entity, or (2) the admissions policies or practices of such individual or entity.

H.R. 12933

By Mr. SHUSTER:
—Page 33, after line 5, insert the following new section:

SEC. 317. (a) None of the funds appropriated under this Act shall be used to implement or enforce any standard or regulation which requires any motor vehicle to be equipped with an occupant restraint system (other than a belt system).

(b) For purposes of this section, the terms "occupant restraint system" and "belt system" shall have the meaning given such terms in section 125(f) of the National Traffic and Motor Vehicle Safety Act of 1966.

EXTENSIONS OF REMARKS

HOUSE ACTION ON THE TREASURY APPROPRIATIONS BILL

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. STEERS. Mr. Speaker, today the House will consider H.R. 12930 appropriations for the Department of the Treasury and the Postal Service. The issue that has captured everyone's attention is the McClory amendment to restore funds to the Treasury appropriation.

It is most important to keep one thing in mind. The action taken by the subcommittee and full Committee of Appropriations did not take any money away from the attempts by the Bureau of Alcohol, Tobacco, and Firearms (BATF) to implement regulations concerning gun registration information. Treasury Department spokespersons made it quite clear that if BATF did need money to implement these regulations they would come back and request a supplemental appropriation. The actions taken by the Appropriations Committee strikes funds for ongoing and successful projects funded by the BATF.

I have reviewed this regulation carefully. I have received an opinion by the American Law Division of the Congressional Research Service on this proposal. I do not believe that this is "back-door" registration. Furthermore I have found that this regulation is deeply rooted in existing law passed by the Congress. While it is true that the Congress has rejected on several occasions registration of all firearms by their owners, it is important to remember that this regulation does not register any firearm in the possession of a citizen. The amount of information that a citizen must supply when purchasing a firearm is exactly the same if this regulation is enacted, as previously. Today, when an individual purchases a firearms, he or she must fill out a form with the licensed dealer. Under this new regulation this form stays in the possession of the dealer, open to inspection by the BATF just as the BATF may inspect these forms now.

Much has been said about the BATF's new proposal. Perhaps the best comment I have seen comes from the Washington Post of June 3, 1978. I strongly suggest all of my colleagues review this short piece carefully.

The article follows:

GUN RULES AND OVERKILL

The National Rifle Association and other opponents of gun control have launched a fierce campaign against some firearms-tracking rules that the Treasury Department has proposed. That's rather odd because the rules would do just what NRA keeps telling government to do: crack down on illegal gun uses and leave legitimate owners alone.

Treasury's plan is meant to help officials trace guns used in crimes and find out where firearms leak from commercial channels into illegal paths. The rules call for a unique serial number on each new firearm, including future imports. Licensed manufacturers, importers and dealers would have to report quarterly on the disposition of each gun. Thefts and losses in commerce would have to be reported at once.

That's all. Dealers would not have to report the names of legitimate gun purchasers. Gun owners would not have to report or register anything. You won't learn that, however, from the NRA's alarms. They call the plan "a massive system of centralized national firearms registration" and seldom acknowledge that only guns in commerce—and irregular departures from those channels—would be tracked.

Spurred by misinformation, opponents of gun control have bombarded Treasury with some 200,000 letters against the plan. Congress is also being bombarded. The House appropriations panel has answered its mail by barring Treasury from spending any funds to carry out the rules this year. To underscore the point, the panel also cut the Alcohol, Tobacco and Firearms Bureau's budget by $4.2 million—the estimated cost of implementing the plan.

The House reaction is overkill, too. Treasury officials maintain that, with the rules not yet adopted, they had not requested any money for the plan. A $4.2-million cut would hit other programs, they claim. Moreover, they have pledged that, when the gun-tracking effort is ready, they will ask Congress for funds and give the lawmakers a proper shot at it.

We hope that Treasury will stick to its course. However, before the full House or Senate does vote on the plan, a lot of public education will be required to overcome the distortions and hysteria generated by the NRA. The point needs to be made that Treasury's target is the criminal use of guns. Perhaps some Congressmen could answer their mail by pointing out that in 1976, according to the FBI, 18,780 people were murdered in this country—and about 12,020 of those murders (64 per cent) were committed with guns. That is the overkill that really has to be stopped.●

THE WRONG MESSAGE TO NICARAGUA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. FRASER. Mr. Speaker, in the June 2 issue of the New York Times an editorial appeared analyzing the motivations and rationale behind the decision by the executive branch to resume nonmilitary aid to the Somoza regime in Nicaragua. The editorial clearly points out that any short term gains in resuming this aid are not worth the serious weakening this decision will have on the administration's human rights policy. The article follows:

THE WRONG MESSAGE TO NICARAGUA

The Carter Administration's decision to resume nonmilitary assistance to Nicaragua is regrettable. Gen. Anastasio Somoza, the authoritarian president of that country, has recently turned even more repressive in the face of a serious domestic challenge to his rule. The resumption of aid cannot but appear, both to him and to the opposition, as a United States endorsement of his heavy-handed methods.

The aid now being released is part of a $12 million package held up last September to await human rights liberalization. The Administration argues that a release now is appropriate because of some positive steps taken by President Somoza. In particular, officials cite the lifting of the state of siege. But that occurred nearly nine months ago and its effect has been more than offset by more recent Government actions. The real turning point in Nicaraguan politics was the assassination of an opposition editor, Pedro Joaquin Chamorro, early this year. The regime has since faced wave after wave of popular protest, and it has responded with political rigidity and military force. The formal lifting of the state of siege has, in fact, little relevance at the present time.

The real motives for the Administration's decision can be found much closer to home. Aid to President Somoza was judged an acceptable price to pay for the good will of an influential Texas Congressman. Representative Charles Wilson, who argues that human rights advocates have unfairly singled out Nicaragua for sanctions, is a member of the House Appropriations Committee. The Administration feared that he would press for

crippling restrictions on the rest of its foreign aid program if it did not heed his wishes.

The ultimate cost of resuming aid is likely to be high. A timely response to marginal changes is the key to effectiveness in the diplomacy of human rights. In this case, the message was all wrong. The Administration appears to be rewarding backward steps. President Somoza will be encouraged in his attempts to crush the opposition by force, without fear of disfavor from Washington. More generally, the credibility of the Carter human rights policy has been undermined.●

LATIN AMERICA: SOME GOOD NEWS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. FASCELL. Mr. Speaker, often overlooked in the daily news reports of foreign policy crises and events are the quieter, longer term trends which may ultimately be of greater importance. Today, I would like to call the attention of the House to one such trend in Latin America, a trend for which I believe President Carter deserves the applause of the American people. That trend is toward a return to respect for and observance of democratic principles.

While a return to the ideals of Bolivar may be a prolonged process for many Latin American countries, it is an event which deserves our recognition and encouragement. On May 25, the St. Louis Post-Dispatch carried an editorial on this development which I am sure will be of interest to the House.

SHIFT IN LATIN POLICY

Franklin D. Roosevelt established the Good Neighbor policy toward Latin America, but some of his successors did not necessarily interpret it as being neighborly toward democratic elements and processes. That interpretation was left for the Carter administration, whose shift in the tone of hemispheric policy has been distinct and productive.

The new direction was dramatically apparent when the Dominican generals halted counting of presidential election returns that they did not like. Though past U.S. interventions had helped give the military authoritarian power, President Carter and Secretary of State Vance urged that democracy be allowed to take its course. Leaders of the Dominican opposition party expressed strong appreciation of Washington's move. Who can remember a Latin left-of-center group ever applauding the United States for backing its right to win at the polls? When Dominicans revolted after the military threw out an election winner in the 1960s, President Johnson sent in troops.

Of course, Mr. Carter's most notable success in changing the course of Latin policy is represented by Senate approval of the Panama Canal treaties. While negotiation of these pacts involved three of his predecessors, it was left for Mr. Carter to complete the treaties and to fight for them. They stand now as a statement to all of Latin America—not just to Panama—that the days of gunboat diplomacy are past.

But the new approach has had an impact in other ways. With the support of Congress, for example, the administration has applied pressure to the Chilean military dictatorship to relax its oppressive rule. Washington has closed out military assistance and offered economic aid on terms dependent on easing repression. During this period, the Chilean junta has lifted its arbitrary state of siege, reduced its secret police apparatus and granted amnesty to most known political prisoners.

It is true that Chile remains under harsh authoritarian rule, and that there have been domestic and international pressures working for change, along with those from Washington. Yet the case of Chile indicates that the United States not only can speak for human rights, but also can help toward achieving them—certainly in its own hemisphere, where its influence remains predominant.

The administration has supported its human rights commitment with a policy of denying arms to governments that reject those rights and use the arms to repress them. So far Chile and Nicaragua have been the main targets of this policy. El Salvador and Brazil told the United States they would do without arms aid rather than submit to human rights evaluations from Washington. But even Brazil's President Geisel has promised "redemocratization" of his country next year, though he wants another general to succeed him.

There are, in fact, tentative signs that Latin America may be edging away from military dictatorships. Ecuador and Bolivia have scheduled elections this summer and Ecuador has promised a return to civilian rule. The Peruvian military regime, beset by strikes and protests, is pledged to civilian government by 1980, though its people want a quicker transition.

If the motion away from military authoritarianism so far is not definitive, at least it is hopeful. If the precise effect of administration policy on this trend is not measurable, at least that policy encourages it. That is the important thing. The United States has not always been on the side of democracy and human rights in the Americas. President Carter has attempted to base U.S. action on U.S. principles. In the view of history, that could be a major achievement.●

TRIBUTE TO CHARLES A. CHAPPELL, SR.

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. WALSH. Mr. Speaker, the central New York community lost a businessman and humanitarian of outstanding caliber this week with the death of Charles A. Chappell, Sr., chairman of the board of Chappell's and Sons department store in Syracuse.

Mr. Chappell was 80 years of age, and spent a major portion of those many years in service to mankind, while at the same time building up one of the finest department stores in downtown Syracuse, and expanding it into several suburban locations. The chain, a family-owned business, was founded by Mr. Chappell's father.

In the community, he was one of Syracuse's most prominent civic leaders. A life member of the board of trustees of Syracuse University, he served as national chairman of the SU Alumni Fund, and was Onondaga County chairman of the SU Building and Development Fund, turning over proceeds from a special "Women's Day" at his stores for construction of a women's building on the SU campus. An avid and loyal SU sports fan, he served on the Athletic Governing Board, and was also an active alumnus of his college fraternity, Delta Kappa Epsilon.

It was my pleasure to serve with him on the board of directors of Syracuse Savings Bank, giving me the opportunity to watch his tremendous drive, and to learn of and admire his keen business acumen.

These abilities not only built him a very profitable business, and contributed greatly to the stature of Syracuse University, but were given generously to the support of University Methodist Church and several social services agencies, particularly the Cerebral Palsy Clinic, on whose board he served for several years.

Charles "Chick" Chappell will be sorely missed by the citizens of central New York. He gave us a lifetime of service. May he rest in peace.●

LOCAL NIGHTTIME RADIO SERVICE MAY SOON BE POSSIBLE FOR MILLIONS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. FINDLEY. Mr. Speaker, 46 million Americans who currently have no local nighttime radio service may see that situation changed by legislation introduced in Congress today. The bill, sponsored by the chairman and ranking member of the House Communications Subcommittee, requires the Federal Communications Commission to abandon its outmoded rules requiring half the stations in the United States to go off the air each evening at sundown. Most of these are stations located in small towns and rural communities. Instead the new Communications Act of 1978 requires the FCC "to insure that each community in the United States, regardless of size, is provided with the maximum fulltime local television and radio broadcasting services." A similar directive which I have sponsored—H. Res. 637—has gained 108 cosponsors in the House.

This change of policy, which ends years of discrimination against Americans living in small towns, is long overdue. Today, people living in downstate Illinois can learn of traffic and weather conditions in Chicago—hundreds of miles away—but they cannot get a weather forecast for their local area after sundown, which can occur as early as 4:30 p.m. during the winter. If certain roads become impassable, if there is danger from flooding or tornadoes, if schools are closed or community activities rescheduled, millions of Illinoisans and almost 50 million people nationwide have no way to find out about it until the sun comes up the next morning and their local radio station is permitted back on the air. They can find out how much snow fell on Chicago and how dangerous the streets are there, but they cannot find out whether their own local streets have become dangerous and impassable. Nor can they enjoy the pleasure of listening to a local high school basketball game in the evening.

Most of the small local stations would be delighted to stay on the air each eve-

ning and present local programing, news and weather information if given the opportunity to do so by the FCC. The Communications Act of 1978 introduced today directs the Commission to do just that.●

CONGRESSMAN DORNAN ON THE GOLD MEDALLION ACT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. DORNAN. Mr. Speaker, I urge passage of the "Gold Medallion Act of 1978." This is a bill which if it is not passed this year, will be passed next year or the year after—it will not go away. It is the kind of bill that has an internal logic that simultaneously trips up the bureaucracy and satisfies the wishes of the American people.

The reason for the bill is simple. Treasury wants to sell gold and Americans want to buy gold.

The crunch comes when Treasury wants to sell gold bullion bars of .995 fineness—almost pure gold—that weigh about 400 ounces each, while at the same time people want to buy one-ounce gold pieces.

The answer, provided in the bill, is to just break up the gold into one-ounce gold medallions. The Treasury controls 277 million ounces of gold. The biggest single portion of that gold is in the form of what is known as "coin melt"; in other words, the gold from melted down gold coins. That coin melt is chiefly .900 fine gold. The "Gold Medallion Act of 1978" provides a use for this gold. It says that when the Treasury Department decides to sell gold, that it should be in the form of gold medallions of .900 fine gold.

That means that if the Treasury Department wants to sell gold, they can do so in the form of gold that the American people want—small gold medallions—while at the same time using the most abundant form of gold—the .900 fine gold coin melt.

I endorse the "Gold Medallion Act of 1978" with some hesitation. I basically oppose gold sales. I think that the United States should keep its remaining gold reserves for times of extreme emergency. When the ship is sinking, you do not lighten it by dumping the lifeboats. We will need our gold. However, it is clear to me that we cannot curtail the Treasury's authority without some major changes in the Congress. In the meantime, I think we should do what we can. I think that a clear majority of Congress agrees with me that it is foolhardy to sell U.S. gold to big foreign banks and international speculators when the American people want gold in a form they can handle.

The Treasury Department started selling gold at the rate of 300,000 ounces per month. Our gold is going into sales that will not help the international exchange rate of the dollar one bit. The total 6 month's sale will net the U.S. Government a sum equal to just 2 day's increase in the national debt: about $300 million.

Dumping the U.S. gold stocks shows how out of touch the Carter administration has gotten. They think that inflation can be stopped by reducing the Federal deficit by $300 million. The dollar will fall as long as we have a $50 billion budget deficit. The dollar will fall as long as we have money supply growth of 12 percent or 14 percent per year.

The administration sells gold because gold indicates how weak the dollar is. The weakness of the dollar is an indicator of the tragic policy decisions made by Treasury and White House officials. What is needed is more leadership by the Congress.

What is needed is more direction by the Congress to the Treasury concerning vital proposals such as the "Gold Medallion Act of 1978."●

ONE LONDON JOURNALIST'S VIEW OF THE AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues an article which recently appeared in the London Evening Standard pertaining to Ad Hoc Congressional Committee for Irish Affairs which I chair.

I consider this article to be most balanced in its approach, something unusual with respect to reporting by the British prse of the work of the Ad Hoc Committee.

Our objective continues to be the convening of full congressional hearings on the entire Irish question. We have an interest in human rights violations which have been documented by the European Commission and Courts of Human Rights. Amnesty International is expected to release a report very soon citing the British Government for torture in their treatment of political prisoners in Northern Ireland. It is logical that hearings be held on Ireland. Our President has made human rights a fundamental element of U.S. foreign policy. To overlook Ireland is wrong and makes the policy susceptible to criticism. As this and other articles I have inserted before have stated there is only one reason why there have not been hearings on Ireland. I hope for a change in heart for no matter the relative position one might take with respect to Ireland we all share the same goal—working toward establishing a lasting peace with justice for Ireland.

At this point let me insert the article written by their Washington correspondent Jeremy Campbell:

MARIO BIAGGI'S IRISH IDEA

The case of Brian Maguire, found hanged in his cell in the interrogation centre at Castlereagh two weeks ago is straw and matches to the combustible temper of the American Irish and is one more event that raises the unthinkable to the level of the thinkable—namely that Congress will hold open hearings on alleged violations of human rights by the British in Northern Ireland.

Irish sympathisers in the United States are poorly informed about what is really going on in Ulster. They heard of the Maguire affair mainly by word of mouth, through fourth-hand accounts based on a telephone call to someone's brother in Bogside and letters from the Association for Legal Justice in Belfast.

American newspapers, famously erratic in their coverage of all things Irish, gave barebones details, if any, of Maguire's death and the circumstances surrounding it. Then on Monday, for no clear reason, the New York Times let fly with a flaring story of Irish prisoners fouling their cells at the Maze Prison in Long Kesh.

Complete, impartial news of such events is almost impossible for ordinary Americans to come by. It reaches them through the information channels of Irish political groups. Members of Congress, for example, will be briefed on the death of Brian Maguire this week by Fred O'Brien, a highly effective Washington lawyer who is connected with the Irish national caucus and believes the British are behaving scandalously in Northern Ireland.

No wonder the impression is rampant that Maguire is a victim of sadistic police brutality, that his confession to the murder of a police photographer is a phoney and that impeccable witnesses placed him on the other side of town at the time of the murder.

The moving force behind the scheme to hold Congressional hearings on violations of human rights in Ireland is the Ad Hoc Committee on Irish Affairs led by Mario Biaggi, a New York Congressman who wants the United States to act in some way to stop the violence in Ulster—perhaps, as a first step, setting up a peace forum in Washington to which all parties could come and negotiate in a neutral atmosphere.

On April 12, Biaggi and some like-minded politicians met Cyrus Vance, the U.S. Secretary of State, and complained about the conduct of the British. To his surprise, Biaggi says, Vance conceded that there are gross violations of human rights "on both sides" in Ireland. Biaggi at once walked across to a fellow Congressman, Lee Hamilton, Chairman of the House Subcommittee on Europe, and said: "This is it. This is the catalyst we need." Hamilton is reported to be drafting a list of witnesses to testify at open hearings.

The Ad Hoc Committee, once a rather marginal and laughable body, now boasts 105 Congressmen as members and one Senator, a Dennis DeConcini, who gave Jimmy Carter sleepless nights over the Panama Canal treaties.

When it is attacked, the Ad Hoc Committee reacts in a peculiar way. It grows. A month ago, Irish Prime Minister Jack Lynch roasted it in a scathing speech. At once membership jumped by about 20 per cent. Mr. Lynch visits the United States this week and may perform the same service all over again.

Until now the main obstacle to hearings has been Thomas "Tip" O'Neill, Speaker of the House of Representatives, a huge, lumbering man with a large red nose. He is good at stroking egos and is restoring some of the political clout to the office of Speaker, which once made it one of the most important in the country.

Tip O'Neill has been told by the British that hearings on Ireland would be regarded as an insult. But now he is placed a little awkardly. The Press in his home state of Massachusetts, a stronghold of Irish Republican militancy, is playing up Tip's role as a man who insists on throwing a cloak of secrecy around the whole Irish question. It makes a change from stories about Tip's private financial wheeling and dealing, but the change is not entirely welcome.

He is now reported to be openminded about hearings on Ireland, as long as he can be assured they will not be used as a sort of theatre in the round for the usual IRA roadshow company.

"That's no problem," Fred O'Brien told me. "These hearings will be impartial. They will focus on Southern as well as Northern Ireland. Amnesty International will be invited, but so will Roy Mason. I can see why Tip is nervous, though. If allegations of human rights violations in Ulster are proved, the U.S. will be obliged to cut off military and economic aid to Britain. That is in the law and there is no escaping it."●

BATF IS MISLEADING CONGRESS ON COSTS OF REGULATIONS

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. MATHIS. Mr. Speaker, I have received information which indicates that the Bureau of Alcohol, Tobacco and Firearms has been less than candid with both their Appropriations Subcommittee and the Crime Subcommittee of the Judiciary Committee, when testifying on the costs of their proposed firearms regulations.

During testimony before both subcommittees the Bureau stated that the costs of their proposed firearms regulations would be $4.2 million. However, two items of information have come to my attention which indicate that these statements were misleading at best and possibly a deliberate attempt to conceal costs from the Congress until the program was underway.

A memorandum from BATF Director Rex D. Davis to the Assistant Secretary for Operations and Enforcement, Richard Davis, dated April 19, 1978, and recently released under a Freedom of Information Act request, contains the BATF estimates for fiscal year 1979–80 funding requirements for the proposed firearms regulations. The memo contains two pages of program costs and several pages of detailed breakdowns of those costs. The first page of program costs contains the figure of $4.128 million which BATF has publicly stated as the entire cost of the programs the regulations would establish.

However, the second page, entitled "Estimates for Investigations of Major Thefts," is what concerns me. The cost estimate here is $2.941 million, and this was never mentioned to either of the subcommittees which held hearings on the proposed regulations. There is no excuse for this.

It was bad enough for the Bureau to attempt to impose registration of firearms by regulations, and to falsely state that no names and addresses of firearms owners would be required to be reported under those regulations. That is an issue that can be dealt with directly, and has been through Appropriations Committee action blocking funds for the proposals.

It seems, however, that the Bureau would also have had the Appropriations Committee acquiesce in the programs, believing them to cost $4 million, and would then have come back once the programs were operational and request significant additional funding to carry out the aspects of the programs they did not bother to inform us of initially.

By significant additional funding I am not just referring to the $2.9 million their own budget documents indicate they failed to advise us of. I am also referring to the best available estimates for the total cost of the regulations by the time the programs they would institute become fully operational.

In 1975 BATF wrote Senator BAYH, then chairman of the Subcommittee on Juvenile Delinquency, stating that the reporting of firearms transactions would cost $104 million and the investigations of major thefts would cost $23 million. The $104 million figure was repeated in a BATF press release last year, responding to criticism that BATF was being negligent by not issuing regulations along the lines of those now proposed.

I do not pretend to understand how $104 million and $23 million can shrink to $4.1 and $2.9, respectively, over the past few years, given the general price increases. I do know, however, that a copyrighted study recently released by MIT has indicated that the minimum computer-related costs for the proposed regulations would be $105 million by the time the system was operational for a year.

Mr. Speaker, I suspect that BATF has been engaging in a gigantic con game with the Congress and the public. The Appropriations Committee has been severely criticized in some of the media for blocking the regulations, but it appears they may have done a better job than we thought they had in preventing a massive waste of money.

Once the regulations are disposed of we may be able to get some straight answers as to what BATF is really trying to do.

It is clearer now than ever, however, that the House must uphold the action of the Appropriations Committee in prohibiting implementation of these regulations.●

TRIBUTE TO SENATOR JOSEPH M. MONTOYA

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. RHODES. Mr. Speaker, it was with a profound sense of loss that I read of the death of my former colleague and good friend, Joseph M. Montoya. I came to admire and respect him during his service in the House as a dedicated advocate for his constituents.

While we did not always see eye-to-eye on every issue, we did work together often on matters of mutual concern to our region. On those instances, he was a valuable associate whose efforts were characterized by hard work and thorough understanding of the questions at hand.

Joe Montoya's record of public service in the New Mexico Legislature, as Lieutenant Governor of that State, and in the House and Senate, will be remembered with pride and affection by all who knew him.●

PLANNED PARENTHOOD

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. FRASER. Mr. Speaker, the abortion issue continues to deeply divide Americans. Concerned, sensitive, and ethical individuals and organizations are on both sides of the issue. Occasionally, however, individual responses to this issue may be tasteless and offensive.

Recently, Representative DORNAN circulated a letter to colleagues citing an action taken by a Planned Parenthood affiliate staff member in mailing some offensive cartoons to college newspapers. Representative DORNAN noted near the end of his letter that the Chicago chapter had repudiated the cartoons for itself and the national organization.

Since that time, Faye Wattleton, president of Planned Parenthood Federation of America, has circulated the enclosed letter to Members of Congress. Her letter indicates that she has apologized to the persons characterized in the cartoons, and that Planned Parenthood has taken appropriate actions to lessen the chances of such an unwise action in the future. The letters of apology are also inserted here.

Since I am getting mail on this issue from persons who are apparently unaware of the Wattleton letters, I am enclosing copies of these letters in my responses. You might wish to do the same. The cartoon incident was inconsistent with Planned Parenthood's official and unofficial philosophy. The unwise actions of one individual do not cancel out Planned Parenthood's long record of service and tolerance.

The letters follow:

PLANNED PARENTHOOD FEDERATION OF AMERICA, INC.

May 19, 1978.

DEAR MEMBER OF CONGRESS: It has come to our attention that a letter has been sent to you and other members of Congress by Rep. Robert K. Dornan, in which some very serious allegations are made about our organization. I would like to take this opportunity to set forth the record and explain the situation in detail.

The incident related to you by Rep. Dornan began late last year with the creation, by an individual employee in one of Planned Parenthood's 191 affiliates, in Denver, Colorado, of a set of satirical cartoons on the abortion issue. The cartoons—one of which featured the Secretary of Health, Education and Welfare, and another, the hierarchy of the Roman Catholic Church—clearly went far beyond the bounds of good taste. The author was advised of this by several other Planned Parenthood employees in other parts of the country to whom the cartoons were sent for comment, and it seemed that the idea had been rejected as it deserved. Then, just a few weeks ago, an employee in our Chicago affiliate, seeing the cartoons for the first time, decided to circulate them on her own initiative to the editors of some college newspapers in several states. The matter later became the basis of an editorial column in the *Chicago Tribune*, May 1, which first brought the matter to national attention. Since then, the Board of Directors of our Chicago affiliate has publicly repudiated the cartoons and the philosophy underlying them, and its counterpart in Denver has both repudiated the cartoons and severely

reprimanded the individual who was responsible for them. Moreover, the employee concerned has been directed to submit all proposed public information materials in future to the Board for review prior even to informal distribution to others.

In addition, I have expressed my personal apologies, in writing, both to DHEW Secretary Joseph A. Califano and to Archbishop John R. Quinn, President of the National Conference of Catholic Bishops, and have released these letters, along with a news release, to religious newspapers and magazines. Copies of my letters and press statement are enclosed for your information.

Just prior to this incident, it also came to our attention that an educational comic book on the subject of abortion, the content of which had been reviewed favorably in a national Planned Parenthood newsletter, had on its back cover a highly irreverent cartoon depicting the Virgin Mary. The booklet, entitled *Abortion Eve*, was published in 1973 by a group in California unrelated to Planned Parenthood. When we were alerted, by individuals within Planned Parenthood, to the highly offensive back cover, we prepared a statement which repudiated the booklet and called on all organizations involved in the reproductive health field "to confine their public messages within the bounds of decency and respect both for truth and for the religious and other sensitivities of their audience."

We profoundly regret these two incidents. Although occasional lapses of judgment on the part of individuals are inevitable in an organization as large and decentralized as ours, they are totally at odds with our official policies and normal practices—as well as with the spirit of trust we have painstakingly sought to build over the years with public agencies, religious groups and other community organizations with which we have worked. The high respect in which we hold the personal views and consciences of those with whom we may disagree, on certain issues is the basis and cornerstone of our efforts, and any action or sentiments which undercut that respect have no place in those efforts. On behalf of the Planned Parenthood Board of Directors, staff, volunteers and our more than one million clients across the country, I pledge to you that I will take every precaution to see that such incidents do not happen again.

Planned Parenthood Federation of America is the nation's oldest and largest voluntary family planning organization, founded more than 60 years ago. We have been at the forefront of many social debates in the past and are therefore accustomed to criticisms and sometimes false and serious accusations. It is our normal practice to ignore such accusations, despite the fact that in recent months, as you may be aware, there has been what appears to be an organized national effort to discredit our good name. We have preferred to let our record of community service stand on its own. We point this out, not to weaken the force of our apology for those two unfortunate incidents, which is unqualified, but because recent experience suggests that there may be occasions in the future when attempts may be made to discredit Planned Parenthood with unfounded charges—and even threats to our ability to deliver services—some of which may come to our attention. If they do, we would appreciate it very much if you would let us know of them, so that we may take appropriate action. In the meantime, I hope that you will take a look at the enclosed documents including our 1976 annual report which will tell you more about who we are and our record of accomplishments.

Sincerely yours,

FAYE WATTLETON,
President.

Enclosures.

PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC.,
May 5, 1978.

MOST REV. JOHN R. QUINN,
President, National Conference of Catholic Bishops, Archdiocese of San Francisco, San Francisco, Calif.

YOUR EXCELLENCY: It has just come to our attention that a set of cartoons dealing editorially with the abortion issue has been circulated in the Chicago area by the local Planned Parenthood Association. Among the cartoons, which present satirical views of various aspects of the abortion debate and target various religious and governmental institutions, is one featuring an official of the Church.

I want to take this early opportunity to express to you, as we are to others who may have been offended by this material, our profound apologies, both official and personal, for any embarrassment that may have been caused by this inappropriate and irresponsible action. Though I am sure you understand that such an action is totally at odds with the official policies and normal practices of Planned Parenthood, I am afraid that in an organization as complex and decentralized as ours there may be occasions—we hope very rare—when an individual associated with us shows a serious lapse of judgment of which we may not become aware until the action has been taken and the damage done. This is evidently what happened in this instance.

Material which originated with the Planned Parenthood affiliate in Denver, Colorado and was circulated informally among a few colleagues was subsequently released publicly by a staff member of our affiliate in Chicago. Though the material was never actually completed or published by those who originated it—and was in fact excoriated by most of those who reviewed it—the Board of Directors in Denver has repudiated the material; severely reprimanded the employee concerned; received an unqualified apology from that employee; and taken steps to see that such an action does not occur again. In Chicago, meanwhile, the staff member responsible for the material's release is no longer with the agency, but as in Denever the Directors have issued a formal repudiation of the material, and a statement that it is entirely inconsistent with Planned Parenthood's philosophy and operating style.

On behalf of our national headquarters, I wish now myself to repudiate both the actions themselves and the philosophies and feelings they may reflect. We are profoundly aware that behavior such as this is in direct violation of the trust we have painstakingly built over the years with public agencies, religious groups and other community organizations with whom we have worked. An important aspect of this trust has been the respect in which we hold the views and consciences of those with whom we work, and the implicit resolution that disagreement on any particular point of philosophy should never be reason for violating that respect or resorting to dishonorable tactics. Incidents such as the one at issue serve only to redouble our commitment to this principle.

I hope you will be so gracious as to accept these apologies, and our assurances that we shall do everything possible to prevent any future occurrences of this nature.

Sincerely yours,

FAYE WATTLETON,
President.

PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC.,
May 5, 1978.

HON. JOSEPH A. CALIFANO,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: It has just come to our attention that a set of cartoons dealing editorially with the abortion issue has been circulated in the Chicago area by the local Planned Parenthood Association. Among the cartoons, which present satirical views of various aspects of the abortion debate and in different ways feature the Church, Congress, the military and other institutions, is one featuring the official seal of the Department of Health, Education and Welfare and, by implication, the Secretary.

I want to take this early opportunity to express to you, as we are to others who may have been offended by this material, our profound apologies, both official and personal, for any embarrassment that may have been caused by this inappropriate and irresponsible action. Though I am sure you understand that such an action is totally at odds with the official policies and normal practices of Planned Parenthood, I am afraid that in an organization as complex and decentralized as ours there may be occasions—we hope very rare—when an individual associated with us shows a serious lapse of judgment of which we may not become aware until the action has been taken and the damage done. This is evidently what happened in this instance.

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I hope you will be so gracious as to accept these apologies, and our assurances that we shall do everything possible to prevent any future occurrences of this nature.

Sincerely yours,

FAYE WATTLETON,
President.

TRIBUTE TO MRS. INEZ MINGHELLI

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. KETCHUM. Mr. Speaker, I ask that my colleagues join with me today in paying tribute to a great lady who exemplifies the finest qualities of motherhood, Mrs. Inez Minghelli, of Palmdale, Calif. Mrs. Minghelli has been selected to receive the Mother of the Year

Award presented by the Antelope Valley Press. Mrs. Minghelli was chosen from more than 200 entries by previous Mothers of the Year, who selected her on the basis of an entry submitted by one of her granddaughters.

Now 76 years old, Mrs. Minghelli has mothered not only 7 children, 24 grandchildren and 13 great-grandchildren, but also most of the young children in Palmdale; with her usual care and concern, she serves as a school crossing guard. Born in Brazil, she moved to California as a young child. Clearly, my home State has greatly benefited from her presence.

It is with great pleasure that I congratulate this very fine woman, and with equal pride that I represent her in the Congress.●

MUTUAL LIFE INSURERS DIVIDENDS "SHROUDED IN SECRECY"

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. LaFALCE. Mr. Speaker, a major portion of all life insurance in this country is written by mutual life insurance companies. While these policies are generally purchased for the death benefits they provide, the amount of dividends paid with respect to them is very significant. For example, in 1975, the 10 largest mutual life insurers paid out $3 billion in dividends, while providing merely $2.4 in death benefits during the same period.

Despite their magnitude, the manner of computation of annual dividend payments remains arcane and shrouded in secrecy. In fact, attempting to learn this information from the insurance companies themselves is often futile.

Since these dividends can be received in cash, or can often be applied to reduce the premiums due on life insurance, they should be included when determining the true cost of this insurance. Thus, it is incredible that the present system of State regulation does not afford the opportunity for policy holders to obtain this basic information.

Prof. Joseph M. Belth recently outlined these abuses before a Senate subcommittee hearing. His statement helps highlight the need for Federal inquiry into the area of insurance, as it is becoming increasingly apparent that State regulation is deficient.

His statement follows:

STATEMENT OF JOSEPH M. BELTH BEFORE THE SUBCOMMITTEE ON CITIZENS AND SHAREHOLDERS RIGHTS AND REMEDIES OF THE COMMITTEE ON THE JUDICIARY, U.S. SENATE, 95TH CONGRESS, 2D SESSION

Mr. Chairman, I am Joseph M. Belth, professor of insurance, Graduate School of Business, Indiana University, Bloomington, Indiana. I am also editor The Insurance Forum, a four-page monthly periodical. I am author of Life Insurance: A Consumer's Handbook and various other books and articles on life insurance. I am a past president of the American Risk and Insurance Association, an organization of insurance professors and others interested in insurance education. I am not being compensated for the preparation of this statement. The views expressed in the statement are my own and not necessarily those of any institution, organization, or other individual. I would like to express my appreciation for the invitation to present my views at this hearing.

Mr. Chairman, policyholders of mutual life insurance companies do not have any effective voice in the operations of the companies of which they are theoretically the owners. Certain aspects of this subject—such as the inability of policyholders to nominate or elect directors other than those chosen by the existing board—are being discussed by other witnesses at this hearing. My statement will be confined to just one aspect of the subject—namely, the determination of the dividends that are paid by mutual life insurance companies to their policyholder-owners.

The subject of surplus distribution to individual life insurance policyholders may be broken down into two categories: first, the determination of the aggregate amount to be distributed in a given year; and second, the manner in which the aggregate amount is divided among the policyholders. The research I have conducted over the past several years has dealt solely with the second of these categories.

I believe that the aggregate amount of dividends to be paid by a company to its policyholders in any one year is a judgment call for the company's board of directors, who must make certain that the company will remain in a position to meet its future obligations to policyholders. Once the aggregate amount of dividends is determined, it is then necessary to distribute that aggregate amount in as fair a manner as possible. In my view, the latter determination should be made openly, with the formulas and assumptions used in the determination subject to full disclosure to the policyholders, and, for that matter, to the public at large.

The aggregate amount of life insurance policy dividends is very large. In 1975 alone, for example, the ten largest mutual life insurance companies in the United States paid out $3 billion in dividends on individual life insurance policies, as compared with $2.4 billion in death benefits. Despite the magnitude of dividend payments, the way in which they are determined is mysterious, arcane, inadequately regulated, and shrouded in secrecy. The combination of huge dollar amounts, inadequate regulation, and a total lack of disclosure requirements produces fertile ground for the exploitation of policyholders, and there is considerable evidence of such exploitation.

First, I would like to illustrate the kind of responses that the policyholder-owners of mutual life insurance companies frequently receive when they inquire about the manner in which the dividends on their policies are determined. In each case, the policyholder has asked specifically for the formula by which the dividend on his policy had been determined, as well as the numbers that had been plugged into the formula:

John Hancock's response:

"In very broad terms, dividends in this company are calculated by the following procedure. Once each year, the company determines the total amount of money available for distribution to all our policyholders. This pool is then allocated to individual policies by a voluminous and complex set of formulas approved by our Board of Directors. These formulas are designed to reflect approximately each policy's share of that pool, relative to other policies, which arises from recent experience with regard to investment yield, mortality rates, and expenses. No one formula is independent of another. Thus, an adequate description, which would not be misleading, of the precise method by which your dividend is computed would have to include a description and an interpretation of all the formulas for all our policyholders. Since this is clearly impractical, I regret we are unable to respond to your request any more precisely than in these general terms."

Massachusetts Mutual's response:

"We, just as most other mutual insurance companies, compute our dividends using a three factor contribution method. When the policy is designed and premiums are set, conservative estimates are used for each of the factors of anticipated mortality experience, interest to be earned on funds held for the contract, and expenses to be incurrent in establishing and maintaining the contract. As experience more favorable than estimated unfolds, dividends, which are thus in the nature of a refund of excess premium, are credited to the policy. The amount of the dividend depends on the difference between the actual experience and the estimates made in each of the three factors, and each factor makes its contribution toward the dividends actually paid. The formulas used are rather complex, dealing in such actuarial abstractions as terminal reserves, net annual premiums, amount at risk, etc., and are changed periodically as experience on each block of business develops. I hope this review of our dividend practices will satisfy your curiosity."

Prudential's response:

"While this policy is in force other than as extended or reduced paid-up insurance, the portion, if any, of the divisible surplus of the Company accruing upon the policy at each policy anniversary will be determined annually by the Board of Directors, and will be credited to the policy as a dividend on such anniversary provided all premiums due hereunder have been paid in full to such anniversary and the insured is living at that time."

Mr. Chairman, I do not wish to leave the impression that all mutual life insurance companies are as evasive as might be suggested by the above responses. A similar request to The Provident Mutual Life Insurance Company of Philadelphia, for example, was considered so routine that the policyholder received a handwritten memorandum containing precisely the information requested. But it is my belief that a majority of the major mutual companies consider their dividend determination methods to be none of their policyholders' business. I believe that the views of the majority are quite well expressed in the following letter that was written to a policyholder by an official of the Bankers Life Company of Des Moines, Iowa:

"The Bankers Life is a mutual company, and feels under an obligation to be as responsive as possible to inquiries from policyowners. Dividends are an important element of the life insurance product, and are therefore a matter of legitimate policyholder concern. We would like to be able to furnish you exactly what you ask, but we find ourselves frustrated by two difficult problems—the complexity of the subject and the fact that it involves very sensitive competitive information.

"The formula by which dividends were computed in 1974 and 1975 is very sophisticated and extremely complex. It involves as many as 15 different mathematical terms, and many of the 15 must in turn by derived from subsidiary calculations. Were we to furnish you exactly what you ask, it would require at least three pages of closely packed material, which could have very little meaning to you—unless you happen to be especially trained in actuarial science.

"Beyond the matter of complexity is the more important reason that we feel we cannot furnish the information you request. There are very few "secrets" in the life insurance industry, but of these the details of the dividend formula calculation is perhaps the most important. The fact that the dividend ultimately determines price, and that life insurance products are becoming increasingly price sensitive, leads to life companies being closed-mouthed about dividend

formula details. The Bankers Life has such information on no other company—and we trust none of our competition knows the details of our dividend formula.

"Although we cannot furnish you the information you ask, we wish to assure you (1) that there is a dividend formula, (2) that we strive to make it as fair to various subgroups of policyholders as we can, and (3) that we are continually working on our dividend theory to refine and improve it."

Mr. Chairman, my research into dividend determination methods has led me to conclude that the most serious problem is the tendency of many companies to use methods that have the effect of favoring recent buyers of life insurance at the expense of long-time policyholders. Perhaps the most clear-cut example of this tendency is the use of the so-called investment year method for determining the interest component of policy dividends. The investment year method may be illustrated by the following analogy:

"In 1960, Mr. A deposited $1,000 in a regular savings account in a mutual savings bank, and he has left it there to compound. In 1970, Mr. B deposited $1,000 in a regular savings account in the same bank; he, too, left it there to compound. To allocate investment income the bank has always used the 'portfolio average method,' under which all depositors receive the same interest rate on their accounts. From 1970 through 1975, therefore, both accounts were credited annually with the bank's 5 percent rate of interest.

In 1976, because of higher rates being earned by the bank on its investments, the bank decided to increase the amount of interest paid on its savings accounts. At the same time, it introduced a new system of allocating investment income among its depositors. The new system is called the "investment year method," which gives recognition to the timing of deposits, the interest rates earned by the bank on its investments made in different years, the timing of the reinvestment of investment income, and the rollover of the bank's investments. The net effect of the changes was that newer deposits would be credited with a higher rate of interest, and older deposits would receive the same rate of interest credited prior to 1976. As things worked out, Mr. B's account was credited with 6 percent interest in 1976, and Mr. A's account with 5 percent. The explanation was that the bank has been earning a higher rate of return on funds deposited in more recent years.

Traditionally, the life insurance companies have used the portfolio average method for allocating investment income, under which the same interest rate is used for all policyholders in the computation of the interest component of their dividends. In recent years, however, some companies apparently have switched to the investment year method.

Most of the companies which have made the change have done so without the approval of state regulatory agencies, presumably because no approval was needed. Some of these companies apparently have made the change in total secrecy. For others, certain publicly available information suggests that they have made the change, but they have done so without fanfare. Early in 1976, it became widely known that The Equitable Life Assurance Society of the United States, one of America's largest mutual life insurance companies, had made the change with the approval of New York State's Insurance Department.

There are a number of intriguing circumstances surrounding the compact between the Equitable and the New York Insurance Department. First, the details of the change have been shrouded in secrecy by the Equitable. The company declined a specific policyholder request for a copy of its application for regulatory approval of the change and a copy of the approval.

Second, the details of the change have been shrouded in secrecy by the New York Insurance Department. I sought to obtain from the department a copy of Equitable's application and a copy of the department's approval. My request was denied on the grounds that the documents requested contain information in the nature of trade secrets furnished in confidence to the agency. After two appeals went unanswered, I petitioned the court to order the department to turn over the documents. I have thus far obtained part of the file, but the court ruled against me on the remainder of the file. I am continuing my efforts to obtain the remainder of the file.

Third, the approval seems to represent a turnabout by the New York Insurance Department. Only a few months before the approval was granted, officials of the department were writing letters that were extremely negative toward the investment year method. Thus far I have been unable to ascertain the reason for the department's sudden change of heart.

Fourth, although the Equitable has made various public announcements that the change represents "an improvement in equity," the material distributed to the agents of the company emphasized only the favorable impact of the change on the company's new policies. Some of the statements that appeared in the company's promotional literature were as follows:

"Announcing the biggest and best dividend scale in Equitable history—a competitive breakthrough.

"A history-making change to reflect current investment yields in illustrating dividends, plus outstanding investment performance, combine to produce dramatic competitive gains.

"Great news! Dramatically improved net insurance cost illustrations put Equitable in forefront of industry competitively."

I believe that either the portfolio average method or a properly developed investment year method can be defended as fair, and that neither method is inherently any fairer than the other. They are just two dramatically different methods of allocating investment income. But there is a serious question as to whether the method employed by the Equitable is a "properly developed" investment year method, and the question will remain until either the company or the New York Insurance Department discloses the details.

Futhermore, the company has not disclosed to its policyholders the implications of the change, or even the fact that the change has taken place. Polite but vague letters are written to policyholders who have inquired about the change after learning of it through the media, and specific questions have gone unanswered.

Nor is there any guarantee that the company will refrain from reverting to the portfolio average method at some future date when the rate of return on new investments drops below the portfolio average rate. Switching back under such circumstances would adversely affect old policyholders again.

Another serious problem with the move to an investment year method is that it makes a mockery of a life insurance buyer's attempt to compare the prices of policies issued by different companies. The dividend illustration used for sales purposes by a company using an investment year method is not comparable wth that of a company still using the portfolio average method.

Whether the investment year method is fair or not, the fact is that it could not be used except for the insurance company's advantages over its policyholders. Consider, for example, the savings account analogy in which Mr. B. receives 6 percent interest in 1976 while Mr. A receives 5 percent. Presumably Mr. A would learn of the change in the bank's method of allocating investment income, withdraw his funds, and immediately redeposit them in order to obtain the rate applicable to newly deposited funds.

But the owner of an old life insurance policy cannot do that. In the first place, the policyholder is unlikely to learn of the change, because of the aura of secrecy surrounding dividend determination methods. In the second place, even if the policyholder learns of the change, he is locked in. He may have an insurability problem, which would make it difficult or impossible to replace his old policy with a new one. Even if he has no insurability problem, by replacing his old policy with a new one he would incur another front-end load. Also, there are certain policy provisions that would be distinctly disadvantageous in a new policy compared with an old policy. In short, it appears that a life insurance company can make such a change because of the lack of disclosure requirements, and because it has the policyholder locked in.

Mr. Chairman, I would like to conclude by pointing out a classic type of catch-22 situation for the policyholders of mutual life insurance companies. In one of the documents released in connection with my lawsuit against the New York Insurance Department, the Equitable quoted the following statement from the majority opinion in a 1936 New York Court of Appeals decision:

"One principle enunciated by the court is that the apportionment of surplus as made by the company will be regarded prima facie as an equitable apportionment, and a complaining policyholder who alleges abuse of discretion or the application of erroneous principles must prove that the principles on which surplus is apportioned are erroneous."

I submit that it is impossible for a policyholder to sustain the burden of proof when the details of the company's dividend determination methods are not fully disclosed.

Mr. Chairman, equity is such an elusive concept and the procedures used in the determination of dividends are so complex that there is a real question concerning the ability of the regulatory agencies to assure fair treatment of policyholders. Furthermore, the rapidly increasing use of point-of-sale cost indexes and sales illustrations is placing enormous pressures upon the insurance companies' actuaries, who have the primary responsibility for fairness in dividend determination, to find ways of enhancing the marketability of new policies.

In my opinion, the most promising procedure by which to minimize the likelihood of companies taking actions adverse to the interests of long-time policyholders is to channel the competitive forces in the marketplace in that direction. One way to accomplish this objective is to mandate a system of periodic disclosure that would have the effect of keeping long-time policyholders continuously informed about their policies. I have outlined a system of periodic disclosure that I consider workable, and have described the system in various articles. My most recent description of the system is contained in an article published in the March 1978 issue of the Journal of Risk and Insurance. I would be pleased to furnish a copy of my proposal for inclusion in your hearing record, if you would like to have it.

Mr. Chairman, thank you again for the invitation to participate in this hearing.●

SALT II AND THE PRESENT DANGER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. DORNAN. Mr. Speaker, I know that I share the sentiments of many Members of this House who have profound respect for the accomplishments

and opinions of Mr. Paul Nitze. A man of wide-ranging experience, he has held eminent posts in the Department of State and the Department of Defense. He has served as a negotiator in talks with the Soviet representatives, and has detailed on many different occasions the characteristic patterns of Soviet diplomatic behavior. Few men are more qualified to judge the intentions of our adversaries or the wisdom of the foreign and defense policies of this Republic.

With several other Members of this House, I have recently returned from Geneva, Switzerland, as an observer of the current strategic arms limitation talks between the United States and the Soviet Union. I have no doubt that our negotiators in Geneva are well intentioned, and have the very best interests of this country at heart. But I must confess disappointment at their failure to press for initiatives that would best secure the safety of the United States and its allies. It was recently reported that Mr. Paul Warnke expressed hesitation at including SS–20 intermediate range ballistic missiles on the agenda, because the Soviets might insist on limiting deployment of the FB–111 in Great Britain. But there are no FB–111's in Great Britain.

Mr. Speaker, in my more pessimistic moments I am sometimes seized by the notion that SALT is a will-o-the-wisp. The entire process may be nothing more than an elaborate process of superpower diplomacy, a ritual necessity in the nuclear age, but a meaningless exercise. I sincerely hope not. But in my own survey of the history of international relations, I am not aware of one, single, successful disarmament treaty between two nations with diametrically opposed political interests. I would deeply appreciate it if any Member of this House could instruct me to the contrary. It does not serve us well, in our calmer moments, to continue to hope against hope.

We may achieve a sound agreement with the Soviet Union. No human behavior is inevitable. Even the tides of history can be altered by dedicated men pursuing lofty goals. I do not deny it. But I offer this one caveat. There is no sound SALT agreement that leaves this Republic with a declining ability to defend itself. There is and can be no sound SALT accord which allows the Soviet Union to increase their relative military posture, to the point of threatening this Nation with a first strike. Our assessments need not be alarmist, jingoistic, or overly pessimistic; but they must be sober and cautious.

Mr. Speaker, in our desire to secure the peace of the world, we must not lose sight of our primary duty: the security of our people. The final agreement with the Soviet Union must be judged on that criterion, and that criterion alone. We must be sure that the final product allows us flexibility of action to assure our own defense by deploying those weapons systems that would best deter the Kremlin from initiating an assault against our Nation. For all of the best intentions of our diplomats, it will not serve our just interests to simply wish, hope, and pray that the Kremlin leaders will abide by the terms of whatever agreement this Nation agrees to sign. In his Farewell Address, President George Washington, supremely conscious that his words and actions would be enshrined in the national memory, somberly warned the American public of his day:

> There can be no greater error than to expect or calculate upon real favors from nation to nation.

So I turn again to the wisdom of Mr. Nitze. Please ponder the content of his recent interview in the June 1978 edition of the Retired Officer. I ask that it be inserted into the RECORD:

THE PRESENT DANGER: AN INTERVIEW WITH PAUL H. NITZE

(A key participant in the Strategic Arms Limitation Treaty talks between 1969 and 1974 was Paul H. Nitze. A former deputy secretary of defense, Mr. Nitze now is chairman of the advisory council for Johns Hopkins University's School of Advanced International Studies. While no longer part of the SALT team, Mr. Nitze maintains his close watch on the negotiating process and frequently speaks out on the nature of the Soviet threat in his capacity as chairman, Policy Studies, Committee on The Present Danger. The committee is a non-partisan, nonprofit organization composed of private citizens devoted to preserving the nation's peace and security. Mr. Nitze was interviewed by editor Col. Minter L. Wilson, Jr.)

Wilson: Mr. Nitze, the basic policy statement of your organization says that for more than a decade, the Soviet Union has been enlarging and improving both its strategic and its conventional military forces far more rapidly than the United States and its allies; that Soviet military power and its rate of growth cannot be explained or justified by considerations of self-defense; and, that the Soviet Union is consciously seeking what its spokesmen call "visible preponderance" for the Soviet sphere "to permit the Soviet Union to transform the conditions of world politics" and determine the direction of its development. Those words suggest a goal for your organization, but could you sharpen the focus?

Nitze: Our goal is nothing short of preventing another world war. Weakness invites aggression; strength deters it. American strength holds the key to our quest for peace. There is still time to ensure the security and prosperity of our nation through peaceful deterrence and concerted allied diplomacy.

Wilson: How, then, does the name of your group fit that goal?

Nitze: We firmly believe that our country is in a period of danger, and the danger is increasing. Unless decisive steps are taken to alert the nation, and to change the course of its policy, our economic and military capacity will become inadequate to assure peace with security. From this belief, and long discussions with our bipartisan supporters, Eugene V. Rostow (chairman, Executive Committee) suggested we borrow the name from Justice Holmes famous opinion which held that freedom of speech doesn't give one the right to yell "Fire!" in a crowded theater unless there is "a clear and present danger."

Wilson: You are convinced that danger exists?

Nitze: Absolutely.

Wilson: Looking over the list of your founding board members, there appears to be an unusual diversity of political opinion and professional backgrounds represented. How can they possibly achieve unanimity in their views?

Nitze: We don't get agreement on every word or idea. Our members are free to take individual positions. And they do. But on any policy paper we must have near-unanimous support of the committee's officers. There is certainly agreement among all our members that we should be worrying more about the Soviet Union.

Wilson: Why?

Nitze: The Soviet Union has not altered its long-held goal of a world dominated from a single center—Moscow. With notable persistence, the Soviets take advantage of every opportunity to expand their political and military influence throughout the world.

The scope and sophistication of their campaign has increased, the tempo quickened. They encourage every divisive tendency within and among the developed states, and between the developed and underdeveloped world. At the same time, the Soviet Union has acquired a network of sites, including naval and air bases, in the Southern Hemisphere to support its drive for dominance in the Middle East, the Indian Ocean, Africa and the South Atlantic.

Wilson: You aren't suggesting they have had an unbroken string of successes?

Nitze: No. They have had their failures, too. Egypt and Somalia, for instance, have invited the Russians to leave. And their star isn't in ascendancy in the Middle East now either. But they are persistent. They don't give up.

The process of Soviet expansion and the worldwide deployment of their military power threatens our interest in the political independence of our friends and allies, our joint access to raw materials and the freedom of the seas.

Wilson: Is it conceivable that the U.S.S.R. and its friends see the United States in much the same way?

Nitze: Perhaps. But there is a crucial difference between the two superpowers in their character and objectives. The United States—imperfect as it is—is essential to the hopes of those countries which desire to develop societies in their own ways, free of coercion.

Wilson: The United States should set the example?

Nitze: Not just that. We must see the world as it is. The survival of freedom depends on the world balance of forces. If we restore our will, our strength and our self-confidence, we shall find resources and friends enough to counter Soviet expansionism.

Wilson: How do you do that?

Nitze: First, we must bring public opinion back to reality. Once the public is generally aware of the true state of the world, our leaders will venture to become stronger. Then, we could expect to see an effective, confident, coherent and high-minded American foreign policy emerge once more.

Wilson: You see as one of your principal activities, educating the public?

Nitze: Exactly. We want to facilitate a national discussion of the foreign and national security policies of the United States. This effort, directed toward a secure peace with freedom, is not a one-shot affair. We shall stay in business until we no longer are needed.

Wilson: Your background of distinguished service to the nation in a variety of top-level posts with the State and Defense Departments, and in private life too, are well known. Do your associates on the committee enjoy similar credentials?

Nitze: Many of us have worked with one or more of the last seven Presidents in formulating and executing foreign and national security policy. Others, as private citizens, at home and abroad, in business, labor, academic life or the professions, have taken a keen interest in these critical matters. Our membership is being drawn from every section of the country and every major walk of life. Some of our early supporters included such diverse figures as Dean Rusk, feminist Estelle Ramey, teachers' unionist Albert Shanker, Eugene Rostow, author James Farrell, International Ladies' Garment Workers

Union legislative director Evelyn DuBrow, General Ridgway, John Connally, Leon Keyserling, Clare Booth Luce, Lane Kirkland, David Packard, John Roche—and many others. That illustrates the broad appeal.

Wilson: With such a notable group there must be no delusions about the difficulty of fulfilling the responsibilities you have assumed.

Nitze: We recognize our job won't be easy. There are no easy solutions to the problems faced by our country. But we have had considerable success in getting our message out through all the media. Our basic operational task is to further the two-way process of communications. We do that through conferences, seminars, speeches, pamphlets, and articles. There is no higher priority than peace with freedom and security for our country.

Wilson: We can all agree on that, I think. Back in 1974, I believe it was, you were a key arms-limitation negotiator. Since that time you have made considerable comment on our Strategic Arms Limitation Treaty (SALT) negotiations. What is the basic SALT objective?

Nitze: From the U.S. point of view, it has been to reduce the weight of nuclear arms. Agreement has been sought on measures designed to assure 1) that both sides have essential equivalence in nuclear capabilities and 2) that neither side could hope to gain more than it would lose by striking first. With that assurance, both the United States and the U.S.S.R. could progressively reduce the proportion of resources devoted to nuclear weapons, releasing them for other pressing needs and priorities.

Wilson: Has this purpose been achieved?

Nitze: To the contrary. In my view, the Soviets have succeeded in extending their gains in relative posture while encouraging maximum restraint upon U.S. programs. In the classic Soviet fashion, negotiations have been regarded as a means of stalling and impeding the adversary's momentum while maintaining its own.

Wilson: Also, haven't they played upon our popular hopes for détente?

Nitze: Unfortunately, too well.

Wilson: The Carter Administration, now in office about one and a half years, brought in a new team of SALT negotiators and suggested some new approaches. Will the SALT II treaty, judging from the information you have, enhance our position?

Nitze: Not in my opinion. If present trends continue, even with the most favorable SALT II agreement now attainable, by the early 1980s we won't enjoy even rough equality with the Soviet Union.

Wilson: What advantages do you see the Soviets gaining?

Nitze: Nothing in the proposed SALT treaty will prevent the Soviets from having much bigger and more fixed ICBMs with more independently targetable warheads than we by the mid-1980s.

The treaty limits both sides to 820 multiple, independently targeted re-entry vehicle (MIRVed) ICBM launchers. But there is nothing in the U.S. program to suggest that we will add one MIRVed ICBM to our 550 Minuteman III inventory by 1985 when the treaty expires. Obviously, we know the throw-weight of each Minuteman, how many re-entry vehicles it has and the yield of each. Our intelligence tells us, in approximate terms, the same information about the SS–17s, 18s and 19s the Soviets have tested and are deploying.

Soviet throw-weight capability is about 5.2 million pounds—*more than four times* that allowed the United States. The number of MIRVed ICBM reentry vehicles would be more than twice ours and the yield of each reentry vehicle would be some *five times* ours. There is no reason to believe that their accuracy by 1985 will not equal that of our Minuteman IIIs.

Add up those factors. You end with a *differential of 8 to 1 in favor of the Soviets* in terms of prompt counterforce potential. That is a huge margin—a dangerous differential.

Wilson: Some who support the SALT II treaty say such Soviet advantages do not really matter. You obviously don't agree.

Nitze: Certainly not. The Soviets look on strategic forces as a political instrument from which they can gain political advantages. Under any of the SALT provisions now being considered, and assuming that current programs continue, the Soviets would destroy more strategic targets and more people than we would, in case of nuclear war. Realistically, that puts the United States in an inferior political and military position in any crisis situation with the Soviet Union. The way our allies and other countries perceive this imbalance is an important factor in U.S. foreign policy.

Wilson: How great is their advantage?

Nitze: The Soviets are working diligently on their civil defense program. Given an effective civil defense program and their less concentrated population and industry, the ratios of casualties and damage may well favor the Soviets by a factor of 10 to 1.

Wilson: So far, you have mentioned only ICBMs. Don't other elements of our strategic Triad give us a favorable balance?

Nitze: No. With the cancellation of the B–1, one leg of the Triad, our bomber force, has been crippled. By 1985, I believe the Soviet force—including their Backfire bombers, with all the armaments they have—and considering our respective air defenses, will outweigh our aging B–52 bomber force and all its armaments, including cruise missiles.

Wilson: And submarine-launched missiles?

Nitze: The SALT I Interim Agreement gave the Soviets a significant numerical advantage in SLBM launchers and in modern nuclear-powered ballistic missile submarines. Additionally, the U.S. faces in the 1980s a serious obsolescence problem in its Polaris/Poseidon submarine force. This problem cannot be entirely solved by accelerating the Trident submarine program. These facts, compounded by the vigorous Soviet submarine program—two new MIRVed SLBMs, an even larger SLBM to come, and the development of Typhoon, with 20–24 SLBM launchers (comparable to our Trident)—presents the United States with yet another strategic threat.

Wilson: We haven't mentioned the possibility of our own mobile missile—the MX.

Nitze: Under the SALT II agreement now being negotiated, there is a three-year protocol banning the mobile ICBM—our MX. While we do not presently plan to deploy the MX during that period, you can be sure the Russians will wish to have that provision continued when SALT II expires. There is no reason to believe that our negotiating position will be stronger then, so it may be very difficult to recover a position of rough equivalence and strategic stability.

Wilson: You believe, then, that our country is in a period of increasing danger and that the SALT II treaty, as now proposed, will not help.

Nitze: Yes. And, unless decisive steps are taken to alert the nation, and to change the course of our policy, our economic and military capacity will become inadequate to assure peace with security. Then we could find ourselves isolated in a hostile world, facing the unremitting pressures of Soviet policy backed by an overwhelming preponderance of power. That must not happen.

Wilson: Many of our 256,000 members share your views. How can they help?

Nitze: We would urge them first to learn the facts and stay informed. Then speak out in favor of their convictions. Informal discussion can help. So can sharing their thoughts with their local leaders and media representatives. Above all, Congress and the Administration must know that there is no higher priority than peace with freedom and security for our country.●

AIRPORT POLICY HEARINGS BY FAA

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. FISHER. Mr. Speaker, on Tuesday, May 23, 1978, the Federal Aviation Administration held hearings at two locations in my district on its proprosed policy for the two airports which it owns and operates. I would like to share with my colleagues the testimony that I presented at the hearings:

STATEMENT OF CONGRESSMAN JOSEPH L. FISHER AT FEDERAL AVIATION ADMINISTRATION HEARING ON AIRPORT POLICY

The Federal Aviation Administration, which owns and operates National and Dulles International Airports, has proposed a policy for the operation of the two airports. With regard to National Airport, the proposal retains the current 650-mile perimeter for nonstop service, with the existing exceptions and also retains the current number of hourly operations. It lowers the curfew from 10 p.m. to 9:30, with a prorated number of operations in the final half hour of the day. After 10:30 there will be a ban on arrivals except by aircraft meeting very strict noise requirements. Wide body aircraft will be permitted to use National. Passengers at National will increase from 13 million in 1977 to an estimated 16 million in 1985 and 18 million in 1990. Dulles will continue to provide all types of service.

In connection with the proposed policy the FAA has filed an environmental impact statement and public hearings are being held on it. It is important for the public to comment on actions which have as much effect on their lives and environment as the operation of a major airport does. It is equally important for the operators of the airport to base their policies on the positions of the elected officials and citizen-spokesmen of the area neighboring the airport. Over the last several years the public and their representatives in the Washington metropolitan area have had a number of official and formal occasions to make their views known on the proper roles for National and Dulles Airports. Unfortunately this proposed policy does not adequately take into account those views.

The Metropolitan Washington Council of Governments in its 1975 report on the National Capital Region Air Transportation System Plan made recommendations for the future development of National and Dulles, as well as Baltimore-Washington Airport. At the heart of COG's position was a recommendation to reduce the number of operations at National by 50% (to 20 an hour), thereby preventing the number of passengers from growing above 16 million a year. Wide bodied aircraft would be permitted to use National only on the basis that each one would replace the operation of two conventional aircraft. This procedure would permit some growth in passengers served while reducing the number of operations at National. The growth in commercial aircraft operations in the Washington region would then occur at Dulles and Baltimore-Washington.

Public bodies and citizens groups in Northern Virginia have repeatedly gone on record with similar recommendations. A year ago when COG and the FAA had public hearings

on a proposal to change the flight patterns for National, many statements indicated that the major way to solve the noise and pollution problems caused by National would be to reduce the number of operations at that airport and shift them to Dulles. Policy positions taken by local governments, such as the Arlington County Board, have called for reductions in flights at National.

Despite the views of the local governments and the public, the FAA has not recommended any reduction in air traffic at National and has in fact advocated a more than one third increase in passengers. It has not tied its support for wide-bodied aircraft to a requirement that other operations be reduced. The only concession it has made to the public concern about activity at National Airport is to propose a slight lowering of the curfew. While this curfew proposal will help reduce late night noise, it will do nothing to reduce the overall effect of 40 operations—a total of 80 takeoffs and landings—every hour during the day from 7 a.m. until the curfew time of 9:30 p.m.

The FAA is making a mistake in public policy by refusing to consider seriously the positions espoused by both local elected officials and the public and also by not looking at the relationship between Dulles and National. Dulles was built to be an airport for jets, National was not. Dulles is underused much of the time. It covers many times the land area of National and is located in a less densely populated area that is better able to absorb the problems of a busy modern airport. The Commonwealth of Virginia is very interested in promoting Dulles and increasing its use. Business interests in Fairfax and Loudoun Counties would like to see better use made of Dulles. Certainly residents of Arlington would like to see a shifting of some National Airport traffic to Dulles. The environmental impact statement dismisses the alternatives of reducing operations at National much too simplistically.

The disregard of local opinion and local official policy regarding the metropolitan Washington airports in proposing this operational policy is symptomatic of the way the airports are run. Because the airport management is part of the Federal government it can and does act independently of the local governments. A formal mechanism is needed for citizens and government officials in the Washington area to meet with the FAA to discuss existing and proposed policies for the airports. In many parts of the country airports are managed by professionals under contract to the local governments. Some method for insuring similar responsiveness to local policy is needed for National and Dulles.

I would propose an advisory board made up of representatives of local government, regional agencies, business interests, and citizens to advise with the FAA and its airport officials. It would meet regularly with them in order to make policy recommendations to the FAA, to confer with the FAA on all major decisions affecting the operation, to take part in hearings, to bring to bear local concerns, and to discuss issues of mutual concern. I think some consideration should be given to reviving a discussion that was going on a few years ago about having somebody other than the Federal government own the two airports.

To summarize, the proposed policy for National and Dulles should include the reduced and strictly enforced 9:30 p.m. curfew, a cutback of 50 percent in the hourly operations at National, concentration of growth in regional air traffic at Dulles, inclusion of wide body aircraft at National only on the basis of reductions in operations of conventional jet aircraft, and a mechanism for local government involvement in airport policy-making. The FAA's proposal should be amended to take these recommendations into account.●

WHAT NEW YORK ASKS: NOT CHARITY—ONLY A CHANCE

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr MITCHELL of New York. Mr. Speaker, the lead editorial in yesterday's New York Times captures the essence of what is being sought from Congress by the Nation's largest city. Through the legislation now under consideration, the city asks not for charity, only a chance. We should respond, not with a handout, but with a helping hand.

I urge my colleagues to give the editorial message careful thought as we proceed with these most important deliberations:

WHAT NEW YORK ASKS

In its fashion, New York City has now pulled its act together. It has squeezed more aid from New York State, held its employees to a raise that is less than half the current rate of inflation, and repaid every cent of emergency Federal loans, with interest. Before that, during three years at the edge of bankruptcy, it reduced its work force by about 20 percent, let its plant and equipment deteriorate to an appalling degree, revolutionized its bookkeeping systems, raised taxes, froze wages, increased transit fares and imposed tuition at its university. It delayed repayment of its debts and pressured its workers to invest their pension funds in the city's future.

All this to avert the chaos of formal bankruptcy, to keep alive a vestige of self-government, a chance of an early return to the private bond markets and of economic revival. All this to atone for past mismanagement and extravagance. And all this out of pride that New York is special and capable of retaining its cultural pre-eminence while serving as the nation's foremost poorhouse.

Now, after all this, New York City turns again to Congress to request one more measure of extraordinary assistance: a Federal guarantee of up to $2 billion in loans to permit the orderly refinancing of a huge debt, the essential repair of public facilities and a gradual shift to reliance on private lenders. The smug will find many reasons why even now New York City deserves no special consideration; they might be won over only if the city changed its name to Lockheed. But the honestly skeptical should know as they listen to Mayor Koch before the Senate Banking Committee today that he speaks not for decadence or socialism but only for survival and continued sacrifice in the most competitive and hard-pressed city in the land.

We do not pretend to know whether the latest commitments that Senator Proxmire and his Banking Committee demanded before considering the loan guarantee were entirely reasonable. Quite properly, they wanted to see the outlines of the next contract between the city and its 200,000 workers. Well there it is: a 4 percent raise this year and 4 percent next. There remain outrageous work rules and work habits, and the Mayor should have established at least the principle of union collaboration in their undoing. More important, he might have used the present crisis to set a pattern for sharing future savings and surpluses—50 cents of every dollar, say, for wage increases, a quarter for the taxpayer, a quarter for the capital construction budget. He has not achieved an ideal labor compact.

But what governmental unit has? The fact is New York has negotiated its workers into a gradual reduction of their real income while persuading them to invest significant portions of it in bonds that banks and private citizens would not buy. That is the measure of New Yorkers' self-help. Moreover, to guarantee continued fiscal prudence, the city and its unions have submitted to the discipline of a state control board that will monitor city budgets for a generation. And the inevitable consequence of a Federal loan guarantee will be yet another monitor in the Federal Treasury.

A loan guarantee will not assure the city's economic health. More than half a million jobs have disappeared from New York in a decade while millions of poor people moved in. More than sacrifice and prudence are needed to assure the long-term health of New York and other major cities. Nor is it clear that a loan guarantee is essential to stave off bankruptcy for another year or two; a few more Federal tideover loans might work as well. But only a guarantee will let responsible New York managers escape the quarterly shortages of cash and the burdensome bulges of the debt. What is so promising about a guarantee is the long-term aspect, which would let the city plan for survival over a period of years instead of weeks.

It is not charity the city seeks, only a chance.●

SANTA MONICA COLLEGE DEBATE TEAM: SECOND IN THE NATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. DORNAN. Mr. Speaker, today I would like to pay tribute to Santa Monica College, a junior college in my district, whose debate team was recently designated "Second in the Nation" by the Cross Examination Debate Association. This official ranking was based on the total number of debate wins over the entire year. The Santa Monica College Debate Team entered 11 tournaments this season, winning first place in over half and scoring high in the remainder; a record which brought them close to placing first nationally.

This victory is especially remarkable in light of the fact that much of the competition was against major 4-year colleges and universities in an open division that included freshmen as well as seniors.

Under the superb direction of Tom Miller and Norman Nichols, this national victory was due to the performances of team members Paul Carey, Steve Rennie, Keven Dawson, Brad Zerbe, Wendy Hoffman, Paul Boyland, Altaf Amlani, John Scardino, Alan Schainwooks, Semak Megahezi, Damon Redfud, Renee Presser, Doree Lewanda, Jill Dye, and Bill McEntee.

As we all recognize the importance of debate in our democratic society, I am sure that the Members of the 95th Congress will join me in honoring the outstanding efforts of these students. They have affirmed their belief in the principles of democracy by their participation in one of its essential elements and through this victory they have demonstrated their individual quests for excellence.

I offer my wholehearted congratulations to the Santa Monica College Debate Team in this national victory and my best wishes for continued individual and team success in the future.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 8, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULE

JUNE 9

9:30 a.m.

Environment and Public Works

To hold hearings on pending public building prospectuses.

1318 Dirksen Building

10:00 a.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To mark up proposed FY 79 appropriations for the Departments of State, Justice, Commerce, the Judiciary and related agencies.

S-146, Capitol

Environment and Public Works

Environmental Pollution Subcommittee

To continue markup of S. 2900, proposed Oil Spill Liability Fund and Compensation Act.

4200 Dirksen Building

Foreign Relations

To meet in closed session with the Director of Central Intelligence for a briefing on the Cuban role in the attack in Shaba.

S-116, Capitol

Government Affairs

To continue consideration of S. 2640, proposed reform of the Civil Service laws.

3302 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To resume hearings on S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.

4232 Dirksen Building

Joint Economic

To continue hearings on economic change, including demographic, employment, and inflation.

S-207, Capitol

1:30 p.m.

Select Ethics

Inquiry on Unauthorized Intelligence Disclosures Subcommittee.

To hold closed hearings concerning alleged unauthorized disclosure of information concerning intelligence activities in Panama.

S-407, Capitol

JUNE 12

9:30 a.m.

Environment and Public Works

To mark up S. 1493, to provide financial and technical assistance to States, local governments, and Indian tribes to manage impacts caused by energy development.

4200 Dirksen Building

Select Small Business

To hold hearings on S. 836, to amend title IV of the Small Business Investment Act.

424 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume hearings on S. 2892 and 3061, proposed New York City Loan Guarantee Act.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nominations of Andrew H. Kenopensky, of New Jersey, Dennis R. Smith, of Massachusetts, and Paul Block, Jr., of Ohio, each to be a Member of the U.S. Metric Board.

235 Russell Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To resume hearings on H.R. 8729, S. 747, and S. 3064, proposed Aircraft and Airport Noise Reduction Act.

235 Russell Building

Environment and Public Works

To hold hearings on the nomination of John F. Ahearne, of Virginia, to be a member of the Nuclear Regulatory Commission.

4200 Dirksen Building

10:00 a.m.

Banking Housing, and Urban Affairs

To continue hearings on S. 2892 and S. 3061, proposed New York City Loan Guarantee Act.

5302 Dirksen Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Governmental Affairs

Federal Spending Practices and Open Governmental Subcommittee

To hold oversight hearings on the Government in the Sunshine Act (P.L. 94-409).

3302 Dirksen Building

Joint Economic

To resume hearings on economic change, including demographic, employment, and inflation.

2168 Rayburn Building

Select Indian Affairs

To hold hearings on S. 2773, the Indian Trust Information Protection Act, and S. 3153, The Rhode Island Indian Claims Settlement Act.

1114 Dirksen Building

3:00 p.m.

Conferees

On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

Until 5:00 p.m. 3110 Dirksen Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 747, S. 3064, and H.R. 8729, proposed Aircraft and Airport Noise Reduction Act.

235 Russell Building

Environment and Public Works

Nuclear Regulation Subcommittee

To hold hearings on S. 3146, S. 2761, and 2804, to expand the jurisdiction of the NRC over nuclear waste storage and disposal facilities.

4200 Dirksen Building

Governmental Affairs

Governmental Efficiency and the District of Columbia Subcommittee

To hold hearings on H.R. 8588, to establish offices of Inspector General in certain Federal departments and agencies.

6226 Dirksen Building

Human Resources

To hold hearings on S. 2919, proposed Adolescent Health, Services, and Pregnancy Prevention and Care Act.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings to examine negotiations by the Antarctic Treaty parties on the Antarctic living marine resource regime and the present U.S. posture in the negotiations.

318 Russell Building

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on S. 864, to reduce the radio frequency interference with home entertainment products.

155 Russell Building

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold hearings on S. 2787, proposed Contract Disputes Act.

3302 Dirksen Building

Rules and Administration

To mark up S. 2 and S. 1244, to require periodic reauthorization of Government programs.

301 Russell Building

Joint Economic

To continue hearings on economic change, including demographic, employment, and inflation.

S-207, Capitol

2:00 p.m.

Conferees

On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

Until 5:00 p.m. 3110 Dirksen Building

4:00 p.m.

Conferees

On S. 2401, to establish consumer product safety rules governing standards for flammable and corrosive cellulose insulation.

Until 6:00 p.m. S-146, Capitol

JUNE 15

9:30 a.m.

Governmental Affairs

Governmental Efficiency and the District of Columbia Subcommittee

To continue hearings on H.R. 8588, to establish offices of Inspector General in certain Federal departments and agencies.

3302 Dirksen Building

Veterans' Affairs

Housing, Insurance, and Cemeteries Subcommittee

To hold hearings on S. 1643 and H.R. 4341, to eliminate the requirement for inspections of the mobile home manufacturing process by the VA, and S. 1556, authorizing funds through FY 81 to assist States in establishing and maintaining VA cemeteries.

457 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume hearings on S. 72, to restrict the activities in which registered bank

holding companies may engage, and to control the acquisition of banks by holding companies and other banks.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 2981, to provide for the expansion of the category of rail lines eligible for rehabilitation, deferred maintenance, and various alternative facilities.
1202 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To mark up S. 2755, the Drug Regulation Reform Act and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

Judiciary
Citizens and Shareholders Rights and Remedies and Administrative Practice and Procedures Subcommittees
To resume joint hearings on S. 2117, to expand the basis upon which the U.S. can be held liable for the conduct of its employees under the Tort Claims Act.
5110 Dirksen Building

Joint Economic
To continue hearings on economic change, including demographic, employment, and inflation.
345 Cannon Building

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. 3110 Dirksen Building

JUNE 16

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, S. 3064, and H.R. 8729, proposed Aircraft and Airport Noise Reduction Act
235 Russell Building

Environment and Public Works
To resume mark up of S. 2900, proposed Oil Spill Liability Fund and Compensation Act.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by holding companies and other banks.
5302 Dirksen Building

Energy and Natural Resources
To hold oversight hearings on relations between the Department of Energy and segments of the energy industry.
3110 Dirksen Building

Joint Economic
To resume hearings on economic change, including demographic, employment, and inflation.
S-207, Capitol

JUNE 19

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on pending proposed tax legislation.
2221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold oversight hearings on the impact of solar energy on rural housing.
5302 Dirksen Building

JUNE 20

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on the environmental impact aspects (section 5) of S. 3077, proposed Export-Import Bank Act Amendments.
4200 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 3146, 2761, and 2804, to expand the jurisdiction of the NRC over nuclear waste storage and disposal facilities.
1114 Dirksen Building

Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To resume hearings on the Federal Government patent policy.
424 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To continue oversight hearings on the impact of solar energy on rural housing.
5302 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume markup of S. 2755, the Drug Regulation Reform Act and S. 3115, to establish a comprehensive disease prevention and health promotion program in the United States.
4232 Dirksen Building

Joint Economic
To resume hearings on economic change, including demographic, employment, and inflation.
1202 Dirksen Building

JUNE 21

9:30 a.m.
Human Resources
Alcoholism and Drug Abuse Subcommittee
To resume hearings jointly with the Judiciary Subcommittee on Juvenile Delinquency on S. 2778, and other proposals, to tighten controls on and to increase penalties for the manufacture and distribution of the drug PCP (angel dust).
2228 Dirksen Building

Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To continue hearings on the Federal Government patent policy.
424 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

Energy and Natural Resources
To mark up S. 499, 1500, 1546, 1787, 2465, and 2944, to designate or add certain lands in Alaska to the National Parks, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

Environment and Public Works
To hold hearings on the Federal acquisition and renovation of Union Station in Nashville, Tennessee.
1114 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To continue markup of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

Joint Economic
To continue hearings on economic change, including demographic, employment, and inflation.
S-207, Capitol

JUNE 22

9:30 a.m.
Veterans' Affairs
Compensation and Pension Subcommittee
To hold hearings on S. 879 and H.R. 6501, to provide increased awards of service-connected compensation to certain veterans who have suffered the loss or loss of use of paired extremities, and S. 2828, the Veterans Disability Compensation and Survivor Benefits Act.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

Energy and Natural Resources
To continue markup of S. 499, 1500, 1546, 1787, 2465, and 2944, to designate or add certain lands in Alaska to the National Parks, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

Joint Economic
To continue hearings on economic change, including demographic, employment, and inflation.
318 Russell Building

JUNE 28

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2857, proposed Customs Courts Act.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 1592, to terminate further construction of the Cross-Florida Barge Canal project.
4200 Dirksen Building

JUNE 26

9:30 a.m.
Selected Small Business
Monopoly and Anticompetitive Activities Subcommittee
To resume hearings on the Federal Government patent policy.
318 Russell Building

JUNE 27

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2857, proposed Customs Courts Act.
4232 Dirksen Building

JUNE 28

9:00 a.m.
Commerce, Science, and Transportation
Consumers Subcommittee
To hold hearings on the procedures o EPA and the Consumer Product Safety Commission as relates to chronic hazards.
235 Russell Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
4200 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 3065, 2608, and 2428, proposals affecting taxation of capital gains.
2221 Dirksen Building

JUNE 29

9:30 a.m.
Environment and Public Works
Nuclear Regulations Subcommittee
To continue hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
4200 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To continue hearings on S. 3065, 2608, and 2428, proposals affecting the taxation of capital gains.
2221 Dirksen Building

JULY 12

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
6226 Dirksen Building

JULY 13

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
6226 Dirksen Building

CANCELLATIONS

JUNE 9

10:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To resume hearings on S. 3046 and 707, granting the power of eminent domain to coal slurry pipelines in certain circumstances.
3110 Dirksen Building

JUNE 21

10:00 a.m.
Environment and Public Works
Resources Protection Subcommittee
To hold oversight hearings on the Resource Recovery and Conservation Act (PL 94-580).
4200 Dirksen Building

JUNE 22

10:00 a.m.
Environment and Public Works
Resource Protection Subcommittee
To continue oversight hearings on the Resource Recovery and Conservation Act (P.L. 94-580).
4200 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, June 8, 1978*

The House met at 10 o'clock a.m.

The Right Reverend Charles L. Burgreen, Bishop, Office of the Bishop for the Armed Forces, The Episcopal Church Center, New York, N.Y., offered the following prayer:

Oh Lord, our God, we proclaim Thy sovereignty with our outward expression; we acknowledge Thy presence with our intellect; we call upon Thee to be with us as we pause at the beginning of this workday. We shall be very busy today, each following a chosen task, each dedicated to a proclaimed cause. Therefore, our Father, we ask that Thou wouldst deliver us from motives that are purely selfish; protect us from the seduction of those who do not believe; help us to affirm our sense of dependence upon Thee, Thy Word, and Thy Commandments; so that finally we might come to delight in Thy law as in no other.

The Almighty God bless and keep you this day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 10730. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981.

H.R. 11777. An act to authorize and direct the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes.

H.R. 11778. An act to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative assistance for such research to States and others, and for other purposes.

H.R. 11779. An act to provide for an expanded and comprehensive extension program for forest and rangeland renewable resources.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2416. An act to amend title VIII of the Public Health Service Act to extend for two fiscal years the program of assistance for nurse training.

S. 2511. An act to restrict the possession and carrying of pistols, other firearms, and other dangerous weapons by members of the District of Columbia Department of Corrections to periods of time when they are on duty and authorized by the Director of the District of Columbia Department of Corrections.

The message also announced that Mr. EASTLAND be a conferee on the bill (H.R. 11504) entitled "An act to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act," vice Mr. Allen, deceased.

And that Mr. MCGOVERN be a conferee on the bill (S. 1678) entitled "An act to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended," vice Mr. Allen, deceased.

THE RIGHT REVEREND CHARLES L. BURGREEN

(Mr. ZEFERETTI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZEFERETTI. Mr. Speaker, I am pleased to welcome today on behalf of my colleagues the Right Reverend Charles L. Burgreen.

We are truly honored to have such a distinguished individual lead us in prayer this morning. Bishop Burgreen serves as a member of several ecumenical boards, especially those dealing with the chaplaincy and related activities. He has participated in the meetings of the Interchurch Working Group on the Vietnam Generation Ministry, as well as in meetings of the Episcopal Peace Fellowship.

In addition to this Bishop Burgreen was elected to the Episcopate to serve as the Presiding Bishop's Suffragan for the Armed Forces at the 1977 interim meeting of the Church's House of Bishops.

As bishop for the Armed Forces he provides Episcopal oversight to the Episcopal chaplains of the Army, Navy, Air Force, Veterans' Administration, and those serving as chaplains in U.S. prisons. He is the chief pastor to the thousands of Episcopalians and their families who are affiliated with the Armed Forces throughout the world.

The bishop is in charge of recruiting, screening, and training for Episcopal chaplains and serves as the endorsing agent who recommends potential chaplains for commissions within the services. He is also in charge of the rapidly expanding program of lay reader training which has developed into an effective ministry with the armed services.

I know that my colleagues join me in saluting this outstanding religious and civic leader on this milestone of his life. I am enormously proud to count the Right Reverend Charles Lee Burgreen as a friend and I know that my colleagues and I are truly blessed by his presence today.

THE TRAGEDY OF CAMBODIA

(Mr. MURTHA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. MURTHA. Mr. Speaker, last night CBS News asked "What's Happened to Cambodia?" in a profound and appropriate documentary.

Since very few foreigners are allowed into Cambodia, much of the program had to rely on speculation and outside information. Still, Reporter Ed Bradley concluded Phnom Penh was now "a ghost town, depopulated by design as part of the total revolution." He found no evidence to disprove the reports of brutality, disease, starvation, and massive death.

A key point, Mr. Speaker, is that we knew this was coming. When I returned to the United States in 1975 after being part of a special congressional task force created by President Ford, I reported to a Senate committee that the possibility was strong for "uncontrolled atrocities in the cities" if we cut off military aid.

The lesson is that there are vital, important consequences to every international decision by the United States with consequences that affect millions of lives. The war in Southeast Asia had to end, but the chorus of cries against the war drowned out the careful deliberations on the consequences of our action and how to act most responsibly.

That is the lesson Cambodia must not allow us to forget.●

AMENDMENT CONCERNING CAPITAL GAINS

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

THE STEIGER AMENDMENT—A FAT CAT DELIGHT

Mr. VANIK. Mr. Speaker, during the past several weeks we have been hearing about congressional pressures to support the Steiger amendment to reincarnate the incredible capital gains loophole and roll back the 1969 reforms.

The argument is made that this action will rekindle the economy by capital formation and boost the stock market by 40 percent. A Chase Econometric study has been hauled out to prove that this kind of a tax cut will result in amazing economic benefits by decreasing unemployment, increasing the GNP and preventing economic doldrums.

The fact of the matter is that the Steiger amendment provides a $2.2 billion tax break to a select, elite group of 350,000 Americans, 80 percent of whom have incomes of over $100,000. The Steiger amendment will provide these 350,000 lucky Americans with an average tax break of $7,000.

The Steiger amendment is structured to specifically benefit one-third of 1 percent of the American taxpayers. When 100 million other taxpayers discover what the Steiger amendment does to them there will indeed be a revolt.

BEEF IMPORT QUOTAS REAL BLOW TO AMERICAN CATTLE INDUSTRY

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, the decision being announced by the White House today to liberalize beef import quotas is a real blow to the American cattle industry and cannot be justified as a deterrent to inflation.

But I am rising not to talk about the merits of the administration's action, but rather to express my deep concern over how it was made.

The sad fact is that not a Member of Congress, either from the farm area or from the Agriculture Committee, was consulted for advice on this decision. Yet, it must be obvious that these Members would be most knowledgeable about the potential impact such a decision would have on the cattle industry.

It was my fervent hope that with the election of the first Democratic President in 8 years we would have a Congress and an administration working closely on these key decisions which are so important to all of us. That appears to be out of the question, though, and no one is more upset about the growing insulation of the Presidency than I.

It was my hope that a return to Cabinet government as announced by the Carter administration would mean a return to rational decisionmaking where those with the best knowledge on his Cabinet and in Congress would be brought into the process, advised of the alternatives under consideration, and made part of the final product. This has, sadly, not been the case, as today's announcement on beef imports clearly shows.

By the action on beef imports today, America's livestock industry is not just being told to tighten its belt one more time for the sake of fighting inflation, but it is being told most clearly that when the chips are down, the facts do not count. What counts in the White House is the proper image, the appearance not the fact. If that is the way things are going to be, then we had all better take note now, and prepare for the worst.

THE LEGACY OF ROBERT KENNEDY

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, all of us die too soon. But some, more than others, leave a legacy as rich in its potential for what could have been as for what was. Robert Kennedy was such a man. He gave more and left the promise of more in his all too short time as a public servant than most of us give in much longer lives.

The urge to praise his accomplishments and his promise is laudable and understandable, but to dwell on these things is to stay in the past, to mourn rather than to move forward. It is not in keeping with the boundless energy he always seemed to have, whether it was playing touch football with his family, grimly sending Federal marshals out to enforce the Civil Rights Act, or striding through our ghettos, saddened but not defeated by what he saw, confident that it would not always be this way.

His memory demands that this, the 10th anniversary of his tragic death, should be a celebration of the spirit in him that lives on. And that spirit can be seen every day.

Sometimes it takes the form of an exploited farmworker refusing to break his back in the fields for a pittance any longer. That is the spirit of Robert Kennedy's strength and determination. Other times, it takes the form of a ghetto teenager getting his first job. That is Robert Kennedy's optimism, his belief in change, at work.

Ten years ago, Robert Kennedy died. What was lost was irreplaceable, but what remains is no less important or enduring. It is up to us to keep that spirit alive.

WHAT DOES PRESIDENT CARTER MEAN?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, today's Washington Post carried reports of reactions to President Carter's "cooperation or confrontation" speech in Annapolis yesterday. If these reports are accurate the speech did more to confuse than it did to clarify President Carter's view of growing Soviet power.

One White House source said the speech should not be taken "too literally."

One paragraph of the speech was described by an administration "specialist" as being written in "very, very bad English." Since this paragraph dealt with the sensitive subject of the freedom of Eastern Europe, the ambiguity and confusion of the paragraph can only add to the general confusion over the President's policies.

The speech was so confusing a high administration official had to brief reporters as to what "it really means." This official told the press that the President believes there is no split within the administration concerning our posture toward the Soviet Union. Any suggestion of such a split is the creation of the press, said the official.

Does President Carter really believe there is no difference between the views of Andrew Young and Zbigniew Brzezinski? Who can tell? When the President's press secretary has to tell reporters that the "confrontation or cooperation" line is "a little bit of oversimplification" we have to wonder what the President thought he was saying. The administration figures quoted in the Post do not know. I do not know. I have not met anyone who says he does know.

The real question is: Does the President know what he meant? I sincerely hope so. There were parts of the speech that seemed to suggest the President realizes the threat from the Soviet Union. But are we to take them "literally" or as poetic utterances cloaked in the mystery of metaphoric language?

This administration does not need any more political advisers. It needs a literary critic.

REINTRODUCTION OF SMALL BUSINESS TAX RELIEF ACT OF 1978

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, the Small Business Tax Relief Act of 1978 is being reintroduced today with an additional 14 cosponsors. This brings the total number of cosponsors to 65.

This support is particularly significant at present because the Ways and Means

Committee will soon go back to work on the administration's long-stalled tax bill.

In view of the momentum of the Small Business Tax Relief Act of 1978, I am confident that the Ways and Means Committee will include significant tax incentives for small business as part of the administration's tax package.

Tax policy plays a major role in the success or failure of new business ventures. It is in the best interest of the entrepreneur, the consumer and the economy in general, to insure that those who aspire to own their own businesses are encouraged to do so. The fact that small business is labor intensive has been well established.

Ironically, however, it is often the tax code itself which inhibits the success or retards the growth of small business ventures in our Nation.

Once a business survives the initial incubation period, it should be encouraged financially to expand, diversify, and strengthen its balance sheet. The present system of small business taxation does not encourage these goals. In many instances, profit is foregone and expansion postponed due to the tax implications of these actions.

Therefore, I am today reintroducing the Small Business Tax Relief Act of 1978 which will encourage the formation of small business ventures and leave more aftertax dollars in the hands of small businessmen for expansion and diversification.

FEDERAL SPENDING AND INFLATION

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, the people of California have sent their State and local governments a message, by a decisive margin. They have called a halt to the incessant demands for more tax dollars derived from real estate taxes.

The California tax revolt came about because Congress has failed to grapple with inflation. Federal spending, now approaching $1 million dollars a minute, drives up prices. Inflated prices raise taxes and destroy purchasing power of working men and women. They keep less, and their dollars buy fewer goods and services.

The budget and off-budget deficits for 1979 will total nearly $90 billion. This is irresponsible, and inflationary. Congress should attack inflation at its source and balance the budget, as we have advocated consistently on this side of the aisle.

The people of California took action themselves, because it was apparent that there is little sentiment among the majority in Congress to curb inflation. Their elected leaders failed to enter the fray on their behalf.

The overwhelming victory of proposition 13 against the allied threats and might of powerful organizations should be viewed with alarm by big spenders everywhere, including Congress. The taxpayers of this Nation are signaling that they no longer are sheep to be herded about by Government shepherds.

In all likelihood those who fail to get the message will receive a terminal reminder at the polls in November.

THE TIE BETWEEN INFLATION AND BUDGETARY DEFICITS

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I would like to join with the distinguished minority leader in expressing concern about the direction of this Nation's economy.

It seems to me that we have learned over the last several years the lesson that inflation does indeed come from too large Government budgets, and from those large Government budgets, deficits emerge. We ought to be concerned about budget deficits, not only because it is red ink versus black ink, but because a study by this Congress a couple of years ago showed that budget deficits speak to us in terms of jobs. The study showed that for every $10 billion of budgetary deficit we lose 3 million new jobs in this country.

Mr. Speaker, this kind of management of the Federal budget that relies on massive Federal debt is costing the people of this Nation jobs. I think it is high time we get the Federal budgetary house in order.

CONGRESS SHOULD NOT ACCEPT DEFICIT BUDGETS

(Mr. PURSELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PURSELL. Mr. Speaker, I, too, congratulate the minority leader for speaking up on what is happening across America. The taxpayers are revolting across the Nation, and personally I believe that we as Members of Congress should not accept deficit budgets. We ought to fiscally manage the Federal budget in a responsible manner. I believe Congress should be the leader in the Nation, to show the American people that we can manage the country's affairs in a proper manner.

The people are taking it out on the local government, school boards, and State government, but the real problem is here in Washington.

Mr. Speaker, I hope we hear and then act on that message.

DECISION OF ADMINISTRATION TO INCREASE BEEF IMPORTS IS A MISTAKE

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, the decision by the administration today to increase the beef imports into this country by 200 million pounds is, I think a terrible mistake. All of us in this body, I am sure, want to fight inflation, but we want meaningful things to do to fight inflation. I believe the decision of the administration to do this is going to play a cruel hoax on the consumers of this country. It is not going to reduce the price of beef at the counter by more than a penny or 2, and yet, at the same time, the long-term effect on the consumers is going to be disastrous, because what we ought to be doing at this time is to encourage the cattlemen to increase their herds to provide a steady supply of beef for the future. Any way we look at it, the decision by the administration to increase by 200 million pounds the imports of beef into this country this year is a cruel hoax on the consumer and a blow right between the eyes with a 2-by-4 to the cattlemen of this country.

BURDEN OF TAXES

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, I, too, want to join with our distinguished minority leader in speaking out about the taxpayers' feelings about proposition 13 that passed in California a couple of days ago.

Mr. Speaker, I have been holding a series of special meetings throughout my district, and I find an overwhelming interest among the people and constituents in my area about the burden of taxes that they must bear. I believe it has been quoted that 42 percent of all income of average American citizens, is taken by State, local and Federal taxes. People are worse off than the taxpayers back in the medieval ages when the serfs were forced to pay one-third of the bounty of their crops to their feudal lords.

People are crying out to be taken from under this burden, Mr. Speaker. Incentive, initiative and hard work, which are the backbone of this country, are being eradicated by Government intrusion, Government spending. The people are crying out to be heard, and if we do not hear them, Mr. Speaker, many of us will not be here to hear them later on.

SOCIAL SECURITY TAXES

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURKE of Massachusetts. Mr. Speaker, I did not have the pleasure of listening to the distinguished minority leader. I wish I had been here. But I would like to point out that if the Members of this House will look at the CONGRESSIONAL RECORD of yesterday, I listed the names of 198 Members of the U.S. Congress who are interested in lowering the social security taxes.

Mr. Speaker, this is a fight that I have been making for over 10 years. The Democratic Caucus met and voted almost 3 to 1 to rollback the social security taxes. We had a vote of 19 to 18 in the committee for rolling back that tax. And then the committee reversed itself a few days later.

I believe that if they defeat this move, it will be done through procedural

methods and not through the way it should be—either voted up or down in the House.

Mr. Speaker, I am urging all the Members of this House to contact all of the members of the Committee on Ways and Means and tell them to report out a bill that will roll back the social security taxes and get this economy on the move.

CAPITOL PAGE SCHOOL AWARDS ASSEMBLY

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, last week the Capitol Page School held its annual awards assembly, and a total of 40 pages were honored for their achievements and contributions during the school year, and leadership in various activities involving the pages.

I would like to take this opportunity to recognize, and pay tribute to, not only the impressive scholastic and extracurricular activities of these pages, but also to note the tremendous efforts and dedication of these young people in the discharge of their regular duties.

Too often, I think, we tend to take for granted the prompt, courteous and efficient responses to our many requests. We tend to overlook the fact that their efforts contribute greatly to the smooth functioning of the House of Representatives.

Considering the long hours of service that we demand of them during the legislative sessions, the achievements they have scored in the classroom and elsewhere are all the more remarkable. At a time when we hear so much lamenting over the shortcomings of our youth, I take heart when I consider what a truly outstanding group of young people we have here.

As chairman of the Republican Personnel Committee, I am aware of the arduous selection process we use to insure that the limited number of selections we are permitted to go to those with outstanding qualifications. I am sure that the same criteria apply to the other side. Nevertheless, I must confess to more than a slight tinge of partisan pride as I note that, while Republican pages number less than 25 percent of the entire page force, they constitute, for example, 60 percent of those named to the National Honor Society. In addition, Republican pages William McMillan and Charles Barber were selected as winners of the valedictorian and salutatorian medals, while Peter Mayberry was chosen by his classmates as president of the senior class.

I applaud their achievements, and I know my colleagues join me in saluting the achievements of all the pages, in thanking them for a job well done and in wishing them well as the school year comes to a close.

The following are scholastic awards earned by the House Republican pages, Capitol Page School class of 1978:

Valedictorian: William P. McMillan.

Salutatorian: Charles A. Barber IV.

Senior Class President: Peter Mayberry.

American Legion Citizenship Award: William H. Wright II.

Danforth Award: Chase Nelson.

Women's Bar Association of the District of Columbia: Charles A. Barber IV, Kathleen Brown, William P. McMillan.

Leadership Award: Peter Mayberry.

Scholastic Letter: Charles A. Barber IV, Kathleen Brown, Peter Donovan, Peter Mayberry, William P. McMillan, Chase Nelson, William H. Wright II.

School Star: William H. Wright II.

Varsity Basketball Award: Charles A. Barber IV.

National Honor Society: Charles A. Barber IV, Kathleen G. Brown, Barry Conaty, Peter Donovan, Melody Lee King, Peter Mayberry, William P. McMillan, Chase Nelson, William H. Wright II.

House Republican members of the Capitol Page School Class of 1978 are: Charles A. Barber IV, Kathleen G. Brown, Carl Burnett, Peter Donovan, Melody Lee King, Peter Mayberry, William P. McMillan, T. Chase Nelson, Ruth O'Brien, Charles L. Scott, Jr., William H. Wright II.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

Pursuant to House Resolution 866, adopted by the House on October 27, 1977, closed circuit audiovisual coverage of House proceedings has now been made available to all three House office buildings.

Under the provisions of that resolution, all accredited news media will be allowed beginning on Monday, June 12, to plug into the House microphone systems and to distribute full audio coverage of House proceedings for an indefinite trial period.

The Chair desires to stress that none of such broadcasts may be used for any commercial or political purposes. The Chair requests the cooperation of all parties involved in this endeavor to assure that the dignity and integrity of the proceedings of the House are upheld.

NEW YORK CITY FINANCIAL ASSISTANCE ACT OF 1978

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12426) to authorize the Secretary of the Treasury to provide financial assistance for the city of New York.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 3, answered "present" 2, not voting 47, as follows:

[Roll No. 429]

YEAS—382

Abdnor	Early	Krueger
Addabbo	Eckhardt	LaFalce
Akaka	Edgar	Lagomarsino
Alexander	Edwards, Ala.	Latta
Ammerman	Edwards, Calif.	Leach
Anderson, Calif.	Edwards, Okla.	Lederer
	Eilberg	Le Fante
Anderson, Ill.	Emery	Lent
Andrews, N.C.	English	Levitas
Andrews, N. Dak.	Erlenborn	Livingston
	Ertel	Lloyd, Calif.
Applegate	Evans, Colo.	Lloyd, Tenn.
Archer	Evans, Del.	Long, La.
Annunzio	Evans, Ga.	Long, Md.
Armstrong	Evans, Ind.	Lott
Ashbrook	Fary	Luken
Ashley	Fascell	Lundine
Aspin	Fenwick	McClory
AuCoin	Findley	McCloskey
Badham	Fish	McCormack
Bafalis	Fisher	McDade
Baldus	Fithian	McEwen
Barnard	Flippo	McFall
Baucus	Flood	McHugh
Bauman	Florio	McKay
Beard, R.I.	Flynt	Madigan
Beard, Tenn.	Foley	Maguire
Bedell	Ford, Mich.	Mahon
Benjamin	Ford, Tenn.	Mann
Bennett	Forsythe	Markey
Bevill	Fountain	Marks
Biaggi	Fowler	Marlenee
Bingham	Fraser	Marriott
Blanchard	Frenzel	Martin
Blouin	Fuqua	Mathis
Boggs	Gammage	Mattox
Boland	Garcia	Mazzoli
Bonker	Gaydos	Meeds
Bowen	Gephardt	Metcalfe
Brademas	Giaimo	Michel
Brinkley	Gilman	Mikulski
Brodhead	Ginn	Mikva
Brooks	Glickman	Miller, Calif.
Broomfield	Goldwater	Miller, Ohio
Brown, Calif.	Gonzalez	Mineta
Brown, Mich.	Goodling	Minish
Brown, Ohio	Gore	Mitchell, Md.
Broyhill	Gradison	Mitchell, N.Y.
Buchanan	Grassley	Moakley
Burgener	Green	Moffett
Burke, Fla.	Gudger	Mollohan
Burke, Mass.	Guyer	Montgomery
Burleson, Tex.	Hagedorn	Moore
Burlison, Mo.	Hall	Moorhead, Calif.
Burton, John	Hamilton	
Burton, Phillip	Hammer-schmidt	Moorhead, Pa.
Byron		Moss
Caputo	Hanley	Mottl
Carr	Hannaford	Murphy, Ill.
Carter	Hansen	Murphy, Pa.
Cavanaugh	Harkin	Murtha
Cederberg	Harrington	Myers, Gary
Chappell	Harsha	Myers, John
Chisholm	Hawkins	Myers, Michael
Clausen, Don H.	Heckler	Natcher
	Hefner	Neal
Clawson, Del	Heftel	Nichols
Clay	Hightower	Nix
Cleveland	Hillis	Nolan
Coleman	Holland	Nowak
Collins, Tex.	Hollenbeck	O'Brien
Conable	Holt	Oakar
Cohen	Holtzman	Oberstar
Conte	Horton	Obey
Conyers	Hubbard	Ottinger
Corcoran	Huckaby	Panetta
Corman	Hughes	Patten
Cornell	Hyde	Patterson
Cornwell	Ichord	Pattison
Cotter	Ireland	Pease
Crane	Jacobs	Pepper
Cunningham	Jeffords	Perkins
D'Amours	Jenkins	Pettis
Daniel, Dan	Jenrette	Pickle
Daniel, R. W.	Johnson, Calif.	Poage
Danielson	Johnson, Colo.	Pressler
Davis	Jones, N.C.	Preyer
de la Garza	Jones, Okla.	Price
Delaney	Jones, Tenn.	Pritchard
Derrick	Jordan	Pursell
Derwinski	Kasten	Quillen
Devine	Kastenmeier	Rahall
Dickinson	Kazen	Railsback
Dicks	Kelly	Rangel
Dingell	Kemp	Regula
Dodd	Ketchum	Reuss
Dornan	Keys	Rhodes
Downey	Kildee	Richmond
Drinan	Kindness	Rinaldo
Duncan, Oreg.	Kostmayer	Risenhoover
Duncan, Tenn.	Krebs	Robinson

Roe	Skubitz	Vander Jagt
Rogers	Slack	Vanik
Roncalio	Smith, Iowa	Vento
Rooney	Smith, Nebr.	Volkmer
Rose	Snyder	Waggonner
Rosenthal	Solarz	Walgren
Rostenkowski	Spellman	Walker
Rousselot	Spence	Walsh
Roybal	St Germain	Wampler
Rudd	Staggers	Waxman
Ruppe	Stangeland	Weaver
Russo	Stanton	Weiss
Ryan	Steed	Whalen
Santini	Steers	White
Sarasin	Stokes	Whitehurst
Satterfield	Stratton	Whitley
Sawyer	Studds	Whitten
Scheuer	Symms	Winn
Schroeder	Taylor	Wirth
Schulze	Thompson	Wolff
Sebelius	Thone	Wright
Seiberling	Thornton	Wydler
Sharp	Traxler	Wylie
Shipley	Treen	Yates
Shuster	Trible	Yatron
Sikes	Udall	Young, Mo.
Sisk	Ullman	Zablocki
Skelton	Van Deerlin	Zeferetti

NAYS—3

McDonald	Quayle	Wilson, Bob

ANSWERED "PRESENT"—2

Breaux	Watkins

NOT VOTING—47

Allen	Frey	Runnels
Ambro	Gibbons	Simon
Beilenson	Harris	Stark
Bolling	Howard	Steiger
Bonior	Leggett	Stockman
Breckinridge	Lehman	Stump
Burke, Calif.	Lujan	Teague
Butler	McKinney	Tsongas
Carney	Meyner	Tucker
Cochran	Milford	Wiggins
Collins, Ill.	Murphy, N.Y.	Wilson, C. H.
Coughlin	Nedzi	Wilson, Tex.
Dellums	Pike	Young, Alaska
Dent	Quie	Young, Fla.
Diggs	Roberts	Young, Tex.
Flowers	Rodino	

Mr. LUNDINE changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 12426, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, June 7, 1978, all time for general debate had expired and the Clerk had read through line 5 on page 1.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, because all Members could not participate in the general debate on this bill, I would like to call the attention of the Committee to a few highlights, all contained in the RECORD of yesterday's proceedings.

I would like to mention first the Louis Harris poll released yesterday and reported in some newspapers this morning. It is reproduced in the RECORD of yesterday. The results, Mr. Chairman, are truly striking. In brief, not only does an overwhelming majority of the public favor Federal financial assistance to New York in preference to bankruptcy, but this majority cuts across regional and political party lines. Nationwide, the margin is 85 to 8 percent, with the rest undecided, and this margin is substantially the same when the respondents are broken down by geographical area and by conservative or liberal political leaning.

Members will also find instructive the eloquent remarks of my colleague on the Banking Committee, the gentleman from Georgia (Mr. BARNARD). Using actual results in the bond markets at the time of the near-bankruptcy of New York in 1975, he showed decisively the nationwide impact, in the form of higher borrowing costs for State and local governments, from a potential default of our largest city. For bonds floated at that time that additional interest cost will be more than $600 million, reflecting the rise of municipal bond rates above the trend of interest rates generally. A State-by-State breakdown supplied by the gentleman from Georgia can be found in the RECORD yesterday.

We heard a rather dramatic illustration of this same point from the other side of the aisle in the remarks of the gentleman from upstate New York, Mr. MITCHELL, yesterday. He noted that his largely rural people would be the innocent victims of the impact on the credit of the State of New York if the city should go under. Granted that New York would be the most seriously affected, the ripple effects would spread across the country, as our hearings demonstrated.

We had a good demonstration of the growing perception across the Nation that New York is gradually but surely getting back on its feet and needs this legislation to complete its process of rehabilitation. I call your attention, for example, to the remarks of the distinguished chairman of this committee, Mr. NATCHER of Kentucky, which were made yesterday, and to an eloquent expression of the changed perceptions of New York from the gentleman from Texas (Mr. GONZALEZ) also in yesterday's RECORD.

Members will also be interested in real-life demonstration, by the gentleman from New York (Mr. CAPUTO) of what we have said repeatedly—that the conditions of this bill are so stringent that there is no danger of other cities seeking similar Federal credit support. The gentleman represents Yonkers, N.Y., which also was on the brink of bankruptcy, and his remarks are most instructive. Incidentally, Felix Rohatyn, the financial adviser who has lived through this New York experience, commented yesterday that any mayor who would choose this route is probably the kind of person who would choose to spend his vacation in Leavenworth.

I shall not review the case for this bill again today. It has been well made by Members of this body from North, South, East, and West. It is all in the RECORD in front of you.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is unfortunate that the consideration of legislation in the House of Representatives has come to the point where the gentleman from Pennsylvania (Mr. MOORHEAD) feels compelled to come to the well of the House at 10:45 on a Thursday morning to explain to the membership what happened during 2 hours of debate on Wednesday night. But that, of course, is a problem of leadership and scheduling and is not the gentleman's fault.

The truth of the matter is that this bill, with its implications far beyond New York City, was debated here last evening by a handful of Members, largely the loyal members of the New York City delegation, the members of the Committee on Banking, Finance, and Urban Affairs, and a few diehards such as myself who stay around legislating at all hours. So the full House was denied not only the counsel and wisdom of the gentleman from Pennsylvania (Mr. MOORHEAD) and the gentleman from Wisconsin (Mr. REUSS) but also that of the gentleman from Florida (Mr. KELLY) and some of us who are not too happy with this return engagement of "I Love New York."

Some of us were here on December 2, 1975, and at that time I said—and I think I am proper in quoting it—for the RECORD:

> I think I can almost predict with certainty that the city of New York and the State of New York will be back again seeking the aid of the Congress of the United States and the taxpayers of the United States.

So we are back again despite the assurances rendered from both sides of the aisle and from the then officials of New York City and New York State that this would not happen. We were told that over the interim 3-year period New York would solve its own financial problems, that it would make headway in balancing its budget, and that there would be no necessity for further dipping into the Federal Treasury or, as in this case, seeking Federal guarantees.

The question at issue with New York City was put very well by former President Gerald Ford, and in fact he received nationwide acclaim when he said this in 1975:

> When New York City now asks the rest of the country to guarantee its bills, it will be no surprise that many other Americans ask why. Why, they ask, should they support advantages for New York that they have not been able to afford for their own communities? Why, they ask, should all the working people of this country be forced to rescue those who bankrolled New York City's policies for so long—the large investors and the big banks?—and I might add parenthetically: "The politicians."

What about those politicians? I am not going to characterize them, but I will turn to a statement made by the gentleman from Ohio (Mr. STANTON). In the debate of 1975 he said, and I quote:

> I agree that the road to this crisis seems to have been littered with misrepresentation, falsehood, negligence, and just plain stupidity.

That was the estimate of what led to the crisis, according to the gentleman from Ohio (Mr. STANTON).

The gentleman from Florida (Mr. KELLY), the gentleman from Iowa (Mr. GRASSLEY), and others have filed views, and I urge the Members to read them. The essence of what they are saying is that New York has not made the necessary effort to meet this crisis to turn the city around, although they have had 3 years in which to do it. They have pointed out that although the work force of the city has decreased by 20 percent, the cost of the municipal payrolls have decreased by only 1 percent.

I commend to the Members the Wall Street Journal editorial of yesterday which gives the full dimensions of the pay settlement given to the city workers which will guarantee that New York will limp along, as the Wall Street Journal indicates, roughly at a $1 billion real deficit per year. That is, as most of the experts who deal in proper accounting will admit, a correct estimate of the situation.

We were told in the debate that New York City has balanced its $13.9 billion budget, but those who also oppose this bill, as I do, have indicated that this so-called "balance" has achieved through accounting loopholes and gimmicks, with which all of us are familiar.

No. New York City is still considered a bad investment risk by all of those who watch financial matters nationally and in New York. That is why the New York State pension fund will not let its money go into the city of New York bonds, because they do not want to jeopardize their fund. That is probably why the State of New York, with a surplus of money—I do not know if your own State has a surplus—will not come to the rescue of New York City. While the residents of the State of New York are promised tax cuts or tax relief, the Federal taxpayers are called upon to give help in this bill before us to New York City.

Those of us who were promised 3 years ago that this was the last time around predicted what would happen. I think our constituents will best be served by not giving the assistance asked for in this bill and thus forcing New York's politicians to clean up the mess they created.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. DERWINSKI and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield for a question?

Mr. BAUMAN. I yield to the distinguished gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is known for his scholarship and research he puts into legislative issues. I wonder if the gentleman could comment on the unusual fact that New York, with all its unique assets, seems to have fiscal problems that Cincinnati, Chicago, St. Louis, Kansas City, Baltimore, and other cities, do not have. What is so different about New York that has brought on this tremendous dilemma when most of our major cities have managed to stay above that level of complication? Will the gentleman address that point?

Mr. BAUMAN. Mr. Chairman I am not, of course, equipped to compare the municipal problems or budgets of the various cities that the gentleman has mentioned, except, perhaps in the case of Baltimore, which I do not have the honor to represent. But I would say that, in the case of Baltimore, we face the same urban renewal problems, we face the same welfare problems. Mayor Schaefer, who does not happen to be a member of my political party, but who has been in office for a number of years, has managed to meet the problems by bringing about a balanced budget. With financial assistance from the State of Maryland, which has an obligation to assist its own cities, the net result is that we in Baltimore and Maryland are rather proud of the city because of the leadership offered and what has resulted. I would have to ascribe the failure of New York City to the politicians, as the gentleman from Ohio (Mr. STANTON) said. I think the problems stems from a lack of will to balance the budget and do the hard things that are necessary.

Mr. DERWINSKI. If the gentleman will yield further, it also seems to me to me to be rather unfair to have, via the Federal tax dollar route, the taxpayers of metropolitan areas across the country contributing to maintaining New York City in addition to the necessary taxes that they pay to their own local governments.

It seems to me that there should be legitimate home rule, and there are programs such as revenue sharing. To help local governments. New York ought to set an example of effectiveness rather than come before us as a spendthrift, irresponsible municipality.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has again expired.

(By unanimous consent Mr. BAUMAN was allowed to proceed for 1 additional minute.)

Mr. BAUMAN. Mr. Chairman, I would respond to the gentleman from Illinois that I agree with him that we do not have an obligation to go further in giving aid to New York City to settle their municipal problems. But I would also point out to the Members of the House a fact which has not been mentioned.

In 1975 when this bill was debated, New York City was receiving, aside from the loan program now in effect and aside from these guarantees, in excess of $8 billion a year in direct Federal aid in all of the programs that the Federal Government already had in place. That annual figure has increased since that time.

Mr. Chairman, we are not saying that we do not want to assist New York City. They are receiving billions of dollars, probably more than any other municipality benefited by all of the other Federal programs; and now they ask us to come in and clean up their own municipal house, in addition, by this financing guarantee that other cities do not have. I think that is unfair and an imposition on all our taxpayers.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman for yielding.

As long as we are going over or reviewing last night's remarks, I want to commend for the Members' attention the remarks of my friend, the gentleman from Texas (Mr. COLLINS).

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. GRASSLEY and by unanimous consent, Mr. BAUMAN was allowed to proceed for 1 additional minute.)

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield further?

Mr. BAUMAN. I yield to the gentleman from Iowa.

Mr. GRASSLEY. As I was saying, Mr. Chairman, the gentleman from Texas (Mr. COLLINS) pointed out last night how New York City has three times the number of employees per capita as compared with cities in the district of the gentleman from Texas (Mr. COLLINS).

Mr. Chairman, I think these are facts and figures which were reviewed in the debate last night and which ought to be pointed out for review today as well.

Mr. BAUMAN. Mr. Chairman, the gentleman is correct.

The gentleman from Texas (Mr. COLLINS) went into some detail, pointing out, for example, how New York firefighters are receiving $35,000 a year; social workers, $31,000; and so on. Those are salaries which no other city in the United States matches; and of course, this bill will permit that kind of spending to continue.

Mr. GRASSLEY. Mr. Chairman, I would like to encourage my colleagues to think twice before approving a bill with such dire ramifications as the New York City Financial Assistance Act of 1978.

By implication, this bill sets a precedent by guaranteeing the bonds of a city which, because of its past profligacy and ongoing financial irresponsibility and mismanagement, cannot enter the capital markets to borrow the funds which it says it needs. There is, of course, no other city like New York, but there are other municipalities which are sinking into the morass which characterizes New York's financial situation. How long might it be before they too come to Washington seeking aid? And consequently, how will those cities survive without the discipline of balanced budgets and incentives to limit spending? What will happen to labor negotiations when city revenues are seen by unions and city officials as limitless as the Federal Treasury is seen to be? The effect of such widespread guarantees will be an inflationary spiral unlike any seen before, closely followed by recession.

Like them or not, the capital markets are rational. Entry to them is based upon sound reasoning of anticipated return. New York City has not shown itself willing enough to change its old habits to a great enough degree to satisfy rational and knowledgeable financial minds. To allow the Federal Government to become more deeply committed to helping New York City run its current course, is clearly not in the best interests of this Nation, nor is it, in my mind, in the long-term best interests of New York City.

New Yorkers do not want to see the Federal Government or some other outside force take over the management of the city any more than the rest of us do. But such will be the inevitable result should this bill become law, because the

Federal Government will, and should, demand full accountability when public money is spent, or when public money is used as collateral for private money. Should this be the course of the future everywhere?

New York needs management not money, and cooperation between the banks, pension funds, and most important, labor and the city government, not currency. When in 1975, by a very slim margin, this body approved seasonal loans to New York City, it did so under the promise that the city would not come to Washington again to ask for help. Nonetheless, it is here again, having made only limited progress toward its promised goal of self-sufficiency.

Just this week, Mayor Koch concluded contract talks with the labor unions. Having had to give up most of the city's demands for give-backs, the mayor miraculously "found" $128 million to pay the unions' demands. However, the outcome of these contract talks is still unclear. The unions still want a "me too" clause in their contracts which would allow any benefit offered to a specific union to be included in any other union contract, in order that they would not fall behind. Remember also that the transit workers settlement is not completely over and it could mean greater than 8 percent increase in wages and benefits per year.

Certainly New York City's problems are common to most of the older big cities in this country, but they have been compounded by poor management and a unrealistic attitude on the part of city governments and union leaders. The hard fact is that the city is still living beyond its means, and will not come to grips with this reality. I do not advocate bankruptcy in New York City, any more than I advocate bankruptcy for a business, but I certainly cannot condone the Federal Government's intrusion into an area which is by law the jurisdiction of the States, nor can I approve legislation which would commit the hard-earned tax dollars of all the citizens of this Nation to the floatation of an overloaded ship. Regardless of how handsome its captain finds the vessel or how precious its owners find the cargo, the ship is still overloaded.

New York City can avoid default and can pick itself up. It will not be easy but simple logic indicates what must be done. By far the most dangerous path we could take in Congress would be to begin to guarantee city bonds of demonstrably poor quality in the free market where natural economic forces offer good advice at a far cheaper price for all of us.

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Maryland (Mr. BAUMAN) has referred to the legislation before us as a return engagement. He reminds us of his prediction some 3 years ago that New York City would be back asking for additional assistance.

Mr. Chairman, indeed, this is a return engagement. Let me say that I joined in the prediction of the gentleman from Maryland some 3 years ago, as did the gentleman from Connecticut (Mr. MCKINNEY) and a number of others. The reason that we joined in this prediction, or that the gentleman from Maryland joined us, as the case may be, is that we understood and knew perfectly well at the time that the testimony and the decision of the administration officials with respect to the New York City situation was based on bad judgment.

Mr. Chairman, I think the gentleman from Maryland (Mr. BAUMAN) will remember that the House Committee on Banking and Currency 3 years ago was acting on legislation that would have provided for a 7-year workout of the New York City problem.

"No, no," said the administration—Secretary Simon in particular and even Dr. Arthur Burns. "No," they said, "that is too long a period of time." They said, "A balance in the city's accounts can be achieved in a 3-year period, and the city can be restored and have access again to the public credit markets of this country."

As a matter of fact, Mr. Chairman, the city has done absolutely everything that was called for in that administration-backed legislation—the only legislation that could have been passed 3 years ago without the certainty of a Presidential veto.

Again, Mr. Chairman, the city of New York has done absolutely everything that it was required to do under the terms of the 1975 legislation. That bill provided that there be an effort on the part of the city to regain access to the credit market during the 3-year life of the legislation. That effort was made last November on a short-term paper issue, and the results were disastrous, but again, not because of any failure by the city with respect to the 1975 legislation. The city has lived up to the letter and the spirit of that legislation in every instance and regard. But the market is not yet ready to accept New York City, just as the gentleman from Connecticut (Mr. MCKINNEY) and a number of us, presumably including the gentleman from Maryland (Mr. BAUMAN), felt would be the case in 1975. The administration, in short, was wrong. It was mistaken in thinking that the city in this brief period of time would regain access to the credit market.

Mr. Chairman, that is why we are back here today.

Who is to say, as was sugested last night, that the forces at work in New York City today are corrupt? What kind of irresponsible talk is that? Or that substantial, meaningful, and difficult actions have not been taken to regain fiscal self-respect?

Mr. Chairman, the fact of the matter is that the city has eliminated 61,000 jobs since the 1975 legislation was adopted. Tuition fees are now being charged at the city university. Subway fares have gone up by some 42 percent. Hospitals have been closed.

A score of fire companies have been eliminated, as have 77-day care centers. And this is just a part of the list, Mr. Chairman. The real issue that we are going to be faced with, let me say, goes to the question of whether the legislation that we adopt should incorporate the ability to guarantee long-term loan obligations by the city.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. ASHLEY was allowed to proceed for 5 additional minutes.)

Mr. ASHLEY. I would submit, Mr. Chairman, that the case has been well established that the city does not have access to the credit markets at this time It is regaining the confidence of the marketplace. and will do so, it is generally believed, in the next 4 years—in the 7-year period, I might say, that was contemplated in the legislation 3 years ago.

But in the meantime, Mr. Chairman, it is necessary for the city to reduce operating expenses and to protect its revenue base. That is why the city must have some kind of access to the long-term bond market. Now, if it cannot do it on its own. certainly it can do it by using a portion of the $2 billion in guarantee authority for long-term bonding purposes to support its revenue base. That is what is involved here. Nothing could be more rudimentary; nothing could be more sound than that.

So, Mr. Chairman, I would urge that the legislation incorporated in the bill before us be adopted. Let me simply refer to another outstanding subject. If there is any question, let me say, about the availability of access to the private market, I have a letter of June 7, directed to Chairman MOORHEAD, in which it is stated:

> It is our considered opinion as professionals in the underwriting and sale of municipal securities that the prospects for New York City being able to secure long-term financing over the next four fiscal years are quite remote in the absence of essentially such a Federal role as is contemplated in H.R. 12426.

It is signed by the following:

Edwin Bueltman, Executive Vice President, Bache Halsey Stewart Shields.

Melrose B. O'Rourke, Senior Vice President, Blythe Eastman Dillion & Co.

Kevin Collins, Vice President and Director, First Boston Corp.

Frank Smeal, Partner, Goldman Sachs & Co.

Scott Pierce, Senior Vice President, E. F. Hutton and Co.

Duncan C. Gray, Vice President, Kidder Peabody and Co. Inc.

Jean Rousseau, Managing Director, Merrill Lynch, White Weld, Capital Markets Group.

Gedale B. Horowitz, Partner, Solomon Brothers.

Morgan J. Murray, Vice President and Director, Smith Barney Harris Upham and Co.

So, there is no question about that whatsoever. There is a question of what constitutes the difference between New York City and Cincinnati or Louisville or other places where many of us come from. Well, there are differences if we bother to look. We do not have the Statue of Liberty in our harbors, for one thing. We do not beckon to the poor and destitute from abroad and within our own borders to come to New York City. New York City, for better or for worse, is the depository for millions of these people.

But more than that, Mr. Chairman, it has got to be understood that the city of New York does not have the favorable

leverage working for it that do so many cities that have a county to share the burden of providing municipal services. We have it in Toledo because we have Lucas County and the city of Toledo, which share a common geographic area. The level of Toledo municipal employment is greatly reduced because the county performs many parallel services. This is not true of New York City.

So, whether it be the gentleman from Florida or the gentleman from Texas saying, "Look at us: We have 14 city employees per 1,000 and here is New York City with 40-some per 1,000. How could that possibly be?" Well, my God, it is because he has got a county picking up part of the tab, as well as the city. That is the answer to that.

So, Mr. Chairman, if we would try to put aside the basic distrust that goes back 3 years and often longer—certainly there is nothing to substantiate or justify any distrust in the most recent 3-year period—if we instead view this legislation on the basis of the performance of New York City during the last 3 years, this legislation will pass overwhelmingly. Never in the history of the United States of America has a city put itself through the wringer the way that New York City has, all aimed at reclaiming its self-respect in the financial communities of this country, and it has succeeded enormously.

The 3-year period provided in the 1975 legislation, I say, was too short. Let us extend the period. Let New York City continue its good performance, and in 3 to 4 years the matter will be behind us.

Mr. Chairman, there is only one fair, one intelligent vote, and that is to support the legislation before us.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(On request of Mr. KELLY, and by unanimous consent, Mr. ASHLEY was allowed to proceed for 2 additional minutes.)

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, the gentleman in his comments referred to the fact that 61,000 people were laid off the payrolls of New York City in a spirit of economy, and it sounded as though it had a ring of virtue about it. I wonder if the gentleman is aware that 99 percent of the money that was saved by laying off 61,000 of the lower-echelon people that do the work was then used to pay the political cronies that existed in the other 80 percent?

Mr. ASHLEY. That is the gentleman's characterization of the situation. The fact is that the scale of pay of the municipal and county employees in Florida has gone up over the last 3 years as well. So when the gentleman suggests that 99 percent—and he has told us already that he has his own set of books—in looking at the New York situation, I just ask him to be fair in judging. He cannot point out one county employee in his congressional district in Florida that is getting the same amount of money that he was getting 3 years ago when we first entertained this matter.

Mr. KELLY. Mr. Chairman, if the gentleman will yield further, the set of figures I am using are those supplied by the U.S. Senate in their report. I would like also to comment that it may be true throughout the United States that employees are getting more money.

Mr. ASHLEY. So are we, I would say to the gentleman from Florida, Judge KELLY. Our most recent increase, which you receive, was from $42,500 a year to $57,500.

Mr. KELLY. But New York City happens to have the highest paid employees in the United States of America, and that might be a reason for not increasing their pay, and that would also be a reason for not trying to flim-flam the public by saying they are laying off workers as an economy measure.

Mr. ASHLEY. Let me say this. The gentleman seems to assume that New York City officials are making the final fiscal decisions.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(By unanimous consent, Mr. ASHLEY was allowed to proceed for 1 additional minute.)

Mr. ASHLEY. Mr. Chairman, nothing could be further from the truth, because there was established 3 years ago by the New York State legislature an emergency financial control board. That control board passes on all fiscal measures, that is to say on all taxing and on spending.

Mr. KELLY. Mr. Chairman, would the gentleman yield?

Mr. ASHLEY. In just a moment.

What I am saying to the gentleman is that of course his judgment is in many respects superior to those private citizens and others who serve on the emergency financial control board, but the fact of the matter is that the State of New York has come in overwhelmingly in support of the city of New York, but it has done so on the condition that there be established this control board and that this control board have the kind of review and veto rights I have suggested and this procedure has been working with great effectiveness.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(On request of Mr. KELLY, and by unanimous consent, Mr. ASHLEY was allowed to proceed for 1 additional minute.)

Mr. KELLY. Mr. Chairman, would the gentleman yield?

Mr. ASHLEY. Yes, I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, the gentleman in the well has I think misstated my position. I have never at any time suggested that the elected officials of New York City were running the town. I have contended that the labor bosses are. I have never said that the elected officials were running the town. I think that is exactly what the matter is.

Mr. ASHLEY. What will the gentleman say of the emergency financial control board plan that does have the right to review and veto and approve all matters having to do with fiscal affairs of the city of New York?

Mr. KELLY. I would suggest that whoever it is that is causing New York City to continually increase its deficits with relation to its finances is certainly not doing a very good job.

Mr. ASHLEY. The gentleman of course is mistaken. He knows perfectly well that the city of New York is $1 billion closer than it was 3 years ago to closing the budget gap. In 3 years it has been cut to just a little over $1 billion.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. REUSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to try to be very brief, but there are a few dragons snorting around the aisles here that I think need to have a little clarification.

One is that if Baltimore and Chicago and other cities have made it, why did not New York City make it? I can suggest why New York City did not make it, and that is because the State of New York in days gone by, when New York City was seeking a subsidy not only refused to give it and help them by way of welfare, help them by way of university aid, help them by way of school aids that all other areas of New York State are getting, but it was the New York State Government which mandated the unrealistic pension levels, the meeting of which helped break the backs of the New York City taxpayers. Meanwhile, New York's next neighboring States were using their lack of an income tax to lure New York's tax base away.

So there is a difference there.

The second point that has been made is that the Committee on Banking, Finance and Urban Affairs here 2 years ago, when it was considering the seasonal financing bill, suggested that this would be the last request we would hear from New York City.

Not so. I, as chairman of the committee, and I am quoting from the CONGRESSIONAL RECORD of December 2, 1975, said:

> But in passing this legislation, we should not harbor the illusion that the problem is solved. . . .
>
> Today's substitute is merely a stopgap. With it, we can be sure that the problem will come back to haunt us, certainly in 2 years, . . .

And here the problem is back before us, simply because we did not provide the kind of medium-term financing, which is the core of the bill we bring before the House today.

A third snorting dragon is the vote on "proposition 13" in the State of California on Tuesday last. Well, I can sympathize with the taxpayers of California. While I have a lot of empathy for their vote, I am concerned about the cost consequences to the California taxpayers, from La Jolla to the Russian River, because the interest rates on the borrowings of the States and localities are going to go up if we reject the New York City bill before us, because that rejection will adversely affect the entire municipal bond market from Maine to California.

Finally, referring again to the debate on December 2, 1975, I said:

> In short, what is needed is a new urban policy for the Nation. This is precisely what past administrations have failed to provide.

Now we have a national urban policy. The aim of that national urban policy is to see that there shall be no more New Yorks.

If we pass the legislation before us today, we shall have done our bit in assuring the fulfillment of that aim.

I hope the legislation passes by a decisive vote.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I appreciate the gentleman from Wisconsin (Mr. REUSS) yielding and I wish to commend him upon his statements.

Also, the statement was made by our distinguished colleague, the gentleman from Florida (Mr. KELLY) that while 61,000 employees have been stricken from the payrolls, there has been hardly any savings, and I do not believe that is true. Just think what the situation would be today if they had not actually fired 61,000 employees 3 years ago. Can you imagine what the situation would be today if you cranked those people in on the payroll? I think that has been a remarkable action. I think the total number of people they have cut is significant, and I think the savings are significant.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

I would suggest that the condition would have been that the streets would have been both cleaner and safer because the people who do the work would have been on the ground working cleaning and protecting the streets instead of the administrators in the office ripping off increases in overtime so that they could bloat their retirement pensions. I think that is what the result would have been if they had not reduced the payrolls by the 61,000 workers.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

I will be very brief, Mr. Chairman. I would like to add just one more point to my good colleague's, the gentleman from Ohio's, remarks about the 3-year plan. Not only did I remark at the time of the last debate that the 3-year plan would not work, but I think many of us forget that the hinge pin of the entire 3-year plan was thrown out by a New York State court. The court said that the absolute hinge plan, the business of taking $1.1 billion in short-term votes and converting it to long-term indebtedness with a moratorium, was absolutely essential to the plan that Secretary Simon brought before this Congress. Even though I did not think the plan would work at that time, it was impossible for it to work when the court had made that decision. In fact, that very court decision is one of the decisions that has to lead any intelligent man into what the problems are going to be of a default or a bankruptcy on the part of the largest city in this Nation. I know that every aspect of New York has been covered. I know that I am noted for wearing an "I love New York" sign on my back, so I suppose most of my remarks are going to be ignored by those Members who do not want to help New York anyway.

But I would like to cover just one of the basic ideas with the Members. First of all, it seems to me that in our Constitution and in our papers way back there we talked about this House being the guardian of the purse. Let us talk about it being the true guardian of the purse. I have heard all of this talk about how much this is going to cost our poor taxpayers. That is absolute nonsense. There is not one possible way that this loan guarantee can cost the American taxpayer one dime.

I amended this bill in committee—and New York was not happy with it—to keep the Secretary of the Treasury's feet to the fire to limit the amount of money by simply saying the $2 billion had to include both principal and interest. This means that if New York City is to get the money they need, the Secretary is going to probably have to collect interest on a quarterly basis, because the amount of set-aside for interest is going to build otherwise. Against this terrible, terrible threat of a default for this period of time for any one of the notes to be paid off, what do we have? What do the American taxpayers have for security? They have for security all of our revenue sharing funds to the city, our in-kind payments to the city, and those same payments to the State of New York. So in truth there is not one single danger to the taxpayers. The taxpayers are totally and completely protected, so any of this nonsense about hurting the taxpayers is absolute hogwash from the very beginning.

Now let us look to where the taxpayers can pay, and where the taxpayers can pay, Mr. Chairman, is a proven fact. When New York City wobbled on the top of this situation the last time, the bonding efforts of the Northeast-Midwest States—18 States in this Nation—cost in one issuing period $120 million more to the taxpayers. Taken over the length and lifetime of these particular bonds issued just in that year, the cost to the taxpayers was billions. I would suggest if the Members have not read it that they read the report, which was very carefully written and, I think, very well done, that was put out by the Northeast-Midwest Economic Advancement Coalition.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I have been away for 2 days, and I want to get some more points in before I yield.

Also it is recognized by most bankruptcy lawyers and most people in the field of government that the only debt instrument left to New York City, should there be a bankruptcy, is going to be a certificate of indebtedness. If we have every single expert telling us they cannot sell their bonds, who in the Lord's name is going to buy a certificate of indebtedness except the American Government as lenders of last resort to pay those constitutional obligations that have to be met?

Last, but not least, what is it going to cost us in a world that is already totally convinced that the United States of America cannot cope with any of its problems? They see us not coping with energy in the Congress. They see us not coping with our dollar in the Congress. They see us not coping with our expenditures. To them, New York City is this country and is a finite, absolutely small problem in a tremendous Nation, one of the greatest powers in the whole world. They take a look at us and think that we cannot handle the problem of the city of New York.

I would suggest that what is already close to a crisis in a lack of faith in this Government's ability to govern would become all the more severe. In fact, in conversations with European bankers, they are appalled, absolutely appalled, that Congress has even brought it up to make this a major issue, particularly when you consider the stakes at hand to the American dollar.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKINNEY) has expired.

(At the request of Mr. MOORHEAD of Pennsylvania, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 2 additional minutes.)

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I would be delighted to yield to the distinguished gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I have asked the gentleman to yield to propound two questions. One, did the Federal Government lose any money or make any money as a result of the Seasonal Loan Act of 1975?

Mr. McKINNEY. The Federal Government has made millions of dollars in the seasonal loan program. The city of New York has paid early and in full with interest and has paid a premium for that interest.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield further, under the bill before us, is it not true that under section 102(b) the Secretary must have a guaranteed fee of at least one-half of 1 percent annually and he may escalate that fee to induce New York to go back into the market and, therefore, we would not see a profit accrue from the enactment of this legislation?

Mr. McKINNEY. Not only will there be a profit from it, but the Secretary can refuse to continue the program. The Secretary will, in essence, through the Financial Control Board be running the city of New York, while we make a great deal of money in the U.S. Treasury.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, anent the gentleman's comment about credibility abroad, I was talking with a well-known Italian banker, the chairman of one of the multibillion-dollar institutions over there, and he said:

I don't understand your country dumping and demeaning and humiliating your great city of New York, one of the great cities in the world. After all, Rome has been bankrupt for 2,000 years. Do you think we Italians would dump our great city?

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, in the gentleman's comments, I understood the gentleman to say that extending this guarantee to New York City will not cost the taxpayers one dime.

Mr. McKINNEY. That is exactly correct.

Mr. KELLY. I wonder if the gentleman in making that remark considered what the result will be for the U.S. Government if this goes through.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKINNEY) has again expired.

(At the request of Mr. KELLY, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 3 additional minutes.)

Mr. KELLY. Mr. Chairman, if the gentleman will yield further, I wonder if the gentleman has calculated what the cost will be to the United States if the Federal Government assists New York City in the kind of mismanagement that has been going on there all along, and that is precisely what we are doing?

Mr. McKINNEY. Mr. Chairman, I could not disagree more with the gentleman from Florida. This bill most specifically gives not only the Emergency Financial Control Board, but the Secretary of the Treasury the right to disapprove any action of the city of New York, the right to threaten the city of New York with higher penalty payments on their loan and the right to cease and desist and the right, finally, to take both the city's and the State's money away.

Mr. KELLY. Mr. Chairman, will the gentleman yield further?

Mr. McKINNEY. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, once the guarantees have been put on those bonds and the purchasers have acquired them, then all that is meaningless and our obligation is fixed. If New York is in bad shape now, every indication is that it will be in worse shape later.

If this Congress cannot cause New York to face up to reality in the present situation, what will the situation be when it has deteriorated further?

Mr. McKINNEY. Mr. Chairman, the gentleman knows perfectly well that the Secretary is not committed to the full length of time on the bonds. The Secretary must look at the situation, and before he gives approval, he must make sure the ship is scrubbed and that it is not infested with barnacles before he gives the guarantee. Then he can make the determination, but his approval is contingent on many limitations. He has any number of weapons in his hand to make sure the city of New York does not regress, as the gentleman is afraid it will.

I will suggest, though, that the gentleman and I sitting on this floor are in a very, very poor position to criticize the city of New York at the present moment, since the city of New York has negotiated wage settlements which percentagewise have been lower than for any other cities in the country.

It certainly makes us look very strange when we are fighting inflation with a 5.5 percent increase in the U.S. Government and the city of New York is fighting inflation with a 3 percent increase.

Mr. KELLY. Mr. Chairman, will the gentleman yield further?

Mr. McKINNEY. Yes, I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, in the gentleman's remarks he stated that the question internationally is whether or not we have lost our ability to manage our affairs.

I would submit to the gentleman that the real question internationally is: Have we lost our will to govern? Have we lost our guts, if you will?

The situation quite clearly is apparent, and the question is: Can we manage an economy that has a spiraling inflation, an economy in which our production and investment in production are going down and we are investing more and more in day-to-day living expenses rather than improving our economy?

Is that not the reason the dollar is in trouble, not just because we have lost our ability to manage our affairs?

Mr. McKINNEY. That is one of the many and varied reasons. But I would also suggest to the gentleman that any banker looking at the situation would agree, especially after the reams of testimony we have had, that the intrinsic cost to the U.S. Government after bankruptcy would be higher if we had really lost our will to govern.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKINNEY) has expired.

(On request of Mrs. FENWICK, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 2 additional minutes.)

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

I would like to reassure myself and the people in my district and in my State generally about this matter.

As I understand it, if there is any question of default on any of these bonds which are now guaranteed by the Federal Government, all payments going to the city of New York and, if necessary, all payments going to the State of New York can be used to pay what is due to those bondholders; is that not correct?

Mr. McKINNEY. The payments to the city or the State would be withheld by the Federal Government to repay the Treasury for having satisfied its guarantee to the bondholders.

Mrs. FENWICK. That is what I mean. But in any case it is inconceivable that in our Federal system New York State and New York City would not, under whatever formula might be used, receive funds from the Federal Government. Therefore, those funds stand behind those bonds, because the Federal Government has the right and, indeed the duty, to hold them and give payment to the bondholders?

Mr. McKINNEY. The gentlewoman is correct.

Mr. CAPUTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I can appreciate the difficulty many Members of Congress have in supporting legislation of this kind. For those who cannot support it, I understand their position.

For those Members who are still formulating their opinions, I would like to suggest why a non-New Yorker might want to support this legislation. I am a New Yorker and represent a part of the city. Naturally, I support this measure. But I believe there are several reasons for Members who do not come from the city of New York to support this bill.

The first question I would ask as a non-New Yorker would be this: Did New York get something for nothing? Are New Yorkers seeking some aid for free that no other American is entitled to?

As has been explained, the way the legislation for the seasonal loan was written, New York did not get any aid; it got a loan. The interest rate on that loan was written in a very unusual way. The Federal Government would borrow money and reloan it to New York. New York would have to pay interest to the Treasury one full percentage point more than the Federal Government paid in borrowing money. It is a most unusual loan agreement. If interest costs changed after the loan, the lender, Federal Government, would be protected.

There is no way the Federal Government could lose any money, and indeed it did not. To date there has been about a $40 million profit for the U.S. Treasury.

So for those who are not from New York, the question is not how much money America will send to New York City but, instead, how much Washington will charge the New York City taxpayers. The Federal Treasury benefited from these transactions and would continue to benefit under the legislation that is before us today. Far from being a drain on the Treasury or a burden on the taxpayer, this profited the American Government. It is one of the very few programs we enacted that actually earned a profit for the American taxpayer.

The second thing I would ask, were I not from New York, is this: If the Federal Government is going to do anything for New York, even if it is profitable for the Treasury, did New York City first make some sacrifices?

I think we have all heard the litany of city sacrifices. Sixty thousand people were laid off. Let me put that in an understandable framework. Each of us represents about half-a-million people; 3,517 individuals came to my little congressional office on East 233d Street in the Bronx, or phoned me, or wrote me. That is 3,517 men and women, most of them younger, most of them low to modest income, and many of them black and Puerto Rican. That is 3,517 people. How many of the Members have had that kind of experience?

That would be an entire GM plant or other large employer.

Four day care centers were closed in my congressional district, and of course many of the parents approached me. Two fire houses were closed in my congressional district and on, and on.

In addition to those efforts to cut costs, efforts were made to raise revenues, in a further attempt to balance the budget.

Tuition is now charged, about $900 a year tuition, to go to the city university, which I understand is comparable to State universities around the country. The fares on the subway were increased and the fares on the buses were increased. One cent was added to the sales tax. The city income tax was increased. The city property tax was increased. As a result of all that, the city has come from a $2 billion deficit in 1975, for which I have no excuse and for which the city must be held responsible, to a $450 million deficit in fiscal year 1978–79—still large and unacceptable, but, in my judgment, progress.

The CHAIRMAN. The time of the gentleman from New York (Mr. CAPUTO) has expired.

(By unanimous consent, Mr. CAPUTO was allowed to proceed for 1 additional minute.)

Mr. CAPUTO. Mr. Chairman, I think the next thing a non-New Yorker would ask is: Did New York State do anything to cure the problem?

Mr. Chairman, the State of New York has loaned the city of New York $7 billion, and over the next 24 months will loan the city an additional $2 billion. Has any State made anything like that kind of sacrifice for any municipality in our history?

New York State is at the limit of what it can do, which is why we are here today. New York State has indeed gone first.

Then, a non-New Yorker would want to be sure the Federal interest has been protected. As has been explained, in the unlikely event that New York City cannot meet its amortization payments and the guarantee provision is exercised, the Treasury has a duty—not a right, but an obligation—to withhold the city's revenue sharing to cure only such default. If that is not enough, the Secretary has the duty to withhold every transfer payment from the Federal Government to the city of New York. Those transfer payments represent about four times the maximum exposure of Treasury under the guarantee program. But to further assure those of us who have to vote on this matter that the Federal interest is protected, the Treasury Secretary has the duty to withhold New York State's transfer of payments if the city's payments are inadequate, which makes the coverage about eightfold. So the State of New York comes first under this legislation.

And if that were not enough, we have gone to the humiliating degree of defining New York City as a person, for purposes of this legislation, and the Federal Government has extraordinary powers to recover losses stemming from the insolvency of persons.

The CHAIRMAN. The time of the gentleman from New York (Mr. CAPUTO) has again expired.

(By unanimous consent, Mr. CAPUTO was allowed to proceed for 1 additional minute.)

Mr. CAPUTO. Mr. Chairman, if this legislation passes. Will other cities come? I also represent Yonkers. Yonkers was considering coming. The response of the Treasury was:

> You are going to have to lay off 20 percent of your work force, close down schools, hospitals, day-care centers and firehouses, raise your sales tax a penny, impose a city income tax; and when you have done that, come back, and if we think that is enough, we will consider long-term loan guarantees.

Obviously, Mr. Chairman, this is not tempting to any municipality. Nobody would do this voluntarily. If any municipality had to do all of what New York City is obligated to do under this legislation, their budget problems would almost assuredly be cured without Federal involvement.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. CAPUTO. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I wonder whether the gentleman from New York (Mr. CAPUTO) could give us some explanation with respect the rationale upon which laying off these 61,000 people was predicated. In other words, why did they do that? Were they trying to economize?

The CHAIRMAN. The time of the gentleman from New York (Mr. CAPUTO) has expired.

(On request of Mr. KELLY and by unanimous consent Mr. CAPUTO was allowed to proceed for 1 additional minute.)

Mr. KELLY. Mr. Chairman, will the gentleman yield further?

Mr. CAPUTO. I yield to the gentleman from Florida.

Mr. KELLY. Again I ask, Why did they lay off 61,000 persons, the young and the minorities? Why did they create all of this unemployment? Were they trying to save money, or what was the reason for that, and what was the result of it? Did they accomplish a saving or an improvement in services to the people?

Mr. CAPUTO. To answer the gentleman, Mr. Chairman, three things were attempted. One was to roll back pension benefits for city employees. The second was to defer collective bargaining agreements which included large wage increase that had been reached prior to the emergency in 1975. The third was to lay off individuals.

They did indeed roll back the pensions, and the courts of the State of New York determined that that was improper under both the law and the State constitution. The courts said that pensions are compensation and once granted. they cannot be rescinded.

With respect to people who have joined the New York City labor force—and there are very few of them—since July 1975, they do have lower pension benefits.

The CHAIRMAN. The time of the gentleman from New York (Mr. CAPUTO) has expired.

(On request of Mr. FISH and by unanimous consent, Mr. CAPUTO was allowed to proceed for 1 additional minute.)

Mr. CAPUTO. Mr. Chairman, the second thing we tried to do was to defer those wages. The unions agreed to defer some of the wages; but they had a right under law, pursuant to legal, binding collective bargaining agreements, to the balance. That is why, despite the layoffs, there was not a major decrease in the total payroll. There were prior existing, binding legal agreements to give pay increases after July 1, 1975.

The only remaining remedy, once the pension and wage-increase avenue was closed by the courts, was to lay people off. The effect of that was to avoid an approximately $800 million increase in the payroll. The payroll did not go up in over a 3-year period. Without the layoffs, there would have been a major increase in payroll costs.

Mr. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it does not seem that it would be out of order for the Congress and the House of Representatives to know what it is doing. I think we might take a little look to see exactly what it is that we are doing.

The city of New York, not in antiquity, not when somebody else was in charge, but today in this world, in this world after proposition 13, is $1 billion, has a $1 billion deficit in its current budget. That is according to honest accounting principles—$1 billion.

With this city asking for extraordinary assistance from the Federal Government, with a $1 billion deficit that is current, this city which pays the highest wages in the United States of America to its public servants has just granted another pay raise which is going to cost $1.1 billion.

Mr. Chairman, that is what we are doing. We are not doing anything else; we are not doing anything else in any other context except just exactly that.

That is exactly the context in which this House is voting on this question. New York asking Federal assistance while giving a pay raise that cannot be called anything but extravagant.

It is not any other way.

Now in California, when they voted on proposition 13, these are some of the things that the people were saying:

They were saying, "We are tired of working and seeing those that are not working living off of what we earn." That is what the people were saying.

And, they were saying, "The cost of education is going up and the quality is going down, and we are tired of it." That is what they were saying.

And, they were saying, "There is seemingly no end to the growth of government, and we are tired of paying the bill." That is what those people said.

Now, let us find out if this has any relevance to what we are doing here today, and I submit that it does. In New York City, the reason they are in trouble is that they pay the highest welfare benefits in the United States of America, and that is why they are bankrupt. You can give me all this palaver you want to about it is because they have a big heart. They have a bunch of politicians who are buying elections, and that is why they pay the most, and that is all there is to it.

Now, let us talk about the cost of education. The reason that New York City is facing a problem is because they are paying teachers, the average teacher with 8 years of experience, a total wage package, including fringes, of over $30,000 a year. That is why. They are paying

the highest wages in the United States of America when we include the fringes.

Let us think about one more thing that these good people are doing who are coming here and saying that they have done all they can and sacrificed, and are asking us for help. They have taken one of the best public education systems in the United States of America, and brought it to a point of complete deterioration and collapse, where in many schools they do not even have discipline, much less education. Those are the facts, and if Members do not believe it, they should go to those schools and see it for themselves. I have.

Then, there is a little thing to the effect that there is seemingly no end to the growth of government. Think about this. Think about this poor New York, operated by its politicians: From 1961 until 1975 the population of New York City went down. There were fewer people in New York. The population was reduced by 3 percent.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent Mr. KELLY was allowed to proceed for 4 additional minutes.)

Mr. KELLY. During the time the population was going down, employment—employment in New York City for public service employees—went up 46.7 percent. In other words, it took more people, now that we have new technology and all these improvements, more people serving fewer. And during this time the cost went up 312 percent. And that is why the people are mad.

Now, let us talk about Congress a little bit. Our credibility in this land is just about at the bottom of the heap, and why is that so? It is because we as a group have gone forth on the hustings and promised the people that we are tired of big government; we are going to reduce big government; we are going to reduce spending; we are going to reduce taxes; we are going to do all of these things—and we have lied in our teeth. And that is why the people are mad.

Certainly the people are mad. This Congress, right here, you know what your ratings are and right now we have a classic confrontation between proposal 13 and this New York City bailout bill.

I want to read something to you. This is from a unanimous report by the Senate Committee on Banking. It is not something that some kookie kook dreamed up but the U.S. Senate Committee on Banking, the whole thing, Republicans, Democrats, Liberals, Conservatives, and everybody else.

Mr. Chairman, this is what it says, it says that New York State and City officials back in 1975 said that—

> All that was needed in addition to state and city and local efforts already initiated, was a one time commitment from the Federal Government to provide short term loans to cover seasonal shortfalls of revenue and maintain the city's cash flow in the fiscal year.

They said further that at the end of the seasonal loan, or perhaps even sooner:

> New York City would have a balanced budget and be able to meet its financial needs directly from the credit markets.

Mr. Chairman, the credit markets do not want anything to do with New York City, because they have not balanced their budget. They do not have any intention of balancing their budget, because if they do the whole political house of cards will come down. Spending the people's money is the way the politicians in New York buy their elections.

The whole thing is ridiculous and is predicated on budget busting expenditures that nobody can afford.

I want the Members to remember one other thing: The people in New York City pay the highest taxes in the United States, have the highest debt, and since we bailed the politicians out in 1975 this is what their leadership there has done: They have raised revenues and given 18 parts to the government and one part to the people. There has been an increase in revenues of $1.9 billion and a reduction in debt of $69 million. And if you just divide that out there are 18 parts, one goes to the public to reduce the debt and the rest goes to the politicians to spend in order to get reelected in the next election.

So that is what we are doing to the people of New York City, and we have an opportunity right now to tell the American public, "We got the message," we are not going to sustain the politicians in New York City in any more of the kind of nonsense they have been going through, and that what we are doing now is that we are starting to respond to the people and saying to them that we did mean what we said when we said we would reduce the cost of government. That is exactly what the situation is.

Mr. HUBBARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for the past 3 years New York City has been the focus of attention of this country as a case study in what seemed to be the end product of municipal overspending.

I, for one, have previously, in the last Congress, opposed the type of legislation that we are working on and discussing and voting upon today. I, for one, paid particularly close attention to what the city of New York chose to do to overcome this condition, since it was clear from the outset that unless certain changes were made, and reforms installed, the remedies we approved in 1975 would have little benefit to show upon their expiration this year.

I might add, outside of my prepared remarks, to my good friend the Congressman from Zephyrhills, Fla. (Mr. KELLY) who just spoke, that the gentleman from Florida and I serve on the same committee and subcommittee that heard the testimony for weeks about the problems of New York City. The Congressman from Zephyrhills, Fla., and this Congressman from Mayfield, Ky., come from areas that have many who are of conservative opinions, people who are concerned about taxes, and people who are really concerned about this country. Yet, I would remind my friend from Zephyrhills, Fla., that what we are dealing with is the largest city in this country, and when we talk about the future of our country how can we forget the financial plight at this time of New York City?

Further, I might add that I have a lot of confidence in the new mayor of New York City, our former colleague, Ed Koch.

I believe Mayor Ed Koch is trying to do the right thing to turn the situation around in New York City. He, as the new mayor, incidentally, is not saying yes all the time to the municipal unions which have caused part of the problem in the past.

Beginning last December and continuing in February and March of this year, the Subcommittee on Economic Stabilization, of which I am a member, held several days of hearings on New York City. I want to say here and now that the testimony provided us by the various witnesses who appeared before us was most persuasive and thoroughly documents those remedial steps taken by New York City as well as what end results have been established. Ten essential facts, stressed again and again by various spokesmen need to be noted:

First, it is clear that the city has made every effort to overcome its former budgetary problems.

Again, I want to say I have confidence that Mayor Koch is trying to turn the situation around in New York City and is not saying "yes" to the municipal unions' every wish.

Second, New York City is still not able to reenter the all-important private market to obtain needed financing.

Third, it has cut many corners and reduced the level of many of its services.

Fourth, it has lowered its deficit from $2 billion in 1975 to a current level of only $600 million.

I again go from my prepared remarks to remind my dear friend, the gentleman from Zephyrhills (Mr. KELLY) that from Mayfield, Ky., and Zephyrhills, Fla., regarding the welfare that is being doled out in New York City, many of those welfare recipients have come from his district and mine.

Fifth, New York City has always been on time in the repayment of the seasonal loans that we guaranteed during the last Congress, and its outlays have remained constant despite inflation.

Sixth, New York City's failure to enter the market last October was, in large measure, due to the lack of a guarantee as well as the inability of the city to produce a genuinely balanced budget.

Seventh, any assistance to be provided from either State or city pension funds cannot be expected unless some Federal guarantees could be offered.

Eighth, mere extension of the current short-term loan authority will only prolong the agony of revival efforts.

Ninth, private investors need long-term commitments, and a seasonal approach simply would not do that job.

Tenth, the bankruptcy of New York City would carry with it economic repercussions, domestic as well as international, that would be massive yet unpredictable.

Mr. Chairman, I believe our committee has developed legislation which will meet many of these problems and lead to their solution:

The details of the bill have been outlined.

It is a responsible effort on our part.

I believe it will provide the assistance New York City needs.

I am confident, at the same time, that it will require as conditions for that assistance the very steps New York must take in order to get back into the private market.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HUBBARD was allowed to proceed for 2 additional minutes.)

Mr. HUBBARD. Mr. Chairman, again, I believe our committee has developed legislation which will meet many of these New York City problems and lead to their solution.

At this time I would like to compliment the chairman of our subcommittee, the gentleman from Pennsylvania (Mr. MOORHEAD) for his leadership on this bill, and also for helping to convince me that a vote in favor of this bill is the right thing to do at this time for our Nation's largest city.

There is one last point I want to stress: It is clear to me that if we do not provide credit assistance to New York City after the expiration date of the current loan program, which is June 30—just 22 days from now—New York City will face insolvency and perhaps bankruptcy. That is something that good conscience and commonsense demand we avoid.

Mr. Chairman, I urge my colleagues to support the passage of H.R. 12426 and thus give New York City the assistance it needs in order to return to financial stability.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, most of us on this committee did have an opportunity to hear many of the facts and figures concerning the issue of loans or guarantees to New York City.

I think the chairman of the subcommittee, Mr. MOORHEAD, and the ranking member, Mr. MCKINNEY, are to be complimented for the job they did in trying to have total and complete hearings, trying to make sure that all points of view were heard on this issue. The leadership wanted to make sure that committee members had all accumulated facts so we could make an appropriate judgment.

There are still, Mr. Chairman, a set of questions raised by a Member of this body. Those questions were related by a former Secretary of the Treasury, Mr. Simon, in his recently published book, "A Time for Truth." I do believe those questions should be answered. The answers were not forthcoming when I raised them in committee. It will take some time to develop these questions; but I would like to have them answered, if we can.

(Mr. ROUSSELOT asked and was given permission to proceed for an additional 4 minutes.)

Mr. ROUSSELOT. Mr. Chairman, I hate to bother my colleagues with reading from a book, but it is necessary, because the discussion contained therein is important, I believe, to this issue.

Former Secretary Simon in his book on page 177 has stated as follows, he said:

Before I left Washington, I had an unusual opportunity to see, in at least one case, what lay behind that position. The occasion was a meeting with Congressman Fred Richmond of Brooklyn. In public Richmond is a walking embodiment of liberal "compassion." He had been a vehement defender of New York's "right" to a federal bailout and a vehement critic of my refusal to bestow such a gift on the city. In July 1976, six months after the first short-term loan to New York had been negotiated, Richmond asked to have lunch with Arthur Burns, head of the Federal Reserve Board, and with me, to discuss New York's problems. I was somewhat reluctant to interrupt my regular weekly luncheon appointment with Burns, whom I valued as dear friend, counselor, and a man of exceptional knowledge of monetary and fiscal issues. but Richmond was insistent, so we invited him to join us. A remarkable conversation ensued.

Richmond said, "Bill, you have an opportunity to go into history as the man who saved New York City. You have to tell the city that you're cutting the loan off."

"On what grounds?" I asked. "It's a tough credit agreement, and the Treasury will be repaid."

"But that's just a short-range solution," answered Richmond. "They are not solving the long-term problem."

"That's not my mandate," I replied. "The law is very specific."

Richmond insisted, "You've got to cut off that loan. Tell them to sue you, but do it! It will force them to face their problems."

I stared at Richmond in astonishment. "Look," I said, "I know the problems—rent controls, irresponsible unions, salary agreements that are out of control. I appreciate your anxiety, but I can't do what you're proposing. I'd be setting myself up above Congress, above the law!"

"Bill, you've got to do it," Richmond insisted. "You have it in your power to save the greatest city in the United States."

"You are suggesting," I said, "that I demand now what I was demanding over a year ago: that New York set its own house in order without federal aid. But as I recall, at that time you were yelling for my head."

"I know, I know," he said, "and I realize it would happen again. Bella Abzug and people like that would be out for your skin. And so would the press. But you'd have an opportunity to be a leader, to be a statesman! Bill, you've got to save New York."

Arthur Burns, who had been quietly listening to all this, finally spoke. "Do you realize what you are asking Bill Simon to do?" he asked Richmond. "You are asking him to sacrifice himself for the very people who were most antagonistic to him and who refused to do what he's been urging them to do all along."

Richmond looked abashed. But he continued stubbornly. "I realize that, but here's Bill's opportunity to lead, to go down in history as the man who saved New York."

I looked at him with what must have been disgust. "I'll tell you what I'll do," Richmond said quickly. "I am very close to Mike O'Neill [editor of the New York Daily News]. I'll line him up behind you. I'll round up the responsible members of the New York Congressional delegation. I'll make sure you have support."

I finally decided to test Congressman Richmond. "Will you stand up for me?" I asked.

At this the would-be savior of New York City blanched and recoiled. "Oh, no!" he exclaimed. "I couldn't do that publicly. I represent a poor constituency. The best I could manage to do would be to lay off. I couldn't support you."

Mr. Chairman, the question I am asking today is this: Are there many other Members from New York City who feel this way and does the gentleman from New York (Mr. RICHMOND) feel the same way today? You will notice I called the member Congressman "Blank" but I will make sure the quotes will appear in the RECORD as they did in Mr. Simon's book.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be delighted to yield to my distinguished colleague, the gentleman from New York.

Mr. RANGEL. Mr. Chairman, I will ask the gentleman, does he not feel a little uncomfortable or, at the very least, think that it is unfair to talk about "Congressman Blank" and merely restrict this to a member of the New York delegation? Does the gentleman really think it is fair to have this type of conversation which he reads from a book included in the CONGRESSIONAL RECORD when he still cannot find any way in this exchange for us to tell this House and its honorable Members specifically who he is talking about?

Mr. ROUSSELOT. If he were on the floor, I would be glad to mention his name, but I used Congressman "Blank" only, because Mr. RICHMOND was not on the floor.

Mr. RANGEL. The gentleman has gone this far without him being on the floor.

Mr. ROUSSELOT. I would be glad to answer the gentleman. I am not embarrassed at all by discussing these quotes, because this relates very much to the issue before us. I think the statements made in 1976 to Mr. SIMON and Dr. Burns are very real today, just as they were then. I have no embarrassment. It is a published book by a former Secretary of Treasury. The members of the committee, basically, know who the Member is, because we discussed it in committee. What I am saying is that a very critical point of view has been raised by a member of the New York City delegation.

Mr. RANGEL. Is that Congressman Blank?

Mr. ROUSSELOT. That is correct. If the gentleman were here, I would be glad to have him stand up and tell us who he is. I will make sure his name appears in the RECORD with his own statements.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding, and in direct response I will not make comment upon the gentleman's reading process in the RECORD. But I would like to respond precisely to the gentleman's question, and I think that is important.

Mr. Chairman, I am the chairman of the task force that was to muster votes in support of New York City on this legislation. The dean of the delegation, the gentleman from New York (Mr. DELANEY), delegated me. We have been working very closely with the New York City and the New York State delegation.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(On request of Mr. BIAGGI and by

unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. BIAGGI. Mr. Chairman, if the gentleman will yield further, to be exactly precise to the gentleman's question, the answer is: The New York City delegation is unanimous in its advocacy and support of this legislation—legislation of such a nature that it is critical to the city of New York and to the Nation.

I think all of the arguments have been made very forcibly, very responsibly, by Members of the House from all parts of this Nation. It might be well to point out that the New York City delegation has been absolutely still in this debate. It would be almost self-serving, so we have decided not to do that and to permit the other Members of this House, who were able to assess the needs of the city of New York and to assess the validity of this legislation, to speak on the legislation. And so far, in my judgment, the arguments have been substantial and have far outweighed the criticism of this legislation. But we are not responsible for colloquy or discussions of anyone else. All we know is the status of the New York delegation at this point.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman respond to this question: The New York City delegation does not agree with these statements of Mr. RICHMOND?

I realize those statements were made by Mr. RICHMOND in 1976.

Mr. BIAGGI. If the gentleman will yield, I want to begin by saying that I do not question the fact that the gentleman is reading from a book. I do not know who the author is.

Mr. ROUSSELOT. Bill Simon was the author of the book, the former Secretary of the Treasury. Dr. Burns was evidently also a witness to the luncheon conversations.

Mr. BIAGGI. Authors have a way of presenting their viewpoints the way they like to. I do not know the authenticity, and I am not questioning it, but we are talking about something that occurred 3 years ago. This is 1978, and I think it should be pointed out very clearly. There are allegations that these are taxpayers' dollars. The fact of the matter is that it has not cost the taxpayer one solitary cent. The city has paid $40 million in interest.

Mr. ROUSSELOT. I am aware of that. BILL GREEN and BRUCE CAPUTO made that very clear in committee.

Mr. BIAGGI. The Federal Government will again profit. It is fully collateralized. The risk is nonexistent.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(On request of Mr. YOUNG of Florida and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, I wanted to discuss this with the gentleman, because of his position on the Committee on Banking, Finance and Urban Affairs. I am having difficulty resolving a rather serious inconsistency in this whole thing, and that is this: We are making such a big to-do over guaranteeing a loan to New York City. But, as the Members know, we guarantee loans, through the World Bank, for countries all over the world, including Vietnam and Laos. Not only do we make, through the World Bank, low-interest loans, we have also, in effect, guaranteed any future loan for any financial default it might have. If American dollars are going to be used to do these things, in places like Vietnam, Laos, and India—who, by the way loaned some of it back to us—I am finding some inconsistency in this whole argument.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Florida (Mr. YOUNG) seems to be suggesting that if we have done something dumb throughout the world, should we then do something stupid domestically.

I do not think there is any logic in that, and I think that observation should satisfy the gentleman.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I want to see whether we can reach an agreement on debate on section 1, not the title, but just the section.

Therefore, Mr. Chairman, I ask unanimous consent that all debate on section 1 close in 12 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for 45 seconds each.

The Chair recognizes the gentleman from New Jersey (Mr. PATTEN).

Mr. PATTEN. Mr. Chairman, over the last 4 months, I listened to TV, radio, read all the newspapers and discussed New York City's financial problems.

Mr. Chairman, I was the mayor in my city during the depression, and to tell the truth, we could not pay interest or wages. Furthermore, the cities generally throughout my State were in the same position.

I served for over 30 years as a bank attorney, and I just want to tell the Members that we should go with this bill and support it. It is in the national interest.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I rise in support of the bill, not only on behalf of the companies in my district and in my State which are accustomed to doing business in New York, which I hope to see it continue, but on another point.

We are not able today to spank Mr. Lindsay or Mr. Beame. We cannot make them suffer because they negotiated carelessly or too generously.

Mr. Chairman, who is going to pay for the anger that we have heard, the passionate anger generated by the practices which have been described here today.

The people of the city of New York, humble people, will pay. Day-care centers will be closed; hospitals will be closed. Firehouses will be closed.

Mr. Chairman, the people will suffer if the anger and the fury, expressed here on the floor of the House should carry the day.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, a question was raised earlier about the credibility of the United States in the eyes of the rest of the world.

It seems to me our credibility will be best enhanced by showing that we have, in this Congress, some sense of concern for fiscal responsibility.

I might say also that while I am concerned about the credibility we have in the rest of the world, I am also concerned about the credibility we have with the people in Oklahoma City, in Tulsa, in Omaha, in Fort Worth, in Cleveland, and in other places around the country where hard-working people are constantly being forced to pay for the extravagant spending of this Congress. In addition, they have to support their own cities. They should not have to support New York City, too.

Mr. Chairman, I urge the defeat of this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, when I was privileged to bring the "in lieu of" tax bill to the floor, this bill which recompensed mainly western counties for Federal property that did not previously pay property taxes, New York Members came to me and asked me about the bill, analyzed it, felt it was fair, and ended up voting for it.

Today, Mr. Chairman, I urge western Members to analyze the New York City bill. I believe they will find it fair and will vote for it.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, back a few weeks ago, we had a farm bill before the House in which many of us were very interested.

I have just had occasion to analyze the vote on that farm bill. Of the 150 votes that were cast for it, I find not a single name from the New York City delegation, and only two names from the State of New York.

Therefore, Mr. Chairman, without prejudicing how I may vote on final passage of this bill, I think that perhaps these facts are pertinent enough to be laid before the House.

My reference is to H.R. 6789, the Emergency Agricultural Act of 1978. It was considered on the House floor on April 12, 1978 with the vote of 150 to

268 recorded on CONGRESSIONAL RECORD pages 9914 and 9915.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, Members of the House, the gentleman from New York (Mr. SCHEUER) made reference to the conversation he had with the gentleman from Rome expressing dismay why our Federal Government would not help New York City financially since Italians have been keeping Rome afloat for decades. The difference is our constitutional form of government. We have a Federal form of government while Italy has a unitary form. Simply, the relationship of the Federal Government to the cities is different in America than in Italy. The cities in the United States are creatures of the state not the central government.

I hope that there is no inference in his statement that we ought to not follow the U.S. Constitution and do something unconstitutional, as we are doing here in having the Federal Government help New York City. All of us have a responsibility to follow our Constitution. Consequently New York City should get its help from Albany, not Washington, D.C.

(By unanimous consent Mr. WALKER and Mr. BEARD of Tennessee yielded their time to Mr. KELLY).

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Chairman, first I want to say that there is, to my knowledge, no sentiment in the House of Representatives to spank New York. I think that there is an adult consideration of what is best for our country, and that is all that is involved. There is no animosity. The mayor of New York City has been as cordial and hospitable to me as anyone could possibly have been, and there is no hostility. It is a question of what is good for our country.

But, here is the proposition: If we are going to pay these kinds of wages in New York City and sustain it with Federal credit, then wages of this kind and the spending that goes with it are going to spread all over the United States. New York is the richest city in America. It has been bankrupted by this practice. The rest of the Nation cannot stand it. That is all there is to it. It is just a question of trying to do what is in the best interest of our country.

Mr. Chairman, I want to make reference to the fact that the revenues and the amount of debt that has been paid, those figures came from the executive budget that was published by the mayor and by the Temporary Commission on City Finances.

The CHAIRMAN. The Chair now recognizes the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I would like to ask the gentleman from Florida a question. As I understand it, the U.S. Government establishes a credit line and borrows money when we in the Congress run up a deficit. Is that not correct?

Mr. KELLY. It is.

Mr. SYMMS. And when we run out of a credit line and the interest rates get too high, we use that printing press downtown to print money.

Mr. KELLY. Correct.

Mr. SYMMS. Is not the difference that in New York City they have used up their credit line, and they want to borrow our printing press?

Mr. KELLY. The gentleman is absolutely correct. This is a good juncture to mention the fact that the U.S. Government is not just simply indebted to the tune of nearly a trillion dollars. Right now our total obligations and responsibility is in excess of $7 trillion, part of which would be for New York City.

Mr. SYMMS. So the bottom line, therefore, is that the only difference between the official government of New York City and the official Government of the United States is that the official Government down here in Washington has the legal ability to print money, and they do not have it in New York City, and they have run out of credit.

Mr. KELLY. This is correct, but I think there is a very interesting parallel, that the per capita debt service for the people of New York City for government debt is almost exactly the same amount as the present per capita amount of the national debt. As a matter of fact the New York City burden is a bit heavier, so that New York and the Federal Government are parallel as far as the amount of per capita debt service costs that have been imposed on their citizens.

The difference is that those in New York have both sets, and that is what I am really trying to do, forcing the politicians to give the people of New York an opportunity to get out from under the burden by reducing current spending and start paying the debt.

Mr. SYMMS. I thank the gentleman from Florida and I praise him for the job he has done here.

(By unanimous consent Mr. FISH yielded his time to Mr. GREEN.)

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Chairman, there have been repeated statements on the floor that New York's municipal workers are the highest paid in the country, and that seems to be the kind of myth that develops from constant repetition. It is not, however, true. The most recent study on this was published in December 1977 by the Program Planners, Inc., and it shows that, among 21 cities with a population of 500,000 or more, New York City ranks sixth in average total compensation, and that includes fringe benefits such as pension costs and health benefits as well as wages. When this is adjusted for cost of living, New York ranks ninth among the cities.

At hearings on this measure the distinguished gentleman from New York (Mr. CAPUTO) introduced Department of Labor data which again showed that in wages for comparable jobs New York City paid less than a number of other cities and in many categories less than the U.S. Government.

I urge Members to look at that record.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I still have this question about the inconsistency of U.S. dollars being used to guarantee loans all over the world through the World Bank as well as the loans made at no interest through the World Bank. There is an inconsistency.

I wanted to yield to the gentleman from California (Mr. ROUSSELOT) on this since he serves on the Banking Committee, and so he can tell us something about that.

Mr. ROUSSELOT. Mr. Chairman, the gentleman from Florida is correct.

There is a terrible inconsistency. I do not think two wrongs will make a right. It is a problem we face in this Congress all the time. The interest being charged to New York City is much more substantial than obviously that which is charged on loans that are made through our various international banks. So to that degree I think the officials of New York City are correct in saying they are being imposed upon in a more demanding way than the Congress requires of U.S. funds and guarantees contributed to international banks. In that point they are correct.

Mr. YOUNG of Florida. I thank the gentleman from California.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, first of all I would like to inform the gentleman from Missouri (Mr. BURLISON) that I did indeed vote for the farm bill that he was talking about, and I was not the only one in the New York delegation to do that.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I have only a few seconds.

Mr. PATTEN. Mr. Chairman, the first vote was only 150 Members and the President vetoed that farm bill, and when they came back with another farm bill, we all supported it.

Mr. MITCHELL of New York. I would like to thank the gentleman from New Jersey.

Mr. Chairman, I would like to also point out that the gentleman from Florida's statistics are in error at least in some respect. I have not had an opportunity to analyze them totally, but as far as the charge that New York City employees receive more than any other in the country, he is just not on target.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I think we can accede to the advice offered us by one of New York City's major newspapers yesterday editorially. If Members have not read it, let me impart one or two paragraphs to them. The Wall Street Journal says:

> What is mostly impeding the ultimate recovery of New York is the climate of unreality that envelops the city's government and most of its civic leadership. Even today they continue to believe that the city can continue to spend $1 billion a year more than it takes in, and con someone else into picking up the tab. Maybe this assessment is right, maybe the city can roll the Congress. For the long-term future of the city,

though, it would be far better if its public and private leaders were forced to face up to the realities of their problems, even if they cannot be made to do so by anything short of a bankruptcy crisis. If Congress does supply the monies to allow New York's leadership to live in its current dreamworld, the future of the city is permanent financial crisis, further humiliations as the federal guarantees are called in, and eventual status as a ward of the federal government, a sort of Indian reservation. It is scarcely a formula for resurgence, but a formula for decline.

The CHAIRMAN. The Chair now recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. MOORHEAD) for yielding to me and I am gratified that at long last this bill (H.R. 10426) has come before the House. As a member of the subcommittee chaired by my good friend, the distinguished gentleman from Pennsylvania (Mr. MOORHEAD), I want to commend the gentleman upon his leadership and persistence. We considered this matter very thoroughly, we heard from Federal, local, State, Government, bond people, labor people, public interest groups, the general public, and I think that the consensus of all, in terms of the economic importance of this bill in terms of the city of New York, in terms of this Nation and in terms of the State I represent is that this bill indeed needs to be enacted to assure economic stability.

I think we have a sound policy with regard to the ability of New York City's accountability. I think we have gone through the problems of the past, and with regard to the present decision before us, this bill envisions that the quality of leadership and the attitude that now exists will enable faithful, sensible performance of this legislative mandate. Progress has been made and hopefully will continue.

I have participated diligently in so many hours of hearings considering New York's financial predicament that I feel I know as much about the "Big Apple's" money woes as I do about St. Paul's and other communities.

The failings and the sins of New York City's past governments have been reiterated so often, they need to further repetition at this point.

What is more important is that under the leadership of our former colleagues, Hugh Carey and Ed Koch, the State and city governments, the financial experts, and the labor unions have performed a near miracle in putting together an extremely complicated system of agreements under almost impossible deadlines.

The stakes involved for our country are absolutely enormous and the international implications of New York City's financial recovery involve the very future of the free world.

The bill before us, I think, very realistically addresses the immediate problems of extending the Federal guarantee for the seasonal loan program initiated in 1975 for 4 more years. Up to $2 billion of New York City obligations with maturities of 15 years will be backed by the Treasury for another term of 4 years.

While it has been said often before, I do believe it needs to be reemphasized that the assistance program to New York City is not a "giveaway" and that by the end of this month the U.S. Treasury will not only have recovered all the administrative and interest costs involved in carrying out the purposes of the New York City Seasonal Financing Act of 1975 but will also gain a profit of almost $40 million.

H.R. 12426 is a tough and rigorous bill which has been drafted under the able direction of BILL MOORHEAD. It imposes hard conditions on the city to prevent it from slipping back into its old ways.

H.R. 12426 is a good bill which I believe will help New York City soon to get a "handle" on its own financial affairs to begin to recover its economic health.

I urge my colleagues to support the committee's bill.

● Mr. GOLDWATER. Mr. Chairman, I rise in opposition to H.R. 12426, the New York Financial Assistance Act of 1978.

Back in 1975, New York City asked for a "one shot" loan to bail them out of bankruptcy. But lo and behold, here they are again, asking for a renewal of their "one shot" aid. During the 1975 hearings, city and State officials promised to reduce expenditures, balance the budget and incorporate acceptable accounting principles. While there has been a 20 percent decline in the municipal work force since 1975, New York City's personnel costs have only declined by 1 percent. After 3 years, the city faces an optimistic budget deficit of $1 billion, for this figure does not provide for increased labor costs. Just keeping pace with the "cost of living" increases allowed under the wage freeze of the last 3 years will cost New York City hundreds of millions of dollars.

New York City is in trouble because it has failed to balance its budget and the American taxpayer should not be expected to subsidize this kind of irresponsibility. We should not be setting a precedent for other cities by giving aid to subsidize irresponsible budgeting.

As far as I can see, little has been done to encourage existing businesses to remain in New York City, or to encourage new businesses to come into the city.

Under this proposal, the American taxpayer is not only being asked to continue loans to New York City, but also they are being asked to subsidize the interest rates. In fiscal terms, there is no difference between this approach to New York City and our approach to funding of the International Monetary Fund, or similar activities.

In addition, it should be abundantly clear that the American taxpayer has had enough. My fellow citizens in California have clearly spoken, and it is my expectation that citizens in other areas of the country will be taking similar actions very soon. The time has come to draw the line and my constituents have clearly spoken, they want less Government, not more, and they do not want to subsidize interest rates on Federal loans.

Finally, in spite of the preceding statements, I want to make it clear that I believe my former colleague, and friend, Mayor Ed Koch is making an honest, sincere, and dedicated effort to correct the financial condition of this city. Given the situation he inherited he is in my judgment, doing well. Unfortunately, his presence and actions do not alter the basic problems I have with this proposal. Consequently, I will vote against the bill, and I urge my colleagues to do the same.●

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

TITLE I—EMERGENCY ASSISTANCE

DEFINITIONS

SEC. 101. For purposes of this title, the term—

(1) "city" means the city of New York;

(2) "State" means the State of New York;

(3) "Secretary" means the Secretary of the Treasury;

(4) "independent fiscal monitor" means an agency, board, or other entity authorized by the law of the State which has the authority to control the fiscal affairs of the city during the entire period for which assistance under this title will be outstanding and which authority the State has covenanted will not be repealed, invalidated, or otherwise substantially impaired during such period; and

(5) "financing agent" means any agency, board other State agency, or other entity authorized by the law of the State to act on behalf or in the interest of the city with respect to the city's financial affairs.

GUARANTEES

SEC. 102. (a) Upon the written request of the city and the Governor of the State, the Secretary may guarantee the payment, in whole or in part, of interest, principal, or both of obligations of the city or the financing agent in accordance with this title; but any such guarantee shall cease to be effective not later than fifteen years after the date of the issuance of the obligations involved.

(b) Whenever any obligation is guaranteed under this title, the Secretary shall assess and collect (annually or more frequently) from the obligor a guarantee fee computed daily at a rate of no less than one-half of 1 per centum per annum on the outstanding principal amount of such obligations outstanding. The Secretary may periodically escalate the guarantee fee in order to induce the obligor to enter the private market. All funds received by the Secretary in payment of such fees shall be paid into the general fund of the Treasury.

(c) If an obligation which is guaranteed under this title is sold, transferred, or otherwise disposed of (other than to a successor in interest of pursuant to a disposition not involving a change in beneficial ownership) other than by the issuer or by any person for purposes of resale as part of a distribution which sale, transfer, or disposition occurs within ninety days of the date of acquisition of such obligation by such person, the guarantee shall thereafter cease to be effective with respect to that obligation.

CONDITIONS OF ELIGIBILITY

SEC. 103. (a) The Secretary may make guarantees under this title only if—

(1) the Secretary determines that the city is effectively unable to obtain credit in the private market or elsewhere in amounts and terms sufficient to meet the city's financing needs;

(2) the city submits, with the approval of

the independent fiscal monitor, in such detail and in accordance with such accounting principles as the Secretary may prescribe, a plan for bringing its operating expenses into balance with its revenues for each of the first three full fiscal years of the city following the initial application for assistance under this title; and the city agrees to publish, after the completion of each fiscal year covered by the plan, an analysis reconciling its actual revenues and expenditures with projected revenues and expenditures; and the city agrees to publish periodic projections which reflect the impact of the plan on tax rates;

(3) the city submits, with the approval of the independent fiscal monitor, in such detail as the Secretary may prescribe and in accordance with generally accepted accounting principles, a plan for bringing its operating expenses into balance with its revenues for the fourth full fiscal year following the initial application for assistance under this title and for each fiscal year thereafter for as long as such assistance remains outstanding;

(4) the independent fiscal monitor demonstrates to the satisfaction of the Secretary that it has the authority to control the fiscal affairs of the city for the entire period during which assistance under this title will be outstanding;

(5) the Secretary has received assurances to his satisfaction that a substantial portion of the long-term borrowing needs of the city will be met through commitments from the State, an agency of the State, private sources, or through capital markets;

(6) the Secretary determines that there is a reasonable prospect of repayment of the obligations to be guaranteed in accordance with their terms and conditions;

(7) the city agrees to have conducted annual independent audits of its books to be done by independent public accountants for each fiscal year during which the Secretary may guarantee obligations under this title or during which any assistance provided under this title remains outstanding;

(8) the Secretary determines that the interest rate on the obligations to be guaranteed is reasonable, taking into consideration current average market yields for other obligations guaranteed by the United States; and

(9) the city agrees to comply with any other terms or conditions which the Secretary deems appropriate.

(b) Any determination by the Secretary that the conditions set forth in subsection (a) have been met shall be conclusive, such determination to be evidenced by the making of such guarantee or commitment to guarantee, and the validity of any guarantee so made shall be incontestable in the hands of the holder of such guaranteed indebtedness.

(c) Any term or condition provided for under paragraph (9) of subsection (a) may be modified, amended, or waived by the Secretary at any time.

LIMITATION ON THE AMOUNT OF GUARANTEES OUTSTANDING

SEC. 104. The authority of the Secretary to extend guarantees under this title shall not at any time exceed $2,000,000,000 in principal and accrued interest.

REMEDIES

SEC. 105. (a) The Secretary shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this title. Any sums recovered pursuant to this section shall be paid into the general fund of the Treasury.

(b) The Secretary shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this title, and upon making any such payment, the Secretary shall be subrogated to all the rights of the recipient thereof.

(c) Notwithstanding any other provision of law, the Secretary shall provide for the withholding of any payments from the United States to the city or State which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the Secretary may have against the city or State pursuant to this title.

(d) The remedies prescribed in this title shall be cumulative and not in limitation of or substitution for any other remedies available to the Secretary or the United States.

(e) With respect to any debt of the United States arising under this title, for the purposes of section 3466 of the Revised Statutes (31 U.S.C. 191), the term "person" shall include the city and any financing agent.

INSPECTION OF DOCUMENTS

SEC. 106. At any time a request for a guarantee is pending or an obligation guaranteed under this title is outstanding, the Secretary is authorized to inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of the city or any financing agent relating to the city's financial affairs.

AUDITS

SEC. 107. The General Accounting Office is authorized to make such audits as may be deemed appropriate by the Comptroller General of all accounts, books, records, and transactions of the city and any financing agent. No guarantee may be made under this title unless and until the city and any financing agent agree, in writing, to allow the General Accounting Office to make such audits. The General Accounting Office shall report the results of any such audit to the Congress.

REPORTS TO CONGRESS

SEC. 108. Within three months after the date of enactment of this title, and at six-month intervals until June 30, 1982, and thereafter at twelve-month intervals, the Secretary shall transmit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a reporting containing a detailed statement of his activities under this title.

TERMINATION OF AUTHORITY

SEC. 109. The authority of the Secretary to make guarantees under this title terminates on June 30, 1982. Such termination does not affect the carrying out of any contract, guarantee, or other obligation entered into pursuant to this title, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying out operations under this title, except that no commitment to guarantee any obligations under this title shall be effective after such date.

AUTHORIZATION

SEC. 110. (a) There are authorized to be appropriated to remain available without fiscal year limitation such sums as may be necessary to carry out this title.

(b) Any other provision of this title to the contrary notwithstanding, the authority of the Secretary to make any guarantee under this title shall be limited to such extent or amounts as are provided in advance in appropriation Acts.

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, I ask unanimous consent that further reading of title I be dispensed with, that it be printed in the RECORD, and that title I be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. MOORHEAD OF PENNSYLVANIA

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD of Pennsylvania: Page 9, line 2, insert "beginning October 1, 1978, and" immediately after "appropriated".

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, my amendment is a technical amendment to bring the bill H.R. 12426 into conformity with the provisions of the Budget and Impoundment Control Act of 1974. As the bill is written now, section 110(a) would authorize appropriations upon enactment of this legislation. This would violate section 402(a) of the Budget Act. By providing, through my amendment, that appropriations would be effective October 1, 1978—that is, in fiscal year 1979—the bill will be in conformity with the provisions of the Budget Act.

Mr. Chairman, some Members have expressed the concern that this will make this legislation noneffective. I have received a letter from the Secretary of the Treasury saying in effect this will not cause any difficulty. He says:

Section 110(a) deals solely with the availability of appropriated funds to make payments under guarantees that have been issued, not with the ability of the Secretary to issue guarantees in the first instance.

Mr. Chairman, I have also received a letter from our distinguished colleague, the gentleman from Connecticut (Mr. GIAIMO) who is the chairman of the Committee on the Budget, and he says:

It is imperative to emphasize, however, that the Moorhead amendment will in no way impair that ability of the United States to guarantee and the City of New York to issue obligations prior to October 1, 1978. The amendment would merely provide that in the event of a default on a guaranteed obligation, the appropriation to pay holders of the obligations would not be made until FY 1979 at the earliest. Since no obligations guaranteed under H.R. 12426 are scheduled to mature prior to October 1, 1978, this restriction should not prove to be a substantial problem.

Mr. Chairman, I agree with the construction placed on this amendment by both the Secretary of the Treasury and the chairman of the Committee on the Budget.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I am happy to yield to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman, I thank the gentleman for yielding and I would add that the minority side certainly concurs in what is a technical amendment, after checking with the Committee on the Budget, as I understand it, and as I say, we concur in the amendment.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman for his remarks.

The CHAIRMAN. The question is on

the amendment offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The amendment was agreed to.

The CHAIRMAN. Are there additional amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

Sec. 201. Taxability of certain federally guaranteed obligations.

(a) CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.—Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.—Any obligation—

"(1) which is issued after the date of the enactment of this subsection, and

"(2) the payment of interest or principal (or both) of which is guaranteed in whole or in part under title I of the New York City Financial Assistance Act of 1978 (as in effect on the date of the enactment of this subsection),

shall be treated as an obligation not described in subsection (a)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

Mr. RANGEL (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment:

Page 9, strike out line 19 and all that follows down through line 4 on page 10 and insert the following:

(f) CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.—Any obligation the payment of interest or principal (or both) of which is guaranteed in whole or in part under title I of the New York City Financial Assistance Act of 1978 shall, with respect to interest accrued during the period for which such guarantee is in effect, be treated as an obligation not described in subsection (a).

Mr. RANGEL (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANGEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, title II is the only section of the bill that the Committee on Ways and Means had jurisdiction over, and it merely removes the tax exemption from any obligations that are offered by the city or the State of New York during that period of time that the guaranteed lock took place. As most of the Members know, local and State, municipal and State bonds are considered tax-exempt, but it was the feeling of the Committee on Banking, Finance, and Urban Affairs, as well as the members of the Committee on Ways and Means, that to have both a guarantee as well as a tax exemption would provide a special type of bond that was not the intent of the legislature to have. So any interest or payment that accrued during the guarantee period would be considered as taxable. In addition to that, the committee prohibited the sale of these guaranteed bonds to the Federal Financing Bank because it was not the intention of the Committee on Ways and Means that this paper, other than the Federal paper, be purchased by the Federal Financing Bank.

All outstanding obligations or bonds to be issued by the city of New York or the State of New York on behalf of the city of New York that have not received the guarantee, the income or the principal would be considered as tax-exempt, and it is the feeling of the Secretary as well as the chairman of the Commitee on Ways and Means and the Chairman of the Committee on Banking, Finance. and Urban Affairs that no guarantees will lock into place until after the enactment of this legislation.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment:

Page 10, after line 11, insert the following:

(b) OBLIGATIONS MAY NOT BE ACQUIRED BY FEDERAL FINANCING BANK.—Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire any obligation the payment of interest or principal of which has at any time been guaranteed in whole or in part under title I of the New York City Financial Assistance Act of 1978.

The CHAIRMAN. Does any Member desire to speak on the committee amendment?

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Does the gentleman from California rise in favor of or in opposition to the committee amendment?

Mr. ROUSSELOT. I rise in favor of the amendment.

Mr. Chairman, though I favor the amendment I take this time to ask an additional question. My colleague, the gentleman from New York (Mr. GREEN), who has been a very active member of the Committee on Banking, Finance, and Urban Affairs to try to bring some understanding to the committee on the problems faced by New York and the reasons for the guarantees, on June 8 was nice enough to send an informative letter to House Members because we had not been able to obtain what we thought were adequate answers relating to the recent wage settlements that were reached earlier this week in New York City.

I realize that as the gentleman from New York (Mr. GREEN) has said, it is a very complicated settlement. Let me review portions of Mr. GREEN's letter:

WASHINGTON, D.C., *June 8, 1978.*

DEAR COLLEAGUE: A number of Members have asked me about the New York City wage settlements reached earlier this week. The settlement is a complicated one, and I thought it might be helpful if all Members are aware of its terms, since it has been widely misrepresented.

The following is the information that the City has furnished me regarding the settlement:

1. On October 1, 1978, there will be a 4% pay increase, except that those earning less than $10,000 get a flat $400.

2. On October 1, 1979, there will be a further 4% pay increase, except that those earning less than $10,000 get a flat $400.

3. There is no cost-of-living allowance.

4. There is a "bonus" of $750 per year. Of this, $672 per year equals what employees will have earned this fiscal year under the cost-of-living allowance provision in the current contract, which is based on changes in the cost-of-living in the last 24 months. In the final quarter of the current fiscal year, the cost-of-living allowance is at an annual rate of $882, and arguably the $750 represents a reduction from current pay levels. In any event $672 of the $750 clearly is money that an employee earned this year and only $103 exceeds this year's earnings. On the basis of a base pay of $16,000, this increase is an increase of sixty-four hundredths of 1%. The purpose of keeping the $750 as a "bonus" instead of adding it to base pay is that it is not included in calculating pensions.

5. Past cost-of-living allowances that have been accrued but not paid will be paid promptly.

6. Each employee's wage base will be adjusted to reflect a pre-financial crisis cost-of-living allowance of $441 instead of higher or lower amounts actually paid, effective October 1, 1979. It will cost the City $10 million per year. This could be viewed as an average wage increase of 2/10ths of one percent.

* * * * *

Sincerely,

S. WILLIAM GREEN,
Member of Congress.

I have quoted most of the Green letter.

So my questions relate to parts of the agreements which appear to be in conflict.

"In point (3) it says there will be no cost-of-living allowance."

Then down "in point (5) it says that the past cost-of-living allowances that have been accrued, but not paid, will be paid promptly."

So since the Federal Government has been asked to guarantee part of these wonderful wage negotiations, who can tell me what the cost of those is? I understand it is for 2 years. What will those past cost-of-living increases cost? Who from either New York City or the staff, or wherever we get our information, what will that cost the people of New York and the potential guarantors, the United States Treasury, of this little item that is kind of snuggled in there? Can anyone answer that?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am glad to yield to the distinguished subcommittee chairman.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, the figure the gentleman is asking for the 2-year period is $757 million.

Mr. ROUSSELOT. $757 million?

Mr. MOORHEAD of Pennsylvania. Yes.

Mr. ROUSSELOT. Do I understand these contracts were really so carefully negotiated that the negotiators allowed $750 million, for 2 years of "past cost-of-living" allowances?

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Chairman, I would like to point out that the item just mentioned by the chairman is not a new cost for the city, but replaces a prior contractual obligation and if continued for this new 2-year period, would cost the city $411 million. The gentleman should take that into consideration in looking at the larger figure.

Mr. ROUSSELOT. Does the gentleman mean it would be $411 million more?

Mr. RANGEL. No, $411 million less. The $411 million was already included. It would have cost that without any increase.

Mr. ROUSSELOT. I see; so the $750 million figure is a total dollar cost including the $411 million to which you refer?

Mr. RANGEL. It is a past contractual obligation that could not have been broken by the city of New York.

Mr. ROUSSELOT. Were these contracts so tightly drawn that there was no way in negotiations to have eliminated these past cost-of-living increases? I thought they were sacrificing, these poorly underpaid New York City employees.

Mr. RANGEL. What could be sacrificed, obviously, the negotiators did; but there are certain legal obligations that could not be just forfeited.

Mr. ROUSSELOT. I understand it was a contractual problem, but could not these past cost of living allowances have been negotiated out?

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I would like to point out to the gentleman in the well that the difference between the $750 million and the $1.1 billion that I referred to when I was in the well is going to be made up by the State, so that city employees will get the $1.1 billion; but part of that will be made up with State aid, so the $1.1 billion is correct.

Mr. ROUSSELOT. Does the gentleman mean that part of the cost-of-living allowances for the past will be covered by the State?

Mr. KELLY. Part of the $1.1 billion pay raise package that was just negotiated will be paid by the State of New York.

Mr. ROUSSELOT. Including the past cost-of-living expense?

Mr. KELLY. Well, the exact breakdown on that is not known to me.

Mr. ROUSSELOT. It is still fuzzy?

Mr. KELLY. I do not have that set of books.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, in connection with that past cost-of-living allowance, the fact of the matter is that Mayor Koch said that the employees were not, in fact, entitled to it, because that contract ran out at this juncture.

Mr. ROUSSELOT. Does the gentleman mean in the future time frame?

Mr. BIAGGI. That is right. He said the obligation only ran for the duration of the contract.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(At the request of Mr. BIAGGI, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield further?

Mr. ROUSSELOT. I am glad to yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, that was the point of contention. The mayor said that that past cost-of-living which was deferred had expired with the contract.

The employees said no, that that was an obligation the city had deferred and had not fulfilled.

That was the one critical factor that delayed the settlement negotiations. The net result was that matter has been sent to arbitration.

Mr. ROUSSELOT. So the past cost-of-living allowance issue is not finalized?

Mr. BIAGGI. It is not finalized yet. The mayor's position was very firm and was one on which we agreed. Hopefully, the proper steps will be taken, and arbitration will finally settle that matter.

Mr. ROUSSELOT. So Mayor Koch's position was that these past cost-of-living allowances not be paid?

Mr. BIAGGI. That is right.

Mr. ROUSSELOT. And it will be determined in arbitration?

Mr. BIAGGI. That is right.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's explanation. It makes more sense in light of that explanation.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the committee amendment.

Mr. Chairman, I have been listening to the debate on H.R. 12426 and sense the concerns Members have with this difficult issue. We have all received a lot of correspondence about the bill, and I have met with Governor Carey of New York State, Mayor Koch, Perry Duryea, minority leader of the New York House of Representatives and other officials interested in the financial welfare of New York City. This question was not an easy one when it faced us in 1975, and it is not easy now.

I think those who have worked diligently on behalf of New York City deserve recognition for their dedication and sincere efforts. Specifically, I would like to commend the gentlemen from New York (Mr. GREEN and Mr. CAPUTO), for their tireless work in representing the interests of their constituents and all residents of the city of New York. Other members of the New York delegation, as well as the members of the Banking, Finance, and Urban Affairs Committee deserve recognition for their hard work on a difficult problem.

Mr. Chairman, I thank the gentleman from Ohio (Mr. STANTON), the ranking minority member of the Committee on Banking, Finance, and Urban Affairs, is as good a friend as any that the city of New York has. He has addressed himself diligently to this problem, with the idea of trying to do the very best we can at the Federal level and with the facilities we have to save New York City from bankruptcy.

In 1975, with the gentleman from Ohio (Mr. STANTON), I supported the seasonal loan bill, because I was convinced it was essential in order to help New York City prevent bankruptcy and to correct its fiscal problems. I stated then that that approach was as far as I was willing to go in support of New York or any other city. Even so, I recognize that New York City has come a long way in addressing its financial problems. It has not solved them, but the city has addressed them. The city has made recognizable sacrifices and made some headway in its efforts to solve its difficult financial problems. Throughout the period of the present act, New York City has never been in arrears in its payments, and not only was the Federal Government repaid promptly but it even made a profit of over $30 million from interest paid by the city.

Even though New York City has made progress toward fiscal stability it still lacks direct access to the private credit market, an essential element in regaining control of its finances. Based on both its progress and remaining need, I support an extension of the current seasonal loan program.

I have discussed the matter with our ranking minority member on the committee—the gentleman from Ohio (Mr. STANTON)—and agree with his announced intention to offer such an extension in a motion to recommit with instructions. The instructions would call for a phased 3-year extension ($2.1 billion in fiscal 1979, $1.5 billion in fiscal 1980, and $800 million in fiscal 1981). I intend to vote for the motion to recomit with instructions and urge all my colleagues to support it.

I believe it is important for New York City to be able to get back into the private credit market if it is ever to regain control over its fiscal affairs. In addition, I believe it is essential that we minimize Federal involvement in long-term State and municipal responsibilities. In my view the Stanton "phased extension" of the seasonal loan program provides the best opportunity to achieve these two goals.

Mr. Chairman, I urge all Members of the House to support the Stanton motion to recommit with instructions.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to ad-

dress a question to the distinguished minority leader.

If the motion to recommit does indeed fail, is it the intention of the minority leader then to vote against the bill?

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the minority leader.

Mr. RHODES. Mr. Chairman, if the motion to recommit succeeds, then I would, of course, vote for the bill on final passage. If the motion to recommit fails, it is my present intention to vote against the bill as reported.

Mr. BAUMAN. Mr. Chairman, I do appreciate that response, because I think it is important that our party stand for fiscal responsibility, particularly in the wake of the votes in the primaries of last Tuesday which gave a very clear message to the country. I think the gentleman from Arizona (Mr. RHODES) is correct, that the motion to recommit is at least preferential in many Members' minds to the bill itself, but I believe the motion to recommit and the bill should both be defeated. After all, the motion to recommit simply continues the present New York City loan law in effect and most of us have opposed that from the beginning in 1975.

I would hope that our party would not provide the margin of victory for legislation which runs counter, I think, to the principles of good economics and good government.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read the last committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 19, strike out "(b)" and insert "(c)".

The committee amendment was agreed to.

● Mr. RICHMOND. Mr. Chairman, I rise in support of the New York Financial Assistance Act. As a New York City Representative and as secretary of the New York congressional delegation, I am sure this action will come as no surprise to anyone.

However, I remind my colleagues that on April 24, I and many of my urban colleagues rose in support of the Emergency Agricultural Credit Act, a measure that provided a $4 billion package of guaranteed loans to help prevent bankruptcy for over 50,000 family farmers.

That measure passed this House overwhelmingly because of close cooperation between urban and rural Members of Congress. Passage of the New York City financial assistance bill, like passage of the Emergency Agricultural Credit Act, will require the continued cooperation of what has become known as the urban-rural coalition.

In April both urban and rural representatives recognized the intense, short-range pressures that are making economic survival difficult for the producers of such commodities as cotton, wheat, and corn, and we moved in a responsible way to assist them.

Now, we have an obligation to recognize similar pressures—often emanating from the same causes—that are making economic survival difficult for our Nation's greatest city, and to take a similar, responsible action to provide necessary assistance.

Like the farmers, our urban communities, too, have sacrificed. In New York City, we have cut services to the bone, closing firehouses, reducing police protection, and curtailing free admission to our City University in order to reduce our operating budget. We have implemented a $16 million expense control system and reduced our work force by 60,000 employees.

If there are two groups of tough, independent, resourceful, and optimistic people to be found in this Nation they are farmers and New Yorkers. Neither group is asking for "handouts" but both are asking for a fair and equitable "handup," to assist them over a period of short-term adversity.

The Federal Government—and we, Members of Congress from urban and rural America—have the ultimate responsibility of assuring the continued survival of both family farmers and the people of New York.

The New York City Financial Assistance Act provides the same kind of assistance that we provided for family farmers—loan guarantees coupled with strict fiscal accounting, a balanced budget, and a regular repayment schedule.

We responded positively to the hard-working men and women who left their tractors, plows, and combines to come to Washington to plead their case. We must now respond to the hard-working men and women from the factories, stores, and offices of New York. I urge my rural colleagues to join me in wholehearted support of this important piece of legislation which will help prevent bankruptcy of New York City at no risk to the Federal taxpayers.●

● Mr. LENT. Mr. Chairman, I rise in support of H.R. 12420, the New York City Financial Assistance Act of 1978, which will give New York City the time it needs to put itself back on sound financial footing. I want to particularly urge my colleagues to vote against the motion to recommit offered by the gentleman from Ohio (Mr. STANTON). This motion is designed to substitute an extension of the 1975 "seasonal loan" program for New York City, in lieu of the long-term $2 billion loan guarantees provided for in H.R. 12426.

There are several reasons why a seasonal loan is not a workable alternative to the long-term guarantees:

First. Seasonal loans require the U.S. Treasury to go out and borrow the funds; the guarantee avoids this step and permits outside investors to make the loans. The guarantees are fully secured.

Second. Seasonal loans mean the city will probably be back here again in 2 or 3 years, seeking another renewal; the guarantee permits putting together a comprehensive plan for financial rehabilitation of the city, with a long-term restructuring of its indebtedness according to a rational schedule.

Third. Seasonal loans will not permit the city to make much needed capital improvements; the guarantee will enable the city to make long overdue capital improvements to its deteriorating roads, subways, schools, and sewer systems.

Fourth. Most important, a seasonal loan will do nothing to aid the city to market its own securities; the State and city pension plans are committed to purchase securities if backed by the Federal guarantees.

In short, enacting a seasonal loan is like providing an aspirin for a sick patient who desperately needs antibiotics. It is the wrong remedy for the malady and will leave our Nation (and Congress) with a still-sick New York City 2 or 3 years down the road.

New York City deserves this assistance. Since 1975, the city's work force has been reduced by 20 percent of its 1975 level; welfare roles have been reduced from over 1.2 million persons in 1972 to 931,-600; subway fares have been increased by 42 percent; and tuition fees have been instituted at City University, to name a few. The city's 4-year financial plan submitted to the U.S. Treasury estimates that, with the Federal loan guarantees, the city can become financially self-sufficient by fiscal 1982.

We are all aware that the consequences of default would be severe for the Nation and would have international repercussions. Further deterioration of the dollar's value in foreign money markets could result.

Furthermore, the loan guarantee program—far from costing the Federal Government money—will probably turn a profit. The Treasury has already made a $30 million profit from assisting New York City in 1975, and the Federal loan guarantee program we are considering today could provide the Federal Government with as much as $10 million a year in profits from guarantee fees.

If the Federal Government can provide $324 billion in loan guarantee programs for such projects as Washington, D.C.'s subway and R.F.K. Stadium, it certainly should be able to provide the continued assistance which New York City needs and deserves.

Please vote down the motion to recommit and support the committee bill.●

● Mr. KASTENMEIER. Mr. Chairman, as legislators attempting to set policy on an issue which is highly personal for those directly affected and highly emotional for those who feel strongly on one side of the issue or the other, we bear a great responsibility.

I am certain that each and every one of us has devoted a great deal of time and consideration to the question of what responsibility the Federal Government has to provide access to abortions for those who otherwise would not be able to afford them. Each of us has given considerable thought to this issue in an attempt to legislate in a manner which we believe is in the best interests of those affected. Certainly I have deliberated long and hard over this controversial matter.

Since the 1973 Supreme Court decision, I have polled my constituents on four separate occasions on the abortion issue. I have attempted to cover all aspects of the issue over the years. In each case, a majority of the respondents

indicated support for abortion under some circumstances. This year I asked my constituents specifically whether the Federal and State governments should provide medicaid funds to help cover the costs of an abortion for women who otherwise would not be able to afford one. A minority of 37 percent opposed such assistance, while 34 percent support such aid without restrictions, and 29 percent supported funding with certain restrictions.

I have opposed unreasonable restrictions on the availability of abortions. My opposition to legislative restrictions does not mean that I advocate indiscriminate abortions, nor does it mean that I support the use of abortions as a standard form of birth control. It does mean that I strongly believe this should be a woman's personal decision and I do not believe that any of us has the right to impose our values on the many women whose lives are affected by any legislative restrictions we enact.

I supported the language finally adopted last year which provided that funds could only be used for abortions when the mother's life is endangered, "where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term, when so determined by two physicians," and for "medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service."

It was clear that this was the best we could do after 5 months of heated debate over the issue. It was also clearly preferable to the original restriction proposed which would have allowed medicaid funding only when the life of the mother would be endangered if the fetus were carried to term. Yet, today we are faced once again with that highly restrictive language in the bill currently under consideration.

Despite the Supreme Court decision in 1973 granting women the right to an abortion, the restrictions proposed by the committee bill essentially would mean that we would be promoting a dual system of "equal protection" under the law—one for those who can afford the right and another for those who cannot. The court has granted women the "right," but the committee language would have the effect of severely restricting access to that right for some.

Middle-class and wealthy women would have access to abortions in the case of rape or incest. Poor women who must rely on medicaid funds would not.

Middle-class and wealthy women would have access to abortions where the mother's life would be forever marred, where a woman would be maimed or crippled if she had to give birth. Poor women who need financial assistance would not.

We must recognize the fact that, even if we presumed to enact legislation to ban abortions outright, they would still take place. The difference is that those who could afford to would go where they are legal, as they did before the Supreme Court decision. And, those who could not afford to, would resort to back-alley abortions and increased risks of death or severe physical harm. At least by providing financial assistance, women have access to safe medical treatment and face far less or a risk of life and health.

It is because I respect and revere life and cannot justify the double standard which I have just outlined that I have opposed and will continue to oppose the severe limitations on Government funding which would cause thousands of women to face life-threatening illegal abortions. I hope, at the very least, we will retain the language which is current law.●

● Mr. GARCIA. Mr. Chairman, I have been troubled throughout the debate on this bill at certain allegations that have been made by my colleagues about the role of the State in assisting the city in solving its financial problems. It is extremely unfortunate, but even our most articulate and well prepared Governor, our former colleague, Hugh Carey, our State's legislative leaders, and the most knowledgeable and responsible head of the Emergency Financial Control Board, Felix Rohaytn, a banker from the private sector, have not been able to break through the wall of misinformation that some of our colleagues have perpetuated on the help that the State has given the city.

As many of you know, before I joined you in this body I served in the State legislature for 13 years. For the past 3, until my election to Congress, in other words during the entire time the city has been suffering its problems—I served as deputy minority leader of the State senate, and was personally responsible for developing and ferrying through much of the legislation that has been of assistance to the city. Included among that legislation were increases in State aid to the city, the establishment of the Emergency Financial Control Board, the establishment of the Municipal Assistance Corporation (Big MAC), State assumption of 75 percent of the cost of the City University, 50 percent State assumption of city court costs, and many advances of funds before they were due in order to close cash flow gaps. The details of just how much help the State has given the city can best be detailed in this excellent report prepared by the office of the Governor:

ACTIONS TAKEN BY NEW YORK STATE TO HELP SAVE NEW YORK CITY

In order to help save New York City from fiscal default, the State of New York has taken extraordinary action in a number of significant areas during the past three years:

1. The State used its access to credit markets during the period to finance over $3.3 billion of special advances to the City, without which the City would have been unable to pay its employees' salaries and its other obligations.

In its 1975–76 fiscal year, the State made the following special advances on behalf of the City:

Welfare aid, $720 million.
Education aid, $177 million.
Miscellaneous, $23 million.
Loans, $750 million.
Motor fuel taxes, $15 million.

In its 1976–77 fiscal year, the State undertook the following additional advances:

General advances, $800 million.
Motor fuel advances, $15 million.

In the current State fiscal year, the following additional advances were provided:

General advances, $800 million.
Motor fuel taxes, $15 million.

2. The State also provided additional aid, accelerated reimbursement to New York City, and assumed the costs of certain functions formerly performed by the City.

To assist the City University of New York, the State:

Advanced $24 million in State fiscal year 1976–77.

Picked up an additional 25% of Senior College operating expenses for the City University of New York ($54.3 million in City fiscal year 1977–78).

Increased the State's Tuition Assistance Program (TAP) which provides approximately $45 million or one-third of the total tuition received by the City University of New York during the City fiscal year 1978.

Proposed to increase its contribution to the City University Construction Fund from the present 50% level to 75% in City fiscal year 1979. This would save the City an estimated $10 million annually.

To assist the City in meeting its mass transit expenses, the State:

Advanced a $53.5 State operating assistance payment to the Transit Authority in State fiscal years 1975–76 and 1976–77.

Approved a "stretchout" of portions of City matching funds.

Provide a $45 million bridge loan from March 1975 to March 1976.

Participated in the "Beame Shuffle" by absorbing 45% of approved Transit Authority capital construction costs. Projects totaling $204.5 million have been approved thus far.

To assist the City pay its court costs, the State assumed an extra $15 million in the current City fiscal year, and will pick up an estimated $40 million in City fiscal year 1978–79.

The Executive Budget contains proposed modifications to the State's basic education aid formula. As a result of these modifications, the City could receive an estimated $54 million in additional aid in City fiscal year 1978–79.

In Social Services, the State has instituted a broad cost containment program in both public assistance and Medicaid which the City included as a significant component of its financial plan.

In other areas:

The State will share 50% of the loss of revenue from a phased reduction of the impact of the State Stock Transfer tax. When the program is complete the State's share could amount to as much as $120 million annually.

The State assumed the administration of the City's personal income tax saving the City an estimated $10 million.

The State is passing approximately $54 million of its share of Federal Countercyclical revenue sharing funds through to local governments. During the current State fiscal year, the City will receive approximately $34 million of these monies.

The State led a nationwide effort to obtain settlements for outstanding claims under the Federal IV-A and XVI programs. Assuming timely Congressional action, the City may receive as much as $51 million in Federal reimbursement because of the State's efforts.

Beginning in July of 1978, the State will prefund 80% of mental hygiene claims. This will result in in a one-time cash payment of approximately $32 million for old claims in City fiscal year 1979 and lead to an improved cash flow for the City thereafter.

The City cash flow position will also benefit from the State's takeover of the Medicaid claims processing function in City fiscal year 1979. The takeover is made possible by the

State's new Medicaid Management Information System.

Legislation is pending to permit the use of certain information relating to employee wages. This data will be cross-checked against social security numbers of welfare applicants and recipients. The City estimates such action will produce a savings of $2 million initially in City funds during City fiscal year 1979 and as much as $6 million annually thereafter.

Mr. Chairman, as you can see, the State's commitment is firm. It has been consistent, it has been large in dollar terms. And it is continuing. You may be certain, as I am, that the State's commitment will not flag, and that help will continue to be forthcoming.

I know, from my own experience, that the legislature of New York—and it does reflect the wishes of the State's citizens—has the good sense to know that helping New York City is helping their own localities as well. This is an argument that we use nationally, but it is equally true at home as well—if New York goes, Buffalo, Syracuse, Binghamton, Yonkers, and places you never heard of like Horseheads and Elizabethtown will suffer the devastating effects of that bankruptcy. And for a change, our regional differences within the State have been buried beneath our common struggle to save the city.

And I recommend their example to you in this body. Earlier in my remarks I indicated that I served as deputy minority leader. That is because, as many of you know, the State Senate in New York is Republican-controlled, while the assembly is Democratic in makeup. Yet all the help that New York has gotten has been a truly bipartisan effort. My former colleague, Warren Anderson, the majority leader of the State Senate, who is from Binghamton, represented in this body by Matt McHugh, fought as hard as any New York City member of that body for the aid that New York needs, as did Perry Duryea, the Republican leader of the State assembly.

Aid to New York is not a Democratic issue, it is not a Republican issue, it is not something that affects only cities, or does not affect suburbs and rural areas. Others have said that it even has international ramifications. And that is true as well. But, if I may use the phrase that someone else so aptly coined, if we do not hang together, we will all hang separately. I hope my colleagues really understand that, and will join with me in sending a strong message to the Senate that the people of this country do care about New York. For it is not only my town, but it belongs to all America.●

● Mr. BINGHAM. Mr. Chairman, as a New Yorker I take pride in the broad support my city has gained throughout the Nation in the 3 years since our battle to enact the New York City seasonal loan legislation of 1975. In that year the House was very reluctant to enact any New York aid. The city teetered on the brink of bankruptcy and it was only at the last minute that the Republican President and the congressional leadership were able to agree on legislation to prevent a New York bankruptcy.

It is different this year, as I know from many talks I have had with non-New York House members. The House is ready to enact long-term New York aid, and by a big margin. The Senate is divided, due mainly to Senator PROXMIRE's opposition. The Democratic President, however, is very much behind the effort to prevent bankruptcy. He is redeeming his campaign pledge to never tell the Nation's greatest city to "drop dead."

The President's commitment to New York City aid should make a telling difference but the most important difference between this year and 1975 is that this time New York's advocates can point to 3 years of sacrifice and unprecedented belt-tightening on the part of New York's people. In 1975 we could argue that New York's long history as the Nation's No. 1 city had earned it such consideration as was offered in the seasonal financing act. This year we can point to the record of sacrifice by New Yorkers since 1975 as testimony that New York City has earned long-term Federal loan guarantees.

As a great New York Governor, Al Smith, used to say, "Let's look at the record."

Since 1975 New York City has reduced its work force by 21 percent or 61,000. Tuition has been imposed for the first time at the City University. There has been a 40 percent increase in the subway fare to 50 cents. Fringe benefits for city employees have been reduced by $41 million. Twenty-five fire companies have been shut down. Seventy-seven day care centers have been eliminated. Hundreds of libraries have either closed or curtailed their hours. New York City has relinquished its autonomy in financial matters to a State control board. As a result, a balanced budget is within reach.

There are those who say that New York City has not done enough. They just do not know what they are talking about. Every fire company that closes; every policeman who is not hired; everyday care center that disappears; every park that is allowed to deteriorate—all these contribute to human suffering in New York City. "Budget cuts" is a cold term. But let none of us ever forget that behind every so-called "cut" are the pain and tears of human suffering. A closed library in the Bronx may sound insignificant in the context of a huge budget deficit, but for the elderly woman in my district whose only recreation was her weekly walk to "her library," it is everything. In these last 3 years all New Yorkers have sacrificed at least a little and millions have suffered. What more can be asked of our city?

We have before us today a bill which would provide a Federal guarantee of up to $2 billion in loans. This guarantee will permit New York to refinance its debt and will hopefully result in New York's return to the private lending market for financing. The loan guarantee will cost the Federal Government nothing. The bill requires the city to pay a guarantee fee of at least one-half of 1 percent of the principal of the guaranteed obligation. The result of this requirement will be a profit for the Treasury. (It should be noted that the Treasury has already made $40 million from the Seasonal Loan Act.) It is, therefore, hard to understand how some people can call this bill a New York "bailout" by which New York will get something for nothing. That is just not true.

Mr. Chairman, I urge all my colleagues to vote for this bill. It is not a "bailout" and it is not a giveaway. It is rather a recognition of New York City's 3 years of sacrifice and of the incontestable fact that New York City's financial future is important to the entire Nation.●

● Mr. HAGEDORN. Mr. Chairman, I rise in opposition to H.R. 12426 to provide further assistance to New York City. This bill would provide $2 billion in loan guarantees to New York City for up to 15 years, as well as shorter term guarantees to meet "seasonal" needs.

This comes only 2 years after Members of this body were assured that $2.3 billion in seasonal loans approved at that time were to be a one-shot effort at putting New York City back on its feet. This comes only 2 years after this body was assured that guarantees to New York City would not become a perpetual line item in the Federal budget.

If there were evidence that New York City has been making reasonable progress in eliminating the conditions accounting for its sorry financial state, or that there was some light at the end of the Federal assistance tunnel, I would not be totally opposed to helping tide the city over its difficulties. It is true that, in the eyes of much of the world, New York City represents and symbolizes the United States.

This has not been the case, however. Despite the claims of the proponents of this bill, New York City has not tightened its belt. It has not come close to balancing its budget. Its employees remain the most highly paid in the Nation. Featherbedding work rules are common with its unions. It continues to provide countless services reserved, in other cities, for the private sector. And its taxes, which are the highest in the Nation, continue to drive out the city's dwindling productive sector, while levels of welfare and transfer benefits continue to attract the Nation's nonproductive.

By passing this legislation, Washington is going to be doing the same thing for New York City that it has done, through its foreign assistance programs, for numerous foreign governments—foster its dependence upon Washington for continued sustenance, and allow it to evade and avoid responsibility for making the difficult decisions that need to be made. So long as Washington underwrites the obligations of New York City, it is as near a certainty as anything can be in politics that the city will not come to grips with the true nature of its problems.

Even today, I see correspondence from supporters of this legislation who suggest that the city's major shortcoming has been its willingness to assist the poor and the underprivileged of the world. Our distinguished and respected majority

leader has stated in support of this bill that—

> Members of Congress from New York City have consistently supported progressive measures to help the rest of the country. . . . Now it is our turn to reciprocate. To turn our backs on America's largest city . . . would be ungrateful.

New York City and its defenders still refuse to recognize that the errors of its ways are not primarily errors of the heart, but that they are errors of the mind. The errors are not that the city was too concerned with expanding a compassionate hand to those in need, but that it was not concerned enough with economics, balance sheets, and budgets.

Mr. Chairman, I also take particular issue with those who have repeatedly suggested that this will cost the taxpayer nothing and, indeed, that the Federal Government has profited by the interest payments on the $2.3 billion "seasonal" guarantee. It is this type of economic nonsense that has created the fiscal crisis in New York City, and that is harming the entire Nation as well.

The billions of dollars that will be encouraged to invest in New York City bonds as a result of H.R. 12426 are all dollars that would otherwise have been allocated to far more productive purposes in the free market. They are dollars that would have been used to purchase new machinery, erect new plants, pay for new homes, create new jobs, and, ultimately, have contributed to a broader tax base. This guarantee is costing the taxpayer and the country just as much as if it had been a simple $2.3 billion handout to the city.

In passing, I would also like to mention my great concern for the constitutional implications of this bill. Among the terms of the guarantee are the establishment of an independent fiscal monitor for the city, and annual auditing by outside sources of its books. In time, other conditions are certain to be attached. Rather than involving the Federal Government in the day-to-day operations of one of the cities of the States of this Federal Government, I believe that bankruptcy might be the preferable alternative.

The precedent that would be set by this is ominous. What happens the next time Philadelphia or Cleveland or Detroit finds themselves in financial straits? Will they tough it out themselves, and reform their own houses, or will they forfeit a piece of their and their State's independence for a mess of porridge from Washington. I would just as soon not give them the choice.●

● Mr. JENRETTE. Mr. Chairman, I have never voted for New York and I have some concern about supporting The Big Apple today. But having concern at least has me thinking. I guess my thinking has been prompted as much by the activities of the responsible officials in New York and the willingness of the New York delegation to sit down and explain their problems and hopeful solutions—as well as the delegations seemingly new-found willingness to listen to my questions and my concerns—plus I feel a sense in this House of a beginning to understand that even though we represent individual congressional districts we also have a responsibility to see that all of America has an opportunity to move forward—and a special responsibility when we realize that all sections of the country by outmigrations and other factors have helped bring New York to the position it finds itself today.

This bill gives me more trouble than the earlier bill, because of its duration—I would prefer that the length be shorter if nothing other than the fact that a long term could, for the first part of the term allow the city officials to be lax—I give few credits to this, however, because of Ed Koch—the mayor.

What about the precedent for other cities? Will it set a precedent that we will have to live with? Is the term worth the precedent? A question I have pondered. None of us want to reward inefficiency, rather we want to give as many incentives as possible to see that our cities as well as its people do everything possible to live well and provide the services needed. Therefore, it is my opinion the continuation of short-term bills will provide little or no incentive—with this I believe, considering all factors in light of the best interest of our country I shall vote in favor of this bill.

I say to my friends my vote today is not to be considered as a precedent for me in the future. My vote will be up to the way New York handles it affairs. I believe they will do a good job—I sure hope so.

With this I encourage the Members to vote "yes." Thank you.●

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the committee rose; and the Speaker pro tempore (Mr. BOLLING) having assumed the chair, Mr. NATCHER, chairman of the committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 12426) to authorize the Secretary of the Treasury to provide financial assistance for the City of New York, pursuant to House Resolution 1206, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. STANTON. Mr. Speaker, I demand a separate vote on the so-called Moorhead of Pennsylvania technical amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

> Amendment: Page 2, line 2, insert "beginning October 1, 1978, and" immediately after "appropriated".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STANTON Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were yeas 401, nays 0, not voting 33, as follows:

[Roll No. 430]

YEAS—401

Abdnor	Coleman	Glickman
Addabbo	Collins, Ill.	Goldwater
Akaka	Collins, Tex.	Gonzalez
Alexander	Conable	Goodling
Ambro	Conte	Gore
Ammerman	Conyers	Gradison
Anderson, Calif.	Corcoran	Grassley
	Corman	Green
Anderson, Ill.	Cornell	Gudger
Andrews, N.C.	Cornwell	Guyer
Andrews, N. Dak.	Cotter	Hagedorn
	Coughlin	Hall
Annunzio	Crane	Hamilton
Archer	Cunningham	Hammer-schmidt
Armstrong	D'Amours	
Ashbrook	Daniel, Dan	Hanley
Ashley	Daniel, R. W.	Hannaford
Aspin	Danielson	Hansen
AuCoin	Davis	Harkin
Badham	de la Garza	Harrington
Bafalis	Delaney	Harris
Baldus	Dellums	Harsha
Barnard	Derrick	Hawkins
Baucus	Derwinski	Heckler
Bauman	Devine	Hefner
Beard, R.I.	Dickinson	Heftel
Beard, Tenn.	Dicks	Hightower
Bedell	Diggs	Hillis
Beilenson	Dingell	Holland
Benjamin	Dodd	Hollenbeck
Bennett	Dornan	Holt
Bevill	Downey	Holtzman
Biaggi	Drinan	Horton
Bingham	Duncan, Oreg.	Hubbard
Blanchard	Duncan, Tenn.	Huckaby
Blouin	Early	Hughes
Boggs	Eckhardt	Hyde
Boland	Edgar	Ichord
Bolling	Edwards, Ala.	Ireland
Bonior	Edwards, Calif.	Jacobs
Bonker	Edwards, Okla.	Jeffords
Bowen	Eilberg	Jenkins
Brademas	Emery	Jenrette
Breaux	English	Johnson, Calif.
Breckinridge	Erlenborn	Johnson, Colo.
Brinkley	Ertel	Jones, N.C.
Brodhead	Evans, Colo.	Jones, Okla.
Brooks	Evans, Del.	Jones, Tenn.
Broomfield	Evans, Ga.	Jordan
Brown, Calif.	Evans, Ind.	Kasten
Brown, Mich.	Fary	Kastenmeier
Brown, Ohio	Fascell	Kazen
Broyhill	Fenwick	Kelly
Buchanan	Findley	Kemp
Burgener	Fish	Ketchum
Burke, Fla.	Fisher	Keys
Burke, Mass.	Fithian	Kildee
Burleson, Tex.	Flippo	Kindness
Burlison, Mo.	Flood	Kostmayer
Burton, John	Florio	Krebs
Burton, Phillip	Flynt	Krueger
Butler	Foley	LaFalce
Byron	Ford, Mich.	Lagomarsino
Caputo	Ford, Tenn.	Latta
Carr	Forsythe	Le Fante
Carter	Fountain	Leach
Cavanaugh	Fowler	Lederer
Cederberg	Fraser	Lent
Chappell	Frenzel	Levitas
Chisholm	Fuqua	Livingston
Clausen, Don H.	Gammage	Lloyd, Calif.
	Garcia	Lloyd, Tenn.
Clawson, Del	Gaydos	Long, La.
Clay	Gephardt	Long, Md.
Cleveland	Giaimo	Lott
Cochran	Gilman	Luken
Cohen	Ginn	Lundine

McClory	Obey	Snyder
McCloskey	Ottinger	Solarz
McCormack	Panetta	Spellman
McDade	Patten	Spence
McDonald	Patterson	St Germain
McEwen	Pattison	Staggers
McFall	Pease	Stangeland
McHugh	Pepper	Stanton
McKay	Perkins	Stark
McKinney	Pettis	Steed
Madigan	Pickle	Steers
Maguire	Poage	Steiger
Mahon	Pressler	Stokes
Mann	Preyer	Stratton
Markey	Price	Studds
Marks	Pritchard	Symms
Marlenee	Pursell	Taylor
Marriott	Quayle	Thompson
Martin	Quillen	Thone
Mathis	Rahall	Traxler
Mattox	Railsback	Treen
Mazzoli	Rangel	Trible
Metcalfe	Regula	Udall
Meyner	Reuss	Ullman
Michel	Rhodes	Van Deerlin
Mikulski	Richmond	Vanik
Mikva	Rinaldo	Vento
Milford	Risenhoover	Volkmer
Miller, Calif.	Robinson	Waggonner
Miller, Ohio	Roe	Walgren
Mineta	Rogers	Walker
Minish	Roncalio	Walsh
Mitchell, Md.	Rooney	Wampler
Mitchell, N.Y.	Rosenthal	Watkins
Moakley	Rostenkowski	Waxman
Moffett	Rousselot	Weaver
Mollohan	Roybal	Weiss
Montgomery	Rudd	Whalen
Moore	Russo	White
Moorhead, Calif.	Ryan	Whitehurst
	Santini	Whitley
Moorhead, Pa.	Sarasin	Whitten
Moss	Satterfield	Wilson, Bob
Mottl	Sawyer	Wilson, Tex.
Murphy, Ill.	Scheuer	Winn
Murphy, Pa.	Schroeder	Wirth
Murtha	Schulze	Wolff
Myers, Gary	Sebelius	Wright
Myers, John	Seiberling	Wydler
Myers, Michael	Sharp	Wylie
Natcher	Shipley	Yates
Neal	Shuster	Yatron
Nichols	Sikes	Young, Alaska
Nix	Sisk	Young, Fla.
Nolan	Skelton	Young, Mo.
Nowak	Skubitz	Zablocki
O'Brien	Slack	Zeferetti
Oakar	Smith, Iowa	
Oberstar	Smith, Nebr.	

NAYS—0

NOT VOTING—33

Allen	Lujan	Simon
Applegate	Meeds	Stockman
Burke, Calif.	Murphy, N.Y.	Stump
Carney	Nedzi	Teague
Dent	Pike	Thornton
Flowers	Quie	Tsongas
Frey	Roberts	Tucker
Gibbons	Rodino	Vander Jagt
Howard	Rose	Wiggins
Leggett	Runnels	Wilson, C. H.
Lehman	Ruppe	Young, Tex.

The Clerk announced the following pairs:

Mr. Howard with Mr. Dent.
Mr. Carney with Mr. Frey.
Mr. Murphy of New York with Mr. Ruppe.
Mr. Nedzi with Mr. Wiggins.
Mr. Simon with Mr. Stockman.
Mr. Flowers with Mr. Quie.
Mr. Applegate with Mr. Leggett.
Mr. Roberts with Mr. Allen.
Mr. Charles H. Wilson of California with Mrs. Burke of California.
Mr. Meeds with Mr. Tucker.
Mr. Lehman with Mr. Stump.
Mr. Teague with Mr. Thornton.
Mr. Tsongas with Mr. Rose.
Mr. Runnels with Mr. Lujan.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. STANTON

Mr. STANTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. STANTON. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Stanton moves to recommit the bill H.R. 12426 to the Committee on Banking, Finance and Urban Affairs with instructions to report back the same to the House forthwith with the following amendment:

"Strike all after the enacting clause and insert the following:

SECTION 1. Section 6(b) of the New York City Seasonal Financing Act of 1975 is amended by inserting "(1)" immediately after "(b)" and by striking out "$2,300,000,000." and inserting in lieu thereof "$2,300,000,000 for the period ending June 30, 1978.", and by adding at the end thereof the following new paragraphs:

"(2) At no time during the period from July 1, 1978, to June 30, 1979, shall the amount of loans outstanding under this Act exceed in the aggregate $2,000,000,000.

"(3) At no time during the period from July 1, 1979, to June 30, 1980, shall the amount of loans outstanding under this Act exceed in the aggregate $1,500,000,000.

"(4) At no time during the period from July 1, 1980, to June 30, 1981, shall the amount of loans outstanding under this Act exceed in the aggregate $800,000,000.".

SEC. 2. (a) The third sentence of section 8(a) of the New York City Seasonal Financing Act of 1975 is amended by striking out "$2,300,000,000." and inserting in lieu thereof: "$2,300,000,000 for the period ending June 30, 1978, and $2,000,000,000 for the period beginning July 1, 1978 and ending June 30, 1981.".

(b) The sixth sentence of such section 8(a) is amended by inserting before the period at the end thereof the following: ", except that moneys in the fund in excess of the maximum needed to meet the requirements of section 6(b) shall be returned to the general fund of the Treasury following the periods specified in sections 6(b)(2), and (3)".

SEC. 3. Section 11 of the New York City Seasonal Financing Act of 1975 is amended by striking out "1978" and inserting in lieu thereof "1981".

Mr. STANTON (during the reading). Mr. Speaker, I plan to fully explain the motion to recommit, and I would therefore ask unanimous consent that it be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio is recognized for 5 minutes.

Mr. STANTON. Mr. Speaker, the motion to recommit is a 3-year extension of the New York Seasonal Financial Act of 1975. The amount of money in this 3-year extension is more generous than the amount of money that the city of New York requested in the 4-year financial plan they presented to our committee.

The motion to recommit makes available, as needed, $2 billion in loan assistance in fiscal year 1979; $1.5 billion in 1980; and $800 million in fiscal year 1981.

Mr. Speaker, the question has arisen as to why I am offering this motion to recommit. First, I do not think, humbly speaking, that there are more than half a dozen Members in this Chamber who have spent more time on New York City's problem, more hours and months of hearings than the speaker now in the well. I say that because there are some who have, but very few. I say, in all added humility, Mr. Speaker, that this must be an important motion to recommit because the distinguished majority leader, I understand, will answer the points of this motion to recommit. I am very flattered by that attention.

Secondly, I think, Mr. Speaker, I am naive. I am truly naive, because I take people basically at their word. I also take the facts, once they have been proven, and I understand the facts.

I thought that the only reason that we are here this afternoon is to extend the Seasonal Financial Act of 1975 because the Seasonal Financial Act of 1975 ceases on June 30 of this year. Nobody has told me any differently.

Mr. Speaker, I thought that the purpose, 2½ years ago, and the purpose of the nervousness of the officials of New York was that they were afraid of bankruptcy unless they got some type of financial aid. I believed that, Mr. Speaker, and for that reason we started to hold hearings. What happened, Mr. Speaker, on the way to the forum? Someone came up with a bill that goes far beyond keeping the city of New York out of bankruptcy and turns it into a seasonal 15-year loan program.

I would like to give the Members the words of the very distinguished young lady who is the chairman of the city council in New York, on March 7 in our committee. Here is what she had to say:

Why do we need this long-term financing? Our physical plant is crumbling. We have 5,300 miles of paved, potholed streets. Our bridges are in a dangerous state of disrepair. The city's own buildings need major rehabilitation, and its vehicle fleets must be replaced.

Further, she went on to say, Mr. Speaker:

We need long-term funds to rebuild the city's battered economy. Without long-term financing we cannot build a new convention center, a crucial step in our plans to stimulate the city's tourist industry.

Further, she said:

In short, New York deserves and demands long-term help from its own government, and we are grateful for the sensible show of Federal support expressed for assistance in this committee and in the White House.

In all fairness, the Governor of New York cleared up the point that they are going to get the convention center without any Federal funds. We are all glad to hear that. I think she would withdraw, in

all fairness, the statement, we demand the money. She was very courteous.

Mr. Speaker, I am naive because I cannot conceive philosophically of the point of moving from bankruptcy to the point of capital improvements to aid the city of New York or any city. I just firmly believe in the basic principle that the city is the child of the State. The federalism that I have known for 200 years has held this country in pretty good repute, and I do not want to be the first to change that.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise in opposition to the motion to recommit offered by the gentleman from Ohio (Mr. STANTON).

The gentleman from Ohio is not only a friend but he has been a source of real strength on our subcommittee. As he rightly states, he is also a friend of New York. I understand his philosophical doubts, but with all respect, I must vigorously oppose this motion to recommit.

The chief reason, Mr. Speaker, is that a mere extension of seasonal loans will prolong New York's problems instead of solving them. The city would be unable to stretch out and restructure its debt and thus would have a much harder time achieving a balanced budget. The consummate objective—a return to the private credit market—would be postponed for an indefinite period.

Mayor Koch told the Senate committee earlier this week that, if Congress approves only seasonal loans, "we will be back on your doorstep." Felix Rohatyn, the chairman of the Municipal Assistance Corporation and the true financial genius behind New York's rehabilitation, testified at the same hearing that seasonal loans "would probably not reopen market access in time and would require the city to return to the Congress for further extensions." He strongly urged the approach in our bill. I genuinely believe, Mr. Speaker—given the progress the city has made—that in our bill we will be dealing with the New York financial problem for the last time. I could not make that statement about a mere extension of seasonal loans.

Next, there is the matter of the city's need for capital spending to preserve its crumbling infrastructure. The long-term financing package that will be assembled under the committee bill, amounting to $4.5 billion, will be made up about half and half of restructuring past debt and financing true capital outlays. It is hard to see how the planned $2.3 billion of desperately needed capital spending could be financed if we grant only seasonal loans. It would be madness, I think, to let the city fall apart physically during this period when it is on the road to fiscal soundness but has not yet arrived at that destination.

Finally, Mr. Speaker, there is even some question whether seasonal loans will avert bankruptcy. I do not want to make too much of this point, but it should be mentioned because it tends to be overlooked. The city, as we all know, has faithfully repaid its seasonal loans under the present law. But it has been able to do so only because its budget gap has been covered by sale of long-term bonds to the city pension funds.

As long as the city does not have a true budget balance, it will have to cover the remaining deficit in this way. But it is far from certain that the pension funds will buy any more long-term bonds if the city's only Federal assistance is seasonal loans. If they do not, and if MAC cannot sell bonds, the Secretary of the Treasury would have a hard time making the necessary determination that the seasonal loans could and would be repaid. The Comptroller General raised this point in a letter to me and the gentleman from Connecticut (Mr. MCKINNEY). Although he was referring specifically only to a 1-year extension of seasonal loans, he said "there is a risk associated with the seasonal loan approach," adding that "there might be considerable doubt about the prospect of repayment in the absence of continued long-term financing for the city."

To summarize, Mr. Speaker, seasonal loans simply will not do the job. The idea of a simple extension was never seriously considered in our subcommittee. An amendment along those lines was never offered, in either subcommittee or full committee. The approach in the bill before you is the one agreed upon by the city, the State, the city's financial advisers, the private financial institutions, the Secretary of the Treasury, and your Committee. Again with great respect for my friend from Ohio, his motion to recommit should be defeated.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the distinguished gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, whenever any part of this big American family of ours has been smitten by disaster, the rest of us have always been willing to come to the rescue. That is a tradition as old as the Nation itself. It is part of what is meant by being one Nation under God, indivisible.

When the Dust Bowl smote the Great Plains of the Midwest, New York Congressmen voted for the Great Plains conservation program. New York City residents have paid $1 out of every $10 of the billions that have gone into that long-range rehabilitation effort. And it has been good for the Nation.

When 7 years of drought ravaged my State and the whole American Southwest, every single Member of the New York City delegation voted for the drought relief program, and citizens of New York City paid $1 out of every $10 that went into that program.

When generations of neglect left the vast Appalachian region lingering behind the rest of the country, in widespread poverty, New York Members voted for the Appalachian development program. New York City residents have paid—not on a short-time basis, not on a grudging basis, but on a long-term and continuing basis—$1 out of every $10 in taxes that have helped restore Appalachia.

Flood walls in Florida, water projects for the American West, crop supports for the heartland of America—$1 of every $10 that have gone in taxes to support these vital long-term programs has come from the citizens of New York City.

Now New York needs our help, and it is not going to cost us one red penny, judging by past experience. They have faithfully repaid on time or ahead of time, and with interest, every cent that we extended in the loan of 1975.

New Yorkers are not here asking for a handout; they are only asking for a hand up. They are not asking for a grant, nor even a loan from the Federal Government, but merely for a long-term loan guarantee so that they can borrow in the private markets and thus rehabilitate their own city by their own efforts.

Now, the gentleman from Ohio suggested that we just give them only a short-term extension. But let me ask you this, my friends: If financial difficulty caused you to have to seek refinancing of your home to sustain your family, would you think you should be required to pay back the whole mortgage in 3 years? That would not help you. You would need some reasonable long-term opportunity to work yourself out of the problem. That is what the bill offers. It is not what the recommital motion offers.

If you have a leak in the tire of your automobile, would you merely pump a little more air in so you could go perhaps 3 more miles? No, you would be wiser to fix the tire. It would take a little longer, but ultimately it would have to be done.

New York City is asking for a vote of confidence in its long-range future. I think it has proven itself worthy of that vote of our confidence. Not only has it faithfully repaid every penny of the previous loan ahead of schedule; the Government has made $13 million on that transaction.

New York citizens themselves have tightened their belts. The city has done every single thing which it promised to do in its austerity program. It has reduced the city payroll by 60,000 people. It has closed hospitals. It has made every citizen pay tuition in the City College.

Very impressive self-help measures have come from the citizens of New York themselves. City employee pension funds have purchased $2.65 billion in long term bonds. The State of New York has made available $800 million a year to help restore liquidity. Because of all this, the city of New York has made great progress. They have reduced their budget deficit from $1.8 billion in 1975 down to $760 million today.

So they have earned a measure of our faith. Let us look at the alternative of our refusal. If we should fail to express this confidence in their long-range future and if New York City, America's biggest city, were to go bankrupt, shock waves would be sent throughout the entire economy. Citizens of your communities and mine would have to pay higher property taxes to finance any kind of local improvement, because the bond mar-

ket for municipal securities would be shot. Interest rates would skyrocket, and the rest of us would suffer the consequences.

We do not want that to happen. Our citizens do not want that to happen. Eighty-five percent of the American public—and this applies to every part of the country—in the most recent poll by Louis Harris say they prefer to help New York City find its way over the long period out of its difficulties, rather than take the risk of that largest of our American cities going bankrupt.

So today let us vote down the motion to recommit. Let us resoundingly support this bill, and demonstrate again our faith in the indivisibility of our country's future.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. STANTON. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 109, nays 291, not voting 34, as follows:

[Roll No. 431]

YEAS—109

Abdnor	Evans, Ind.	Myers, John
Andrews, N.C.	Findley	Neal
Andrews, N. Dak.	Frenzel	O'Brien
Archer	Gammage	Panetta
Armstrong	Gephardt	Pettis
AuCoin	Glickman	Poage
Badham	Goldwater	Pressler
Breaux	Goodling	Pursell
Breckinridge	Gradison	Quayle
Brooks	Grassley	Railsback
Broomfield	Gudger	Regula
Brown, Mich.	Hagedorn	Rhodes
Brown, Ohio	Hansen	Robinson
Broyhill	Harsha	Rousselot
Burgener	Heckler	Rudd
Burke, Fla.	Hyde	Schulze
Burleson, Tex.	Johnson, Colo.	Sebelius
Butler	Jones, Okla.	Smith, Nebr.
Carter	Kasten	Snyder
Cederberg	Ketchum	Spence
Clausen, Don H.	Kindness	Stangeland
Clawson, Del	Krebs	Stanton
Cochran	Krueger	Steiger
Cohen	Lagomarsino	Taylor
Coleman	Latta	Thone
Collins, Tex.	Leach	Treen
Coughlin	Livingston	Trible
D'Amours	Lloyd, Calif.	Wampler
Derrick	Luken	Watkins
Derwinski	McClory	Whitehurst
Dickinson	Marlenee	Wilson, Bob
Dornan	Marriott	Winn
Duncan, Oreg.	Martin	Wylie
Emery	Michel	Yatron
Erlenborn	Miller, Ohio	
Ertel	Moore	
Evans, Del.	Moorhead, Calif.	
	Myers, Gary	

NAYS—291

Addabbo	Barnard	Boland
Akaka	Baucus	Bolling
Alexander	Bauman	Bonior
Ambro	Beard, R.I.	Bonker
Ammerman	Beard, Tenn.	Bowen
Anderson, Calif.	Bedell	Brademas
Anderson, Ill.	Bellenson	Brinkley
Annunzio	Benjamin	Brodhead
Applegate	Bennett	Brown, Calif.
Ashbrook	Bevill	Buchanan
Ashley	Biaggi	Burke, Mass.
Aspin	Bingham	Burlison, Mo.
Bafalis	Blanchard	Burton, John
Baldus	Blouin	Burton, Phillip
	Boggs	Byron
Caputo	Hillis	Ottinger
Carr	Hollenbeck	Patten
Cavanaugh	Holt	Patterson
Chappell	Holtzman	Pattison
Chisholm	Horton	Pease
Clay	Hubbard	Pepper
Cleveland	Huckaby	Perkins
Collins, Ill.	Hughes	Pickle
Conable	Ichord	Preyer
Conte	Ireland	Price
Conyers	Jacobs	Pritchard
Corcoran	Jeffords	Quillen
Corman	Jenkins	Rahall
Cornell	Jenrette	Rangel
Cornwell	Johnson, Calif.	Reuss
Cotter	Jones, N.C.	Richmond
Crane	Jones, Tenn.	Rinaldo
Cunningham	Jordan	Risenhoover
Daniel, Dan	Kastenmeier	Roe
Daniel, R. W.	Kazen	Rogers
Danielson	Kelly	Rooney
Davis	Kemp	Rosenthal
de la Garza	Keys	Rostenkowski
Delaney	Kildee	Roybal
Dellums	Kostmayer	Russo
Devine	LaFalce	Ryan
Dicks	Le Fante	Santini
Diggs	Lederer	Sarasin
Dingell	Lent	Satterfield
Dodd	Levitas	Sawyer
Downey	Lloyd, Tenn.	Scheuer
Drinan	Long, La.	Schroeder
Duncan, Tenn.	Long, Md.	Seiberling
Early	Lott	Sharp
Eckhardt	Lundine	Shipley
Edgar	McCloskey	Shuster
Edwards, Ala.	McCormack	Sikes
Edwards, Calif.	McDade	Sisk
Edwards, Okla.	McDonald	Skelton
Eilberg	McEwen	Slack
English	McFall	Smith, Iowa
Evans, Colo.	McHugh	Solarz
Evans, Ga.	McKay	Spellman
Fary	McKinney	St Germain
Fascell	Madigan	Staggers
Fenwick	Maguire	Stark
Fish	Mahon	Steed
Fisher	Mann	Steers
Fithian	Markey	Stokes
Flippo	Marks	Stratton
Flood	Mathis	Studds
Florio	Mattox	Symms
Flynt	Mazzoli	Thompson
Foley	Meeds	Traxler
Ford, Mich.	Metcalfe	Udall
Ford, Tenn.	Meyner	Ullman
Forsythe	Mikulski	Van Deerlin
Fountain	Mikva	Vanik
Fowler	Milford	Vento
Fraser	Miller, Calif.	Volkmer
Fuqua	Mineta	Waggonner
Garcia	Minish	Walgren
Gaydos	Mitchell, Md.	Walker
Giaimo	Mitchell, N.Y.	Walsh
Gilman	Moakley	Waxman
Ginn	Moffett	Weaver
Gonzalez	Mollohan	Weiss
Gore	Montgomery	Whalen
Green	Moorhead, Pa.	White
Guyer	Moss	Whitley
Hall	Mottl	Whitten
Hamilton	Murphy, Ill.	Wilson, Tex.
Hammer-schmidt	Murphy, Pa.	Wirth
Hanley	Murtha	Wolff
Hannaford	Myers, Michael	Wright
Harkin	Natcher	Wydler
Harrington	Nichols	Yates
Harris	Nix	Young, Alaska
Hawkins	Nolan	Young, Fla.
Hefner	Nowak	Young, Mo.
Heftel	Oakar	Zablocki
Hightower	Oberstar	Zeferetti
	Obey	

NOT VOTING—34

Allen	Murphy, N.Y.	Stockman
Burke, Calif.	Nedzi	Stump
Carney	Pike	Teague
Dent	Quie	Thornton
Flowers	Roberts	Tsongas
Frey	Rodino	Tucker
Gibbons	Roncalio	Vander Jagt
Holland	Rose	Wiggins
Howard	Runnels	Wilson, C. H.
Leggett	Ruppe	Young, Tex.
Lehman	Simon	
Lujan	Skubitz	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Murphy of New York against.

Mr. Roberts for, with Mr. Howard against.

Mr. Stump for, with Mr. Carney against.

Mr. Frey for, with Mr. Rose against.

Mr. Ruppe for, with Mr. Nedzi against.

Mr. Wiggins for, with Mr. Vander Jagt against.

Until further notice:

Mrs. Burke of California with Mr. Quie.

Mr. Flowers with Mr. Roncalio.

Mr. Runnels with Mr. Skubitz.

Mr. Lehman with Mr. Lujan.

Mr. Charles H. Wilson of California with Mr. Stockman.

Mr. Gibbons with Mr. Holland.

Mr. Pike with Mr. Dent.

Mr. Simon with Mr. Allen.

Mr. Tsongas with Mr. Tucker.

Mr. Leggett with Mr. Thornton.

Mr. RISENHOOVER changed his vote from "yea" to "nay."

Mr. LLOYD of California changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. STANTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 247, nays 155, not voting 32, as follows:

[Roll No. 432]

YEAS—247

Addabbo	Dellums	Hollenbeck
Akaka	Dicks	Holt
Alexander	Diggs	Holtzman
Ambro	Dingell	Horton
Anderson, Calif.	Dodd	Hubbard
Anderson, Ill.	Dornan	Hughes
Andrews, N.C.	Downey	Hyde
Annunzio	Drinan	Jacobs
Applegate	Duncan, Oreg.	Jeffords
Ashley	Early	Jenrette
Aspin	Eckhardt	Johnson, Calif.
Baldus	Edgar	Jones, N.C.
Barnard	Edwards, Calif.	Jones, Tenn.
Baucus	Eilberg	Jordan
Beard, R.I.	Ertel	Kastenmeier
Bedell	Evans, Colo.	Kemp
Bellenson	Evans, Ga.	Keys
Benjamin	Fary	Kildee
Biaggi	Fascell	Kostmayer
Bingham	Fenwick	Krebs
Blanchard	Findley	LaFalce
Blouin	Fish	Le Fante
Boggs	Fisher	Lederer
Boland	Fithian	Leggett
Bolling	Flood	Lent
Bonior	Florio	Lloyd, Calif.
Bonker	Foley	Long, La.
Brademas	Ford, Mich.	Long, Md.
Brodhead	Ford, Tenn.	Lundine
Brown, Calif.	Forsythe	McCloskey
Brown, Ohio	Fowler	McEwen
Buchanan	Fraser	McFall
Burke, Fla.	Fuqua	McHugh
Burke, Mass.	Garcia	McKay
Burlison, Mo.	Gaydos	McKinney
Burton, John	Gephardt	Madigan
Burton, Phillip	Giaimo	Maguire
Caputo	Gilman	Mann
Carr	Glickman	Markey
Cavanaugh	Gonzalez	Marks
Chisholm	Gore	Martin
Clay	Green	Mathis
Collins, Ill.	Guyer	Meeds
Conable	Hamilton	Metcalfe
Conte	Hanley	Meyner
Conyers	Hannaford	Michel
Corman	Harkin	Mikulski
Cornell	Harrington	Mikva
Cornwell	Harris	Miller, Calif.
Cotter	Hawkins	Mineta
Coughlin	Heckler	Minish
Danielson	Hefner	Mitchell, Md.
Davis	Heftel	Mitchell, N.Y.
Delaney	Hillis	Moakley
	Holland	Moffett

Mollohan	Reuss	Steers
Moorhead, Pa.	Richmond	Steiger
Moss	Rinaldo	Stokes
Murphy, Ill.	Roe	Stratton
Murtha	Rogers	Studds
Myers, John	Roncalio	Thompson
Myers, Michael	Rooney	Udall
Natcher	Rose	Ullman
Neal	Rosenthal	Van Deerlin
Nix	Rostenkowski	Vanik
Nolan	Roybal	Vento
Nowak	Russo	Walgren
Oakar	Ryan	Walsh
O'Brien	Santini	Waxman
Oberstar	Sarasin	Weaver
Obey	Scheuer	Weiss
Ottinger	Seiberling	Whalen
Panetta	Sharp	Whitten
Patten	Shipley	Wilson, Bob
Patterson	Sikes	Wilson, Tex.
Pattison	Sisk	Wolff
Pease	Smith, Iowa	Wright
Pepper	Solarz	Wydler
Perkins	Spellman	Yates
Preyer	St Germain	Young, Mo.
Price	Staggers	Zablocki
Pritchard	Stark	Zeferetti
Rangel	Steed	

NAYS—155

Abdnor	Evans, Del.	Murphy, Pa.
Ammerman	Evans, Ind.	Myers, Gary
Andrews, N. Dak.	Flippo	Nichols
	Flynt	Pettis
Archer	Fountain	Pickle
Armstrong	Frenzel	Poage
Ashbrook	Gammage	Pressler
AuCoin	Ginn	Pursell
Badham	Goldwater	Quayle
Bafalis	Goodling	Quillen
Bauman	Gradison	Rahall
Beard, Tenn.	Grassley	Railsback
Bennett	Hagedorn	Regula
Bevill	Hall	Rhodes
Bowen	Hammer-schmidt	Risenhoover
Breaux		Robinson
Breckinridge	Hansen	Rousselot
Brinkley	Harsha	Rudd
Brooks	Hightower	Satterfield
Broomfield	Huckaby	Sawyer
Brown, Mich.	Ichord	Schroeder
Broyhill	Ireland	Schulze
Burgener	Jenkins	Sebelius
Burleson, Tex.	Johnson, Colo.	Shuster
Butler	Kasten	Skelton
Byron	Kazen	Skubitz
Carter	Kelly	Slack
Cederberg	Ketchum	Smith, Nebr.
Chappell	Kindness	Snyder
Clausen, Don H.	Krueger	Spence
	Lagomarsino	Stangeland
Clawson, Del	Latta	Stanton
Cleveland	Leach	Symms
Cochran	Levitas	Taylor
Cohen	Livingston	Thone
Coleman	Lloyd, Tenn.	Traxler
Collins, Tex.	Lott	Treen
Corcoran	Luken	Trible
Crane	McClory	Volkmer
Cunningham	McCormack	Waggonner
D'Amours	McDade	Walker
Daniel, Dan	McDonald	Wampler
Daniel, R. W.	Mahon	Watkins
de la Garza	Marlenee	White
Derrick	Marriott	Whitehurst
Derwinski	Mattox	Whitley
Devine	Mazzoli	Winn
Dickinson	Milford	Wylie
Duncan, Tenn.	Miller, Ohio	Yatron
Edwards, Ala.	Montgomery	Young, Alaska
Edwards, Okla.	Moore	Young, Fla.
Emery	Moorhead, Calif.	
English		
Erlenborn	Mottl	

NOT VOTING—32

Allen	Lujan	Stump
Burke, Calif.	Murphy, N.Y.	Teague
Carney	Nedzi	Thornton
Dent	Pike	Tsongas
Flowers	Quie	Tucker
Frey	Roberts	Vander Jagt
Gibbons	Rodino	Wiggins
Gudger	Runnels	Wilson, C. H.
Howard	Ruppe	Wirth
Jones, Okla.	Simon	Young, Tex.
Lehman	Stockman	

The Clerk announced the following pairs:

On this vote:

Mr. Howard for, with Mr. Teague against.

Mr. Murphy of New York for, with Mr. Jones of Oklahoma against.

Mr. Carney for, with Mr. Roberts against.

Mr. Wirth for, with Mr. Stump against.

Mr. Tsongas for, with Mr. Frey against.

Mr. Nedzi for, with Mr. Lujan against.

Mrs. Burke of California for, with Mr. Runnels against.

Mr. Simon for, with Mr. Ruppe against.

Mr. Vander Jagt for, with Mr. Wiggins against.

Until further notice:

Mr. Flowers with Mr. Quie.

Mr. Dent with Mr. Stockman.

Mr. Lehman with Mr. Gudger.

Mr. Pike with Mr. Tucker.

Mr. Charles H. Wilson of California with Mr. Thornton.

Mr. Gibbons with Mr. Allen.

Mr. BUTLER changed his vote from "yea" to "nay."

Mr. DORNAN changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONGRATULATIONS TO MR. MOORHEAD OF PENNSYLVANIA

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I congratulate the gentleman from Pennsylvania (Mr. MOORHEAD) for the gentleman's leadership in this undertaking.

I commend the gentleman for the gentleman's concern for the city of New York, for his responsible approach and constant commitment to finding a solution to this thorny problem and producing this overwhelming result.

Mr. Speaker, as the chairman of the task force from New York to lobby our colleagues, I would like to take this occasion to commend the entire New York delegation, the chairman of the Committee on Banking and Currency, the gentleman from Wisconsin (Mr. REUSS); the gentleman from New York (Mr. MITCHELL); the gentleman from New York (Mr. GREEN) on the other side, and the gentleman from Ohio (Mr. STANTON), of course, and the gentleman from Connecticut (Mr. MCKINNEY), and the countless individuals who were so responsive and so attentive to our plea, and even those who voted against this, we thank them for their thoughtful consideration of the measure.

I was privileged to serve in the capacity in which I did and without, of course, the thoughtful consideration of the Speaker of the House, this bill could not have progressed to this point. We are grateful to the Speaker and all of those who have been so helpful.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE A REPORT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until midnight tonight to file its report on the bill, H.R. 12874, the solar photovoltaic bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERSONAL EXPLANATION

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the following states how I would have voted on recorded votes which I unavoidably missed during the week ending Friday, June 2 had I been present:

Rollcall No. 396, a vote on final passage of H.R. 12050, to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition. This bill passed by a vote of 237 to 158. I was paired against the final passage of this bill and would have voted against it.

Rollcall No. 397, a vote on the rule for consideration of H.R. 12157, amendments and extension to the Export-Import Bank Act. This rule passed by a vote of 364 to 4. I was paired on this vote and would have voted for passage of the rule.

Rollcall No. 398, a vote on the rule providing for consideration of H.R. 15, the extension of the elementary and secondary education programs. This rule passed by a vote of 339 to 13. I was paired on this vote and would have voted for the rule.

Rollcall No. 399, a vote on a motion for the House to resolve itself into the Committee of the Whole to consider H.R. 12157. The motion was agreed to by a vote of 314 to 13. I would have voted for the motion.

Rollcall No. 401, a vote on an amendment to H.R. 12157, which sought to permit the Export-Import Bank to guarantee, insure, or extend credit to South Africa as long as it also extends credit to or is authorized to extend credit to Communist countries. This amendment was defeated by a vote of 190 to 157. I would have voted against this amendment.

Rollcall No. 402, a vote on a motion for the House to resolve itself into the Committee of the Whole to consider H.R. 12157. This motion was agreed to by a vote of 318 to 3 with 1 Member voting present. I would have voted in favor of this motion.

Rollcall No. 403, a vote on an amendment to H.R. 12157, which sought to strike the language in the bill prohibiting the Export-Import Bank's participation in transaction in the Republic of South Africa. This amendment was defeated by a vote of 219 to 116. I would have voted against this amendment.

Rollcall No. 404, a vote on an amendment to H.R. 12157, which strikes language exempting the People's Republic of China from the provision requiring a Presidential determination before the Export-Import Bank may do business in a Communist country. The amendment passed by a vote of 179 to 138. I was paired against this amendment and would have voted against it.

CONGRATULATIONS TO SPEAKER FOR LIVE RADIO BROADCASTING OF HOUSE PROCEEDINGS

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I wish to commend and to congratulate the Speaker for his decision to begin Monday with live radio broadcasting of the House proceedings. This is a most important step toward increasing confidence in Government and in this Congress.

I also wish to commend the gentleman from Louisiana (Mr. GILLIS LONG) and the gentleman from Tennessee (Mr. AL GORE) for their efforts in helping to bring about this momentous occasion.

The gentleman from Louisiana, as chairman of the Subcommittee on Rules and Organization of the House, has given freely of his time, effort and thought, to make this decision possible, and my friend and freshman colleague from Tennessee for his dogged determination to push and prod the others to assure that the decision would come about.

Mr. Speaker, I commend the Speaker and the others and look forward to Monday.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 10285, COMMODITY EXCHANGE ACT

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1275) on the resolution (H. Res. 1221) providing for consideration of the bill (H.R. 10285) to extend the Commodity Exchange Act, as amended, for 4 years, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12005, DEPARTMENT OF JUSTICE AUTHORIZATIONS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1276), on the resolution (H. Res. 1222) providing for consideration of the bill (H.R. 12005) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 12935, LEGISLATIVE BRANCH APPROPRIATIONS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1277) on the resolution (H. Res. 1223) waiving certain points of order against the bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AND PROVIDING CERTAIN PROCEDURES DURING CONSIDERATION OF H.R. 12928, PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ENERGY RESEARCH APPROPRIATIONS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1278) on the resolution (H. Res. 1224) waiving certain points of order and providing certain procedures during consideration of the bill (H.R. 12928) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AND PROVIDING CERTAIN PROCEDURES DURING CONSIDERATION OF H.R. 12932, INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1979

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1279), on the resolution (H. Res. 1225) waiving certain points of order and providing certain procedures during consideration of the bill (H.R. 12932) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 12936, HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATION ACT, 1979

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1280), on the resolution (H. Res. 1226) waiving certain points of order against the bill (H.R. 12936) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 12934, STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION ACT, 1979

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1281), on the resolution (H. Res. 1227) waiving certain points of order against the bill (H.R. 12934) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1979

Mr. FLOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12929) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. FLOOD).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 12929, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN when the Committee of the Whole rose on Wednesday, June 7, 1978, all time for general debate had expired and the clerk had read through line 3 on page 23.

Pursuant to the rule, no amendment to section 209 of the bill shall be in order except one amendment to strike out said section, pro forma amendments, and an amendment printed in House Resolution 1220 which shall not be subject to amendment but may be debated by the offering of pro forma amendments.

The Clerk will read.

The Clerk read as follows:

EDUCATION FOR THE HANDICAPPED

For carrying out the Education of the Handicapped Act, $971,825,000: *Provided*, That of this amount, $804,000,000 for part B and $15,000,000 for section 619 shall become available for obligation on July 1, 1979, and shall remain available until September 30, 1980.

AMENDMENTS OFFERED BY MR. O'BRIEN

Mr. O'BRIEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN: Page 23, immediately after line 9, insert the following:

For carrying out section 607 of part A of the Education of the Handicapped Act, $100,000,000.

Mr. O'BRIEN. Mr. Chairman, I have four other amendments that appear in sequence. I offer those amendments also at this time, and I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. The Clerk will report the remaining amendments.

The Clerk read as follows:

Amendments offered by Mr. O'BRIEN: Page 23, line 11, immediately after "provided," insert "section 191 and".

Page 23, line 14, strike out "$766,007,000" and insert in lieu thereof "$791,007,000".

Page 24, line 15, insert "771(a)(2)(A)" immediately after "745,".

Page 24, line 21, strike out "$390,000,000" and insert in lieu thereof "$465,000,000".

Page 24, line 24, insert ", II" immediately after "I".

Page 25, line 1, strike out "$257,975,000" and insert in lieu thereof "$282,975,000".

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois that the amendments be considered en bloc?

There was no objection.

The CHAIRMAN. The gentleman from Illinois (Mr. O'BRIEN) is recognized for 5 minutes in support of his amendments.

Mr. O'BRIEN. Mr. Chairman, if one person in this House were temporarily or permanently disabled, would he or she be able to move about these buildings or this Capitol without concern for achitectural barriers?

Suppose that one person were O'BRIEN of Illinois. Would I be able to go to the Longworth Cafeteria and have lunch with my daughter and my wife without receiving great assistance? Would I be able to go to the Supreme Court of the land to hear my Attorney General argue the personal property tax case? Not under their ordinary means of access.

The issue of accessibility should be reviewed, in terms of insurance. I would like to call it "quality-of-life insurance," because any citizen might become handicapped at any moment of any day.

Mr. Chairman, in this transitional area in the Capitol between the House and the Senate, we note that we have in place certain ramps. I understand they were installed during the early 1930's. I am told by one account that they were put in place, merely to facilitate moving documents and reports back and forth in the area, and between the Senate and the House. But the legend that I prefer to accept is that President Roosevelt used to visit here frequently, and it was difficult for him to move about. He bitterly resented having to be lifted up the steps. As a consequence, the ramps were put in. In those days there was no TV, and it appeared no specific attention given to defects which were most manifest.

During this session of Congress the House of Representatives has shown an awareness of the problems of inaccessibility. On March 16, the gentleman from Vermont (Mr. JEFFORDS) offered an amendment to the Humphrey-Hawkins bill. My distinguished colleague and gallant ally from Vermont stated that this amendment to the national priority policies and programs for full employment and balanced growth would make barrier removal for the handicapped an explicit national priority. The Jeffords amendment passed the House 398 to 0, a clear recognition by this body of the need to make architectural barrier removal a major national priority. There is currently no money in this bill for this purpose. The administration requested $50 million for higher education, but the subcommittee removed this amount in the markup.

This amendment would provide funds for existing renovation-reconstruction authorization that is presently law. The amendment would provide $100 million for elementary and secondary schools, $75 million for colleges and universities, $25 million for public libraries, and $25 million for vocational educational facilities—a total of $225 million.

What would it cost to make primary and secondary schools, colleges, and universities, public libraries, and vocational rehabilitation centers accessible? In the beginning, this was a question which was somewhat unanswerable; but recently, figures have become available which clarify the situation.

I have been working with one of the grade school systems in my congressional district to try to evaluate the cost of accessibility within that school system, and we came up with these figures:

Joliet grade school district No. 86 commissioned an architectural survey to evaluate the cost of making some of the buildings in district 86 accessible. Let me remind the Members that this is program accessibility I am talking about, not every single room accessibility. This grade school district has 26 different buildings in the district.

This survey of costs only includes 15 of the 26 schools, those that were newer and tended to be single-floor construction. To make the older multi-floor structures accessible would be prohibitive. The architects estimated the cost to make one school district accessible at $93,724. One of the architects who worked with the survey is himself disabled. Breaking down the $93,724 and examining some of the average costs present in each school, one finds that to provide a ramping of stepped transitional areas and revising doors and wall openings that restrict passage would cost $1,750; to provide braille-type signs, railings and devices to increase mobility of the handicapped, the estimated cost is $1,000. Revision of a toilet partition to make it accessible to a wheelchair comes to an estimated cost of $250.

These are only a few of the items that will need to be modified in almost every school throughout this Nation. Every Member of Congress has many schools, libraries, and vocational rehabilitation centers that need to be made accessible. If these amendments were to be approved, the Federal Government would at least be sharing some of the burden with the State and local governments. Certainly the passage of Proposition 13 highlights the need for this. So neither the Federal Government nor the State and local governments would bear the entire cost. This amendment has received wide-spread support from organizations and institutions from every section of the Nation. Mr. Chairman, I will just touch upon a few:

American Council on Education; American Library Association.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. O'BRIEN) has expired.

(On request of Mr. JEFFORDS and by unanimous consent, Mr. O'BRIEN was allowed to proceed for 5 additional minutes.)

Mr. O'BRIEN. To continue, Mr. Chairman, this list of organizations includes the National School Board Association, the Council on Exceptional Children, the American Federation of Teachers, the American Association of School Administrators, and the Council of Chief State School Officers.

Mr. Chairman, what makes this block of amendments, I think, reasonable and fair is disclosed when excesses in other parts of our HEW appropriation are examined. The HEW Inspector General reports, apparently concurred in by the Secretary, showed some $7 billion of losses in the Department of Health, Education, and Welfare alone. The largest part of these losses, $4 to 5 billion, was associated with health care outlays; but the remainder is attributable to error, fraud, abuse, and waste in the welfare, income security, education, and social services programs, a sum approximating $2 to $3 billion.

About 50 percent of the losses is attributable to errors, errors made in the department or by State or local personnel, and through human error in the eligibility determination process, or through improper payments resulting from mistakes in the paying of bills or claims, all mainly due to just plain carelessness.

Mr. Chairman, in the last few years, Congress has passed legislation intended to attack the discrimination which afflicts the Nation's handicapped. In 1977 the Secretary of HEW signed regulations implementing section 504 of the Rehabilitation Act. The legislation and regulations were enacted to end discrimination and are important steps only if the legislation actually opens the doors to the handicapped. Free access is basic for every American. Ready accessibility is a universal concept larger than local circumstances. It will need a commitment from all levels of Government. Finally, we should not overlook the human factor that no person should be denied access to services or participation in the full world of work and civic activities and responsibility.

Mr. Chairman, the amendment will bring this accessibility closer to reality.

One other thing, Mr. Chairman. I would like to quote from a telegram received from the superintendent of the educational service region in Joliet, Ill. Mr. Matthew Racich. In that wire he includes:

> . . . as well those handicapped persons that would be potentially employable with the public school sector.

Mr. Chairman, Mr. Racich includes just students, teachers, administrators, engineering personnel, but, indeed, handicapped parents who wish to attend parent-teacher meetings.

Mr. Chairman, I respectfully plead for the understanding of the Members and urge their compassionate support of these very much needed amendments.

Mr. JEFFORDS. Mr. Chariman, will the gentleman yield?

Mr. O'BRIEN. I yield to the gentleman from Vermont.

Mr. JEFFORDS. May I ask the gentleman this question, Mr. Chairman: Am I not correct that the situation is this, that by June of 1980, I think, all of the schools in this country and all of the other things which come under the HEW regulations, under section 504, are mandated to have completed the removal of these barriers? Is that not correct?

Mr. O'BRIEN. That is absolutely true.

Mr. JEFFORDS. Am I also not correct in that if they do not comply, then they will be denied financial assistance from whatever sources they receive it from the Federal Government?

Mr. O'BRIEN. The gentleman states it accurately.

Mr. JEFFORDS. In other words, if I am a local school district and I have failed to remove any architectural barriers, I could lose my title I funds and whatever other funds I get to support my educational system; is that not correct?

Mr. O'BRIEN. That is correct; the district could, indeed, lose them.

Mr. JEFFORDS. The total cost reflected in, at least, the survey made by the National Association of School Boards shows what it is estimated to cost the school districts of this country.

It is my impression that our particular legislation, which the gentleman and I have shared the preparation of, along with the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. PHILLIP BURTON), and others, is really just a beginning. I think the figure as of the latest survey is $1.7 billion.

I also have a letter from the Governor of California, for instance, in which some Members from California ought to be interested, which says that they believe the HEW ramifications in that State are about a half-billion dollars. That is not just for education in local schools. I certainly would agree with the gentleman that Proposition 13 now will limit very severely the ability of local school districts there to raise money, and they will be put into an in extremis situation with respect to section 504 compliance when they are trying to scrape around for money, as they will have to under Proposition 13.

Is that the gentleman's understanding of it also?

Mr. O'BRIEN. That is exactly true.

Mr. JEFFORDS. Mr. Chairman, I commend the gentleman for his amendment. I see there are a number of other Members who want the gentleman to yield to them.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN. I am happy to yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I commend the gentleman for bringing up the problems of the school districts.

Among those school districts which have answered the survey is the school district which the gentleman from Louisiana (Mr. LIVINGSTON) and I share in the city of New Orlean. It would have to make an expenditure of at least $30 million to comply with the kinds of difficulties caused by our own legislation. We have placed upon them the burden to have these things in place by 1980.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. O'BRIEN) has expired.

(On request of Mr. FISH and by unanimous consent, Mr. O'BRIEN was allowed to proceed for 3 additional minutes.)

Mrs. BOGGS. Mr. Chairman, will the gentleman yield further?

Mr. O'BRIEN. I am happy to yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I would like to commend the gentleman for his amendments and give him my wholehearted support.

Mr. O'BRIEN. I thank the gentlewoman from Louisiana.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I would like to commend the gentleman for his leadership on this issue.

I support his amendments, first, because I think it is vitally important to institute a program of removal of architectural barriers in public facilities, particularly in schools and libraries, which the gentleman's amendments are directed to.

However, when we have made directions to those institutions and when we have passed legislation requiring them to take such action, we should also help them with the financial assistance needed to put those improvements into place.

Therefore, Mr. Chairman, I certainly hope that the Committee of the Whole will support the gentleman's amendment, and I certainly shall do what I can to help him.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN. I am happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by the distinguished colleague from Illinois (Mr. O'BRIEN), which appropriates $225 million to educational institutions for the modification of facilities to insure compliance with the mandate of section 607—Education for all Handicapped Children Act—and parts of section 504. As we are all aware, our educational institutions are attempting to comply with our Federal mandates concerning accessibility, but many are unable to do so because funds are lacking, and because the Federal Government has left much of the burden up to the States or the localities in which these institutions are located.

As members of the Republican task force on the handicapped, Mr. O'BRIEN, Mr. BURGENER from California, and myself have come into contact with many individuals who are concerned about compliance with our Federal regulations. Their concerns are genuine: Institutions wish to comply so as to remain eligible for Federal funding, and their regard for the needs of the handicapped is sincere. While sincerity goes a long way, it is impossible to attain the goal of compliance if funds are not forthcoming. This amendment provides some necessary incentives in the form of funding for the modification of schools, libraries, and vocational rehabilitation centers. One hundred million dollars would be allocated to elementary and secondary schools, 75 million for colleges and universities, 25 million for public libraries, and 25 million for vocational rehabilitation centers.

The sum of $225 million is small in comparison to the $6 billion which has been estimated to be overall the waste in the Department of Health, Education, and Welfare. Estimates for modification and renovation of local educational facilities run as high as $544 million, according to HEW. Since the deadline for compliance is June 1980, it is extremely important to assist the States in compliance procedures so that their deadlines may be met with a minimum of difficulty.

I urge my colleagues to join in supporting this amendment, and in so doing, to provide the States with a significant incentive for implementation of these regulations for our handicapped.

Mr. O'BRIEN. I thank the gentleman.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I want to join in supporting the gentleman's amendment, and congratulate him.

We often say that we in the Congress have no control over local taxes, particularly property-based taxes. Yet, when we mandate a school district to take certain action, obviously the money has to be raised in that manner, from all the people. So, I think what the gentleman is doing today is bringing our attention to that issue, and giving us the opportunity to act.

Mr. O'BRIEN. I thank the gentleman.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I have the highest regard for the gentleman from Illinois, my good friend, Mr. O'BRIEN. However, I think that he has put us in a very handicapped position here today. He offered this amendment in committee, and received no support.

I have been on the appropriations committee for 20 years, and certainly I support the thrust of his amendment, but he is a little early. If he attended the hearing when we had Dr. Martin, the head of the program, present, he would have known that he is putting the cart before the horse.

Let me read from the record, and I think all will agree, including the gentleman from Vermont, that if the gentleman from Illinois will withdraw the amendment and go along with the Committee, when the time comes I will be in this House spearheading this fight for adequate funds. Remember, this bill is $648 million over the budget. We have

not appropriated $17 billion. That has not been authorized, and I project that this bill will be $2 billion over the budget when we are through. So, do not go back home and tell the people how you are trying to balance the budget and how right they were in California, and yet come over here and try to inflate this budget any more than it is. Let them read the record for today.

Mr. Chairman, I wish to read from our subcommittee hearings, part 5 for fiscal year 1979.

Mr. CONTE. As in the case of last year's budget, there is no requested budget authority for part A grants for the removal of architectural barriers. It is going to really cost millions and millions of dollars to remove these barriers. What is the part A, removal of architectural barriers activity supposed to accomplish? Why is there no budget request for part A?

That is from Dr. Martin on page 255 of the hearings, part 5:

Dr. MARTIN. Basically it is a very open-ended authority that gives the Commissioner authority to make grants to school districts to remove architectural barriers that will be necessary to have children get special education. As we have looked into it, and I would be pleased to hear from the school committee on this, we have not had very definitive statements from the schools as to actual situations where children cannot go to school and are not getting special education because of these barriers.

I think a lot of people misinterpreted the 504 regulation to assume every school will have to be modified and accessible. We are interpreting the regulation to mean that if there is a child that needs a program, he must have access to the program and cannot be turned away. As a result, there might be certain classes and schools that might be impacted upon, although there are not that many young people who have orthopedic problems.

We thought the first response to this was probably an overreaction based upon some assumptions that might not be true. Essentially we have laid back a little saying, let's get the service money out there that buys the teachers and gets kids in the classes. As we identify problems, for example, where a school says it cannot get money in that class and has no alternate building or chemistry classes on the second floor, we will have a better idea of how much money we will need.

Right now it is like hunting acorns in the dark. We know there may be some problems. We think there are fewer than most people think because their estimates have been based on the assumption that every building will have to have an elevator or be modified. We think there will be some problems forthcoming. We didn't ask for funds for this activity because we don't know how much will be required and we thought we should put the priority of service delivery to children first.

Mr. CONTE. I can see your point but they are very worried. Are they under any compliance deadlines for barrier removal?

Dr. MARTIN. The Office of Civil Rights has a deadline which requires them to make services and programs available to children. It is permissible to move the program to where the child can have access in many instances. There are only a few instances where you could not do that, for example, a science laboratory.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I would like to ask the gentleman if he is aware that, first, there are studies now being conducted by HEW and, also, that we passed almost unanimously the Vocational Rehabilitation Act which contains an authorization for further studies on the cost of 504 to be completed very quickly?

Mr. CONTE. Yes; I am very much aware of that and, furthermore, Massachusetts has this law on the books right now. We are one of the leaders in the country on this.

Mr. JEFFORDS. I am sure the gentleman is aware that if we wait much longer, the situation is not going to be the need for a $250 million request, but more likely a request in the billions, at least initially.

It certainly appears to me that there cannot be any question that the amount required for barrier removal will be substantially more than $250 million requested for barrier removal in the four categories we are discussing here.

I have not seen a single estimate by anyone that would indicate that $250 million would even be a partial drop in a partial bucket in taking care of this problem.

Mr. CONTE. The gentleman from Vermont (Mr. JEFFORDS) will recall that I said that there was a study. At our hearings Dr. Martin said:

Dr. MARTIN. The studies for which we are asking $2.3 million concern what is happening in the delivery of services, asking, for example, are children being found, are they getting individual plans, that kind of thing. We have not been studying the architectural barriers question in our office. OCR is doing some examination of that. We have a deadline of September 1, 1978, when all children ages 3–18 have to have a free and appropriate public education.

Dr. Berry explained further:

Dr. BERRY. Mr. Conte, Mr. Flood asked us during overview hearings for education if we would provide some information concerning the costs of removing architectural barriers. We promised to submit that information. We will get together with the Office of Civil Rights to develop a response.

Of course, I am well aware that this program will cost a lot of money. The gentleman from Vermont himself does not know what that will be and neither do I because we are not experts in this. That is why we have $2.3 million in here for a study.

All I am saying is that you know that I am all for this program. This bill is well over the budget, as the gentleman knows, and for valid programs, health programs, education programs, and it is going to be vetoed if you load it down further.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 3 additional minutes.)

Mr. CONTE. I am only asking for restraint. I am assuring you. You never saw this gentleman in the well ever shirk his duties when it comes to providing necessary funding, including that fish hatchery in the gentleman's district.

Mr. JEFFORDS. You did cosponsor a bill in this area, I understand.

Mr. CONTE. I am assuring you, that we can handle this in a supplemental appropriation. When the study is completed I will be in the well and if the committee does not put enough money in, I'll join the gentleman from Vermont. But do not do it today. We have amendments coming up today to try to cut the bill by $233 million and we will be fighting that. We have a real tough situation here. I am just asking you to show a little restraint, show a little patience and hopefully we will provide the necessary funds at a later date.

Mr. OBEY. Mr. Chairman, if the gentleman will yield, I agree with every word said by the gentleman in the well. His record is quite clear on this issue of the handicapped, and so is mine. I offered amendments 3 years in a row raising the amount for aid to the handicapped in the State grant program, but the fact is that you have to recognize reality around here and the reality around here is that this bill is under pressure from the other direction—including veto threats. One of the ways to absolutely guarantee suicide for this bill which is designed for the purpose of helping people is to try to include this.

Mr. GILMAN. Mr. Chairman, if the gentleman will yield, I simply wish to say that the gentleman from Massachusetts has made some well sounding arguments, but I wish to reemphasize that one of our problems in this bill is that we in the Congress have mandated and given the authority and are imposing heavy burdens on a lot of school districts, they are being forced to do this, they will have to meet this deadline by the year 1980, and unless we come forward and provide some help we will only increase further the local school tax burden. We know the results that that created recently in California. I think we should bear in mind that when we mandate something that we should provide some of the wherewithal to meet those mandates.

Mr. CONTE. The gentleman from New York (Mr. GILMAN) knows, as I have explained here, and as Dr. Martin has said, he is well aware of this and he is not going to hit anybody over the head for not being able to do this. We are grateful to the gentleman from Indiana (Mr. BRADEMAS) for asking for this study. We must find out what they need and this we do not know; and what this will cost and this we do not know.

This amount that the gentleman from Illinois (Mr. O'BRIEN) has put in here might fall short of the mark. I have not gone along with this because perhaps we have not gone far enough, it might well be $1½ billion. We do not know. Maybe even $2 billion. But we have not completed the study. And all I am asking for is patience, wait a little, wait until the study is completed, and then we will include the money that is required to do the job.

Mr. BRADEMAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, I do not often speak on appropriations bills, but I speak on this one as chairman of the legislative subcommittee with jurisdiction for the vocational rehabilitation program as well as for the education of all handicapped children program and other measures that we have written into law in recent years that have helped open the doors of opportunity to hundreds of thousands, indeed millions, of handicapped Americans. So I feel very deeply about the purpose of those measures. I am, therefore, sensitive to the motivation of the authors of this amendment, but I must oppose it for several reasons, including some eloquently articulated by the gentleman from Massachusetts (Mr. CONTE).

The fact of the matter is that this is a fiscally irresponsible amendment in that we do not even know how much it would cost to implement the requirements of section 504. There simply have been no reliable estimates made.

We have heard here that it may cost $30 million to carry out this provision in one city, or that a State may say that it would cost a half billion dollars. We get one estimate saying $1.7 billion would be the cost nationwide. There is another estimate of $1 billion produced by a study cited before one of the committees considering this subject not long ago.

Mr. Chairman, the fact of the matter is that amendments of this kind were offered before our subcommittee. They were rejected and one of the reasons was that we simply do not know how much they cost to implement. It is quite understandable that when legislation of the kind that authorized section 504 comes along, the libraries—and I am a sponsor of the libraries legislation—and the colleges and universities—and with the gentleman from Michigan (Mr. FORD) I sponsor legislation to help colleges and universities and, Mr. Chairman, I could list a number of other kinds of institutions that benefit from legislation produced by our legislative subcommittee—see an opportunity to get some money.

But Mr. Chairman, I think that attitude is, frankly, not really responsible. If institutions had made a hard-headed economic analysis and then had come in with a tough-minded proposition, I think we could in good conscience listen to their blandishments, but the fact of the matter is that they have not done so.

There is a second reason beyond fiscal irresponsibility that this is an unwise amendment. The amendment is based on false assumptions. Indeed, some of the representations made for this kind of amendment contemplate the impossible. They contemplate that the law calls for the elimination of all architectural barriers to handicapped persons, but that is not really accurate. The regulations issued by HEW require that enough buildings or parts of buildings be made accessible so that handicapped persons can take part in federally supported activities. The regulations also permit activities other than construction or remodeling in achieving that accessibility. So here again, Mr. Chairman, we have an inaccurate assumption on the basis of which an amendment is offered that would cost who knows how much money.

I would offer another observation, Mr. Chairman. We have not heard this kind of amendment offered with respect to Federal legislation to outlaw age discrimination in federally supported activities, nor have we had such amendments offered with respect to discrimination on account of sex or on account of race or an account of national origin. Somehow it seems attractive to seek to provide such an amendment in respect to handicapped persons, and I must say, as the chairman of the Legislative Subcommittee, my door has not been battered down by the champions of handicapped persons in this country in support of this kind of legislation.

I conclude, Mr. Chairman, by reiterating what the gentleman from Massachusetts has said. We need to know what it is we are doing. We should not legislate blindly what may be hundreds of millions, even billions of dollars. That is one of the reasons that in the law extending the vocational rehabilitation program we did mandate that a newly strengthened Architectural and Transportation Barriers Compliance Board make grants to State vocational rehabilitation agencies to conduct studies—and here I quote from the report on the Comprehensive Rehabilitation Services Amendments of 1978—

> For the purposes of conducting studies to provide cost assessments for the removal of architectural, transportation, and communications barriers confronting the handicapped.

The report goes on to say:

> Following these studies the Board is required to submit a report to the President and to the Congress with recommendations regarding the amount of money required by each State in order to provide handicapped individuals with full access to programs receiving Federal assistance.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. BRADEMAS was allowed to proceed for 2 additional minutes.)

Mr. BRADEMAS. Mr. Chairman, I submit that the inclusion of the language I have just cited which calls for a study of this problem is by far the more responsible way to legislate in this enormously important field.

I remember very well having been present recently, Mr. Chairman, at the White House on the occasion of the presentation to the First Lady and to others of the final report of the White House Conference on Handicapped Individuals.

I remember being there with the great Senator from West Virginia, Mr. JENNINGS RANDOLPH, who has worked so hard in this field.

I must state, Mr. Chairman, as one who has put in weeks, hours, and, indeed years of service in this House on legislation to help handicapped persons, that I want to see that legislation implemented responsibly, intelligently, constructively and effectively. This amendment is not the way to do it.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I want to make sure I understand what the gentleman is telling me. It is my understanding the gentleman agrees with the studies amendment which I put in the bill, and that those studies ought to be conducted.

Mr. BRADEMAS. Mr. Chairman, the gentleman from Vermont has been one of the hardest workers in our subcommittee on this legislation and, indeed, on all legislation concerning handicapped people. It is only the gentleman's temporary lapse of judgment on this matter that causes me to split with the gentleman.

Mr. JEFFORDS. Mr. Chairman, if the gentleman will yield further, let me go into that temporary lapse of judgment, if I may.

Am I also to understand that if that report were to come out with a figure similar to the one which the National Association of School Boards came out with, that the gentleman would be willing to support a substantial contribution by the Federal Government?

Mr. BRADEMAS. Mr. Chairman, I have not said that at all. As a matter of fact, I want to know, first of all, what it costs and then I think we have to talk about who ought to pay the bill. It may well be that local governments, State governments, the Federal Government, and nongovernmental institutions should all have to bear some part of the burden.

Mr. JEFFORDS. Mr. Chairman, would the gentleman at least agree the Federal Government ought to have a portion of that responsibility?

Mr. BRADEMAS. I am open-minded to that.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. BRADEMAS was allowed to proceed for 1 additional minute.)

Mr. BRADEMAS. Mr. Chairman, I am completely open-minded to that proposition; but before I could make a commitment to support legislation, the consequences of which, on the basis of the comments from the minority side of the aisle, could involve the expenditure of billions—that was the word used, Mr. Chairman, billions of tax dollars—I want to know what the legislation costs.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina.

Mr. HOLLAND. Mr. Chairman, I wish to associate myself with the remarks of my distinguished whip.

Mr. BRADEMAS. Mr. Chairman, I thank the gentleman.

Mr. HOLLAND. Mr. Chairman, I would point out that following this amendment, I have an amendment that strikes $333 million from the educational assistance section. I think the same arguments the gentleman is making would apply. I hope I can count on the

gentleman for support of that amendment.

Mr. BRADEMAS. Mr. Chairman, I would say to my friend from South Carolina that the arguments do not apply and that I will be doing all I can to defeat the gentleman's amendment as well.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendments.

Mr. Chairman, the sponsor of these amendments, the gentleman from Illinois (Mr. O'BRIEN) is a new member of our subcommittee. The gentleman is a very loyal and conscientious, very hard-working gentleman, indeed, and very well thought of; but I happen to disagree with the gentleman on this particular thing—for the first time, I might add.

You have just heard this brilliant statement made by the chairman of the Authorization Subcommittee, the gentleman from Indiana, along with the sincere statement of the gentleman from Massachusetts. I will just go down the record briefly for you.

Now, appropriations for major construction assistance to institutions for the removal of architectural barriers should not be made at this time. I will hit these several points. The first one, with which most agree, is the utter lack of reliable data on which to base cost estimates.

Section 504 affects not only colleges and universities, but also local school districts, vocational institutes, public libraries, rehabilitation facilities, nursing homes, hospitals, and all other recipients of HEW funds.

Groups representing the handicapped are opposed to piecemeal assistance under existing law. They made that very clear to our committee.

Major organizations representing higher education have expressed opposition to any piecemeal funding under existing law, and they also made that clear to us.

Instead, these groups recommend a new authority focusing on the needs of the handicapped. Also let me say that many institutions have already taken steps to comply fully with section 504.

We also have this: Five separate bills are now pending to financially assist States and public agencies in carrying out section 504. On May 26, the House itself passed the Comprehensive Rehabilitation Amendments of 1978, which expands the authority of the Architectural and Transportation Barriers Compliance Board to effectively deal with problems resulting from section 504 regulations. The legislation also authorizes fianancial assistance for removing architectural, transportation, and communication barriers for the handicapped.

By the way, there is $6 billion in public works appropriations currently being obligated to State and local governments. That is going on right today, and of this total $1.1 billion is going to education institutions, primarily local schools and community colleges.

There is a 1978 appropriation of $200 million in construction assistance for energy conservation projects for schools and health care facilities, pending the enactment of the authorizing legislation. Mr. Chairman, let me add this: The President's budget requests $300,500,000 for fiscal year 1979 for just exactly this purpose.

In meeting the requirements for accessibility to existing buildings, the HEW regulations allow flexibility so that many institutions can comply without making excessive structural changes. That is a very important thing. The regulations permit compliance by providing a reasonable subsitute for actual physical access. That is just common sense.

By the way, the Secretary of HEW has stated publicly many times, as recently as May 2, that section 504 will not necessarily mean the alteration of buildings. It will not necessarily mean structural changes are required; that would be only as a last resort.

The members of this committee—with the exception of our colleague, the gentleman from Illinois (Mr. O'BRIEN)—accepted the recommendation to direct the Secretary of HEW to develop the costs involved in removing architectural barriers for handicapped persons in federally assisted programs.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. FLOOD) has expired.

(By unanimous consent, Mr. FLOOD was allowed to proceed for 1 additional minute.)

Mr. FLOOD. Mr. Chairman, this directive also requires that the report be sent to the Committee on Appropriations by December 31, 1978, in time for consideration in a supplemental appropriation bill. The estimates will include all institutions affected by section 504, not just educational systems.

Mr. Chairman, I say that these amendments should be defeated.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendments.

I have been around here long enough to be intrigued by the participation of certain Members in certain phases of a debate. When the distinguished majority whip took the floor, that was revealing, because generally you do not put in a heavyweight unless there is a substantial amendment pending and you want to shoot it down with heavy artillery.

I would also point out the technique used in the argument by the distinguished majority whip was that he, as a member of the authorizing committee, is a great champion of all these programs. But the money is not to be made available for them.

This to me is an admission of one of the cruel hoaxes that the Congress plays on so many groups—to pass authorizing legislation, implying that there are going to be huge funds made available to solve the problems, but then have the Committee on Appropriations withhold those funds on arguments such as I see prepared here for the committee.

One is that it is premature to fund these programs.

I am reading from the committee's memo against the O'Brien amendments, and one reads:

> Secretary Califano told us that many schools are misinterpreting the section 504 regulation.

Is that not the pot calling the kettle black? Secretary Califano accusing schools of misrepresenting his regulations. We should really shake up HEW, to make their regulations readable, to make the interpretations practical, then what we need is a little coordination between the authorizing committees and the appropriation committees so that the false hopes contained in many authorizations will not come to that sad position.

Mr. Chairman, I think the gentleman from Illinois has a very practical and timely amendment. I think it is responsible. I think it deserves support.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to my colleague, the gentleman from Illinois.

Mr. O'BRIEN. I thank the gentleman for yielding.

Mr. Chairman, to address myself to my respected colleague and his compliments, I must say that his remarks remind me of that old broadway tune, "Your Lips Tell Me No, No; but There Is Yes, Yes in Your Eyes."

I think, particularly for the handicapped, that the road to frustration must be paved with lip service studies, and studies upon studies upon studies. But let me just touch upon one as recently as last year, out of the Office of Civil Rights for HEW, dated May 17, 1976. They are cost estimates that are reliable, from our own sources.

> Our estimate of the total cost of altering enough existing facilities and making all the required substitute adjustments for all categories of recipients—college, elementary and secondary schools, hospitals, welfare offices, etc.—to meet the standard of program accessibility is between $299 million and $544 million, or an annualized cost of between $30 and $55 million. A detailed explanation of the cost estimate is presented below.

That is out of the HEW report.

Second, what about these people who make up regulations? Let me just quote from today's Washington Star:

> DOT: Make Transportation Accessible to Handicapped.
>
> The Department of Transportation says it will require all transportation facilities using Federal funds to begin making provisions for the elderly and handicapped, a program that could cost anywhere from $1.8 billion to $4.6 billion.

So while we just simply blithly prepare regulations to do it, we do not give them anything to do it with. I think, frankly, as proposition 13 has gone by, we know these districts are going to be suffering for money, and I think it is high time we did something.

There is a lot of velvet in this bill, but this is for people who have not had any help in a long time.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to point out that we have in this bill an additional $1,007,000 over the amount requested for the State advisory councils. We included that amount because the law had been changed to require State advisory councils to do a lot more things than they had done in the past, but the amount some States receive is not adequate to cover those added requirements.

The minimum amount needed by a State advisory council is probably $86,000 to $93,000. Yet the law only provided a minimum of $75,000. It is not possible to perform all the duties for $75,000, so the extra amount put in here represents the difference between $75,000 and the minimum amount that the State advisory councils need.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the gentleman's observation of the workings of these advisory councils. My concern would be that if the State has a sum larger at this time than would be indicated as a floor under the language in this bill, is there any intent of the committee to try to pull all of the larger States back to the floor?

Mr. SMITH of Iowa. No. I say to the gentleman that the formula includes a population factor. Population does not adequately measure the minimum amount needed, but to some extent it may measure the amount larger States would need. The $1,007,000 is calculated to be the sum necessary to bring the minimum up to the amount they need without reducing the larger States in their amounts.

Mr. PICKLE. My State has expressed concern that that might mean it would lower their sum down to the minimum. I understand now that that would not be the case.

Mr. Chairman, I thank the gentleman for making that clear.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Illinois (Mr. MICHEL).

Mr. Chairman, I noted in the discussion of this appropriation bill yesterday a statement was made by a member of the Appropriations Committee that the Office of Management and Budget had turned down the request of the Labor Department for additional personnel to fulfill the Department's responsibilities regarding the interdepartmental organized crime strike forces. The gentleman from Illinois (Mr. MICHEL) who made the statement goes on to state:

> Frankly, this appears to be another area where the President needs to get his house in order.

The committee report stipulates that at least 64 compliance officers should be assigned to this task full time. It also offers to entertain budget requests necessary to fulfill the need for additional strike force personnel.

I appreciate very much the committee's attention to this important matter, and I join the gentleman in his concern. In testimony before the Ways and Means Oversight Subcommittee on Tuesday of this week, Acting Assistant Attorney General John Keeney said that he understood the Department of Labor was going to move somewhere in the neighborhood of 100 trained investigators from within the Department into slots for use in investigations being run out of the various strike forces. Mr. Keeney did not know from where within Labor these slots would be transferred

I would express the concern that these transfers not be allowed to undermine other investigative duties of the Department of Labor, particularly the civil ERISA and the Landrum-Griffin enforcement personnel. It is not enough to rob Peter to pay Paul in this situation. We must have all of these investigative fronts fully staffed and vigorously at work or the Government's commitment, expressed before our subcommittee, before the Senate Permanent Investigations Subcommitte and in other forums, to end the influence of criminal elements in labor unions and pension funds will be of no more force than an empty paper bag.

Mr. Chairman, this particularly would be the case regarding the ongoing investigations of the Teamster Central States Pension Fund. This administration has made a strong commitment to clean up the Central States Fund and the job simply cannot be done if critical agencies are having to work with inadequate personnel.

If new people are needed they should be supplied. Following a discussion of this matter in hearings before the Oversight Subcommittee, March 22, 1978, it is my understanding that Labor Secretary Ray Marshall and Attorney General Griffin Bell met and decided that about 125 additional personnel would be needed.

Again, I very much appreciate the concern of the Appropriations Committee about this matter. I hope that they will continue to look into it as these appropriations move through the Senate and through Conference. And I and members of the Ways and Means Oversight Subcommittee will be pleased to work with them in every way we can to see that our concerns regarding this matter are fully settled.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I did specifically, of course, in general debate highlight that feeling I had because during the course of the hearings, I was given the distinct impression that the Department personnel-wise was shortchanging this organized crime strike force.

Frankly, I think it is very bad politics all the way around to be cutting out personnel who could really be pursuing a very valid end here, and I think the Office of Management and Budget is very shortsighted if they do not loosen up and provide those additional people, or, at least, the basic number required to keep that organized crime strike force by the Department of Labor, which would mean it would be going full steam, because to do otherwise simply opens the door to all kinds of the things we have read about in the newspapers. We do not want that sort of thing to come about.

Mr. PICKLE. Mr. Chairman, I appreciate the gentleman's feelings. I certainly agree with him, and he will have the support of the Oversight Committee of the Committe on Ways and Means. As this bill goes to conference, I would hope that request is made.

Mr. MICHEL. This Member will take a strong stand, and I am convinced that the other members of the subcommittee feel the same way.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first, I think it is important for us to review where we are and the situation we face.

I would like to point out that I am the ranking member on the subcommittee which handles the problems of the handicapped, and I am deeply involved with the section 504 problem and have brought this issue before that subcommittee previously. We decided that we would not push the issue at that time, but would come back when better information exists and we have a better idea of where we are going and a better sense of what Congress will provide.

The first thing, Mr. Chairman, is that this is a mandated program. Section 504 is something that has to be done, something that the schools must comply with by June, 1980, and the problems this will cause are critical.

Second, what about cost estimates? We have had studies. There are studies going on right now.

The Office of Civil Rights at HEW is presently conducting three studies on the costs and feasibility of section 504. One is being done by the National Center for Educational Studies. This is a feasibility study to see if OCR could get a handle on program access (and cost) through accessible footage in higher education. The second study is being conducted by the Assistant Secretary for Planning and Evaluation and OCR. It will take 7 months, and will produce good compliance status reports and cost estimates for architectural barriers. Third, the Assistant Secretary for Higher Education has been involved in a study to compile data and estimates for higher education. These studies are important, because they involve OCR, which is the office which decides what compliance with 504 actually is.

These studies will be completed very soon, far in advance of the time that the funds would have to be issued. Incidentally, we see the funds as being available under a grant program, not an entitlement program.

Mr. Chairman, I mentioned the studies HEW is presently conducting on the cost of 504 compliance. Other studies will be mandated and some are going on now. The information will be available. What are the costs going to be? Is $225 million unreasonable just for a start, a minuscule start? Absolutely not.

Mr. Chairman, the results of the first studies conducted during the previous administration show that a sum of $2.4 billion would be required for total compliance with 504. That was discarded. Some of the States have also developed estimates. For instance, the State of Colorado came in with $250 million; the State of California, $500 million.

I think these estimates are too high, but I do know this: When it comes down to what it is going to cost our school districts, $100 million is not even going to start the program.

Let us put ourselves in the position of a local community faced with the deadline of June 1980. How are they going to face their obligations under the act with the threat of losing Federal assistance under title I or other Federal funds?

They have to do a study within a year, and have to come up with a cost figure. If they have to try bonding sometime between now and whenever their budgetary system comes up, they must pass bonds and make decisions about whether the Federal Government will provide assistance and how much they will have to bond for? That decision must be made in 1979. It cannot be made in 1980.

We cannot pass bond issues, and probably could not even pass them with the recent lesson of Proposition 13. Communities must find funds next year, in 1979, when this appropriation would give them some help. That is when they have to make the decision.

What we need now is a signal to the people that when we pass regulations which will cost millions and millions of dollars, this body has a responsibility to contribute at least some minuscule amount for the obligations that we have imposed upon them. That is what we are asking for today, and that is what we should do.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me just play devil's advocate for a minute, and ask a simple question. Is it not true that there is a distinction between human beings and buildings in terms of providing support? The point I am trying to make is this: Human beings move across State lines, so the consequences of neglect, for instance, faulty education in one jurisdiction may be suffered upon another jurisdiction. But buildings do not move.

I frankly am concerned about sending out a signal that we are going to provide assistance for this program.

Mr. JEFFORDS. I am not at all concerned. The argument the gentleman from Massachusetts gives us is that somehow or other the next time around the budget is going to be so close to being balanced that we are going to have a lot of money, and the issue is going to be easy to solve, and we will have no problems.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Massachusetts.

Mr. CONTE. The gentleman has mentioned my name in his discussion. I never said that. All I said is that there has not been a study, and as soon as that study is completed I will be on that floor and join the gentleman from Vermont. We will have a supplemental coming up this year, and the study will be done then. I never said that we had to wait to balance the budget.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, if I were a handicapped person languishing outside and wanting to get into this room, would it disturb me that the supplemental for last year has not yet been heard this year?

Mr. JEFFORDS. I agree entirely.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment, and I do so very reluctantly because I hate to oppose my good friend and colleague from Illinois. But, I think we ought to be talking more in terms of the possibility of our having perhaps to amend this mandate. It was very difficult for Members, when we passed this piece of legislation—it passed unanimously—who wanted to cast any kind of vote that might be interpreted in any way as being against a handicapped person or against facilitating their getting around educational institutions or public institutions. Why, one could not think of doing this.

But, the point is that here again we are setting a deadline, as we did with auto emissions which we found could not be met. We are talking about 2 years from now. I am firmly convinced that when that study comes in it is going to show an unconscionable billions of dollars to do this. We are not going to have that kind of money available.

We are going to have to allow the law to be a little more flexible. Yesterday, I cited my own university, Bradley University, with 5,000 students, as having one wheelchair student in the whole student body. Are we going to mandate that this privately endowed university have ramps and elevators for one student? We have got to be sensitive to what we can and cannot afford.

Frankly, it would be much cheaper if we took those persons who are handicapped and gave them a grant for personal assistance under the work-study program for institutions of higher learning to take that person around the campus every day he is on campus. If there is only one on campus, it would be cheaper than what we are talking about.

I just think that we have got to be thinking in terms of the possibility that while at one time we mandated it, and it seemed like a very laudable end, maybe upon sober reflection we might have to amend the law in order to be a little bit more flexible. We already have some $1.1 billion of the public works appropriations being allocated to education institutions, which they can certainly use to adapt their facilities for its handicapped if need be.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Chairman, I think if we do nothing at this particular time we simply underscore and italicize what those attitudinal handicaps are, which are among the biggest problems our handicapped have, that people are just willing to push their problems away from serious consideration. Public awareness is a problem some of us relate to. Some of us last March went to a polling place and saw some young voters in wheelchairs trying to get up a hill to get to the polling place. I could scarcely manage to help one of the young voters go downhill in a wheelchair, and I wondered how he had managed to get up.

I would point out that there are 500,000 Americans who are wheelchair riders; there are 1 million Americans who wear leg braces; there are 500,000 American citizens who use walkers; there are 500,000 Americans who use crutches; and there are 2 million Americans who use canes.

The handicapped constitute a minority that is sick and tired of being a minority among minorities. They need some aid and comfort and they need it now.

Mr. MICHEL. The gentleman's comments are hard to argue against, because it is a very emotional issue, and I do not intend to do that.

I also think there are some of those handicapped people who, given all the facts and arguments, would be willing enough to concede in their own minds that we have a problem.

The regulations do not say that we have to provide actually the facility but that the program must be available to the handicapped in this institution; not the building, but the program itself. Maybe we ought to move more into the area of having more flexibility for program availability rather than concentrating all our effort on a structural change of a building, which is very hard to accomplish with the limited amount of dollars we have to deal with.

Mr. Chairman, I urge rejection of the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois (Mr. O'BRIEN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. O'BRIEN. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

A quorum is not present. The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pur-

suant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Illinois (Mr. O'BRIEN) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. DEVINE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as we know, I am not a Member of the Committee on Appropriations. I listened with interest to the efforts by my colleague, the gentleman from Illinois, to try to assist handicapped people. I applaud the gentleman, although I understand the reason the amendment was rejected.

I think we have all clearly in mind Proposition 13 that passed in California on Tuesday last. I think Congress may finally be coming aware of what many of us have been talking about around here for years and years; that is, that there is no such thing as a free lunch.

Portions of this bill relating to health include $5,234,601,000. This is nearly a half a billion dollars higher than this administration requested.

Now, it stands to reason that after this bill is passed, it will be pointed to as the health appropriations bill. The nearly half a billion dollars by which the included health programs exceeded the budget request will no doubt be minimized as only approximately 8 percent over what the Department requested.

It does not tell the whole story; it tells a very distorted story.

I obtained the supporting detail account table from the Committee on Appropriations and inspected it to see what was happening with all these health bills which were reported to the House at the 11th hour on May 15. Obviously they would not be included since it will be a considerable time before they can possibly result in approved authorizations. One prediction is not difficult to make. They all will be far above the budget request.

The table of the Committee on Appriations lists as "Unauthorized, not Considered" $1,837,605,000 in programs. These numbers represent what the administration has requested for various health programs included in those late-blooming health bills. It does not represent by any means the authorizations recommended by those bills. It does not include several new and expensive programs included in the bills. It does not take into account that even these inflated figures will be further inflated by compromises with the other body.

History teaches us that the final appropriation figures that reach the floor will be significantly higher than budget for these things that are actually in the budget. And we must add the programs not suggested by the administration or actually left out purposely. So the difference between this appropriations bill and the final health appropriation could be in the billions.

Consider that this same kind of hide-and-seek is being played by many other committees. So the advertised deficit dished out to the American public in the next few months will be phony.

The authorization bills for these additional billions will come along one by one between now and October. The supplemental appropriations bills will no doubt languish until next year. By that time elections will be over and these budget-busting bills will be resting quietly dormant, waiting to be funded in February or March of next year. Then they will be old business. Attention will be focused on the new budget and the new deficit.

This is a masterful example of fiscal legerdemain, juggling billions of dollars so they never clearly show and so they make a horrendous deficit appear to be something it is not, or at least something less horrendous. That is good politics perhaps, but it is bad government.

Mr. Chairman, I implore those Members on the floor to consider these points when they take up these good causes. And there are many, many good causes, including the one the gentleman from Illinois (Mr. O'BRIEN) just offered for the handicapped. But I suppose the greatest handicapped people in America today are the taxpayers, because of the excesses we in the Congress engage in by continuing to authorize bills that we do not have the money to pay for.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

STUDENT ASSISTANCE

For carrying out subparts 1 ($3,373,100,000), 2 ($340,100,000), and 3 ($86,750,000) of part A, and parts C ($520,000,000) and E ($328,900,000) of Title IV of the Higher Education Act, and, to the extent not otherwise provided, the General Education Provisions Act, $4,675,750,000, of which $4,651,350,000 shall remain available until September 30, 1980: *Provided*, That amounts appropriated for basic opportunity grants shall be available first to meet any insufficiencies in entitlements resulting from the payment schedule for basic opportunity grants published by the Commissioner of Education during the prior fiscal year: *Provided further*, That pursuant to section 411(b)(4)(A) of the Higher Education Act, amounts appropriated herein for basic opportunity grants which exceed the amounts required to meet the payment schedule published for any fiscal year by 15 per centum or less shall be carried forward and merged with amounts appropriated the next fiscal year.

POINT OF ORDER

Mr. COUGHLIN. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state this point of order.

Mr. COUGHLIN. Mr. Chairman, during the discussion of the rule on this bill, I asked if there was money in this portion of the bill for the so-called Middle Income Student Assistance Act. The distinguished chairman of the subcommittee informed me that there indeed was money in the bill for that act.

I indicated at that time that the Middle Income Student Assistance Act was not authorized. In fact, the House specifically refused to consider that act and has subsequently passed the Tuition Tax Credit Act. I was informed that was not necessary because this could be done under current law.

Mr. Chairman, the Middle Income Student Assistance Act is not current law. If the Middle Income Student Assistance Act is current law, why did the President propose it as a new program?

Mr. Chairman, the committee report says that this appropriation is based on the House version of the Middle Income Student Assistance Act and will expand student aid for middle income students. It will not expand aid for middle income students without increasing the middle income student limitation, and there is no authorization for that.

Mr. Chairman, I would like to know whether the Middle Income Student Assistance Act is or is not in existence and whether it is or is not necessary, and I make the point of order that the $1.4 billion in this section that is for expanded aid to middle income students is not authorized.

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. FLOOD) or the gentleman from Wisconsin (Mr. OBEY) desire to be heard on the point of order?

Mr. OBEY. Yes, I do, Mr. Chairman.

Mr. Chairman, let me just point out that the Middle Income Student Assistance Act, which has not yet passed, simply gives direction and makes certain changes in an already existing program. The bill before us today funds programs which are in existing law, and the gentleman's point of order is, therefore, not well taken.

The CHAIRMAN (Mr. BOLLING). The Chair is ready to rule.

The gentleman stated quite accurately that the report of the committee on this appropriation bill indicated that the Middle Income Student Assistance Act H.R. 11274 had not become law. It also says, and I quote, on page 74:

> Even though this legislation is still pending, appropriations can be made under existing authority to expand student aid for middle income students, as expressed in the bill and accompanying report.

The Chair has had an opportunity to examine the report on H.R. 11274 and the basic law. This is Public Law 94-482, 94th Congress, the Education Amendment of 1976.

Section 121, Part D, Student Assistance Basic Educational Opportunity Grants, extends the authorizations of the basic act to September 30, 1979.

Considering all of the authorizations for fiscal 1979 under part D—Student Assistance—together, it would appear that the funds in the paragraph in question are authorized.

Therefore, the Chair believes that the Committee is correct in its view that there is extant authorization justifying this appropriation, and he overrules the point of order.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is very obvious, to me, that what we are doing here is putting money into a program that does exist to fund a program that does not

exist. I think that is a very bad practice. Not only are we putting money into a program that does exist to fund a program that does not exist, but we are doing that in contravention of the clearly expressed will of this House. This House has expressed its will first in turning down consideration of the Middle Income Student Assistance Act, and it has again expressed its will very substantially in enacting provisions for tuition tax credits. What this is attempting to do is make an end run around that process, around the will of this House very clearly expressed.

To put money into an act that does exist to fund an act that does not exist I think is a very poor practice.

The CHAIRMAN. The Clerk will read.

The Clerk continued the reading of the bill.

AMENDMENT OFFERED BY MR. HOLLAND

Mr. HOLLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLLAND:

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

EDUCATION DIVISION—STUDENT ASSISTANCE

On page 23, line 21, strike out "($3,373,100,000)" and insert in lieu thereof "($3,140,100,000)".

On page 23, beginning on line 25 and ending on page 24, line 1, strike out "($4,675,750,000, of which $4,651,350,000)" and insert in lieu thereof "($4,442,750,000, of which $4,415,850,000)".

Mr. HOLLAND (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

POINT OF ORDER

Mr. FLOOD. Mr. Chairman, I raise a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FLOOD. Mr. Chairman, the Clerk had already read beyond the section to which the amendment relates.

The CHAIRMAN. The Chair will advise the gentleman from Pennsylvania (Mr. FLOOD) that the gentleman from South Carolina (Mr. HOLLAND) was on his feet, seeking recognition at the time.

Mr. HOLLAND. Mr. Chairman, I was trying to get recognition the entire time.

Mr. Chairman, I again ask that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HOLLAND. Mr. Chairman and members of the Committee, it is difficult, to say the least, for me to raise this type of an amendment in a section relating to educational assistance. I believe I can say that I voted for every dime that this Congress has had before it since I have been here which was related in any way to educational programs.

However, the bill we have before us is sort of like a game of "Can You Top This?"

The President sent up here a $1.007 billion increase in this particular section related to student assistance basic educational opportunity grants, and the Committee added to that an additional $233 million.

I say it is difficult for me to take this position, but somewhere, somehow, the line has to be drawn on what we can afford in this Congress.

After all, we recently passed a tuition tax credit which literally blows the bottom out of the Treasury. We have coming toward us a student loan program of immense dollar proportions, and I think all those things are well and good. However, what the Committee added to this particular provision was some additional assistance, a few dollars to families with income somewhere above $16,000 mostly, and others get nothing if their annual income reaches $28,000.

I think this is a good gift and a great idea, but I think the better gift to the people in this income bracket, the people intending to get students through college, would be the simple gift showing that there is some exercise of restraint in this Congress in this type of expenditure.

Mr. Chairman, I think we know full well that the amount we are talking about today is not going to be the upper limit for this type of grant in this year's appropriation process, whereas this amendment simply calling for the elimination of $233 million is not going to balance the Federal budget. The elimination of $233 million is not going to remove from the colleges in this Nation one student. The small amount of money being given to people in the upper income level is not going to help them to send a child to college because they are already on the way to college at that income level.

Mr. Chairman, I think the idea to do all we can to provide educational opportunities in this country is a good idea. I have always said that I vote for it, Mr. Chairman, not because it is an expenditure; it is an investment in the future. However, just how much money can this Government afford to invest, and how long do we have to argue this process? We are looking down the road to a veto of this bill if it continues with this type of item in it. The college presidents of small colleges around my district and the college presidents across this country are wondering whether we will get into something like the abortion fight, and I hate to bring that up; that will be a battle in itself. In other words, we are creating a situation in our procedure where we are going to have uncertainty as to the amount and intention of this Government and its programs to assist college students because the President has said he will veto this legislation if it exceeds his budget request.

Certain items got by yesterday afternoon without objection or without an amendment being offered, and they are already in excess of what the President requested, so they ought to face a veto.

Mr. Chairman, I am saying that this is a great and a productive program. It fits very nicely into a number of other programs which the Congress, in its wisdom, has adopted and will adopt as the time passes.

However, we are asking for an insignificant amount of money, which generates confusion and uncertainty among the educational community, but faces the prospect of a veto.

Mr. Chairman, I do not offer this amendment as an enemy of education. I think I have established that I am approaching it as a friend because I think it will expedite our procedures. It will put us in a position of being able to give the people in this income level a gift far greater than a few dollars. At least, it will be one signal that at some time yet the Congress is going to start exercising restraint in our spending procedures.

Mr. Chairman, I urge the Committee to adopt this amendment. I do not believe it is going to fatally harm this bill. I do not believe that anybody can raise that serious argument.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and members of the Committee, I would like to say at the outset that I approached the gentleman who offered the amendment a little while ago and said, "How did a nice guy like you get tangled up with a turkey like this?"

I really want to say sincerely, as strongly as I feel about this cut, having worked on this legislation for so long, that I clearly understand that my good friend from South Carolina is torn by his responsibility to offer this amendment pursuant to a commitment to do that. I appreciate his frankness and honesty in telling the Members of this House that it is not offered out of a great sense of commitment to the idea that this is a wise thing to do from an educational point of view. The White House is saying that unless this cut is made the President is going to veto this bill.

That is ridiculous. It is my President on the other end of the street. I voted for him and support him, and hope to support him in the future. It is ridiculous for him to suggest that he is going to veto this bill because there is money in the bill which is a response by the members of the Appropriations Committee to his initiative to meet what we were telling him was an important priority.

For well over a year people have been in this well talking about the urgent and immediate need to do something for the children of middle-income families in this country who are being locked out of college opportunities because of increasing costs. Our existing programs were limited to a population that left them out. The gentleman suggests that the $233 million this amendment would remove from the Middle Income Student Assistance Act will not have much effect.

Here is what it does: It takes 300,000 college students who would otherwise qualify this year out of the basic grant program. Sure, they are going to be left eligible for the student loans, and some of them will be left eligible for work assistance, and they can dig themselves into debt along with their families to pay for their education.

But, I thought I heard from this House, as chairman of the Postsecondary Education Subcommittee of the Education and Labor Committee, the clear and loud plea to change the existing programs so that we give greater equity to a class of people who were saying to their representatives in Congress: "We have been left out for too long, and we want further consideration."

Who is left out if this amendment is adopted, if the legislation which was brought from my subcommittee unanimously, and I might say is a bipartisan bill supported by every Republican as well as every Democrat at the time of its subcommittee passage? The formula that this amendment would wipe out was not even written by the majority. It was Mr. QUIE's formula, which he persuasively presented to us. As a result of his persuasion, we voted unanimously to effect his change.

The effect of this amendment is a undermining of the Quie amendment. We went with the initiative of the President, and met the challenge of Mr. QUIE and other members of my committee.

We have been making promises for months to people that this Congress was moving on legislation which was going to reach out and give them assistance. I am not talking about new programs or reinventing the wheel. We are talking about in-place programs that are not available to the kind of people that this money would try to reach for only one reason. The money is not now available to these people because we had placed in the past, necessarily but nevertheless arbitrarily, limits on who can participate.

We attempted with this legislation to lift those arbitrary limits to something more realistic. We concluded that we should stop, for want of a better place, at around $25,000, which represents a measure of middle-income families in this country. The effect of the gentleman's amendment would be to reduce the grant for every student eligible for a grant above $15,000 of family income—and think of that when a family of three or four children has $15,000, and we are calling them middle income people. Two of the children hit college at the same time, and we are saying to them that they are too rich to get some help from the Federal Government for the education of the members of their family.

The gentleman's amendment, however, would have us now, today, say that, "Contrary to the recommendations of Mr. FLOOD's committee, you are too rich."

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. FORD of Michigan was allowed to proceed for 3 additional minutes.)

Mr. FORD of Michigan. Mr. Chairman, contrary to the recommendations of the Appropriations Committee, the gentleman would have us now back up and say to all of the families over $15,000: "You are so rich that we are going to adopt the Holland amendment and cut between $50 and $200 from the grant that the Appropriations Committee thought you would need to go to school next fall."

If this amendment is enacted, it will cut not only the middle-income families we were trying to assist but also cut all the way down to the families with $10,000 income.

I would like Members to go home and explain to their families with three or four students and with incomes of $10,000 that those families are too rich to receive help from their Government.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, the gentleman referred to this as the White House-Holland amendment. Is this a White House amendment to cut?

Mr. FORD of Michigan. I guess I am not close enough to get the word directly, but for the last 48 hours they have been peddling a package of cuts, and this is what is left of an ill-conceived package that was floating around yesterday.

Mr. MITCHELL of Maryland. It really cannot be, because we have been praising the President for having done more for education than the previous administration. So I hope it is not his cut. I was talking to the author of the amendment and, as I see it, and I really need clarification, if this cut is made it really is within the purview of the Education Department, it is within the authority of the Education Department to make cuts all the way down to families earning $6,000.

Mr. FORD of Michigan. We have a bill from our committee which would provide that for families earning $6,000 or less it will increase the basic opportunity grant from $1,600 to $1,800 a year, but that is not the law and that legislation is still bottled up in the Rules Committee.

Mr. MITCHELL of Maryland. I know this is not an administration amendment because the administration would not seek to harm families with incomes of $6,000 when they have four children.

Mr. FORD of Michigan. I thank the gentleman for his comment. I wish I could agree with the gentleman's very generous interpretations of the situation we find ourselves in, but, believe me, out of loyalty to our President I ask the Members to vote against this amendment and save him from the folly of his advisers.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. MICHEL, and by unanimous consent, Mr. FORD of Michigan was allowed to proceed for 1 additional minute.)

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, is it not true that under the grant law that an award can be $1,800 without the enactment of any new Middle-Income Assistance Act? They have authority to do that.

Mr. FORD of Michigan. It could (a) if we had the money to do that and (b) if HEW had the money to do it.

Mr. MICHEL. That is what they told us in our hearings they were prepared to do.

Mr. FORD of Michigan. I suppose what the gentleman is saying is that we should trust them one more time. They have done so well by the students so far that we should trust them one more time. But I am reaching a point of cynicism where I think a bird in the hand is worth two in the bush, and I ask the Members to stay with the Appropriations Committee and reject the amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Mr. Chairman, I really do not quite know how to begin. I do not really know which of my feelings to leave unmentioned and which of them to express, frankly, about this amendment.

The gentleman from Michigan (Mr. FORD) has already indicated what the effect will be. I just want to make a few observations so as to put this amendment in context.

No. 1, in my judgment, if the administration is supporting this amendment—and it is difficult to determine what they are supporting on this bill these days—but if they are supporting this amendment that would, in fact, be a betrayal of every person in this House who, just a week ago, stuck with the President on the tuition tax credit proposal.

The second point I would like to make is that even if you are for a tuition tax credit I would think, because I think the motivation for both proposals, both the tuition tax credit and the middle income student assistance, is the same, I think you would feel very unhappy about the prospect of cutting out from participation in the BOG program every family that earns more than $22,000 a year.

If this is an administration amendment then what they are saying to the Congress is: "Mr. Congressman, you can not change administration priorities by 1 percent. You can not do that."

If we acquiesce in that we might as well all wire our buttons to the White House and go home. I do not think we came here to be the President's Congressmen, I think we came here to be our own people's Congressmen. And my people especially those in the middle income area, say, "Look, we do not mind programs that help the poor. We do not mind foreign aid programs if they are designed right and do the job they are supposed to do, but we would like to share, occasionally, in the largesse of the Government."

What the President is doing, if he is, in fact, supporting this amendment, is asking me, 10 days from now, on this floor, to defend a foreign aid bill against efforts to cut an additional $600 million from that budget. We have already cut the foreign aid bill $1.2 billion in committee. This committee has taken half of that cut and put it into domestic programs.

How credible am I going to be defending an administration's foreign aid budget which has a 44 percent increase for education, when the President says to the group in this country that pays the most to support not only foreign aid but all other domestic programs, that is, the income group in the middle, "Sorry, fellows, but you ain't going to participate this year"? That is what he says if he supports the amendment. I do not think anybody here really believes that is a credible position.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, like the gentleman from Wisconsin (Mr. OBEY), I am not altogether sure how I ought to begin. I am reminded of an earlier conversation the gentleman from Illinois had immediately after markup of this bill, with the Director of the Bureau of the Budget, Mr. McIntyre. Since the bill was $600 million over the President's budget I asked whether or not he was concerned about that and wondered whether any effort would be made to cut back the increases to the President's position, and if so, I offered my support.

Time went by and as the time went by, BOB did not hear anything from any administration spokesman.

I did hear there were amendments floating around, possibly a package of amendments sponsored by the administration.

Lo and behold, the night before last at 7:30 p.m. while I was doing my homework in the office there came a call from the Office of Management and Budget as to whether or not I would be willing to support the administration's amendment. What is the amendment? Then a few specific items were reeled off.

"Whom have you got to introduce the amendment?" I asked.

"Well, we are not altogether sure," was the response. As it ended up, it sounded like it may be someone pretty darned far down on the totem pole who was actually going to do the administration's bidding on this amendment.

Having said that, oddly enough I can stand here and support the gentleman's amendment for that portion of the BOG program, because I take the position earlier expressed by the gentleman from Pennsylvania, (Mr. COUGHLIN).

I was for tuition tax credits. I voted for that proposition. I would like to see it enacted into law. If it were to become law, we are then probably overfunded on the BOG's program. As a matter of fact, if we look at the hearing record on page 393 of part 5, we will find that awards for student assistance in fiscal year 1978–79 now total 5,800,000. With the administration's proposal for increases, the figure goes up to 9,431,000 awards. If my memory serves me correctly, we have maybe 11 million young folks in institutions of higher learning today. We are assisting a very high percentage of them with the money in this bill and I might say that would also be the case if the pending amendment were adopted.

I suppose if you want to argue the point it can be said that passing the gentleman's amendment will result in 250,000 fewer awards being made than would be under the funding level provided for by our committee. I think we also ought to be aware that this bill carries a 60 percent increase for basic opportunity grant awards over last year.

I do think there are good grounds for supporting the gentleman's amendment. I am quite well aware that it does not have very much support on the majority side and probably will not have very much support on the minority side, if the administration is not willing to back up what it says it wants with a little more muscle than what we have seen here today.

The other day I was asked, "What do you think about the President's program to combat inflation? Do you think it is effective?" I said, "Well, I have not seen any muscle applied, no pressure brought to bear to bring money bills back to his budget figure."

I will say one thing, when it was our administration, with only one-third of the votes in this House, we had a well-orchestrated program that if we were going to take a particular stance, it was communicated up here, and we all knew on both sides of the aisle where they were. There is no coordination downtown today and no orchestration, to speak of. If so, it is off key, and that is the reason we are not getting anything substantially done today to reduce this bill. It could stand some paring down, and I personally would support the President's recommendations if I had some assurance I would not be left stranded when the pressure was on.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

I would just like to correct a statement made by the gentleman. He indicated that there were 9 million kids out of 11 million in school who were getting support from the Federal Government. That is not correct.

Mr. MICHEL. I see that on page 393 of part 5.

Mr. OBEY. But the chart on page 393 lists the basic grant and the supplemental grant work study, and as the gentleman well knows, given the way the formulas work, these are duplicate counts. The gentleman is counting some kids 3 times to get to that 9 million figure. He ought to reduce that figure by several million.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. FORD of Michigan, and by unanimous consent, Mr. MICHEL was allowed to proceed for 1 additional minute.)

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. I thank the gentleman for yielding. I was surprised by the gentleman's figure of 80 percent of the present student population in our colleges and universities.

Mr. MICHEL. I stand corrected, because there are those duplications, but there is a 60 percent increase over last year in the basic opportunity grant program.

Mr. FORD of Michigan. In one form of aid or another. I do not think the gentleman meant to say they are all BOG students, but in one form of aid or another, the gentleman is suggesting that 80 percent of the students are receiving some kind of Federal assistance.

Mr. MICHEL. Yes.

Mr. FORD of Michigan. Is that not persuasive that the 20 percent not receiving Federal aid must be from the wealthy citizenry and families of our society, and that we are gradually reaching the point where only wealthy kids can afford to be in college? Does it not frighten the gentleman that we have reached the point where we have got to be extremely rich or very poor to be in college? If the gentleman's appraisal is accurate, that is even more frightening than any impression we have had up until now, and more persuasive than anything I have heard on this floor for the Middle-Income Student Assistance Act.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, other responsibilities kept me from the floor and I did not hear whether the President today is for or against this amendment. If consistency is the virtue of small minds, we have a giant-minded President. He was with the gentleman from Michigan (Mr. BILL FORD) and me last week in support of the funding of his own middle-income student assistance program. Yesterday he was on the other side. I do not know where he is today; but I know where this House ought to stand. The House ought to stand by the right decision of the Committee on Appropriations. It ought to follow the leadership of this subcommittee in giving needed relief to middle-income families who will be denied that relief if this amendment carries.

Mr. Chairman, it seems to me the very people we sought to help in the middle-income student assistance program are the ones who will be denied help if the amendment prevails.

Now, we tried to protect low-income families and students in the way we designed the Middle-Income Student Assistance Act, authored by the gentleman from Michigan (Mr. FORD) and others.

We did seek to protect those low-income people from loss as the result of the passage of this program in the event of funding cuts like the one proposed; but instead, what we shall have if this amendment prevails is that we shall fail to reach those middle-income burdened taxpayers of these United States who pay so much of their tax money to fund this Government and who receive such a small amount in end benefit from these programs. We will be taking help from people that simply need it for purposes eminently worthwhile that go right to

the heart of the highest priorities we should have in Government. If there is anything this country needs to do it is to make sure it is a place of opportunity for every citizen. That means at least a quality education for American citizens.

It seems to me that in cutting in this area we are doing a great disservice to American citizens and to our country itself.

It seems to me that the committee has made a wise decision that is worthy to be followed. I commend them for it and I urge defeat of this amendment.

Mr. FLOOD. Mr. Chairman, as some very well imagine, I was prepared to discuss this subject in my rich baritone voice at some length; but to try to improve on what the gentleman from Michigan said would be gilding the lily, and now the gentleman from Alabama has been even more eloquent. Let me say this: The committee recommendation is based on the House version of the Middle-Income Student Assistance Act (H.R. 11274) as reported by the Committee on Education and Labor.

Now, even though the legislation is still pending, appropriations can be made under existing law to achieve the general aim of the legislation, and the administration proposal.

The recommended increase of $1.4 billion in the bill before us today is designed to expand the existing student aid programs and to help the middle-income student, as my friend, the gentleman from Alabama, said so eloquently and so well.

Now, the President's budget request—I repeat that for the purpose of emphasis—the President's budget request for expanded student aid was submitted to our committee for consideration. All right, it is getting consideration. We recommend expanding student aid, because we have worked on these programs for many, many years.

Colleges and universities have administered Federal student aid, and they have administered the Federal student aid very well from the beginning.

All we are doing in this bill is providing the funds necessary so that more students of middle income families can receive student aid through well-established programs.

The amount recommended in the bill is based on a carefully drawn program of expanding the assistance to millions of students who are now ineligible for financial aid as recommended by the authorizing committee. The committee believes this is exactly what the Members wanted to do. There is no doubt in our minds about that.

Mr. Chairman, I urge the Members to support the amount that we have in this bill and vote against this attempt to reduce it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. HOLLAND).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SPECIAL PROJECTS AND TRAINING

For carrying out the Special Projects Act (Public Law 93-380), the General Education Provisions Act, to the extent not otherwise provided, title V, part A and section 532 of the Higher Education Act of 1965, and the Career Education Incentive Act (Public Law 95-207), $133,535,000.

AMENDMENT OFFERED BY MR. O'BRIEN

Mr. O'BRIEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN. Page 25, lines 10 and 11, strike out "$133,535,000" and insert in lieu thereof "$140,975,000, of which $10,000,000 shall be available for carrying out section 404 of Title IV of the Education Amendments of 1974."

Mr. O'BRIEN. Mr. Chairman, not exactly flushed with victory, I now come before the Members on behalf of a special group of Americans who in a certain way are curiously related to the handicapped, in that they were not born handicapped but, rather, they were born exceptionally gifted and talented. Yet in some ways they are confronted with a handicap that has been thrust upon them, chiefly through our own neglect.

When the Commissioner of Education appeared before the Subcommittee on Labor—Health, Education, and Welfare of the Committee on Appropriations, he stated:

We are not doing nearly as well as we should for the gifted and talented child. I think it has been one of the dramatically overlooked roles of the schools . . . We ought to give more attention to this population of children which I think can benefit from special programs. It would be one of the top priorities of any new initiative were my own priorities to be reflected in our future budgets. I believe we could move from the extremely minimal level we now have to a more carefully developed demonstration program that could provide leadership across the Nation in this important area.

It seems that the prevailing attitude has been that the gifted child, merely by the fact of being gifted, was better equipped to excel in school anyway, so why bother developing specialized programs?

It is time to correct this error before another generation of gifted and talented goes unheeded. Theirs is a capability which should be nurtured and advanced. Today, if a youngster shows promise of becoming a talented artist, the school system seems to conspire to stamp out that interest because there is so little interest in having the children specialize in art or make a career in the field. Consequently, the Department of HEW has broadened the concept of gifted and talented and is encouraging the States to follow suit.

At present there are only 10 universities which graduate fewer than 100 teachers trained in gifted education. At this rate it would take 250 years to train the needed teachers for the gifted. Not every teacher is equipped to deal with the demands of teaching and relating to highly gifted children. If there is not understanding in the classroom and if the teacher is unable to provide the necessary direction and stimulation, there is little doubt that the potential of this child will never be met; furthermore, there is a dangerous probability that this child will be hurt rather than helped in the classroom.

And, Mr. Chairman, let us just for a moment consider the gifted disadvantaged child or the gifted minority child. Just imagine the anger and frustration produced in the gifted minority child. Try to envision the unhappiness. Will it not be exquisite and enduring? Will it not tend to make a violent national liability out of a potential brilliant asset?

With an increase to $10 million for the Office of Gifted and Talented, more than 50,000 children could be served. In addition, 30 intensive State refinement programs would go into effect, 60 model projects, and 30 university projects.

Considering what little has been done and how much there is still to do, I hope the Members will support my amendment to increase the appropriation to the Office of the Gifted and Talented to $10 million. Even though this is a meager beginning, it is nevertheless a significant start toward insuring a better future for us and our gifted and talented children.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think it is very important to recognize that, for the past 3 fiscal years, the Office of Gifted and Talented in HEW has only been appropriated $2.56 million for the talented and gifted children in this country. Just this past year, there were over 500 proposals that were made to the Office of Gifted and Talented in HEW, and they were only able to fund 60 of those proposals. The 500 proposals that had been made to the Office of Gifted and Talented came to an amount of approximately $18 million.

Mr. Chairman, I think that we must recognize something else that I know the Chairman of the Committee on Appropriations would be interested in, and that is in the State of Pennsylvania they found that 60 percent of the children who were labeled as emotionally disturbed were tested and found to be gifted children but the teachers did not have the resources and the requisite type of training to cope with the potential of these youngsters in a traditional educational setting.

Mr. Chairman, just recently in the State of Iowa, 20 percent of the high school dropouts were found to be talented and gifted young people.

Thus we have to recognize that we are actually moving in the direction of regularly assigning to the educational trash heap in this country very gifted and talented children and young people.

All we are asking for is an increase of this amount to a mere, paltry $7 million so that we will be able to show the parents of these young people that we do have a commitment to the talented students of this country who otherwise would end up on the educational trash heap in America.

Mr. PURSELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to take a minute, historically, to review, on behalf of the Subcommittee on Elementary, Secondary, and Vocational Education of

the Committee on Education and Labor, on which I serve as a member, principally for the benefit of the members of the Committee on Appropriations.

Mr. Chairman, on behalf of the gentleman from Minnesota (Mr. QUIE), who asked me to do some work in this particular field this year, we spent an enormous amount of hours working with the gentleman from Indiana (Mr. BRADEMAS), the gentleman from Minnesota (Mr. QUIE), the gentlewoman from New York (Mrs. CHISHOLM), and others, in developing meetings throughout the country and meetings with various local educational agencies throughout the United States, to develop the language that is in the Elementary and Secondary Education Act for the gifted and talented.

Mr. Chairman, I appreciate the appropriations process, as a former member of the State Senate appropriations committee, and I know when you come on the floor you have a very tight cap on which you do not want to open up the bill for Members on the floor. But, as the gentlewoman from New York (Mrs. CHISHOLM) points out, we are only requesting $7.5 million. I think that is a very small figure. When we look at the Quie bill originally, I think it was $15 million.

Mr. Chairman, I would like the Members to realize that, in the other body, Senator JAVITS is offering the same program at $50 million. So I think we have presented a very modest, limited program which would serve the gifted and talented throughout the United States, not only for all of the people that are qualified, particularly, as the gentlewoman (Mrs. CHISHOLM) mentioned, but for the disadvantaged throughout the country who are entitled to some special help.

These young people—and I have had that personal experience, working with them myself and teaching academically talented young people of America—need special attention. They need help within the classroom and outside the classroom.

Therefore, Mr. Chairman, I think it would be appropriate for Congress this year to recognize something that is happening throughout the United States, that the American citizens are asking for some improvement in excellence in education. I cannot think of a better place in which to help not only the talented disadvantaged, but others too who are talented, than to have Congress recognize, through a very reasonable and limited amount of dollars, a chance to help the talented of America when we are really interested in helping improve the excellence and the quality of education in the United States.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Strangely enough, our friends who have been speaking misunderstand the whole purpose and the intent of the committee bill altogether.

Mr. Chairman, I oppose the amendment not because I am opposed to assisting gifted and talented children. However, I oppose the amendment because it is premature to expand the existing program, about which they are talking to us, at this time.

Mr. Chairman, the question here, is a question of time, and they are just anxious to move ahead with this program.

The present legislative authority for assisting the gifted and talented is part of the Special Project Act; and that act expires September 30, 1979. But it is now in the process of being substantially revised by the authorizing committees in both the House and the Senate.

In fact, the Education Amendments of 1978—that is H.R. 15, will soon be brought to this very floor. That bill removes the program for gifted and talented from the Special Projects Act and sets up a completely separate program altogether.

According to the report which accompanies H.R. 15, this is being proposed because the present program reaches only 14 percent of the gifted and talented children all over the country. It is not doing an effective job. Therefore, it appeared to most of us on the committee that we should not expand the program now until we see what happens with the new legislation.

We have agreed to the budget request of $2.56 million to continue the present program. When the law is changed, we are going to have another opportunity to consider increases in funding for the gifted and talented.

Mr. Chairman, we are aware of this need to do something for gifted and talented children; but let us not jump the gun. Let us see what kind of new law is enacted.

Mr. Chairman, that is why I urge the defeat of the amendment.

Mrs. CHISHOLM. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I am delighted to yield to the gentlewoman from New York.

Mrs. CHISHOLM. Mr. Chairman, with reference to the bill, H.R. 15, 25 percent of those funds is going to be spent to serve the special gifted children in the disadvantaged category.

Mr. FLOOD. Yes.

Mrs. CHISHOLM. What we are speaking about here is about the majority in this country in terms of the talented and gifted young people whom we have throughout the Nation and the inability to fund the proposals that are being put across constantly by educational institutions in this country because of the fact that we do not give the funding. Year after year it is the same kind of funding.

Mr. FLOOD. Mr. Chairman, I can assure the gentlewoman that because these Members are here as the spokesmen and the friends of these very children, that much more will be done.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. Yes, of course. I am delighted to yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, I thank the gentleman for yielding.

I would indicate that the gentleman is correct procedurally. I would have hoped that the authorization bill had preceded the appropriation bill.

Mr. FLOOD. I would agree with that.

Mr. PURSELL. This year, historically, it is not happening.

Therefore, what I am asking is this question: If, in fact, the ESEA bill is adopted on the floor—and I am sure it will be because this special projects language that was drafted I authored together with other Members in a bipartisan effort, was adopted unanimously in the full Committee on Education and Labor—it is just a matter of time.

Mr. FLOOD. The gentleman understands exactly. We are the gentleman's best friends. It is just a matter of time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. O'BRIEN).

The question was taken; and on a division (demanded by Mr. O'BRIEN) there were—ayes 13; noes 20.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

SALARIES AND EXPENSES

For necessary expenses to carry out sections 402, 404 and 406 of the General Education Provisions Act, $39,363,000, of which not to exceed $1,500 may be for official reception and representation expenses.

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at this time I want to set forth some of my views regarding title I, elaborating on what I said yesterday. The Carter budget recommendation for this program was a $244 million increase over last year's appropriation. The committee then tried to outdo even the President by adding another $100 million, bringing the total in this bill to $3.1 billion.

Twenty-five billion dollars has been spent on title I since its inception, and during that same time frame student achievement scores have continually declined. I read a report the other day indicating that 42 percent of our 17-year-old blacks are functionally illiterate and that 10 percent of all our 17-year-olds in school cannot read or comprehend the simplest application form for work.

First. Only 40 percent of the children served under title I of ESEA are from low-income families.

Second. Twenty percent of the title I funds, or in excess of half a billion dollars, is being used for administration, maintenance, et cetera, which is pretty darn high.

Third. Some two-thirds of the 62,000 elementary schools in this country participate in title I. That is too many. It results in the funds being spread too thin without sufficient concentration where the major needs are.

Fourth. When I asked in the hearings what title I was accomplishing, all the witnesses could point to was: "With respect to reading instruction, the evidence

suggests that poor readers who received extra attention because of title I and similar programs tended to maintain or advance slightly their position from fall to spring relative to their more advantaged peers rather than falling further behind. Little useful information is currently available on student achievement in other areas." After 12 that is all the pros can tell us about the progress or lack of it about the program.

Fifth. The recent series of articles in the Washington Post on the District of Columbia school system reveal that the major problem is not one of the availability of adequate education, but one of attitude and motivation. The District of Columbia is currently receiving over $11 million a year in title I funds, but after 12 years of title I funding, educational achievement is on the decline and a substantial percentage of high school seniors cannot read beyond the second grade level. Twenty percent of the students attend virtually no classes, but are still passed through the school system. The opportunities are there, but the interest is not, so simply pouring in more and more dollars is not the answer.

Sixth. The budget request would provide an average payment per pupil of $460, which represents an increase of nearly 25 percent in just 2 years. Who is getting most of this increase? Well, I will tell you the teachers and the administrators are. HEW tells us that there are proven approaches that cost only $75 to $150 per pupil, but yet there is no concerted effort to change the same old discredited ways. We are simply not promoting the use of the most cost effective methods.

Seventh. The National Institute of Education recently completed a study of the title I program which was quite critical of its administration by the Office of Education. Among its conclusions, the report stated that OE provides little clear guidance or supervision in administering the program. It found that unclear, inconsistent, and often conflicting instructions are coming from Washington. It found that Federal auditors have become so discouraged with the infighting and failure to enforce Federal laws that they are now reluctant to audit the program. It found that OE has achieved a return of only $1 million of $240 million the auditors have recommended be returned by local agencies because they have violated provisions of the law. Just pouring more dollars into the program does not guarantee its success.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL PROVISIONS

SEC. 201. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL:

On page 35, immediately after line 1, insert the following new section, and redesignate the succeeding sections accordingly:

"SEC. 201. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare is hereby reduced in the amount of $1,000,000,000: *Provided*, That this reduction shall be achieved by the reduction of fraud, abuse and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education, and Welfare: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act."

Mr. MICHEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Chairman, as most of you know, the Inspector General in the Department of Health, Education, and Welfare recently issued a report estimating that from $6.3 to $7.4 billion in HEW funds is being lost per year due to waste, fraud, and abuse.

The amendment I am offering would reduce the HEW portion of the bill by $1 billion, solely for the purpose of eliminating some of this waste, fraud, and abuse.

I emphasize the word "solely," because the amendment specifically states that the reduction is to come only from reduced waste, fraud, and abuse, and that it is not to come out of regular program funds appropriated in this bill or any other bill.

Furthermore, the amendment limits the reduction to those areas of waste, fraud and abuse cited in the Inspector General's report. Let me enumerate those areas for you, along with the amount of losses found by the Inspector General:

[In billion]

Medicaid	$2.3–2.6
Medicare	2.2

[In million]

AFDC	$669
Social Security	160–867
SSI	334
Social Services	88
Student Assistance	356
ESEA Title I	97
Indirect Costs	102

While the amendment limits the application of the reduction to these items as a group, it does not specify how the reduction is to be applied among the items. It allows the Secretary to determine how it is to be allocated, except, of course, that it must be limited to savings resulting from reduced waste, fraud, and abuse. In some areas, greater savings may be possible than in others, and it would thus be impractical to assign arbitrary dollar reductions to each area.

I should also point out that the amendment only covers those losses coming from appropriated funds. It does not apply to social security and that portion of medicare funded out of trust funds. We are thus talking about $5.6 to $6.0 billion of applicable losses, and the $1 billion in the amendment therefore represents a reduction of less than 20 percent.

We have copies at the table of both the language of the amendment and a table showing the losses cited by the Inspector General, in the event you may have questions about the specifics.

The seriousness of the waste, fraud, and abuse problem at HEW is indicated not only by the losses found by the Inspector General, but by the fact that he himself admits that they are conservative estimates, and by the fact that he skipped over numerous programs where estimates were not available. It is also true that the figures used are 1977 figures, which in several cases are considerably below the amount being contemplated for 1979. So it is quite likely that total losses from waste, fraud, and abuse in HEW are considerably more than those cited by the Inspector General.

This is not a partisan issue. Losses in HEW have occurred under both Republican and Democratic administrations.

Though it took this report by the Inspector General adding up the totals to really point out the magnitude of the problem. Our committee has been aware of it and we have been attempting to get at it for several years now.

In recent years, we have approved additional personnel for investigations, for quality control, for audits, and for program management. For instance, back in 1975, the Office of Investigations had only 10 positions. It now has 114 positions, and if this bill is enacted, it will have 214 positions. We also have 60 new auditors and all the positions combined will result in a total of 1,224 positions overall for the Office of the Inspector General.

We have, in other words, provided HEW with the tools necessary to deal with the problem, and the time has now come to see some significant results.

To be sure, we have seen some progress, both under the Ford administration and under the Carter administration. I applaud Secretary Califano for his concern and for the efforts he is making. He is on the right track, but the fact is that the bureaucracy does not always respond to the directions of the Secretary. In the HEW bureaucracy, there is still too much procrastination, too much debate, and not enough willingness to come down hard on the side of tough management practices. Let me cite some examples:

First. They told us in our hearings that they do not plan to have a penalty in effect for improper medicaid administration until the second half of fiscal year 1979. There is no excuse for that kind of a delay.

Second. They have discussed the issue of AFDC quality control sanctions with the States for nearly 3 years now, and still do not have anything in place.

Third. We provided funds last year to undertake a demonstration of the monthly retrospective accounting system, which could cut welfare costs by 10 percent. But this was delayed several months while they debated whether contracts should be sole-source, or let through collective bidding. Only now is any headway being made.

Fourth. They originally announced the use of collection agencies to collect defaulted guaranteed loans, but have backed off from this and now want to study it some more.

Fifth. They are seeking to recover very little of the waste in the title I program, and will be recovering only 9 percent and 5 percent, respectively, in the guaranteed loan and direct loan programs. Furthermore, despite all the fanfare, the default rate is actually continuing to rise, rather than declining as one might expect.

Clearly, the HEW bureaucracy needs a greater incentive to step up its efforts in the waste, fraud, and abuse area. A dollar goal established by Congress will hold their feet to the fire in a way that simply providing additional tools or words of prodding will not. I should expect that Secretary Califano would welcome this reduction, because it will give him that additional stick really needed to move the bureaucracy into action.

When I was a member of the Agriculture subcommittee on appropriations we established an office for that Department back in 1962 when there was some hanky panky going on and we needed the situation cleaned up.

Then, 2 years ago we established the position of Inspector General in HEW and just last month, by a vote of 387 to 6, we passed a bill creating Inspector Generals in most of the other Departments. This indicates that we believe in the concept of an Inspector General, and if so, we ought to be willing to back him up to correct the waste, fraud, and abuses of programs where he finds it.

If he has identified over $6 billion of it in HEW we surely can look to at least a 20-percent savings. Quite frankly, I had originally intended to offer a $1.5 billion amendment, but that was a little strong for some Members who would like to support the amendment so in difference to them I have shaved it to around $1 billion.

I do not see how we can go home and face our constituents without taking this step to implement the Inspector Generals' report. By doing nothing we simply condone the continuation of the waste, fraud, and abuse that has been identified.

AMENDMENT OFFERED BY MR. ASHBROOK TO THE AMENDMENT OFFERED BY MR. MICHEL

Mr. ASHBROOK. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK to the amendment offered by Mr. MICHEL: Strike out the figure "$1,000,000,000" and insert in lieu thereof the figure "$2,500,000,000".

Mr. ASHBROOK. Mr. Chairman, this might be called "The Anything Michel Can Do, I Can Do Better Amendment." I think as far as he goes, he does a very good job, but let us be honest about it. If we go back to the debates of May 9, 1978, this issue was thoroughly debated, and it was a rather interesting vote: 198 in favor, 189 against. Then I suppose something the President of the United States refers to as the Iron Triangle went to work because within 2 days the vote on my amendment, which would have reduced the HEW appropriation or budget figure by $3.15 billion, was turned around to where we only had 192 yeas and 205 nays. While I respect the power and the authority of the House leadership in being able to turn almost 20 Members around, I think it is a rather poor posture and a rather poor picture we hold out to the country.

The President of the United States has traveled everywhere denouncing what he refers to as the Iron Triangle, that is, the Congress, special interest groups, and Federal bureaucrats. He goes throughout the country telling how this Iron Triangle goes to work to push program after program through and increase after increase in spending.

What we are talking about here is not cutting needed services. We are talking about something that must be a catalyst to bring Health, Education, and Welfare under control.

I imagine most of the Members have read the report of the Inspector General. They are not my figures; they are not the figures of my friend and colleague, the gentleman from Illinois, (Mr. MICHEL); they are the figures of the Inspector General. The Inspector General indicated that somewhere between $6.3 billion and $7.4 billion was wasted last year in fraud, abuse, and mismanagement. I understand just in the last few days Secretary Califano has said, "Well, now, the figures are on the low side; they are in the $6 billion range, not the $7 billion range." To that we say, Whoopee. Is it not wonderful that there is not $7 billion worth of fraud, abuse, waste, and mismanagement, but there is only a mere $6 billion.

My original amendment, as the Members may recall, was one-half of the lower figure. Being more liberal all the time, I would have cut more, but I only wanted to cut one-half of the lower figure. My friend, the gentleman from Illinois (Mr. MICHEL), would only cut about one-sixth. But I will admit to something, after 18 years here even I learn a little bit, and my $3.1 billion amendment would not pass, so I think there is a reasonably good chance, if we had 192 votes for $3.1 billion, that we might get just that amount needed, that magical figure, to have a majority vote on $2.5 billion. So the thrust of my amendment is to take the meritorious amendment of the gentleman from Illinois (Mr. MICHEL), which provides a figure of $1 billion and increase that cut to $2.5 billion, which I remind the Members is still about $600 million below the amendment that I offered in May which received 192 votes in this body.

I yield back the remainder of my time.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Labor-HEW appropriation bill pending before us today has taken us over 5 months to prepare—over 5 months. Believe me, it was not put together over night, not by a long shot. The committee has examined these programs item-by-item-by-item. The Members are being asked to consider an amendment which very casually cuts $1 billion or $2.5 billion out of the bill, and this cut supposedly will be achieved by reducing fraud, abuse, and waste in the HEW program. If we believed such a reduction were possible, this committee would recommend it. The fact of the matter is there is no basis for such reduction. Two months ago on April 3 HEW released a report of its Inpector General which indicated that between $6.3 billion and $7.4 billion in HEW funds were improperly or unnecessarily spent in fiscal year 1977. This report is based on a review of the HEW programs which the Secretary asked the Inspector General to do.

Now, the review identified potential areas of misspent funds due to inefficient or ineffective management, erroneous sharing of costs between the Federal Government and the States, flaws in the health reimbursement policies which permit payment for some unnecessary surgery, the high hospital charges we have heard about due to excess beds and all that, we have heard all that before. Many of these costs, now, were unavoidable under the current law—under the law. That is particularly true of medicare and medicaid, the two big, big programs in HEW. These programs are mandatory entitlement programs. HEW has to pay the costs.

What the report says is that there are potential savings in all of HEW's programs of about $7 billion. Almost half of that, by the way, relates to the trust funds, which do not even appear in this bill before us today.

The report indicates that about 15 percent of the total is due to fraud; but the largest proportion of misused funds, so they say, is related to unnecessary costs associated with medicare and medicaid.

Now, the Michel amendment—what will be the word—ignores that fact that substantial savings have already resulted from HEW's efforts to eliminate fraud and abuse and to improve management. Just as an example, this year you will recall on May 2 the President amended the budget for medicaid, reducing the request by $462 million. Now, of that amount, $278 million is directly related to an expansion of the already successful quality control program that we talked about some time ago.

The total that the Department estimates—now, this is just an estimate of the Department—that $810 million in potential costs for 1979 will be saved as a result of these efforts.

Mr. Chairman, the point is that reductions have already been made in the budget and in the bill recommended by the committee.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. FLOOD) has expired.

(By unanimous consent, Mr. FLOOD was allowed to proceed for 2 additional minutes.)

Mr. FLOOD. Mr. Chairman, any further reduction is purely an arbitrary judgment, not based on any facts available to the committee at this time. If you want to make reductions in these programs, and we have made them time and time again, you need to change the basic law, reduce the entitlements, and tighten the eligibility requirements; but we should not slash a billion or $2 billion out of this appropriations bill.

The bill includes funds that are based on current estimates of requirements. HEW is required to meet these costs. You can cut this bill now, but there will be a supplemental appropriation to restore the cuts.

Now, the biggest concern that I have with the amendment is the unknown effect that it is going to have on discretionary programs. I do not know. Although it appears to make reductions only related to the elimination of fraud and abuse, there may be unintended effects by permitting cuts in NIH, title I, and student assistance programs, where the administration is opposed to congressional additions over the budget.

In other words, Mr. Chairman, this gives HEW a hunting license to run around and cut programs. This amendment is unnecessary, and probably completely ineffective. I doubt that it will save a dime. I urge you to defeat it.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will inform the gentleman that there has already been one point of order raised in the Committee of the Whole. Therefore, the Chair cannot entertain another point of order at this time.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my understanding is that the combined amendments as offered by the gentleman from Illinois (Mr. MICHEL) and the gentleman from Ohio (Mr. ASHBROOK) would selectively trim $2.5 billion from this appropriation.

Secretary Califano has already said he does not want $7 billion that we are going to stuff down his throat anyway. So I really do not understand this.

I am amazed that my colleague, the gentleman from Ohio (Mr. ASHBROOK), and my colleague, the gentleman from Illinois (Mr. MICHEL), are so moderate in their choice of a slight trim of $2.5 billion rather than $7 billion, since Mr. Califano says he cannot use it if we give it to him.

I would like to have the gentleman from Ohio (Mr. ASHBROOK) or the gentleman from Illinois (Mr. MICHEL) respond to this. There is a "dirt sheet" going around here saying that these proposals, either the Michel proposal or the Ashbrook proposal, will have an unknown effect, that it is a meat-axe approach. Would the gentleman from Illinois comment on that "dirt sheet"?

Mr. MICHEL. Mr. Chairman, if the gentleman will yield, I appreciate his asking me the question, because it follows on so closely with the remarks of the chairman of our subcommittee raising the specter that possibly the unknown effect of this amendment is conceivably to include NIH.

My dear friend and colleague, the chairman of the subcommittee, knows full well that the Inspector General's report never touched NIH, and there was not one citation to that effect in the report.

I specifically said that we are talking only about what he addressed himself to in that report, and it never mentioned one word about NIH. Our amendment specifically prohibits reductions in regular programed funds. If the Secretary did so or decided to make reductions in some of those programs, he would be violating the law.

Mr. Chairman, I would say again on that point that the Inspector General never went out to NIH or addressed himself to that subject in the report.

Mr. ROUSSELOT. So the charge in the "dirt sheet" that has been circulated around that these amendments would have an unknown effect is just not true?

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield in just 1 minute.

Mr. Chairman, I will ask the gentleman again: That just is not true; is that not correct?

Mr. MICHEL. Right.

Mr. ROUSSELOT. I cannot believe any Member would be a party to circulating a sheet that was not correct. That shocks me.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I will yield first to my colleague, the gentleman from Ohio (Mr. ASHBROOK), and then I will be glad to yield to the gentleman from Wisconsin.

Mr. ASHBROOK. Mr. Chairman, I have not seen this "dirt sheet" the gentleman refers to.

Mr. ROUSSELOT. I call it the "dirt sheet."

Mr. ASHBROOK. Yes, the "dirt sheet," as the gentleman referred to it.

Does it have any name on it? Who circulated it?

Mr. ROUSSELOT. I do not know. They do not always put their names on those sheets.

Mr. ASHBROOK. Maybe they are not proud of it.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to the distinguished member of the Committee on the Budget, who I know wants to give me the information.

Mr. OBEY. Mr. Chairman, let me state that no sheet has been distributed. There was a pile of sheets on the table at one time. We had planned to distribute them, but we did not distribute them because, among other things, there was an error in it.

Mr. ROUSSELOT. Oh, there was an error in it?

Mr. OBEY. Yes, there was an error in it.

Mr. ROUSSELOT. This was in error, then. Was the gentleman the author of this sheet?

Mr. OBEY. They have not been distributed.

Mr. ROUSSELOT. Was the gentleman the author of the "dirt sheet"?

Mr. OBEY. No, I was not.

Mr. ROUSSELOT. The gentleman disclaims it, and I appreciate his disclaimer.

Mr. OBEY. But there is no "dirt sheet," as the gentleman calls it.

Mr. ROUSSELOT. Excuse me.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I am very glad that my colleague, the gentleman from Franklin, Calif., brought up this point, because I remember very well the debate on this subject. I remember it because when the Fisher amendment was offered and when my amendment was offered, there were sheets that were distributed.

Mr. ROUSSELOT. We called those "hit sheets."

Mr. ASHBROOK. I am sorry, I did not hear the gentleman.

Mr. ROUSSELOT. We called those "hit sheets." They were circulated to try to scare Members as they came through the door, Members that had not heard the debate. They were intended to scare the heck out of them.

Mr. ASHBROOK. Mr. Chairman, I am glad that the gentleman has brought up this point, but I am disappointed in the fact that my colleague is disappointed in me. If he is disappointed in me, he must be more disappointed in the gentleman from Illinois (Mr. MICHEL).

The gentleman was not here a little earlier when I said that after 18 years, although it would surprise people that I have learned a little bit——

Mr. ROUSSELOT. I was here, in the back of the room, when that comment was made.

Mr. ASHBROOK. If we could not get a sufficient number of Members to accept a $3.1 billion cut, I figured we had 198 on one vote and 192 on the other; 192 would support $3.15 billion, and probably as many as 200 would support $2.5 billion. I am sorry the gentleman is disappointed in me, but that is the reason I became more liberal. I compromised. And I reduced the cut in waste, fraud, abuse, and mismanagement from $3.1 billion to $2.5 billion.

Mr. ROUSSELOT. The gentleman has become more moderate.

PREFERENTIAL MOTION OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ROUSSELOT moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from California (Mr. ROUSSELOT) is recognized for 5 minutes.

Mr. ROUSSELOT. Mr. Chairman, I did this because this is the only method we can use to get people here to listen to what is going on. The floor is prac-

tically vacant. I apologize to my colleagues, but under the "new rules" we cannot have a quorum call after there has already been one. But we are talking about an amendment that some people feel is important.

My colleague from Illinois, who is a member of the committee, has offered an amendment to cut what he feels is an unnecessary $1 billion expenditure.

Secretary Califano has stated over and over again that there is, roughly, $7.5 billion he does not need, could not use, and/or is involved in fraud, abuse, et cetera.

I thought this was the only way we could get a discussion on this issue, since there are not too many people here.

Second, I will direct a question to my colleague, the gentleman from Illinois (Mr. MICHEL). Another part of the "dirt sheet" that is going around is that this is a paper cut. The statement says that "the amendment makes reductions of unspecified amounts in entitlements without any evidence that the savings can be achieved. The sponsor of the amendment"— speaking of the gentleman from Illinois (Mr. MICHEL)—"has repeatedly been critical of paper cuts and now is offering one of the biggest we have seen. It opens us up to a supplemental later on."

Does the gentleman want to comment on that?

Mr. MICHEL. If the gentleman will yield, I think it is rather interesting that Secretary Califano himself, in his letter of June 6 to the Members of this body, states that he has called upon the Department to make savings of $1.1 billion in fiscal year 1979. That is more than my amendment calls for. I gave him $100 million leeway.

Mr. ROUSSELOT. So again that is not true, the statement I just read?

Mr. MICHEL. That is right. It is a real reduction and represents a directive to HEW that such savings do in fact take place. We cannot just talk about them. We ought to insist on them. If this body does not have that leverage to really bear down on the bureaucracy, then we have lost all control, and I submit that this is the time for us to show that we mean business.

Mr. ROUSSELOT. Another one of the "dirt sheet" claims is that the gentleman's amendment distorts the Inspector General's report, and it goes on to say:

> The amendment tries to convince us that HEW has identified $6–$7 billion of fraud.

Does the gentleman care to comment on that?

Mr. MICHEL. My amendment does not include within its projected savings what might result from hospital cost containment, or any other savings that may require legislation.

Mr. ROUSSELOT. So that is not true?

Mr. MICHEL. I say again, it is limited to savings that can result simply from improved management and administration. Certainly, so far as fraud is concerned, the amendment requires less savings than what is lost due to fraud alone, as was cited in our table, and I just submit that there again that poop-sheet you are reading from is fraudulent.

Mr. ROUSSELOT. Another one of these charges is that the gentleman's amendment ignores everything HEW and the Congress are doing on this problem.

Does the gentleman want to comment on that?

Mr. MICHEL. Where the $810 million figure comes from is really anybody's guess. They speak of it in there, but my amendment does take that into account, nevertheless.

My original estimates of achievable savings were calculated at $1.9 billion, when we were putting this amendment together in our office.

My original version, as I made mention of earlier, pegged at $1.5 billion when I made the case before the full committee would reflect the $400 million in readily evident savings included in the bill. The lower figure of $1 billion which I finally settled on thus allows for any extra claimed savings that might be made in the bill.

Incidentally, we have added positions here, now bringing the total number of employees dealing with waste, fraud, and abuse to 5,636 people, all the more reason for getting results from putting on all of those people to ferret out waste, fraud, and abuse.

Mr. ROUSSELOT. That is a good point.

Another claim here is that this has a reverse impact and that the adoption of the gentleman's amendment will send the wrong message to the executive branch.

I cannot imagine that we would ever send the wrong message to the executive branch.

How does the gentleman explain that?

Mr. MICHEL. This argument, again, is simply ridiculous. If we cannot tell the bureaucracy to get tough and really mandate that they ferret it out, then we have really lost control to the executive branch and more particularly, the bureaucracy.

Mr. OBEY. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I am against the preferential motion because I think there are a few important programs in this bill. Furthermore, I cannot resist commenting on a few of the assertions made by the gentleman from Illinois (Mr. MICHEL).

Let me say, first of all, that it has been asserted that the amendment which precipitated this discussion would trim $2.5 billion; that is, the Ashbrook amendment would trim $2.5 billion from Government expenditures. The fact is it would not; it would not trim a dime.

Very frankly, amendents like this one I believe contribute to the lack of credibility which the Congress has in so many quarters today.

I know that after the Proposition 13 question in California 2 days ago, there is near panic in this House because everyone wants to be the first one in America to show that he is for cutting spending. Consequently, the most convenient thing to do is to propose a phony cut; and that is what this amendment is. The Comptroller says this amendment has no effect.

Mr. Chairman, we are told by the gentleman from Ohio (Mr. ASHBROOK) that $2.5 billion is going to come out of the bill. We are told by the gentleman from Illinois (Mr. MICHEL) that $1 billion is going to come out.

No dollars are going to come out because I have looked all through this bill, but for the life of me, I do not find a line item labeled "fraud and abuse."

Therefore, Mr. Chairman, perhaps we should give everybody here the opportunity to cast an easy political vote next year. I think we will invent a new line item called "fraud and abuse;" we will put in $7 billion; and then everybody can pretend that they have done something for the taxpayer by cutting it out. We can all go home as heroes.

Mr. Chairman, that is what you are doing with these amendments. Do the Members know what effect these amendments have in real terms? They do exactly what the President has been concerned about on other amendments today. With respect to this bill, the President says that he does not like the fact that we have made adjustments in estimates for entitlements, and then we have raised other programs which are controllable.

Mr. Chairman, this amendment is going one better. If we adopt the amendment of the gentleman from Illinois, what we are saying is that we are going to cut $1 billion more out of those entitlements.

Do the Members know what that does to the conference committee? It gives the Senate an opportunity, if they choose, to add another $1 billion in discretionary programs, and then come back to the House and pretend to the press and pretend to the President and pretend to our constituents that we really are not $1 billion higher because, after all, we passed the Michel amendment or the Ashbrook amendment, if it passes.

I know that politically the safest thing for everybody in this House to do is to vote for one of these two amendments. If you do, I understand the political reasons for that. I hope you enjoy yourselves when you go home and pretend to your constituents that you actually saved them some money. I hope you enjoy yourselves when you pretend to your constituents that you are not lying to them when you tell them you voted to cut a billion dollars for fraud, because you did not. You will not have cut a dime out of this bill. You will have simply cut an estimate. But program entitlements will remain the same and so will Government expenditures.

The estimates we have in this bill for these programs are the estimates we get out of the Congressional Budget Office. They try to keep politics out of it and try to make the best estimates they can of what each program will cost. Cutting the estimate does not cut the entitlement. The money is still going to go out. The only thing this amendment does is enable politicians to pretend they have done something about it.

Secretary Califano has made more effort than any other Secretary in the history of this Government to get a han-

dle on waste. I want to point out one other thing. The fraud abuse and waste which was certified by the Inspector General was fraud, abuse and waste for the fiscal year 1977. The Carter administration was not in office then; the Ford administration was. The biggest category of the wasted dollars cited by the Inspector General was because of congressional inaction on corrective legislation such as hospital cost control legislation. Why do we not vote for real cost control items rather than pretend ones?

● Mr. GOLDWATER. Mr. Chairman, I rise to extend a belated happy birthday to HEW Secretary Califano, whose Cabinet-level department, last month, celebrated 25 years as part of our Federal Government.

I understand the Secretary celebrated this occasion in grand style—a 2-day bash of outdoor concerts, a cookout for 8,000 of its employees, and lots of good entertainment.

There is cause for another celebration on this scale, Mr. Chairman. Secretary Califano has just written us to say that his estimate of wasted money in his Department's budget was $838 million too high. For those of us who have opposed the programs which shower taxpayer dollars on the Secretary's office, this is news for which we should rejoice. Since Mr. Califano did not waste as much money as he originally thought, maybe he can find another $15,000—the amount spent for the birthday party—to commemorate this new disclosure.

I should point out, Mr. Chairman, that $15,000 sounds like a lot of money for such purposes. But I did some checking, and discovered, that, based on an 8-hour day, HEW spends that much every second.

It is gratifying to know that we are not as bad off as the Inspector General led us to believe when he told us that $6.3 billion to $7.4 billion was unaccounted for due to waste, fraud, and abuse at HEW.

We are told that this error in calculating the amount of these phantom dollars, was due to a double counting by the Department's auditors. What I would like to know, Mr. Chairman, is just how much it cost to discover the $838 million mistake in the first place?

At this time, I will be happy to entertain any questions as to why I support the Michel amendment to the appropriations bill for the Department of Health, Education, and Welfare.●

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. ROUSSELOT. Mr. Chairman, I withdraw my demand for a recorded vote.

So the preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) to the amendment offered by the gentleman from Illinois (Mr. MICHEL).

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 25, noes 38.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MICHEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 290, noes 87, not voting 57, as follows:

[Roll No. 433]

AYES—290

Abdnor	Cavanaugh	Fascell
Akaka	Cederberg	Fenwick
Ambro	Chappell	Findley
Ammerman	Clausen, Don H.	Fish
Anderson, Calif.	Clawson, Del	Fithian
Anderson, Ill.	Cleveland	Flippo
Andrews, N.C.	Cochran	Florio
Andrews, N. Dak.	Cohen	Flynt
Annunzio	Coleman	Foley
Applegate	Collins, Tex.	Ford, Tenn.
Archer	Conable	Forsythe
Armstrong	Conte	Fountain
Ashley	Corcoran	Fowler
Aspin	Cornell	Frenzel
AuCoin	Cornwell	Fuqua
Bafalis	Cotter	Gammage
Barnard	Coughlin	Gephardt
Baucus	Crane	Giaimo
Bauman	Cunningham	Ginn
Beard, R.I.	D'Amours	Glickman
Beard, Tenn.	Daniel, Dan	Goldwater
Bedell	Daniel, R. W.	Goodling
Benjamin	Davis	Gore
Bennett	Delaney	Gradison
Bevill	Derrick	Grassley
Blanchard	Derwinski	Gudger
Blouin	Devine	Guyer
Boggs	Dickinson	Hagedorn
Boland	Dicks	Hall
Bonker	Diggs	Hamilton
Bowen	Dodd	Hammer-schmidt
Breaux	Dornan	Hanley
Breckinridge	Downey	Hannaford
Brinkley	Duncan, Oreg.	Hansen
Broomfield	Duncan, Tenn.	Harkin
Brown, Mich.	Edgar	Harris
Brown, Ohio	Edwards, Ala.	Harsha
Broyhill	Edwards, Okla.	Heckler
Burgener	Emery	Hefner
Burke, Fla.	English	Hightower
Burleson, Tex.	Erlenborn	Hillis
Butler	Ertel	Hollenbeck
Byron	Evans, Del.	Holt
Caputo	Evans, Ga.	Horton
Carr	Evans, Ind.	Hubbard
Huckaby	Fary	Hughes
Hyde	Mazzoli	Ichord
Ireland	Meyner	Jacobs
Jeffords	Michel	Jenkins
Jenrette	Mikulski	Johnson, Calif.
Johnson, Colo.	Milford	Jones, N.C.
Jones, Okla.	Miller, Calif.	Jones, Tenn.
Kasten	Miller, Ohio	Kelly
Kemp	Mitchell, N.Y.	Keys
Kildee	Moffett	Kindness
Kostmayer	Mollohan	Krebs
Krueger	Montgomery	Lagomarsino
Latta	Moore	Leach
Lent	Moorhead, Calif.	Levitas
Livingston	Mottl	Lloyd, Calif.
Long, La.	Murphy, Ill.	Long, Md.
Lott	Murphy, Pa.	Luken
McClory	Myers, Gary	McCloskey
McCormack	Myers, John	McDade
McDonald	Neal	McEwen
McKay	Nichols	McKinney
Madigan	Nolan	Maguire
Mahon	O'Brien	Mann
Markey	Oakar	Marks
Marlenee	Panetta	Martin
Mathis	Pattison	Mattox
Sawyer	Pease	Schroeder
Schulze	Pettis	Sebelius
Sharp	Pickle	Shipley
Shuster	Poage	Sikes
Sisk	Pressler	Skelton
Skubitz	Preyer	Slack
Smith, Iowa	Price	Snyder
Spence	Pursell	Staggers
Stangeland	Quayle	Stanton
Steed	Quillen	Steers
Steiger	Rahall	Stockman
Stratton	Railsback	Studds
Symms	Regula	Taylor
Thone	Rhodes	Traxler
Treen	Rinaldo	Trible
Van Deerlin	Risenhoover	Volkmer
Waggonner	Robinson	Walgren
Walker	Rooney	Walsh
Wampler	Rostenkowski	Watkins
Weaver	Rousselot	White
Whitley	Rudd	Wilson, Bob
Wilson, Tex.	Ruppe	Winn
Wydler	Russo	Wylie
Yatron	Ryan	Young, Alaska
Young, Fla.	Santini	Young, Mo.
	Satterfield	

NOES—87

Alexander	Flood	Natcher
Baldus	Ford, Mich.	Nowak
Bellenson	Fraser	Oberstar
Biaggi	Garcia	Obey
Bingham	Gaydos	Ottinger
Bolling	Gilman	Patten
Bonior	Gonzalez	Pepper
Brademas	Green	Perkins
Brodhead	Hawkins	Pritchard
Brooks	Heftel	Rangel
Brown, Calif.	Holtzman	Reuss
Buchanan	Jordan	Roncalio
Burke, Mass.	Kastenmeier	Rosenthal
Burlison, Mo.	Kazen	Roybal
Burton, John	LaFalce	Scheuer
Carter	Le Fante	Seiberling
Chisholm	Lederer	Solarz
Clay	Leggett	Spellman
Collins, Ill.	Lundine	St Germain
Conyers	McFall	Stark
Corman	McHugh	Stokes
Danielson	Meeds	Thompson
Dellums	Metcalfe	Vanik
Dingell	Mineta	Vento
Drinan	Minish	Waxman
Early	Mitchell, Md.	Whalen
Edwards, Calif.	Moakley	Whitten
Eilberg	Murtha	Yates
Evans, Colo.	Myers, Michael	Zablocki

NOT VOTING—57

Addabbo	Lujan	Simon
Allen	Marriott	Smith, Nebr.
Ashbrook	Mikva	Stump
Badham	Moorhead, Pa.	Teague
Burke, Calif.	Moss	Thornton
Burton, Phillip	Murphy, N.Y.	Tsongas
Carney	Nedzi	Tucker
de la Garza	Nix	Udall
Dent	Patterson	Ullman
Eckhardt	Pike	Vander Jagt
Flowers	Quie	Weiss
Frey	Richmond	Whitehurst
Gibbons	Roberts	Wiggins
Harrington	Rodino	Wilson, C. H.
Holland	Roe	Wirth
Howard	Rogers	Wolff
Ketchum	Rose	Wright
Lehman	Runnels	Young, Tex.
Lloyd, Tenn.	Sarasin	Zeferetti

Messrs. STEED, CORNWELL, STEERS, NOLAN, DOWNEY, DODD, RAHALL, MARKEY, and ASHLEY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

● Mr. MITCHELL of Maryland. Mr. Speaker, I strongly opposed the amendment that was offered by Mr. MICHEL. This amendment supposedly would be a greater incentive for the Department of Health, Education, and Welfare to eliminate the waste, fraud, and abuse in its programs. However, this across-the-board amendment is not only premature, but is ill conceived since this kind of malfeasance must be eliminated through carefully conceived legislative and administrative action. In fact, the Michel amendment is merely an attempt to abrogate the directive of the budget resolution which reduces by approximately $1.3 billion in health and income security programs resulting from actions planned or underway to address this very issue. In addition, HEW has mounted a campaign to eliminate more than a quarter of a billion dollars in waste by October 1, 1978. These departmental initiatives have produced savings in the social security insurance, aid to families with dependent children, and basic educational opportunity grant programs.

The Michel amendment, therefore, would cut into real programs which provide needed care and services to the American people. These are programs that aid our Nation's older citizens and its sick, its disadvantaged children, its handicapped, and its poor. Moreover, the Michel amendment establishes a presumption of guilt for the recipients of these programs, many of whom are victims of the mismanagement and the resulting waste, fraud, and abuse. Consequently, at best the Michel amendment is a broad and insidious device, which, while on its face is appealing, nonetheless reduces funds for millions of Americans who benefit properly from HEW programs.

Ironically, more than a month ago, I rose in opposition to a similar amendment offered during consideration of the budget resolution, which would have reduced budget authority and outlays for programs in HEW, because of fraud, waste, and abuse. This amendment, too, was based on the estimated loss from fraud, abuse, and waste in the major HEW entitlement programs contained in the first annual report by HEW's Inspector General—a report that was undertaken at the request of the Secretary of Health, Educational, and Welfare. Although it is true that the Michel amendment is less targeted than the aforementioned amendment, it nonetheless must be labeled similarly since its ultimate effect is to hurt those who are vulnerable.

It also might be instructive, at this juncture, to point out that although the report estimated the cost of the fraud in HEW, to be from $6.3 to $7.4 billion, it did indicate that in terms of both absolute dollars and as a percentage of total program costs, the largest problem areas are medicaid and medicare. In both of these programs, most of the losses result from inefficient program management and unnecessary costs associated with health care (including such things as overcharging, unnecessary tests, surgery, and surplus beds). The budget resolution, however, assumes the enactment of hospital cost containment measures, which would reduce, in part, losses in medicare and medicaid due to the abuses. Needless to say the Michel amendment should not be directed toward those who benefit from these programs, but rather at those who have taken advantage of them. Understandably, being an ill-conceived amendment, it does not direct itself at the real culprits.

Both the President's budget and the House resolution assume savings from the medicaid eligibility quality control program, which amount to $320 million from a standard deduction for work expenses in aid to families with dependent children. Enactment of this program will also reduce the error rate in this program.

Also, HEW has undertaken a number of programs to utilize computers and better management technology to match program recipients against other data files. These programs include checking the caseloads in AFDC, SSI, medicaid, and recipients of student assistance. Moreover, the HEW reorganization, which consolidated the cash assistance programs in the Social Security Administration and medicare and medicaid in the Health Care Financing Administration, should reduce losses through more efficient administration. Of course, it is this type of approach which eventually will lead to the eradication of fraud, waste, and abuse, and not the amendment now before us.

Unfortunately, the amendment before us, has a superficial attraction similar to those offered during debate of the budget. Indeed, it is difficult for any of us not to support the elimination of fraud and abuse. Yet, this superficial attraction is neither a realistic or responsible method of curtailing waste in Federal programs. Contrary to this new-founded liberalism, the elimination of fraud, abuse, mismanagement, and waste is a relentless battle in Government. Because the President, the Budget Committees, and the committees of the House have addressed this issue in a more prudent and responsible manner, I would urge the defeat of the gentleman's amendment. Simply reducing the committee's request by $1 billion will not make fraud, abuse, or waste disappear. If you are really interested in eliminating these abuses, it would be constructive to channel your creativity into legislation that simplify the complex features of these programs.●

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 209. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

AMENDMENT OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STOKES: Page 39, line 14; strike out lines 14 through 17.

Mr. FLOOD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12929) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

SALUTING AND CONGRATULATING THE WASHINGTON BULLETS FOR REACHING WORLD CHAMPION STATUS

Mr. FAUNTROY. Mr. Speaker, I offer a resolution (H. Res. 1228) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1228

Resolved,

Whereas the Bullets have captured the elusive title of National Basketball Association World Champion and, today, reign supreme in their sport; and

Whereas the Seattle Supersonics were truly worthy opponents for the Bullets in the championship contest; and

Whereas the Supersonics are the champions of the National Basketball Association's Western Conference; and

Whereas the Bullets' achievement results from well coordinated team efficiency; and

Whereas the Bullets management, Abe Pollin, Jerry Sachs, and Bob Ferry; the coaches, Dick Motta and Bernie Bickerstaff; and the players: Wes Unseld, Elvin Hayes, Bobby Dandridge, Greg Ballard, Charles Johnson, Phil Walker, Kevin Grevey, Larry Wright, Mitch Kupchak, Tom Henderson, and Joe Pace have demonstrated a devotion to duty, unwillingness to resign to failure, and dedication to athletic excellence. Now, therefore, be it

Resolved, that the House of Representatives salute and congratulate the Washington Bullets in reaching World Champion status and in displaying the essence of American fair play and team work.

The SPEAKER. Is there objection to the request of the gentleman from the District of Columbia?

Mr. WALKER. Reserving the right to object, Mr. Speaker, I do so for some very personal reasons.

I was among those few in this town who last evening was expecting to be engulfed by a Sonic boom only to open my window and hear the fat lady sing.

The opera was indeed over, but as a member of the Committee on Science and Technology, I have to say I learned something very valuable. I made a very valuable discovery last night, and that is that SuperSonic is not necessarily faster than a speeding Bullet.

However, it is a theory, I am told, that can be changed next year. Nonetheless, I do want to congratulate the Bullets. They are, indeed, fitting world champions.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I would like to state that I am a cosponsor of this resolution on the premise that the coach of the team was a State championship basketball coach from the little town of Grace, Idaho, in my district. We are willing to contribute this kind of grace to the National's Capital anytime.

Mr. Speaker, I enclose for the RECORD the following letter sent today for inclusion in tomorrow's presentation on the Capitol steps:

Mr. DICK MOTTA,
Coach, Washington Bullets Basketball Team,
Care of the Honorable Walter E. Fauntroy,
Rayburn House Office Building,
Washington, D.C.

DEAR COACH MOTTA: As a fellow Idahoan and Representative of that great State to the Congress of the United States, I salute you and your fine basketball team on becoming the nation's professional basketball champions.

You are the best, not only in the nation but in the entire world. What more can anyone say? What higher honor within your profession could anyone achieve? Little can be added to the accolades already voiced.

It was exciting—a great series. The nation was treated to the best in professional sports and entertainment. Those of us who watched the performances of your team in game after game were impressed, and inspired and mighty proud as Americans to share your successes.

On a more local basis, the city of Washington, the nation's capital, has been given a long awaited treat to have a national championship team in professional sports after decades of waiting.

And far off in Idaho and the Rocky Mountain West there were some very pleased people also—people who remember your early days in Idaho and Utah and your formative years in the coaching field beginning in the junior high and high schools of Grace, Idaho.

And interestingly, that "grace", which later has seemed to become the "grace of God", has blessed you with success after success through the college and into the professional ranks. You have enjoyed the thrill of a high school state championship, unusual success in highly competitive college basketball in the days when Weber College was emerging as a full-fledged institution, and now the highest pinnacle of all, the world championship of professional basketball.

Needless to say, Idaho and Utah are proud of you, your nation's capital is proud of you, and the whole country is impressed with the skill and spirit and winning ability you and your team have combined and demonstrated.

You have my best wishes that this great honor will be only the first in a long string of similar successes. No one wants to see a good thing end.

The Bullets were great in '78!

Sincerely,

GEORGE HANSEN,
Member of Congress.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I was particularly glad to hear the gentleman address himself to this subject. I thought that we were going to have a Panama Canal debate.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

Mr. DUNCAN of Oregon. Mr. Speaker, reserving the right to object, I want to call the gentleman's attention to the suggestion that Commissioner O'Brien made this morning, and suggest that perhaps the gentleman's resolution is premature. Commissioner O'Brien suggested that we ought to have an impartial physician examine Bill Walton and the rest of the Trailblazers, and when they are in proper physical condition, have another contest to determine who the real world champion is.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

Mr. GOODLING. Mr. Speaker, reserving the right to object, I do so only to say that I want everyone to realize that Congressman WALKER is very much behind the Bullets. It just happens Wally Walker happens to be his brother, and I did not think everybody knew that.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

Mr. PRITCHARD. Mr. Speaker, reserving the right to object, I just want to tell the people who are Bullet fans here that it is just a 12-month period, and then there is going to be a different champion. We do congratulate the Bullets. It was a splendid victory.

I do want to say something about the Sonics. They did not have any of the super players; they did not have any high-salaried players—that will probably change next year—and we just had a group of very fine boys who were not known for being super stars, but who turned out to be super Sonics. They were a great credit to Seattle; also the coach, who is a great credit to basketball, and who has proved that nice guys can be good coaches and win.

I congratulate the Bullets, but I do want to note that the championship is only good for 12 months.

Mr Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

Mr. BUCHANAN. Mr. Speaker, reserving the right to object, I just want to say that I join in congratulating the Bullets. It is fortunate for them that Bear Bryant does not have a basketball team.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

There was no objection?

Mr. FAUNTROY. Mr. Speaker, I rise to ask for a brief pause in our serious deliberations here to pay tribute to the serious work and success of a team of professional athletes—the Washington Bullets basketball team.

The Bullets have captured the elusive title of National Basketball Association World Champion and today reign supreme in their sport.

Before I continue to acknowledge the success of the Bullets, let me pause to commend the Seattle SuperSonics basketball team. The SuperSonics were truly worthy opponents for the Bullets in the championship contest. Their accomplishment will become a significant part of history, for when they were disregarded as losers, they did not become quitters. They pulled themselves together to become winners and champions of the National Basketball Association's Western Conference. To the Seattle SuperSonics' owner Sam Schulman, coach Lenny Wilkens, and players, sincere congratulations.

We give tribute to the Bullets, because their achievement is most significant in that it did not result solely from individual performances, but from a well coordinated team efficiency.

To the Bullets' management, Abe Pollin, Jerry Sachs, and Bob Ferry, the late Marc Splaver; to the coaches, Dick Motta and Bernie Bickerstaff; to the players: Wes Unseld, Elvin Hayes, Bobby Dandridge, Greg Ballard, Charles Johnson, Phil Walker, Kevin Grevey, Larry Wright, Mitch Kupchak, Tom Henderson, Joe Pace, and Phil Chenier.

A hearty well done for you devotion to duty, unwillingness to resign to failure, and your dedication to athletic excellence. We, the Members of the U.S. Congress, salute you and congratulate your achievement in reaching world champion status while displaying the essence of American fair play and team work.

The "fat lady" has sung; the opera is over, and the Washington Bullets are the 1978 National Basketball Association World Champions.

The fact that we are together joined in this resolution is itself a miracle.

I want to thank the Members and conclude by saying that the "fat lady" has indeed sung, the opera is over, the Bullets are indeed the 1978 world basketball champions.

Mrs. SPELLMAN. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I thank the gentleman for yielding. The "fat lady" is about to speak.

I would like to agree with and to second everything said by the delegate from the District of Columbia (Mr. FAUNTROY), but I too want to point out my colleague has been very much mistaken about one fact, and that is that the Bullets are a Maryland team. They come from Prince Georges County, my county. I would like to ask the Members of the House to consider what happens when we move things from Washington into Prince Georges County, and to consider that perhaps that is where the convention center really ought to be.

Mr. FAUNTROY. The gentleman refuses to yield any further.

Mrs. SPELLMAN. But I too want to congratulate the Bullets. I know the

great feeling there has been here in the House today. I did indeed hear the Sonic boom and I even heard the "fat lady" sing.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I join the gentleman from the District of Columbia in congratulating the Bullets.

I happened to be in Seattle the night of the third game, I believe it was. If Members think that speaking can be difficult under certain situations from time to time, I suggest they just try to make a speech in the Seattle area when the Sonics are playing the Bullets. I think the waiters and I were the only people there.

But it is a wonderful thing for the District of Columbia and Maryland that this victory has come about. But I too want to echo what the gentleman from the State of Washington said: Members know there is another basketball team that should have been in the playoffs, and that is the Phoenix Suns, and next year they will be there, and it may be that I am going to be terribly torn in the finals, but I am afraid if that should happen my good friend from the District of Columbia will have to forgive me if I desert the ship and go with the Phoenix Suns.

Mr. FAUNTROY. The gentleman should take consolation in the fact that Paul Westphal won the horse competition during the course of the year.

Mr. PATTEN. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from New Jersey.

Mr. PATTEN. If the gentleman thinks there is a high fever here now, if those Red Sox keep winning, we will not be able to stand the gentlemen from Massachusetts, Speaker O'NEILL and Mr. CONTE.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on today's debate on the bill, H.R. 12929.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CAN THE UNITED STATES COPE WITH THREAT OF TERRORISM?

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, as a member of the Permanent Select Committee on Intelligence, I am pleased that this committee has begun to study world terrorism and the capabilities of the United States to deal with terrorism.

Terrorism is the weapon of the weak, those who are prepared to use violence against established authority but who know that they would lose any contest of sheer strength. The uniqueness of the strategy is that its goals are achieved not through acts of violence but rather through responses elicited from others in reaction to these acts. Whereas military and revolutionary activity aim at a physical result, terrorist actions aim at a psychological result. Terrorism is violence used in order to create fear; fear that will, in turn, lead a party other than the terrorist to change his course or policy to one desired by the terrorist.

The societies of the free world are especially vulnerable to terrorist action. Many terrorists have committed violent acts in an attempt to force liberal regimes to become repressive, in hopes that this repression would alienate the masses and thus set the stage for revolution. Other terrorist groups, believing that the liberal democracies are already police states, have used acts of terrorism in an attempt to publicly expose what they consider to be hidden police states. In closed societies, the terrorist strategy has been to show that authoritarian regimes are actually impotent despite their outward show of virility. In such circumstances, supposedly by demonstrating that the public authorities are powerless to enforce law and order, the campaign of terror is aimed at causing the government to collapse.

Terrorism confronts governments, particularly those with Western democratic traditions, with dilemmas that existing political, security, and juridical structures are often ill equipped to handle. A passive defense yields to the terrorist the advantage of determining where, when, and how he will strike the very wide range of publicity-sensitive targets afforded by modern states and institutions. That the terrorist operates transnationally or against foreign targets locally only multiplies his opportunities and complicates the problems of his apprehension, pursuit, and eventual prosecution. An active defense, imposing stringent security measures or resorting to questionable counterterror tactics, runs the risk of eroding basic civil rights and principles of political dissent.

Mr. Speaker, a proper and adequate response to terrorism is not an easy matter. I am inclined to think that this country in this area, like too many others, has tilted towards too much laxity in the name of freedom. Our recent debates on visas for excludable aliens points to this trend. We must be in a position to defend ourselves against terrorism and move expeditiously to protect life and property when that grim spectre appears. This will be the subject of my personal concern in the months ahead and I hope that the Congress will move to address this momentous problem with a degree of urgency which terrorism deserves.

THE POSTAL RATE COMMISSION SHOULD BE REPEALED

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, on May 29, 1978, the Postal Rate Commission and the Board of Governors asked the American people to accept another postal rate increase. This increase, from 13 cents to 15 cents, is the third hike since the Postal Reorganization Act of 1970, and the sixth since I was first elected to Congress in 1962 when a first-class stamp cost only 5 cents. In other words, the American public has seen a staggering increase in its first-class mail charges of 300 percent. With an inflation rate nearing 10 percent this year, it is time Congress took bold action.

I am introducing, today, a bill to amend title 39 of the United States Code for the purposes of establishing a new procedure for fixing rates and classes of mail. Under the provisions of my bill, the authority of the Postal Rate Commission to establish rates is repealed, and vested in the Congress. Henceforth, then, an act of Congress will be required if postal rates are to rise.

The American consumer is facing increasingly higher prices for goods and services. At the same time, we are asked to restrain demand for higher living wages in order to hold down inflation. Up to a point, sacrifices are understandable and even tolerable. Soaring food prices, on top of hefty social security tax hikes beginning January 1, 1979, and a wide variety of other federally imposed burdens have pushed Americans to the breaking point. The new postal rate increases, therefore, not only exacerbate these inflationary costs, but come at a time when Congress is considering substantial adjustments to the Postal Service's budget.

On April 6, the House passed H.R. 7700, the Postal Services Act of 1977. Under section 3 of the bill, the Postal Service may request an open-ended increase in its subsidy so long as such appropriations can be justified. I supported this provision and House approval of H.R. 7700 because I recognized the need to assist a system unable to extricate itself from the difficult pressures unintentionally resulting from the Postal Reorganization Act of 1970. My support certainly would have been much less enthusiastic had I known the Postal Rate Commission and the Postal Service's Board of Governors were in the midst of leveling a new postage rate on the American people.

Americans by and large do not mind paying more for a product or service if by paying more they get better quality return for their investment. In the past, postal rate increases have not coincided with improved service. In fact, the Postal Service has sought on a number of occasions to reduce the number of delivery days from 6 to 5, the frequency of mail delivery during the day and the number of operational post offices. With these efforts as a backdrop, it is no small wonder most Americans are fighting-mad about the May 29 hike.

My bill, therefore, does not repeal all of the functions of the Postal Rate Commission. Instead, it continues the Commission's responsibility of receiving com-

ments on postal service upon which hearings may be held. If the Commission finds a complaint to be justified, it is required to file a public report with the Postal Service. This function, in conjunction with added congressional oversight of the Postal Service, should insure better service for mail users.

It is for these reasons that I have introduced this bill and why I urge my colleagues to join me in sponsoring a measure that will prevent the current postal rate from rising still higher without an act of Congress. Not only will this legislation prevent inflationary increases in postal rates, but it will also bring the operations of the Postal Service under our checks and balances system of government.

THE PRESIDENT'S BEEF IMPORT FOLLY

The SPEAKER pro tempore. (Mr. SHARP). Under a previous order the gentleman from Kansas (Mr. SEBELIUS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. SEBELIUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SEBELIUS. Mr. Speaker, I appreciate this opportunity to discuss the administration's new policy regarding meat imports; this policy decision is of tremendous importance to the cattle industry and to the Nation as a whole. As my colleagues know, the President today announced an increase in the meat import quotas, I want to thank my good friend and colleague from Nebraska, Mr. THONE, for joining me in calling for this special order.

Mr. Speaker, several days ago I joined many of my colleagues from both sides of the political aisle and urged President Carter to accept the advice and recommendations of his Secretary of Agriculture, Bob Bergland. Secretary Bergland urged the President to wait 60 to 90 days, and more important, set the record straight on what the government can do about meat prices. In effect, Bob Bergland told the administration that allowing more foreign beef into the country would have little effect on consumer prices but that the long-term effect on the cattle market could be catastrophic. I wish the President would have listened to Bob Bergland and heeded his advice.

In this regard, just today in the mail that came into my office, I received an excellent summary from the Department of Agriculture entitled "Retail Meat Prices in Perspective." I urge my colleagues to read this study written by James E. Nix of the Economics, Statistics and Cooperative Service within the USDA. I only wish President Carter had read this study prior to making his announcement today.

In part, the USDA summary said:

The beef cattle industry is at a critical point in the current cattle inventory cycle. Producers have sustained heavy financial losses during most of the last four years as their costs held at relatively high levels while cattle prices were low. These losses, combined with drought in many areas of the United States, caused a large reduction of the cattle herd. That reduction provided consumers with record large beef supplies at relatively low prices.

Beef production is now declining and beef prices are rising. Although beef prices have been rising for only a few months, they are attracting much attention because of their importance to the consumer's food budget. Just when prices are beginning to signal producers to start rebuilding their herds, proposals are being put forth to thwart further price increases. Any such government actions should be carefully examined for their potential in stimulating continued herd sell offs. If herd reduction does not stop soon, the annual per capita consumption of beef during one of the next three years could drop below the lowest level of the past decade. Anything that further reduces supplies will exert even more upward pressure on beef prices and total food costs.

Mr. Speaker, I think it is a paradox of enormous irony that the Department of Agriculture has released this excellent summary on putting retail meat prices in perspective for distribution the very same day the President has announced a policy decision that completely ignores the advice contained within the report.

I would also like to commend to the attention of my colleagues the excellent statement made yesterday by the chairman of the House Agriculture Committee, the Honorable TOM FOLEY. Simply put, Mr. FOLEY has stated the administration's decision to increase beef imports was a serious mistake. In part, the chairman pointed out the decision to allow an increase in imports will not bring in enough extra meat to produce a significant drop in consumer prices. So consumers will get little help in the short run, and they may be hurt in the long run if cattlemen see the Government action as a signal to delay rebuilding their herds.

Mr. Speaker, there have been rumors of this ill-advised policy decision for the past several weeks. Since that time my office has received many letters and telephone calls from livestock producers in Kansas and the high plains. The stockman is concerned, frustrated, and angry. He has reason to be. With recent decisions within the Department of Agriculture in regard to nitrites, meat grading, and nutrition policy, livestock producers have reason to believe the administration is simply antimeat.

Dee Likes, executive secretary of the Kansas Livestock Association's cow-calf/stocker division, has correctly labeled this policy decision as an apparent grandstand effort that misrepresents the issue to the public. John Junior Armstrong, president of the Kansas Farm Bureau, summed up the situation when he said the livestock industry is just now recovering from drastically low prices for the past 4 years. What profit that is being made from "high meat prices" is only beginnnig to relieve the loan payments, interest rates, mortgaged land and mortgaged cattle herds. President Armstrong went on to point out that when livestock went up 6 years ago, so did the price at the meat market. When the farm price came down, the meat costs stayed the same.

Mr. Speaker, aside from the fact that this policy will not work and very likely will be counterproductive, there is a matter of equity and fairness here. When the cattle liquidation started in 1974, cattlemen lost sums in figures difficult for the average citizen to comprehend. Cattlemen with several thousand animals lost $150 to $200 per head.

What did the Government do for them? Well, we gave a very small minority some credit for which we charged interest. This emergency credit legislation enabled some cattlemen to stay in business. But, before that, the Nixon administration froze prices for meat, while letting the cattlemen's individual costs rise. Following that policy decision, a good number of our colleagues strongly supported the beef boycott that consumer activists now readily admit was a serious mistake. Finally, we increased foreign imports.

Now, during these hard times a small number of cattlemen came back here and asked for a helping hand through the proposed credit program. No livestock producer came to Washington asking for a hand out. Instead, the cattleman took his lumps and let the market work.

Mr. Speaker, the market has worked now to the cattleman's favor. The market is better. Individual producers are making some money. And, with the money they have been able to pay the inflated costs necessary for them to stay in business. During this same time, he has seen Uncle Sam become more and more addicted to red ink and Government spending fuel double digit inflation. He has seen the Government mandate that the meat industry must spend millions of dollars to take nitrite out of the curing processes. He has learned the Agriculture Department wants consumers to pay more for meat so that they can know that a pound of steak weighs more at the packing plant than at the store. He has listened to a whole new nutrition sales pitch coming out of the USDA that labels his livelihood as being undesirable. For the last several weeks, in his daily newspaper and every evening on prime time television, he has watched an orchestrated attempt through a near hysterical media to place much of the blame for the increase in food prices and inflation on the meat industry and the cattleman. In short, the cattleman is being singled out for treatment by his Government that is unfair, discriminatory, and punitive. The cattleman has every right to be asking what on earth is going on back here?

Mr. Speaker, as reported by the House Republican task force on the agriculture emergency and my colleague, Mr. MOORE of Louisiana, this policy is obviously an unfair blow to U.S. cattle producers and feeders and a cruel hoax on consumers. I commend to the attention of my colleagues the statement issued today by the task force which discusses

in detail why consumer meat prices will not go down in the short run as a result of this action and in the long run will no doubt increase.

Just before this special order took place, one of our Kansas livestock experts pointed out that at the close of the meat wire yesterday the price for foreign bull meat was $1.12 per pound and that the price for domestic bull meat was $1.12 per pound. The wire also showed imported cow meat was 1 to 2 cents higher than domestic 90 percent lean, boneless beef. If this year is like 1972 when we last lifted imports, retail beef prices will not drop. It will be cattle prices that will drop. The profits from the increased margin will be pocketed by the meat importers and other middlemen.

Mr. Speaker, this entire charade reminds me of a debate we had over beef prices back in 1973. I recall an amendment was offered on the floor to freeze the price of hamburger at about $1.05 per pound. This effort was little more than an attempt to legislate the law of supply and demand of farm products in behalf of the American consumer and at the expense of the American farmer. It made no sense then and this new beef import policy makes no sense today.

In 1973, rather than stubbornly resist the rising tide of emotion within this urban, and consumer dominated body, I decided to swim with the consumer current. I introduced the "Bovine Gestation Rollup" amendment, legislation I considered more germane and practical than the legislation we were considering at that time.

Mr. Speaker, today I wish to again announce that I am considering this legislation as an amendment to the President's proclamation on beef imports. The intent of my legislation is simple and goes right to the heart of the problem. It would require by Federal mandate that cows produce calves in one-half of the time now devoted to such enterprise.

This amendment would enable the Carter administration and our urban and consumer oriented colleagues to get more beef to the marketplace and more meat to the consumer. This amendment would give the President's proclamation an additional congressional mandate that cows, from this point on, would get with the President's anti-inflation program.

Now, some will argue, as they did back in 1973, that this amendment would not be germane. I contend that if the administration believes imports roughly equivalent of four hamburgers per person in this country will represent a significant means by which we can stop inflation, that my amendment is germane.

May's cattle prices were at 81 percent of parity. The cow-calf producer has not benefited from higher beef prices because stocker calves are sold in the fall. These ranchers lost an average of $250 a head over the last 4 years, not counting for inflation. They are making about $20 per head on calves right now. That means it will take these boys about 12 years to recoup their losses. Now, if singling these folks out for punitive action is germane to our inflation problem then my amendment makes sense.

Retail beef prices account for about 1.4 percent of the Consumer Price Index. If increases in beef imports will allegedly reduce the composite price of beef by 4 cents per pound, it will cause a change of only 0.07 percent in the Consumer Price Index. Now, if this reduction will inspire confidence in the American consumer, I believe my amendment should also inspire confidence and provide hope.

The key to lower beef prices to consumers is, of course, a greater supply of beef. The answer to a greater supply of beef is herd expansion. Current projections show more female cattle being slaughtered than average due in part to an understandable reaction by cattlemen that it is in their best interests to sell their heifers now for a short-term gain rather than hold them back for breeding when they might be subjected to more Government intervention. Now, if this new import policy makes sense in terms of increasing cattle herds and providing more beef to consumers over the long term, then I submit my amendment makes even more sense.

If we can stop inflation with economic policy that singles out the cattlemen, despite the fact that other costs—education, health care, housing, clothing, labor, entertainment, transportation—and other consumer goods have increased more than the cost of meat over the past 5 years, then I think my amendment fits right in.

By using this commonsense approach, it will enable all of us to say we took immediate action to satisfy the demand for meat products in this country. It makes no difference that this import policy will single out the one man who has been able to withstand the worst economic crisis in farm country since the "Great Depression." It apparently makes no difference that this policy will probably create meat shortages. When that occurs, we will have licked the problem, administration advisers and economists will not have meat prices to complain about because there will be no meat. It really comes down to a matter of will. And, if the executive branch can do this, I think we had better get busy here in the legislative branch.

This being the case, the language of my amendment follows:

H.R. —

A bill to amend the President's Proclamation on Beef imports to require the accelerated reproduction of beef cattle

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bovine Gestation Roll-Up Act."

SEC. 2. Nothwithstanding any other provision of law, fairness, economic fact, or any principle of animal biology, the proclamation of the President when issued will be amended by adding the following:

"All mammals which are members of the genus Bos (ruminant quadrupeds distinguished by a stout body and hollow curved horns standing out laterally from the skull) are authorized and directed to accelerate the gestation period for the production of their progeny by a ratio which bears the same relationship to such gestation period as the number 1 bears to the number 2."

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding.

I want to commend the gentleman in the well from Kansas (Mr. SEBELIUS) and our colleague, the gentleman from Nebraska (Mr. THONE) for bringing this special order allowing us to comment today. I join him totally.

I found incredible the fact that the President has added 200 million pounds of beef to the import quota.

It seems strange to me that the administration is seeking to increase the level of imported beef just at the time when our Nation's livestock producers are beginning to recover after a prolonged period of extensive losses.

The beef cattle industry is at a critical point in the current cattle inventory cycle. Producers sustained heavy financial losses during most of the last 4 years as their costs held at relatively high levels while cattle prices were low. These losses, combined with droughts in many areas of the United States, caused a large reduction of the cattle herd. That reduction provided consumers with record large beef supplies at relatively low prices. The total cattle inventory was reduced from 132 million head in 1975 to 116.3 million on January 1, 1978.

Although beef prices have been rising for only a few months they are attracting much attention because of their importance in the consumer's food budget. During the past few years at the marketplace beef has been sold at lower than reasonable prices, however, these sales were at the expense of the American livestock producer. According to the Department of Agriculture, the cost/operator and the commercial feeder have lost from $5 to $10 per hundredweight since 1975.

Cattle industry spokesmen estimate that the value of their product has gone up about 12 percent during the past five years but the cost of production has skyrocketed at a rate of 49 percent during that same period. It is impossible for the livestock industry to withstand this kind of battle forever.

To highlight my strong feelings on this issue for my colleagues, I would like to read a letter which I recently addressed to the President on this subject. The text of the letter follows:

WASHINGTON, D.C.
June 6, 1978.

HON. JIMMY CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Recent news reports, including statements by high-level officials of your Administration, have indicated that you are considering suspending import quotas on beef or sharply raising the import quotas now in effect.

If such reports are true, I urge you in the strongest possible terms not to follow such course of action. Lifting of beef import quotas at this time would be a devastating blow to the cattlemen of this Nation.

I am certain that you recall the huge losses suffered by cattlemen during the past few years. Beginning in 1974 and continuing through 1977, prices paid for beef have been at a low ebb. The consumer has benefited greatly from these low prices during this period but we have also seen a large number of

our cattle producers driven out of business. Only now are they realizing a profit which will permit them to restock the herds which they were forced to liquidate over the last three years. However, it will take more than just a few months of profit to recoup the staggering financial losses of the recent past.

It should also be pointed out that the world beef supply is down dramatically and a lifting of the import quotas by our government could cause this supply to soon run out with resultant higher beef prices for the consumers of this country in 1979.

Again, I urge you not to change the beef import quota now in effect. Let the law of supply and demand work its will in the marketplace. That policy is one which in the long run is best for the consumer, the cattlemen, and our country.

With warm personal regards,

Sincerely,

JOHN PAUL HAMMERSCHMIDT,
Member of Congress.

Naturally, I am very disappointed by the President's decision on this matter, but I sincerely hope he will reconsider the disastrous course he has chosen to follow. If we do allow more foreign meat to come into this country, the supply and demand will be interrupted and both the consumer and the livestock producer will be irreparably damaged. The relatively higher prices now being received by our livestock producers are only a small part of the rising retail food costs.

Instead of blaming the meat industry for its inflation ills the Government should focus inflation battles on the "real" causes of inflation, and not distract the citizens of this country by employing the livestock industry as a scapegoat.

Admittedly, the administration's plan to allow more foreign beef imports might lower consumer prices for a couple of months, but it will eventually lead to higher price increases, as early as 1979. The worldwide supply of beef is low, and if domestic supplies remain low, prices will continue to increase.

Until cattlemen can expect to sell beef for more than their costs of production, consumers cannot expect the plentiful supplies of recent years.

I am convinced that arbitrary Government interference will only worsen the long-range consumer picture, and delay the economic recovery of livestock producers.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding.

Mr. Speaker, as chairman of the House Republican task force on the agriculture emergency, I most forcefully oppose the increase of beef quotas announced today.

The Carter administration's decision to increase imports of beef by 200 million pounds is an economic disaster for all American consumers, taxpayers and cattle producers. It will not in the long run lower inflation or beef prices as contended but will actually increase both.

The President's action is being taken under the guise of reducing beef prices to control inflation. This is nothing more than politically convenient rhetoric that will ultimately cost both consumers and cattle producers.

We heard nothing about inflation from the President when his administration negotiated a 34 percent wage increase during the coal strike. The President saw no inflationary danger when it supported a tripling of social security taxes. He found no concern for the consumer's welfare when the White House proposed $90 billion in new energy taxes, or submitted a record budget for 1979, including a record $60.6 billion deficit.

In the shadow of these actions, to suggest that an easing of beef import quotas will stop inflation is ridiculous.

The beef import decision is obviously an unfair blow to U.S. cattle producers and feeders who are just beginning to recover from a 5-year cycle of low prices and inflationary costs and it comes when the so-called high cattle prices berated by the President are only 81 percent of parity.

According to reliable estimates, U.S. cattle producers have suffered a $30 billion loss during the 1974–77 period [1] and it would take 12 years at current prices for cow-calf operators to recover that 4-year loss.

It is, however, the American public which will suffer the most from this ill-advised action.

First of all it is a cruel hoax on the consumers who are being fooled by the phony anti-inflation rhetoric of the "unfair food price" advocates who dominate the Democrat Party establishment in Washington, both in the executive branch and in the Congress. Using import laws to hold down beef prices is nothing more than the selective use of price controls which will ultimately hurt the consumers.

We realize that some quarters of the public will no doubt cheer, at least temporarily, as the price control device is applied on beef. Some housewives wracked by inflation may ask, "What's wrong with lower priced beef?" Unfortunately, they will find that selective price controls do not work. History has proven it, and history, we predict, will repeat itself as in 1972 in this sorry instance.

Consumer prices will not go down in the short run and in the long run will no doubt go up further than would be the case if the President had not tinkered with the market. This occurs for several reasons:

First. There will be no reduction of any significance in the short run as the amount to be imported is too insignificant to affect prices. Any price reduction will be pocketed by importers as in 1972, or more than offset by higher beef prices later, and increased inflation due to the worsening balance of trade.

Second. The cash price and the futures price of cattle have already tumbled in anticipation of the President's action—but with no immediate impact on retail prices.

Third. Herd expansion, the key to future ample supplies of beef and lower prices, is not occurring. Estimates of the results of this quota action show 1 to 1.5 million more female cattle being slaughtered than would normally be. Using a 450-pound average carcass weight, this projects to 675 million pounds, a 2.8 percent decline in average U.S. beef production.[2] Thus, consumers can look forward to further declining U.S. production or supply shortage and resulting higher prices.

Fourth. This in turn aggravates the serious balance of trade situation now being faced by our country. The 1978 U.S. trade deficit is already projected to be a record $40 billion, up from $27 billion in 1977. The 200 million pound increase in beef imports will add another $185 million to that deficit.[3]

In the future, as foreign supplies of beef tighten and U.S. production slides, the imports will no doubt be both greater in volume and higher in price, thereby further aggravating the balance-of-payment condition. A deficit balance of trade increases the cost of all imported goods to our consumers.

Fifth. In addition, the continuation of a price-interfering policy on imports can only lead to further steps to control domestic cattle producers and consumers need not be reminded that they have fared much better in the long run from the sectors of agriculture free of Government restriction and control. We can foresee a costly cattle government-price support program paid for by the taxpayers.

Sixth. Therefore, there will be no long-term reduction in beef prices or inflation, but rather an increase in both with the undesirable possibility of a costly cattle government price support program if cattle producers are denied profits in the marketplace.

An even more fundamental policy, however, is involved in this disastrous action.

We are seeing clearly now that the Carter administration and its Democrat adherents in the Congress are consciously and hostilely dedicated to suppressing the farm value of agricultural products. They cannot realize that the lure of unfair prices to farm people only bring all of us closer to the day of "no food at any price for anyone."

This action on beef speaks for itself as evidence of this ill-begotten policy.

These policies, if unchanged, will eventually break the back of all American farmers and ranchers. Cattlemen are some of the last wholly market-oriented farmers we have in this country.

Dairy farmers would not have the economic alternative of culling dairy animals to prevent a surplus of dairy products.

Pork and poultry producers always suffer when beef, the bellwether of livestock, declines in price.

No one, not even the extraordinarily dedicated and hard-working American farmer and rancher, can go on indefinitely producing at less than what it costs him to do so.

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[1] Calculation:

	Billion
Cow-calf operations losses	$7.3
Inventory loss	20.0
Feed-lot losses	2.7
Total	30.0

[2] Normal production this year—23,700,000,000 lbs.

[3] Imports are expected to cost 90¢ per pound.

The time therefore has come for this Congress to act fairly and forcefully, and to do so notwithstanding the Carter Administration's hostility toward fair prices for farmers and ranchers, and notwithstanding the partisan method by which this policy was developed by key House Democrat Congressmen and Ambassador Strauss, Secretary Bergland, and other administration officials.

We therefore call upon the Democratic leadership of the House Ways and Means Committee to act immediately and favorably on H.R. 5052, the countercyclical beef import bill, similar to H.R. 11463, the original proposal of this task force, as a permanent solution protecting the consumer and rancher.

We also call on the President to immediately stop this foolish beef import maneuver and we pledge in the absence of such action a concerted attempt to do so by appropriate legislation.

We call on Secretary Bergland to speak up vigorously and effectively for agriculture—for a change.

And we call on the President not to "write off the Midwest and all of U.S. agriculture," as he has already done with the Far West.

In conclusion, we state that for the good of all Americans, the Carter manipulation of domestic beef production must end. The ultimate result of that manipulation can only be higher beef prices now and in the future.

Mr. JONES of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. I thank the gentleman for yielding.

I do commend the gentleman from Kansas (Mr. SEBELIUS) and the gentleman from Nebraska (Mr. THONE) for having this special order. I think it is very appropriate.

Mr. Speaker, I was surprised and disappointed to learn that the administration planned to increase beef imports. I hope this decision can be reconsidered because it is a serious mistake. All of us are concerned about inflation, but this is no way to control it.

In fairness to the cattlemen of this country I do not see how we can justify bringing in imports to hold their prices down after the economic disasters they have suffered during the last 4 years. Cattlemen have during this period suffered billions of dollars in losses. Now when it finally looks like they will begin to make a profit, in steps "big brother."

I raise cattle on my farm in Tennessee and I have had to subsidize those cows out of my congressional salary for 3 out of the last 4 years and the other year I did not make any money. Most Tennessee cattlemen do not have a congressional salary, so most simply went out of the cattle business and into grain, soybean, or cotton production. And we have surpluses of these commodities. Much of the land that had been used for cattle really is not suitable for row cropping, so we are getting increased erosion. In Tennessee alone, we have lost 15 percent of our cattle industry since 1975. That is the equivalent of 2,000 farms. Opening up imports will only continue that trend. Our cattle industry is going to be destroyed at the very time it desperately needs to be rebuilt.

Mr. Speaker, if big brother had treated the cattlemen fairly in the past, then it would not be necessary for us to make these statements today. In fact, if we had a counter-cyclical beef import law which would allow increased imports during times of short production in the United States and decrease imports during excess production periods, the administration would not have been faced with this decision in the first place. But the same administration that is telling us they are going to open up beef quotas refuses to support counter-cyclical import legislation. The State Department seems afraid we will hurt the feelings of some foreign country.

I want to challenge the administration to deal fairly with the Nation's cattlemen. The decision on import quotas should be rescinded. Second, it should come forward and support a reasonable import law that will protect both producers and consumers and help us get it passed. If the administration fails to respond in an evenhanded manner, then I and I am sure many of my colleagues will be forced to do our best to change the law so the President does not have the authority to open up beef imports. That authority is in law so that it can be used in genuine emergency situations. It should be used judiciously. If it cannot be used in that manner, it should not be available.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I appreciate the gentleman's yielding.

Mr. Speaker, I want to join my colleagues in protesting the action taken by the President to increase foreign imports of beef by some 200 million pounds. Certainly any protest could be made on the basis that the President's action hardly represents fairplay.

For the first time in more than 5 years beef production is becoming marginally profitable. Now the President takes action to increase the imports of foreign beef by some 200 million pounds. In fairness if they feel an increase in imports is equitable with beef prices now barely back to where they were 5 years ago, why then did not they shut off imports last year when prices were far below the cost of production? It looks like the President has yielded to his eastern economic advisers and is attempting to blame one small segment of our economy for the inflation our Nation is suffering. I am sure his pollsters have pointed out to him this will look good to consumers and really there are not too many cattlemen so it is a smart political move to make to enhance his image.

But, the interference in normal market cycles will end up with devastating consequences to consumers. Farmers can only interpret it as an indication that the Government is determined to keep their prices below the cost of production. This takes away incentives to increase production, which is the only way the consumer will have adequate supplies of beef in the future at equitable prices.

As a cattle producer myself, I know first hand the frustration and hardships we have gone through these past 4 years. Many, particularly the smaller cattlemen, have been forced out of business because they simply could not make it on the low prices they were receiving. These people no longer have the equity to get back in. Each time you force additional independent producers out, future consumption of the American public becomes more dependent on the big corporate feedlots.

Our State university studies show that cattle producers have been losing from $15 to $35 per head each year over the past 4 years. They have taken this loss out of their equity in their land. Without some chance of recovery neither they nor the lending institutions will be encouraged to invest in building up their herds.

Mr. Speaker, it needs to be emphasized that the real danger in the President's abrupt action is not so much the immediate effect it will have on the market, but its long-term impact. His action, as I said, appears to be a political decision, aimed at trying to convince the consumer that the President stands for lower food prices. This increase in imports would only amount to 1¼ pounds of meat per capita. It will, therefore, only lower beef prices temporarily and very little at that. The danger is the effect this move will have on cattlemen's plans for the future. It cannot help but cause a decrease in the numbers of cattle 3 or 4 years from now. Cattle production is not prepared to deal with political decisions which are made and changed overnight. The average cow/calf operator needs up to 3 years to begin to turn his production potential around. Maybe someone in the White House thinks they can shorten the gestation period of a cow.

We should encourage cattlemen to build up their herds so an adequate supply of beef at a fair price will be available to our consumers over the next decade. The President has hung a bum rap on the beef farmers in blaming them for inflation. Per capita annual meat consumption is 194.7 pounds of which 129.2 is beef. Americans spend less than 20 percent of their income for food and less than 3 percent of that is spent on beef. It does not make sense to claim that cattlemen are the cause of inflation when this 3 percent of consumer income has only now returned to the price it was 5 years ago. What other item in the consumer budget sells at the same level it did 5 years ago? Can the President or the President's advisors really justify their failure to recognize that beef prices were in a tremendous slump over the past 4 years. Is that now to be considered the norm? I imagine few consumers realize the price of beef at the farm dropped off 30 percent some 4 or 5 years ago. If the President really wanted to do a service to both the cattlemen and the consumer he would call for an investigation into what happens to the price of beef between the farmer and the consumer.

Another aspect of this action that needs to be considered is the fact that we in the Congress have just enacted a farm program designed to help bring fair prices to our Nation's grain farmers. It takes 18 pounds of grain to make a pound of beef. So, what the President is in effect doing is authorizing an import of 64 million bushels of grain. I do not think that anyone thinks that makes much sense.

Certainly, the cattleman does not want to shut off all trade. In fact he would like to market his beef in places like the Japanese market where it sells for four times what it brings at even today's higher prices in the United States. We listened to the administration point with pride to the fact that they had gained the entrance into the Japanese market of 22 million pounds of beef. That is a far cry from the 200 million pounds they now want to add to our Nation's imports that are already at the 1.3 billion pound mark.

Why does the American farmer, Mr. Speaker, always have to expect that the administration will insist on opening our markets to all comers, but give no assistance to opening markets in Western Europe, Japan, or other parts of the world for our farm producers. Grain and beef normally bring twice as much in Japan and Europe as they do in our country. This is a problem that should be addressed. Our cattlemen are proud of their competitiveness and they can compete with producers of food anywhere in the world. But, they need the game played with a fair set of rules. The administration's announcement may make good politics for consumers, but over the long run it will serve both the consumers and the producers poorly.

Mr. WINN. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Kansas.

Mr. WINN. I appreciate the gentleman's yielding. I do want to commend my colleague, the gentleman from Kansas (Mr. SEBELIUS) and my colleague, the gentleman from Nebraska (Mr. THONE) for bringing this to the attention of the House today.

Just several days ago I cosigned, along with many of our colleagues from the Midwest and from States that are deeply involved in beef production, a letter to the President that was originated on the floor by the gentlewoman from Nebraska (Mrs. SMITH). It is obvious that the administration and the President do not seem to desire to take cognizance of the fact that many of us in Congress do represent farming States and that we might have something to say about this issue.

At this stage, Mr. Speaker, I would like to insert in the RECORD a telegram that I received from Floyd Fairleigh, the president of the Kansas Livestock Association. The telegram is as follows:

TELEGRAM TO PRESIDENT JIMMY CARTER

Any action by your administration to increase beef imports will be viewed as a slap in the face of the American cattlemen. We're just beginning to recover from 5 years of the most disastrous cattle market wreck in history. It would also be counter productive from the standpoint of consumers because cattlemen are making the decisions now that will determine beef supply in future years. Increasing meat imports will only serve as a false signal to cattle producers to continue the liquidation of their herds. The American cattle producer has essentially been subsidizing the consumer during the past 5 years by producing below the cost of production. Very few producers have had an opportunity to sell any cattle at present prices and most haven't made any money yet. Now, just the fear of actions by your administration has forced the market dramatically lower in the past few days and created a climate of uncertainty. You know full well that rising beef prices are a result rather than the cause of inflation. To penalize beef producers, one of the most productive segments of the American economy, while failing to recognize government deficit spending as the real cause of inflation is economic nonsense.

FLOYD FAIRLEIGH,
President, Kansas Livestock Association.
JUNE 5, 1978.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentleman from Kansas both for yielding and for bringing this matter before the House. I also want to thank the gentleman from Nebraska (Mr. THONE) for his help in this effort.

Mr. Speaker, today is a very sad day for the American farmer and the entire meat industry, for today the Carter administration is taking an irrevocable step towards alienating the producer from his Government.

Today the Carter administration is announcing its plans to admit an additional 200 million pounds of imported meat from 13 nations, many of whom subsidize the production of meat, with the intent of knocking the wind out of the sails of the first upturn in the cattle market in 5 years. This 15-percent increase in imports comes at a time when crucial decisions are being made by cattle producers whether to rebuild their depleted herds and restore balance to the marketplace.

It is an action which the administration admits will have at most a minimal impact upon the retail price of beef, primarily hamburger, and which could most likely be absorbed by middlemen before it is ever reflected at the meat counter. At most, the new imports will mean a savings of $1 to $2 per person this year for the consumer. It is an action which carries a great cost, however.

Since 1973, when the disastrous agricultural policies of the Nixon administration brought ruin to the cattle industry, retail beef and veal prices have risen 14 percent. All food prices have risen 51 percent and the Consumer Price Index has risen 46 percent during the same period. And increased costs charged by the food processors, haulers, and distributors account for about half the increase in food prices, not prices received by the farmer. If all food prices at wholesale levels had remained the same during the past 10 years, the retail cost of food would have gone up considerably anyway, simply because of the other costs passed through to the consumer.

It is no wonder that cattle producers have thinned their herds to try to improve their chances in the market. The increased prices being passed through to the consumer today are the result of this reduction in cattle on feed, coupled with increased consumer demand for meat. The only real solution to the beef price situation will come from a strong, steady market which will reinstill confidence in cow-calf producers and cattle feeders to rebuild their depleted herds. Today's action will not help bring that about; rather, it will discourage producers from reinvesting in their stock.

For the cattle feeder, there is no cost-of-living escalator built into his paycheck. He cannot negotiate for a cushion against inflation. His only recourse is through the marketplace, and it is only within the past couple of months that he has begun to recoup the production losses he has suffered over the past 5 years. Not once during the period did the cattle industry ask for Government assistance when it was far from breaking even on each animal they marketed. It staunchly suffered its losses without Government help, and now they see their Government adopt a policy aimed at driving it to ruin.

Today's action is a slap in the face of the cattle industry, and it is one that will not be forgotten by the men and women who work hard to produce our meat and expect an even shake from their Government in return. It is an indefensible action, from an economic viewpoint, from a political viewpoint, and from a public policy perspective. It makes absolutely no sense from the standpoint of restoring balance of trade and, at best, it is a cosmetic way to fight inflation. The White House is hoping the publicity generated by today's announcement will play well with America's housewives, but, when the promise of price relief ends up to be only a few pennies per pound on hamburger which will most likely end up in the retailer's pocket, that promise could turn into another empty hope.

My greatest disappointment in this whole affair lies not with the decision itself, but the way in which it was made. Not one Member of Congress, to my knowledge, was asked for his advice on this issue, not one member of the House Agriculture Committee nor from a beef-producing district. We had absolutely no input into this decision, for, if we had, we would have pleaded with the President to wait for the natural market forces to take effect upon the price rise and bring back a natural balance between supply and demand.

Secretary Bergland, who is obviously the most informed and knowledgeable member of the Cabinet on this issue, made it clear that he recommended to the President that he wait 2 to 3 months before taking any action on imports. He knows how such ill-conceived and hasty decisions can bring havoc to the marketplace and he is also aware that the critical decision on whether or not to rebuild is being made right now by beef producers. His advice was not taken.

It was my fervent hope that, with the election of the first President in 8 years of the same political party as the ma-

jority in Congress, we would have a Congress and administration working hand in hand in formulating public policy. That kind of relationship appears to be out of the question, and no one is more heartbroken about it than I. I am very concerned over the growing insulation of the Presidency and his inner staff.

The process of decisionmaking used in this case reminds me of another policy decision made by a President of vital importance to the Nation's cattle industry. In 1975, President Ford made the ill-advised decision to oppose packer bonding legislation. In that case, one lawyer in the Department of Justice opposed the legislation and the Administrator of the Packers and Stockyards Administration—the one man in the entire Government with a real knowledge of the bill and the problem it addressed—strongly supported it. He knew that the bankruptcy of one packinghouse left thousands of Midwest farmers with $45 million in bad checks paid out for their cattle, and absolutely no legal recourse under Federal law.

I was disappointed and angered that a Justice Department lawyer was listened to and the Administrator of the Packers and Stockyards Administration was not on this agricultural issue. A persistent Congress finally passed the bill anyway, and today packer bonding is law.

Jimmy Carter's 1976 Presidential campaign offered promise of a new spirit of cooperation in the White House. In a position paper on agriculture and the economy under the subtitled "A Policy From the People," candidate Carter wrote:

> Farmers, ranchers, and consumers once again will be involved in the development of farm and food policy—through their cooperatives, organizations and associations, through their democratically elected committeemen, and through their elected representatives in Congress.

I applauded those words. Only later came the realization that the reality fell short of the promise.

It was my hope that a return to Cabinet government as announced by President Carter would mean a return to rational decisionmaking where those with the best knowledge in his cabinet and in the Congress would be brought into the process, advised of the alternatives under consideration, and made to feel a part of the final product. No one is more disappointed than I that this has not come to pass. Instead, yesterday Bob Strauss and Stu Eizenstat, two of President Carter's top advisers, met with 16 Democratic members of the House Agriculture Committee and from farm areas to inform us that the decision has already been made and that our protests would be in vain. I have a great amount of respect for both of these men and their abilities, but I was very disappointed in the way this decision was handled.

By the action on beef imports today, America's livestock industry is being told quite clearly that when the chips are down, the facts do not count. Once again, the farmer is being singled out for punitive action in the name of fighting inflation, when the fact is that he has done more to absorb inflationary costs than any other segment of the economy. What seems to count in the White House today is the proper image, the appearance of accomplishment but not the fact. If that is the way things are going to be, then we had all better take note now, and prepare for the worst.

Mr. TAYLOR of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Missouri.

Mr. TAYLOR of Missouri. I thank the gentleman for yielding.

I would like to take this opportunity to express my appreciation to my colleagues, the gentleman from Kansas (Mr. SEBELIUS) and the gentleman from Nebraska (Mr. THONE) for giving us this opportunity to express ourselves on this very serious matter that has occurred today.

It is extremely difficult for me to understand the President's decision to permit more imported beef to be brought into this country. It flies in the face of well reasoned advice given by his own Secretary of Agriculture and the chairman and ranking Republican member of the House Committee on Agriculture.

On the one hand the President wants to cutback on imported oil, which we need, by raising oil prices to consumers to reduce the trade deficit. Yet, on the other hand he seeks to increase the trade deficit by importing more beef, which we do not need because we already have an abundant supply.

The chairman of the House Agriculture Committee stated that the administration's decision was a serious mistake. He said:

> Consumers will get little help in the short run, and they may be hurt in the long run if cattlemen see the government action as a signal to delay rebuilding their herds.

I believe that the chairman is right. The administration's policy is not calculated to give cattlemen the kind of confidence they need to build supplies back at a normal pace.

The chairman, noting that the administration would permit imported beef into the country when supplies were big and prices were low as well as when supplies were abundant and prices high stated:

> The administration now is saying, in effect, that it will level off the peaks without making any move to fill in the valleys.

For years now the beef producers of this Nation have been taking their "lumps" by selling their cows at bargain basement prices which has meant a severe financial loss to them.

A study by the University of Missouri Extension Service analyzing the 1976 production costs of yearlings having an average weight of 962 pounds showed that the livestock producers suffered a loss of $17.97 per hundredweight. Similar losses occurred in 1974 and 1975. A separate study of cow-calf operations, where selling weights were under 600 pounds showed a loss of $103.11 on each cow in 1976.

Cattle industry spokesmen estimate that the value of their product has gone up about 12 percent during the past 5 years, but the cost of production has soared at a 49-percent rate during that same period. No industry or business can survive if it is forced, year after year, to absorb these kinds of losses.

All the while the cattlemen have not been loud complainers.

They have not gone on strike.

They have not marched on the Department of Agriculture.

On the contrary they have taken their losses, all the while reducing the size of their herds where they could begin to make a few dollars. They knew the solution to their problem and they have solved it without Government help.

Cattle numbers have declined by about 20 million head the past couple of years and they were sold at prices way below today's market. I did not hear one word of regret expressed by anyone in our Government during that period. There were no Presidential proclamations of support for the cattle industry nor were there any efforts to provide legislative relief.

Today, when cattlemen are beginning to recoup some of those losses and I stress some because they are still a long way from getting even—their Government is trying to force them to their knees by letting more foreign beef into the country.

Beef is not the cause of inflation. Inflation has been caused by a multitude of things, the most damaging of which is irresponsible Government spending and huge Federal deficits inflicted on the public by the very same people who are now trying to blame the cattle producers. For goodness sake, cattlemen are affected by inflation just as much, if not more, than are other consumers.

The President's decision could be extremely detrimental to this basic agriculture industry. It is ill advised, poorly timed, and unwarranted. It should be immediately withdrawn.

Mr. SEBELIUS. Mr. Speaker, I yield to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, I congratulate the gentleman from Kansas (Mr. SEBELIUS) for taking this time today to discuss the President's unfortunate new beef import policy.

I can personally see no difference in the President's decision to increase foreign beef imports by 200 million pounds a year, and a decision to eliminate the import ceiling altogether.

The adverse impact on Arizona cattle growers, and livestock producers throughout the Nation, is going to be exactly the same.

This decision will send them a psychological and an economic message that they should not increase their own herds and bring down consumer prices through increased domestic production.

The administration is thus paving the road for a foreign takeover of another important domestic industry.

How can we assure that our home industry can fill the bellies of the citizens of this Nation when we continue to let foreign industry do it for us, thus wiping

out our own ability to provide for ourselves?

A good example of the bad impact of yesterday's decision by the President to allow more foreign beef into our country, to compete with, and undercut domestic beef sales, was yesterday's action at the Chicago livestock sales.

When news of the President's decision reached commodity markets, cattle and hog futures fell as much as they are permitted to fall in a single day.

Cattle for August delivery closed as much as 1.45 cents a pound lower than the day before—closing at 54.75 cents per pound.

For comparison, cattlemen in my State of Arizona were getting 70 cents a pound at auction in 1973. Prices fell to 31 cents a pound in 1974. And they have never again reached the 1973 level, even though prices and costs in every other area, increasing the cattle growers' production costs, have increased significantly.

The President's action to increase foreign beef imports will further depress cattle markets, as yesterday's auctions clearly demonstrated. The ripple effect will be felt by grain and soybean producers whose markets also dropped yesterday on news of the President's beef import quota increase.

The message to cattle, grain, and soybean growers is simple: Growing beef and livestock feed is bad business.

This is tremendously counterproductive to our economy and to our national well-being. And it will not help consumers—now or in the long term.

For consumers, the total number of pounds is not significant at all. It is less than 1 pound per person if import quotas are increased 200 million pounds, when average beef consumption per year is between 117 and 120 pounds per person.

Besides, beef prices in stores are governed more by processing and sales after beef is sold on the hoof, as the current 54.75 cents per pound auction price clearly shows.

The price in stores is twice that amount in most instances—often more than double the auction price.

The President's action can only hope to shave a cent or so off the store price that families pay.

But it will shave much more off the price of beef at the cattle markets, which will be enough to convince a number of cattle growers to get out of the cattle business altogether, or to keep their herds at the same level or less and diversify in order to stay in agriculture.

It takes 5 or more years to really rebuild a cow herd. What with the fact that most cows are not bred until 2 years of age, and the 18- to 20-month gestation period of a cow, it will take considerable investment and time to replenish domestic herds and to bring down beef prices a significant amount through a plentiful domestic supply.

This is especially true since cattle growers have had their most dramatic kill ever over the past several years, and their herds are now at a significant low.

They are faced with the decision to either get out of the industry, or rebuild their herds.

I believe that the President's action is precisely opposite of what it should be, if we hope to rebuild domestic beef production.

I do not want to see us in the same position with meat as we are with oil—almost totally reliant on foreign sources because the Federal Government continues to discourage domestic production that is necessary to be self-sufficient.

I hope that Congress will take all necessary action to help build up our domestic cattle industry, and to provide the kind of encouragement that cattle growers need to stay in business and to rebuild their herds.

The President's decision was wrong, and, as in other areas, it will take resolute action by Congress to put us back on the right track in this matter of beef imports versus domestic production.

Mr. SEBELIUS. Mr. Speaker, I yield to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I rise once again to express my concerns about the apparent decision the administration has made which will allow an additional 200 million pounds of meat to be imported into the United States during the remainder of this year. As I understand it, this is to be accomplished by renegotiating the quotas we have with the major exporters of beef to the United States.

There are two significant points to be made here. I think it is very important to think back to as recently as October 8, 1976, when then candidate Carter stated in a news release that his position was "to vigorously enforce the beef import law of 1964 and to immediately tighten the quotas to provide greater protection against foreign imports and to help out cattle producers." This statement of position or promise and the recent action speak for themselves.

Secondly, I fear the current decision to renegotiate quotas may not truly reflect the significance of the administration's action. Indications are that not much more beef is available in the world market than the amount the renegotiations are to allow to be imported. Does this mean that if there had been more beef available in the world market the quotas would have been larger—or, in effect, is the administration lifting the quotas but hiding its action under the guise of renegotiated quotas?

I fear that this is once again a signal as to what the administration thinks of the farmers in this country, another example of the "cheap food policy" which persists in this administration. Those of us who have attempted to speak up for the interests of farmers and farm families have been continually frustrated by the apparent lack of understanding and concern shown by close advisers to the President, even those inside the Department of Agriculture. We have seen it with some of the policies advocated by Assistant Secretary of Agriculture Carol Foreman. She has continually worked for things which were not in the best interest of farmers and of questionable value to consumers. Again and again we have seen members of the Cabinet or other close advisers of the President advocating some other policy win out over those speaking for agriculture when it came to a question of the interest of the American farmer. This trend must be stopped or the farmers—one segment of our society who still operates on the principle of hard work and productivity and which provides the American people with our most basic need—will lose faith in their Government. Farmers ask only that their Government provide an atmosphere which will allow them to continue to work and produce. Such actions as this does not accomplish that goal.

The apparent decision to increase imports has been made out of concern for the increase in beef prices at the retail level and has been sold as an indication of the administration's drive against inflation headed by our "inflation czar," Ambassador Strauss. I do not think farmers consider him to be their inflation czar. It appears that those who have been responsible for this decision do not understand that cattle feeding operations have had negative returns in 15 of the last 23 quarters, and that cattle producers have suffered a $30 billion loss during the 1974–77 period. I concur with, and have earlier expressed the same concern as, both the chairman and the ranking minority member of the House Agriculture Committee who have dubbed this action respectively as being a "serious mistake" and "increasing imports would disrupt recovery of the cattle industry and contribute to even higher beef prices in the long run." Figures developed by USDA indicate that increased imports of the level announced will result in only a 2-cent-per-pound reduction in the retail price of choice beef. I concur with the recent assessment that even though this would be helpful to the consumers in a small way, it will be catastrophic to beef producers.

I think the farmers in my district and throughout the country have good reason for asking, "What will be next?" What commodity or what other particular farm group will be singled out next for some policy that will hinder their efforts to continue to farm, on the pretense that it is in the best interest of the country. What kind of message is the administration sending to the farmers and as a matter of fact to all Americans. The beef producers just happen to be the unlucky group at the moment. What group will be next?

Mr. Speaker, I include the memorandum dated November 30, 1976, to President-elect Carter with his campaign promises relating to the importing of beef:

MEMORANDUM—NOVEMBER 30, 1976

To: President-Elect Carter.
From: Stu Eizenstat and David Rubenstein.
Re: Campaign promises.

Attached is the compilation of campaign promises that you requested.

The compilation should prove helpful in reviewing the nature and extent of your public commitments and in guiding the transition effort. However, it should be read with the following caveats in mind:

(1) It is certainly not exhaustive. The compilation was produced from written material (speeches, releases, letters, briefing transcripts, interviews, questionnaire responses, newspaper accounts and certain other statements available to the Issues Staff. Undoubtedly there are certain speeches or statements which were not recorded and thus not available to us. There are not likely to be very many additional promises contained in those speeches or statements, but the possibility exists and we are therefore continuing our research.

(2) It does not include promises that may have been made by Vice President-Elect Mondale; his staff is presently reviewing his speeches and statements and will be developing a similar compilation by next week.

(3) The strength of the various promises naturally varies. Some promises indicate only that you will "consider" taking a certain action; others indicate that you "support" a certain action; and others indicate that you will definitely initiate or take certain action. The specific type of promise made is indicated by the first few words of each of the enclosed promises. However, even those words may not completely represent the extent of your commitment; in many instances, the full context of your speech or statement must be reviewed to determine the exact strength of your promise. Therefore, the description of your promises in this compilation may serve only as a rough guide. The appropriate clusters in the Policy Development Transition staff will be reviewing the full context in which each of the enclosed promises was made.

Generally, only one source is cited for each of the enclosed promises. The cited source is either the first speech or statement in which the promise was made or, if the promise was sketchy in the first speech or statement, the speech or statement in which the promise was most fully developed. [End of cover memorandum—CCH.]

f. Beef import:

(1) Enforcing vigorously the Beef Import Law of 1964. (Tighter Beef Import Quotas Release 10/8/76)

(2) Enforcing and tightening immediately the quotas to provide greater protection against foreign imports and to help our cattle producers. (Ibid)

(3) Enforcing immediately the spirit and letter of the law in regard to "Free Trade Zone" imports, so that beef import laws cannot be circumvented. (Ibid)

Mr. SEBELIUS. Mr. Speaker, I yield to the distinguished ranking minority member of the Committee on Agriculture, the gentleman from the great commonwealth of Virginia (Mr. WAMPLER).

WAMPLER BLASTS BEEF ACTION

Mr. WAMPLER. Mr. Speaker, President Carter's action today to open beef quotas is a vicious blow to American agriculture.

This attempt to suppress cattle prices comes on the heels of a 4-year cycle of low beef prices during which cattlemen across the country lost an average of $250 per head, and it seems that the fact one segment of American agriculture was finally finding a period of relative prosperity just could not be tolerated by the "cheap food" advocates who run this administration.

I am confident that a careful analysis of this action to depress beef prices will reveal the futility of applying a form of price controls to just one commodity, and in the next several months consumers are going to discover for themselves just how phony and ineffective this action is.

Based on similar instances in the past, the only result this form of a price embargo accomplishes is to lower the market price to producers without immediate or long-run benefit to consumers.

According to my soundings, meat prices have leveled off at the supermarkets—and this leveling off will be reflected in the Cost of Living Index next month when it is released. The announcement by the President is nothing more than an attempt to capitalize on an action that is already taking place—to enable him to claim responsibility for lower meat prices next month. It represents a cruel hoax on the American people and portends economic disaster for the U.S. cattle industry.

I fully agree with Agriculture Committee Chairman TOM FOLEY who has described this action as "a serious mistake," and I hope to be able to work with him toward reversing this foolish action.

Mr. SEBELIUS. Mr. Speaker, I yield to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the administration's opening of beef imports was an action so odious and so devious that the ineptitude with which this situation was handled will be recalled as one of the greatest mistakes ever made in farm policy. It comes at a time when the beef industry has just reached stability. It has become obvious that President Carter has abandoned the Western and Midwestern States, and in particular, the agricultural producer. In this year alone we have seen the administration lobby for wheat prices below the cost of production, sugar prices below the cost of production, prices for feed grains below the cost of production, redistribution of the land through continuation of the antiquated 1902 reclamation law, higher freight rates, and now they want to drive beef prices below the cost of production and hoodwink consumers into thinking they are going to get a deal.

The recent action taken by the President is disastrous to the stockgrowers who are just beginning to get back on their feet after 4 years of depressed prices. It is estimated that between 1974 and 1977, the cattle producers of this Nation suffered a $30 billion loss. At today's market prices, it would take 12 years to recoup these losses.

The approximate import level of 200 million pounds of beef will not be enough to effectuate a drop in prices at the consumer level, but will cut the bottom out from under cattle producers. Prices have already fallen at the farm level due to the announcement of increased imports. And yet, due to marketing conditions of the cattle industry, cow-calf operators have not been able to take advantage of the higher prices reported earlier this year. It is of interest to note that the so-called high price received by our domestic cattle producers was only 81 percent of parity.

Let us take the hoodwink off, let us take a closer look at how the consumer and the producer will be affected by this tragic decision to increase beef imports. The consumer will not realize any drop in the price of beef at the supermarket level. The consumer has been led to believe that selective price manipulation will work. However as was proven in the past, price setting only hurts the producer, helps the middleman, and creates no price advantages for the consumer. In fact, this action will backlash and create higher beef prices in the future. Because of artificially depressed prices, the rancher will cut back on herd expansion, thus cutting the supply of beef in future years. Current 1978 USDA projections show 1½ million more female cattle are being slaughtered than average. This action will result in lower numbers of cattle in the future, and prices will be forced upward under normal supply and demand pressures.

The producer and consumer also lose on another front. Both will involuntarily and unwittingly pay for our ever-increasing trade deficit. The 200 million pound increase in beef imports is projected to add another $185 million to the already ballooning $50 billion deficit estimated for 1978. Due to decreased domestic herds, imports will no doubt be both greater in volume and higher in price, thereby further aggravating the balance of payment conditions.

The current administration must stop using agriculture as the whipping boy for inflation and all the other ills which are present in today's society. By placing severe restrictions upon agricultural producers, by forcing him out of production through depressed prices and high costs, by hampering the flow of his products to the market, we are slowly and effectively destroying the basic fabric that binds this Nation together.

I call upon the President and those helping to form our domestic and foreign policy to stop and reevaluate the scope and direction they are taking in regard to the agricultural producer. We can little afford to write off the West. This is the time to stand behind the farmers and ranchers of our Nation for the benefit of all those in the Nation. Without a strong agriculture, the entire Nation will be weakened to a critical state.

Mr. SEBELIUS. Mr. Speaker, I thank the gentleman from Montana (Mr. MARLENEE) for his remarks.

Mr. Speaker, I now yield to the cosponsor of this special order, the gentleman from Nebraska (Mr. THONE).

Mr. THONE. Mr. Speaker, I first want to congratulate my colleague and neighbor to the south, the gentleman from Kansas (Mr. SEBELIUS), for coming up with the idea of dramatizing, by means of this special order, the action that the President took today.

I would also like to say, "Thank you," to my colleague to the east, the gentleman from Iowa Mr. BERKLEY BEDELL. There is not a Member in this Chamber for whom I have greater respect than the gentleman from Iowa (Mr. BEDELL),

especially in the area of his fighting for the basic industry of his district—agriculture, which is also the basic industry of my home State, Nebraska.

Mr. Speaker, it is almost unbelievable that President Carter has taken this action of negotiating increases in the voluntary import quotas on meat. It cannot be said that he did not have plenty of recommendations against such action, and I might add it has been very bipartisan in nature, as both sides of the aisle in this Chamber have joined in voicing opposition to making any changes at this time. The remarks I have heard describing the action taken by the President have not been complimentary, but past decisions with respect to farm problems that President Carter has taken leave me with the conclusion that he is not really concerned with the plight of the farmer or cattleman.

Secretary Bergland, by the stand he took in recommending that the President do nothing for 60 to 90 days while continuing to study the situation, reminded me of past recommendations by former Secretary Earl Butz in behalf of farmers and cattlemen. In my humble opinion, this recommendation by Secretary Bergland was a good and sound recommendation.

As has been reiterated by some of the speakers here this evening, this matter was taking care of itself. We were having a leveling off in this whole field. Now, by the dumping of this foreign meat, we are going to have a chaotic situation again in the beef industry.

Let us examine some of the reasons being advanced for the President's decision. Primarily, we are told that this action is being taken to assist the consumer in his fight against inflation.

But let me ask this question, very briefly: Do you think that allowing 200 million pounds of meat imports to be added to the current quota of approximately 1.3 billion pounds materially lowers prices?

I can give you the answer to that from no less of a "friend" of agriculture than Kathleen O'Reilly. She is quoted in a United Press dispatch this evening as saying this:

> The relatively low volume of imports will have at best a minimal cost impact, and such an impact would not be felt if at all for at least a month.

She also said that a lot of meat would go to restaurants and fast-food chains rather than to grocery stores.

The current increase in beef prices cannot be said to be the cause of the current round of inflation now facing the country. What about the current increase in prices for automobiles, steel, and a host of like products? What about increases being received throughout the country by labor? They are not being asked to face losses as is the cattleman.

Mr. Speaker, I can only conclude that this action of attempting to control beef prices by increasing meat imports is, from a psychological viewpoint, going to have a tremendous impact on cattle producers and feeders, and in the long run it will not do the job of curbing inflation for the consumer.

I think we will all concede that we are overtaxed and overregulated, and the spending here in Washington is the chief cause of inflation. Now we are making our cattle industry a scapegoat for these unwise Washington fiscal policies.

Today in Nebraska a couple of Nebraskans in the agriculture field were asked to comment on this, and I would close my remarks this evening by singling out that Jack Maddox of Wauneta, who is the president of the Nebraska Stock Growers' Association, commented on this at their State convention in North Platte, when he was apprised of the President's action, and he said this:

> We have a sense of frustration and anger for being singled out and blamed for inflation. The fiscal problems of government is the basic cause of inflation. It is political expediency to pick on the cattle industry.

Betty Majors, who is the president of Women Involved in Farm Economics—and she lives in Nebraska, in the little town of Polk, Nebr., said this:

> We feel that for them (Carter Administration) to import more beef is a deplorable situation in this country.

Mr. Chairman, again I want to commend my colleague, the gentleman from Kansas (Mr. SEBELIUS), for providing us with this opportunity here for articulating this situation that will now compound the difficulties of our beef industry, and I against thank him for his courtesy.

Mr. SEBELIUS. Mr. Speaker, I want to thank the gentleman from Nebraska (Mr. THONE), my colleague on the Subcommittee on Livestock and Grains, for his kind remarks.

Mr. Speaker, actually I am quoting from what the USDA says is the situation. They say that any such Government action—speaking of raising the quota—should be carefully examined for the potential and stimulating the continuing selling off of herds.

Mr. Speaker, I think it is a paradox, an enormous irony, that the Department of Agriculture has released this excellent summary in putting retail meat prices in perspective for distribution on the very day the President has announced a policy decision that completely ignores the views contained in the report.

I would also like to commend my colleagues to the statement yesterday by the chairman of the Committee on Agriculture, the Honorable TOM FOLEY. Mr. FOLEY stated that the administration decision to increase beef imports was a serious mistake.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I thank the gentleman from Kansas (Mr. SEBELIUS) and commend him on a very enlightening and profound statement.

I would like to associate myself with his remarks and with the remarks of those who have gone before in addressing themselves to this highly serious problem. I hope that something can be done about it in the very near future, and I would like to volunteer any efforts in concert with the gentleman from Kansas and with anyone else in attempting to do something to rectify the serious problem confronting those concerned with agriculture in the United States.

Mr. Speaker, I appreciate the attention the Chair and the Members have given to this very important and vital subject. I know that there are those in this body who feel that we can cure everything by passing some law, some dictate. The President has not learned that just because he can issue a proclamation and can order 200 million pounds of imported beef to be available to the American people, that he is doing something for them.

I would like to quote from several wire releases issued today on President Carter's action on increasing U.S. meat imports by 200 million pounds.

The wire reports follow:

CARTER INCREASES U.S. MEAT IMPORTS BY 200 MILLION POUNDS

WASHINGTON, June 8.—The White House today announced a renegotiation of trade agreements with 12 beef exporting nations to increase the U.S. meat import quota by 200 million pounds.

In a White House fact sheet on meat imports, the Carter administration said domestic cattle prices are not expected to be materially affected and the impact will largely be on utility cattle prices. Those prices could decline, the administration estimated by 2 to 3 per cwt.

President Jimmy Carter, in a mid-afternoon announcement of the increased meat import quotas, said, "We presently have a great shortage of beef in this country, which will continue for three or more years. The Secretary of Agriculture has decided to negotiate carefully in the next year or so (increases in import quotas).

"This will not hurt farmers but it will help consumers," the President said.

U.S. Trade Ambassador Robert Strauss told reporters today, "The 200 million pounds coming in during the rest of this year won't adversely affect cattlemen. It will have a stabilizing effect."

Strauss said he has not heard of any price ceiling being placed on retail beef.

According to the White House meat import fact sheet, the impact on retail prices will be reflected primarily in convenience meats and less-expensive cuts, such as hamburger. Hamburger prices could be held 5 to 6 cents per pound below what they otherwise would be, according to the fact sheet. Further, net savings to consumers could be 500 million dollars or more, the sheet states.

According to the White House, the economic impact of increasing meat supplies by 200 million pounds during the second half of 1978 will not be large for either retail meat prices or cattle prices.

The Carter administration's apparent decision to allow additional 200 million pounds of foreign meat to enter the U.S. this year to curb rising beef prices has drawn criticism from a number of Congressmen and Senators.

Kansas Republican Senator Robert Dole, ranking minority member on the Senate Agriculture Committee, said the expected announcement on the meat import increase "could trigger a new round of higher meat prices and inflation around the world."

Dole said the impending actions could cause two long-range problems. Australia woud expand production in hopes that it could further expand its sales the next time the U.S. has a similar situation. And U.S. farmers would hesitate to invest in expanded herds, he said.

Dole said Australia is reported to have 250 million pounds of beef available for export and has been trying to sell 50 pct of it to the USSR. He said if that occurs, it could set off more worldwide inflation.

Several other Congressmen and Senators joined Dole in saying the administration's decision on meat imports was ill considered, would have little beneficial impact on retail

meat prices and, in fact, could mean higher meat prices down the road if herds are cut back by U.S. livestock producers.

Republican Wyoming Senator Malcolm Wallop said the increased meat imports, which may force a 2 to 3 cent decrease in hamburger in the short run, would be considered a small victory were it not for the fact that increased beef quotas will further destabilize the cattle industry. It could set economic forces in motion that would shrink the cattle herd and prices in the long run, he said.

Oklahoma Democratic Congressman Glenn English said, "It is both unfair and unwise to single out the beef industry as a whipping boy in efforts to control inflation that exists throughout the economy."

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I want to thank the gentleman for the trouble he has gone to on this special order on this subject. It is a very sensitive subject to many people.

I wish the embargo had not been lifted on imported beef. I would have felt better about it, but I want to recognize that what the President is trying to achieve could have been done with a little better choice of words.

Some of us have agreed to sponsor a resolution for the National Cattlemen's Association which would call for countercycling increases when the herds are being retained. So, somewhere between what the National Cattlemen's Association have in mind and what President Jimmy Carter did today, I think, is good middle ground, and the sooner we find it the better it is going to be for the livestock industry.

Now is the time when we are talking about a basic commodity credit corporation. I do not want to see another of these dips in price that we have seen over the last 5 years, and I do not think we can take away 1 year of reasonable prosperity away from the cattlemen. That is why I was saddened about what happened today.

Mr. SEBELIUS. I thank the gentleman for his comments.

Mr. THONE. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Nebraska.

Mr. THONE. Mr. Speaker, I would also like to commend our distinguished colleague from Wyoming for his comments on this matter. In no way, shape, or form do I consider that today they came to grips with the problem the gentleman outlined here.

In no way are they going to recommend, as I understand it, decreasing the quota when we have extra production here in America. That is the fallacy of this whole charade that we are going through.

Mr. RONCALIO. Mr. Speaker, if the gentleman will yield further, I concur. It does not address the total problem.

Mr. THONE. It does not address the problem at all.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Iowa.

Mr. SYMMS. Mr. Speaker, I thank the gentleman very much for yielding. I compliment the gentleman from Kansas and the gentleman from Nebraska for getting this special order together today to talk about this problem.

One feels nowadays, being in the Congress and coming from a Western State, that every day one can make another report on how President Carter's war with the West is going on.

The significance for beef producers, who finally can see an incentive to produce more beef and hold back some of the young heifers and increase the size of their herds and increase beef production, is that they are feeling they are being hit over the head with a hammer so that they know their Government is not encouraging more production.

This is only the one on beef, but there are other facets of our society where the real producers of the country are being hit over the head and having the Government discourage increases in production. I think it is a great tragedy and a great mistake on the part of the administration.

I know the gentleman from Nebraska and the gentleman from Kansas have sent letters and talked personally to the administration and to the Department about what a mistake this would be. It is not only the 200 million pounds of beef, but it is the idea that comes with it, the disincentive and the discouragement for producing more beef, that is the idea that will ultimately hurt this country. All the new wealth in this country comes either from the sea or from the land, and it seems to me this administration is basically hostile to the producers, whether they are in farming or in agriculture, or in the forestry products industry, or in mining, anything that produces anything new. So in effect what we are asking our people to do is not to build new factories but only to launder the shirts, and ultimately the shirts will wear out. That is the way we are treating the producers of beef.

Mr. SEBELIUS. I thank the gentleman. I wish the President would read what the USDA put out. Bob Bergland is our friend and gives the President good advice. I urged him last week to give the President good advice.

For once I hope the USDA is not right, but we need some incentive to encourage our cattlemen to keep those heifers, but we need to do it in an orderly manner. We cannot do it by hitting the producers just at this moment. We should encourage them to produce more beef.

Mr. RONCALIO. Mr. Speaker, if the gentleman will yield again, I express once again my appreciation for my good friend in the well taking this special order.

Also I would like to say I signed, along with the gentleman from Idaho, those letters.

I suppose some of this is inevitable in an election year, but most of the administrations we have seen coming in over the years are trying to help restore this Nation's national purpose. Our goals are in common, whether we are from Wyoming or California or Idaho or Kansas, and maybe we can arrive at a common purpose and a common goal for the good of the country. I hope so at any rate.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Speaker, I emphasize the point made by my colleagues, and that is that the administration opposes the countercyclicals, which is that when we have overproduction we will cut down on production, but they have taken the attitude that when we have enough production we will let more in.

So, what they have done is taken a one-way attitude on this problem.

I would further like to point out, Mr. Speaker, along with the remarks from the gentleman in the well, that the administration has said, itself, that this is a 3- or a 4-year program. If it is a 3- or a 4-year program then it should be very obvious that this action which the administration has taken, even if it is one that may help a little bit in the short run, is simply going to cause our cattle producers to not increase their herds because they will be uncertain as to what to expect. And certainly, if they can expect the administration to move in and cut down the price, or do what they can to cut down the price whenever things get up to normal then the calf producers throughout America will not increase their herds and instead of being a 3- or a 4-year program, it may extend out to a much longer problem.

Finally, Mr. Speaker, as the gentleman in the well has indicated, the administration indicated that there would be close to $400 or $500 million. I think that is not in agreement with the figures given out by the Department of Agriculture which indicate in the short run it is half or less than that of that amount. And, even if they were correct, I hope people will realize that that is roughly $2 per person per year in the United States that we would be talking about in this short term.

Mr. SEBELIUS. Mr. Speaker, I thank the gentleman from Iowa for his comments, and they remind me of one other thing, and that is the question of inflation and the balance of payments in our country, which is one of our great problems, and here we are talking about $185 million that will be going to Australia and otherwise, so I think this is trying to generate something in the wrong spot because it will not help level out the cycle, it will make it greater.

Mr. BEDELL. That is correct and I would like to again thank the gentleman from Kansas (Mr. SEBELIUS) and the gentleman from Nebraska (Mr. THONE).

Mr. ICHORD. Mr. Speaker, I want to commend the gentleman now in the well for taking this special order and I concur with the comments made by the gentleman in the well and the gentleman from Iowa (Mr. BEDELL).

I think that the President has made a very serious mistake. He has, misguidedly, disregarded the best judgment of both the House and Senate Agricultural Committees and even his own Secretary of Agriculture, Bob Bergland.

So, I must concur with the remarks of the gentleman from Iowa (Mr. BEDELL) that the action of the President does come at a very unfortunate time. The farmers in Missouri, in Kansas, in Iowa, and all across the Nation must decide

very shortly whether or not they are going to expand their herds. Today's announcement will diminish incentive to expand production and in the long run this is going to cost consumers all over the country more money if replacement herds are not sufficiently rebuilt—and now they probably will not be—the price of beef will continue to rise in the future.

I would express the hope, I would state to the distinguished gentleman in the well, Mr. SEBELIUS, that the Committee on Ways and Means would move rapidly with legislative initiative to prevent the President from ever taking this kind of an action again.

There are two bills pending in that committee now that I think are worthy of consideration, the Poage bill and the Bentsen bill.

In any event, the President should not be permitted to act unilaterally to the detriment of the Nation's beef farmers.

Again I wish to state that I associate myself with the remarks of the gentleman from Kansas (Mr. SEBELIUS).

Mr. RUDD. Mr. Speaker, if the gentleman will yield, I would simply like to underscore the remarks just made by the distinguished gentleman from Missouri (Mr. ICHORD). In my own State, for example, during the past 2 years there has been depletion of herds for reasons that we have talked about here earlier and the decision now has to be made whether the people in the cattle industry are going to go out of that industry or whether they will be able to continue in that industry. This may be the straw that breaks the camel's back and provides the incentive for people to get out of the cattle industry and thus make our Nation an importing nation and not be able to provide food for the people of this country.

Mr. SEBELIUS. Mr. Speaker, I thank the gentleman from Arizona (Mr. RUDD) for his remarks. I also wish to thank all of the Members who have participated in this special order and for those who will be presenting their material in the RECORD in order to bring this to the attention of all of our Members and the people of our country.

● Mr. JOHNSON of Colorado. Mr. Speaker, as we all know, this afternoon President Carter announced that in light of recent increases in consumer meat prices, he was taking action to increase imports of foreign meat.

This decision is yet another example of the administration's apparent belief that those Americans who produce food in this country should not have an opportunity to earn a fair return on their investment.

Meat producers in this country are just now beginning to recover from the low prices and inflationary production costs of the last 4 years which resulted in a $30 billion loss to the livestock industry. At least 85 percent of the livestock producers in my home State of Colorado are carrying extremely heavy debt loads. They had hoped that with the increases in cattle prices, which incidentally are not that much above 1973 levels, they might be able to break even and possibly do well enough to pay off some of their debts.

Any relaxing of import quotas at this time, however, will force these producers to operate again with a severe loss for the coming season. And they are not the only losers under the administration's latest decision. The Department of Agriculture has pointed out that easing the restrictions on imports at this time will not result in any significant decrease in consumer prices because adequate supplies of meat to accomplish this do not exist. The administration's decision may in fact simply guarantee a continuation of declining U.S. production, which in the long run will hurt consumers, as continuing tightening supplies will assure higher prices at the meat counter.

I would urge the administration to review this ill-thought-out decision and work with the Congress on legislation now under consideration by House committees which would revise the 1964 Meat Import Act, to help moderate the boom and bust cycle in beef supplies and prices, for the benefit of livestock producers and consumers alike.

Today's decision by the White House only deceives consumers and irreparably damages the Government's credibility with American livestock producers.●

● Mr. SKUBITZ. Mr. Speaker, if there is any single word in the English language that irritates farmers in my State, it is the word "embargo."

We heard a lot about that word in the last election and I for one opposed a Republican administration's application of that word to public policy.

Fortunately we had a fighting Secretary of Agriculture in those days and he worked diligently and effectively against embargoes. We had a responsible President and he changed that policy after seeing it was a mistake * * * and we had many Republicans here in Congress willing to speak up for farm people and not be tools of the "cheap food" school of farm politics.

Unfortunately, today President Carter has brought the "embargo" word back into farm policy. He has moved to embargo fair beef prices.

Just like an embargo on exports, so too opening a floodgate of imports achieves exactly the same purpose—a lowering of farm prices.

Unfortunately, today we do not have a Secretary of Agriculture who fights for farmers and ranchers. He merely apologizes to them for the "cheap food" advocates who run his Department and who tell him what to do from the White House.

Time will now tell whether congressional Democrats will speak up and act effectively to stop this outrage against the American livestock industry.

The Democrats have the power here in Congress to do something about it and they will have Republican support, I know.

As everyone knows, I am retiring from Congress this year, so action on this matter makes little difference to my political career. But a lifetime in the legislature is too long for me to allow such a vicious and unfair action to stand unchallenged.

Is there not a way we can reverse this Carter embargo on fair beef prices? ●

● Mr. CORCORAN of Illinois. Mr. Speaker, this afternoon the President and Secretary of Agriculture Bob Bergland announced a new policy on beef imports. This new policy directive will not only be injurious to the hard-pressed beef producers of this country, but it will not significantly alleviate the problems now faced by consumers at the supermarket. The administration's proposal is a cruel hoax on all concerned.

This bad decision to allow the importation of nearly 200 million pounds of beef into the country in 1978, in addition to the present 1.3 billion pound annual quota may be disastrous. The beef producers of this country, who are already hard-hit with the supply and demand cycle, as well as increasing inflationary trends, will not stand for this action. Concurrently, the American consumer will not benefit by this action. Cuts of meat, including some of the cheaper variety, will only sell for a little less at retail.

Once again, the Carter administration and the Department of Agriculture are promulgating a policy which is not needed at this time, and which can do nothing but further frustrate a thoroughly frustrating atmosphere for American beef producers and consumers alike.

I oppose the President's decision and hope that Congress can overturn it before we become further reliant on these or any other imports, and suffer not only the short-term but also the disastrous long-term effects which are sure to come.●

ADMINISTRATION SHOWS LACK OF UNDERSTANDING FOR PROBLEMS OF AGRICULTURE IN PERMITTING IMPORTATION OF MORE FOREIGN MEAT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Nebraska (Mrs. SMITH) is recognized for 5 minutes.

● Mrs. SMITH of Nebraska. Mr. Speaker, the action by the administration allowing at least an additional 200 million pounds of foreign meat to be imported will have a depressing and demoralizing effect on the current agricultural economy.

From this action, it is clear the administration is not listening to the Secretary of Agriculture or to Members of Congress, who are in close touch with both livestock producers and consumers in their home districts.

More than 100 of my distinguished colleagues joined with me in signing a letter to the President just 2 days ago strongly urging he take no action to suspend meat import quotas.

During the past few years, meat at the grocery store has been a topnotch bargain—but the bargain has been at the expense of the American livestock producer.

The value of their product has gone up only 12 percent in the last 5 years, but their cost of production during the same period has soared 49 percent. No industry or business can survive if it is forced to absorb these kinds of losses year after year.

Allowing more foreign meat to come into the United States will interrupt the supply and demand cycle and hurt both the consumer and producer.

It is past time for the Congress to take

positive action to amend the 1964 Meat Import Quota Act. This would stabilize the high price-low price cycle and benefit both consumers and producers.

The action by the administration again demonstrates the lack of understanding for the problems of agriculture and that the agricultural economy is the backbone of America's financial condition.●

MODIFICATION OF THE FREEDOM OF INFORMATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. DEVINE) is recognized for 30 minutes, and to revise and extend his remarks.

Mr. DEVINE. Mr. Speaker, a few years ago the Congress of the United States created a bonanza for busybodies, for curiosity-seekers, for nosey people, and, indeed for foreign agents who may be enemies of our country. I have reference to the amendments to the Freedom of Information Act.

As a former law enforcement person and FBI agent years ago and a prosecuting attorney, I am aware of the importance to law enforcement agencies of having informants and having informants protected, having their identity protected, in order to obtain essential information not only in the field of national security but also in the area of professional criminals.

I have today introduced a bill—I think the number is H.R. 13040—to amend the Freedom of Information Act to improve the handling of classified information and investigatory records.

When Congress last amended the act in 1974 there was considerable concern within the executive agencies and the White House as well, about the provisions which pertained to the handling of classified material and investigative files. This concern was great enough to prompt a veto by President Ford when the bill reached his desk.

When the President returned the bill to Congress, he sent along a message identifying the problems he found with its provisions and their probable consequences in the future administration of the act by the various departments of Government. He went so far as to recommend specific changes which did not entirely eliminate what he thought to be an unreasonable burden on the agencies but which did alleviate them to some extent.

Congress did not see fit at that time to heed the President's warnings and overrode his veto. Suggested amendments later offered by the administration lay fallow.

Now we have had several years of experience under the act as approved in 1974. Did the President's predictions of unreasonable burdens on executive departments come to pass? In the light of subsequent experience, do the President's suggested amendments make sense? The answer to both of these questions is an unqualified "Yes."

In the past year I have taken the initiative of asking some of the affected departments about their experience under the 1974 amendments. These inquiries convince me beyond any doubt that the 1974 amendments have resulted in entirely unreasonable burdens on the affected agencies, as well as constituting very real dangers to the national interest.

One of the agencies greatly affected by the requirements of the 1974 amendments of the 1974 amendments is the CIA. In September of 1977 Mr. John F. Blake, the Acting Deputy Director of Central Intelligence, testified before the Judiciary Subcommittee on Administrative Practice and Procedure of the U.S. Senate. His testimony was lengthy but clearly indicated a serious problem imposed upon the intelligence community by the act as it now reads. The following excerpts from his statement tell the main story:

> The CIA's principal business is the collection and production of intelligence. The Agency's files are set up to accomplish this purpose. And, since much of the Agency's business is by necessity secret, an FOI requestor seeking CIA records on a certain subject usually cannot describe these records with precision. Thus, the very first step in processing an FOI request—that of searching for and identifying records—is often very complicated and difficult.
>
> When records are located, each record must carefully be screened by the responsible agency components to determine if the record may be released. And there is no charge to the requestor for this document review, regardless of the scope of the request. In most federal agencies, I would assume that the basic premise is that documents are releaseable and it's only an unusual case in which a document should be withheld. If that premise obtained in the Central Intelligence Agency, the job of reviewing documents for release would be considerably simplified. But, as you gentlemen will know, there is an inherent tension between the needs of an open society and the requirements of a secret intelligence organization.
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> Let me speak frankly, the 1974 amendments to the FOIA and the ensuing public interest constituted a somewhat traumatic experience for the professional intelligence officer who had been trained and indoctrinated to conduct his work in secrecy. These amendments required a considerable adjustment in attitude and practice.
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> * * * * *
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> The job of reviewing documents is exacting and time-consuming. The Act requires that a determination must be made within ten days whether documents may be released. In general, the Agency has not been able to comply with that requirement, despite efforts to do so. New requests are being received at the rate of ninety per week. The Act does not distinguish between requests which may involve the review of five or ten documents, and requests that may encompass hundreds of thousands of documents. We as an Agency are not in a position to establish priorities between requests or make a judgment that one request is more important than another.
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> * * * * *

And further, a letter from the Director of the CIA in March of 1978 outlines the administrative difficulties encountered:

> . . . the 1974 amendments to the Freedom of Information Act, and the public interest in them and exploitation of the possibilities they create, have required an exceptionally difficult redirection of the efforts of the Agency and a serious dislocation of its resources. During the calendar year 1977, we received about 93 requests each week, including Privacy Act and E.O. 11652 requests, many of which require a review of thousands of pages of documents. We currently have a backlog of approximately 2,600 requests and 206 appeals, in spite of the expenditure of the equivalent in man-hours of 109 fully employed personnel to this problem alone. Since the costs of this activity are not accounted for as a single programmatic line item in the Federal budget for the entire Government, overall costs cannot be certainly measured against benefits; and congressional action on the matter cannot accurately reflect that sort of cost-benefit relationship that might help the Congress in its decision-making processes. It is certainly significant, however, that last year this effort resulted in the expenditure of $2,161,000 in Agency salaries alone, whereas we collected only $16,439 in fees.
>
> The amended Freedom of Information Act is seriously affecting the operations of this Agency.

The Department of the Army indicated that compliance with the act caused the Department of Defense to pay out approximately $5.5 million, and that 43 defense employees devoted full time to the administration of the act while 59 employees devoted less than full time but more than half time to the effort. It was also pointed out that once records are requested, it becomes almost impossible to get rid of them in the normal course of destruction schedules.

Investigatory files are at least as difficult to deal with as those containing national security information and, in some ways, even more difficult. To give you a very short look at the problem, I quote from a letter which I received from the Director of the FBI:

> Since the Freedom of Information Act (FOIA) was amended in 1974, effective February 19, 1975, the FBI has received over 43,000 information act requests. In 1977 alone, expenditures by this Bureau are expected to exceed $8 million dollars for the processing of Freedom of Information-Privacy Acts (FOIPA) requests. The Bureau has established a permanent complement of 375 personnel to administer the FOIPA; and, it was necessary this past summer to divert 282 Special Agents from their field assignments to FBI Headquarters to assist in eliminating a huge backlog of requests which had developed.
>
> Concern is being expressed by many of our law enforcement colleagues on a state and local level, with whom the Bureau frequently exchanges sensitive information. These law enforcement agencies are worried about whether their information can be properly protected in view of the FOIPA. Certainly every effort is being made by the FBI to honor all confidential relationships, so essential to good law enforcement; however, balancing existing statutory mandates with essential needs of our work is becoming an increasingly difficult task.

It appears that the chickens have come home to roost. The difficulties enumerated in the veto message in 1974 have indeed materialized.

In my personal opinion there are changes which need to be made in the Freedom of Information Act going somewhat beyond those proposed after the veto message. For example, before the 1974 amendments, records contained in investigatory files compiled for law enforcement purposes were exempt from disclosure under the act. Such a categorical exemption may have been too broad, but it more nearly approached the proper solution than the present law.

My bill recognizes the evident will of Congress and the acknowledged right-

ness of the general proposition that information in the hands of the Government should be made available to the general public and individual members thereof. When information is withheld, it must be for substantial reasons and then bound by reasonable and understandable procedures which eliminate the possibility of arbitrary withholding by agency personnel.

First of all, my amendments would allow for court review of documents classified by agencies in the interest of national defense or foreign policy in order to insure the reasonableness of that classification. Under present law, documents must be disclosed with national defense implications and must be disclosed even if the classification is reasonable. This new language provides that the court may consider all pertinent evidence, including a look at the document itself if necessary, and unless it finds a reasonable basis for the classification, the document will be disclosed. The burden of proving the reasonableness of the classification rests with the agency.

Investigatory records are complicated collections of information from many sources having myriad ramifications. Disclosure can possibly cause serious danger to persons mentioned therein and to law enforcement personnel. It is often impossible to say with categorical certainty that a certain kind of danger might develop or to whom. There is also definite possibility for drying up information sources by exposing or threatening to expose files which reveal sources. If laws are to be enforced, such considerations must be taken into account. Unfortunately, no court is in position to make such original judgments. These considerations, which are of necessity substantive, combined with the inordinate demand on enforcement manpower, call for some modification in the provisions of present law on the subject.

My bill would enable the agency head to make a case-by-case finding of impracticability on the basis of specific factors which can be reviewed by courts. It does not apply to records which are not investigatory or those which the agency well knows do not qualify for exemption.

In my opinion the amendments which are included in my bill are those minimally required to make the Freedom of Information Act workable and to relieve what have proved to be unreasonable requirements imposed upon the agencies of Government dealing with national security and investigatory information.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to my colleague, the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I wholeheartedly thank the gentleman from Ohio for yielding, and I want to give my unqualified support to this effort of our good friend and colleague, the gentleman from Ohio. I want to commend him highly for his proposed legislation.

As the gentleman from Ohio (Mr. DEVINE), a longtime leader in this august body, has so ably pointed out, the Freedom of Information Act is being used by subversive groups and organized crime elements for basically three purposes that were never contemplated by those who in good conscience supported its enactment.

First, this act has been used by subversive groups and organized crime to learn the techniques of the Federal Bureau of Investigation and other law enforcement groups.

Second, it has been used to learn the identities and the locations of hundreds of valuable informants being used by the FBI and police groups throughout the Nation.

Third, the Freedom of Information Act has been misused by these same subversive groups and criminal elements to impose an insurmountable burden on the FBI and other intelligence-gathering agencies, to make it impossible for them to carry out much of their usual work to investigate and fight crime and acts of subversion and terrorism against our people and against our country.

The gentleman from Ohio has ably cited these facts.

He has pointed out that the FBI has received more than 40,000 Freedom of Information Act requests since the law went into effect in 1975.

At one point, these requests required the bureau to bring in 282 field agents from throughout the country to spend 4 months doing nothing but processing these requests.

This meant that these 282 field agents were prevented from carrying out their usual duties of investigating Federal crimes, cooperating with local and State law enforcement agencies to fight crime, and other work that is vital to our people.

I believe that we should all be most concerned about these adverse effects of the Freedom of Information Act upon our intelligence and law enforcement agencies, and should take appropriate legislative action through this proposed bill to correct these problems.

I am especially concerned about the impact upon legitimate and necessary law enforcement activities caused by the release of valuable FBI documents under the Freedom of Information Act, which allow subversive groups to learn the techniques and the identities of informants used by the FBI.

For example, the Socialist Workers Party, a dangerous subversive group, has won access to more than 40,000 sensitive FBI documents, which have enabled them to learn the identities of approximately 360 informants used by the FBI since 1938.

The identities of these informants are deleted from the released documents. But it is a fairly simple procedure for the socialist workers party functionaries to carefully cross-check these thousands of documents and learn the informants' identities even though they are not spelled out in the material that they have obtained.

Judge Griesa of New York who is presiding over the Socialist Workers Party suit against the FBI recently ordered the informants which the justice department to its great credit has so far refused to do.

One can readily see the devastating impact that all of this is having on our vital law enforcement effort.

First law enforcement and intelligence agencies that rely on informants which it takes years to cultivate and train are finding it more and more difficult to find them.

This is because the Freedom of Information Act has posed an unwarranted danger to their lives and the lives of their families.

The Bureau is therefore losing invaluable information that is needed to protect our people and our institutions from subversion and criminal activities.

The Freedom of Information Act has also forced local and State police departments to stop providing valuable and needed information to the FBI and other Federal agencies because they fear that the law will force it to be made public—to be delivered into the hands of the very criminals that they are investigating and attempting to prosecute and convict.

Mr. Speaker, it is for these reasons that I am pleased to join our colleague from Ohio (Mr. DEVINE) in this effort to amend and improve the Freedom of Information Act.

Congress must prevent the release of sensitive documents that relate to ongoing investigations and to subversive or criminal activities.

Under the Freedom of Information Act as it is now written and being implemented Congress has given a devastating weapon to the subversive and criminal world with which to bog down and destroy legitimate law enforcement functions and activities.

This flaw in the current law must be eliminated.

I hope this legislation will receive swift consideration.

Mr. DEVINE. Mr. Speaker, I thank the gentleman from Arizona for this contribution.

I would point out that I hope all Members will pay attention to what the gentleman from Arizona (Mr. RUDD) has said.

The gentleman from Arizona (Mr. RUDD) spent 20 years in the Federal Bureau of Investigation and had an outstanding record and knows firsthand, not only from his service in the domestic area, but also in Central and South America where the gentleman had an opportunity to observe what espionage may be, what internal security matters may develop.

Few people, even in the Congress, recognize that under the terms of the Freedom of Information Act you do not have to even be a citizen of the United States to demand and receive records that are in the hands of our intelligence agencies.

I think a number of us recognize there are certain elements in this country that would destroy our intelligence structure, if at all possible.

I hope our colleagues will take a good look at this legislation that I have introduced and perhaps join us in cosponsorship.

LET US GET NEW YORK CITY BACK ON ITS FEET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware (Mr. EVANS) is recognized for 5 minutes.

● Mr. EVANS of Delaware. Mr. Speaker, I rise with deep regret in opposition to this legislation which provides long-term Federal guarantees to the city of New York. The decision to oppose this legislation is one of the most difficult I have made since coming to this Congress. I have been very impressed by the progress that New York has made in the last 3 years. The decision of the people of New York to elect Ed Koch as their mayor clearly indicates to me that they wanted a man who would clean up New York's finances and get tough with its powerful labor unions. On balance, Mayor Koch has done an excellent job so far both in bringing a new spirit of hope to New York as well as bringing a "get tough" attitude to the labor bargaining table.

However, as I stated in my additional views in the committee report, the labor unions were going to have to show me that they were joining in the cooperative effort to turn New York City around, to show restraint, to act responsibly. While I do feel that the contract which was negotiated with the municipal union coalition did evidence some restraint by the unions, I unfortunately do not feel that they have shown a willingness to "bite the bullet," a step which is essential to solving the long-range problems of the city.

Of particular distress to me was the failure of the unions to agree to the $100 million in so-called givebacks which Mayor Koch had sought. Some of the benefits which the labor unions have received in past contract negotiations are unbelievable and showed contempt for fiscal responsibility. For example, white-collar employees work a 5-day 35-hour week except during the summer months when they are given a 30-hour "summer hours" workweek. Sanitation workers, police officers, and firemen get paid sick leave for service and non-service connected incapacity due to illness, injury, mental or physical defects. Workers receive uniform allowances whether or not they are required to even wear a uniform; workers were given annual leave policy exceeding a 50-day annual average. Finally, the pensions which some city employees receive is larger than their salary when they were actually working.

If Mayor Koch had been successful in getting the cooperation of the labor unions in giving up some of these exorbitant benefits which it had previously negotiated for its members, I could have supported this guarantee of New York bonds. However, I feel that New York has failed to pass the litmus test that I stated it must to receive my support.

I am not ill-disposed to helping people who help themselves—who show their good faith by trying to solve problems which have accrued over the years. The city administration has performed yeoman's service in their efforts to negotiate a lean and tight labor contract. I am saddened by the inability of the municipal unions to join in the cooperative effort to finally solve New York City's problems once and for all. This was a time for them to stop saying, "What's in it for me?" and start saying, "Let's get New York City back on its feet."●

ZIP CODES ARE THE CAUSE OF BLATANT DISCRIMINATION TO CONSUMERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, a five-digit number assigned to every American is the cause of what is perhaps the most blatant and widespread form of discrimination existing in our country today.

Millions of Americans are discovering that they are ineligible for fire and property insurance because of this arbitrary figure—their ZIP code listing. This practice, known as redlining, is so accepted in the insurance industry that 80 percent of insurance companies recently surveyed openly admitted to determining the risk of insuring a home or business solely on the basis of its location.

And this practice by insurance companies encourages another type of redlining, that practiced by mortgage companies, where inability to purchase insurance in the voluntary market is used as a reason by lenders to deny loans.

These practices not only pose a grievous injustice to the millions of Americans involved but sharply contribute to the erosion of our inner cities, because these areas are the ones most frequently marked as unacceptable risks by the companies.

And to heap insult on injury, consider what course the home or business owner denied insurance on the voluntary market must take. He must then seek insurance under fair access to insurance requirements, where the cost of insurance is 2 to 10 times higher than rates in the voluntary market. Or he goes uninsured.

Redlining also encourages race discrimination because more often than not, the urban areas deemed unacceptable are in nonwhite areas.

All of these charges were recently made in a report, "Insurance Crisis in Urban America," which was prepared by the Department of Housing and Urban Development. This report confirms what countless consumers have been stating for years—that as homeowners, landlords, and merchants, they are denied fire and other property insurance not because of the risks inherent in their particular property but only because of the location of their homes or businesses.

The HUD report reached this conclusion:

> Without question, insurance availability and insurance affordability in urban areas are crises of monstrous proportions. The tentacles of these crises reach into diverse areas of mortgage financing and property appraisals, thereby denying credit and sealing the doom of today's vital urban neighborhoods.

Mr. Speaker, the downward spiral perpetrated by redlining practices is easy to trace. A business or homeowner is denied insurance simply because of location. Without insurance, mortgage money becomes almost impossible to obtain. Business and renovation of these inner-city areas cannot expand without adequate insurance and the neighborhood goes downhill. Due to the high cost, an increasing number of homeowners and merchants either buy insufficient or costly insurance, go uninsured, or simply desert the area.

This report released by HUD makes clear that the problems of insurance redlining in urban areas has profound national implications. This highly subjective form of determining insurance acceptability must be stopped if our inner cities are to survive.●

DEATH IN TRANSIT—VI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

● Mr. GONZALEZ. Mr. Speaker, I am glad to say that since I have begun speaking out on the need for improving the safety of transportation involving hazardous materials, there has been some genuine progress in the field.

The Department of Transportation has consolidated and simplified its regulations on transportation of hazardous materials. Where once there was no single source a shipper could look to in order to find the regulations that might cover his situation, today there is a single document that tells him everything that he needs to know. That is a sensible and hopeful step.

On the State level, in my State of Texas, a number of local officials have awakened to the need to take steps to protect communities from the dangers associated with accidents involving hazardous materials.

Here in Congress, there has been a serious review of the administration of the Hazardous Materials Transportation Act.

And for the first time, the Department of Transportation is going out in the field to conduct educational and training activities designed to acquaint shippers with regulations on hazardous materials transportation, and equally important, to educate local emergency personnel on how to deal with toxic, explosive, and corrosive substances.

There is even being an effort mounted to obtain some kind of international agreement on regulation of hazardous materials shipping.

So far, so good. But much remains to be done before we can lay claim to even a minimally adequate safety program.

For example, we have tens of thousands of miles of highway systems that have inadequate guardrail protection, and no effort has been made to require that adequate guardrails be put in.

On a typical multi-level expressway interchange, the only railings present are relatively low, steel or aluminum tubing that is designed only to hold a light vehicle. It is not unusual to have even an automobile penetrate these barriers and fall onto the roadway below. There is no way that these flimsy rails can hold back a heavy vehicle such as a truck loaded with ammonia. It was precisely such a truck that broke through guardrails on a Houston expressway, causing 78 injuries and six deaths. The injuries and all but one death were caused by the release of the ammonia

gas aboard the truck—not the crash itself. Had there been adequate guardrails on that expressway, the chances are excellent that the tank containing the ammonia would not have been ruptured, and that innocent people would not have been killed or injured by the gas.

The problem is not that there is no way to build a safe barrier on an expressway—there is a well-known and performance-proven effective barrier system available. But there is no requirement that it be used, and in most places it is not being installed.

We can blame shippers for being careless and drivers for being unsafe, but the truth is that we could, among other things, build safer highway systems, and we are simply not doing it.

Nor are we doing everything that could be done to encourage shippers to comply with laws and regulations governing the transportation of hazardous materials.

Even though the Hazardous Materials Transportation Act provides for fines of up to $10,000 for violation of its provisions, the actual penalties levied are far below that level. The average fine for violation of the act is considerably less than $3,000. The average railroad violator, for instance, pays a fine of $1,667, while the average highway shipper pays $550 for violation of the law. It may well be that for some shippers it is less expensive to violate the law than to observe it.

Then there is administrative discretion, which permits the Department of Transportation to issue exemptions from safety regulations. There is evidence that these exemptions are relatively easy to get, perhaps too easy. The National Transportation Safety Board believes that the wide availability of exemptions may well be undermining the basic intent of the law.

But not only are Federal agencies lax. Local officials can do more than they have to protect their citizens against potential catastrophe.

In my own city, there is no designated route for the movement of hazardous substances. It is possible in San Antonio to move the most deadly material through the most congested area, without being in violation of any law or ordinance. Other cities, however, are not so willing to trust to fate. Houston does have restricted routes for shippers of deadly cargo. This did not prevent a major accident from occurring, but it did assure that the scene was not in the congested downtown area, with the probable saving of any number of lives and injuries. Every locality should examine its situation and prescribe routes that are designed to keep toxic, explosive and corrosive substances away from congested areas.

I am glad to say that there has been some progress toward attenuating the hazards that we face from deadly cargoes. But it is an understatement to say that there is a long way to go.

We could demand more effective administration of our safety laws; we could and should require that highway guardrails at least be built to insure a reasonable standard of performance; local officials could insure that they have enacted appropriate regulations for their areas; and we in Congress could insist that safety be made a high priority item. There is no need to wait for the next disaster; if we are prudent, there need not even be a next disaster.●

PRESIDENT CARTER'S ANNAPOLIS SPEECH ON THE DIRECTION OF U.S. FOREIGN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, President Carter's speech yesterday in Annapolis reflects a firm commitment toward lasting peace worldwide by pursuing peaceful, patient, and persistent efforts to achieve this laudable goal while preserving an adequate U.S. military capability to meet any foreseeable threat.

I commend the President for his commitment to such an objective. Furthermore, as chairman of the Committee on International Relations, I pledge him my assistance and cooperation in this endeavor.

As the President himself so correctly pointed out in his speech, one of our country's greatest strengths is the bipartisan support of our country's foreign policy which gives it the needed continuity and strength for ultimate success.

Such congressional support does not mean, of course, an abdication by Congress of its proper role as a partner with the President in sharing the development of U.S. foreign policy initiatives and objectives. As envisioned by our Founding Fathers, congressional authority and responsibility in the area of foreign affairs are prescribed elements of the U.S. Constitution.

Mr. Speaker, the President reaffirmed this point yesterday when he observed:

> The healthy self-criticism and free debate which are essential in a democracy should never be confused with weakness, despair, or lack of purpose.

With the hope, Mr. Speaker, that the President's complete text of his remarks yesterday at Annapolis be available to as many Americans as possible and subsequently receive the attention of the American people, I respectfully request that his speech be made a part of the RECORD at this time:

REMARKS OF THE PRESIDENT AT 1978 U.S. NAVAL ACADEMY COMMENCEMENT

Thank you very much.

Admiral McKee, Governor Lee, distinguished guests, members of the graduating class, and friends. We do have many distinguished guests here today. I invited my old boss, Admiral Hyman Rickover to come and join us. He sent word back that he would, of course, comply with my order as Commander-in-Chief, but he felt his work in Washington was more important than listening to my speech. (Laughter)

I was not surprised. (Laughter)

I am glad to be back for a Naval Academy graduation, although I return with a different rank. I remember that 32 years ago I had the same experience that most of you are sharing today. I was not a Midshipman officer. Most of you are not officers. I was thinking more about leave and marriage than I was about world events, or a distant future. I would guess there are some among you who feel the same. (Laughter)

I was quite disappointed with my first appointment. We drew lots for assignments and I had requested a new destroyer in the Pacific. I was assigned to the oldest ship in the Atlantic—(laughter)—the U.S.S. Wyoming, which was so dilapidated that because of safety purposes it was not permitted to come into Norfolk to tie up alongside the pier but had to anchor in isolation in Hampton Roads. (Laughter)

We had a good speaker, Admiral Chester Nimitz. As will be the case with you, I don't remember a word he said. (Laughter)

My one hope was that the graduation services would be brief; as will be the case with you, I was disappointed. (Laughter)

I have to confess to you in confidence that at the time I did not expect to come back here later as President of the United States.

Seven years later, I reluctantly left the Navy. But I can say in retrospect that the Naval Academy and my service in the U.S. Navy was good preparation for the career which I eventually chose.

I congratulate the members of the Class of 1978. Although your education from the perspective of an older person has just begun, you have laid the foundation for a career that can be as rewarding and as challenging as any in the world.

As officers in the modern Navy, you will be actors in a worldwide political and military drama. You will be called upon not only to master the technicalities of military science and military leadership, but also to have a sensitive understanding of the international community within which the Navy operates.

Today I want to discuss one of the most important aspects of that international context—the relationship between the world's two greatest powers, the United States of America and the Soviet Union.

We must realize that for a very long time our relationship with the Soviet Union will be competitive. That competition is to be constructive if we are successful. Instead it could be dangerous and politically disastrous. Then our relationship must be cooperative as well.

We must avoid excessive swings in the public mood in our country—from euphoria when things are going well, to despair when they are not; from an exaggerated sense of compatibility with the Soviet Union to open expressions of hostility.

Detente between our two countries is central to world peace. It is important for the world, for the American public, and for you as future leaders of the Navy to understand the complex and sensitive nature.

The word detente can be simplistically defined as "the easing of tension between nations". The word is, in practice, further defined by experience, as those nations evolve new means by which they can live with each other in peace.

To be stable, to be supported by the American people and to be a basis for widening the scope of cooperation, then detente must be broadly defined and truly reciprocal. Both nations must exercise restraint in troubled areas and in troubled times. Both must honor meticulously those agreements which have already been reached to widen cooperation, naturally and mutually limit nuclear arms production, permit the free movement of people and expression of ideas and to protect human rights.

Neither of us should entertain the notion that military supremacy can be attained, or that transient military advantage can be politically exploited.

Our principal goal is to help shape a world which is more responsive to the desire of people everywhere for economic well being.

social justice, political self-determination, and basic human rights.

We seek a world of peace. But such a world must accommodate diversity—social, political and ideological. Only then can there be a genuine cooperation among nations and among cultures.

We desire to dominate no one. We will continue to widen our cooperation with the positive new forces in the world.

We want to increase our collaboration with the Soviet Union but also with the emerging nations, with the nations of Eastern Europe and with the People's Republic of China. We are particularly dedicated to genuine self-determination and majority rule in those areas of the world where these goals have not yet been attained.

Our long-term objective must be to convince the Soviet Union of the advantages of cooperation and of the costs of disruptive behavior.

We remember that the United States and the Soviet Union were allies in the Second World War. One of the great historical accomplishments of the U.S. Navy was to guide and protect the tremendous shipments of armaments and supplies from our country to Murmansk and to other Soviet ports in support of a joint effort to meet the Nazi threat.

In the agony of that massive conflict, 20 million Soviet lives were lost. Millions more who live in the Soviet Union still recall the horror and the hunger of that time.

I am convinced that the people of the Soviet Union want peace. I can't believe that they could possibly want war.

Through the years, our Nation has sought accommodation with the Soviet Union, as demonstrated by the Austrian Peace Treaty, the Quadripartite Agreement concerning Berlin, the termination of nuclear testing in the atmosphere, joint scientific explorations in space, trade agreements, the Anti-Ballistic Missile Treaty, the interim agreement on Strategic Offensive Armaments and the limited test ban agreement.

Efforts continue with negotiations toward a SALT II agreement, a comprehensive test ban against nuclear explosives, reductions in conventional arms transfers to other countries, the prohibition against attacks on satellites in space, an agreement to stabilize the level of force deployment in the Indian Ocean, and increased trade and scientific and cultural exchange.

We must be willing to explore such avenues of cooperation despite the basic issues which divide us. The risks of nuclear war alone propel us in this direction.

The numbers and destructive potential of nuclear weapons has been increasing at an alarming rate. That is why a SALT agreement which enhances the security of both nations is of fundamental importance.

We and the Soviet Union are negotiating in good faith almost every day because we both know that a failure to succeed would precipitate a resumption of a massive nuclear arms race.

I am glad to report to you today that the prospects for a SALT II agreement are good. (Applause)

Beyond this major effort, improved trade and technological and cultural exchange are among the immediate benefits of cooperation between our two countries. However, these efforts to cooperate do not erase the significant differences between us.

What are these differences?

To the Soviet Union, detente seems to mean a continuing aggressive struggle for political advantage and increased influence in a variety of ways. The Soviet Union apparently sees military power and military assistance as the best means of expanding their influence abroad.

Obviously areas of instability in the world provide a tempting target for this effort and all too often they seem ready to exploit any such opportunities.

As became apparent in Korea, in Angola and also, as you know, in Ethiopia more recently, the Soviets prefer to use proxy forces to achieve their purposes.

To other nations throughout the world, the Soviet military build-up appears to be excessive, far beyond any legitimate requirement to defend themselves or to defend their allies. For more than 15 years, they have maintained this program of military growth, investing almost 15 percent of their total gross national product in armaments, and this sustained growth continues.

The abuse of basic human rights in their own country, in violation of the agreement which was reached at Helsinki has earned them the condemnation of people everywhere who love freedom. By their actions, they have demonstrated that the Soviet system can't tolerate freely expressed ideas, or notions of loyal opposition, and the free movement of peoples.

The Soviet Union attempts to export a totalitarian and repressive form of government, resulting in a closed society. Some of these characteristics and goals create problems for the Soviet Union.

Outside a tightly controlled bloc, the Soviet Union has difficult political relations with other nations. Their cultural bonds with others are few and frayed.

Their form of government is becoming increasingly unattractive to other nations, so that even Marxist-Leninist groups no longer look on the Soviet Union as a model to be imitated.

Many countries are becoming very concerned that the non-aligned movement is being subverted by Cuba, which is obviously closely aligned with the Soviet Union and dependent upon the Soviets for economic sustenance and for military and political guidance and direction.

Although the Soviet Union has the second largest economic system in the world, its growth is slowing greatly, and its standard of living does not compare favorably with that of other nations at the same equivalent stage of development.

Agricultural production still remains a serious problem for the Soviet Union, so that in times of average or certainly adverse conditions for crop production, they must turn to us or turn to other nations for food supplies.

We in our country are in a much more favorable position. Our industrial base and our productivity are unmatched. Our scientific and technological capability is superior to all others; our alliances with other free nations are strong and growing stronger; and our military capability is now and will be second to none. (Applause)

In contrast to the Soviet Union, we are surrounded by friendly neighbors and wide seas. Our societal structure is stable and cohesive, and our foreign policy enjoys bipartisan public support which gives it continuity.

We are also strong because of what we stand for as a nation: the realistic chance for every person to build a better life; protection by both law and custom from arbitrary exercise of government power; the right of every individual to speak out, to participate fully in government, and to share political power.

Our philosophy is based on personal freedom, the most powerful of all ideas, and our democratic way of life warrants the admiration and emulation by other people throughout the world.

Our work for human rights makes us part of an international tide, growing in force. We are strengthened by being part of it.

Our growing economic strength is also a major political factor, potential influence, for the benefit of others.

Our gross national product exceeds that of all nine nations combined in the European Economic Community and is twice as great as that of the Soviet Union. Additionally, we are now learning how to use our resources more wisely, creating a harmony between our people and our environment.

Our analysis of American military strength also furnishes a basis for confidence. We know that neither the United States nor the Soviet Union can launch a nuclear assault on the other without suffering a devastating counterattack which could destroy the aggressor nation.

Although the Soviet Union has more missile launchers, greater throw-weight and more continental air defense capabilities, the United States has more warheads, generally greater accuracy, more heavy bombers, a more balanced nuclear force, better missile submarines and superior anti-submarine warfare capability.

A successful SALT II agreement will give both nations equal but lower ceilings on missile launchers and also on missiles with multiple warheads. We envision in SALT III an even greater mutual reduction in nuclear weapons.

With essential nuclear equivalence, relative conventional force strength has now become more important. The fact is that the military capabilities of the United States and its allies is adequate to meet any foreseeable threat.

It is possible that each side tends to exaggerate the military capability of the other. Accurate analyses are important as a basis for making decisions for the future. False or excessive estimates of Soviet strength or of American weakness contributes to the effectiveness of the Soviet propaganda effort.

For example, recently alarming news reports of the military budget proposals for the U.S. Navy ignored the fact that we have the highest defense budget in history and that the largest portion of this will go to the Navy. (Applause)

You men are joining a long tradition of superior leadership, seamanship, tactics and ship design. And I am confident that the U.S. Navy has no peer, no equal, on the high seas today, and that you, I, and others will always keep the Navy strong.

Let there be no doubt about our present and future strength. This brief assessment which I have just made shows that we need not be overly concerned about our ability to compete and to compete successfully. Certainly there is no cause for alarm. The healthy self-criticism and the free debate which are essential in a democracy should never be confused with weakness or despair or lack of purpose.

What are the principal elements of American foreign policy toward the Soviet Union? Let me outline them very briefly. We will continue to maintain equivalent nuclear strength because we believe that in the absence of worldwide nuclear disarmament, such equivalency is the least threatening and the most stable situation for the world.

We maintain a prudent and sustained level of military spending, keyed to a stronger NATO, more mobile forces, and undiminished presence in the Pacific. We and our allies must and will be able to meet any foreseeable challenge to our security from either strategic nuclear forces or from conventional forces. America has the capability to honor this commitment without excessive sacrifice on the part of our citizens. And that commitment to military strength will be honored. (Applause)

Looking beyond our alliances, we will support worldwide and regional organizations which are dedicated to enhancing interna-

tional peace, like the United Nations, the Organization of American States, and the Organization for African Unity.

In Africa we and our African friends want to see a continent that is free of the dominance of outside powers, free of the bitterness of racial injustice, free of conflict and free of the burdens of poverty and hunger and disease. We are convinced that the best way to work towards these objectives is through affirmative policies that recognize African aspirations. The persistent and increasing military involvement of the Soviet Union and Cuba in Africa could deny this hopeful vision. We are deeply concerned about the threat to regional peace and to the autonomy of countries within which these foreign troops seem permanently to be stationed. That is why I have spoken up on this subject today. And this is why I and the American people will support African efforts to contain such intrusion, as we have done recently in Zaire.

I urge again that all other powers join us in emphasizing works of peace rather than the weapons of war. In their assistance to Africa, let the Soviet Union now join us in seeking a peaceful and speedy transition to majority rule in Rhodesia and in Nambia. Let us see efforts to resolve peacefully the disputes in Eritrea and in Angola. Let us all work, not to divide and to seek domination in Africa, but to help those nations to fulfill their great potential.

We will seek peace, better communication and understanding, cultural and scientific exchange, and increased trade with the Soviet Union and with other nations.

We will attempt to prevent the proliferation of nuclear weapons among those nations not now having this capability.

We will continue to negotiate constructively and persistently for a fair strategic arms limitation agreement. We know that no ideological victories can be won by either side by the use of nuclear weapons.

We have no desire to link this negotiation for a SALT agreement with other competitive relationships nor to impose other special conditions on the process. In a democratic society, however, where public opinion is an integral factor in the shaping and implementation of foreign policy, we do recognize that tensions, sharp disputes, or threats to peace will complicate the quest for a successful agreement. This is not a matter of our preference but a simple recognition of facts.

The Soviet Union can choose either confrontation or cooperation. The United States is adequately prepared to meet either choice.

We would prefer cooperation through a détente that increasingly involves similar restraints for both sides, similar readiness to resolve disputes by negotiations and not by violence, similar willingness to compete peacefully and not militarily. Anything less than that is likely to undermine détente. And this is why I hope that no one will underestimate the concerns which I have expressed today.

A competition without restraint and without shared rules will escalate into graver tensions, and our relationship as a whole with the Soviet Union will suffer. I do not wish this to happen, and I do not believe that Mr. Brezhnev desires it. And this is why it is time for us to speak frankly and to face the problems squarely.

By a combination of adequate American strength, of quiet self-restraint in the use of it, of a refusal to believe in the inevitability of war, and of a patient and persistent development of all the peaceful alternatives, we hope eventually to lead international society into a more stable, more peaceful and a more helpful future.

You and I leave here today to do our common duty—protecting our Nation's vital interests by peaceful means if possible, by resolute action if necessary.

We go forth sobered by these responsibilities, but confident of our strength. We go forth knowing that our Nation's goals—peace, security, liberty for ourselves and for others—will determine our future and that we together can prevail.

To attain these goals, our Nation will require exactly those qualities of courage, self-sacrifice, idealism and self-discipline which you as midshipmen have learned here at Annapolis so well. That is why your Nation expects so much of you and that is why you have so much to give.

I leave you now with my congratulations and with a prayer to God that both you and I will prove worthy of the task that is before us and the Nation which we have sworn to serve.

Thank you very much. (Applause)●

NEED TO INCREASE INS APPROPRIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 60 minutes.

● Mr. EILBERG. Mr. Speaker, it is my intention on behalf of myself and the gentleman from New York (Mr. FISH) to offer an amendment on Monday to H.R. 12934 (the Department of State, Justice and Commerce Appropriations Act) to increase the appropriation for the Immigration and Naturalization Service.

The amendment embodies the funding level for carrying out activities and programs of the INS recommended to be authorized for fiscal year 1979 by the Committee on the Judiciary, the authorizing committee for the Department of Justice.

Mr. Speaker, the purpose of this amendment is twofold; first, to enhance INS ability to reduce the flow of illegal aliens into the United States by making funds available to increase INS' border patrol and investigations (antismuggling) staffing levels, and second, to improve INS' service to the public function by making available funds for additional personnel to perform INS' adjudication and naturalization functions.

For years, INS has been understaffed and underfunded due to the failure of OMB and the Department of Justice to recognize the enormous tasks facing that agency. Unquestionably, this has contributed to the present illegal alien situation and the poor quality of service rendered by INS to the public. I strongly urge my colleagues to support this amendment when it is offered on Monday of next week.

I would like to insert, for the benefit of my colleagues, various materials which describe this amendment in more detail:

AMENDMENT OFFERED BY MR. EILBERG TO H.R. 12934, AS REPORTED

Page 17, line 8 strike "294,500,000" and insert in lieu thereof: "320,722,000".

Re Proposed Amendment to H.R. 12934.

DEAR COLLEAGUE: We submit that the resources requested for FY 1979 by the Administration for the Immigration and Naturalization Service (INS) in the Department of Justice's budget (and carried forward in H.R. 12934) are clearly inadequate and will hamper that agency's efforts to carry out its dual mandate of law enforcement and service to the public.

This action is even less understandable when one considers that the President last August recognized the seriousness of the illegal alien problem and proposed to the Congress "a set of actions to help markedly reduce the increasing flow of undocumented aliens in[to] this country".

The Committee on the Judiciary, exercising for the first time its authorization authority for FY 1979 for the Department of Justice, clearly recognized the inadequacy of this request and unanimously adopted an amendment to the authorization bill increasing INS' funding authorization by some $22 million. This increase in the authorization level was judged to be vital after thorough consideration of the testimony presented to our Subcommittee on Immigration, Citizenship, and International Law during numerous oversight hearings and to the full Judiciary Committee during its authorization hearings.

It is unfortunate that our authorization bill will not come to the Floor before the appropriations bill. This would have permitted the House membership to give detailed consideration to all the factors which prompted the Judiciary Committee to recommend a substantial increase in resources for INS.

Therefore, it is our intention to offer an amendment to H.R. 12934, the Department of State, Justice, and Commerce, the Judiciary and Related Agencies Appropriations Bill, calling for an increase of $22,703,000 in INS' appropriation for FY 1979. The amendment is designed to provide additional manpower (primarily border patrolmen) and equipment to enable INS to strengthen its efforts to stem the flow of illegal aliens into this country as well as personnel to reduce the enormous adjudications backlogs which have developed in INS District Offices around the country.

We need not remind our colleagues of the scope and severity of the illegal alien problem in the United States, and there is a consensus that the prevention of future illegal entries is the most humane and effective administrative approach to the problem. Likewise, you and particularly your immigration caseworkers are well aware of the INS backlogs problem. At the current time, there are nationwide backlogs of over 200,000 immigration petitions and 76,000 naturalization petitions. Despite this intolerable situation, the Administration's budget request for INS and H.R. 12934 fail to provide any additional personnel to adjudicate these petitions. Without the additional positions provided by our proposed amendment, it is clear that these heavy backlogs will not be reduced in the near future. As a result your frustrated constituents, who are not receiving their immigration and naturalization benefits in a timely manner, will no doubt continue to seek your intervention with INS.

In our judgment, adoption of our amendment will eliminate many of the aforementioned problems by enabling INS to: (1) intensify its enforcement effort regarding illegal aliens; (2) improve services to the public; and (3) administer the provisions of the Immigration and Nationality Act in a more effective fashion.

Based upon the Report accompanying H.R. 12934, it is evident that the Appropriations Committee was reluctant to fund additional positions because of "the apparent inability of the Immigration and Naturalization Service to fill positions with qualified personnel," and the Committee noted that on April 8, 1978 the Service had 804 vacancies. The Members of the Judiciary Committee shared this concern and during the course of the authorization process we urged the Commissioner of INS to fill all outstanding vacancies in an expeditious fashion. We are now advised that as of June 7, 1978 there are no vacancies and that all fillable positions

have been filled or committed. Attached is further information regarding the vacancy issue.

We are also taking the liberty of enclosing a chart which sets forth the positions funded under H.R. 12934, as well as the additional positions proposed under our amendment. We can assure you that our Subcommittee will devote substantial time and energy (as we have done in the past) to insure that the additional resources requested by our amendment will be utilized in the most efficient manner possible.

For these reasons, we urge you to support the amendment, which will be offered to H.R. 12934 when it is considered by the House on Monday, June 12.

Sincerely,

HAMILTON FISH, Jr.,
Ranking Minority Member, Subcommittee on Immigration, Citizenship, and International Law, Judiciary Committee.

JOSHUA EILBERG,
Chairman, Subcommittee on Immigration, Citizenship and International Law, Judiciary Committee.

	Positions requested in Budget and approved by Appropriations Committee	Additional positions authorized by Judiciary Committee and covered by this amendment	Total
Border patrol	293	[1] 707	1,000
Inspections	200	0	200
Investigations (anti-smuggling)	[2] 155	[3] 45	200
Intelligence	8	0	8
Training	4	0	4
Records and data	240	0	240
Program direction	3	0	3
Adjudications	0	90	90
Naturalization	0	120	120
Total	903	962	1,865

[1] These positions include 15 pilots for 5 additional helicopters which will be funded under the proposed amendment. The budget request provided funding for one helicopter in addition to the two presently being utilized.

[2] These positions relate only to reinforcing antismuggling investigations at interior locations.

[3] These positions would complement the interior investigative staff and be assigned to the immediate border area. Previous antismuggling programs have demonstrated the value of coordinated investigations between border and interior locations

Summary of full-time permanent hiring activity for week ending June 7, 1978

Congressional authorized force fiscal year 1978	10,071
Less OMB imposed fiscal year 1978 ceiling	244
Fillable positions as of October 1, 1977	9,827
Positions actually on duty to date, June 7, 1978	[1] 9,663
Positions fillable as of June 7, 1978	164
Positions committed to new hires as of June 7, 1978	[2] 272
Positions vacant as of June 7, 1978	[3] 0
Vacant positions in process as of June 7, 1978	[4] 0

Vacant Positions to be processed as of: None (except positions which become vacant through normal attrition).

[1] Fillable positions as of June 7, 1978 reflects the net of positions filled and vacated for that date. Therefore, this figure will represent attrition for each weekly period.

[2] Includes 96 Border Patrol trainee positions for training classes starting June 27 and July 11.

[3] 272 commitments will now exceed the end of year ceiling figure of 9,827 by 108 positions.

[4] All fillable positions have been filled or committed.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. RAHALL) is recognized for 5 minutes.

● Mr. RAHALL. Mr. Speaker, on June 7, 1978, I was absent for part of the session of the House of Representatives. Had I been present, I would have voted in the following manner:

Rollcall No. 428: H.R. 12929, Labor-HEW appropriations. The House agreed to an amendment that reduces the appropriation for the Occupational Safety and Health Administration to the 1978 level, a reduction of $28.4 million. My vote, "no."●

A PROPOSITION 13 VICTORY OVERVIEW: WHAT MUST BE DONE FROM HERE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, yesterday afternoon, in addressing my colleagues on the significance of the victory of proposition 13 in California, I said:

The stunning victory of proposition 13 in California yesterday should be taken as a signal by every public official in this country. That signal is to begin now to reduce the burden and incidence of taxes upon the American people. It is also a signal to begin now to reduce the rate of inflation and taxation the root cause of the economic problems confronting us.

It has been seen for the past several years in the rejection of countless bond issues, bonds which would have had to have been paid off from future taxes. In the past two years, the people have voted in major bond issues in New York, California, Ohio, Illinois, Michigan, Massachusetts, Minnesota, Wisconsin, Maryland, Iowa, Nebraska, Missouri, Maine, Washington State and South Dakota on whether to be taxed more or not. The score? Yes—0. No—15.

I might add that other States joined the ranks of those 15 prior ones as a result of balloting on Tuesday.

To continue—

It has been seen in the formation of a number of State and local organizations dedicated to stopping the tax increase. More power to them.

As Howard Jarvis pointed out in his victory statement in California last evening, the stunning margin of proposition 13's win has launched a "new revolution," one telling the "arrogant politicians and insensitive bureaucrats" that "enough is enough." That tax-and-tax, spend-and-spend, elect-and-elect politics is on its way out. That we have started the end of the bankrupting of the American people.

The intriguing thing about what happened in California yesterday and what has happened across the country is that the people know their economics far better than many economists. They know it's high taxes which have denied them the ability to save and invest, that have eroded buyer and producer confidence, and have kept us in the longest recession in decades. But most importantly, they know the effects of high high taxes upon the productivity which is required to get us out of that recession. They know about the tens of billions in production which is lost forever because work is deferred when workers will not work more because it pushes them into higher brackets. They know it, because the more they earn, the greater the percentage they pay in taxes due to steeply progressive tax rates.

I went on to talk about legislation now before Congress, the Tax Reduction Act, H.R. 8333, popularly known as the Kemp-Roth Act, which would enact permanent tax rate reductions to reduce the Federal tax burden on all our people, across the board, by about 30 percent over the next 3 years.

And I talked about the Coalition for Economic Growth, Inc., a nonprofit action organization, which I serve as an officer and which is dedicated to the success of an intense nationwide grassroots campaign in support of dramatically lower income tax rates.

POST-PROPOSITION 13 HYSTERIA AND SCARE TACTICS SERVE NO CONSTRUCTIVE PURPOSE

Last evening, like most Americans, I read the newspaper accounts of what happened in California yesterday, on the day after proposition 13's win. I heard and watched news accounts of elected officials, spokesmen for interest groups, and so forth, saying what they thought—and perhaps some hoped—would happen as a result of proposition 13's win. Those and other accounts reported the reactions of certain elected officials and interest groups State legislators in 22 States have indicated they will offer proposition 13-type measures in their respective State legislative session this and next year.

The common denominator of 80 percent of what I heard was hysteria. Scare tactics were being used to frighten the people. They were being told that unemployment would skyrocket. They were being told that they would not have adequate police and fire protection. They were being told their favorite community projects would be abandoned. They were being told that public libraries, playgrounds, swimmings pools would be closed for the summer. Suits were filed; others were threatened.

An example of this hysteria? The mayor of San Francisco declared a state of emergency, suspended the city charter, compared the passage of the proposition to the great earthquake of 1906 and announced a "doomsday" budget. The mayor of Los Angeles announced a cut of 8,000 jobs, and that city has begun hearings on the cases of 21,000 city teachers who have been told they will be laid off because of proposition 13.

In short, the losers in Tuesday's proposition 13 vote had begun the next morning to try to undo, to overturn what the voters, the taxpayers had said the day before.

I can understand why special interest groups—and those collective special interest groups which masquerade as public interest groups—are continuing their battle. Some have much to lose when the tap is cut off or slowed down. They do not understand that the resurgence of the economy, which can flow from the

real growth in the private sector which will come from not having to pay so much in taxes, will broaden the tax base in the State to such a degree that the lower tax rate applied to that broadened base should bring in enough revenue to meet the legitimate, traditional services of government.

But what I cannot understand is the politicians. The people said, with a 2-to-1 voice, that they have had it with the level of taxes. The inference from that is not too hard to figure out. It is that the people intend to support those who are committed to reducing that level of taxes and to oppose those who are committed to the same old, tired, tax-and-spend answers.

Is it that these elected officials have not read the results? Obviously not.

Is it that these elected officials were elected with support from coalitions based on those interest groups which feel they have the most to lose from the implementation of proposition 13 and that, therefore, they must continue to oppose it and what it represents? Perhaps.

Is it that these elected officials simply do not understand the economic dynamics which will occur in California from the implementation of proposition 13? I think that is a major part of the problem, and I wish to address myself to it this afternoon.

WHAT HAS TO BE DONE

One of the worst things that could happen, right now, is to muddy the waters. By that I mean the wide margin of proposition 13 sent a clear signal to the taxpayer—in all his components. The blue- or white-collar worker, the producer and manager, the saver, the investor.

That signal was that they will now have greater aftertax income. They will end up with greater net income. The impact of that on California is going to be overwhelming; it is going to mean a dramatic revitalization of the State's economy, creating jobs, adding to aggregate personal income, adding to consumer purchasing power, adding to savings and investment. Savings and investment in California businesses—jobs. Savings and investment in California homebuilding—jobs. And with every job in the private sector filled, comes additional tax revenue—new revenue—not just from payroll taxes, but from homes built and bought which would not have been, et cetera.

To tie up the implementation of proposition 13 in the courts will be to confuse the picture by putting in doubt the ultimate outcome. That will, in turn, shake producer and consumer confidence, and that, in turn, will slow down the growth in the private sector required to offset the initial dollar loss of proposition 13.

What else is needed? Much.

First, the hysteria must stop. Individual and collective judgment is best when all emotions are under control, when your decisionmaking feet are on the ground.

Second, the State government must continue to assure the communities that it will use its vast $3 billion surplus to offset the immediate tax revenue shortfall. That $3 billion—which Governor Brown said today would be divided between the school districts and the other needs of the communities—will buy time required to develop sensible plans for the future. Governor Brown is committing $1.6 billion to the school districts and $1.4 billion to the city and county government.

Third, State and local authorities should begin the implementation of proposition 13 in the way which will be least—I repeat, least—disruptive to the State, the communities, to the people, to public employees. That requires careful planning.

Fourth, State and local authorities should begin reducing total government payrolls without firing people. It was astonishing to me last evening to see the various mayors and public officials reciting the cuts they intend to make in public employee rolls, the implication being that the cuts would be immediate. Well, what would that do? Aside from creating unnecessary social turmoil, the kind which can be used as a convenient excuse on hot California days and nights in tense areas, it panics those on those payrolls. Beyond that, it refuses to acknowledge the easiest, the least disruptive, way in which to reduce public employee rolls. I refer to stopping the hiring of new employees, and allowing natural attrition—leaving the public payroll to go to work in the private sector, retirement, death—to begin the reduction of those rolls. Figures from the various civil service commissions indicate rolls would be reduced significantly in just a year's time, dramatically in 2 years' time. The other reason it must be done this way is to avoid moving those laid off—where they receive State and/or local funds for work—to the unemployment compensation or welfare rolls, where people will draw from the same pot without performing any work for it. That defeats the whole tax-reduction purpose of proposition 13.

Fifth, State and local authorities should meet to formulate a consistent, albeit allowing diversity based on local conditions, way of really implementing proposition 13. Those who read the handwriting on the wall Tuesday night surely ought to support this approach. And they should bring in the supply side fiscalists, the economists who specialize in articulating how the shift from the public sector expenditures to the private sector will broaden the tax base and produce more jobs, real economic growth, and at least as much, if not more, revenue to government while being a lesser burden on each taxpayer, to explain to them what will happen, why they should not panic, and how they should articulate that to their constituents, like economist Arthur Laffer at the University of Southern California's Graduate School of Business and Professor Jacobi of the University of California at Los Angeles.

Sixth, the press could make a substantial contribution to the orderly implementation of proposition 13 by giving their pages to those economists, et cetera, who can make the case convincingly that California has done the right thing, that those on public payrolls and dependent upon public services should not panic. The same is, of course, true for radio and television.

IN CONCLUSION

Changes in the direction of society are usually slight, slow, not seen except by the most trained observers. What happened in California Tuesday was more dramatic, more perceptible; it is hard to imagine anyone not having noticed. But understanding the true significance and comprehending what should happen will take longer—for all of us. No one should be a party to creating social discord. Is it going to do anyone who opposes proposition 13—or, for that matter, any good if a panic produces another Watts riot, to say this is not what I intended? Of course not.

We must deal constructively with what the voters in California did on Tuesday. It ought to be given every chance of working.●

LETTER FROM FORMER NATO COMMANDERS ON LIFTING ARMS EMBARGO FOR TURKEY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, I am in receipt of a letter signed by five former Supreme Allied Commanders of the North Atlantic Alliance (NATO), five very distinguished and renowned American military officers. They are Gens. Andrew J. Goodpaster, Lyman L. Lemnitzer, Alfred M. Gruenther, Lauris Norstad, and Matthew B. Ridgway.

They have taken it upon themselves to write to me because of their deep concern for the effect of the arms embargo for Turkey on the security of the NATO alliance.

I have brought this letter to the attention of the distinguished gentleman from Virginia (Mr. DAN DANIEL), who is chairman of a special subcommittee, which I appointed earlier this year on NATO standardization, interoperability, and readiness. Mr. DANIEL'S subcommittee is carrying out a most important study which I think will have a very significant impact on the future capabilities of the NATO alliance. The NATO Subcommittee will complete its work by the end of the year and I believe that the Congress will benefit from the results of the subcommittee's deliberations.

However, since legislation concerning the arms embargo for Turkey could be considered during this session, I felt that all the Members of the House should have the benefit of reading the letter from these distinguished officers. Therefore, I am inserting the letter in the RECORD at this point.

WASHINGTON, D.C.
June 1, 1978.

HON. MELVIN PRICE,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PRICE: As former Supreme Allied Commanders of the North Atlantic Alliance, we are deeply concerned by

the damaging consequences of the U.S. arms embargo on Turkey for United States and NATO security. We view with alarm the deterioration in NATO's southern flank caused by the sharp decline in Turkish military capabilities and the increasing alienation of Turkey from the United States. Should Turkey, as a result of the embargo, turn away from this country and reduce or terminate its commitment to NATO, the whole of Southeastern Europe and the Middle East would become more vulnerable to Soviet military pressure.

Turkey is vitally important to our Western collective security in that it (1) controls the passage of Soviet war vessels from the Black Sea to the Mediterranean; (2) houses large numbers of strategically important U.S. and NATO facilities, some of which are uniquely situated for collecting intelligence on Soviet military activities; (3) provides an air defense warning critical to the operation of our Sixth Fleet in the Mediterranean; and (4) provides a major contribution of army forces to NATO. The continued adherence of Turkey to the West is particularly important to Greece. If Turkey were detached from NATO, Greece would be surrounded by neutral and Communist states and would be less able to deter or prevent Soviet political or military advances.

It is imperative, therefore, to stimulate a resolution of the differences between our two Eastern Mediterranean allies, Greece and Turkey, and to promote a just and humane Cyprus settlement in a way that does not undermine U.S. and NATO security. Our need for our Western defensive alliance is now greater than ever in light of the ominous Soviet military build-up in Europe of recent years. We, therefore, strongly support the lifting of the embargo on arms for Turkey.

Sincerely,

ANDREW J. GOODPASTER.
LYMAN J. LEMNITZER.
ALFRED M. GRUENTHER.
LAURIS NORSTAD.
MATTHEW B. RIDGWAY.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. LEHMAN (at the request of Mr. WRIGHT), for June 8 and 9, on account of official business.

Mr. MARRIOTT (at the request of Mr. RHODES), after 3 p.m. today, on account of official business.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. WHITEHURST (at the request of Mr. MICHEL), from 2:30 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOODLING), to revise and extend their remarks, and to include extraneous matter to:)

Mrs. SMITH of Nebraska, for 5 minutes, on June 8.

Mr. FINDLEY, for 5 minutes, on Monday, June 12.

Mr. DEVINE, for 30 minutes, today.

Mr. EVANS of Delaware, for 5 minutes, today.

(The following Members (at the request of Ms. OAKAR) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ZABLOCKI, for 5 minutes, today.
Mr. EILBERG, for 60 minutes, today.
Mr. RAHALL, for 5 minutes, today.
Mr. CONYERS, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mr. BEVILL, for 60 minutes, on June 13.
Mr. KEMP (at the request of Mr. MARLENEE) for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HAMMERSCHMIDT, to revise and extend his remarks following the remarks of Mr. THONE.

Mr. MOORE, to revise and extend his remarks following those of Mr. THONE.

Mr. JONES of Tennessee, to revise and extend his remarks following the remarks of Mr. THONE.

Mr. GOLDWATER, to extend his remarks prior to the vote on the Michel amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. GOODLING) and to include extraneous material:)

Mr. ASHBROOK in three instances.
Mr. YOUNG of Alaska.
Mr. MARKS.
Mr. MCCLOSKEY in two instances.
Mr. EDWARDS of Oklahoma.
Mr. HYDE.
Mr. ROUSSELOT in two instances.
Mr. FORSYTHE.
Mrs. SMITH of Nebraska.
Mr. FINDLEY.
Mr. KETCHUM.
Mr. CARTER in two instances.
Mr. GRADISON.
Mr. EVANS of Delaware.
Mr. SHUSTER.
Mr. KEMP.
Mr. FRENZEL.
Mr. DORNAN.

(The following Members (at the request of Ms. OAKAR), and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. JACOBS.
Ms. MIKULSKI.
Mr. MINETA in two instances.
Mr. IRELAND.
Mr. PATTISON of New York.
Mr. GARCIA.
Mr. PEPPER.
Mrs. KEYS in three instances.
Mr. STARK.
Mr. HAMILTON.
Mr. NOWAK.
Mr. CONYERS.
Mr. PATTEN.
Mr. HOLLAND.
Mr. SOLARZ in two instances.
Mr. DOWNEY.
Mr. MITCHELL of Maryland.
Mr. RISENHOOVER.
Mr. DODD.
Mr. JENRETTE.
Mr. FISHER.
Mr. HUCKABY.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2511. An act to restrict the possession and carrying of pistols, other firearms, and other dangerous weapons by members of the District of Columbia Department of Corrections to periods of time when they are on duty and authorized by the Director of the District of Columbia Department of Corrections to Committee on the District of Columbia.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3161. An act to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes.

ADJOURNMENT

Mr. GRASSLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 42 minutes p.m.), the House adjourned until Friday, June 9, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4342. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the workfare provisions of the Food Stamp Act of 1977 to extend the operation of the workforce pilot projects to the Committee on Agriculture.

4343. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Packers and Stockyards Act, 1921, to authorize value based tariffs; to the Committee on Agriculture.

4344. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-199, "To eliminate the bar against the recovery of damages for pain and suffering by the legal representative, administrator or executor of a deceased victim in tort actions, to eliminate the bar against recovery of damages for pain and suffering from the legal representative, administrator or executor of a deceased tortfeasor in tort actions, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4345. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-200, "To authorize the Board of Education of the District of Columbia to adopt, alter and use a seal," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4346. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XIX of

the Social Security Act; to the Committee on Interstate and Foreign Commerce.

4347. A letter from the Chairman, Administrative Conference of the United States, transmitting the annual report of the Administrative Conference, covering calendar year 1977, pursuant to 5 U.S.C. 575; to the Committee on the Judiciary.

4348. A letter from the Comptroller General of the United States, transmitting a report on benefits and problems associated with improving the ratio of U.S. combat troops to military support personnel in Europe (LCD-78-408A, June 7, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4349. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Overseas Private Investment Corporation for the transition quarter and fiscal year 1977 (ID-78-36, June 7, 1978), pursuant to section 106 of the Government Corporation Control Act (H. Doc. No. 95-349); jointly, to the Committees on Government Operations, and International Relations, and ordered to be printed.

REPORT OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 1221. Resolution providing for the consideration of H.R. 10285. A bill to extend the Commodity Exchange Act, as amended, for 4 years (Rept. No. 95-1275). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 1222. Resolution providing for the consideration of H.R. 12005. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice, and for other purposes (Rept. No. 95-1276). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 1223. Resolution waiving certain points of order against H.R. 12935. A bill making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes. (Rept. No. 95-1277). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1224. Resolution waiving certain points of order against H.R. 12928. A bill making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95-1278). Referred to the House Calendar.

Mr. MEEDS: Committee on Rules. House Resolution 1225. Resolution waiving certain points of order against H.R. 12932. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1979, and for other purposes. (Rept. No. 95-1279). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 1226. Resolution waiving certain points of order against H.R. 12936. A bill making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes. (Rept. No. 95-1280). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1227. Resolution waiving certain points of order against H.R. 12934. A bill making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes. (Rept. No. 95-1281). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. Report on subdivision among subcommittees of budget allocation for fiscal year 1979. (Rept. No. 95-1282). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLAND: Select Committee on Intelligence. H.R. 7308. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information, with amendment (Rept. No. 95-1283, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL (for himself, Mr. DEVINE, Mr. KETCHUM, Mr. DUNCAN of Tennessee, Mr. DORNAN, Mr. BADHAM, Mr. STOCKMAN, Mr. MADIGAN, Mr. PREYER, Mr. NEAL, Mr. WATKINS, Mr. HEFTEL, Mr. KEMP, Mr. LENT, Mr. HOLLENBECK, and Mr. SCHEUER):

H.R. 13032. A bill to amend the Securities Act of 1933 and the Investment Company Act of 1940 to encourage investment in small business concerns; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHN L. BURTON (for himself and Mr. WHITEHURST):

H.R. 13033. A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

By Mr. DUNCAN of Tennessee:

H.R. 13034. A bill to amend title II of the Social Security Act to provide special quarters of coverage requirements for participation in the social security system by handicapped persons; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 13035. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for the cutting and removal of corns, warts, and calluses and the reduction of club nails; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. NIX:

H.R. 13036. A bill to amend title 5, United States Code, to establish a private cause of action for handicapped individuals who are the subject of adverse personnel actions by Federal agencies because of their handicaps; to the Committee on Post Office and Civil Service.

By Mr. NOLAN (for himself, Mr. PHILLIP BURTON, Mr. CORCORAN of Illinois, Mr. EDWARDS of California, Mr. EILBERG, Mr. GOLDWATER, Mr. HEFTEL, Mr. HYDE, Mr. KETCHUM, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. MATHIS, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. QUILLEN, Mr. RAHALL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SEIBERLING, Mr. SHARP, Mr. ST GERMAIN, Mr. STEERS, Mr. YOUNG of Missouri, and Mr. ZEFERETTI):

H.R. 13037. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain transportation expenses; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 13038. A bill to promote steel trade negotiations under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. SCHULZE, for himself, Mr. ANDREWS of North Dakota, Mr. BUCHANAN, Mr. BUTLER, Mr. CHAPPELL, Mr. HEFTEL, Mr. HILLIS, Mr. KETCHUM, Mr. LIVINGSTON, Mr. MILFORD, Mr. PATTERSON of California, Mr. STEERS, Mr. THONE, Mr. WALGREN, and Mr. WYDLER):

H.R. 13039. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses; to the Committee on Ways and means.

By Mr. DEVINE:

H.R. 13040. A bill to amend the Freedom of Information Act to improve the handling of classified information and investigatory records, to revise the deadlines for agency action, and for other purposes, to the Committee on Government Operations.

By Mr. PRICE:

H.R. 13041. A bill to amend chapter 55 of title 10, United States Code, to include chiropractic care in the health care which may be provided members and certain former members of the uniformed services and their dependents in facilities of the uniformed services and under CHAMPUS, and for other purposes; to the Committee on Armed Services.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 13042. A bill to repeal section 5770 of title 10, United States Code, relating to the requirement for sea or foreign service for certain officers of the Regular Navy; to the Committee on Armed Services.

H.R. 13043. A bill to amend title 10, United State Code, to extend the maximum age for eligibility for the financial assistance program of the Senior Reserve Officers' Training Corps by the period of time, not to exceed 4 years, that a student previously served on active duty in the Armed Forces; to the Committee on Armed Services.

By Mr. WAGGONNER (for himself, Mr. CARTER, and Mr. ALLEN):

H.R. 13044. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. WAGGONNER (for himself, Mr. HOLLAND, Mr. PICKLE, Mr. FRENZEL, Mr. KELLY, Mr. RONCALIO, and Mr. LUKEN):

H.R. 13045. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 13046. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 13047. A bill to amend the Internal Revenue Code of 1954 to provide for a special tax accounting rule for the redemption of trading stamps and coupons; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself, Mr. MOSS, Mr. VAN DEERLIN, Mr. MURPHY of New York, Mr. METCALFE, Mr. CARNEY, Mr. MOFFETT, Mr. SCHEUER, Mr. OTTINGER, Mr. MAGUIRE, Mr. ASHLEY, Mr. BEILENSON, Mr. DELLUMS, Mr. DICKS, Mr. EVANS of Colorado, Mrs. FENWICK, Mr. HARRINGTON, Mr. HAWKINS, Mr. MIKVA, Mr. MITCHELL of Maryland, Mr. NIX, Mr. NOLAN, Mr. PRITCHARD, Mr. STEERS, and Mr. VENTO):

H.R. 13048. A bill to provide basic standards for State no-fault benefit plans for the rehabilitation and compensation of motor vehicle accident victims, and for other purposes; to

the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Colorado:

H.R. 13049. A bill to authorize the Secretary of Energy to enter into cooperative arrangements with the States to contain and to reduce potential radiation exposure from residual radioactive materials, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. HAGEDORN:

H.R. 13050. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat and meat products, to apply quantitative limitations on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Ways and Means.

By Mr. HORTON:

H.R. 13051. A bill to amend the Export Administration Act of 1969 to prohibit exporting to Uganda goods subject to control under that act; to the Committee on International Relations.

H.R. 13052. A bill to amend title 39 of the United States Code for the purpose of establishing a new procedure for fixing rates and classes of mail, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 13053. A bill to prohibit the importation of Ugandan products into the United States; to the Committee on Ways and Means.

H.R. 13054. A bill to amend the Tariff Schedules of the United States in order to prohibit the importation of coffee which is the product of Uganda; to the Committee on Ways and Means.

By Mr. HUCKABY (for himself, Mr. BREAUX, Mr. GINN, Mr. EDWARDS of Oklahoma, Mr. HUBBARD, Mr. MONTGOMERY, Mr. JONES of North Carolina, Mr. JOHN T. MYERS, Mr. DEVINE, Mr. WHITLEY, Mr. BAUMAN, Mr. YOUNG of Missouri, Mr. HOLLAND, Mr. VOLKMER, Mr. WATKINS, Mr. GLICKMAN, Mr. BOWEN, Mr. FOUNTAIN, Mr. KETCHUM, Mr. ROUSSELOT, Mr. BROYHILL, Mr. HIGHTOWER, Mr. BARNARD, and Mr. HALL):

H.R. 13055. A bill to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency, and to provide for the systematic paying of the national debt; jointly, to the Committees on Rules, and Ways and Means.

By Mr. HUCKABY (for himself, Mr. FLIPPO, Mr. DERRICK, Mr. COLEMAN, Mr. MOORE, Mr. COCHRAN of Mississippi, Mr. LIVINGSTON, Mr. HEFNER, Mr. SKELTON, Mr. JONES of Tennessee, Mr. WAGGONNER, Mr. HANSEN, Mr. RISENHOOVER, Mr. ICHORD, Mr. BEVILL, Mr. SYMMS, and Mr. LONG of Maryland):

H.R. 13056. A bill to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency, and to provide for the systematic paying of the national debt; jointly, to the Committees on Rules, and Ways and Means.

By Mr. JACOBS:

H.R. 13057. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

By Mr. KETCHUM:

H.R. 13058. A bill to assist in the location of owners of unclaimed and abandoned bank accounts, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. ROBERTS (for himself, Mr. JOHNSON of California, Mr. HARSHA, and Mr. DON H. CLAUSEN):

H.R. 13059. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HORTON:

H. Con. Res. 640. Concurrent resolution condemning violations of rights by the Government of the Republic of Uganda and urging the President to take certain actions with respect to those violations; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MCKINNEY introduced a bill (H.R. 13060) for the relief of Gustavo Llano Lopez, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12392

By Mr. BROWN of Ohio:

—On page 39, after line 18, insert the following new paragraph:

"No part of the funds appropriated by this title to the Department of Energy or any component thereof shall be obligated, except in accordance with laws applicable to such Department or component authorizing appropriations for fiscal year 1979 for such Department and components, nor may such funds be obligated in excess of the amounts authorized to be appropriated by such law, but this sentence shall not apply if such laws are not enacted into law prior to October 1, 1978."

H.R. 12611

By Mr. RONCALIO:

—On page 100, after line 9, amend Section 15 by adding a new paragraph at the end thereof: Section 403(b)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(b)(1)) is amended by adding between the first and second sentence thereof the following new provision:

"Nothing in this Act shall prohibit contracts entered by air carriers which contracts provide cost reimbursement for persons who furnish directly or indirectly substantial services, equipment, or facilities, in connection with passenger air transportation purchased by such persons: *Provided* such cost reimbursement shall not exceed the cost savings realized by the carriers, or 3 per centum of the published air fare, whichever is lower, and persons receiving such cost reimbursement shall not be eligible to travel agents: *Provided* further, that copies of all such contracts entered by carriers shall be filed with and approved by the board.

H.R. 12928

By Mr. BROWN of Ohio:

—On page 5, after line 17, insert the following new paragraph:

"No part of the funds appropriated by this title shall be obligated, except in accordance with laws applicable to the Department of Energy and the Federal Energy Regulatory Commission authorizing appropriations for fiscal year 1979 for such Department and Commission, nor may such funds be obligated in excess of the amounts authorized to be appropriated by such laws, but this sentence shall not apply if such laws are not enacted into law prior to October 1, 1978."

—On page 22, on line 26, insert the following:

"No part of the funds appropriated by this paragraph shall be obligated, except in accordance with laws applicable to the Nuclear Regulatory Commission authorizing appropriations for fiscal year 1979 for such Commission, nor may such funds be obligated in excess of the amounts authorized to be appropriated by such law, but this sentence shall not apply if such laws are not enacted into law prior to October 1, 1978."

H.R. 12928

By Mr. DINGELL:

—On page 5, after line 17, insert the following new paragraph:

"No part of the funds appropriated by this title shall be obligated, except in accordance with laws applicable to the Department of Energy and the Federal Energy Regulatory Commission authorizing appropriations for fiscal year 1979 for such Department and Commission, nor may such funds be obligated in excess of the amounts authorized to be appropriated by such laws, but this sentence shall not apply if such laws are not enacted into law prior to October 1, 1978."

—On page 22, on line 26, insert the following:

"No part of the funds appropriated by this paragraph shall be obligated, except in accordance with laws applicable to the Nuclear Regulatory Commission authorizing appropriations for fiscal year 1979 for such Commission, nor may such funds be obligated in excess of the amounts authorized to be appropriated by such law, but this sentence shall not apply if such laws are not enacted into law prior to October 1, 1978."

H.R. 12928

By Mr. MOFFETT:

—On page 2, after the semicolon on line 13 strike "$4,865,437,000" and insert "consumer affairs and competition; $4,868,200,000."

—On page 5, line 7, after the period insert the following: "Nothing in this paragraph shall be construed to preclude the use of such sums for funding, in accordance with applicable provisions of law, intervenors in actions relating to matters before the Commission".

H.R. 12932

By Mr. DINGELL:

—On page 38, strike all of line 17 through the period on line 25 and insert the following:

"STRATEGIC PETROLEUM RESERVE

For expenses necessary to carry out the provisions of sections 157 through 166 of the Energy Policy and Conservation Act of 1975 (Public Law 94–163), $4,084,624,000.".

—On page 39, after line 18, insert the following new paragraph:

"No part of the funds appropriated by this title to the Department of Energy or any component thereof shall be obligated, except in accordance wtih laws applicable to such Department or component authorizing appropriations for fiscal year 1979 for such Department and components, nor may such funds be obligated in excess of the amounts authorized to be appropriated by such law, but this sentence shall not apply if such laws are not enacted into law prior to October 1, 1978."

—On page 39, strike all beginning on line 19 through the period on line 2, page 40.

H.R. 12932

By Mr. MOFFETT:

—On page 38, line 12, change the colon to a period and strike all of line 13 through the period on line 16.

H.R. 12933

By Mr. VOLKMER:

—Page 33, following line 5, insert the following new section:

"SEC. 317. None of the funds provided under or included in this Act shall be available for the planning or execution of programs involving the construction of Interstate 66 in Arlington County Virginia."

H.R. 12934

By Mr. EILBERG:

—Page 17, line 8, strike "294,500,000" and insert in lieu thereof: "320,722,000".

H.R. 12934

By Mr. JEFFORDS:

—Page 26, line 10, strike out "and".

Page 26, line 14, immediately after "401 (b);", insert the following: "and necessary expenses to carry out a Global Market Survey of solar energy technologies and related equipment;".

Page 26, line 14, strike out "68,175,000" and insert in lieu thereof "68,635,000".

H.R. 12934

By Mr. LEVITAS:

—Page 42, immediately after the period on line 20, insert the following new sentence: "None of the funds appropriated under this paragraph shall be obligated or expended until the enactment of legislation authorizing appropriations for the Federal Trade Commission for the fiscal year ending September 30, 1979.".

SENATE—*Thursday, June 8, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. KANEASTER HODGES, JR., a Senator from the State of Arkansas.

PRAYER

The Reverend John Putka, S.M., principal, Covington Catholic High School, Covington, Ky., offered the following prayer:

Eternal Father, Your Psalmist has reminded us that:

I had rather one day in your courts than a thousand elsewhere; I had rather lie at the threshold of the house of my God than dwell in the tents of the wicked.—Psalms 84: 10.

As the Senate convenes today, we ask that all who deliberate here may be aware of Your presence, so that they may always strive to guide our Nation and the entire world according to Your wisdom and will.

But especially, we ask that each Senator may view the work of the Senate in the light of our eternal destiny, and realize that it is better to be a servant in the House of the Lord than sit in the house of the mighty.

We ask this through Jesus Christ, Your Son and Our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 8, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KANEASTER HODGES, JR., a Senator from the State of Arkansas, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. HODGES thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I have no further need of my time.

The ACTING PRESIDENT pro tempore. Under the standing order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair. I have no requirement for my time under the standing order, and no request for time, and I am prepared to yield it back.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW UNTIL 10 A.M., MONDAY, JUNE 12, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in recess until the hour of 10 o'clock a.m. on Monday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. All time having been yielded back, under the previous order the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

PROPOSITION 13 AND DEFICIT SPENDING

Mr. HARRY F. BYRD, JR. Mr. President, on Tuesday the voters of the State of California sent what I regard as a message to Congress.

While the precise issue was a California one; namely, to limit taxing and spending in the State of California, if I view the mood of the electorate correctly the approval of proposition 13 was influenced as much by spending and taxing in Washington as it was by the situation in the State of California.

It is my belief that what the voters of California did this past Tuesday is a most healthy sign for our Nation.

It dramatizes that the people of our country, when they become determined enough, can direct the course of events in this democracy which is ours.

The people of California, on their own initiative, and by a 2-to-1 vote in a record turnout, made clear that they are opposed to more and more spending and more and more taxes.

I am convinced that the people of our Nation as a whole view with some horror the reckless manner in which the Government of the United States has been handling the tax funds of the American people.

It is very tragic, in my judgment, that there is no sense of financial responsibility in the Congress. Nor do I see any sense of financial responsibility in the executive branch of Government.

In 1976, candidate Jimmy Carter told the American people day after day, day after day, and day after day during that campaign, that if he were elected he would bring the Federal budget into balance by 1981.

But President Jimmy Carter in 1978 has submitted to the Congress a budget with the second highest Federal funds deficit in the history of our Nation.

There is no way that one can balance the budget by increasing the deficit. The administration is going in precisely the opposite way from a balanced budget, and the Congress is helping in the process.

The Congress has passed a budget resolution in regard to fiscal year 1979, the budget on which Congress is now working. The overall budget resolution approved by a large vote in the Senate—this Senator from Virginia voted against it, but it was approved by a large vote in the Senate—calls for a 10-percent increase in spending for fiscal year 1979, and a 13-percent increase in budget authority.

Mr. President, this country cannot continue on that path.

I think the people of the country see that.

The people of California dramatized that they see it in the vote which was taken in that great State, the largest State in the Union, this past Tuesday. I do not know whether Congress will get the message or not. There are so many in the Congress who, through the years, have felt that the best way to get elected and reelected is to spend more and more money. Maybe it is going to

take more than that one message to get across to the Members of the Congress that there must be a change in direction of this totally reckless spending of the substance of the American taxpayer.

But I am an optimist. I see some cause for encouragement. What happened in California is one example. Even before that I had two examples in my own State which encouraged me a great deal.

Several weeks ago I spoke at the commencement exercises at Longwood College.

There were 500 graduates and there were approximately 4,000 persons in the audience.

In the course of my comments, I mentioned the fact that I have presented legislation to the Congress to force a balanced budget. I had some hesitancy in using that in a graduation speech, but concluded to do it.

To my astonishment, I got a tremendous, affirmative reaction from those 4,000 persons in the audience at Farmville, Va., that day. I must say frankly that I did not get much reaction from the 500 graduates, but a tremendous reaction from the audience itself.

Then, a week later, I delivered the commencement address at Randolph-Macon College at Ashland, Va.

There again I mentioned that I had presented legislation to force a balanced budget.

There again I got a tremendous reaction, and this time not just from the audience but from the graduates themselves.

Those two incidents tended to give me considerable encouragement that the people of our great Nation are much wiser and much more aware and alert to what is going on here in Washington than are many in the Congress of the United States. The public realizes that accumulated and accelerated deficit spending is a major cause of the inflation that is eating into every worker's paycheck and every shopper's energy dollar.

The sheer waste in government is tragic and almost unbelievable.

On April 3 of this year, the Inspector General of the Department of Health, Education, and Welfare presented a formal report in which he reported that, during the preceding year, the Department of HEW had misspent, through waste, mismanagement, and fraud, between $6.4 billion and $7.3 billion.

The able Senator from Arkansas (Mr. HODGES) is now presiding over the Senate. That brings to mind that the Senator from Arkansas and the Senator from Virginia sought to bring the Senate's attention to the misspent funds by HEW. We presented an amendment to the Senate to reduce HEW appropriations for the upcoming year by one-third—namely, $2 billion—of the lowest amount estimated to have been misspent by the Inspector General of the HEW.

That amendment offered by the able Senator from Arkansas (Mr. HODGES) and myself received 38 votes; not enough, of course, for passage, but I think it served a good purpose.

What happened in California should encourage Congress to take strong and effective action to let Secretary Califano know that the Congress will not stand for continued waste and fraud and abuse in the spending of the tax dollars of the American working people.

I was amused, incidentally, yesterday, to read in one of the newspapers that Secretary Califano says that the Inspector General was not totally correct; that the Department of HEW did not misspend $7 billion; it only misspent $6 billion.

Six billion dollars, Mr. President, is twice as much as all of the income taxes paid by the 5 million people of the State of Virginia into the Federal Treasury. It would really be amusing, if it were not so serious, that the Secretary of HEW proclaimed with great piety, "Oh, no. we did not misspend $7 billion; we only misspent $6 billion."

Well, Mr. President, I do not know, but I suspect that the working people of our country, who have to pay the taxes for that $6 billion which has been misspent, are not particularly happy about the situation.

Incidentally, it would take the total taxes paid by 13 million families, with incomes per family of $15,000—the total taxes of 13 million families with a total income of $15,000 each—to bring to the Treasury that amount of money that was misspent by the Department of Health, Education, and Welfare.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD certain spending tables which I have had prepared.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

THE NATIONAL DEBT IN THE TWENTIETH CENTURY

Totals at the End of Fiscal Years 1970–79

(Rounded to the nearest billion dollars)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12
1919	25
1920	24
1921	24
1922	23
1923	22
1924	21
1925	21
1926	20
1927	19
1928	18
1929	17
1930	16
1931	17
1932	20
1933	23
1934	27
1935	29
1936	34
1937	36
1938	37
1939	40
1940	43
1941	49
1942	72
1943	137
1944	201
1945	259
1946	269
1947	256
1948	251
1949	252
1950	256
1951	254
1952	258
1953	265
1954	271
1955	274
1956	273
1957	272
1958	280
1959	288
1960	291
1961	293
1962	303
1963	311
1964	317
1965	323
1966	329
1967	341
1968	370
1969	367
1970	383
1971	410
1972	437
1973	468
1974	486
1975	544
1976	632
TQ	646
1977	709
1978*	778
1979*	866

*Estimated Figures.

Source: Office of Management and Budget (March 1978).

U.S. GOLD HOLDINGS, TOTAL U.S. RESERVE ASSETS, AND U.S. GOVERNMENT LIQUID LIABILITIES TO FOREIGNERS

[Prepared by U.S. Senator Harry F. Byrd, Jr., of Virginia]

[Selected periods, in billions of dollars]

	Gold holdings	Total assets	Liquid liabilities
End of World War II	20.1	20.1	6.9
Dec. 31, 1959	22.8	24.8	19.4
Dec. 31, 1970	10.7	14.5	47.0
Dec. 31, 1973	11.7	14.4	92.6
Dec. 31, 1974	11.6	15.9	119.1
Dec. 31, 1975	11.6	16.2	126.6
Dec. 31, 1976	11.6	18.7	151.4
June 30, 1977	11.7	19.2	163.5
Dec. 31, 1977	11.7	19.3	192.1

Source: U.S. Treasury Department, March 1978.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

Mr. BARTLETT. Mr. President, I compliment the distinguished senior Senator from Virginia for bringing out in vivid detail the tragedy that exists in the Department of Health, Education, and Welfare. If, as the Secretary of HEW admits, the waste amounts to $6 billion, then, obviously, we must listen to the words of the distinguished Senator from Virginia. As a part of Congress, the Senate should take action to see that this kind of waste cannot take place again.

Certainly, there are fine programs in Health, Education, and Welfare, but I think that when we can have that much waste in the spending of one department of Government, then there should be changes made and it is the responsibility of the Senate and the House of Representatives to see that those changes are

made. I commend the Senator for bringing this to the attention of the Senate.

CRUISE MISSILES AND SALT

Mr. BARTLETT. Mr. President, in 1968, when the United States and the Soviet Union first expressed serious interest in negotiating restrictions on strategic arms, the United States had largely abandoned the use of cruise missiles. No one could have imagined then that cruise missiles could become a major issue of SALT. Yet today, the cruise missile has become one of the few arms initiatives left to the United States which can counter the threat posed by the modernization of existing Soviet strategic forces. For that reason, restrictions on testing, development, and deployment of cruise missiles are guaranteed to be controversial.

Cruise missiles are normally distinguished from ballistic missiles by the path they take from their launcher to their target. Generally, a cruise missile flies along a flat trajectory, while a ballistic missile is launched high into or out of the atmosphere to return at hypersonic speeds. Although cruise missiles normally have wings and air-breathing jet engines, some rocket-powered missiles such as the short-range attack missile (SRAM) carried by the B–52 and FB–111 bombers have been called cruise missiles because they can fly along a flat trajectory at greatly reduced ranges. Cruise missiles can be launched from surface ships and submarines, land-based vehicles, and aircraft. They may have a strategic or tactical mission, or both, and may be armed with either nuclear or conventional warheads. In many ways, cruise missiles are similar to unarmed reconnaissance drones and remotely piloted vehicles (RPV's) deployed around the world.

Although cruise missiles first appeared in World War I as small pilotless biplanes carrying explosives, it was not, until World War II that the cruise missile became famous. Late in that war, as an act of desperation, the German Nazis launched the pulse-jet-powered pilotless "buzz bomb," designated the V–1, against populated cities such as London. The V–1 was about half the size of a small fighter plane, carried a large conventional explosive, and had sufficient accuracy to guarantee hitting a large city after crossing the English Channel. Although the V–1 buzz bomb caused some loss of life and damage, the Germans never possessed sufficient numbers for a mass attack capable of influencing the course of the war. Furthermore, Royal Air Force interceptors, directed to the approaching V–1's by ground-based radar, soon became proficient at shooting them down or causing them to crash by bumping the buzz bombs' wingtips. Increasingly, the Nazis turned to the rocket-powered V–2 ballistic missile, against which there was no defense, to bring terror to urban populations.

In the 1950's, both the United States and the Soviet Union developed strategic and tactical cruise missiles, armed with both conventional and nuclear warheads. As strategic systems, the United States deployed cruise missiles such as the Regulus I and II submarine-launched cruise missiles (SLCM), the Hound Dog air-launched cruise missile (ALCM), and the Snark intercontinental cruise missile. These systems were slow, vulnerable, and not very accurate. They were replaced in the 1960's by the Polaris submarine-launched ballistic missile (SLBM), the short-range attack missile (SRAM), and by intercontinental ballistic missiles such as the Titan and Minuteman—all of which were more survivable, more accurate, and traveled at many times the speed of sound.

Unlike the United States, the Soviet Union has retained a large number of nuclear-armed cruise missiles on its submarines up to the present time. Soviet submarine-launched cruise missiles are characteristically very large, but limited, due to older engine and fuel technologies, to ranges under 850 kilometers. Using existing American technology, missiles this size could go thousands of kilometers. Although the Soviet Union has several cruise missile development programs underway, the Soviet Union is not known to have deployed long-range cruise missiles for its submarines. For the Soviet Union, there is no great need. Seventy-one million Americans in 55 U.S. cities live within 850 kilometers of the 100-fathom depth contour off the coasts of the United States. Only about 2.2 million Russians in six cities of the Soviet Union would be similarly exposed to American submarines off the Russian coasts. However, strategic versions of tactical submarine-launched cruise missiles being developed by the United States could have ranges of 2,000 or 3,000 kilometers and penetrate successfully to their targets with great accuracy. This would redress the balance in submarine-launched cruise missiles.

Neither the United States nor the Soviet Union presently have ground launched cruise missiles (GLCM's) deployed. The United States once deployed land-based cruise missiles, some with intercontinental-range, but those large, pilotless airplanes such as the Snark, Matador, and Mace, could not survive modern air defenses. Only with the development of the small, accurate, difficult to detect, mobile, long-ranged cruise missile, has the ground-launched cruise missile attained great strategic and tactical significance to the United States and her allies.

In 1961, the United States deployed the Hound dog air-launched cruise missile (ALCM) with a range of about 1,000 kilometers, but these were phased out in the 1970's. The United States retains the rocket powered short-range attack missile (SRAM) which has an operational range of about 250 kilometers although if launched in a ballistic trajectory it could go much further. The Soviet Union has deployed several air-launched cruise missiles on its bombers. Among the latest is the AS–6 Kingfish which has characteristics similar to the SRAM. Thus, presently deployed air-launched cruise missiles (ALCM's) of the superpowers generally have maximum operational ranges of around 600 kilometers with theoretical maximum ranges of some of the Soviet missiles being much larger. Neither the United States nor the Soviet Union had previously pressed for long-range cruise missiles because the cruise missile was viewed as an extension of the manned penetrating bomber and high speed missiles were sought which could penetrate air defenses. Now, however, the United States has labeled the long-range air-launched cruise missile as its most important strategic weapons project.

Three recent developments have instilled in air- sea- and ground-launched cruise missiles a significance they had not had in two decades. First, technological advances in lightweight jet engines, efficient fuels, and miniaturized precision guidance have made possible long-range cruise missiles which are difficult to detect because of their small radar cross-sections which can penetrate to their targets with great accuracy.

Second, the growth of Soviet strategic missile forces calls into question the survivability of the American land-based ICBM force and the increasing sophistication of Soviet air defenses increases the difficulty for existing American manned penetrating bombers to reach their targets. Because the submarine-launched ballistic missile alone is an inadequate deterrent, the United States has turned to the cruise missile to bolster its strategic forces in order to maintain the strategic balance.

Finally, attempts to achieve arms control ceilings on intercontinental strategic offensive arms have been made more difficult because of such "grey area" systems as the cruise missile and the Backfire bomber which do not clearly fit into the intercontinental missile and heavy bomber categories which originally had been envisioned. This is seen very clearly in the 1974 Vladivostok understanding which would have limited intercontinental ballistic missile launchers, submarine-launched ballistic missile launchers, and heavy bombers to a combined total of 2,400. Four years later the Vladivostok agreement still has not been consummated in a treaty because of uncertainty over how to deal with the cruise missiles and the Backfire bomber.

At SALT II, however, agreement on cruise missile and Backfire restrictions seems to be nearing conclusion. In the SALT II treaty itself, aircraft carrying long range air-launched cruise missiles will be counted under a 1,320 ceiling on MIRVed launchers. A further subceiling of 1,200 on MIRVed (multiple independently targeted reentry vehicles) ballistic missile launchers creates for ALCM carrying bombers a limit of 120 which can be expanded only by reducing MIRVed ballistic missile launchers on a 1-for-1 basis. The treaty will be in effect until 1985 unless extended.

The SALT II protocol, unless extended, will probably terminate several years before the actutal treaty. An exact date has not been agreed to. The protocol limits air-launched cruise missiles to a range of 2,500 kilometers

Undoubtedly, the United States will be under great pressure to continue these cruise missile restrictions either by extending the protocol or by placing them in a SALT III agreement. In any case, all aircraft-carrying ALCM's with a range over 600 kilometers will be considered a MIRVed heavy bomber under the treaty.

Deployment of sea- and ground-launched cruise missiles with a range over 600 kilometers is prohibited during the period of the protocol. The United States would also be prohibited from circumventing the treaty by transferring to its allies technology which would permit them to do what the United States is prohibited from doing under the SALT II agreement. These restrictions would apply to nuclear or conventionally armed cruise missiles, whether their mission is strategic or tactical.

Limiting theater conventional weapons in an agreement on strategic nuclear systems strikes many, including myself, as a major symbolic precedent. This concession has been justified as helping the Soviet Union verify United States compliance with cruise missile restrictions. However, the Soviets themselves have not been very helpful to the United States on verification problems. From the inner sanctum of their closed, totalitarian society, they have generally stressed that each side must rely on its own "national technical means of verification."

The decision to include GLCM's and SLCM's, which have not been deployed yet, in a SALT protocol which excludes the large number of Soviet medium- and intermediate-range ballistic missiles already deployed puzzles many observers. In both its conventional and nuclear versions, the cruise missile has been seen as a counter to such Soviet systems as the mobile SS–20 IRBM which is not limited by this protocol even though that document expresses much concern over intercontinental ballistic missiles (ICBM's) that are mobile—and this is a mobile missile. This anomoly is made more worrisome when one considers that the SS–20 has an inherent, if extremely limited, intercontinental capability and can be converted to the mobile SS–X–16 ICBM quite quickly by addition of another rocket motor stage. I am not greatly moved when I see President Carter decrying the existence of the SS–20 as if there was nothing that he could have done about it. He could have demanded that the SS–20 be included at SALT or he could have required the Soviets to make concessions which would justify excluding it.

A 2,500-kilometer range limitation on air-launched cruise missiles (ALCM) in the protocol and limitations on the number of ALCM launchers in the draft SALT II treaty have also raised some serious questions. The range of the ALCM, like that of the GLCM and SLCM is clearly not intercontinental. Limiting the range of air-launched cruise missiles to 2,500 kilometers serves no other purpose than to force American cruise missile launchers to fly closer to the massive Soviet air defense system if they wish their cruise missiles to reach targets deep inside Russia.

With a large conventional warhead, American cruise missiles have a range less than that of most fighter bombers used by the nations of the world today. With a small nuclear warhead, the range of American cruise missiles is far less than that of the Backfire bomber. The Backfire has been excluded from the SALT II agreements on the grounds that it is mainly a theater weapon even though it has clear intercontinental capability. And because the Backfire is excluded from the SALT II ceiling on strategic offensive vehicles, the Soviets are free to build more of this very effective bombers and deploy it against Western Europe, the Indian Ocean, Japan, and the western Pacific. In fact, the Soviet Union is reported to have doubled its Backfire production rate last year. Before 1985, the U.S.S.R. may have some 400 or 500 Backfires, twice the planned force size of the canceled B–1 bomber.

Why the United States should include its cruise missiles in SALT while excluding longer range Soviet weapons is not completely clear. Some Europeans are wondering if the United States has so run out of strategic forces for bargaining chips that it is reaching down into theater weapons important to NATO to find the bargaining chips necessary to salvage a SALT agreement. President Carter's recent announcement that he will not put the enhanced radiation warhead, the so-called neutron bomb, into production in anticipation of Soviet arms control concessions can only reinforce those fears. Given the lack of a Soviet response to the President's cancellation of the B–1 bomber, a weapon which also had provided a theater warfare capability, there is little chance that the Soviets will make any concessions likely to reduce the Soviet threat to NATO. Moscow has already responded that the neutron warhead is too immoral to use either as a weapon or as a bargaining chip and has rebuffed our "most moral" President's efforts to link the neutron warhead to SALT.

Our weak bargaining position at SALT has raised great doubts about our ability to negotiate safely at MBFR and our allies are increasingly aware of this.

If the cruise missile is to be our "ace in the hole" to maintain strategic parity in the 1980's, then why are we agreeing to limit its range and numbers so severely?

Mr. President, I yield to the Senator from Arizona the remainder of my time.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arizona (Mr. GOLDWATER) is recognized for not to exceed 15 minutes.

THE DESTABILIZATION OF THE PACIFIC BASIN

Mr. GOLDWATER. Mr. President, on the day that Chiang Ching-kuo was to be inaugurated as President of the Republic of China on Taiwan Mr. Brzezinski, the National Security Advisor to the President of the United States, arrived in Peking for a good will visit to the rulers of the People's Republic. It could hardly have been a miscalculation on the part of the administration, although there have been so many of these that it might have been. There can be no doubt, however, as to how this embarrassing diplomatic mishap will be read on both sides of the Formosa Straits.

It will be read as a deliberate slap in the face to the Republic of China on Taiwan and a signal to the Communists on the mainland that the United States is deliberately and steadily moving toward that day when it will sever relationships with the Republic of China and openly embrace the People's Republic. There are people in Washington who lust after that day; these people are, frankly, ideological. Others in Washington see our relationship with the People's Republic as being a counterbalance, an offset to growing Soviet power.

There is no doubt but that the People's Republic sees the American connection in this latter light. There is some merit in this balance of power view, but it also harbors a major illusion and one of dangerous propensities. If we move to formal recognition of the People's Republic and the creation of a balance of power axis, to counteract the Soviet Union, all at the expense of the political integrity of the Republic of China on Taiwan, we will not achieve a balance of power at all. Instead, it is possible that the entire Pacific Basin will be destabilized and possibly Europe as well.

Indeed, I predict that if Taiwan is abandoned by us the increasingly adverse results of our late retreat from Vietnam will pale into insignificance. The awful long-term impact the Vietnam debacle is having on our foreign policy will be necessarily compounded. Before I state why this destabilization will occur and what form it will take, I think that I must briefly divert and give Senators a few salient facts on the Republic of China. These facts possibly do not weigh too heavily in geopolitical terms, but they do tell us what kind of an ally so many in Washington consider abandoning. To abandon such an ally as the Republic of China must also give to other reliable and politically solvent U.S. allies thoughts to ponder on sleepless nights.

In 1949 when the Nationalist Chinese retreated to Taiwan the Island, a mere 12 percent of the size of Arizona, was a sleepy agricultural and fishing complex which had during the Japanese colonial period been able to export small amounts of food stuffs to Japan. But in 1949 a transformation began. Beginning from zero, by 1976 Taiwan had an astonishing $16 billion rate of foreign trade.

This year foreign trade will reach close to $18 billion. This economic giant which comprises a mere 16 million people, still grows at the rate of nearly 10 percent per annum. Across the Formosa Straits resides about 900 million other Chinese. By comparison their growth rate is stagnant. Their total foreign trade in 1977 amounted to approximately $7.8 billion, a mere 43 percent of that of their tiny neighbor who, incidentally, is just

1.7 percent of their size population wise. The Republic of China has prospered across the board. It leads the world along with Japan, in agricultural productivity. Its industry ranges from such basics as steel to sophisticated electronics. Next to Japan the citizens of the Republic of China enjoy the highest per capita income in Asia and eclipse the income of their fellow Chinese in the People's Republic by at least 300 percent.

On each and every day of Taiwan's existence it stands as a accusation of the economical, political, and intellectual poverty of their fellow Chinese under communism. It stands as a tribute to capitalism. It is a bone in the throat of mainland China. Not only that. When President Chiang Ching-kuo was inaugurated it was under the formal and full trappings of a democratic process. On the mainland, on the other hand, every year since 1949 has been marked by vicious, if not murderous, quarreling within the hierarchy. The "gang of four" is only the latest episode.

But my purpose is not to extoll the economic and political virtues of the Republic of China, amazing as these may be. My purpose is to predict what may happen if we abandon this extraordinary country as the price of formal recognition of the People's Republic.

We have nearly 60 treaties with the Republic of China on areas of common interest and the basis of this relationship is a mutual defense treaty. These must all be renounced by one means or another if we recognize the mainland. Such renunciation will generate an immediate chain reaction of geopolitical events. In my opinion, these will be something as follows: Here is the first scenario.

We must realize that the Soviet Union will not stand idly by while the United States and the People's Republic move toward this balance of power posture. It is just possible that the Soviet Union will eat humble pie and make overtures themselves to the People's Republic. Despite this ideological quarreling and the deliberation of this alliance, the People's Republic and the Russians have mutual strategic advantages in patching up their differences. Their goal is domination of the United States and Western Europe together and they might do it. The blow to NATO of a resumption of a de facto alliance between China and Russia would be devastating. More than 1 million Soviet troops and their armaments currently are deployed along the Chinese frontier would be available for deployment elsewhere, perhaps in Europe. But I do not think this is what will happen, even though wise policymakers in Washington should certainly weigh the possibility. There is a second more likely scenario.

Upon its abandonment the Republic of China will realize now that without the United States, one of the two great superpowers, it must seek a new major ally if it is to have any chance of maintaining a shadow of territorial independence over the short and long terms. After all renunciation of our Taiwan ally and abrogation of our treaties gives to the mainland an open license to do what they say they will do, conquer Taiwan if need be by force. In seeking a new ally there is only one available to Taiwan and that is the Soviet Union. The Republic of China will not like this, but if one's survival is at stake perhaps one holds one's nose. The Soviet Union will jump at the chance to help Taiwan. After all, Britain and the United States allied themselves with Stalin in 1941. As of now their Pacific fleet, including their nuclear weapon-carrying submarines based on Vladivostok, the only possible port for that purpose along the entire Soviet Pacific coast. Geographically, Japan straddles Vladivostok. The Soviet Union's ships and submarines must pass into the Pacific waters through relatively narrow channels. These are patrolled constantly and, as of now, we know quite well Soviet naval movements. With the Soviet naval base in Taiwan this situation alters dramatically. The entire Pacific is open to Soviet naval power.

Surveillance by us becomes impossible. The deep water off the east coast of Taiwan alone would insure this much as far as the nuclear carrying submarines are concerned. In addition, this same deep water would allow for the installation of new underwater listening devices whereby our submarines would be tracked. The impact upon Japan of this new extension of Soviet power would be equally momentous. Japan would have three choices: Japan could look to either Communist China or to the Soviet Union for its security because Japan could hardly be expected to go on believing it had such from the United States or, as an even more destabilizing cost, Japan could go it alone. Japan might decide to provide for its own security and this could mean a massive Japanese rearmament which has to be nuclear armament for nothing else would make any sense. Japan has the capability to achieve just this.

Any one of these three steps, that is, a Japanese understanding with Communist China, or a Japanese understanding with the Soviet Union or Japanese nuclear rearmament is an almost certain consequence of our abandonment of Taiwan and, thereby, a free exploitation of the Pacific by the Soviet Union.

A third and contiguous result would be the absolute isolation of South Korea. Without Japan as a staunch U.S. ally, U.S. troops in South Korea would be in a most dangerous position. But, will U.S. troops be there anyway? President Carter says they are to be withdrawn regardless, although it is noticeable that that withdrawal has been temporarily halted as reality seeps into the President's mind. If the Soviet Union moved to Taiwan, however, Mr. Carter's leisurely withdrawal will have to become and evacuation.

This confuses our overall Asia policy still further. I, for one, do not know what signals the President intended to send relative to his Korea policy, or for that matter, who was being signaled. But, in any event, if the destabilizations occur as I have outlined them, an isolated Korea will sit ready to be picked off at any time the North Koreans choose.

But the destabilization will not stop there. The Soviets will move fast to fill the vacuum the U.S. retreat leaves behind. The Soviets will demand naval rights in the Philippines. Indeed. it would not be surprising to see the Soviets use their new Chinese leverage to obtain naval rights in Singapore, an almost totally Chinese nation. Singapore is still one of the strategic key points on the planet's surface commanding gateways into the Indian and Pacific Oceans. Indeed, through the Straits of Malacca, almost on the hour, comes a super tanker bearing Persian Gulf oil to feed Japan's enormous industrial machine.

We could witness, therefore, a strategic achievement by the Soviet Union only comparable to what the Japanese sought to do in 1941. But the Japan of 1941 cannot be compared to the Soviet Union of 1978. This new conquest will be by one of the world's two super powers. The potential threat to the United States from a Japan in control of the Pacific in 1941 was serious enough. The potential threat to the United States from the Soviet Union in control of the Pacific could be mortal.

The most fascinating aspect of this second scenario, however, is that the People's Republic would at first glance be as badly affected as would the United States. Their enemy, the Soviet Union, would be surrounding them on a second front based on Taiwan. But we should understand what the People's Republic is about. The People's Republic is doing today much what Chinese Governments have traditionally done. They are playing off one barbarian against the other. They will do this just as long as it suits them. They will reverse the situation as and when they see it in their own interests to do so.

Nevertheless, there is not doubt that should the second scenario eventuate a Russian dominance of the Pacific through alliances or other arrangements with Taiwan would cause great consternation in Peking. This is perhaps the fundamental issue before us and ought to form a cornerstone of U.S. Pacific policies.

At this time, it is the United States that holds the leverage. It is we who can trigger the destabilization or prevent it. Do we have the skill and, above all, the will to act as we ought to act? The People's Republic needs us. The vulnerability of the Chinese Mainland would increase greatly if the scenario I suggest ever unfolds. It is we who can decide whether it does or does not unfold. I insist it is we who have the leverage if we have the skill and the will to use it.

My suggestions to U.S. policymakers and especially to President Carter are as follows: We must tell the People's Republic clearly and unambiguously that we are the major Pacific power and it is going to stay that way. We should tell them that we intend to keep the Russian Navy bottled up in Vladivostok. We should tell them we intend to retain all our alliances with all of our Asian allies; with Thailand, with the Philippines and especially with Korea, Japan, and Taiwan.

We should point out that strategically this is as important to the People's Re-

public as is that other desire of the People's Republic, to keep the Soviet Union occupied in Europe through a strong NATO. We should point out that the key to the People's Republic, short- and long-term security, is more in the hands of the United States than in the hands of any other party.

In return for our cooperation with them to this degree, the first concession the People's Republic must make is to stop this talk of "liberating" Taiwan and relinquish their demand that the United States abandon Taiwan as the price of normalizing relations. They, the People's Republic, should know that the price of such abandonment is the destabilization of the Pacific Basin, and this we will not permit. Let the People's Republic use its own methodologies in reshaping its rhetoric. Our business is to tell them clearly and unambiguously the price they must pay for a stable Pacific Basin which can only be maintained by the United States.

We should also tell them that Secretary Vance's recent statements that President Carter and Mr. Brezhnev have common goals is an untruth, and that is why a newer, stronger Secretary of State should be appointed. I think what I suggest is born not only out of strategic logic but is also unambiguous. This is always a good posture to have in foreign relations if one can get it. We can get it in this situation. But will we so alter our present, illogical, ambiguous and positively dangerous Pacific stance? Does the State Department have the brains or, more importantly, the desire to follow a policy such as I suggest? Can we expect clear and strong Presidential leadership? Do the men that are involved have the will to exercise American power correctly in the interests of the United States or will they zig and zag hoping as always that the terror will go away before they are personally put to the test?

These are the questions that I ponder and which trouble me the most, especially the issue of our will. We can contain the Soviet Union, we can have good relationships with the People's Republic and we can preserve Taiwan. But, do we have the people with the skill and especially the will to do it? As always, in asking questions like this, I come to the only solution. I come back to the American people. In the end, it is the American people who hold the decisive voice. It is the American people who must demand representation in Washington, that is, competent enough to match America's power and skillful enough to use this power in America's interest.

In this case, United States' interest is in maintaining the stability of the Pacific Basin. Abandonment of Taiwan would be the trigger likely to set afire the whole catastrophe that I have described. The integrity of the Republic of China is the key and from it you and your children's children will not only see a stable Pacific Basin, but continue to enjoy the friendship of a warm, talented and stout-hearted people.

A LAWYER'S VIEW OF LIMITATIONS ON FREE SPEECH BY MILITARY COMMANDERS

Mr. GOLDWATER. Mr. President, I have previously expressed my respect for the courage of Generals Starry and Singlaub, who spoke out on important public issues because they felt it to be the right thing to do. I have said that these generals deserve the high praise and thanks of all Americans who are seriously concerned about the weakness in the policies of the Carter administration.

Now, I am fully aware of the relationship between the civilian and the man in uniform in this country, and I can say that no one respects that relationship more than the man in uniform. But I would suggest that what we had in the situations of Generals Starry and Singlaub was not the kind of controversy that occurred between President Truman and General Douglas MacArthur in 1951. There is no evidence that either General Starry or Singlaub committed a rank disobedience of orders.

Both incidents raise important questions, not just of what policy regarding public speech by command officers is in the best interest of national security and the proper functioning of the military, but what constitutional right of free speech is enjoyed by the Nation's military leaders. In this connection, there recently came across my desk an article by Professor of Law Donald L. Zillman of the Arizona State University School of Law, who examines the precise issue of military free speech, with an emphasis on the lessons of the Starry and Singlaub incidents.

The thrust of the article is that by giving a broader scope to public speech by military commanders, the American people would benefit by experiencing an ongoing and intelligent review of military policy and issues.

Professor Zilman is careful to observe that speech which compromises security and creates direct threats to internal order, discipline and morale, may require controls on military dissent. Yet, he points out, the Government's present approach toward the suppresison of speech in the military is unnecessarily broad and restrictive, and was certainly misplaced in the cases of Generals Starry and Singlaub.

Mr. President, so that my colleagues may read the interesting analysis of free speech issues involving military commanders as viewed by a lawyer, I ask unanimous consent that the article entitled "Free Speech and Military Command," by Professor Zillman, which appeared in the Utah Law Review be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FREE SPEECH AND MILITARY COMMAND

(By Donald N. Zillman*)

On May 19, 1977, the Washington Post published a front-page story titled "U.S. General: Korea Pull-out Risks War." The article quoted United States Korean Forces Chief of Staff Major General John K. Singlaub's criticism of President Carter's plans to withdraw troops from South Korea. "If we withdraw our ground forces on the schedule suggested, it will lead to war" said Singlaub.[1] President Carter's response was quick and direct. He recalled General Singlaub from Korea and, amidst considerable publicity, relieved him of his Korean duties.[2]

Several weeks later the United States Army V Corp Commander in Germany, Lieutenant General Donn Starry, publicly predicted United States involvement in a Sino-Soviet war and criticized the "liberal press" as uninterested in truth and willing to see administrations fall without concern for the country.[3] On June 16, the Defense Department issued a memorandum to all commands discussing "the expression of personal views by military men." The memorandum stated: "In almost no instance will the national interest be served by a military person voicing disagreement with established policy."[4]

The Singlaub and Starry controversies and the Defense Department memorandum raise significant questions regarding the constitutional right of free speech and the limitations on the expression of personal views by the country's military leaders. Unfortunately, relatively little scholarly commentary has addressed this important topic.[5] Several factors may explain this neglect. First amendment standards for senior officers tend to be established by Presidents, Congress, and the leadership of the armed forces. These standards are drawn by often inaccessible and little publicized military directives and not by Supreme Court decisions. Additionally, military law matters tend to be glossed over by even the best of constitutional analysts.[6] Most writers consider the military as "different," "remote," or "specialized" and thus easily relegated to footnote treatment. Finally, to many of the defenders of free speech, the military is the enemy, not the victim, in first amendment matters. Enlisted dissenters may inspire support from civil libertarians; General Singlaub does not. This inattention is regrettable. Whether one views the military as an understaffed sentinel of freedom or as a threat to internal liberties, the issues involved in military speech controversies are of fundamental significance. This article examines military free speech with emphasis on command free speech[7] and the lessons of the Singlaub and Starry incidents. The initial section reviews the Singlaub and Starry controversies. The second section analyzes military free speech issues. The following section examines court decisions and military practices governing free expression in the military and studies their relevance to the Singlaub-Starry controversy. A review of civilian precedents in the public employee expression cases appears in Section IV. A brief conclusion reemphasizes that the issues involved in military speech situations require delicate evaluation. In many instances the arguments for freedom are stronger than those for control.

I. THE INCIDENTS

Much of the detail of the Singlaub affair will probably be known only to the participants—President Carter, General Singlaub, and John Saar, the author of the Post article. Nonetheless, there does appear an element of the accidental to General Singlaub's central involvement.

The Post article made it clear that Singlaub was not alone in his appraisal of the proposed withdrawal. John Saar reported that Singlaub's superiors had expressed their concerns with pulling out United States forces from Korea[8] and that other senior officers, as well as unnamed lower ranking officers, had expressed opposition to the proposal.

Singlaub and others made the point that the United States underestimated North Korean capabilities. Singlaub expressed "deep concern" that the intelligence decisions on which the withdrawal plans were made were out of date. Further, he expressed his concern that, in China and Vietnam, knowledgeable military officers may have failed to make their views clear to the civilian leaders. Despite his reservations, Singlaub pledged that "[i]f the decision is made we will execute it with enthusiasm and a high-level of professional skill."[9]

Footnotes at end of article.

President Carter ordered General Singlaub to return to Washington to meet with him and Defense Secretary Harold Brown. After the meeting, Secretary Brown announced that Singlaub was being "reassigned" because: "Public statements by General Singlaub inconsistent with announced national security policy have made it very difficult for him to carry out the duties of his present assignment in Korea." [10] Several days later, at a news conference, President Carter characterized Singlaub's comments as "a very serious breach of the propriety that ought to exist among military officers after a policy has been made." [11] The President further stated that the general's public opposition to withdrawal would make Singlaub an ineffective negotiator with the North Koreans and a symbol in South Korea of disagreement with the withdrawal policy. At congressional request, General Singlaub repeated his views before a House Armed Services Subcommittee.[12] A few days later he was reassigned to an important post in the United States.[13]

Three weeks later, General Starry's comments became public. His remarks, which had not been reviewed by either Army or Defense Department officials,[14] were made in a graduation speech at the American High School in Frankfurt, West Germany. Starry predicted that in the students' lifetime the Russians and Chinese would fight each other in a major war. He also suggested that the United States would likely become involved "once it became apparent that one or the other of the antagonists was about to win." General Starry also stated: "The liberal press are not interested in the truth, only in the five percent or so of the news that deviates from the norm. Presumably they would be willing to muckrake around every public administraiton just to see it fall without concern with the consequences to the country." [15] While General Starry was enroute to a new command in the United States, the Pentagon ordered him to report to the Secretary of the Army and to the Army Chief of Staff to discuss the speech. However, no formal reprimand was issued.

Interestingly, General Starry's meeting with his superiors coincided with the release of a Defense Department memorandum which discouraged "voicing disagreement with established policy." The memorandum, drawing on a speech by Army Secretary Clifford Alexander,[16] noted:

It is in the best tradition of the American military to work energetically and professionally to carry out policy determined by the commander-in-chief or his designees. . . . Attempts to achieve outside the chain of command what one could not achieve inside the chain of command . . . are out of keeping with this tradition and inconsistent with military professionalism." [17]

The memorandum further stated: "In almost no instance will the national interest be served by a military person voicing disagreement with established policy." [18] Pentagon spokesmen stated that the memorandum was not aimed at the prohibition of media contacts but rather at criticism of established policy.[19]

Several factors stand out in a review of the controversies. First, the Singlaub and Starry incidents have few of the earmarks of the command free speech confrontation between President Truman and General Douglas MacArthur in 1951.[20] After repeatedly voicing his opposition to the administration's established policy, MacArthur was specifically directed to clear any potentially controversial statements with his superiors. By ignoring this directive and persisting in his criticism, MacArthur directly challenged Presidential authority. Unlike MacArthur, there is no evidence that either Generals Singlaub or Starry had regularly contested administration policy and neither general was a national figure. Also in the *Washington Post* interview General Singlaub implied his belief that Korean policy was still in the formulative stage,[21] and later indicated that he assumed his comments had been off-the-record.[22] These facts fail to show the same intent to challenge Presidential authority as was present in the MacArthur confrontation. Particularly in light of the MacArthur facts, General Singlaub's challenge to Presidential authority could only be labelled as "minimal." General Starry's remarks were even less objectionable. Although they may possibly have been embarrassing to the administration, his remarks did not dispute stated policy.

Second, the timing of the Singlaub and Starry remarks increased the attention given their statements. General Singlaub's statements closely preceded a sensitive diplomatic mission to the South Korean government.[23] They also came at a time when controversial remarks by Chairman of the Joint Chiefs of Staff, General George Brown, regarding support for Israel [24] and the military capabilities of Great Britain, were still a fresh memory. General Starry's remarks followed shortly after the Singlaub controversy.

Third, the real significance of these incidents lies in how they will be perceived by others in the military. Early reports suggest that the controversies have discouraged candid military comment to the press.[25] Certainly the government's reaction to these incidents was not the type of "least restrictive means" required in civilian cases.[26] Generals Singlaub and Starry could have been warned through command channels that they had overstepped their authority, without the necessity of public recall and humiliation. Despite Army Secretary Alexander's recognition that the issue of control of military speech is not easily resolved,[27] a clear message has been communicated to the military professional: An officer can only hurt himself by talking to the press or communicating with the public in other than Pentagon approved language. If an officer wishes to make known his differences with the civilian command on public issues, his only course may be to resign from the service.[28]

The question of whether the restrictions on public discussion of military matters is desirable has not received careful analysis. Comment on the Singlaub-Starry episode has tended to characterize military first amendment problems in absolute terms. Supporters of the President speak of threats to civilian control. Those who support the generals decry muzzling the military. The issues are, however, more complex and the lack of a theory of military free expression has discouraged the careful analysis needed in similar situations.

With the passions of the Vietnam era now cooled, an evaluation of the first amendment vis-a-vis the military is desirable. The Singlaub controversy reminds us that the issue extends beyond shrill anti-war protests from unwilling soldiers. An assessment of the first amendment and the military must begin with an understanding of the contemporary military. Second, the study must consider the values of the first amendment with particular attention to military concerns. Third, the arguments for control of speech must be evaluated. Finally, consideration must be given to which agencies of government should be responsible for setting the balance between free expression and needed suppression. The following section undertakes this study.

II. THE MILITARY AND THE FIRST AMENDMENT: A FRAMEWORK FOR CONTEMPORARY STUDY

A. The Contemporary Military

Persuasive scholarship has indicated that the founding fathers envisioned a limited, if not non-existent, role for the first amendment in the armed services.[29] Constitutional drafters who supported doctrines of seditious libel in the civilian sphere could not be expected to give protection to disruptive speech by men in uniform.[30] Even a century later, Colonel William Winthrop's treatise on American military law [31] barely mentioned the subject.[32] Serious consideration of military first amendment rights did not begin until the post-World War II era. Not only had a civilian first amendment jurisprudence taken shape by then, but a military establishment vastly different from that of the 1790's or the 1880's had evolved. The leading scholar of the "original practice," by which theory the soldier was afforded no protection under the Bill of Rights, recognized that changed circumstances made constitutional rights a relevant concern in the military of the 1950's.[33]

The three decades since Hiroshima and the start of the Cold War have produced a military organization far different from that present during the greater part of American history. The United States presently has, and may anticipate for years to come, a military force of several million active duty personnel and a million or more civilian personnel. Millions more are connected to the services through their veteran status, reserve obligations, or government contracts work. The increased sophistication of warfare and the broadened duties of the armed forces have required an increase in the level and diversity of education among men and women in uniform. An increased reliance on technology has also produced a fighting force in which the great majority of uniformed personnel are no longer front line combat troops. Management and disciplinary theories of a century ago have thus been abandoned as inapplicable.[34]

Modern writers in political science, sociology, and professional military schools [35] have recognized an increasing relationship between the military and civilian interests.[36] The subtleties of the Cold War, nuclear weapons, and the emergence of third world powers have ended easy distinctions between military and political matters. The military's influence in foreign policy issues has expanded as recent Presidents have increasingly relied on the advice of military leaders in reaching decisions. Likewise, in domestic affairs, the military plays a significant role in disaster relief, domestic intelligence, manpower training, riot control, and environmental clean-up. The present military, then, is not merely a combat organization charged with the defense of the nation, but rather is an institution concerned with many aspects of the national interest.

B. Arguments for the Application of First Amendment Values to Military Speech

Any assessment of the first amendment must begin with the appreciation that the amendment is profoundly anti-governmental. As government has grown in size and complexity the need for a strong check to government power has increased. Government has increasingly become a strong advocate for its own preferences. Substantial public relations offices support the government position and denigrate that of the opposition. The Pentagon is prominent in this regard.[37] Further, the growth of government has created a substantial class of permanent employees who possess significant power over aspects of American life previously left to the private sector. Psychologically, we no longer deal with fellow citizens at the Internal Revenue Service, the Corps of Engineers, or the Occupational Safety and Health Administration. Such agencies have become less responsive to the electorate. We could not throw all the rascals out even if we were to learn of their wrongdoing.

The first amendment, then, provides an essential vehicle for retaining control over government. We value criticism of govern-

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ment for its role in discouraging overreaching, arrogance, and remoteness. Nevertheless, criticism in some circumstances may be detrimental to the objects of government. The relevant question then becomes: In what circumstances must the legitimate operations of government be sheltered from the criticism encouraged by the first amendment?

The preceding discussion of the contemporary military[38] suggests that to provide a blanket prohibition against internal criticism because the armed services are "unique" is to misread current realities. It seems most appropriate to begin an analysis of the applicability of the first amendment to the military by treating the Defense Establishment as if it were any other appendage of the government. The anti-government bias of the first amendment may then promote the realization of at least three important objectives.

First, unrestricted speech reveals information and encourages wise policies. Although "truth" seems to be a particularly elusive concept in issues of foreign and military policy, and although disclosure of all facts will not guarantee reaching the "right" decision, full and adequate information will usually provide a better basis for decision.[39] In theory, any speech may have informational value and, absent countervailing values, none should be suppressed. Where conflicting values do exist, a balancing of interests is required and in this weighing process it is essential to evaluate the particular informational value in the questioned speech. Naturally, the value of the speech increases with the significance of the issue discussed. We could live in ignorance of the activities of the Bicentennial Commission or the Office of the Chief of Protocol, but we could not tolerate a similar informational void from the Defense Department. The relevance of defense issues to each citizen's physical security should encourage a substantial release of information. Questions such as whether the B–1 bomber should be manufactured, whether the volunteer military should be continued, and whether the United States can safely withdraw troops from Korea present issues of present significance to the American Public.

The value of speech also increases with the knowledge of the speaker. We may honor the right of the uninformed soapboxer to declaim on that about which he knows nothing.[40] But if we seek facts and informed opinion, we must specially value the comments of experts who disagree with official policy. Although we may not believe the dissenting expert, the fact that discussion exists may change our perspective on the matter in controversy. The military penchant for internal secrecy and its often remote overseas locations make such information even more valuable.

Second, free speech provides necessary insight into the policymakers as well as the policy itself. The search for truth about men as well as issues is necessary. Our complex society places responsibility in the hands of thousands of unelected officials usually known to the public only through their own press releases. The military exaggerates this anonymity. Probably not one citizen in a thousand can name the Chairman of the Joint Chiefs of Staff. Perhaps not one in ten thousand can identify the Korean forces commander. Yet, these men and others like them may be critical decision makers, possibly *the key* decisionmakers, who determine whether the country will go to war and how a war will be fought. Surely they are not fungible commodities. A George Marshall will approach decisions differently from a William Westmoreland. An Elmo Zumwalt brings different attitudes to his job than a Hyman Rickover. If Congress and the people are to select the most capable military leaders, or are to avoid the rare misfits,[41] they need more information than that provided on a Pentagon service record.

Third, the attitude toward free speech in the military can influence the type of military personnel serving the nation. Freedom of expression can promote the "individual self-fulfillment" of the military member. In the often confining circumstances of the military, freedom of expression is a reminder of individual uniqueness and worth. To society and the military, free speech can provide better officers and enlisted men. Suppression of speech can foster low morale and narrow thinking. In the military, both officers and enlisted men must often make quick and intelligent decisions. Broad controls over expression may discourage the development of that trait. The Nuremberg and My Lai incidents have emphasized that on occasion the soldier must refuse an order. Further, speech can be a valuable safety valve for the discontented. A military leader may better implement an unpalatable policy if he believes his views have been heard. The American military tradition of competent compliance with final orders suggests that despite disagreement, orders will be performed. Reference to the individual values of the first amendment need not be destructive of military objectives and may, in fact, help to attain them. Just as with other parts of our government structure, the contemporary Defense Establishment should receive careful popular surveillance. This need may be satisfied, in part, by extending to military members the rights of speech regarding military matters which civilians now exercise.

C. Arguments for Suppression of Speech

Balanced against the arguments for free expression are necessary interests which may dictate suppression of speech. While some of these interests may be cited by any organ of government,[42] other interests are peculiar to the military. In general, arguments for military suppression have cited one or more of three justifications unique, in some degree, to the military situation.

First, speech may compromise legitimate security interests of the armed forces. In the military, the consequences of improper disclosure can be immediate and catastrophic. The disclosure of troop movements or weapons systems can kill soldiers and threaten the national existence. The major beneficiary of the release of secret or sensitive military information may not be the American public, but an enemy power. Further, much classified information does not directly relate to major matters of public debate. For example, the public should debate the cost, propriety, and effectiveness of a weapon like the neutron bomb; if a decision to produce them were made, however, it would not be critical for the public to have knowledge of their exact components or their place of deployment. The line between information which is valuable for debating national policy and that which should be kept secret for the protection of the national security is often blurred, as the Pentagon Papers dispute demonstrated. Nevertheless, where legitimate security interests are involved the military's claim of the right to control speech, and particularly that of its own members, is strong.

The second area of conflict between military values and unrestricted speech concerns the maintenance of internal military discipline and order. Despite the delegation of ample congressional power to control disobedient and disruptive *conduct*,[43] the military argues that it also needs protection against disobedient and disruptive *words*. Again, this problem extends beyond the armed services. All agencies of government struggle with the chronic grumbler or with the person who sincerely believes that official policies are wrong. The stakes, however, loom higher in the military. We may desire some internal ferment over the mission of an agency. In the military that luxury may not be afforded. Enemy forces may not wait for order and discipline to be restored. Further, at least one mission of the military is clear—to fight when and as ordered by the civilian leadership. As the Vietnam cases suggest, the questioned speech often provided no information to the general public that was not already available.[44]

The more significant question, however, is whether dissenting speech is, under some or all circumstances, subversive of discipline. Certainly not all dissenting speech disrupts military order. Studies have, in fact, revealed a shift in military command technique from reliance on authority to leadership through persuasion.[45] This fact does not suggest that the phrase, "that's an order," has lost meaning for the armed services. Rather, there would appear to have been a recognition that in some circumstances free expression may be supportive of morale, good order, and discipline.

The third asserted justification for suppression of expression involves the claim that expression may interfere with the proper balance among military leadership, civilian command, and popular control in military decision-making. In more familiar, but less accurate terms, the issue has been characterized as one of civilian control of the military. In the extreme scenario, a military coup seizes power and displaces the elected civilian officials. A variant sees the military-industrial complex exercising inordinate power over American society. Clearly these scenarios oversimplify current American military-civilian issues,[46] but the concepts they suggest deserve consideration. It is important to define the appropriate participation of the military in matters which extend beyond the skills of waging war.

Overstated threats to "civilian control" from the "man on the white horse"[47] address only a small portion of the issue and may express a wholly improbable fear. They likewise ignore the possibility that greater speech rights may promote the proper relationship among the military, its civilian leadership, and the people. Here the arguments for expression may be their strongest. The issues between career officers and the civilian leadership typically touch on major policy issues. Exposure of this debate would help bring to the public both facts and opinions that might otherwise go unreported.

D. Striking the Balance

A final concern involves the responsibility for setting first amendment standards. The Vietnam era saw a substantial reliance on the judicial process for correcting alleged deprivations of free expression. Given the tradition of the courts as protectors of the right to dissent, this was understandable. Military and civilian courts, however, should not be expected to carry the burden of accommodating the first amendment to the military.[48] In the first place, many first amendment questions in the military will not reach the courts. The Singlaub case is illustrative. The strong tradition that officers resolve their disputes within the chain of command would make it unthinkable for General Singlaub to seek federal court relief for a denial of his rights. If the Defense Department or Congress does not protect expression, it will likely go unprotected.[49] Judicial activity will continue to be appropriate to correct extreme abuses. The Military Establishment, however, must itself bear the major responsibility for protecting first amendment values among its commanders. Certainly the Joint Chiefs of Staff and the American Civil Liberties Union will never see eye to eye on

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military speech issues. Nevertheless, a military command capable of promoting first amendment values would represent an important asset for the American people. The past decade has shown progress in that direction.[50]

III. Court Precedents and Military Practices

A. Justifications for Speech Suppression in the Military

Until the last decade the military was largely free to define the first amendment as it chose. Even a commentator as sympathetic to free expression as Professor Emerson observed in 1970: "The military system is outside the civilian system of freedom of expression and is subject to different rules." [51] He justified the "different rules" by pointing to the non-democratic nature of the military.[52]

Both military and civilian courts have gradually moved toward greater recognition of first amendment values albeit often in the context of holding that a specific action fell outside of the protection the amendment offered. *United States v. Voorhees*,[53] the first significant free speech case decided by the United States Court of Military Appeals,[54] was analyzed in first amendment terms. The court, in *Voorhees*, viewed military censorship regulations as justified "restrictions on the free expression of ideas by [military] personnel."[55] Two decades later, in *United States* v. *Priest*,[56] the court reaffirmed that "[s]ervicemen, like civilians, are entitled to the constitutional right of free speech," but cautioned that the right was limited in both societies.[57] Two years later in *Parker* v. *Levy*,[58] the United States Supreme Court recognized that "the members of the military are not excluded from the protection granted by the first amendment" but allowed a "different application of those protections" in light of the different military community and mission.[59] The following sections survey the attempts to justify controls on speech for reasons of security, preservation of discipline and order, and protection of the proper civilian-military relationship. Each area provides relevant material for assessing the Singlaub and Starry incidents.

1. *Speech Which Compromises Security*—Both civilian and military courts recognize that security considerations may justify prior restraint of speech and subsequent punishment. Probably no Justice of the Supreme Court or military appellate judge would protect the soldier or civilian who sought to announce wartime troop ship sailings or who revealed information about a new weapons system to a foreign power. By contrast, as the Pentagon Papers litigation [60] suggests, prior restraints on civilians will receive greater scrutiny in order to distinguish the true subjects of security from the wealth of overclassified documents. The distinction between security and non-security related speech was recognized in *Voorhees*, where the judges divided on the propriety of military censorship for non-security reasons.[61] The Court of Military Appeals has not resumed the *Voorhees* study of the permissible limits of prior restraints on military members for purposes of security.

Current military regulations reflect ambiguous policies towards clearance requirements.[62] The current Army Public Information Regulation requires Pentagon-level clearance of "speeches and writings" by any soldier "on matters of national interest . . . and topics dealing with military matters or foreign policy." [63] Exempt from this clearance procedure are letters to the editor and "media relations," [64] which do not compromise classified information.[65] The Army's regulation does not include any well-defined guideline which indicates what types of comment may not be given clearance. One section of the regulation notes that clearance "indicates only that there is no violation of security." [66] A separate provision bars censorship "to obscure administrative error or inefficiency." [67] The regulation does not make clear whether mere disagreement with policy could result in non-clearance, but a recent Department of the Army communique suggests that this may be the case. The June 1977 message to public affairs officers states that the purpose of clearance procedures is to "assure consistency with security or policy." [68]

Apart from restraints on policy disagreements, which will be considered in subsequent sections, the clearance requirements seem appropriate. Although the broad prior restraint on speeches and writings doubtless cover much material with no classified content, the potential harm from improper release of classified material justifies the procedure. Certainly some military officers appreciate the safety clearance affords them as they may publish without concern for inadvertent security lapses. The courts should and probably will continue to allow prior restraint for security purposes as well as subsequent punishments for security violations where service personnel are involved.

2. *Speech Disruptive of Internal Order, Discipline, and Morale*—The military is not alone in its desire for order, discipline, and morale in the ranks. As the discussion in Section IV hereafter suggests, all government agencies desire these qualities. It is difficult, however, to determine the point at which the pursuit of these qualities ceases to enhance performance of public duties and begins to cover inefficiency and error. Although this problem is common to both civilian and military organizations, military order and discipline problems are unique because of the nature of the combat mission and the fact of forced service. Even in the volunteer military the discontented soldier may not resign at will.

The Vietnam War produced substantial litigation requiring close assessment of the balance between first amendment rights and the protection of military order and discipline. In this area, judicial decisions form a major part of military free expression law. As with the security cases, the military has sought the prior restraint of printed matter which subverts order and discipline. The service regulations are ably surveyed elsewhere.[69] In the main, courts have upheld them against broad attacks on their validity. Of primary concern here are the substantive areas in which speech can be controlled. The courts have identified several areas in which restriction of speech is permissible.

Parker v. *Levy* [70] and *United States* v. *Priest* [71] authorize the military board punitive power over exhortations not to fight. The courts adopt "clear and present danger" language [72] with a nod toward the *Dennis* v. *United States* [73] "gravity of the evil discounted by its improbability" standard. In fact, *Levy* and *Priest* suggest that any public [74] and direct exhortation to desertion or disobedience can be punished. The dangers of such speech to present or future military discipline are too great to balance with undefinable "probabilities of success." Such speech threatens *the* core military value—that the military must fight when ordered.[75]

Future efforts to distinguish *Priest* and *Levy* might focus on the exemption for private conversations suggested by the *Priest* court.[76] Such an exemption would not be trivial. While it would foreclose much effective advocacy of disobedience to orders the exemption would leave a substantial area of private griping free from government regulation.[77] This distinction might preserve the fine line between disciplined response and thought control.

The *Levy-Priest* standards also allow control over categories of speech that fall short of counselling disobedience. The Manual for Courts-Martial [78] gives examples of statements designed to promote disloyalty: "praising the enemy, attacking the war aims of the United States, or denouncing our form of government." [79] The Supreme Court considered this language in *Levy* [80] and noted that such statements have the same potential to weaken the structure of the armed forces as do statements calling for the laying down of arms. In *Priest*, the Court of Military Appeals approved punishment for speech that may "undermine the effectiveness of response to command." [81] *Priest* further allowed the court-martial members to infer an intent to promote disloyalty from the content of the statement.[82]

A line of civilian and military court decisions involving Vietnam War protests has identified specific situations in which suppression of speech may be allowed. While the intent to disrupt discipline or the existence of a clear danger to loyalty, discipline, or morale may be debatable, there was no doubt in any of the cases that each speaker opposed United States combat efforts. The District of Columbia Court of Appeals held that public speech in a combat zone can be subjected to prior restraint [83] and noted that the field commander's decision to suppress it is practically unreviewable.[84] Public speech in peaceful foreign countries can likewise be curbed.[85] In such a situation, the justification for restraint may be either threatened disruption of United States troop loyalty, discipline, or morale (e.g., an anti-Vietnam War protest at an American embassy) or potential harm to host-guest relations (e.g., a protest of human rights policies in the foreign nation). Speech that has been shown to encourage disorder may also be suppressed.[86] An allegation that speech has caused or reasonably threatens physical response has been sufficient. Courts have shown little concern with the civilian principle that the troublemakers and not the peaceful speakers should be controlled. Courts have also shown considerable deference to the commander's authority over his installation. A broad prior restraint of material distributed on post received tacit approval in *Greer* v. *Spock*.[87]

The court decisions may leave the inaccurate impression that the soldier always loses in confrontations involving the first amendment. While some of the cases are discouraging,[88] judicial decisions are only the most visible portion of first amendment activity in the military. On the whole, the tendency has been toward increased toleration of first amendment activity. In the civilian community, a comparison of First World War restraints with those of the Vietnam War era indicates growth of first amendment values.[89] The military has not been immune to similar changes. Pressure from the courts, the media, and the civilian leadership has compelled at least lip service to first amendment values. Military guidelines attempt to define the parameters of permissible first amendments activity.[90] A decade of administrative practice has established constitutional protection for many objectionable activities within the military community. Commanders have discovered that not every first amendment activity threatens discipline. To be sure, the military has not become a libertarian bastion. Isolated abuses will continue, but a certain institutionalizing of first amendment values has taken place.

3. *Speech Threatening the Proper Control of the Military*—The third ground for restraint of free speech in the military is the threat which unchecked speech may pose to the proper pattern of control of the military.[91] Both President Carter and the Defense Department have phrased the issue in terms of a military threat to civilian control of the armed forces. As noted previously,[92] contemporary political-military realities suggest that the problem is more correctly characterized as a question of the proper

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balance to be struck among military leadership, civilian command, and popular control in military decision-making.

The Constitution reflects the draftsmen's desire to place the military forces of the country under the civilian authority.[93] Due to concerns that a strong personality might use the military for personal purposes, the drafters divided control of the military between the federal and the state governments (the regular Army and the militia) and between the executive and the legislature.[94]

On the infrequent occasions when civil-military issues have been brought to the Supreme Court, the Justices have regularly sided with the civilian power.[95] As early as *Martin v. Mott*, Justice Story ruled that an officer could not disobey the President's order to duty and observed that "[a] free people are naturally jealous of the exercise of military power." [96] The Court in *Dow v. Johnson* said, in dicta, that "the military should be always kept in subjection to the laws of the country to which it belongs." [97] Most recently, in *Greer v. Spock*, the Court spoke of "the American constitutional tradition of a politically neutral military establishment under civilian control." [98]

The proper exercise of civilian authority over the military may be threatened in several ways. The extreme threat would be a military coup seizing power and displacing the elected civilian leadership. The pattern is a familiar one in much of the world.[99] A variant would be a civilian leader's use of the military to assure his role in power and to dominate the other branches of government.[100] A second threat would arise from increased movement of military members into elective politics. Former military commanders might occupy key civilian positions, thus providing a government thoroughly attuned to military wishes. A third threat to civilian authority might come from an increased role for the military in matters of policy traditionally left to civilians. Each of these potential threats must be evaluated in light of their possibility of occurrence. Further, it is essential to determine whether free speech would aid or hinder the realization of each threat.

Despite popular fiction, the military coup seems highly unlikely under present circumstances.[101] The United States has never experienced a serious threat of an internal military takeover. The Civil War marked the last significant suggestion of such military dominance.[102] The Truman-MacArthur controversy turned on the general's desire for a free hand in command rather than an expressed wish to run the country. The very size of the American armed forces would make a takeover difficult. No single palace guard with the power to make or break a regime exists. Power is diversified and highly mobile. More importantly, the tradition of civilian leadership has been well instilled in the contemporary American officer.[103]

Command free speech may, in fact, deter rather than encourage a military takeover. Speech, even that critical of the civilian leadership, encourages both soldiers and civilians to give closer attention to civilian—military issues. The most dangerous military may be the one with the "isolated—garrison" mentality, totally removed from civilian concerns, but susceptible to rebellion in times of discontent.[104] Speech may also serve as a safety valve for military discontent. The troubled officer can speak his mind rather than resigning or brooding in silence that the military is not understood or appreciated. Further, open public comment may help to expose the rare officer who would threaten the national interest. A policy of silence, or one that restricts free comment to within the chain of command, may hide the remarks of the racist, the potential dictator, or the mentally disturbed from the civilian leadership and the public. Further, command free speech may encourage the military subordinate to criticize the order of a superior when an order does threaten civilian control.

A military takeover of key elected civilian offices also seems unlikely. Constitutional, statutory, and regulatory provisions limit the elective prospects of active duty officers.[105] As such, the most real concern is that retired military members will move into the political arena. Initially one must question whether this is properly objectionable, if desired by the electorate. Then, too, retired career officers have no monopoly on zeal for military causes. It is hard to imagine any "military" candidate who could be a more influential military advocate than the late Congressman Mendel Rivers. More practically, history suggests that the general-turned-candidate has fared poorly at the polls.[106] The mingling of military and partisan political careers has substantially diminished over the years. In the last century, we have elected as President only one military professional, the thoroughly apolitical Eisenhower.[107] Few others have seriously contended. General William Westmoreland and Admiral Elmo Zumwalt, two of the few recognizable names of the Vietnam era, could not win lesser office.[108] Candidacy for national office in recent years has required either a strong local political base or a longterm affiliation with one of the major political parties. The contemporary military career with its strict limits on partisan political activity [109] and its frequent transfers presents a large obstacle to the attainment of political office.

The most plausible of the three potential threats to civilian authority is that the military leadership may exercise too much influence in policy decisions traditionally left to civilians. Certainly, the military's input into the making of broad national security decisions has increased since 1945.[110] The spectre of the military industrial complex was brought to popular attention by C. Wright Mills [111] and President Eisenhower.[112] The threat today is not that of military input so much as it is the threat of military dominance.

Command free speech, however does not contribute to military dominance. The greatest asset to proper civilian control may be a dissenting officer who is ready to make it known that the armed forces are not as unified on the position as they might appear to be. Such dissent can bring previously concealed issues to Congressional and public attention. To be sure, the matter is one of degree. A high command of chronic or frivolous complainers provides no asset to the country. Superiors do have reasonable expectations of support from their juniors. However, an ethic that allows temperate comment by commanders on matters of significance can be beneficial to the national interest.

B. The Singlaub and Starry Incidents in Light of Traditional Justifications for Suppression of Speech

The preceding sections have examined the control of command free speech where the questioned speech violates security concerns, disrupts internal order, or threatens the proper control of the military. When evaluated in the light of these traditional justifications, the wisdom of the official response to the Singlaub and Starry remarks becomes questionable.

General Starry's remarks do not appear to have compromised security interests. His remarks were part of a prepared public talk on controversial topics involving foreign and domestic politics and should have been submitted for clearance under the applicable Army regulation. If obligations to the graduation speech had been raised, they probably would not have been based on security grounds. Although Starry's prediction of Sino-Soviet war and of intervention by the United States may have been based on secret information known to the general, it seems far more likely that his remarks were mere speculation on world affairs by a commentator versed in at least the military aspects of the situation. The objectionable aspect, if any, of the speech was the military commander's intrusion into the area of sensitive political matters.

General Singlaub's remarks fall into a different category. Army clearance regulations encourage, consistent with security needs, full disclosure to the press without prior clearance. While Singlaub's remarks were evidently not in violation of the prior clearance regulation, they may have suggested a reliance on classified information. The Washington Post story reported Singlaub's worry that the Korean decision was made on the basis of outmoded intelligence data regarding North Korean strength. Disclosure of this information may not have been desirable. Various situations can be imagined in which the information could be of value to hostile powers. While nothing in the official reports of the Singlaub recall emphasizes a breach of security, it is understandable that the President would not make a public point of the breach. If there was, in fact, such a security breach, this would have been the most clearly justified ground for action by the President.

The Singlaub and Starry incidents did not directly threaten internal discipline. Neither general's conduct remotely approached Captain Levy's conduct in counseling refusal to fight in an ongoing war. To the contrary, both generals predicted war and American participation. It could, of course, be argued that General Singlaub's discontent with his superior's policies may have subverted discipline in a broad sense. If the President's orders can be questioned by a major general, the first sergeant's orders may also be questioned by a private. So too, Singlaub's conduct (and possibly Starry's as well) suggests the possible disruption of foreign relations. Such remarks might lead to unfavorable reaction against the visiting American force. Further, the argument could be made that such statements might suggest to American soldiers stationed overseas that their mission was pointless or hopeless.

None of these arguments, however, is particularly credible. General Starry was countering superior orders only in a remote way. General Singlaub's challenge was more direct but was hardly couched in terms suggesting disobedience. His initial statement stressed his willingness to carry out whatever orders were given. Nothing has suggested that troops in the European and Korean commands have suffered lower morale or discipline as a result of the speeches. In short, official reaction to the Singlaub and Starry controversies cannot be justified on the basis that their statements were disruptive of internal order, discipline, or morale.

It would appear that the immediate threats, if any, of the Singlaub and Starry remarks, concerned the proper exercise of civilian authority over the military. President Carter stated that General Singlaub had breached "propriety" rather than violated a regulation [113]—a remark suggesting a perceived imbalance among military leadership, civilian command, and popular control in military decision-making. The threat to the proper decision-making process with regard to the Korean withdrawal, however, is not immediately clear. Certainly, it was not in informing the South Korean Government that dissent exists within American circles. That fact was known well before General Singlaub spoke to the *Washington Post*. The exchange may reveal conflicting American objectives to the North Koreans or other enemies. But little military advantage can be gained from an indication that United States military leaders oppose withdrawal. If the North Koreans assume that the President does not control the military, their con-

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clusion can hardly encourage military adventuring. If the Singlaub comments suggested loss of civilian or Presidential control to United States allies or neutrals, the effect could be disruptive. Yet, our foreign policy has suffered from (or been advantaged by) many sings of division on policy matters in recent years. Surely, few allies would expect that the Korean withdrawal would be solely a Presidential decision. It would appear, then, that the Singlaub affair only confirms the conclusion suggested previously, that the case for suppression of speech as an aid to the proper control of the military is not compelling.

IV. THE CIVILIAN PUBLIC EMPLOYEE FREE SPEECH PRECEDENTS

A. Pickering v. Board of Education

This article has noted the numerous similarities between the contemporary military and other agencies of government. It is true, for instance, that not only the military, but all government agencies seek order, discipline, and morale among their members. Members of the military and civilian public employees have at times rebelled against the preservation or establishment of these qualities and have claimed the protection of the first amendment for their activities. Command free speech has been discussed in the light of important military precedents. As a final perspective for examining the command free speech debate, it is appropriate to review the growing class of cases in which civilian public employees, whose situation is analogous to that of military members, were discharged or censured as a result of their speech. While civilian precedents can have no automatic application to military cases, this comparison is valuable.

Pikering v. Board of Education [114] is the major contemporary case considering government employee discipline for speech. Pickering, a high school teacher, was dismissed for writing a letter to the local newspaper. The letter criticized, in often sharp tones, the school superintendent and the board of education for what Pickering viewed as their over-emphasis on athletics at the expense of other school activities. The Court held that "absent proof of false statements knowingly or recklessly made . . . a teacher's exercise of his right to speak on issues of public importance may not furnish the basis for his dismissal from public employment." [115]

In *Pickering*, the Court referred to the "enormous variety of fact situations" presented by public employee free speech cases which precluded the establishment of any "general standard." [116] Rather, the Court adopted a balancing test to weigh "the interests of the teacher, as a citizen, in commenting upon matters of public concern and the interest of the State, as an employer, in promoting the efficiency of the public services it performs through its employees." [117] The Court seemed painfully conscious that it was breaking new ground. Accordingly, it hedged its holding with a wealth of qualifications. While commentators have attempted to pare down the distinguishing factors of *Pickering* [118] the opinion noted or suggested as many as fourteen separate issues [119] which might be relevant. In striking the required balance of interests, it was suggested that a court might consider whether:

(1) the speech may harm the immediate superior's disciplinary control; [120]

(2) the speech may disrupt harmony among co-workers; [121]

(3) the speech may be known to be false or uttered in reckless disregard of its falsity; [122]

(4) the speech may involve a matter of great confidentiality; [123]

(5) the speech may disrupt "a personal and intimate" relationship between superior and subordinate; [124]

(6) the matter may not be of general public interest; [125]

(7) the speech has stimulated a reaction that might have a harmful impact on the operation of the institution; [126]

(8) the employee may have violated a "narrowly drawn grievance procedure" for raising complaints internally before bringing them to public attention; [127]

(9) the position of the public employee may suggest a special knowledge of facts not revealed to the public; [128]

(10) the employee's performance of duties for the public may be directly harmed by the statement; [129]

(11) the statement may be "so without foundation" as to raise questions as to the employee's competence in the position; [130]

(12) the subject of the statement may be closely related to the speaker's duties; [131]

(13) the public employee may not make clear that he speaks as a citizen rather than a public official; [132]

(14) the language of the speech or the manner of its presentation may be intemperate or harassing.[133]

The *Pickering* balancing test has been applied in several decisions touching matters of national security or involving disciplinary structures like those of the military.[134] The courts have rejected any claims that the mere presence of "military" factors overrides the first amendment. Rather, such factors may only "influence the balance." [135] Two cases, reaching opposite results, are of particular interest. *Goldwasser* v. *Brown* [136] sustained the dismissal of a civilian Air Force language instructor. Despite objection from his superiors, Goldwasser had continued to voice opposition to the Vietnam War and anti-Semitism during the classes he taught for foreign military officers. Both sides relied on *Pickering*. The District of Columbia Court of Appeals upheld the government, and noted, in particular, that the class of foreign military officers who had been invited to the Air Force installation presented "special problems affecting the national interest in harmonious international relations." [137] In addition, Goldwasser's comments took time away from his classroom objectives. [138]

The second case, *Kiiskila* v. *Nichols*,[139] rejected a heavy handed attempt to suppress anti-war sentiments. Kiiskila, a civilian employee of a military post credit union, was found to have substantial anti-war literature in her car. The post commander expelled her from the post. In the judicial review of his action, the court noted that Kiiskila's conduct had not threatened discipline or disrupted working relationships. The Seventh Circuit added that as a former member of the military, Kiiskila's "criticism of military policy may be especially valued by society." [140] The court reinstated Kiiskila.[141]

B. Pickering's Application to the Command Free Speech Debate

Although *Pickering* was a signal advance for free speech, it was also a disappointing and confusing opinion.[142] The opinion's principal deficiencies are first, its very narrow view of the purpose of the first amendment, and second, its uncertain balancing test.

The *Pickering* Court identified the "core value" of the first amendment as being free debate on matters of *public* importance.[143] Other values are ignored or impliedly rejected. Even accepting this "core value," the Court was willing to raise a large counterbalance to it—the unanalyzed government interest. As Justice Douglas tartly pointed out in his dissent to *Arnett* v. *Kennedy*,[144] the Court has eagerly adopted civility, harmony, and submissiveness as desirable behavior for public employees.[145] The Court has never explained why a speech-conduct test has not been adopted in this area. The disobedient or underproductive employee may be discharged without violation of the first amendment.

An evaluation of the *Pickering* factors points out the narrowness of the Court's view of the first amendment. The Court appears to honor criticism of government policy only when it does not disturb the bureaucracy to any significant degree. There appears to be little concern with what individual benefit Pickering may have derived from his speech. The "public importance" test, that is, the requirement that for speech to be protected it must be important to the public, limits *Pickering* even further. Petty or irrational griping by the public employee appears clearly subject to suppression.

Some of the *Pickering* factors may also lead, however, to the punishment of speech which is valuable to the community. Consideration of the disruption to worker harmony, of the unsettling of superior-subordinate relations, and of the effect of speech on the public performance of duties may lead to the suppression of speech which is otherwise valuable to the public.[146] Two other factors seem inconsistent with the Court's support of Pickering's speech. In its opinion, the Court noted approvingly that teachers were "the members of a community most likely to have informed and definite opinions as to how funds alloted to the operation of the schools should be spent." [147] Yet, an employee's special knowledge of, or access to information, is designated as a factor which weighs in favor of suppression, while the lack of connection between statements and the employee's duties is cited as a factor supporting the employee's unrestricted speech!

The second deficiency of *Pickering* is the hopeless uncertainty of the balancing test. The test is so flexible that its utility must be questioned. An evaluation of the Singlaub incident using the *Pickering* balancing test demonstrates that it would be just as easy to reach a resolution protecting his speech as it would be to conclude that it should be suppressed.

The factors that would endorse Singlaub's speech include the fact that his statements appear to have caused limited reaction within the Korean command and his views differed only slightly from those of his two superiors and other coordinate and subordinate officers.[148] Further, any disruption of worker harmony was attributable to the President's action, rather than to Singlaub's statements to the *Post*. Singlaub was not engaged in intimate working relationships with the President, their confrontation in Washington evidently being their first meeting. Despite his Major General's rank, Singlaub was for practical purposes, a middle echelon bureaucrat many levels below the President. By his estimate, Singlaub had pursued whatever internal grievance procedure existed. He had made his views known through military channels and had lost (the President's version) or assumed that the decision was still pending (Singlaub's version). Singlaub's statements suggest neither gross incompetence nor bad temper. As matters of opinion, it would be hard to find his statements to have been knowingly false or made with reckless disregard of the truth.[149] Finally, prospects for a second Korean War were clearly of general public interest.

Strong arguments from *Pickering* could also be mustered in support of the President's position that suppression of Singlaub's speech was necessary. General Singlaub's position suggests special access to facts, including those not known to the public. The *Post* article indicates as much.[150] Further, given a tradition of military silence over disagreement with foreign policy decisions, Singlaub's comments may have damaged the President's credibility, by leading the public to assume they were facing a civilian coverup of extensive proportions. Unlike the state-

Footnotes at end of article.

ments made in *Pickering*, Singlaub's statements were closely job related and Singlaub made no serious effort to speak as a citizen rather than as a public official. Even if such an assertion were made it would have been implausible. Third, Singlaub's statements may have harmed the performance of his duties. The Administration contended that Singlaub had undercut his role as a negotiator by his disagreement with the policy he was to advocate. Singlaub, on the other hand, contended that he was capable of performing all duties. If anything, his reputation as a hard-liner on the withdrawal issue might have made him a formidable negotiator. This point leads to the possible impact of Singlaub's comments on the conduct of American foreign policy. Singlaub's remarks may have caused serious disruption in United States-South Korean relations. Their release a few days before the arrival of the Brown-Habib mission distinguished the case from *Pickering*. The President's decision to treat the matter as a significant challenge to civilian authority also provided repercussions beyond those in *Pickering*.

The civilian public employee free speech cases are by no means decisive of military speech issues. An analyst persuaded of the total separateness of the military community could either ignore *Pickering* as irrelevant or counterbalance a strong case for free speech by introducing the one counterweight of "overriding military necessity." Yet, even for the observer convinced of the closely analogous positions of the civilian public employee and the uniformed soldier, the weaknesses in the *Pickering* approach are evident. If this line of cases is to be useful in the resolution of the debate over command free speech, the courts must provide a more clear and closer analysis of the interests involved.

V. CONCLUSION

What is troubling in the recent military commanders' free speech controversy is not so much what was done but the message that was given to the military. President Carter may have been right that General Singlaub could not serve effectively in the Korean Command. General Starry may have merited a reminder about clearance procedures. Clarification of Defense Department policies may have been beneficial. Unfortunately, however, what came with these actions was an exercise in civilian overkill and an unmistakable message to the military that the first amendment does not apply to professional officers.

There may be value in a periodic public demonstration of civilian control over the military. No doubt it may provide some satisfaction for those Presidents who had once served as junior officers to call a general or admiral on the carpet. But these are not costless exercises. The values of the first amendment serve essential purposes within the military community and in that community's dealings with the civilian world. Strong conflicting needs may override the right of speech in individual cases. But it is unfortunate and short-sighted to conclude that "in almost no instance will the national interest be served by a military person voicing disagreement with established policy." This Department of Defense memorandum may positively freeze candid discussion of military topics. "Established policy" exists on a great variety of disparate subjects. The officer who discusses the retention of drug users, the discharge of homosexuals, the increased combat role for servicewomen, or military weapons or construction priorities may voice "disagreement with established policy." The controversial officer passed over for promotion may find it of small comfort that he has spiritual ancestors in Douglas MacArthur,[151] Dwight Eisenhower,[152] and George Patton.[153]

Both the first amendment and American military history suggest that the Defense Department's attitude is unnecessarily restrictive. Certainly some restraints are appropriate. The control of participation in partisan politics, at least for career officers, is a desirable restraint. So too, speech which compromises security and creates direct threats to internal order, discipline, and morale may require the first amendment to be put aside. Professor Vagts, from a post-Korean, pre-Vietnam vantage point, suggested broad control over speech touching on controversial matters involving foreign relations.[154] Today the wisdom of his suggestion is less certain. Dismissal of the rare MacArthur type enhances civilian control.[155] Discipline of every officer who speaks his mind on foreign affairs may be, in the long run, harmful to the national interest. Certainly, the great variety of other topics of concern to soldiers and civilians should be assumed to remain open for discussion. Such a policy would honor the ability of the American officer to obey orders with which he has voiced disagreement. It would also stimulate an ongoing and intelligent review of military policy and issues by the American people.

FOOTNOTES

* Professor of Law, Arizona State University. The author thanks his colleagues Ernest Gellhorn and William Canby for their comments on earlier drafts of the article.

[1] Washington Post, May 19, 1977, § A, at 1, col. 6.

[2] *Id.*, May 22, 1977, § A, at col. 5.

[3] N.Y. Times, June 16, 1977, § A, at 1, col. 6.

[4] Message from Secretary of Defense to Military Commanders, Statements by Defense Officials (June 16, 1977) *quoted in* N.Y. Times, June 17, 1977, § A, at 3, col. 2.

[5] Vagts, *Free Speech in the Armed Forces*, 57 COLUM. L. REV. 187 (1957), is the most valuable examination of free speech issues involving military commanders. Recent studies of free speech in the military have focused on the propriety of sanctions for soldiers, typically short term enlistees or junior officers opposed to the Vietnam War. *See*, Imwinkelried & Zillman, *An Evolution in the First Amendment: Overbreadth Analysis and Free Speech Within the Military Community*, 54 TEX. L. REV. 42 (1975); Kester, *Soldiers Who Insult the President: An Uneasy Look at Article 88 of the Uniform Code of Military Justice*, 81 HARV. L. REV. 1697 (1968); Sherman, *The Military Courts and Servicemen's First Amendment Rights*, 22 HAST. L.J. 325 (1971); Note, *Prior Restraints in the Military*, 73 COLUM L. REV. 1089 (1973).

[6] For example, see the limited discussion given military speech issues in T. EMERSON, THE SYSTEM OF FREEDOM OF EXPRESSION (1970). See notes 51–52 *infra*.

[7] "Command free speech" is a shorthand expression for comment by high level uniformed officers on topics of concern to the military when the comment does not support the policies of a higher command. The term includes both comment opposing already established policy and comment on topics within the anticipated control of higher authorities on which a policy has not been expressed. General Singlaub's comment on the propriety of Korean withdrawal (if the President's version of the incident is accepted) illustrates the first situation. General Starry's comments on United States involvement in a Sino-Soviet War illustrates the second situation.

[8] The article stated that the United States Commander in Korea, General John Vessey, had expressed to President Carter and Defense Secretary Harold Brown his doubts about the wisdom of a withdrawal. Vessey's deputy, and Singlaub's superior, Lt. General John Burns, was quoted as favoring the retention of the ground troops and implying the dangers of "any disastrous change in the military balance" in Korea. Washington Post, May 19, 1977, § A, at 14, col. 1.

[9] *Id.*

[10] N.Y. Times, May 22, 1977, § 1, at 1, col. 4. Defense Secretary Brown said the President concurred in his recommendation that General Singlaub be "reassigned."

[11] *Id.*, May 27, 1977, § A, at 10, col. 5.

[12] *Id.*, May 26, 1977, § A, at 3, col. 1. The President evidently, did not oppose this appearance. One might speculate on the consequences of a direct Presidential order to a military officer to keep silent on a controversial issue in the face of a Congressional request to the officer to testify on the same issue. The June Defense Department memorandum stressed that a military officer appearing before Congress should testify as to established policy and should "convey the clear intention to carry it out." If asked for a personal opinion, the officer might then state his or her "difference" with the policy, noting that the opinion is personal.

[13] *Id.*, May 28, 1977, § A, at 7, col. 1. General Singlaub was made Chief of Staff of Army Forces Command, Ft. McPherson, Georgia. The Army stressed that the transfer was a lateral move and not a demotion. Nevertheless, it seems clear than General Singlaub's military career has suffered from this incident. *See* Washington Post, May 23, 1977, § A, at 3, col. 1 (comments by Secretary Brown). *See also*, Vagts, *supra* note 5, at 210–12, on the powerful informal sanctions on speech. Generals are rarely punished by criminal or formal administrative sanctions, rather they are denied further promotion, prestigious assignment, or the other perquisites of high command. Therefore, until history administers a different verdict it seems appropriate to conclude that General Singlaub was punished for his comments on the Korean situation.

[14] N.Y. Times, June 16, 1977, § A, at 1, col. 2. Army Regulation 360–5 (24 October, 1975) governs public information policies. Section 4–1d provides that "normally" "general officers . . . will speak in public from a cleared, prepared text." Section 4–2a requires clearance from Washington of any speech "by any active duty Army member on matters of national interest . . . and topics dealing with military matters of foreign policy." Section 1–3e cautions Army officials to avoid public discussion of matters within the responsibility of other government agencies. A June 1977 message to Army public affairs officers reemphasized the clearance requirements. "Public statements" by general officers require clearance "to assure consistency with security or policy wherever national impact exists." One of the categories of "national impact" was "subjects of potential controversy." Message from Department of the Army to Public Affairs Officers, Clearance of Public Statements (AR 360–5, 24 Oct. 1975) (June 21, 1977).

[15] N.Y. Times, June 16, 1977, § A, at 1, col. 2.

[16] N.Y. Times, June 9, 1977, § B, at 3, col. 3 (graduation address at West Point). *See also* N.Y. Times, June 17, 1977, § A, at 3, col. 2 (Secretary Alexander's speech endorsed by Defense Secretary Brown).

[17] Message from Secretary of Defense to Military Commanders, Statements by Defense Officials (June 16, 1977) *quoted in* N.Y. Times, June 17, 1977, § A, at 3, col. 2. While the legal effect of the Department of Defense memorandum is not clear, its practical effect is to state the law for military commanders.

[18] *Id.* The Alexander speech viewed control of speech as significant to military professionalism and "the American concept of civilian control." It noted that the "myriad of situations" in which questions regarding the control of speech might arise make the issue difficult. Three categories of communications were discussed: discussions within the military communications to Congress, and "dealings with the media or with the general public." *Id.* The remarks quoted in the

text of this article fell within the third category.

[19] *Id.*

[20] The significant documents of the confrontation are collected in, TRUMAN-MACARTHUR CONTROVERSY (R. Lowitt ed. 1967). *See also* H. TRUMAN, MEMOIRS; YEARS OF TRIAL AND HOPE 444 (1956).

[21] Washington Post, May 19, 1977, at 1, col. 6.

[22] The *Washington Post* articles did not mention Singlaub's claim that he had been "sandbagged" by the interviewer. N.Y. Times, May 23, 1977, § A, at 1, col. 3. *Id.*, May 26, 1977, § A, at 3, col. 1. There was, however, some evidence that General Singlaub knew that the withdrawal decision was final. *Id.* May 27, 1977, § A, at 10, col. 4–5 (President Carter states that General Singlaub had been briefed that the withdrawal decision had been made prior to his interview with the Post).

[23] Washington Post, May 24, 1977, § A, at 17, col. 4 (Under Secretary of State Phillip Habib and Chairman of the Joint Chiefs of Staff George Brown were to explain the withdrawal plan to Korean leaders). The *Post* speculated that President Carter's reaction to the Singlaub comments was used to emphasize that the Korean withdrawal decision was non-negotiable. *Id.*, col. 1.

[24] *See* Zillman & Imwinkelried, *The Legacy of Greer v. Spock: The Public Forum Doctrine and the Principle of the Military's Political Neutrality*, 65 GEO. L.J. 773, 796–97 (1977).

[25] Phoenix Arizona Republic, August 18, 1977, at 7, col. 3.

[26] *See, e.g.*, Burns v. Elrod, 427 U.S. 347, 362 (1976).

[27] See note 18 *supra* and accompanying text.

[28] N.Y. Times, May 2, 1977, at 5, col. 2 (Senator Thurmond endorses the silence or resignation attitude).

One of the ironies of the command free speech controversy is that former Naval Officer Jimmy Carter served under and reverse Vice Admiral Hyman Rickover. Admiral Rickover has been one of the most outspoken and successful mavericks in recent military history. *See e.g.* S. HUNTINGTON, THE SOLDIER AND THE STATE 406 (1957); N.Y. Times, May 6, 1976, at 31, col. 1.

[29] L. LEVY, LEGACY OF SUPRESSION, FREEDOM OF SPEECH AND PRESS IN EARLY AMERICAN HISTORY (Torch Book ed. 1963); Wiener, *Courts-Martial and the Bill of Rights: The Original Practice*, 72 HARV. L. REV. 1, 266 (1958).

[30] L. LEVY, *supra* note 29, at 176, 188, 224–25.

[31] W. WINTHROP, MILITARY LAW AND PRECEDENTS (1920 ed.).

[32] By contrast, H. MOYER, JUSTICE IN THE MILITARY (1972), the best contemporary handbook of military law, devotes a lengthy chapter to the subject.

[33] Colonel Frederick B. Wiener argued that contemporary circumstances required the application of fifth and fourteenth amendment due process protections to military courts-martial. Wiener, *supra* note 29, at 301–04.

[34] Morris Janowitz, writing in 1960, noted the transition in the military from authoritarian leadership with a heavy emphasis on discipline to leadership by persuasion and the use of civilian management techniques. M. JANOWITZ, THE PROFESSIONAL SOLDIER 8, 40–46 (1960). The transition has continued in the two decades since 1960. *See also* authorities cited in note 45 *infra*.

[35] Thesis programs at military branch schools and such interbranch schools as the Army Command and General's Staff College and the Navy and Army War Colleges have provided much assessment of military—civilian concerns by future military leaders. Many of the better studies are published in various service sponsored journals.

[36] *See generally*, S. HUNTINGTON, THE SOLDIER AND THE STATE (1957); M. JANOWITZ, THE PROFESSIONAL SOLDIER (1960); C. MOSKOS, THE AMERICAN ENLISTED MAN (1970); A. YARMOLINSKY, THE MILITARY ESTABLISHMENT (1971); NEW CIVIL-MILITARY RELATIONS (J. Lovell & P. Kronenberg eds. 1974); MILITARY FORCE AND AMERICAN SOCIETY (B. Russett & A. Stepan eds. 1973).

[37] J. FULBRIGHT, THE PENTAGON PROPAGANDA MACHINE (1970).

[38] See text accompanying notes 29–36 *supra*.

[39] In retrospect, American entry into the Vietnam war was a classic study of public policy made on inadequate information. Even more disturbing, however, is the belief that information known to government planners was not released to the public. Naturally, guaranteeing free expression only within the chain of command preserves informational values only if government officials communicate the information to the public.

[40] By contrast, to the Singlaub controversy, much of the subject matter of Vietnam war prosecutions was of limited importance in providing information to the general public. *See* notes 107–15 *infra*. The speakers or writers often had limited expertise on the matter discussed and provided few new insights. This is not to suggest such speech was unimportant. It does suggest that a society which protects a jacket inscription "——— the Draft" *see* Cohen v. California, 403 U.S. 15 (1971), as valuable to the search for truth, should think long and hard before censoring a Major General's remarks on the likelihood of war in his sector.

[41] Consider the case of Maj. Gen. Edwin Walker who commanded U.S. soldiers when the Little Rock, Ark. schools were desegregated in 1957. The General had been the subject of controversy for promoting right-wing political causes in his European Command. *See* C. MOSKOS, THE AMERICAN ENLISTED MAN 102–03 (1970). He subsequently left the Army and was present in what some described as an agitator's role when the first black student enrolled at the University of Mississippi. *See* Associated Press v. Walker, 388 U.S. 130 (1967). While there was no criticism of General Walker's leadership at Little Rock, one suspects that greater information about the general in 1957 would have been beneficial.

[42] See text accompanying notes 114–50 *infra*.

[43] See 10 U.S.C. §§ 890–92 (1970) (criminal sanctions for failure to obey lawful orders and regulations).

[44] The anti-war literature at issue in United States v. Priest, 21 C.M.A. 564, 45 C.M.R. 338 (1972), consisted of quotations from well-known anti-war advocates, generalized anti-war slogans, and comments on military unions and deserter assistance programs. All this material was readily availab'e in the nation's capitol during the late 1960's and early 1970's.

[45] M. JANOWITZ, THE PROFESSIONAL SOLDIER (1960) 40–46. *See also*, Comment, *Military Discipline and Political Expression: A New Look at an Old Bugbear*, 6 HARV. C.R.-C.L. L. REV. 525 (1971).

[46] The point has been well-stated by Russett & Stepan. *The Military in America: New Parameters, New Problems, New Approaches*, in MILITARY FORCE AND AMERICAN SOCIETY, note 36, *supra* at 10.

[A] major focus of the old literature was how to ensure that military officers would obey the orders given them by civilians or how to prevent unauthorized military action. Such concerns lead to a profound misconceptualization of civil-military problems. They do not lead us to ask whether civilians are militarizing society. They do not lead us to ask what determines the *kind of orders* civilians give to the military, what determines the roles that both civilians and the military conceive to be appropriate to the armed forces.

[47] *E.g.*, United States v. Howe, 17 C.M.A. 165, 175, 37 C.M.R. 429, 439 (1967).

[48] Judge Baseion makes this point in his dissent to the opinion in Carlson v. Schlesinger, 511 F.2d 1328, 1336 (D.C. Cir. 1975).

[49] The perceived intrusion on military command by judicial decision presents a related concern. The discipline and order cases of the Vietnam War were often view more as battles over the court's intrusion on command prerogatives rather than as disputes over the precise first amendment issue involved. The tradition-conscious military was used to taking orders from Congress and the Executive, but not from the federal courts.

Quite possibly, much of the Vietnam litigation over free speech was poorly timed for advocates of an extended right of expression in the military. Courts may have feared to further undermine command control when fears over "the death of the army" were being expressed in the wake of Vietnam. In quieter times, the military itself may provide the relief sought. The former senior legal officer in the Army found the provisions challenged in Parker v. Levy, 417 U.S. 733 (1974), indefensible and unnecessary. Hodson, *The Manual for Courts-Martial—1984*, 57 MIL. L. REV. 1, 12 (1972).

[50] *See, e.g.*, Department of the Army Circular No. 632–1 (1 May 1974). The circular recognizes that "freedom of expression is a fundamental right secured by the Constitution." It further cautions against overreaction to an "insignificant manifestation of dissent" and observes that military members can carry out an assigned mission even if they do not "agree in every instance with the policies the mission reflects." *Id.* ¶ ¶ 6, 7.

[51] T. EMERSON, *supra* note 6, at 57.

[52] *Id.*, Professor Emerson recognizes that military issues should receive thorough airing: "[G]eneral discussion of the organization, procedures or operations of the military are well within the system of free expression." *Id.* "Free and open discussion of war and defense issues is essential to the life of a democracy." *Id.* at 69. Professor Emerson, however, appears to be referring to *civilian* discussion of these issues. He carefully avoids discussing employee free speech as it involves the military, *See id.* at 563 n.1.

[53] 4 C.M.A. 509, 16 C.M.R. 83 (1954). Voorhees was convicted of violations of Army Regulation 360–5 for his failure to secure clearance for his commercial writings on the Korean War. Ironically, a controversial part of Voorhees' manuscript criticized Korean Commander General Douglas MacArthur for MacArthur's breach of security.

[54] The Court of Military Appeals was one of the significant innovations of the Uniform Code of Military Justice—the statutory military criminal law. *See* 10 U.S.C. §§ 801–940 (1970). The Court of Military Appeals consists of a three member civilian panel with a discretionary jurisdiction over significant military criminal cases. *Id.* at § 867. The court has been the major source of military precedent for a quarter-century and a major factor in the enhanced quality of military criminal law.

[55] 4 C.M.A. at 521, 16 C.M.R. at 95. *See* Vagts, *supra* note 5, at 199–203.

[56] 21 C.M.A. 564, 45 C.M.R. 338 (1972).

[57] *Id.* at 570, 45 C.M.R. at 344.

[58] 417 U.S. 733 (1974).

[59] 417 U.S. at 758. *See also*, Imwinkelried & Zillman, *supra* note 5.

[60] New York Times Co. v. United States, 403 U.S. 713 (1971).

[61] 4 C.M.A. at 525, 533, 555, 16 C.M.R. at 99, 107, 129 (1954). Judge Latimer would have allowed censorship for "policy and propriety interests of the military." *Id.* at 532. Judge Brosman rejected a prior restraint on policy

and propriety matters. Chief Judge Quinn found that Army Regulation 30–5 did not reach matters of policy and propriety. See note 47 *supra*.

[62] *See prior Restraints in the Military, supra* note 5.

[63] Army Reg. No. 360–5, § 4–2a(2) (Oct. 24, 1975) (emphasis omitted).

[64] *Id.* §§ 3–3, 4–2c.

[65] *Id.* §§ 3–3a(2) (b), 4–2c.

[66] *Id.* § 4–3d.

[67] *Id.* § 4–3e.

[68] Message from Department of the Army to Public Affairs Officers, Clearance of Public Statements (AR 360–5, 24 Oct. 1957) (June 21, 1977).

[69] *See Prior Restraints in the Military, supra* note 5.

[70] 417 U.S. 733 (1974).

[71] 21 C.M.A. 564, 45 C.M.R. 338 (1972).

[72] Schenck v. United States, 249 U.S. 47, 52 (1919).

[73] 341 U.S. 494, 510 (1951).

[74] *See* Imwinkelried & Zillman, *supra* note 5, at 78–79. The courts may give a broad definition to "public." Levy, an officer, made his remarks in rather informal conversations with enlisted men. Probably the implied premise is that there is no such thing as a private bull session between a military officer and enlisted men. Priest's remarks appeared in the underground paper he edited.

[75] M. JANOWITZ, *supra* note 34, at 215–25. Janowitz identifies this as the basic tenet of military professionalism.

[76] "This case is not one of a political discussion between members of the armed forces in the privacy of their rooms or at an enlisted men's or officers' club." United States v. Priest, 21 C.M.A. 564, 571–72, 45 C.M.R. 338, 345–46 (1972).

[77] Kester, *supra* note 5, at 1724–32, cites cases of punishment in World War I and World War II for what was idle barracks gossip.

[78] The Manual is an Executive Order, Exec. Order No. 11476, 3 C.F.R. 802 (1966–1970 Comp.), which expands upon provisions of the statutory Uniform Code of Military Justice (U.C.M.J.), 10 U.S.C. §§ 801–940. While nominally issued by the President the Manual is in fact drafted and revised by military lawyers. The Supreme Court viewed the Manual's definition of disloyal statements as a proper limitation of the broad statutory language of Articles 133 and 134 of the U.C.M.J. 10 U.S.C. §§ 933–34 (1970).

[79] Manual for Courts-Martial (rev. ed., 1869), ¶ 213f(5).

[80] 417 U.S. at 753–54 (1974).

[81] 21 C.M.A. at 570, 45 C.M.R. at 344.

[82] *Id.* The Manual for Courts Martial states the elements necessary to prove a disloyal statements case:

(a) That the accused made the disloyal statement, as alleged; (b) that the accused at the time of making the statement did so with the design alleged; and (c) that, under the circumstances, the conduct of the accused was to the prejudice of good order and discipline in the armed forces or was of a nature to bring discredit upon the armed forces.

Manual for Courts-Martial (rev. ed., 1969), ¶ 213f(5).

[83] Carlson v. Schlesinger, 511 F.2d 1327 (D.C. Cir. 1975). Plaintiffs sought to circulate a petition to Congress opposing American involvement in Vietnam and asking for prompt withdrawal of troops. After being detained by military police for seeking signatures on base without the permission of the base commander, the plaintiffs requested permission. The requests were denied. Plaintiffs brought a civil action to expunge their arrests and to gain a declaration of rights. The Court of Appeals found the military's action a permissible time and manner regulation of first amendment activity. For examples of a more exacting balance in petitioning cases outside a combat zone, see Huff v. Secretary, 413 F. Supp. 863 (D.D.C. 1976), and Glines v. Wade, 401 F. Supp. 127 (N.D. Cal. 1975).

[84] Carlson v. Schlesinger, 511 F.2d 1327, 1332–33 (D.C. Cir. 1975). *See also* Secretary v. Avrech, 418 U.S. 676 (1974) (per curiam).

[85] Culver v. Secretary, 559 F.2d 622 (D.C. Cir. 1977). Plaintiff, an Air Force lawyer, was convicted for his role in a demonstration at the American Embassy in London against the Vietnam War.

[86] Carlson v. Schlesinger, 511 F.2d 1327, 1330, 1333 (D.C. Cir. 1975) (other servicemen objected to petitioners and contacted military police); Dash v. Commanding General, 307 F. Supp. 849, 851 (D.S.C. 1969), *aff'd per curiam*, 429 F.2d 427 (4th Cir. 1970), *cert. denied*, 401 U.S. 981 (1971) (fighting, disobedience of officers, and loss of disciplinary control resulted from speech).

[87] 424 U.S. 828 (1976).

[88] *See* Zillman & Imwinkelried, *Constitutional Rights and Military Necessity: Reflections on the Society Apart*, 51 NOTRE DAME Law. 396, 404–10 (1976).

[89] T. EMERSON, *supra* note 6, at 56.

[90] Department of Defense Directive No. 1325.6. *See also* note 50 *supra*.

[91] Two considerations deserve brief mention. First, uncontrolled public speech might threaten a necessary working relationship between a military officer and his civilian superior. Where professional compatability is truly required, between for example the President and the Chairman of the Joint Chiefs of Staff, control of speech may be required. This was not the situation in the Singlaub or Starry cases. A second factor is the need to avoid the appearance that a member of the service is stating official policy. Clearly, the Defense Department is entitled to take reasonable steps to assure that members of the military do not purport to represent their personal views as official policy. In fact, this issue has been given greater importance than it deserves. Enlisted men and junior officers obviously were not stating government policy in their comments opposing the war in Vietnam. Service regulations detail the methods of disclaiming any statement of official position. Where comments of higher commanders become public, their superiors do not lack the means to correct a misapprehension that the officer speaks for the service. Where, as in the Singlaub article, the officer's dissent to official policy is a key element of the story, good journalistic practice assures that that fact will be prominently noted.

[92] *See* text accompanying notes 45–46 *supra*.

[93] The constitutional background of civilian control is considered in Zillman & Imwinkelreid, *supra* note 24, at 793–94.

[94] Professor Huntington contends that the division of power retards civilian control by allowing the military the benefit of access to both the Executive and Congress. S. HUNTINGTON, THE SOLDIER AND THE STATE, 163–64, 177–90 (1957).

[95] *E.g.*, Duncan v. Kahanamoku, 327 U.S. 304 (1946); Sterling v. Constantin, 287 U.S. 378 (1932); *Ex parte* Milligan, 71 U.S. (4 Wall.) 2 (1867).

[96] 25 U.S. (12 Wheat.) 19, 29 (1827).

[97] 100 U.S. 158, 169 (1880).

[98] 424 U.S. 828, 839 (1976).

[99] *See generally*, A. PERLMUTTER, THE MILITARY IN POLITICS IN MODERN TIMES 115 (1977).

[100] Most probably the threat would come from an incumbent President. More unlikely, a leader of Congress or a presidential candidate might play the dictator's role. In the last days of the Nixon Administration, it is reported that Secretary of Defense Schlesinger took steps to deter a possible illegal use of the armed forces. Washington Post, August 27, 1974, § A, at 4, col. 4. *See also*, L. SMITH, AMERICAN DEMOCRACY AND MILITARY POWER 6–9 (1951).

[101] A. PERLMUTTER, *supra* note 99, at 281. "A stable, sustaining, and institutionalized civilian regime can hardly succumb to military pressure and rule. Nor can the military establishment, the most dependent bureaucracy of the modern nation-state, challenge a well-established political order." *Id. See also* Dickey, *A Personal Statement*, in MILITARY FORCE AND AMERICAN SOCIETY, *supra* note 26, at 21; C. ACKLEY, THE MODERN MILITARY IN AMERICAN SOCIETY 317 (1972).

[102] SMITH, *supra* note 100, at 49 (President Lincoln's correspondence with General Hooker).

[103] M. JANOWITZ, *supra* note 34, at 138–45.

[104] Military officer training since World War II has emphasized the multi-dimensional leader. S. HUNTINGTON, *supra* note 94, at 351–52.

[105] U.S. CONST., art. I, § 6; 10 U.S.C. § 973(b) (1970); Department of Defense Directive 1344.10 (Encl. 1, 23 Sept. 1969).

[106] S. HUNTINGTON, *supra* note 94, at 160. General MacArthur may be the most prominent example. One year after his controversial dismissal, he finished far out of the running for the Republican Presidential nomination.

[107] In the first ninety years under the Constitution, Washington, Jackson, William Henry Harrison, Taylor, and Grant reached the Presidency from major military command.

[108] *See* Zilman & Imwinkelried, *supra* note 24, at 796.

[109] Department of Defense Directive 1334.10 (Encl. 1, Sept. 23, 1969) and Army Regulation No. 600–20, ¶¶ 5–28, –29 and Appendix A (28 April 1971) detail the prohibitions on partisan political activity. In general, an active duty service-member may vote and express personal views, but may not run for office or serve in the campaign of another.

[110] S. Huntington, *supra* note 94, at 357–416; M. Janowitz, *supra* note 34, at 8–13, 348–372; C. Longley, Politics in the Pentagon: A Study of Contemporary Civil-Military Relations (1969) (unpublished doctoral dissertation in University of North Carolina library); Dickey, *supra* note 101.

[111] C. Mills, The Power Elite, 171–224 (1956).

[112] D. Eisenhower, Public Papers of the Presidents 1960–61, at 1035–40.

[113] New York Times, May 27, 1977, § A at 10, col. 4–5.

[114] 391 U.S. 563 (1968).

[115] *Id.* at 574. Later cases emphasized that an untenured employee who could be discharged without a statement of reasons could not be discharged for a permissible exercise of first amendment rights. Mt. Healthy City School District 1. Doyle, 97 S. Ct. 568 (1977); Perry v. Sinderman, 408 U.S. 593 (1972).

[116] 391 U.S. at 569.

[117] *Id* at 568.

[118] Miller, *Teachers' Freedom of Expression Within the Classroom: A Search for Standards*, 8 Ga. L. Rev. 837 (1974). *See, e.g.* Rosen-Bloom & Gilie. *The Current Constitutional Approach to Public Employment*, 23 Kan. L. Rev. 249, 260 (1975); Van Alstyne, *The Constitutional Rights of Teachers and Professors*, 1970 Duke L. J. 841.

[119] This catalog of variables recalls Justice Blackmun's twelve factor test for military criminal jurisdiction over a serviceman. Relford v. Commandant, 401 U.S. 355, 365 (1971). Lower courts have been playing the numbers game ever since.

[120] Pickering v. Board of Educ. 391 U.S. 563, 570–71 (1968); Bernasconi v. Tempe Elementary School Dist. No. 3, 548 F.2d 857, 862 (9th Cir. 1977); Rosenman v. Indiana Univ., 520 F.2d 1364 (3d Cir. 1975), *cert. denied*, 424 U.S. 921 (1976); Gray v. Union County Intermediate Educ. Dist., 520 F.2d 803 (9th Cir. 1975); Whitsel v. Southeast Local School Dist., 484 F.2d 1222 (6th Cir. 1973).

[121] 391 U.S. 563, 570 (1968). *See* Phillips v. Probation Dep't, 491 F.2d 951 (9th Cir. 1974).

[122] 391 U.S. 563, 574–75 (1968. *See* Ruderer v. United States, 412 F.2d 1285 (Ct. Cl. 1969).

[123] 391 U.S. 563, 570 n.3 (1968). *See* Meehan v. Macy, 425 F.2d 472 (D.C. Cir. 1969) (per curiam). *See also*, United States v. Marchetti, 466 F.2d. 1309 (4th Cir. 1972).

[124] 391 U.S. 563, 570 n.3 (1968). *See* Roseman v. Indiana Univ., 520 F.2d 1364 (3d Cir. 1975), *cert. denied*, 424 U.S. 921 (1976).

[125] 391 U.S. 563, 570–73 (1967), *See* Roseman v. Indiana Univ., 520 F.2d 1364 (3d Cir. 1975), *cert. denied*, 424 U.S. 921 (1976); Jannetta v. Cole 493 F.2d 1334 (4th Cir. 1974) (protection of speech despite no public issue); Clark v. Holmes 474 F.2d 928 (7th Cir. 1972), *cert denied*, 411 U.S. 972 (1973).

[126] 391 U.S. 563, 570–71 (1968).

[127] *Id.* at 572 n.4.

[128] *Id.*

[129] *Id.* at 471; Smith v. United States, 502 F.2d 512 (5th Cir. 1974); Phillips v. Probation Dep't 491 F.2d 951 (9th Cir. 1974); Goldwasser v. Brown, 417 F.2d 1169 (D.C. Cir. 1969).

[130] 391 U.S. 563, 573 n.5. (1968).

[131] *Id.* at 574. See Kiiskila v. Nichols, 433 F.2d 745 (7th Cir. 1970).

[132] 391 U.S. 563, 574 (1968). The Court's reference to Pickering's desire to be treated as a "member of the general public" is questionable. Pickering's letter identifies himself as a teacher at the school, speaks knowledgeably of internal school issues, and concludes that he could not sign the letter as a teacher because the administration had taken away that freedom.

[133] The *Pickering* Court appears to reject the critical tone of a statement as a justifiable reason for suppression. *Id.* at 570. Lower courts, however, have cited the tone of comments or their frequency as grounds for employee sanction. Gray v. Union County Intermediate Educ. Dist., 520 F. 2d 803 (9th Cir. 1975); Chitwood v. Feaster, 468 F. 359 (4th Cir. 1972). Temperate presentation of views may support a first amendment claim. Bernasconi v. Tempe Elementary Dist No. 3, 548 F. 2d 857 (9th Cir. 1977). The lower courts may believe that the intemperate comment is more likely to disrupt relationships, or that such a comment may suggest non-public issues are really at stake, and may even indicate overal employee unfitness. As a general rule, however, such an idea is well discredited. Cohen v. California, 403 U.S. 15 (1971); New York Times v. Sullivan, 376 U.S. 254, 270 (1964) ("debate on public issues should be uninhibited, robust and . . . may well include vehement, caustic, and some times unpleasantly sharp attacks on government and public officials").

[134] Smith v. United States, 502 F. 2d 512 (5th Cir. 1974) (Veterans hospital); Jannetta v. Cole, 493 F. 2d 1334 (4th Cir. 1974) (fire station); Kiiskila v. Nichols, 433 F. 2d 745 (7th Cir 1970) (military post); Muller v. Conlisk, 429 F. 2d 901 (7th Cir 1970) (police); Meehan v. Macy, 425 F. 2d 472 (D.C. Cir. 1969) (police during Canal Zone riots); Goldwasser v. Brown, 417 F.2d 1169 (D.C. Cir. 1969) (military school for foreign officers).

[135] Muller v. Conlisk, 429 F.2d 901, 904 (4th Cir. 1970). *But see* Meehan v. Macy, 425 F.2d 472 (D.C. Cir. 1969) (Tamm, J., dissenting) In dissent, Judge Tamm stated that: "To ascribe to the Supreme Court any intent that *Pickering* be applied to foreign policy matters or to problems touching upon national security is nothing short of incredible." *Id.*

[136] 417 F.2d 1169 (D.C. Cir 1969).

[137] *Id.* at 1177.

[138] An Air Force officer's claim of academic freedom fared no better in Moore v. Schlesinger, 384 F. Supp. 163 (D. Colo. 1974).

[139] 433 F.2d 745 (7th Cir. 1970).

[140] *Id.* at 748–49.

[141] Kiiskila later sued unsuccessfully for damages for the deprivation of her first amendment rights. Kiiskila v. United States, 466 F.2d 626 (7th Cir. 1972).

[142] T. EMERSON, *supra* note 6, 567–81.

[143] 391 U.S. at 573.

[144] 416 U.S. 134 (1974. Kennedy was discharged from the federal civil service for allegedly making intemperate and false comments about fellow employees. A divided Supreme Court held that the statutory standard (removal "for such cause as will promote the efficiency of the service") was not unconstitutionally vague and that a full evidentiary hearing after discharge satisfied procedural fairness requirements. The plurality opinion cited *Pickering* for the proposition that *some* speech related discharges do not offend the first amendment. The plurality further opined that the charges against Kennedy were sufficient to allow discharge without violation of the first amendment. The plurality provided little further guidance regarding use of the *Pickering* factors.

[145] *Id.* at 205–06 (Douglas, J., dissenting).

[146] Glasson v. Louisville, 518 F.2d 899 (6th Cir. 1975); Goodling v. Wilson, 405 U.S. 518 (1972); Terminiello v. Chicago, 337 U.S. 1 (1949).

[147] 391 U.S. 563, 572 (1968). *See* Note, *Government Employee Disclosures of Agency Wrongdoing: Protecting the Right to Blow the Whistle*, 42 U. CHI L. REV. 530 (1975).

[148] Washington Post, May 19, 1977, § A, at 1, col. 6.

[149] The standard might apply if General Singlaub had knowingly or recklessly misrepresented the intelligence data on which he based his opinions as to the likelihood of a North Korean invasion. The "known falsity or reckless disregard" test is borrowed from constitutional defamation law. New York Times Co. v. Sullivan, 376 U.S. 254 (1964). While the Supreme Court has stated there can be no false opinion, Gertz v. Robert Welch, Inc., 418 U.S. 323, 339–40 (1974), it is uncertain what standard would apply to fact-opinion statements.

[150] "Singlaub . . . said he is deeply concerned that decision-makers may be working from outdated intelligence that substantially underestimates current North Korean strength." Washington Post, May 19, 1977, § A, at 14, col. 1.

[151] *See* note 20, *supra*.

[152] *See* D. EISENHOWER, AT EASE: STORIES I TELL TO FRIENDS 173 (1967).

[153] *See* Vagts, *supra* note 5, at 210–11; Zillman & Imwinkelried, *supra* note 24. *See generally*, United States Civil Serv. Comm'n v. Letter Carriers, 413 U.S. 548 (1973); United Pub. Workers v. Mitchell, 330 U.S. 75 (1947).

[154] Vagts, *supra* note 5, at 215.

[155] Current military realities make the contemporary equivalent of General MacArthur impossible. MacArthur had been in singificant military leadership positions for over twenty yeras at the time of his dismissal by President Truman. He was one of the prominent field commanders in what may have been the last total war between superpowers. He was, in 1951, a public figure with stature approaching the President's. No contemporary military commander is remotely comparable. The evolution from heroic leader to military manager discussed by Morris Janowitz in 1960 has been completed. M. JANOWITZ, *supra* note 34, at 21.

Mr. GOLDWATER. I yield the floor.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining time under the order be vitiated, and that there be a period for the transaction of routine morning business not to extend beyond 10 minutes, with statements limited therein to 2 minutes each.

The ACTING PRESIDENT pro tempore. Is there objection? The chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time designated for routine morning business under the previous order having expired, morning business is closed.

LABOR LAW REFORM ACT OF 1978

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business (H.R. 8410), which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 8410) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent that neither this speech nor any other speech I make on the floor of the Senate during this legislative day will be considered as constituting a second speech under the rules.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. HATCH. I also ask unanimous consent that I be permitted to vary from the germaneness rule during the first 3-hour period, in order to make some remarks concerning Senator ALLEN.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DECONCINI. Mr. President, I reserve the right to object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. HATCH. Let me withdraw that request, Mr. President.

The ACTING PRESIDENT pro tempore. The withdrawal is noted.

Mr. HATCH. Mr. President, in an editorial dated March 15, 1978, the Washington Post noted that most of the provisions of the Labor Reform Act of 1978 are "aimed at making it easier for unions to organize new units," and suggested, quite appropriately, that the act should be labeled the "Union Organizing Act of 1978." The Post pinpointed the basic problem permeating the Labor Reform Act when it said that Members of Congress had "lost sight of the need to

change the law so that it better protects the rights of workers." As the Post so cogently expressed it:

This bill does improve the protection of some of those rights against abuses by management, but it does nothing to protect them from labor unions. And one kind of abuse is about as common as the other these days. The main focus of this legislation is on the rights of unions—as unions, not as representatives of workers.

As S. 2467 would preserve the existing law governing union fines, an examination of the judicial treatment of cases involving employees subjected to fines by labor unions illustrates how the benefits of the labor law "reform" legislation would run primarily to unions.

In 1935, Congress enacted the National Labor Relations Act (Wagner Act) in order to protect employees who want to join or assist labor unions. During the 12 years that followed, unions grew significantly in both size and power. As a result, in 1974, in order to curtail some of the ways in which unions were exercising their power, Congress again passed legislation in the field of labor law. It amended the Wagner Act by passing the Labor Management Relations Act (Taft-Hartley Act) which, among other things, restricts union conduct by defining union unfair labor practices.

In drafting the Taft-Hartley Act, Congress had to balance, on the one hand, the maintenance of employee freedom which lies at the heart of industrial democracy, and on the other hand, the right of a labor union to discipline its members so it can function effectively. Congress attempted to guarantee employee freedom by amending section 7 of the Wagner Act.

Section 7 states:

Employees shall base the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any and all such activities except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in Section 8(a)(3).

At the same time, Congress limited the power of a union to discipline its members by enacting section 8(b)(1)(A) which states:

It shall be an unfair labor practice for a labor organization or its agents (1) to restrain or coerce (A) employees in the exercise of the rights guaranteed in section 7: *Provided*, That this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein.

Section 7, which previously gave employees only the right to self-organize, to form, join, or assist labor unions, was amended also to give employees "the right to refrain from any or all such activities" except under certain collective bargaining contracts.

Section 8(b)(1)(A) limits the action a union may take against a member by making it an unfair labor practice to restrain or coerce an employee in the exercise of his section 7 rights. At the same time, the proviso in section 8(b)(1)(A) makes it clear that the union may adopt internal rules on membership requirements.

Professor Cox, upon examining section 8(b)(1), in his article "Some Aspects of the Labor Management Relations Act of 1947" in 61 Harv. L. Rev. 1, 33 (1947) made the following prediction:

The scope and variety of the . . . problems suggest that Section 8(b)(1) may plunge the [National Labor Relations] Board into a dismal swamp of uncertainty. . . . A long period of uncertainty and heavy volume of litigation will be necessary before the questions of interpretation can be resolved.

This prediction has proved to be accurate. Beginning in 1967, the Supreme Court has had to decide a series of cases dealing with union discipline and the meaning of sections 7 and 8(b)(1)(A) of the National Labor Relations Act. These decisions have answered some of the questions raised by these sections, and given some guidance on how future cases should be decided. An examination of these cases will reveal, however, that some questions of union discipline are still unresolved. Those ambiguities leave much leeway for union abuse, and must be resolved by the Labor Reform Act of 1978.

In 1967, the Supreme Court decided *NLRB* v. *Allis-Chalmers Manufacturing Co.*, 388 U.S. 175, 65 LRRM 2449 (1967). This case posed the question of whether judicial enforcement of a reasonable fine against a full member of a union for crossing a properly authorized picket line to return to work during a strike is an unfair labor practice under section 8(b)(1)(A). Does the fine represent an improper restraint on the rights of the members under section 7 or does it represent a legitimate control device for the union?

The facts of the case have been concisely summarized by Justice Brennan at page 177:

Employees at the West Allis, and La Crosse, Wisconsin, plants of respondent Allis-Chalmers Manufacturing Company were represented by locals of the United Automobile Workers. Lawful economic strikes were conducted at both plants in support of new contract demands. In compliance with the UAW constitution, the strikes were called with the approval of the International Union after at least two-thirds of the members of each local voted by secret ballot to strike. Some members of each local crossed the picket lines and worked during the strikes. After the strikes were over, the locals brought proceedings against these members charging them with violation of the International constitution and by-laws. The charges were heard by local trial committees in proceedings at which the charged members were represented by counsel. No claim of unfairness in the proceedings is made. The trials resulted in each charged member being found guilty of "conduct unbecoming a Union member" and being fined in a sum from $20 to $100. Some of the fined members did not pay the fines and one of the locals obtained a judgment in the amount of the fine against one of its members, Benjamin Natzke, in a test suit brought in the Milwaukee County Court.

Using these facts, Allis-Chalmers filed a charge with the Board alleging that the union was violating section 8(b)(1)(A). The trial examiner recommended that the complaint be dismissed, and the Board in Local 248, UAW, 149 NLRB 67, 57 LRRM 1242 (1964), relying on the proviso in section 8(b)(1)(A), agreed. A panel of the Seventh Circuit Court of Appeals also agreed, but on rehearing, that court, at 358 F.2d 656, 61 LRRM 2498 (7th Cir. 1966), sitting en banc, reversed and remanded the decision to the Board. The Supreme Court then sustained the Board's original action in a 5-to-4 decision that required a separate, concurring opinion to establish the majority.

Justice Brennan, joined by three other Justices, wrote the majority opinion. Justice White provided the fifth vote needed for dismissal of the complaint but indicated at page 199, that he was "doubtful about the implications of some of the decision's generalized statements." Justice Brennan decided that, based on the act's legislative history and on policy considerations, a union may impose a reasonable fine on members for crossing a picket line.

The Court found, absent a showing to the contrary, that the members fined had full union membership. As a result, it concluded at page 197:

Whether an unfair labor practice would be found if the locals had imposed fines on members whose membership was in fact limited to the obligation of paying monthly dues is a question not before us and upon which we intimate no view.

The Court did not consider the effect of the size of the fines.

The majority concluded the effect if the fine itself is legitimate, then there is no question of its enforceability in court. Since the relationship between a member and the union is viewed as contractual, the contractual obligations are enforceable in court.

Having held that the fine was not restraint or coercion and was enforceable in court, Justice Brennan did not need to use the proviso in section 8(b)(1)(A), as the Board had, to justify his holding. He did, however, indicate at page 182 that we felt it lent cogent support to his conclusions.

Justice White, in his concurring opinion, said that he found the majority opinion more persuasive than the minority and therefore joined it. He opined at page 198 that future cases would have to be decided on a case-by-case basis since,

. . . [not] every conceivable internal union rule which impinges upon the § 7 rights of union members is valid and enforceable by expulsion and court action.

Justice Black wrote a strong dissenting opinion and was joined by Justices Douglas, Harlan, and Stewart. They found, at page 201 that the words "restrain or coerce" are clear, not vague. Even if they were not so, Justice Black found support in the legislative history for his view of this literal interpretation.

Justice Black quoted Senator Taft's remarks at 93 Cong. Rec. 4436, II Leg. Hist. 1207 on the effect of section 8(b)(1)(A).

I can see nothing in the pending measure which . . . would in some way outlaw strikes. It would outlaw threats against employees. It would not outlaw anybody striking who wanted to strike. It would not prevent anyone using the strike in a legitimate way. . . .

All it would do would be to outlaw such restraint and coercion as would prevent people from going to work if they wished to go to work.

Justice Black also pointed out, at page 204, that the proviso cannot justify the Court's holding, since, as the Court recognized, a fine may be more coercive than expulsion.

The minority then proceeded to criticize other parts of the Court's opinion. Justice Black emphasized at pages 207–208 that the contract theory is legal fiction: Under traditional contract law, the fine would be unenforceable.

Finally, Justice Black pointed out that the implied dichotomy between full union members and those who simply pay dues is often useless. The average employee will not be aware that he has a choice nor will he be aware of the consequences of his choice. An examination reveals that there is relatively little history extant on this section. One must conclude, however, that the legislative history, scant as it is, offers more support to Justice Brennan's position than to Justice Black's.

Setting aside for a moment the question of court enforcement of fines, the proviso in section 8(b)(1)(A) justifies fines enforceable by expulsion. Under the proviso, expulsion is an acceptable means of discipline. If a fine were enforceable only by expulsion, the member would be able to determine for himself which punishment was more coercive. He would never be subject to discipline harsher than expulsion—a permissible punishment. Apparently both the legislative history and the proviso indicate that section 8(b)(1)(A) should not be interpreted as prohibiting a union from fining its members.

Although the Court appears justified in holding the fines proper, the minority persuasively concluded that Court enforcement should not be allowed. The Court's reliance on the contract theory seems to be improper because a contract has never been shown to exist.

As the minority pointed out, at page 207, note 6, quoting Professor Summers, the majority's own expert:

> The contract of membership is . . . a legal fabrication. . . . What are the terms of the contract? The constitutional provisions, particularly those governing discipline, are so notoriously vague that they fall far short of the certainty ordinarily required of a contract. The member has no choice as to terms but is compelled to adhere to the inflexible ones presented. Even then, the union is not bound, for it retains the unlimited power to amend any term at any time. . . . In short, membership is a special relationship. It is as far removed from the main channel of contract law as the relationships created by marriage. . . .

In order to make a contract, both parties must intend to make one or act in a way that indicates they intend to be bound, or in a way to lead a court to decide they are "deemed to be bound."

Also, a contract must consist of definite terms. In Allis-Chalmers, the members were charged with "conduct unbecoming a union member." Such a phrase may be considered too indefinite to be enforceable as a contract term. As Professor Summers noted in Legal Limitations on Union Discipline, 64 Harv. L. Rev. 1049, 1055 (1951) many union constitutions contain disciplinary provisions so vague as to fall short of the certainty ordinarily required in a contract. For example, the Constitution of the International Ladies' Garment Workers' Union, article 20, paragraph 1(i) and (1) (1971) provides:

> Section 1. Discipline of members.
>
> A member may be censured, fined, suspended, expelled or otherwise disciplined . . .
>
> (i) for any action or conduct detrimental to the interests of the I.L.G.W.U. or a subordinate organization; . . .

The Constitution and By-Laws, Amalgamated Clothing Workers of America, Art. XI, § 1(b) (1974) provides:

> (b) Any member shall be subject to discipline who is found guilty, after notice of and opportunity for hearing upon charges, of violating any provision of this Constitution and By-Laws or a decision of the General Executive Board, or of the local union or joint board, or dishonesty, misconduct, denial of the privileges of membership to any other member or conduct detrimental to the welfare of the Amalgamated.

Voluntary consent is needed to form a contract. An employee who joins because the union has negotiated a union shop contract may believe he must join the union in order to retain his job. Members acting under such belief are not giving their voluntary consent to join.

Traditionally, courts have used the contract theory to strike down union discipline. It has not been used to enforce union fines.

For example, the courts in *Retail Clerks Local 629* v. *Christiansen*, 67 Wash. 2d 29, 60 L.R.R.M. 2389 (1965 and *United Glass Workers' Local 188* v. *Seitz*, 65 Wash. 2d 640, 58 L.R.R.M. 2543 (1965), refused to enforce union fines unless such fines were specifically provided for in the union's constitution or bylaws. The first case to use a contract theory to hold a fine enforceable in court without such a contract clause was decided in 1958. Given the contract theory background and the unions' traditional distrust of the courts, Congress probably did not even seriously consider the possibility of fines being enforced in court. Since the contract theory is not valid, the congressional purpose in passing the Taft-Hartley Act must be considered to ascertain whether the fines should be enforceable in court. The congressional purpose was to allow the individual a choice, and since Congress did forbid other external means of enforcement, it seems reasonable to conclude that Congress did not intend union fines to be court-enforceable. Unfortunately, unless the court reconsiders the issue or unless Congress clarifies the law, the unions now have the right to seek court enforcement of their fines.

In 1969, another case concerning union discipline reached the Supreme Court. In *Scofield* v. *NLRB*, 394 U.S. 423, 70 LRRM 3105 (1969), the court was called upon to decide whether a union could legitimately impose fines on members for violating a union rule concerning production and pay ceilings. Does a member have the right to earn as much as he can by his efforts, or may a union limit the amount a member may earn per day in order to serve legitimate union goals?

The facts of the case are as follows. The petitioners were members of the UAW and were employed by the Wisconsin Motor Corp. They were paid on a piecework basis. The union, since 1938, had set a ceiling on the wages a member could earn each day by exceeding the machine rate. If a member's daily piecework earnings exceeded the ceiling, the excess was "banked" by the company for a time when the member did not exceed the ceiling. Since 1944, a member who violated the rule had been subject to fines and expulsion. The fine for each offense was $1, but repeat offenders could be fined up to $100 for "conduct unbecoming a union member." The union and employer had bargained over the ceiling level, but the contract did not forbid the employer from paying employees for work performed which exceeded that level. In 1961, the petitioners, among other union members, were found to have demanded and received immediate payment for work beyond the ceiling. They were fined $50 to $100 and suspended from the union. When the petitioners refused to pay the fines, the union brought an action in State court for their collection. The petitioners then filed a charge with the Board alleging a violation of section 8(b)(1)(A). In *Local 283, UAW (Wisconsin Motor Corp.)*, 145 N.L.R.B. 1097, 55 L.R.R.M. 1085 (1964), the Board, in a split decision, found no unfair labor practice and dismissed the complaint. In *Scofield* v. *NLRB*, 393 F.2d 49, 67 L.R.R.M. 2673 (7th Cir. 1968), the seventh circuit affirmed the Board's decision.

When the case reached the Supreme Court, the decision of the Board and the seventh circuit was affirmed in a 7-to-7 decision. Justice White, who was the swing vote in Allis-Chalmers, delivered the majority opinion this time. Citing his dissent in Allis-Chalmers, Justice Black was the lone dissenter.

The Court held that the rule restricting daily earnings was one that served legitimate union interests and was not contrary to any public policy. As such, it was valid and could be enforced against members by court-enforceable fines. The Court said at 394 U.S. 430:

> . . . § 8(b)(1) leaves a union free to enforce a properly adopted rule which reflects a legitimate union interest, impairs no policy Congress has imbedded in the labor laws, and is reasonably enforced against union members who are free to leave the union and escape the rule.

This is apparently the approach to be used in the future to ascertain the propriety of the union discipline.

In Scofield, the Court found that the rule reflected a legitimate union interest. It quoted the trial examiner who said that such unity of action was "manifestly a matter of affecting the interest of the group * * *" and was important to its collective bargaining strength. The Court noted that production ceilings have long been recognized as legitimate union goals for the purpose of mitigating possible adverse consequences of unlimited piecework pay systems.

The petitioners asserted that the union action here contravened various statutory policies. The Court ruled, however, that the union regulation did not impede any statutory policy and therefore affirmed the seventh circuit's decision.

Once again, the Court did not fully explore the major problems with these fines—court enforcement.

REASONABLENESS OF FINES

Both in Allis-Chalmers and in Scofield, the Supreme Court pointed out that the fines imposed were reasonable in amount. The Court did not address the issue of whether the size of a fine could constitute a violation of section 8(b)(1)(A). This issue was brought before the Court in *NLRB* v. *Boeing Co.*, 412 U.S. 67, 83 L.R.R.M. 2183 (1973). The union fined strikebreaking members $450 each, and the company filed an unfair labor practice charge based on the size of the fines. The Board found that the fines did not violate the act, but in *Booster Lodge No. 405, IAM* v. *NLRB*, 459 F. 2d 1148, 79 L.R.R.M. 2443 (D.C. Cir. 1972), the District of Columbia Circuit Court reversed and remanded the case to the Board. The case was then appealed to the Supreme Court.

Justice Rehnquist, joined by five other Justices, delievered the majority opinion. The Court held that the Board should not examine the reasonableness of the fines. Such questions should be settled in State courts.

The Court first noted that whatever it said in Allis-Chalmers and Scofield concerning a requirement of reasonableness was simply dictum. To the extent that it said fines must be reasonable, the Court rejected that dictum.

The Court found that the amount of a fine which is otherwise enforceable is a matter of contract between the member and the union and stated at page 74 that—

> [I]ssues as to the reasonableness or unreasonableness of such fines must be decided upon the basis of the law of contracts, voluntary associations, or such other principles of law as may be applied in a forum competent to adjudicate the issue. Under our holding, state courts will be wholly free to apply State law to such issues at the suit of either the union or the member fined.

The Court rejected the arguments of the circuit court and the dissenters for having the Board determine reasonableness. It concluded that the Board's expertise is not required and that a need for consistent decisions does not dictate a contrary result.

The Court noted that it did not believe its opinion would result in any undue hardships for members. It pointed out, at page 76, as it had in Allis-Chalmers, that—

> . . . State courts, in reviewing the imposition of union discipline, find ways to strike down "discipline [which] involves a severe hardship."

The Court went on to state that in reviewing State court cases both before and after Allis-Chalmers and Scofield, it found that State courts "are quite willing to determine whether disciplinary fines are reasonable in amount." The Court then gave examples, in a footnote, of State cases holding fines reasonable or unreasonable.

Three Justices dissented. Justice Douglas, Justice Burger, and Justice Blackmun, found the need for Board expertise in this area. Chief Justice Burger stated at 83 L.R.R.M. 2187:

> A union must, of course, have some disciplinary powers or it would disintegrate. However, the power to discipline can easily turn from a means of enforcing valid rules to an oppressive and coercive device of retribution, a weapon which, when used to extremes, may deprive a working man of his very means of sustenance. Whether a particular fine is required in a particular situation involves a weighing of the delicate balance of relations between the employers, employees and union involved. Such an intimate knowledge of labor relations has consistently been ascribed to the Board, often by the unions. It is the Board that deals with such matters on a daily basis. It is the Board that has the jurisdiction and experience to devise and employ national standards to govern union conduct; there are valid reasons for essential uniformity and consistency in the matters of fines. To isolate this sensitive subject and thrust it on the State courts is contrary to the entire history of the Federal labor statutes and opens the door to a wide disparity of fines for the same conduct in different States.

Justice Douglas, joined in by Justice Blackmun, elaborated of the unfair labor practice involved in this case and the inappropriateness of allowing State courts to determine reasonableness:

> The unfair labor practice under § 8(B)(1)(A) is the action of a union "to restrain or coerce" an employee from the "right to refrain from" assisting a union as that right is defined in § 7. In *Scofield* v. *NLRB*, 394 U.S. 423, 70 LRRM 3105, we upheld a union rule and concluded "that its enforcement by *reasonable* fines does not constitute the restraint or coercision proscribed by § 8(B)(1)(A)." The imposition of a nominal fine of $1 might suit the circumstances of a case, where a $1,000 fine would be monstrous. A nominal fine might be justified where, as here, the employees had no warning that they would or could be fined for working behind a picket line. A fine where the only sanction would be temporary suspension from the union might be "reasonable," yet unreasonable if it was court-enforceable, meaning, as it does here, that attorney's fees, costs, and interest may be added. A member who must pay the union's attorney as well as his own if he challenges the reasonableness of a fine in a state court and loses, may well be suffering an unconscionable penalty. Moreover, the fine may be imposed by a union which believed as did the present union that the member had no "right" to resign, though *Labor Board v. Granite State Joint Board*, 409 U.S. 213, 81 LRRM 2853, held to the contrary. The present fines seem to be swollen by that predilection of the union. The present fines also exceed the earnings of the workers during the strike period. By what standard can that possibly be justified? As member McCulloch of the Board, dissenting, said, the excess of the fines over the wages collected during this period is in actual effect an assessment after the strike is over. If after the strike the union caused Boeing to suspend a member without pay after the strike because he had worked during the strike, there could be no question but that the union violated § 8(B)(1)(A). Yet the assessment of fines greater than the wages earned during the strike has precisely that effect. Thus, in assessing an unreasonable fine the union, in my view, goes beyond the permissible bounds of regulating its internal affairs.

Justice Douglas continued:

> It is no answer to say that the reasonableness of a fine may be tested in a state-court suit. That envisages a rich and powerful union suing a rich and powerful employee. Employees, however, are often at the bottom of the totem pole, indigent and unworldly when it comes to litigation. Such a suit is likely to be no contest. The Board procedures, on the other hand, may be readily available. If an employee files a charge with any merit, the Regional Director will issue a complaint. Thereafter, the General Counsel represents the employee, and the agency bears any cost of prosecuting the claim.
>
> But my difficulty with the Court's decision is even greater. State judges, though honest and competent, have no expertise in labor-management relations. The Board does have that expertise and can evolve guidelines based on its broad experience. It is said that Congress has provided the Board with no guidelines for passing on the "reasonableness" of union-imposed fines. But the Board through case-by-case treatment has been developing an administrative common law concerning "unfair" practices of employers and unions alike. We have said on other occasions that the "experience and common sense" which are facets of the expertise of the Board, *Labor Board* v. *Radio & Television Broadcast Engineers Union*, 364 U.S. 573, 582–583, 47 LRRM 2332, are adequate for the difficult and delicate responsibilities which Congress has entrusted to it, subject of course to judicial review. A fine discretely related to a legitimate union need and reflecting principled motivations under the law is one thing. A fine that reflects the raw power exercised by a union in its hunger for all-pervasive authority over members is quite another problem. The Labor Board, which knows the nuances of this problem better than any other tribunal, is the keeper of the conscience under the Act. It and it alone has primary responsibility to police unions, as well as employers, in protection of the rights of workers. In my view it cannot properly perform its duties under § 8(b)(1)(A) unless it determines whether the nature and amount of the fine levied by a union constitute an unfair labor practice.

After Boeing it is clear that individual employees have no real protection from the imposition of unreasonable union fines. Thus, if Congress truly wants a labor law protecting employees' rights, it must expressly provide that imposition of unreasonable fines constitutes an unfair labor practice. Otherwise, the Supreme Court's decision in Boeing will continue to control.

MEMBERSHIP FOR DISCIPLINARY PURPOSES

NLRB v. *Granite State Joint Board, Textile Workers, Local 1029*, 409 U.S. 213, 81 L.R.R.M. 2853 (1972) held that a union may take direct disciplinary action only against its members. But a union can, in many circumstances, interfere with the job rights of nonmembers by requesting the employer to impose discipline for improper work-related conduct. However, if a former member violates union rules after he resigns, the union may expel him, *Pattern Markers' Ass'n (Lietzau Patterns Co.)* 199 N.L.R.B. No. 14, 81 L.R.R.M. 1177 (1972), or impose a fine upon him if it is enforceable only by expulsion, *Local 1255, IAM* v. *NLRB*, 456 F. 2d 1214, 79 L.R.R.M. 2787 (5th Cir. 1972). Since the employee is not in the union, the expulsion is not deemed to be discipline. The proviso in section 8(b)(1)(A) is viewed as project-

ing the union's right to expel a member or deny readmission to an ex-member for not paying a fine.

Exactly what constitutes membership, however, is not clear. In Allis-Chalmers, the Supreme Court asserted that the employees were full members of the union. It did not consider the resulting decision had they not been members. This raises two interesting questions. First, at what point does a nonmember become a member? Second, is this distinction meaningful to the employees who are faced with choosing between membership and nonmembership?

If there is no requirement in the collective bargaining agreement that at employee is a member of the union, then if he is paying dues, it is reasonable to assume that he is voluntarily a full member. The problem occurs when an employee is required by the collective bargaining agreement to pay an initiation fee and monthly dues. He may be required to pay them even if he is not a member of the union. Since the union, as the exclusive bargaining agent of the employees, must bargain for all the members of the bargaining unit, both union members and nonmembers, Congress has allowed the unions to bargain for a requirement that all employees pay initiation fees and dues except where State law specifies otherwise. The rationale therein is to prevent nonmembers from receiving free benefits of the union in contract negotiations. The problem, then, is how to determine whether an employee who pays only these required fees is a member of the union.

In general, an employee who only pays his required initiation fee and dues is not considered a full member. In order to retain the status of nonmember in a situation where he is paying dues, a person must carefully refrain from any act which exceeds the minimum legal obligation. If he does exceed the minimum by taking the union oath, for instance, he may be deemed to have indicated an intention to become a full member. Since it was held in *Radio Officers Union* v. *NLRB*, 347 U.S. 17, 33 L.R.R.M. 2417 (1954) that a union may require only these minimum payments from an employee, then the union may not require him to do anything else, including to follow its rules. Under a contract theory, a requirement to follow union rules would clearly be unenforceable since a "contract" was not entered into voluntarily. The general counsel and assistant general counsel of the UAW, the union involved in both Allis-Chalmers and Scofield, have written an article, "Union Democracy and Union Discipline," N.Y.U. 23d Conf. on Lab. 207 (1970), in which they stated at page 210:

> Obviously, an employee who tenders dues to a union merely to satisfy a contractual requirement, as in Union Starch & Refining Co. v. NLRB, does not enjoy all of the provisions of full union membership, nor does he submit to union rules, regulations, or discipline.

Having met his legal obligation, he should not suddenly find himself subject to union discipline.

At the other end of the spectrum is the employee who has met his financial obligations, taken a membership oath, participated in union activities, received union benefits, and represented himself as a union member. Such an employee obviously should be considered a member and subject therefore to legitimate union discipline.

In between these two extremes, exists a wide variety of positions which an employee may occupy. The action necessary to alter an employee's from nonmember to member is unclear. The Supreme Court has offered little guidance. In Allis-Chalmers, where the Court found the employees full members, it noted that: Employees had taken the oath of full membership; two employees had participated in meetings where strike votes were taken, and no proof was offered to contradict this evidence of membership. The Court, however, neither specified which of these elements supported a finding for full membership, nor clarified whether the union or the employee had the burden of proving full membership. Therefore, if an employee participates in union activities or receives union benefits, he risks being considered a union member.

The problem of distinguishing a union member from a nonmember raises the question: How meaningful is the member-nonmember distinction to the average worker? Does he realize that he has a choice? Does he realize the rights that he relinquishes when he becomes a member? Is his choice an informed and reasoned one, or is it uninformed and the product of peer pressure? Since the cost of being a member is the same (or sometimes less than) the cost of being a nonmember, and since members can receive certain benefits such as pension and death benefits, an employee may become a member for membership advantages without ever knowing its disadvantages or even the possibility of free choice.

In "Limitations Upon and Directions of a Union's Right to Discipline Its Members," (N.Y.U 25th Conf. of Lab. 191, 199 (1972)), the author suggested that the union assume the burden of full disclosure to the employee before he makes his decision:

> In an era when the courts and the legislatures are increasingly aware of the fact that the consumer buying corn flakes in the grocery store can not adequately protect himself against deceptive practices, and that the borrower trying to finance his automobile can not bargain independently with the lender, and that the investor must have an agency and a detailed set of regulations to insure his protection against financiers, it is scarcely radical to suggest that a working man has the right to insist that his union assume the burden of full disclosure before he waives important statutory and constitutional rights and exposes himself to penalties in the thousands of dollars.

Such disclosure would at least demonstrate that the employee has an opportunity for a reasoned choice by knowing his options and their advantages and disadvantages. It would also put the burden of proof concerning membership where it should be—on the party trying to curtail the freedom of the individual.

Since the avowed purpose of a union security clause is to prevent freeloaders from obtaining the benefits of a collective bargaining agreement without having to share the costs, nonmembers who are required to pay dues should not have to pay more than their fair share of the bargaining costs. They should not be forced to contribute to such programs as the union pension fund. The employee should be given a clear choice by the union, reasonably explained, so that he knows his alternatives. If he chooses not to join, his dues should be only for his share of the total bargaining costs.

One of Justice Black's criticisms of the majority decision in Allis-Chalmers is that employees may not know they have a choice, may not know how properly to express their choice, and may be afraid to exercise their section 7 rights for fear that they will be unable to convince the Board or the courts of their true status. By requiring the union to explain their choices, employees will be able to avoid these problems.

RESIGNATION

Prior to the Allis-Chalmers case, almost no unions had in their bylaws provisions relating to resignation. It was commonly understood that one simply ceased paying dues in order to resign from union membership. Since Allis-Chalmers, a few unions have amended their bylaws with regard to resignation procedures. A critical question, therefore, is whether a union may restrict a member's right to resign by a provision in its constitution or bylaws. Many union constitutions do place some restrictions on a member's right to resign. The constitution of the International Ladies' Garment Workers' Union, article 16, section 1 (1971) provides:

> ARTICLE 16: WITHDRAWAL FROM MEMBERSHIP
>
> SECTION 1. Requirements for withdrawal card.
>
> (A) A member who wishes to leave the industry may withdraw from membership in the I.L.G.W.U. and be given an official withdrawal card if he gives written notice of such withdrawal, pays all fixed dues, assessments, fines and other charges against him to the date of his withdrawal and surrenders his membership book or card.
>
> (B) A member who has so withdrawn and who has subsequently been readmitted shall not thereafter be eligible for withdrawal until six months after his readmission.

The *Constitution of the International Brotherhood of Teamsters, Chauffers, Warehousemen and Helpers of America*, Art. II, § (3) (1971) provides:

> (H) No member may resign from his membership in the International Union or any subordinate body before he has paid all dues, assessments, fines and other obligations owing to the International Union and all its subordinate bodies, and no resignation shall become effective until such payment.

Such restrictions obviously impinge on the individual's rights. The union's interest, however, in these restrictions is unclear. Captive membership, per se, does not seem to be a legitimate union interest. Solidarity during bargaining and strikes, however, may be a legitimate rationale for such a rule. The need for financial stability may justify some restrictions, but this is questionable.

Article 6, sections 17–18 of the UAW 1972 constitution, requires that resignations be submitted to the local's financial secretary within 10 days prior to

the end of the year. In 1962, the Board held in UAW, Local 899, 137 NLRB 901, 50 L.R.R.M. 1283 (1962), that this provision did not effectively limit the right of a member to resign at will. In *NLRB* v. *UAW*, 320 F. 2d 12, 52 L.R.R.M. 2768 (1st Cir. 1963), the First Circuit Court of Appeals disagreed and refused to enforce the Board's order. It found that the union's restriction on resfgnation was reasonable since it was aimed at preserving the union's financial stability Therefore, the resignations submitted without complying with the constitution were not effective.

This approach has been criticized on several grounds. It severely limits the right to resign and may not give the employee the option to do so at any relevant time. He may be unable to resign at or after the time a policy is decided, when a strike is called, or during a strike. At all of the critical times, the employee may be locked into the union. In addition, financial stability is a poor excuse for limiting so drastically the right to resign. Although membership guaranteed for some period may be desirable to promote short-term stability, 11⅔ months is far too long. If financial stability were a valid goal, a member should be able to resign at will but be required to continue paying dues for a while. The Board again recently held this provision ineffective, this time relying on Scofield.

In its 1972 decision holding invalid the constitutional provision restricting union resignation to 10 days prior to the end of the year, the Board held:

> . . . The provision imposes such narrow restrictions as to amount, in effect, to a denial to members of a voluntary method of severing their relationship with the Union. In short, the present provision does not make it possible for a member to avail himself of the "strategy" of leaving the Union as recognized by the Board in *Boeing* and envisioned by Supreme Court in *Scofield* . . . .
>
> We cannot view union members as being "free to leave the union" when their right to leave is as narrowly restricted as it is here.

The Board's approach here seems far more persuasive than that of the first circuit.

In order to restrict the right of a member to resign, the union rule must serve a legitimate union interest. Since it impinges on individual rights so obviously, it must be narrowly written if it is to be valid. Neither the Board nor the Supreme Court has ruled on whether any restrictions are valid. Since the Court's decisions in Granite State and Booster Lodge have held that a union may not limit the right to resign unless it does so in its constitution or bylaws, it seems likely that some unions will alter their bylaws accordingly. Unless Congress acts now, unions may well be able to severely restrict the individual rights of the very employees the Labor Reform Act is designed to protect.

SUMMARY

When a union decides to discipline a member, it must work within the limits that Congress and the judicial system have established. Basically, the union may discipline a member for any conduct that violates a valid union rule.

The validity of the union rule is determined by the interest that it promotes and by public policy. If the rule promotes a legitimate union interest and is not against public policy, it is valid. It may be enforced against all members, including supervisors, to the extent they engage in more than minimal rank and file work. The enforcement mechanisms which a union is allowed to use include resort to the courts for judicial enforcement of fines.

Currently, a primary fault of the substantive law is the failure of the courts to recognize that imposition of unreasonable fines is an unfair labor practice, and that the Board, rather than State courts, has the expertise to determine whether a fine is reasonable or not. The courts also have failed to recognize that judicial enforcement of fines should be considered an unfair labor practice. Both the legislative history and the statutory provisions of the Taft-Hartley Act dictate that such enforcement be construed as an unfair labor practice. In fact, support for such a position can be found both in congressional debates and in section 8(b) (1) (A).

In addition, Congress should enact legislation requiring a union, when recruiting new members, to disclose fully the rights and the duties, the benefits and the obligations, of membership. In order for a union to discipline a person, he must have been a union member at the time he violated the union rule. In some instances, it is not clear whether the employee was a member. In a union shop, an employee is required to pay dues even if he is not a union member. In order to help an employee make the optimal decision, the union should be required to reveal all of his choices and their consequences. This would abet a clear determination of his status as a union or nonunion member. If he chooses not to join, his dues should be equal to his fair share of the bargaining costs in accordance with the rationale for charging him any dues.

A fundamental improvement in handling union discipline could be effected if the National Labor Relations Board would prohibit the inclusion in a collective-bargaining agreement of a union security clause which expressly states that an employee must become and remain "a member in good standing." At present, a union and employer can include a legally unenforceable provision which seriously misleads employees as to their rights. In order to enforce the statute, the NLRB should require that union security clauses correctly state what can be legally required of the employee.

Federal legislation has already added to the protections afforded to the employee in his relations with unions. As this exposition of the current state of the law reveals, these protections are not enough. Congress must expressly restore employee protections that have been eroded by current limiting judicial interpretations.

Mr. President, the Small Business Legislative Council has expressed vehement opposition of 350 national or regional trade associations employing 13,700,000 workers to S. 2467, the Labor Law Reform Act.

It says that enactment of S. 2467 would be devastating to the economic livelihood of the small business community and their employees.

On Friday, May 26, 1978, Senate Majority Leader ROBERT C. BYRD proposed an amendment to the Labor Reform Act which the Small Business Legislative Council says would codify existing jurisdictional limits set by the National Labor Relations Board.

I should like to read from the Small Business Legislative Council's position paper entitled "The Labor Reform Act and Small Business: The Dangers of an 'Exemption' to the National Labor Relations Act":

> On Friday, May 26, 1978, Senate Majority Leader Robert Byrd (D–W. Va.) proposed an amendment to the Labor "Reform" Act which would codify existing jurisdictional limits set by the National Labor Relations Board. It was argued that this amendment would satisfy the objections of those who opposed the "Reform" bill because of its impact on small business, on the grounds that under this amendment such businesses would now be "exempt" from the National Labor Relations Act as amended by the bill assuming it is passed. This is a phony premise! In fact, implicit in this amendment is the admission that the Labor "Reform" Act is anti-small business. Nevertheless, this amendment does nothing to protect those small businesses already covered under the Board's jurisdictional tests from the blatantly pro-union provisions of the "Reform" bill. Moreover, the amendment goes even further and strips away the protection afforded by the basic labor law to those small businesses and their employees who may not now be covered but who may become involved in labor disputes over which the Board would have exerted jurisdiction but, under the Byrd amendment, would be prohibited from doing so.
>
> Thus, the Byrd amendment helps no one and hurts those small businesses who would be disenfranchised from the National Labor Relations Act.
>
> SCOPE OF THE NLRB'S JURISDICTION
>
> As further evidence that the Byrd amendment is simply a ploy to mislead those who recognize the adverse consequences this bill will have on small business, consider the following. According to the NLRB's own statistics about 847,497 businesses are presently covered under the Board's discretionary jurisdictional limits. These businesses employ some 44 million employees, or about 75 percent of the country's covered workers. Approximately 647,000 of these businesses are non-union. These are the targets for union organizing and the proposed amendment does nothing to protect these small businesses from the pro-union inflationary provisions of the so-called Labor "Reform" Act. These companies lack the financial resources and the sophistication to counter professionally-managed union organizing drives and, in effect, will be forced to capitulate to union demands under the provisions of S. 2467. The Byrd amendment offers no help to these small businesses whose opposition to the bill remains adamant.
>
> CONCLUSION
>
> The Byrd amendment completely misses the mark in attempting to meet the objections of small business to S. 2467. No group has objected to the provisions of basic labor law, the National Labor Relations Act. In fact, small business has consistently maintained that the present law is balanced, and has served the purpose of promoting indus-

trial stability. Yet the amendment would permanently exclude "smaller" businesses from coverage under the Act, while at the same time subject small businesses to the harsh provisions of the "Reform" bill, which would permanently tip the balance in favor of unions. The "protection" afforded by the amendment is illusory and would have the perverse effect of limiting the protection of the Act while at the same time giving union organizers everything they ever wanted to force unions on small businesses already covered.

In sum, the amendment accomplishes nothing, and no Senator or small businessman or employee should be taken in by it.

We also brought out yesterday that when the jurisdictional rules were set, it was about 20 years ago. At that time, those jurisdictional rules were meant to exclude a lot of small business, and they did. In comparison, today, because of the ravages of inflation, approximately 80 percent of all employees in our society come under the aegis of this bill.

As a matter of fact, nothing has been done to the jurisdictional limits to expand those as inflation has expanded the coverage of this particular act against small business.

I think the Small Business Legislative Council has raised some very interesting considerations for us. Since they represent many trade associations, representing many small businesses in this country, I suggest that we should pay attention to them.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Who seeks time?

Mr. DOLE. Mr. President, it is the policy of this Government as stated in the Labor Management Relations Act of 1947 to provide for the stability of labor management relations. Section 1(b) of that act states that—

Industrial strife . . . can be avoided or substantially minimized if employers, employees, and labor organizations each recognize under law one anothers legitimate rights in their relations with each other, and above all, recognize under law that neither party has any right in its relations with any other to engage in acts or practices which jeopardize the public health, safety, or interest.

That section emphasizes the need to provide orderly and peaceful procedures for preventing the interference by either side with the legitimate rights of the other.

PRIOR LEGISLATION

When trade or craft organizations first made themselves known in this country the pendulum was clearly on the side of management. For a time, unionization was treated under the theory of criminal conspiracy. While judicial attitudes soon changed, the first labor relations law was not enacted until 1888. The Federal labor relations law applied only to railroads and provided for arbitration and boards of investigation in certain labor matters. The statute was believed necessary because the process of case-by-case adjudication by the courts proved inadequate for formulating a cohesive policy.

The pendulum continued its swing toward center in 1898 with the passage of the Erdman Act which provided for mediation and voluntary arbitration on railroads. That act made it a criminal offense for railroads to dismiss employees or to discriminate against prospective employees because of their membership or activity.

In 1914, the Clayton Act was enacted. It limited the use of injunctions in labor disputes to situations where there was an actual or threatened injury and no remedy at law was available. It also provided that picketing and certain other union activities were guaranteed to be free from Federal injunctions. In 1932, this policy was furthered by passage of the Norris-LaGuardia Act. Also called the Anti-Injunction Act, this legislation kept the Federal courts out of union organizing and bargaining efforts. Its object was to promote employer recognition of unions and to foster the practice of collective bargaining.

WAGNER ACT

In 1935 passage of the National Labor Relations Act, the Wagner Act, was viewed by many as proof that the pendulum had swung toward unions. The stated purpose of the 1935 act was to promote unionization among employees.

It is understandable why this legislation was passed. The country was in the midst of a depression and there was a great deal of public sympathy for the plight of the worker. Men and women were working for low wages and working long hours under often unsafe conditions. The act gave unions virtually unlimited right to organize workers. It prohibited employer misconduct by the creation of unfair labor practices. However, the act imposed no restraints on the unions. An employer had to remain neutral. He could not express his opposition to unions.

The impact of this legislation on the union movement is readily apparent. In 1934 there were 3 million union workers in this country or approximately 5.9 percent of the American work force. In 1946, 12 years later, there were 14½ million union members in this country, approximately 23.6 percent of the American work force. The passage of the Wagner Act demonstrated one fact: A one-sided piece of legislation will swing the pendulum to whatever side the legislation favors.

TAFT-HARTLEY ACT

In 1947 the Labor Management Relations Act of 1947, the Taft-Hartley Act was put into law. The pendulum began swinging back toward center. The act was a shift toward a more balanced statutory scheme and it equalized the power between management and unions. The cause for enactment of this bill has been repeatedly stated. There was a great deal of antiunion sentiment because of inflation caused by excessive union demands after the wartime wage and price controls were lifted. Also, America experienced the greatest wave of strikes that this country had seen to that time or has since experienced. Over 116 million productive man-days were lost. The American people and Congress felt that some correction of the imbalances needed to be made to insure that unionization occupied its proper place in a free society.

The Taft-Hartley Act, together with the Landrum-Griffin Act of 1959, provides the parity between labor and management that we know today. The NLRA and these other statutes recognize the right of a free people, in a free nation, operating in a free economy to determine the respective rights of labor and management in a free collective bargaining environment. It is the present policy of this Government to encourage collective bargaining, not to encourage concessions, not to encourage a giveaway program on the part of a company, but to encourage collective bargaining between two parties equally placed with equal power.

The National Labor Relations Act itself states this policy in section 1:

It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

That is where we stand to date. The pendulum is at center. The law neither favors management nor favors labor. The law does not favor either of the two parties who are competent to bargain for themselves. There is no need to stack the deck in favor of either side, whether it be labor on the one hand or management on the other.

OTHER RIGHTS INVOLVED

Mr. President, in the many hours of debate that have already occurred on this legislation, we have had illustrations of objections from both sides of the aisle. We have heard illustrations of doubts that employers have about passage of this bill. Proponents of this legislation have repeatedly contended that under the present structure, employee rights are being denied. The Senator from Kansas has repeatedly emphasized that we cannot ignore the possible adverse effects of certain sections of this legislation on employee rights.

While the employees are the most directly interested parties, the general public has a vital interest in this legislation also. Every Member of the Senate is familiar with the recent announcement that our economy has once again gone over the double-digit inflation level. The President's response has been a proposal of voluntary wage and price controls. Spokesmen for the major unions have stated they will ignore this plea for restraint. The Senator from Kansas can understand their unwillingness to voluntarily hold their wage requests below the current rate of inflation. Nevertheless, that does not mean that wage rates must substantially exceed the rate of inflation. For example, the recent coal strike led to a wage settlement with a 37-percent wage and fringe benefit increase. The country cannot stand further settlements of that nature.

Other major labor contracts expire this year. In 1979, the auto workers, the Teamsters, the rubber workers, and people employed in the building industry will all have their contracts up for renewal. Any substantial changes in the already strong position of unions in these

negotiations could lead to substantially inflationary settlements.

Several reports have been issued estimating what the impacts of inflation would be if this bill were to be signed into law. It is possible that some of these estimates are wrong, but even if they are cut in half the results would still be disastrous to the average working man and woman in this country. Some experts have estimated that the increase attributable to this legislation would be as much as 12 percent. The Senator from Kansas feels this estimate is excessive. Other estimates have placed the increase in labor costs at 7.4 percent. It could even be higher for small businesses, in the range of 9.5 percent. It is much more likely that these estimates are a predictable impact of our actions here.

This bill is going to have an adverse impact upon small businessmen in particular. Small businessmen are going to be caught up in the inflationary spiral even more than they already are. They will be forced to pay higher wages without being able to raise the prices an equal amount. They are going to be forced to close down if they cannot absorb the labor costs and other indirect costs created by this legislation. An example of this is the make-whole remedy contained in this bill. If this legislation passes, when a small businessman is found to have engaged in a refusal to bargain, the Government will be able to grant automatic wage increases based upon the settlements of units of 5,000 or more employees, not small business but units of 5,000 or more employees. Small businessmen will be unable to meet such demands and will face but another enemy in his battle for survival. The Federal Government has intruded enough into the small businessman's affairs without the extensions that this legislation has the potential to create.

The Carter administration has publicly stated that controlling inflation is the No. 1 economic concern at this time. The administration is beginning to recognize what most Americans have known for a long time. The American working people have realized the importance of inflation every time they go to the store and every time more is taken out of their paycheck to pay for taxes. This year the average American worked until May 6 to pay his Federal tax bill.

The primary causes of inflation relate directly to the Government. Both of these problems will only be intensified by passage of this labor law reform bill. The biggest cause is deficit spending of an unprecedented magnitude by the Federal Government.

If there is any clear signal this week it has been so-called Proposition 13 in the State of California. The American people have determined that it is not enough to trust those in the State legislative body or those in Congress with their future when it comes to spending their money.

Rightly or wrongly, it appears that a large majority of the residents of the State of California have decided to impose their own discipline, chart their own course as far as taxes, as far as spending is concerned, and that is just the tip of the iceberg. If the Senator from Kansas reads the mood of the American people correctly, we will see repeated efforts all across this country, and hopefully on the Federal level, to somehow get a handle on deficit spending, bring about more discipline in government, more discipline among those of us who are elected to serve the people, a willingness to say no, a willingness to cut out the frills and the fringes and, yes, even let the American people understand that we can do this if they are willing to make some of the sacrifices and do without some of the so-called public programs or public services.

The other important trend is the imposition by the Government of nonproductive costs on business through regulation and interference with the economics of the marketplace.

I am not suggesting that every section of the bill should be defeated because of the costs involved. Some provisions may be merritorious enough to justify their price tags. Nevertheless, the point which must be made is that the higher cost of this bill cannot be ignored. For example, the committee report states that enactment of this legislation will cost the Government $1 million for each additional Board member. The report also states that "we are unable to estimate the possible indirect costs at this time." It seems to the Senator from Kansas that these "indirect" costs will be far more significant than the salary of two new members. The Senate is guaranteeing a significant new expenditure by the Federal Government if this legislation is passed.

As I understand the legislation, it is also certain to increase litigation in the filing of unfair labor practice charges. The present General Counsel of the NLRB has himself predicted an enormous increase in this kind of litigation. This increased litigation will cost consumers and businesses more money. We all know who is going to bear the cost when it is all over. It is going to be borne by the consumers in this country.

Mr. President, in conclusion of my remarks on this particular area, I point out that the cost of this legislation will not be significantly changed by most of the amendments which have been proposed. While those amendments may make beneficial changes in the application of the bill to individual cases, they will not alter the major inflationary impact of the overall package, and this is a point which should not be lost in the continued debate on this legislation.

(Mr. DECONCINI assumed the chair.)

Mr. DOLE. Mr. President, I would like to discuss at this point certain provisions of H.R. 8410.

Mr. President, H.R. 8410 directs the Board to promulgate rules giving nonemployee union organizers the right to campaign on company property even before a petition is filed whenever the employer "addresses" company employees on "its premises or during working time" on issues relating to union representation.

In general, management addresses to assembled employees on company time or property—frequently referred to as "captive audience" speeches—will trigger a corresponding right for union officials.

So if the employer, the owner, calls his employees together and discusses something with them that triggers a corresponding right of union officials on the employer's time and on the employer's property, and if management curtails production and speaks to employees at their work stations, unions would be entitled to do the same. Employer campaigning short of captive audiences speeches—systematic supervisory conversations with individual employees, for example—would entitle union organizers access only to nonworking areas such as cafeterias, lounges, and parking lots during nonworking hours. Such supervisory conversations would not entitle union organizers access to production areas.

The equal access requirement would not be activated by casual employee-supervisor encounters which occur on an unplanned, sporadic basis and which do not have the purpose or effect of presenting the employer's position on union representation in a systemic manner. Similarly, the equal access requirement would not be triggered if, during the course of a regularly scheduled meeting to discuss issues of general concern to employees, management responded to an employee question regarding union representation. If more than one union is organizing in a unit at any time, the total time allotted for union responses would equal that utilized by the employer.

(Mr. PAUL G. HATFIELD assumed the chair.)

Mr. DOLE. In order to become eligible for equal access privileges a union would be required to submit to the employer a notice that a significant minority of his employees are interested in representation by that union. The required showing of interest is intended to be 10 percent of the unit or three employees, whichever is greater. Employers may submit the notice to the Board for purposes of a nonreviewable administrative evaluation of the showing of interest.

Under current law unions already enjoy a distinct advantage in communicating their message to employees. Employee organizers may solicit union support on company premises during nonworking hours and may distribute union literature in nonworking areas. Nonemployee union organizers are also permitted to campaign on company premises in the absence of reasonable alternative means of communication. More importantly, however, organizers have the right to communicate freely with employees on an individual basis, may visit with employees in their homes, and may make unlimited promises of benefits to be derived from union representation. Since similar conduct on the part of employers constitutes unfair labor practices, most employer campaigning has been restricted to speeches on company property. Equal access would thus seriously undermine the only effective means which employers have left for communicating with employees.

CONSTITUTIONAL QUESTIONS RAISED

Mr. President, putting aside the argument that enactment of this provision

would not in any way create equal access between unions and employers, another serious challenge to this provision remains. That crucial challenge is a possible violation of the fifth amendment of the Constitution.

The constitutionality of the equal access provisions of this bill must be judged by the test set out by the Supreme Court in the landmark case of NLRB against Babcock and Wilcox Co. In this set of cases, employers refused to permit nonemployee union organizers to distribute union literature on company-owned parking lots. The NLRB found that the refusal of access constituted an unfair labor practice. The Supreme Court held the employer's refusal to permit nonemployee union organizers access to private company property did not impede employees' right to self-organization guaranteed by section 7 of the National Labor Relations Act.

The Court viewed the problem posed in Babcock as the need to balance two federally protected rights, employees' organizational rights and employees' fifth amendment property rights. In balancing competing interests the court held that when reasonable means of communicating with employees off the employers' property are present, then the organizational needs do not justify an infringement of private property.

The facts in Babcock showed that the plant locations and living quarters of employees did not preclude communication with the workers through the usual methods of home visits, mailings, telephoning, talking off company property, and media contact.

Since the Babcock decision, the Supreme Court in Central Hardware Co. against NLRB and in Hudgens against NLRB has reaffirmed the balancing or accommodation test of Babcock as the proper approach to resolving conflicts between organization rights and property rights. The test for allowing nonemployees access to company property remains whether employees are inaccessible through other means of communication.

The test that the Supreme Court uses in all of its constitutional decisions can serve as a guide to the Senate in evaluating this provision of H.R. 8410. If the Court can find any way to construe a law so that it does not have to resolve a constitutional question, that method of construction is used. In this case, because of the constitutional prohibition against taking property without due process of law, the safe course for Congress to take would be to allow present law to continue. The rights of employees to get adequate information is protected without involving any massive infringement of personal property.

RECENT COURT DECISION

The Senate should also take note of the decision that was rendered recently by the Supreme Court. While I have not read the entire decision, I understand that the warrantless search provision of the Occupational Safety and Health Act, OSHA, was stricken down. The Court emphasized that the paramount right of a person to enjoy his own property without any infringement imposed on him by Government outweighed even the public health interests represented by the OSHA inspector. Only after a court order is obtained can an OSHA inspector search an employer's premises.

Turning back to the Supreme Court decisions, the Court has ruled that even when the unavailability of alternative means of communication shifts the balance to allow access to company property, the intrusion on property rights must be narrowly circumscribed. The provision of H.R. 8410 relating to access does not carry any such restrictions.

The balancing test set out in Babcock, in which access to private property is allowed only where alternative channels of communication do not exist, is grounded in constitutional provisions and not merely from an interpretation of employee and employer rights under the National Labor Relations Act. The employer's right to control access to his property is not a grant by Congress under the NLRA. The right to limit access is constitutionally protected by the fifth amendment.

Thus a balancing test is required to resolve a clash of two rights so as to accommodate one with as little harm to the other as possible. Even if Congress legislates a right to access, the employer's fifth amendment property right still remains the standard against which the constitutionality of the access legislation must be judged.

The balancing test set out in Babcock recognizes the fundamental position the individual's right of private property has always held in our constitutional system. As the Court has stated:

> The right to enjoy property without unlawful deprivation, no less than the right to speak or the right to travel, is in truth a personal right, whether the property in question be a welfare check, a home, or a savings account. That rights in property are basic civil rights has long been recognized.

COMMON LAW

The right to own and enjoy property in this country is a common law right that existed before the adoption of the Federal and State constitutions. Nevertheless, the right to exclude others from private property is not absolute in all circumstances. Babcock allows for instances where intrusions on property rights will be permitted to accommodate organization rights. The decisions make clear that any rule allowing uninvited intrusion on private property must be justified by a showing that no reasonable alternative means of communication exist to accomplish the same end that are less destructive of the property right.

The access rule in the proposed legislation does not mention the balancing test found in the Supreme Court decisions. Given the knowledge of the committee members and staff of the state of our national labor law, this failure must be interpreted as a deliberate attempt to legislate these decisions out of the law. Because of their constitutional basis, the Senator from Kansas must wonder at the ability of the Congress to change a constitutional decision by legislation. The wisdom of mounting such a challenge to this well-established case law is also doubtful.

The bill could adopt the Babcock test of whether the union had alternative methods of communication to discuss the merits of unionization other than contact on the employer's premises. As the court stated in May department stores:

> That a speech during working time on company premises may be preferable to use of contacts away from the work-site cannot in and of itself render the employer's conduct unfair under the act.

The court of appeals in judging board orders of access have consistently applied the Babcock test.

A few examples will illustrate the reasonableness of the current law in this area. In NLRB against S & H Grossingers, Inc., the Court allowed access where the majority of employees lived on the employer's premises and could not be reached by any means practically available to union organizers. In contrast, in NLRB against Kutshers Hotel and Country Club, the Court denied access where under the Babcock test there was no barrier to communication and other means were readily available to the union. The Kutsher employees were accessible as they crossed a public road on their way to work. In addition, the union communicated with employees through an advertisement in a local newspaper and contacts at local bars.

Diamond Shamrock Co. against NLRB involved a no-access rule which denied off-duty employees access to a fenced-in plant area. The employer did not have no-solicitation or no-distribution rules. The Board invalidated the no-access rule as an unfair labor practice under section 8(a)(1). A prior decision, Peyton Packing, had invalidated a no-solicitation rule that barred union solicitation by employees on company premises during nonworking time as well as during working time. The Court said in Diamond Shamrock:

> In Peyton Packing and Republic Aviation, there was little reason for concern about the employers' private property rights, for the employees affected by the no-solicitation rules were lawfully and properly on the employers' premises pursuant to the work relationship.
>
> What was at stake in those cases was the proper "adjustment between the undisputed right of self-organization assured to employees under the national labor relations act and the equally undisputed right of employers to maintain discipline in their establishments." In the instant case more is at stake than the company's right to maintain discipline in its plant. The company's private property rights are involved, for the effect of the Board's decision is to require the company to open a part of its premises, to which it could otherwise lawfully deny access, to off-duty employees for purposes of union solicitation. The Board in effect requires the company, which does not bar off-duty employees from the parts of its premises outside the fence, to provide a platform for off-duty employees supporting, and presumably those opposing, unionization, without a showing that other reasonably adequate avenues of communication are unavailable.

The Court previously held in Babcock & Wilcox that "accommodation between organization rights and property rights must be obtained with as little destruction of one as is consistent with the maintenance of the other." The result of an automatic access rule might well be a substantial diminishing of the em-

ployer's property rights without any commensurate enhancing of organizational opportunities. Under current law, the different interests of the employer at stake in any case require balancing constitutionally protected property rights as opposed to the right to organize.

Babcock makes it clear that it is not an unfair labor practice to refuse access to the union if there are alternative means of communicating with employees. However, access has been allowed to union organizers as a remedy where the employer has committed other unfair labor practices, regardless of other means of communication.

These cases do not destroy the validity of the Babcock rationale. The courts realize that granting access as a remedy is "fairly strong medicine," NLRB against H. W. Elson Bottling Co., and only grant it when the imbalance created by the employer's unfair labor practices justifies the intrusion on the employer's property. This involves different considerations than where, as in Babcock, the employer has committed no unfair labor practices. As the Court said in Decauterville Sportswear Co. against NLRB:

> Since many of the company's unfair practices were directed toward thwarting the union's efforts to distribute literature to employees as they left work, granting access to parking lots under reasonable restrictions is directly related to the company's unlawful activity. This provision merely removes the disadvantages caused to the union by reason of the company's violations. Thus is restored the status quo which existed at the outset of the organizing campaign. Babcock & Wilcox Co., on which the company relies, is not inconsistent with our decision on this point. There, the question was whether denial of access to company property in order to distribute union literature constituted an unfair labor practice and the Supreme Court held it did not. Here, the question is whether reasonable access to company property for a limited time is an appropriate remedial measure after finding of unfair labor practices. The two questions involve different considerations. We conclude therefore that this is a valid exercise of the Board's authority.

Access to private property has also been allowed in union organizational campaigns involving employees living in company towns and agricultural workers living on farm camps. These cases involve consideration of the union organizers' and the employees' first amendment rights because the courts have considered these company towns and farm camps "public" property based on the Supreme Court's decision in Marsh against Alabama.

Because the towns and camps resemble public towns in every respect except for their private ownership, the courts have protected the inhabitants' and employees' first amendment rights from "State" infringement.

However, the Supreme Court made it clear in Central Hardware Co. against NLRB and Hudgens against NLRB, that in the normal labor law context involving private property no first amendment rights are involved. The rights of the employees and the union organizers depend solely on the National Labor Relations Act, and their rights of access are governed by the Babcock test.

The constitutionality of an access regulation under a State labor law was considered by the California Supreme Court in Agricultural Labor Relations Board against Superior Court of Tulare County. In that case a State administrative agency adopted a union access regulation pursuant to a delegation of rulemaking authority by the legislature. The regulation applied solely to agricultural fields and agricultural employees and granted a right of access to union organizers specifically limited in purpose, time and place. Two groups of growers attacked the validity of the regulation on several grounds including unconstitutionality under the California and Federal constitutions. The California Supreme Court looked for Federal law for the solution under both constitutions because the provisions of the State law resembled that of the NLRA. The court held the regulation constitutional in a 4-to-3 decision.

The majority looked to Babcock among other Supreme Court cases to determine the constitutionality of the statute, showing its belief that Babcock was a decision on constitutional grounds. Indeed, the majority said that Babcock was "dispositive of the issue of the Federal constitutionality of access to agricultural property under the challenged regulation . . . and of the claim of invalidity premised on the cited provisions of the California constitution." The dissenting justices argued that:

> The United States Supreme Court balanced the competing interests in *Babcock* and *Central Hardware*, and because, as pointed out above, the board's regulation violates the rule of these cases, the access regulation violates the constitutional provisions protecting private property.
>
> The Board's regulation does not even attempt to balance or accommodate the competing interests. It allows access when alternative means of communication do in fact exist. And it permits blanket entry onto private property during working hours. The regulation as presently promulgated is unconstitutional.

Insofar as both the majority and the dissenters of the California supreme court viewed Babcock as the case controlling the constitutionality of the access regulation, its decision confirms my prior analysis of the equal access provision of the Labor Reform Act of 1977. That the majority decided in favor of constitutionality of the regulation in the case can be justified by a legislative determination that "significant differences existed between the working conditions of industry in general and those of California agriculture" with respect to accessibility by alternative methods.

The court decided that, backed by such a finding, a regulation concerning all agricultural workers could validly be made rather than requiring a case-by-case determination. That no proper legislative finding concerning accessibility has been made or could possibly be made with respect to the equal access provision of the Labor Reform Act is obvious. The provision covers all employers governed by the NLRA. The majority of the California supreme court would probably agree that under Babcock such a statute is unconstitutional.

The fact that H.R. 8410 ties access to an employer's speech to his employees does not mean that the Babcock test can be ignored. May Department Stores clearly addresses that proposition—in May the court upheld the employer's right to address his employees on company premises and on company time while enforcing a privileged rule forbidding solicitation by nonemployees on company property. The court acknowledged that it may be far more preferable for a union to give a speech during the employees' working time on company premises than to use contacts away from the worksite, but explained that where, as in May, the union had alternative methods of communication to discuss the merits of unionization, it would infringe upon the company's property rights to grant the union's request to address employees on company premises. Thus, May removes any doubt that an employer's speech to his employees does not change the requirement of looking to alternative means of communication available to union organizers before impinging on the employer's property rights.

It also should be emphasized that existing labor laws protect unions as well as employers. The Babcock test protects the union's organizational rights by insuring that the union has other methods of communicating with employees.

For example, access has been allowed where the majority of employees lived on the employer's premises or on farm camps and could not be reached by any means practically available to union organizers. Moreover, the courts have granted access, regardless of other means of communication, where the employer has committed other unfair labor practices. The courts realize, however, that this remedy is "fairly strong medicine" and grant it only if the employer's unfair labor practices create an imbalance that justify the intrusion on the employer's property.

Mr. President, this discussion of the equal access section of the Labor Reform Act has centered only on the constitutional questions. Equally serious questions can be asked about the practicality and enforceability of this provision. Nevertheless, the Senator from Kansas feels that the constitutional arguments have not been adequately addressed in this debate.

On other pieces of legislation, some Members of the Senate have taken the position that Congress should not be concerned with the constitutionality of our actions. Those who hold this view contend that Congress should extend its power as far as possible until a Supreme Court ruling places a limit on our actions. The Senator from Kansas cannot accept this philosophy.

In my view, Congress has a responsibility to the American people to make our own decisions on the constitutionality of our actions. We must not abdicate this function. Whether the Supreme Court will ultimately agree with our decision or not, the Senate as a body and each Senator individually must judge the constitutionality of the laws we pass. The Senator from Kansas believes that when important constitutional rights are in-

volved, the Senate should act with caution. If we are to error, we should error in giving greater protection to these rights than is constitutionally required. In this way, we can be certain that our actions are not denigrating the constitutional principles that our country was founded on.

Mr. President, I yield the floor.

● Mr. FORD. Mr. President, since the start of the debate on this particular legislation, I have been uneasy over the great amount of time which apparently will be necessary to complete its consideration. The Senate is already behind schedule, time is at a premium, and unnecessary delay in consideration of this bill can only work to the detriment of the Senate by putting us further behind in our other business.

Yet at the same time I have been troubled by what I perceive to be serious shortcomings in the legislation as presently written. For that reason, I did not support the first attempt to invoke cloture.

In recent days I have discussed those concerns in great detail with the leadership and floor managers of this legislation. As a result of these extended conversations, assurances have been given that the opportunity exists for reasonable agreement and flexibility in those parts of this bill about which I was most uneasy. The floor managers have also assured us that they will make every effort to retain in conference those amendments which are added on the Senate floor.

Senator HUDDLESTON and I have today introduced a number of amendments which we intend to use as vehicles to accomplish the modifications we feel are necessary and will result in a workable law that is equitable to business and labor alike.

While there are still questions yet to be resolved with this legislation, based on those discussions and my strong desire to bring this measure to an up or down vote so that we can move on to those other pressing matters now on the Senate calendar, I intend to vote in support of cloture today.●

Mr. BAKER. Mr. President, I move that the bill be recommitted to the Committee on Human Resources with instructions that the committee conduct further hearings on the amendments at the desk, and other amendments, and the economic and inflationary impact of the legislation, if any, and report the bill back to the Senate on July 17, 1978.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate today to consider S. 2236, to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Surface Transportation Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to hold a hearing on S. 2995, the Union Station Improvement Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Environmental Pollution Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a markup session on S. 2900, oil spill liability compensation fund legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the sessions of the Senate today and Wednesday, June 14, 1978, to hold hearings on S. 2 and S. 1244, sunset legislation; and to consider a committee resolution on the death of Senator Allen; S. 452, a reprinting of committee print on interlocking directorates among major U.S. corporations; death gratuities for former staffers; and a committee resolution concerning wall calendars.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider S. 2692, the Department of Energy authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 1 o'clock today.

The motion was agreed to, and at 11:21 a.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUDDLESTON).

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 1 hour.

There being no objection, the Senate, at 1 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. NUNN.)

RECESS UNTIL 2:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 2:45 p.m. today.

The motion was agreed to, and at 2 p.m., the Senate recessed until 2:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. NUNN).

CLOTURE MOTION

The PRESIDING OFFICER. The hour of 2:45 p.m. having arrived, under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The second assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on H.R. 8410. An act to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

1. Robert C. Byrd; 2. John Melcher; 3. Harrison A. Williams, Jr.; 4. Abraham Ribicoff; 5. Spark Matsunaga; 6. Daniel Patrick Moynihan; 7. Henry M. Jackson; 8. Edward M. Kennedy; 9. Paul S. Sarbanes; 10. Howard M. Metzenbaum.

11. Jacob K. Javits; 12. Jennings Randolph; 13. William Proxmire; 14. George McGovern; 15. John A. Durkin; 16. Gaylord Nelson; 17. John H. Chafee; 18. Richard S. Schweiker; 19. Birch Bayh.

VOTE

The PRESIDING OFFICER. By unanimous consent, the call of the roll to ascertain the presence of a quorum has been waived.

The question is, Is it the sense of the Senate that debate on H.R. 8410, a bill to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act, shall be brought to a close? The yeas and nays are mandatory under the rule. The clerk will call the roll.

The legislative clerk called the roll.

(Mr. MELCHER assumed the chair.)

Mr. SPARKMAN. Mr. President, on this vote, I have a pair with the Senator from Washington (Mr. MAGNUSON). If he were present and voting, he would vote "aye." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from Washington, Mr. MAGNUSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE) and the Senator from Oregon (Mr. MARK O. HATFIELD) are necessarily absent.

I also announce that the Senator from

New Mexico (Mr. DOMENICI) and the Senator from New Mexico (Mr. SCHMITT) are absent to attend the funeral of a former Senator.

I further announce that, if present and voting, the Senator from Oregon (Mr. MARK O. HATFIELD) would vote "yea."

The result was announced—yeas 49, nays 41, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—49

Abourezk	Hart	Moynihan
Anderson	Haskell	Muskie
Bayh	Hatfield,	Nelson
Burdick	Paul G.	Packwood
Byrd, Robert C.	Hathaway	Pearson
Case	Huddleston	Pell
Chafee	Inouye	Proxmire
Church	Jackson	Randolph
Clark	Javits	Ribicoff
Cranston	Kennedy	Riegle
Culver	Leahy	Sarbanes
DeConcini	Mathias	Sasser
Durkin	Matsunaga	Schweiker
Eagleton	McGovern	Stevenson
Ford	McIntyre	Weicker
Glenn	Melcher	Williams
Gravel	Metzenbaum	

NAYS—41

Baker	Griffin	Nunn
Bartlett	Hansen	Percy
Bellmon	Hatch	Roth
Bentsen	Hayakawa	Scott
Bumpers	Heinz	Stafford
Byrd,	Helms	Stennis
Harry F., Jr.	Hodges	Stevens
Cannon	Hollings	Stone
Chiles	Johnston	Talmadge
Curtis	Laxalt	Thurmond
Danforth	Long	Tower
Dole	Lugar	Wallop
Garn	McClure	Young
Goldwater	Morgan	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Sparkman, against.

NOT VOTING—8

Biden	Eastland	Humphrey
Brooke	Hatfield,	Magnuson
Domenici	Mark O.	Schmitt

The VICE PRESIDENT. On this vote, the yeas are 49, the nays are 41. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

LABOR LAW REFORM ACT OF 1978

The Senate continued with the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I move to table the motion to recommit.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the motion to recommit. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The VICE PRESIDENT. The Senate will be in order.

The clerk will resume.

The assistant legislative clerk resumed the call of the roll.

Mr. ZORINSKY. Mr. President, on this vote I have a pair with the Senator from Minnesota (Mrs. HUMPHREY). If she were present and voting, she would vote "aye." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. SPARKMAN (after having voted in the affirmative). Mr. President, on this vote I voted "yea." I have a pair with the Senator from North Carolina (Mr. MORGAN) who finds it impossible to get here. If he were present and voting he would vote "nay." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. EASTLAND) the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. MAGNUSON), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. HANSEN) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

I also announce that the Senator from New Mexico (Mr. DOMENICI) and the Senator from New Mexico (Mr. SCHMITT) are absent to attend the funeral of a former Senator.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Wyoming (Mr. HANSEN).

If present and voting, the Senator from Oregon would vote "yea" and the Senator from Wyoming would vote "nay."

The result was announced—yeas 51, nays 37, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—51

Abourezk	Hart	Moynihan
Anderson	Haskell	Muskie
Bayh	Hatfield,	Nelson
Biden	Paul G.	Packwood
Brooke	Hathaway	Pell
Burdick	Heinz	Proxmire
Byrd, Robert C.	Huddleston	Randolph
Case	Jackson	Ribicoff
Chafee	Javits	Riegle
Church	Kennedy	Sarbanes
Clark	Leahy	Sasser
Cranston	Long	Schweiker
Culver	Mathias	Stafford
Durkin	Matsunaga	Stevenson
Eagleton	McGovern	Weicker
Ford	McIntyre	Williams
Glenn	Melcher	
Gravel	Metzenbaum	

NAYS—37

Baker	Garn	Pearson
Bartlett	Goldwater	Percy
Bellmon	Griffin	Roth
Bentsen	Hatch	Scott
Bumpers	Hayakawa	Stennis
Byrd,	Helms	Stevens
Harry F., Jr.	Hodges	Stone
Cannon	Hollings	Talmadge
Chiles	Johnston	Thurmond
Curtis	Laxalt	Tower
Danforth	Lugar	Wallop
DeConcini	McClure	Young
Dole	Nunn	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Zorinsky, against.
Sparkman, for.

NOT VOTING—9

Domenici	Humphrey
Eastland	Inouye
Hansen	Magnuson
Hatfield,	Morgan
Mark O.	Schmitt

So the motion to lay on the table the motion to recommit was agreed to.

Mr. FORD. Mr. President, I withdraw my amendment No. 1768.

The VICE PRESIDENT. The amendment is withdrawn and carries with it the pending question, the amendment of the Senator from West Virginia.

UP AMENDMENT NO. 1329 (SUBSEQUENTLY NUMBERED AMENDMENT NO. 2445)

Mr. ROBERT C. BYRD. Mr. President, during the course of the debate on the bill before us several areas of concern have been pinpointed. The floor managers of the bill, Mr. WILLIAMS and Mr. JAVITS, have indicated that they have no desire to erect a stone wall around this bill.

Mr. President, may we have order in the Senate?

The VICE PRESIDENT. That is correct. The Senate will be in order. Senators will clear the well. The Senate will be in order.

The Senator will resume.

Mr. ROBERT C. BYRD. The areas of concern are subject to modification which will substantially improve the bill as a whole. I am prepared to offer an amendment on behalf of Mr. WILLIAMS, Mr. JAVITS, Mr. FORD, Mr. DURKIN, Mr. MCINTYRE, Mr. SCHWEIKER, Mr. SPARKMAN, Mr. STAFFORD, Mr. HUDDLESTON, Mr. BAYH, Mr. BURDICK, Mr. ABOUREZK, Mr. CLARK, Mr. EAGLETON, Mr. MELCHER, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. RANDOLPH, Mr. RIEGLE, and others which, if adopted, would make changes in the following areas:

First, equal access; second, mandatory election deadlines; third, the "make-whole" remedy; fourth, debarment; and, fifth, small business exemption.

First, with respect to equal access:

The provisions of the bill now before us—which are set forth in section 4—have been criticized on the grounds that, in giving a union the opportunity to reply in an equivalent manner to an employer's captive audience speech delivered on company time, the employer is thereby required to subsidize the union's campaign. It has also been charged that the terms and conditions of access are not stated in the detail necessary to assure that the employer's interest in running his business will be adequately protected.

The proposed substitute includes an amendment designed to answer both of these criticisms. It would provide that—regardless of the time and place the employer chooses to conduct a campaign—the union will not be given an opportunity to respond during working time.

The amendment also provides specific detail on the nature and extent of access as follows:

First. The union may respond only after filing a notice stating that it is actively seeking to represent employees in a specified bargaining unit.

Second. The union's opportunity to respond is limited to nonworking areas which are suitable for the exchange of views—such as parking lots, cafeterias, and other areas where employees are allowed to congregate during changes of shifts and breaks.

Third. No more than two nonemployee representatives may campaign in any

designated area, except that a maximum of four will be permitted in parking lots.

Fourth. The labor organization must provide at least 1 day's advance notice that it wishes to address employees, and must specify the areas to be used and state the names of the organization's representatives and the time during which they will be present.

Second, with respect to mandatory election deadlines:

The schedule set forth in section 6 of the bill for election time limits has been criticized on several grounds. There are those who believe that the 30-day time limit in cases where more than 50 percent of the employees request an election is too short. More generally, it has been suggested that the imposition of three separate time limits places restraints on the National Labor Relations Board which are rigid and unresponsive to highly variable situations. And, finally, it has been argued that it is unfair to limit the expedited election procedure to those cases where the election petition is supported by 50 percent of the employees will result in an undue advantage for union organizers.

Therefore, I propose an amendment which, I believe, represents an equitable and practical solution to the problems which are anticipated under section 6 of the bill as reported by the committee.

The amendment substantially lengthens the minimum time period for employer campaigning before an election may be conducted and simplifies the election timetables. At the same time, it is intended to preserve the basic goal of rationalizing the present system and assuring that elections will be held promptly.

The amendment provides that no election will be held sooner than 35 days after the employer first receives notice of a union organizing effort. Since organizing efforts precede the filing of an election petition, the amendment permits the union to serve a written prepetition notice on the employer stating the bargaining unit involved. This notice is also a precondition for union access to the workplace to reply to employer campaigning. If an election petition is not filed within 6 months of the filing of the notice, the union is barred from participating in a Board election for 2 months thereafter. If no prepetition notice is filed, the 35-day period and the right to respond to employer campaigning are triggered by the filing of the petition.

The amendment states that, subject to this 35-day minimum time period, the Board must hold elections as promptly as administratively feasible, but not later than 50 days after the filing and serving of the petition. For exceptional cases a 75-day time limit is provided.

Within these time limits the Board is instructed to give priority to petitions supported by 50 percent of the employees in the unit. This provision reflects the judgment that the Board should give first attention to those cases in which there is evidence that a majority of the employees want to bargain or no longer wish to be represented by their union.

In accordance with the overall purpose of the rulemaking provisions of the bill, the Board is instructed to proceed to an election without holding a hearing where the petition is for a unit declared appropriate pursuant to Board rule. In conformity with the procedures governing elections generally, eligibility questions or other outstanding legal issues will be settled through appropriate post-election procedures held prior to the issuance of the Board's certification.

The third modification which the substitute calls for deals with the make whole remedy—section 9 of the bill.

The basic purpose of this provision is to provide an incentive for good faith bargaining for a first contract.

The index called for in the bill—the Bureau of Labor Statistics survey of major collective bargaining settlements—has been criticized as unfair to small businesses, because it is based on settlements covering units of 5,000 employees or more. This concern is legitimate.

Therefore, the proposed amendment substitutes the Bureau of Labor Statistics employment cost index for occupations covered by collective bargaining agreements. While the ECI covers changes brought about by step increases in existing contracts and is to that extent a less accurate measure than the major settlements index, the overriding advantage of the ECI is that it is based on a sample of collective agreements in units of all sizes and is weighted to reflect the proportionate number of units in which collective bargaining occurs by size. Thus the employment cost index comes as close as possible to accurately stating, within the limits of the Government's resources and manpower, the average change in collective bargaining wage rates throughout the economy. Its use should assure that the experience of small employers will be fairly reflected in the Board's remedy.

This amendment also adds a safeguard to assure that a party will not incur liability prior to the time he is put on notice by the NLRB's general counsel that an illegal refusal to bargain is taking place. Such a notice would be given only after an investigation has been completed and an opportunity to settle without being required to make any payment has been offered. This change insures that employers will not be required to make employees whole without being afforded a "last clear chance" to avoid that remedy and engage in collective bargaining as required by law.

The fourth major change is brief and simple, but I believe that it is a meaningful and just proposal. It goes to the debarment provision in the bill, contained in section 9. That section now provides, in part, that a corporation or union that is found to be willfully violating a final order of the NLRB or a court be debarred from receiving Government contracts for a period of 3 years. While the Board may recommend that the Secretary of Labor remove a debarment order if it finds that it has been complied with, any lifting of the order prior to expiration of the 3-year period is discretionary with the Secretary.

The proposed amendment would require that the debarment order be lifted if the Board finds that the corporation or union is in compliance with it.

This change is intended to assure that the debarment remedy be used as a means to an end—and not as an end in itself. The purpose of this remedy—consistent with the goals of the entire bill—is to promote compliance with the law, not to inflict punishment.

The fifth and final recommendation incorporates the amendment offered by Senators FORD and HUDDLESTON to provide for appointment of NLRB ombudsmen, and the amendment which I have introduced, and which is now cosponsored by 28 Senators, to codify jurisdictional exemptions for small businesses.

There are several areas in the bill of concern to the small business community. One of those areas is addressed by the appointment of ombudsmen who would respond to inquiries about the operation of the law, Board procedures, complaint processing, and so on. Adoption of this proposal will provide meaningful assistance to the smaller businesses covered by the act for whom the cost of outside counsel is burdensome.

The incorporation into the bill of the jurisdictional standards exempting smaller businesses will, I believe, go a long way toward resolving some of the doubts and fears that have been expressed about the impact of this bill on small business. This amendment will prohibit the National Labor Relations Board from exercising jurisdiction over more than 75 percent of all business establishments involved in the interstate commerce.

The amendment preserves the existing jurisdictional standards developed by the National Labor Relations Board with respect to small businesses. It provides that the Board "shall not assert jurisdiction over any labor dispute over which it would decline jurisdiction" under the standards in force on May 1, 1978. This language constitutes a statutory bar against any future action by the Board to change its standards in order to extend its jurisdiction to small enterprises currently exempt.

At the present time, approximately 4 million business establishments are potentially within the National Labor Relations Board's statutory jurisdiction, which is as wide as the commerce clause of the Constitution. The Board, however, does not and historically has not exercised its jurisdiction over all 4 million employers. It has adopted a series of standards for particular industries, under which approximately 3,150,000 of those employers are not covered, and only 850,000 are covered. In other words, only 25 percent of employers whose businesses affect interstate commerce—only the 25 percent who are the larger firms—are regulated by the act.

The argument has been made that the Board could, and in fact would, change its jurisdictional standards, thus extending the provisions of this bill to small businesses not presently covered. This amendment would put that fear to rest.

I hope that all of my colleagues will review the proposals contained in this amendment. I believe that, upon anal-

ysis, they will discover that these modifications will result in a bill which is evenhanded and fair—a bill which will improve the efficiency and operations of the National Labor Relations Board.

These are the goals which the bill is designed to achieve. These are the goals which the Committee on Human Resources worked hard to achieve. The bill which was reported is a carefully crafted measure.

The committee is to be commended, and most especially are the managers of the bill, Mr. JAVITS and Mr. WILLIAMS to be commended, on the great care they have shown and demonstrated repeatedly in their attempt to work some modifications into the bill respecting the concerns which have been expressed. This is a very complex issue and there are many complex issues of law involved.

The committee is to be commended and congratulated on its handling of this bill. It is a tribute to the quality of the debate which has occurred, and a tribute to the open-minded and fair approach taken by the floor managers to accept improvements to the bill.

I urge my colleagues to support these proposed amendments which are included in the substitute which I now send to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER (Mr. CHILES). The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. FORD, Mr. DURKIN, Mr. MCINTYRE, Mr. SPARKMAN, Mr. STAFFORD, Mr. HUDDLESTON, Mr. BAYH, Mr. BURDICK, Mr. ABOUREZK, Mr. CLARK, Mr. EAGLETON, Mr. MELCHER, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. RANDOLPH, Mr. RIEGLE, Mr. NELSON, Mr. CASE, Mr. PACKWOOD, and Mr. SASSER proposes Unprinted Amendment No. 1329, to strike all after the enacting clause and insert new language.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the substitute be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

That (a) this Act may be cited as the "Labor Law Reform Act of 1978".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National Labor Relations Act.

SEC. 2. (a) Section 3(a) of the National Labor Relations Act is amended to read as follows:

"SEC. 3. (a) The National Labor Relations Board (hereinafter call the 'Board') created by this Act prior to its amendment by the Labor-Management Relations Act, 1947, and by the Labor Law Reform Act of 1978, is hereby continued as an agency of the United States, except that the Board shall consist of seven instead of five members, appointed by the President by and with the advice and consent of the Senate. Of the two additional members so provided for, one shall be appointed for a term of five years and the other for a term of six years. Their successors, and the successors of the other members, shall be appointed for terms of seven years each, excepting that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom that individual shall succeed. The President shall designate one member to serve as Chairman of the Board. No more than a simple majority of the members of the Board shall be members of the same political party. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.".

(b)(1) The third sentence of section 3(b) is amended by striking "three" and substituting "four".

(2) Section 3(b) is further amended by inserting after the third sentence the following new sentence: "The Board shall within ninety days after the date of enactment of the Labor Law Reform Act of 1978 establish a procedure, upon conditions stated in the rule, pursuant to which a group specifically designated pursuant to the first sentence of this subsection to decide summary judgment cases may, where appropriate upon the motion of a prevailing party in a decision of an Administrative Law Judge issued after a hearing under subsection (b) of section 10, summarily affirm such decision. A motion for summary affirmance shall be filed within ten days after the decision of the Administrative Law Judge, any exceptions to that decision and any response to that motion shall be filed within twenty days thereafter, and the motion and response shall then be presented for decision.".

SEC. 3. The second and third sentences of section 4(a) are amended to read as follows: "The Board shall appoint an executive secretary, and such attorneys, examiners, law clerks to Administrative Law Judges, and regional directors, and such other employees as it may from time to time find necessary for the proper performance of its duties. The Board may not employ any attorneys for the purpose of reviewing transcripts of hearings or preparing drafts of opinions except that any attorney employed for assignment as a legal assistant to any Board member may for such Board member, and any law clerk assigned to an Administrative Law Judge may for such judge, review such transcripts and prepare such drafts.".

SEC. 4. Section 6 is amended to read as follows:

"SEC. 6. (a) The Board is authorized to make, amend, and rescind (in the manner prescribed by subchapter II of chapter 5 of title 5, United States Code) such rules and regulations as may be necessary to carry out the provisions of this Act.

"(b)(1) The Board shall within twelve months after the date of enactment of the Labor Law Reform Act of 1978 issue regulations to implement the provisions of section 9 including rules—

"(A) which shall provide that after a notification under subsection 9(c)(6)(A) has been served and until an election under section 9 has been held, or the notification has expired, if an employer or agent of the employer addresses the employees at the work site or during working time on issues relating to representation by a labor organization the employees shall be assured an equal opportunity to obtain in an equivalent manner information concerning such issues from such labor organization, and such rule shall (i) not grant the opportunity to obtain information from a labor organization provided herein during working time; (ii) limit that opportunity to non-working areas including but not limited to parking lots, cafeterias and other areas where employees are allowed to congregate during changes of shift, breaks, mealtime or other non-work time except restrooms and other locations not suitable for the exchange of views; (iii) limit the number of non-employee labor organization representatives at each such area to a maximum of two except that with regard to parking lots the maximum shall be four; (iv) require the labor organization to provide at least one day's advance notice of a request to address the employees and that said notification shall specify the areas to be used and shall state the names of the organization's non-employee representatives and the time during which they will be present; and protect the employer's interest in uninterrupted operation and in discipline and the employees' right to engage in activity protected by Section 7 free of interference, restraint and coercion: *Provided*, That the provisions of such rule shall not apply to an employer who compensates fewer than 10 individuals.

"(B) to facilitate the resolution of disputes concerning the eligibility of voters; and

"(C) to govern the holding of elections in cases in which an appeal has not been decided prior to the date of the election.

"(2) The Board shall, to the fullest extent practicable, exercise its authority under subsection (a) of this section to promulgate rules declaring certain units to be appropriate for the purposes of collective bargaining.

"(3) A rule or regulation issued by the Board with respect to the subject matter set forth in paragraph (1) or (2) of this subsection shall be judicially reviewable in accordance with the provisions of section 706(2)(A) through (D) of title 5, United States Code, only in a proceeding under section 10 of this Act. The failure of the Board to comply with the time requirements set forth in paragraph (1) of this subsection, or to institute a rulemaking proceeding with respect to the subject matter set forth in paragraph (2) of this subsection, within a reasonable period of time after a request for such a rulemaking procedure has been filed with the Board pursuant to section 553(e) of title 5, United States Code, to complete such a procedure within a reasonable period after its institution, may be reviewed upon the petition of any aggrieved party in the court of appeals of the judicial circuit in which the petitioner resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit. The court of appeals shall have jurisdiction to grant appropriate relief.

SEC. 5. Section 9(b)(3) is amended by striking out "such organization admits to membership, or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards" and inserting in lieu thereof by a hyphen and the following:

"(A) in the case of a unit involving guards regularly assigned to work on the premises of two or more employers (whether or not individual guards move between the premises of such employers), such organization admits to membership, or is affiliated, directly or indirectly, with an organization which admits to membership, employees other than guards, and

"(B) in any other case, such organization admits to membership nonguard employees at the same location, or if such organization is directly affiliated with any national or international labor organization which represents nonguard employees at the same locaton."

SEC. 6. Section 9(c) is amended by adding at the end thereof the following new paragraph:

"(6)(A) In directing an election by secret ballot, the Board shall set the election on the earliest administratively feasible date but not less than 35 days after the employer involved has been notified in writing that the employees in that unit are seeking representation by the labor organization involved, or that the employer and labor organization have been notified that the employees do not wish to be represented by the individual or labor organization which has been certified

or is being currently recognized by their employer as the representative defined in subsection (a), or do not wish to be covered by an agreement between their employer and a labor organization made pursuant to the first proviso to subsection (a) (3) of section 8, and not more than 50 days after the filing and serving of the petition (unless another date prior to such thirty-fifth day is agreed to by the employer and the representative named in the petition), except that where the Board determines that the proceeding presents issues of exceptional novelty or complexity, the Board may direct the election on a date not more than 75 days after the filing and serving of said petition. In computing the time limits stated in this subsection the days of the week during which a majority of the employees involved in the election are on vacation shall not be included. To be effective for purposes of this subsection, notification other than a petition must specify the unit stated in the petition and must be served no more than 6 months before the filing and serving of the petition. If a notification other than a petition is served as provided in this subsection and a petition is not filed within the 6 month period specified above, a second notification by the same person including a petition filed during the succeeding 2 months shall be of no force or effect.

"(B) Notwithstanding any other provisions of section 9 the following provisions of this subparagraph apply:

"(i) The Board, in processing petitions, shall grant first priority to petitions supported by a majority of the employees in a unit appropriate for the purposes of collective bargaining involved in which no individual or labor organization is currently certified or recognized as the exclusive representative of any of the employees and to petitions under subsection (e) supported by a majority of the employees in the unit involved.

"(ii) Where the unit specified in the petition is a unit appropriate for the purposes of collective bargaining under a rule established pursuant to section 6, the Board shall direct an election without regard to the provisions of paragraph (1) of this subsection with respect to a hearing prior to such election.

"(C) After an election conducted pursuant to subparagraph (A) or (B) of this paragraph is completed, the Board shall, unless under a rule adopted pursuant to subsection (b) (1) (C) of section 6, the ballots have been impounded, promptly serve the parties with a tally of the ballots.

"(D) (i) Any party to an election conducted pursuant to subparagraph (A) or (B) of this paragraph may, within five days after such election, object to the election on the ground that conduct contrary to a rule relating to the election declared by the Board pursuant to its authority under section 6 or conduct contrary to a rule of decision declared by the Board in a proceeding under section 10 did affect the result of the election. Except for the purpose of issuing and enforcing rules applicable to campaigning during the forty-eight hours prior to the holding of an election, the limitations stated in subsection (c) of section 8 on the Board's authority to utilize evidence in determining that an unfair labor practice has been committed shall also be applicable in determining that an election be set aside.

"(ii) Whenever challenged ballots are sufficient in number to affect the outcome of the election, the Board shall investigate the challenges and serve a report on challenges upon the parties. Nothing contained herein shall preclude resolution in a subsequent unit clarification proceeding, of the unresolved eligibility questions raised by such challenges.

"(iii) The Board shall move expeditiously to resolve any issues raised by the objections or regarding eligibility and certify the results of the election.

An objection based on the application of the criteria in subparagraph (A) of this subsection by which an election is scheduled shall not be a basis for setting aside the election."

SEC. 7. Section 9(d) is amended by inserting immediately after the word "thereupon" the following: "after review in accordance with section 706(2) (A) through (E) of title 5, United States Code".

SEC. 8. The first sentence of subsection (10) (b) is amended to read as follows:

"(b) Whenever—

"(1) it is charged that any person has engaged in or is engaging in any such unfair labor practice, or

"(2) it is charged that any person has engaged in or is engaging in a willful violation of—

"(A) any final order of the Board entered pursuant to subsection (c) of this section and which is not and has not been the subject of a proceeding under subsection (e) or (f) of this section, or

"(B) any final order of a court of appeals of the United States entered in a proceeding under subsection (e) or (f) of this section, prohibiting interference with, restraint, or coercion of employees in the exercise of the rights guaranteed in section 7 or discrimination against employees to encourage or discourage membership in a labor organization, and that said violation occurred within three years of the entry of the order violated,

the Board, or any agent or agency designated by the Board for such purposes, is authorized to issue and cause to be served upon such person a complaint stating the charges. Such complaint shall contain a notice of hearing before the Board or member thereof, or before a designated agent or agency, at a place therein fixed, not less than five days after the serving of such complaint. No complaint shall be issued based upon any unfair labor practice or willful violation of a final order occurring more than six months prior to the filing of the charge with the Board and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event the six-month period shall be computed from the day of his discharge.".

SEC. 9. Section 10(c) is amended by—

(1) inserting "(1)" after "(c)";

(2) striking out the fifth sentence of paragraph (1) (as redesignated by this section) and inserting in lieu thereof the following: "If upon the preponderance of the testimony taken the Board shall not be of the opinion that the person named in the complaint has engaged in or is engaging in any such unfair labor practice, or has willfully violated or is willfully violating a final order as specified in subsection (b) of this section, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.";

(3) by adding in the final sentence of paragraph (1) after the word "report" the following: "containing findings of fact (including the basis on which conflicts in the evidence are resolved) and conclusions of law and in cases of exceptional novelty or complexity such further discussion of the facts or law as is necessary"; and

(4) by adding at the end thereof the following new paragraphs:

"(2) If upon the preponderance of testimony taken the Board shall be of the opinion that the allegation in the complaint that a person has willfully violated or is willfully violating a final order as specified in subsection (b) of this section has been sustained, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order certifying the identity of that person to the Secretary of Labor. Notwithstanding any other law, unless the Secretary of Labor determines that because of unusual circumstances the national interest requires otherwise, the Secretary shall certify the identity of such person to the Comptroller General. The Comptroller General shall distribute a list to all agencies of the United States containing the names of persons certified by the Secretary of Labor pursuant to this subsection. Notwithstanding any other law, no contracts shall be awarded to such person during the three-year period immediately following the date of the Secretary's certification, unless the Secretary, in his discretion and for reasons stated in a written explanation determines that setting a lesser period of debarment would better effectuate the purposes of the Act, or unless the agency of the United States concerned, after notice and opportunity for hearing to all interested parties, certifies to the Secretary of Labor that there is no other source for the material or services furnished by the person affected by the Board order: *Provided*, That debarment orders shall specify affirmative action to be taken to protect the affected employees' section 7 rights, and if the Board finds that the requirements of the order have been satisfied, the Secretary shall remove the debarment, or may do so if satisfied, for other reasons, that such relief will effectuate the purposes of the Act: *Provided further*, That this subparagraph shall restrict the award of contracts solely to the business entity legally responsible for the willful violation or to the local, intermediate, national, or international labor organization legally responsible for the willful violation.

"(3) (A) In a case in which the Board determines that an unlawful refusal to bargain prior to the entry into the first collective-bargaining contract between the employer and the representative selected or designated by a majority of the employees in the bargaining unit has taken place, the Board may enter an order pursuant to paragraph (1) of this subsection which includes an award to the employees in that unit of compensation for the delay in bargaining caused by the unfair labor practice in an amount equal to the difference per hour during the period of delay which period shall commence on the date an unfair labor practice complaint alleging an unlawful refusal to bargain is issued between (i) the wages and other benefits such employees were receiving at the time of the unfair labor practice increased by a percentage equal to the change in wages stated in the Bureau of Labor Statistics' Employment Cost Index for occupations covered by collective bargaining agreements for the 12 months ending on the ninety-day period during which the delay began and (ii) the wages and other benefits actually received by such employees during that period.

"(B) In a case in which the Board determines that any person has unlawfully discriminated against employees to encourage or discourage membership in a labor organization, or has unlawfully interfered with, restrained or coerced employees in the exercise of the rights guaranteed by section 7, during a period (i) in which employees in a bargaining unit which includes that employees are seeking representation by a labor organization, (ii) after a labor organization has first been designated or selected as a representative defined in subsection (a) of section 9 in such unit until the first collective-bargaining agreement is entered into between the employer and the representative, or (iii) in which employees currently represented by an individual or labor organization which has been certified or is being recognized by their employer or currently covered by an agreement made pursuant to the first proviso to subsection (a) (3) of section 8 in a bargaining unit which includes that employee are seeking to deauthorize or decertify that representative or rescind that agreement is alleged, the Board may enter an order pursuant to paragraph (1) of this sub-

section which includes an award of backpay in an amount equal to one and one-half the employee's wage rate at the time of the unfair labor practice for the time lost by reason of the unfair labor practice less the wages the employee has earned during that period.".

SEC. 10. (a) The third sentence of subsection 10(e) is amended by inserting immediately before the period at the end thereof a comma and the following: "nor shall any objection be considered by the court unless a petition for review pursuant to subsection (f) of this section has been timely filed by the party stating the objection".

(b) The first sentence of subsection 10(f) is amended by—

(1) inserting "within thirty days" after "by filing", and

(2) inserting before the period at the end thereof the following: "except that, if a petition for review has been timely filed, any other party to that Board proceeding, aggrieved by the order, may, within fifteen days of service on it of said petition, file a further petition for review".

SEC. 11. (a) The first sentence of section 10(l) is amended to read as follows: "Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of—

"(1) subsection (a)(3) or (b)(2) of section 8 which deprives an employee of employment during a period (i) in which employees in a bargaining unit which includes that employee are seeking representation by a labor organization, (ii) after a labor organization has first been designated or selected as a representative defined in subsection (a) of section 9 in such unit until the first collective-bargaining agreement is entered into between the employer and the representative, or (iii) in which employees currently represented by an individual or labor organization which has been certified or is being recognized by their employer or currently covered by an agreement made pursuant to the first proviso to subsection (a)(3) of section 8 in a bargaining unit which includes such employees are seeking to deauthorize or decertify that representative or rescind that agreement, or

"(2) paragraph (4)(A), (B), or (C) of section 8(b), paragraph (7) of section 8(b) or section 8(e),

the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred.".

(b) Section 10(m) is amended by inserting "under circumstances not subject to section 10(l)," after "section 8,".

SEC. 12. Section 19 is amended to read as follows:

"SEC. 19. Any employee who is a member of and adheres to established and traditional tenets or teachings of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required in a contract between such employees' employer and a labor organization in lieu of periodic dues and initiation fees, to pay sums equal to such dues and initiation fees to a fund maintained by the employer for the sole purpose of paying individuals for their services as neutral arbitrators under the contract or to a nonreligious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in such contract or if the contract fails to designate such funds, then to any such fund chosen by the employee.".

SEC. 13. Section 301 of the Labor Management Relations Act of 1947 is amended by adding at the end thereof the following new subsection:

"(f)(1) Where there is in effect a collective-bargaining contract between an employer and a labor organization which is the representative of employees under section 9(a) of this Act, the courts of the United States shall, notwithstanding the limitations stated in the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101–115), but subject to the limitations stated herein, have the authority in a civil action brought by that employer to restrain (A) a concerted refusal in breach of that contract to cross a picket line not maintained by a labor organization in connection with a labor dispute; or (B) a concerted refusal to work in a breach of that contract (and concerted activity in furtherance thereof) that is neither initiated, authorized, nor ratified by the labor organization, where a refusal to cross a picket line maintained by a labor organization in connection with a labor dispute is not involved.

"(2)(A) In an action under paragraph (1) of this subsection no restraining order may issue unless the employer has, in addition to the other requirements for obtaining relief, proved at a hearing held after the labor organizations concerned have been given notice and an opportunity to oppose the granting of relief, that the concerted activity specified above has occurred or is occurring.

"(B) In an action under paragraph (1)(A) of this subsection, if the picket line is maintained by a labor organization in connection with a labor dispute, no restraining order shall be granted pursuant to this subsection.

"(C) In an action under paragraph (1)(B) of this subsection, if the labor organization does not oppose the granting of relief under this subsection on the ground that the concerted activity in question has been initiated, authorized, or ratified, it shall be conclusively established for the action in question and related actions that the activity was not so initiated, authorized, or ratified. If the labor organization has initiated, or authorizes or ratifies the concerted activity, no restraining order shall be granted pursant to this subsection.".

"SEC. 14. Section 3(d) is amended by inserting immediately after the third sentence the following new sentence: 'The General Counsel shall designate one or more officers or employees in the Board's national office and in each regional office to act as ombudsmen for the purpose of answering inquiries and disseminating information, particularly with regard to the rights, obligations, and responsibilities of those employers and employees in the small business community. The ombudsmen shall provide general information and explanation regarding the provisions of this Act, regulations of the Board, procedures involved in the processing of cases and the current state of the law with regard to particular areas of concern. Any such ombudsmen shall not be authorized to render advisory opinions or make any factual or legal determinations under this Act.' ".

"SEC. 15. The proviso to section 14(c)(1) of the Act is amended by striking 'August 1, 1959' and substituting 'May 1, 1978, and shall not assert jurisdiction over any labor dispute over which it would decline jurisdiction under those standards.' ".

SEC. 16. Except as otherwise specifically provided in this Act, the amendments made by this Act shall take effect sixty days after the date of enactment of this Act.

Mr. JAVITS. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. Mr. President, I just want to say that this is evidence of two things: First, that we are not cased in concrete. We are really trying to elicit and to develop the provisions of this bill, which is what we pledged to the Senate, in such a way that they do not represent major substantive changes between the opportunities of unions to organize and the opportunities of employers to induce employees not to be organized; and, second, Mr. President, I would like to emphasize—and I hope it will be so understood in the country—that this is not a partisan venture. I realize that the majority leader is on one side and the minority leader is on the other, and that there are splits on both sides. That is the way of American legislation.

I would just like to point out that there are Republicans who are on this substitute; there are Republicans who have been voting, and who I think are likely to vote, to deal with cloture and to deal with other phases of this bill. I hope very much that it will not be considered as a partisan venture. Labor is equally welcome in both parties. No one needs to affirm that. I understand it only too well.

I will say for Senator BAKER immediately that, according to his judgment and his conscience, he has tried to do what he thinks is best for American labor.

I hope we can creatively debate this bill and whatever we do ultimately contrive will be contrived in that spirit. Thank you, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I thank the distinguished Senator from New York. He is entirely correct when he says that this issue, which is indeed one of the great issues which will confront this Congress in this session, is not a pure partisan issue, and it should not be. I have tried to accommodate the desires of those who hold differing views on this side of the aisle. I am pleased to say that I think that has occurred.

Mr. JAVITS. May I hasten to fully confirm that with no qualifications whatever.

Mr. BAKER. I thank the Senator from New York.

I thank the distinguished majority leader for presenting to the Senate now a comprehensive set of proposals to amend the bill as it was reported. I had expected that that would happen. I rather expect, and he understood that I would take the position I am about to take. That is, that the nature, the complexity, and the involvement of these proposed changes are such that, I am sure, they will require a careful and methodic examination by this Senate, testing several sections of the amendment offered.

I had hoped, as my colleagues know, that we would avoid trying to rewrite this bill on the floor and, instead, would recommit the bill to the parent committee, to the jurisdictional committee, with a reasonable time for that committee to consider the several changes which are before us now.

I believe it is safe to say that most of those changes in one form or another are in the 596 amendments which are now at the desk.

But it was not in the nature of things that that would be the outcome. I made my motion to recommit and the distinguished majority leader made his motion to table. I am not unused to the idea that he prevails more than I do in that respect. But that is behind us. I expect now we will go next to an alternative situation. That is to examine the provisions, the changes, and the ideas which are embodied in this proposal. I will say in good conscience, however, and in total candor, that it will take a while. We will have to discuss them at some length and we will have to consider them one by one.

I wish to pay special tribute to the distinguished managers of this bill from the jurisdictional committee, the distinguished Senator from New Jersey (Mr. WILLIAMS), and the equally distinguished Senator from New York and my colleague (Mr. JAVITS), and also to Senator HATCH and to Senator LUGAR who have in large measure been called upon to manage the opposition to the bill so far.

Mr. President, I think now it is time to get on with an examination of this new proposal. I would hope that we can do it in a regular way over the course of the next several weeks.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader for his comments. There will not be any cloture vote tomorrow, of course, and there will not be any on Monday. But Senators may be ready beginning next Tuesday to vote on cloture motions. This will give us the rest of the day and tomorrow. If Senators wish to come in Saturday and discuss the bill, that will be fine with me. I have an engagement which I will cancel. Then we can discuss it also on Monday. We can stay in as long as we like. We will not be cramped for time. Of course, then there will be the vote on cloture on Tuesday.

If it is invoked, fine; each Senator will still have an hour for debate. If it is not invoked, we can try again on Wednesday.

I assure the distinguished minority leader that there is going to be a time, as we have already discussed most of the aspects of the amendments that are included in the substitute in the course of the 12 days of debate on the bill. I should hope that it will not take too long to discuss the substitute. Of course, that is up to the Senate.

Mr. BAKER. I thank the majority leader for his remarks. I yield now to the distinguished Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague. I did vote for the minority leader's recommittal motion, because I was convinced that the bill should be sent back to the Human Resources Committee. The committee could have come back with an amended bill taking into account the sentiments expressed by many of their distinguished colleagues.

I feel that the bill in its present form is such that I could not have supported it. I could not have supported the House bill either. I think it is overkill. I think it takes the Federal Government from a position of neutrality and puts it on the side of unions. I do not think the NLRB should be on the side of unions any more than I think the Federal Government should be on the side of management. It ought to be neutral.

I hope that, in the process we are going through now, we can work forward. I would prefer not to kill the bill by filibuster, because it is going to be back again next year and the year after. It is not going to go away. There are certain changes made necessary by the J. P. Stevens case on which I think reasonable business people are able to agree. Once an adequate number of workers has indicated support for a union election, no one should be able, for years, to withhold that opportunity. Once a union is certified, no one should be in a position to delay forever the collective bargaining process.

I do not feel that I could support this bill unless we take out the equal access provision and unless we modify the "make-whole" provision. I would be happy to work with the managers of the bill to find some way to lengthen the time period within which elections must be held and to have decisions of administrative law judges either affirmed by a majority of the Board or cleared with all Board members before they are issued as a final decision.

I do think we can work forward on this. I feel it would have been better to do so in committee, but I am quite willing to put the time in now to see that we move forward toward a bill that will be fair and equitable and that we can live with. It is going to be more difficult to do this on the floor. I commend the minority leader for wanting to do it in committee. However, I am willing to put the time in here, to work with the floor managers.

Mr. BAKER. I thank the distinguished Senator. I yield the floor.

The PRESIDING OFFICER (Mr. KENNEDY). The Senate will be in order. The Chair asks that the well be cleared and that the Senators take their seats and bring their conversations to a close.

Mr. HATCH. Mr. President, I have enjoyed the experience here on the floor up to now. I have to add that I appreciate the efforts put forth by the majority in this instance and by the managers of the bill to substantially change the bill. It looks to me as though they have come up with a substitute bill which is widespread in nature but, basically, has most of the same provisions as the prior bill, with some very tricky and interesting nuances.

It is going to take some time to work on the substitute and to work on the various provisions.

What amazes me is that after, I guess it is now 12 days of debate, with, almost every day, pointing out union abuses, corruption, and union problems that are not addressed by this so-called reform bill, in all the efforts to reform this matter and to restate it as a substitute bill, there has been no effort toward that end. So, for all of the interesting and enjoyable talk about how they have tried to accommodate small business and the rest of our society for whom we have raised notable and significant objections, which are unresolved by this substitute as I have heard it from the mouth of the distinguished majority leader, I have to add that the problems are still unresolved.

Mr. President, I shall continue my remarks in a few moments. I should like to go through a few of the things as I stand here, but I want to make it clear that we are a long way from having a bill that will be acceptable to our side. To be frank, I see a lot of provisions that really do not make a lot of sense. I see some give on days but still mandatory quickie elections, mandatory deadlines, vote and impound procedures which will stop voluntary consent agreements, which result in 82 percent of all these cases being consented to.

The "make-whole" provision still has a problem, as I understand it, from what I have heard here today and, of course, we have not had the privilege of reviewing this matter, but we will. As I understand it, it still has a provision in it that the "make-whole" remedy will be based upon not an LES index but an ECI index of collective bargaining agreements; in other words, union agreements which will be imposed on small business.

The department remedy basically will have to be reviewed. It should have been removed, because it is a particularly reprehensible provision that is not remedial but punitive in scope.

As to the NLRB ombudsman, we have that in existence already. There is nothing being given there.

As to the statutory codification of the jurisdictional limitations, that can work just as much against small business as they think it works for it, because all it does is exclude the 72 percent of single-owner-employee businesses who thus, from henceforth and forever, will not have the benefits of the NLRA, but who could not be organized, anyway. It excludes about 4 percent of those businesses which are so small that no union in its right mind would try to organize them to begin with.

It still leaves subject to this bill, and very detrimentally so, 80 percent, approximately, of all employees in our society. So, although the protestations are interesting, I am not so sure that they do very much for our society.

I will say this: I commend the majority leader and those who have worked so hard to try to change only the provisions of this bill and not address any of the other considerations which we have brought forth and which are stated in about 600 amendments here, all of which I believe are substantive and many of which should be enacted into any "reform" bill. It looks to me as though we have a long way to go.

As I understand it, the distinguished Senator from Illinois would like to make a statement at this time.

Mr. PERCY. I would. I see that my distinguished colleague from New York probably wants to speak. The Senator from Illinois has a statement of about 15 minutes in length. I should like to do it sometime this afternoon. I was scheduled to do it this morning but a conflict arose. I should like to do it now, if it does not interfere with the schedule.

Mr. HATCH. I am happy to yield to the Senator, as long as this does not amount to a second speech, or a first speech, as far as that goes. I should like to ask unanimous consent to that extent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, the problem of labor-management relations is not a partisan issue. Though, many times, the majority party of the Senate has been characterized as prolabor and the minority party has been characterized as promanagement or antilabor, these simplistic labels are simply not true. We have some of the stanchest supporters of labor unions in the country on the minority side, as we have on the majority side.

We also have some very strong antiunion Members on both sides of the aisle. It is not a partisan issue.

As a matter of fact, I cannot help but think back to 1959, when President Eisenhower asked the present Senator from Illinois to be chairman of a committee called the Committee on Program and Progress of the Republican Party. Everett Dirksen served as a member of that committee as did Robert Taft, Jr., John Volpe, Gabriel Hauge, and H. Chapman Rose. We put together a statement called Decisions for a Better America. It embraced over a year's study. We debated heatedly many times what the Republican position should be on labor unions.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement from the report indicating what the Republican Party at that time unanimously affirmed in a report acclaimed by President Eisenhower as one of the best statements of Republicanism that had ever been issued.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The Republican Party seeks a better life for the working men and women of America. Labor unions have contributed importantly to this better life, and to the vigor of the American system. They are an essential institution in the fabric of American life both today and tomorrow.

The well-being of our country and all its citizens is strengthened if the freedom and prosperity of America's working people are assured. We thus propose a dedicated effort to achieve these aims:

1. A high level of employment and good jobs for more people.

2. Higher living standards related to increased productivity.

3. Positive assurance that the rights and freedom of individual working men and women will be scrupulously protected, including the clear right to join a labor union.

4. Broader application of fair labor standards, together with strong unemployment insurance and social security systems.

5. Free collective bargaining with a realistic balance of economic power between labor and management.

Mr. PERCY. Mr. President, this statement clearly indicated that the Republican Party supported labor unions, that it believed and continues to believe that they are an integral part of the economic fiber of this country and have contributed immensely to the economic progress and growth of the United States of America and its people, particularly its working men and women.

Before beginning my remarks on the serious problem of labor—management racketeering—I want to take a moment to make clear my firm belief that the vast majority of labor unions in this country are managed honestly and decently. I have had the good fortune to work with over 30 of the top labor leaders in Illinois on my Labor Advisory Committee. They are all hard-working, dedicated, honest men and women. I believe that they, too, share my concern about this matter. It is most unfortunate that when devious hoodlums steal millions from American consumers and union rank-and-file, they also besmirch the good names and reputations of honest labor union leaders everywhere.

It is for that reason that the Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, has devoted as much time as it has to the subject of labor-management racketeering.

When Senator CHURCH was chairman of the Multinational Subcommittee of the Foreign Relations Committee, and the Senator from Illinois served as the ranking minority member, we came down hard against American corporations that engaged in practices such as payoffs, kickbacks, and under the table financial transactions, to gain business which, in the end, subverts the American economic system. So, too, Senator NUNN, Senator JACKSON, the other members of the Permanent Investigation Subcommittee and I have come down very hard, indeed, on labor-management racketeering which subverts the very nature of the collective bargaining process and the free labor movement.

UPSURGE IN LABOR-MANAGEMENT RACKETEERING FAILS TO STIR LABOR DEPARTMENT

Mr. PERCY. Mr. President, on April 24 and 25, the Permanent Subcommittee on Investigations heard convincing testimony that there has been a dramatic upsurge of labor racketeering across this country. Nine Justice Department strike force attorneys—from New York, Chicago, Miami, San Francisco, Cleveland, Philadelphia, Newark, Buffalo, and Atlanta—testified that organized crime dominates entire international unions. In some instances, the leaders of these corrupt unions are themselves lieutenants in the families of organized crime. According to one experienced Justice Department prosecutor quoted in U.S. News and World Report, "Organized crime in labor is probably the most serious problem in the criminal field."

This is an intolerable situation. And yet, subcommittee testimony documents a stubborn refusal on the part of the U.S. Department of Labor to exercise its congressionally mandated responsibility to eliminate labor-management racketeering. President Carter promised us the best. His Attorney General, Griffin Bell, has called for a major Government effort against organized crime. If there are people in high positions in the Labor Department who would frustrate that policy, the President is obliged to replace them. At a minimum, Congress must and President Carter should, let the Labor Department know that further obfuscation and delay will not be tolerated. Nothing will hurt the cause of organized labor more than this stain on its reputation.

The hearings of the Permanent Subcommittee on Investigations were convened to determine the reasons why the Labor Department has failed to provide adequate assistance to the organized crime program. The Labor Department's participation in the organized crime program dates back to 1966 when President Johnson directed all executive departments to cooperate with the Justice Department's organized crime program. The Department has been furnishing experienced Labor investigators to the organized crime strike forces ever since the strike forces were first established in 1970.

The strike force is a special task force of Justice Department prosecutors assigned the specific purpose of investigating and prosecuting organized crime. Thirteen other departments and agencies, including the FBI, Postal Service, and IRS, provide manpower and other forms of assistance.

In recent years, there have been persistent indications that the Labor Department has deliberately shied away from taking an aggressive role in ferreting out the corrupt men—interested solely in personal gain and power—who hold sway over certain unions. Some commentators have suggested that the Labor Department is philosophically incapable of accepting its criminal law enforcement role.

Mr. President, with the lack of cooperation on the part of the Labor Department, the Federal Government is fighting organized crime with one hand tied behind its back. The 2 days of hearings revealed no strong commitment by the Labor Department in the past, no strong commitment in the present, and only vague promises of a commitment for the future. The fight against organized crime apparently is today only a half-hearted part-time affair.

Criminal investigations of labor-management racketeering are detailed and complex. They may take years to complete. Frequently, they center on a laborious review of the union financial records. The expertise of Labor Department compliance officers is, therefore, crucial to the success of such operations.

Moreover, the Congress has given Labor Department compliance officers broad access to union records. This access is the key to the success or failure of any probe into labor-management racketeering.

Recently, because the Labor Department has failed to supply badly needed help, strike force chiefs have begun to rely more and more on the FBI to aid in these investigations. The FBI has performed admirably. But, the Bureau is generally unfamiliar with the complexities of labor law, and their resources are already stretched extremely thin. Only 11 percent of the Bureau's 7,800 special agents are accountants, and their services are critical to all types of white

collar investigations. Most importantly, they are shackled in this area as a result of having much more restricted access to union documents than do labor compliance officers who are authorized to routinely monitor labor union records.

Deputy Attorney General, Benjamin Civiletti, in response to a request from the subcommittee, has written a letter detailing the limitations on the use of FBI agents in racketeering cases. I ask that it be reprinted in the RECORD at the conclusion of my remarks.

A recent illuminating article in the Chicago Tribune by Arthur Siddon suggests that the FBI has "infiltrated the top echelons of some crime syndicate-dominated unions." If this is so, it may be an important breakthrough in fighting labor-management racketeering. I hasten to add, however, that it would be a mistake to rely totally on undercover operations. There will often be no alternative to the meticulous, tedious examination of complex financial statements in making a racketeering case.

Crimes which go undetected cannot, of course, be investigated and prosecuted. access to the evidence of corruption has been given to the Labor Department by Congress. If we are witnessing a significant upsurge in labor-management racketeering, the onus must fall on those who are supposed to detect the wrongdoing, and who have failed to do so.

In the 1950's the Permanent Subcommittee on Investigations, under the distinguished chairmanship of the late Senator John McClellan, launched a massive 3-year investigation into corrupt practices in labor-management relations. That investigation resulted in passage of the historic Landrum-Griffin Act, which gave the Department of Labor its key role in eliminating organized crime from the unions. Since then, with the passage of other legislation, such as the Employee Retirement Income Security Act (ERISA) in 1974, the role of the Labor Department has been enhanced.

Nevertheless, the chilling conclusion of Robert C. Stewart, strike force chief in Newark, N.J. and Buffalo, N.Y. was that—

> . . . little or no progress has been made to control labor racketeering over the past 20 years, despite some rather good legislation. The same schemes and the same faces and the same tyranny dominate the field of labor racketeering today as they did during the original McClellan Committee hearings.

Our lead-off witness in the hearings was Deputy Attorney General, Benjamin Civiletti. He testified that sweetheart contracts, "ghost" workers—organized crime members paid for doing nothing, kickbacks, payoffs, and embezzlements still prevail in numerous unions. He estimated that 300 locals throughout the country, or one-half of 1 percent of American unions, are syndicate controlled. The testimony of the strike force chiefs suggested that this figure may be far too low. For example, in Miami, the strike force, which has been limited by lack of investigators, has encountered substantial corruption in each and every one of the 15 to 18 separate locals it has investigated.

The crime syndicate, according to the strike force chiefs, has combined traditional tactics of violence and intimidation with sophisticated financial schemes to estabilsh their sinister control or influence over millions, perhaps billions, of dollars in union funds, and in pension and health and welfare funds. These corrupt practices rob the union rank-and-file of their hard-earned rights and benefits. They force American consumers to pay a duty tax to racketeers for essential goods and services. In effect, consumers and laborers alike are being forced to subsidize organized crime.

The problem is one of staggering proportions. Peter Vaira, head of the strike force in Chicago, declared that:

> Nearly every major local union of three international unions is controlled by the Chicago Crime Syndicate. The officers of these unions answer directly to, or are actual lieutenants in, the syndicate.

Indeed, Mr. Vaira explained that having gained control of a union, organized crime can affect an entire industry by favoring the companies it owns, or by demanding payoffs for labor peace. Competition goes down the drain. He declared that whole industries are coming to be mob-dominated, citing the shipping and trucking industries as examples.

Other strike force attorneys recounted disturbing facts about labor-management racketeering.

In Miami, crime families from New York and Chicago compete openly for control of Florida unions. According to Marty Steinberg of the strike force:

> Through cases covering the last 5 years, the Miami strike force has determined that labor racketeering is rampant in at least four or five major south Florida labor unions. The control by organized crime of these major labor unions in South Florida is virtually complete.

Steinberg testified that organized crime has infiltrated the construction, insurance, banking, service, hotel and tourism industries in southern Florida.

In Philadelphia, organized crime has infiltrated several unions with strong ties to the local political power structure.

In Manhattan, labor racketeering affects virtually every international union with local memberships. Michael Carey of the strike force told the subcommittee that racketeering has "undoubtedly driven business out of New York," eroding the tax base and contributing to the upward spiraling taxes and expenses for the businessmen and homeowners who remain. Recently, a vice president of the International Longshoremen's Association was convicted of receiving a $100,000 bribe from a major corporation. The head of a Teamster local in New Jersey, Anthony Provenzano, was convicted of conspiring to pay portions of a $300,000 kickback to provide the mortgage for a shady New York business.

Mr. President, the distinguished junior Senator from New York is in the Chamber. I respectfully suggest this: Inasmuch as the Permanent Subcommittee on Investigations is considering the possibility of holding field hearings sometime in the future, it might be appropriate at some point to consider having a hearing in New York to investigate whether or not there is a direct relationship between labor and management racketeering and the financial problems of New York and whether or not a part of the inflationary forces underway might be traceable to the sweetheart relationships that have developed.

Sometimes, organized crime, not satisfied just to infiltrate the union, infiltrates management as well, working out deals, bilking the public as they go along, using muscle techniques that defy local law enforcement to get to the bottom of it.

I wonder how the distinguished Senator from New York feels about Senator NUNN'S suggestion that we hold field hearings. We might conceivably look forward to having hearings in New York, if the problem in New York City is as bad as we have been told it is in Chicago.

Mr. MOYNIHAN. Mr. President, if the Senator will yield, I first commend the Senator on what he has said. Also, I affirm his important statement that support for American trade unionism has been a bipartisan tradition in American Government, in American politics, and few persons have more exemplified that in his party than the Senator from Illinois.

With respect to the city of New York and this proposition, I think a hearing in the city of New York, examining what this has done to the economy of New York, would be a good idea. I will be there, and I would welcome it.

I should like to say something that I know the Senator from Illinois would agree with, or I think he would agree with, from his long experience and great devotion to these matters: The first people who will want labor racketeering investigated in New York City will be the labor unions of New York City. Mr. Harry Van Arsdale, of the Central Trades and Labor Council, has been one of the major figures in bringing that city back together; also, Mr. Ray Corbett, the head of the State Federation of Labor, the AFL–CIO.

There is one fundamental fact about labor racketeering, and that is that no one is more concerned about it and has worked harder to resist it than the American labor movement, symbolized by the positions which George Meany, for a generation, has taken in this matter.

I see the Senator from Illinois agreeing, and he knows how much I value his judgment and particularly his confirmation of this point.

Mr. PERCY. I appreciate very much the comments of the distinguished Senator from New York. We would welcome his participation. I know that I speak on behalf of Senator NUNN as well. We would value his participation because of the insight the junior Senator from New York has in these matters, as well as his utter fairness and the high respect in which he is held by management and labor. He has demonstrated on many occasions his fearless approach to problems. He is not remiss about moving into trouble.

This is an area in which we are going to have some very heated problems. The

distinguished senior Senator from New York (Mr. JAVITS) is a member of the Permanent Investigating Subcommittee, and I know that his participation would be very valuable, also.

I believe that the point made by the Senator from New York is extraordinarily important: That good labor union leaders themselves are the first ones to be enraged, the first ones who want to see this mess cleaned up.

During the recent hearings in the House on the Teamster Central States Pension Fund, union members testified how they were enraged at having the pension fund taken over by people who were investing their hard earned money in casinos in Las Vegas. As was pointed out during our subcommittee hearings of almost a year ago, hundreds of millions of dollars have not been accounted for. That is what hurts the labor movement more than anything else.

The honest labor unions themselves are the ones most anxious to clean up the problems of corruption. This is why the Senator from Illinois cannot understand—and in this regard he is joined, I believe, by the distinguished vice chairman of the subcommittee, Senator NUNN, and by other members of the subcommittee—why the Labor Department does not take the lead. Congress gave them a mandate; it gave them the tools.

The Justice Department attorneys testified before us. The Labor Department has the expertise, the access to the records, and the know-how. They need to assign people to the strike forces who will be permanent, who will not be rotated so frequently that they come in naively unaware of the problem. By the time they become trained, they are rotated to another area. They are very inadequate in terms of numbers, and often inadequate in terms of the expertise they bring with them.

All the heads of the strike forces from the Justice Department, from across the country, have testified about their frustration at not receiving cooperation from the Department of Labor. That is what I am urging now upon Secretary Marshall, who I know is deeply concerned about this matter, who we recognize has been inundated with many other problems—the time he is putting in on the labor reform bill, the time he poured into the coal strike alone, which I know removed him from other problems.

This is a pervasive problem on which we had expert testimony saying that it is becoming worse, not better; that organized crime is on an upsurge. All this indicates that it should be moved to the Secretary's desk.

That is the only thing the Senator from Illinois is really trying to accomplish on the floor today, to see that in priority, the organized crime progam is moved up in the bureaucracy, and onto the Secretary's desk. I feel that then it will be dealt with in a forthright manner by Secretary Marshall.

In Cleveland, strike force chief, Doug Roller, testified that:

> Corrupt union officials constitute a virtual web of interlocking associations and diverse major labor organizations including the Teamsters, the Laborers, Longshoremen and the building trades. This interconnection extends also to the civic and political strata of Cleveland.

Car bombings have resulted in the deaths of the leaders of Teamster and Longshoremen's locals.

In a recent case, the president of a major union local was convicted of a mail fraud which involved the embezzling of union funds. The stolen funds helped to finance the weekend rental of a Lear jet in which he flew to Chicago with his girlfriend to attend a Frank Sinatra concert.

In San Francisco, a union fund administrator pled guilty after being indicted for the misapplication of approximately $2 million. Strike force attorney, Thomas Kotoske, noted that organized crime has infiltrated the food and service industries in the bay area.

In upstate New York, crime figures have gained control of a union benefit fund with assets of $150,000,000, according to Robert Stewart, head of the Buffalo and Newark strike forces. He told the subcommittee that the fund has been misused in a variety of criminal ventures.

An official of the fund offered to place $15 to $20 million of the fund's assets into low-interest-bearing accounts in exchange for a 5-percent annual kickback. After the bank executive declined the offer, the money was deposited into a second bank in accounts bearing lower than normal interest rates.

Using proceeds of the fund, organized crime figures acquired five solvent companies in order to strip them of their assets. Many union employees lost their jobs in the process. When union locals began to complain, it was arranged by the corrupt officials that the processing of complaints would be stalled. All five companies went bankrupt and the criminal enterprise realized a profit of $500,000.

In New Jersey, Stewart testified that a well-known labor racketeer has controlled a union local for the last 17 years, even though imprisoned for extortion from 1966 to 1970. During that time, he "did not lose one day's pay," and received a deferred salary amounting to $223,785.

Mr. President, this is alarming information. It cannot and should not be dismissed as hyperbole. The nine strike force attorneys who testified were a most impressive group. They are some of the Nation's best prosecutors. No doubt, each one of these men could command in private practice salaries two or three times more than what they now receive. But all of them are committed to ridding the labor movement of corruption. They did not appear before us primarily pleading for major changes in the law, or for the chance to use alarming new surveillance techniques. In part what they asked was that the Labor Department start doing the job that the Department should be doing, as Congress intended. This is hardly too much to ask.

They told us of the many problems they have encountered seeking cooperation from the Labor Department. The most critical is lack of manpower.

Peter Vaira, who termed labor corruption in Chicago among the worst in the country, has only one full-time compliance officer. He estimated that he could use 14 labor investigators for Chicago and the surrounding areas in Indiana and Wisconsin which come under his jurisdiction. Similarly, Marty Steinberg from the Miami strike force states that for the Miami area he could use 10 to 20 trained investigators. A few years ago he had four; now he has one.

In Buffalo, a kickback investigation of a union health care plan has languished since 1976 because of the lack of Department of Labor auditors. Atlanta has been without any effective assistance from the Department of Labor for 2 years. During the hearing, Senator GLENN asked each panel member to state how many more men he needed to do the job right. The total came to 122 additional compliance officers, and that was merely for selected areas of the country.

What is most outrageous is that Congress in passing on the budget of the Labor Department for fiscal year 1978, allotted 125 positions to the organized crime program. That figure includes 64 compliance officers in the field, admittedly far less than needed. But a survey conducted by the Justice Department in July of 1977 showed that they were receiving help from only 44 compliance officers. And because the officers were often pulled off to perform other duties, such as union election investigations, it amounted to only 28 "man-years" of assistance. Even that figure is questionable. First, a man-year, according to the Department of Labor, is based on only 171 days of actual work a year. Second, because of the complexity of the work, part-time help from three different persons is likely to be less useful than the assistance of one full-time person. To date, I can only conclude that the participation by the Labor Department has been little more than a numbers game at best—at worst, it is a cruel hoax on the country.

The Labor Department has responded that, by law, investigations of union elections must be completed within 60 days and, therefore, take precedence. But, as Senator CHILES wisely pointed out in questioning Secretary Marshall, Congress stands ready to do what it can to aid the Department in meeting any manpower shortage it may have. The problem has not been lack of personnel, but a lack of top-level commitment. The Department apparently prefers to avoid doing this kind of work. Over the last few years, a policy has evolved which relegates criminal investigations to a lesser priority. That is what must come to an end.

In general, the strike force attorneys have found the work of the labor compliance officers to be quite good and extremely valuable. Several, however, pointed out that lack of prior training of labor investigators in criminal investigative techniques, coupled with an unwise rotation policy in the Department of Labor, at times has resulted in poor investigative efforts and sometimes even incompetency.

Under the rotation policy, labor compliance officers were moved into new positions every 18 months. Often, this means that just when the investigator had finally mastered the techniques of criminal investigation or had become deeply involved in a complex case, he was given a new assignment. A new man would be assigned to the strike force and the training process would begin anew. Time and money—taxpayers' money—would be wasted.

Mr. Vaira's Chicago experience with compliance officers seemed to be the worst that strike force attorneys have encountered. One incident he recounted will send a chill up the back of some businessmen who find themselves confronted with labor problems.

An employer complained in confidence to a local Labor Department official about receiving threats of union violence unless he hired unneeded workers. The Labor Department official, apparently oblivious to possible serious repercussions and possible violations of criminal law, dashed off a letter to the union. The letter not only questioned the union about the complaint; it also named the employer who made it. The union responded with a denial. Soon afterwards, a bomb exploded in the employer's place of business. A few weeks later, goons broke in and poured acid over the furnishings. The employer got the message—no more complaints.

Mr. President, the Senate is now considering the proposed Labor Reform Act. Countless representatives of the Illinois business community, and other responsible business leaders whom I personally know and respect from across the country, have contacted me about the measure. Is it any wonder that across the board they have expressed to me their deepseated concern about the expanded powers they feel the legislation would give to organized labor? They are wary of handing over increased power to labor unions, particularly when they see examples, such as these, of vicious criminal activity by a few corrupt, but powerful, unions.

No one, whether he is a businessman or a rank-and-file union member, should have to fear for his life or property, because of an honest labor-management dispute. Organized labor itself has a stake in encouraging vigorous law enforcement efforts, so that its future does not fall victim to the excesses of a few. Labor-management relations will benefit if it is known that criminal activities will not be tolerated. Clearly, the atmosphere for considering any necessary changes in our present labor laws will be more conducive to discussion based on reason and merit if our Government is committed publicly to protecting all parties from violence, corruption, and harassment.

In light of this, the congressional testimony earlier this year of Assistant Secretary of Labor Francis X. Burkhardt that the Labor Department would all but end its participation in the organized crime program was almost unbelievable. Mr. Burkhardt told the House Appropriations Committee in February that Labor assistance in fiscal year 1979 would be limited to 15 "liaison" officers, one to each strike force. He criticized the strike force program as having "no direction, no leadership, no targets, no timetables, and no goals." This set off numerous protests both from inside and outside the Labor Department. The Secretary of Labor, in sworn testimony before the Permanent Subcommittee on Investigations specifically refuted Mr. Burkhardt's unsubstantiated charge.

On March 31, at a meeting between Attorney General Bell and Secretary Marshall, a new agreement was reached. The Labor Department agreed to create an Office of Special Investigations (OSI) the head of which would report directly to the Secretary. Participation in the organized crime program would be taken away from Mr. Burkhardt's supervision in Labor Management Standards Administration and placed under OSI. It was further agreed that the number of compliance officers working with the strike forces would be substantially increased and they would be full time. A New York Times article mentioned that a figure of "as many as 125 Labor Department investigators" would be available to the strike forces. At a news conference on April 13, Secretary Marshall announced this agreement without mentioning definite numbers.

While I cautiously welcome this announcement, I am acutely aware that the growing tide of labor-management corruption cannot be stemmed simply by throwing more manpower at the problem. To a man, the strike force panel believed that a paper commitment would prove absolutely worthless without the vigorous support of the top officials of the Labor Department. Too often in the past, agreements reached between local strike force and Labor units for cooperation were overruled by the Labor Department in Washington. Joel Friedman, head of the Philadelphia strike force, told the subcommittee:

> On approximately October 31, 1977, with regard to three major national Labor Racketeering investigations, I asked the Labor Department for an extra man to participate in these investigations. The Federal Bureau of Investigation and Postal Inspection Service had both allocated manpower to these investigations. The Labor Department had committed vast manpower to the civil aspects of these same investigations. Local leadership in the Labor Department was in favor of committing manpower. The Labor Department in Washington turned down my request.

The strike force panel's testimony shows that the problem is not out in the field. It exists in the top leadership of the Department here in Washington.

The testimony of both Secretary Marshall and Deputy Attorney General Civiletti concerning this new agreement was, to say the least, disturbing. What was most distressing about Secretary Marshall's appearance was his strong reluctance to give any credence to compelling testimony—unanimous on the part of the nine strike force attorneys—confirming a dangerous menace to the American labor movement. These strike force chiefs assure us that organized crime's hold on certain labor unions is more powerful than ever. Asked whether he agreed with this view, Mr. Marshall responded that he "simply hasn't seen the evidence" of this.

Therein lies the heart of the problem. Congress has mandated considerable powers to Labor investigators, in part, so that they can detect the evidence of criminal wrongdoing. But the evidence is overwhelming that the Labor Department has refused to vigorously do its job. The Department has abdicated its responsibility. Indeed, if anyone should have the evidence of labor-management racketeering, it should be the Secretary of Labor.

Congress has handed an important role in Federal criminal law enforcement to the Department of Labor. The Secretary of Labor is, therefore, responsible for the detection of labor corruption. Mr. Marshall's lack of awareness of the dramatic surge in labor racketeering amounts to a virtual admission that the Labor Department has failed the Congress, failed the hard-working men and women of this country, and failed the entire American public.

The Secretary's response is not entirely surprising. Peter Vaira in an interview with subcommittee staff related how in 1973 or 1974, Richard Thornburgh, then head of the Justice Department Criminal Division, sent out a questionnaire to the FBI and the Labor Department asking specific questions about infiltration of the unions by organized crime, and for the date of such information. The Labor Department's most recent information was more than 5 years old. Most of it came from the mid-1960's.

One of the slogans from that era seems most appropriate—"If you're not part of the solution, you're part of the problem."

I do not mean to single out Secretary Marshall personally. This problem has been years in the making, and he has recently taken some responsible steps to alleviate it. In fact, I was pleased that he indicated a willingness to take time out from his busy schedule to meet personally with some of the strike force chiefs who appeared before the subcommittee so that he might gain first hand evidence of the upsurge in labor-management racketeering. I trust that the subcommittee will be kept informed of any progress along these lines.

In my view, there is not, nor should there be, any conflict between the Department's role as the champion and advocate of the American worker, and its duty to enforce antiracketeering legislation.

In a sense, the two go hand in hand. That is why Congress gave that power to the Department of Labor and entrusted to them the responsibility of investigating and carrying on with great vigilance the protection of the American worker and honest labor unions.

But, based on the Secretary's prepared statement, his answers to the questions put to him by Senator NUNN, Senator CHILES, and myself, and the remarks of his aides, I am deeply concerned as to whether a real commitment will be forthcoming.

Events which have followed the subcommittee hearings have only increased my apprehension. On May 10, Labor Department officials appeared before OMB to request a revision in the Labor appropriation for fiscal year 1979 for 125 additional personnel for the organized crime section of its newly created Office of Special Investigation. As I noted earlier, the original fiscal year 1979 budget request included only 15 liaison officers for work with the strike forces.

While this step appears noteworthy, I remain skeptical of Labor's intentions. In the written presentation submitted by Labor to OMB, any number of investigative programs, including elections, onsite audits, and basic and special investigations under the LMRDA, are listed as "higher priorities" than the organized crime program. The Department states that it is unwilling to reassign personnel from these programs to OSI, even though, according to the Department's own forecast, the 15 positions presently in the fiscal year 1979 budget will produce only six indictments nationwide. Furthermore, the Department notes that positions in the fiscal year 1978 budget allotted to investigating labor-management racketeering have been "reprogramed" to these "higher priorities."

It is just incomprehensible to the Senator from Illinois that the small force that would be required and is urgently being asked for by the Justice Department can neither be provided nor even requested from OMB as a high priority.

We simply do not intend to let up on this. We are going to ride herd day after day after day until we are convinced that the Labor Department has assigned the same high priority that responsible, honest organized labor wishes to have assigned to it, is pleading to have assigned to it, and the working men and women of this country want assigned to it.

I would be glad to yield to my distinguished colleague.

Mr. MOYNIHAN. Mr. President, I thank my friend from Illinois.

I rise to first declare my interest as a onetime Assistant Secretary of Labor, and come to the defense of my old department to say something which I believe the distinguished Senator from Illinois will find important, and hope that we might use the occasion of this colloquy to send a message directly to the appropriate agency, which I believe is the Office of Management and Budget, to which the Senator has referred.

The Department of Labor, as the Senator from Illinois has noted, has asked OMB for 80 to 120 new positions to be assigned to the Organized Crime Strike Force. It has had no response.

I think it would do no harm, and I would presume to do this, if the Senator thinks it would be useful, to send this colloquy we have to Mr. MCINTYRE, as it appears in the CONGRESSIONAL RECORD in the morning, because what the Senator is saying is:

All right, the Congress has ordained this form of law enforcement. The American labor movement supported this legislation, and expects that the rights of workers will be protected, and it is not for OMB to decide that it is too costly to protect the rights of American citizens against crime.

That is not, in my judgment, a legitimate option of the Budget Director to say:

Well, it just costs too much to see that the rights of American citizens are protected.

I would like to make another point which I think the Senator from Illinois will agree with and the record needs to show: that the seriousness of this problem ought not to be underestimated, but the extent of it need not be exaggerated.

On the 24th of April the Committee on Governmental Affairs held a hearing on organized crime, labor racketeering investigation. Mr. Civiletti testified, and he made a statement which, if the Senator will allow me to read, is very compact and very clear. He said:

We have placed a high priority on labor-management racketeering because it is a very serious national problem. While I want to emphasize there are tens of thousands of local unions which are crime-free, and there are roughly, I understand, 75,000 local unions in the country, we believe there is somewhere about 300 which are severely influenced by racketeers.

That is a percentage, he suggests, of one-half of 1 percent. I do not suggest that is not a serious problem that must be dealt with; but I also do not believe we should permit one-half of 1 percent to conceal the fact that some 99½ percent of American trade unions are honest and crime-free.

I think it is important that Mr. Civiletti has offered us the number, that of some 75,000 local unions some 300 are the problem.

That is a manageable problem. We can afford what is necessary to put an end to 300 corrupt local unions. The law says we should, and the Senator from Illinois is right in asking, "Why do we not?". Because nothing would be higher on the agenda of the American labor movement. When I say that, I wonder if I could add one further thought: You know, in terms of law-abidingness, I do not suppose there is anything more striking in our society than the capacity which the American labor movement has shown to collect millions of workers and bring them into a community relationship with their employers—a relation of law, a relation of due process, a relation of orderly adjudication of complaints.

In a world that was necessarily dominated by the forced and sometimes brutal realities of economic concerns, nevertheless they have brought a measure of community to the work place that was never before known to an industrial society, and the lack of which was a great loss through industrialization. Along with all its great gains in productivity, what it lost was community. The labor movement has brought community back, and that was a great achievement of law, order, and statesmanship; and it is because of such achievement that the small number of people who have corrupted it need to be the target of relentless law enforcement. I, as a former official of the Labor Department, would like to state my appreciation for the position the distinguished Senator from Illinois has just taken.

Mr. PERCY. I thank the distinguished Senator from New York. I think Senator MOYNIHAN has put his finger on a very important point that was brought out, and I tried to emphasize it, in our hearings: That corruption does exist in only a small percentage of our labor unions.

But in Chicago, last year, we had "only" 880 murders. The population is 3.5 million. That does not mean that we are going to cut the police force in half. We are going to try to cut the murder rate in half, and try to get at the causes of that dastardly crime against our citizens, even though it involves only a small fraction.

The fact that we have organized crime muscling into those few unions puts a stain on organized labor. Time after time, businessmen have come to me quite concerned. They have said, "We cannot allow these practices to prevail in our companies and intimidate our employees." They are legitimately concerned, even though statistically the chance that they would be confronted with a corrupt union would be very small indeed.

I would like to comment on one other point that our distinguished colleague, the floor manager of the bill today, mentioned. He indicated that OMB is perhaps a larger stumbling block to solving this problem than the Department of Labor.

The Department of Labor has a great responsibility here. As I have already indicated, the Labor Department has asserted in writing that positions in the fiscal year 1978 budget allotted to investigating labor-management racketeering have been—and I use the word they used—"reprogramed" to "higher priorities." By their own testimony, they have said other things are more important than this.

OMB does have the responsibility to come to a conclusion themselves, based upon their independent judgment. When the Government Operations Committee created the Office of Management and Budget, it was to have independence, reporting directly to the President. They must be hardheaded and equitable. They must set their own priorities and take their own actions, even though guided, to some extent, by the departments and agencies themselves.

I have learned that OMB has turned down the Labor request. How could OMB possibly grant that request after being told by the Labor Department itself that it has better ways to spend the money?

Why should OMB believe them this time around—or the Congress for that matter—after they diverted resources and personnel last year from what Congress had specifically earmarked for combatting labor racketeering.

If everything else is a "higher priority," you do not exactly need wall posters to point out the obvious fact that labor-management racketeering remains a low priority at the Labor Department.

Secretary Marshall testified in April

that he agreed that racketeering was "a problem that needs to have a high priority at the highest levels." I find it difficult if not impossible, to reconcile that testimony with Labor's statement to OMB. If this is the strong commitment from the Labor Department that was promised, it is sadly deficient.

Mr. President, I am sadly left with the clear impression that there are high officials in the Labor Department who would like to do as little as possible in the area of labor racketeering.

This probably gets down to the total frustration people have with Washington and the so-called bureaucracy. Statements are made by high-level policy officers at the top; but at some place down below, the faceless, nameless bureaucracy grinds it up, and you cannot recognize the concoction that comes out. Often it is in direct contrast with the policy statements made at the top.

It is clear that the top priority in the Labor Department remains civil, and not criminal investigation. Civil suits certainly ought to be part of the assault on labor-management racketeering, especially suits filed under ERISA, aimed at protecting union pension and health and welfare funds. Indeed, the strike force attorneys testified that these large pools of money are extremely inviting targets for organized crime. The civil approach must, however, be combined with vigorous criminal investigatory initiatives. As the strike force panel indicated, many important racketeering cases can never be uncovered unless pried open by detailed criminal inquiry.

Once a trace of wrongdoing is detected, criminal investigations can utilize grand jury testimony, court-ordered electronic surveillance, and other techniques unavailable in civil investigations. Furthermore, the civil approach under ERISA cannot be used to enforce the situations outlawed under the Taft-Hartley Act concerning payoffs from employers to union officials, or kickback and extortion schemes—all of which related to regular union business, not to fringe benefit funds.

Most importantly, as a result of criminal conviction, the criminal goes to jail. As Deputy Attorney General Civiletti put it:

> A civil approach normally can only end up costing a criminal money—money which he has probably stolen in the first place and which he may replace with more stolen funds.

Labor racketeering cannot be curbed if ERISA civil suits are emphasized at the expense of criminal investigations.

On February 1, 1978, Secretary Marshall filed a civil lawsuit against the former trustees and executive director of the Teamsters Central States Pension Fund. Serious questions have been raised about the Labor investigation of the fund and the subsequent filing of the suit, including the boundaries placed on the investigation within the Department, the extent of cooperation with other departments and agencies, and the propriety of bringing such an action against certain defendants. Particularly, I wonder how it is possible in a major investigation of the country's second largest union pension fund, that the decision to proceed by way of civil litigation only comes to the attention of the Acting Deputy Attorney General, who was also head of the Criminal Division of Justice at that time, within 24 hours of the filing of the suit.

This matter is one in which the subcommittee has been intensely interested and which it will be pursuing in the days ahead.

During our hearing, I also found the tone of Mr. Civiletti's remarks disturbing. In his statement, he laid out the past history of the problems between the two Departments.

He noted that labor-management racketeering remains a serious problem—although probably understated its extent—and he mentioned the present difficulties the strike forces face in working with the Labor Department. But unlike the panel of strike force chiefs. I did not find in his remarks the same sense of urgency. And I am at a loss to fully understand why a vague commitment for the future leads him to conclude that, after years of dispute and disarray, everything is now peaches and cream.

Frankly, I draw the conclusion from his remarks that harmony within the administration takes a clearly higher priority at high levels of the Justice Department than a strategy, accompanied by an all-out effort, to deal with an immediate, serious, and worsening problem. That is not the way things ought to be. The American people have a right to expect a full-time fight against organized crime. Right now, they are not getting it.

Within these captive unions, courageous working men and women stand ready to drive out the corrupt leaders who have taken over by force and intimidation. They stand ready to bring back to their locals integrity, honesty, and democracy. They are the ones who desperately need the help of their Government. They are the ones who suffer most from the indifference of the Labor Department, whose purpose is to protect and promote the interests of the American worker.

If the Labor Department cannot or will not make a total commitment to rid the labor movement of racketeering, then Congress will have to transfer the tools to some other agency that can get the job done.

It is a district impression of the Senator from Illinois that the Labor Department is the right place to place this responsibility. They have the ability, the expertise, the knowledge, and, most importantly, the access to get this job done. Congress was right in originally mandating that the Labor Department take on this responsibility. But as the Senator from Illinois tried to bring out time and time again to the witnesses from the Department of Labor appearing before the Permanent Subcommittee on Investigations of the Government Affairs Committee, there must be a commitment at the top or this will simply not work.

I can assure the Senate that Senator NUNN and I do not intend to ignore this issue. The Permanent Subcommittee on Investigations will now allow the menace of labor-management racketeering to grow because of disinterest by the Labor Department, nor will it allow the controversy over investigatory manpower to be covered over or hushed up to preserve an appearance of unity within the administration. Another 20 years cannot go by before something is done.

Mr. President, to acquaint my colleagues with the gravity of this situation, I ask that excerpts from the written statements of each of the nine strike force attorneys be included in the RECORD at this time. It is grim reading. But it is of paramount importance that the Senate be informed about the dangerous upsurge in labor-management racketeering, and the lack of an adequate Federal response. I also ask that three articles, "How Washington Winks at Corruption in Unions," from the January 23, 1978, U.S. News & World Report, "Labor Agency, in Shift, May Widen Crime Inquiries," from the April 10, 1978, New York Times, and "FBI Infiltrates Mafia," from the May 7, 1978, Chicago Tribune appear in the RECORD following the statements of the strike force attorneys.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., May 19, 1978.

HON. CHARLES H. PERCY,
Ranking Minority Member, Permanent Subcommittee on Investigations, Committee on Government Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR PERCY: I am responding on behalf of the Attorney General to your recent letter which posed several questions concerning the Federal Bureau of Investigation's (FBI) ability to assume the responsibility currently within the Department of Labor to investigate criminal violations of the Labor Management Reporting and Disclosure Act of 1959, the Employee Retirement Income Security Act of 1974 (ERISA), and similar statutes. As I indicated in my recent testimony before the Permanent Subcommittee on Investigations, I am hopeful that the Department of Labor will continue to carry out its responsibilities to investigate such criminal violations.

While the FBI has been increasing its efforts in the labor-management racketeering area, it would be difficult for it to completely substitute for Labor Department Compliance Officers. The FBI has not had the primary investigative responsibility in this area and would have to create and staff a separate component within its present organizational structure to handle the additional responsibilities. At present, the Bureau does not have available, nationally, a staff of Special Agents sufficiently familiar with Federal labor statutes and regulations governing labor union and pension and welfare reporting. Nor does it have legislative authority to monitor or regulate any labor organizations. This absence of routine monitoring authority would make the initial detection of labor racketeering violations difficult. Assuming Congress authorized the Bureau to monitor or regulate labor organizations, additional appropriations would be necessary before the FBI could undertake such an increase in workload. Were Congress to reassign these responsibilities to the FBI, the Bureau estimates that its agents could acquire the needed expertise in one or two years.

The FBI also at the present time does not have a sufficient staff of auditors or accountants to assume the responsibilities of Labor Department Compliance Officers. As of March

1978, there were approximately 7,800 Special Agents; less than 11 percent, or approximately 832, were Special Agent Accountants. There were 775 Special Agent Accountants assigned to the field, 57 of them in supervisory assignments, which left an active investigative force of 718 Special Agent Accountants.

As of December 31, 1977, the FBI was investigating approximately 62,359 cases. These cases have generated an additional 28,000 spin-off investigations. Special Agent Accountants are assigned almost exclusively to the White Collar Crime and Antitrust-Civil matters programs which consist of approximately 29 percent (16,676 of 62,359) of those cases. Special Agents with financial training or prior business backgrounds or those who have displayed a financial acumen and interest in these types of cases, assist and/or handle the overflow of these investigations depending on the complexity of the matter. Special Agent Accountants are also in demand in the Organized Crime Program. While specific statistics are not available as to the utilization of Special Agent Accountants in the Organized Crime Program, United States Attorneys and Strike Force personnel throughout the country are increasingly requesting the assignment of more Special Agent Accountants to investigations.

The FBI has neither the statutory authority nor the manpower to assume the criminal investigative responsibilities of Labor Department Compliance Officers. It is for this reason, that the Department of Justice has been attempting to increase the participation of the Department of Labor in the investigation of labor-management racketeering.

Sincerely,

BENJAMIN R. CIVILETTI,
Deputy Attorney General.

STATEMENT OF PETER F. VAIRA, ATTORNEY-IN-CHARGE, CHICAGO STRIKE FORCE, U.S. DEPARTMENT OF JUSTICE

1. EXTENT OF LABOR RACKETEERING IN THE CHICAGO AREA

Nearly every major local union of three international unions is controlled by the Chicago Crime Syndicate. The officers of these unions answer directly to, or are actual lieutenants in the syndicate. There are other unaffiliated local unions which are also controlled by the syndicate. The degree of corruption in the labor movement in Chicago is among the worst in the country.

2. QUALITY OF WORK DONE BY DEPARTMENT OF LABOR COMPLIANCE OFFICERS

On the whole, the Department of Labor (DOL) compliance officers have been unable to achieve many successes in labor racketeering cases. There are some compliance officers who have attempted to do a good job, but they have been severely restricted and unrewarded by their agency.

The DOL has no information base upon which to operate. In 1975 the Department of Justice requested the DOL to outline the degree of hoodlum infiltration in the labor movement. All the information supplied by the DOL was at least 10 years old. The DOL has no method of keeping track of the current corruption in the labor unions of Chicago.

The investigations performed by DOL are badly done, often with serious factual errors. The compliance officers are not familiar with the labor violations. Interviews conducted by compliance officers are of very poor quality. Moreover, the compliance officers have been given such restrictive operating instructions that it is impossible for them to conduct a thorough investigation. For example, many Chicago labor attorneys will not allow union officials to be interviewed by compliance officers. The DOL will take no further action to interview the officers, and will not notify the United States Attorney that such action has occurred. The DOL will close its investigation without ever questioning the union officers about any questionable practices.

The DOL will close investigations which turn up possible violations by writing letters to the unions pointing out the questionable practices instead of bringing them to the attention of the United States Attorney. For example, in a recent investigation an employer complained to the DOL that he was being forced to employ extra unneeded manpower under threat of violence. The DOL closed the investigation by informing the union in writing about the employer's allegation. The letter to the union named the particular employer. Several weeks later the employer's place of business was bombed. Later the business establishment was again attacked by persons who attempted to pour acid over the furnishings.

3. THE NUMBER OF COMPLIANCE OFFICERS

The DOL has furnished a totally inadequate number of compliance officers. At present one full-time compliance officer is supplied to the Chicago Strike Force. The Strike Force attorneys must constantly battle the DOL to keep this compliance officer from being given other duties.

4. THE NUMBER OF COMPLIANCE OFFICERS NECESSARY TO DO THE WORK IN CHICAGO

Ten compliance officers are required plus one experienced supervisor.

5. TRANSFER OF DOL FUNCTION TO THE FEDERAL BUREAU OF INVESTIGATION

The Federal Bureau of Investigation (FBI) has made a substantial effort to move into the labor racketeering field in Chicago. Their results have been good, and their efforts will produce several outstanding cases within the next six months. The FBI, however, does not have the general jurisdiction to audit or investigate a union as a matter of course. The FBI must respond to a specific allegation, and must rely upon grand jury subpoenas to acquire union records. I believe that a well staffed and experienced labor force can uncover leads in the normal course of business which the FBI would not normally get. It is essential that the labor department become active in the uncovering of union corruption. This DOL effort would complement the FBI activities and produce good results for both agencies.

STATEMENT BY ROBERT C. STEWART, ATTORNEY-IN-CHARGE NEWARK AND BUFFALO FIELD OFFICES CRIMINAL DIVISION, DEPARTMENT OF JUSTICE

1. First and foremost, there are an alarming number of instances in which the key officers of the union locals discussed are identified members of the National Organized Crime Syndicate and those locals are therefore captive labor organizations.

2. Workers are required to pay such officials a tribute or kickback in order to obtain membership in the local.

3. Honest workers are assigned to inferior jobs so that Syndicate members or their associates can receive the better job assignments.

4. Syndicate members or their associates are placed on the payrolls as no-show employees.

5. A specific example was given about an honest job steward who was beaten because he demanded productivity from Syndicate members who were assigned to the job.

6. Corrupt job stewards encourage theft and fencing operations on particular jobs, thereby increasing the cost which is passed on to the consumer.

7. Organized crime figures create a climate of intimidation within a given industry which enables corrupt union officials to extort payments from companies in violation of the Taft-Hartley Act.

8. The disability provisions of 29 USC 504, which prohibits certain categories of convicts from holding union office for a period of five years, are routinely circumvented by the technique of hiring such convicts for high paying "custodial" or "clerical" positions.

9. Corrupt union officials engage in the practice of "double dipping"—that is, charging the same union related expense two or more times to the same local or as many as four times to related labor organizations.

10. Several examples of "sweetheart" contracts were described, all involving kickbacks both to corrupt labor officials and to organized crime figures.

11. There are several specific examples of fraudulent loans from benefit funds resulting in kickbacks to both corrupt labor official and organized crime figures. These involve millions of dollars, and one of these alone depleted the assets of one benefit fund by 51%.

12. Several examples were provided in which organized crime figures caused corrupt labor officials to ignore union requirements so that captive companies could operate in violation of union rules, all to the financial benefit of the co-conspirators. One of the most common violations involved the practice of excusing delinquencies in making required welfare and pension contributions.

13. There are an increasing number of examples of corrupt union officials depositing benefit fund assets in low interest bearing accounts. A corrupt bank official then grants a large loan to a designated person who makes a kickback to the bank officer and the union officials involved. When the borrower defaults on the loan, the union assets are forfeited to the bank.

14. Investigations of benefit fund investment practices has revealed instances of so-called "churning"—that is, stocks are sold and purchased unnecessarily in order to generate improper brokerage fees.

15. Other examples have been found in which multi-million dollar investments were handled by known organized crime figures and where stock purchases resulted in kickbacks.

16. Typical of the magnitude of the problem was one situation in which a major nationwide corporation was systematically extorted and defrauded over a six year period through an array of techniques devised by one organized crime group which has completely controlled a major local for the past seventeen years.

This is an exceedingly grim picture, and one which is indicative of the fact that very little progress has been made to control labor racketeering over the past twenty years since the original McClellan Committee Hearings.

ANALYSIS

The public might well ask why the Government cannot do something about these egregious situations. The answer is quite simply that a criminal prosecution requires a complaining witness, and such witnesses are exceedingly difficult to develop in the area of labor racketeering. The worker who is forced to pay a kickback simply to obtain union membership or who is assigned to an inferior job so that a syndicate member can be a no-show dares not complain, and he knows it. Similarly, the company which pays a kickback for labor peace does so because of the climate of intimidation which pervades that particular industry. The corrupt union official need not resort to explicit threats or clearly extortionate demands; he need do little more than appear at the company office one morning and stare expectantly at the company representative. The latter will pay up, eagerly—thereby becoming a briber and

coconspirator in the eyes of the Taft-Hartley Act. And, if a videotape of the whole transaction were to be submitted to a grand jury, there would be no demonstrable evidence of extortion because the pervasion climate of extortion, which is fundamental to the entire transaction, is simply intangible. Industry knows that it either pays up or does not do business. The situation is so deplorable that, if an honest and respectable company representative is subpoenaed before a grand jury, the chances are 70–30 he will risk a perjury prosecution in preference to incurring the wrath of the offending union. Truthful testimony, therefore, can be expected only if the Government has initially developed absolute proof of an illegal payment or improper practice, making a denial all but impossible. The acquisition of this kind of evidence requires a sufficient number of highly skilled fraud-type investigators together with the support and assistance of prosecutors who are dedicated, imaginative, and experienced in labor racketeering. Unfortunately, investigators and prosecutors having these qualifications are not in great supply. Indeed, the average local or benefit fund on any given day has far better legal and accounting resources than the Federal Government can muster for any single project.

It is a serious mistake to believe that the circumstances portrayed in Marlon Brando's movie *On the Waterfront* of the 1950's are somehow passe. The only real difference today is that captive labor organizations have a host of CPA's and very capable labor attorneys who are both able and willing to fight the Government to a standstill. The books always balance and there is always an authorizing resolution in due form of law for every questionable expenditure. Yet, the assets of a captive labor organization can be depleted without the knowledge of the CPA's by sophisticated financial manipulations. What we have today is the exact same problem as in the 1950's involving many of the exact same suspects, but the problem has become infinitely more difficult because of the financial sophistication which has been developed to circumvent the labor reform legislation. And, the prize today is some $40 billion in benefit fund assets which are not adequately protected because the Government does not have the legislative tools and the investigative and prosecutorial resources to enforce the regulatory legislation which is on the statute books.

RECOMMENDATIONS

I have a number of recommendations to offer the Subcommittee as to how the Government's investigative efforts can be approved. I want to emphasize at the outset, however, that these are my personal recommendations based on my personal experiences. They have not been presented to or adopted as official policies by the Department of Justice.

The Department of Labor has recently offered to augment its personnel commitment to the labor racketeering program of the Department of Justice and to eliminate some of the bureaucratic problems which have been criticized by prosecutors. The Department of Labor should be given an opportunity to fulfill its pledges in this regard. But, if the practical and policy difficulties which have obviously prevented the Department of Labor from achieving any significant results over the past 20 years are not corrected, the enforcement responsibility should be transferred to the Federal Bureau of Investigation (FBI) and the Criminal Division of the Department of Justice.

Secondly, Labor and the FBI should be funded for several hundred additional positions for accounting-type fraud investigators for the labor racketeering program, and the Criminal Division should be authorized to hire an additional 50 to 70 prosecutors for this program. It cannot be overemphasized, however, that the key to success does not lie in funding a large number of low-paying positions which will attract only recent graduates or those who cannot make a living in the private sector. The essential ingredient for success is a few more quality investigators and quality prosecutors who have the requisite expertise, energy, and determination necessary to devise and implement an effective enforcement program.

Thirdly, the Taft-Hartley Act (29 U.S.C. § 186) should be amended to make it a felony for a union official to receive payments from two or more employers simultaneously or within a three-month interval of each other. An amendment drafted in this fashion would retain the strict liability quality of the statute—which is essential to overcome the problem of not being able to prove the elements of extortion—while, at the same time, not unduly penalizing the employer who is usually an extortion victim rather than a willing briber.

Fourthly, the disqualifying provisions of Section 504 of Title 29 should be amended to include all felonies, as well as attempts and conspiracies, and convicts should be disqualified from holding any union employment. This would eliminate the gimmick of hiring a racketeer as a highly paid "clerk" or "custodian" when he is disqualified from holding an official position.

Fifthly, the unions should be expressly prohibited from paying an attorney's fees or voting additional salaries or benefits for those officers who are accused or convicted of any felony. This should not be limited to labor racketeering offenses since the elements of these could be very difficult to prove. In addition, the Government should be given standing to institute civil litigation and seek injunctive relief to enforce any such provision and to seek recoveries where there has been a misapplication of funds.

Sixthly, Section 530 of Title 29 should be amended to provide a realistic scale of penalities for deprivation of a union member's rights by violence. It was simply ludicrous that the original investigative predicate for the Federal Government's inquiry into the abduction and presumed murder of former Teamsters President James R. Hoffa was a one-year misdemeanor.

Seventhly, the statute of limitations should be extended from five to seven years for financial crimes against a labor organization's assets which have involved concealment.

Finally, the fiduciary duty under the Landrum-Griffin Act (29 U.S.C. § 501) should be expanded and clarified to prevent organized crime domination of a labor organization. In this regard, the provision of ERISA may be helpful. Above all, the Government and particularly the Criminal Division of the Department of Justice should be given standing to institute civil proceedings to enforce the fiduciary responsibilities and to liberate a captive labor organization.

CONCLUSION

The unfortunate reality of today is that little or no progress has been made to control labor racketeering over the past 20 years, despite some rather good legislation. The same schemes and the same faces and the same tyranny dominate the field of labor racketeering today as they did during the original McClellan Committee Hearings. If no progress is made in the next 20 years and if the present rate of improvident investments and outright looting continues, this Nation will face a benefit fund defaut of catastrophic proportions. The statutory framework to protect the assets of organized labor is generally sound, with the several exceptions described above; but, those laws are not being obeyed in either letter or spirit in far too many cases, and they will not be obeyed in the future unless there is a drastic improvement in the Government's enforcement capabilities.

I hope that these few observations will be of help to you in the very complex and exceedingly important task which you now face.

STATEMENT OF MARTIN L. STEINBERG, ATTORNEY, MIAMI STRIKE FORCE, ORGANIZED CRIME AND RACKETEERING SECTION, U.S. DEPARTMENT OF JUSTICE

Confidential informants who are highly regarded in organized crime circles have informed us that southeast Florida was declared an open territory by organized crime families. That is, instead of one organized crime family controlling the area, all families have a right to "compete" for "business" in southeast Florida.

Two separate witnesses, both now in the witness protection program, who formerly were representatives of organized crime with respect to labor union activity have reported the following:

In the late 50's and 60's organized crime families from New York and Chicago sent representatives to southeast Florida to gain control of the major labor unions. This control extended to gaining access to union and union trust funds, gaining a position to effect economic extortion through pay-offs, pursuing phoney insurance schemes, and gaining vast amounts of political power.

During those years, various representatives of organized crime came to south Florida and worked their way into the union movement. Through the years these representatives of organized crime have moved up to control major unions. Meetings have been documented between these representatives and major organized crime figures at which the discussions revolved around the splitting up and control of major labor unions in south Florida. Investigations have confirmed that many south Florida labor leaders who were convicted of violating federal law have come from the New York or Chicago area where they previously had been engaged in criminal activities.

Through cases covering the last five years the Miami Strike Force has determined that labor racketeering is rampant in at least four or five major south Florida labor unions. The control by organized crime of these major labor unions in South Florida is virtually complete. The Government has proven the misappropriation of millions of dollars of union and union trust fund money, violent extortion schemes, kickbacks to labor leaders, murder, theft of materials and supplies, phoney insurance and service contract schemes, and other related crimes.

The impact of this pervasive use of labor racketeering on the economy is staggering. Construction, tourism, transportation, labor insurance, and other related fields absorb the tremendous inflation of corrupt union practices. Every home, business, or other item that has to depend on union labor or trust funds run by labor racketeers bears the cost of embezzlements, kickbacks, extortions and the like. All these "costs" of doing business are passed on to the consumer. In labor racketeering trials, employers have frankly admitted that these "costs of doing business" are passed on to the consumer *and* deducted from their taxes. The economic impact is severe.

The depletion of union trust funds has double economic impact. First the union member's pension, health and welfare and severance funds are plundered leaving the members with little or no benefits after years of contributions. Many union members after twenty to thirty years of hard labor have come to us in disbelief and dejection after learning that their pension money had "disappeared." Second, the Government must

step in and support that person with welfare and health subsidies. Also, the Government insures some union pension funds, and in some cases the Government must reimburse the trust funds after misappropriations.

The Labor Department has had primary responsibility, although the Federal Bureau of Investigation also has jurisdiction to conduct investigations of labor racketeering. The need for agency assistance is great. The schemes to misappropriate union and trust fund money are complex, devious, and difficult to detect. In most cases labor racketeers are assisted by highly competent attorneys and accountants. This means that any single labor union or union trust fund examination is a long tedious and extensive examination of witnesses and documents. Sufficient manpower is necessary to accomplish this task.

In this respect the Department of Justice relies on the Labor Department to supply manpower to perform these tasks. The agents and auditors who do these jobs must not only do a mechanical auditing job, but must be trained and experienced to search for various techniques or misappropriations. In fact in numerous cases, investigations require comparing a multitude of union and trust fund records against each other to detect multiple billings or salaries. This task is extremely lengthy and complex and requires extensive manpower.

The work done by Compliance Officers and auditors of the Department of Labor in the south Florida area has been very good. These individuals have an intimate knowledge of the Federal labor laws and also have a thorough understanding of the mechanics of how labor unions and trust funds operate. This base of knowledge and experience is crucial in detecting the complicated schemes now being perpetrated.

In the Southern District of Florida Strike Force Chief, Atlee W. Wampler, III has repeatedly requested more manpower from the Labor Department for criminal investigation. He has polled prosecutors and agents in the Southern District of Florida area and has compiled an extensive summary of organized crime participation in labor unions and the need for manpower. This well documented summary was presented to Labor Department officials on many occasions in an attempt to obtain manpower. In 1972 there were four Compliance Officers working pretty much full time for the Miami Strike Force. Now there is one.

Almost without exception every single labor union or trust fund investigated as of this date has been riddled with misappropriations and fraud.

Ten to twenty well-trained investigators and auditors could be kept busy on a full time basis in the Miami area alone. Cases have been opened and remain unworked because there is simply no manpower to commit to them.

The substitution of civil "teams" for criminal enforcement is not feasible. The ideal situation and the requests from Mr. Wampler and myself on numerous occasions is to have civil teams back up or mop up behind the criminal investigations. In this way not only do you have the salutory effect of convictions of labor racketeers to discourage similar acts, but you would have civil teams recovering funds and removing officers and trustees after conviction.

Civil action never has or will replace criminal action. In the first place civil actions have generally been initiated as a reaction to investigations by the Governmental agencies. When a criminal investigation discloses massive misappropriations, a civil suit may be initiated. The criminal investigation is necessary to seek out those sophisticated labor racketeers who use many disparate and complex schemes. Criminal investigations have the advantage of the use of the Grand Jury to compel testimony and records, the use of informants, the use of court-ordered electronic surveillance, and other time-honored investigative techniques either unknown, not utilized, or unavailable to civil investigators.

The tool available through a criminal investigation and prosecution are much more formidable and have much greater impact. First and foremost, the perpetrator goes to jail, which is an object lesson in and of itself. (If the appeals processes could be shortened this result will have a much more damaging effect on the criminal). Not only does criminal prosecution and conviction punish the offender, but it serves to put others on notice not to commit the same acts.

Also, the economic impact on a defendant can be immediate and devastating. If the RICO statute, (18 U.S.C. 1963), is used, the Government can move to forfeit money, positions and property to the Government upon conviction. If the defendant is tried for the tax, consequences of his illegal acts in the same case, which is preferable, he faces monumental tax problems upon conviction.

However, more important then any of the above consideration is the fact that the civil ERISA approach completely ignores the enforcement of the Taft-Hartley Act (pay-offs to union officials) the enforcement of 29 U.S.C. 501 (misappropriation from union funds) and enforcement of the kickback and extortion statutes.

Title 29, U.S.C. 501, the union conversion statute, and Title 29, U.S.C. 186, the Taft-Hartley pay-off act, are vital statutes which must be enforced by the Labor Department. While it is true that the Federal Bureau of Investigation has joint jurisdiction under Title 29, U.S.C. 501 and Title 29, U.S.C. 186, and has responsibility for enforcing the kickback statute, (18 U.S.C. 1954) and the extortion statute (18 U.S.C. 1951) these crimes arise out of labor investigations that are and have been handled by Labor Department Compliance Officers.

If the theory is that the civil ERISA teams will proceed civilly and then refer everything criminal they find to the Justice Department, this process will not work. First of all, without the special aid of a prosecutor in the investigative stages many complicated sophisticated schemes may be overlooked. Second, I am unaware of any cases which have been referred from the Labor Department for criminal prosecution. In my opinion, none of the cases which have been investigated and prosecuted criminally in Southern Florida would have seen the light of day if this were the procedure that was employed.

The Federal Bureau of Investigation could aid significantly in the enforcement of the criminal provisions of the Federal labor laws. I am aware that the Federal Bureau of Investigation has geared up in this area and is addressing the problem with significant contributions of manpower. In fact, agents are being schooled in the specialized area of labor law.

However, the need for the Compliance Officer still exists. These Labor Department agents deal with union and trust funds on a daily basis. Their specialized knowledge and training in these matters make their aid essential. Their access to and understanding of reports filed by unions and trust funds is also important. Most important of all is their constant exposure and ability to open lines of communication and develop avenues of information that lead to significant investigations that are not available in other quarters.

STATEMENT OF JOEL M. FRIEDMAN, ATTORNEY-IN-CHARGE, PHILADELPHIA STRIKE FORCE

I have been asked here to testify concerning the current relationship between the Strike Force and the U.S. Department of Labor. I base this testimony upon experiences I have had as a career Federal prosecutor. I have been an attorney with the U.S. Department of Justice for nine and one-half years. For the past three years I have served as Attorney-in-Charge of the Philadelphia Strike Force. Prior to that I served as Assistant Attorney-in-Charge of the New England Strike Force (one year), Special Attorney, Manhattan Strike Force (three and one-half years) and Assistant United States Attorney for the Southern District of Indiana (one and one-half years). One of my responsibilities while an attorney in Manhattan was supervision of all Strike Force cases for the Southern District of New York involving Labor Racketeering.

I believe that investigation and prosecution of Labor Racketeering is an essential function of a Strike Force. In the Eastern District of Pennsylvania Labor Racketeering is a major problem. Organized crime has infiltrated many of our major unions. Many of those unions are deeply entwined with our local political power structure. Witnesses and informants are difficult to obtain as in most organized crime cases because racketeers employ violence and threats of violence to discourage cooperation with law enforcement officials.

Since Congress passed legislation insuring Pension Funds the task of investigating labor racketeering has become even more pressing. If organized criminals use the vast assets of Pension Funds at will, the Pension Funds will eventually go bankrupt and the American people will pick up the bill for funding organized criminal activity.

Shortly before the beginning of this last fiscal year, I sat down with local Labor Department representatives and we drew up a program to deal with Labor Racketeering. We jointly estimated what our manpower needs would be from the local Labor Department office. The estimate which was conservative amounted to seven man years. Local Labor Department leadership forwarded this request to Washington. I have received only two man years from the local office.

On approximately October 31, 1977, with regard to three major national Labor Racketeering investigations, I asked the Labor Department for an extra man to participate in these investigations. The Federal Bureau of Investigation and Postal Inspection Service had both allocated manpower to these investigations. The Labor Department had committed vast manpower to the civil aspects of these same investigations. Local leadership in the Labor Department was in favor of committing manpower. The Labor Department in Washington turned down my request. I was informed that the Department did not want anyone from the Labor Management Services Administration (LMSA) participating in the investigations.

In my personal view, at least until the creation of the Department of Labor's new and permanent office of Special Investigations last week, the Labor Department was not structured in a fashion which encouraged long term investigation of Labor Racketeering.

However, the Labor Department decided it wanted to have its investigators trained as so-called "generalists" and thus many individuals with considerable expertise in these complex duties were shifted every one and one-half to two years into the other work of the Labor Department (i.e., election complaints and reruns; veterans reemployment and Federal labor management representation and unfair labor practices). As far as Strike Force activity was concerned, experts were being continually replaced by either trainees or experienced investigators who had not had any practical experience in the criminal field for a year or two.

In addition, even those experienced criminal investigators who were assigned to the Strike Force and were engaged in massive investigations of fraud were frequently

pulled off the Strike Force to assist in what the Labor Department defines as "higher priority cases," these are the investigations of union election complaints which by law must be investigated in 60 days. (29 U.S.C. § 482(b))

RECOMMENDATIONS

There is a need therefore for one group of criminal investigators within Labor to handle both Labor Management and Welfare Pension type cases for the Strike Forces. Hopefully the new office of Special Investigations will meet this need.

At least eight investigators on a permanent full-time basis should be assigned to Philadelphia for labor racketeering work including both Labor Management and Pension Plan type cases and combined cases.

These investigators should be directed on a centralized basis so that widespread investigative coverage can be achieved on a mutually satisfactory basis between Strike Force units around the country.

STATEMENT OF MICHAEL Q. CAREY, ATTORNEY-IN-CHARGE, MANHATTAN ORGANIZED CRIME STRIKE FORCE UNIT

I was appointed as an Assistant United States Attorney in the Southern District of New York on August 23, 1973 and on March 1, 1977 I was appointed Chief of the Organized Crime Strike Force Unit which has been merged into the United States Attorney's office for the Southern District of New York in December 1976. Since taking my position as Chief of the Strike Force, I have been in daily contact with the Compliance Officers assigned to the Strike Force by the Department of Labor, and I have had innumerable discussions concerning not only the extent of corruption in organized labor, but also concerning the limited resources of the Labor Department.

The Compliance Officers assigned to the New York Strike Force have had the responsibility of investigating a number of complex schemes to embezzle funds from labor unions, to abuse the trust of a union officer, or to obstruct the efforts of the National Labor Relations Board. In each case I have been impressed by the dedication of the Compliance Officers to their assigned tasks and by the competence with which they completed their investigations.

Labor racketeering in the Southern District of New York occurs in a certain number of the locals in virtually every international union which has a membership in this district. I have received briefings from George Nash, the former Strike Force Representative for the Labor Department, in which he has indicated that serious labor corruption exists in certain local unions of three particular international unions.

At present the strength of the Labor Department is divided between the investigative demands of the Eastern District of New York and the Southern District of New York. Thus, the nominal commitment to the Southern District of New York is approximately six or seven individuals, 50 percent of the full Labor Department complement. The rotation of inexperienced Compliance Officers into the unit and the temporary assignment of the Compliance Officers to non-criminal assignments has further reduced the actual commitment of the Labor Department to the fight against organized crime. As a consequence, the Labor Department has about the lowest commitment of manpower to the New York Strike Force of all the agencies assigned to it. Indeed, the commitment is totally inadequate given the high priority which the Department of Justice has placed upon labor union corruption.

Moreover, the shift of the responsibility for such investigations to the Federal Bureau of Investigation (FBI) or any other Federal agency would not be an effective alternative. First, no agency, other than the Labor Department, has the accumulated expertise in criminal labor investigations necessary to conduct the type of sophisticated investigations which are waiting to be pursued. Second, the FBI does not have the authority to begin an audit of a labor union, but must rely upon an allegation that criminal activity has occurred before they may initiate an investigation. And third, the FBI does not have sufficient manpower to conduct labor corruption investigations without reducing its commitment to other areas of organized crime prosecutions.

As a consequence, only four investigations were brought to the indictment stage in the Southern District of New York during the past year. The explanation why so little has been produced by the Labor Department in the New York Strike Force in the past year lies solely in the limited number of Compliance Officers available to do the necessary investigations.

While labor corruption investigations can sometimes be expedited by the leads provided by confidential informants, I am informed by the Strike Force Representative that confidential informants have not provided within the last year any leads with respect to the suspected labor union corruption in the Southern District of New York. Thus, with respect to some of the most important investigations, there simply is not sufficient probable cause to warrant the FBI to initate an investigation. Consequently, only an audit by the Labor Department of a particular labor union can potentially surface the evidence necessary to successful criminal prosecution. Even in those cases where a Labor Department audit is unsuccessful in locating evidence of corruption, a substantial public service will have been performed. Each audit by the Labor Department, and the knowledge of union officials that an audit of their union's activities and funds can legitimately be conducted at any time, serves as a deterrent to additional criminal conduct.

STATEMENT OF WILLIAM L. MCCULLEY, SPECIAL ATTORNEY, ORGANIZED CRIME AND RACKETEERING SECTION, U.S. DEPARTMENT OF JUSTICE

I was assigned to the Atlanta Field Office of the Miami Strike Force in the fall of 1975. At that time a Labor Department Compliance Officer was assigned full time to the Strike Force Office there. The Compliance Officer assigned at that time remained with the Strike Force until approximately March, 1976, when he was replaced with the present officer, Richard Cassidy. Since approximately early summer, 1977, Mr. Cassidy has been unable to spend more than approximately 14 to 20 hours a month on Strike Force matters.

In the Atlanta area we are unable to state categorically that organized crime is or is not involved in union activity. There are Locals of every major union in the Atlanta area, and Atlanta being the prosperous fast-growing area that it is, it seems unlikely to us that some of the problems which exist in other areas would not also exist in Atlanta. However, we are without the expert assistance which an experienced Labor Department Compliance Officer could give us in determining whether such a problem exists.

At least one local union leader is alleged to have close business and personal ties to close associates of organized crime members. Another union leader here, according to informed sources, has direct ties to organized crime members in a midwest area. This union is alleged to have been used as a temporary haven in some cases for criminals from that midwestern area, that is to say such persons have been given jobs apparently between periods of conducting illegal activities.

There is, therefore, at least some indication that organized crime has ties with union activities in Atlanta, though as pointed out previously, just how deep that tie is or just how deeply organized crime has penetrated union activity in this area is unknown at this time.

In essence, this office needs the assignment of one full time Labor Compliance Officer to conduct surveys and audits and gather intelligence from informants and other law enforcement agencies and any other available sources so that a determination can be made on the presence and involvement in unions of identifiable organized crime figures in this area. Without the assignment of such an officer, it simply is not possible for this office to do anything more than to try and develop that which is brought specifically to its attention. My experience in the past has been that, when there is wrongdoing in the Labor field there are usually few voluntary witnesses. Once an accurate picture of the labor racketeering problem is obtained, it is quite possible we will need additional compliance officers to investigate the cases. But that determination cannot be made until we obtain an accurate understanding of the problems.

STATEMENT OF THOMAS PUCCIO, ATTORNEY, BROOKLYN STRIKE FORCE, ORGANIZED CRIME AND RACKETEERING SECTION, U.S. DEPARTMENT OF JUSTICE

Mr. Chairman, my name is Thomas Puccio. Since January 1977, I have been Attorney-in-Charge of the Department of Justice Organized Crime Strike Force for the Eastern District of New York. From 1969 to 1976, I was an Assistant United States Attorney for the Eastern District of New York. For three years in the United States Attorney's Office, I served as Chief of the Criminal Division.

The labor racketeering problem in the Eastern District of New York is most severe. Indeed, in my judgment, the scope of the current problem is not dissimilar to the situation uncovered by this Committee during its hearings almost twenty years ago. At that time, testimony and other evidence presented to this Committee reflected a nationwide pattern of racketeering involving all aspects of labor union activity including corruption and malfeasance on the part of the labor officials, employers, labor consultants and others involved in labor union affairs. The same situation exists today. In fact, many of the individuals whose names first surfaced during those hearings are today principal figures in illegal labor activities now under investigation by law enforcement authorities.

In the early 60's, partly as a result of the revelations during this Committee's hearings as well as the Kennedy Administration's increased emphasis on organized crime investigations, there was a tremendous Justice Department drive against labor racketeers. The Department's effort resulted in numerous prosecutions of corrupt labor officials and culminated in the conviction of Teamster head James Hoffa. However, since that time and until almost recently, emphasis on labor racketeering investigations gradually decreased. Consequently, the present situation in the Eastern District of New York can be attributed in part to the lack of sufficient enforcement effort directed towards labor racketeering. When this is coupled with the fact that corrupt labor officials have become more powerful and now control larger financial holdings than ever before, the problem takes on even more immense proportions.

Our recent experience in the Eastern District of New York corroborates these facts. Statements of witnesses and testimony obtained in numerous investigations conducted by our office, as well as reliable intelligence information provided to us by a variety of sources, have established that labor racket-

eering is pervasive. In addition, more allegations of illegal labor related activities are received by our office than on any other organized crime matter. Even more significantly, these allegations are almost always substantiated by investigation. In fact, most labor racketeering investigations which begin with an initial allegation of extortion, embezzlement or the making of illegal payments branch off into investigations of other significant violations as well.

Our staff, which has more than doubled in size over the last year, now devotes over one-third of its resources to the handling of labor racketeering matters. Five of our 15 attorneys work almost exclusively on labor cases and almost every attorney in the office has responsibility for at least one labor investigation.

Our efforts have been hampered, however, by the lack of investigators experienced in the labor field. The Federal Bureau of Investigation, the premier enforcement arm of the Department of Justice, has only recently devoted a large amount of its resources to the investigation of labor racketeering. The Bureau is presently working closely with us on a number of these matters; however, because of their prior lack of emphasis in this area, the FBI agents assigned to these cases, which require special knowledge and investigative techniques, are somewhat at a disadvantage. Accordingly, these agents are currently being trained to look for and develop evidence on the numerous complex violations of labor racketeering statutes which come into play in these investigations.

At present, there are only twelve Department of Labor Compliance Officers assigned to work with our office and the Organized Crime Unit of the United States Attorney's Office for the Southern District of New York. It would take their full-time efforts over the next twelve months to complete the investigations assigned to them which are currently in progress and to successfully bring them to trial. At the same time, there is a tremendous backlog of investigations in our district which the Compliance Officers cannot initiate because of the manpower problem. Conservatively speaking, it would take the efforts of double the number of assigned Compliance Officers over the next twelve months to properly investigate these matters which are in a backlog status.

In conclusion, I wish to emphatically state that the removal or any decrease in the Department of Labor Organized Crime commitment to the Strike Force in our district would have disastrous effects on our overall fight against labor racketeering. Their commitment should be vastly increased in order that we may reach investigations which have been deferred because of insufficient resources. Moreover, at this critical juncture, their work is indispensable to orientation of other agencies in labor racketeering matters and to the successful completion of important investigations that have begun.

STATEMENT OF DOUGLAS P. ROLLER, ATTORNEY-IN-CHARGE, CLEVELAND STRIKE FORCE ORGANIZED CRIME AND RACKETEERING SECTION, U.S. DEPARTMENT OF JUSTICE

EXTENT OF LABOR RACKETEERING IN THE CLEVELAND AREA

Cleveland, Ohio, is a predominantly blue-collar town. A high degree of unionization accompanies the predominance of blue-collar workers. A great number of the union officials in this area are either organized crime personalities in their own right, or are associates of organized crime figures. These corrupt union officials constitute a virtual web of interlocking associations and diverse major labor organizations including the Teamsters, the Laborers, Longshoremen and the building trades. This interconnection extends also to the civic and political strata of Cleveland.

QUALITY OF WORK DONE BY LABOR DEPARTMENT COMPLIANCE OFFICERS

In general terms the quality of the work done by the Compliance Officers in straight audit and embezzlement-type cases is satisfactory. However, in my opinion, the Compliance Officers receive little, if any, support from the National Headquarters, especially in connection with enforcing Labor Department subpoenas or logistical and manpower supplementation on a short-term basis to perform third-party interviews, etc.

The intelligence based upon which the Department of Labor makes its decisions as to what unions should be audited and once the auditing has been commenced what avenues to pursue is almost non-existent. Although the Department of Labor investigators are under severe restrictions as to their investigative capabilities, it would seem that a better intelligence base within the infiltrated labor organizations would be of immense assistance.

NUMBER OF COMPLIANCE OFFICERS IS NOT ADEQUATE

The commitment of the Department of Labor in the Cleveland area in terms of number of Compliance Officers to work organized crime cases has been sadly deficient. For example, the Strike Force representative has been engaged in one audit for more than a year. This audit has occupied his time almost exclusively even though he has had support from one or two Compliance Officers for certain periods in the course of the audit. Although this investigation has led to the indictment of a union official from Youngstown, Ohio, the cost in terms of other programs being interrupted has been quite substantial.

INVESTIGATIVE MANPOWER

For the Department of Labor to implement a meaningful organized crime program in this area would require a minium of ten Compliance Officers assigned full time to Strike Force investigations. This would allow us to conduct audits of unions which are connected to one another through similarity of officers. This increase in manpower would also, hopefully, allow Labor Department investigators to work with other agencies in the labor racketeering field, which has been an area of emphasis of the Cleveland Strike Force since its inception.

A reduction of the Department of Labor's commitment to the Strike Force to one Compliance Officer would be absolutely devastating.

FEDERAL BUREAU OF INVESTIGATION

In the Cleveland area the Federal Bureau of Investigation (FBI) has conducted several labor racketeering investigations which have led to successful prosecutions. One, in the Southern District of Ohio, involved Vito Mango, President of Local 416 of the International Brotherhood of Teamsters. This local is the largest Teamster Union in Columbus. The problem with the FBI taking over the investigative functions of the Compliance Officers is two-fold. Although they have been quite successful in the cases that they have undertaken in this area they do not have the necessary manpower to commit to a full-fledged labor racketeering program. Even if the manpower were to be supplemented in order to do this there would have to be a considerable time period involved in training these agents. The Cleveland Division of the FBI has only a very few agents who are capable in terms of background and training to conduct investigations of labor racketeering. Thus, even if the manpower were supplemented there would be a substantial time delay and an experience vacuum that would have to be remedied before the FBI's capabilities would be effective. Secondly, the FBI at the present time has no jurisdiction to go in and merely audit the books of the labor union. This is an important and initial investigative step that would be lacking from the Department of Labor's current investigative tools. The FBI would have to review records obtained pursuant to grand jury subpoenaes and that process will be difficult to pursue unless there is specific allegations of wrong doing to justify the issuance of the subpoenas.

STATEMENT OF THOMAS E. KOTOSKE, ATTORNEY IN CHARGE OF THE LOS ANGELES AND SAN FRANCISCO STRIKE FORCES

THE NATURE AND SCOPE OF THE PROBLEM

Northern California.—For years, the metropolitan centers of the Bay Area, specifically San Francisco, have prided themselves on being "labor towns." The influence and power of the labor movement in this area are considerable. Unfortunately, serious problems of labor racketeering activity and related corruption have taken hold within certain locals which form part of the labor movement in this area.

In June 1976, the administrator of another union fund was indicted for misapplication of approximately $2 million of the fund's monies, as well as being indicted for submitting false statements and concealment of facts concerning that fund's status. He pled guilty to one felony count of the latter violation. In August 1977, a San Francisco city commissioner was indicted for tax evasion, as well as for embezzling several hundreds of thousands of dollars from a local's employee welfare benefit plan. This matter is pending in the district court. This month, April 1978, a secretary-treasurer of a local was convicted of embezzling and misappropriating approximately $30,000 of that local's funds.

Additionally, the San Francisco Strike Force presently has several labor racketeering investigations in progress involving officers of locals throughout the northern California area. The illegal activities encompass the full ambit of labor racketeering activity: misappropriation of union funds to one's personal use, embezzlement, receipt of kickbacks, extortion, submitting false reports to cover the illegal receipt of union funds, receiving money and things of value from employers, as well as other violations of Federal criminal statutes.

Southern California.—The power and influence of the labor movement in southern California are also considerable. And, like northern California, there is, unfortunately, a serious problem of labor racketeering activity and related corruption within certain locals of the labor movement in this area. To illustrate the point, in the *Campanale* case,[1] officials of a particular local, working in conjunction with officials of a company, attained a virtual monopoly over the meat loading business in the Los Angeles area. The pattern of racketeering activity employed to accomplish this illegal purpose included extortion, receipt by union officials of money from the confederate company, and obstruction of justice. All of the principal defendants were convicted in this case.

Additionally, the Los Angeles Strike Force has several labor racketeering investigations in progress. The illegal activities under investigation include: the diversion of several millions of dollars from a union health and welfare fund, the illegal diversion of several millions of dollars of union funds to acquire business entities, the illegal "padding" of union payrolls, receipt of kickbacks, and reporting violations, as well as violations of other related Federal statutes.

THE LABOR DEPARTMENT'S RESPONSE TO THE PROBLEM

By mid-1974, a current and thorough assessment of the criminal intelligence in the northern California area indicated serious

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[1] *United States* v. *Campanale*, 518 F. 2d 352 (9th Cir. 1975), *cert. denied sub. nom., United States* v. *Matthews*, 423 U.S. 1050 (1976).

and longstanding labor racketeering activities by officers and employees of certain locals in that area. The Department of Labor's response to this intelligence picture struck me as at best puzzling and at least counterproductive. The one Compliance Officer assigned to the Strike Force was required to perform other duties that competed with and detracted from the time required for him to conduct meaningful and thorough investigations that contemplated criminal prosecutions based on the information at hand. Indeed, while the Compliance Officer was a dedicated investigator, quite willing to conduct the required investigations, his supervisors had straddled him with other tasks that preempted the time he sought to devote to the criminal investigations that I was urging him to complete.

By early 1975, it became apparent to me that the Department of Labor's response to the problem was totally inadequate. To counteract what I will call the "withdrawal" of Labor Department from the criminal enforcement program, I decided to take remedial action.

First, I spent several months compiling a training manual, covering the full array of labor racketeering offenses, and related crimes, to be used by agents from *other* Federal agencies, notably the FBI. The purpose of the training manual was to instruct these agents in the elemental structure of the crimes sought to be investigated and to indicate the types and quantum of evidence needed to complete a successful investigation.

Second, I began to hold training sessions with these agents in order to bring them to the best level of competency so that they could begin to carry out meaningful labor racketeering investigations. The last of these training sessions was held in January 1978.

However, even this commendable response by the FBI is not fully adequate to meet the problem for several reasons:

1. The Labor Department Compliance Officer has, by statute, the automatic right of access to the union's books and records—frequently the most vital evidence needed to establish the violations of the type under discussion. Other Federal agents usually can only reach this evidence through subpoena which frequently invites Federal district court litigation and protracts the investigation. The result is that the investigation is stalled and possibly impaired.

2. The Labor Department Compliance Officer has, over the years, developed meaningful and vital sources of information within the labor movement as to racketeering activities. Other Federal agents have not developed this informant field and must play "catch up" in this regard with the resultant effect that many meaningful labor racketeering investigations may go unchecked and overlooked.

3. The Labor Department Compliance Officer is fully familiar with the vast array of Federal statutes, some of which are fairly complex, that apply to the crime under discussion. On the other hand, other Federal agents must again play "catch up" to this technical expertise, and again with the resultant effect that many technical and complex labor racketeering activities may be overlooked or only cursorily investigated.

[From the U.S. News & World Report, Jan. 23, 1978]

How Washington Winks at Corruption in Unions

Almost two decades after Congress passed the Landrum-Griffin Act to curb corruption within the labor movement, complaints are piling up that the Federal Government is not enforcing that law vigorously.

Criticism comes from all sides—from Senators of both political parties, from rank-and-file union members angry that their complaints go unanswered, from federal prosecutors and from the very investigators who are supposed to be enforcing the law.

So great is the concern that the Senate's Permanent Subcommittee on Investigations has quietly begun a probe of how vigilant the Labor Department has been in going after lawbreakers within the labor movement.

Official criticism. The project is no idle exercise of curiosity. The Labor Department has primary responsibility for enforcing Landrum-Griffin, as well as other laws against abuse of pension and employe-benefit funds. In Subcommittee hearings last year, Senators repeatedly criticized the Department of Labor for moving too slowly to investigate criminal wrongdoing.

Besides interviewing some of the Department's top investigators, the Senate group also has requested the General Accounting Office to audit the Labor Department's performance in rooting out union corruption. Sources on the Subcommittee say public hearings may be scheduled later.

"Organized crime in labor," says a Justice Department prosecutor with experience in this area, "is probably the most serious problem in the criminal field. It overrides everything else. It is frightening to the economy. I can name four national unions now in the hands of hoodlums. And Labor is not doing the job of getting at them."

A look at the Department's record in recent years gives clues as to why questions have been raised about its ability or willingness to do the job:

Fifty of Labor's 260 compliance officers were recently transferred to a separate staff that enforces pension and employe-benefit laws. At a result, only about 250 investigations into such acts as embezzlement are scheduled this year, or less than half the number conducted in 1976. "Special investigations"—the term for difficult, wide-ranging cases that might take months or years to complete—will drop from five in 1976 to two.

Despite urgings of its own employes and the Justice Department's Organized Crime Strike Force, the Department did not open an investigation of the problem-plagued Hotel and Restaurant Employes and Bartenders International Union until pressured by stories in the news media. And when it did, a former assistant secretary of Labor made it appear that the Department was investigating the union at the union's own request—thus making it difficult for Government auditors to gain access to union records.

Although the Justice Department feared that a Laborers International Union official indicted for embezzling union and pension-fund money would continue to steal funds if he remained in office, the Labor Department turned down a request that it be named as a court-appointed "monitor" of the pension funds. Reason: That sort of thing had never been done before. As a result, claimed Justice Department attorney Marty Steinberg in Senate testimony, the man continued to embezzle from the funds—2 million dollars more.

Stunned by a wave of arson committed against condominiums under construction by nonunion workers in Denver, the Colorado bureau of investigation asked the Labor Department to help investigate because of suspected union involvement in the fires. One compliance officer had already learned the name of a union official suspected of setting the fires, but the Department turned down the request for help on the ground that it lacked manpower. "Actually, we were scratching for something to do then," says one frustrated compliance officer in Denver.

In still another dispute with Justice, the Labor Department is accused of continually reneging on its responsibilities to the Organized Crime Strike Force program. Directed by Justice Department attorneys, the 14 Strike Forces around the country depend upon other agencies—such as Labor and the Internal Revenue Service—to supply the investigators. Although budgeted to contribute 64 investigators to the Strike Force, Labor now assigns only about 35. Many of those are supervisors who have no time to investigate.

Apparently the Department's own intelligence reports on labor racketeering can fall into the hands of those being investigated. Robert W. Litheredge, a former compliance officer, says a letter to him from a union officer who also acted as a confidential informant was secretly handed over by someone in the Labor Department to the union, which identified the man from his handwriting. "That was the final straw," says Litheredge. "I quit."

Some achievements. The Labor Department can claim successes, too. Hundreds of union officers have been convicted since 1959 of misusing funds of their organizations. A pension-reform law that was enacted in 1974 gave the Department needed authority to go after those who abuse assets of such funds. Trustees of several union pension funds have been forced to resign and sometimes to pay back money they misused. Still, enforcement provisions of the 1974 pension law are mostly civil, and few efforts have been made to prosecute violators for embezzlement of funds.

Even so, many of the Department's enforcement people insist that Labor lacks the will to go after corrupt trade-unionists in a vigorous manner. "We're not enforcement-minded," says one unhappy compliance officer.

The strongest criticism of the Labor Department's performance, in fact, comes from its own people—the ones whose job is to find and prosecute criminal violations of Landrum-Griffin.

These employees claim that they are prevented by a lack of personnel from undertaking difficult investigations. Moreover, many compliance officers complain that the Department's hierarchy discourages hard-nosed enforcement. Investigators experienced in dealing with white-collar crime are told that the route to promotions lies in "rotating" to other compliance assignments that do not involve crime.

"There hasn't been a routine audit of a union around here for years," says a compliance officer assigned to New York City. "A lot of people here don't even know how to do an audit."

One senior enforcement official, from his office in the Labor Department's headquarters in Washington, remarks: "I look around and see empires being built all over the Department—people being added, positions being upgraded. But when it comes to enforcing a law against unions, we are the forgotten people. Every time we lose someone, there's no replacement."

Jack A. Warshaw, Deputy Assistant Secretary, told a House of Representatives committee that the cutback in the enforcement staff has all but ended self-initiated investigations of union corruption. "This puts us in the position of handling only actual complaints that come to us," he said.

One Government official calls this "reaction-type enforcement," and notes: "The secretary who takes cash is discovered, as often as not, by the labor union itself, which then takes the case to the Labor Department."

Making matters even worse is the necessity for these same compliance officers to handle an increasing number of probes into unfair-election charges by unsuccessful candidates for union office. "Every discontented loser now realizes he can file an appeal with the Labor Department, and we have to investigate every single one," says Francis X. Burkhardt, Assistant Secretary of Labor for Labor-Management Relations, who is in

charge of Landrum-Griffin and pension-law enforcement.

After an appeal.—Actually, by law, the Department must decide within 60 days after an appeal is filed whether to sue to get a new election. Because of the time limit, election cases take priority over criminal investigations. When the losers of the United Steelworkers election appealed the outcome to the Department in mid-1977, most work came to a halt while 250 persons were assigned to the case.

Landrum-Griffin gave the Government new tools to attack wrongdoing within the labor movement. One section specifically made "conversion" of union funds—embezzlement—a crime punishable by as many as five years' imprisonment. Another required unions to file annual financial reports listing, among other things, salaries and expenses paid to all officers and most employees. False reporting can land someone in jail for a year.

The law also gave the Labor Department the right to examine union books and records without a subpoena, and banned persons convicted of most financial crimes from holding union positions for five years.

Almost from the day that Landrum-Griffin was enacted in 1959, the Labor Department's role in enforcing it has been under fire. William P. Rogers, then Attorney General, sought to have enforcement responsibility lodged with the Justice Department. "Justice felt Labor was too close to trade unions to do the job right," recalls John J. Gilhooley, the Assistant Secretary of Labor for Labor-Management Relations at the time. "Jim Mitchell, who was Secretary of Labor then, persuaded President Eisenhower to give us a year to prove we could."

The original group of compliance officers came entirely from law-enforcement ranks. "We had a hell of a good investigating team," Gilhooley recalls. "We required years of experience in investigating, and limited our hiring to people from Treasury, the Secret Service, the IRS and the FBI." The Labor Department no longer requires law-enforcement experience of those hired as investigators.

Gilhooley, a Wall Street attorney before his tenure in Labor, was followed in the Assistant Secretary's office by James J. Reynolds, who also lacked trade-union credentials.

Since Reynolds's departure in 1967, however, each of his five succesors has come from the ranks of the unions: Thomas R. Donahue from the Service Employes; W. J. Usery, Jr., from the Machinists; Paul J. Fasser, Jr., from the Steelworkers; Bernard E. DeLury from the Lathers and Teamsters unions, and Burkhardt from the Painters.

At least a couple of these former union officials were uneasy about the role in which they were cast—that of a "policeman." "I never felt comfortable with those guys who do the enforcing," says a former Assistant Secretary from the labor movement. "I sometimes felt I was under their magnifying glass. The vibrations definitely weren't good."

"A tough" job. DeLury, who held the post for about seven months in 1976, calls the job "a tough one to put a labor guy—a politician—into."

If some in the Assistant Secretary's office felt uncomfortable, so do many of the of the enforcement officials. Sensitive intelligence reports were deliberately withheld from one Assistant Secretary with trade-union credentials because some enforcement people feared he would pass them on to others outside the Department.

To put a union guy in there to decide whether to prosecute unions is an outrage—like letting the wolf into the chicken coop," asserts Arthur L. Fox, attorney for PROD, an organization of reform-minded members of the Teamsters Union. "At the very least, an Assistant Secretary should be made to promise that he won't return to the labor movement for five years after leaving office."

Burkhardt, the present Assistant Secretary for Labor-Management Relations, says he has "no qualms" about investigating union leaders. "I'm not uncomfortable in this job," says Burkhardt. "I don't want it to be said I did nothing to clean up the labor movement. I may go back to the movement, and the people I would work for don't believe in corrupt trade-unionism."

Rather than hampering investigations, Burkhardt says he is seeking funds in the 1979 budget to add more compliance officers to his staff. But no matter how good his intentions, an Assistant Secretary who comes from organized labor can get in trouble with his enforcement staff.

This was Burkhardt's dilemma last year when he rejected recommendations of his area and regional offices, his enforcement chief and his associate solicitor by refusing to authorize a lawsuit seeking a rerun of a local-union election in Miami. Numerous violations had been found of regulations designed to insure fair elections.

Five compliance officers who met with Burkhardt at about that time claim that he called the incumbent local-union president—whose re-election was being protested—a friend of his. Burkhardt, formerly research director of the Painters Union, denies he said any such thing, and three senior Labor Department officials who were also present at the meeting back him up.

"I'd never seen nor heard of the guy in my life," says Burkhardt. But the incident illustrates the tensions, suspicions and poor morale that surround the enforcement effort.

The dispute between the Labor and Justice departments over the Organized Crime Strike Force program has been every bit as acerbic. Says one Justice Department official: "I've heard it from their own compliance officers—the Labor Department is very protective of the labor movement."

The attorney in charge of the Miami Strike Force wrote in anger to Washington after Labor reassigned the last full-time investigator there to other duties: "It's most unnatural and highly suspicious that the Department of Labor remove entirely its direct participation in [the] Miami Strike Force program. . . . If those man-years are still in the Labor Department's budget, there is a fraud in the Department of Labor on Congress."

In other parts of the country, Strike Force attorneys report they must complain constantly in order to retain even one Labor Department investigator on their staffs—not to mention the four or five persons who, on paper, they may be assigned.

What happened was that Labor decided to "rotate" its compliance officers every 18 to 24 months. Those assigned to a Strike Force would be switched to election investigations, or given veterans' re-employment complaints, or get cases involving Federal Government labor relations. The idea was to make compliance officers "well rounded" in more than one specialty.

But the effect has been to rob the Strike Force effort of many of its most experienced investigators of union-related crime. For replacements, Labor often assigns supervisors who cannot personally participate in Strike Force investigations because of their other responsibilities. And the Department is seeking to make many who do remain on Strike Force assignments work out of Labor Department offices instead of those of the Strike Force.

Continuing argument. Evident in this dispute is more than a bit of interdepartment rivalry. "We wouldn't see our people on Strike Force assignments for months or years at a time," contends Carl H. Rolnick, the Labor Department enforcement chief. "Now we're saying they must take day-to-day supervision from us."

Burkhardt complains that the Labor Department supplies all the manpower and does all the work in the Strike Force program. "Our guys end up, in effect, working for the Justice Department," he says. "Why should we carry them on our payroll?"

He adds: "If we stuck to Landrum-Griffin cases, we'd have no problem fulfilling our obligations. We could handle the embezzlement cases. Switch Strike Force people back to us, and we could do more."

Regardless of who's right and who's wrong in the argument over Strike Force assignments, it symbolizes disorder afflicting the whole effort to stamp out crime in the labor movement.

[From the New York Times, Apr. 10, 1978]

LABOR AGENCY, IN SHIFT, MAY WIDEN CRIME INQUIRIES

(By Jo Thomas)

WASHINGTON, April 9.—Under pressure from both the Department of Justice and Congress, the Department of Labor has apparently reversed its decision to get out of investigations of organized crime.

Instead of asking that the number of its investigators assigned to units of the Federal strike force on organized crime be reduced to 15, as the department decided several ago, it will now ask for budget authorization for as many as 125.

Francis X. Burkhardt, Assisant Secretary of Labor for Labor-Management Relations, the administrator responsible for union affairs, and in February that the department wanted to concentrate on preventing the misuse of pension funds under the Employee Retirement Income Security Act of 1974, a civil statute.

At the same time, the Labor Department officials said they intended to let the Federal Bureau of Investigation handle labor-related criminal investigations.

The Labor Department had once been allowed more than 120 strike force positions, including clerical jobs. But that numbers was cut, the clerical workers, were not actually assigned, and only about 30 investigators were placed in the field. The new proposal would have reduced that number to 15.

WE GAVE PEOPLE AWAY

"We played games with numbers," one highly placed Labor Department source conceded. "The numbers were higher than the actual number with the strike force. We gave people away and didn't see them for two years. The formula in no-way took into account the caliber of the people. There was a lack of accountability."

The decision to cut the number of investigators was quietly announced by Mr. Burkhardt in Washington on the same day that the Labor Department filed a well-publicized civil suit in Chicago against former trustees of the Central States, Southeast and Southwest Areas Pension Fund of the International Brotherhood of Teamsters.

The intended cutback was greeted on Capitol Hill with dismay, and members of the House Ways and Means Subcommittee on Oversight and the Senate Permanent Subcommittee on Investigations started talking about holding hearings.

At his confirmation hearings before the Senate Judiciary Committee in early March, Benjamin R. Civiletti, the Acting Deputy Attorney General, said, "We need more resources, not less," and he told reporters afterward that the Labor Department's investigators "have 10 to 15 years of experience—that's not replaceable overnight."

WORKING IN NEW YORK

"We regard them as extraordinarily valuable," said Robert B. Fiske, United States Attorney for the Southern District of New

York, which has a group of Labor Department investigators. "They have the background and experience in crime in labor that no other agency has."

Within the Labor Department, investigators who asked that their names not be used observed that they have routine access to union records that other agencies would have to acquire through subpoenas. They also noted that they frequently have the best informants.

After an informal conversation between Labor Secretary Ray Marshall and Attorney General Griffin B. Bell at the White House, a meeting was held recently between Mr. Marshall, Mr. Bell and Mr. Civiletti to discuss the Labor Department's role in investigating 300 local unions of five international unions identified as fertile grounds for corruption.

Although no announcement was made after this meeting, sources said that the two agencies had agreed to petition the Office of Management and Budget for authorization for as many as 125 Labor Department investigators to work with the 15 Federal strike forces, to be assigned as the need arises.

[From the Chicago Tribune, May 7, 1978]

AGENTS GET KEY JOBS IN MOB UNIONS

(By Arthur Siddon)

WASHINGTON.—Federal Bureau of Investigation agents have infiltrated the top echelons of some crime syndicate-dominated unions. The Tribune has learned.

Informed sources said the infiltration, which began about two years ago, will result soon in indictments—the first of them expected in a month or two—probably involving the International Longshoreman's Union.

The infiltration of unions in Chicago and elsewhere began after the death of FBI Director J. Edgar Hoover, who for years had personally blocked such activities, it was learned.

The FBI succeeded in putting some of its agents into the inner sanctum of the syndicate-run unions, according to a federal investigator. The agents have been present when payoffs were discussed, and for the first time they will be able to testify to such activity, one source said.

The source emphasized the infiltrators are FBI agents, not paid informers or freelance agents. Some of the agents are lawyers capable of building a careful legal case while others are accountants able to scrutinize union books.

They have gone into deep cover and survived to tell about it, a source said.

It was unclear whether the agents have been penetrating union locals or the internationals themselves.

The first indicators that FBI agents are involved in the battle against labor racketeering came a week ago when organized crime strike force chiefs from nine cities testified before a Senate subcommitee.

While the strike force chiefs were critical of the role of Labor Department investigators in probing labor racketeering, they were unanimous in praise of the FBI's work.

At the time, however, the chiefs were guarded in their comments concerning details of th FBI's involvement.

However, the FBI reportedly has learned that organized crime's domination of some unions is so strong it is on the verge of controlling entire industries.

The agents have documented cases of union mobsters demanding huge sums of money from companies to avoid union troubles, and of using the union to drive out all companies except those owned by the syndicate, the sources said.

The union's real power is in its ability to control a large segment of the economy and jobs, an investigator explained. He said the syndicated-dominated unions hand out jobs to people just as some political organizations do.

The agents also have found organized crime much more involved in labor consultation than was previously thought, particularly in the hotel service and trucking industries.

A company of consultants formed by the syndicate will approach a firm having trouble with a mob dominated union local and offer to negotiate the contract for a price, sources said.

The company will pay a stiff fee to the consulting firm for a so-called "sweetheart contract" to stay in business. In the end it is the rank-and-file union member who is hurt because he gets a bad contract, investigators said.

One investigator emphasized that none of the mob activities is new. Federal authorities long have been aware of the shakedowns, sweetheart contracts, rake-off of union pension funds, and mob gunmen on union and company payrolls.

The problem in the past has been in proving anything, one source said. He said the syndicate is sophisticated, careful, and intimidates potential witnesses. The FBI undercover people are nailing down the necessary evidence, he explained.

For example, he said, investigators have known for years that pension fund money from certain suspect unions was being heavily invested in California, Nevada, and Arizona. At the same time, they have been aware of increased activities in those areas by crime syndicate figures from Chicago, New York, and Miami.

Palm Springs, San Diego, and Las Vegas were three of the areas named where FBI agents are attempting to link pension-fund loans to specific crime syndicate figures.

Investigators reportedly just recently have traced some union money moving into Atlantic City, where the first legal gambling casino is expected to open later this year.

The FBI has stepped up its investigation of labor unions in Chicago, and infiltrators are close to cracking a major case, a source said. He added that a lot of manpower has been added to Chicago.

Mr. President, I have no further comments to make at this time. I thank my distinguished colleague, the Senator from Utah, for reserving this time for the Senator from Illinois. I will be having further statements to make in the course of the next few days on the labor reform bill which is before us. The remarks I have made today on labor-management racketeering were not intended to be a specific part of the discussion of that particular bill, though, certainly, the relationship between them is apparent. It was quite appropriate that the colloquy I have had with my distinguished colleague on this matter take place at this time.

Mr. HATCH. Will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. HATCH. I commend the distinguished Senator for his statement made on the floor today. I believe it is a proper statement and has brought out a number of things which needed to be brought out. I am glad to hear him speaking out against these abuses and in aggressively trying to correct these problems. I compliment him on his remarks today.

Mr. PERCY. I thank my colleague.

AMENDMENT NO. 1768

(Purpose: To provide for designation of regional ombudsmen for the National Labor Relations Board)

Mr. FORD. Mr. President, I wish to call up my amendment No. 1768. Will the Senator yield for that purpose?

Mr. PERCY. I yield.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. FORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, insert the following between lines 3 and 4:

"SEC. 14. Section 3(d) is amended by inserting immediately after the third sentence the following new sentence: 'The General Counsel shall designate one or more officers or employees in the Board's national office and in each regional office to act as ombudsmen for the purpose of answering inquiries and disseminating information, particularly with regard to the rights, obligations, and responsibilities of those employers and employees in the small business community. The ombudsmen shall provide general information and explanation regarding the provisions of this Act, regulations of the Board, procedures involved in the processing of cases and the current state of the law with regard to particular areas of concern. Any such ombudsmen shall not be authorized to render advisory opinions or make any factual or legal determinations under this Act.' ".

On page 22, line 4, strike "SEC. 14." and substitute "SEC. 15.".

AMENDMENT NO. 2254

(Purpose: To prohibit the NLRB from exercising jurisdiction over small businesses currently exempt.)

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an amendment numbered 2254 to the amendment by Mr. FORD:

On page 2, insert the following language between lines 7 and 8—

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, insert the following between lines 7 and 8:

"SEC. 15. The proviso to section 14(c) (1) of the Act is amended by striking 'August 1, 1959' and substituting 'May 1, 1978, and shall not assert jurisdiction over any labor dispute over which it would decline jurisdiction under those standards.' ".

On line 9, strike "SEC. 15" and substitute "SEC. 16".

Mr. ROBERT C. BYRD. Mr. President, this sets back into place as amendments in the first and second degree to the bill the original Ford amendment and the original Byrd amendment.

I thank the Senator for yielding.

Mr. MOYNIHAN. Mr. President, will the Senator from Illinois yield to me for a unanimous-consent request?

Mr. PERCY. I yield.

Mr. MOYNIHAN. I ask unanimous consent that Mr. James O. King of the staff of the Senator FORD be given the privileges of the floor during the debate and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NEED FOR LABOR LAW REFORM

Mr. WILLIAMS. Mr. President, all too often workers who are active in organizing their fellow employees find themselves without jobs. Some employers almost instinctively fire an employee found to have engaged in organizational activity.

This is often the case, even if the particular employee is a good worker. Sometimes it is even worthwhile for an employer to sacrifice a good worker in order to stop a union organizing drive. Unfortunately, the present processes of the Board are just too slow to discourage this kind of activity. Even if a case moves along relatively quickly, by current Board standards, it still can take years before a worker is required to be rehired.

Aaron Seward was just such a worker. Hired as a utility production worker, Seward was, within a month of his hire, transferred to the employer's quality control department as an apprentice technician. His career was cut short, however, when he got involved with a union.

This is the 10th of these personalized cases that I wanted to make a part of this RECORD on labor law reform.

WHY AMERICA'S WORKERS NEED LABOR LAW REFORM CHAPTER 10

Aaron Seward was hired by the Bladding Keystone Corp. of Oneonta, N.Y., in April of 1968. Based on his job performance, the company in May of that year transferred Seward to the quality control department.

In early July of 1968, Seward contacted the International Association of Machinists, and after talking with the union representative, began to solicit his fellow employees' signatures on union authorization cards. Several days later, on July 15, 1968, Seward was fired.

Seward filed unfair labor practice charges with the regional office of the National Labor Relations Board. After an investigation, a complaint was issued, and after a trial, an administrative law judge found that Seward was unlawfully discharged, in violation of section 8(a)(3) of the act.

On September 16, 1969, 14 months after his discharge, the Board issued its decision, affirming the administrative law judge, and ordering the company to reinstate Seward and make him whole by providing him with backpay.

The company did not comply, and the Board was forced to seek enforcement of its order by the court, on December 29, 1970, 15 months after the Board's decision, and almost 2½ years after Seward was discharged, the court found that the company had unlawfully discharged Seward because of his union activities. The court enforced the Board's order that Seward be reinstated and given backpay.

Mr. President, it took the Board and the courts almost 2½ years to reinstate Aaron Seward and to produce a binding backpay order. That is much too long in a straightforward case of anti-union discrimination.

If H.R. 8410 had been law, it would have taken only a few weeks rather than 2½ years for Aaron Seward to have been temporarily reinstated. The Board and the company would have been free to litigate the issue of whether the discharge was unlawful, but in the meantime, Aaron Seward, an admittedly good worker, would have been on the job and producing for his company.

We should not tolerate such delays. We should not force workers like Aaron Seward to wait 2½ years before they are reinstated.

Mr. President, it is cases like that of Aaron Seward that labor law reform is all about.

(Mr. METZENBAUM assumed the Chair.)

ALLEGED "SMALL BUSINESS ADMINISTRATION" REPORT

Mr. WILLIAMS. Mr. President, throughout the debate on this labor law reform bill, we have been hearing of the alleged Small Business Administration study on this bill, and the so-called position of the Small Business Administration Office of Advocacy, that this bill will have a devastating effect on small businesses.

The characterization of this study as the position of the SBA or even on the position of its office of advocacy is completely misleading. The letter of A. Vernon Weaver, Administrator of the SBA, to the Senator from Utah, forwarding something which the SBA calls a staff paper, clearly indicates that this paper is not the official position of the SBA.

I think this letter should be read into the RECORD at this point.

MAY 5, 1978.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: Thank you for your letter of April 3, 1978, concerning the impact of S. 2467, the Labor Reform Bill, on the small business community.

With respect to the letter that you received from Mr. Nik B. Edes, Deputy Under Secretary of Labor, I know of no coordination with the Small Business Administration by him prior to writing the letter.

As you requested, I am enclosing a "Small Business Situation Report," which was prepared by staff of the Office of Advocacy of the SBA. This report is annotated on its face page as follows:

"*Notice: This Staff Paper does not represent the official position of the Small Business Administration or other government officials and should be regarded as an internal staff level discussion paper only—subject to further refinements, modifications, and revisions."

I am also enclosing a memorandum from the Department of Labor which makes clear to me that the SBA staff report contains matters of fact or interpretation that are incorrect or open to question.

It should be noted that the SBA staff report is a working paper which was written without any discussion with either the National Labor Relations Board, the Department of Labor or the senior staff of this Agency. The staff paper is an internal memorandum to me giving me some possible options. It is not the Administration's position nor, of course, the position of this Agency. We ask that you examine it in that light.

Sincerely,

A. VERNON WEAVER,
Administrator.

Enclosures.

Mr. President, this report is not the position of the SBA, the agency of our Government which is responsible for looking out for the interests of small business. Indeed, Small Business Administrator Weaver himself, in his letter to the Senator from Utah, has clearly stated that the Small Business Administration supports this bill.

So, if the SBA supports the bill, what is the force and effect of the "Small Business Situation Report" which is the product of some civil servant in a suboffice of that agency?

I submit, Mr. President, that it is no more than the opinion of some civil servant, a report prepared by some staff underling for his superior, and a report, incidentally, which was rejected by his superior, the Administrator of the Small Business Administration—our Government's chief spokesman for small business.

Then what is the document which is being bandied about and from which the opponents of the bill take such comfort?

It is merely one man's opinion, an opinion rejected by his superior, an opinion which carries no weight of official sanction—an opinion that was reached by an isolated SBA bureaucrat, who did not even coordinate with the agencies of the Government who know the most about the labor laws of our land—an opinion contrary to that of our Government's outstanding and official spokesman for the interests of small businesses—the Administrator of the SBA himself.

A further word is necessary to clarify the significance of this document, Mr. President. The report was prepared by an individual in SBA's Office of Advocacy, and we should understand some things about that Office.

The Office of Advocacy is not and was never intended to be a neutral, nonpartisan agency whose expressions of opinion are entitled to consideration as disinterested, objective commentary.

So, Mr. President, I urge Senators to give this staff paper the weight it deserves—and to consider it not as the position of the SBA, which most assuredly it is not, but as the opinion of but one man.

I yield the floor, Mr. President.

ROBERT F. KENNEDY MEMORIAL SERVICE

Mr. METZENBAUM. Mr. President, the night before last, a mass was held in memory of Robert Kennedy—a great American and a close friend. I had the privilege of being present at this very moving service. Several of the Kennedy family, the participation of the Kennedy children, and the emotional songs made this service a truly stirring event. I think maybe the Lord, Himself, indicated His favor, by gracing the ceremony with birds who seemed to join us in songs.

Sometimes, one finds a moment to reflect and to remember. This was that kind of moment for me. Because I think the service itself was so moving, and because I thought, in the hush of that beautiful summer evening, that the rest of America ought to have the privilege of sharing portions of that service, I ask unanimous consent that excerpts from

the service be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ROBERT FRANCIS KENNEDY

The service began with the following quote:

"There is discrimination in New York; Apartheid in South Africa; serfdom in the mountains of Peru. People starve in the streets of India; intellectuals go to jail in Russia; thousands are slaughtered in Indonesia; wealth is lavished on armaments everywhere. These are differing evils, but they are the common works of man. They reflect the imperfections of human justice, the inadequacy of human compassions; the defectiveness of our sensibility towards the sufferings of our fellows . . . Moral courage is a rarer commodity than bravery in battle or great intelligence."

INTRODUCTION

"Nations, like men, often march to the beat of different drummers. Still the lesson of our time is that all must march toward increasing freedom, toward justice for all, toward a society strong and flexible enough to meet the demands of the future. Let us then give our strength and our sweat, our lives and our labor, and together we will make a hemisphere full of such freedom's sons as will make the earth sing and tremble in their passing."—Robert F. Kennedy in Capetown, June 6, 1966.

INTRODUCTORY RITE

CELEBRANT. Tonight we come together to remember and to renew. We assemble in a place hallowed by the self giving of many Americans. The flame of John F. Kennedy's spirit of hope beckons us, the cleansing waters of Robert Kennedy's honesty tells us—it is time to stand anew for justice, peace and compassion. Lord, be with us tonight and help us to learn from what was, the courage to create what will be.

LECTOR. Let us go up to the hill of the Lord, to the Temple of Israel's God. He will teach us what he wants us to do; we will walk in the paths he has chosen. He speaks to his people.

He will settle disputes among great nations. They will hammer their spears into pruning knives. Nations will never again go to war, never prepare for battle again. Now, let us walk in the light which the Lord gives us! This is the Word of the Lord!

ALL. Thanks be to God!

And then a responsorial verse from Isaish 11:5-9.

LECTOR. The spirit of the Lord gives wisdom and knowledge.

ALL. He will rule His people with justice and integrity.

LECTOR. Wolves and sheep will live together in peace, and the lions will lie down with young lambs.

ALL. He will rule His people with justice and integrity.

LECTOR. Calves and leopards will feed together and little children will take care of them.

ALL. He will rule His people with justice and integrity.

CELEBRANT. Jesus went up on the mountain, and when he sat down His disciples came to Him. And He opened His mouth and taught them saying:

"Blessed are the poor in spirit, for theirs is the kingdom of heaven.
Blessed are those who mourn, for they shall be comforted.
Blessed are the meek, for they shall inherit the earth.
Blessed are those who hunger and thirst for justice, for they shall be satisfied.
Blessed are the merciful, for they shall obtain mercy.
Blessed are the pure in heart, for they shall see God.
Blessed are the peacemakers, for they shall be called the children of God.
Blessed are those who are persecuted for the sake of justice, for theirs is the kingdom of heaven.
Rejoice and be glad, for your reward is great in heaven."

At that point in the service four Robert F. Kennedy Fellows were called upon.

Dale Grundy (1977–78), Philadelphia Student Services;

Dennis Magee (1970–71), Indian Health Program, California;

Guido delPrado (1971–72), KBBF Bilingual Broadcasting Foundation, California;

Gerald Hildebrand (1969–70), Mingo County Economic Opportunity Commisison, W. Va.

PRAYER OF THE FAITHFUL

CELEBRANT. Recognizing that we each have an obligation to tame the savageness of man and make gentle the life of the world, let us pray.

LECTOR. "That even though we might wish at times that we lived in a more tranquil world, we don't and if our times are difficult and perplexing, so are they challenging and filled with opportunity."—Robert F. Kennedy in Atlanta, 1961.

CELEBRANT. For strength in meeting life's challenges, we pray to the Lord.

ALL. Lord, hear our prayer.

LECTOR. "All of us have the right to dissipate our energies and talents as we desire. We have the obligation to direct these energies and talents toward concrete objectives consistent with the highest ideals."—Robert F. Kennedy in Berkeley, 1966.

CELEBRANT. That we each will take the course from which will come the fresh ideas and leadership so vital to America, we pray to the Lord.

ALL. Lord hear our prayer.

LECTOR. "Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest walls of oppression and resistance."—Robert F. Kennedy in South Africa, 1966.

CELEBRANT. That we realize that the future may lie beyond our vision, but it is not completely beyond our control, we pray to the Lord.

ALL. Lord hear our prayer.

LECTOR. "The stake is just as personal today as it was ten years ago, the obligation just as personal, the capacity to affect the course of history just as great."—Robert F. Kennedy in South Africa, 1966.

CELEBRANT. That we as individuals, and collectively, recognize our ability to help solve problems, we pray to the Lord.

ALL. Lord hear our prayer.

PRAYER AFTER COMMUNION

CELEBRANT. This night we have celebrated the life, commitment and ideals of Robert Francis Kennedy. These values stand at the heart of our religious and national traditions. Lord, be with us in our lives. Help us to take the call to heroism seriously. Let the high sentiments of this celebration bear fruit in the action and situations that confront us in our homes and in our work. This we ask through Christ our Lord.

ALL. Amen.

Celebrant—The Reverend Gerry Creedon.

Assisting—Msgr. Geno C. Baroni and Reverend Albert F. Pereira.

Music by Joseph and Ave Marie Renard and Linda Kroner and St. Luke's Folk Singers: Paul Ahearne, Tom Ahearne, Laurie Durbin, Patty Knight, Patty Lebherz, David Livaudais, Colleen Lovelace, Laura Lovelace, Dave Nealon, Sharon Rogers, Megan Stevens, Leslie Wheeler, Rainey Wheeler, Patty Zillian, Margy Moore, Garry Carneal.

Program prepared and coordinated by D. Jeffiyn Priest.

ROUTINE MORNING BUSINESS

Mr. MATHIAS. Mr. President, I have two congratulatory resolutions which are at the desk. I believe they have been cleared on both sides with the leadership.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. MATHIAS. Surely.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business and that Mr. MATHIAS be recognized first.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE WORLD CHAMPION BULLETS

Mr. MATHIAS. Mr. President, I call up a resolution and ask that it be read, the Washington Bullets Resolution.

Mr. ROBERT C. BYRD. Mr. President, do I understand that the distinguished Senator asks unanimous consent that the Senate proceed to the immediate consideration of this resolution? There is no objection on this side.

Mr. MATHIAS. The majority leader is correct.

Mr. BAKER. Mr. President, there is no objection, obviously, on this side. I am happy that the distinguished Senator from Maryland should bring up this resolution at this propitious moment.

Mr. MATHIAS. The resolution, Mr. President, simply congratulates the Bullets on this great event and welcomes them back to Landover, Md.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 476) to honor the world champion Washington Bullets.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

THE WASHINGTON BULLETS

Mr. MATHIAS. Mr. President, on behalf of Senator SARBANES and myself and for the people of Maryland and of the National Capital region, I rise to salute the new basketball champions of the world, the Washington Bullets. Their hard-won victory over the SuperSonics brings with it a distinction in sports which the Nation's Capital has not known since the great Senators of Walter Johnson and the Sammy Baugh Redskins. We take particular pride that this new national championship has been earned by a team whose home is the State of Maryland.

As our colleagues know, the Washington metropolitan area has been gripped in the throes of "Bullet Fever" for the past few weeks. Each day thousands of Washingtonians marveled at the exploits of Wes, Tom, and Bobby and wondered if Kevin would be able to take to the court or if the Big E would dominate the boards and nets. Washington found new heroes in Mitch, C. J.,

Larry, and the rookie Greg. And for weeks everyone around the Capital Beltway prayed that the "fat lady" would finally sing. And sing she has, the sweet notes of victory.

At the end of the season the Bullets were, at best, considered long shots to become NBA champions. The season had its ups and downs, and injuries plagued them so much that, at times, Coach Motta must have wondered if he could field a team. But, in the playoffs, he fielded a team of inspired men. In rapid succession, the Bullets defeated the Atlanta Hawks—an improving team; the San Antonio Spurs—young upstarts with a great future; and the fabled Philadelphia 76'ers who, with the Doctor, was everybody's choice to win the crown. Then came the SuperSonics, a bold and fast team molded by Coach Lenny Wilkens. The Bullets and Sonics went at it furiously. They split the first six games. Then last night, June 7, 1978, in Seattle, the Bullets hung together in controlled professionalism and defeated the SuperSonics 105 to 99.

Bullet fans can be justifiably proud of our club. The teamwork, sportsmanship, and abilities they displayed in winning the championship gave heart to basketball fans everywhere. We congratulate the entire team: Coach Dick Motta, Assistant Coach Bernie Bickerstaff, owner Abe Pollin, General Manager Bob Ferry, the Bullet organization, and all of the players: Charlie Johnson, Bob Dandridge, Tom Henderson, Larry Wright, Joe Pace, Greg Ballard, Mitch Kupchak, Kevin Grevey, Phil Walker, and of course, Elvin Hayes, and the series' most valuable player, Wes Unseld.

To our colleagues from the State of Washington, we say the SuperSonics fought the good fight and they certainly can look forward to a bright future.

We are sure it was a delight to fans all over the country to watch these two talented teams, which represent the best in American sports.

Go Bullets.

Mr. President, I move that the resolution be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 476) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 476

Whereas, the Washington Bullets having won the National Basketball Association Championship for the 1977–78 season, and

Whereas, Coach Dick Motta, Assistant Coach Bernie Bickerstaff, Owner Abe Pollin, General Manager Bob Ferry, Charlie Johnson, Bob Dandridge, Tom Henderson, Larry Wright, Joe Pace, Greg Ballard, Mitch Kupchak, Kevin Grevey, Phil Walker, Elvin Hayes and Wes Unseld have shown skill, sportsmanship and teamwork during the season and playoffs, and

Whereas, the Bullets provided unexcelled excitement for their fans everywhere, and

Whereas, on and off the court the Bullets have been an inspiration to the country, State and community. Now, therefore, be it

Resolved, That the United States Senate wishes to honor and pay tribute to the new basketball champions of the world, the Washington Bullets.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Washington Bullets.

AMERICAN UNIVERSITY PRESS DAY

Mr. MATHIAS. Mr. President I call up Senate Joint Resolution 140 and ask unanimous consent that it be considered.

The PRESIDING OFFICER. The clerk will read the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. J. Res. 140) to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

Mr. MATHIAS. Mr President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the present consideration of the resolution?

Without objection, the Senate will proceed to consider the resolution, and, without objection, the joint resolution will be considered to have been read the second time.

Mr. MATHIAS. Mr. President, many large universities in the United States operate university-affiliated presses. This year marks an important milestone in this regard because it is 100 years since the first such press began publishing. I am proud to note that the first university-affiliated press was established in Maryland at Johns Hopkins University.

Under the auspices of the Association of American University Presses, other schools will join Johns Hopkins in celebrating the anniversary this Sunday, June 11. In recognition of the event, I am introducing, along with Senator SARBANES, this joint resolution calling on the President to proclaim June 11, 1978, as "American University Press Day."

Daniel Coit Gilma, the first president of Johns Hopkins University wrote:

It is one of the noblest duties of a university to advance knowledge, and to diffuse it not merely to those who can attend the daily lectures—but far and wide.

University presses have consistently lived up to this entreaty. In many parts of the United States, the university press is the only book publisher for hundreds of miles, and produces books intended primarily for local or regional consumption.

In addition to this local aspect of university-affiliated publishing, these presses sell proportionately more of their books in foreign countries than any other sector of the American book-publishing industry. Whether regionally or internationally geared, university press publications have proven to be of enduring quality.

Of the half million American books in print today, one out of six bears a university press imprint. One out of four of all national book awards has gone to a university-affiliated press. University presses not only turn out material on the "traditional" scholastic subjects such as science, history, and mathematics, but cover topics such as photography, dance, American handcrafts, and folklife as well.

America's university-affiliated presses should be commended for their diversity, their abundance, and their standard of excellence. It is with a great deal of pleasure that I call attention to them and to Maryland's Johns Hopkins University in particular, because it was at Johns Hopkins where this standard of excellence was first raised 100 years ago this weekend.

I move the adoption of the resolution.

The joint resolution (S.J. Res. 140) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 140

To authorize and request the President to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

Whereas since the establishment of the first university press at Johns Hopkins University in 1878, American university presses have advanced and diffused the spectrum of human knowledge, issuing one-sixth of all American books in print today;

Whereas American university presses maintain a long tradition of notable achievement as demonstrated by the large share of prizes for literary merit and graphic excellence awarded university presses; and

Whereas American university presses continue to have a profound impact on culture, scholarship, and higher education, both regionally and internationally: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating June 11, 1978, as "American University Press Day", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed with the consideration of the following Calendar Orders Nos. 738, 774, 812, 846, 848, and 859.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I rise only to advise the majority leader that the six calendar items he identified are cleared on our calendar and we have no objection to proceeding to their consideration and disposition.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

PEACE CORPS ACT AMENDMENTS

The Senate proceeded to consider the bill (H.R. 11877) to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act, which had been reported from the Committee on Foreign Relations with amendments as follows:

On page 2, line 7, strike "$82,900,000" and insert "$64,544,000";

On page 2, line 8, strike "$96,135,000" and insert "$125,000,000";

On page 2, line 9, strike "$1,320,000" and insert "$1,000,000";

On page 2, line 14, strike "$1,000,000" and insert "$1,069,000";

On page 3, beginning with line 17, insert the following:

"SEC. 5. Section 8 of the Peace Corps Act is amended by striking subsection (c) thereof."

On page 3, line 19, strike "5" and insert "6";

On page 5, beginning with line 5, strike through and including line 21.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

UP AMENDMENT NO. 1330

(Purpose: To amend the Peace Corps Act to further encourage voluntary service programs.)

Mr. PERCY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) proposes an unprinted amendment numbered 1330.

Mr. PERCY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, after line 21, insert the following:

SEC. 7. Section 301(b)(1) of the Peace Corps Act is amended to read as follows:

"(b)(1) Activities carried out by the President in furtherance of the purposes of clauses (1) and (2) of subsection (a) shall be limited to—

"(A) furnishing technical assistance, materials, tools, supplies, and training appropriate to the support of volunteer programs in such countries or areas; and

"(B) conducting demonstration projects in such countries or areas. None of the funds made available to carry out the purposes of clauses (1) and (2) of subsection (a) may be used to pay the administrative costs of any program or project, other than a demonstration project, or to assist any program or project of a paramilitary or military nature".

On page 5, line 22, strike out "7" and insert in lieu thereof "8".

Mr. PERCY. Mr. President, I am introducing today an amendment to the Peace Corps Act which would enable the Peace Corps to contribute significantly to exciting new development work being done by Third World nations. This amendment would allow the Peace Corps to use its funds as well as its expertise to assist indigenous volunteer programs which have sprung up throughout the developing world.

More than 500 of these indigenous voluntary development programs, known as domestic development services (DDS), have been established in the past two decades. These programs mobilize high school and university graduates, village-level technicians, small producers and community family members to work in rural villages and urban slums to help people meet their most rudimentary needs.

The significance of the DDS movement to Third World development is best understood in terms of the special problems it addresses and its relationship to another significant movement, appropriate technology.

Historically, developed nations have attempted to help developing ones by the direct transfer of their own technologies, service-delivery systems, and skills. For many reasons, this has not always been successful.

The technologies and systems developed by industrialized nations are often too expensive to be widely applied to Third World needs. When they are transferred they tend to promote dependence on external resources which are neither consistently available nor ecologically sound.

Developed in response to other cultures' needs and resources, these technologies and systems are often unacceptable to the very population they were intended to serve—the small producer and village family member. Inadvertently, they tend to weaken local self-help initiatives by promoting sophisticated techniques, expensive resources, and high-level skills and degrees as prerequisites for development. Thus they not only fail, in many cases, to meet the needs of developing peoples, but serve to widen the breach between the small elite who can benefit from this form of development and the vast majority who cannot.

In many respects, this standard approach to development has helped create expectations and dependencies which are increasingly beyond the reach of the vast majority of people in the Third World. The growing number of foreign-trained Third World citizens for whom no employment exists, the growth of urban slums, and the decreased status of rural living in countries dependent on agriculture for their survival are all stark illustrations of the need for a fresh look at seemingly intractable problems.

Domestic development service programs represent an indigenous response to these problems. The search for alternate development solutions which are suitable to the needs, resources and values of local peoples accurately reflects the impetus for change in the Third World.

Both by philosophy and in practice, DDS programs help refocus the Third World's development goals and bring a renewed humanization to the development process itself. Using voluntary service, community-mobilization and appropriate technology as integrated resources for development, these programs return the initiative, control and benefits involved in development back to the local village.

The importance of these indigenous volunteer programs has not escaped the Congress. In title III of the Peace Corps Act, Congress exhorts the Peace Corps to "encourage less developed countries or areas to establish programs under which their citizens and nationals would volunteer to serve in order to meet their needs for trained manpower," and to "encourage the development of, and participation in, international voluntary service programs and activities."

However, Congress limited the Peace Corps to "the furnishing of knowledge and skills" to these voluntary service programs. Peace Corps was banned from using its funds for materials, tools, supplies or demonstration projects which could be used by these indigenous groups.

The rationale behind precluding the Peace Corps from using its funds was a fear that the Peace Corps would find itself financing the administrative costs of these programs. This fear is not unreasonable.

However, since the congressional ban was originally imposed, the growth of DDS programs has demonstrated that Third World countries deeply value, and have committed themselves to increasing, their self-reliance. Yet the majority of these nations still lack the resources to extend the benefits of their DDS programs to all their people.

In particular, many of these programs lack access to the funds and expertise needed to provide demonstration projects to local communities, and technical assistance, training, tools and materials to their own members. This lack continues to inhibit DDS programs around the world from becoming full partners in the development of their countries.

The resources of the Peace Corps are admirably suited to meeting these important needs. In the past 17 years, the Peace Corps has gained considerable expertise in evaluating development initiatives and providing assistance to Third World nations in ways which avoid traditional donor-donee dependencies. In light of what we now know about the positive impact of these DDS programs, I believe that the original restriction in the Peace Corps Act is unfortunate and should be removed.

The amendment I am proposing will remove this impediment yet reaffirm our conviction that the Peace Corps not finance the administration of these DDS's. The amendment language specifically stipulates that no Peace Corps funds can be used to pay administrative costs of operating these programs. Moreover, the Peace Corps will only be able to provide financial assistance to those groups whose ideals and actions are consistent with the highest respect for human rights.

In the early sixties, at the same time that we embarked on a program of massive technological assistance to developing nations, we also launched our smallest, and yet possibly most valuable effort, the Peace Corps. Implicit in the effort was the recognition on the part of Congress that progress is dependent on the participation of an entire society. In addition to its role of providing midlevel manpower, we hoped that the Peace Corps would serve as a model and as a stimulus for grassroots, self-help activities crucial to development.

We have before us an opportunity to strengthen these self-help activities. By permitting the Peace Corps to use all its resources to assist these indigenous volunteer programs, we will aid and abet

the host nations to continue on a course that represents their best opportunity for sustained and substantial development.

Mr. President, I urge all my colleagues to join with me in support of this amendment.

Mr. President, this has the full support of the ranking minority member and the chairman of the Foreign Relations Committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

● Mr. SPARKMAN. Mr. President, today the Senate is considering H.R. 11877, a bill to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act. H.R. 11877 also contains a supplemental authorization of $3.7 million for fiscal year 1978.

H.R. 11877 authorizes $125 million for Peace Corps programs in fiscal year 1979 and such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits already mandated by law. Of the $125 million for fiscal year 1979, $1 million is earmarked for the United Nations volunteer program.

The $3.7 million supplemental would bring the total 1978 authorization level to $87.6 million. Of this amount, $3.6 million will go for program expenditures, and $69,000 for statutory salary increases. Consideration of supplemental authorizations for fiscal year 1978 requires a budget waiver of the May 15 reporting deadline. On June 5, the Senate unanimously approved Senate Resolution 450, waiving the May 15 deadline for the Peace Corps supplemental.

Mr. President, the committee has given close scrutiny to the current Peace Corps program and is encouraged by the improvements which have been made during the last year. In past years, the committee has repeatedly expressed its concern over the gradual deterioration of this program and has urged the Peace Corps to improve its performance. This year there is evidence that many of these improvements are being made.

The Peace Corps has now filled many of the staff vacancies which had been inhibiting effective field performance. Previous screening procedures to insure that only well qualified and motivated individuals are sent overseas have been reinstituted. A signficant effort is being made to upgrade training for volunteers. Specialized skills training will be provided to bridge the gap between the demand for technically qualified volunteers and the increased availability of generalist candidates, thus making it possible for more Americans to be eligible for a volunteer experience. The training period for all volunteers will be increased to 10 weeks and foreign language skills will be emphasizd. Finally, the Peace Corps has changed its program emphasis to stress helping poor people meet their basic human needs through a variety of projects at the village level. This is consistent with congressional policy directives for other foreign assistance programs.

It must be stressed, however, that a great deal of work remains to be done. All of these initiatives need to be developed fully and actually implemented. In order to accomplish these tasks, the Peace Corps requires adequate increased funding levels in fiscal years 1978 and 1979, since both budget requests were developed before the necessary program improvements and their costs had been identified. Since most of the training is conducted during the summer months, improvement in the training for volunteers who will serve for the next 2 years requires additional funds in fiscal year 1978. In addition, the original executive branch request for $95.1 million for fiscal year 1979 did not include any increase in the number of trainees over fiscal year 1978. Neither request included a calculation for inflation which has amounted to more than $2 million in fiscal year 1978 and is projected to be $7 or $8 million in fiscal year 1979. Conseqeuntly, the committee recommended a fiscal year 1978 supplemental of $3.7 million as requested by the executive branch and a $30 million increase in the fiscal year 1979 authorization.

Mr. President, the committee strongly supports the Peace Corps as a very important program. Throughout its 17 years of existence, it has provided thousands of volunteers for developing countries to work at the grassroots level—in a very real sense with the people, helping them to help themselves improve the conditions under which they live. Today, the Peace Corps is even more relevant than in the past because it is one of the few U.S. organizations which has had extensive experience in focusing on basic human needs projects. Other institutions may have much to learn from the Peace Corps.

Finally, in addition to playing an important and relevant development role, the Peace Corps has afforded thousands of Americans the opportunity to live and work abroad and, thus, to understand, on a personal basis, the challenges and problems of development. Many former volunteers continue to work in positions of responsibility in foreign policy and development areas. Others have used the knowledge gained from their Peace Corps experience to work on problems here at home.

For the reasons outlined in my remarks, I strongly urge Senate support for H.R. 11877.●

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator HUMPHREY I ask unanimous consent that a statement by her be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR HUMPHREY ON THE FISCAL 1979 PEACE CORPS AUTHORIZATION

I strongly support the increase of $30 million for the Peace Corps budget that was approved by the Senate Foreign Relations Committee. My husband was one of the principal founders of this agency in 1961, and over the years both of us admired and supported the impressive work being done by the Peace Corps in developing countries. We both felt that the Peace Corps was one of the finest expressions of the most noble and humanitarian of American ideals.

In recent years, many of us have become concerned for the future of the Peace Corps. It has declined in size, both in numbers of volunteers and in numbers of programs. This is particularly disturbing since the original premise upon which the Peace Corps was founded—principally, the concept of people-to-people assistance at the grassroots level—is as valid and needed today as it was in the early 60's when the Peace Corps was established. In view of these difficulties, many have been seeking ways to give new life to this organization.

Last year, in hearings on the Peace Corps authorization bill, Hubert specifically asked Peace Corps representatives what could and would be done to revitalize the Peace Corps. In response to his inquiry, the Peace Corps undertook over the past year a comprehensive review of existing programs in an effort to determine the best way to upgrade volunteer selection and training. Specifically, the Peace Corps has proposed a $30 million increment. The additional funds would raise the Peace Corps budget authority from $95.1 million to $125.1 million. The sum would finance an additional 600 volunteers and 1,800 trainees.

I support the $30 million increase for the following reasons:

First, the proposal has been thoroughly studied and justified. The Peace Corps has submitted to the Senate Foreign Relations Committee a comprehensive and detailed explanation of the ways in which the additional funds would be used. Primarily, the funds would be used as follows: $11 million would be used for the training of 1800 new volunteers and for the establishment of 5 training centers; approximately $8.5 million would be channeled to support an additional 600 volunteers; $1 million would be allocated for the Peace Corps contribution to the U.S. volunteer program; the remaining funds would be used for program support.

Second, this is not an unprecedented action. In recent years, the Office of Management and Budget (OMB) has frequently reduced the initial Peace Corps budget request, and Congress, in turn, has increased the authorization over the OMB levels.

Finally, this action is consistent with other bilateral aid reforms the Foreign Relations Committee has made in recent years. As we all know, in 1973, Congress directed that U.S. assistance be allocated to the "poorest of the poor." It took this action in response to reports that U.S. aid was failing to trickle down to those in developing countries who needed our assistance the most. In the wide array of U.S. bilateral assistance agencies, if there is any institution that has focused its attention consistently and successfully on the "poorest of the poor," it is the Peace Corps. If there is any institution that is capable of implementing the development concepts stressed in the 1973 reforms—principally, participatory development and self-help at the community level—it is the Peace Corps.

For all of these reasons, the Peace Corps deserves our full support. I hope that my colleagues will support this effort to upgrade and revitalize this valuable and deserving institution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-807), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The basic purpose of H.R. 11877 is to authorize a fiscal year 1979 appropriation of $125 million for Peace Corps programs, $1 million of which is earmarked for contribution to the United Nations Volunteer Pro-

gram. In addition the bill authorizes a supplemental fiscal year 1978 appropriation of $3,644,000.

For increases in salary, pay, retirement, or other employee benefits authorized by law, H.R. 11877 also authorizes an appropriation of an additional $69,000 for fiscal year 1978 and such sums as may be necessary for these purposes for fiscal year 1979.

SUMMARY OF PROVISIONS OF THE BILL

H.R. 11877 contains:

1. An authorization for the appropriation of $125 million for fiscal year 1979. One million dollars of the $125 million was earmarked for the United Nations Volunteer program (UNV) and the limitation on contributions to this program is changed from $350,000 to 2 percent of annual appropriations for the Peace Corps;

2. An authorization for "such sums as may be necessary" for increases in salary, pay, retirement, or other employee benefit authorized by law in fiscal year 1979;

3. A supplemental authorization of $3,713,000 for fiscal year 1978 for a total authorization for the fiscal year 1978 of $87,613,000. $3,644,000 of the increase would be utilized for program improvements and $69,000 would cover statutory salary increases. The supplemental authorization requires a waiver of the May 15 reporting deadline and a waiver resolution was reported for referral to the Committee on the Budget;

4. The following modifications of Peace Corps policy:

(a) Inclusion in the Peace Corps Declaration of Purpose, an instruction to "meet the basic needs of those living in the poorest areas of developing countries";

(b) The addition of a provision which would call upon the Peace Corps to pay particular attention to the integration of women in the national economies of developing countries;

(c) The elimination of a special readjustment allowance for volunteer spouses since all volunteers now receive $125 a month in readjustment allowances;

(d) The extension of medical malpractice protection to volunteers;

(e) The elimination of a requirement that volunteers be instructed about communism;

(f) The elimination of a restriction which prevents the assignment of more than 125 volunteers to temporary duty with international organizations;

(g) An increase in tort claim coverage from $10,000 to $20,000 to compensate for inflation;

(h) The provision of medical coverage for Foreign Service local employees while they are stationed in the United States;

(i) Explicit authority for the assignment of Peace Corps volunteers to work in refugee assistance programs.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY TO RELINQUISH EXCLUSIVE LEGISLATIVE JURISDICTION OVER LANDS OR INTERESTS UNDER THE CONTROL OF THE SECRETARY OF AGRICULTURE

The bill (S. 2946) to authorize the Secretary of Agriculture to relinquish exclusive legislative jurisdiction over lands or interests under his control, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture may, whenever he considers it desirable, relinquish to a State all or part of the legislative jurisdiction of the United States over lands or interests under his control in that State. Relinquishment of legislative jurisdiction under this section may be accomplished (1) by filing with the Governor of the State concerned a notice of relinquishment to take effect upon acceptance thereof, or (2) as the laws of the State may otherwise provide.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–882), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 2946 would authorize the Secretary of Agriculture to relinquish to a State, all or a portion of, the exclusive legislature jurisdiction over lands and interests under his control. Such relinquishment would permit State and local authorities to perform certain functions and law enforcement duties where they now have no authority.

BACKGROUND AND NEED

When needed, the Secretary of Agriculture acquires, from other governmental entities, property deemed surplus. Occasionally, the Department obtains property from the Department of Defense. Accompanying the Defense Department property is the authority for the Secretary to exercise exclusive legislative jurisdiction over such property. Problems have been experienced by the Department of Agriculture because of the exclusivity of this kind of jurisdiction.

Congress is constitutionally authorized to exercise exclusive legislative jurisdiction over all places purchased from or ceded by States for military facilities and other needed buildings (U.S. Const. art. I, sec. 8, cl. 17). However, when exclusive jurisdiction is exercised by the United States, the State and local authorities are under no obligation to provide the Federal enclave with such services as fire protection or law enforcement protection. The enactment of S. 2946 would provide the Secretary with the authority to retrocede all or a part of this jurisdiction should it be deemed appropriate.

In this connection, the Department of Agriculture has been experiencing serious difficulties at Clay Center, Nebraska, a former munitions depot acquired with exclusive jurisdiction. Local law enforcement protection is needed by the personnel and for the Center against vandalism and other crimes. The possibility of controlling vandalism and other crimes committed against employees, visitors, and the Federal property, within the boundaries of the exclusive jurisdiction properties under the control of the Secretary can only be realized if the Secretary is granted the authority requested.

Should the Secretary decide to relinquish exclusive legislative jurisdiction over lands or interests under his control, he may do so by filing a notice of relinquishment with the Governor of such State or according to the laws provided by such State.

It is the intent of the committee that the granting of such authority to the Secretary shall be in addition to and not instead of any other provision of law.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CERTAIN EMPLOYEES OF THE CHARLESTON NAVAL SHIPYARD

The bill (S. 1909) for the relief of certain employees of the Charleston Naval Shipyard, Charleston, S.C., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each of the following named employees of the Charleston Naval Shipyard, Charleston, South Carolina, is hereby relieved of all liability to repay to the United States the sum of money specified opposite the name of such employee, such sum representing overpayment of per diem made through administrative error and received in good faith by such employee:

(1) Henry Brown the sum of $476;
(2) Byron R. Buchanan the sum of $1,077;
(3) Arthur Canady the sum of $450;
(4) Robert E. Carter the sum of $442;
(5) Edwin L. Clickner the sum of $476;
(6) William F. Cummings the sum of $1,077;
(7) Edward F. Fuller the sum of $1,077;
(8) Wilbur Geathers the sum of $482.85;
(9) Donell E. Gourdine the sum of $1,250.05;
(10) David D. Lorick the sum of $1,077;
(11) Martin N. Olmeda the sum of $1,077;
(12) Lawrence E. Riley the sum of $617;
(13) Dean W. Sabo the sum of $1,077;
(14) Leon T. Scarborough the sum of $902.75;
(15) George B. Stone the sum of $442; and
(16) Paul K. Vincent the sum of $434.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to any employee named in the first section an amount equal to the aggregate of any amounts paid by such employee or withheld from any sum due such employee an account of the liability referred to in the first section of this Act.

SEC. 3. No part of the amounts appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–910), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill is to authorize the Secretary of the Treasury to pay the employees named in the bill and in the amounts so designated and thereby relieve such employees of the liabilities incurred by them because of administrative error which caused them to make repayment to the Department of the Navy.

STATEMENT

The committee found in reviewing this case that 16 civil service employees at the Charleston Naval Shipyard have been required to repay the Government a portion

of their per diem allowances as a result of an erroneous overpayment by the Navy. Since the Navy has acknowledged the administrative error and the interpretation of current laws preventing cancellation of repayment, the committee believes that a private relief bill is in order.

The total amount to be nullified by this bill is $12,434.60. The amounts per individual varies from the lowest of $434 to the highest of $1,250.05. This variation among the 16 employees is due to differences in calendar time and training time during the specified temporary duty period for which per diem allowances were authorized and paid.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WILLIAM H. KLUSMEIER

The bill (H.R. 1436) for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Tex., was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–912), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve William H. Klusmeier, publisher of the Austin Citizen, of Austin, Tex., of all liability for payment to the United States of the sum of $6,575.23, representing the difference between the amount which should have been paid and the amount actually paid by the said William H. Klusmeier for postage on second-class mailings of the Austin Citizen for the period from March 5, 1973, to August 10, 1974, which is stated to have resulted from his reliance upon postal rates specified in good faith by postal personnel although such rates were erroneous.

The bill authorizes the refund of any amounts repaid by reason of the liability referred to in the bill.

STATEMENT

The facts of the case, as set out in House Report No. 95–198, are as follows:

As has been noted, the bill would relieve William H. Klusmeier, publisher of the Austin Citizen, of all liability to pay the United States a postage deficiency of $6,575.23. The postage deficiency arose because of an erroneous computation of the postage due on copies of the second-class publication, Austin Citizen.

It was stated at a subcommittee hearing on this matter that at that time, and in the days thereafter, no one with the Postal Service ever said anything to the Citizen about its postal rates. It was also stated at the hearing that 1½ years later, in late 1974, the Postal Service informed the newspaper that it owed the Post Office $6,575.23.

Almost immediately the officers of the Citizen met with local Postal officials. It then apparently was explained that the Postal Service has asked for the money on the basis that when the paper went from a once-weekly to a twice-weekly basis, it should not have been treated as a weekly paper. The officials of the Citizen pointed out that no one had ever told them of such a policy, and furthermore, the Texas Newspaper Association always advised its members that the paper was not a daily unless published three or more times per week. Following the conference, the newspaper understood that the matter had been amicably settled. However, in January of this year the Citizen was informed that the Postal Service demanded payment. This notice came from the Washington, D.C., office.

As explained in this departmental report, when the status of the Austin Citizen as a weekly publication ended, it was no longer eligible for the lower within country per piece and per pound rates. Its rates should have been computed on the basis of its nonweekly status, which requires payment of the local per copy rates specified in section 132.11a of the Postal Service manual. Unfortunately, the corrected computation was not made, and before the Austin Post Office discovered the error in September 1974 and corrected the postage computation method, a deficiency of $6,575.23 had occurred.

The committee has carefully reviewed this case and has concluded that despite the opposition of the Postal Service to the bill, it merits favorable consideration. As was noted at the hearing on the bill, the Congress has extended similar relief by private bill on a number of occasions in recent years. In the light of the circumstances of this case, it is recommended that the bill be considered favorably.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STUDY OF THE ADEQUACY OF THE NATIONAL TRANSPORTATION SYSTEM FOR AGRICULTURE AND RURAL DEVELOPMENT

The Senate proceeded to consider the bill (S. 1835) directing the Secretary of Agriculture to compile and publish certain information relating to the adequacy of a transportation system to meet the needs of agriculture and rural development in the United States, and for other purposes, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That Congress hereby finds and declares that—

(1) an adequate transportation system, composed of various forms of transportation, is essential to the overall success of the Nation's agriculture, rural development, and economic stability;

(2) the economical and efficient movement of agricultural commodities has been impeded by a shortage of railroad freight cars and motor trucks and by the deteriorated condition of many rail roadbeds throughout the United States;

(3) the economical and efficient movement of agricultural commodities is threatened by the proposed abandonment of thousands of miles of railroad lines in the United States;

(4) the maintenance of an efficient and economical transportation system in rural America has not received the priority attention that such system should receive; and

(5) the Secretary of Agriculture (hereinafter referred to as the "Secretary") should assume a more active role in representing the interests of agriculture and rural development in the United States in order to ensure the availability of an adequate, efficient, and economical transportation system sufficient to meet the needs of agriculture and rural development in the United States.

SEC. 2. (a) The Secretary shall compile and publish an initial report containing the Secretary's recommendations for a railroad transportation system adequate to meet the needs of American agriculture. The initial report shall include, but not be limited to, maps that identify the locations in the several States that the Secretary determines should receive railroad services because of their importance as agricultural production, marketing, or consuming areas.

(b) The report required to be published under subsection (a) of this section shall be published not later than one hundred and eighty days after the date of enactment of this Act. The Secretary shall submit copies of such report to Congress and make the report available for widespread public distribution throughout the United States as soon as practicable after its publication.

SEC. 3. (a) Within forty-five days after the publication of the initial report required under section 2(a) of this Act, the Secretary shall announce dates for and hold public hearings at various locations throughout the United States to obtain the views of interested persons on such initial report.

(b) Within one hundred and twenty days after the publication of the initial report required under section 2(a) of this Act, the Secretary shall prepare and publish a summary of the testimony presented at the public hearings required under subsection (a) of this section. The Secretary shall make the summary available for widespread public distribution as soon as practicable after its publication.

SEC. 4. (a) The Secretary shall prepare and publish, within four hundred and twenty days after the date of enactment of this Act, a revised report containing recommendations for a railroad transportation system adequate to meet the needs of American agriculture. In preparing such revised report, the Secretary shall consider the testimony received at the public hearings required under section 3(a) of this Act.

(b) Copies of the revised report required under subsection (a) of this section shall be submitted to Congress, the Secretary of Transportation, and the Chairman of the Interstate Commerce Commission. The Secretary shall make the revised report available for widespread public distribution throughout the United States as soon as practicable after its publication.

(c) The Secretary shall review the revised report required under subsection (a) of this section from time to time, but at least once every three years, and shall make such revisions therein as the Secretary deems necessary or appropriate, after considering changed conditions at the local, national, and international levels that may have affected American agriculture, rural development, or transportation.

SEC. 5. The Secretary shall submit a report annually to Congress regarding the capability of the Nation's transportation system (including all forms of transportation) to meet the needs of American agriculture and rural development. The Secretary shall identify in such report any obstacles that may exist in meeting such needs, including, but not limited to, any obstacles that may exist to the movement of agricultural commodities in domestic and international markets. The Secretary shall include in such report recommendations for such legislative or other action as the Secretary deems necessary or appropriate to remove such obstacles.

SEC. 6. Whenever the Secretary determines that the proceedings of any Federal agency including, but not limited to, the Department of Commerce, the Department of State, the Department of Transportation, the Civil Aeronautics Board, the Federal Maritime

Commission, and the Interstate Commerce Commission will likely affect American agriculture or rural development, the Secretary shall, to the extent permitted by law or regulation, participate in such proceedings as an advocate for an efficient and economical transportation system for American agriculture and rural development.

SEC. 7. The provisions of this Act shall become effective October 1, 1978.

The amendment was agreed to.

● Mr. HUDDLESTON. Mr. President, American consumers today spend more than $200 billion each year for food at over 200,000 grocery stores. Roughly a third of this amount goes toward moving food from where it is produced to where it is processed and consumed.

In the aggregate, about half of all food moved is transported by rail. Most canned goods and a large share of perishables move by rail, especially over long distances.

Trucks also play a critical role in the movement of food. Because of their speed and flexibility, truck shipments are being used today far more extensively than ever before, even for long-distance intercity hauls. And piggyback services, which involve the use of rail cars to haul loaded truck trailers, are becoming more and more widespread.

Few industries are more sensitive to transportation interruptions or more essential to the Nation's health and safety than agriculture.

There is, of course, no independent transportation system for agricultural commodities. The national transportation system is particularly important to agriculture because of the perishability of many foods. Fresh fruits and vegetables and meat cannot be stored awaiting processing and consumption.

The growth and expansion of rural America are largely dependent on the adequacy of the transportation system serving these areas. Adequate transportation capabilities attract business and people to rural America and serve to insure that the products of rural America will be widely distributed.

The rural transportation problem is a complex one. It involves both rail and truck transportation. A study of this problem must include both of these forms of transportation.

Trucks are currently transporting approximately 90 percent of the Nation's fresh fruits and vegetables and practically all of the fresh and frozen meats and meat products.

More than 10 percent of the rail mileage in the United States is currently classified by the Interstate Commerce Commission as potentially subject to abandonment within 3 years, under study for abandonment, or subject to a pending abandonment application. The lines that are unprofitable, and therefore candidates for abandonment, are generally nonindustrial, light density, and rural.

S. 1835, the legislation we are considering today, requires the Secretary of Agriculture to conduct a study of rail lines in the United States and make recommendations for a railroad transportation system adequate to meet the needs of the Nation's agricultural industry.

The bill requires the Secretary to—

First. Publish an initial report containing the results of the study and the Secretary's recommendations within 180 days of the effective date of the bill. Copies will be submitted to Congress and made available to the public as soon as practicable thereafter.

Second. Announce and hold public hearings on the initial report within 45 days of its publication.

Third. Publish a summary of the testimony presented at the public hearings within 120 days of publication of the report.

Fourth. Publish a revised report, within 420 days after enactment of the bill, containing recommendations for a railroad system adequate to meet the needs of American agriculture.

Fifth. Review the revised report, at least every 3 years, and make any revisions the Secretary deems necessary or appropriate.

Sixth. Submit an annual report to Congress on the capability of all forms of transportation in this country to meet the needs of American agriculture and rural development.

Seventh. Participate, to the extent permitted by law or regulation, as an advocate for an efficient and economical transportation system in the proceedings of any Federal agency that the Secretary determines will likely affect American agriculture or rural development.

The Secretary, in compiling the reports required by S. 1835 and taking an active role in the deliberations of other Federal agencies affecting the transportation system for American agriculture and rural development, will highlight the significance of the problem to all Americans. By working with other interested Federal entities, the Secretary can help improve the transportation system.

There is a need for a rural transportation planning mechanism that provides for public participation. The initial and revised reports required by S. 1835 provide that planning mechanism. The continuous review of the rural transportation will serve as a means for anticipating problems and addressing them rather than reacting to problems after their occurrence.

The increased domestic and export demand for America's agricultural commodities shows no signs of lessening in the foreseeable future. An adequate transportation system is an indispensable ingredient in assuring the distribution of our Nation's agricultural abundance and the continued economic viability of rural America.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-923), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 1835, as reported by the committee, requires the Secretary of Agriculture to conduct a study of rail lines in the United States and make recommendations for a railroad transportation system adequate to meet the needs of the Nation's agricultural industry.

The bill requires the Secretary to—

(1) Publish an initial report containing the results of the study and the Secretary's recommendations within 180 days of the effective date of the bill. Copies will be submitted to Congress and made available to the public as soon as practicable thereafter;

(2) Announce and hold public hearings on the initial report within 45 days of its publication;

(3) Publish a summary of the testimony presented at the public hearings within 120 days of publication of the initial report;

(4) Publish a revised report, within 420 days after enactment of the bill, containing recommendations for a railroad system adequate to meet the needs of American agriculture;

(5) Review the revised report, at least every 3 years, and make any revisions the Secretary deems necessary or appropriate;

(6) Submit an annual report to Congress on the capability of all forms of transportation in this country to meet the needs of American agriculture and rural development; and

(7) Participate, to the extent permitted by law or regulation, as an advocate for an efficient and economical transportation system in the proceedings of any Federal agency that the Secretary determines will likely affect American agriculture or rural development.

COMMITTEE AMENDMENTS

The committee amendment to the text of the bill strikes all after the enacting clause and inserts in lieu thereof an amendment in the nature of a substitute. The committee amendment makes technical and clerical corrections in the bill. As amended, the bill will be effective October 1, 1978. The committee also amended the title of the bill.

BACKGROUND

I.

American consumers today spend more than $200 billion each year for food at over 200,000 grocery stores. Roughly a third of this amount goes toward moving food from where it is produced to where it is processed and consumed.

In the aggregate, about half of all food moved is transported by rail. Most canned goods and a large share of perishables move by rail, especially over long distances.

Trucks also play a critical role in the movement of food. Because of their speed and flexibility, truck shipments are being used today far more extensively than ever before, even for long-distance intercity hauls. And piggyback services, which involve the use of rail cars to haul loaded truck trailers, are becoming more and more widespread.

Few industries are more sensitive to transportation interruptions or more essential to the Nation's health and safety than agriculture.

II.

There is, of course, no independent transportation system for agricultural commodities. The national transportation system is particularly important to agriculture because of the perishability of many foods. Fresh fruits and vegetables and meat cannot be stored awaiting to be processed and consumed.

III.

The growth and expansion of rural America are largely dependent on the adequacy of the transportation system serving these areas. Adequate transportation capabilities attract business and people to rural America and serve to insure that the products of rural America will be widely distributed.

IV.

Two major carriers of grain, the Chicago, Milwaukee, St. Paul & Pacific Railroad and

the Chicago, Rock Island & Pacific Railroad, are currently in reorganization under section 77 of the Bankruptcy Act. There are other Midwestern railroads that have experienced difficulty, including the Chicago and the North Western Transportation Co., and the Illinois Central Gulf Railroad Co. Other railroads in the area are in better financial condition, including the Burlington Northern, the Union Pacific, and the Soo Line.

V.

The situation confronting our rural transportation system is largely the result of the market situation, the weather, and the availability of transportation. When market prices for commodities are down, as they have been during the past few years, farmers tend to hold their stocks, awaiting a rise in prices. For nonperishable agricultural commodities, this action results in an alteration of the seasonal demands on the transportation system. Harsh winters, such as that experienced this year, greatly diminish the rural transportation capability. The increased operating costs of railroads have resulted in decreased rail bed repairs and car purchases. Many lines are in varying stages of disrepair, and the boxcar shortage continues to increase.

NEED FOR LEGISLATION

I.

There is mounting concern over the depressed condition of our rural transportation system. Several Federal agencies, including the Department of Transportation and the Interstate Commerce Commission, have efforts underway to deal with general transportation problems. However, the transportation needs of American agriculture and rural development are unique. A different perspective is called for. The Secretary of Agriculture can provide this perspective.

II.

The rural transportation problem is a complex one. It involves both rail and truck transportation. A study of this problem must include both of these forms of transportation.

Trucks are currently transporting approximately 90 percent of the Nation's fresh fruits and vegetables and practically all of the fresh and frozen meats and meat products.

More than 10 percent of the rail mileage in the United States is currently classified by the Interstate Commerce Commission as potentially subject to abandonment within 3 years, under study for abandonment, or subject to a pending abandonment application. The lines that are unprofitable, and therefore candidates for abandonment, are generally nonindustrial, light density, and rural.

III.

The Secretary, in compiling the reports required by S. 1835 and taking an active role in the deliberations of other Federal agencies affecting the transportation system for American agriculture and rural development, will highlight the significance of the problem to all Americans. By working with other interested Federal entities, the Secretary can help improve the transportation system.

IV.

There is need for a rural transportation planning mechanism that provides for public participation. The initial and revised reports required by S. 1835 provide that planning mechanism. The continuous review of the rural transportation will serve as a means for anticipating problems and addressing them rather than reacting to problems after their occurrence.

The increased domestic and export demand for America's agricultural commodities shows no signs of lessening in the foreseeable future. An adequate transportation system is an indispensable ingredient in assuring the distribution of our Nation's agricultural abundance and the continued economic viability of rural America.

V.

The committee notes that, under existing law, the Secretary of Agriculture has authority to make the study required by S. 1835. See, e.g., the Organic Act establishing the Department of Agriculture (sections 520 and 526 of the Revised Statutes, 7 U.S.C. 2201, 2204).

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill requiring the Secretary of Agriculture to conduct a study of the adequacy of the Nation's transportation system to meet the needs of American agriculture and rural development, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ARMS CONTROL AND DISARMAMENT AUTHORIZATION, 1979

The Senate proceeded to consider the bill (H.R. 11832) to authorize appropriations for fiscal year 1979 under the Arms Control and Disarmament Act, which had been reported from the Committee on Foreign Relations with amendments as follows:

On page 1, beginning with line 3, insert the following:

That section 36 of the Arms Control and Disarmament Act is amended—

(1) by striking out in subsection (a)(3) "weapons systems or technology" and inserting in lieu thereof "technology with potential military application or weapons systems"; and

(2) by amending subsection (b)(2) to read as follows:

"(2) No request to the Congress for authorizations or appropriations for—

"(A) any program described in subsection (A) (1) or (2), or

"(B) any program described in subsection (a)(3) and found by the National Security Council, on the basis of the advice and recommendations received from the Director, to have a significant impact on arms control and disarmament policy or negotiations, shall be transmitted without a complete statement analyzing the impact of such program, either as an individual program or as an aggregation of related programs, on arms control and disarmament policy and negotiations. It shall not be in order in the Senate to consider any bill or joint resolution or any amendment thereto, or any report of a committee of conference, which contains any such request unless such statement has been transmitted not less than seven calendar days prior thereto. The provisions of the preceding sentence are enacted—

"(i) as an exercise of the rulemaking power of the Senate and as such are deemed a part of the rules of the Senate and supercede other rules of the Senate only to the extent such provisions are inconsistent therewith; and

"(ii) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the same extent as in the case of any other rule of the Senate.

Any such statement transmitted in classified form shall be accompanied by an unclassified version thereof.".

On page 3, line 9, strike "That drvyion" and insert "SEC. 2. Section";

On page 3, line 24, strike "sum" and insert "sums";

On page 4, beginning with line 3, insert the following:

SEC. 3. Section 49 of the Arms Control and Disarmament Act, as amended by section 2 of this Act, is further amended by adding at the end thereof the following:

"(d) Beginning with its request to the Congress for an authorization of appropriations for the fiscal year 1980, and with such request for each fiscal year thereafter, the Agency shall accompany such request with a detailed budget for each bureau and functional category within each bureau, which budget shall set forth and justify obligations and outlays for the fiscal year for which such request is made and for the fiscal year preceding and next following such year.".

On page 4, line 14, strike "2" and insert "4";

On page 4, line 14, strike "the first section of this Act" and insert "section 2".

Mr. PELL. Mr. President, the bill now before the Senate, H.R. 11832, authorizes moderate expenditures for the Arms Control and Disarmament Agency in fiscal year 1979. The bill also makes certain other changes in the Arms Control and Disarmament Act to improve the operations and effectiveness of the Agency.

The Subcommittee on Arms Control, Oceans and International Environment of the Committee on Foreign Relations held a hearing on the Arms Control and Disarmament Agency authorization on April 20, with the Honorable Spurgeon M. Keeny, Jr., acting director of the Agency. Following that hearing, the subcommittee met in open session to mark up that bill. On May 9, the Committee on Foreign Relations considered the recommendations of the subcommittee. Several additional improvements were made to the bill. The committee then, by voice vote, approved H.R. 11832, as amended, and ordered it reported favorably.

The executive branch had requested an authorization of $16,395,000. This compared with an authorization of $16,600,000 for fiscal year 1978. The Agency had planned to spend approximately $12,714,000 for program operations, and $3,681,000 for external research.

At the subcommittee session with Mr. Keeny, there was some discussion of increased spending to cover extra expenditures necessary because of a combination of inflation and devaluation of the dollar against the Swiss franc, which has had a strong effect on the cost of such negotiations as the Strategic Arms Limitation Talks. Even if a new SALT accord were achieved before the start of the new fiscal year, the committee anticipates that the SALT III talks would be in frequent session. Other negotiations, including new talks on the control of antisatellite weapons, will put an additional strain on the budget. The combination of inflation, dollar depreciation and additional negotiating necessitate further funding if the Agency is to avoid disruption of currently planned activities. Accordingly, the bill includes an additional $1 million to allow important Agency operations to continue without major curtailment.

In addition, the bill earmarks an additional $1 million in authorization for

a broad range of purposes related to International Atomic Energy Agency (IAEA) safeguards programs and related activities. The additional funds are to be used to supplement planned efforts in furtherance of IAEA nuclear safeguards programs and related activities.

Last year, an additional authorization of $2 million for support of IAEA activities was authorized. The additional funding of $1 million in the new fiscal year will supplement the $750,000 allocated by the agency for research and direct support of the nuclear safeguards activities of the IAEA, so that support of nuclear safeguards activities can be continued at an effective and acceptable level.

With the addition of $1 million for increased operational costs, and $1 million for furtherance of IAEA safeguards programs and activities, the total recommended authorization is $18,395,000.

There are other significant provisions in the bill. Section 1 incorporates an amendment I proposed which makes certain changes in section 36 of the Arms Control and Disarmament Act. Section 36 sets forth procedures under which the executive branch provides arms control impact statements with requests for authorization and appropriation of funds for nuclear programs and certain defense programs which exceed specified cost levels, as well as technology and weapons programs which the executive branch decides may have a significant arms control impact.

The law allows agency chiefs and the Arms Control and Disarmament Agency Director to review weapons systems and technology to determine whether there is significant arms control impact justifying a statement. To clarify the provision, section 1 is changed to specify that the agencies and the Arms Control and Disarmament Agency Director should review "technology with potential military application and weapons systems." This change meets with the approval of the executive branch. It will insure that all relevant technology receives a thorough review to ascertain whether there is significant arms control impact.

The section also clarifies the existing language in another important regard by specifying that no requests for authorization or appropriation shall be transmitted without a complete arms control impact statement if one is required. The existing law says that such requests "shall include" a complete statement. This reformulation does not change the requirement of law at all, but I and other members of the committee concluded that clarification was necessary since the statements required by law were submitted some 7 weeks late this year.

This section also requires that there be an unclassified version of any classified arms control impact statement. These changes will help insure that arms control impact statements are provided on time in future years and that unclassified versions are immediately available. The Committee on Foreign Relations and the House Committee on International Relations are still working to get unsanitized versions of this year's statements in the hands of the Congress. These changes will make it possible for these important statements to be available throughout the authorization and appropriations process.

This section also allows the executive branch to submit statements covering aggregates of programs, when appropriate. This change is being made to allow grouping of closely related programs, as well as generally related programs of clearly minimal arms control impact, which might not be of interest in an arms control impact statement context but for the fact they exceeded specific dollar ceilings. This change will help relieve the executive branch of unnecessary work, so that attention may be devoted to programs meriting serious assessment in an arms control context.

This section also requires that 7 days elapse between submission of statements and Senate consideration of the legislation including requests subject to statements. This is done to make certain that the executive branch provides all necessary statements in a timely fashion and to insure that the Senate will always have a least a modest amount of time to weigh programs subject to statements before reaching its decisions.

Section 2 deals with the authorization, which I discussed earlier. At the suggestion of the Senator from Colorado (Mr. HART), section 2 includes language which will direct the agency to conduct a study of arms control research centers in academic institutions, and to consider whether the Federal Government should have a role in assisting them. The agency is to report the results of its study, with possible recommendations, to the Congress no later than January 31, 1979. The committee understands that many of the academic programs involving the study of arms control issues at such universities as Harvard, MIT, Stanford, Cornell, Indiana, Pittsburgh, and the University of California at Los Angeles, are facing budget cuts which may force many to close. I and other members of the committee believe that these centers have provided valuable services in arms control research and in increasing public awareness and understanding of arms control issues, and that it would be very worthwhile to study the need for, and feasibility of Federal or other support for those programs.

Section 3 incorporates an amendment offered by the Senator from Ohio (Mr. GLENN) requiring the agency in future years to accompany its request for authorization with a detailed budget for each bureau and functional category within each bureau.

I and other members of the committee accepted this amendment in the understanding that it is not designed in any way to criticize the Agency. Instead, the purpose of the amendment is to provide the committee with more detailed and comprehensive information on how the Agency allocates its funds, thus helping the committee to meet its oversight responsibilities. The Agency will retain the ability to change the operations of its bureaus and to conduct such reorganizations as are deemed necessary.

Mr. President, the activities of the Arms Control and Disarmament Agency are central to some of our Nation's most important national security concerns. We are all aware that the President has repeatedly stated his interest in pursuing arms control initiatives which will help control and contain the spread of conventional and nuclear armaments now threatening the world. Our national interests in arms control run the gamut from the ongoing Strategic Arms Limitation Talks in Geneva through other efforts to work toward an end to nuclear testing and to achieve an international convention banning chemical weapons. The Agency performs services which can be of tremendous benefit to the Congress. Shortly, when the arms control impact statements for this fiscal year are published the Senate will have at its disposal a document which will be very useful in making sound decisions on this year's request for authorization and appropriations for numerous defense and nuclear programs. The Agency will be preparing similarly valuable papers in the form of nuclear nonproliferation assessment statements.

Efforts to control armaments and decisions to buy armaments can be equally in the national interest. Arms control can be of critical importance in reducing the dangers of nuclear or conventional war which pose a continuing threat to us and to other nations. Good arms control agreements are central to our national security.

Given the benefits which can accrue from arms control, it is very important that we support an arms control agency which can operate with a small number of people and on a limited budget as an effective partner of other executive branch agencies concerned with national security.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–843), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSES OF THE BILL

The principal purpose of H.R. 11832, as reported by the Committee, is to authorize appropriations of $18,395,000 to fund operations of the Arms Control and Disarmament Agency (ACDA) for fiscal year 1979.

The bill also amends section 36 of the Arms Control and Disarmament Act to ensure that arms control impact statements are submitted at the time required by law in both classified and unclassified form, and that at least seven days transpires between submission of an arms control impact statement and Senate consideration of the bill including the request covered by the statement. The bill makes it clear that agency chiefs and the ACDA Director can review all technology with potential military application and not just weapons technology in determining whether there is a significant arms control impact justifying a statement.

The bill also requires a more precise and detailed breakdown of spending in future ACDA budgets.

In addition, the bill requires ACDA to carry out a study of the arms control research centers in academic institutions with a view to

determining what the federal role should be in assisting them.

COMMITTEE ACTION

On March 2, 1978, the President transmitted to the Senate, draft legislation to authorize appropriations for the Arms Control and Disarmament Agency for a 2-year period, together with a letter from the Acting Director of the Agency.

This communication was referred to the Committee on Foreign Relations. On March 9, Senator Sparkman introduced, by request, the draft legislation as S. 2703. This bill was referred to the Committee on Foreign Relations. On April 20, 1978, the Subcommittee on Arms Control, Oceans and International Environment held a hearing on S. 2703 with the Acting Director of ACDA, Spurgeon M. Keeny. At the conclusion of that hearing, the subcommittee met in open session to mark up S. 2703. The subcommittee amended S. 2703 and recommended its approval to the full committee.

On April 26, 1978, H.R. 11832, a bill to amend the Arms Control and Disarmament Act to authorize the appropriations for fiscal year 1978, and for other purposes, was approved by the House of Representatives, forwarded to the Senate, and referred to the Committee on Foreign Relations. On May 9, 1978, the Committee on Foreign Relations considered the recommendations of the Subcommittee on Arms Control, Oceans and International Environment.

At the request of the executive branch, Senator Pell offered amended language to an amendment he had introduced in subcommittee in regard to procedures governing arms control impact statements. The amendment, as further amended, was approved by the committee. The committee also approved a single-year authorization of $18,395,000 for fiscal year 1979. The same sum had been recommended by the subcommittee and approved by the House. The committee also approved an amendment to the House bill and recommended to the committee by Senator Hart directing a study and report on arms control study centers at academic institutions. The committee also approved an amendment offered by Senator Glenn requiring that the Agency provide a detailed budget with authorization requests. The committee then, by voice vote, approved H.R. 11832, as amended in committee, and ordered it reported favorably.

COMMITTEE COMMENTS

The committee believes that the Arms Control and Disarmament Agency's efforts will be strengthened by the modest increases in the Agency's authorization and the changes in the Arms Control and Disarmament Act.

The past year has seen a substantial increase in the agency's activities in a number of fields. The Strategic Arms Limitation Talks (SALT) have been in almost continuous session, and it is not likely that the pace will slacken greatly even after a new agreement is achieved. Other negotiations, such as the effort to achieve a Comprehensive Test Ban, have been very active. Further negotiations on a number of subjects can be anticipated.

It should be noted that the Director of the Agency, Mr. Paul C. Warnke, has also been serving as chairman of the SALT delegation in Geneva. He has also played a leading role in other negotiations.

These duties have placed heavy demands upon his time at Agency headquarters here and at the negotiations in the field. Under the circumstances, able assistance is invaluable to him. A number of members of the committee have been serving as SALT advisers and have visited the delegation in Geneva, both when Mr. Warnke was in Geneva and when he was not. Several Members were impressed by the able support Mr. Warnke is receiving from the other members of the SALT delegation, in particular the Alternate Chairman, Mr. Ralph Earle II.

The Agency has become heavily involved in the preparation of various reports required by the Committee on such matters as conventional arms transfers and arms control impact. The Agency will be responsible for preparation of nuclear nonproliferation assessment statements in connection with United States nuclear exports, as required by the Nuclear Non-Proliferation Act of 1978.

As their requirements expand, the Agency must be able to deal effectively with such wide-ranging issues as chemical weapons control, strategic arms limitation, nuclear testing matters, nuclear export controls, alternate nuclear fuel cycle technologies, conventional arms control, and mutual and balanced force reductions in Europe. Careful setting of priorities, as well as judicious management of limited personnel and monetary resources are required. The committee hopes that the Agency will prove, as it has in the past, that it is equal to the challenge and that the Agency will play an effective role among these executive branch agencies involved in furthering the Nation's national security objectives.

The amendments were agreed to, en bloc.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

An act to authorize appropriations under the Arms Control and Disarmament Act for the fiscal year 1979, and for other purposes.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SEAL BEACH, GREAT DISMAL SWAMP, AND SAN FRANCISCO BAY NATIONAL WILDLIFE REFUGES AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5493.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 5493) entitled "An Act to extend until October 1, 1980, the appropriation authorizations for the Seal Beach, Great Dismal Swamp, and San Francisco Bay National Wildlife Refuges", with the following amendment:

Line 2 of the Senate engrossed amendment, strike out all after "page 2", and insert a period.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

CORRECTION IN THE ENROLLMENT OF H.R. 5493

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 635.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

H. CON. RES. 635

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 5493) to extend until October 1, 1984, the appropriation authorizations for the Seal Beach, Great Dismal Swamp, and San Francisco Bay National Wildlife Refuges, the Clerk of the House of Representatives shall make the following corrections:

Page 2, line 6, of the House engrossed bill, strike out "'SEC. 3." and insert "SEC. 2.".

Amend the title of the House engrossed bill to read as follows: "A bill to extend until October 1, 1980, the appropriation authorizations for the Great Dismal Swamp and San Francisco Bay National Wildlife Refuges.".

The PRESIDING OFFICER. Without objection, the resolution (H. Con. Res. 635) is considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NASA AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11401.

The PRESIDING OFFICER (Mr. METZENBAUM) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 11401) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CANNON, Mr. MAGNUSON, Mr. STEVENSON, Mr. FORD, Mr. SCHMITT, and Mr. GOLDWATER conferees on the part of the Senate.

BILL HELD AT DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as it is received from the Senate, H.R. 11886 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 10:16 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 1640. An act to designate the Mike Monroney Aeronautical Center;

H.R. 130. An act to provide for the protection of franchised protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers; and

H.R. 3996. An act for the relief of Young Hee Kim Kang and her children, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. HODGES.)

At 12:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 2821. An act to authorize $8,868,000 for grants to the government of Guam for construction of public facilities, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 12930. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1979, and for other purposes.

ENROLLED BILL SIGNED

At 2:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the Speaker has signed the following enrolled bill:

H.R. 3161. An act to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 39. An act to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 12930. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1979, and for other purposes; to the Committee on Appropriations.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today June 8, 1978, he presented to the President of the United States the following enrolled bill:

S. 1640. An act to designate the Mike Monroney Aeronautical Center.

BILL PLACED ON THE CALENDAR

On June 7, 1978, H.R. 12637, the North Pacific Fisheries Act Amendments, was received from the House of Representatives and through inadvertence was referred to the Committee on Commerce, Science, and Transportation when it should have been placed on the Calendar since a companion measure, S. 3082, Order No. 860, had on May 31, 1978 been reported from that committee. Therefore, the committee has been discharged from further consideration of H.R. 12637 and the bill has been placed on the Calendar.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

Special Report of the Committee on Environment and Public Works, pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95-927).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOLE:

S. 3183. A bill to clarify section 119 of the Internal Revenue Code of 1954 by an amendment making it clear that meals provided in kind by an employer to an employee may be considered furnished for the convenience of the employer without regard to whether a change is made or whether the employee is required to accept such meals; to the Committee on Finance.

By Mr. BARTLETT:

S. 3184. A bill to designate the Indian Health Facility in Ada, Oklahoma, the "Carl Albert Indian Health Facility"; to the Select Committee on Indian Affairs.

By Mr. HATHAWAY:

S. 3185. A bill to improve congressional oversight of Federal programs and activities by requiring statements of the full administrative and fiscal impact of Federal legislation on State and local governments; to the Committee on Governmental Affairs.

By Mr. RANDOLPH (by request):

S. 3186. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to provide public works employment for the long-term unemployed, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BIDEN:

S. 3187. A bill to amend title 38 of the United States Code to provide that the survivors of a veteran who was rated totally and permanently service-connected disabled for a period of at least ten years would be entitled to dependency and indemnity compensation as though the veteran had died from a service-connected disability; to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE:

S. 3183. A bill to clarify section 119 of the Internal Revenue Code of 1954 by an amendment making it clear that meals provided in kind by an employer to an employee may be considered furnished for the convenience of the employer without regard to whether a change is made or whether the employee is required to accept such meals; to the Committee on Finance.

● Mr. DOLE. Mr. President, it has come to my attention that the Internal Revenue Service is again taking positions which are inconsistent with the laws adopted by Congress.

MEALS FURNISHED BY EMPLOYER

The tax law provides for the specific exclusion from gross income of an employee the value of meals and lodging furnished to him for the employer's convenience. The value of the meals is excluded if they are furnished on the business premises of the employer and furnished for the employer's convenience. In general, the Treasury regulations under section 119 of the Internal Revenue Code provides "facts and circumstances" tests for determining whether meals are furnished for the convenience of the employer.

AUTOMATIC DISQUALIFICATION

Under the regulations, meals furnished by an employer without charge to the employee will be regarded as being furnished for the convenience of the employer if the meals are furnished for a substantial noncompensatory business reason. However, the regulations also state:

Meals for which a charge is made by the employer will not be regarded as furnished for the convenience of the employer if the employee has a choice of accepting the meals and paying for them or not paying for them and providing his meals in another manner.

The Internal Revenue Service has taken the position that employer provided meals are disqualified automatically from being treated as being furnished for the convenience of the employer where the employee bears a portion of the cost of the meal.

Mr. President, the area of employer furnished meals has continually been examined by Congress and presented our courts with many difficult questions. The Senator from Kansas believes that the IRS has taken a position inconsistent with the correct reading of the law. After careful examination of the legislative process involved in the passage of section 119 of the Internal Revenue Code, the Senator from Kansas believes that this automatic disqualification rule is not warranted. I certainly have found nothing in the legislative history which indicates that Congress intended employer meals automatically be precluded from the application of section 119 if the employee bears a portion of the cost.

Mr. President, I introduce legislation today which provides that section 119 of the Internal Revenue Code could apply without regard to whether a charge is made for meals. I believe this legislation is consistent with past congressional intent and will clarify the present state of chaos caused by the IRS.●

By Mr. BARTLETT:

S. 3184. A bill to designate the Indian Health Facility in Ada, Okla., the "Carl Albert Indian Health Facility"; to the Select Committee on Indian Affairs.

CARL ALBERT INDIAN HEALTH FACILITY

● Mr. BARTLETT. Mr. President, today I introduced legislation to designate the comprehensive Indian health facility currently under construction at Ada, Okla., in honor of the former Speaker

of the House of Representatives, the Honorable Carl Albert of Oklahoma.

During Speaker Albert's long and distinguished career in the House of Representatives, he exhibited unfailing support and dedication to efforts advanced to upgrade the economic and social self-sufficiency of the first Americans of the country. Recognizing that one factor of major importance in achieving a sound economy for any group of people is a health status of the highest level, Speaker Albert was always supportive of the Indian peoples' efforts to improve the quantity and quality of health care provided to them. Having represented a State with the largest number of Indian tribes as well as the largest number of Indians of any other State in the Nation, Speaker Albert is well acquainted with the difficulty Indian tribes in Oklahoma and throughout the country encounter in their efforts to achieve a health status of the highest level for their tribal constituency. Recognizing the numerous unmet health care needs of the thousands of Indian people in southeastern Oklahoma, Speaker Albert was instrumental in securing funds for the much needed comprehensive health care facility presently under construction at Ada, Okla., which will provide complete health services to approximately 20,000 Chickasaw and other Indians residing principally in southeastern Oklahoma.

It is the desire of the Chickasaw Nation that this comprehensive Indian health facility located in the headquarters city for the Chickasaw Nation be named in honor of the Honorable Carl Albert in appreciation for his friendship and service to the Chickasaw Nation over the years. I support the tribe in their desire and am pleased to be able to assist them in this effort. I gladly introduce legislation to designate the Indian health facility at Ada, Okla., the "Carl Albert Indian Health Facility."

Mr. President, I ask unanimous consent that the bill, as well as a resolution from the Chickasaw Nation in support of this effort, be printed in the RECORD.

There being no objection, the bill and the resolution were ordered to be printed in the RECORD, as follows:

S. 3184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Indian Health Facility located at 1001 North Country Club Road, Ada, Oklahoma, shall hereafter be known and designated as the "Carl Albert Indian Health Facility".

SEC. 2. Any reference in law, map, regulation, document, record, or other paper of the United States to such facility shall be held to be reference to the "Carl Albert Indian Health Facility".

RESOLUTION

Whereas, the Honorable Carl Albert served the Third Congressional District in the United States Congress for more than 30 years, and

Whereas, the Honorable Carl Albert's career of long and distinguished service caused his colleagues to select him for the prestigious position as Speaker of the House of Representatives, and

Whereas, the Honorable Carl Albert has assisted and rendered valuable service to Indian people and more especially, the Chickasaw people, and

Whereas, the Honorable Carl Albert has demonstrated his support and was instrumental in securing funds for a much needed Indian Health facility located in Ada, Oklahoma, headquarters of the Chickasaw Nation, and

Whereas, this Indian Health facility will provide complete health services to 20,000 Chickasaws and other Indians and will significantly raise the general health level of Indian people, and

Whereas, The Chickasaw Nation desires to honor outstanding statesmen and friends who perform a great service to the Chickasaw Nation while they are still living.

Therefore be it resolved that the Chickasaw Nation wishes to honor and acknowledge Carl Albert's contributions and support for this long, over due health facility and we respectfully request that this facility be named "The Carl Albert Indian Health Facility".●

By Mr. HATHAWAY:

S. 3185. A bill to improve congressional oversight of Federal programs and activities by requiring statements of the full administrative and fiscal impact of Federal legislation on State and local governments; to the Committee on Governmental Affairs.

STATE AND LOCAL GOVERNMENT FUNDING IMPACT ACT

● Mr. HATHAWAY. Mr. President, the bill I am introducing today, the State and Local Government Funding Impact Act, is part of a continuing effort on my part to require greater accountability by both the Federal bureaucracy and the Congress.

We have all heard the complaints from our constituents—the Federal Government has become cumbersome, insensitive, interfering, unresponsive. The complaints are persistent and growing, and directed not just against the bureaucracy, but against Congress as well. We in Congress are criticized for passing too many laws without sufficient concern for their effect in the long run.

We have already taken some steps to answer these complaints. The Budget Act was a major improvement in the way Congress deals with legislation. The requirement for a paperwork impact statement was another. I hope that this session will see the passage of the Sunset bill, which I cosponsor.

The role of Congress in oversight of the Federal rulemaking process would be strengthened by two pending measures, Senate Resolution 360, which I sponsor, and S. 2862, the Regulatory Control Act, which I cosponsor.

Congress still has a great deal to do to improve its own performance in these areas. We must prepare our legislation with greater care and with better understanding for how it will affect the people we are trying to help and the people in other levels of government who must work with it.

The State and Local Government Funding Impact Act was drafted as the result of numerous discussions with State and local officials in Maine. They have stated consistently that one of their major problems in dealing with Federal aid programs is the uncertainty about the continuance of Federal funding and of the effect that this uncertainty has on their own administrative and budget requirements.

This legislation would improve that situation by requiring greater specificity in stating the administrative and fiscal impact of Federal aid programs on State and local governments. It would require every report accompanying legislation that authorizes a new program on new spending authority for a program to state:

First. How the program would be administered, whether by State or local government, and why such a plan of administration was chosen;

Second. How much matching expenditure by State and local governments would be required and why a particular level of matching was chosen, and

Third. What existing programs or activities, on any level, duplicate or supplement the proposed program.

This legislation will help make Congress more accountable. It would probably result in less legislation, but, I hope, better legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3185

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State and Local Government Funding Impact Act of 1978".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that there is a recognized need for more effective oversight of Federal programs and activities in order to conserve and use more efficiently increasingly scarce Federal budget resources; that there is a need for greater understanding by State and local governments of the impact that Federal programs will have on their own administrative and budget requirements; and that a major barrier to effective oversight is a lack of adequate specificity in statements of how Federal programs will affect State and local governments.

(b) The purposes of this Act are to improve congressional oversight of Federal programs and activities and to increase the understanding by State and local governments of the effect of such programs and activities by requiring greater specificity in stating the administrative and fiscal impact of such programs and activities on State and local governments.

REQUIREMENTS FOR REPORTS ACCOMPANYING AUTHORIZATION BILLS

SEC. 3. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a Federal assistance program (as defined in the Intergovernmental Cooperation of 1968) or provides new spending authority (as defined in section 401(c) of the Congressional Budget Act of 1974) for such a program, unless the report accompanying such bill or resolution contains—

(1) a statement as to whether or not the program would be administered in whole or in part by State or local governments or by nongovernmental sources and as to the reasons for choosing such a plan of administration for the program;

(2) a statement of the program's requirements for additional matching expenditures by State or local governments, or by nongovernmental sources, and, if such additional expenditures would be required, the amounts thereof and the duration and extent of Federal expenditures and of the rea-

sons for the choice of the particular level or levels of matching requirements by State or local governments or by nongovernmental sources;

(3) a statement which identifies potentially or actually conflicting, overlapping, or duplicative programs and activities in other governmental and nongovernmental programs on the State or local level, and explains the relationship of such other programs and activities to the program.

EXERCISE OF RULEMAKING POWERS

SEC. 4. The provisions of section 3 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

EFFECTIVE DATE

SEC. 5. The provisions of this Act shall take effect on the first day of the first session of the Ninety-sixth Congress.●

By Mr. BIDEN:

S. 3187. A bill to amend title 38 of the United States Code to provide that the survivors of a veteran who was rated totally and permanently service-connected disabled for a period of at least 10 years would be entitled to dependency and indemnity compensation as though the veteran had died from a service-connected disability; to the Committee on Veterans' Affairs.

ASSISTANCE FOR FAMILIES OF DISABLED VETS

● Mr. BIDDEN. Mr. Presildent, I am introducing legislation today that will correct a situation that has prevented many widows and orphans of veterans who had been totally and permanently disabled from service-connected causes at the time of death from receiving Veterans' Administration service-connected death benefits.

The sad truth is that the denial of such benefits has created economic hardship for the survivors and a lifetime of uncertainty for the veterans.

How has the existing law fallen short?

Under the existing law, dependency and indemnity compensation (DIC) benefits are granted to eligible survivors of veterans when the Veterans' Administration (VA) determines that the service-connected disability is the primary cause of death or when not a primary cause, has contributed or hastened the process.

In many death cases the causal relationship between the death of the veteran and the disability are at issue. This requires the VA to evaluate complex and sometimes conflicting medical evidence and opinion.

The disturbing fact is that the denial rate of claims filed by surviving widows and orphans of veterans who were 100-percent service-connected disabled at time of death has run as high as 25 percent. This egregious situation must not continue.

The problem has been that in evaluating these claims the VA has often not taken into account the devastating nature of a total service-connected disability and its affect on the veteran's whole physical and mental system.

Such catastrophic disabilities, which could include the loss of organs and limbs, are always a contributing factor in death, even though the immediate medical reason might be regarded as independent of the disability. Severely shortened life expectancy for totally disabled veterans underscores this point.

I consider that the denial of such death claims of surviving widows and orphans does not do justice to them or the memory of that veteran.

Let us not forget that they are the loved ones of veterans who have suffered the ravages and wounds of war—whose hopes and dreams have often been shattered or cut short—for the benefit of us all. How can you say to the widow or children of the veterans—we owe you nothing. No. We cannot say that. We must not abandon them to bureaucratic redtape and the maze of an endless appeals process—all for a modest benefit that is their due in the first place. This process must be made to assist, not obstruct the wives and children of these veterans to receive their due, so that they may make the most of their broken lives and at least live in the dignity they deserve.

Not only has the denial rate been excessive, but the decisionmaking process, has yielded results which show a lack of consistency and uniformity. My proposal would end the uneven interpretation involved in these difficult determinations.

Aside from conflicting questions concerning the cause of death, the survivors' meager economic resources gives me real concern. The disabled veteran, due to this reduced earning capacity, may not be in a position to provide any financial security for his family following his death.

My proposal would assure this additional income for the survivors and would provide peace of mind for the severely disabled veteran during his lifetime, that his widow and children will be cared for after his death. This is the least we owe to those who have given so much in defense of our country.

Specifically the bill proposed to extend entitlement for dependency and indemnity compensation, currently payable only for service-connected deaths, to the survivors of those few veterans who, at the time of death, had a permanent and total disability rating due to service-connected disability in existence for at least 10 years or continuously since service discharge. Such awards would be payable only if death were due to natural causes and would not be payable to a surviving spouse married to a veteran for less than 5 years. The Congressional Budget Office estimates that the cost of implementing this proposal for fiscal year 1979 will be less than $1 million.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3187

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 410 of title 38, United States Code, is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection (b):

"(b) Notwithstanding the provisions of subsection (a) of this section, when any veteran dies from natural causes and was in receipt of or entitled to receive compensation at the time of death for a service-connected disability permanently and totally disabling and so rated for ten or more years immediately preceding death or continuously from the time of discharge, the Administrator shall pay dependency and indemnity compensation to such veteran's surviving spouse, children, and parents in the same manner as if the cause of death were service-connected, except that this subsection shall not apply so as to entitle a surviving spouse who was married to such veteran less than five years preceding such veteran's death.".

SEC. 2. This Act shall take effect on October 1, 1978.●

ADDITIONAL COSPONSORS

S. 514

At the request of Mr. RIBICOFF, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 514, to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care.

S. 1674

At the request of Mr. LAXALT, the Senator from Nebraska (Mr. CURTIS) and the Senator from Kansas (Mr. DOLE) were added as cosponsors to S. 1674, a bill to amend the Internal Revenue Code of 1954 with respect to employer's duties in connection with the recording and reporting of tips.

S. 2011

At the request of Mr. SCHMITT, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 2011, the Regulatory Reduction and Congressional Control Act.

S. 2596

At the request of Mr. NELSON, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2596, to amend title 44, United States Code, to establish a system for the management and disposal of the official records of the President.

S. 2843

At the request of Mr. HELMS, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 2843, the Gold Medallion Act of 1978.

S. 2972

At the request of Mr. RANDOLPH, the Senator from Ohio, (Mr. GLENN) was added as a cosponsor of S. 2972, the Opportunities Industrialization Centers and Community-Based Organizations Services Improvement Act.

AMENDMENT NO. 2176

At the request of Mr. DURKIN, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of amendment

No. 2176, to be proposed to S. 1500, the Alaskan National Interest Lands Conservation Act of 1978.

SENATE RESOLUTION 49

At the request of Mr. PELL, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of Senate Resolution 49, a resolution expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the preparation of an international environmental impact assessment for any major project, action, or continuing activity which may be reasonably expected to have a significant adverse effect on the physical environment or environmental interests of another nation or a global commons area.

SENATE RESOLUTION 447

At the request of Mr. PEARSON, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of Senate Resolution 447, relating to the importance of increasing agricultural exports from the United States.

SENATE CONCURRENT RESOLUTION 79

At the request of Mr. MCCLURE, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of Senate Concurrent Resolution 79, disapproving proposed regulations of the Department of Treasury requiring centralized registration of firearms and other matters.

SENATE RESOLUTION 475—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF A PROPOSED INTERNAL REVENUE SERVICE REORGANIZATION

Mr. ROTH (for himself, Mr. CHAFEE, Mr. DOMENICI, Mr. DURKIN, Mr. GARN, Mr. HANSEN, Mr. HATCH, Mr. LEAHY, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MELCHER, Mr. PELL, Mr. SCHMITT, Mr. STAFFORD, Mr. WALLOP, and Mr. YOUNG) submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 475

Whereas, the Internal Revenue Service has announced plans to implement a reorganization plan to downgrade twelve District Offices into streamlined districts and transfer functions of these offices to Prime Districts in other states;

Whereas, this reorganization plan will result in reduced services for the taxpayers served by the twelve District Offices;

Whereas, the Internal Revenue Service is the only contact most citizens have with their government, and services must be maintained and improved, not diminished;

Whereas, the planned reorganization will limit the ability of taxpayers in these twelve districts to have a fair, efficient and timely resolution of their tax questions and disputes with the government;

Resolved, that the proposed reorganization of selected Internal Revenue Service District Offices in Delaware, Idaho, Maine, Montana, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont and Wyoming through the elimination of levels of management and transference of administrative and support services should not be implemented by the Commissioner of the Internal Revenue Service.

● Mr. ROTH. Mr. President, I am today submitting legislation expressing the sense of the Senate that the Internal Revenue Service proposal to implement a reorganization plan affecting the district office in 12 States should not be implemented by the Commissioner of the Internal Revenue Service.

Joining me in submitting this resolution are my distinguished colleagues, Mr. CHAFEE, Mr. DOMENICI, Mr. DURKIN, Mr. GARN, Mr. HANSEN, Mr. HATCH, Mr. LEAHY, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MELCHER, Mr. PELL, Mr. SCHMITT, Mr. STAFFORD, Mr. WALLOP, and Mr. YOUNG.

Under the IRS proposal, IRS district offices in 12 States would be downgraded into streamlined districts, with many of their functions being transferred to IRS offices in other States which would be known as "Prime Districts."

The 12 States which would be affected by this reorganization are Delaware, Idaho, Maine, Montana, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, and Wyoming.

In the Wilmington office in my home State of Delaware, the reorganization would result in the elimination of 14 positions, with an additional 5 positions eliminated through attrition.

Specifically, the reorganization would eliminate the Division Chiefs for the Administration, Collection and Taxpayer Service, Audit, and Intelligence Divisions and the support staff for each of these divisions.

In all the reorganization would result in a reduction of approximately 10 percent of the Wilmington workforce.

I am seriously concerned this reorganization plan will result in reduced services for the taxpayers of Delaware and the other affected States.

Despite the assurances of the IRS, I am not satisfied this proposed reorganization will not diminish taxpayer services in Delaware. In fact, it is inconceivable to me that the quality of taxpayers service can be maintained or improved by a proposal which downgrades the authority and responsibility of Wilmington personnel and moves key personnel from the Wilmington office to another State.

I am also not convinced this reorganization will result in a more efficient, less costly government. I support economy in government. But a proposal made in the guise of economy must be measured against the untold delays, increased costs, and less efficient administration which will result.

I believe the taxpayers of my State deserve the same amount of taxpayer services that are provided to other States. In fact, based on the amount of taxes paid to Delawareans, a case can be made that Delaware deserves better taxpayer service. According to IRS statistics, only six States and the District of Columbia pay more individual income taxes per capita than the State of Delaware. The IRS taxes the people of Delaware progressively but serves our taxpayers regressively.

The Internal Revenue Service is the only contact most citizens have with their Government, and it is important we maintain and improve services, not diminish them.

Mr. President, the Senate Finance Subcommittee on the Administration of the Internal Revenue Code held hearings on this proposed reorganization plan on May 10. The testimony presented by IRS Commissioner Kurtz did not convince me that the reorganization plan would not impair services to the taxpayers of Delaware and the other impacted States.

However, testimony presented before the committee did convince me that the proposed reorganization would result in reduced taxpayer services, increased inefficiency, and countless delays and inconveniences for the taxpayer in the 12 impacted States.

As Mr. Vincent Connery, president of the National Treasury Employees Union testified:

> We are firmly convinced that the proposed reorganization of IRS, if implemented, will have an adverse impact on the efficiency of the service to taxpayers of many states and a significant number of IRS employees. Despite the repeated assurances from Commissioner Kurtz and his associates, it would be virtually impossible for the twelve proposed "streamlined districts" to meet the same levels of efficiency as under the present structure.

Mr. President, the opposition to this proposed IRS reorganization is firm and widespread. On April 7 of this year, I joined 14 of my colleagues in signing a letter to Treasury Secretary Blumenthal opposing this proposal and urging that it be abandoned. The Senators signing this latter were Senators MCINTYRE, PELL, DURKIN, MCGOVERN, HANSEN, STAFFORD, ABOUREZK, GARN, HATHAWAY, PAUL HATFIELD, MELCHER, SCHMITT, LEAHY, HATCH, and myself.

I would like to read two paragraphs of this letter:

> We have examined the reorganization proposed and have concluded that the plan poses a very real threat to the quality of services to taxpayers in our states.
>
> Despite the assurances of IRS officials, we can clearly foresee that the reorganization will require taxpayers in our states to telephone, travel, and write to the distant "Prime District Offices" because their own tax records, or review personnel are not available in our own states.

Mr. President, the Internal Revenue Service has failed to convince me that services to the taxpayers will be maintained or improved by this proposed reorganization.

I believe this proposal will seriously limit the ability of small taxpayers in small States to have a fair, efficient, and timely resolution of their tax questions and disputes with the Government, and I intend to push for the adoption of this resolution in opposition to the IRS reorganization plan.

Mr. President, I ask unanimous consent that the letter to Treasury Secretary Blumenthal be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 7, 1978.

Hon. W. MICHAEL BLUMENTHAL,
Secretary of the Treasury, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: On February 6, 1978, the Internal Revenue Service announced its intention to reorganize its District Offices in our states. Under the reorganization, functions and personnel would be transferred from our states to District Offices in adjoining larger states.

We have examined the reorganziation proposal and have concluded that the plan poses a very real threat to the quality of services to taxpayers in our states.

Despite the assurances of IRS officials, we can clearly foresee that the reorganization will require taxpayers in our states to telephone, travel and write to the distant "Prime District Offices" because their own tax records, or review personnel are not available in our own states.

In addition, we question the administrative rationale of a reorganization under which Division Chiefs in the "Prime Districts" will be responsible to District Directors in both the "Prime District" and the "Streamlined District". Under such arrangements, it is inevitable the "Streamlined District Offices" will become mere branch offices of the "Prime Districts", devoid of the specialized personnel, the expertise, and the authority to service adequately the taxpayers in our states.

Because of our past experience with the centralization of federal agency functions in large regional cities, and the dilution of authority and personnel in state offices, we simply can not rely on the assurances of IRS officials that the services in our states will be maintained or improved when existing functions and personnel are shifted from our states to cities in nearby larger states.

For all of these reasons, we strongly urge and request that the proposed "streamlining" of IRS District Offices in our states be abandoned.

Sincerely,

Thomas J. McIntyre, John A. Durkin, Clifford P. Hansen, James Abourezk, William D. Hathaway, John Melcher, Claiborne Pell, George McGovern, Robert T. Stafford, Jake Garn, Paul Hatfield, Harrison Schmitt, Patrick Leahy, William V. Roth, and Orrin Hatch.●

SENATE CONCURRENT RESOLUTION 90—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING PRINTING

Mr. RANDOLPH submitted the following concurrent resolution which was referred to the Committee on Rules and Administration:

S. CON. RES. 90

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Environment and Public Works one thousand additional copies each of Volumes 1 and 2 of its committee print of the Ninety-third Congress entitled, "A Legislative History of the Water Pollution Control Act Amendments of 1972."

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—H.R. 8410

AMENDMENTS NOS. 2440 THROUGH 2444

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON (for himself and Mr. FORD) submitted five amendments intended to be proposed by them to H.R. 8410, the Labor Law Reform Act of 1978.

● Mr. HUDDLESTON. Mr. President, the labor reform bill raises some of the most difficult issues to come before the Senate in the 5½ years that I have been here. Interest in the bill is intense on both sides, and very understandably so. Both sides have very real concerns that must be addressed if our labor laws are to function as fairly and effectively as they should.

The lengthy debate on this bill, both in the Human Resources Committee and here on the Senate floor, has been a very valuable vehicle for bringing into focus the problems both with the existing law and the bill under consideration. And, I think, it has served the important purpose of demonstrating beyond a doubt that changes will have to be made in the bill as presently drafted in order to make it more acceptable to the business community which it will directly affect.

The Human Resources Committee already has made some significant changes in the bill as passed by the House of Representatives to try to meet the concerns of business and industry. On Friday, May 26, the distinguished majority leader, the distinguished chairman and ranking member of the Human Resources Committee, and numerous cosponsors including my colleague from Kentucky (Mr. FORD) and me, offered an amendment to statutorily exempt from NLRB jurisdiction more than 75 percent of our Nation's establishments and industries, and permit coverage of only those larger firms which do not meet existing small business definitions. And, since the vote to invoke cloture yesterday afternoon, assurances have been made that additional changes will be made, and that our Senate representatives in any subsequent Senate-House conference will be strongly committed to any decisions which the Senate may make.

My colleague from Kentucky (Mr. FORD) and I are submitting a series of amendments to those provisions of the bill in which we believe some modifications are necessary. Further, with the assurance that modifications to these sections are forthcoming, I will vote to invoke cloture.●

AMENDMENT NO. 2445

(Ordered to be printed.)

Mr. ROBERT C. BYRD (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. FORD, Mr. DURKIN, Mr. MCINTYRE, Mr. SPARKMAN, Mr. STAFFORD, Mr. HUDDLESTON, Mr. BAYH, Mr. BURDICK, Mr. ABOUREZK, Mr. CLARK, Mr. EAGLETON, Mr. MELCHER, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. RANDOLPH, Mr. RIEGLE, Mr. NELSON, and Mr. SASSER) proposed an amendment to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2446

(Ordered to be printed and to lie on the table.)

Mr. FORD (for himself and Mr. HUDDLESTON) submitted an amendment intended to be proposed by them to H.R. 8410, the Labor Law Reform Act of 1978.

● Mr. FORD. Mr. President, the amendment I am submitting is fully compatible with the underlying spirit and purpose of H.R. 8410; namely, making effective the procedures and policies of the NLRA. In this connection, I would point out that I fully share the concern of the sponsors of the bill that as presently written, the law falls short in delivering the guarantees it so carefully spells out.

My amendment, Mr. President, would require the Board's general counsel to designate certain individuals in both its national office and all its regional offices to act as ombudsmen for the purpose of answering inquiries and disseminating information to employers and employees alike. While the scope of the amendment would be universal, it is my expectation based upon scores of constituency comments that the primary area wherein such a service would be utilized is that of the small businesses. For example, my office has received extensive comments from small employers to the effect that the expedited election provision would seriously and adversely affect their opportunity to disseminate responses to the union's organizational literature and statements. These small employers frequently claim, Mr. President, that their first awareness of the union's presence comes when the Board serves the election notice. While I find this contention somewhat incredulous, I can fully appreciate their practical problems—notably, obtaining competent labor counsel quickly enough to enable them to legally and legitimately state their case in opposition to the union. Thus, Mr. President, my amendment would afford these small employers—as well as their employees—an opportunity to obtain quickly from the Board a statement as to their general rights and obligations under the law, so that even before labor counsel has been retained they will have an educated basis upon which to take workplace actions.

I am informed, Mr. President, that the Board already has in place a program which could provide the nucleus for my amendment, namely its duty officer program. That program is available to both employers and employees, and while each inquiry received varies as to its complexity and the amount of information that can be provided, it is the purpose of the program to disseminate all relevant information without suggesting or proposing to the individual or party what should be done. Mr. President, the Board has summarized this program in the following way:

> . . . The Duty Officer can utilize knowledge, experience and the resources of the Agency to provide information to the public regarding NLRB casehandling procedures and the current state of the law based upon decisions of the Board and courts. The Duty Officer can also assist the public in effectively invoking the processes of the Agency. The Duty Officer does not advise individuals or parties, or evaluate either the appropriateness or legality of conduct presented in the context of a special situation. Such advice must be provided by an attorney of the individual or parties' choice.

It is my feeling that this program is an example of the kind of constructive role the Board ought to and can play in the area of labor relations, without interfering with the collective-bargaining process itself. I would urge the general counsel to publicize the availability of this program, perhaps through spot ads such as the Wage-Hour Division of the Labor Department has found effective in the labor standards area. I would also urge

the general counsel to set up toll-free numbers on both a regional and a national basis so that quick and meaningful responses are available without cost to the caller. Perhaps the general counsel could have published a guide for small businesses which spells out in a general way the rights and responsibilities they have under the act. Perhaps, too, when the Board serves election notices it could simultaneously provide informational materials which set out the do's and don't's for election conduct. I would point out to my colleagues that when the House had H.R. 8410 before it for consideration, Congresswoman SCHROEDER, a former Board employee, stated that such materials were routinely transmitted to employers by some Board regional offices. I would urge the Board's ombudsmen to implement such a procedure throughout the country.●

AMENDMENT NO. 2447

(Ordered to be printed and to lie on the table.)

Mr. FORD (for himself and Mr. HUDDLESTON) submitted an amendment intended to be proposed by them to H.R. 8410, the Labor Law Reform Act of 1978.

● Mr. FORD. Mr. President, this amendment provides for a thorough study and written report to Congress on those classes and categories of employers subject to the jurisdiction of the National Labor Relations Board. It directs that the study shall take into consideration such factors as the number of employees in a business establishment, the annual gross volume of business, and the inflow/outflow volume of business in interstate commerce as well as other factors related to jurisdictional questions. This study is direly needed, because the present jurisdictional levels were established a number of years ago. Inflation and, in fact, other matters such as the increased activity in interstate commerce, dictate that these standards be evaluated and adjusted periodically. As an example, the retail enterprise discretionary standard was established in 1958; the apartment houses, hotels, and motels standard in 1959; the communications systems standard in 1958; the newspaper standard in 1958; the health care institutions standard in 1967; and the office buildings and shopping centers standard in 1961. These are examples of discretionary standards that have been decided on the basis of dollar volume over 10 years ago.

These standards should be adjusted to reflect changes. A half million dollars in 1958 adjusted to the equivalent value today would have a substantial impact on those establishments covered. The original intent could have changed substantially.

This study would give the Board the opportunity to carefully review these types of questions and to make adjustments. The present law prohibits the Board from refusing to accept jurisdiction on any matter that it could not accept in 1958. This amendment would, in effect, change that provision to permit adjustments that the Board determines to be appropriate on the basis of information obtained in this study.

The amendment is not an effort to decide the jurisdictional standard for each class and category of employer. This determination is a matter that can only be made on the basis of a careful analysis. After reviewing the existing discretionary standards, I am convinced that they need to be changed to reflect current factors. But, to simply make a cost of living adjustment would not be a satisfactory solution. The standards need to be carefully reviewed and the Board is the proper body to determine the changes that need to be made. This amendment would permit just that and nothing more.●

MILITARY PROCUREMENT AUTHORIZATIONS, 1979—S. 2571

AMENDMENT NO. 2448

(Ordered to be printed and lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to S. 2571, to authorization of appropriations during the fiscal year 1979 for military procurement.

● Mr. ROTH. Mr. President, today I am submitting an amendment to S. 2571 to exempt bagger/carryout personnel at military commissaries from the Fair Labor Standards Act.

This matter was brought to my attention through a letter to the editor in the Dover Air Force Base newspaper, the Falconer. I think the writer expresses the problems with this Civil Service Commission ruling very well, and I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Dear Editor:

Actions Speak Louder Than Words.

Compare political words with political action. The action is this: In July, baggers at the military commissaries will no longer work for tips, but will be employees whose pay and administrative expenses will be met by adding another 2% surcharge on top of the current 4% surcharge to each customer's bill at the cash register.

Compare this action with the words, "reduce the number of government employees and the size of the bureaucracy." Baggers who work for tips do not involve the commissary in hiring and firing practices, extra accounting, fringe benefit costs, complicated scheduling, etc. Baggers who are "employees" require all kinds of added administrative work and expenses. Yet there is no increase in productiveness.

Then compare this action with the words, "give a break to middle income families, to parents of college students, and to retirees". No longer will a college student, dependent upon his military parents, be able to pick up a few extra dollars working part time. Now those extra, needed dollars must come from his father's middle income salary. No longer will a retiree supplement his limited pension by bagging groceries at a pace that suits his age and physical conditions. Instead, he will be charged 2% more for his groceries.

Finally, compare this action with the words, "Encourage job opportunities." At first it might seem that hiring baggers is providing jobs to those otherwise unemployed. But think! For the person needing real employment, bagging is a dead end job. There is not much to learn and no real chance for advancement. On the other hand, bagging part time is good starting experience for young folks. It is a place to demonstrate courtesy, care, neatness, and promptness. It can prevent a young applicant from having to write that hateful word "none" in the space labeled "previous experience." This action strikes one more blow at the self respect and self sufficiency of both youth and age, without really helping those in need of adequate, full time employment.

The AFCOMS announcement states that "baggers . . . are entitled to protection under . . . the fair labor standards act". As far as this writer can determine, those working now as baggers don't want this government protection, for it means they will not be able to work at all.

Who, then, gains from this new ruling? Not the present baggers. Most of them will lose their chance to work. Not the commissary staff. They will have to do extra work without accomplishing any greater output. Not the customer who will pay not only for a service but for administrative work not needed before. Possibly the IRS will collect a few tax dollars on tips that used to go undeclared.

Perhaps some bureaucrat, somewhere, will demand a higher salary because his department has grown bigger. We are the ones who will pay.

When times are hard, we can be thrifty and cooperative. We, active and retired military families, are enduring Champus cutbacks, reduced benefits, and salaries that lag behind inflation. But this non-sensical surcharge produces neither greater productivity nor any savings whatsoever. It is an outrage to common sense. Is it too late to fight?

Mr. ROTH. Mr. President, the Civil Service Commission has ruled that those who "bag" groceries at commissaries should be considered Federal employees and, therefore, must be covered by the Fair Labor Standards Act as it was amended in 1974. The ruling will be effective August 1 of this year unless there is legislation to prevent it.

Because of a lack of clear distinction of what constitutes a "Federal employee" these employees have traditionally met standards specified in section 2105 of title 5, United States Code—that is, they are appointed in the civil service and perform a Federal function under the supervision of a Federal employee. The bagger/carryout personnel at military commissaries do not meet any of these criteria.

Through their own initiative, baggers go to the commissaries to assist customers in removing their purchases. The civil service has had no role or interest in their presence in the commissary.

Further, they are not engaged in a Federal function and are not supervised by a Federal employee. They bag groceries directly for the commissary customer, after the merchandise has been purchased. If a commissary patron does request this service, the amount of remuneration is completely at the discretion of the patron. None of the commissary employees is involved in the transaction; they do not supervise the baggers or specify the amount of tip the baggers receive.

The cost of this misguided ruling and the bureaucratic tangle it will create make it imperative that this legislation be passed.

The are approximately 24,000 commissary employees at present. Under the proposed civil service ruling, 10,000 more employees would be added. They would be compensated by placing an additional

2 percent charge on customer purchases. Ten percent of this fund—approximately $4 million—would be consumed by administrative costs. These unnecessary costs are completely avoided under the present system.

Without legislation to prevent it, the Department of Defense would be liable for retroactive claims of bagger-carry-out personnel going back to 1974. Estimates of this cost of reimbursement range from $18 to $50 million. These claims would require additional appropriations.

Other costs for implementing the civil service ruling include a "starting-up cost" for the program. The Air Force estimates its cost alone at $150,000 to $250,000.

I simply cannot understand who is supposed to benefit from this program. It clearly will not benefit the baggers. At the Air Force commissary in Delaware, over half the baggers are off-duty active military personnel who will completely lose the additional income they can make by bagging for tips since they are currently on the Federal payroll. Under the new proposal, baggers would be paid the minimum hourly wage which, I understand, is much less than an experienced bagger can make in an hour now.

The civil service ruling will certainly not benefit the commissary patrons. The additional charge they must pay will lessen their already shrinking benefits. The proposed system removes all incentive for efficiency and the long lines in the commissaries are likely to become even longer.

The taxpayers will obviously not benefit from this program. While there will be a charge on purchases intended to fund this service, there will undoubtedly be a need for additional appropriations for the retroactive claims and other costs.

The civil service ruling will be burdensome for everyone involved. The baggers themselves and the commissary patrons will be adversely affected by this ruling while at least part of these exorbitant costs will be borne by the taxpayers. The bureaucracy will be padded with 10,000 more employees.

It does not make sense to classify baggers as Federal employees. This ruling is inconsistent with the laws that have traditionally defined Federal employees. This civil service ruling is just another example of an unresponsive bureaucracy wielding its power to stifle the initiative of enterprising individuals.●

OLDER AMERICANS ACT AMENDMENT—S. 2850

AMENDMENT NO. 2449

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. CHURCH, Mr. MCGOVERN, Mr. DOLE, Mr. PERCY, Mr. ABOUREZK, Mr. ANDERSON, Mr. BAYH, Mr. BROOKE, Mr. CLARK, Mr. CANNON, Mr. CULVER, Mrs. HUMPHREY, Mr. LEAHY, Mr. MCINTYRE, Mr. MELCHER, Mr. PELL, Mr. JACKSON, Mr. RANDOLPH, Mr. RIEGLE, Mr. WILLIAMS, Mr. INOUYE, Mr. STONE, Mr. DURKIN, Mr. SCHWEIKER, Mr. MARK O. HATFIELD, Mr. HASKELL, Mr. MATSUNAGA, Mr. CASE, Mr. CHILES, Mr. HEINZ, Mr. BURDICK, Mr. SASSER, and Mr. MORGAN) submitted an amendment to be proposed by them to the bill (S. 2850) to amend the Older Americans Act to provide for improved programs for the elderly, and for other purposes.

HOME-DELIVERED MEALS FOR THE ELDERLY

● Mr. KENNEDY. Mr. President, I am pleased to submit an amendment to the Older Americans Act of 1978 (S. 2850). This amendment will provide for a separate authorization for home-delivered meals under the nutrition program for the elderly.

This amendment would provide thousands more of our homebound elderly with a nutritious meal and will build on a program which has demonstrated its effectiveness. It will assist in allowing the elderly persons to remain in their homes and out of institutions.

In 1971, I introduced the legislation creating the nutrition program for the elderly which became title VII of the Older Americans Act. This program has been most effective and popular and is now serving over 480,000 hot meals daily to our elderly. The meals are served in group settings in churches, senior centers, and community facilities.

The nutrition program for the elderly also provides for the delivery of meals to the homebound elderly. However, because the emphasis of the program has been on group meals and socialization, only 12 percent of the program's budget has gone to support home-delivered meals.

The need for a structured home-delivered meals program was documented by the Senate Nutrition Committee's 1974 study of nutrition programs for the elderly. This study revealed that approximately 3 to 4 million of our elderly are homebound. Under the present program, only 72,000 meals are being served to the homebound.

The amendment I am offering with Senators CHURCH, DOLE, MCGOVERN, PERCY, and others will enable the programs to serve about 215,000 home-delivered meals daily in fiscal year 1979 and 258,000 meals in fiscal year 1980.

This amendment would significantly expand the home-delivered meals provision under S. 2850, as reported out of committee. Senator EAGLETON and the committee are to be commended for including reference to the need for a home-delivered meals program. However, S. 2850 has only one authorization for nutrition services (congregate and home-delivered meals program). My amendment would not change S. 2850's authorizations of $375 million for fiscal year 1979 and $425 million for fiscal year 1980 to support only the congregate programs, however, it will provide for separate authorizations of $100 million for fiscal year 1979 and $120 million for fiscal year 1980 for home-delivered meals.

Mr. President, we have all witnessed the effectiveness of the nutrition programs for the elderly within our States. These programs do not just provide good meals for our elderly, but also friendship, jobs, activities, and socialization. But there are elderly people who cannot participate in these programs. These are the hidden, home-bound elderly.

An expanded home-delivered-meals program would compliment the congregate program and work in cooperation to assure that the elderly person has an opportunity to receive a meal in his/her home. Often times, the meal and other in-homes services provide the necessary care to enable the person to return to the congregate program. These alternatives should be available for all of our elderly.

Our elderly want to remain in their own homes. An expanded home-delivered-meals program and other in-homes services such as home health care and homemaker services can greatly assist in keeping them out of institutions. In-homes services not only provide a more dignified form of health care for our elderly, but are also enormously cost-effective. A recent GAO report reveals that the average public cost of in-home services (including a meal) ranges from $78 to $172 per month depending on degree of health care. The average public cost for a nursing home is $458 per month. We cannot ignore this difference.

I am pleased that the National Council of Senior Citizens, the National Council on the Aging, the American Association of Retired Persons, the National Association of State Units on Aging, the National Association of Area Agencies on Aging, the National Association of Title VII Directors, the National Association of Meals Programs, and others support this amendment for a separate authorization.

In addition to these organizations representing aging interests other organizations as diverse as the National Urban League, the Food Research and Action Center, the Community Nutrition Institute, the National Governors Conference, the National Council of Jewish Women, Bread for the World, and the Interreligious Task Force on U.S. Food Policy strongly support this amendment.

Mr. President, we all recognize the importance of this program. A nutrition program director from Nantucket has testified that—

> The home-delivered meals programs have become so crucial that freqeuntly doctors will release a patient on condition he can be enrolled in a meals program.

Our amendment will enable more communities to have such alternatives within their health care system. Our elderly should not have to wait for such services. I ask that the Senate respond favorably to this amendment.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2449

On page 83, line 17, insert "(1)" after "(b)".

On page 83, line 19, insert before "part" the following: "under subpart 1 of".

On page 83, line 20, before "Nutrition" insert "Congregate".

On page 83, between lines 20 and 21, insert the following:

"(2) There are authorized to be appropriated $100,000,000 for the fiscal year 1979 and $120,000,000 for the fiscal year 1980 for the purpose of making grants under subpart 2 of part C (home delivered nutrition services) of this title.".

On page 120, between lines 20 and 21, insert the following:

" 'SUBPART 1—CONGREGATE NUTRITION SERVICES

" 'PROGRAM AUTHORIZED".

On page 121, line 10, strike out "or may be home-delivered meals".

On page 121, line 15, strike out the end quotation marks and the period.

On page 121, between lines 15 and 16, insert the following new subpart:

" 'SUBPART 2—HOME DELIVERED NUTRITION SERVICES

" 'PROGRAM AUTHORIZED

" 'SEC. 336. The Commissioner shall carry out a program for making grants to States pursuant to State plans approved under section 307 for the establishment and operation of nutrition projects for older persons which, five or more days a week, provides at least one home delivered hot, cold, frozen, dried, canned, or supplemental foods (with a satisfactory storage life) meal per day and any additional meals which the recipient of a grant or contract under this part may elect to provide, each of which assures a minimum of one-third of the daily recommended dietary allowances as established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council.'.".●

● Mr. CHURCH. Mr. President, I am pleased to join Senator KENNEDY in sponsoring an amendment to S. 2850—the Older Americans Act of 1978—to establish a separately authorized home-delivered meals program.

As things now stand, the nutrition program for the elderly authorizes meals in group settings—such as senior centers, schools, churches, and other nonprofit settings—and for the homebound.

The committee bill makes a number of improvements to strengthen the meals-on-wheels component of the nutrition program. I wish to commend Senator EAGLETON, the chairman of the Human Resources Subcommittee on Aging, and other members of the committee for taking these actions.

But as a practical matter, the existing funding level—as well as the projected authorizations under the committee bill—will permit only a modest effort on behalf of the homebound elderly.

The nutrition program for the elderly now provides about 480,000 meals daily to older Americans, including 408,000 at congregate or community sites and 72,000 for the homebound. The committee bill would authorize approximately 680,000 group meals daily and 120,000 home-delivered meals in fiscal 1979, assuming the existing ratio of congregate to home-delivered meals continues.

Our amendment would authorize more than 1 million meals daily for older Americans in fiscal 1979—about 800,000 group meals and 215,000 home-delivered meals.

It would provide almost three times as many meals on wheels as under existing law and 79 percent above the projected level under the committee bill.

Witnesses have told the Committee on Aging, of which I am chairman, time and time again that large numbers of older Americans are unable to participate in a meals program at a senior center or elsewhere because they are confined to their homes. These individuals frequently suffer from nutritional deficiencies, because they may lack the incentive to cook for themselves, especially those living alone. Failing health may also make it difficult to prepare meals.

Many elderly persons are placed in a nursing home simply because other alternatives—which may include a home-delivered meal—are not available.

A separate home-delivered meals program would help to respond to these problems and provide greater flexibility in enabling these persons to continue to live independently in their homes.

It would also help to complement the congregate meals program by freeing up funds to be used for meals in group settings. The value and worth of the congregate meals program have been amply demonstrated time and time again. I want to insure that it continues to grow.

Finally, a separately authorized meals-on-wheels program demonstrates that good public policy can be humane and cost effective at the same time.

A recent General Accounting Office report on "Home Health—the Need for a National Policy To Better Provide for the Elderly"—reveals that the public cost for maintaining a low-income person in a nursing home is $458 per month.

In sharp contrast, services to enable older persons to live independently in their own homes, such as a home-delivered meal, cost just a fraction of the charge for institutionalization. In-home services typically cost about one-sixth to one-third of the amount for institutionalization, depending upon the degree and type of services needed.

Mr. President, these are persuasive reasons, it seems to me, for a separately authorized home-delivered meals program. And I urge the Senate to adopt our amendment.●

● Mr. DOLE. Mr. President, the Senator from Kansas is pleased to have this opportunity to speak in support of the Kennedy-Church-McGovern-Dole amendment to S. 2850, the Older Americans Act of 1978. Our amendment calls for separate authorization for a home-delivered meals program, rather than a single authorization for both the congregate and home-delivered meals.

In June of 1976, Senators MCGOVERN, KENNEDY, PERCY, and myself introduced legislation which called for the creation of a nationwide home-delivered meals program. I am pleased that we now have opportunity through the OAA to promote better nutritional services for our Nation's homebound citizens.

INCREASED AUTHORIZATION

Our amendment calls for authorization levels of $100 million in fiscal 1979 and $120 million in fiscal 1980 for home-delivered meals. With this money, approximately 215,000 persons per day could receive a home-delivered meal during the first year of operation, and 258,000 persons per day the following year. Programs under the OAA are working well; and because of their effectiveness, programs under the OAA enjoy broad-based community support. Unfortunately, though, because of mobility problems, homebound citizens for the most part have not been receiving services intended for all senior citizens.

While some home-delivered meals are served now under the OAA, the bulk of services goes to persons who are able to travel from their homes to the community centers for the congregate meals. As I indicated before, I am pleased that the congregate meal programs have been so successful. On the other hand, we intend for the nutrition services to be available to all citizens, even if to do so requires amendments such as this to target certain services to homebound persons who would not otherwise be included.

IMPORTANCE OF NUTRITION

As the ranking Republican on the Nutrition Subcommittee, it has become clear that maintaining good nutrition is one of the best ways we know of to safeguard good health. It is a well-accepted fact that proper diet develops better minds and better bodies. Likewise, last year witnesses before the Select Committee on Nutrition testified that current research indicates a good diet contributes significantly to better health care among persons of all ages, but that it offers drastic benefits to older persons.

COST EFFECTIVENESS

I realize that American citizens are becoming dissatisfied with the ever increasing size and cost of the Federal Government. I share their concerns. Although our amendment involves an initial increase in spending, I expect it to result in later savings. The GAO reports that it costs the Government $458 monthly to maintain a person in an institution. It costs between $78 and $172 to provide in-home services to the same person. not only is it economically prudent to take this step toward improved home services for the home-bound, but it recognizes that most persons prefer to remain in the familiarity and comfort of their homes rather than to relocate in a care facility.

One other point which I would like to comment on is that much of the attraction of existing meals-on-wheels programs results because they are operated primarily by volunteer civic and church groups. These volunteers offer more than just nutrition services to the homebound. They provide a contact, a link with the outside world which many persons would not have otherwise. This human component is important to the continued success of meals-on-wheels, I feel, and one which we plan to carry over to the expanded program we have outlined here today.

SUMMARY

Mr. President, I hope that the merits of our mendment have been made clear by my colleagues and myself. Already, this amendment has an impressive number of cosponsors. Support also runs strong among senior citizen advocacy groups. I encourage other Senators to take a good look at this amendment and the additional services it will offer to home-bound Americans. I want to give credit to the Senator from Missouri (Mr. EAGLETON) and the Senator from Rhode Island (Mr. CHAFEE) for the noteworthy work they have done as chairman and

ranking member of the Subcommittee on Aging. Their concern and dedication to the needs of older Americans is widely recognized.

I feel this amendment will complement programs laid out in S. 2850, whose stated purpose is to provide for improved programs for the elderly. I believe our amendment will definitely improve nutrition services to the older Americans, and hope that it will receive favorable consideration when it comes before the Senate.●

● Mr. RIEGLE. Mr. Chairman, I wish to express my strong support for the Kennedy - McGovern - Church - Dole - Percy amendment to the Older Americans Act to establish a separate authorization for home-delivered meals. The best information available to the Congress indicates that about one out of 10 needy home-bound citizens receive home-delivered meal services. In addition, the Senate Select Committee on Nutrition and Human Needs found that for every dollar spent on home-delivered meals services several dollars will be saved in expenditures to nursing homes and hospitals. Clearly, for both humanitarian and fiscal reasons the Congress should expand funding for home-delivered meal services.

I want to commend Senator EAGLETON and the other members of the Aging Subcommittee for strengthening the language in the Older Americans Act pertaining to the role of the private, nonprofit meals-on-wheels groups in providing home-delivered meal services. These groups have carried the burden of home delivery for years. They have provided excellent, cost-effective service, and deserve the strong support of Congress. The language of S. 2850 clearly states the intent of Congress that volunteer meals-on-wheels groups join with Older Americans Act programs in expanding home-delivered meal services.

Without a separate authorization for home-delivered meals, however, there is no guarantee that services to the homebound will be significantly expanded. The history of the title VII nutrition program illustrates this point. Presented with one lump sum of money, title VII nutrition projects have channeled most of their resources into congregate feeding sites. At present about 14 percent of the title VII funds are spent for home-delivered meal services. If this pattern continues, and there is no reason to believe that it will not, title VII appropriations would have to be expanded by 100 percent or $250 million to double the number of homebound currently receiving services. In contrast, a separate appropriation of $70 million would accomplish the same result. Congress should not go half way in addressing the needs of the homebound. Expressions of concern without appropriations for the homebound are simply insufficient.

The argument has been made that a separate authorization would impinge upon the authority of the local projects to determine where funds should be spent. To adherents of this position I call attention to the fact that the representatives of all the service deliverers—the National Association of Meal Programs, the National Association of State Units on Aging, the National Association of Title VII Project Directors, and the National Association of Area Agencies on Aging—support the Kennedy amendment. Who else is in a better position to assess the needs of the community than members of these organizations who serve the elderly every day?

The language of Senator KENNEDY's amendment is similar to the language already contained within the House version of the Older Americans Act reauthorization. I hope that the Senate will join with the House in supporting expansion of nutrition services for the homebound.●

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978—S. 3074

AMENDMENT NO. 2450

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself and Mrs. HUMPHREY) submitted an amendment intended to be proposed by them to S. 3074, the International Development Assistance Act of 1978.

AMENDMENTS NOS. 2451 THROUGH 2453

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted three amendments intended to be proposed by him to S. 3074, the International Development Assistance Act of 1978.

NOTICES OF HEARINGS

SUBCOMMITTEE ON CRIMINAL LAWS AND PROCEDURE

● Mr. BIDEN. Mr. President, I wish to announce that the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary will hold open hearings on S. 1766, a bill to amend title 18, United States Code, to make a crime the use, for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions, and entities affecting interstate commerce, on June 19 and 20, 1978. The hearings on Monday, June 19, will begin at 10 a.m. in room 457, Russell Senate Office Building; and on Tuesday, June 20, at 10 a.m. in room 1318, Dirksen Senate Office Building.

Additional information on the hearings can be obtained from the subcommittee staff, 2204 Dirksen Senate Office Building, telephone 202–224–3281.●

SUBCOMMITTEE ON MONOPOLY AND ANTICOMPETITIVE ACTIVITIES

● Mr. NELSON. Mr. President, the Subcommittee on Monopoly and Anticompetitive Activities of the Select Committee on Small Business will continue hearings on Government patent policy on June 20, 21, and 26. The hearings will begin at 9:30 a.m. each day. They will be held in room 424 of the Russell Senate Office Building on June 20 and 21 and in room 318 (Caucus Room) of the Russell Senate Office Building on June 26. These 3 days of hearings will further explore the history, legal basis, and implications of institutional patent agreements (IPAs) as an implement of Government patent policy.

Witnesses will be announced at a later date.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will mark up several pieces of minority and other legislation on Thursday, June 22 at 10 a.m. in room 424 of the Russell Senate Office Building.

Bills to be marked up are: H.R. 11318, S. 836, S. 2156, and S. 2259.●

SUBCOMMITTEE ON IMPROVEMENTS IN JUDICIAL MACHINERY

● Mr. DECONCINI. Mr. President, I wish to announce that a public open hearing will be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on S. 3107, a bill to amend the Bankruptcy Act to provide for uniform supervision and control of employees of referees in bankruptcy.

The hearing will be held on June 19, 1978, in room 2228, Dirksen Senate Office Building commencing at 9 a.m.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building, telephone 202/224–3618, Washington, D.C. 20510.●

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

● Mr. METZENBAUM. Mr. President, the Subcommittee on Administrative Practice and Procedure and the Subcommittee on Citizens and Shareholders Rights and Remedies, of the Committee on the Judiciary, will hold a joint hearing on Thursday, June 15, 1978, on S. 2117 and S. 2868, to amend the Federal Tort Claims Act. The hearing will commence at 10 a.m., in room 5110, Dirksen Senate Office Building.

Anyone wishing to submit testimony for the record, contact Mrs. Ricki Tigert, counsel, Subcommittee on Citizens and Shareholders Rights and Remedies, 4–B Russell Senate Office Building, Washington, D.C. 20510 (202) 224–4703; or Mr. Charles E. Ludlam, counsel, Subcommittee on Administrative Practice and Procedure, 162 Russell Senate Office Building, Washington, D.C. 20510 (202) 224–5617.●

SUBCOMMITTEE ON IMPROVEMENTS IN JUDICIAL MACHINERY

● Mr. DeCONCINI. Mr. President I wish to announce that a public open hearing will be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on S. 3100, a bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review and for other purposes.

The hearing will be held on June 20, 1978, in room 2228, Dirksen Senate Office Building, Washington, D.C., commencing at 9 a.m.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building, telephone 202/224–3618, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

WASHINGTON'S ERA BOYCOTT

● Mr. HARRY F. BYRD, JR. The Washington Post recently published an excellent editorial criticizing the order of the District of Columbia City Council barring District employees or representatives from using public funds for travel on official business to States which have not ratified the equal rights amendment.

The Post editorial accurately describes the order as "foolishness" and points out that it recently prevented District athletes from participating in a national track meet held in Atlanta, Ga.

On May 8, I wrote to Mayor Washington protesting the so-called ERA boycott order, pointing out that it discriminates unfairly among the States and could even be illegal.

I note that Gov. James R. Thompson of Illinois stated yesterday that the ERA boycott in which the District of Columbia is participating angered legislators in his State and contributed to the defeat of the equal rights amendment there.

So it would seem that the boycott policy is not only unfair but also self-defeating.

Mr. President, I ask that at this point in the RECORD there be printed a copy of the editorial from the Washington Post and a copy of the letter which I sent to Mayor Washington concerning the boycott policy.

The material follows:

U.S. SENATE,
Washington, D.C., May 8, 1978.

HON. WALTER E. WASHINGTON,
Mayor, District of Columbia, District Building, Washington, D.C.

MY DEAR MAYOR WASHINGTON: I am writing with reference to your Order 78–19 of February 1, 1978, forbidding payment of travel expenses to District of Columbia employees for attendance at events held in states which have not ratified the Equal Rights Amendment.

This action is totally unwarranted and unfair. Not only does it arbitrarily discriminate against individual states of our Union, but it also visits economic penalties upon many persons who are supporters of the Equal Rights Amendment.

I note that the government of the District of Columbia is currently urging adoption of a constitutional amendment giving full voting representation to the District.

I find it ironic that while propagandizing in support of that proposal, the District government is simultaneously acting to abridge the right of citizens in other states to be represented as they see fit in their state legislatures.

Moreover, you are of course aware that federal funds are a major part of the budget of the District of Columbia. It appears to me that discrimination among the states in the use of federal funds may well be illegal, and I understand that the Justice Department has been asked to look into this question.

As a neighbor of the District of Columbia, Virginia is of course more heavily impacted by your order than some of her sister states. For example, I am advised that your order prevents District employees from taking needed courses at the Northern Virginia Community College and other institutions in my state.

In addition, other public and private facilities in Virginia frequently host valuable conferences and seminars in which the District of Columbia has regularly participated.

However, I do not base my case on the Virginia impact alone. In my view, the order of February 1 is patently discriminatory against all 15 states of the Union which have not at this time ratified the Equal Rights Amendment.

I strongly urge that in the name of justice and fair play, your order of February 1, be rescinded.

With best wishes, I am,

Sincerely,

HARRY F. BYRD, JR.

[From the Washington Post, May 25, 1978]

THE COUNCIL'S ERA BOYCOTT

How do you explain to a high school athlete that he can't participate in a national track meet because the D.C. City Council is at odds politically with, let us say, the state of Georgia? That's the question Stan Mullins, track coach at Washington's H. D. Woodson High School, has been trying to answer recently. Mr. Mullins was to lead a contingent of 42 athletes from the city's public high schools to a prestigious national track meet in Atlanta next weekend. The City Council paid for similar trips in the past two years, and the students performed well on and off the field. Several athletes, Mr. Mullins said, won college scholarships on the strength of their performances in those meets. But this year the council has refused to provide the $2,500 for the group's trip to Atlanta—which means that the students probably won't go. Why? Because the Georgia State Legislature hasn't ratified the Equal Rights Amendment. Get the connection?

That small-minded act perfectly illustrates the foolishness of the so-called ERA boycott resolution the council approved early this year, taking its cue from some national private groups. The resolution, which already has been invoked several times, bars District employees or anyone representing the city from using public funds for travel on official business to states that haven't ratified the ERA. In an effort to show its zeal for the amendment, the council has ignored the difference between private groups, which people join voluntarily, and governments, which are supposed to conduct themselves with the public interest in mind. There is a world of difference between a private organization boycotting cities or states because of differing political views and a state or local government body waging economic warfare with *public funds* against another state government to push its own political views. The City Council has every right to take a position on ERA—for whatever effect that may have on the Georgia legislature. But this exercise in economic warfare will not advance the cause of equal opportunity in Georgia. It will merely deny an opportunity to 42 deserving athletes in the District of Columbia.●

MISS PEG McCARTHY, NATIONAL SPELLING CHAMPION

● Mr. DOLE. Mr. President, the Senator from Kansas is pleased to announce that the winner of this year's national spelling bee is a Kansan.

This morning, Miss Peg McCarthy, daughter of Mr. and Mrs. Jerry McCarthy of Topeka, won the championship which caps a nationwide competition in which thousands of junior high and grade school students participate.

I had the opportunity to meet Peg earlier this week and I was immediately impressed by this bright young lady. It was obvious that she would make an outstanding representative for my State. As it turned out, my impression was well founded.

I know that I can speak for all Kansans in congratulating her on her victory. Her accomplishment will be a source of pride throughout my home State.●

SENATOR ALLEN

● Mr. BUMPERS. Mr. President, I rise to express my personal distress over the death of my dear friend and colleague, Jim Allen of Alabama. When I first came to the Senate 3½ years ago, I was told that only two Members had really mastered the rules of this body. One of them was Jim Allen, and the other, of course, was the distinguished majority leader, Mr. ROBERT C. BYRD. It was not long before I learned that what I had been told was, in fact, true. During my first week in the Senate I was treated to a display of Jim Allen's parliamentary skill. The Senator from Minnesota, who is now President of this body, Mr. MONDALE, offered a resolution to change rule XXII of the Standing Rules of the Senate, a proposal that was resisted vigorously and with some success by Senator Allen. I will never forget the glee with which Senator Allen suggested that a certain motion was, in fact, divisible, with each part being debatable.

In the years that followed I made a point of watching Jim and attempting to learn from him. His desk was immediately in front of mine, and, although we did not always agree, he was always willing and eager to discuss any point of procedure. I have often felt that a prior knowledge of parliamentary law was actually a handicap in coming to the Senate, the rules of this body seeming to be different from anything that I had experienced before. Jim Allen's presence in the Chamber so near my desk was a great help to me.

Everyone speaks about his knowledge of the rules, but another quality of Senator Allen's was even more impressive and more valuable, so far as I am concerned. He was a gentleman of great courtesy, not only in outward demeanor, but in thought. Although he was involved, I suppose, in more heated battles on the floor of the Senate than any other Member during his time, I never saw him become angry or flustered. The hallmark of his character was respect for all of his fellows, whether they were on his side or not. He had a large appreciation for each Member of the Senate, his constituency, his philosophy, and his ideals, and Jim Allen never expected or asked any of us to violate those ideals.

Mr. President, Jim Allen was an authentic man of the Senate. He was dedicated to the kind of deliberation that marked the best days of this body. He would have been completely at home with Clay, Calhoun, and Webster, and they with him. I will miss him greatly. The Senate will not be the same without him.

Betty and I extend our deepest sympathy to Maryon and all of the Allen family. They should be proud of the leg-

acy of competence, integrity, and courtesy that they have been left.●

MARYLAND'S SMALL BUSINESS PERSON OF THE YEAR

● Mr. MATHIAS. Mr. President, the role of small business is vital to the economic well-being of our country. The accomplishments of small business people are too often forgotten in a world of conglomerates and multinational corporations. I am, therefore, pleased that the Small Business Administration annually designates a Small Business Person of the Year in each State. This year in Maryland the SBA has selected George Klopfer of Baltimore for the honor.

Mr. Klopfer is president of Polk Audio, Inc., of Baltimore, and is a graduate of Johns Hopkins University.

The SBA cited Polk Audio, Inc.—a manufacturer of stereo speakers of exceptionally high quality—for the many accomplishments it has achieved in its relatively short lifetime. The firm was established in 1972 and has grown dramatically. It now not only sells to the U.S. domestic market, but also ships to Europe and Asia. Polk Audio has been recognized nationally by the stereo industry.

The Small Business Person of the Year Award is presented to the person or business best exemplifying the imagination, initiative, independence, and integrity by which the American small business person contributes to the Nation, the economy and the free enterprise system.

It is, indeed, a great honor to be named Maryland's Small Business Person of the Year, and Mr. Klopfer, his family, friends, and community can justifiably take pride in his accomplishments. Mr. Klopfer, along with 49 other State award winners, will meet with President Carter.

I know that all Marylanders join me in congratulating George Klopfer for a job well done and I wish him well in the future.●

ADDRESS BY MARGARET McKENNA

● Mr. PELL. Mr. President, many of us in Congress have had the pleasure of working with Margaret McKenna, deputy counsel to the President. I have had the particular honor of knowing her as a friend and fellow Rhode Islander.

She is a woman who meets the demands of her job with a great degree of responsibility and dedication, and most importantly with a sense of caring.

I recently read the address Margaret delivered to the graduating class of her alma mater, Emmanuel College in Boston, and I was stirred by this young woman's deep sense of purpose and commitment. I find it immensely heartening that a person of this caliber and compassion sits by the side of the President of the United States and advises him. I wish to share with my colleagues the remarks Margaret McKenna delivered at Emmanuel College commencement, which in themselves are a tribute to their author, and ask that they be printed in the RECORD.

The remarks follow:

REMARKS OF MARGARET A. MCKENNA

I am grateful for the opportunity to come home—to come back, after 11 years, to the school where by mind and soul were nurtured, to be able to reflect on the influence that the four years at Emmanuel have had on my life. I'm grateful for the opportunity to be able to address the Class of 1978, to reminisce, to congratulate, to encourage, and, hopefully, to challenge.

It was eleven years ago at Commencement exercises here in this same spot where I spoke on behalf of my classmates, the Class of 1967, and related some of the things that the Emmanuel experience had meant to us and said farewell to the administration, to the faculty, and to all our many friends. Since that time I have received hundreds of invitations to speak at different events—conferences, and lately even other commencement ceremonies—but none of those invitations has meant more to me than the invitation to come to Emmanuel today. It means a great deal to be honored by your own. I truly believe that one of the reasons I am what I am today, and where I am today, is Emmanuel College.

Don't misunderstand me. My four years at Emmanuel did not constitute perfect harmony. I did not spend each and every day thirsting after intellectual growth in an atmosphere of calm tranquility. Emmanuel was rather different then. The times were different then.

In those days the Emmanuel girl had a definition and was a definition. At that time there were some, in fact many, who thought she was a person who studied hard, wore white gloves, and met the 7:30 weekday curfew. Some of us did not fit that role or image.

Some of us were even considered troublemakers. We felt we should have more of a role in the decision-making process at the college. I suspect that there are some students here today who feel the same way.

But to those of us who were troublemakers then, to those who might be called troublemakers now, and to all of us, troublemakers or not, Emmanuel meant and means a great deal.

I've thought a lot in the last few weeks about my experiences here at Emmanuel and some of the people I met.

I have been asked tough questions by many people, including some pretty tough questions by the President of the United States, but I have never been challenged intellectually, either before Emmanuel or since, any more than I was challenged by the Chairperson of the Sociology Department, Sister Marie Augusta Neal. She challenged us to think, to question, to be creative with solutions.

There were a number of role models here. The most important one for me was Sister Ann Rachel. She was and is a tough lady, tough and warm. She served as a model to the Class of 1967. We wrote about her in our year book, "She's a woman who serves God with an openness to life." She showed us that you can combine serious dedication with a mischievous sense of humor. She taught us to be Catholic with a little "c", as well as with a big "C", and to be expansive and tolerant. I found a friend in her 12 years ago. She remains one today.

There were other Emmanuel experiences which affected me deeply—my friends here, Rita, Irene, Phyllis, Lucille, girls, now women, very different than me, all different from each other: one a committed academic; one apolitical and more a social butterfly; one who made a decision early on to forego a career outside the home to devote herself to the role of wife and mother; one a quieter, maybe more traditional, Emmanuel girl. Yes, we were all very different, but we grew to understand each other and to love each other and to learn from each other. How grateful I am to Emmanuel for those relationships. Isn't that what college is about?

The poet John Mansfield once wrote, "There are few earthly things more beautiful than a college, a place where those who hate ignorance may strive to know, and those who perceive truth may strive to make others see." A college campus is a place for learning from people different than yourself; a place to develop precious skepticism, and to learn that all must be questioned. A college should encourage close scrutiny of all our beliefs, whether theological or academic, knowing that truth will withstand such scrutiny.

It is when this kind of atmosphere exists that colleges produce individuals with new notions of science and art, and leaders in social policy and in politics as well.

Emmanuel and other women's colleges have a special role to play in developing leaders. Young women in an atmosphere free from the social restraints that sometimes exist when men are present can learn first to know themselves as people and to know and be comfortable with themselves as women. Because there are no men, women of necessity take on leadership roles—editor of the paper, president of the political club, head of the student body. Some of these women would hold the same positions in coed institutions. Some would participate—but in a different way. A woman might run for *Vice* President instead of President. And some might never get involved:

Women's colleges are not for all women. Harvard is not for all people, nor is Antioch. But some women, many women, benefit from a women's college experience, giving the self-confidence which enables them to compete and succeed in our male-dominated world. Those of us who believe in women's colleges must support them and ensure their survival. I think women's colleges make a difference. I am not sure that I would have developed the self-confidence or the drive in a different kind of atmosphere.

In preparing this speech, I began to wonder what college campuses are like today compared to what they were like when I was a student in the 60's.

Some people talk of the dormancy of the 70's. They compare now to the 60's. The 60's were a decade when hundreds of thousands of young people, and older people too, demonstrated and marched in opposition to a war and in favor of civil rights for blacks and for other minorities. It was a time when women organized and demanded equal rights. It was a time when we built a legislative framework to deal with a number of social problems. We pledged to give the poor and the dispossessed a decent chance to find some measure of dignity and self-respect. The problems of the 60's are still with us. The glamor of confronting them is not. It is not as popular nor as exciting to be involved.

I believe the 60's were a time to bring problems to the attention of the public. The 70's are a time to work more quietly to solve them.

What has happened to the activists of the 60's—those who demonstrated and chanted loudly, those who spoke of a burning desire for social change? Most have faded from sight. Persistence is really the question. When issues do not lend themselves to a crusade a greater effort of will is required to face them and find solutions. The problems may now seem less dramatic; at least they are getting less attention. But the problems are no less urgent.

The idealist with a realistic view and a real commitment is still an advocate. Truly committed individuals learn to work quietly within the system, with all of the frustrations that that choice can bring. Legions of people are involved in working to solve social problems. They may use different methods. They work more quietly than in

the 60's, but many of them have the same burning commitment. They harbor an outrage at the problems of the 60's—at the causes and the continuation of those problems. You should also feel a sense of outrage—outrage that people in this country go hungry—that you, your classmates and others cannot find jobs—outrage that decent housing is not available to everyone—that the one-family house, because of inflation and unemployment, is becoming a thing of the past. You should be outraged that the disparity in median income between blacks and whites has grown in the last decade in spite of the passage of major civil rights legislation. Equal opportunity is still a dream for many in this country. You should feel an outrage that while women constitute 51 percent of the population, they hold less than 5 percent of all elected positions. It amounts to taxation without representation. You should feel an outrage that our country has one of the poorest health care delivery systems of any industrialized country in the world. These problems and many others involve all of us and affect all of us.

Civil rights groups, women's groups, and other organizations committed to social justice, those who marched in the 60's, have been slow to learn how to create social change—change is made by those with power. To have power we need to have people who work within the system, people who work within the corporate world and in politics. Advocates of social justice have tended to shy away from either of these worlds. A lawyer committed to the needs of the poor can do more for a cause as the Vice President of IBM than as a lawyer for a public advocate group. It may not be as glamorous, and it may not be as personally fulfilling, but it is where the power is. It is where one affects large numbers of people.

Power is a word advocates must become comfortable with. Power, politicians, and politics are not dirty words. Just because you are on the right side of justice, the side of the angels, does not mean you do not have to be political. Organizations representing colleges, women, the poor, victims of discrimination, are just beginning to learn what General Motors, The Chamber of Commerce, and other special interest groups have known for a long time—that they and you must grasp power, be political, and be as vigorous in lobbying for your cause, whether it be full employment or college tax credits, as the oil companies are vigorous in lobbying for theirs.

Where are the activists of the 60s? Most have faded from sight, but some have remained true to early commitments. Some will be found in places you would not expect. In the 60's the largest anti-war movement in the country was headed by a young man—a young man seen as a left-wing political in those days. He led the moratorium march on Washington, D.C. His name is Sam Brown. He is now the head of ACTION, the agency which contains both the Peace Corps and VISTA. Ralph Nader is a name most of you are familiar with. His chief aide and a vigorous antagonist of the automobile industry was Joan Claybrook. Joan Claybrook is now the Assistant Secretary of Highway Safety in the Department of Transportation.

Another movement which became much more forceful in the 60's was the consumer movement. The largest consumer organization in the country, the Consumer Foundation, was begun by a woman named Carol Foreman. Carol now serves as the Assistant Secretary of Agriculture and is credited with reforming the food stamp program.

John Lewis, the Director of VISTA, our domestic Peace Corps, marched with Martin Luther King to Selma, organized sit-ins, bus-ins and led a group which registered hundreds of thousands of Black people throughout the South.

You may not agree with everything this Administration has done, but I think that we all have to respect the man, President Carter, who had the courage to recruit these people.

Here were some of the chief antagonists of government, and they are not yes people. They are people committed to causes. The President chose to appoint them, knowing of those commitments and knowing that these people would be responsible to those commitments.

These are people who have devoted their lives to solving problems, the same kind of difficult problems we face today. They are not only the problems of the government; they are your problems as well. And we need your help.

We face a global problem of dwindling natural resources. We are dependent on half of all of our oil from foreign sources.

There are no continuing shortages today of fuel. But few of us would doubt in our honest moments that in a few short years, world demand will overtake supply—that, unless we face this problem, we will literally be without energy sources.

We need to have the courage to act, not only through legislation, but also in our personal lives, to end the waste and to conserve before we are faced with the catastrophe of an energy-deprived and crippled economy.

We must face our economic problems; we must reject the notion that America is condemned to an external trade off between excessive unemployment and massive inflation.

We cannot afford the waste of college graduates, such as yourselves, unemployed or underemployed. We cannot afford to abandon millions more who are left to drift in and out of the welfare system in an endless and degrading cycle of dependence in a democracy founded on its commitment to the opportunity to work and to find ways to generate productive employment, and at the same time, develop techniques to assure a stable dollar. We must face the problems of an inefficient government. We must be committed to a better delivery of services, a more responsive system, and a better managed bureaucracy.

We face tough choices ahead. The basic issue in many of them is whether we as a people have the necessary self-confidence and belief in our own strength and security to apply the same principles in our relationship with smaller countries that we set forth so proudly in our own Declaration of Independence. We are a great country with great power, economically, militarily, and politically. We must make clear that we are on the side of human freedom and majority rule, even when that challenges powerful economic and political interests. These are all problems we must face. They affect us as individuals and as a nation. They are not bevond our ability to solve. We must be willing to move from the rhetoric of the 60's to the challenge of the 70's to learn from the past and move beyond.

Robert Kennedy spoke to the dilemma of a society struggling to come to grips with continuing problems and solutions. He especially addressed the special role of young Americans when he said, "We will not find answers in old dogmas by repeating outworn slogans, or fighting on ancient battlegrounds against fading enemies after the real struggle has moved on. We ourselves must change to match the change. We must re-think all our old ideas and beliefs before they capture and destroy us." And, for those answers, America must look to its young people, the children of this time of change. The slogans of the 60's are no longer a call to arms. We must move out of the streets and into the centers of power. We can continue to stand together to sing as a group. "We Shall Overcome," but when the song is over, we must return to our offices and schoolrooms and, each in our own way, work to overcome those social problems.

The choice is yours to make. We can stand up to the problems of energy and natural resources and provide greater opportunities for economic social progress and social justice. Our country can deal with these issues. I know many of you are personally dealing with the issue. The real issue, of survival. How do you pay for the next several years of school? How do you find a job which will support you, a job that challenges your abilities? Those of us who were in college in the 60's had some of those problems but not to the degree you do. We who came from middle-class families managed. But inflation and unemployment have made your situation more extreme. In spite of this, or because of this, it is essential that you take part in the process by which decisions about these problems—about your survival—are made. If you don't make the decisions, someone else will make them for you.

Consider politics. You don't have to just play at politics. You are at an age and a time when you can truly be involved in the political system. You certainly should be registered to vote. I am not sure people are justified in complaining about a system they refuse to participate in. You could work in campaigns for a candidate at a local level, the state level, or federal. Your involvement in a campaign could affect an election and thereby affect decisions which impact on every aspect of your daily life. You should think about running for office yourself. It doesn't necessarily have to be for Governor or Congress, you could start by thinking about the City Council, or for the Democratic Committee in your city or county, or if you choose, the Republican Committee.

You can participate in government by being a responsible citizen. Watch your elected officials. They made certain commitments during their campaigns. They made certain promises as elected officials. It is your duty to see that they live up to those commitments. President Carter made a lot of commitments as Jimmy Carter the candidate. We have a book at the White House we call "Promises, Promises," which outlines those commitments. When Jimmy Carter was still a candidate, he addressed a group called "Women's Agenda." It is a group of women's organizations throughout the country. He made a statement at that meeting which applies not only to women's groups, but to you and to groups interested in social justice and social change. He said, and I quote, "I hope you will be tough, militant, committed, aggressive and eloquent for your cause." The President has committed himself to social justice and efficient government. He and all of us who work for him are responsible to you and to those commitments. You should make us accountable.

We need more women in public office. We need more role models for other women. Because women are socialized differently, we bring to politics and policy compassion and a sense of justice. It is not ours alone, and one of our missions in fact should be to share it with men. It has been 125 years since there was a first organized demand by women for the vote. It is 55 years after the passage of suffrage. It is time we took our place in making decisions which affect all of us.

Feminism is not a new concept. It was 1912 when Charlotte Perkins Gillman, a social theorist and a feminist, described the women of her era. "The women of our age are outgrowing the artificial restrictions so long placed upon them," she wrote. "They are specializing because they are human. They are organized because they are human. They

are seeking economic and political independence because they are human."

Women are told, "Go back. You are women. You are nothing but women. All these things you want to do are male things. You cannot do them without being male. You want to be male. It's abhorrent, outrageous, impossible." Then Perkins reminds her readers, "Things women want to do and be and have are not in any sense masculine. They do not belong to men. They never did. As women rise and broaden, filling their full place in the world as members of society, they will gradually rear a new race of men—men with minds large enough to see in human beings something besides male and female."

Feminism is not a new concept, but the definition has changed. My grandmother supported a family of six during very lean times. Even then, she could not understand why she could not vote. She questioned the system and her lack of ability to participate in it. She was a feminist, though she was not called one at the time.

My mother was a school teacher. She was dismissed from her job when she married my father. Married women were not allowed to remain in their jobs. She challenged the system and, in fact, won and was reinstated. She was reinstated only to be fired again when she became pregnant with my older sister, for pregnant women and mothers were not allowed to hold positions with the school system. After I started school, she challenged the system again, she won again, and was reinstated. She was not called a feminist, but she was.

I graduated from law school at the top of my class and served as Editor of the Law Review. I applied to law firms throughout Texas and in Washington, D.C. I was rejected by all of them. I complained bitterly. I was a feminist; but, by that time, I was defined as a feminist—in those days it was not always a complimentary term.

My father supported my mother through her trials and tribulations with the school system. He supports my commitment to equal rights. He's a feminist, though even today he might be uncomfortable being called one.

You should be comfortable with the term feminist. You should be proud to be called a feminist. You should be supportive of other women and supportive of men who are committed to women's issues. Consider before you voice criticism of another woman, a women's college or organization—whether or not you are holding her or them to a different standard than men. Are you more critical? If so, does it have something to do with your own self-image as a woman?

My feminism started here. I owe a lot to Emmanuel. I received a lot from the people here and the environment. It was from my parents that I first learned about commitment to social problems and issues. It was here that that commitment became strong, and I began to believe in some way I could make a difference.

You can also make a difference. You should understand that the fundamental changes necessary to solve the problems we face begin not in the halls of Congress nor in the vast machinery of the government, nor even in the Oval Office. It begins in communities such as this and in colleges like this, by women and men who harbor a quiet outrage at social injustice, who have the courage to think creatively and to be optimistic, idealistic and effective. It begins with women and men who care, who grasp power but use it with compassion to build a better future for our country and for each of us as women and men, as human beings.●

OUR RELATIONS WITH SOUTH AFRICA

● Mr. GOLDWATER. Mr. President, over the past few weeks, I have endeavored to bring some light and intelligence to the question of our relations with South Africa. It is my belief that the American people in general, and officials of the Carter administration in particular, have an oversimplified and confused view of the situation in that country. For this reason, I should like to have printed in the RECORD an article written by Dr. Ernest W. Lefever, director of the Ethics and Public Policy Center at the University of Georgetown, entitled "South Africa Should Be a Close Ally of the United States."

The article follows:

SOUTH AFRICA SHOULD BE A CLOSE ALLY OF THE UNITED STATES

As a political community, a society, and a concept, the Republic of South Africa has become a symbol of all the problems, aspirations, and ambiguities of the world situation—indeed of the human condition itself. South Africa confronts an incredibly complex problem of ethnic pluralism which few outsiders have begun to grasp.

Yet, by all normal calculations of US national interest and international strategy, South Africa should be a close ally of the United States. By virtue of its mineral resources, its strategic location, its industrial sophistication, and not the least, its eagerness to co-operate with the West, South Africa should be a *de facto* member of NATO. It should be accepted as a full fledged partner in the struggle against Communist expansion.

But, ironically and perhaps tragically, this is not the case. The posture of Washington toward Pretoria is cool and sometimes punitive. Washington's mood is more like that of an adversary than an ally. The United States refuses to sell you weapons and military equipment. Washington has refused to support the present constitutional process for establishing a representative and independent government in South West Africa. It has refused to recognize the independence of the Transkei, and now, though there is some ambivalence, Washington has refrained from supporting the internal settlement in Rhodesia and insists in bringing in the Soviet and Chinese backed guerrillas.

This general US position of nonsupport is underscored by public criticism and symbolic gestures designed to make clear Washington's hostility toward Pretoria.

In terms of the larger world struggle, US policies—at least in the short run—have the effect of giving aid and comfort to the Marxists. This is certainly true in South West Africa and Rhodesia now. It was true in Angola two years ago when, ironically, South Africa was left standing alone defending the cause of moderate government and the interests of the West in Africa.

Since the end of World War II, South Africa has consistently pursued external policies that support declared US objectives. Consequently, Washington's hostility toward Pretoria can only be explained by US opposition to South Africa's internal racial policies. Western criticism of your domestic policies is rooted in the Judaeo-Christian affirmation of human brotherhood, but its *strident* and *hostile* expression reflects the conceptual flaws of the rational idealists and the checked racial experience of the West. The American feeling of guilt about the Red Indian and the African slaves persists, but instead of transmuting this guilt into a sense of responsibility for our fellow Americans, it is often projected onto external situations—to societies whose present sins seem more glaring than ours of the past.

This intense preoccupation with racial guilt reinforced by American domestic pressures and strong but ambivalent demands from Black African regimes often combine to make race the dominant issue in policy calculations. This psychological-political racial factor has clouded the issue in Rhodesia. Many Americans think the fighting there is a race war, or a war of independence, when it really is a struggle between two radically different ways of governing an independent country. The real issue is shall Rhodesia become another Angola, or shall it be given a real chance for achieving a moderate, multi-racial government.

The *stridency* of the external attack against South Africa also reflects the confusion between foreign and domestic policy alluded to earlier—a confusion which finds expression in an unbecoming stance of reform intervention.

The categorical character of the condemnation of South African racial policies is rooted in two factors—the confusion between genuine justice and mechanistic egalitarianism on the one hand, and a profound ignorance of South Africa's complex ethnic situation, on the other.

Most states in the world are plural societies, but South Africa presents by far the most complicated and difficult combination of nations, tribes, and cultures. The large population in the various racial-cultural groups is a major factor. It may be said that this country is characterised by *three internal colonies:* 1. the Coloured and Asians; 2. Blacks living in the rural tribal areas, and 3. the urban Blacks. A *colony* is a population group which does not participate fully in the economic, educational, or political life of the state which controls it. Historically, most colonies have been *external* to the state. When circumstances change and these external colonies become too costly—in economic, political, or moral terms—they are cut loose under the rubric of independence or self-determination.

An *internal* colony is far more difficult to deal with. It cannot be expelled or exterminated. Nor can it be easily digested or assimilated. The differences among racial, religious, and linguistic groups are persistent and profound—as the Canadians, Belgians, Nigerians, and Ethiopians have good reason to know.

What is South Africa to do with its three internal colonies?

It is not for me or any other outsider to say. The internal and external pressures for change are intense. Your government and your people are engaged in an agonizing reappraisal of your situation because your very survival as a republic and a modern economy is at stake. You, more than anyone else, are aware of the pressure from the Communist world. You feel isolated, misunderstood, and abandoned by the West, and particularly by the United States.

Under these unprecedented cirumstances and in this time of international crisis, permit me a few *observations* as an American who has visited South Africa from time to time over the past 15 years, and who has observed many constructive developments.

First, a word about Western criticism. I know much of it is unfounded and unfair, but that does not invalidate its demand for change toward greater justice, an imperative implicit in your own heritage. Try to separate the hypocrisy and self-interest of your critics from any truth their criticism may carry. Though it is not wise to brush aside the criticism of the West or even to ignore the attack of the totalitarians, you can with impunity pay less attention to "world opinion," especially as it is expressed at the United Nations. You would be well advised to *focus* instead on the demands of your own deeply-rooted national conscience.

This leads to the second observation:

Your own great tradition of justice and ordered freedom must provide the dynamics and direction for adaptation and change. You must be impelled more by a sense of internal necessity than external demands. You alone can understand the problems and you alone can muster the energy and imagi-

nation to address them. Your response must be the offspring of necessity and conscience. This combination has inspired great and daring decisions throughout history when statesmen were confronted with the survival of their cherished values and institutions. Whatever you do, whatever steps you take—large or small—be prepared for continued criticism from the self-appointed custodians of rectitude in the West and your sworn enemies in the East.

Now, let me turn to the central internal issue—broadening the political participation of the three internal colonies in your midst:

First: The Coloureds and the Asians, who are playing an increasing role in the cultural and economic life of the country, deserve fuller participation in local and national political decisions. When and how these groups should be enfranchised, I would not presume to say.

Second: Blacks in the rural tribal areas who are scheduled for independent homelands deserve the opportunity for self-determination this policy implies. They are also entitled to the territorial coherence and integrity that viability demands. When a homeland opts for independence, this reduces the size of South Africa, but does not preclude subsequent federation. If a homeland opts for autonomy, it could be immediately federated with the Republic.

Third: The urban Blacks present the most difficult problem and challenge. That they are indispensable to the economy is beyond dispute. That they must be given a say in their political destiny should also be beyond dispute. Again, how and when this is done, is not for me to say. I must admit, however, that some form of local government *federated* with a national governing body seems to be a plausible next step.

Whatever is done, you will have to do it in your own way, at your own pace, and in accord with your own tradition of independence and respect for law.

Your success in undertaking the disciplines of change will be affected by attitudes, habits and customs. Some of your laws and regulations, as you well know, cannot be justified by anyone who believes in the essential worth and dignity of every human person. You would do well not to emulate my country which too long practised our version of petty apartheid.

In conclusion, I repeat that I speak as an American, who shares with you the great Western heritage of justice, freedom and respect for the human person. This heritage is being severely tested today—tested from without by the new barbarians and from within by confusion and failure of nerve. I only hope that you in your country and we in ours will meet that test.●

EULOGY FOR SENATOR ALLEN

● Mr. HOLLINGS. Mr. President, it was with great shock and real dismay that I learned of the sudden passing of Senator James Allen of Alabama.

I remember thinking when I learned of Jim's death of an old saying about a man's character. Every man has three characters, it went, that which he exhibits, that which he has, and that which he thinks he has. In Jim Allen, there was but one character. It was a character of unfailing courtesy, a dedication to principle, and a commitment to do his best as he saw it. Jim Allen wore one face for all occasions; there was no pretension. And all who knew him loved and respected him for that.

Much has been written of Jim's thorough grasp of the parliamentary rules of the Senate and how, in his 10 years of service here, he used his expertise and knowledge of procedure to apply that fine rule of principle, to test, to strengthen the legislation which proceeded on this floor.

It could be an exasperating experience to be opposed by Jim Allen on the floor of the U.S. Senate. You knew that if Jim Allen opposed your legislation, it would undergo a drumfire of procedural question and maneuver. But that was to the ultimate good of the Congress and the Republic, because that particular piece of legislation—if it subsequently passed—had withstood the test of a fine legal mind, its pros and cons had been debated, its issues explored fully and openly.

Justice Felix Frankfurter once observed:

> The history of liberty has largely been the history of the observance of procedural safeguards.

Jim Allen truly was the Senate's foremost safeguard, and the Congress and the country have been diminished by his loss.

But if Jim Allen stood as a bulwark against legislative haste and if his opposition could be exasperating, it was never a humbling experience, and it was never accomplished at the expense of anger. Above all, Jim Allen was a fair man who respected the Senate and his colleagues and who went about his daily tasks with magnanimity and a keen sense of humor. Often, in the heat of legislative battle, I have observed Jim Allen chuckle with delight over a colleague's well-turned argument or at himself for the mischief he was up to—knowing that laughter was a great tranquilizer with no side effects.

His sense of dignity, his gentlemanly conduct, his interest in serving his State and his country were admired by us all. It was the measure of the man and, I think, the greatest tribute to him as a person that he carried all 67 counties and received 95 percent of the popular vote in Alabama in the 1974 election. No one has ever enjoyed a greater personal following and the respect and admiration of his constituents more, and I express my profound sympathies to the State of Alabama on its tragic loss.

Oliver Wendell Holmes wrote of death:

> The riders in a race do not stop when they reach the goal. There is a little finishing canter before coming to a standstill. There is time to hear the kind voices of friends and say to oneself, "The work is done."

I trust Jim Allen, taken so suddenly from us, has heard the kind voices of his many friends today as they have thanked him for the work he has done so well.●

TEXACO STANDS UP TO BE COUNTED

● Mr. LAXALT. Mr. President, the Administrative Practice and Procedure Subcommittee of the Judiciary Committee, of which I am the ranking minority member, recently sent out subpenas to five large companies and to one trade association, and to their respective advertising agencies, demanding that massive amounts of issue and image advertising material from the companies be furnished to the subcommittee on the alleged grounds that the subcommittee wanted to investigate the IRS, the Department of Energy, the FCC, and the FTC, to determine whether they were carrying out their duties in regard to such advertising and exercising proper coordination in doing so. Texaco, one of the subpenaed companies, responded to the subcommittee with a lengthy legal opinion refusing to comply on constitutional grounds, and additionally on the grounds that the subpenas were not properly issued.

Barrons, the weekly business paper published by Dow Jones & Co., in its May 22 issue, commended Texaco for its strong stand in an article entitled "Stand Up and Be Counted—Corporations Fight Efforts in Congress To Muzzle Them," and a correction to said article dated May 29, 1978. I wish to commend Barrons for covering the subcommittee's investigation and for its commentary, and would ask that the entire article with the correction be printed in the RECORD.

The material follows:

[From Barrons, May 22, 1978]

STAND UP AND BE COUNTED—CORPORATIONS FIGHT EFFORTS IN CONGRESS TO MUZZLE THEM

(By Shirley Scheibla)

WASHINGTON.—Texaco Inc. last month sent Sen. James Abourezk (D., S.D.), chairman of the Senate Administrative Practice and Procedure Subcommittee, a 17-page legal opinion explaining why, on Constitutional grounds, it will not comply with a subpoena which demands confidential information concerning its advertising campaigns, notably those involving controversial issues and its corporate image. International Telephone & Telegraph, one of the most recent recipients of a similar subpoena, is challenging its validity on the grounds it was not issued by the Subcommittee. As a result, the parent Judiciary Committee now must decide whether to enforce the subpoenas. Ten others have been issued, and Sen. Abourezk would like to serve more.

Other companies, too, are getting ready to resist the growing federal attack on advertising. So are several organizations, including the American Civil Liberties Union, Business Round Table, National Association of Broadcasters and National Investor Relations Institute. Now they have a new Supreme Court decision to back them up. Late in April, the high tribunal, in the case of the First National Bank of Boston vs. Bellotti, ruled that a legislature may not order a company to "stick to business" in its ads. Such restraint, it found, would violate the First Amendment.

Rep. Jack Kemp (R., N.Y.) is planning a broad counter-attack on the federal campaign against advertising. As the first move, he soon will introduce a bill to repeal the section of the U.S. Tax Code which the Internal Revenue Service has interpreted to bar deductions for corporate image and issue advertising and mass mailings on controversial issues. In addition, a House Appropriations subcommittee has approved a bill which prohibits the Federal Trade Commission from using any funds to ban advertising of any food not found unsafe by the Food & Drug Administration.

NO MONOPOLY

The Supreme Court's First National Bank decision is likely to go down in history as one of its most important moves for freedom of corporate speech in advertising. Writing the majority opinion, Justice Powell said: "The press does not have a monopoly on either the First Amendment or the ability to enlighten."

Meantime, however, the attack goes on. In addition to recently subpoenaing masses of issue and image advertising material from IT&T and its advertising agency, Needham, Harper and Steers, Abourezk also demanded similar material from the Pharmaceutical Manufacturers Association and its agency, Vansant Dugdale. He had previously subpoenaed similar documents (Barron's, April 3) from four major oil companies, Exxon, Gulf, Mobil and Texaco, and their four advertising agencies, Benton & Bowles; Doyle, Dane, Bernbach; McCaffrey & McCall, and Young & Rubicam.

COMMERCIALS FOR KIDS

The Federal Communications Commission also is playing a role. Though Charles D. Ferris has been chairman only since November, he already has reactivated a unit to weigh more regulation of both commercials and children's programs. In response to a petition filed Feb. 23, the Commission is reconsidering its 1974 decision against limiting commercials on children's TV programs to six minutes per hour and eventually eliminating all such advertising. The agency also is contemplating banning TV drug commercials before 9 p.m., even though two years ago it voted not to do so.

Following publication of our April 3 piece, Congressman Kemp wrote us: "I am going to pick this up and run with it as a major issue this year. I think it has an appeal which transcends those who typically ally themselves with business. There are some real civil libertarian principles involved here, and I intend to make that point."

Fortune recently described Kemp as "a student of economics . . . a political star, a spokesman for his party and a molder of its policies." When Kemp inserted our commentary in the Congressional Record on April 13, he declared: "In order to comprehend the truth, we must first hear all forms of speech, and the offering of those forms of speech must be on an equal footing. It is morally unfair, financially inequitable and of questionable Constitutionality to do otherwise."

Congressman Kemp is drawing up a bill to repeal the portion of the Tax Code under which IRS recently issued regulations barring deductions for corporate ads involving political issues. He said: "The IRS has let remain in place all those regulations and rulings which allow the deductibility of expressions of noncorporate points of view. For example, an individual can still claim a full deduction for contributions to charitable, educational and so forth foundations and organizations, which then devote substantial amounts of their time and effort to directly and indirectly affecting public opinion. Thus, a major foundation could come out with a study, and all contributions for its research, publication and distribution would be deductible, whereas a corporate response to that would not be. And contributions to government, which are often used for expressions of points of view, are deductible."

On this issue, Kemp apparently will enjoy the support of Rep. Gary Brown (R., Mich.), ranking minority member of the House Subcommittee on Commerce, Consumer and Monetary Affairs. That subcommittee is in the midst of an investigation of what it views as the illegality of deducting issue and image advertising as a cost of doing business.

TAX PENALTY

Brown told the House that a preliminary finding of the subcommittee is that IRS has failed effectively to enforce existing law. He explained: "IRS has taken steps recently to improve this situation by issuing four rulings, revising the auditors' manual and initiating an audit survey to determine the level of noncompliance. However, I believe that IRS will find it impossible to make any significant improvements to correct the present chaos of interpretation. . . ."

Brown explained that to enforce existing law, IRS must distinguish between product or goodwill ads, which are deductible, and ads which constitute indirect lobbying, which are not. To do so, it must determine, among other things, whether an ad discusses both the pros and cons of the public policy issue addressed, and whether the ad treats the subject in a polemical or controversial manner.

"In my opinion," the Congressman went on, "the adoption of any subjective criteria such as these will raise a serious First Amendment problem. These vague criteria could only be applied in an arbitrary and inconsistent manner—and thus have a chilling effect on public comment on important issues."

The National Association of Manufacturers apparently agrees. Last week it sought an injunction against IRS regulations preventing tax deductions for corporate ads on political issues.

Sen. Harrison Schmitt (R., N.M.) has introduced a bill, S. 2011 which would require Congressional review of proposed federal regulations likely to have a major economic or judicial impact. Since the measure has been referred to the Abourezk Subcommittee, it seems unlikely to make progress there until the lawmaker's retirement at the end of this year.

As noted above, the American Civil Liberties Union is joining the fray. Alan Reitman, ACLU associate director, wrote us: "I want to emphasize how much we were impressed with your editorial commentary in *Barron's* of April 3rd, on the government's drive against corporate advertising. We are developing a position on the Federal Trade Commission's proposed ban on children's advertising, and I am checking further on the other items mentioned in your report."

In a month, the ACLU will hold a National Free Speech Convocation, featuring 15 panels. One will consider whether commercial speech should be free from government interference, and if so "what the impact will be on consumers who have been protected by the Securities & Exchange Commission, the Federal Trade Commission, Food & Drug Administration and the many other government agencies that now limit commercial speech."

To date the most dramatic step has been taken by Texaco in its refusal to honor Sen. Abourezk's subpoena. The company based its decision on a legal opinion by the law firm of Kaye, Scholer Fierman, Hays & Handler.

CONSUMER IMPACT

In an explanation accompanying each of the dozen subpoenas which he has issued so far Sen. Abourezk stated that the purpose of the investigation is to see whether IRS, the Department of Energy, FCC and FTC are carrying out their duties with regard to such advertising and exercising proper coordination in doing so.

But Texaco's legal opinion said that the subpoena is virtually devoid of any inquiry regarding the four agencies. Instead, the opinion contends, the specifications attached to the subpoena reflect a sweeping inquiry into corporate speech and thought processes affecting the preparation of Texaco ads, and "are not directed at the internal thinking of the four government agencies under investigation." Among other things, the specifications accompanying the subpoena call for records of all meetings involving ad decisions by Texaco and its ad agency, "minutes of board of directors meetings relating thereto, and all documents showing the relationship between such advertising and shareholder or investor relations, stock price or other capitalization employe relations or recruitment, both managerial and non-managerial sale of gasoline by the corporation at retail, both current and future." They even demand the names and addresses of the persons primarily responsible for the issue and image ads, whether employed by Texaco or its ad agency or not.

The opinion argued that the general lack of clarity between what is demanded and the subject of the investigation gives rise to the Constitutional problem of due process.

One specification goes beyond advertising and calls for all documents relating to "public matters, elections, referendums or actions of any agency of government directly affecting the petroleum industry." This, said the opinion, is not consonant with Fourth Amendment protection against unreasonable search and seizure.

The opinion also contended that the subpoena seems based upon the belief that commercial speech is not protected by the First Amendment. ITT also refused to honor its subpoena on this ground. But it cited four Supreme Court decisions to the contrary since 1975 (and now has a powerful fifth).

The opinion also challenged the validity of the subpoena because it does not seem to have been authorized by the Subcommittee. On this score, *Barron's* found that the Subcommittee staff simply phoned members and told them that the various subpoenas were going out. The group did not meet to discuss or authorize them. Senators Strom Thurmond (R., S.C.) and Paul Laxalt (R., Nev.), the two minority members, were not even allowed to see the legal documents.

DEADLINE COMPLIANCE

All the subpoenas are signed by Sen. Abourezk and give no indication that they are authorized by the Subcommittee. According to the legal opinion submitted by Texaco, this violates the Legislative Reorganization Act.

Of the four oil companies subpoenaed, only Mobil met the original deadline of April 7 for forwarding material. For Exxon and Gulf, the compliance date was extended to May 17. (Texaco will supply some material which it does not view as confidential. That includes, for instance, all tapes, movies and tearsheets of issue and image ads since 1973, which obviously are public information.)

While Charles Ludlam, subcommittee counsel, would not discuss the matter with *Barron's*, he reportedly also has agreed not to require the appearances of the chief executive officers of the oil firms and their ad agencies until the staff has had time to study the documents. The corporations have accepted the alternative of having staff members visit their corporate offices to look over the material instead of sending them to Washington. How much, if any, access to confidential files they will allow remains to be seen.

The staff studies presumably will take months. By that time, Sen. Abourezk might no longer be subcommittee chairman. He has announced that he will not seek a new term, and his present one expires at year-end.

But the investigation already has had a chilling effect. To illustrate, the Pharmaceutical Manufacturers Association was weighing running ads to give its views on the Drug Regulation Reform Bill now pending in Congress. Now, however, it is having second thoughts because the Abourezk subpoena for PMA seems to indicate that such ads constitute lobbying. The Association is afraid of losing its tax-exempt status.

The inadvertent elimination of a paragraph in the article, "Stand Up and Be Counted," by Shirley Scheibla, in last week's *Barron's* created an erroneous impression. Sens. Strom Thurmond and Paul Laxalt, the two minority members of the Abourezk Subcommittee, at first did not see the subpoenas sent to a dozen companies for confidential information. But, as the deleted paragraph explained, they did see them after appealing to Sen. James Eastland, chairman of the par-

ent Judiciary Committee, and intercepting Charles Ludlam, subcommittee counsel, just as he was mailing them.●

JEANETTE WILLIAMS HONORED BY NEW JERSEY HUMANE SOCIETY

● Mr. PELL. Mr. President, Jeanette S. Williams, wife of our distinguished colleague, Senator HARRISON A. WILLIAMS, JR., was recently named "Humanitarian of the Year" by the New Jersey branch of the Humane Society of the United States.

Because of her deep personal commitment to animal welfare, Mrs. Williams has long been a strong and effective leader in the humane movement. As a member of the advisory board of the New Jersey branch of the Humane Society, she has been actively involved in efforts to secure greater protection for wildlife and to prevent cruelty to animals. And, as the senior professional staff member of the Senate Committee on Human Resources, she has worked tirelessly and compassionately on behalf of so many people to improve the quality of life in this Nation.

Mr. President, I am sure my colleagues join me in congratulating Mrs. Williams for this well-deserved award. I ask that her acceptance speech be printed in the RECORD.

The speech follows:

REMARKS BY JEANETTE WILLIAMS

I am delighted to accept this high honor and the responsibility that goes with it.

It is a particular honor for me to be named "Humanitarian of the Year" on the occasion of your 20th anniversary.

Senator Williams joins me in congratulating all members of the New Jersey branch for 20 years of humane work.

A friend of mine recently gave me a beautiful book called Animals and Men by Kenneth Clark.

Through the eyes of a world renowned art historian, the book views our relationship with animals from the earliest times to the present.

At the beginning, there are wonderful illustrations of the golden age—the Orpheus of Greek Legend and Adam in Paradise.

Both are surrounded by myriad animals and birds.

Both symbolize a time when man lived in perfect peace and harmony with all creatures.

But in turning the pages, we see another side of man's relationship to animals—the ritual sacrifice of a bull. A gory battle between armed men and ferocious lions, the stalking and killing of a gentle deer, the slaughter of a pig, a modern bullfight.

Clearly, the Golden Age is over.

As Clark notes: "We love animals, we watch them with delight, we study their habits with ever-increasing curiosity; and we destroy them.

"We have sacrificed them to the Gods, we have killed them in arenas in order to enjoy a cruel excitement, we still hunt them and we slaughter them by the millions out of greed."

Our ambivalence toward animals has been demonstrated throughout history.

And it is still very much in evidence today.

For example, we have established refuges for the protection of wildlife; yet we allow hunting and trapping on them.

We have passed laws to restore species that have been endangered by human encroachment and deliberate killing; yet we allow other species to be tortured in traps for their furs.

We spend millions of dollars every year breeding and pampering our pets; yet we allow countless other pets to be destroyed for want of a home.

The annual slaughter of pets and wildlife in this nation has reached staggering proportions.

And the enormity of this toll is compounded daily by cases of animals mistreated out of malice or neglect.

Sadly, we have used our dominion over our fellow creatures to destroy them.

While we may not practice such cruelty ourselves, we all too often tolerate it.

It is not enough for us simply to shun the arena and the hunt.

For our dominion over animals makes us to a great degree responsible for their welfare.

We need to carry out this responsibility with compassion and action.

As a nation and as individuals we can help to reduce the unnecessary slaughter and suffering of our fellow creatures.

On the national level, your support is needed for two humane bills that Senator Williams has introduced.

The first, S. 818, would ban the inhumane steel-jaw, leg-hold trap throughout the United States.

Although this is the third time the bill has been introduced, the Senate has never even held a hearing on it.

I have personally written to Senator Culver, chairman of the subcommittee to which the bill has been referred, to request that he schedule a hearing.

Trappers are only a small minority of our population; the rest of us need to make our voices heard.

The other bill, S. 2151, would help to deal with the problem of unwanted pets.

It would provide federal loans for the establishment of low-cost municipal spay and neuter clinics.

By encouraging the sterilization of dogs and cats, the bill would help to bring the pet population under control.

This would, in turn, reduce the need to resort to the decompression chamber and the needle.

This bill, too, needs your support.

One need not go to Washington to do something about animal abuse.

The New Jersey branch has taken the lead on the State and local level in making people more aware of the plight of our fellow creatures.

I was pleased to join in the branch's protest fo the annual deer hunt at the Great Swamp last fall.

National wildlife refuges such as the Great Swamp were created to protect wildlife.

The word refuge, according to Webster, is: "a shelter or protection from danger or distress."

Yet, every year these so-called refuges are the scene of planned massacres.

In 1974, the last year for which statistics are available, 534,200 mammals and birds were killed by hunters on refuges.

253,400 furbearing animals were killed by trappers, most of them in steel-jaw, leg-hold traps.

How can we call such places refuges?

Lynn Greenwalt, director of the fish and wildlife service, which is responsible for managing the refuges does not seem to understand this contradiction.

Commenting on a recent study of refuges, he said: "It should be made clear that the service holds that hunting, fishing, and trapping are legitimate and necessary tools of effective fish and wildlife management and that these are recognized and legitimate recreational activities.

"This philosophy . . . applies to the National Wildlife Refuge System itself."

I do not think that the majority of Americans share Mr. Greenwalt's philosophy.

It is time our wildlife refuges and other public lands were managed in the public interest and in the interest of wildlife, rather than for the economic gain or the pleasure of a few hunters and trappers.

As Kenneth Clark says, "we must recognize that the faculty of speech, which has given us power over those fellow creatures whom we once recognized as brothers, must carry with it a proper measure of responsibility.

"We may never recapture the golden age, but we can regain our feeling of kinship which will help us establish a feeling of the unity of creation.

"It is a faith we all may share."●

SELECTIVE SERVICE SYSTEM STUDY

● Mr. GOLDWATER. Mr. President, as international tensions continue to grow, new attention is being focused these days upon the Nation's military manpower. In this regard, special studies are being conducted into the Nation's Selective Service System and its ability to play a vital role if required in any future mobilization. In this connection, the Association of the U.S. Army has submitted an important statement to the President's reorganization project—Selective Service study which I ask be printed in the RECORD.

The statement follows:

A STATEMENT TO THE PRESIDENT'S REORGANIZATION PROJECT—SELECTIVE SERVICE SYSTEM STUDY

The Association of the United States Army is pleased to respond to your invitation to share with you the Association's strongly-held feelings about the present sad state of the Selective Service System, about the impact that condition has on the Army's readiness to do its job and to recommend actions we think are badly needed to restore the System's ability to play the vital role required in any future mobilization.

All of you may have been exposed to AUSA's various publications and, if you have, you are aware that our concern was not born at the instant we received your invitation to meet with your study group. Rather, our concern over the state of the System goes all the way back to the point at which the draft was set aside in favor of an All-Volunteer military establishment. Our alarm first peaked in October, 1968, when President Nixon told a national television audience that a Selective Service System "... that arbitrarily selects some and not others simply cannot be squared with our whole concept of liberty, justice and equality under the law."

What the President chose to overlook at that time of extreme anti-war and anti-draft pressure was that most of the inequities that had crept into the System had been placed there by politicians in search of ways to soften the impact of the draft on their constituents. Much of what President Nixon and many others said about the Vietnam-era draft was true. But, in the final months of its operation, those inequities were eliminated by the use of a truly random selection technique and by finally eliminating a wide range of deferments that supported criticism of the Vietnam-era draft as favoring those who enjoyed the highest standards of living and educational opportunities. AUSA remains convinced that the problems encountered with the Vietnam-era draft were not due to any basic fault in the concept of obligated service but because there was too much politically-based meddling

with the System to permit it to operate as fairly as it can and should.

The Selective Service had operated successfully through both World Wars and the Korean War with no generalized negative reaction. To be sure, any system that involves the lives of human beings will, from time to time, run counter to some individuals' desires and sensibilities but there are mechanisms available to adjust the system to the case of the legitimate conscientious objector and to the welfare of the individual who has a truly compassionate reason not to serve. There are also mechanisms to assure that people whose special skills are more valuable in a civilian context than in a military one are excused from military service.

To AUSA, the 1968 decision foreshadowed a host of future problems. The Army had been told that it was to be an all-volunteer force and there was no question that the professional military leaders would march ahead, doing their best to make it work. But the Army's mission is not just to fight wars but to prepare for them so well in times of peace that its very readiness deters war. We could see, at that early point, that the lack of draft pressure would have a negative impact on accessions into the reserve forces and that, if the Selective Service System were not kept at an adequate level of readiness, our ability to mobilize would be sorely impaired.

So, in July of 1969, AUSA went on record with the following recommendations:

Continue the draft, with modifications to make it as fair as possible,

Maintain the Selective Service System on an active basis,

Continue to register and classify all eligible young men, and

Proceed with plans to improve the pay and career attractiveness of the active, career, force.

Only the last action was taken. Active duty pay for volunteers has improved and very strenuous efforts have been made to improve the attractiveness of volunteer military service. The Army has outdone itself in its effort to recruit high quality people to fill its ranks. Hand-picked recruiters, among the very best in the service, have gone out into our cities and towns to seek out the numbers needed to meet strength quotas. They have done so with the knowledge that failure in that assignment would hurt their careers as much as a failure while in command of a squad, a company or a battalion.

Support for the volunteer concept by the executive branch and by the Congress has not been notably strong. Advertising budgets and recruiter forces have been cut and training time reduced. In many ways the volunteer Army has become more of a sociological test track than anything else, with racial equality and women's rights as much on trial as the concept of a volunteer force.

So what has happened since the last draft call, eight years ago?

Since 1974, the Selective Service System has been the victim of budgetary actions that have reduced its size from 2,445 paid employees in 626 offices nationwide to its present level of less than 100 employees in that six offices. In 1975, the registration and classification of all 18-year-olds was suspended by Presidential proclamation. This is in direct violation of the statutory requirement of the Military Selective Service Act that this group be registered and classified. Congress, for its part, has acquiesced by approving shrinking budgets for its operation. The System can no longer provide the manpower the military needs in an emergency.

Without draft-induced pressure the reserve forces have shrunk to the point at which they are over 50,000 below their authorized paid drill strength and well over 100,000 more below mobilization requirements.

Without the flow of obligated personnel to spend the last four years of the six-year service in the Individual Ready Reserve that force—the only source of trained individual manpower as fillers and replacements—has collapsed and is now well over 400,000 short of its mobilization requirement.

Draft registrations have been stopped and the Selective Service System has been dismembered to the point it cannot respond in timely fashion to mobilization manpower requirements. The deterrence provided by an operational Selective Service System, and as a measure of credibility, has been completely destroyed.

The Defense requirement remains firm in the need for personnel to enter the training base during an emergency. The Army needs these personnel within 30 days of mobilization. The Selective Service System's ability to respond to a mobilization call for substantial numbers of selectees has been estimated at nearly 180 days by its former director. Thus, allowing a minimum of three months for training, the first draftee replacement would not be available to units in combat for between *seven and nine months*. In no way does this schedule meet the absolute minimum requirements of our active and reserve component forces.

What can be done to correct these problems? A few months ago the Association issued a Special Report: *Manpower for the Military—Draft or Volunteer?*, in which we examine the state of the nation's military manpower in detail. Attached as a part of this statement is a reprint of a portion of that paper, "The Dismantling of the Selective Service System." It is AUSA's position that nothing has happened in the months since the report was published to make our recommendations any less valid or to lessen our concern.

Specifically, we believe that:

The Selective Service System should be an independent agency. The innate public sensibilities to conscription are such that there should be a highly visible interface between the agency and the American people. We recognize that this could make the agency more vulnerable to budget problems. But to include the System within a user or other governmental agency would subject it to internal fiscal constraints and interpose additional layers of bureaucracy to impede efficiency and fast reaction time. The System must be credible, visible and accessible. Perhaps most important, it must not give the impression of being nothing more than an agent of its customers. It must retain its "friends and neighbors" status.

The speed with which the System may be called upon to act suggests no organizational changes (obstacles), however minor they might seem, should be planned for implementation at the time of greatest need for efficient operations.

The worst case situation (no warning) should be the planning basis.

The organization should be flexible enough to be compatible with a possible Selective National Service program.

Regional offices could be used in lieu of state headquarters to deal directly with the Adjutants General of the several states.

Local National Service boards should be established for the purpose of registration and classification of all reaching age 18 with the capability through computer use to maintain accurate locator data of registered personnel in the area.

Appeal boards should be established (no less than one per state) as required by geography and population concentrations.

An annual "planning" random sequence lottery of 19-year-olds should be held, with physical examinations of a sufficient number to insure capability of delivering 100,000 men/women by M+30 and 650,000 by M+180.

The System must be capable of screening the Standby Reserve.

The urgency to get the Selective Service moving is reflected in the growing concern expressed about the Volunteer Army. More and more, we are seeing public doubt and press concern about the same points we have been raising since 1968. Let me quote briefly from a New York Times editorial of May 1978:

"Five years after the end of the draft, the all-volunteer armed forces remain a source of concern. No nation has ever before tried to maintain a mass army by voluntary recruitment. The experiment has brought sharply higher costs, a cut in the forces from 2.7 to 2.1 million men, lags in recruiting for active and reserve units, and a decline in the quality of the nation's fighting men. It is now an Army with substandard education, heavy racial imbalance and a drop-out rate double that of the draft era (40 percent of recruits are discharged before completing their first term of service). These issues have been evaded by the military, the Congress and successive Administrations because revival of the draft has been deemed politically impossible. But the luxury of evasion may not last long."

In the context of the overall annual expenditure for defense the amount of money needed to reestablish Selective Service viability is small indeed. But its value is great. Like the ammunition, tanks and artillery needed by our troops at the very instant a war commences, there is no way to create a working draft mechanism from the almost-zero level that exists in time to meet mobilization needs. It's either on hand when the war starts or we are in peril. The very absence of a working system seriously reduces our deterrence.

The emasculation of the Selective Service System was one of the foolish reactions in the national trauma engendered by the Vietnam War. The need to restore national common sense in these matters is long overdue. A responsive and viable Selective Service System is an essential component of our deterrent posture.●

COMPETENCY TESTING: RAISING THE STANDARDS OF OUR CHILDREN'S EDUCATIONS

● Mr. BIDEN. Mr. President, recently we have heard a lot about how our schools have failed to educate our children. I would like to call to the attention of my colleagues a very fine article by James C. Hyatt of the Wall Street Journal on competency testing as a prerequisite for graduation from our public schools. This approach may offer at least a partial answer to the problems of declining educational standards in our schools.

The article follows:

MAKING THE GRADE—MORE SCHOOLS DEMAND A TEST OF COMPETENCY FOR GRADUATING PUPILS

(By James C. Hyatt)

In Gary, Ind., a teacher laments that a recent high-school graduate hasn't been able to keep her secretarial job "because of her lack of ability to comprehend what she reads."

The class valedictorian at a New Jersey high school, who had excellent school grades in English, did so badly in a pre-college test that she had to take a remedial course in writing. An essay she wrote on the test, says a college administrator, showed "'no focus, no central idea, no concept of paragraphing to separate ideas."

The evidence that many high-school graduates can scarcely read or write has been piling up for years, and now fed-up parents, school authorities and state legislators are trying to draw the line against further failures.

Across the country, students are being required to prove that they have learned minimum skills, usually by passing tests of competency in the three R's. Failure may mean denial of a high-school diploma.

New York City is moving to require that by graduation time high-schoolers must show they can read on at least a ninth-grade level, as measured by a standardized test. This spring, New Jersey will test 15,000 high-school seniors bound for its state university and colleges; a 20-minute essay question is expected to challenge even some high-achievers and will determine whether they need remedial work in college. In the Virginia suburbs of Washington, D.C., high-school seniors are struggling to show that they can write an error-free English paper.

ONE STUDENT'S STRUGGLE

For students who have encountered few real classroom challenges, meeting the competency demands can be a struggle. Many are failing the tests, at least on the first try. At Westside High School in a suburb of Omaha, 18-year-old Berlyn Beamis has failed a math test on fractions and percentages three times. He feels he won't need this knowledge for the job he plans to take, but he says, "I have to have a diploma. I'll stay in here until I pass."

Elsewhere, those who fail are enduring similar pressures. In Jacksonville, Fla., some high schools are running remedial classes starting at 7 a.m. for juniors who have flunked the state's new "functional literacy" exam that they must pass to graduate. In Gary, 87 seniors who recently failed a reading exam are cramming to get their diplomas this year.

"You would be hard-pressed to find anything in the history of American education that duplicates the competency movement," declares Chris Pipho, a research official at the Denver-based Education Commission of the States. In the last few years, he notes, 33 states have taken some action to require proof of pupil competency, and another four are expected to act by June. By comparison, in April 1976, only eight states had passed such legislation. Hundreds of thousands of students now are subject to competency reviews, and millions more will join them by the early 1980s as the new testing requirements are prepared and take effect. The requirements generally affect graduation, but some also require testing for progression from grade to grade.

"A VOTE OF NO CONFIDENCE"

Although many prominent educators fear that the testing may penalize students without assuring them of an adequate education, taxpayers clearly are demanding proof of value received for education dollars. "The minimum-competency-test movement is a vote of no confidence in the schools," says Diane S. Ravitch, assistant professor of history and education of Teachers College at New York's Columbia University. Joseph Califano, Secretary of Health, Education, and Welfare, has noted that "in the past three years, the number of Americans rating their public schools as good or excellent has fallen almost 25%."

The signs of educational letdown are almost everywhere. One of the most widely noted is the steady decline since the early 1960s in scores on the Scholastic Aptitude Test, or SAT, which often is required for college admission. Taken annually by almost 1.5 million high school juniors and seniors, the exam serves as one measure of general academic performance.

In the 1962–63 school year, scores on the SAT verbal exam averaged 478 out of a possible 800; in 1976–77, the average was 429. In math, the drop was 31 points, to 471. "Taken along with the comparable declines on other standardized academic tests and with other apparent signs of diminishing academic competency," the SAT score decline is "serious business," declared a panel of educators set up last year to analyze the trend. But as the SAT scores are slipping, grades are rising, which makes parents even more angry. Last year an American Council on Education survey found that more high school students have "A" averages than have "C" averages. Ten years ago "C's" outnumbered "A's" by two to one.

Widely publicized incidents add to the concern. The valedictorian at a Washington, D.C., high school was stunned last year to find his SAT scores weren't high enough to admit him to a local college. At Ohio State University, 1,700 of last fall's 7,100 freshmen had to take remedial English and 2,000 had to take remedial math. Explanations for the sagging performances range from permissiveness and lack of discipline in the schools to the distractions of television. In February, a panel of the National Academy of Education issued a number of findings.

It said that there has been a "proliferation" of less rigorous courses, and "a slackening of the amount of classroom time spent on learning and teaching." The panel found a "dismantling of opportunities for intensive study," at the secondary level. And it said, "American education should be paying much more attention to doing a thorough job in the fundamentals of reading, writing and arithmetic, beginning with ages five to eight."

Last month, National Assessment of Educational Progress, a federally financed study, found that among 17-year-olds, "students who report doing the most homework and the least amount of television-watching perform best." Even so, more than 60% of the teen-agers surveyed said they spend less than five hours a week on homework.

Whatever the causes of the drop in high-schoolers' performance, the result has been the minimum-competency movement. Local school boards and state commissions are deciding what skills to test, how onerous to make the exams and what penalties to impose for failure.

Many states take a straightforward approach, emphasing the basics. About 25 states plan to test or are testing reading and math skills. As one example: A 10th-grade test given in New Jersey last year asked students to change a fraction to a percentage and to compute the perimeter of a triangle, given the length of its sides. Two states also test skills in spelling, two in science and six in social studies.

But other states are going beyond the basics. Five are testing consumer education and ecomonic knowledge, and five are requiring proof of "life" or "survival" skills. Pennsylvania, for one, is in the midst of an effort to devise an elaborate set of "life skill" tests measuring students' ability to exercise legal rights, to get and keep a job and to understand the responsibilities for caring for other members in a family.

Although it's too early to judge the effects of competency testing, the portents seem encouraging. Florida's newly required functional-literacy tests "are the most popular thing to hit the state in years," says Thomas Fisher, the state's director of student assessment. Students, as well as parents, are responding favorably, even though 37,000 of the 100,000 Florida juniors who took math and literacy exams last fall failed one or the other.

At Jean Ribault High School in Jacksonville about 90% flunked the math test. Mr. Fisher says that the school's principal told parents that remediation classes would start at 7 a.m., would run after school and for an hour each evening, and that "you get the kids here, we're going to teach them." He says, "Some kids were showing up even if they had the flu. And if the teachers weren't prepared, the students were complaining."

Westside High School outside Omaha may provide a more conclusive lesson. It's now putting its second group of seniors through competency exams. To graduate, students must pass tests in reading, writing, math, oral communication, consumerism, the democratic process, and social-problem-solving. Of 800 students who first took the tests as sophomores, only eight finished their senior year in 1977 without having passed all the tests. Two made up the deficiency in summer school, one graduated after this year's first semester, one went elsewhere, and four failed to return to school.

"Our intent isn't to keep kids from getting a diploma," declares assistant principal James Findley. "In the long run our programs are going to be improved. Our graduates are going to have better skills."

School officials in Gary point to performances of students on steel-industry apprenticeship tests as evidence that competency testing in the city's schools is working. In 1975, of 143 applicants from the Gary area, 73, or 51%, qualified for U.S. Steel's apprenticeship program; last year, the percentage rose to 73%. "There's been quite a significant improvement," a U.S. Steel spokesman says. "Maybe they do deserve a pat on the back."

"IT WAS TERRIBLE"

Some students also acknowledge the benefits of the testing. William Wilson, an 11th-grader at Gary's West Side High School, recently passed his reading comprehension test after completing a remedial course. "The first time I took it, I didn't even get the score back," he recalls. "It was terrible. I thought I could comprehend pretty good. But when the score came back I knowed I should have been in there."

Still, the minimum-competency movement has its critics, and they raise a number of unsettling questions. Some suggest that the tests are too easy; in New York State, one question merely asked students to tell the time. "Most of the tests used for high-school graduates are eighth-grade level or below," says Mr. Pipho, the education research official.

A committee of the National Academy of Education raises another objection: The political reluctance to accept high failure rates may make the tests "almost meaningless." The group adds that any state-wide standard required to get a diploma "is basically unworkable, exceeds the present measurement arts of the teaching profession and will create more social problems than it can conceivably solve."

A special concern is that denying a diploma to a student on the basis of a single test is discriminatory, particularly since a diploma is so widely required to get a job. "Imagine going out for a job with a certificate of attendance instead of a diploma," says James McDermott, a state senator in Washington State. "It would be like not getting an honorable discharge from the military, regardless of the reason."

LOOKING TO THE COURTS

And if a school system fails a student without really trying to remedy his shortcomings, sticky legal issues can arise. Civil rights groups in some states have threatened to sue school systems that impose competency tests without having properly taught the material covered.

On the other hand, if a school graduates a student without regard for what he has learned, it can also be sued. Half a dozen lawsuits have been brought against schools around the U.S. essentially charging educational malpractice. For example, Thomas A. McNeill, now 23, recently sued a New Jersey school board complaining that he had been graduated from Columbia High School in Maplewood, N.J., in 1974 with a diploma but without the ability to read beyond the sec-

ond-grade level. The suit, which seeks $250,000 in damages, is being tried before a jury in a state court in Newark.

Although none of the suits has yet been resolved, and, indeed, legal experts are skeptical that malpractice could ever be proved, the suits have caught the attention of educators. "They may force us to look a little harder at what we're doing," concedes Raymond Turner, an administrator in the Dade County (Miami), Fla., school system.

In the end, the testing movement will have one of three possible results, suggests Harold Howe II, a Ford Foundation vice president and former U.S. education commissioner. First, he says, schools could become more willing than they are now to hold youngsters back a grade and to "work flexibly and imaginatively to solve their learning problems." Or, he says, society could create more institutions like the Job Corps "for those the schools are unable to serve."

A third, and more pessimestic, view is that "we must all live with the consequences of a group of young people rejected by our educational system and our economic system and embittered by their rejection in the name of improving educational standards," he says.●

EXPLODING MOUSE POPULATION PROBLEM

● Mr. WALLOP. Mr. President, recently an EPA memo on Waterside Mall's exploding mouse population problem came to the attention of Mr. Larry J. Bourret, commissioner of the Wyoming Department of Agriculture. As Mr. Bourret is a veteran of animal damage management problems plaguing the West, he was naturally concerned that EPA consider the same kinds of environmental safeguards in their mouse control program that he must address in controlling coyote predation on sheep and cattle. I thought that, in light of the Department of Interior's ongoing study on predator damage management in the West, Mr. Bourret's comments might be particularly salient. Therefore, I ask that the EPA memo and Mr. Bourret's concerns as voiced in the attached letter be printed in the RECORD.

The material follows:

MEMORANDUM

APRIL 3, 1978.

To All Waterside Mall Staff.
Subject: Mice.

Waterside Mall's mouse population has been increasing. There are several reasons:

(1) The construction around the building.

(2) A city-wide increase, perhaps spurred by Metro, that has affected many government buildings including the Oval Office.

(3) The omnipresence of food in our offices, in part a reflection of the continuing failure of the landlord to provide us with a cafeteria (GSA is now litigating our claim.)

(4) Perhaps the ineffective nature of the landlord's exterminator's efforts.

This week four rodent control experts will be surveying our problem to see what can be done. Although the long-standing nature of this problem and the probability that construction work will continue for some time around us are not encouraging signs, we are going to do what we can.

APRIL 28, 1978.

Re EPA Memo dated April 3, 1978. Subject: Mice.

Mr. IVAN DODSON,
Environmental Protection Agency,
Denver, Colo.

DEAR IVAN: I would appreciate being advised of how this situation is handled.

Perhaps 1080 would be appropriate if IPM fails to provide adequate control of mice doing damage—if it can be proved that mice are actually causing damage. How does EPA plan to protect non-target species? Are there endangered species in the proposed control area? Will only the offending mice be removed or is this a general population reduction program? If damage is occurring, what evidence does EPA have that general population control will reduce damage? Is this a major federal action? Can EPA co-exist with mice? Who was there first—mice or EPA?

Does Executive Order 11643 impact this situation? What non-toxicant methods have been used to determine if toxicants are necessary? Is this an emergency under Executive Order 11643? Does EDF concur? Are the mice resident or migratory? Are the mice public property or private property? Could it be that this is a yet unidentified endangered subspecies of mice?

We would be aghast if this developed into a total eradication program.

What damage assessment has been conducted? Is the assessment based upon reports by vested interests? Has EPA appointed an advisory committee to assess the amount of bias in reports of damage?

We sympathize with the agency but just want to be sure the agency is applying the same environmental safe-guards to all situations.

Has EPA considered a predator-prey situation? Cats or coyotes may be possibilities.

Perhaps man's incursion into the Waterside Mall area interfered with native mice and said incursion should have been studied more before it was allowed to occur.

Would alternate sources of food be advisable? Could sack lunches be locked up in mice-proof vaults? Has a damage compensation plan been studied. Should those suffering damage be expected to accept a certain level of loss? Does the public place a higher value on wildlife (mice) than on man's possessions (sack lunches)? What is the value of a mouse's chirp?

Have sports hunters been contacted to determine if they could harvest the surplus?

Will a hearing be convened?

Sincerely,

LARRY J. BOURRET,
Commissioner.

P.S.—Is a bounty system being considered?●

A PLEA FOR COMMONSENSE IN U.S. FOREIGN POLICY

● Mr. McGOVERN. Mr. President, last week during the congressional recess I issued a statement on foreign policy which I ask to have printed in the RECORD.

The statement follows:

A PLEA FOR COMMON SENSE IN U.S. FOREIGN POLICY

A Rejoinder by Senator George McGovern (D.-South Dakota) to President Carter's National Security Advisor, Zbigniew Brzezinski, Tuesday, May 30, 1978, The U.S. Senate, Washington, D.C.

President Carter's national security advisor, Zbigniew Brzezinski, is apparently determined on a foreign policy of crisis and confrontation. Watching Mr. Brzezinski on Meet the Press last Sunday, we can only conclude that in his mind the Soviets and Cubans are 19 feet tall and about to take over the planet. He has apparently concluded that the primary battle for world supremacy is to be fought in the jungles of Africa with the Cubans and the Russians arrayed against the Americans and the Chinese. True enough, Mr. Brzezinski invited the Europeans and the Africans to join the battle; but who really thinks they have any stomach for that?

Mr. Brzezinski's conduct in briefing the Chinese in detail on our strategic arms discussions with the Soviet Union was a strange, if not foolish, tactic. If it was designed to infuriate the Soviets, thus making more difficult the task of arms negotiations, it has doubtless done that. If it was designed to send a public signal that we like Chinese communists better than Russian communists, it has probably done that. But if it was designed to depict Mr. Brzezinski as a thoughtful, responsible and sensitive national security advisor, it has not done that.

Beyond this, one can only wonder at the wisdom of Mr. Brzezinski treating the Chinese to inside briefings on our confidential national security studies while he, in turn, reacted in awe to their "masterful analysis" of a world in crisis. Mr. Brzezinski, inspired in part by the Chinese, sounded more alarms in 30 minutes than even a dangerous globe can justify in its worst hours. No national security advisor and no President wants to appear faint-hearted in the face of a genuine crisis. But to avoid being "chicken" one need not become "Chicken Little."

The world is dangerous enough without inventing new dangers that exist only in the mind of the beholder. The sky did *not* fall, no matter how passionately Chicken Little proclaimed it.

We cannot conduct foreign policy as though every stirring in Africa, Asia or the Indian Ocean is another Cuban missile crisis. Foreign policy must be selective in centering upon the few fundamental interests of the nation—not the sideshows and minor distractions. We cannot treat a factional quarrel in Angola as though it were an attack on Berlin. We cannot believe that uncertain questions of help to the Katangans are more important than a strategic arms agreement designed to save humanity from nuclear catastrophe.

Without minimizing our problems, it is a fact that the United States is far and away the world's strongest power—militarily, economically and politically. We have more allies around the globe than any other nation. We have well-defended bases in every part of the globe. We have a mighty two-ocean navy with devastating nuclear and conventional firepower. We have the world's finest air force and the most accurate missiles with the greatest number of warheads. We have a strong, mobile army and marine corps. We are the pre-eminent power in the Western Hemisphere, in the NATO European partnership, in the Mediterranean, in the Middle East and in the Pacific.

It does not serve our interests to elevate Soviet influence and power while minimizing our own. Yet, Mr. Brzezinski has by implication greatly exaggerated Soviet and Cuban power while denigrating our own.

Actually, the Soviets are nearly alone in the world—with little Cuba their one apparent dependable ally. Communist China, with its one billion people, is not an ally but a major source of anxiety for the Russians.

Russia has no dependable base of influence and power on the European continent except for its enforced presence on the eastern fringe of Europe. There is little Soviet influence or power anywhere in Latin America other than Cuba. The Soviets have few bases available to their naval and other military forces beyond their own borders.

Speaking of the Soviet Union, Mr. Brzezinski talks of "a sustained and massive effort to build up its conventional forces, particularly in Europe," and "to strengthen the concentration of its forces on the frontiers of China. . . ."

There does seem to be evidence of such a buildup. But at a time when western military outlays are rising, when Mr. Brzezinski treats China as a NATO auxiliary, and global arms spending is on the increase, where else would one expect the Soviets to concentrate their forces if not on their common borders with Europe and China?

With or without an arms buildup, the Russians have a raw and agonizing memory of the devastation of two world wars. The el-

derly, cautious men who now rule the Kremlin are not likely to invite another visitation of that agony. At the same time, we are well-advised to do all that we reasonably can to induce restraints both on nuclear and conventional arms increases on the part of the Soviets, and on the part of ourselves and our allies. The defense of Western Europe is certainly a crucial American interest. That interest is better served by the maintenance of our military deterrent plus quiet, patient negotiation with the Soviets rather than bombastic ultimatums and alarmist cries.

Mr. Brzezinski talks of the Soviet Union's "vitriolic worldwide propaganda campaign against the United States. . . ." This campaign of words may be as fearsome as Mr. Brzezinski says it is. But we might recall the old childhood ditty: "Sticks and stones may break my bones, but names will never hurt me." We may not like what the Soviets are saying about our capitalistic system, but doubtless they are not entirely enthusiastic either as we inveigh against the "brutal, Godless communists." On the whole, I think we are doing fairly well in the propaganda competition.

Mr. Brzezinski speaks of the Soviet drive "to encircle and penetrate the Middle East. . . ." But Soviet power and prestige in the Middle East is on the decline. Indeed, the Soviet Union has been largely squeezed out of the Middle East—especially from Egypt, the major Arab military power. It enjoys neither power nor influence in Iran, Israel or Saudi Arabia.

Mr. Brzezinski speaks of Soviet efforts "to stir up racial difficulties in Africa, and to make more difficult a moderate solution of these difficulties . . ."

It may well be that the Soviets are fishing in the troubled waters of Africa. But does anyone seriously believe that the Russians introduced racism to Africa or even that they are a major cause of the racial tension that marks that former domain of the white European colonizers?

It is, in any event, preposterous to assume that the African states struggling to be born represent fundamental security concerns for the United States simply because a few of them have the support of Cuba or Moscow. There has been no fundamental American interest threatened by anything either the Cubans or the Soviets have done or are likely to do in Africa. We might prefer that Ethiopia and Angola not have Marxist governments, but the fact that they do is an inconsequential threat to us and there is little we can do about it in any event.

There are said to be 30,000 Cubans in Africa—a vast continent of 300 million people. Anyone who assumes that 30,000 Cubans can impose their will on 300 million Africans should recall that even with 550,000 American forces and history's most murderous bombing, we failed to impose our will on 40 million Vietnamese. It is the sobering memory of that failure that has prompted several congressional restraints designed to prevent U.S. involvement in Vietnam-type conflicts in Africa or elsewhere without congressional approval. Mr. Brzezinski does not like these congressional safeguards. But they would cheer the hearts of our founding fathers and they reassure millions of Americans today.

Is there any reason to believe that the Russians and Cubans will be any more successful in colonizing the troubled and fractured African continent than were the French, the Dutch, the English, the Portuguese, the Belgians, the Germans and all others who were driven out by the still rising tide of African nationalism? If we really wanted to place a crushing burden on the Russians, we might ask them to pick up "the White Man's burden" in Africa laid down so recently and so painfully by the Europeans!

While Mr. Brzezinski is wringing his hands over alleged Soviet and Cuban misbehavior in Africa, he might do well to recall that nothing the Soviets or Cubans are doing in Africa, the Middle East, Asia or Europe can approach the calamity we perpetrated for so many years in Indochina. But even more crucial than recalling the mistakes of the past is the avoidance of needless tragedy in the future. That is why we must nurture the hope of detente and the necessity of arms control. Detente does not mean that the Soviets will not continue to be rivals of ours for influence and ideological propagation. Nor is detente any guarantee that the Soviets will cease what Mr. Brzezinski has described as a "shortsighted attempt to exploit global difficulties." Detente does not even mean that the United States will refrain from exploiting opportunities for advantage over our Soviet rivals. Detente means simply that as rival powers there are a few areas such as arms control to avoid mutual extinction and retarding nuclear weapons proliferation where the United States and the Soviet Union have mutual interests.

We would be better advised to see the Russians, as our fellow residents on this planet that lives in the shadow of a nuclear Armaggedon. We need not love the Russians nor even admire them—nor they us—to know that the alternative to arms control and detente is the bankruptcy and death of civilization.

These later views are, I believe, close to the views of Secretary Vance, Mr. Warnke and Ambassador Young. They are, I believe, the instinctive views of President Carter. They are not, apparently, the views of Mr. Brzezinski.

It would appear that as the moment we do not have a coherent foreign policy, but a collection of conflicting voices. Perhaps that tendency is always present in a pluralistic society. In any event, I pray that in the contest for the mind of the President, calm and common sense will prevail over the strategy of crisis and confrontation.●

WORLD ENVIRONMENT DAY, 1978

● Mr. RANDOLPH. Mr. President, there has been, in recent years, a surge of popular demand for improvement in the quality of our national life and in the conditions under which we live and work.

We have come to the somewhat belated recognition that we cannot live comfortably or productively in the midst of despoiled or mismanaged natural resources or in an atmosphere poisoned by pollution.

That realization does not, however, stop at our shores. The same understanding has come to be shared by many others in the family of nations.

It is in that context that I direct the Senate's attention to observance of World Environment Day, 1978, which took place on Monday of this week.

The event was first officially proclaimed by the General Assembly of the United Nations in 1972 as the outgrowth of a week-long conference on the Human Environment in Stockholm, in which 112 countries participated.

The session focused on the need for more international cooperation to combat pollution and protect an environment which knows no national boundaries. One result of the meeting was establishment of the United Nations Environment Programme as a permanent functioning agency with headquarters in Nairobi, Kenya. A worldwide system of information collection and exchange and of global monitoring to detect and guard against the spread of environmental threats is being developed there.

The program's executive director, Dr. Mostafa Tolba, recently placed its purpose into clear perspective with the observation that "man is both a creature and a moulder of his environment" and that humanity at large has a responsibility for protection of that environment.

Those words have a special meaning for the observance. They aptly describe the philosophy and purpose of the series of environmental laws dealing with air, water, and noise pollution and with solid waste management and disposal enacted in recent years.

These measures were conceived in the Environment and Public Works Committee. I suggest that Members generally can be gratified for your work in refining and adopting them.

We have accomplished good in the search for a cleaner environment in a well-reasoned manner that recognizes our need for continued, orderly economic growth. We must be realistic and we must be fair. Business and industry can and will contribute to environmental challenges.●

STAGFLATION

● Mr. McGOVERN. Mr. President, in the past several weeks I have read dozens of pieces attempting to trace the causes of inflation, and dozens of others outlining potential solutions.

As a result, each day I am more impressed with the thoughtfulness and clarity of an article I read months ago by Arthur Okun. It appeared in the Brookings Bulletin, fall 1977, and is called "The Great Stagflation Swamp."

This article remarkably predicts both the acceleration of inflation which we have recently witnessed and the need for an anti-inflation program that goes beyond traditional fiscal and monetary answers. I believe each Senator would gain an added understanding of this complex problem by reading this article. It contains the outlines of a program that could tone down the cancerous inflation eating away at our economy.

I ask that the text of the article be printed at this point in the RECORD.

The text of the article follows:

THE GREAT STAGFLATION SWAMP

(By Arthur M. Okun)

(Speaking before the Economic Club of Chicago in October 1977, Arthur Okun warned his listeners that the following address would not send them home happy. While in his judgment the economic expansion still has a good deal of vigor and a substantial life expectancy, Okun doubted that the current strategy of economic policy will lead to a happy ending. Contending that we should not rely on more of that same strategy, Okun proposed some remedies for our economic ills, describing his message as a call for action rather than a forecast of gloom.)

In 1977, the United States will record a higher unemployment rate and a higher inflation rate than was experienced in any year between 1952 and 1972. We have not licked either of these two major problems; indeed, they have become intertwined and combined in a way that is historically unprecedented and, by the verdict of many economic textbooks, theoretically impossible. This nation has had serious inflation problems before; it

has had prolonged periods of excess capacity and idle manpower before; but it has never previously faced a serious inflation problem after a prolonged period of slack.

The coexistence of stagnation and inflation or, as it has been dubbed, "stagflation," is a new problem. Yet we are dealing with it with old policies that are unlikely to solve it. The Carter administration—in this respect, like the Ford administration—is trying through traditional fiscal and monetary measures to attain both a sustained gradual recovery to full prosperity and a sustained gradual slowdown of inflation.

That strategy is not succeeding. The modest recovery targets have been attained reasonably well over the past two-and-a-half years; the economic expansion has been a rather typical, standard-sized advance. But because the recession that preceded it was double sized, it has brought us only halfway back to prosperity. Thus we have paid heavily to keep our recovery moderate, and we have had no relief from inflation during the expansion to show for these efforts.

The basic inflation rate has been stuck at 6 percent since the spring of 1975. Nor is there any basis for confidence that relief is forthcoming. Indeed, in my judgment the inflation rate is more likely to accelerate than decelerate between now and 1979, even with a continuation of a slowly recovering economy. And once it becomes undeniable that the gradualist anti-inflation strategy has failed, I fear that monetary and fiscal policy will be tightened anew to restrain the growth of the economy, thereby courting the next recession.

In my view, a serious effort to deal with inflation and slack simultaneously must go beyond traditional fiscal-monetary policies. It must invoke specific measures to hold down prices and costs in both the private and public sectors. It must break the wage-price spiral that has so firmly and stubbornly gripped the system. I believe that a number of techniques in pursuit of those objectives deserve serious consideration. Let me state emphatically that the worthy candidates do not include a return to price-wage controls, such as the Nixon administration conducted in 1971–73.

GETTING STUCK IN THE SWAMP

As an autobiographical obligation, I must record that the most recent unhappy era of our economic history began late in 1965, while I served as an adviser to President Johnson. That is when the critical decisions were made to finance the Vietnam military buildup in an inappropriate inflationary manner. But the historical record will not support any "original sin" explanation of inflation that would attribute our ills of a dozen years to that mistake. Every wartime period in American history has been marked by a severe inflation; indeed, the Vietnam episode was the least severe. But the end of every previous war was marked by the end of inflation.

The unique experience of the seventies is that the end of the war was associated with an intensification of inflation. The double-digit inflation of 1973–74 was the product of many new mistakes and misfortunes: excessive monetary and fiscal stimulus in 1972, the devaluation of the dollar, the mismanagement of U.S. grain supplies, and the OPEC shock to energy prices.

Responding to that rip-roaring inflation, the makers of monetary and fiscal policy adopted extremely restrictive measures that brought on the most severe recession since the late thirties. That recession promptly cut the inflation rate to about 6 percent by the middle of 1975. But there we have been ever since, despite massive excess supplies of idle people, machines, and plants. If our economic institutions responded currently to a slump as they did in 1922 or 1938 or 1949, the recession and prolonged slack would not only have stopped inflation in its tracks but created a wave of falling prices.

In fact, the nature of price- and wage-making has been transformed in the modern era. We live in a world dominated by cost-oriented prices and equity-oriented wages. The standard textbook view of prices adjusting promptly to equate supply and demand applies only to that small sector of the U.S. economy in which products are traded in organized auction markets. And there it works beautifully; the prices of sensitive industrial raw materials fell by 15 percent between May 1974 and March 1975.

Elsewhere, however, prices are set by sellers whose principal concern is to maintain customers and market share for the long run. The pricing policies designed to treat customers reasonably and maintain their loyalty in good times and bad times rely heavily on marking up some standard measure of costs. For most products, prices do not rise faster than standard costs during booms nor do they rise less rapidly than costs during slumps.

Similarly, the long-term interest of skilled workers and employers in maintaining their relationships is the key to wage decisions in both union and nonunion situations. The U.S. labor market does not resemble the Marxist model in which employers point to a long line of applicants—"the reserve army of unemployed"—and tell their current workers to take a wage cut or find themselves replaced. Employers have investments in a trained, reliable, and loyal work force. They know that if they curbed wages stringently in a slump, they would pay heavily for that strategy with swollen quit rates during the next period of prosperity. In a few areas, where jobs have a high turnover and thus employers and employees have little stake in lasting relationships, wages do respond sensitively to the level of unemployment. But in most areas, personnel policies are sensibly geared to the long run. Workers seek and generally obtain equitable treatment, and the basic test of equity is that their pay is raised in line with the pay increases of other workers in similar situations. Such a strategy introduces inertia in the rate of wage increase, creating a pattern of wages following wages.

The customer and career relationships that desensitize prices and wages from the short-run pressure of excess supplies and demands have a genuine social function. They are not creations of evil monopolies but rather adaptations to a complex, interdependent economy in which customers and suppliers, workers and employers benefit greatly from continuing relationships. In general, the persistence of inflation is not a tale of villainy. By any standard, and by comparison with other industrial countries, American unions have been remarkably self-restrained in recent years. Business, meanwhile, has kept its markups below levels that would be justified by the current cost of capital.

In combination, business and labor have been raising prices about 6 percent a year and increasing hourly compensation (wages, private fringe benefits, and employers' payroll tax costs) by about 8 percent a year. The 8-and-6 combination allows a typical margin of real wage gains in line with the normal trend of productivity. Precisely for that reason, it becomes self-perpetuating. New wage decisions are made against the background of 8 percent advances in other wages and 6 percent increases in prices. And so they tend to center on 8 percent. Then, with hourly labor costs rising by 8 percent, businesses find their labor costs per unit of output up about 6 percent, and so their prices continue to rise by 6 percent.

There is no handle on either the wage side or the price side by which we can pull ourselves out of this stagflation swamp. Nor can any single industry or union provide a handle, except by making an unreasonable sacrifice of its own self-interest. It must do what everybody else is doing in order to protect itself. Analogously, if all the spectators at a parade are standing on tiptoe in an effort to get a better view, no individual can afford to get off his uncomfortable tiptoe stance. Ending the discomfort requires a collective decision.

PRODUCTION AND JOBS

Because prices and wages respond only a little to changes in total spending, production and employment respond a lot. And that is the fundamental limitation of fiscal and monetary restraints as a means of curbing inflation. Those policies clearly can put the lid on total spending for goods and services. The holddown in total spending is then split between a cutback in production and a slowing of inflation. But that "split" is the result of price and wage determination; it is not controlled by Washington. We learned—or should have learned—in the past three years that the split is extremely unfavorable. The reaction to weaker markets is loaded with layoffs, no-help-wanted signs, cutbacks of production schedules, and slashes in capital budgets. At most, it is sprinkled with holddowns in prices and wages. To save one percentage point on the basic inflation rate through policies that restrain total spending, we lose more than five points—easily $100 billion—of our annual real GNP.

The recession and slack of 1974–77 have exacted a toll of $500 billion in lost production of capital goods and consumer goods that could have added to our productivity and our standard of living. That cost should be clearly recognized, although it must be equally recognized that there was, and is, no toll-free route of escape from our problems. In fact, the toll keeps mounting. After thirty months of economic expansion, we have moved only about half the distance from the depths of the recession to a reasonable and feasible level of prosperity or full employment. Serious statistical studies designed to estimate the unemployment rate associated with reasonably balanced—neither slack nor tight—labor markets converge on a range between 5 and 5.5 percent. They demonstrate that with today's structure of labor markets, full employment certainly cannot be defined as a 4 percent unemployment rate. But neither can it be pegged anywhere near our recent 7.1 percent. Since unemployment has come down from 9 percent at the worst of the recession to 7.1 percent, we are about halfway to a reasonable cyclical target in the zone of 5 to 5.5 percent.

The excess of nearly two percentage points in the unemployment rate is not a structural phenomenon; it is not concentrated in "unemployables," secondary workers, or groups especially affected by government benefit programs. It is instructive to compare the unemployment rates of eminently employable groups today with their 1973–74 average:

	August 1977	*1973–74 average*
	[Percent]	
Married men	3.5	2.5
Craftsmen	5.5	4.0
Factory workers	7.0	5.0
"Job losers"	3.4	2.1
	[Weeks]	
Average duration of unemployment	13.5	9.8

Unemployment remains high because production has not grown enough to generate the jobs required to get us back to prosperity. The behavior of the unemployment rate in recent years poses no mystery. Indeed, it has moved remarkably true to form in relation to the growth of production. Between 1973 and 1977, our annual growth rate has aver-

aged 2 percent, and such a substandard growth performance entails a much increased rate of unemployment. Economists can disagree about whether the nation's "potential growth rate"—the rate of growth of real GNP that maintains a constant unemployment rate—is as low as 3.3 percent or as high as 4 percent, but it surely is not 2 percent. If I use my favorite number, 3.75 percent, for the potential growth rate, the 2 percent average actual growth rate since 1973 would be expected to raise the unemployment rate by 2.3 percentage points, in line with a rule-of-thumb formula that I developed in 1961. That would point to an unemployment rate a little above 7 percent currently, and that is where we are.

The potential growth rate of the economy is influenced by trends in productivity and in labor force participation. In the seventies, a rising fraction of women and young people have chosen to enter the labor force. That increase in "work ethic" permits the economy to enjoy greater growth without encountering tight labor markets. Indeed, in its absence, the rather disappointing trend in productivity would have significantly lowered our trend of potential growth. To be sure, if women and teenagers stopped hunting for jobs and went back to their knitting and ball-playing, respectively, our unemployment figures would be lower. But our labor markets would be tighter, and the potential of the economy would be reduced. The increased labor force participation of these workers is correctly viewed as an opportunity and not as a burden.

At the level required to bring the unemployment rate down to the middle of the 5-to-5.5 zone, our real GNP would be about $100 billion, or 5.5 percent, above its present level. The evidence suggests that our plant capacity could accommodate that extra output without strain, so long as it was broadly spread across sectors. Such a judgment must rest on estimates of operating rates, which are admittedly imperfect. But they are not likely to be seriously biased, either upward or downward. The estimate of capacity may inappropriately include some outmoded facilities, but it is just as likely to omit some rehabilitated facilities.

In short, idle resources and sacrificed output continue to represent an enormous national extravagance. Economists ought to be devoting more of their efforts and ingenuity to correcting that waste and less to talking it away or defining it out of existence.

THE COSTS OF INFLATION

Just as 7 percent unemployment is not full employment, so 6 percent inflation is not price stability. For the past two years, inflation has been reasonably steady and relatively well predicted, yet it remains domestic Public Enemy No. 1 in the view of a majority of the American people. I find that entirely understandable. In a system that rests on the dollar as a yardstick, a score-keeping device, and a basis for planning and budgeting, the instability of the price level adds enormously to uncertainty and risk.

In our institutional environment, most people cannot hedge their wealth or their incomes against inflation. The single-family home has been the only major asset that has served as an effective inflation hedge during the past decade; and it obviously is not a feasible outlet for steady flows of saving. Common stocks have been miserable failures as inflation hedges; savings deposits and life insurance offer no effective inflation protection. A small minority of Americans have obtained cost-of-living escalators that effectively protect their real incomes against inflation. But their escalated wages are passed through into prices and thereby destabilize the real incomes of the majority whose earnings are not indexed. Escalators are a means of passing the buck among groups within our society, not of protecting the buck for the whole of society.

This country has not adapted, and is not adapting, to 6 percent inflation. The tolerable rate of inflation in this society is considerably below 6 percent. In the early sixties, 1.5 percent inflation was generally regarded as tolerable; in the early seventies, a 3 percent rate was widely accepted. If we were now to label 6 percent inflation as acceptable, who could believe that such a decision was the final turn of the ratchet? This country needs an effort to restore the reliability of the dollar, not a set of innovations to replace it; it needs an effort to curb inflation, not a program to learn to live with it.

With current prospects and policies, the basic inflation rate is not likely to drop below 6 percent during the remainder of the present economic expansion. To be sure, the inflation rate fluctuates from quarter to quarter, and minor wiggles and jiggles tend to generate vain hopes and groundless fears. Recent declines in farm prices and a downward blip in mortgage interest rates have generated favorable news. That is genuinely reassuring evidence that the jump in inflation to an 8 percent rate earlier this year was transitory. But the latest figures do not signify a fundamental improvement that is likely to be sustained.

Our chance for some net relief from inflation has been reduced by a new wave of congressional actions that add to particular costs and prices. Employers' hourly labor costs will be raised by hikes in payroll taxes in January 1978 for both social security and unemployment insurance. Further increases in payroll taxes are contemplated to finance proposed reforms of social security. The minimum wage seems slated to move up from $2.30 to $2.65. The first installment of the wellhead tax on crude oil is scheduled to take effect in 1978. Government farm programs have reinstituted acreage cutbacks, deliberately reducing the productivity of our agriculture. Many of these cost-raising measures have some justification. No one of them spells the difference between price stability and rampant inflation. But, in combination, they may well add 1.5 percent to the inflation rate by late 1978.

This wave of cost-raising measures deserves far more attention and scrutiny than it has received. Reliance on such measures is nothing new, but their total magnitude does set a new record. The Congress may have been tempted to load costs on the budgets of consumers and employers in order to avoid loading more onto the federal budget. In several of these areas, the President initially advanced proposals that were admirably restrained, but then compromised in the face of strong political opposition. (When some of the press welcomes such instances as evidence of the President's education in the ways of Washington, I cannot share the enthusiasm.) Meanwhile, the financial and business community has been so preoccupied with Thursday afternoon reports on the money supply and reestimates of the federal deficit that it has missed the big new inflationary game in town.

All things considered, my best guess is that between now and 1979, inflation is more likely to accelerate than to decelerate—and not because of overly rapid growth or excess demand.

With that inflation forecast, a good growth performance in 1979 and 1980 seems unlikely. Bad news on inflation would turn into bad news for prosperity in several ways. First, it would mean higher interest rates. Short-term interest rates cannot responsibly be held below the inflation rate indefinitely. To me, an interest rate on Treasury bills above 7 percent would sound an alarm; it would lead to disintermediation and create a mortgage famine that would starve homebuilding. Second, in an environment of stubborn and intensifying inflation, the makers of fiscal policy would be understandably reluctant to provide any stimulus to the investor or consumer that might be needed to sustain growth. Third, bad news on inflation would heighten consumer anxiety and once again weaken discretionary household spending.

The connection between worsening inflation and a subsequent recession is not magic or automatic, but it is genuinely built into the attitudes and expectations of our public and our policymakers. "Inflation backlash" is a reality. Given that reality, we simply cannot take the risk of doing what comes naturally and hoping for good luck.

Thus, my principal message is that we cannot count on our current policies to pull us out of the stagflation swamp. The evidence based on the experience of recent years has accumulated and become overwhelming. "Patience and fortitude" is no longer an acceptable response to our disappointments. The time has come to face the likelihood that we have a losing hand, and to deal a new one.

A FISCAL-MONETARY CURE?

Some who accept my grim verdict about current policies call for a new monetary-fiscal strategy. And they point in opposite directions. On one side, the argument takes these lines. If a slack economy is not curing inflation, then why take the high costs of slack? Why not try to grow out of the inflation with stimuli, such as large permanent tax cuts backed up by a monetary policy committed to low interest rates, that have reliably spurred growth every time they have been applied in the past?

On the other side, the reverse case is made. If inflation is not abating with 5 percent real growth, isn't it clear that we need more restrictive policies to slow the economy down until inflation responds?

These polar-opposite proposals have in common the justified anxiety that our current act of juggling two eggs may lead to both getting broken. But I fear that they have one other thing in common that is less admirable. They are asking us to kid ourselves. The expansionists are right in that production and jobs are good things—but not because they alleviate inflation. Any major stimulative strategy, taken alone, will hasten the day that inflation accelerates and that inflation backlash sets in. The restrictionists are right in that a big enough dose of restraint would curb inflation—but only at the price of some $100 billion in output per point of inflation reduction.

Some groups in the business and financial community no doubt would applaud a hypothetical announcement that the government was cutting its spending by, say, $30 billion and that the Federal Reserve was now setting monetary targets aimed at, say, only 7 percent growth of nominal GNP. But when government contracts were rescinded, when banks began closing loan windows, when cash registers stopped ringing, the responses would be entirely predictable: new waves of layoffs, new slashes in capital budgets, a collapse in productivity, and new demands that the government stop imports, shorten workweeks, and launch programs of makework jobs.

Perhaps the most appealing variant of the restraint prescription is the call for a very gradual, but consistently maintained, slowing of monetary growth and reversal of fiscal stimulus. As far as I can see, that strategy—taken alone—offers us a long, dull headache instead of a short, severe one, but no smaller total amount of pain. Moreover, its plan to curb demand gently enough to avoid a recession surely sets a new record for fine-tuning. It reminds me of the story about the Greek boy who thought he could pick up a full-grown bull if he started with a newborn calf and lifted it every day. The first little trimming of total demand is a mere baby

calf. It would not do production and employment much harm (nor would it do our inflation performance much good). But, as time progressed, that calf would grow into a bull—and we could not count on lifting it.

A PROGRAM FOR PROSPERITY AND PRICE STABILITY

We need an anti-inflation program that is not an anti-growth program, and that goes beyond traditional fiscal and monetary measures. In the past three years, I have assembled long menus of measures that might hold down costs and prices without holding down production and employment. Now I offer a specific set of proposals. I do so uncomfortably—I left the business of packaging four-point programs nearly a decade ago, and I prefer to stay out of it. I do so diffidently—because the facets of the program have not been polished by staff work or constructive criticism. But I do so enthusiastically because I am convinced that the general approach it embodies represents our best hope for getting out of the stagflation swamp.

No net federal cost-raising. First, the administration should set a target of zero net cost-raising measures for 1978, and should report quarterly to the American people on the achievement of that target. Any new cost-raising governmental action that imposed higher labor costs on employers or higher prices on consumers would have to be neutralized by a federal cost-reducing measure—lightening the burden of regulation or providing a cost-cutting subsidy. Thus we would be insured against an encore of the cost-raising actions of 1977.

Sales tax-cut incentive. Second, the federal government should institute a grant-in-aid program that would defray half the revenue loss of any state or city that reduced or repealed its sales taxes during 1978. Mayors and governors obtaining federal aid for sales tax cuts would pledge not to increase other cost-raising taxes during the period (but could raise income taxes). An allocation of $6 billion of federal outlays for this program would fund a 1 percentage point cut in the consumer price index. Sales taxes are part of the cost of living, both genuinely and statistically. Reductions in those taxes would hold down consumer prices and have anti-inflationar effects on wages that are linked, formally or informally, to the cost of living.

Tax relief for price-wage restraint. Third, a tax relief incentive should be offered to workers and businessmen who enlist in a cooperative anti-inflationary effort. To qualify for participation, a firm would have to pledge, at the beginning of 1978, to hold its employees' average rate of wage increase below 6 percent and its average rate of price increase below 4 percent (apart from a dollars-and-cents passthrough of any increases in costs of materials and supplies) during the course of the year. In return for participation, employees of the firm would receive a tax rebate (generally through withholding) equal to 1.5 percent of their wage or salary incomes with a ceiling of $225 per person; the firm would receive a 5 percent rebate on its income tax liabilities on domestic operating profits.

Any firm covered by a collective bargaining contract would be obliged to consult with union representatives before deciding to participate in the program. Typical workers who were counting on before-tax wage increases of 8 percent or less would benefit from participation.

I would hope for strong moral suasion, led by the President himself, to enlist participants in the program. But nonparticipation would be a matter of free choice and not subject to penalty. At the end of the year, each participating firm would file a statement of compliance that would be subject to audit by the Internal Revenue Service.

The total cost in federal revenues of the cooperative restraint program might approach $15 billion; with the sales tax grants, it could total $20 billion. Tax cuts of that magnitude are being widely espoused in the context of the forthcoming tax reform program. I would postpone the tax cuts in the reform package in the conviction that a pro-growth, anti-inflation program deserves a more urgent priority on the nation's agenda.

Obviously, the increase in purchasing power and profitability provided by the anti-inflationary tax cuts would stimulate consumption and investment. Indeed, the prospect of a credible attack on inflation could reduce the uncertainty that now constricts capital budgeting. If the program achieved its objective of a mutual and balanced de-escalation of wages and prices, there would be no overhang of "catch-up" wage and price increases in 1979. But opportunities should be held open for renewing the program (or phasing it out more gradually) in an effort to cut inflation once again.

New GNP targets. Fourth and finally, the administration and the Federal Reserve in cooperation should set forth revised fiscal and monetary targets designed to ensure full recovery and lower inflation. For 1978 those targets should aim for an encore of the increase in nominal GNP of 1977—about 10.5 percent—with more real growth and less inflation. For 1979 and 1980 they should aim to bring the growth of nominal GNP progressively into single-digit territory. Thus they will call for declining federal deficits and slowing money growth (appropriately adjusting for any further significant shifts in velocity). Such a fiscal-monetary strategy should strongly reinforce the credibility of the anti-inflation program and help to ensure that we don't slide back into the swamp.

Still, the first requirement is to get out of the swamp. My program is neither a panacea nor a long-run insurance policy against inflation and stagflation. But its approach offers a good chance of bringing about a mutual de-escalation of prices and wages, and an end to the insidious wave of governmental cost-raising actions. It recognizes that traditional monetary-fiscal policies are powerful tools to promote full recovery and to prevent a resurgence of excess-demand inflation. But it also recognizes realistically that they cannot by themselves cure stagflation. That new problem requires the additional help of new remedies, which of necessity are unconventional and unproved. Whether the new remedies become politically feasible will depend on whether knowledgeable Americans face up to the reality that we are likely to remain stuck in the stagflation swamp with current policies, and whether they are willing to consider seriously—and to criticize constructively—alternative routes to noninflationary prosperity.●

TAX TREATY WITH THE UNITED KINGDOM

● Mr. CHURCH. Mr. President, after the disposition of the labor reform bill, the Senate will proceed to consider the United Kingdom Tax Treaty. This treaty contains a number of questionable provisions, but perhaps the most controversial is article 9(4) which limits the States' abilities to tax U.K.-controlled corporations. If accepted by the Senate, this provision could serve a precedent for fashioning internal tax policy via agreements with foreign governments—a method that circumvents the tax-writing committees of both the House and the Senate. This is the first time the treaty power has been used in such a manner, and, I believe, it represents an unwarranted extension of that power which we will come to regret.

To further the debate on the U.S.-U.K. Tax Treaty, I ask that the following articles be included in the RECORD. These arguments are drawn from the publication Tax Notes and constitute a debate between William D. Dexter, general counsel of the multistate tax commission, and John S. Nolan of a private Washington law firm. The package includes a national article by Mr. Dexter, a reply by Mr. Nolan, and a further reply by Mr. Dexter.

I call attention in particular to the last reply by Mr. Dexter.

The articles follow:

[From Tax Notes, Apr. 17, 1978]

ARTICLE 9(4) OF THE UNITED KINGDOM TAX TREATY SHOULD BE RESERVED

(By William D. Dexter)

(William D. Dexter is General Counsel of the Multistate Tax Commission.)

(In this article he calls upon the Senate to kill Article 9(4) of the proposed United States-United Kingdom Tax Treaty, which would restrict the right to use the unitary method of taxing business income of UK corporations. Under the unitary method, states can tax their portion of a multinational firm's overall, worldwide profit, determined as a unit. The portion of the firm's overall profit that is allocable to the taxing state is determined by a formula, normally a three-factor formula that takes into account the firm's property, payroll and sales within the taxing state.

(Not allowing the states to use the unitary method would force them to rely on a separate accounting for in-state operations, which, in turn, must depend on the arm's length method of pricing. According to Dexter, there is often no evidence of what an "arm's length price" for a product or service may be, either because there is no market, or because the product or service is unique. States do not have the resources necessary to audit multinational corporations under the separate accounting method, says Dexter, and they should not be forced to adopt an income allocation method that is beyond their capabilities.)

Article 9(4) of the United States-United Kingdom tax treaty, which has been favorably reported by the Senate Foreign Relations Committee, poses issues which require far more attention than they have yet received.

One of the most difficult problems in the administration of state income taxes is that of determining how much of the net income of a multistate corporation is reasonably attributable to a particular state. This problem is compounded by the fact that most large corporate businesses operate through numerous subsidiary and affiliated corporations.

There are two basic methods for attributing corporate income among states. One method is commonly referred to as "separate accounting."[1] The other method is called "formula apportionment."[2]

Separate accounting can be used effectively only where the income producing activity of a business within a particular state can be clearly separated from the income producing activities outside the state. Where a taxpayer conducts interconnected or "unitary" business activities both within and without the taxing state, separate accounting is inappropriate and produces fictitious and even whimsical results. Such unitary income should be subjected to apportionment in such cases.

Footnote at end of article.

LEGAL DEVELOPMENT

The formula approach is now used by a majority of the states and often by the Internal Revenue Service. It evolved out of court decisions reaching back over 100 years. It was first applied by the U.S. Supreme Court in determining the property tax liability of interstate utilities.[3] These early utility property tax cases recognized the unitary nature of an interstate utility sytem and held that it was appropriate to use an apportionment formula to determine what portion of the value of that system was attributable to a particular state. The Court rejected the interstate utilities' efforts to limit property taxation to the value of the properties located in the taxing state, and treated as a single unit the group of corporations which constituted the integrated utility system.[4]

This so-called "unit rule" was first applied by the Supreme Court to state corporate income taxes in Underwood Typewriter Co. v. Chamberlain.[5] In that case, the Court noted:

"The profits of the corporation were largely earned by a series of transactions beginning with the manufacturing in Connecticut and ending with sales in other states. In this it was typical of a large part of the manufacturing business conducted in the state. The legislature, in attempting to put upon this business its fair share of the burden of taxation, was faced with the impossible of allocating specifically the profits earned by the processes conducted within its borders." (254 U.S. 120).[6]

In Butler Bros. v. McColgan, 3115 U.S. 501 (1942) the taxpayer sought to use separate accounting to establish losses in California whereas an apportionment formula assigned income to that state. The U.S. Supreme Court rejected the taxpayer's argument that separate accounting refuted a reasonable apportionment formula applied to the income of a unitary business.[7]

THE UNITARY METHOD MAY DECREASE TAXES

The unitary business method does not always increase a corporate business' tax liability. To the contrary, it is not unusual for a corporate taxpayer to pay less to particular states under the unitary method. This results from the ability to spread their profits among the different parts of their unitary business. For example, if one corporation operating in two states shows a loss while three others operating in other states show a gain, the losses can be offset against the gains to reduce total taxable income if the five corporations constitute a unitary business. For this reason many corporations voluntarily report their income on a unitary basis, even to states which do not use the unitary method as a general policy. California adopted the unitary business method largely because companies were demanding that the state allow them to use it.

WHAT IS A UNITARY BUSINESS?

What constitutes a unitary business? The cases generally hold that the taxpayer is conducting a unitary business if the business is owned and controlled by the same interests and if the component parts of the business are essentially interrelated and interdependent.[8] No case holds that the corporate form in which that business is carried on is controlling in determining whether that business is unitary. The unitary concept is just as applicable to a unitary business conducted by a group of related corporations as to a unitary business conducted by one corporation. This is true if all the related corporations are domestic; it is also true even if some of them are "foreign."

Frank M. Keesling, sometimes called the father of the unitary method, remains a leading proponent of it and a renowed expert on it. He writes:

Footnotes at end of article.

Simply stated, the purpose of the combined report is to insure that the income of a business conducted partly within and partly without the taxing state shall be determined and apportioned in the same manner regardless of whether the business is conducted by one corporation or by two or more affiliated corporations. In cases where the business is conducted by one corporation, the income is computed as a unit and apportioned by means of an appropriate formula, usually the three-factor formula of property, payroll and sales. . .

"When the combined report is employed, exactly the same procedure is followed, and the same results obtained, in cases where the business is conducted by more than one corporation. The income is still computed as a unit just as it would be if the business had been conducted by one corporation only." (42 Journal of Taxation, 106, February 1975).

The question frequently arises whether the income of corporations foreign to the U.S. should be included in the combined report. The answer is an emphatic 'yes'. The apportionment should be made by attributing to each state a portion of the income from the entire business regardless of whether the business is conducted between two or more states in the U.S. or between one or more of such states and one or more foreign countries. This can be accomplished only by combining the incomes of all the corporations engaged in the conduct of the business. It is immaterial whether such corporations are organized under the laws of one of the states of the U.S. or under the laws of a foreign country." (42 Journal of Taxation 109)

Take, for example, a multinational corporation which operates in Canada and Idaho through two subsidiary corporations. The Canadian subsidiary processes pulp for the manufacture of paper by the U.S. subsidiary. The pulp is transported from the Canadian subsidiary to the U.S. subsidiary by a pipeline crossing international boundaries. It is impossible to separate the profits of the two subsidiaries because the income of the two is intertwined in a series of transactions between them, beginning in Canada and ending in Idaho. Restrictions on the use of the unitary approach would permit this corporate businesses to use separate accounting to attribute (or fail to attribute) their income among the states according to their whim.

JUDICIARY COMMITTEE'S VIEWS

After an extensive review of the problems of state business, the Report of the Special Subcommittee on State Taxation of Interstate Commerce of the Committee on the Judiciary of the House of Representatives made the following observation and recommendation:

"Often corporations which are controlled directly or indirectly by the same interests are so mutually dependent on each other for their success that the books of an individual corporation cannot accurately reflect the corporation's contribution to the profitability of the entire multicorporate enterprise. In short, separate accounting among affiliated corporations is often as inappropriate and as troublesome as is separate accounting among the branches of a single corporate entity. As a result, some states have formulated "unitary business" rules designed to treat the income of affiliated corporations in the same manner as though earned by a single business.

". . . in order to clarify this troublesome area and to provide standards which are both easy to apply and equitable in their effect, the Committee recommends that State tax administrators be allowed to require consolidation in any case where two or more corporations are affiliated by common ties of more than 50 percent of stock ownership and at least one of the affiliates has realty or an employee in the State." (H. Rep. No. 952 (1965) at pages 1154–1155.)

Despite the demonstrated need for the unitary business method, Article 9(4) of the proposed United States-United Kingdom Tax Treaty would force the states to use "separate accounting" to determine the state income tax liability of a domestic subsidiary of a United Kingdom parent.[9] The U.S. Treasury has conceded that, even though Article 9(4) would apply only to U.K. based multinationals, the exemption would soon be extended to multinationals based elsewhere as well. Indeed, it is not unreasonable to expect similar treatment for domestic parents in the near future.

THE UNITARY METHOD VERSUS SEPARATE ACCOUNTING

Article 9(4) raises, among other issues, a basic question as to which of the two standards, the separate accounting or the unitary method, is more appropriate for the states. Let us compare them.

Both standards recognize that the common ownership and control of an affiliated group of corporations enables management to distribute the profits among those corporations at its whim when those corporations have dealings with each other. Any maldistribution of such profits can have significant income tax consequences. Therefore, tax administrators must have the authority to determine the true net income of any member of the affiliated group regardless of the accounting practices of corporate management.

The separate accounting standard assumes different income tax consequences if a unitary business is operated through one corporation rather than through several affiliated corporations. The unitary business standard holds that the results should be identical, i.e., that substance should prevail over form.

Thus, if a parent corporation manufactures a product, markets it through a sales subsidiary, and finances the sales through another subsidiary, the tax consequences are the same under the unitary business standard as if the manufacturing, sales and financing activities were carried on by separate divisions of the same corporation.

By contrast, under the separate accounting standard, the tax result would depend upon the corporate form. There would be a separate accounting of the manufacturing profit, the sales profit and the financing profit. If these same activities were carried on through divisions of the same corporation, they would be treated as unitary for tax purposes under the separate accounting standard. In other words, under this standard, form prevails over substance.

Corporate management decides whether a business is conducted through one corporation or through many corporations. Thus, a tax reporting method based on the corporate form is vulnerabe to the tax avoidance strategies of management. This is as true on the international level as it is on the interstate level. Since the "separate" corporations of a multistate-multinational business may be little more than accounting devices, it is apparent that corporate form should not control tax consequences.

PRACTICAL REASONS FOR ADOPTING THE UNITARY METHOD

So much for theory. There are practical reasons why the unitary business method must be available to the states. The basic reason is that the separate accounting method simply does not work in very many cases. Under this method tax administrators must examine all the transactions between related corporations to determine whether or not the price has been manipulated. When such manipuation can be proven to have occurred (a difficult task), the tax

administrator must adjust the price to that which would have occurred between two unrelated corporations had they dealt "at arm's length."

Often there is simply no evidence of what an arm's length price for the product or service would have been, either because there is no market, or because the product or service is unique. For example, it is impossible to separate manufacturing profit from sales profit where a parent manufacturing corporation sells a unique product through its controlled subsidiary sales corporation.

If the arm's length standard does not work in this simple example, its application to the innumerable transactions between large multinational corporations and their affiliated corporations is even more difficult. Such corporations operate through literally hundreds of affiliates. Their intercorporate transactions involve hundreds of products and services, including copyrights, patents, royalties, component parts of finished products, overhead expenses, and so forth.

PROBLEMS IN APPLYING THE ARM'S LENGTH STANDARD

Consider the difficulty of applying the arm's length standard to determine the following:

1. The "arm's length" price of a unique component part designed and manufactured by a subsidiary for assembly in its parent company's finished product.

2. The proration, among affiliated corporations, of centralized overhead or administrative charges such as those for executive management, legal services, accounting, or computer services, etc.

3. The value of copyrights, patents, royalties, trade names, trademarks, and the like utilized by various corporations of an affiliated group.

4. The proration of volume purchase discounts or volume sales at so-called "dumping" prices.

5. The proration of research and development expenditures and centralized advertising expenses.

Even the U.S. Treasury, with its superior resources, cannot make the arm's length method work in many such cases. A 1973 Internal Revenue Service report revealed that the method failed in 40% of the cases studied. At such times, the IRS often resorts to the unitary method. It uses formula apportionment in at least two instances: in apportioning research and development costs between foreign and domestic affiliates (Section 861 adjustments) and in apportioning income between a parent corporation and a DISC.

Indeed, in President Kennedy's 1962 tax reform package the Treasury advocated a form of the unitary method as a general federal policy. More recently, the Treasury has used the inadequacies of the arm's length method to justify President Carter's proposal to eliminate the deferral of "foreign" income for federal tax purposes.

In short, the U.S. Treasury itself has recognized in word and deed both the inadequacy of the arm's length method and Treasury's own need to use formula apportionment in at least some cases.

If the U.S. Treasury has difficulty with the arm's length method the states have more. A recent Treasury study concedes that this method "would strain the administrative capability of many states." These states cannot afford, nor do they wish to have, the vast numbers of auditors and economists needed to comb through all the transactions of large multinational corporations.

THE UNITARY METHOD IS SIMPLER

The unitary business standard is simple by comparison with arms length pricing. Tax officials do not have to examine individual corporate transactions, nor do they have to second-guess pricing decisions. Using the unitary business method, these officials face only the task of determining what members of the group of affiliated corporations are engaged in a unitary business. Determining the income of this unitary business, and determining the factors by which income is apportioned among the states and nations in which it operates pose no difficult factual questions.

Some multinational businesses contend that the unitary business standard is complex and that the arm's length standard is not. As has been shown, quite the opposite is true. It is obviously much simpler to determine whether or not a United Kingdom parent and its United States subsidiary are conducting a unitary business than it is to analyze all the dealings between the United Kingdom parent and the United States subsidiary to determine whether these dealings have been "at arm's length." Indeed, it is questionable whether such affiliated corporations ever deal at "arm's length" with each other.

By Article 9(4) of the U.S.-U.K. Treaty, the multinational corporations seek to have their state income tax liability determined solely on the basis of corporate management accounting practices. The states vigorously oppose that ploy.

Multinational corporations also claim that the unitary business method results in the taxation of "foreign source" income. This claim merely begs the question. It assumes that the separate accounting practices of the multinationals accurately reflect how much of their income was gained in the U.S. But that is the very question to be resolved.[10]

FOREIGN INCOME NOT TAXED

If the unitary business standard actually enabled the states to tax foreign income, the Courts would have struck it down long ago. Judicial precedent clearly requires that the states tax only that corporate income that is reasonably related to the taxpayer's activities within the taxing state. Furthermore, the Uniform Division of Income for Tax Purposes Act and comparable provisions in other state laws require the tax administrator to adjust any apportionment formula, if its application to a taxpayer does not reflect that income which is reasonably attributable to the state. The courts have uniformly held that the unitary method meets these standards of reasonableness.

The multinationals have been unable to convince the courts that the apportionment of unitary income is unreasonable even when it results in the assignment of income in excess of the amount of income which they would assign to the states by "separate accounting." In *Bass, Ratcliffe & Gretton* v. *State Tax Commission, supra*, the U.S. Supreme Court rejected the notion that separate accounting properly indicated a British corporation's taxable income for New York State. The court upheld a formulary apportionment result which differed substantially from that produced by "separate accounting."

STATES NEED THE UNITARY METHOD

It is ironic that, at a time when the states are only beginning to comprehend and to capitalize upon these advantages, and when Treasury itself benefits from them, Treasury seeks to throw them away. The procedure by which it has sought to do so is even more surprising: deliberations from which the states were excluded and in which a treaty was negotiated with a foreign government.

The states deserve more respect. They need the unitary business method. They demand that Article 9(4) of the proposed Treaty be killed.

FOOTNOTES

[1] "Separate accounting" treats as a separate business that portion of the activities of the multistate business conducted in a particular state.

[2] Apportionment treats the activities of the multistate-multinational business both within and without the state as a unit. It divides this unitary income by means of a formula. The formula generally consists of equally weighted tangible property, payroll and sales factors. Thus, if Corporation A makes 50 percent of its sales in State B and has 10 percent of its properties and 30 percent of its payroll in State B, 30 percent of the unitary income of Corporation A would be subject to tax by State B.

[3] See, e.g., *State Railroad Tax Cases*, 92 U.S. 575 (1875) and *Adams Express Co.* v. *Ohio State Auditor*, 165 U.S. 194 (1896), rehearing 166 U.S. 185 (1897).

[4] See *Cleveland, et al., R. R. Co. v. Backus*, 154 U.S. 439 (1893); in light of *Commonwealth Southern Railway Co.*, 193 Ky. 474, 273 S.W. 11 (1921); *Southern Railway Co. v. Commonwealth*, 204 Ky. 388, 264 S. W. 840 (1924); *Southern Railway Co. v. Kentucky*, 274 U.S. 76 (1927).

[5] 254 U.S. 113 (1920).

[6] See also, *Bass, Ratcliff & Gretton v. State Tax Commission*, 266 U.S. 271 (1924); *Butler Bros. v. McColgan*, 315 U.S. 501 (1942).

[7] See also, *Underwood Typewriter Co. v. Chamberlain, supra*; *Edison-California Stores v. McColgan*, 30 Cal. 2d 472, 183 A.2d 16 (1947); *John Deere Plow Co. v. Franchise Tax Board*, 38 Cal. 2d 214, 238 P. 2d 569 (1951); and *Western Auto Supply Co.* v. *Commissioner of Taxation*, 245 Minn. 346, 71 N.W. 2d 797 (1955).

[8] *Maxwell* v. *Kent-Coffey Mfg. Co.*, 294 N.C. 365, 168 S.E. 397, aff'd without opinion 291 U.S. 642 (1933); *Butler Bros.* v. *McColgan, supra*; *W. S. Dickey Clay Mfg. Co.* v. *Dickenson*, 289 S.W. 2d 533 (Tenn. 1956); *Western Auto Supply Co.* v. *Commissioner of Taxation, supra*; *Fleming* v. *Oklahoma Tax Commission*, 157 F.2d 888 (1946); *Edison-California Stores* v. *McColgan, supra*; Appeal of *F. W. Woolworth Co.*, Cal. State Board of Equalization, July 31, 1972, C.C.H. Cal. Tax Rep., para. 204-806; *Chase Brass & Copper Co., Inc.* v. *Franchise Tax Board*, 10 Cal.3d 496, 87 Cal. Rep. 239 (1970); *Honolulu Oil Corp.* v. *Franchise Tax Board*, 34 Cal. Rep. 552, 386 P.2d 440 (1963); *Zale-Salem, Inc.* v. *Tax Commission*, 237 Or. 261, 391 P.2d 601 (1964); *Butler Bros.* v. *McColgan*, 17 Cal.2d 664, 111 P.2d 334 (1942).

[9] This statement assumes that Article 9 of the Treaty does not prevent the states from making the arm's length adjustments permitted by Article 9(1). The Treaty is not clear on this point. If the states were not permitted to make such adjustments, they would be bound under the Treaty to accept at face value the "separate accounting" of the multinationals covered by its provision, except where the Internal Revenue Service had made adjustments under Article 9(1).

[10] For example, in *Bass, Ratcliff & Gretton, Ltd.* v. *State Tax Commission*, 260 U.S. 271 (1924), the Supreme Court upheld apportionment of income of a highly profitable business to New York as a result of sales and sales activity in New York. At the same time, as indicated in that decision, the company attributed no net income to the United States for federal income tax purposes. Did New York tax "foreign source" income or did the United States Treasury Department fail to tax income which arose in truth from United States operations?

THE U.K. TAX TREATY SHOULD BE RATIFIED WITHOUT RESERVATION

(By John S. Nolan)

(John S. Nolan is a partner in the Washington law firm of Miller and Chevalier. He served as Deputy Assistant Secretary of the Treasury for Tax Policy from 1969 through 1972.

In this article, Mr. Nolan supports the reciprocal limitations on state taxing authority which are contained in Article 9(4) of the U.S.-U.K. Tax Treaty, which is now awaiting Senate action. He stresses that questions relating to that article cannot be answered in

the abstract, as if some new and unreasonable limitation were being imposed on the states. He also points out that the proposed restrictions on the use of the unitary method by the states are needed to prevent states such as California from using that method to impose excessive tax burdens.

(The fundamental problem with the unitary method, Nolan points out, is that it fails to take into account the wide differences in the economic circumstances faced by the various segments of multinational firms. Thus, while the unitary method might work within a homogeneous economic structure such as the U.S., it produces serious distortions when applied on a worldwide scale.

(Mr. Nolan concludes with a defense of the separate accounting method, and the arms-length standard for transfer pricing, as means of allocating the income of multinational corporations. He finds that these methods have worked well at the federal level, and he urges their adoption at the state level.)

Article 9(4) of the U.S.-U.K. Tax Treaty cannot be evaluated, as Mr. Dexter has done, on the basis of abstract tax theory applied to a hypothetical U.S. corporation operating in many states of the U.S. through various subsidiaries, or even a U.S. corporation with a Canadian subsidiary. Article 9(4) is in the proposed U.S.-U.K. treaty because California is grossly over-taxing U.S. subsidiaries of United Kingdom corporations owned and controlled by U.K. residents. This was clearly demonstrated by representatives of many British companies at the public hearings of the Senate Foreign Relations Committee.[1]

HOW OVER-TAXING OCCURS

This over-taxing occurs because when the California unitary concept is extended to worldwide operations of foreign-owned corporate groups, most of the operations of which are outside the United States, the result is often to seriously overstate the income allocated to California. Furthermore, this extension to foreign-controlled corporate groups imposes unreasonable (even impossible) administrative burdens on these foreign groups in determining worldwide income by California standards, in converting all of their worldwide income statements and balance sheets to dollars, in furnishing the records California seeks to obtain, and in otherwise meeting California's demands.

UNITARY APPROACH IS NEW

Contrary to the impression created by Mr. Dexter, this extension by California of the unitary approach to worldwide operations of a foreign parent company is a relatively new and entirely unique development. It was not until the 1970's that California attempted to allocate to California part of the income of such a foreign parent and all of its subsidiaries throughout the world merely because the group had a U.S. subsidiary operating in California. The worldwide group income so allocated included the income of the parent and its third country subsidiaries even though they did no business in and had no connection with California, whether or not such companies in the group individually had any transactions with the U.S. subsidiary.[2]

This development is contrary to well-established international tax principles and customs. It has been met with astonishment and uniform objection and resentment by companies with worldwide operations which are based in countries which are our traditional trading partners. These countries include the United Kingdom, West Germany, Japan, France, the Netherlands, and Canada.

The issue presented by Article 9(4) is the treatment by California of companies such as these (in this particular case, companies owned and controlled by residents of the United Kingdom). The issue is not the treatment of U.S. multinationals by California or any other state of the U.S. Article 9(4) does not affect the right of our states to tax based on worldwide operations of U.S. corporations or even foreign corporations controlled by U.S. persons.[3]

The U.K. has responded in the appropriate way by seeking treaty protection. This is what treaties are for under the U.S. Constitution; they clearly may limit the way the Federal Government or the states tax residents of the other country. There is solid precedent for Article 9(4) in prior U.S. tax treaties, which also operate to restrict the taxing power of either treaty country, or its political subdivisions, with respect to residents or companies of the other country.[4] Incidentally, it is important to recognize that Article 9(4) would impose reciprocal restrictions, providing important protection to U.S.-owned corporate groups from unfair taxation by the other country or its political subdivisions.

Only California, Oregon, and Alaska have extended the unitary concept to apply to foreign-owned and controlled corporate groups.[5] None of our other states will be affected by this treaty or any subsequent treaties that might contain a provision similar to Article 9(4).

THE OBJECTIONS TO THE UNITARY SYSTEM

The fundamental objection to extending the unitary system to foreign-owned worldwide groups arises because formula apportionment of worldwide income based on relative property, plant, and payroll in money terms tends to over-allocate income to the United States and its political subdivisions by reason of economic tax, and other factors in today's world.

The unitary system may work reasonably well in allocating income within a homogeneous economic structure, such as the United States, but it fails to do so when it applies to diverse foreign income which arises principally outside of any such single structure. In the case of foreign-owned corporate groups, the United States operations normally represent only a minor part of their total worldwide operations. This is especially true of U.K. corporations; U.K. businesses traditionally reach into every corner of the world by reason of U.K. dependence on world trade.

COMPOSING INCOMPARABLES PRODUCES MISALLOCATION

The unitary method applied to worldwide operations, when such operations are not largely confined to the U.S., allocates income based on payroll amounts, property costs, and sales which cannot fairly be compared. A higher portion of total income is allocated to the location where these factors are the highest in relation to income. The allocation would be appropriate in these circumstances only if income bore the same relationship to costs throughout the world, irrespective of the amount of such costs. This is clearly not the fact. As compared to the U.S., profit margins vary widely throughout the world and bear no such uniform relationship to costs.[6]

Consider the payroll allocation factor. United States (and especially California) wages per hour are generally much higher than elsewhere in the world, and even after allowance for capital intensity and productivity, the payroll factor tends to over-allocate income to California. California has refused to reduce the extent of this distortion by applying the payroll factor in terms of hours rather than dollar wages.

Property costs are also substantially higher in the United States (and, again, especially in California) than elsewhere in the world, with the same distortive effect because of the application of the property factor. California also has stringent pollution control requirements, causing a relatively higher property investment per unit of production in that state without an equivalent increase in profits; in fact, such non-productive property costs may reduce actual California profits. This causes the property factor to over-allocate income to California.

Even the sales factor causes major distortions when income arising outside a homogeneous economic system is allocated. For example, one U.K. corporate group, with extensive worldwide operations, has a U.S. subsidiary engaged in sale of tobacco products in the United States. The heavy U.S. federal and state tobacco excise taxes are reflected in U.S. sales, without any proportionate increase in profit margins, causing an over-allocation of worldwide income to California pursuant to the sales factor.

California even applies its unitary method to allocate income to California when it is demonstrable beyond reasonable question that actual operations in California have resulted in a loss.[7]

Demonstrable differences in the relationship of profits to sales have also been ignored, thereby tending to over-allocate income to California. For example, one U.K.-controlled group has diverse business activities all over the world. Its U.S. activities are limited almost entirely to its food and wine operations, which represent 44.4 percent of total group sales but only 30.3 percent of operating profits. The groups' household and toiletry operations, which extend to the United States only to a very insignificant degree, represent only 35.1 percent of group sales but contribute 49.1 percent to the group's operating profit. Obviously, an allocation of group profit to California based on sales will allocate far too large a share of group income to California.[8]

ADJUSTMENTS NEEDED

Worldwide profits cannot be allocated without adjustment for other demonstrable differences. For example, profits in developing countries may be much higher in relation to costs to reflect greatly increased risks of expropriation, currency exchange limitations, or other such factors. The result may be to allocate part of this risk profit, which is really a contingency reserve, to California. Worldwide income may be allocated by California even when such income includes substantial profits in foreign countries which are blocked and which for this reason would not be subject to federal tax in the case of a U.S. taxpayer until they become unblocked.

It is no answer, as Mr. Dexter suggests, that these or other considerations might in particular cases work in reverse to underallocate income to California. The real point is that the extension of the unitary concept to allocate income—which includes income arising outside a homogeneous economic system such as the United States—almost certainly introduces major distortions. These distortions would not arise under the alternative application of the arm's length standard as it is rigidly enforced by the Internal Revenue Service.

ALLOCATING BEFORE-TAX INCOME

The unitary system applied to worldwide income also produces gross distortions because it allocates before-tax income. Taxes imposed on income by governments throughout the world do not bear any uniform relationship to income (and more importantly, to the location of property, payroll, and sales). In many important areas of worldwide business activity, taxes are higher than in the U.S. The result is almost certain to produce a distortion in the amount fairly allocable to California. In a sense, the California tax becomes a tax on a tax, or at least an income tax on income that has already been fully taxed and is required to pay the tax already imposed.

The unitary method allows no credit for taxes paid another state or a foreign country, the presumption being there is no double taxation of income allocated to the state. In actual effect, the result is the plainest kind of extraterritorial taxation—an unfair-

Footnotes at end of article.

ness that should not be permitted to exist for any taxpayer.

UNREASONABLE ADMINISTRATIVE BURDENS

There is a second major reason why in the case of a foreign-controlled corporation doing business in California, or a U.S. subsidiary of such a foreign-controlled group, the unitary method should at most take into account only foreign income of the company doing business in California and its subsidiaries, and not income of other affiliated corporations not doing business in California. It is an unreasonable burden, if not an impossible burden, for a foreign group not controlled by U.S. persons to provide the financial information to the state that is required to make such a unitary computation.

A U.K.-owned and U.K.-based worldwide group does not keep its books, or determine income, payroll, plant costs, and sales, in dollars, or by U.S. accounting standards. The required conversion of financial figures to dollars at scores of different exchange rates, with sharp fluctuations, devaluations, and other changes, is an operational nightmare for a foreign-based group with extensive international operations.

After conversion to dollars it is next necessary to make adjustments for differences between financial and taxable income. California does not even follow U.S. federal income tax accounting and other concepts in some respects. The cost of compliance with the California requirements in the case of a U.K. worldwide group is estimated by some to be far in excess of the California tax itself.

California has also sought in some cases to force disclosure of secret financial information. California has sought information as to the operations of the foreign parent and third country subsidiaries that go beyond all reasonable bounds.[9]

WAYS AND MEANS TASK FORCE EVALUATIONS

Objections to extending the unitary concept to allocate worldwide income have been thoroughly evaluated by others. A House Ways and Means Task Force concluded that the states should be precluded— * * * from taking into account, under the unitary method or any other method, the income of foreign affiliates of corporations doing business within the States until such time as that income is subject to federal income tax.[10]

After exhaustive hearings and study, the Willis Subcommittee had earlier reached the same conclusion, and Senators Ribicoff and Mathias have sought on several occasions to cure the obvious inequities of the effect of the state unitary computations in allocating foreign source income as a base of taxation.[11]

SEPARATE ACCOUNTING

Mr. Dexter alleges that separate accounting is unworkable and that a 1973 Internal Revenue Service study concludes that section 482 is not effective in many cases. This simply is not so. At most, Article 9(4) will require only that transactions between the U.S. subsidiary and its U.K. parent or U.K. or third country subsidiaries be monitored under section 482-type standards. The Internal Revenue Service already does this monitoring and furnishes all the results to the states.

This consideration was an important reason why Governor Rockefeller of West Virginia, after "extensive review and further evaluation," recently changed his position to support the treaty. He also observed that West Virginia would gain rather than lose revenue by reason of the treaty, and that it would bring needed equity in the tax treatment of U.S. corporations conducting business abroad by reason of the reciprocal restrictions on the other treaty country and its political subdivisions).[12]

Mr. Dexter's references to the 1973 IRS study of section 482 are mysterious; no citation appears in Mr. Dexter's article and it is not discussed in California's Critique of Arm's Length Concept in the Hearings on this treaty, pp. 119–139 (which is not convincing). The hearings do contain at page 308 a memorandum from Commissioner Kurtz affirming that the arm's length standard of section 482 prevents mispricing; Commissioner Kurtz states that the Service does not use, or contemplate using, a unitary system "as the results would not reflect a reasonable arm's length standard or acceptable accounting standards and practices" and that the Service feels that it is adequately combating abuse through the use of the arm's length standard. At the very least, this would seem to discredit the 1973 study.

ARM'S LENGTH TRANSFER PRICING

The arm's length standard has long provided a common basis for understanding between the different foreign governments with which the United States has tax treaties. It appears as the basic principle for monitoring intercompany relationships for purposes of income taxation by each of the contracting nations in each of its thirty-seven bilateral income tax treaties now presently in force.

The extensive IRS regulations under section 482 designed to insure fair allocation of income of related members of a corporate group have worked successfully, and the Internal Revenue Service vigorously applies the arm's length standard. My own experience of thirty years of federal tax practice, including three with the Treasury Department, qualifies me to state that section 482 is indeed workable and effective in monitoring international intercompany transactions to insure fair results.

Substantially every U.S. company with substantial foreign operations is audited by the Revenue Service. As previously stated, the results of this monitoring are fully available to the states under the federal system whereby states of the United States may compare income reported to them with income reported to the federal government and obtain the complete details of the Internal Revenue Service adjustments.

Furthermore, the unitary business method is contrary to well-established international tax principles. An all-embracing principle of the arm's length standard, instead of the unitary business method, was embodied in the model income tax convention of the Organization for Economic Cooperation and Development (OECD), which consist of the principal trading nations of the world. The OECD model treaty specifically applies this rule to subsidiary levels of government. The 1974 Guidelines for Tax Treaties Between Developed and Developing Countries, prepared under the auspices of the United Nations, adopts the same principle.

The weight of world authority is contrary to Mr. Dexter's assertions.

TREATY SHOULD NOT BE JEOPARDIZED

Mr. Dexter ignores the fact that if the Senate reserves on Article 9(4), the Treaty must be renegotiated, at tremendous potential loss to the U.S., to the states themselves, and to millions of U.S. investors holding shares in U.S. companies doing business in the United Kingdom. This is well summarized in Assistant Secretary Lubick's recent letter to Governor Shapp:

One of the major benefits of the convention is its provision for refunds from the United Kingdom Treasury to U.S. direct and portfolio investors. * * * These provisions are retroactive in 1973 for portfolio investors and to 1975 for direct investors. If the convention is ratified this year, cumulative refunds of approximately $375 million will be paid to U.S. investors. Annual refunds subsequently will total about $85 million.

These refunds eliminate the discrimination against U.S. investors which is inherent in imputation-type integration systems when refunds are not provided. We view the dividend provisions in the convention as a significant breakthrough in our efforts to mesh the United States tax system with such integrated systems. We hope that the United Kingdom convention will constitute a precedent in our negotiations with Germany, Canada, France, and other countries. . .

Assistant Secretary Lubick then makes the following critical point:

The U.K. Parliament has already approved the convention. If the Senate reserves on Article 9(4) the entire convention must be sent back to the British Parliament for reconsideration. Since the unitary tax provision was a material element in the overall package which the Parliament approved, a reservation is likely to lead to a very careful British reexamination of the new balance of benefits in the convention.

If it determines to reapprove the convention, Parliament might make reservations of its own which could be costly to U.S. taxpayers, the Treasury, and the states, and which would, inevitably, further delay implementation of the convention. For example, if Parliament were to reserve on the effective date provisions and insist on prospective effective dates, this action would cost the U.S. between $300 and $400 million.[13]

Several matters require emphasis. The states themselves will gain much from the Treaty; the U.K. refunds will be treated as dividends, and most states include foreign dividend income in their tax base. The benefit involved is a refund of U.K. taxes to U.S. parent companies and to U.S. portfolio investors in U.K. companies, not U.S. taxes. This will reduce the foreign tax credit and thereby substantially increase tax liabilities of U.S. companies to the U.S. Some of the benefit will be realized by the U.S. companies and their shareholders. The Treaty is a critical precedent for obtaining similar concessions by other major foreign governments where we have large direct and portfolio investments.[14]

TREATY SHOULD NOT BE EVALUATED IN ABSTRACT TERMS

This Treaty is far too important to the United States to be evaluated in abstract terms, as if some new and unreasonable limitation were being imposed on the states. The weight of world tax authority, and long-established international tax principles and customs, support Article 9(4). The unitary method as applied to worldwide income of foreign-owned corporate groups is unfair, impossibly burdensome, and unsound in principle and in practice. Foreign governments uniformly object to it and will continue to insist on treaty protection.

Governor Brown of California came to understand all too well that foreign capital will no longer be invested in California and that existing foreign capital investments there are being withdrawn, because of this extension of the unitary method. He, together with Senators Cranston and Hayakawa, support the Treaty.[15] The California legislature is presently considering bills to limit the use of the unitary method to exclude consideration of non-U.S. income in the allocation.

The Treaty would provide reciprocal protection to U.S. companies as well and would insure that each government, and its political subdivisions, would do no more than adhere to established international tax principles and customs in dealing with international transactions.

The Treaty should be ratified by the U.S. Senate without reservation as to Article 9(4).

FOOTNOTES

[1] *Tax Treaties with the United Kingdom, the Republic of Korea, and the Republic of the Philippines:* Hearings before the Senate Committee on Foreign Relations, 95th Cong., 1st Sess., 184, 206, 212, 291, 295 (July 19–20, 1977) (hereinafter referred to as Hearings).

[2] Mr. Dexter makes much of the requirement that the business must be "unitary"

for the method to be applied. Any study of the California practice will demonstrate that this is no longer a real condition for use of the method by that State. Indeed, Frank Keesling, who Mr. Dexter describes as the "father" of the unitary method, says that there probably is no such thing as non-unitary business and the worldwide income should be allocated by formula without regard to any such condition. Hearings, 188, 191.

[3] Hearings, 27, 34–35, 188, 192–193.

[4] Hearings, 21–23, 194–196. The U.S. treaty with France of November 25, 1959, described at page 196 in the Hearings, is particularly relevant; it appears already to restrict California from applying the unitary method to worldwide income of French corporations. See also *Scandanavian Airlines System* v. *Los Angeles*, 52 Cal. 2d 11, 363 P. 2d 25 (1961).

[5] Hearings, 27, 32–33.

[6] See, for example, Hearings, 206–211, 291–295, 295–302, demonstrating beyond question that higher profit margins abroad of foreign banks result in allocation of foreign source income to California.

[7] Hearings, 298–302.

[8] Hearings, 188, 198–199, 206–211.

[9] Hearings, 188, 199–200, 212–219, 295–302.

[10] Recommendations of the Task Force on Foreign Source Income, House Ways and Means Committee, 95th Cong., 1st Sess. (March 8, 1977).

[11] See Hearings, 188, 200–202.

[12] Letter from Honorable John D. Rockefeller, IV, Governor of West Virginia, to Senator John J. Sparkman, Chairman, Senate Foreign Relations Committee, dated March 3, 1978.

[13] Letter from Honorable Donald C. Lubick, Assistant Secretary (Tax Policy), United States Treasury Department to Honorable Milton Shapp, Governor, State of Pennsylvania, dated February 25, 1978.

[14] See Hearings, 188, 189–190.

[15] Telegram from Honorable Edmund G. Brown, Jr., Governor, State of California, and Senator Alan Cranston, to Senator John J. Sparkman, Chairman, Senate Foreign Relations Committee, dated September 27, 1977. Hearings, 77–82.

A Closing Response to Mr. Nolan's Views

(By William D. Dexter)

(Just as John S. Nolan, the author of the preceding special report, had an opportunity to consider and respond to William D. Dexter's opening article in this debate, so too Tax Notes gave Mr. Dexter an opportunity to respond to Mr. Nolan's views. The following article is the result.)

In answering Mr. Nolan's arguments for inclusion of Article 9(4) in the U.S.-U.K. tax treaty, it is important to note what he does not deny, what he ignores, and what he assumes in the course of his argument.

First he does not deny that the "arms-length" standard is based on the "form" rather than the "substance" of international business operations. This means that with the arms-length method, international businesses can avoid income taxes by manipulating the corporate forms through which they conduct their business—i.e. through corporate "shell games."[1] They can operate abroad through branches or alternatively, through affiliated corporations, depending on which arrangement produces the lowest tax.

Second, Mr. Nolan does not deny that the states lack the capability to prevent this avoidance unless they can employ the unitary concept and thereby treat international businesses the same for state income tax purposes irrespective of the corporate "form". To the extent "arms-length" adjustments can prevent tax avoidance by use of the corporate "form", Mr. Nolan does not deny the conclusion of the 1976 Treasury Report that the "arm's-length" standard would strain the administrative capabilities of many states.

Third, he does not deny that there are administrative and judicial safeguards which prevent any state from taxing "foreign income," i.e., any income that is not reasonably related to sources and activities within the state.

Fourth, he does not deny that the unitary concept was properly upheld by the United States Supreme Court in 1924[2] and many times since as a fair and reasonable method to cope with the arbitrary assignment of international income by "separate accounting."[3]

Fifth, Mr. Nolan does not seem to deny the conceptual validity of the unitary method. At the very most, he alleges isolated abuses and a need for refinement of the apportionment formula in particular cases.[4]

Based on the foregoing, it appears that Mr. Nolan has conceded the general superiority of the unitary concept over the "separate accounting" or "arm's-length" standard in assigning income of a unitary business to the states for state income tax purposes. However, he purports to carve out a "limited" Article 9(4) exception for purely international businesses conducted through affiliates of a foreign parent.

A MORE AMBITIOUS PURPOSE

But Mr. Nolan and the multinational corporations are actually more ambitious, and Mr. Nolan himself has admitted a larger strategy. In a letter dated November 27, 1977 to Dr. Charls Walker, the noted corporate tax lobbyist, Mr. Nolan wrote: Thus, the problem [i.e., state taxation of multistate corporations] probably will be solved, if at all, only by starting with modest limitations on the California practice through tax treaties. If may then become possible to achieve a broader legislative solution.

In other words, Article 9(4) is much more than Mr. Nolan represents it to be in his article. Indeed, both state and federal legislators will be hard put to deny U.S. based corporations what Article 9(4) and its inevitable progeny would give to their overseas competitors.[5] Furthermore, the restriction of the unitary concept to the domestic corporations of an affiliated unitary group would undermine the integrity of the unitary approach.

For these reasons, all of the states—not just the three that Mr. Noland mentions—would be affected by Article 9(4). Moreover, all the states would lose the options both of turning to the unitary method in the future, or, more importantly, of using this method as a back-up in the many cases in which the arm's-length method simply will not work (40% of the cases, according to the Treasury's own study).[6]

Most important, Article 9(4) would hang over the heads of all the states the precedent of the federal government using the treaty process to dictate policies to them. This precedent could only work to the disadvantage of the states in the future. Thus, the purported narrow scope and limited purpose of Article 9(4) advanced by Mr. Nolan does not square with reality. In reality, Article 9(4) is a Trojan horse concealing a broad attack on the unitary concept to which the states have turned, according to a noted scholar, "out of sheer necessity."[7]

SHOULD STATE TAX RULES BE SET BY TREATY?

Mr. Nolan ignores the main issue posed by Article 9(4). This issue is whether the treaty process is an acceptable method for the federal government to use to dictate to the states tax policies which directly intrude on their Constitutional powers. This is a crucial issue, because the states are completely excluded from treaty negotiations. Their rights and powers may be bargained away by the federal bureaucracy, as they were in the U.K. Treaty, without their participation or even their knowledge. This is a flagrant violation of simple fairness, let alone the traditions and values of the federal system.

Mr. Nolan also ignores the fact that "arms length adjustments" are simply a refinement of an attempt to separately account for the profits of the artificial parts of an integrated multinational business. By so doing, he begs the question of whether any "separate accounting" in such a case is not in itself inherently arbitrary. The Supreme Court of the United States in Butler Bros. v. McColgan, 315 U.S. 501 (1942), held that "separate accounting" had no inherent accuracy or special validity for the assignment of the income of a unitary business.

Mr. Nolan also ignores the substantial weight of both scholarly and judicial authority questioning the adequacy of the "arms's-length" standard. One of many recent examples is an extensive comparison of the unitary and "arm's length" methods in the Harvard Law Review which concluded as follows:

While the unitary theory itself is not free from difficulty, it has sufficient theoretical appeal that it deserves serious consideration as a formalized alternative to current [i.e., federal arm's-length] practice.[8]

In addition, Mr. Nolan ignores the protracted litigation that the complicated arms-length method invites. An example is a recent case in which both the Treasury Department and DuPont have expended ten years and over $1 million apiece in costs to litigate "arm's-length" adjustments. The prospect of such protracted litigation forces tax officials into making generous settlement offers. Multinational corporations know this, and find it a congenial situation, but the states do not.

Furthermore, Mr. Nolan ignores the fact that the Treasury Department has justified the President's current proposal to terminate deferral of the "foreign" income of U.S. corporations largely on the basis of the weaknesses of the "arms-length" method through which the existing deferral rules have been enforced. This is inconsistent with the Treasury's endorsement of the arms-length method in the context of the U.K. Treaty.

Mr. Nolan also ignores the fact that the information required of taxpayers under the "arm's-length" method is far greater than that required under the unitary method. In further justification of the President's proposal to eliminate deferral, the Treasury Department itself dismisses the alleged compliance problems of the unitary method, such as currency conversion and the like, as "surmountable."[10]

Mr. Nolan ignores how many multinational taxpayers have openly acknowledged their unitary nature and have endorsed the unitary method of taxation. The Exxon Corporation has recently argued in favor of the unitary concept in Alaska. "We believe Alaska's present (unitary) income tax law as it is applied to the oil and gas industry in Alaska," Exxon told the State's voters in a published advertisement, "is equitable and provides uniformity." Exxon went on to warn that "a departure from this uniformity could result in overlapping taxation by the States." Furthermore, Exxon has stated in a letter to the late Senator Phillip Hart that "The petroleum business is unitary in nature."

Multinational corporations have regularly taken State tax officials to court to compel them to accept tax reports computed on a unitary basis. California was virtually forced to adopt the unitary method as general policy, because so many corporations insisted on filing their tax returns on that basis.

MANY LEGAL PROBLEMS IGNORED

Finally, Mr. Nolan ignores the many legal problems posed by Article 9(4) of the U.K. Treaty. For example, the states could be "whipsawed" by multinational taxpayers. While Article 9(4) would prohibit the States

Footnotes at end of article.

from applying the unitary business method, the multinational taxpayers could still use this method, when it would work to their advantage. In addition, U.S.-based multinationals may be able to claim the benefits of Article 9(4) under the equal protection standards in the Federal and State constitutions.

Furthermore, the wording of Article 9(1) when construed in conjunction with Article 9(2) and (3) may preclude the States from using even the "arm's length" adjustments (either alone or by piggybacking on IRS adjustments) which are purportedly available to the Treasury Department under Article 9(1). The reason is that Articles 9(2) and (3) apply only to the "contracting states," i.e., to the U.S. Government and Great Britain, and do not refer to political subdivisions, i.e., the fifty States.

Most important, Article 9(1) restricts the Treasury Department's own authority to make the adjustments permitted by Section 482 of the Internal Revenue Code. Section 482 reads in material part:

In any case of two or more organizations, trades or businesses . . . owned or controlled directly or indirectly by the same interests, the Secretary may distribute, apportion or allocate gross income, deductions, credits or allowances between or among such organizations, trades, or businesses, if he determines that such distribution apportionment, or allocation is necessary to reflect the income of any of such organizations, trades or businesses.

On the other hand, Article 9(1) of the U.K. treaty reads:

Where the enterprise of a Contracting State is related to another enterprise and conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would have been made between independent enterprises, then any income, deductions, receipts, or outgoings which would, but for those conditions, have been attributed to one of the enterprises but by reason of those conditions have not been so attributed, may be taken into account in computing the profits or losses of that enterprise and taxed accordingly.

The Treasury Department, under Section 482, uses not only the "arm's-length" test, but also the unitary concept, or some elements of the unitary concept, to adjust the income of related enterprises.[11] However, the language of Article 9(1) apparently would prevent the Treasury Department from using the unitary entity theory at all and would seriously impair its ability to use even the arm's-length standard. Article 9(1) would impose highly restrictive, unrealistic and virtually unenforceable conditions which the Treasury Department must meet before it could make any arm's-length adjustments.

Article 9 would also permit multinational taxpayers covered by the treaty to control the assignment of their profits except when the Treasury Department can prove that the dealings would have been different if independent enterprises were involved. This is a "but for" test, as opposed to the current "arms-length" test.

Moreover, while Article 9(1) adjustments depend upon a finding that conditions between the two related enterprises are different than they would have been between independent enterprises, there are no standards for determining when this is so. As a consequence, even if the states can ride piggyback on federal Article 9(1) adjustments, as Mr. Nolan contends, they are likely to find themselves on a long, slow ride to nowhere, with the multinationals calling the shots by means of their bookkeeping and accounting decisions.[12]

Footnotes at end of article.

In any event, the language of Article 9(1) is simply not the same as the language of Section 482. Therefore, the courts will probably interpret them differently. For this reason, Mr. Nolan's argument pertaining to the Treasury Department's successful and vigorous enforcement of Section 482 is left dangling in mid air.

THE UNDERLYING QUESTION: HOW TO ALLOCATE INCOME

Mr. Nolan erroneously assumes that the courts permit the states to apply the unitary method to non-unitary businesses in a manner which seriously overstates the income attributable to the taxing state. To the contrary, the Supreme Court of the United States has consistently interpreted the due process and interstate commerce clauses of the federal Constitution to limit a state's taxing power to income derived from sources within that state.[13]

A state cannot reach beyond its borders to tax anything. This includes California. The underlying question, which Mr. Nolan begs, is "What is the best method for distinguishing the foreign income, which states cannot tax, from income which legitimately is within their power to tax?"

From the state's viewpoint, supported by numerous Supreme Court decisions, the most reasonable or equitable approach is the unitary method. The only reason the multinationals are taking their "separate accounting" approach to the U.S. Senate floor as part of the treaty-making process, bypassing both the Senate Finance Committee and the entire House of Representatives, is that they have not been able to convince the Courts, the Congress, and the state legislatures of the correctness of their views. By tying their long-sought restriction on the unitary method to a large treaty package, where it is like a rider to an important appropriations bill, they are hopeful that opponents will be pressured to accept it.

While this may be good political strategy (depending on one's definition of "good"), it is not good policy making. The proposed restriction on state taxing powers should be considered by the whole Congress on its merits, free from the treaty ploy, in light of its precedental and long range effect. The Treasury Department and multinational corporations should not be allowed to thwart the normal political process and run roughshod over the states.

DOES THE UNITARY METHOD MISALLOCATE INCOME?

As a second assumption, Mr. Nolan recites the by-now familiar argument that the unitary method "misallocates" income to the U.S. Questions of allocation (or misallocation) arise under any method of allocating multinational corporation income (i.e. of splitting income up among taxing jurisdictions).

To eliminate the unitary method is not to eliminate the allocation problem; it is merely to transfer the problem to a more complicated arena. Fewer questions arise under the unitary method than under the arm's-length method. Mr. Nolan says nothing which disproves this point. In practice, multinational corporations have contested as arbitrary the arm's-length apportionments of the Internal Revenue Service at least as vigorously as they have contested unitary apportionments by the states. The *DuPont* case, mentioned above, is only one example of the magnitude of arm's-length method disputes.

To argue that the unitary method "misallocates" income is merely to beg the question, "compared to what?" The very allegation of misallocation assumes that an attempt to allocate the income of an integrated multinational corporation, such as British Petroleum, among its numerous subsidies throughout the globe, can be anything but arbitrary. Apportionment of unitary income by a well-balanced formula is less arbitrary than the corporate "shell game" separate accounting alternative that Mr. Nolan proposes in his defense of Article 9(4).[14]

Furthermore, in arguing misallocation by the unitary method, Mr. Nolan gives short shrift to a very important point—that the unitary method often works to the taxpayer's advantage. This point is important for two reasons. First, it shows that states which use the unitary method do so for uniform and effective tax administration, and not to soak their corporate taxpayers. And more important, this point demonstrates that Mr. Nolan's sweeping generalities about the apportionment factors merit close examination.

Mr. Nolan argues, for example, that the payroll and property factors in the three-factor formula misallocates income into the U.S. because wage rates and property values are higher here than they are abroad. Yet, according to Commerce Department figures, a full 25% of U.S. foreign investment is in Canada, where wage rates are higher than they are in the U.S. A substantial amount of the remaining U.S. foreign investment is in countries in which wage rates are comparable to or higher than those in the U.S. It is well known, moreover, that property values in many other parts of the world are considerably higher than they are here.

THE USE OF CORPORATE TAX HAVENS

In assuming misallocation of income by the unitary method, Mr. Nolan has neglected to mention that many multinational taxpayers try to allocate as much of their income as possible to such international tax havens as Singapore and Hong Kong. The unitary method thwarts such efforts, efficiently and with much less bureaucracy than is required under the arm's-length method. This effectiveness is a major reason multinational taxpayers are so opposed to the unitary method.

Virtually all of Mr. Nolan's misallocation arguments are simply a rehash of the old refrain that an apportionment formula arrives at an unreasonable and invalid result if it assigns more income to a taxing jurisdiction than the taxpayer would allocate by separate accounting. The courts have repeatedly rejected this contention.[15]

Mr. Nolan also seems to assume that the arm's-length standard prevents mispricing. He bases this assumption on his own experience and on a memo from IRS Commissioner Kutz "affirming that the arm's-length standard of section 482 prevents mispricing."

What Mr. Kurtz means by "mispricing" and what Mr. Nolan considers to be workable and effective is left unexplained. When multinational corporations promote a tax enforcement system as vigorously as they espouse the arm's-length method, tax administrators and policy makers are advised to examine that method carefully.

DIFFICULTIES IN APPLYING THE ARMS LENGTH STANDARD

Furthermore, Mr. Nolan's sanguine view of the arm's-length method is refuted by the experience of government attorneys who have tried to litigate arm's-length pricing cases, as well as by corporate officials, legal scholars, and even the Treasury itself in its current presentations to Congress regarding tax deferral for controlled foreign corporations. In those presentations, Treasury notes that:

Terminating deferral will reduce the incentive inherent in present law for U.S. taxpayers to avoid U.S. tax by undercharging foreign affiliates for goods, services, research, and home office overhead.[16]

Exxon, in response to a letter from the late Senator Hart, refused a detailed breakdown—i.e. a separate accounting—for the earnings of its various divisions. It did so on the ground that:

Further breakdowns require many allocations and assumptions, which could lead to erroneous comparisons of data between various companies and hence erroneous conclusions.[17]

The unreliability of the arm's-length standard has also been discussed by Professor Jerome R. Hellerstein in an article in the National Tax Journal. He points out that the unitary method was developed because:

. . . There is no viable way of separately accounting for the profits of a business where interdependent operating functions that produce the profits of the enterprise are carried on in more than one state.[18]

And Zoltan M. Mehalay, at a recent U.S.C. tax institute, has noted the difficulties faced by both tax practitioners and revenue agents alike when they try to implement the arm's length method:

. . . The basic fallacy of the doctrine of the exclusive application of the arm's-length standard is that it is not true that evidence of the arm's-length prices can be obtained in every case. Indeed, probably in the majority of the cases, there is no evidence of truly comparable pricing arrangements involving unrelated parties.[19]

The inability to apply the arm's-length standard has resulted, according to the Harvard Law Review, in the following:

. . .[T]here is evidence that the pricing test most often used by revenue agents to make allocations [arm's-length 482 adjustments] in routine international intercompany sales audits is the improvised fourth method [unitary method]. Indeed, one commentator has stated that it is the rule, not the exception, for agents in effect to view commonly-controlled businesses more as unitary than as separate entities.[20]

When Mr. Nolan argues that the arm's-length standard is the worldwide norm, he neglects to mention the efforts of corporate lobbyists to make this method the world standard. I hope that both the states and the federal government set their tax enforcement aims higher than the international norm, which is not very high.

Mr. Nolan's real fear, pointed out in his November 27, 1977 letter to Dr. Walker, cited earlier, is that other nations will also adopt the unitary method. Authorities abroad are beginning to acknowledge its superiority. Brian Aungiers, an accountant with the London Branch of Peat, Marwick and Mitchell, wrote in a recent article that "the unitary method has considerable theoretical justification and may represent the wave of the future." [21]

THE ROSTENKOWSKI REPORT

Mr. Nolan cites the so-called Rostenkowski Report as authority for the weaknesses of the unitary method. He neglects to mention that this report was based on the unsubstantiated allegations of particular multinational taxpayers. The Committee undertook no independent study of the merits of the arm's-length and unitary systems in actual practice. The Committee did not examine the tax returns of the witnesses to verify their allegations.

Furthermore, Mr. Nolan omits a key passage in that report which concluded:

. . . [T]here is no significant disagreement that the states must use some type of apportionment formula [as distinguished from making an allocation of income and deductions by separate accounting], since there would be no practical way of determining what income of a company is earned within a state as opposed to being earned within other states [or in foreign countries.] [27]

WILL THE TREATY PRODUCE SUBSTANTIAL BENEFITS?

Mr. Nolan argues that the states should not oppose Article 9(4), because of the substantial benefits multinational taxpayers will get under other provisions of the treaty. This was, as indicated above, precisely the multinationals' strategy—to attempt to insure passage of Article 9(4) by holding other treaty provisions hostage to it. This strategy browbeats the states into supporting something against their interests—both in itself and as precedent—and paints members of the Senate who oppose Article 9(4) into the same corner. This sort of cunning is an unacceptable way for resolving disputes within the federal system.

Mr. Nolan argues that multinational taxpayers stand to gain large sums under Article 10 of the treaty. But the British Government calls the U.S. Treasury's estimates of these benefits greatly inflated. In any event, these payments are supposed to benefit the states because dividends coming across the Atlantic will result in additional tax revenues. However, Mr. Nolan neglects to mention that foreign dividends are exempt from taxation in at least 19 states, including New York, Pennsylvania, Connecticut, Delaware, and New Jersey, where many multinational taxpayers are headquartered.

CONCLUSION

In conclusion, Mr. Nolan has not established that the United States Senate should now embark on an unprecedented mission and use the treaty process to curtail the reasonable and legitimate taxing powers of the states. Furthermore, Mr. Nolan has utterly failed to establish that the unitary method is in any way inferior to the arm's-length method or that the arm's-length standard is a viable taxing method for the states.

His claim that the arm's-length method is working well on the federal level and that the states therefore should trust their fate to the Internal Revenue Service is faulty in two respects. First, the Treasury Department's efforts to restrict state taxing powers by unilateral action through the U.K. Treaty hardly convinces the states that the Treasury Department has their interests at heart. Second, the arm's-length standard simply is inadequate. To hide this inadequacy behind other treaty provisions or to justify it on the basis of alleged worldwide practice does not salvage the position of Mr. Nolan and the Treasury Department. In the interests of economical and effective government, as well as fair play, Article 9(4) should be reserved from the U.S.-U.K. Tax Treaty.

FOOTNOTES

[1] As noted by Jerome R. Hellerstein in "The Unitary Business Principle and Multicorporate Enterprises: An Examination of the Major Controversies," 27 *The Tax Executive*, July 1975, No. 4, at pp. 317–318; ". . . the organization of a business enterprise, for whatever purposes, by means of subsidiaries, as distinguished from branches, ought not to affect its state income tax liabilities."

[2] *Bass, Ratcliff & Gretton, Ltd.* v. *State Tax Commission*, 260 U.S. 271 (1924).

[3] As noted by Mr. Hellerstein, *Supra*, note 1 at p. 315:

"Over the years, separate accounting has come in for increased criticism, in theory as well as because of its impracticability and excessive costs." (Citing Albert H. Cohen, "Apportionment and Allocation Formulae and Factors Used by States in Levying Taxes Based on or Measured by Manufacturing, Distributive and Extractive Corporations," Research Report prepared for Controllership Foundation (1954) and "State Taxation of Interstate Commerce," Report of the Special Subcommittee of the Judiciary Committee (Willis Subcommittee"), 88th Congress, 2nd Session, H. Rep. No. 1480, Vol. 1, pp. 163–167 (1964).)

[4] In recognition of this problem, Section 18 of the Uniform Division of Income for Tax Purposes Act (UDITPA, Uniform Laws Annotated, Vol. 9a, p. 448) specifically provides for adjustment of the apportionment formula contained in the act, if the formula does not "fairly represent the extent of the taxpayer's activity" in the taxing state. Under UDITPA, which has been adopted by California, the taxpayer is entitled to this relief either on petition or by unilateral administrative action.

[5] The next step is to label all income from overseas affiliates as "foreign source income" and urge Congress to exempt such income for state income tax purposes or alternatively, to assign such income to the "commercial domicile" of the U.S. parent, where it is generally exempt:

[6] This figure, referred to in my article, is questioned by Mr. Nolan. It was taken from United States Treasury, "Summary Study of International Cases Involving Section 482 of the Internal Revenue Code," January 8, 1973.

[7] *Supra*, Note 1, p. 314.

[8] "Multinational Corporations and Income Allocation Under Section 482 of the Internal Revenue Code," 89 *Harvard Law Review* 1202, 1238, (1976).

[9] *The President's 1978 Tax Program*, pp. 282–283.

[10] *Id.*, p. 283.

[11] *Supra*, Note 8, p. 1238. The article notes that.

The use of the arm's-length standard of the current section 482 regulations has been accompanied by serious problems most clearly evidenced by the surprisingly frequent reliance of revenue agents and courts on ad hoc fourth method approaches, based not on the theory of the regulation but on the unitary entity theory.

[12] One must conclude that since the language of Article 9(1), without any explanation, departs markedly from the language of section 482, there was a significant reason for the language change. Neither Mr. Nolan nor the Treasury Department has offered any explanation for this. One can only guess at what was intended by the language employed.

[13] *Northwestern Portland Cement Co.* v. *Minnesota*, 358 U.S. 450 (1959); *General Motors Corp.* v. *Washington*, 377 U.S. 436 (1964).

[14] *Tax Notes*, in its September 1 and October 20, 1975 issues reported that for several years in the 1970's Getty Oil did not report any taxable income to Delaware, where it had substantial properties, payrolls, and investments. Getty apparently achieved this remarkable feat through its transfer pricing arrangements with its subsidiaries and affiliates. Getty Oil is not alone. States often experience such reporting of little or no income by large multistate and multinational corporations.

[15] In *Butler Bros.* v. *McColgan*, *supra*, the Supreme Court upheld formula apportionment of unitary income as reasonable even though apportioned income, exceeded the income allocated by the taxpayer and by "separate accounting."

[16] *The President's 1978 Tax Reform Program*, pp. 282–283.

[17] Letter dated January 6, 1976, Appendix to Hearings.

[18] Hellerstein, XXI *National Tax Journal* 487, 500 (1968).

[19] 25 *U.S.C. Law Center Tax Institute* 731, 749 (1973); Cf. 28 *NYU Institute on Federal Taxation* 603, 613, 616–617; "Developments in Intercompany Pricing Under Section 482," *Seventh Annual Institute on International Taxation* 103 (July 16, 1976).

[20] 89 *Harvard Law Review* 1202, 1222 (1976).

[21] *Tax Planning International*, June 1977, p. 109.

[22] *Recommendations of the Task Force on Foreign Source Income*, Committee on Ways & Means, U.S. House of Representatives, March 8, 1977, p. 28.●

THE RUSSIANS ARE COMING

● Mr. CHURCH. Mr. President, the June 6, 1978, edition of the New York Times contained an excellent article by Richard Barnet, a "Fellow of the Institute for Policy Studies." Mr. Barnet warns of the hazards of the politics of confrontation and the dangers that the administration's recent "get tough" rhetoric may eviscerate chances to stop the nuclear arms race. I commend Mr. Barnet for his article. Crying "The Russians Are Coming" is incompatible with public acceptance of a SALT agreement that may be in the best interests of our country and the world.

I ask that this article be printed in the RECORD.

The article follows:

SHOWIN' THEM COMMIES

(By Richard J. Barnet)

WASHINGTON.—When it picked the opening week of the United Nations special session on disarmament to launch a "get-tough" campaign against the Soviet Union, the Administration had a purpose other than black humor in mind.

It was not that more missiles were suddenly discovered or that more Cubans were pouring into Ethiopia; indeed, there appeared to be some friction between the Ethiopians and the Cubans. The Soviet buildup was proceeding at about the same pace as in the years of Gerald R. Ford and Henry A. Kissinger.

The purpose was to achieve some short-term political effects: more visible Soviet restraint abroad, more support for a faltering President at home.

The Carter-Brzezinski rhetoric recalls that of the early Kennedy years. Then, too, the Soviet leaders were, according to White House sources, "testing the manhood" of a fledgling Administration. Then, too, a President who had won office by a hair and was facing mounting political attacks sought domestic credibility in tough cold-war talk. But replaying 1960's strategies as we are about to enter the 1980's is a most hazardous game.

This is not the 60's. The United States no longer has a monopoly or near-monopoly on nuclear weapons. The National Security Council has estimated that in a nuclear war there would be 140 million American deaths and that 75 percent of this country would be destroyed. Neither side "could conceivably be described as a winner" since the Soviet Union would lose at least 113 million people.

In the Kennedy time, tough talk was accompanied by a show of force. There were two major confrontations with the Soviet Union: The Berlin crisis of 1961 and the Cuban missile crisis a year later. In each instance the Russians backed down but took action to protect their position for the next encounter. In one case they built the Berlin wall and in the other, after a humiliating retreat, they began the major missile- and Navy-building that is supposed to be the proof of their global imperial ambitions.

Nuclear war may be unthinkable but it is by no means impossible. It will not occur as a deliberate act. No leader except a madman will risk millions of his people for prestige, cobalt, copper, the chance to pick the next government in Ethiopia, or for whatever nations go to war over. But war by miscalculation over the next generation is probable if old habits of mind and old politicial reflexes do not change.

The Russians have a long record of backing down in confrontations—as recently as in the 1973 Middle East war when the United States staged a worldwide alert—but there is nothing to suggest that that situation will continue. In the politics of confrontation, all it takes is one wrong guess about what the Russians will do and the result is an uncontrollable chain reaction of move and countermove leading straight to nuclear war.

This is so because nuclear weapons are integrated into our military forces and into the Soviet forces, and, as Secretary of Defense Harold Brown puts it, "Any use of nuclear weapons by the two superpowers against one another . . . would carry a high risk" of escalation.

The relative peace of the last generation was a product of an unusual set of circumstances that will not be repeated in our time: There was a *Pax Americana* resting on a preponderance of nuclear weapons and a prominent economic position that are both gone now. There was a great margin for error and bravado that has disappeared.

President Kennedy's Inaugural promise to "pay any price, bear any burden" to block the spread of Soviet influence may still bring crowds to their feet cheering, but increasingly it will either be exposed as vain rhetoric or, if our bluff is called, it will trigger horrors that will make the Vietnam involvement seem like a national picnic.

The Chinese, who are skillfully manipulating American fears for their own purposes, call nuclear-age realism "cowardice" and "appeasement." But we would do well to remember that a generation of periodic tough talk and $1.75 trillion in military expenditures has not caused the Soviet Union to wilt but rather has encouraged a steady increase in its military power and geopolitical adventurism.

Of course the Soviet Union is a geopolitical rival. It never promised to stop being that. We do not have the power to make it stop by escalating either our rhetoric or the arms race.

The arms-race mentality that sets different standards of behavior for our adversaries than for ourselves—our bases are for peace, theirs are for war; this missile attack, our defend—cannot co-exist détente.

Either we change the rules by which all great powers play—through serious, substantial disarmament, limitations on bases, on global arms traffic, on covert operations—or the game we are in will end in nuclear war in our time.●

BAYH URGES ENACTMENT OF CITIZENS PRIVACY PROTECTION AMENDMENT

● Mr. BAYH. Mr. President, recently the Supreme Court handed down its decision in Zurcher against Stanford Daily allowing unannounced police searches of citizens' homes or business, if the police are armed with a warrant, even when those citizens are in no way suspected of involvement in criminal activity. I believe this decision requires a rapid legislative response from the Congress and on Monday of this week I introduced the Citizens Privacy Protection amendment to the Civil Rights Act (S. 3164). This legislation is designed to establish special procedures for searching and seizing evidence of a crime when that evidence is in possession of a person not implicated in criminal activity. A special exception to this approach is incorporated when there are specific indications that the evidence to be sought might be hidden or destroyed.

Mr. President, the implications posed by the Zurcher decision are particularly disturbing to the constitutionally protected activity of the news media. At this point I would like to have printed in the RECORD several editorials and articles on the subject from the Indianapolis Star, New York Times, Washington Star, and Christian Science Monitor.

The materials follow:

[From the Indianapolis Star]

TOWARD A POLICE STATE

An opening wedge for a police state was driven by the United States Supreme Court's 5-to-3 ruling that police may search a newspaper office for criminal evidence even though no newspaper employee is suspected of involvement in the crime.

This decision flies in the face of the constitutional guarantee of freedom of the press. It amounts to an open invitation to conspiratorial, politically or criminally motivated harassment of newspapers by any corrupt boss or gang with ability to wield influence over police and a judge.

That ability to influence has by no means been rare in American political history.

This dangerous and ill-conceived ruling is a blank check incitement to the brand of Gestapo-like and KGB-style badgering of freedom of expression notorious under totalitarian systems. It offers a cloak of unmerited and unwarranted judicial blessing to foul enterprises of intimidation. It has the rank stench of the police state.

In a dissenting opinion for himself and Justice Thurgood Marshall, Justice Potter Stewart wrote: "It seems to me self-evident that police searches of newspaper offices burden the freedom of the press." So indeed it is.

In the ruling, the majority said police are under no legal obligation first to seek the desired evidence by subpoena, as has been done in the past. This opens the way for surprise raids, malicious rummaging and calculated interference with newspaper operations.

"Properly administered, the preconditions for a warrant . . . should afford sufficient protection against the harms that are assertedly threatened by warrants for searching newspaper offices," wrote Justice Byron White, who was joined in the majority opinion by Chief Justice Warren Burger and Justices Harry Blackmun, Lewis Powell, Jr. and William Rehnquist.

Justice John Paul Stevens joined Marshall and Stewart in dissenting. Justice William Brennan Jr. did not take part in deciding the case.

Of course, any "properly administered" law or legal process should afford sufficient protection against the harms that are assertedly "threatened" by such law. That includes all sorts of laws and processes ruled unconstitutional by the Supreme Court on the ground that they did not "afford sufficient protection," even to clearly guilty killers, kidnappers, rapists and other vicious criminals whom the high court has freed by droves.

The point is that knaves, including those who hold office, bend or break laws when they feel it is to their advantage to do so.

This all-important truth was clear to the judges whose rulings were reversed by the high court—a Federal trial judge and the 9th U.S. Circuit Court of Appeals—in a case involving a police search of the Stanford Daily office on Stanford University's Palo Alto, Calif., campus in 1971.

Police searches of the premises of someone not suspected of a crime are almost never legally justified, the lower courts had ruled. They also ruled that even more protection is due newspaper offices because of constitutional freedom-of-the-press guarantees.

This rash decision of the high court poses a standing threat not only to newspapers but to other communications media and to doctors, hospitals, insurance companies and all kinds of organizations and individuals that keep detailed information which "might" be though—or capriciously alleged—to contain "evidence" relating to a crime.

It is a clear and present danger to the freedom of the press.

To Save Freedom

The United States Supreme Court has opened a threat to freedom in America that can be removed only by Congress.

Action to deal effectively with the peril should be taken at once.

The court action was the decision opening newspaper offices to surprise police search for and seizure of evidence that might be related to a crime in which neither the newspaper nor any of its employes is involved.

We cannot express too strongly our belief that this incomprehensible ruling tears a gaping hole in the constitutional guarantee of freedom of the press.

Further it establishes a precedent for similar rulings on searches of the offices of lawyers, doctors, hospitals—a possibly endless list of professionals and businesses that keep records heretofore regarded as protected against enforced disclosure.

No hope can be held for correction of this gross blunder except by action of Congress. The court is unlikely to reverse itself and there is no higher judicial authority to which to appeal.

What is needed is a law specifically prohibiting the issuance of warrants for search of the offices of newspapers and other publishing houses, broadcasting stations and others hitherto believed to have constitutional protection, except on showing of probable cause to believe that the organization or an employee has engaged in criminal activity.

Newspaper editors and publishers throughout the land have immediately perceived the dangers opened up by this court ruling, and have reacted much as have we of The Star. It was naive, to say the best, of Justice Byron White to write in the court's decision that surprise searches would not "chill" the free press.

Benjamin C. Bradlee, executive editor of the Washington Post, pointed out that in the famous Pentagon Papers case several years ago the police, under the current court ruling, could simply have obtained warrants, gone into the offices of the Post and the New York Times and seized the documents thus preventing publication.

He raised the question of what might have happened had such power of search and seizure been available to the White House staff in the Watergate period. These are realities of what the Supreme Court has done.

We hope most fervently that members of the Congress will understand the situation, and will set swiftly to restore protection of freedom of the press, which is a bastion of all freedom.

[From the New York Times]

A Double Blow by the Court

The privacy rights of the law-abiding were shabbily treated by the Supreme Court the other day when it held that police may search for evidence of crime on the premises of persons who are not themselves suspected of any crime. The Fourth Amendment protects "the right of the people to be secure in their persons, houses, papers and effects against unreasonable searches," but the Court said this sort of search was reasonable. Judicial warrants may now be obtained for unannounced, wide-ranging searches through files, drawers—even waste baskets—without proof that such methods are needed to guard against destruction of the evidence. This decision strikes a double blow, at individual privacy and press freedom.

The premises in the case before the Court were those of the Stanford University student newspaper, which claimed that its rights had been violated by a police search of its offices after a 1971 campus riot. Police wanted to search the newspapers' offices because a published photograph of the riot led them to believe there might be more photographic evidence. Their request for a warrant contained no charge that the Daily's staff had anything to do with the violence and no hint that the authorities feared destruction of the evidence. Extensive as the search was, it turned up nothing useful to the police.

The newspaper argued that the search violated the Fourth Amendment rights of citizens generally. The police, it was argued, could have sought their evidence by way of subpoena, a procedure that would have permitted orderly opposition. The newspaper also argued that First Amendment rights were infringed because such a sweeping search inevitably compromised information the police had no right to see. The court said no to both arguments.

Justice Byron White's majority opinion treated the newspaper arguments as though they had come from outer space. He said the Stanford Daily was seeking "a major revision of the Fourth Amendment," by asking the Court to "hold for the first time" that the validity of a search depends on the culpability of the search's target. But, as Justice John Paul Stevens showed in a lucid dissent, the Court was not being asked to do anything so contrary to precedent. There was no precedent; the precise issue had never been before the Supreme Court. Until 1967, police could seek warrants only to look for such things as contraband, the fruits of a crime, or the instrumentality of a crime, like a gun. Then in 1967 the Court ruled—for the first time—that searches for "mere evidence" of crime were valid under the Fourth Amendment.

That decision was what shattered precedent. It then became more probable that searches would disrupt the lives of innocent parties who might readily come into possession of evidence of crime; it was open to the Court in the Stanford Daily case to require special procedures safeguarding their interests. Instead, the Court would now allow officials to treat the law-abiding like criminals.

The Court's treatment of the First Amendment issue was just as cavalier. "We decline to reinterpret the Amendment to impose a general Constitutional barrier against warrants to search newspaper premises," said Justice White. But First Amendment considerations made even stronger the case for added safeguards against such a search. In this decade, it is hardly fanciful to worry that public officials bent on obstructing justice might invoke such authority malevolently. Even worse, wiretapping is merely one kind of a search; there seems to be no Constitutional barrier to court-approved wiretapping of reporters' telephones.

The Court itself acknowledged that legislatures are free to enact added protections for individual privacy and press freedom. Considering the way this Court now interprets the Fourth Amendment, Congress and the state legislatures would be well advised to do so promptly.

Press Freedom Under Siege

The U.S. Supreme Court once again has failed to protect the principle of freedom of the press, and all Americans, not just the news media, are the potential losers. The Burger court's latest ruling affecting the press would allow newspaper offices to be searched by police without warning and without giving the newspaper an opportunity to contest the search.

Coming on the heels of other recent rulings that have tended to inhibit news gathering—and in the wake of warnings by Chief Justice Burger that "the institutional press" is guaranteed no special privileges in the Constitution—this week's decision reflects an ominous trend for the press and others as well.

As Justice Stevens properly warned in his strong dissent of the 5-to-3 ruling, "Countless law-abiding citizens—doctors, lawyers, merchants, customers, bystanders—may have documents in their possession that relate to an ongoing criminal investigation. The consequences of subjecting this large category of persons to unannounced police searches are extremely serious."

The ruling permitting unannounced searches of newspaper offices will make it even more difficult for the media to obtain legitimate information from confidential sources. It gives any public official under investigation a potent new weapon. It opens the door to prior restraint on publication of material come upon in such searches.

All in all the decision raises severe questions about protecting the freedom of the press as guaranteed by the First Amendment. John Hughes, president of the American Society of Newspaper Editors, objected that "the ruling could open the door to the gravest abuse." He noted, for instance, "A warrant can be granted by a magistrate at midnight with no opportunity for a newspaper to present a countering point of view until after the police search has taken place. Obviously, this could have a chilling effect on the operations of the press, and the protection of the confidentiality of sources and notes."

Particularly disturbing is the fact that the raid on the student-run newspaper at Stanford University that prompted the ruling was far from an isolated incident. Jack Landau, director of the Reporters Committee for Freedom of the Press, notes that there have recently been 10 police raids on news offices in California alone, and most recently searches of a TV station in Rhode Island and a wire service office in Montana.

In the aftermath of this unfortunate ruling, it is incumbent upon judges weighing applications for search warrants to consider carefully the constitutional implications of their decisions.

[From the Washington Star]

Court Ruling Creates a Newsroom Dilemma

(By Lyle Denniston)

A plea for help from Congress or a policy of defiance now appear to be the news industry's main options for cutting off police access to newsroom files.

Yesterday's Supreme Court ruling upholding the power of police, with search warrants, to seek evidence from those files stirred immediate anger and anxiety in the press.

Some of both reactions seemed to be due, though the apparent fact that there was little that could be done, either immediately or practically, about it.

Congress could be asked to pass a federal

law to curb police access to newsrooms, but past failures to get special protection from Capitol Hill for the press make that seem unpromising.

Even so, that approach may develop more appeal than the only other option now being discussed seriously: defying the police by destroying anything in the newsroom that may be of potential interest in criminal cases.

"A legislative solution is preferable to destruction of everything in a newspaper office," said Jack Landau, director of the Reporters Committee for Freedom of the Press.

Landau argued that it would probably be necessary to carry out wholesale destruction in order to be sure that the police would regard searches of newsrooms as futile.

Newspaper editors took sharp exception to the court's ruling. Anthony Day, editor of the editorial pages of the Los Angeles Times, said: "On a quick reading of the heart of Justice (Byron R.) White's opinion, I don't think he understands the animal he has let loose here. White's definition of what is permissible is so broad as to positively invite law enforcement officers to go for search warrants in almost any crime or supposed crime." Day is chairman of the American Society of Newspaper Editors' Freedom of Information Committee.

News organizations' files potentially are a rich mine of material—papers, notes, documents, pictures, negatives and film—for use in criminal investigations.

The new court decision apparently would open all of that to police or federal agents, so long as the officers had been able to persuade a judge or magistrate that a newsroom search probably would yield evidence and, thus, a search warrant should be issued.

Although the court majority cautioned judges about issuing warrants too freely when the data being sought is protected by the Constitution, it is not yet certain that judges would routinely hesitate to sign such warrants.

Since a warrant authorizes an officer to enter the place to be searched even by force if necessary, news organizations would have next to no hope of stopping the police at the front door.

Once inside, the officers would be under an obligation to search only for those materials spelled out in the warrant. But the new decision apparently puts no limit on the kinds of materials that officers may get permission to ferret out.

That facet of the decision apparently is behind the discussion now starting among some news industry managers of developing a policy of getting rid of items that might be sought.

Lawyers for the press say that an organization probably would not risk serious legal challenges if it had a general policy of destruction of files, or even if it had a policy of destroying only some specified categories of files.

But if an organization has been put on notice that the police were on the way, or were known to be interested in specific files, the destruction of those could bring a prosecution for "obstruction of justice," according to those lawyers.

There also could be problems in defending editors, reporters and news organizations against libel lawsuits if background notes and supporting files were destroyed as a routine matter.

"The best friends a reporter has when he is sued for libel are his notes," Landau remarked.

Because of the potential complications of the new ruling, the press is expected to take some time in developing individual or collective plans for dealing with the decision.

The only way the decision could be overturned, of course, would be to get the Constitution amended, since the ruling was based solely on constitutional issues.

The 5–3 decision, written by White, came in a test case involving a police search of the offices of a student newspaper, the Stanford Daily, in Palo Alto, Calif., seven years ago.

Police with a search warrant went there in search of negatives, films and photos that might help police identify persons who had attacked policemen during a campus demonstration. The officers found nothing that they wanted.

Landau, speaking for the Reporters Committee, said the Stanford raid was "not an isolated incident." Police, Landau said, had conducted 10 similar newsroom searches in California and, most recently, searched a television station in Rhode Island and a wire service office in Montana.

"The Carter administration must share the blame for this landmark injury to the First Amendment, because its solicitor general urged the Supreme Court to uphold the broad authority of police to obtain the kind of search warrant involved in this case," Landau said.

[From the Christian Science Monitor]

U.S. MEDIA ALARMED BY HIGH COURT SEARCH RULING

(By Richard L. Strout)

A knock on the door, a gruff voice outside, "We're the police come to search your files!" That's the nightmare of newspaper editors all over the world.

Cries of anger and alarm rise from United States editors this week over the 5-to-3 U.S. Supreme Court decision (Zurcher v. Stanford Daily) authorizing surprise searches, on justices' warrants, of newspapers, broadcasters, and other offices suspected of possessing evidence connected with crime.

Not in recent years has such an uproar risen from the media on a judicial decision, and the clamor seems likely to increase, not diminish.

"A constitutional outrage," says Jack C. Landau, director of the Reporters' Committee for Freedom of the Press.

"It would open the door for harassment," says Keith Fuller, president of the Associated Press.

Los Angeles Times editor William Thomas calls it "incredible"; Washington Post editor Benjamin C. Bradlee, "beyond understanding." However, a Stanford University professor, Gerald Hunther, warned the press that by calling the decision a total defeat it "may create a self-fulfilling prophecy."

Associate Justice Byron R. White, in his majority opinion, pooh-poohed the danger of police interference or fear that the ruling would provide "opportunity for officers to rummage at large in newspaper files." He wrote:

"Properly administered, the preconditions for a warrant—probable cause, specificity with respect to the place to be searched and the things to be seized, and overall reasonableness—should afford sufficient protection against the harms that are assertedly threatened by warrants for searching newspaper offices."

He was joined by Chief Justice Warren E. Burger, and Justices Harry A. Blackmun, Lewis F. Powell Jr., and William H. Rehnquist.

Justice John Paul Stevens, in one dissent, warned of "extremely serious" consequences to countless law-abiding citizens . . . doctors, lawyers, merchants, customers, bystanders" whose property might be searched. Justices Potter Stewart and Thurgood Marshall, in a second dissent, dealt particularly with freedom of the press.

Justice Stewart warned of "physical disruption" from "policemen occupying a newsroom," and declared "it requires no blind leap of faith" to believe that such chances might dry up confidential sources.

Washington notes these features in the case:

The special elite position of the U.S. press now is under closer scrutiny, stemming from Watergate, Spiro T. Agnew, and the Vietnam war.

Chief Justice Burger, in an opinion last month, frankly expounded his philosophy of the First Amendment, declaring that the press has no greater right to free speech than anybody else.

The four Supreme Court justices named by Richard M. Nixon (who said he was looking for "strict constructionists") were in the majority in both recent cases—Burger, Blackmun, Powell, and Rehnquist. In the latest case they were led by Justice White, a Kennedy appointee. (Justice William J. Brenn Jr. did not participate.)

It is recalled that Washington Post reporters got tips on Watergate from an anonymous informant called "Deep Throat," whose identity might have been revealed by a police raid. (Executive editor Bradlee asserted here that under the new ruling, "the Pentagon papers could never have been published.")●

ADDRESS BY G. WILLIAM MILLER

● Mr. PELL. Mr. President, recently, on May 21, I had the pleasure of attending the commencement exercises at Boston University, and listening to the commencement address delivered by the Honorable G. William Miller, Chairman of the Board of Governors of the Federal Reserve System.

Those of us who have known Bill Miller for many years have long admired his perception and his extraordinary ability to bring into focus quickly and succinctly the central issue in complex problems.

His address to the graduates at Boston University demonstrated this ability as Chairman Miller outlined the major economic problems confronting our Nation, and urged that early attention be given to a "New Direction" in American life to shift the philosophy of U.S. economic policy from consumption management to supply or investment management.

Mr. President, because Chairman Miller's remarks have a great significance for fiscal policy issues which confront the Senate, I ask that the text of his address at Boston University be printed in the RECORD.

The address follows:

REMARKS BY CHAIRMAN MILLER

Thank you Dr. Silber. My role in addressing the graduating class today is both a privilege and a responsibility. It is a moment to pause and reflect on the new life ahead before the joys of celebration with family and friends and before the sadness of farewells to classmates and teachers. The test for me is to be brief, yet responsive.

In America, whatever our individual backgrounds, urban or rural, each of us is aware of the unparalled capacity of our nation to produce abundant harvests. By virtue of a natural endowment of the greatest expanse of fertile, well watered land in the world, coupled with unusual human skills and enterprise, this country each year gushes forth a cornucopia of crops second to none in quantity and variety.

Such bounty is a unique blessing. Yet, even more critical to our fundamental strength

and vitality is the growth and renewal of America's people.

For harvest time, we think of the fall, with crisp autumn air. But the harvest of our colleges and universities is concentrated in these few weeks as the blossoms of spring drop away and the heat of summer begins to rise.

What will this year's university crop produce: famine or feast? Will the world be enriched or impoverished by the infusion of your new talent?

Perhaps there may be a clue in looking at the conditions which have prevailed while you were preparing your careers and the environment which you will now experience.

The past dozen years have been characterized by dramatic shocks and discontinuities. The war in Vietnam was divisive. The state of domestc tranquility was interrupted by civil disorders. Failure to pay for that war planted the seeds of inflation. The threat of inflation led to imposition of direct wage and price controls, which proved to be both inequitable and ineffective. The international monetary system broke down. The U.S. economy was reflated, building up a head of steam in the kettle. When the discredited wage and price controls were removed, the steam blew off to double digit inflation and double digit interest rates. To compound the difficulties, the oil boycott ushered in a five-fold increase in world petroleum prices. The Watergate incident and its aftermath led to a general distrust of all institutions, public and private. Finally, there was the Great Recession of 1975 with 9 percent unemployment and the greatest economic distress since The Depression of the 1930's.

Now we are beginning the fourth year in economic recovery from those troubled times. The level of prosperity has advanced considerably. Social and political conditions have become more stable. Yet, in the face of progress there is a nagging discomfort.

The reason is not hard to fathom. The agenda of unresolved issues remains formidable, indeed. In the economic field, let me point out three major items which will stay high on the priority list for years to come.

One is energy. America was fortunate to be able to develop by utilizing the seemingly boundless resources of a vast, almost unpopulated continent. The availability of abundant and inexpensive energy fueled the growth of a great industrial economy. But with 6 percent of the world's population consuming one-third of its energy, it was inevitable that a day of reckoning would come. The forces of supply and demand came into play with a vengeance. In 1973 the United States paid $8 billion for imported oil products. Last year, it was $45 billion. This contributed to the large U.S. trade deficit and the pressure on the dollar.

The task ahead is to convert our industrial, commercial, residential, transportation and public infra-structure into more energy efficient systems. We urgently need to conserve present energy reserves, to reduce our dependence on foreign petroleum, and to change over to alternate, more economic energy sources. This process will take more than a decade.

The second item is the dollar. The decline in the value of the dollar since last September has caused a worldwide nervousness. The reason for the slide may be traced to the record U.S. trade and current account deficits and to the level and persistence of U.S. inflation rates. The decline of the dollar itself adds to inflationary pressures as the goods we import cost more and reduce competitive restraints on domestic products.

We have a special responsibility to maintain a sound and stable dollar. It is the currency for most international trade and finance. It is the principal of reserve asset for the world monetary system. The dollar is therefore a key to world economic progress. And in our own self interest, we need a sound dollar to help dampen inflationary forces.

As the world becomes more interdependent, the role of the dollar will be a continuing challenge.

The third item is inflation and unemployment. America's most serious domestic problem is inflation. Inflation is inextricably linked with unemployment. Our hopes for full employment on a continuing basis depend upon wiping out the virulent disease of inflation. Inflation destroys values and incomes, dries up job creating investments, impairs the prospects for new housing and other construction, and breeds recessions.

Perhaps the best way to illustrate the clear and present danger of inflation is to consider the consequences for today's graduates. If inflation should be permitted to continue at a 6 percent annual rate—and this year we can expect a 7 percent rate—but even at 6 percent, then upon your normal retirement date the dollar you now hold will be worth less than a dime. At age 65, your dollar will be worth less than 10 cents.

We cannot let that happen—to you, or to America or to the world.

The three problems I have outlined relate to underlying fundamental conditions. They will not be solved quickly or easily. So, increasingly, each of you will be involved in the process of forging solutions for a stronger America and for a better world.

You will have the opportunity to shape New Directions. To do so will take courage and wisdom.

There is one such New Direction that deserves early attention. That is to shift the philosophy for U.S. economic policy from "demand" or "consumption" management to "supply" or "investment" management.

There have been only two known periods when leading world powers have been subjected to hyperinflation. The first occurred in 16th century Spain. The discovery of the New World gave Spain access to vast amounts of gold and silver. Gold from the New World introduced massive unearned purchasing power which drove prices up perhaps one thousand percent. But the purchasing power did build the palaces and provide the most elegant lifestyle that had ever been experienced to that time in Europe. The use of resources was for consumption, with little attention to investments for the future. So, by the 17th century, Spain was barefoot.

Is there a parallel in our 20th century experience? Through the printing presses there has been a massive creation of unearned money and credit. The United States has built the most affluent nation ever known, with the highest standard of living for the greatest number of people. Is this but another example of over indulgence in consumption? Will we neglect investment and deplete our capacity to provide for future generations? Will the legacy of our time be an economic desert?

In America, each of us has a responsibility to help develop the successive generations of new people who will take up the tasks of society and who will provide the leadership essential to progress. In that regard, our Nation will reap only what it sows. The aggregate quality of our accomplishments will depend upon the individual merit of each participant.

Despite the magnitude and scope of the challenges, I have unshakable confidence in our future.

I see not an economic desert, but a verdant plain, lush with the produce of intelligent enterprise.

I see a family of man which is equitable not only in its aspirations, but also in its results—with prospects for universal prosperity and peace.

I see it because the university harvest this year is truly a feast of talent. The human crop is good—the fruits are filled with the essential nutrients of life.

I see it because you will make it so. Humanity depends upon you.●

BEEF IMPORTS

● Mr. McGOVERN. Mr. President, I for one think the administration has made a grave mistake by initiating voluntary agreements which would permit an additional 200 million pounds of beef imports into this country. It is a mistaken and misguided formula for controlling inflation, because it will not lower meat prices and it will not work.

The first instance in which the President is wrong is that he is assuming that there is an inexhaustible supply of beef elsewhere in the world. The Australian and the New Zealand cattle cycles have traditionally followed our own. There is great competition for a possible 250 million pounds of beef that Australia has for export. The result of Presidential action could be counterproductive in that it sets the stage for an international inflationary spiral in bidding for this product.

The Sioux Falls, S. Dak., Argus Leader, the largest daily newspaper in South Dakota, in its June 3, 1978, editorial entitled "Carter's Chance To Win An Inning" enunciates clearly the same position I take. In an exceptionally clear editorial, this newspaper has clearly stated the rational position on the beef import question. I consider it unfortunate that the President did not follow the recommendations of Secretary Bergland on this issue. For added emphasis on an important question, I ask that the editorial to which I have referred be printed in the RECORD.

The editorial follows:

CARTER'S CHANCE TO WIN AN INNING—BY LEAVING BEEF QUOTAS ALONE

President Jimmy Carter has an opportunity to win an inning in the West. He needs the victory, and so do American cattlemen who in 1978 are just coming out of a slump of several years' duration.

Robert Strauss, the president's chief inflation fighter, said this week that the country "can't live" with the 6.6 percent increase in beef prices recorded in April. He said that raising import quotas on less expensive foreign beef would bring prices down.

Bob Bergland, the secretary of Agriculture, has warned that there is not much potential for bringing prices down and there is great potential for harm to the domestic cattle industry.

For one thing, there is not sufficient foreign beef available to result in any dramatic rollback in present beef prices. For another, the higher beef prices still lag behind the Consumer Price Index for all food. Prices for fresh vegetables rose 9.7 percent in April.

Lauren Carlson, first vice president of the National Cattlemen's Association, told South Dakota Stockgrowers in Sioux Falls this week: "I think the administration is grasping at straws to fight inflation and it's utterly ridiculous for the beef industry to be used as the scapegoat. We're not the cause of infla-

tion; we're the victims, too. Our costs have risen over 50 percent."

Bergland has presented several options to the president as to the course of action he could take in the next month on beef and other meat imports. One would involve renegotiating voluntary restraint agreements with 13 beef exporting countries to allow more beef to come to the United States. Another would go further, canceling the voluntary restraints and removing all import quotas. The third would involve postponing any action to see whether beef prices begin to moderate.

We believe the president should follow the third option: postpone any action. But we don't believe that beef prices will moderate, or should drop, in a time when other inflationary pressures are affecting the economy. Prices for cattlemen should be consistent with the general economy. Precipitate action against beef would be Washington grandstanding in playing on consumers' fears. We believe American's sense of fair play puts them on the side of fair prices for farmers.

Administration inflation fighters should address the basic cause of this country's high pricing levels and dollar problems. These stem from years of deficit government spending. Carter & Co. has taken steps to reduce the 1979 deficit, which is desirable.

What the cattle industry needs for the long haul is the counter-cyclical approach envisioned in legislation pending in Congress. This would allow imports into the United States to increase as domestic production drops and vice versa. Under present law, imports rise as domestic production rises, and as domestic production drops to do imports.

Here is an opportunity for Carter to demonstrate concern for American cattlemen, whose economic luck is changing now only after several years of ups and downs inspired by government tinkering with the market.

We hope Carter wins this inning, and some new friends in the West.●

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Mississippi (Mr. EASTLAND), I wish to state that the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Paul F. Murray, of Rhode Island, to be U.S. attorney for the district of Rhode Island for the term of 4 years vice Lincoln C. Almond, term expired.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, June 15, 1978, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair on behalf of the Vice President appoints the Senator from Ohio (Mr. GLENN) to attend the annual meeting of the Council of Ministers of the Organization for Economic Cooperation and Development to be held in Paris, June 14–15, 1978.

WHY AMERICANS ARE FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I have spoken to this body countless times in support of ratification of the Genocide Treaty. Often I have cited the atrocities committed by the Nazis as justification for our support of this international document. It was the intended extermination of the Jews in our lifetime which provides the most vivid and grotesque example of this crime of genocide. It was the recent memory of the Nazi "final solution" which spurred the Genocide Convention 30 years ago.

But this is not a treaty aimed at vindicating one minority group.

Mr. President, we are all minorities of one kind or another. This Nation was built by immigrants of different colors and religions, speaking different tongues and bringing different ideals, skills, and lifestyles. The greatness of America is the product of contributions of so many diverse groups.

In this country, groups act freely to contribute to the whole, while in other nations and civilizations in other times and places, minorities were slaughtered.

As members of minority groups, many of us can recall times when, if not in this century, our ancestors were victims of genocide. In ancient Rome, it was Christians who were destroyed. During the Spanish Inquisition, non-Catholics were put to death. In the Americas, many Indian tribes have been among the victims. In this century, Armenians, Biafrans, Muslim Kurds, and East Pakistanis were among those who perished.

The list is endless. Those minorities who did not suffer at the hands of mass murderers have often been the victims of other forms of terror and injustice.

The United States is a nation of minorities whose ancestors have known firsthand the effects of genocidal warfare. Yet, ironically and tragically, we are among the few nations who have hesitated for three decades in agreeing to the treaty. Having known injustice, we sometimes are all too slow in rooting it out.

Mr. President, this treaty cries out for ratification. As we promote the cause of human rights and tolerance in our own country for a better national community, let us join now, too, in declaring genocide an international crime and in promoting a better world community.

FIRST AMENDMENT RIGHTS FOR BROADCASTERS

Mr. PROXMIRE. Mr. President, on Wednesday of this week, the Senate Communications Subcommittee, chaired by Senator HOLLINGS, held a hearing on my bill, S. 22, the First Amendment Clarification Act of 1978.

As my colleagues know, I first introduced this bill in 1975—and then again last year—in order to give fuller meaning to our first amendment's guarantee of freedom of the press by abolishing the so-called fairness doctrine and the equal time rule.

I am very grateful to Senator HOLLINGS for scheduling this hearing, because it gave me the opportunity to present to the subcommittee some of the major considerations that have convinced me that broadcasters deserve to be free of these onerous restrictions on their first amendment rights.

Since I strongly believe in the importance of this issue, I would also like to share my thoughts about it with those Members of the Senate who do not serve on the Communications Subcommittee.

For this reason, I ask unanimous consent that the text of my statement at the June 7 hearing be printed in full in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WILLIAM PROXMIRE

Mr. Chairman, I commend you for holding today's hearing on my bill, S. 22, the First Amendment Clarification Act of 1978.

As you know, I first introduced this bill in 1975—and then again last year—in order to give fuller meaning to our First Amendment's guarantee of freedom of the press by abolishing the so-called fairness doctrine and the equal time rule.

I am most grateful for this opportunity to touch briefly on some of the major considerations that have convinced me that broadcasters deserve to be free of these onerous restrictions on their First Amendment rights.

FIRST AMENDMENT: 24 PERCENT EFFECTIVE

The First Amendment forbids the Congress from passing any law that might diminish our right to have a free press.

But, unfortunately, Congress has passed a law that does just that. And the executive and judicial branches have supported that law.

I refer, of course, to the Communications Act, which has abridged the rights of a part of the free press.

Not everyone recognizes that broadcasting is a part of the press. If they did, there would be little to argue about. The need to maintain the freedom of the printed press has, in general, not been attacked.

Other means of mass communication—newspapers, magazines, pamphlets, books, and motion pictures—have kept their free press rights. But not broadcasting.

This would be a grave omission under any circumstances. But broadcasting—radio and television—is the preferred source of news for 76 percent of the American people. Yet, because of governmental controls like the fairness doctrine and the equal time rule, broadcasters are second-class citizens when it comes to First Amendment rights.

In practical terms, this means that our First Amendment is only about 24 percent effective when it comes to freedom of the press. Obviously, we can and must do better.

Denying broadcasters their First Amendment rights is wrong for many reasons. I wish I had time to discuss them all. But in the minutes that remain, I want to concentrate on three of the most important of these reasons.

First of all, this denial is unnecessary. Second, it is self-defeating. And third, it is dangerous. I shall consider each of these, in turn, in the remarks that follow.

UNNECESSARY DENIAL: IF NEWSPAPERS, WHY NOT BROADCASTERS?

More and better professionalim has been demonstrated in recent years in broadcast journalism. Professionalism means that there is less bias in news coverage, that contrasting opinions are aired when it comes to editorializing, and that opinion and news are clearly separated.

But isn't that what the fairness doctrine seeks? Unfortunately, it has not worked that way. Rather, the fairness doctrine has stifled professionalism.

On the other hand, newspapers, operating without government regulation and with full constitutional freedom, have improved vastly in fairness, objectivity, accuracy, and relevance.

About 30 years ago I started to write my Harvard Ph.D. dissertation on developing standards to evaluate the political content of newspapers in the United States. I never finished that undertaking. But in the course of my research, I determined that newspapers had improved enormously over the past 100 years, thanks largely to the atmosphere of freedom permitted by the First Amendment.

BROADCASTERS DESERVE EQUAL OPPORTUNITY

Broadcasters deserve that same opportunity to be freed. And if they get it, broadcasters will demonstrate, as newspapers have done, that it is not necessary to "deny freedom" in order to "gain fairness."

We know, of course, that newspapers, down through the years, have not always been fair.

I might point out, for instance, that I grew up with the Chicago Tribune. That was the newspaper I read regularly as a youngster being raised in the Chicago area. The Tribune was, during those years, often marked by biased and subjective reporting. But today, the Chicago Tribune is a much more fair-minded and objective newspaper.

PROGRESS BY NEWSPAPERS

Clearly, newspapers have come a long way. Today, many newspapers carry op-ed pages. Today, most newspaper editors try to make their news columns unbiased and informative. And when an error is made, it is usually corrected. In fact, more and more newspapers are clearly labeling corrections—and they are doing it voluntarily.

In what other ways have newspapers become more fair and unbiased? Here's how:

For one thing, by expanding their coverage. There was a time—not too long ago—when we could not read stories about environmental and health hazards, such as those caused by insecticides, food additives, and other previously arcane chemicals.

There was a time, too, when we did not see stories about social concerns, such as crime-ridden neighborhoods, venereal diseases, old age, population growth, race relations, and school curricula.

Women's rights, it is true, have been reported on since long before the Bloomer Girls. But now we get searching reports on what women's rights really mean.

The list is endless. But fair coverage means that problems, advances, and experimentation in areas of life affecting all of us are covered in all their aspects.

POLICING ADVERTISING

Nearly all newspapers police their advertising, watching for misleading ads and refusing to run them, even though it means lost revenue.

What about big advertisers trying to influence an editor, threatening to pull their ads unless some news is left uncovered? That abuse is almost unheard of these days. I suspect the reason is that enough fearless editors and publishers have stood up to such advertisers to discourage attempts of this kind.

Errors and excesses can still be found on the pages of today's newspapers. I concede that. But the fact remains that the press, overall, acts responsibly.

The press of this country has accomplished what it has because it has not been controlled by the government. There are no licenses. There are few restraints, other than those dealing with libel and obscenity, and the press wants to live with those.

Responsible, professional newspaper journalism has risen out of necessity: to satisfy demanding readers.

And, of course, it has also come about through the need to compete with the nearly instantaneous delivery of news by radio and television.

FCC FOR NEWSPAPERS?

But what would happen if we had something like an FCC for newspapers?

Let us never seriously contemplate the establishment of anything like a so-called Federal Newspaper Commission. Newspapers have become responsible and professional voluntarily. Fairness has not been imposed by government fiat.

Yet, television and radio broadcasters have the FCC and its fairness doctrine to contend with. By law, they must be fair.

Newspapers are fair without government control. And I maintain that radio and television would also be fair without government control.

Simply put, again, it is not necessary to "deny freedom" in order to "gain fairness."

SELF-DEFEATING DENIAL: CONTROVERSY AVOIDED

Denying broadcasters their First Amendment rights is also wrong because it is self-defeating.

Under the fairness doctrine, for example, broadcasters are required to (1) devote a reasonable amount of time to the discussion of controversial issues and (2) afford reasonable opportunities for opposing viewpoints.

This sounds fine. But, in actual operation, the fairness doctrine has not stimulated the free expression of diverse ideas. Rather, it has had the opposite effect. It has promoted the "sameness" of ideas. Stations avoid the airing of controversial issues because they fear a challenge to their license renewal or expensive litigation resulting from a fairness complaint.

NBC's problems in airing two television documentaries help to illustrate the point.

In 1972, NBC broadcast a documentary entitled "Pensions: The Broken Promise," which dealt with corporate pension plans and how they often do not keep faith with the workers they are intended to benefit.

The airing of the program led to the filing of a fairness doctrine complaint with the FCC.

NBC claimed in defending itself that the subject of private pension plans was not controversial because as far as it knew the subject had not been dealt with previously on network television.

CATCH 22

Accuracy in Media, Inc., complained that contrasting viewpoints were not aired on the program.

The FCC rejected AIM's allegation of distortion but did decide that NBC had violated the fairness doctrine. It then ordered the network to broadcast balancing material.

NBC said that it had done a fair job and had no intention of giving the subject more air time.

Before moving on to what happened in the courts, I should point out a "Catch 22" aspect of this situation. I do so because it is but one example of the nightmare of complexities that accompanies the attempt to administer the fairness doctrine. Had NBC devoted more time to the subject, giving additional viewpoints, there would have been no issue before the FCC. So in order to prove its point, to test the matter in the courts, NBC could air no more shows on the subject without making its case moot.

Now back to the courts. A three-judge panel of the District of Columbia Court of Appeals ruled in favor of NBC, saying that this country needs investigative reporting. Subsequent court actions left this ruling intact.

What is the lesson of the "Pensions" case? It is this. The fairness doctrine can interfere with journalistic discretion, particularly in investigative reporting.

RESTRICTING BROADCAST EFFORTS

Just think of the implications if the court had decided the other way. Such a ruling would have meant that Government could, in the words of fairness doctrine analyst Fred Friendly, "substitute its judgment for that of the network as to what issue was involved in a broadcast documentary and order that more air time be given to elements that the journalist never thought central to the story."

The end result would be to restrict broadcast efforts at investigative reporting because of the difficulty in airing any program that took a point of view or was controversial.

But wait a minute, you might say. There's no problem here. NBC won its case. It was home free and clear. There is no lingering "after-effect."

True? Not necessarily. Let's look at how NBC reportedly agonized over its 1975 television documentary on handguns entitled, "A Shooting Gallery Called America?"

According to New York Times writer John J. O'Connor, complaints from the public even before the program was shown caused a rewriting of the script to avoid fairness doctrine complaints to the FCC after the fact.

And O'Connor further reports, this documentary on a controversial issue of public importance—gun control—drew little response from a national television audience of about 10 million (381 complaints out of the 441 letters received in the two weeks after the show) because it failed to take a stand.

CHILLING EFFECT

If O'Connor is right, then this is a good example of the chilling effect on journalism caused by governmental control of broadcasting.

I believe NBC executives should not have felt the hot breath of the FCC and its fairness doctrine on the backs of their necks. For if O'Connor is correct, the existence of the fairness doctrine indirectly restrained the producers of "Shooting Gallery."

And if O'Connor is right, if NBC news executives ordered a new script for the "Shooting Gallery" because of the fairness doctrine, I wonder if it was because of the time and expense NBC went through before the FCC and the courts in the wake of its 1972 documentary on "Pensions: The Broken Promise?"

I firmly believe that broadcast journalists would not be chilled into blandness and sameness if it were not for governmental controls as exercised through the FCC's fairness doctrine.

I believe that without the fairness doctrine there would be more, not less, programming of controversial issues.

Restrictions like the fairness doctrine are, in my view, self-defeating. Their proponents want diversity of ideas and the presentation of controversial and contrasting points of view. What they promote, instead, is sameness, blandness, timidity, and conformity. The American people are the losers.

DANGEROUS DENIAL: THE TYRANNY OF GOVERNMENT

Denying broadcasters their First Amendment rights is wrong for a final reason. It is dangerous.

Letting Government be the final arbiter of "fairness," for example, confers immense power. This is especially true when that same Government decides on the granting of broadcast licenses.

Three examples from the recent past remind us how the power of Government—although often exercised in the name of "fairness"—can amount to the tyranny of Government.

These examples all, involve past Presidents of the United States. The President, of course, is the head of Government, the same Government that controls broadcasters through the Federal Communications Commission.

In recalling the stories that follow, it is important to remember, too, that the President himself appoints the members of the FCC and designates who shall be Chairman.

NIXON ADMINISTRATION

My first example comes from the Nixon Administration. Relevant episodes from that period are still fresh in our minds. I need only cite some of them briefly here.

FCC Chairman Dean Burch called CBS President Frank Stanton in November 1969 to request a transcript of that network's news analysis after a Nixon address the night before.

Vice President Agnew made his famous Des Moines speech nine days later blasting the network's news coverage and reminding them that they held licenses at the pleasure of the FCC.

CBS President Stanton reported that there were a number of White House phone calls over the succeeding three years conveying displeasure with news broadcasts.

There was a memo of September 1970 from Charles Colson to H. R. Haldeman proposing that the White House get a ruling from the FCC on the "role of the President, when he uses TV." This, Colson argued, would have "an inhibiting impact on the networks."

There was, too, the December 1972 Indianapolis speech by Clay T. Whithead, director of the White House's Office of Telecommunications Policy, condemning the "ideological plugola" and "elitist gossip" of network news.

And there was, finally, President Nixon on tape telling Haldeman that, "The main thing is The Post is going to have damnable, damnable problems out of this one. They have a television station. . . . And they're going to have to get it renewed."

KENNEDY AND JOHNSON ADMINISTRATIONS

But this is not a partisan matter. Fred Friendly has reported that the Kennedy and Johnson Administrations, with financial backing from the Democratic National Committee, used the fairness doctrine to subdue right-wing radio commentators who were critical of Administration goals.

These clandestine campaigns, which reportedly began in 1963, were also meant to inhibit stations from carrying commentary supporting Senator Barry Goldwater, who was then a prospective Presidential candidate.

Friendly reported that both the Kennedy and Johnson Administrations maintained professionally-staffed organizations that monitored stations carrying right-wing commentary and then demanded time for reply under the fairness doctrine.

Such demands for air time, which the stations would have to provide at no cost, were regarded by many broadcasters as harassments that they chose to avoid. As a result, they either dropped the commentaries or diluted them. This, according to Friendly, was exactly what the White House had in mind.

What do these three examples of the abuse of government power tell us?

It is wrong to deny broadcasters their First Amendment rights because a free press—and that should include free broadcasters—is needed to protect us all from the tyranny of government power.

WHY NOT TAKE A CHANCE ON FREEDOM?

What I have been saying today can be reduced to this simple thought—why not take a chance on freedom?

If it is power we are concerned about, and we should be, the power of the electronic media is as a pygmy compared to the power of government.

In 1977, U.S. News and World Report surveyed the leading citizens of this country in business, labor, the universities, the newspapers and the government as to who were the people who ran America.

Where did the electronic media rate?

The only person from the media who was rated in the 10 most influential Americans was Walter Cronkite and he was a distant ninth. In fact, Cronkite was the only electronic media person in the 30 most influential Americans.

Who are the most influential? The answer is emphatic. It is government. Eight of the top 10 persons who run America were government officials.

By denying the electronic media their First Amendment rights, we give the big guy—government—more power and from the less influential—the media—we take it away.

To those who would claim that it is safer to take a chance on Government than a chance on freedom and a free press, there are two clear rebuttals.

GOVERNMENTAL POWER

First, Governments traditionally have gathered more and more power unto themselves without regard to the liberties of their citizens. Europe and South America and Asia are replete with such examples. And we in this country can cite some near-misses, the most recent being, of course, what we have come to know by the shorthand term of Watergate.

And second, it is easy for a government, with its power to give jobs and favors, to present a solid front in controlling information about itself. But it is impossible, with members of a free press competing among themselves, to conspire to suppress information about government or anything else. As Jefferson once said, whoever heard of a newspaper suppressing a government?

Freedom of the press can be abused by individual reports, papers, magazines, broadcasters, or broadcasting stations. But, with competition—the drive to be best, to be first with the news, to make money—there is little or no danger of all elements of the press forming a clique or cabal to take over the Government, or—and most important—to deceive the citizens, their customers.

FREE SOCIETY IS BEST

As long as the Government is kept from the neck of the press by the First Amendment, the public should be informed. And that is why the First Amendment was written the way it was—as a direct prohibition against governmental interference with five basic freedoms: Of religion, of speech, of press, of assembly, of redress.

Let us not brush away the wisdom of the men who wrote the Constitution and its Bill of Rights.

But it is easy to do that. Look at what the Government has done already through abridging the freedom of the press by imposing controls over the content of radio and television broadcasts.

If there is any risk in the belief that, in Jefferson's words, ". . . the people . . . may safely be trusted to hear everything true and false, and to form a correct judgment"—and there is—then it is the risk inherent in any free society. But a free society is not the safest way of life. It is only the best.

SPECIAL ORDERS FOR TUESDAY, JUNE 13, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the recognition of the two leaders on Tuesday, June 13, the following Senators be recognized for not to exceed 15 minutes each, and in the order stated—may I say, it may be very early in the morning, depending on what circumstances are at that time: Messrs. DOLE, BELLMON, CURTIS, YOUNG, CLARK, MCGOVERN, MELCHER, and ZORINSKY.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER FOR MONDAY, JUNE 12, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders are recognized under the standing order, Mr. BARTLETT be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, Mr. LEAHY be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the recognition of Mr. LEAHY on tomorrow, the Senate resume its consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. WILLIAMS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and at 5:53 p.m., the Senate recessed until Friday, June 9, 1978, at 10 a.m.

EXTENSIONS OF REMARKS

DISASTROUS PRESIDENTIAL POLICY ON IMPORTED BEEF QUOTAS

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. RISENHOOVER. Mr. Speaker, I have just been informed by the Department of Agriculture that the President is going to announce a 200-million-pound increase in beef import quotas—a disastrous decision for both cowboys and consumers.

Our farmers and ranchers have just started to recover from the worst prolonged economic recession of our times. Cattlemen felt like the ill-fated policies of Republican Agriculture Secretary Earl Butz had finally been whipped.

Now, from the administration of a former farmer, we are getting the same kind of devastating farm policy.

Untold thousands of ranchers and farmers have gone bankrupt during the recent period of depressed farm prices. We saw hoards of angry farmers storm this Capital and assail this administration. We have, in recent weeks, seen them return to the pasture and plow and resume their jobs of feeding a hungry world—hopefully earning fair wages and profits.

Unfortunately, the latest price index showed beef leading the gain. Believe me, if you understand the cattle business, you will know prices are trying to catch up with all the other costs that farmers and ranchers have been absorbing for years. They were finally coming out of the woods and into the green pasture of marginal profits.

The President's announcement tomorrow, I am told, will admit that increased imports will realize a savings of only 1 or 2 cents per pound of beef—less than a mill a mouthful. It will not help the hard-pressed consumer. Sure, the grocery bill may drop a dime a week—but watch out ahead.

The price of fat cattle will surely drop today, and continue to decline. Ranchers will have to change their long-range planning and, looking ahead, we will surely see a return of recession to cattlemen. More will go broke, leave the farm, and move to the city to join the unemployment lines.

Again, we will have a loss of a number of suppliers of beef. Some year, in the future, the prices will recover and maybe skyrocket. A fewer number of farmers and ranchers will enjoy the profits. The consumer will be caught in the end.

People from nonfarm areas sometimes fail to understand the long-range planning necessary for beef production. A farmer must decide whether to sell a heifer to slaughter or save her as a mother for a future calf for sale. Over the years, ranchers must build or reduce their herds based on economic factors—drought, feed costs, and market fluxuations. The Government by dangerous action as I am told the President will announce, adds to that uncertainty. Cattlemen's risks become outrageously great.

Already, we are importing some 1.3 million pounds of beef annually. That imported beef may come from the most filthy slaughterhouse you can imagine. The cattle themselves may be raised in unhealthy environs. There are no USDA inspectors to assure meat standards like there are in this country.

American-produced beef is the finest human food in the world. It is coveted by people everywhere and we are fortunate to have an abundant supply. While our prices may have risen, they still are far below beef prices in Europe and Japan.

But, if the President moves with this disastrous policy—which I am told he will do tomorrow—then we must be prepared to have the cattle industry suffer, falter, and fail to give us that healthy, quality food. That is poor consumer policy, poor farm policy, poor economic policy, and poor national policy.●

GENERAL SINGLAUB SPEAKS OUT—PART V

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. McDONALD. Mr. Speaker, this is the last on a series of five articles that appeared in the Atlanta Journal written by General Singlaub. The subtitle of the article is "Officer's Blind Obedience Can Be Misplaced Loyalty." As Robert Akerman of the Journal has said in a column on June 6:

To date we do not yet have a sound reason, either military, diplomatic, political or economic in support of President Carter's eagerness to withdraw U.S. troops from Korea.

Interestingly enough, his column was entitled, "Injustice to Singlaub" and, of course, this is just what General Singlaub discusses in this last article. He describes how he was set up at a Georgia Tech ROTC speech as indeed he was in Korea by the press. It was never his intention to defy civilian authority. Ultimately, whether the United States survives as a Nation or not, may depend on whether President Carter takes the advice of his professionals on military matters or whether he leans on the advice of a disgruntled retired admiral who fronts for the disarmament and peace lobby. As a final postscript, and with reference to the refrain, "civilian control of the military," the following statement should be repeated. In his June 2, 1978, address here in Washington at the American Security Council news media luncheon, Maj. Gen. John Singlaub made these remarks:

It seems to me that one of the key issues here is that a professional officer has to be able to distinguish between proper and improper support. Blind, unquestioning obedience to decisions on military matters which were made without reference to the nation's military advisors may not be in the best long term interests of the United States. For the military to remain silent under these circumstances is interpreted as consent. I believe that the citizens of this country have a right to expect that important decisions affecting our national security have been made with due consideration of the best military advice available.

I wish General Singlaub well and hope the Americans listen as he speaks out. The article from the Atlanta Journal of June 5, 1978, follows:

GENERAL SINGLAUB SPEAKS OUT—OFFICER'S BLIND OBEDIENCE CAN BE MISPLACED LOYALTY

(By Maj. Gen. John K. Singlaub, U.S.A. Ret.)

The controversy over my April 27 remarks to some ROTC cadets at Georgia Tech in Atlanta need not have happened. And I am convinced that if another general had said the same things about the neutron bomb or the Panama Canal, it would have had no impact.

For one thing, the press probably would not have attended.

I was not defying the president during that question-and-answer session with the cadets. In fact, I never mentioned the president or his office. I never belittled the administration's policies. I merely stated that in my personal view these were not militarily sound decisions.

If I had known that there were reporters present, I might have phrased my answers a little differently. But I just basically have been trained to speak the truth and to give the facts that are important for an exchange of honest opinions.

The program I was invited to participate in at Georgia Tech was called perspective building, an effort to broaden the outlook of ROTC cadets with outside speakers and opinions.

We do this in all of our military schools and the rules are quite clear: It is off the record and not for attribution. That way you get a good exchange and knowledge is extended. We do this at West Point and for cadets in many other universities.

I agreed to talk to the cadets at Georgia Tech, but recommended that the program be closed to the press. After some discussion with our public affairs people it was agreed that the press would not be invited, but if they showed up they would be allowed in.

The ground rules were to be that my speech to the cadets could be quoted, but the question-and-answer period would be off the record.

What we did not know was that there were to be two question periods—one following my speech in the auditorium and a second following a luncheon with faculty members. The university intended for only the second session to be off the record.

When we walked into the auditorium, I noticed the television lights and mentioned them. The officer with me said they were for an in-house Georgia Tech group which regularly filmed guest speakers. He later noticed several TV or radio station logos on the mi-

crophones at the rostrum, but I could not see them since they were facing the audience.

All of the questions were asked by cadets. Even if, at that point, I had been told that the press was there, I would have answered the questions. A part of my speech was on the importance of integrity as one of the best qualities of an Army officer.

So when the question came up from a cadet about the neutron bomb cancellation, I answered that in my view, the decision was militarily unsound. It's an anti-tank weapon, and tanks are what the enemy has the most of.

I said I just could not imagine cancelling that weapon without getting some compensating concessions from the other side. I referred to it as throwing away your trump card in a bridge game.

And I said I probably would put the B-1 bomber into that same category because we didn't get any compensating concessions from the Russians when we cancelled that program.

Another subject that came up was my views on the Panama Canal. My answer on that one was that, first of all, we were not returning the canal to Panama because it never belonged to Panama. Panama was a by-product of our willingness to build a canal through the isthmus. This is a part of the history that has been rewritten.

I said it would be easier if we continued the ownership of the canal and could guarantee free use of it to everyone. I questioned whether we would be willing to use force to open the canal if the Panamanians elected to place restrictions on its use.

And I said I thought that the current treaties were unnecessary. I don't think that it's necessary for us to make the concessions that we did make in order to satisfy the aspirations of the Panamanian people. We could have done that through other means.

These are the same type of things which would be discussed with students at Fort Benning or other military schools. But, once again, I was accused of having gone public after the president had already made a decision.

Even after we went away from the auditorium we had the feeling that it had been a good exchange and I didn't think that anything could be made out of my comments.

But by 4 p.m. the press was reporting that I had attacked Carter again, and within an hour I had my instructions to report to Gen. Bernard Rogers, the Army chief of staff, the next day.

As soon as the thing started blowing up, I called Lt. Gen. Frederick Kroesen, my boss at Forces Command, and told him that if I was going to cause him any embarrassment, I would request retirement. Gen. Kroesen was going to Washington anyway, and we flew up together.

The following day at the Pentagon, I met with Gen. Rogers and Army Secretary Clifford Alexander, who handed me an Associated Press report quoting my remarks about Paul Warnke, the U.S. delegate to the SALT talks.

The secretary said, "Did you say that Paul Warnke is a disarmament advocate?"

I said, "Yes sir, I did, I said a lot of other things about the SALT talks, but that is one of the things that I said." I also said that one of the main reasons our SALT talks are in difficulty is because Warnke has a long tradition of being a unilateral disarmament advocate, and I find no basis in history for supporting that concept.

"And did you say that cancelling the neutron bomb is like throwing a trump card away?" Alexander asked. And I said yes I did.

The secretary was just incredulous that I had said these things in public. He was obviously upset and apparently wanted some disciplinary action taken.

But Gen. Rogers told Secretary Alexander, "I think that the key issue here is that the general probably used bad judgment in giving such frank answers in that forum. I think that we ought to keep this in the chain of command, (which is what they didn't do in the Korea incident) and I'd like Gen. Kroesen to come back in an hour and give me a recommendation on what should happen."

Gen. Kroesen and I withdrew and went over to an office they had set up for us, and I said, "I think the only honorable thing I can do now is to request voluntary retirement."

He said, 'Well, I think I agree with you, Jack."

He went back in and told Gen. Rogers and the secretary he recommended that I be permitted to submit my request for voluntary retirement, to be effective on the 31st of May.

The secretary apparently wanted me to retire on the 30th of April, which was only two days away. But those two days were the weekend, and it would have been impossible.

One of the main issues related to the two incidents leading to my early retirement is drawing the fine line between proper and improper dissent or, better yet, proper and improper support. Blind obedience can be misplaced loyalty, especially when it is known that no professional military advice went into the decision-making by the political leadership.

This does not mean that I challenge in any way the supremacy of civilian control of the military. However, just as the professional military officer is required to execute the decisions of his civilian superiors, so the civilian political leaders are obligated to consult with the professional military leadership when making essentially military decisions.

Nor does this mean that the political leadership is compelled to accept the advice of the military leaders, but it does seem essential for the security of the nation for the civilian leadership to at least seek that advice as it relates to purely military matters.

In the case of the decision for the withdrawal of all U.S. ground forces from Korea, the Joint Chiefs of Staff were not consulted concerning the desirability of the plan nor was it asked to develop a plan for a withdrawal which would not endanger the security of the Republic of Korea. The Joint Chiefs were asked only to comment on three undesirable plans and to recommend which was the best. Even the best of the three involved "grave risks" to the security of South Korea. The risk statement of the Joint Chiefs was removed by political appointees before the comments reached an elected civilian official for decision.

No reason has ever been given for the withdrawal of ground troops. The only explanation offered by the apologists for the current administration has been some vague reference to avoiding U.S. involvement in another land war in Asia. That doesn't seem to ring true because the administration's spokesmen in dealing with the South Korean government have continually insisted that the withdrawal in no way reduces our commitment to come to the aid of South Korea in the event of an invasion or other aggression from North Korea. If we guarantee that we will become engaged in a land war in Korea in the event they are attacked, isn't it more cost-effective to keep our troops there now and prevent a costly war? It actually costs less to keep the U.S. 2nd Infantry Division in Korea than to bring it home and maintain it here in the continental United States.

Leaving the Army has not been a traumatic thing, because I knew that I had to retire some day. But it has been emotional.

I have been a commissioned officer for 35 years and have been involved with the military for over 40. It was in 1936 that I first joined the junior ROTC in high school. So my life has been either serving in the Army or preparing to serve.

Realizing suddenly that I'm no longer going to be involved in the Army is emotional.

I feel that our nation has some serious problems and we need as many of our good brains working to solve these problems as possible, so for that reason I would like in some way to continue to serve. Hopefully I can do some good outside the Army and maybe be more effective.

My fellow general officers have been very sympathetic, but very careful not to indicate that publicly. Many of them chose to telephone me rather than writing me a note, for that reason, I guess.

But practically all of them say they don't want me to move out to Colorado and just go fishing.

"Make sure that you continue to speak out," they say. And that's what I intend to do.●

MR. ED SALT, AWARD-WINNING YOUNGSTOWN, OHIO, JOURNALIST, CHRONICLES OUR NATION'S EARLY "FIGHT FOR INDEPENDENCE"

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. CARNEY. Mr. Speaker, for several weeks, I have been inserting in the CONGRESSIONAL RECORD the first of several articles entitled "Fight for Independence," authored by Mr. Edward Salt, an award-winning Youngstown, Ohio, journalist.

At this time, I present "Fight for Independence, part IV," which continues Mr. Salt's discussion of the early history of our Nation. Because these articles provide insight into our economic and political life, I believe that they deserve the attention of all of us.

The article follows:

[From the Boardman (Ohio) News, July 28, 1978]

FIGHT FOR INDEPENDENCE—PART IV

(By Ed Salt)

A bill closing the Port of Boston to all shipping until citizens paid for tea dumped into the harbor at the "tea party" was passed by the House of Commons, March 25, 1774. This also provided that Bostonians had to reimburse revenue officers for their losses as a result of mob action.

One week later Gen. Thomas Gage was appointed governor of Massachusetts to replace Gov. Thomas Hutchinson, who had held the post about three years. General Gage landed in Boston May 17 from New York which was headquarters for British troops in North America.

Word of the government's action in closing the port, reached Boston on May 11. Boston patriot leaders realized that if the port were closed so nothing could be landed or, shipped, they would have to depend on other colonies for aid.

Paul Revere, who, in his spare time as a silversmith, had become a patriot express rider, was sent to New York and Philadelphia to plead for aid. Demonstrations were held in various colonies when the Port Act went into effect June 1, 1774.

To counteract the government order, the Boston Committee of Correspondence asked other colonies not to buy British merchan-

dise or to export goods to England. A Committee of Fifty-One in New York opposed this action, and instead proposed that a Continental Congress be called. This plan was approved by Philadelphia patriots.

The port closing act failed to accomplish what government officials expected. Sheep, rice and wheat were shipped overland to Boston and the city received pledges of aid from other colonies.

Instead of a famine developing in Boston as government officials expected, the town had all the food needed. In fact, food supplies arrived faster and in larger quantities than they could be used.

While residents had all the food they needed, merchants soon began feeling the effects of the port closing. Their stocks were depleted and couldn't be replaced.

When the Virginia Assembly heard of the Boston port closing, it expressed sympathy for the Bostonians. Gov. Lord Dunmore (John Murray) immediately dissolved the assembly. The burgesses, however, would not be dissolved. They just moved to a nearby tavern where they voted that an attack on Boston was an attack on all the colonies. They voted in favor of a Continental Congress.

On Sept. 1, 1774, General Gage took his first drastic actions against the patriots in the Boston area. At daybreak British troops marched into Charlestown, across the river from Boston, and seized all the ammunition in the arsenal. It was the private property of the Massachusetts colonists.

At just about the same time, another unit of British soldiers marched into Cambridge, 20 miles from Charlestown, and seized two small cannon.

Within a few hours rumors were flying around that the British had killed six Cambridge men and were bombarding Boston. The next day 30,000 New Englanders were marching toward Boston to fight the British.

When Col. Israel Putnam heard the killing rumor, he called out the Connecticut militia. At the same time he sent word to New York and Philadelphia. As word reached Philadelphia, church bells were tolled to notify the public.

Through handbills and from church pulpits, the rumor was carried to a million people in the colonies. It is estimated 40,000 men volunteered for service before it was learned the rumor was false and the army was dissolved.

In the tense atmosphere the first Continental Congress met in Carpenters' Hall in Philadelphia, Sept. 5, 1774. Delegates came from the various colonies.

For the first time John and Sam Adams of Massachusetts, Christopher Gadsden and Henry Middletown of South Carolina; George Washington and Patrick Henry of Virginia, and delegates from other areas, first met officially to discuss deteriorating relations with the Mother Country.

The delegates were well received by Philadelphians. They were wined and dined. As delegates arrived over a period of several days, they met informally to discuss what had taken place and what should be done. Some wanted to move slowly, others wanted immediate and drastic action.

It soon developed that the delegates were divided. There were differences between those from New England and those from southern colonies.

On the second day Patrick Henry of Virginia moved to unify the delegates. In the course of his speech, he declared:

"The distinction between Virginians, Pennsylvanians, New Yorkers and New Englanders, are no more. I am not a Virginian, but an American." His speech was greeted with cheers.

The next day the Continental Congress began a custom that has continued for more than 200 years. They opened their third session with prayer.●

JACK KEMP AND A SALT RECESS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. DORNAN. Mr. Speaker, I recently had the honor of serving as one of the congressional advisers to the U.S. Delegation to the SALT II talks in Geneva. Another of our colleagues, the Honorable JACK KEMP, was also a member of that advisory team.

While we were there, we met with the members and staffs of the American and Soviet SALT delegations. We also spoke with our military authorities.

Upon our return to the United States, Congressman KEMP wrote an editorial for Aviation Week and Space Technology, June 5 issue, which recounts his observations during our stay in Geneva.

I concur with his evaluations from alpha to omega and I urge our colleagues to read his remarks carefully. I ask that they be reprinted here as part of my remarks:

SALT RECESS URGED

I have just returned from several days in Geneva, Switzerland, as a member of the U.S. congressional delegation to the Strategic Arms Limitation Talks, a post to which I was appointed by the Speaker of the House. As a measure of my interest in effective arms control, I am concurrently serving as a congressional delegate to the Conference of the Committee on Disarmament in Geneva and the United Nations special session on disarmament in New York City.

I have maintained considerable interest in the content of the negotiations for a SALT 2 treaty as a component of my work as a member of the House subcommittee on Defense appropriations. Although I have expressed my concerns on various occasions over the details of some of the tentative agreements arrived at for incorporation in a SALT 2 treaty, I participated in the Geneva talks without preconceived conclusions. In the course of the Geneva visit, I met with members and staff of the American-Soviet SALT delegations and reviewed the joint draft text of the proposed SALT 2 treaty and protocol in detail.

I deeply regret that after having an opportunity to observe and study first-hand the character and text of the current proposals advanced by the United States in this, the final round of negotiations, and to meet with SALT negotiators directly, I cannot, in good conscience, recommend that the Strategic Arms Limitation Talks continue in their present form.

I believe the President should recess the talks, bring home our negotiators, and the SALT process and the joint draft text [should] be thoroughly reviewed by the Executive and Congress with the intent of reformulating the American negotiating posture in a manner which would allow an agreement to be reached which would be more equitable, totally verifiable, conducive to crisis stability and unambiguous in its terms.

I have come to this conclusion reluctantly, because I believe that properly conceived arms control measures can enhance our security. I believe a majority of the American people earnestly desire arms control. Effectively limiting the arms race, then beginning a systematic and balanced reduction in strategic arms possessed by both sides, is a prerequisite to devoting greater shares of our national resources to meeting domestic human needs. But arms control does not necessarily equate with arms reduction; they are not always the same. We can have arms control agreements which even permit mutual expansion of strategic arms systems. Many people feel, for example, that the significant Soviet arms buildup following the signing of SALT 1 in 1972 was because the terms of that treaty permitted it in terms of ceilings and quality of weapons. While this must be avoided at all costs in SALT 2, many provisions in the joint draft text would clearly allow the arms race to continue. . . .

Let me state briefly why I find these talks so unsatisfactory as to justify their recess and a reformulation of the American negotiating position. For any arms control agreement to work, it must provide equal security and diminish the threat of nuclear war. To do that, it must have three essential properties: symmetry—the provisions applying equally to both sides; verifiability, and clarity of terms and intent. The SALT 2 treaty draft fails when measured against these tests. I offer the following examples:

The terms of the proposed agreement are fundamentally unequal. The Soviet Union will be permitted within the terms of the agreement to deploy and operate systems which are denied to the United States. For example, the U.S. is prohibited from deploying "heavy" ICBMs, while the Soviet are permitted to deploy 326 SS–18s, each with the ability to deliver five times the payload of our most modern ICBM, the Minuteman 3. Similarly, the Soviet bomber known as the Backfire, with the unquestioned intercontinental capability by inflight refueling and landing at Cuban bases, will not be counted against their ceiling on strategic delivery vehicles, while U.S. intercontinental heavy bombers will be counted against the U.S. ceiling.

The one-sided character of the agreement we have proposed may very well increase the risk of nuclear war by making the strategic nuclear environment unstable, that is, the Soviet Union may perceive an incentive to strike first in an intense crisis (such as "a 1980s" version of the Cuban missile crisis); a circumstance we have never had to face since the dawn of the nuclear era. Short of war itself, the mere perception of such circumstances may contribute to a dangerous increase in Soviet boldness and adventurism in the international arena.

The proposed agreement is filled with terms where Soviet compliance cannot be verified with high confidence by national technical means of verification. The casual attitude taken by key U.S. SALT policymakers toward verification expressed in the terms of the proposed agreement, namely that we ought not to insist that the Soviets comply with the letter of the agreement if its violation is not "militarily significant," is simply unacceptable for any American President to be asked to support, and any Congress to ratify.

The recently proposed unverifiable five-year prohibition on underground nuclear tests by the President confirms the preference of the Carter Administration for taking "verification risks" with potentially grave implications for American security in an effort to reach a speedy agreement before the November elections. Based upon the Soviet efforts to evade compliance with the terms of SALT I, we cannot risk entering an agreement unless Soviet compliance with its terms can be fully verified.

The terms of the proposed SALT II simultaneously have the effect of permitting the increase of the nuclear threat posed to our allies in Europe and Asia, and deny them the means to redress that threat, particularly in the case of long-range (i.e., greater than 600 km.) ground-launched cruise missiles. Such an agreement, if ratified, would encourage the worst fears in Europe of a Soviet-American domination of European affairs raised in

the 1960s, thereby eroding the confidence of our allies in American intentions.

I urge that the negotiations be recessed so that a top-to-bottom review can be made by Congress, not only of the terms of the SALT II agreement, but also of the entire technical and bureaucratic process which has allowed such a state of affairs to come to pass. The posture we have adopted in SALT would institutionalize the present incipient inferiority of American arms and codify a long-term and perhaps permanent Soviet military advantage.

The enormity of such an event makes the recessing of the talks a modest proposal that would contribute far more to American security and international peace than the conclusion of SALT II as matters now stand.●

IRAN: STRATEGIC FREE WORLD ALLY

HON. LARRY McDONALD

OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. McDONALD. Mr. Speaker, on more than six occasions it has been necessary to draw the attention of my colleagues to the illegal activities of the Iranian Students Association (ISA) and the motley federation of dissidents and revolutionaries who have joined with them to attack the policies of reform and progress initiated by Shah Mohammed Reza Pahlevi and his government.

In our country, the Iranian malcontents and revolutionaries have created disturbances from coast to coast. They have viciously assaulted citizens and residents of the United States; they have launched a barrage of vituperative slander against all who disagree with their line; and they continue to pose a serious threat to public order and safety. In Western Europe, the same dissident organizations have engaged in terrorist attacks on Iranian officials. And in Iran, these groups have rioted, looted, burned in the cities, and on university campuses.

Evidence is not lacking that these groups violent actions are most welcome to the Soviet Union which views any destabillization of the Shah's pro-Western government as a strategic victory in its continuing war of aggression against the free world.

During recent weeks we have seen the Soviet Union, through its Cuban and East German surrogates, escalate its military aggression in Africa. In April we saw the government of Afghanistan fall in a bloody coup led by the head of a pro-Soviet Communist party. As a result of these new aggressive actions from the Soviets, we are currently seeing a power struggle in the administration between pro-Soviet forces favoring détente at all costs and others who are now becoming concerned that their long policies of appeasement of the Soviet Union may encompass their own defeat.

It is a time for reappraisal. In a direct proportion to the Soviet threat to world peace, we should urge the President to make known his full support and encouragement to our Iranian allies, particularly recalling that for nearly 40 years, through the terms of eight U.S. Presidents, the Shah of Iran has been one of America's most unswerving allies.

We should encourage the President to recall that long before Lenin's Communists took power in Russia, the Czars had imperialist designs on the Middle East. The Soviet successors to the Czars have systematized and expanded their aggression in this area; and so in supporting and aiding the United States, and in his support for the free world and democracy, the Shah has incurred the enmity of the Soviet Union and its allies throughout the world. And it must be emphasized that with the recent Communist takeover of Afghanistan, a pro-Soviet government in Iraq to the West, and a long and extensive direct border with the U.S.S.R. itself, Iran is becoming the target for increasing destabilization pressure.

From the time last year that this administration began urging unrealistic and impossible policies of encouraging certain human rights on the Iranian Government, extremist opponents of the Shah's government have redoubled their efforts at overthrow. The opponents of the Shah's government are a loose coalition of Marxist revolutionaries of the most fanatical variety whose rhetoric promises a bloodbath that might shock even the Cambodian butchers, and a variety of reactionary extremists who support a return to medieval Islamic society and violently oppose the efforts of the Shah to conduct effective land reform programs and to bring women into the mainstream of Iranian life with higher education, employment opportunities, and ending the most oppressive forms of discrimination.

Mr. Speaker, we must remember that Iran guards one of the most vital waterways in the world, the Persian Gulf through which flows much of the oil for this country, for our allies in NATO, and for Japan.

Iran's Ambassador to the United States, Ardeshi Zahedi, recently wrote an article outlining the ties between our two countries. The Ambassador's article was written for a special edition of Profile of Iran that marked the exchange of visits between President Carter and the Shah during the past winter. I commend the Ambassador's factual and informative article to the attention of my colleagues and urge them to use all means available to Congress to support America's friend and free world ally, Iran, in the face of a serious crisis created, aided and abetted by the Soviet Union through its creatures, the revolutionary terrorist gangs, and religious fanatics who riot in the streets of Iran and the United States.

The partial text of Ambassador Zahedi's article follows:

IRAN-UNITED STATES COOPERATION: EXCHANGE OF VISITS UNDERSCORES LASTING FRIENDSHIP

The close relations between Iran and the U.S. were actually founded in the early nineteenth century. The first Treaty of Friendship and Commerce between Iran and America in 1856 formally acknowledged the increasing bilateral contacts. American educators, financiers and freedom fighters became directly involved in Iranian affairs throughout the 19th and 20th centuries. Howard Baskerville, an American teacher in Azarbaijan who sacrificed his life during the constitutional movement in the early 20th century has left an indelible imprint on Iran's history. W. Morgan Shuster and Dr. A. C. Millspaugh contributed their expertise to the organization of Iran's financial and tax system, as advisors to the Iranian government. Dr. Samuel F. Jordan another prominent American, is honored and remembered by Iranians for the establishment of the Alborz college. The important contributions of these Americans have laid the foundations for the existing amity between our two countries.

Since World War II, Iran-U.S. relations have assumed new dimensions. As President Harry S. Truman stated in 1949 during the Shahanshah of Iran's first visit to the United States, "We have always been friendly to this cradle of history, this country about which Daniel said, 'The laws of the Medes and Persians they are not altered.' By that Daniel meant not that the laws were unalterable, but that the Medes and the Persians believed in keeping their contracts." Since then, the frequent exchange of visits of heads of state, the membership of the U.S. and Iran in the CENTO organization and the 1959 bilateral security agreement of Iran and the U.S. have been important features of Iranian-American cooperation.

As His Imperial Majesty has stated, "We have always had unshakeable links with your country and your great nation. We are united together by a special relationship, made all the closer by a wide community of mutual interests which we share in our firm determination to contribute to the maintenance of world peace and security and assuring human progress and betterment. History has been witness to the growth and development of an outstanding relationship between two nations motivated by common trust, goodwill and respect, which has repeatedly withstood the test of time."

In addition, Iran and the United States share many vital interests and ideals in global affairs. This identity of interest has formed the basis for their international cooperation. For its part, Iran has sought to promote constructive and peaceful relations in the world community. Iran has a particularly strategic geopolitical and economic setting. It possesses the longest shoreline of any country with the Persian Gulf. Iran also has the second longest frontier of any country with the Soviet Union. With this unique location in mind, Iran has worked responsibly to promote stability and security in the region.

With 7,000 kilometers of both territorial and aerial frontiers, Iran borders several different regional systems of the globe, and has consistently helped foster among them harmony and peace. It has assumed a major responsibility in ensuring the free and uninterrupted flow of oil to the international community. The Strait of Hormuz in the eastern extremity of the Persian Gulf is the world's lifeline through which passes the major portion of the world's oil supply—nearly 23 million barrels of oil a day. Mindful of its regional and international responsibility, Iran has maintained that oil is a precious and indispensable resource for the entire world that must not be exploited for political ends. Therefore, Iran has never been a party to any oil embargo.

To safeguard the security of the vital oil-producing area, Iran has proposed increasing cooperation among the Persian Gulf countries. It has also called for a Mideast nuclear free zone and an Indian Ocean zone of peace, and has signed the Nuclear Non-Proliferation Treaty in the interest of promoting peace and well-being throughout the world.

Iran has also extended economic assistance to developed and developing countries, and to international financial organizations, a

commitment approaching $12 billion since 1973. These policies, developed under the leadership of His Imperial Majesty Shahanshah Aryamehr, have been important strides toward the peaceful, stable and prosperous world that Iran and the United States envision.

Economic relations have also been an important aspect of bilateral cooperation between Iran and the United States. Just over a decade ago the United States had a major economic assistance program in Iran, for which Iran has always been grateful. This was initiated under President Truman's Point Four program in Iran, amounting to $500,000. Since 1964 however, Iran's rapid economic growth has developed a self-sustaining economy and transformed Iran from an aid recipient to a major donor nation. Whereas Iran's per capita income was about $120 in 1953, it is now over $2200 today. Whereas Iran's GNP was $2 billion in 1953, it is $80 billion today. Whereas Iran had less than a hundred factories in the early 1950s, it has today over 8000 large industrial establishments. In 1950 student enrollment totalled about 350,000, it is nearly 9 million today. In 1952, we had only 800 students abroad, with about 300 studying in the United States. Today, that number has expanded to 60,000 of whom 30,000 are studying in this country. And while in 1953, Iran had only one major university, today it has 21 universities, along with 142 colleges and other institutions of higher learning with total enrollment of 189,000. Eighty-one of these institutions of higher learning are now linked with counterpart universities in the U.S. These figures show the remarkable progress Iran has undergone in a very short space of time. Iran is no longer a recipient of assistance from other nations, but now enjoys with the United States a mutually beneficial economic partnership.

In 1974 a new chapter in economic relations began with the establishment of a joint commission for economic cooperation, and in the following year with the establishment of a joint business council. The conclusion of a $52 billion bilateral trade agreement in 1976, in contrast to the aid transfers of the past, is a notable example of the changing character of the widening cooperation between our two countries. The 4th Session of the U.S.-Iran Joint Commission for Economic Cooperation held on February 28, 1978 called attention to Iran's growing importance as a commercial partner with the United States, as well as Iran's increasing involvement in the world community.●

CAPITOL HILL OFFICE SPACE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. FRENZEL. Mr. Speaker, the following story by Richard Lyons appeared in the Washington Post of May 27. The last sentence says it all:

Last year at the urging of young members who felt it wasn't proper to make free political use of public space, the House Democratic campaign committee moved out of its House office building suite into private space. Democrats have been trying to push the Republican committee out of its 14 free rooms on space-hungry Capitol Hill ever since.

Speaker Tip O'Neill wrote Minority Leader John Rhodes telling him to get out by February, but Republicans have fought a delaying action trying to hold out until new quarters are ready for them this fall at the Eisenhower Center Republican complex on the Hill. Republicans offered to pay rent of more than $2,000 a month, but O'Neill turned it back saying he had no authority to accept money.

On Thursday, a group of young Democrats, some of whom won Republican seats and are jittery about reelection, took the House floor to denounce the "improper" Republican use of taxpayers' property. What really bugs them is that the 14 rooms are filled with mimeograph machines spewing out ammunition to try to take away their jobs.●

TUITION TAX CREDITS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. FISHER. Mr. Speaker, inflation takes its toll on everyone, including those who have to meet tuition charges. Because of this heavy burden of educational costs that has to be carried sooner or later by so many, I believe some kind of Government assistance should be made available. Assistance is needed especially to meet the severe demand for cash during the college years.

In the consideration given to this matter last week in the House of Representatives, I tried by my remarks in the floor debate and by my votes to give expression to these views. I argued for and voted for a tax deferral approach as my first preference for meeting the tuition crunch. This would have established a system of tax deferrals by which parents or guardians could defer paying a portion of their taxes while their children were in college. The same could be done by individuals paying their own tuition bills. These deferred tax obligations would then be paid at a modest rate of interest over a 10-year period after the education had been completed. This, it seems to me, addresses the cash crunch problem the middle-income families with college-age children now face. An amendment to the bill that would have established such a system was defeated.

Such a tax deferral arrangement, which would amount to a long-term low-interest loan of greatest help to middle- and lower-middle-income groups, could be combined with an improved loan and grant program such as now exists which would help the lower-income individuals and families. Together these two approaches would provide much more tuition relief than the tax credit approach that finally passed. In the case of the tax deferral part the cash relief would be 10 times as great as with the tax credit.

My second choice would have been to provide a tax credit for postsecondary expenses only. With the undeniably strong sentiment for a tuition relief for college expenses, I believe an experiment of several years' duration with this approach would be worthwhile to determine whether the positive benefits of the credit outweigh the possible detrimental effects such as increased tuition charges and reduced tax revenue to the Government. Unfortunately, the House did not have an opportunity to vote on tuition tax credits for college alone.

Extending a tuition tax credit to private elementary and secondary schools, I believe, would threaten the principle of separation between church and state, one of this country's longest standing and most important traditions. I find this constitutional issue most troubling. In addition, the tax credit would help only minimally—$100 a year next year rising to $250 over several years which is not much compared to many college tuition charges—and would most certainly be quickly absorbed by raises in tuition so that the institutions rather than the student and their families would be the gainers.

Finally, the tax credit would diminish tax revenues by several billion dollars a year and thereby add that much to the Federal deficit. A tax deferral approach would cost something at the outset, but after a few years would result in a small net revenue gain to the Government.

I do not believe that we have yet seen the final resolution of this issue, what with the threat of a Presidential veto and the still pending proposal to expand the existing grant and loan programs. The nature and scope of the issue of relief for middle-income families is likely to change in the next several months, and I will be keeping alert to these changing winds. Out of all this I hope a financially sound and educationally meaningful program will emerge along lines of my preference, one that will offer substantial rather than token relief for those facing high tuition charges.●

TRIBUTE TO PAUL K. FROST II

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. ENGLISH. Mr. Speaker, on Wednesday, May 31, I joined with many of my colleagues in a memoriam for Paul K. Frost II. I recently received a letter from Hubert L. Harris, Jr., Assistant Director, Office of Management and Budget, who asked to be included in the memorial. I ask that Mr. Harris' letter be inserted into the RECORD at this point:

JUNE 1, 1978.

Hon. GLENN ENGLISH,
House of Representatives,
Washington, D.C.

DEAR GLENN: I understand that you are going to insert thoughts of various people about Paul Frost in the Congressional Record. I would like to add mine to that group.

Paul Frost was one of the finest, most outstanding young men I have met since coming to Washington. Paul knew his job and did it well. Paul was known, respected and liked by everyone that came in contact with him. My association with him was brief, but very meaningful.

Thank you very much.

Sincerely,

HUBERT L. HARRIS, Jr.,
Assistant Director.●

CONGRESSIONAL SALUTE TO THE RINGWOOD AMBULANCE CORPS, INC., RINGWOOD, N.J., UPON THE 15TH ANNIVERSARY OF ITS FOUNDING

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. ROE. Mr. Speaker, on Saturday, June 10 the residents of Ringwood in my congressional district, State of New Jersey will celebrate the 15th anniversary of the founding of their emergency medical services corps—the Ringwood Volunteer Ambulance Corps. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the members of this most esteemed volunteer organization for their outstanding public service to our people.

At the outset let me commend to you the officers and members of the Ringwood Ambulance Corps, Inc. whose standards of excellence in dedicated, unselfish service to the well being of our people have truly enriched our community, State and Nation. The roster of charter members and current officers and members is, as follows:

CHARTER MEMBERS

President: Ruth Snoddy.
Vice-President: Don Cook.
Secretary: Grace Van Gelder.
Treasurer: Kay Ackerman.

Al Anderson, Ed Brady, Edna Brown, Joyce Cantaluppi, Frank Conte, Al De Block, Betty De Vine, Bill Dodds, Robert Domanowski, Peter Fellema, Bob Garcia, Helen Givin, Joyce Hoyt, and Jack Kidd.

Joan Loughlin, Carol Ordway, Ann Prakus, Jack Reynolds, Bill Sailer, Ernie Schwesinger, Ray Snoddy, Ed Sonnenfelder, Gert Spadone, Ed Sullivan, Jim Super, Dale Taylor, Al Van Gelder, Helen Weber, and Bernadette Zackaroff.

RINGWOOD AMBULANCE CORPS, INC.

Captain: Dennis Law.
First Lieutenant: Bill Brunkhardt.
Second Lieutenant: Nancy Armitage, Eileen Moebius, and Ed Veronelli.
Service Secretary: Pat Fisher.
Corresponding Secretary: Denise Wogisch.
Recording Secretary: Irene Gourlay.
Treasurer: Laura Ingraffea.

Bob Anderson, Jim Carlton, Linda Carson, Lou Caruso, Barbara Conklin, Bill Conklin, Kathy Czura, Al Ferry, Bob Garcia, Barbara Geurin, Tom Hastings, Dominic Ingraffea, Pat Kelly, Regina Kirby, Andy Kitthen, Ellen Lichtensteiger, Frank Menzel, Art Merritt, Carol Mingeram, Pat Murray, Emily Post, Jean Scheyer, Blanche Seneca, Dolores Sorce, Eileen Sullivan, Kathy Sweitzer, Beverlee Veronelli, Bob Wogisch, and Sue Wogisch.

Exempt Members: Don Cook, Jack Dunne, Betty Kellett, and Stan Sorensen.

Associate Members: Karen Ploetz and Marilyn Ricker.

Mr. Speaker, in celebration of this historic event for the borough of Ringwood a number of community activities and events have been planned under the direction of the Ringwood Ambulance Corps Anniversary Committee including a parade, first aid demonstrations, a tour of the corps facilities and a lecture on the ambulance, equipment and its operation. It is appropriate that we extend special plaudits to each individual member of this dynamic and energetic group which is comprised of the following exemplary citizens of the community:

RINGWOOD AMBULANCE CORP ANNIVERSARY

Pat Murray, Chairperson, Barbara Conklin, Bob Garcia, Dom Ingraffia, Regina Kirby, Carol Mingeram, Emily Post, Blanche Seneca, Denise Wogish, and Sue Wogish.

Mr. Speaker, the Ringwood Ambulance Corps was organized in 1963 by a consortium of concerned citizens in recognition of the need for an organized emergency first aid squad to accommodate the unexpected and tragic circumstances of illness and accidents that may befall our human resources. This required the foresight, diligence and hard work of many, many people in devising a program and seeking full citizens participation and the benevolence of community leaders and distinguished citizens throughout the area.

A 1949 ambulance was donated to the Corps by Harold Clark, a car dealer from Pompton Lakes. The ambulance was garaged in the Windbeam Water Co.'s building through the generosity of John Bado, president of the company.

The Windbeam Water Co. building was also utilized as first aid headquarters until 1971 when a building committee comprised of Don Cook, Pat Murray, Betty Kellett, and Emily Post was able to direct the construction of their new headquarters on Alta Vista Drive on a parcel of land donated by Mr. Peduto, a local contractor/business man.

At present, the corps under the able leadership of Captain Dennis Law assisted by 1st Lt. Bill Brunkhardt, has 40 members who man three ambulances on a 7-day week, 24-hour-a-day schedule. The corps is supported by a yearly donation from the borough government, a door-to-door fund drive, and a capable auxiliary that runs fund-raising events.

Mr. Speaker, I appreciate the opportunity to call this noteworthy event to your attention and seek national recognition of the unselfish dedicated public rescue and lifesaving endeavors of the Ringwood Ambulance Corps. As they celebrate the 15th anniversary of their founding, let the RECORD also show that we extend our Nation's deep appreciation and gratitude for the quality of their emergency medical services. We do indeed salute each and every member of the Ringwood Ambulance Corps upon the celebration of their 15th anniversary.

Heartiest congratulations, fellow citizens.●

MY RESPONSIBILITY TO AMERICA

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. WALKER. Mr. Speaker, the Veterans of Foreign Wars recently extended me the high privilege of serving as a judge for the national finals of their "Voice of Democracy Contest." Most of my colleagues, I am certain, are aware of this fine VFW program and as a former Voice of Democracy participant, I would like to share the texts of the best five speeches of 1978 with them.

The theme this year was "My Responsibility to America" and the words, feelings and expressions of these young Americans are both personally moving and deeply rooted in the heritage of what is best about our great Nation. The superlative efforts of this year's winners offer us inspiration for today and a truly bright hope for the future of America.

The texts of these fine speeches follows:

SPEECH OF BERND KLAUS ESTABROOK

(Douglas High School, Minden, Nevada)

It is a time of wars and rumors of wars, of distress and discontent, of wealth and abject poverty—it is our time. The world and its peoples move toward an unknown future, their struggles rise violently across continents, shake the farthest reaches of the globe—such is our world. We search, we probe, we experiment, we examine the very foundations of our society, seeking the essence of the American heritage. We find casual acceptance of this heritage impossible, for change and challenge have been the pillars of our strength. We have questioned time-honored beliefs, disputed traditional principles, delved deep into our creed—for to find our convictions sound and strong is to bring life and vigor to them, to enhance the strength and solidarity of what we hold true. To examine what we hold dearest in these troubled times is to awaken dying flames, to lend an indomitable spirit to those famous principles which will strengthen us in the future as they have in the past. It is our time, time to define our responsibility to our ideas and to our country, time to drink deeply of our spiritual reservoir, time to challenge totalitarianism and intolerance, to say to the dehumanizing forces sweeping the globe, "This far and no further!"

Where shall we begin? What shall we do or say to fill this vast nation with the desire to live to its highest, to rise from apathy and strive for excellence? What shall we do to make this nation a personal commitment, to act in the fullest measure we can to realize that commitment? The answer lies in the individual, in his response to humanity, in his commitment to the ideals that formed this nation. He, the individual, is the lifeblood of democracy, the integral part of our system that makes it live and grow, that makes it differ from the lifeless structure that is democracy without responsibility. He, the individual, lends our democracy its strength in the knowledge of his own worth, of the importance of his decisions and opinions, of his understanding of fragile yet priceless human qualities. He, the individual, knows the tyranny of the dictator is matched only by the tyranny of the mob and he watches, and speaks, and listens and moves to understand the world around him. He feels deeply his responsibility to his world, to his country, to his very home and works with that knowledge in all that he does. He, the individual holds the final and most important commitment to this nation. We climb or fall, succeed or fail with each and every individual, and our destinies are linked together by that one word—responsibility.

Our President, our congressmen, governors and all our leaders are men with which we have vested with great power and solemn responsibility. They are men we see daily, acting on our behalf with all the foibles and failings of men everywhere. I see responsibility here as they sign bills and draft laws, debate issues and resolve disputes, many of them standing as examples to us all in their

tenacious hold upon integrity. We see them and acknowledge their importance.

Yet behind the public world, behind the world that concerns great decisions, I see responsibility too. I see responsibility in men and women who have held to their principles throughout their lives with little or no recognition or praise, men and women who have spun the basic fabric of this nation, men and women of who Jefferson once said, "I am not among those who fear the people. They . . . are our dependence for continued freedom." They have made our nation what it is; without them our leaders would be helpless. Together we can meet any trial with strength born of individuals united in that one word—responsibility.

What is my responsibility to America? It is not represented by any one word or idea; perhaps it is not possible to put it into words in its entirety. But in my deepest understanding I know what it is. I know what it means to me, why it is important to me, and what I can do about it, for my responsibility to America is my responsibility to myself. It is my commitment to my country as she is, not as I wish her to be or a my prejudice sees her. It is my pledge to look upon her clearly and thoughtfully, to feel her woes and triumphs and to work with this in mind toward what America might be. My country asks of me but one thing—she calls from history and homeland to see, to perceive again, ever to understand. Let us heed her call and embark anew on the American adventure, with the strength of two hundred years behind and limitless prospects before.

BENJAMIN VICTOR MOUTON

(Cathedral-Carmel High School)

I have never stood in the rotunda of my country's capitol . . . I have never seen the White House nor stood in front of Lincoln's statue as he sits brooding on the trials of a young nation divided against itself. I have not stood in the archives and read Thomas Jefferson's immortal words in the Declaration of Independence. I have never seen these things, but I know them, I know them well. They mean America to me.

Adams . . . Jefferson . . . Lincoln . . . They are the people who built America and I know them . . . I know them because I know the carpenter next door who gave his time free of charge to help build a church across town.

I know the men and women who built America because I know the doctor who spent the night beside the bed fighting to save the life of a sick child in one of our local hospitals last week or the week before, for he is the doctor who wept beside the bed of Abraham Lincoln when there was no hope but only agony and pain. . .

I know my country's founders because I see them in the people around me and I hear them every day of my life, just as I hear Thomas Jefferson's voice when my history teacher proclaims his words that all men are created equal.

And I know my obligations and responsibilities to America.

Today, we live in an exciting age . . . an age which is constantly changing . . . an age in which people are moving . . . testing old beliefs and finding different points of view. In this age people find it harder to recognize and hold on to obligations and responsibilities, yet these responsibilities and obligations are as great as the responsibilities and obligations of the men and women who built America and made her great.

New questions are put to us which we must answer . . .

The question arises . . . "What is there about America that will impel today's youth to fulfill their responsibilties to their country?" Being a part of that youth, I ask myself this same question. "What beliefs impel me to execute my responsibilities to America?" . . . Let me answer that . . . One belief . . . and one that I'm sure of . . . is loyalty . . . old fashioned, perhaps, but I believe in it . . . I believe in a loyalty based not solely on facts and on the reassurance of the past performance of this country, but loyalty based on a willingness to live up to the old principles of faith of the men and women who founded America . . . a loyalty that will carry us through the uncertainties of the future. I know the things that made my country great and my responsibilities are to keep it great. The men and women who made America gave us a blue print for government to be run by people . . . people like the carpenter next door or the doctor across town.

My responsibilities must be coupled with the desire to make this country work as it was meant to work. I have a desire to take an active part in all of my country's affairs. I know I speak for all youth when I say, "Our desire is to become involved . . . involved in every phase of government and society . . . We want to be involved . . . we want to vote and be heard in the selection of our country's leaders . . . We have a desire to be aware of America and be aware in all of its involvements . . . for human rights all over the world . . . In other words . . . youth has a responsibility not only of the heart, but also a responsibility to act. A responsibility taken further than just the desire to perform it, but the will to actually perform."

Finally, but most important, is the belief I have in the responsibilities I hold for other Americans. My responsibilities to America are for these people because these people are America to me . . . the carpenter . . . the doctor . . . the lawyer . . . the laborer . . . the man and woman in the street . . . Martin Luther King . . . Thomas Jefferson . . . Abraham Lincoln . . . These people are the backbone of America . . . These people . . . these Americans . . . are what make America great and my responsibilities are to them . . . to every single American . . . I owe it all . . . my work . . . my freedom . . . my life . . .

SHERLY LYNN TUDEEN

(Bettendorf High School, Bettendorf, Iowa)

In the children's story of The Little Red Hen, the hen experiences trouble in getting the other animals to help her in making bread, they refuse to help her cut the wheat, grind the wheat or help in the baking process, but when all the work is done and the delicious bread is made, then they are all very willing to help her eat it.

Can this type of situation be applied to our country? Do we all expect the advantages that America can give us, but don't feel it necessary to work for them in return? It is difficult for me to believe this—in fact, I refuse to. Others must THINK as I do. I feel that I have a certain repsonsibility toward our country, if I want to continue to reap the benefits it can offer me.

The benefits I speak of are mainly freedoms, freedoms our ancestors thought were important enough to fight and die for. And so my responsibility is basically one to the future generations, and yet I must work for it now, in order to insure that they can obtain all the rights and freedoms I enjoy today.

Our forefathers got a good start on the individual rights issue when they wrote in the Constitution that all men are created equally. They did this much for us, now it is up to me to see that all men are treated equally, that one person is not superior to another simply because of his race, sex, religion or financial status. That is my first responsibility, one that will benefit us today and in the future.

Our environment and beautiful countryside are other things I can appreciate now. America has such a variety of terrain, each region is unique, but they are all beautiful in their own way. It is obvious to me, however, that the snowy mountains, the great forests or the golden deserts cannot remain in their majestic condition without some help. Thus, I have to make an effort to keep them that way.

Lastly, and most importantly though, is my responsibility in maintaining the principles of democracy that this country was founded on. Our predecessors gave us a say in our government so that we could voice our preferences and problems. We are one of the few countries fortunate enough to have this. As one of the lucky individuals who live here, I have a responsibility in preserving this type of government.

I realize that by myself I probably cannot change things greatly, but that does not mean that I will quit. Willard Wirty summed up my philosophy on working for what you want when he said that "those who want by the yard, but try by the inch should be kicked by the foot".

I expect great things from America because I know that they exist. It is up to me to insure that they continue to do so.

It is easy for us to answer such questions as: Who wants to live in a clean environment? Who wants to eliminate prejudice among men? and Who wants to keep his freedom? The hard part comes in as it did in the story of The Little Red Hen in who's willing to work for all this. The answer is, I am, because that is MY responsibility to America.

JOHN MONTGOMERY STOKES

(Sarasota High School, Sarasota, Fla.)

I am speaking to you with full freedom to say what I think. I count it a blessing that I have the right to do so.

I speak to you having my own political persuasion, my own religious affiliation and my own philosopy of life. I count it a blessing that I have the right to choose these things for myself.

Most of all, I count it a blessing that I live in a country where those who differ with me have the same rights and responsibilities.

Responsibility: a charge, trust, or duty. Just what is my responsibility to the great country which grants to me and others the rights I have mentioned?

Some seem to answer this question easily. They say obey the laws and defend America in time of war. For me, responsibility to America is a bit more detailed. I look around me and am aware that half a billion people in the world are starving. I hear in the distance the clamor of war and violence. I spend year after year in an educational system which could be so much better. I see families disintegrating and cities decaying. My responsibility to America calls me to take action.

The question arises, what can you—one human being—do to counter these conditions? My answer is simple, yet profound. I shall express my views and values through my great American privilege, the vote. As a man who appreciates and loves liberty, I find no less despicable those who starve the ballot box than those who stuff it.

My commitment to serving my country is the moral equivalent of waging war. The enemies are apathy, greed, malice and ignorance. The battle line is on the floor of Congress and in committee hearings. My weapons are knowledge, dedication, and action. The end result remains to be seen.

I see America as a dream which all of us are endeavoring to make a reality. America is a vision of freedom and peace which has not yet reached fulfillment. It can and will when her people keep their vision clear, revere the faith of their fathers and work responsibly with faith in the future.

This then is my responsibility to America: to grow and progress as an individual, to help those around me do the same and thereby to help the nation grow and progress as well.

The time has come for all of us to capture again the spirit of Patrick Henry who cried out for liberty or death in our country's infancy. We must rededicate ourselves to the guiding principles upon which this nation was founded and which have made it great. Without such dedication, the cause of freedom may well vanish from the face of the earth.

America has been and still is a great nation, but we must not ignore the rot and blight upon her face. We must cut out and fill in to correct these blemishes. We are at the point of no return. We must either restore our country or crumble with her.

Individuals of diverse backgrounds built this country and made it great. They were a certain breed of Americans. They sought challenges because they were there. They showed perserverance because they cared. They gave leadership when it was not there. They exhibited dedication because it was their guiding principle. This is the kind of American we need today and it is the kind of American I intend to be. In this spirit we and our beloved country can move ahead. Won't you join me on this journey into the future? I and many other young Americans know and accept the future is in our hands. We are confident that with God's help we can meet that challenge.

STEVEN R. PECK

(Riverton High School, Riverton, Wyoming)

American poet Delmore Schwartz once said, "in dreams begin responsibilities."

This is perhaps the single most representative idea of America ever expressed, for nothing so typifies the way of life we enjoy in this country. Having a dream, something to strive for, automatically commits one to take the responsibility to reach his goal. This has literally been the foundation and the backbone of the United States of America.

For without dreams, and the responsibilities stemming from them, we would have nothing. The United States would still be under the tyrannical rule of oppressive monarchs who knew nothing of the dreams of their people. Fortunately, a few brave men and women had the dream of freedom and equality, and were willing to accept the responsibility of making that dream into reality. For them we must be thankful. They started the attitude that Americans maintain today.

The American people know the responsibility they have to their country and to one another, that instinctive sense of fairness and understanding, from which the world's greatest nation has been born. The images of courageous soldiers, profound statesmen, blue skies, and majestic mountains are the images that people around the world have of America.

And why? Because of the overriding obligation to honor, sincerity, and justice that Americans take pride in presenting to their neighbors. Throughout history we have seen one example after another of an American who would give up everything he owned rather than surrender his right to honor his country. From the pilgrims, to Washington, Lincoln, Roosevelt, and Kennedy, we find such examples.

But the greatest and most frequent examples are the private citizens, who don't act for the glory or the recognition that some receive. They work themselves, for their own pride, for their own happiness, for their own security. And these people must be the most glorious examples of all.

America offers other things that no other country can, because the other nations have not had the dreams or the courage to make those dreams work. Where else would we find such stories of success and accomplishment as in our country? Only in a nation that took the time to weigh its obligations to its people and to try to fulfill those obligations. America stands out as an example for other nations to follow. Because the old saying really is true. America is crowned with brotherhood from sea to shining sea.

The standards that America sets for its people are high. These standards are set so that we may maintain our own standards of living, speaking, and thinking freely.

My responsibility to America, as is every citizen's of this country, is to live up to these standards and qualifications that my country has set for me, no matter what they may be, to have the fortitude to dream and suggest, and to promote my country's interests in the best way I can.

And, surely, this is challenge enough for anyone.●

AMENDMENT TO H.R. 12611, AIR SERVICE IMPROVEMENT ACT OF 1978

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. RONCALIO. Mr. Speaker, when H.R. 12611, the Air Service Improvement Act of 1978, is considered by the House of Representatives, I intend to offer an amendment to section 15, rates of carriage for persons and property, as follows:

Section 15, section 403(b)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(b)(1)) is amended by adding the following language between the first and second sentences thereof:

Nothing in this Act shall prohibit contracts entered by air carriers which contracts provide cost reimbursement for persons who furnish directly or indirectly substantial services, equipment, or facilities, in connection with passenger air transportation purchased by such persons: Provided such cost reimbursement shall not exceed the cost savings realized by the carriers, or 3% of the published air fare, whichever is lower, and persons receiving such cost reimbursement shall not be eligible to be travel agents: Provided further, that copies of all such contracts entered by carriers shall be filed with and approved by the Board.

This is a new provision to eliminate any questions of rebating with respect to reimbursement by the airlines of substantial costs incurred by persons, like business concerns, which perform reservations and ticketing on behalf of the airlines.

At the present time, restrictions adopted and enforced by the airline trade association, allegedly to prevent rebating, prevent carriers from considering any cost reimbursements for those persons, such as companies operating in-house business travel departments, which perform reservations and ticketing services. Under appropriate safeguards limiting such cost return to no higher than the cost saved the carriers, a partial return of such costs incurred by users, and thereby saved the airlines, would not amount to a rebate, so long as the arrangements are subject to control and regulation by the CAB.

Presently, business organizations providing or desiring to provide their own in-house ticketing services for employees traveling on official business are denied any opportunity whatever to have the costs incurred in providing reservations and ticketing reimbursed by the carriers. This is because the carriers have traditionally considered themselves bound by an interpretation of the language of the existing statute that any payment of a cost return or reimbursement to a user, no matter how structured, would amount to an unlawful rebate in violation of antirebate provisions of section 403 of the existing Federal Aviation Act. The effect of such an interpretation is to deny any reasonable option to companies operating business travel departments to provide that service with cost reimbursement from the airlines. Where such services are provided in-house by a commercial user, substantial expenses are saved the airlines who have the basic responsibility under the tariffs to provide such services. The amendment I will offer should eliminate any rebate stigma that is today attached to reasonable cost reimbusement to business users of passenger air transportation performing substantial airline reservations and ticketing functions. The result will be to open the marketing of business air travel to an additional alternative; namely, the performance on a cost reimbursed basis of in-house travel and ticketing service by business users. This holds the potential for significant savings in costs for the airlines and adds an additional competitive element in the marketing of business air travel. The underlying purpose of this amendment is wholly consistent with the purpose of H.R. 12611.

This amendment is also consistent with the fundamental purpose of section 403 of the Aviation Act, which was not designed to prevent legitimate cost reimbursement by carriers of users who save major expenses for the carriers, but rather, was intended to prohibit secret concessions, payments, or kickbacks reducing the published fares without any transportation service being provided by the user for the carrier. Payments similar to those authorized by my amendment have been made to shippers by surface carriers, railroads, and motor carriers, for many years and have been recognized by the ICC and the courts as not involving unlawful rebating. The amendment I am sponsoring to H.R. 12611 is parallel to similar provisions contained in the Interstate Commerce Act, 49 U.S.C. 15 (15) and 324a. The Interstate Commerce Act also contains antirebate provisions identical to those set out in section 403 of the Aviation Act.

Under the provisions of this amendment, carriers and users will be expressly authorized to enter contracts providing cost reimbursement for substantial reservations and ticketing services performed by the user at a level no higher than cost savings realized by the carrier, or 3 percent of the published fare, whichever is lower. The 3-percent standard is the same level observed by the airlines in compensating in-plant travel agents who provide essentially identical services as in-house business travel departments. The amendment requires that persons receiving cost reimbursement will not be eligible to be commercial travel agents. This will avoid interfer-

ence with the existing industrywide carrier/agency relationship. Furthermore, the amendment requires that the contracts providing cost reimbursement for users will be filed with and subject to approval by the CAB, which will be able to control these arrangements in the public interest.

In sum, this amendment will produce a more competitive, efficient, and equitable system for marketing business air passenger travel.●

CAPITAL GAINS PROBLEMS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. RHODES. Mr. Speaker, Mr. Ronald J. Foulis, who has retired after a distinguished career in the law, has written a thoughtful and precise statement in the American Bar Association Journal on the capital gains problem. He notes the impact of inflation, and the disincentives for investment that current tax treatment of capital gains create. His analysis of the discouragement of inflationary tax sources on capital gains points up the need for this Congress to consider this problem in the light of revising our tax structure in a realistic way, to adjust capital gains treatment, and encourage more investment to provide jobs for our work force.

Text of Mr. Foulis' article is as follows:

WHAT IS CAPITAL GAIN AND HOW SHOULD IT BE TAXED

There have been reports in the news of proposals "to tax capital gains in the same way as other income." It is time to discuss and understand the difference between income and capital and between true capital gain and a change in the value of capital measured only in dollars. Many losses on capital are now taxed as capital gains.

Efforts to impose a federal income tax were held to be unconstitutional until the adoption of the Sixteenth Amendment, which provides that "Congress shall have power to lay and collect taxes on income, from what ever sources derived. . . ." There is no express constitutional authority to tax capital.

The Supreme Court in *Merchants Loan and Trust Company* v. *Smietanka*, 255 U.S. 509 (1920), held that gain derived from a single isolated sale of personal property that had appreciated in value between 1913 and 1917 was income within the meaning of the amendment. The Court said: "Income may be defined as the gain derived from capital, from labor, or from both combined, provided it be understood to include profit gained through sale or conversion of capital assets." It is clear that the Court was applying the tax to the realized gain resulting from the appreciation in the dollar value of a capital asset and was not considering whether there was any difference in the value of the dollars paid and dollars realized. That issue was not raised.

Before it can be determined what is a capital gain, there has to be an understanding of what is capital. Webster's Collegiate Dictionary defines capital as ". . . A stock of accumulated wealth; specif: a. The amount of property owned by an individual or corporation at a specified time, as distinct from the income received during a given period. b. An aggregation of (economic) goods used to promote the production of other goods, instead of being valuable solely for immediate enjoyment. . . ."

Capital can be inherited wealth or a gift, but generally it originates from savings left over from income. Even inherited and other wealth originates from savings. It is necessary to understand income and how it differs from capital.

The same dictionary defines income as ". . . Something that comes in as an addition. That gain or recurrent benefit (usually measured in money) which proceeds from labor, business or property; revenue, receipts, . . ." The definition used in Merchants Loan also includes "gain derived from capital."

To the individual, income is anything of value (usually money) received for labor, service, dividends, interest, rents, and the like. From that income, income taxes must be paid, as well as the cost of food, shelter, clothing, and other necessities of life. It may also provide luxuries. Many thrifty individuals will not consume their entire income but will save some portion that may be deposited in a bank or other savings institution or used to purchase property. Income has been converted into capital.

When this occurs, the money has the purchasing power of money at that time. It will buy a certain amount of real estate or a certain number of ounces of precious metal, for instance. When at a later time the property acquired is sold, the money received from the sale will have the same purchasing power as all other dollars at that time, whether from income or sale of property or withdrawal from savings. On the other hand, it may, as a result of inflation or deflation, have a different purchasing power than it possessed at the time of investment.

Capital is different from income in that income is always valued by its current purchasing power, while the value of capital may vary from year to year. If $1,000 of current income bought an investment in 1967 when the consumer price index was 100 and that investment was sold for $1,810 when the consumer price index was 181, there would be a taxable gain of $810. But there has been no real gain because the $1,810 has only the same purchasing power or value as the $1,000 invested as capital in 1967.

The person who acquired a home in past years and sells it today may need all of the dollars received to purchase another comparable home. Our tax laws permit the homeowner to reinvest the proceeds of the sale of his residence in another home without the imposition of a tax, even if the home sold may have increased in real value as well as dollar value. But if that homeowner sells any other property, real or personal, for more dollars than paid at the time of purchase, a tax is imposed without regard to any decrease in the purchasing power of the dollars or the use to which they are put. The result is frequently a governmental taking of a portion of the capital originally created and invested.

The idea of a "capital gains tax" is usually promoted and supported as a tax on the wealthy. It does affect those with large amounts of capital, but it also affects millions of people who have comparatively small amounts. Those who have saved to provide retirement income are inhibited in changing from one investment to another. Widows, for example, may lose a portion of their capital to the capital gains tax if they sell one investment to buy another to reduce risk or to try to increase income, although there has been no change in the real value of their investment.

One of the reasons given for the current high level of unemployment is the lack of capital investments to create jobs. If savings to create capital needs encouragement, why penalize it by taxing nonexistent gains? If it is deemed socially and politically desirable to tax capital gains, certainly the tax should be applied only to real gains. To tax gains in dollars that have lost purchasing power is not a tax on gains but takes away a part of the original capital.

In times of persistent inflation it is essential for Congress and the courts to consider the economic consequences of taxing the dollars produced by capital without regard to a change in their purchasing power—the only real measure of value during inflation.

—RONALD J. FOULIS.

(Now retired from the practice, Mr. Foulis lives in Washington, D.C., and remains active in the organized bar as chairman of the American Bar Association Committee for a Study of Legal Education and as a director emeritus of the American Bar Endowment.)●

THE COMMODITY EXCHANGE ACT: STATE ENFORCEMENT OR NO ENFORCEMENT?

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. BALDUS. Mr. Speaker, in the near future, the House will be considering H.R. 10285, Commodity Exchange Act Authorization. At that time, I intend to offer an amendment which would allow the States to enforce the antifraud provisions of the act.

In 1974, the Congress passed the Commodity Futures Trading Commission (CFTC) Act, which created the CFTC to oversee and regulate commodity futures trading. The CFTC Act gave the CFTC exclusive jurisdiction over violations of the antifraud provisions of the Commodity Exchange Act and preempted any meaningful State enforcement rights.

Since the CFTC Act was passed, however, the CFTC has had a poor record of antifraud prosecution. The basic problem has been the lack of manpower and resources to effectively monitor the industry, uncover fraudulent activity, and seek arrests and prosecutions in any timely manner. In light of current budgetary constraints, it is unlikely that the Congress will ever give the CFTC the manpower and resources it would require to effectively protect our constituents from fraudulent activity.

On the other hand, the State not only already possess the ability to uncover fraudulent activity and seek prosecution through their attorneys general and securities commissioners, they have actively sought the authority to do so. On April 21 of this year, the National Conference of State Legislatures unanimously passed a resolution calling for State enforcement. On April 26, the North American Securities Administrators Association—representing all 50 States—specifically endorsed the Baldus amendment. Furthermore, when the subcommittee was considering the bill, the five commissioners of the CFTC voted to accept the Baldus language.

It is interesting to compare commodity

futures trading with other activities regulated by State and/or Federal Government. Insurance laws are completely enforced by State governments. Securities laws are regulated and enforced by both State and Federal Government. In contrast, commodity trading laws are enforced only by the Federal Government. It is perhaps ironic that the huge nationwide commodity swindles began to flourish at the same time the CFTC was created to regulate the commodity industry and the States were preempted from their previous enforcement role.

Although the Conservation and Credit Subcommittee had passed the Baldus amendment after exhaustive hearings and study by the subcommittee, the House Agriculture Committee narrowly (20 to 18) passed the English substitute to the Baldus language. The substitute, representing the point of view of the futures industry, would only serve to continue the area of nonenforcement which we have had since the CFTC Act was passed in 1974. It effectively precludes a prosecution (other than parens patriae injunctive relief) of any violation other than on dealer options and leverage contracts. The States could not prosecute: a futures commission merchant for the misuse or misapplication of customer funds; a commodity trading adviser or commodity pool operator for employing a device, scheme or artiface to defraud, or for engaging in a transaction or course of business which operates as a fraud; anyone engaged in wash sales or other fictitious trades; associated persons of futures commission merchants who cheat or defraud a customer within the meaning of the act; or any violations with respect to options or leverage contracts which are traded on licensed boards of trade.

In short, the antifraud provisions which the Congress has deemed fit to pass would continue to be unenforced. Is it any wonder, then, that the industry favors the English language over the Baldus language?

My amendment would seek to correct this situation by allowing the States to pass and enforce State laws exactly identical to four subsections of the Commodity Exchange Act (4 b, c, d, and o) and to section 217 of the CFTC Act. It requires that State civil and criminal penalties cannot exceed those provided for by the Federal acts. It requires the State laws to include the following:

In any such action, Federal law, including the decisions of the Federal courts and the decisions and published interpretations of the Commission, shall be controlling.

It specifically preserves the prosecution of violations committed on licensed boards of trade or on designated contract markets for the CFTC. It requires State agencies bringing action under the State law to notify the CFTC by mailing a copy of the original pleadings or the original indictment no later than 3 business days after filing, and it gives the CFTC the right to intervene in any such action.

In short, it allows the States to bring the prosecutions which the CFTC does not have the ability to bring, but it protects the industry by requiring that Federal example will be controlling, by giving the CFTC the right to intervene in cases, and by exempting violations on the boards of trade and on contract markets.

The sole argument of the industry has been that passage of the amendment would lead to differing interpretations by State judges, even though the laws were identical, which would force the industry to cope with a different body of law in each of the 50 States. I doubt that the differences in interpretation of identical law will be so great, and I feel that sufficient safeguards have been written into the amendment to preclude this situation. The issue is not really one of differing judical interpretations of identical laws. Rather it is a question of whether or not the laws which the Congress has passed will ever be effectively enforced by anyone. I urge my colleagues to support enforcement of these laws by voting for my amendment when we consider this bill:

BALDUS AMENDMENT—H.R. 10285

By Mr. BALDUS:

Strike out all of Section 12 beginning on page 14, line 10 through and including page 15, line 18, and insert in lieu thereof the following:

"SEC. 12. The Commodity Exchange Act is amended by adding after section 6c a new section as follows:

"SEC. 6d. (1) Notwithstanding any other provision of law, in order to promote effective enforcement, curtail and prevent fraud, protect the public interest, and effectively utilize the resources available to State agencies, any State agency or official may investigate and prosecute violations of State laws which are identical to sections 4b, 4c, 4d, and 4o of this Act and section 217 of the Commodity Futures Trading Commission Act of 1974 or the rules and regulations of the Commission under those sections: *Provided*, That any civil and criminal penalties provided for under such State laws do not exceed the civil and criminal penalties provided for violation of the identical sections of this Act and of the Commodity Futures Trading Commission Act of 1974. Any such State law shall include the following language: 'In any such action, Federal law, including the decisions of the Federal courts and the decisions and published interpretations of the Commission, shall be controlling.' Notwithstanding the foregoing, a State agency or official may not investigate or prosecute any violation committed or alleged to be committed by a designated contract market or a board of trade licensed by the Commission or any violation committed or alleged to be committed by any persons if said violation occurs solely on such designated contract market or licensed board of trade. Any agency bringing an action under authority of this section shall give notice of the action to the Commission by mailing a copy of the original pleadings or of the original indictment to the Commission no later than three business days after the action is filed, and the Commission may intervene of right in any such action at any time.

(2) Nothing contained in this Act shall affect the authority of any State to seek alternative enforcement remedies which are consistent with the Commission's jurisdiction granted under this Act, including actions as described in subsection (1) of this section, actions under a State's general criminal or civil antifraud statutes, its general consumer protection laws, or other similar laws of general applicability."●

CARDINAL KROL TO RECEIVE CITY'S HIGHEST AWARD

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. EILBERG. Mr. Speaker, I am delighted to enter into the RECORD that His Eminence John Cardinal Krol, Archbishop of Philadelphia, has been selected to receive the city of Philadelphia's highest award, the Freedom Medal.

Mayor Frank L. Rizzo has announced that the award will be presented to Cardinal Krol on July 4. The coveted award is presented to individuals who have honored our country and themselves by perpetuating the American heritage and the spirit of American freedom born in our city in 1776.

The Freedom Medal was first presented in 1961. It has been presented only four times—to President Herbert Hoover in 1961, President Harry S. Truman in 1962, Bob Hope in 1975, and Frank Sinatra in 1977.

The award was created as a special honor to be conferred upon the very few special Americans whose professional careers continue and expand American ideals.

It is presented only at the city's Fourth of July ceremonies at Independence Hall, which culminate Philadelphia's annual Freedom Week activities.

Cardinal Krol has been Archbishop of Philadelphia since 1961, when he was elevated by Pope John XXIII. He was raised to the rank of Prince of the Roman Catholic Church by Pope Paul VI in 1967.

Soon after his arrival in Philadelphia, Cardinal Krol became a major spokesman for the American Catholic Church on the moral and social issues of the day.

He has held several important Vatican positions, including Undersecretary at Vatican Council II, and membership on the Council's Coordinating Committee. In 1971, he was elected president of the National Conference of Catholic Bishops by his fellow American bishops.

In recent years, he has traveled to Ireland, Poland, Israel, Jordan, Lebanon, and Egypt, and has been called by columnist Jack Anderson "One of the world's most persistent peacemakers".

The spiritual leader of 1.3 million Catholics in the Archdiocese of Philadelphia, Cardinal Krol was born in Cleveland, Ohio, on October 26, 1910. The fourth of eight children, he was the son of John and Anne Krol.

Like his brothers and sisters, John Krol was forced by financial circumstances to spend much of his childhood working, and he has scars on his hands marking his days as a butcher's helper at 9 and a wooden boxmaker at 15.

In 1931, he entered St. Mary's Seminary in Cleveland. He was ordained to the priesthood in 1937, and in 1938 was sent to Rome to study canon law. World War II forced him to transfer his studies in canon law to Catholic University of

America, where he received his doctorate in 1942.

Upon returning to Cleveland, he was appointed seminary professor in 1942; vice chancellor, 1943; chancellor, 1951, and Auxiliary Bishop of the Cleveland Diocese in 1953, where he served until his appointment as Archbishop of Philadelphia in 1961.●

TUITION TAX CREDIT—AN EXPLANATION

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, on June 1, the House voted 237 to 158 (over my opposition) in favor of H.R. 12050, providing tax credits for tuition expenses. As passed by the House, H.R. 12050 provides a reduction of income taxes equal to 25 percent of tuition expenses for each student in private colleges, universities, and postsecondary vocational schools. The credit for higher education tuition would be limited to $100 per student in 1978, rising to $250 by 1980. Full-time and certain part-time (those taking at least one-half the course load required of a full-time student working toward an undergraduate degree) students wolud be eligible for the credit. For lower-school tuition credit the limit would be $50, going up to $100 by 1979. The bill would expire after 1980.

The Joint Committee on Taxation estimated that the bill would cost $25 million in lost revenues in fiscal 1978, $635 million in 1979, $1.1 billion in 1980, and $1.2 billion in 1981. About 70 percent of the loss would be due to college credits, 30 percent to the elementary and secondary credit.

In my opinion this bill is unconstitutional as violative of the separation of church and state clause that over the years has been one of the primary sources of our national strength.

During debate on the bill, I voted against an amendment that would have offered assistance to the parents of the more than 5 million private school students, including parochial schools. The amendment was approved by a vote of 209 to 194. My opposition was based primarily upon the fact that the provisions of the present bill are now tantamount to Governmen aid to religion—clearly in violation of the establishment clause of the United States Constitution, which states:

> Congress shall make no law respecting an establishment of religion . . .

Recent Supreme Court decisions have stated that Government aid to primarily sectarian schools may result in excessive Government sponsorship of, or entanglement with, religion. These decisions illuminate a Supreme Court view, which I share, that below the college level, private church schools cannot prevent the commingling of their religious and educational missions. The Supreme Court has accordingly, tended to approve Government subsidies that aid college-level education, while disapproving tuition aid at the elementary and secondary school levels. For instance, in the Supreme Court case Committee for Public Education against Nyquist (1973), New York State designed a tuition aid program to benefit students and their parents, rather than benefiting the private schools themselves. But the Court refused to accept that argument, stating that the effect of tuition aid was to provide financial support for sectarian institutions and had the immediate effect of supporting religious education.

By a 142-to-261 vote the House rejected (with my concurrence) a second amendment which would have raised to 50 percent from 25 percent the amount of tuition eligible for a credit. The provision would have added $843 million to the cost of the bill.

The House also rejected (with my concurrence) by a 155-to-239 vote, a substitute amendment for the whole bill, offered by Representatives MIKVA of Illinois and KETCHUM of California. The amendment would have established a program of tax deferral for college tuition, allowing parents to put off paying up to $2,000 a year on their income taxes, to be repaid within 10 years.

I believe that President Carter's proposed $1.5 billion extension of existing Federal scholarship and loans programs incorporated in H.R. 11274, Middle Income Student Assistance Act, introduced by Chairman CARL PERKINS of the Education and Labor Committee on March 14, may constitute a better approach. The move, partly designed to head off pressure for tuition tax credits, would increase the Federal Government's student aid spending to about $5.25 billion. Most of the new aid would be targeted at families in the $16,000 to $25,000 income bracket, and could potentially increase to 60 percent the percentage of college students eligible for Federal aid. The two major Federal student aid programs which would be affected by the Carter proposal are the basic educational opportunity grant program and the guaranteed student loan program. The House on March 20 (with my support) voted 218 to 156 not to consider H.R. 11274 without having a chance to vote on tuition credit as well. The President suggested that he would veto a tuition tax credit bill because he could not accept both increased Federal direct aid programs and tax allowances for education, as well as his opposition to the tax credit bill's potential unconstitutionality.●

TUBEROUS SCLEROSIS ASSOCIATION OF AMERICA

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. STUDDS. Mr. Speaker, as a fellow member of the board of directors of the Tuberous Sclerosis Association of America (T.S.A.A.), you know as well as I the terrible effects of this devastating disease on our young. I am including in the RECORD a letter to me from Mr. Raymond Connors, president of the T.S.A.A., in which he describes the horrors of the disease and argues persuasively that it should be included as a developmental disability under H.R. 12326, the Developmental Disabilities Amendments of 1978. I fully support his position and would very much like to share his compelling letter with my colleagues:

TUBEROUS SCLEROSIS ASSOCIATION OF AMERICA, INC.,
May 18, 1978.

Cong. GERRY E. STUDDS,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN STUDDS: This letter is written with the express purpose of informing the Congress of the United States about a little known, but potentially devastating disease called Tuberous Sclerosis (TS). This disease is relevant to H.R. 12326 in that it is a developmental disability disorder. It is genetic in origin and, therefore, already present in the unborn child and continues to be present in the individual for the remainder of his/her life manifesting the following symptoms in neonatal life and then through childhood and through adolescence before the age of 22 years:

(1) Convulsive seizures; (2) Mental retardation; (3) Tumors (in the brain, heart, kidneys and other vital organs); (4) Physical handicaps; and (5) Developmental Delay.

Tuberous Sclerosis affects both males and females and may occur in all races. In any particular individual, these features may range from very mild to extremely severe. In its severe form, Tuberous Sclerosis can be very devastating, making the victim completely helpless and dependent. The incidence of Tuberous Sclerosis is really unknown since it is probably that most cases are not recognized, but is thought to be one in every 5,000–10,000 of the general population, or even higher. The importance of diagnosis is that a mildly affected or normal parent who may not be aware of having the disease, can give birth to a severely handicapped child.

In H.R. 12326, under the caption "Definitions", Paragraph (7) of section 102 reads as follows: "(7) The term 'developmental disability' means a severe, chronic disability of a person which—

"(A) (i) is attributable to mental retardation, cerebral palsy, epilepsy, autism, or dyslexia; or

(ii) is attributable to any other condition of a person found to be similar to mental retardation, cerebral palsy, epilepsy, autism, or dyslexia. . . ."

The problem with this listing of specific conditions to encompass all the known and unknown developmental disabilities is that there are special interest consumer groups who have incorporated these specific conditions into their titles, articles of incorporation, and by-laws, at both the state and federal level. As a result, these consumer agencies benefit the most by receiving the bulk of the monies provided under this legislation. It is a known fact that conditions such as Tuberous Sclerosis suffer from a lack of meaningful services. Frequently, we have heard it stated: "Since both conditions are present in Tuberous Sclerosis, it can come under epilepsy or mental retardation." This is not the case. Were this so, there would be no need for the Tuberous Sclerosis Association of America.

The specialized and individual care needed for TS victims encompassed within this target population (and there are many thousands) is and most likely will continue to be

grossly neglected under the present law. We know that this is not the intent of Congress, or of this legislation, and that is why we wish to call this matter to your attention.

Persons and families with Tuberous Sclerosis suffer from a lack of meaningful human services. Integration with existing local, state and federal service programs is essential, but lacking. Tuberous Sclerosis victims and their families require a wide variety of services, including physical, occupational and speech therapy, home and institutional care, behavior modification, genetic counseling and many others. Tuberous Sclerosis has such a wide spectrum, programs have to be modified for each individual patient. Often a Tuberous Sclerosis child has multiple problems and parents do not know what services are available. For example, seizures with mental retardation with kidney problems; partial or total loss of speech with physical handicaps and/or seizures and/or mental retardation, etc. The severe tuberous sclerosis child places a heavy burden on the family who cares for him/her physically, emotionally and financially.

Early developmental intervention is important in order to provide the child with the best possible opportunities to achieve his/her maximum potential. Unfortunately, the developmentally disabled tuberous sclerosis child is grossly neglected under the present definition for the reasons already stated. This association was founded out of frustration concerning all the aforementioned reasons and continues to grow because of these facts.

The Tuberous Sclerosis Association of America (TSAA) was founded and is headquartered in Rockland in the 12th Congressional District of Massachusetts. For this reason, we have asked our Congressman, Gerry E. Studds, to read this letter before the Full House of Representatives and submit this information into the Congressional Record. In considering this legislation (H.R. 12326), and future legislation regarding developmental disabilities, it is our hope that the entire Congress will be made aware of tuberous sclerosis and its plight.

We wish to thank the Speaker of the House and Congressman Studds, as well as all of the members of the 95th Congress for permitting and assisting us in bringing this matter to your attention by allowing this letter to be read into the record. We are grateful for this opportunity to be heard on a matter that we consider to be a most urgent concern.

Respectfully submitted,

RAYMOND A. CONNORS,
President, Tuberous Sclerosis Association of America.●

IRANIAN REVOLUTIONARIES RIOT IN CHICAGO, GET HELP FROM INS HEADS CASTILLO AND NOTO

HON. LARRY McDONALD

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. McDONALD. The latest outrage on the American people by the Marxist revolutionaries of the Iranian Student Association (ISA) took place on May 16, 1978, in Chicago. After an afternoon of marching through Chicago's business district, ISA cadre began to unmercifully assault office workers—women and men—leaving work at Chicago's Standard Oil Building which houses the Iranian consulate on its 79th floor. Responding magnificently to the mass arrest emergency, Chicago police officers immediately intervened and arrested 193 ISA demonstrators, charging 9 of them with battery and 189 with disorderly conduct. In the melee, 15 police officers and 20 persons not participating in the ISA's protest received injuries ranging from head cuts to human bites inflicted by the ISA fanatics.

While the Chicago police authorities acted correctly to stop the violence, Immigration and Naturalization Service Director Leonel Castillo and his Deputy Director, Mario Noto, appear to have acted to obstruct the Chicago INS civil servants from carrying out their duty to enforce the provisions of the U.S. immigration laws: actions which demand a full investigation.

Once in police custody, the ISA militants refused to identify themselves and show their documents proving that they were legally in the United States. They had already admitted that they were not U.S. citizens, but Iranians.

On learning of the arrests of aliens who refused to identify themselves, INS investigators had those not charged with battery taken to the INS offices for interviews. Only two students produced their documents showing that they were in this country legally. These were released. The others locked arms and totally resisted lawful procedure and proceeded to do $1,500 in damage to the walls and furniture in the INS detention and interview area. Section 291 of the Immigration Act permits INS investigators to question any alien held by the police and ask them their names and how and where they entered the country. If an alien refuses to answer their questions, there is a legal presumption of illegal entry and a show cause order as to why that alien should not be deported is issued.

Nevertheless, INS Deputy Commissioner Mario T. Noto said he had received a call from INS Director Castillo who was "furious" that the Iranian student rioters had been placed in INS custody. As reported by Chicago Sun-Times reporters Charles Nicodemus and William Clements on May 20, 1978:

"That was erroneous . . . wrong . . . an unjustified action that will not be condoned," Noto said.

He said that Castillo heatedly declared that "it was absurd to do a thing like that . . . to violate human rights at a time when we are trying to tell the world we must respect human rights."

The lack of respect for human rights by the Iranian Student Association revolutionaries is a matter of extensive public record, but even Mr. Castillo and his deputy can be presumed aware of the riot here in Washington last November in which ISA members clubbed a crowd of women, children and elderly people expressing their support for the Iranian government.

When the Iranian students eventually agreed to state their names and addreses to INS officials, though they still refused to show their documents and state their place and date of entry, they were served with orders to appear at a show cause hearing regarding deportation and released in their own recognizance. On Thursday, May 18, the INS Chicago office announced that the hearings scheduled on the show cause warrants had been "postponed indefinitely."

On May 19, Mario Noto gave another interview to the Chicago Sun-Times reporters stating that he had grilled INS Chicago District Director David Vandersall over the Iranian Student Association riot matter. Noto bragged:

We were not satisfied with the response from Vandersall and we raised hell.

Noto told the press that—

On behalf of INS Commissioner Leonel Castillo, he had phoned Chicago and ordered the 173 students released, on the ground that their detention by immigration authorities here—after they had been taken into custody by Chicago police—had been in "Wanton disregard" of immigration law.

Castillo and Noto's attempt to bend the law to help the ISA seems not to have worked. Thirty-four INS employees, represented by AFGE Local 2718, released the following statement to the press on the affair:

PRESS RELEASE

We, the members of the union representing Federal Immigration Officials, feel that the comments attributed to Deputy Commissioner Mario T. Noto, Immigration and Naturalization Service, in the May 20th, 1978 edition of the Chicago Sun Times, are a serious detriment to the fair and equitable enforcement of the United States Immigration Laws. His statement that the action of Federal Immigration Officers—in the handling of the 173 Iranian demonstrators arrested by the Chicago Police Department were "wrong . . . an unjustified action that will not be condoned," was based upon his own opinion and not the facts as they existed in the case. Mr. Noto's order to the District Director of the Immigration Service in Chicago that the Iranian aliens be released, blocked the efforts of local Immigration Officials to enforce the requirements of the Immigration and Nationality Act.

The fact that Mr. Noto chose to criticize and condemn the actions of his own employees before he knew all the facts make his statements all the more irresponsible. Mr. Glenn Bertness, Head of the Investigations Branch of the Immigration Service, flew into Chicago from Washington on Friday, May 19, 1978, and personally reviewed the procedures and legal precedents used by the Chicago Immigration and Naturalization Office in their handling of the case. Informed sources revealed that in his report delivered to Mr. Noto on the morning of May 22, 1978, Mr. Bertness advised that all of the actions taken by the Immigration Officers in Chicago were well within the guidelines of Immigration Law and Service Policy. At this point, Mr. Noto reportedly reversed his position and agreed that the Chicago office of the Immigration and Naturalization Service handled the situation extremely well and in accordance with the Immigration and Nationality Act. Mr. Noto also suggested that deportation hearings against the Iranian aliens involved be commenced as quickly as possible.

The premature and unwarranted statements attributed to Mr. Noto in the Chicago Sun Times have done irrepairable damage to the morale and effectiveness of those officials sworn to uphold the Immigration Laws throughout the United States. In his statements he tried and convicted his own employees without being aware of all the facts in the case. His subsequent reversal of his stand can in no way repair the damage done to the reputations of the officials involved.

Edward Mallon,
President, Local 2718.
Ray Roase,
Vice-President, Local 2718.

The action of INS Commissioner Castillo and his deputy in interfering with the lawful actions of INS staff faithfully carrying out the provisions of the United States Code is the second outrage stemming from the Iranian riot in Chicago. Congress has seen enough Watergate activity on the part of executive branch bureaucrats who intervene to obstruct the law.

In reviewing the evidence in this case it is clear that Castillo and Noto were aware that it is lawful for INS to take into custody aliens arrested by other agencies, and in fact, Noto acknowledged that fact in one of his own memoranda dated February 1, 1978.

The objective of their action would appear to be to obtain the speedy release of the ISA militants without proper identifying proceedures or routine deportation of noncooperative cadre. In past cases, the ISA members have given false names of the "Ali Baba" variety and fake addresses when apprehended in mass arrest situations. Once released, there is a great difficulty in determining whether these "students" and their leaders, some of whom appear well past the age of the usual graduate student, are actually here legally.

The seriousness of the actions of INS Commissioner Castillo and his deputy require full investigation by both Congress and the Justice Department. Therefore I am referring this matter to Attorney General Bell and to the Judiciary Committee for action.

During the period that the Iranian Students Association members were in detention in Chicago, organizers passed around the following note in Persian which read:

Comrades, try to choose one leader for each group as soon as you can.

Never let cell be in silence, you do discussion and sing revolutionary songs, and do exercises (calisthenics).

Try your best to keep your energy for the whole time you are under arrest, because you must have the energy to do some work.

Unlimited hunger strike for everybody while staying in the cell.

Comrades, never, do not, give your real name and real address; and also give all false addresses in Chicago.

Nine persons were charged with both battery and disorderly conduct. They were:

Talebi Ali, 7887 N. Kenmore, Chicago.
Arani Ahnad, address unknown.
Masal Mohamad, 1506 Greenleaf, Chicago.
Tagavi Reza, 1725 Rosedale, Chicago.
Razvai Shapour, 510 E. 5th, Terre Haute, IN.
Berroozy Rozmm, 8025 W. Lawrence.
Rezai Nehdi, 6333 N. Sheridan, Chicago.
Azad Amir, 5058 N. Kenmore, Chicago.
Ahandi Hohesm, 5570 N. Broadway, Chicago.

The following persons were listed by the Chicago Police Department as having been arrested in the May 16th demonstration on charges of disorderly conduct; and as having been turned over to INS investigators afterwards:

Taghavy, Hassen M/w/12 Sep 52 400 Tiger Towers Columbia, Mo.

Daraby, Ali M/W/24 Feb 53 refused address C.B. 5238906.
Dahran, Anam M/O/8 Jul 54 6636 N Kenmore.
Aram, Said M/O/20 Sep 53 1100 W Winnemac.
Jazani, Bezjan M/O/1 Feb 53 1290 W Foster.
Shied, Mohsena M/O/ 28 Feb 52 refused address C.B. 5238918
Almady, Mamud M/O/25 Nov 56 1120 W. Hollywood.
Rozbeh, Hamid M/O refused 5860 S Kenmore.
Mohmady, Mamir refused 5763 N Kenmore.
Keymen, Rahim M/O/ 1958 663 W Aldin.
Abbssi, Hossin M/O/10 Sep 60 11107 Lincoln Way Ames, Iowa.
Zazad, Reza M/O/19 Feb 59 1220 W Bryn Mawr.
Mempour, Ali M/O/14 Aug 48 1360 NE 128th St Miami, Fla.
Mobarz, Mohammed M/O/ refused 5678 N Kenmore.
Mustafa, Tavassoli M/O/7 Oct 48 Ames, Iowa.
Rezale, Mehdi M/O refused Kansas City, Mo.
Ashrai, Hamid M/O/10 Jan 48 refused C.B. 5238912.
Azime, Rahman M/O/16 Mar 59 P.O. Box 22932 Carbondale, Ill.
Amiry, Loghman M/O/23 Nov 53 1340 W Hollywood.
Jazaui, Bijan M/O refused C.B. 5238910.
Vadipove, Mansour M/O/10 Jan 52 600 E State Jefferson City Mo.
Nasser, Dozali M/O/1 Nov 57 5949 N Kenmore.
Ahna Momad M/O/11 Oct 57 2900 N Cicero.
Jahaikhmahmoodi, Ghloamirza M/O/3 Jul 51 1717 Ward Ave Huntsville.
Hamamlow, Gholamreza M/W/5 Dec 47 Atchison Kan.
Madami, Naser M/W/12 Mar 59 5801 N Winthrop.
Eehrangi, Samad M/0/13 Oct 55 5001 N Winthrop.
Danesho, Herm F/O 10 Mar 52 1420 Deluxe St.
Badti, Mahboureh F/O 10 Dec 52 PO Box 272 Chgo Ill.
Sourhoush, Nahid F/O 26 July 53 5062 Maine.
Sacketi, Mina F/O 5 Apr 58 6120 Lunt St.
Mohamaed, Zahara F/O 12 Apr 51 7023 Main St.
Abrah, Mahnosh F/O 1 July 56 627 Lynn St. Iowa City I.
Azodi, Ellahe F/O 20 Sep 58 204 Sheridan Rd.
Nomzy, Ponh F/O 15 July 53 6042 Fargo.
Rastin, Homr F/O 21 Aug 58 1364 Drexel.
Rozbeh, Maym F/O 15 May 54 1919 Fargo.
Azery, ashnaf F/O 2 Mar 58 2200 W. Greenleaf.
Bretz, Lorene F/O 23 F b 56 917 W. Fargo.
Ahmady, Sima F/O 9 Jun 52 4200 W. Belmont #304.
Vatandoust, Mehan F/O 11 May 59 602 E Stoughton Champai.
Khalili, Bushanak F/O 2 July 57 6101 N. Sheridan.
Kakhsaz, Simin F/O 4 Oct 56 1334 W. Rosedale.
Jabtazi, Gita F/O 19 May 48 1160 N. Kenmore.
Shadan, Shahla F/O 23 May 58 5660 N. Ridge.
Afraz, rafat P/O 10 May 58 1334 W. Rosedale.
Arman, Fary F/O 18 Dec 50 6205 N. Kenmore #205.
Babaki Maryam F/O 26 Mar 57 1025 N. Hollywood.
Mabzroz, Shaahla F/O 13 Apr 58 1060 N. Hollywood #302.
Abadni, Kobar ea F/O 20 May 58 1060 N. Hollywood.

Dagany, Ashraf F/O 20 Sep 56 5660 N Ridge.
Ahmandy, Gita F/O 2 Jan 59 1334 W. Rosedale.
Rabani, Ferdi F/O 21 May 57 1160 Kenmore.
Mahtab, Sina F/O 11 Feb 54 1060 W. Hollywood.
Amiri, Mina F/O 12 July 52 5660 N. Ridge.
Nahid, Rahmni F/O S May 52 5630 N. Ridge.
Roshan, Mahnnz F/O 5 Dec 57 1554 W. Rosedale.
Mebarez, Sachire F/O 2 July 59 5869 N. Sheridan.
Hepmat, Mina, F/I 2 June 1958 5968 No. Kenmore.
Mingut, Coli F/I 4 Sept. 58 1042 N. Hollywood.
Estowar, Bahar F/O 19 May 58 1060 No. Hollywood.
Fluore, Hereme F/O 19 May 60 5680 No. Leach.
Eyrmi, Ali M/O 23 Dec. 50 1616 So. East University, Minn.
Mothi, Hassan M/O 24 Mar. 53 6000 No. Sheridan Road.
EHBHAD, Delauar M/O Refused 6024 No. Kenmore.
Sachmeei, Mori M/O 11 Nov. 48 6502 No. Kenmore.
EHODRO, Shabb M/O 20 June 51 6128 No. Winthrop.
Ali, Azad M/O 11 Sept. 55 5050 No. Kenmore.
Beehram, Mohammod M/O 29 Sept. 52 1615 So. East Minnestoa University.
Zandi, Ahmad M/O 5 July 53 3031 No. Winthrop.
Tamadon, Amahd M/O 9 June 53 1200 W. Pratt.
Alipour, Ali M/O Refused 5573 No. Broadway.
Samad, Bahrangina M/O 20 May 57 5001 No. Sheridan.
Tehran, Ali M/O 1 May 42 5623 No. Broadway.
Ghsimet, Baghi M/O 10 Sept. 47 Refused.
Farhadi, Hamid M/W 3 May 51 6600 No. Kenmore.
Hamid, Fouran M/W 25 July 53 2123 No. Winthrop.
Hassam, Ali M/O Refused C.B. #5238934.
Mobarez, Ali M/O 28 Nov. 51 6334 No. Kenmore.
Lale, Javad M/O July 56 3324 No. Bryn Mawr.
Asghapi, Akbar M/O 23 Dec. 57 C.B. 5238931.
Ashraf, Hamid M/W 2 Apr. 53 6112 No. Sheridean.
Ghori, Asghar M/O 3 July 52 6502 No. Kenmore.
Javed, Ali M/O 5 Jan. 54 5042 No. Sheridan.
Mohghad, Akeer M/O 4 Nov. 47 56240 No. Winthrop.
Bofuti, Ali M/O 11 Feb. 56 5822 No. Kenwood.
Ahmadi, Houshang M/O 17 Dec. 57 2432 W. Bryn Mawr.
Rezazadeh, Hasan M/O 12 Feb. 62 5332 No. Broadway.
Danesh, Osman M/O Refused 5868 Fairview.
Hosein, Ahmad M/N 28 Nov. 55 1025 W. Bryn Mawr.
Ajianj, Mohamad M/O 10 Jan. 57 123 No. Winthrop.
Baghchi, Reza M/W 3 Mar 48 5820. No. Sheridan.
Arabi, Kazen M/O 4 Feb. 56 5639 No. Kenmore.
Makai, Mehdad M/O Refused # B65238986.
Pakravan, Bahman M/O 11 Nov. 57 1800 Ences Road, Laurshoo No.
Reza, Hasam M/O 8 June 53 Refused 5238983.
Fouladi, Chap M/O 21 Nov. 56 1912 State, Kokomo, Indiana.

Ehoram, Jamal M/O 12 Nov. 48 6132 No. Winthrop.
Bianverdi, Raza M/O 2 Sept. 51 C.B. 5238983.
Ismil, Mohamad M/O 24 July 30 5242 15th Ave., Cicero, Ill.
Hosztht, Abas M/O 6 Dec. 55 2560 No. Kenmore, Apt., 314.
Eghbali, Iraj M/W 25 Oct. 50 5550 No. Kenmore.
Molani, Omar M/O 30 Oct. 57 524 W. Foster.
Kasemi, Ahmad M/O 12 June 57 C.B. 5238972.
Shahad, Eddin, Shabran M/O 1 July 59 P.O. Box 1072 Rolla M.
Jimovi, Behrooz M/O 21 Feb. 55 6151 No. Winthrop.
Abrishamei, Ali M/O 8 Feb. 56 126 So. Sheridan.
Hasani, Khosro M/O 21 Mar. 61 6253 No. Broadway.
Barphodrdar, Akbai M/O 13 Oct. 53 5575 No. Broadway.
Assehdolbh, Pakyaki M/I 11 May 53 2403 Cedarwood Dr. Kansas.
Ashtain, Jalal M/O 16 Apr. 52 2563 No. Kenmore.
Pulid, Hasan M/O 10 July 48 1305 W. Bryn Mawr.
Parviz, Habi M/O 18 Sept. 58 5621 No. Kenmore.
Farhadi, Hamid M/O 4 Dec. 50 6469 No. Kenmore.
Heorashadi, Ahmay M/O 2 Sept. 52 1339 W. Early, Apt. B.
Rezov, Maridy H/W 6 Feb. 56 5201 No. Kenmore.
Ali, Abbei M/O Unknown 1042 W. Hollywood.
Luri, Meni M/O Refused 2021 W. Bryn Mawr.
Ali Mohamedi M/W 9 May 54 Huntsville, Alabama.
Baharami, Kayem M/O 23 Nov. 52 5033 No. Broadway.
Parkouh, Mahood M/O 4 Nov. 56 5225 No. Kenwood.
Ahmadi, Alirsza M/W 22 June 53 1411 No. Clark.
Zarea, Magid M/W refused 1006 W. Belmont #5.
Mogdehi, Chasem M/O 10 June 56 2352 Red Boul Lawrence Ka.
Eshratabadi, Abdolimi M/O 28 Apr. 52 1503 W. Bryn Mawr.
Razmohammad, Mo. 6 Apr. 52 5080 No. Winthrop.
Dxriosh, Darioshi M/O 14 Mar. 61 5541 W. Belmont.
Farrgad, Ahmad, M/W 1 Mar. 55 Belmont Avenue.
Bostani, Ali M/C 22 Apr. 53 5662 W. Bryn Mawr.
Ali, Musai M/O 2 Feb. 57 197 Forest Ave.
Kalhadn, Ali M/O 23 July 55 University of Alabama.
Saleh, Teimour M/O 25 Dec. 51 Danville, Illinois.
Pezaei, Ali M/O 11 Mar. 52 6151 No. Winthrop.
Ghasemi, Fakahad, M/O 1959 1125 W. Bryn Mawr.
Jbarzadgn, Esknder, M/O 12 Oct. 55 1290 W. Winnemac.
Ahmadi, Reza M/O 17 June 51 5125 No. Kenmore.
Reza, Ahmd M/O 9 Mar 59 4162 No. Broadway.
Hassan, Ali M/O Refused C.B. #55239002.
Hajpi, Eli M/O Refused C.B. #5239001.
Asani, Edriza M/O 8 Aug 48 5052 No. Kenmore Apt 2B.
Jaferi, Mohamad M/O 20 June 57 Columbian Missouri.
Garkani, Ali M/W 2 Mar 53 5214 No. Kenmore, Apt. 315.
Shihimimanousael, Mohammed M/O 16 July 51 Florida.
Maseri, Hosain M/O June 52 Philadelphia.
Tabrizim, Behrouz M/O 26 July 55 C.B. 5238997.
Khoran, Kamran M/C 18 Jan 51 5285 No. Sheridan.
Mohahed, Dj M/O Refused C.B. #538995.
Mabarbz, Rafigh M/O 25 June 54 1868 No. Clark.
Bozar, Hasan M/O 8 Aug 54 1222 W. Bryn Mawr.
Ahmady, Hassan M/O 4 July 57 5434 No. Campbell.
Bablo, Ali M/O 6 July 59 6543 No. Sheridan.
Ziazerifi, Messan M/O 23 Nov 53 6321 No. Winthrop.
Mobarazi, Ali M/O Unknown 5729 N. Magnolia.
Shirsabet, Ali M/O 24 Apr 58 5540 No. Sheridan.
Naderi, Syros M/O 12 Jan 50 22 E. State, Columbia, Mo.
Hrai, Sadi M/W 4 Apr 52 1952 Oak Drive, Jefferson, Mo.
Daybie, Vaid M/O 12 Dec 69 C.B. #5259057.
Mohamzah, Reza M/O 9 June 60 1220 W. Bryn Hawr.
Pezia, Paz M/O 25 May 49 1868 No. Clark.
Abdoihel, Mochk M/O 26 Apr 58 2600 W. Height.
Anzari, Mhamod M/O 21 June 56 16P Washington, D.C.
Sagha, Mehee M/O 22 Sept 54 Decatur, Illinois.
Jaeson, Tuva M/W August 1958 5150 Chestnut, Philadelphia.
Ahveberi, Ahsalid M/O 18 Apr 58 C.B. #5239024.
Kazemi, Naser M/O 22 Mar 52 Washington, D.C.
Razi, Ali M/O 13 June 55 12 Poneh St.
Shahpuori, Parviz M/O Refused 3514 W. Lexington, Alabama.
Anirsha, Pari M/C 23 Feb 55 7500 No. Western.
Ishami, Tiad M/W Refused Akron, Ohio.
Samad, Ali M/O 5 Feb 56 6552 No. Winthrop.
Khosravy, Rozbeh M/O 28 Sept 51 1200 W. Bryn Mawr.
Hmadi, Amir M/W 4 Oct 57 1605 16th St., Washington, D.C.
Htai, Hassan M/W 3 Oct 57 6131 No. Kenmore.
Mighdadi, Reza M/I 13 May 54 5340 W. Winthrop.
Lipour, Palze M/O 15 Jan 56 5520 No. Clark.
Bohamad, Hamad M/O 19 Aug 57 5613 No. Broadway.
Sheshuan, Shahran M/W 4 Jan 50 6352 No. Winthrop.
Paner, Hardan M/O Refused N. 5738 No. Clark.
Ghahdari, Abus M/O 1 Jan 52 6029 No. Kenmore.
Mohammade, Mabi M/O 28 Nov 58 1620 W. Winnemac.
Shir, Douri M/O 12 May 58 4815 Holland, Elmwood Park, 1.
Mobazi, Ragheh M/O 6 Sept 53 1812 Park Ave., Jefferson.
Eesaie, Hosain M/O 5 Jan 54 1220 W. Bryn Mawr.
Hassanladee, Mohammed M/O 24 Jan 54 831 Farrier Ave.

The ISA demonstration in Chicago on May 16, 1978 had started at noon at the Daley Civic Center where an F-15 fighter was being assembled for public display. Congress recently approved the sale of this fighter to Saudi Arabia, viewed by the ISA Marxists as a "reactionary" state.

A Chicago police tact team of eight uniformed men and two officers led by Comdr. Paul McLaughlin kept watch over the demonstration starting at that time. According to the records of the Chicago Police Department, the tactical squad was assigned to monitor the ISA demonstration after the FBI circulated an "alert" noting that ISA had distributed a leaflet calling for a demonstration and takeover of the Iranian consulate. Presumably, if the ISA had not bothered to release a publicity leaflet, law enforcement authorities would not have known of the planned demonstration.

It should be noted that charges made on the CBS "60 Minutes" program on March 6, 1977, that the Chicago police intelligence unit had "spied" on the ISA were denied by First Deputy Police Superintendent Michael Spiotto who told the press that Chicago law enforcement officials "would not have any reason to have any interest in this group."

Commander McLaughlin, however, observing the militant and disciplined nature of the demonstrators, brought sufficient police officers to the Daly Center so that no chance for a violent incident arose. The ISA cadre then altered their plans and began a long march to the offices of the major Chicago area news media where they chanted their usual "Death, death, death to the Shah!" chants and complained that their cause was receiving insufficient attention.

Winding up at the Standard Oil Building housing the Iranian consulate late in the afternoon, the ISA began assaulting office workers leaving at the end of their work day. ISA spokesmen told the news media later that their victims were "agents of SAVAK," the Iranian security agency. However these claims did not appear to impress the reporters. Only one pro-Shah Iranian was involved in the events, Farshid Maham, who quit ISA recently and now belongs to the International Organization of Iranian Patriots. Maham, who was caught and beaten by the ISA cadre, said the demonstrators had been shouting in Persian, "Kill all officers; they're agents of persecution." ISA spokeswomen Sheila Khalili claimed that the violence stemmed from Maham attacking the ISA—all 200 of them.

During the street battle, the ISA cadre maintained iron control over their forces. As large numbers of police responded to a citywide emergency call, a ring of ISA hardiner cadre locked arms and surrounded the rank-and-file demonstrators so as to prevent their escaping, insuring their arrest and maximum publicity. A smaller group of cadre used the larger group as a shield from which to attack the police with poles, clubs, fists, feet and teeth. This is a maneuver common in Japanese riots. The ISA tactic was not to run through the streets in the style of U.S. radicals like the old Weathermen, but to stand and fight the police for all they were worth . . . a grave tactical error when opposing the Chicago police. Approximately 22 squadrons and two vans responded to the emergency call for assistance.

Furthermore, the Chicago police had not permitted the ISA demonstrators to march with posters on sticks which quickly become clubs in confrontations.

I would further note that the Chicago police enforced what was described to my office as "the McDonald rule," mean-

ing that they enforced the statutes banning marches and demonstrations by persons masked or disguised to conceal their identities.

As I have pointed out before, many State and local jurisdictions have these "Ku Klux Klan" statutes, as does the Civil Rights Act of 1968. The problem of enforcement is not found in Chicago.

Mr. Speaker, the event that took place in Chicago on May 16 to a marked extent contributed to the demonstration by the Iranian Student Association demonstration in Washington, D.C., on Monday, June 5.

Once again we saw illegally masked aliens disrupting the Nation's Capital, carrying posters on sticks that quickly become clubs, and putting the fear of violence into our citizens. Again we saw disciplined ranks of militant revolutionaries staging confrontations with police, with tactics that included a mass charge of police lines by arm-locked ISA radicals near the Iranian Embassy. Again the law was broken by ISA members with impunity.

Members of my office spoke with some of the ISA demonstrators who told them that many of those arrested by the Chicago police were present in this Washington demonstration which was held in coordination with protests in Europe and reportedly Iran to "celebrate" a 1963 coup attempt against the Shah's government by the leaders of these extremists. The Washington demonstrators excitedly told my office that all U.S. police were "agents of SAVAK" who "always provoke us." What kind of "provocation" caused the violence, they were asked. "They watch us; they follow us along the street," was the reply.

The ISA organizers stated that they had no concern about any action that might be taken against them by the Immigration and Naturalization Service. They said they had been told that no action would be taken against them. Further questioned on this point, a shirtsleeved ISA leader older than the majority of the rank-and-file produced a number of press clippings from his notebook quoting INS Deputy Director Mario Noto that I have already discussed. (Chicago Sun-Times, May 19, 1978).

The most basic human right of all is the right to go about life free from threats and intimidation from organized or individual thugs. In giving free rein to the ISA's lawbreakers, officials have violated the constitutionally guaranteed rights of all American citizens and residents.

We must now address the question of enforcement of section 241 of title 18 of the United States Code, a provision of the Civil Rights Act. Section 241 is clear, precise and unequivocal both in its wording and legislative intent to make it illegal to wear masks at demonstrations. Section 241 states:

> If two or more persons go in disguise on the highway or on the property of another with intent to prevent or hinder his free exercise of any right or privilege secured to him by the Constitution or laws of the United States * * * they shall be fined not more than $10,000 and or imprisoned not more than ten years or both.

On January 24, 1978, I wrote the following letter to Attorney General Griffin B. Bell:

JANUARY 24, 1978.

Hon. GRIFFIN B. BELL,
Attorney General,
Department of Justice,
Washington, D.C.

Dear Mr. Attorney General: On January 9, 1978 I wrote to the U.S. Attorney for the Southern District of New York regarding an upcoming demonstration by the Iranian Student Association in New York City. In this letter I informed Mr. Fiske that I had reason to believe that Title 18 of the U.S. Code, Section 241 would be contravened. (A copy of my letter is enclosed).

I do not believe that Mr. Fiske took any action; he certainly did not respond to my letter, and, in the event the law was broken, as is shown in photographs taken by a photographer for the Review of The News covering the demonstration.

It would appear that members of the Iranian Student Association, resident aliens in the U.S., are being allowed to break the law with impunity. My information is that further demonstrations will be held on or about February 8 by this revolutionary organization, and that again our laws will be broken.

May I please hear from you, within the next seven working days, why the U.S. Attorney for the Southern District of New York ignored my letter; may I also have an assurance that you will move to have the law enforced in this matter at any upcoming gatherings of the Iranian Student Association.

Should, for some reason it be decided that Title 18, Section 241 as it relates to Iranian nationals, be unenforceable, would your Department advise the Congress accordingly so that the Code may be amended?

Sincerely,

LARRY P. MCDONALD.

Two months later, a reply was received from Assistant Attorney General, Civil Rights Division, Drew S. Days III, and a Maceo W. Hubbard, a supervisory trial attorney of the Criminal Section. Their letter indicates either a lack of knowledge of the law, contempt for the law, or a political decision to encourage the Iranian extremists through providing immunity to the law.

According to Days and Hubbard:

> We have concluded that this statute is not applicable because the activities of these demonstrators have not deprived any citizen of a federal right *** secured by the Constitution, or laws of the United States. *** In the absence of evidence that a United States citizen was deprived of such a federal right, this Department has no jurisdiction * * *.

The Justice Department officials have chosen to ignore the fact that ISA rioters, wearing their masks, beat and clubbed a group of persons who were peacefully assembled to welcome the Shah on his visit to this country and that the rights of not only native Americans, but also of naturalized citizens and resident aliens are protected under our laws. They have ignored the fact that the ISA contingents were armed with clubs, that they moved in a disciplined mass to attack the pro-Iranian group at a signal, and that this has been a consistent pattern of behavior on the part of the ISA chapters.

During the past 3 months a very considerable quantity of evidence has been developed by law enforcement agencies and provided to my office that clearly documents the foreign control and violent proclivities of the ISA and which totally rebuts the conclusions reached by the Department of Justice.

In view of this evidence and the continuing problem of the ISA to public order and to our internal security, I am asking the chairman on the Judiciary Committee to hold hearings at which Mr. Drew and Mr. Hubbard can offer an explanation of their conclusions, and witnesses well informed on the ISA can be called to provide public testimony on oath regarding the threat that this group poses to the country.●

IRRELEVANT WEEK IN NEWPORT BEACH, CALIF.

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. BADHAM. Mr. Speaker, each year at this time a dubious honor befalls the 40th Congressional District of Columbia. An event of such nonmagnitude and insignificance takes place, causing the public's business to be laid aside. Congressional activity as it relates to the 40th district must, of necessity, show so that this less important matter can be considered.

It is now the time, Mr. Speaker, for Irrelevant Week in Newport Beach, Calif., during which all eyes are focused on a great American summer rite, the toasting of one of America's least known football players, whose chances of sudden and lasting gridiron immortality can be likened to the famous quotation from Shakespeare's "As You Like It";

> All the world's a stage and all the men and women merely players. They have their exits and their entrances. . . .

So it will be with Lee Washburn, whose entrance and exit on to the stage of life will be during 1 memorable week.

Washburn, as surely everyone knows, was 334th (and last) draft choice in the 1978 National Football League draft, having caught the eye of the Dallas Cowboys scouts. Why, nobody knows, except that the chart calls for a 334th player to be drafted.

Washburn is an offensive lineman, who weighs 248 pounds, stands 6 feet, 6 inches tall and has never been out of Bozeman, Mont., home of the Montana State University Bobcats, unless you count road trips to play the worthy opponents of MSU in the Big Sky Conference such as East Idaho Institute of Technology, Laramie Normal Teachers College, North Dakota Barber College, and the Wyoming School of Beauty.

No wonder a guy who weighs 248 was voted all-Big Sky Conference by his opponents. For example, Ed Troxel, East Idaho head coach, said "Lee (Washburn) is one of the most outstanding athletes we've ever faced. He possesses good size, speed, and mobility"—even if in the wrong direction. As a pulling guard, he had great propensity for moving to his far right, never mind that the play usually went left.

So now Lee Washburn has been drafted by the Dallas Cowboys. He can put away such necessities of life in Montana as snowshoes, fur-lined boots, and dog sleds and head for the sunny climes of Texas, where sunstroke abounds.

But whether or not Lee Washburn makes the taxi squad, the goon squad, or the traveling squad, his name will be immortalized, if only in this RECORD. Because here it has been chiseled in stone that Lee Washburn symbolizes the greatness of this country, where an obscure guard from Bozeman, Mont., whose name has been flashed from coast-to-coast by radio, television, and newspapers as the 334th NFL draft choice, will play his role on the stage of life.

At least in Newport Beach, Calif., the draft lists are read from the bottom up. I am proud to stand before my colleagues in this august body today to join Lee Washburn's many new found friends, who will disappear quickly when the check arrives, in paying homage to the Newport Beach Irrelevant Week Football Player of the Year, or whatever that crazy title is that they bestow each year.

In fact, if it weren't for Lee Washburn and the bit players of the world, it would indeed be a mighty sorry place for us all. So my hat is off to Lee Washburn; only trouble is, I don't wear a hat.●

ISAAC ZLOTVER

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. EDWARDS of Oklahoma. Mr. Speaker, it is with great sadness that I call to the attention of this body today yet another affront to the basic human rights of mankind. It is the story of Isaac Zlotver, a Soviet Jew, whose pleas to be reunited with his loved ones and family in Israel have five times been denied. It is the story of a man who has suffered extreme personal deprivation and disappointment. It is also further indication of the disregard the Soviet Union has had toward the Final Act of Helsinki.

The story of Isaac Zlotver is, unfortunately, not an uncommon one in the history of the Soviet repression of Soviet Jews. Born Russian in 1919, Isaac Zlotver has never been anything less than an ideal patriot. He served gallantly against the Nazi threat in World War II and distinguished himself in battle. His heroic exploits earned him many medals, as well as the ring of lieutenant colonel. He further served the Russian people as an engineer, working on the development of electric power stations until 1964. Between 1964 and 1974, he worked again as an engineer . . . but lost his position immediately after applying to emigrate to Israel. Isaac and his wife gave Russia their creativity, their strength, their courage, their years, and their lives.

Until last year, Isaac Zlotver had a simple desire; for he and his wife, Dina, to be reunited with their son, daughter, and grandchild (whom they have never seen) in Israel. The machinery of the Soviet State has destroyed this final request. Dina, ill with cancer for the past several years, died in July 1977. With her death the fulfillment of Isaac's dream will be, at best, an empty gesture.

Isaac Zlotver has now been refused emigration five times. The original claim that Zlotver possesses "state secrets" has now been dropped. No reason at all was given for his latest refusal. Consequently, Isaac Zlotver remains a lonely man, unable to find work, ostracized by the Soviet system, and separated from his friends and family.

The story of Isaac Zlotver once again illustrates that the Soviet Government has regarded the human rights provisions of the Helsinki Accords as empty promises. Religious freedom, minority rights, free travel between countries, and, most of all, the reunification of divided families whose members live in different countries are the basic tenets of these provisions.

Let us resolve today, as Americans, to continue our "vigil for freedom," not only for the oppressed Jews in the Soviet Union, but for all peoples in the world. Let us resolve that until all people are granted religious freedom, that until all minorities are granted basic civil and human rights, that until the unification of all divided families is accomplished, that we shall stand united with all of our resources against all who assault the fundamental premises of humanity.●

WOODWARD AND BERNSTEIN WHERE ARE YOU?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

o Mr. SYMMS. Mr. Speaker, today in the debate on the HEW appropriation bill, I posed the question to Mr. MICHEL of Illinois, about $7 billion lost at HEW.

I am of the opinion that the national news media who have a fit if the Pentagon should lose even $7 million overlooked this.

I commend the following "Battle Line" article by John Lofton to the RECORD:

HEW's WATERGATE: $7 BILLION DOWN THE TUBE; WHERE'S WOODWARD AND BERNSTEIN WHEN WE REALLY NEED THEM?

(By John Lofton, Jr.)

("It is not enough to be busy. The question is: what are we busy about?"—Henry David Thoreau quote, framed and hanging on the wall of Secretary of Health, Education and Welfare, Joseph Califano.)

WASHINGTON.—On April 3, Secretary of Health, Education and Welfare, Joe Califano, announced the Watergate of Washington waste stories—that his department had "misspent" between $6.3 and $7.4 billion in Fiscal 1977 due to waste, fraud and abuse. The report Mr. Califano was quoting from, which was given to him by HEW's Office of the Inspector General, stressed that these figures are "no more than an initial inventory" and they portray "a conservative measure of the extent of fraud, abuse and waste in key HEW programs, and their causes." Unfortunately, these HEW statistics cannot be compared to similar rip-offs in previous years because the Inspector General's report is the first of its kind.

Commenting critically on this massive amount of tax dollars that disappeared down the Federal rat-hole, the *Washington Star* editorialized that the HEW report "should have ignited outrage from Puget Sound to Cape Charles." And, indeed it should have. Even in this city, where hard-earned tax dollars are valued on a par with water, seven billion bucks is a lot of dough.

In order to waste $7 billion in a year, HEW had to misspend $19 million a day, everyday, for 365 days. Seven billion dollars is the total combined income taxes paid by 5,000,000 households with an income of $15,000 each. This figure is equal to the total amount of income taxes paid by the residents of: Alaska, Delaware, Hawaii, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

Seven billion dollars is equal to the Gross Domestic Product of Ireland; it is twice the GDP of Ethiopia and three times the GDP of Luxembourg; and it is four times the Net Domestic Product of Hungary, five times the NDP of Poland, and 12 times the NDP of Yugoslavia.

The *Star* says the HEW report "should" have ignited outrage from Puget Sound to Cape Charles, but it didn't. In fact, after one day this incredible story sank from sight with only a "whimper," as the newspaper put it.

The *New York Times* noted the HEW report in a six-inch article at the bottom of page 18. The *Washington Post*, in a four-inch story, played it at the bottom of page 2.

The three networks showed even lousier news judgment. NBC reported the HEW scandal ninth among its 17 news items, giving the $7 billion rip-off one minute and 31 seconds. The fourth news report NBC carried this night, was a one minute and 37 second story about John Wayne's open-heart surgery. The network closed out its Nightly News with a two minute and nine second story about an American woman who had begun a bull-fighting career in Mexico!

On CBS, among the 21 news stories reported on, the HEW revelation ranged number 13 and ran one minute and 42 seconds. In 10th 11th and 12th place, CBS reported on: The L.A. police release of a "Hillside Strangler" suspect (1:51); Alabama Gov. Wallace's meeting with the Federal Election Commission (19 seconds); and a trip to Miami by Richard and Pat Nixon (27 seconds). The Evening News ended its program with a one minute, 47 second piece on the first broadcast session of the British parliament.

Last, and certainly least, among its 15 stories, the ABC Evening News played the HEW horror story eighth, giving it a whopping 27 seconds! In 10th place, the network gave six times as much air time—two minutes, 50 seconds—to a report on how women are now dominating the movies. And in 14th place ABC gave two minutes, 33 seconds to a story about the danger posed to marijuana smokers by the chemical poison paraquat.

In Congress, the reaction to HEW's wasting of $7 billion has been just as pathetic as that of the national news media. The only person who raised any real hell was Sen. Harry Byrd, Jr., of Virginia, who made a couple of speeches. Noting that HEW's current budget request is 13 percent higher than last year, Byrd introduced two amendments: one would have cut the Department's budget by $5.6 billion, the other would have cut it by $2.1 billion, one-third the amount HEW admits it wasted last year. Both amendments were voted down.

So, what does it all mean? Well, one thing

it obviously means is that there is a double-standard in this town when it comes to waste in the military versus waste at HEW. Does anyone doubt the hue and cry that would have been raised had Defense Secretary Harold Brown announced that his Department had squandered $7 billion last year? Why, the networks would have reported this event live, interrupting regular programming with bulletin-like coverage, the papers would have launched a page-one 98-part series on this atrocity, Woodward and Bernstein would now be working on a book, and Dustin Hoffman and Robert Redford would be reading scripts for their new movies, "All the Pentagon's Profligates."

A taxpayer's dollar wasted is a taxpayer's dollar wasted. The fact that the news media has failed to react to the scandal at HEW the way it has, belies a bias which the press says it does not have. But, in this case, their lack of words and actions speak louder than anything they might say in their defense—which thus far, has been nothing.

The following are verbatim excerpts from the Department of HEW's Office of Inspector General, Annual Report, April 1, 1977—December 31, 1977:

MEDICAID

Expenditures under the Medicaid program approximated $9.8 billion in Federal funds during FY 1977. Of this amount we found estimates that as much as $2.3–$2.6 billion might be misdirected because of fraud, waste and abuse.

General description:	*Amount (millions)*
Payments to ineligible recipients	$330–660
Fraud and abuse	468
Third party liability losses	330
Erroneous payments	110
Common audit	50
Quarterly expenditure report reviews	17
Audit exceptions	18
Other excessive health care costs	937
Total	2,310–2,640

(1) Payments to Ineligible Recipients ($330–660 million)—Ineligible payments are based on a review of a sample of paid claims and information submitted by 47 States and jurisdictions for the period from April-September 1976 and projected to FY 1977 dollars.

(2) Fraud and Abuse ($468 million)—The Subcommittee on Long-Term Care of the Senate Special Committee on Aging, reports that Medicaid fraud and abuse exists on a massive scale. This conclusion is based on their study of Medicaid provider in five States involving 100 "Medicaid Mills" (mostly in New York City), 60 physicians and $15 billion in Medicaid expenditures (55 percent of 1975 Medicaid expenditures in the U.S.). Also, involved, a separate subcommittee study of 21 medical labs, 50 medical clinics and 50 or more physicians in the State of Illinois. This latter review included information on fraud and abuse investigations of clinical labs in other States. They report that all parties in the program, i.e., Providers, Clinical Laboratories, Pharmacies, Nursing Homes, and recipients have been affected.

$423 million of the $468 million applies to *providers*—The subcommittee staff report entitled "Fraud and Abuse Among Practitioners Participating in the Medicaid Program" states that, of the $2.2 billion that flows through Medicaid mills, roughly 35 percent ($770 million) is pocketed by entrepreneurs "who essentially provide no services." Of this amount, they estimate $220 million is involved in outright fraud. Another $550 million results from overutilization of services. The Federal portion of these payments in the States reviewed averages roughly 55 percent—thus our estimate of $423 million (55 percent x 770 million). There may be some duplication in the above figures in that certain fraud and abuse cases may also fall under the category of "payments to ineligibles." However, it is our feeling this would involve a small percentage of the totals. The fraud and abuse figures concern mainly overutilization of services to recipients in Medicaid Mills—their eligibility was not the main issue. We recognize, however, that some of these recipients may have been ineligible.

The abuses most frequently found in Medicaid Mills are referred to as: ping-ponging, ganging, upgrading, steering and billing for services not rendered. The following briefly describes these practices which were actually found during an investigation by the Special Committee Staff. (The study did not provide a breakdown of the $423 million by each of the following practices.)

"Ping-ponging" is the term applied to the most common mill abuse, the referral of patients from one practitioner to another within the facility, even though medically there is no reason for the referral.

"Ganging" refers to the practice of billing for multiple service to members of the same family on the same day when, in fact, only one person needs treatment.

NOBODY COMPLAINS ABOUT GOVERNMENT RIP-OFFS

"The biggest problem is that when the consumer is victimized, he complains. When the government is victimized, nobody complains."—Justice Department lawyer, quoted by UPI reporter, Don Lambro, in an article about waste in government.●

PROTEST INDICTMENT OF FBI PERSONNEL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. BOB WILSON. Mr. Speaker, our Constitution guarantees the right to privacy to all our citizens, but there are those who hide behind the Constitution to carry out their criminal activities.

At the same time, our system of justice outlaws practices by our law enforcement agencies to counter such actions by fighting fire with fire, and condemns our law enforcement officers for any such efforts.

I think this is totally unfair and commend to the attention of my colleagues the following resolution adopted by the East San Diego County Republican Business Women, Federated as a statement of the inequality of the present system and an indictment of the prosecutions of loyal enforcement agents who were trying to do their job.

Resolution follows:

RESOLUTION IN PROTEST OF INDICTMENT OF FBI PERSONNEL L. PATRICK GREY, W. MARK FELT, EDWARD S. MILLER

Whereas: the Republican Party is dedicated to the preservation and protection of this great nation and it's citizens, and

Whereas: history continues to prove that when a Nation's National Security, Welfare and Defense is threatened, the survival of that Nation depends on the ability of its intelligence organizations to determine and combat the capabilities of the enemy, and

Whereas: the Weatherman organization proclaimed its objectives to be the overthrow of the United States Government and publicly admitted to acts of terrorism including the bombing of private and public buildings, including the United States Capitol, and

Whereas: the Department of Justice has indicted three former high ranking FBI officials; and

Whereas: the Department of Justice has charged former Director, L. Patrick Grey, W. Mark Felt and Edward S. Miller with authorizing surreptitious entries in the FBI investigation of the Weather Underground, and

Whereas: such actions by the Department of Justice have a deleterious impact on the ability of all enforcement agencies to investigate, ferret out and combat the overthrow of the United States Government by such terroristic organizations: now therefore, be it resolved, that the East San Diego County Republican Business Women, Federated, in session, May 18, 1978, urges immediate and appropriate action by the President of the United States, the Attorney General, and members of the Congress to terminate pending and existing indictments and/or prosecutions of FBI agents whose performance of duty has been of the highest quality in the defense of their country, and

Be it further resolved, that failure to end these unprecedented and unjustified prosecutions of FBI agents while rewarding the illegal actions of others through pardons and amnesty can and will benefit the criminal and subversive element of our society and deter all effective law-enforcement and intelligence agencies from performing those functions imposed upon them by Presidential order, and

Be it further resolved: that this resolution be forwarded to the President of the United States, the Attorney General of the United States, to members of the United States Senate, to members of the United States House of Representatives, to the San Diego County Federation of Republican Women's Clubs, and released to the news media.

Adopted by the East San Diego County Republican Business Women, Federated this 18th day of May, 1978.

YVONNE R. GRANTHAM,
Vice President.●

HYDE AMENDMENT TO LABOR-HEW APPROPRIATIONS BILL

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. FREY. Mr. Speaker, since the House will tomorrow vote on the Hyde amendment to the fiscal year 1979 Labor-HEW appropriations bill (H.R. 12929), I would like to make my position clear.

During the many votes we have had on the abortion issue, I have continually supported the Hyde amendment. As the Members know, that measure would prohibit Federal funding of medicaid abortions except in the case where the life of the mother would be endangered if the fetus were carried to full term.

I have been on record for many years opposing federally funded abortions, and want my constitutents and colleagues to know I have not changed my mind.●

PROFESSOR LAFFER AND THE "NEW ECONOMICS"

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. KEMP. Mr. Speaker, it is the good fortune of both our national economy and of the American people that Prof. Arthur B. Laffer, of the University of Southern California, is now being universally recognized for his articulate and convincing espousal of supply side economics and permanent tax rate reductions as the surest and best means of achieving an expansion of our economy without inflation. The good fortune is that this recognition is but a precursor of such a broad acceptance of that concept that its enactment is inevitable. The only question is when. Today in California there is new hope because of passage of the Jarvis amendment and there's hope in New Jersey as Jeff Bell's victory reflects the growth in acceptance of Laffer's economic and political model.

If there is one issue which transcends politics today, it is the absolute necessity of finding answers to our economic problems that do not involve more of the same Keynesian "stop and go" solutions and that get us off the horns of the inflation-versus-unemployment dilemma in which the Keynesians have put too many of our policymakers. Professor Laffer, by his description of economic activity in relation to the level of taxes through what has become known as the Laffer curve, has shown Congressmen and legislators why tax rates must be reduced in order to revitalize the economy and broaden the tax base.

An informative article in Sunday's Los Angeles Times by Roger Smith relates how Professor Laffer developed his concepts, how the Laffer curve describes the relationship between economic activity and taxes, and what tax laws modeled on the Laffer curve will do to rebuild this economy. That article follows and points out the Keynesian answer to unemployment is as unacceptable as is the Keynesian answer to inflation. We need new answers based on the way the world works and Laffer is showing the way.

[From the Los Angeles Times, June 4, 1978]

LAFFER: THE NEW ECONOMIC GURU

(By Roger Smith)

Three years ago Business Week magazine pictured an empty chair on its cover, surrounded by drawings of the world's great economists of the past 100 years, from Karl Marx to John Meynard Keynes. The caption said, "Past economic giants: Who will be next?"

A growing number of businessmen and politicians believe they have found the man to fill the chair: Arthur B. Laffer, professor of business economics at the University of Southern California.

Laffer is relatively unknown to the public, but he is regarded in academic and political circles as the kingpin in a new economic school which blames most of the nation's economic ills on one highly visible fact of life: taxes.

He speaks regularly to enthusiastic audiences of businessmen. He is consulted frequently by politicians, and Republicans especially adopt his ideas as their own. There has been speculation in Washington that Laffer's theories may result in a Republican rebound at the polls in November.

Rep. Jack Kemp (R-N.Y.), for example, is building a substantial following by quoting Arthur Laffer and is now one of the most sought-after lecture circuit personalities in Congress. He incorporated pure Laffer in his Kemp-Roth bill to cut taxes by $75 billion over three years.

"Laffer has had more quick impact on national politics than any economist since Keynes in the 1930s," says Charls Walker, a former assistant secretary of the Treasury and now an influential Washington economic consultant.

Laffer preaches an economic gospel emphasizing the supply side of the economy, in contrast to Keynesian or monetarist models which stress the effects of demand.

Most monetarist and Keynesian economists contend that demand, controlled either by the amount of money in circulation or government spending, drives the economy. Laffer acknowledges the importance of demand, but argues that the incentive to create a supply to meet the demand is just as important.

And the vehicle to create incentives is tax cuts. The "Laffer curve," Laffer's chief instructional tool, theoretically demonstrates that if taxes exceed a certain level, investment and productivity will fall off. That in turn will lead to lower tax revenues.

The point at which higher taxes reduce the actual collection of revenues is not clear. Laffer and his followers define it simply as the point at which taxes become so heavy they begin to diminish incentive. On the curve, it appears to be at a tax rate of 50%. In fact it could be higher if the public perceives a need for maximum production and taxes, as in war. Or it could be much lower.

"At this time we are well past that point in California, and in the nation as a whole," Laffer says. Tax revenues continue to increase today because of other factors, including general expansion in the economy. But Laffer argues that a cut in taxes today would result in even more tax revenues.

A more conventional economic theory would hold that if demand is strong enough, investments will be made to meet that demand. But Laffer is winning important converts. Even Federal Reserve chairman G. William Miller has called for a "shift in philosophy"—from managing demand in the economy to managing and stimulating investment.

Laffer argues forcefully that his theories apply to incentives for individuals as well. Anything that can be done to shrink the "wedge" that taxes and government regulation drive between gross and real earnings should improve an individual's desire to work, Laffer says.

"It is the poor who are taxed the most heavily," he says. He is now working up data on the effect of taxes on the labor markets. One startling local example: A family of four in Los Angeles County could receive maximum welfare benefits of $718.33 a month. But if one member earns $100 a month, the family's income will reach only $759.42 as benefits are scaled back. "That is a 59% tax rate," Laffer notes.

The results, he claims, are a disincentive to work and the deterioration of inner cities. Lower minimum wages and lower taxes are part of the answer, he says.

Laffer brings a degree of messianic fervor to his message. The approach is effective in dealing with both students and politicians. Students from Laffer's three classes at USC frequently pop into his sixth floor office, seeking advice or conversation.

He invites them in among stacks of papers on the desk, chairs, floor. Each request is greeted with an enthusiastic yes, or a regretful no. He puffs an occasional cigarette and races from one concept to the next, stitching them together in a bedazzling manner. "Do you follow me?" he asks earnestly. Some do. "Tell me I'm full of it if that's what you believe," he urges. But these days, he gets more applause than arguments.

Laffer, 33, is clearly one of USC's most active faculty members. He makes 35 cross country trips a year, usually to Washington to talk to such politicians as Kemp, or to Boston, where he is a partner in the economic consulting firm of H. C. Wainwright & Co.

Before coming to USC in 1976, Laffer was an associate professor of business economics at the University of Chicago, where monetarism is the principal theory. He received his bachelor's degree from Yale, and taught at Stanford, where Keynesian theories are dominant. "I've been both a Keynesian and a monetarist," he says. He now defines himself as a Walfrafian, after a classicist Austrian economist of the 1880s, Leon Walras.

He is a proponent of Proposition 13, the property tax limitation initiative, "but not for all the 'old right wing' reasons. I want to see needed government spending increase. A reduction in property taxes will mean expansion, new jobs, more investment, and finally higher tax revenues."

But Laffer's tax cut advocacy is drawing some stinging retorts.

"My feeling is that tax cuts are a good thing when there is slack in the economy," says Walter Heller, chairman of the Council of Economic Advisers under President Kennedy and Johnson. "But the idea of infinite expansion of supply to match the demand cut loose by tax cuts flies in the face of common sense, arithmetic and economic reasoning."

Laffer also is accused by other demand-oriented economists of cutting corners in his arguments. In his case for Proposition 13, for example, Laffer chooses to ignore the effect of a 2% per year limit on increases in assessed values on the grounds that it might be illegal. "That is an appalling way to justify a position," one opponent says.

Laffer's arguments are destined for more strenuous tests. The American Council on Capital Formation and IBM have granted $170,000 for testing a full scale economic model based on the Laffer curve.

"If the model proves accurate," says Washington economic consultant Walker, who chairs the council, "it will have a profound influence on what is taught in basic economics."●

SOVIET ANTI-SEMITISM

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Ms. HOLTZMAN. Mr. Speaker, a May 25 article by Herbert Mitgang in the New York Times points out that the virulent anti-semitism in the Soviet Union has reached into the publishing industry there. Mr. Mitgang notes that blatantly anti-semitic books and magazines are being published in the Soviet Union with the acquiescence, and in fact the encouragement, of the central government. I commend this important article to my colleagues' attention.

The text follows:

SOVIET BOOKS FOUND FULL OF ANTI-SEMITISM

(By Herbert Mitgang)

American analysts of Soviet books and magazines find a link between the severe sentence for "anti-Soviet agitation" imposed on Yuri F. Orlov, head of the Moscow group exposing human rights violations, and recently published materials that are openly anti-Semitic and anti-Zionist in tone.

"The outpouring of anti-Jewish expletives by hooligans outside the trial had its roots in the publications that are still proliferating," according to Dr. William Korey, director of the B'nai B'rith international council. "The verbal anti-Semitism was first planted in books and articles. I expect that the connection will be even sharper when they bring Anatoly Shcharansky to trial in the next weeks." He was alluding to a reported incident near the Moscow courthouse in which a woman shouted at a dissident, "You have a kike's snout."

Dr. Korey observed that while Mr. Orlov had been tried for "agitation" under Article 70 of the criminal code, Mr. Shcharansky might be accused of the harsher crime of treason under Article 64.

20 ANTI-SEMITIC BOOKS PUBLISHED

Since 1975, according to specialists attending a meeting of the National Conference on Soviet Jewry a few weeks ago, more than 20 anti-Semitic books have been published in the Soviet Union. Most of these, in editions of 100,000 to 200,000, are in the guise of anti-Israeli or anti-Zionist studies.

Prof. John Armstrong of the University of Wisconsin said the materials did not distinguish between Zionist and Jew and blended "The main features of traditional anti-Semitic propaganda, as developed from the Middle Ages through the Nazi press, with Soviet cold-war clichés in which Jews, Zionists and Israeli replace the Western powers as archvillains."

"Wild Wormwood," published by Sovetskaya Rossiya in Moscow, includes chapters with such titles as "The Nazi Butcher Saved by the Zionists" and "The Oldest of Traitors." More than half the book, written by Teskar Solodar, first appeared in widely circulated newspaper articles.

The theme that Jews collaborated wth Nazis during World War II appears in several books, including "In a Plot With Executioners," "The Black Hundreds of Zionism" and "Judaism, a Past Without a Future."

ZIONISTS LINKED TO ANTI-SEMITES

One of the most virulent volumes, according to B'nai B'rith analysts, is Vladimir Y. Begin's "Invasion Without Arms," published last October by the Molodaya Gvardiya, the publishing house of the Young Communist League. The book includes such statements as these:

"As before, today, too, the Zionists cooperate even with rabid anti-Semites, former Fascists, thugs and stokers of the Nazi crematoria."

"The Israel that has been created by the Zionists is a predatory octopus whose tentacles—the Zionist organizations—have enmeshed half the world and sucked out the sap of life from various countries, i.e., millions in funds created by the labor of workers and peasants."

"The bourgeois press of a number of capitalist countries in Europe and in America at present is full of Zionist agents, and is bribed by Zionist money, and defends Zionist interests."

BYELORUSSIAN BOOK RECALLED

The Institute of Jewish Affairs in London has called attention to a previous work by the same author, "Creeping Counter-Revolution," published by Belarus in Minsk in 1974.

British study group reprinted excerpts from the book, in a translation by Dr. Howard Spier, pointing out that "contrary to the provisions of the Soviet constitution and law, the publication of anti-Semitic material is a regular occurrence."

The institute analysts added that protests in the past, by private and political groups in the West, including Communist parties, has sometimes compelled the Soviet authorities to disown and withdraw objectionable works.●

BRONX BUDDY BUZZER SYSTEM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. BINGHAM. Mr. Speaker, I would like to bring to the attention of the House the innovative work being done by community groups in the Bronx. Much of this work will soon be expanded through a grant from the Law Enforcement Assistance Administration to the Northwest Bronx Community and Clergy Coalition, Inc.

Deserving of especial note is a program which has been instituted in a number of Bronx communities known as the Buddy buzzer home security program. The program involves the installation of an alarm system connecting a senior citizen's apartment with the apartment of a next door neighbor. The system has promoted neighbor-to-neighbor cooperation and support. It has reduced the feelings of isolation and loneliness which burden many of the elderly and has made them feel more secure in their own homes. The buzzers may be used by the senior citizen to summon help immediately in case of a crime or health-related emergency. The following article in the New York Times of March 9, 1978 is an excellent description of this successful program and I commend it to the attention of my colleagues:

[From the New York Times, March 9, 1978]

BUDDY-BUZZERS AID AGED LIVING ALONE

(By Matthew L. Wald)

Sixty-seven years old, living alone in a first-floor apartment in a Bronx neighborhood that she says "isn't getting any better," and moving only with the ponderous clumping of a walking aid, Mrs. C. is particularly vulnerable to crime and illness.

She used to worry about that, but feels better now because help is available at the touch of a recently installed switch. Should she become sick, or should someone break in, she can instantly alert her 87-year-old neighbor, Mrs. L.

"I feel a great deal more safe now," said Mrs. C. The two widows are one of almost 30 teams—each comprising two to five neighbors—in a pilot "buddy-buzzers" program. The system, which has been provided free to the tenants, has alleviated the fears of older people.

The buddy-buzzers are so cleverly concealed that they can be activated in the presence of an intruder without attracting his attention, setting off a doorbell-like buzzer in the apartment of a neighbor. (To maintain the effectiveness of the system, the method of setting off the buzzers must remain a secret. The system's users, who feel they are tempting prey for robbers, also requested anonymity.)

The neighbor knows by prearranged signal whether to check on the buddy or call the police emergency number—911—first. The participants have been trained to give the necessary information quickly, and hold practice drills.

"With all the publicity about crime," said Toni Downes, director of the Citizens Advice Bureau, which picks apartments for the buzzers, "the effect has been to create fear of the neighbors." Some older people want to move but can't afford the rents elsewhere, she said, and others want to stay put in homes they have lived in for decades.

The greatest fear is of "push ins," when a young mugger accosts an older person at his apartment door, forces his way in, robs the apartment, and sometimes assaults his victim as well. According to Detectives William O'Brien of the 46th Precinct—which covers most of the Grand Concourse corridor in which the buddy-buzzers are being tested—push-ins involving the elderly are relatively rare, less than one a month, "but they're defenseless, and they worry."

So far, the benefits of the alarm system have been only emotional, because there have been no push-ins in the apartments equipped with buddy-buzzers. But Detective O'Brien thinks they have proven valuable already.

"These things are hard to measure, but psychologically there is a world of difference," he said.

"They find it a tremendous value," agreed Sister Annunciata Bethell, head of the Bedford Park Multi-Service Center for Senior Citizens, which helps select buddy-buzzer teams. "They know they can contact someone if they have to."

The closest a system has come to emergency use, according to Sister Annunciata, when one woman returned to her apartment in the afternoon and realized from the shambles in the living room that it had been burglarized. She was terrified.

"She didn't know if they had finished the job, or were still there, in the bedroom," said Sister Annunciata. "She was so shocked she just stood there and set off the alarm, and people came running. She had instant support."

Officials also stress the benefits of a simple alarm in medical emergencies. "If you're having a heart attack, you can't deal with seven numbers on a telephone," Sister Annunciata pointed out.

And another advantage of the buzzers is that they attack isolation. "Instead of using an alarm system that locks people away from their neighbors, this establishes links," said Theodore Jefferson, assistant director of the Senior Citizens Minor Repair Program, who supervises the installation of the buzzers.

The Minor Repair Program, at 120 East 184th Street, installs the buzzers in locations chosen with the Citizens Advice Bureau, a few blocks away at 2103 Grand Concourse. The buzzers are free to the tenants, and are paid for by a $6,000 grant from Manufacturers Hanover Trust Company, and $400 from the Citizens Committee for New York City.●

INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES OPPOSE OSHA INTERVENTION IN HUNTING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. ASHBROOK. Mr. Speaker, I include with these remarks a letter received from the International Associa-

tion of Fish and Wildlife Agencies. This sportsmen's group clearly indicates that there is little reason for the apprehension of OSHA in moving into the forest, field, and stream to bring their ill-conceived protective umbrella for workers.

The plain truth is that OSHA is just one more bureaucratic agency which is trying to limit hunting and impinge on the rights of Americans to use their firearms. The actions taken today in the Congress on the Labor-HEW appropriation bill should give OSHA the same clear indication of congressional intent that we gave to BATF in an earlier action.

I include this fine letter at this point:

JUNE 7, 1978.

Congressman JOHN M. ASHBROOK,
Longworth House Office Building, U.S. House of Representatives, Washington, D.C.

DEAR MR. ASHBROOK: As you are well aware, there is great apprehension among the hunter fraternity over the recent case in Louisiana which the Olinkraft Corporation was cited by the OSHA for permitting their employees to be in the woods during the hunting season. Members of this Association are likewise very alarmed about the possibility that this stance by OSHA may effectively curtail hunting opportunities.

We have endeavered to determine through hunting statistics whether there is any record of a woods worker ever having been injured or killed accidentally during the hunting season. The statistics do not list casualties by occupation. Therefore, a definitive answer is not available.

I have been closely associated with hunting and hunting-related activities for more than 40 years. I do not recall ever having heard of a worker employed in any kind of timber operation who was a casualty of a hunting accident. Generally, the worker is protected by the disturbance he creates in his work. Chain saws, diesel engines, and helicopters frighten the game and discourage the hunter.

We do not think there is in fact a problem in this area and believe that the OSHA action was a case of acting in ignorance of the actual facts.

Sincerely yours,

JOHN S. GOTTSCHALK.●

CONGRESSIONAL SALUTE TO THE RESIDENTS OF PACKANACK LAKE, WAYNE TOWNSHIP, N.J., UPON THE CELEBRATION OF THEIR GOLDEN ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. ROE. Mr. Speaker, on Saturday, June 10, the residents of Packanack Lake in my hometown of Wayne and State of New Jersey will celebrate the 50th anniversary of the establishment of Packanack Lake, a community within a community which has been encouraged and supported by people united together with purpose and progress in seeking to improve the quality of life, recreational, and civic endeavors of the families of Packanack Lake. I know you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to the residents of Packanack Lake on this most noteworthy occasion.

At the outset let me commend to you the diligence and foresight that has been extended by all of the people of Packanack Lake who have participated in its founding and operations throughout this past half century. I particularly commend to you its founders and current members of their board of directors and board of governors responsible for the administration of the Packanack Lake community endeavors, as follows:

PACKANACK LAKE FOUNDERS

Joseph T Castle, sons, Walt and Joseph, and son-in-law, John Franke, and Alton Bollinger.

BOARD OF DIRECTORS

Present officers: Warren Hicks, Chairman, John Fuhrmann, John Crawford, Edward De Hope, Fred Sheeler, and William Mansfield.

BOARD OF GOVERNORS

President, Carl Wolff.
Vice President, Andrew Craig.
Secretary, Patricia Watson.
Treasurer, Dean Jackquin.
Membership, William Meehan.
Athletic, Hubert Murray.
Conservation, Raymond Dempaki.
Building and grounds, William Caldwell.
House, Robert Acker.
Beach and safety, Ronald Cardell.
Planning, Mrs. George Freeman.
Group activities, William Lynn.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress a narrative that sets forth a story of the beginnings of Packanack Lake which will provide background information on the uniqueness and magnificence of its establishment which has combined the warm security of an established community with the pleasures of an all-season resort, as follows:

THIS IS THE STORY OF A UNIQUE COMMUNITY . . . PACKANACK LAKE

May 6, 1928 is a day to remember! On that day, while raccoons and deer scampered out of the way, hundreds of city-weary families flocked to Packanack Lake's "Opening Day."

Although most who came to see the newly opened home sites surrounding the lake were from New Jersey, there were undoubtedly some hardy folk who used the new Holland Tunnel, opened in November, 1927. Those were the days, too, when Babe Ruth was earning an unheard of $70,000 a year and Charles Lindbergh was still receiving accolades for his historic flight over the Atlantic in 1927.

On that day, May 6, 1928, there was much for Joseph T. Castles, retired ice-cream manufacturer and Packanack Lake developer, to be proud of. It had all started in 1925 when Mr. Castles, his two sons and son-in-law, purchased twenty-six parcels of farmland in the valley and formed the Irvington Hunting and Fishing Corporation. (They all originally lived in Irvington.) The valley was full of trees and rocks and a tiny stream meandered through it toward the Pompton River. But the buyers had the vision to realize that this land had much more to offer than simply a site for a hunting and fishing reservation. First they erected a dam to make a beautiful lake. Land surrounding the lake was cleared of trees and brush; roads were cut and graded; water and sewage mains and a modern sewage disposal plant were built. The Clubhouse, the same one as we now use, and seventeen log cabins and houses were under construction. Those who came that opening day could see that the developers had laid a strong foundation in an ideal setting. In four days, land sales zoomed to over $400,000.

AN AUSPICIOUS START

Soon the Packanack Lake Country Club and Community Association was formed to promote community and social objectives. The lake was stocked with fish; white beach sand was brought in from the Jersey shore. Tennis courts, a bathhouse, picnic grounds, a polo field, skeet shooting range and riding trails were provided.

Free bus service to trains was furnished for commuters . . . an indication of the type of community Packanack was to become . . . not just a summer resort but a year-round community of families who welcomed the opportunity to spend their leisure time in such an idyllic setting.

Economic conditions after the market crash of 1929 slowed new construction but by 1932 the Cedarcliffe section and Sunset Terrace were opened. New Route 23 brought the entrance nearer to the heart of the community and provided easier and quicker access to important centers. In 1935 the East Beach was opened. A candy store and restaurant were part of the scene at the Plaza almost from the beginning. In 1935 a tavern was added.

At first residents picked up their mail at the Clubhouse but in 1932 this service was moved over to the candy store. Then, in 1936, the Packanack Lake Post Office was opened in the rear of the candy store. James Archung was the first official Postmaster.

Corn roasts and picnics, Sunday afternoon tea dances and card parties, beach gatherings and water carnivals, trap shoots and horseback rides; these were some of the ingredients that helped shape this rustic valley into a community where people could enjoy life together and still be near their jobs.

Mr. Castles died in 1938 and in 1944 his heirs proposed that the Club buy the unsold land. In return, the estate would donate all other properties and buildings including the lake and the sewage plant.

As soon as the purchase was completed, a community real estate company, Packanack Homes, Inc. was formed with 237 Packanack residents as stockholders. Packanack Homes Inc. was soon able to return a profit on the stock shares. In addition, donations to the Club in cash, land and improvements were substantial. The land donated included a site for the fire house, additional land for both beaches, the Peninsula and a site for Packanack School.

In 1956, Packanack Homes Inc. was dissolved. Control and operation of the Club was turned over to the Club members and elected Boards of Governors and Directors

PLANNING BROUGHT SOUND GROWTH

The enjoyment and contented living experienced today is due, in great part, to the wise planning and sound business management of the pioneers. In more recent years the community has continued to be a symbol of progress.

In 1961, Packanack Lake Community Church moved from the Clubhouse into its new Church and the same year Packanack School was opened. In 1953, the shopping center, right at the entrance, was built and 1956 saw the establishment of regular commuter bus service to New York. The building of Immaculate Heart of Mary Church added a second Church and school to the community in 1959.

The years between 1950 and the present continued to be years of growth and purpose in other physical aspects—all helping to perpetuate country club living at its best. Probably the most important and dramatic improvements have taken place in and around the lake itself. In 1963, a consulting engineering firm was commissioned to make a complete study of the lake and recommend improvements if any were needed. In their

report, the consulting firm said that the lake was in excellent shape for all recreation—swimming, boating and fishing—but that certain steps might be taken to make it even better. These recommendations included: dredging the fingers around the Peninsula and installing catch basins to prevent silting; enlarging the artesian wells to cool the lake and increase its flow; installing chlorinators at the wells to ensure pure water at the bathing areas; and yearly chemical treatments to control algae and weeds. All of these recommendations have been carried out with the result that we now have one of the most enjoyable and purest lakes in New Jersey. To further improve water quality (temperature, taste, odor and color) the lake has been fitted with an advanced aeration system. Air is pumped through a perforated main pipe line (on the lake bottom) and its many branches. The resultant bubbling action not only further improves the quality of the water but actually rids the lake of any organic matter not now dissolved by chemical action. The beaches have been greatly enlarged over the years and landscaping and tree planting have further beautified the lakefront on all sides.

The Packanack golf course, a challenging ninehole layout opened in 1965, and the two new all-weather tennis courts in 1967 are welcome additions. Completion of Kilroy Memorial Field in 1966 provide two fine baseball diamonds and a football field that compare with the best.

Surely Packanack Lake today is a wonderful place to live.

Mr. Speaker, in commemorating this golden anniversary I appreciate the opportunity to present the foregoing to you and seek this national recognition of the leadership endeavors manifested by the foresight and expertise of the residents of Packanack Lake and the lasting achievements that can be attained with people working together in a common endeavor. We do indeed salute the people of Packanack Lake who have sought and achieved a quality of excellence in our hometown which bespeaks the pioneering efforts of our forefathers and the traditions of a freedom loving people dedicated to the American principles of democracy and a good family life for themselves and future generations to enjoy.●

TERRORISM THREAT TO UNITED STATES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1978

● Mr. ASHBROOK. Mr. Speaker, this morning the Evaluation Subcommittee of the House Permanent Select Committee on Intelligence, held the first of a series of hearings on terrorism and the ability of the intelligence community to respond to the problem. Today's hearing was an overview of international terrorism. Future hearings will cover domestic terrorism and whether the FBI and CIA are capable of preventing terrorist acts against the people of the United States.

The witnesses we heard today were Dr. Charles Russell, of the U.S. Air Force Office of Special Investigations and Lawrence Sulc, a former CIA officer who had worked on antiterrorism in Latin America.

The evidence presented by the witnesses made it clear that international terrorist groups in Europe, Latin America, and the Middle East coordinate their activities.

Even more important is the fact that some governments provide support for international terrorism. These include Czechoslovakia, Libya, the People's Democratic Republic of Yemen, Cuba, North Korea, and the Soviet Union. Arms from the Soviet Union and other Communist bloc countries are provided for the terrorists through Soviet client states. These include sophisticated weapons such as Soviet surface-to-air missiles, which terrorists have tried to use against civilian airliners on a number of occasions.

Mr. Sulc told the committee about the "Curiel Apparat." This terrorist support group with close links to the Soviet KGB provides money, arms, forged documents, and personnel to terrorist groups throughout the Western world.

In 1968 a Castroite Communist terrorist group, the FAR in Guatamala, murdered the American Ambassador John Gordon Mein. One of the murderers was a French Communist Party member, working in the Curiel Apparat, Michele Firk.

Mr. Sulc, in response to questions from me and the gentleman from Georgia, Mr. WYCHE FOWLER, testified that the best source of intelligence to prevent terrorism is the undercover agent or informant—the human source. He said that due to the decline in intelligence gathering, our country has weakened itself in response to the terrorist threat.

Mr. Chairman, this is something that I have said for a long time. Two years ago the FBI had 1,100 informants in their domestic security and antiterrorism program. Today they have less than 50 informants in that program.

The Justice Department Internal Security Division is now a small section with little authority. The Subversive Activities Control Board has been abolished, along with the House Committee on Internal Security and the Senate Subcommittee on Internal Security.

Most local police departments have reduced or disbanded their intelligence units. In the past these units were a major source of information on terrorist- and violence-oriented groups.

The destruction of our defenses comes at a time when international terrorism is on the rise and the law enforcement agencies are having difficulties apprehending domestic terrorists, many of whom were trained in the terrorist camps in Cuba with the international terrorists.

Since 1974 I have introduced a bill in every session to amend the Internal Security Act of 1950 to control and penalize terrorists. That bill has never been reported out by the House Judiciary Committee. All of the bills on terrorism recently introduced deal with hijacking of airliners. That is the one area of terrorism, which according to CIA charts, has declined. Bombings have increased to the extent that the line goes off the CIA chart.

My bill would prevent foreign terrorists from entering the United States and would penalize them for fraudulently concealing prior terrorist activity when entering the United States.

The act would also bar those who advocate terrorism since we know that terrorist supporters come to the United States to promote terrorist activities or to raise funds for terrorism.

My bill would also make it unlawful for any person in the United States to send funds, arms, or explosives to persons in other countries for the purpose of committing any crime of terrorism.

In addition, my bill would provide for life imprisonment without the possibility of parole for any act of terrorism resulting in the death of a hostage.

We need to rebuild our antiterrorist defenses. Legislation such as my antiterrorism bill would be a long step in that direction. Congress will be considering charter legislation for the intelligence agencies. We must insure that the charters do not hamper intelligence gathering to prevent terrorism.

The American people have the right to be protected against terrorism. We, in Congress, have the duty to insure that the intelligence agencies provide that protection.●

THE 100TH ANNIVERSARY OF ST. BRIGID ROMAN CATHOLIC CHURCH, MEADVILLE, PA.

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. MARKS. Mr. Speaker, at a special liturgical service, Sunday, June 18, 1978, the members of St. Brigid Roman Catholic Church in Meadville will commemorate the 100th anniversary of the church.

Because a copy of this CONGRESSIONAL RECORD will be included among the items to be placed in a cornerstone time capsule, to be opened during the Bicentennial celebration, I should like to note for my colleagues a bit of the history of St. Brigid's:

It was actually 116 years ago this spring, that St. Bridget's or as it was familiarly known, St. Bride's parish, was formed.

Early in 1862, a group of English-speaking Catholics decided they wanted to separate from the German-speaking congregation at St. Agatha's and successfully petitioned the Pittsburgh diocesan headquarters for the establishment of a second parish in Meadville. It is said that the persons who took the petition to Pittsburgh were John Riordan, Thomas McGuigan, James O'Connor, Walter Furlong, Richard Whalen, and Thomas Breen.

Mass was first said in private homes until May of 1862 when a brick building on Center Street became the rented home of the parish that served well until 1878 when the present structure was finished under the guidance of the pastor, Rev. James J. Dunn.

From a very humble beginning, St. Brigid's is now a leading house of worship for residents of the Meadville area and I offer my very best wishes to the members of the parish and to the pastor, Father William Karg.●

REDUCE FTC'S FUNDING

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. RISENHOOVER. Mr. Speaker, I have watched with interest the election results of last Tuesday. The people are speaking out on the high cost of government and rising taxes.

On Monday, I am told that the House will take up the appropriations bill funding the Federal Trade Commission. I will be offering an amendment to reduce the FTC's funding by one-third—saving the taxpayers $21,832,000 next year.

Proposition 13, overwhelmingly approved in California, will cost Californians police and fire protection. Public schools will be curtailed, along with other social services, and other functions of government close to the lives of those people.

My amendment to H.R. 12934, reducing the FTC's $63.6 million budget, would—if they follow the outline I presented in my statement of last May 26—mean that Americans will simply survive with less Federal regulation and business will have to survive with less FTC meddling and intrusion.

I have read with interest the report on H.R. 12934 by our distinguished colleague from West Virginia and the subcommittee. I appreciate the $2,885,000 reduction from the administration's request. However, I note that the increase over the FTC's current year's spending still will be $4.1 million.

The report reads:

> The committee views with alarm, the growing tendency of many agencies to invade the jurisdiction of other departments and agencies of the Government and act beyond the scope of the jurisdiction that the Congress intended.

They slap the FTC for meddling in the life insurance industry—a role traditionally left to the 50 sovereign States of the Republic. They score the FTC's attack on the automobile industry in strong language which I endorse.

The purpose of my amendment on Monday will be to add a severe budgetary problem to the FTC's quest for power. I believe that the FTC should not worry about television ads to children—leave it to the Federal Communications Commission. Or, better still, let parents control their children's television watching habits.

This country has reached the highest educational level and literacy level in history. Yet, we simultaneously have reached the highest Federal intrusion level of all time—seemingly trying to protect consumers and others who feel capable of defending themselves.

If the vast majority of voters of California feel they can face life with fewer policemen, firefighters, teachers, and other public servants and programs—then I hope my colleagues will help me reduce the FTC budget by a mere one-third so that American business, industry, consumers, and taxpayers can have less of the burdens the FTC creates.●

SOLAR POWER

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Ms. MIKULSKI. Mr. Speaker, I would like to speak in support of H.R. 12505, the Solar Power Satellite Research, Development, and Demonstration Act, which will be considered shortly by the House.

Solar energy and solar satellites may prove to be viable alternative sources to our dependence on depletable energy supplies. Only this week, the Washington Post ran a front page story that stated that major oil shortages are expected by 1985, according to a study by the International Energy Agency. According to the study, the single largest predicted increase in consumption of imported oil was a rise in the United States from 8.7 million barrels a day in 1977 to 11.5 million barrels a day in 1985 and 13.8 barrels a day in 1990. Furthermore, there will be a gap of 4 to 12 million barrels a day between what the oil-exporting nations are likely to be willing to produce and how much the industrialized importing nations are likely to be demanding by then.

Granted, figures and the interpretation of them vary from report to report concerning the future international supply and demand of oil. What we have to face is that the United States cannot expect to rely on a continuous and constant flow of foreign oil as our needs and consumption increase annually. The Solar Power Satellite Research, Development and Demonstration Act will provide the United States with the means to determine the benefits that we can reap from this technology.

Our balance of payments since January should be proof enough of our need to become more self-reliant, as far as our energy needs are concerned. In January, the United States had a $2.4 billion trade deficit, in February it jumped to $4.5 billion, and then in March and April it was about $2.9 billion. These figures, which greatly exceed those of previous months are directly attributable to our ever increasing dependence on foreign oil. Our need for self-reliance is not only an economic need but it is also of great importance to our national security. As we are all well aware, the Middle East is an area of constant conflict; to ignore the possible effects future conflicts in that part of the world would have on our energy supplies would be naive and irresponsible.

It is possible that the United States could use solar satellites as one of its main sources of energy in the future—let us hope that this legislation, the Solar Power Satellite Research, Development, and Demonstration Act, will provide us with the answers that we need to declare our independence.●

HOUSING DISCRIMINATION

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. JACOBS. Mr. Speaker, the following is an article from Newsweek together with a recent letter from one of my constituents.

MAY 25, 1978.

Hon. ANDREW JACOBS, JR.
House of Representatives,
Washington, D.C.

DEAR SIR: It seems to me the Civil Rights Act of 1966 and Title VIII of the Civil Rights Act of 1968 overlooked two other means of discrimination in housing. I am referring to children and marital status.

I am an unmarried female head of household. In other words, a divorced mother of a 5 year old girl.

In looking for housing in 3 different states, I've been discriminated against as have many other mothers and fathers too in some cases, I'm sure.

Open the want ad section of the Indianapolis Star/News and you will find ads for housing stating No kids, Adults only, elderly couples preferred, etc. There are several ways of wording it but the bottom line is still the same. No children allowed. You will find the same housing ads in the San Francisco papers all the way to the Daily News Miner of Fairbanks, Alaska. I have even been asked if I would be getting married in the near future to which I retort, That is none of your business. One elderly lady in Indianapolis lectured me for 20 minutes on the conduct of divorcees. She had evicted 1 man for having female company at all hours of the night.

I can understand wanting to know if I pay my rent or if I take care of the property but to discriminate against my child is the pits. What did these landlords do with their children? Take them back to the hospital for a refund, probably. I often wonder if they were ever children themselves. They must realize we can not all afford to buy a home. I realize, and I hope the landlord does too, that I hate renting from them as much as they hate renting to me but there is no money left in the budget for down payments on a home.

In some cases I have been told I could have pets but no kids. Will you please tell me if Congress plans to do something about this because it is a problem nationwide. It seems to me developers and landlords should be required to set aside a certain percentage of their units for families, with or without both parents. The adult portion could have an adults only clubhouse and the family portion could have a playground and a playroom in the basement for winter months. It seems to me developers are catering to the swinging singles and saying to hell with our children. I will be looking for a small house for rent in the near future with a fenced yard, or maybe even half a double, again. I intend to pursue this matter and I will get the name and address of anyone who denies me housing on the grounds of marital status or the fact I am a mother. Where I go from there, I have no idea yet.

Sincerely,

—— ——.

WHAT'S WRONG WITH KIDS?

(By Alison Kilgour)

When I last went apartment-hunting, I knew the block I finally settled on was a good one because it was wall-to-wall kids.

Big kids, little kids, basketball-playing, hopscotching, rope-jumping, just-plain-running-around-and-acting-crazy kids; black, brown, yellow and white kids.

In the six years since I moved in, I've watched many of those kids grow up and helped welcome their little brothers and sisters into the world. I have an honorary goddaughter whose older brothers lived with me for a week while her mother was in the hospital having her.

Kids perform time-honored functions in our neighborhood; taking out the garbage, littering the hallways, hauling the shopping carts, writing on the sidewalks, going to the corner store for the newspaper and passing on the gossip. Whether we have any of our own or not, they enliven our days and try our patience to the utmost. I can't imagine life without them.

MARAUDING BEASTS

If we can believe what we read in the papers, however, many people can not only imagine life without children, they want it that way and are out there actively campaigning to make their environment, as they put it, child-free. Landlords, as we know, have traditionally been hostile to children and pets whom they tend to view as marauding beasts impossible to restrain from wrecking the place—or, at the very least, embellishing it with such proclamations as "John & Mary" and used chewing gum—and driving down property values. For these and other forms of social insensitivity too numerous to mention, landlords have justly earned the opprobrium of landless humankind through the millennia. Nowadays, however, they have allies and supporters for their anti-child policies: people who have no children of their own and wish neither to see nor hear anyone else's.

Retirement communities, for instance, are often segregated. Some of them have rigid restrictions on how often and for how long grandchildren may visit. The people who live in these communities say they've brought up their own kids and that's enough—they don't want any more around. Then there are the single people and young couples who have decided not to have any children at all. Many of them also do not want neighbors who have any children at all. Apparently there are enough of both kinds of these people to get children zoned right out of a lot of places, just as if they were some kind of noxious industrial complex. Few cities or states have laws forbidding this sort of discrimination. Middle-class families with children are having a hard time finding apartments in some cities and are quailing at the thought of the harder time they will have paying for the houses they may have to buy as a result of not being able to rent anything—if they can find a house where kids are allowed.

I hope none of the people who have excluded children from their neighborhoods are complaining about the generation gap, the ingratitude of young people or the inattentiveness of grandchildren. Mind you, I have nothing against people who decide not to have any children of their own. It's a wise decision, not a selfish one: people who don't want children are the very last people who should have them.

But why treat people who have or want children as if they had germs? Part of the answer is very crass: children cost money. They are not only big expenses to their parents; their schooling takes a lot out of the budget in every local community. While riding their bicycles over your suburban lawn, they raise your property taxes. While running wild in the urban streets, they are the majority of welfare recipients. A lot of people whose children are grown or who have no children don't see why they should help pay the expenses of other people's children.

RESPONSIBILITY

I hope none of these people are complaining about how ill-educated kids are these days.

The truth is that every child on the planet is the responsibility of every adult. The inability or unwillingness to recognize this and act on it, even on a very small scale, is—and there is no other word for it—childish. If maturity can be defined by the amount of responsibility we're willing to take on and able to handle, then it would seem that the problem here is not kids; the problem is big, overgrown kids in adults' clothing who for unattractively selfish reasons are trying to weasel out of one of life's main duties: looking out for the real children.

And there's more to it than that. I don't think antipathy toward kids is growing only because the real children are expensive and—as even their best friends and staunchest supporters can't deny—inclined to be messy. I think that people who are basically big, overgrown kids don't want the competition—or are trying to avoid being embarrassed by comparison with the real thing. There's an air about some of these people that seems to say, "We big kids are playing here now, and you little kids can't play with us—so beat it." Meanwhile, without any real kids around to mirror their behavior, they can keep up the pretense that they're adults. Small wonder the "human potential" movement is so popular; becoming a true adult when adult role models are increasingly fewer and farther between can require drastic measures. (It's not hard to spot the outfits selling regression instead of growth: they've got that jolly here-we-kids-are-at-summer-camp-following-the-counselor-around atmosphere. And no real kids allowed.)

LIVE AND LET LIVE

Some months ago there was a knock on my door late in the evening. It was my neighbor's 12-year-old. He walked into the kitchen, sat down and said, "*Alison*. What is the soul?" That question was worth a week in the country with the guru of your choice. Who can afford to say, "Suffer the little children to stay the hell away from me?" When I was a child, my elderly next-door neighbor taught me what the phrase "live and let live" means—along with many other lessons in generosity and how to help rear the kids next door. I like to think that what she knew about tolerance was augmented by long association with kids to whom a fence was something expressly designed to be climbed over. We, on the other hand, also learned to respect our elders by having one around who was indeed our better.

The high price of the company of children is only a small measure of its worth. Excluding them from our neighborhoods is a life-defying act.●

BERWYN ESSAY WINNERS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. HYDE. Mr. Speaker, recently the city of Berwyn, Ill., in my district, celebrated its 70th birthday. In commemoration of this event, the schoolchildren of Berwyn participated in an essay contest entitled "I'm glad I live in Berwyn Because * * *."

All eight of the Berwyn aldermen graded the essays and final winners were determined by a lottery.

I would like to take this opportunity to extend my congratulations and best wishes to the eight winners of the essay contest:

Todd Stremplewski—Komensky School, 1st grade.

Steve McGuire—Emerson School, 2nd grade.

Anita Hanzlik—LaVergne School, 3rd grade.

Tammy Norek—St. Odilo, 4th grade.

Paul Bogdanski—St. Mary of Celle, 5th grade.

Kathy Kowalski—Jefferson School, 6th grade.

Sue Marshall—Irving School, 7th grade.

Mark Greg—St. Leonard, 8th grade.●

PAUL J. HEAD

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. NOWAK. Mr. Speaker, our Nation's city parks are an invaluable asset to the communities which they serve. Thus, it is always a pleasure to witness the dedication of the public servants who help preserve and nurture the beauty and recreational opportunities in our parks. Paul J. Head, a recreation instructor employed by the Buffalo Parks Department, is one such person. His record of community service extends beyond the requirements of his job in maintaining a Buffalo park and serving the people, especially the young people, who use it. The following article, which appeared June 4, 1978 in the Buffalo Courier-Express, details Paul Head's contribution to the South Buffalo community. It constitutes a well deserved tribute to his service.

Article follows:

ALMOST UNSUNG HERO'S PRIDE MAKES HILLERY BUFFALO'S 'BEST-KEPT' PARK

(By Marsha Ackerman)

Several generations of South Buffalo children have whacked softballs, tossed baskets, and run bases since Hillery Park on Mineral Spring Road opened in 1956.

And all of them have known Paul J. Head, a recreation instructor in the Buffalo Parks Department who is the almost unsung hero of Hillery Park.

Almost, because two years ago Head, a softspoken bachelor of 50 who lives in an apartment above a tavern some 20 blocks from Hillery Park, was honored as Buffalo's best city worker in a surprise ceremony in then Mayor Stanley M. Makowski's office.

That day of recognition apparently didn't go to Head's head, because he is still at the old stand, still rising early to clear away bottles and debris from the park's diamonds and play areas, still trimming around the basketball courts.

During a recent survey of the condition of Buffalo's parks, several persons interrupted their complaints and gripes to call Hillery "the best-kept park in the city."

"I was born in this neighborhood and I used to play in Hillery Park before it was a park," Head said. "I've got pride about the place."

"Besides," he added, "I'm single. The other guys' wives probably wouldn't let them spend the kind of time on the job I do."

Head's job basically involves setting up schedules and supervising a host of baseball,

softball and basketball games which keep Hillery humming all summer long. In the winter, Head joins other city recreation instructors in offering school gym programs.

The heavier maintenance, such as grass cutting or plumbing repairs is turned over to the Parks Department maintenance crews operating out of the Delaware Park barns.

Head has been with the Parks Department since 1954, starting at Mulroy Playground, also in South Buffalo. He said the size of the Parks and Recreation Division staff have dwindled since then.

"When I started we had more help. There were two or three of us at the playgrounds and two shifts," Head said. "Right now, there's just an afternoon shift and I'm there all by myself. Later we'll get summer help but not until July and by then the season is half over. The time we need more help is in the spring."

"If you are looking for me at Hillery, just ask any of the kids," Head said. "They all know me." ●

LEGISLATION TO CORRECT INEQUITIES IN CHAMPUS

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. PRICE. Mr. Speaker, today I am introducing legislation intended to correct an equity in the health care delivery systems of the Uniformed Services. The bill is very simple. It authorizes chiropractic health care services in military facilities as well as under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

Though they authorize a myriad of health care services, neither our military facilities nor CHAMPUS—which provides health care for dependents of active duty members, retired members and their eligible dependents, and for the eligible dependents of deceased active or retired members—provides or authorizes chiropractic care for program beneficiaries.

Let me give you some examples of Federal laws that recognize chiropractic health care for groups other than active duty or retired servicemen and women and their dependents. Under Federal law, Federal employees can and do obtain chiropractic care under the Federal Employees Health Benefits Program and the Federal Employees Compensation Act. In addition, the Civil Service Commission and the Postal Service authorize employees to submit chiropractic certification for official sick leave.

The American public also has the opportunity to obtain chiropractic health care under medicare and medicaid, the Longshoremen's and Harborworkers' Compensation Act and various vocational rehabilitation programs. Furthermore, the Federal Government recognizes chiropractic health care by allowing it as a deductible medical expense in our tax laws and by making chiropractic training eligible for GI educational benefits through the Veterans' Administration.

Our servicemen and women should not be denied benefits available to other groups covered by Federal law. I urge my colleagues to support this legislation. It will bring more consistency to our military health care systems and end an inequity that has been present for too long.●

THE VOLUNTEERS OF AMERICA NATIONAL CONVENTION

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. PEPPER. Mr. Speaker, on May 9 I had the good fortune to be a guest at the Volunteers of America National Convention here in Washington and they chose that occasion to honor me with the Ballington and Maud Booth Award, named for their founders. I was honored to receive an award from the members of this organization who have set an illustrious example in unselfish devotion to their fellow human beings.

It is a beautiful experience to transcend one's own routine workaday activities by volunteering to help others in society. The art of giving of oneself is the message of volunteerism.

I would like to submit the remarks I was privileged to have the opportunity to offer at the convention of the Volunteers of America:

CLAUDE PEPPER REMARKS AT VOLUNTEERS OF AMERICA CONVENTION

Mr. Chairman, General McMahon, distinguished leaders of this great organization, ladies and gentlemen: Even the most hardhearted recipient of such a gracious introduction as that which has just been bestowed upon me by your commander-in-chief, General McMahon, would be deeply touched and profoundly grateful. With all my heart, General, I thank you for those kind and genuine words of introduction.

In a poll published in some papers the other day, they said I had the record for being the chief spender in the House of Representatives, but at least I hope those dollars went to help the needy, and my only regret is that like the farmer that said about the Federal agricultural program, "That's a tainted program—'taint enough!"

Our Select Committee on Aging, just a little bit ago, was very proud that through the distinguished Chairman of the Education and Labor Committee of the House, one of the eminent and most meaningful members of that body, the Honorable Carl Perkins, obtained an additional appropriation to give aid and relief to the victims of national and natural disasters and also to provide funds for volunteers who administer to the needs of those victims of natural disasters.

Since we are talking this evening in a general way of the elderly people, I will tell you about a couple who came down to Miami not long ago to celebrate their 50th wedding anniversary. They had been there on their honeymoon half a century before, so they came back to what we like to refer to as our lovely surroundings, and time after time, they went to beautiful places and they did lovely things and every time that the husband got the opportunity, he took advantage of it to tell his wonderful wife what a grand, what a marvelous, what a lovely person she was and how grateful he was ever to have been the husband of such a lovely bride. And time after time, he poured out his heart in adulation and admiration. Finally, came the last day of their stay in that area and they were having lunch in one of our restaurants that has a view over the beautiful bay in lovely Miami Beach, and as the husband glanced out of the window and saw that beautiful scene, sentiments of romance rose from his heart to his lips and looking across the table at his dear wife, very earnestly he said, "I'm proud of you," but she had grown a little hard of hearing and she missed the exact words that her husband used. So looking very earnestly right back into his own eyes, she said, "I'm tired of you too!"

I have always had a warm spot in my heart for the Volunteers of America and I want you to know that after this I will never pass anybody with those little cups without leaving something there.

You may be assured that hereafter, to a greater degree than ever would have been possible before, a warm association will spring into my heart whenever I think of or hear the name of the Volunteers of America. You do me an honor that I do not deserve but for which I am profoundly grateful. It is something that one cherishes for the remaining days of one's life because it associates him with those who are lifting their fellow human beings to walk on higher planes, administering to the needs, contributing to the happiness, promoting the health of the people who, too often, lack that kindly and thoughtful attention.

This great organization has a thrilling past history. As a matter of fact, this organization and I are not very far from being the same age. This organization, I believe, was founded in 1896 and just four years later, I came along. We had a birthday over at the Botanical Gardens and some of my friends were celebrating with my wife and me, and some of them mentioned the fact that I was 77 years old and I said, "You know, don't pay too much attention to that report. I was born in a little rural area and they didn't keep very good vital statistics in those days, and the records were very irresponsible and unreliable, and word got around somehow that I was born in 1900. My own opinion is that I was born in 1920, just two years after I served in World War I!"

The Volunteers of America has over 800 programs, all over this great land of ours: housing projects for the needy elderly as well as for those of moderate income; day care centers; centers where administration is delivered to the alcoholic, to those in half-way houses; nursing home care providing custodial opportunities for so many people who have nowhere to go. All these great and wonderful enterprises carried on by this organization. I would just say to you that I marvel at your administrative efficiency, that you are able to direct so nationwide an organization and make it function so well, so efficiently, and I am familiar with the magnificent job that you do. I particularly commend you for the confidence which this organization has from the people of America. They indicate that in the support that they give you all over the nation. Various organizations have joined with you in humanitarian enterprises, public bodies that work with you to accomplish your great designs, the Federal government that gives administrative assistance in helping to solve many of the problems which you undertake. All of these things manifest profound and moving confidence in the integrity of the character and humanitarian aims, aspirations and programs of this great organization.

I would put next in the category of great accomplishment what you have done to make things better for so many people. You find a way by which you can take by the hand the lonely and put them in a Sunset House, to enjoy recreation with friends and to feel something of the motivation of life that

they are part of the mainstream of a tumultuous time, to give them a feel of importance, of a job to do, give them an awareness that somebody does care, that you are their friend—and that's what they have been needing. What a wonderful contribution you have made to lightening the burden in those years of 82 that you have been in existence, of so many people. Just think of the fact that you have provided, the loneliness that you have dispelled, the hunger that you have eliminated, the comfort that you have provided and the exhilaration that you have bestowed on so many, and the spirit of so many that you have enlivened, that you have pricked and stirred with confidence and with encouragement. How could anybody value that kind of a contribution?

General McMahon was good enough to tell me something of the background of his own life and how he had eventually chosen to come into an association with this great organization, and how he had had the privilege of working with one of the great founders, Maud Booth, and having been the legatee of the great aims and aspirations and dreams of this organization. General, how could you have chosen a career that would have given you more satisfaction through these intervening years than this one that you have been fortunate enough to enjoy! Just think what you have done.

I have often said that there are some of us who rather think of politics as a kind of ministry; it is not something to derive gain or profit from. It's an opportunity to do things that you can't do for others. I have no way of providing funds to find a cure for cancer or to save people from heart disease or minister to other of their ills, but if I can get the government of the United States behind it, I can save lives and I can promote health and contribute to happiness—and that's what you contribute through this great organization.

These are the great accomplishments of which you are justly proud and which make your being illustrious in the minds and memories of all your fellow citizens. That is the privilege you have afforded to millions of your fellow citizens, to unlock their own charity, to warm their own hearts for volunteer service to God. You have given them an opportunity to rise to greater heights, to feel that they have achieved some kind of ability that they never knew they had before, to be able to touch human lives to perform a host of divine functions by entering into the life of another and stirring in them almost a divine spirit. The volunteers that you have been able to enlist, that you have been able to inspire, that you have been able to guide so that they can do their great work. Most people want to do something outside themselves, they want to feel they do mean something and have some creative capacity, that they can do things, they can help others. Many have the impulse, many don't have the wisdom who have the desire, others don't have the guidance. You have been able to touch those who do not have the guidance or the direction, you have been able to encourage those of little faith who might falter without assurance from knowledgeable people that they could succeed, and so in addition to all the people that you help by touching, just think of all the people that you touch to make them want to help others. They have all achieved the high role of being able to be the benefactor of mankind. Who has had that experience and not felt some exhilaration of spirit, some greater confidence in themselves, some greater pride in what they were in being able to do those things. That is one of your great accomplishments, that enormous army waiting out there for your leadership, for your guidance, your direction and your courage, your support and your faith in them that they can do.

And so, what a great organization you are and how proud I am to be able to sign the card that you gave me a moment ago, giving me the privilege of sitting in an honorary capacity on your Advisory Council. The only advice and counsel I can give you is may the Lord bless you for eons to come, may you continue your great work. What pride it is to come along and associate with those illustrious men and women who previously have been honored with the Booth Award—people like Hubert Humphrey, Mrs. Lyndon Johnson and Roy Wilkins.

And so, Hubert Humphrey and I first became acquainted when he was the Mayor of Minneapolis. My wife found a photograph not long ago of this thin, young fellow standing there on the platform with us; it was the young Mayor of Minneapolis. And if I may say so without immodesty, my wife told me later that he told her that when he came to the Senate, one of the first things he did was read every speech that I had made. We became friends, we were both liberals, we were both trying to fight for people and trying to win the most for people. And what could have been a better reward for a lifetime of humanitarian service rendered by Hubert Humphrey than the accolade of a united nation.

The President said that he was the most beloved man in America, and his funeral services were something that stirred every spirit and warmed every heart, and as the Vice President said, he had so mastered life that he taught us not only how to live but how to die. It might have been said when Hubert Humphrey died that he left wealth, and that would have been an honorable achievement, but what man could have left more than this legacy to his fellow human beings than he left for all the world, so if I can walk, just pause for a bit longer, in that path and as best I can try to follow in those footsteps to me is an enduring satisfaction.

So I want you to know, General McMahon, that this is a great honor you bestow upon me, one that I deeply cherish, one of which I will seek to be worthy in the years to come, and I will always remember that not only am I committed to put the human and spiritual above the material values of life, but I will always remember that I have another, more special obligation—that I am a Volunteer. Thank you very much.●

THE INDEPENDENCE OF CLIFFORD CASE

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. PATTEN. Mr. Speaker, I was most pleased to see the editorial in today's New York Times praising my lifelong friend, CLIFF CASE.

Senator CASE has been a leading figure in the United States in the field of foreign policy. I have watched him during our appropriations deliberations in the Congress for many years, and he has been a strong and able leader. I could go on for hours citing all of the good things CLIFF CASE has done for our State of New Jersey.

On Tuesday, in my opinion, our democratic process failed when CLIFF CASE was defeated in the primary election. We shout for a strong two-party system, but unless the people come out and vote, not only do we lose outstanding statesmen like CLIFFORD CASE, but our two-party system is in real trouble.

I would like to include at this time, the Times editorial which speaks of his independence and long life of public service. I share in the thoughts of this editorial, and am saddened by New Jersey's and the Nation's loss of this great political leader.

THE INDEPENDENCE OF CLIFFORD CASE

Clifford Case's career in Congress spans the post war era; the Sixth District of New Jersey sent him to the House in 1945. Now, after eight years there and 24 in the United States Senate, he has suffered an unexpected defeat. But his career should not end without recognition of his independent mind and public service.

Senator Case's political career has been marked by the conflict within the Republican Party that characterized his loss to Jeffrey Bell in Tuesday's primary election. From the day he arrived in Washington, he was under attack from conservative elements of his own party. In 1954, when others were cowed by the late Senator Joseph McCarthy, Senator Case was openly critical. In contrast to other Republicans, he has been a steadfast supporter of social and civil rights legislation. As the ranking Republican on the Senate Foreign Relations Committee, he has demonstrated equal concern for national defense and assistance to other countries.

As a consequence, he has been one of the few Republicans to win the consistent endorsement of both liberals and major labor unions—and a reputation for independence among New Jersey voters of both parties. Even at age 74, it seems clear that Senator Case could only have been defeated, in the end, from within his own party.●

COMPUTER REGISTRATION OF FIREARMS

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. HUCKABY. Mr. Speaker, I would like to make a few comments on the recently considered 1979 appropriations for Treasury, Postal Service, and General Government. Of particular concern to me was the attempt to increase the appropriations for the Bureau of Alcohol, Tobacco, and Firearms (BATF), which was to be used to establish a centralized computer registration system for firearms. In addition, this amendment, if adopted, would have struck the committee language which prohibits the BATF from using appropriated funds to implement the proposed gun control regulations which were published in the March 21, 1978, issue of the Federal Register.

Before discussing this specific amendment, which fortunately was defeated, I want to express my opposition to any form of gun control. This is not by any means a new issue, but one that has been repeatedly brought before the Congress. However, I believe it is a constant concern to many, and we must continue to stress our objections to gun control and guard against future efforts to legislate gun control measures. I strongly feel that to restrict our use or ownership of guns is to deprive us of our constitutional right to keep and bear arms.

With regard to the recent legislative action to increase firearms recordkeeping, I want to register my concern about the backdoor tactics used by the BATF to impose gun registration regulations. We are all aware that Congress has repeatedly defeated attempts to create gun registration systems in the past. I believe that because of the unsuccessful efforts on the part of gun control proponents, the BATF has apparently assumed the authority to circumvent the legislative process.

The BATF has been forewarned by the Appropriations Committee that it had a tendency to legislate by regulations and that it was not the role of BATF to legislate in sensitive policy areas such as gun control. These proposed regulations are an obvious attempt by BATF to do through regulations what Congress has refused to do through legislation.

Fortunately, due to the efforts of a majority of my colleagues and thousands of American citizens across the country, we were able to maintain the role of Congress as a representative body of the people.●

MRS. MOSSIE MUNCY, RURAL LETTER CARRIER

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. CARTER. Mr. Speaker, an interesting story appeared in the National Rural Letter Carrier on May 27, 1978, concerning a constituent of mine, Mrs. Mossie Muncy. I include it for the perusal of the Members:

[From the National Rural Letter Carrier, May 27, 1978]

MOSSIE MUNCY BLAZES HER OWN TRAIL TO DELIVER THE MAIL

Poor road conditions or no road at all is the way it was 75 years ago, and, surprisingly enough, the way it still is today for many a rural letter carrier.

Rural carrier Mossie Muncy delivers the mail over an unpaved trail to a community of 120 people in Shoal, Kentucky.

"Yes, Muncy's got an important job," maintained a resident of Leslie County, Estil Bowling. "Well, the mail, that's what we live for back here. We hardly ever get out; maybe once a month to Hyden. People come all day long to pick up their mail. They come from way up on Possum Bend. The kids stop by on the way back from school to pick it up. Mostly, they just come and pick it up; they don't talk much. It's too hard to get around. There's no time."

Mossie Muncy has delivered a rural star route in Leslie County for seven years. Last summer she expanded the route and took on the Shoal post office. The man before Mrs. Muncy had given up Shoal because he could not make enough money off of it. He had started doing the route on a horse many years back, then converted to a jeep and still had problems.

When Mrs. Muncy took over, she bought a $7,000 jeep. Nothing else would be able to make it over the ruts and hills and streams that mar the road to Shoal.

In addition, she took a few other precautions. "In case you want to know what that hoe in the back seat is, it's for leveling off the road and low ditches," she explained.

Mrs. Mossie Muncy also carries a saw to cut down trees that fall on the road and a winch to budge the jeep during snowy seasons.

One day on the way out of Shoal, Mrs. Muncy met a linoleum salesman who looked completely lost. He was seeking isolated rural customers who might be in need of linoleum.

"Excuse me, ma'am," the salesman said to Mrs. Muncy. "Can you tell me if any people live back there?"

Mossie Muncy replied, "No one lives back there. They can't make it over the road. Only the mail goes back there. Nothing else." ●

ADMINISTRATIVE PROCEDURE REFORM ACT OF 1978

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. EDWARDS of Oklahoma. Mr. Speaker, on April 25, I introduced H.R. 12333, the Administrative Procedure Reform Act of 1978. The purpose of this bill is to provide increased procedural safeguards for persons who must come before agencies in an adversary proceeding. I urge all my colleagues to review this bill and support my effort to guarantee due process of law for all those who are affected by Federal adminstrative agencies.

A copy of the bill and a summary of its provisions follow:

H.R. 12333

A bill to amend chapter 5 and chapter 7 of title 5, United States Code, to improve and reform the administrative procedures of Federal agencies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) This Act may be cited as the "Administrative Procedure Reform Act of 1978".

(b) Whenever in this Act an amendment is expressed as an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 5, United States Code.

SEC. 3. Paragraph (2) of section 552(a) is amended by—

(1) striking out "and" at the end of subparagraph (B);

(2) inserting "and" at the end of subparagraph (C); and

(3) inserting after subparagraph (C), as amended by paragraph (2) of this section, the following new matter:

"(D) detailed descriptions of agency standards and principles which govern discretionary decisions;".

SEC. 4. Subsection (b) of section 553 is amended by striking out the third sentence and inserting in lieu thereof the following:

"Except when notice or hearing is required by statute, this subsection does not apply to rules of agency organization, procedure, or practice.".

SEC. 5. Subsection (c) of section 553 is amended by striking out "with or without opportunity for" in the first sentence and inserting in lieu thereof ", and through".

SEC. 6. Subsection (d) of section 553 is amended to read as follows:

"(d) The required publication or service of a substantive rule shall be made not less than 120 days before its effective date, except in the case of a substantive rule which grants or recognizes an exemption or relieves a restriction.".

SEC. 7. Section 553 is amended by adding at the end thereof the following new subsection:

"(f) No rule for which publication in the Federal Register is required under this section shall take effect until such rule is approved by each committee of the Congress having jurisdiction with respect to the agency involved.".

SEC. 8 Paragraph (1) of section 554(c) is amended by striking out "when time, the nature of the proceeding, and the public interest permit" and inserting in lieu thereof "when the nature of the proceeding permits".

SEC. 9. Paragraph (1) of section 554(d) is amended by inserting after "party" the following: ", or the agency or a member of the body comprising the agency".

SEC. 10. Section 555(c) is amended by adding at the end thereof the following new sentence:

"A party who is a witness is entitled to inspect, without cost, the official transcript of the testimony of any other witness, and is entitled to procure, on payment of lawfully prescribed costs, a copy of such transcript.".

SEC. 11. Paragraph (3) of section 556(c) is amended by inserting after "relevant evidence" the following: "in accordance with the Federal Rules of Evidence".

SEC. 12. Subsection (b) of section 557 is amended by striking out everything after "first recommend a decision" in the last sentence and inserting in lieu thereof a period.

SEC. 13. Subsection (c) of section 557 is amended by—

(1) inserting after "part of the record" in the third sentence ", shall be consistent with prior decisions of the agency unless otherwise provided by law,";

(2) striking out the period at the end of the third sentence and inserting in lieu thereof "; and "; and

(3) adding at the end thereof the following new matter:

"(C) certification of complete review of all pertinent material including any transcript of testimony.".

SEC. 14. Subsection (b) of section 558 is amended by adding at the end thereof the following new sentence:

"An agency may impose a sanction on a person only if such person has been given—

"(1) notice in writing of the factual and legal basis for the sanction; and

"(2) a period of at least 30 days (beginning on the date on which notice is given) to correct the violation on which the sanction is based.".

SEC. 15. Section 558 is amended by adding at the end thereof the following new subsection:

"(d) Any person charged with violation of an agency rule or order shall have an opportunity to confront and cross-examine any adverse witness and to examine and rebut all evidence considered by the agency in connection with the charge involved.".

SEC. 16. Subchapter II of chapter 5 is amended by adding at the end thereof the following new sections:

"560. Secret Proceedings

"Unless otherwise requested by all nonagency parties, any agency investigation, hearing, or trial relating to an adjudication shall be conducted in absolute secrecy, and no information concerning such adjudication shall be disclosed to the public, except that the agency may disclose the grounds for a final decision which is adverse to a party, together with the identity of such party.

"561. Search Warrants

"No officer or employee of an agency may enter any property for purposes of inspection, search, or seizure, except upon authority of a search warrant issued by----------. The search warrant shall—

"(1) issue only in the case of probable cause to believe that a rule or order of the agency has been violated; and

"(2) specify the place involved, the nature of the inspection, search, or seizure to be conducted, and the time at which the inspection, search, or seizure is to be conducted.".

SEC. 17. Section 704 is amended by striking out the first two sentences and inserting in lieu thereof the following:

"Any party adversely affected by an agency action has a right to submit that action to judicial review. Administrative remedies need not be exhausted prior to judicial review, and no court shall refuse to exercise jurisdiction over a case on the ground that an agency with concurrent jurisdiction must act first.".

SEC. 18. Section 706 is amended by—

(1) inserting after the first sentence the following new sentence: "The reviewing court may conduct a trial de novo."; and

(2) striking out "substantial evidence" in paragraph (2)(E) and inserting in lieu thereof "the preponderence of the evidence".

SEC. 19. The table of sections for subchapter II of chapter 5 is amended by adding at the end thereof the following new matter:

"560. Secret Proceedings.
"561. Search Warrants.".

SECTION-BY-SECTION SUMMARY

ADJUDICATIONS

SEC. 2. Increases the amount of information an agency must make available to the public in the area of discretionary decisions by requiring an agency publish detailed descriptions of agency standards and principles which govern discretionary decisions.

RULEMAKING

SEC. 3. Requires Federal agencies publish in the Federal Register all interpretive rules and general statements of policy adopted by said agency, and removes the agency's option to adopt rules without publication in the Federal Register.

SEC. 4. Requires agencies to provide an opportunity for oral arguments in favor of or in opposition to proposed rulemaking.

SEC. 5. Provide that substantative rules be published in the Federal Register at least 120 days before their effective date, except for rules which grant or recognize an exemption or relieve a restriction.

SEC. 6. Require that no rule required to be published in the Federal Register shall take effect until such rule is approved by each committe of Congress having jurisdiction with respect to the agency involved.

ADJUDICATIONS

SEC. 7. Remove an agency's option to remove a party's opportunity to submit facts and arguments in adjudicatory proceedings in the interest of "time" or "the public interest".

SEC. 8: Clarifies the law to insure that a hearing examiner who takes evidence may not consult with an agency or any other member of an agency prior to rendering a recommendation or decision.

ANCILLARY MATTERS

SEC. 9: Provides that a witness, party, or other person compelled to submit data or evidence is entitled to retain a copy or transcript of such data or evidence and is entitled to procure a copy of any data or evidence submitted by any other witness, party, or person.

SEC. 10: Requires that no officer or employee of an agency may enter any property for purposes of inspection, search, or seizure, except upon authority of a search warrant issued by a court of competent jurisdiction.

HEARING

SEC. 11: Require all Federal agencies adopt the Federal Rules of Evidence to assure uniformity in procedure and admissability of evidence in administrative hearings.

INITIAL DECISIONS

SEC. 12: Removes the option of an agency to make a decision without first receiving a recommendation from the person who presided at the hearing and heard testimony.

SEC. 13: Applies the doctrine of *res judicata* to agencies by requiring all agency decisions be consistent with prior decisions unless otherwise provided by law.

IMPOSITION OF SANCTIONS

SEC. 14: Permit an agency to impose a sanction on a person only if that person has been given notice in writing of the factual and legal basis for the sanction and a period of at least 30 days from receipt of that notice to correct the violation upon which the sanction is based.

SEC. 15: Require any person charged with violating an agency rule or order shall have an opportunity to confront and cross-examine any adverse witness and examine and rebut all evidence considered by an agency in connection with the charge involved.

ACTIONS REVIEWABLE

SEC. 16: Require that administrative remedies need not be exhausted prior to judicial review, and no court shall refuse to exercise jurisdiction over a case on the ground that an agency with concurrent jurisdiction has not exercised such jurisdiction.

SCOPE OF REVIEW

SEC. 17: Permits a court conducting a review of an agency action to hold a new trial on all points raised during the agency action, and require a reviewing court set aside any agency decision unsupported by the preponderance of the evidence.●

2+2+50=1,000,000

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. DORNAN. Mr. Speaker, "If two and two and fifty make a million, we'll see that day come 'round." So went the lilting refrain of a protest song of years gone by. And so goes the resistance to publicly funded abortions.

Four months ago, on January 23, 1978, I placed in the RECORD a newspaper story about three students at the University of California at San Diego who refused, for reasons of conscience, to participate in the compulsory student health program which, for several hundred preborn children, had become a program of extermination: the "final solution" to unwanted pregnancy.

I warned at that time that the student resistance to the death ethic on campus would spread, and I am delighted to report today that it is indeed spreading. Now the University of California at Davis is confronted with a difficult situation: how to silence six courageous young men and women who refuse to participate in the university's compulsory funding of abortion.

Expel them, of course. And so the university announced its august decision in the cases of Kathleen Melia, Mary M. Jones, Anthony Mendoza, Madeline LeStrange, Janet Presenti, and Christopher Wood. But this case is far from closed. And while the courts are dealing with it, the resistance movement will spread, both to other campuses of the University of California and to other public university systems. It will spread because the students are upholding ideas and ideals which cannot be contained, even by the ponderous power of the entrenched elite that controls the University of California.

To those university authorities, like the presidents of the Davis and San Diego branches and their highly paid attorneys who go to court to expel students who will not pay for abortions, we make this pledge:

One man's hands can't break the bondage that he's in.
Two men's hands can't tear this prison down.
But if two and two and fifty make a million,
We'll see that day come 'round.●

ANGEL GUARDIANS FOR THE ELDERLY, INC.

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. BIAGGI. Mr. Speaker, as a member of the House Select Committee on Aging, I want to tell my colleagues about a volunteer organization in New York City, which is not publicly financed in any way. The Angel Guardians for the Elderly, Inc., headquartered at 250 West 57th Street, logged more than 1,000 field work cases in the last year. AGE is the brainchild of Peter Crescenti, vice president of the New York Hotel and Motel Trades Council. More than 100 organized labor leaders of New York have given unselfishly of their personal time and money to assist AGE, now entering in its third year. The Angel Guardians are senior citizens of New York City, living on fixed social security incomes, who are hired by AGE for the hourly minimum wage. These Angel Guardians go out to assist the immobile elderly with a wide range of services including: preparation of meals, friendly visits to shut-ins, assistance with errands, escorts to health centers, participation in social activities, and help with government redtape.

Of course, while helping other unfortunate seniors, they are able to supplement their meager incomes. On June 16, I will be privileged to again attend the annual dinner-dance of this organization to be held at Terrace on the Park, Flushing Meadows, New York, where three distinguished men will be recognized; Robert Sasso of Local 282, International Brotherhood of Teamsters, James Viggianc, of United Brotherhood of Carpenters and Joiners (New York City District Council) AFL–CIO, and William Vitulli, of the Great Atlantic & Pacific Tea Co.

AGE will be expanding its operation because of the anticipated success of this upcoming affair. I commend AGE on its new pursuits. It is refreshing to see an enterprising organization like AGE, make a contribution to older Americans, without the crutch of government.●

DOG RACE TRAINING—CRUEL AND UNNECESSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. ANDERSON of California. Mr. Speaker, yesterday I introduced H.R. 13022, to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training.

Few of the approximately 20 million spectators of dog races realize the inhumane training that has occurred before the race begins.

For many of the dogs have been trained using live rabbits or kittens as bait. Artificial lures have been available since 1919, yet despite this fact, live animals are still used as lures—and usually are torn to death by the dogs after they are caught.

Mr. Speaker, I would like to insert for the RECORD an article from the Evening Independent of St. Petersburg, Fla., which outlines these atrocities.

In 1973, a Massachusetts State court ruled that the use of live lures was against the State's anticruelty laws and stopped this practice. Despite that fact the dog racing industry is thriving without their use.

Dogs will chase anything, so the use of live animals is totally unnecessary cruelty. This bill is not designed to hurt the sport of dogracing, a past time that is enjoyed by millions.

Rather it is a straightforward attempt to reform the inhumane methods used by some trainers in getting dogs ready for the track—methods that are not needed to continue and promote the sport.

The article follows:

THE GREYHOUNDS AND THE LIVE RABBITS THEY TRAIN WITH

(By Joe Childs)

It's no accident a dense hedge grows around the training pen at Thomas Crawford's greyhound kennels. The foliage is there to prevent you from seeing what's going on inside.

But, even so, you can hear it.

You can hear what sounds like a baby crying. It's loud and high-pitched. A frightened, eerie wail. And it draws you to the hedge for a look.

There, inside, in an arena-like perimeter, a few men and a few children work quietly and rapidly training greyhound racers to run with all their might after a fleeing rabbit.

The training session starts when one of the men reaches into a transportable wooden cage and pulls out a rabbit. The animal is a wild hare, a jack rabbit, skinny, rugged, craggy, brought to Florida from Texas where, Crawford says, they are a nuisance and slaughtered en masse.

The bleating rabbit fights vainly under grasp. It does, however, draw blood occasionally from its handler, sinking sharp teeth and claws into a wrist or finger.

Some yards away, two svelte greyhounds strain at their collars to free themselves from the grasp of another man.

The dogs have just been taken from their pens. They are fresh. The entire being of each dog focuses on the hand-held rabbit.

Then it happens.

The rabbit is dropped to the ground. It's allowed to scamper 30 to 40 yards—a head start. The dogs are then released. The rabbit begins a race for its life, a race it almost always loses.

A lone rabbit and a pair of greyhounds—three of the fastest animals on the planet—churn frantically about the training lot, reaching blinding speeds.

But within seconds the running is over, the chase ended. An excited greyhound holds the dangling rabbit in strong jaws. The lifeless rabbit cries no more.

One of the trainers retrieves the rabbit. Held by the feet, the bloodied carcass is used to tease triumphant dogs and hone the hunter instincts in the ancient breed.

Then the rabbit is buried in a hole near the hedge.

Still inspired by their kill, the first pair of dogs is returned to the pens while two other dogs are brought into the training arena.

And the process begins again.

Another rabbit.

More cries.

The scene is legal. Although rare, the use of rabbits in training greyhounds is accepted and not prohibited by law.

Thomas Crawford, owner of the kennels and its 250 greyhounds, agrees to talk during the training session. He doesn't want pictures, but then says it's okay.

He says the dogs being trained are pups 11- to 13-months-old. Before becoming racers, at 15 months, the dogs should have chased live rabbits three or four times. Live-rabbit training, he says, is essential to a good racer.

"If these dogs did not have this, they would not run," says Crawford. "What would happen, and you've read about this, is they would fight on the track or have a tendency to play.

"They have got to learn to drive for the rabbit."

Should training with rabbits be outlawed, the dog track industry would "fall apart," contends Crawford.

During the last fiscal year, Florida netted $46.5-million in taxes from pari-mutuel dog track wagering. A total of $610-million was wagered during the year. The figures, supplied by the state's racing commission, do not reflect jobs created by the industry or tourism and other commerce generated by the lucrative industry.

Crawford, who has operated his kennels on 49th Street N near the U.S. 19 highway overpass since 1960, admits training dogs with live rabbits is "the worst part of the business."

A public outcry about the practice three years ago prompted a lawsuit and a Circuit Court (Ocala) injunction banning the mutilation of rabbits. But the matter was appealed and a higher court dismissed the injunction. Florida's Supreme Court refused to review the case.

Crawford had 48 rabbits on hand for training Wednesday night when he was visited by the Evening Independent. Not all rabbits were killed. Those that were captured, but were "too tough to die" were returned to cages minus hunks of fur. They were to be used in later training of 6-month-old puppies.

The rabbits cost Crawford $3.50 apiece. They are flown or trucked here from west Texas, the Oklahoma panhandle or from western Kansas, where, Crawford says, they are herded into bunches and killed because they become too numerous and "take over crops."

Crawford says rabbits are overabundant on prairies now and cost him half what they once did.

Grant Goheen, John McMillan and Tim Stahly, three young men who work as mechanics in shops adjacent to the kennels, say Crawford's kennels used live rabbits in training in February and, following a four-month layoff, resumed this month.

Bothered by the training methods, Goheen asked Crawford why the dogs could not train while muzzled.

"It wouldn't work," came the reply. "The dogs would never catch the rabbit and would never stop. They'd run themselves to death."●

THE 2½ ACRES OF HELL—AND YET IT IS WORKING

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. STARK. Mr. Speaker, at a time when urban schools are the subject of so much criticism and despair, Fremont High School in Oakland provides a reason for hope and optimism. Some remarkable changes have taken place there in the past few years. These changes are a tribute to the compassion, dedication, and hardwork of many individuals in that school, and they clearly prove that education can be alive and well in the inner-city. I commend this fine article from the Los Angeles Times to my colleagues:

THE 2½ ACRES OF HELL—AND YET IT'S WORKING—OAKLAND'S FREMONT HIGH, IN HEART OF THE GHETTO, FINDS LEARNING IS CATCHING ON

OAKLAND.—"What we've got here," says the beaming principal of John C. Fremont High, "is a push-and-shove school—it's 2½ acres of hell, yet it works."

Like any ghetto school, the specter—and the reality—of violence lurks in and around the grounds. One teacher never came back after his students smashed him over the head with a chair. A former student was fatally beaten and shot at a party last month and a blind girl was raped near the campus.

But Principal Hal Zuckerman says a "funny thing" is happening at Fremont, located in the heart of East Oakland's poor, predominantly black and Latino district.

Despite the state-of-seige appearance—a chain link fence surrounding the asphalt grounds guarded at the gates by adult monitors—learning is on the wane and some students, looking for a better education, are even transferring into Fremont from other schools—something previously unheard of.

Fremont High houses 1,500 students in 64 grubby, portable classrooms. The racial mix is 73 percent black, 22 percent Mexican-American, 2 percent Oriental and 1 percent each native-American, Filipino and Anglo.

Served in the lunch room one recent day were pizza, tacos, burritos, barbecued beef sandwiches, hot dogs, hamburgers, spaghetti and fried potatoes.

Around the corner are Mexican and soul food restaurants, the Hell's Angels motorcycle clubhouse, Muslim headquarters and cheap stucco houses sectioned into apartments. Black Panther headquarters is 10 blocks away.

When he came to Fremont two years ago, Zuckerman, 52, said, tensions ran high. The Anglo kids "congregated on the hill, the Chicanos were out back, the blacks were up front and the Asians in the library."

Enrollment stood at 1,300 and absenteeism was a steady 20 percent. Today there are no gangs of "haters" lounging against the walls spoiling for a fight, enrollment has increased and absenteeism fluctuates between a respectable 10 percent to as high as 16 percent.

The first goal was to "create a comfortable environment," Zuckerman said. "When they're spending all their energies protecting their flank they're not going to learn. Then

we needed some tightening up, a better curriculum, better teaching and more discipline.

"Last year we had a black kid, Marvin Patton, win a $14,000 national merit scholarship to Yale in physics. This year, an Oriental boy, Danny Lau, is the graduating valedictorian with straight 'A' grades and the runnerup is a Mexican-American, Jamie Heredia. They both want to be engineers."

Another program aimed at easing tensions and stimulating community interest is the selection by a school committee of a "family of the year."

A bicycle repairman, Alfonso Aguilar, and his wife will be so honored during commencement exercises June 16. They will be presented with a cap and gown, Aguilar will address the student body through an interpreter and the couple will graduate alongside their son, Manuel.

Last June, Mr. and Mrs. Moyse Howard, who sent nine children through Fremont High, won the honor.

But the biggest advance in easing racial tensions is considered to be the school's three-year-old bilingual program.

Bilingual teaching has won steady acceptance at Fremont even though it's a hot issue at other schools in the United States. The federally funded classes are taught by teachers who fluently mix both English and the students' native language. Question-and-answer sessions ebb and flow in Spanish and English, depending on the student.

Classes are also taught in Tagalog and English for the benefit of 20 students from the Philippines.

Gonsall Toscano, 18, says the bilingual classes give him and the other Mexican-American kids an identity, that it makes them proud.

"Problems inside the school system aren't so bad" when they can be talked out in Spanish, he said. "The students don't feel that 'the teacher doesn't like me because I'm Mexican'—and they seem to get more out of the classes."

"We've seen a tremendous change in students who used to be 'cutters.' Many of these students now identify with the school," said language arts teacher Wencesiao Abeyta. "Our attendance in bilingual classes is near 100%."

Russell Romero, 17, was having a smoke across the street. The school is "closed" to smoking and portable radios, so Russell walked off.

Actually, Russell was supposed to be taking the roll for Antonio Sanchez' social studies bilingual class to the office, but he'd taken the long route.

"Don't they want you back in class?" Zuckerman said gently.

"I'm thinking about it," Russell said.

A few moments later Russell was back in class, reading about Operation Wetback, the movement in 1953–59 to push illegal aliens back across the Rio Grande.

"Two million of us were deported," Russell read. "The war was over so they didn't need so many of us."

"OK," said Sanchez. "George, read the next passage in Espanol."

A black youth read in Spanish.

"Elizabeth," the teacher said, "what's it say on page 109 under the plate?" Elizabeth floundered in English for a moment, then broke into fluent Spanish.

Inside the principal's office a little sign sits on a shelf. It says: "When you get to the end of your rope, tie a knot and hang on."

"Obviously we are a school that has a long way to go," Zuckerman said. "But we're making progress. Last year we won scholastic accreditation for the first time in 10 years. We have a winning basketball team. The cops had us marked as a 'heavy' campus, but we've had few crime problems this year.

"I think what has happened, the campus has become a model for a good environment."

To top it off, Fremont High is scheduled to move next fall into a new $4.5 million home under construction next door.

Zuckerman's inner calm was shattered by funky disco music. He grinned.

"That's David Rice. It's 2:30. He checks out his radio from the desk every day at 2:30 and turns it on as he leaves the school grounds—that's his independence." ●

EMPLOYMENT AND PROMOTION PROBLEMS OF HISPANICS

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Ms. KEYS. Mr. Speaker, Raul Guevara, an L.B.J. intern in my Washington office this summer, has taken on a special project researching the position of Hispanics in Government employment. I would like to share with my colleagues information he has compiled on employment and promotion problems of Hispanics and on IMAGE, a group designed to assist Hispanics with public employment.

The Hispanic American Community is losing more than $1 billion annually in income, because of underrepresentation in Government employment.

Although Hispanic Americans comprise over 7 percent of the population in the United States, they hold only 3.4 percent of the 2,400,000 Federal jobs 2.4 percent of the 1,461,000 State jobs, and 4.9 percent of the 2,566,409 local and municipal jobs.

The Spanish-speaking community is underrepresented by 115,000 jobs in the Federal Government, and by over 50,000 jobs in the State and local governments. Thousands of qualified Spanish-speaking Americans have been excluded from civil service jobs in Federal, State, city, and local government agencies, because of discrimination, overt as well as systemic. Many Hispanic Americans who have been able to enter the civil service system have been unable to rise within it. Few of the 7,000 Federal supergrade jobs are held by members of this ethnic group, and the picture looks little better at the State and local government levels.

IMAGE was organized for the purpose of assisting Hispanic Americans interested in public service and developing upward mobility for those already employed in civil service Jobs. IMAGE is celebrating its 6th year of existence at its annual convention in Washington, D.C., June 6–10, and will be working to find ways of implementing the following objectives:

To seek a broad development and expansion of employment opportunities for the Hispanic American aspirant to government service.

To encourage and actively support the professional promotion and advancement of Hispanic American employees already in government service.

To become actively involved in the achievement of equity in all aspects of public service for the Hispanic American.

To counter social and ethnic discrimination, open or subtle, wherever and whenever it is encountered against the Hispanic American.

To determine the education and professional needs of Hispanic American for the purpose of enhancing their entrance and advancement in government service and to encourage and provide wherever possible, appropriate training opportunities.

To assist the government services in providing the proper circumstances for recruitment, training, employment, and advancement of Hispanic American in government services.

To establish and continually upgrade a broad basis of communication with Hispanic Americans in government service everywhere whether or not as members of IMAGE.

To expand the concept and objectives of IMAGE to communities throughout the state, region, and the nation to provide maximum impact of the benefits derived from the pursuit of these objectives as stated above. ●

THE ECONOMY—PART I

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

Mr. FORSYTHE. Mr. Speaker, by current concern for the state of our Nation's economy is growing almost as fast as the rate of inflation. I fear that we have reached a point where two factors—inflation and unreasonable taxes—are dampening the economic growth of our Nation and producing serious hardship for our citizens. A careful review of the history of this country and of other countries points to the cause of this economic malaise. We now face an urgent need for bold steps to revitalize our economy.

Conversations I have had with my constituents in the last year point to inflation as our most serious economic problem. Recent national polls reinforce this sentiment. There is no question in my mind that inflation takes a devastating toll. People on fixed incomes are crushed by inflation; the average consumer sees his or her paycheck buy less each week; businesses cannot afford to grow because investing in new capital involves the risk of inflation.

The current administration is attempting to curb inflation by "jawboning" private industry to slow wage and price increases. This ineffectual attempt to treat the symptoms, not the causes, of inflation is unfortunate. I am convinced that, with respect to inflation, the administration itself is the problem, not the solution.

While the administration gives lip service to fighting inflation, its proposed budget for the next fiscal year features a $51 billion budget deficit, the third largest in our history. The outstanding Federal debt, as of fiscal year 1978, totals a staggering $785.6 billion. This year alone our country is paying $43.8 billion just to pay the interest costs on this national debt. I fear that our national debt is becoming a national tragedy.

In fiscal years 1977, 1978, and 1979, the Democrats have allowed taxes to rise

at a record rate, increased spending 11 percent per year (the fastest 3-year rate in history), and created the second, third, and fourth largest deficits in post-World War II history. Incredibly, Government spending now accounts for one-fourth of our gross national product. While the President is asking workers and businessmen to hold their wage and price increases to 5 percent, he is increasing Government's spending by 11 percent. The question I ask myself is, "Why can't we hold down the price of Government?"

By irresponsibly spending more than it takes in, our Federal Government is the direct cause of inflation. Very simply, when a government spends an inordinately large amount of money—in fiscal year 1979, for example, the Federal Government will spend $500 billion—it competes with the private sector to purchase goods. This competition drives up prices. Compounding this problem is a tactic used to foot this deficit—the printing of more money. Economists agree that a cause of inflation is too much money chasing too few goods. The Government, because of its monetary and budgetary policy, is the principal cause of inflation.

How government spending can cause inflation is demonstrated by events in three countries—Germany, France, and the United States—in the last 30 years. Following World War II, the German economy was to ruins. In 1948, however, wage and price controls were lifted and the Government budget was substantially reduced. Within a year, inflation subsided and the German economy entered a prolonged period of economic growth and prosperity.

France resorted to similar measures 10 years later. In 1958, inflation in France was severe. General deGaulle, in dealing with this financial crisis, ignored the advice of his political staff and trimmed subsidies to national industries and other budget items. By decreasing the budget, DeGaulle effected a rebound in the economy—within 3 years, both inflation and unemployment rates dropped.

Here in the United States a less serious problem with respect to inflation occurred in the early 1950's. Fueled by the Korean war and black market prices, inflation began to reduce the buying power of the dollar. By decreasing the deficit, however, the Eisenhower administration temporarily solved the inflation problem.

The lessons from the past offer a very clear conclusion: By reducing Federal spending and the Federal budget deficit, we can curb inflation. I have recognized this conclusion and have adhered to its lessons in my votes on Federal spending. We simply must bring runaway Federal spending under control. Unfortunately, we have a President who promises balanced budgets, yet submits a budget with a record level of spending.

In addition to controlling the Federal budget deficit, I feel that we must carefully monitor the Federal supply of money. While the temptation is great to simply print more money to cover our Federal deficit, we must resist such irresponsible action. I was particularly concerned to learn that our money supply grew from $330 billion in the week ending March 1, 1978, to $345 billion in the week ending April 26, 1978. Such increases are shortsighted quick fixes and disturb me greatly.

Since the merits of reducing the budget deficit are clear, why have not we done so? Unfortunately, my Democratic colleagues are convinced that budget reductions will endanger a number of worthwhile programs. Recently, for example, I supported but was on the losing side of an amendment to reduce the HEW budget by $3½ billion. To put this into perspective, HEW loses over $7 billion each year because of embezzlement, fraud, and mismanagement. Clearly, reductions could be made without affecting the quality of the services provided by the Federal Government. Yet the administration and a majority of Congress insist on spending billions on ineffective programs which lead to dangerously high rates of inflation.

In sum, the practice of huge Federal budget deficits and excessive Federal spending has triggered unacceptable rates of inflation in our economy. The steps needed to control this inflation are clear: We must insist on a Federal Government which is fiscally responsible. I believe ineffectual Federal programs can be cut back and, by reducing the Federal deficit, we can curb inflation. The tired, counterproductive belief that extensive Federal programs are central to our well-being must be replaced by fresh new faith in the competence of our private enterprise system.

PERSONAL EXPLANATION

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

o Mr. YOUNG of Alaska. Mr. Speaker, during yesterday's rollcall vote on the McClory amendment to H.R. 12930, to reinstate $4.2 million for the Bureau of Alcohol, Tobacco, and Firearms to carry out its proposal to computerize firearm registration, I was involved in a subcommittee session dealing with the fishing industry in Alaska and was thus unable to vote.

However, if I had been there, I would have voted nay.

This amendment would have given congressional approval to an act which threatened the foundation of this body; that foundation being the right of elected Representatives to make laws. It would have given to the Federal bureaucracy the right to implement law by fiat.

In addition, it would have seriously challenged the second amendment rights guaranteed all law-abiding Americans in the Constitution. The people of my great State have registered a firm commitment to those second amendment rights, and those that are familiar with the State of Alaska are well aware that firearms are a part of daily life in the bush. I am grateful that a majority of this body saw fit to protect those rights, and once again, I reiterate my vote of nay to the McClory amendment H.R. 12930.●

MEDICARE FUNDING FOR ABORTIONS

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

o Mr. PATTISON of New York. Mr. Speaker, once again we are confronted with the issue of medicare funding for abortions. I do not intend or wish to argue either side of the abortion issue here today. Neither the legality or the morality of abortions at the question at hand. The legality of abortions has been decided by the Supreme Court. Only a constitutional amendment, not an appropriations bill, can possibly change that situation. As to its morality, the various theologies of the world are unable to agree. A vote on the Hyde amendment does not represent approval or encouragement of abortion.

We have never been able to come up with a moral consensus on the abortion question. If the world's religions are unable to agree that the practice is immoral, it is rather presumptuous of a legislative body to do so. The House of Representatives was created to make the laws by which our country is governed. But the Congress most definitely is not gifted with the ability to make moral decisions for an entire Nation. As in other matters, except where there is virtually universal agreement, the question of morality should be left to each individual. Those who oppose abortions will not choose to have one. By the same token, however, those women who do not oppose abortions should be allowed to decide for themselves. It is undoubtedly a difficult and heavy choice to face.

By denying medicaid funding of abortions to poor women, we are leaving the freedom of choice only to those more affluent who can afford it. This attempt to restrict poor women's access to medicaid funds for abortions is clearly an act of discrimination, based solely upon wealth or income.

I have consistently voted against the restrictive language which would deny medicaid funding of abortions to poor women, because the fact is, abortion under the law of the United States is a legitimate medical procedure. The legality of the operation has been recognized by the U.S. Supreme Court and cannot be changed, except by constitutional amendment. No consensus has been reached on the morality of the issue. If any one of these facts was different; if abortions were illegal; if the medical procedure was not accepted as a legitimate one; or if the country as a whole was able to agree on the proposition that abortions are immoral, I would not support medicaid funding of abortions. As the issue now stands, however, the Con-

gress must not impose the beliefs of some citizens upon the contrary beliefs of others.

Last year, after many hours of debate followed by numerous votes over a 6-month period of time, this Congress agreed on language which severely limits Federal funding for abortion. Only in cases where "the life of the mother would be endangered if the fetus were carried to term," or "for the victims of rape or incest," or "in those instances where severe and longlasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians" will medicaid funding be provided. That is hardly "abortion on demand." It would accomplish nothing except further obstruction to the work of this Congress, and further polarization of the American people, to debate the issue all over again. Those on both sides of this difficult issue should accept last year's final compromise, and move on to the many other issues facing this Nation.●

SYRACUSE UNIVERSITY CREW NATIONAL CHAMPIONS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

○ Mr. WALSH. Mr. Speaker, over the years, I have enjoyed the privilege of saluting before this body the notable achievements of outstanding individuals and groups in New York's 33d Congressional District who have brought honor to themselves and pride to their communities.

It is especially pleasing for me today to share with you a tribute to the Syracuse University varsity and freshman crews, each winners of intercollegiate rowing's national championships in the annual Syracuse Regatta at Onondaga Lake on Saturday, June 3.

Intercollegiate rowing differs from sports such as football or basketball in that spectators are few and publicity is sparse. But the dedication of the oarsmen, coxwains and coaches, and the support and enthusiasm of alumni who participated in rowing as undergraduates is just as intense as in sports that are better known, and the taste of victory is just as sweet.

For Syracuse University's freshman crew, the national championship is their third straight; for the varsity crew it is their first since 1920.

In appreciation of the glory they have brought to Syracuse, and in recognition of their excellence, a proud community is sending both crews to the Grand Classic World Championship at Henley-on-the-Thames in England in July.

I am honored to salute each of the members of both crews, and their coaches, William Sanford and Andrew Harrison, for a tremendous accomplishment at home, and to extend best wishes for their success abroad.●

REBUTTAL TO THE DEFENSE DEPARTMENT ON ARMS SALES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a paper prepared by the Military Audit Project, which is a rebuttal to a Department of Defense critique of an earlier Military Audit Project report entitled "Foreign Military Transfers—Credit Arrangements and Sales to the Third World: Methods, Loopholes, and Circumventions." Both the Defense Department critique and the original paper appeared in the CONGRESSIONAL RECORD, December 1, 1977, p. 38334–38336 and on February 21, 1978, p. 3905–3909.

A major point of contention between the Military Audit Project and the Department of Defense is the control and the financing of commercial military sales. It is my understanding the FMS credits and guarantees can be used to finance sales contracted for commercially. Such a use of credits or guarantees has the effect of making commercial sales government-to-government transactions which should be subject to all the restrictions and controls of FMS sales.

The Military Audit Project, which asked me to put this rebuttal in the RECORD, is a private, nonprofit organization examining several aspects of American military policy.

Their rebuttal follows:

REBUTTAL OF THE DEPARTMENT OF DEFENSE CRITIQUE OF THE MILITARY AUDIT PROJECT REPORT ENTITLED "FOREIGN MILITARY TRANSFERS—CREDIT ARRANGEMENTS AND SALES TO THE THIRD WORLD: METHODS, LOOPHOLES, AND CIRCUMVENTIONS," MAY 1978

(By John R. Burbank and Fritizi Cohen, Military Audit Project)

Last November, the Military Audit Project (MAP) published a report on foreign military sales which generated much press and congressional interest. Rep. Lee Hamilton, a member of the House International Relations Committee, placed the MAP report into the Congressional Record on December 1, and asked the Defense Department (DOD) to respond to it. DOD's critique was also inserted into the Congressional Record by Rep. Hamilton on February 21. This is MAP's reply to that critique.

The DOD analysis concentrates on certain interpretations of the law's language and clarifications of facts and procedures. Some comments were helpful in understanding the technicalities of the issues; others were inaccurate and biased. This rebuttal will address the latter comments.

One DOD comment involves a dispute over interpretation. MAP has stated that the Arms Export Control Act of 1976 mandates credits and guarantees *solely* for the foreign military sales (FMS) program, i.e., government-to-government transactions. DOD replied that there are no specific prohibitions against using FMS credits to finance commercial military sales. However, a careful reading of the legislation reveals *no basis* for DOD's interpretation and questions the legality of providing FMS credit to foreign countries for commercial purchases.

Chapter 1, Section 2 of this act draws a careful distinction between "sales," all of which are under the government-to-government FMS program, and "exports," which are commercial transactions. Chapter 2 of this act, "Foreign Military Sales Authorizations," then specifies the procedures and limitations of the FMS program. The discussion of credit sales and guarantees in Sections 23 and 24 is entirely within the context of government-to-government sales.

Commercial sales are subject to less scrutiny and congressional oversight than FMS transactions. Moreover, they are specifically excluded from Carter's arms sales ceiling.

The DOD description of its relationship with the Federal Financing Bank (FFB) is misleading, and MAP stands by the statement in its report that DOD began "channeling FFB funds to foreign countries" for arms purchases in 1974.

The FFB is not responsible for locating governments which need financial assistance to purchase arms. Instead, these countries and their loan applications are referred to the FFB by DOD, with DOD guarantees for the loans. This has become an effective method for DOD to sell weapons to other countries.

DOD also claims that, because FFB loans are at no cost to the U.S. government, they are not subsidizing the purchase of arms by foreign governments. Aside from the fact that loan monies made available for weapons reduce the loan amounts available for domestic programs, the FFB loans extend credit at a lower interest rate than private banks give. Without the FFB, foreign countries are unlikely to receive such low interest loans.

The point we made was that the FFB credit program and DOD credit and guarantee programs combine to create large incentives and subsidies for purchases of military equipment by Third World countries.

DOD stated that the disbursement of credit funds to Uruguay prior to fiscal year 1977 was legal. The MAP report did not claim otherwise. Instead, it pointed out that disbursements to Uruguay of money appropriated prior to FY 1977 could—and should—have been curtailed in coordination with the new law prohibiting such disbursements of FY 1977 dollars. Instead, DOD rushed to make a new commitment with Uruguay just two days before FY 1977 began. FFB, acting upon the recommendation of DOD, extended the old commitment to Uruguay in the middle of FY 1977. These commitments were then drawn down upon for specific military purchases by Uruguay during that year.

A confusing typographical error should be corrected. The MAP report, pages seven to eight, reads: "(O)ne commitment agreement, for $2.5 million, was guaranteed by DOD on September 29, 1977, that is, two days before the beginning of fiscal year 1977." The agreement was actually guaranteed on September 29, 1976, which was two days before the beginning on FY 1977.

Finally, DOD attempts to place responsibility for arms sales and arms control policy on the State Department. Certainly many parties—including Congress, the President, the arms industry and the State Department—are responsible for the growth of arms sales and the lack of an effective arms control policy. But it is DOD that has administrative control and originating responsibility over the FMS program and that therefore plays a primary role in the proliferation of conventional arms throughout the world. State does have policy control over which nation gets what weapons systems, but there is little evidence it is able to exercise that control effectively.

While the MAP report contains a few minor factual errors, it does raise valid questions on the "control of commercial military exports" and is confirmed by the Pentagon's

critique. Moreover, the MAP report goes beyond commercial military exports not discussed by DOD. These issues include financing of arms sales with U.S. government monies, the sales of weapons to repressive Third World regimes, weaknesses of Carter's new arms control "ceiling," and the Pentagon's semi-autonomous actions.

The fundamental problem which binds these issues together is the lack of will to control arms sales and the consequent proliferation of weapons throughout the world. Carter's policy has not succeeded in preventing the growth of U.S. arms sales: DOD estimates that FMS for FY 1978 will total $13.2 billion, compared to $11.2 billion in FY 1977.

Madly selling weapons abroad is justified by the naive assumption that these sales will protect this country's perceived economic and political interests in other nations. The fragility of this viewpoint is most poignantly obvious in the Horn of Africa, where Somalia, with U.S. support, has been fighting Ethiopia, which, while backed by the U.S.S.R., is equipped with U.S. weapons. Even more recently, Carter's proposal to lift the arms embargo against Turkey has increased the stock of Greek socialist leader Andreas Papandreou, who favors withdrawal of Greece from NATO.

The U.S. arms sales policies have had less ambiguous impact in other countries. For instance, Indonesia, a big FMS client, has a climate necessary for strategic and profitable economic exploitation by U.S. corporations. Indonesia is also with the United States' sphere of influence of anticommunist nations.

Unfortunately, this neat political and economic alignment takes place in the context of a totalitarian society. According to Amnesty International, Indonesia is the largest violator of human rights in the world today. The U.S. has curtailed some economic aid to the country as a result. But at the same time, we have exported more arms. We provide the instruments of repression on one hand and condemn their use on the other.

Examples of totalitarian governments whose existence depends upon violent repression with weapons supplied by the U.S. is repeated many times throughout the world. In FY 1977, the U.S. reached FMS agreements with, among others, Argentina, Brazil, Ethiopia, Guatemala, Haiti, Iran, Nicaragua, the Philippines and Uruguay. The U.S. has become an accomplice to the repression of the governments of those nations.

This is one of several consequences of our FMS program. MAP's analysis was a response to its concern about those consequences. The DOD critique was, we hope, an unsuccessful attempt to discredit the report.●

PEG McCARTHY, AMERICA'S SPELLING "SHE"

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Ms. KEYS. Mr. Speaker, having won the National Spelling Bee, Peg McCarthy is America's spelling "she."

Peg McCarthy upheld a proud Kansas tradition by winning the National Spelling Bee today with the word "deification," after correctly spelling such jawbreakers as nabob, dyslexia, coccyx, and septennate yesterday. Winning runs in Peg's family as well as our State generally. Peg's cousin, Mike McCarthy, won the Kansas State Spelling Bee 25 years ago; Kansans have now won the national prize three times—1958, 1968, and 1978.

All Kansans are immensely proud of Peg's success, and credit for it is especially due to her family and her teachers at Holy Name Catholic Grade School where she is a 7th grader. In an era of discouraging reports about performance in basic skills, 13-year-old Peg McCarthy is good news indeed. It is a pleasure to share it with all of my colleagues in the House of Representatives.●

HELPING MAKE THE WORLD SAFE FOR COMMUNISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. ASHBROOK. Mr. Speaker, for years Castro's apologists in the United States have ignored the human rights issue in Cuba while clobbering the anti-Communist regimes of Chile, Rhodesia, South Africa, and so forth, with palpitating zeal. Others, notably some American businessmen, are chomping at the bit to break bread with Castro in a new international version of "Let's Make a Deal." Still others, wistfully and sincerely hoping for true peace in the world, seek to make concessions thus appealing to the better nature of the Cuban dictator, tragically forgetting the barbarisms of Hitler, Mussolini, Tojo, Lenin, Stalin, and a host of others from the past. To even vaguely hint that these fractions, regardless of motivation and intent, are effectively aiding the spread of Communist tyranny throughout the free world would, in many cases, bring denials of righteous indignation.

In provocative contrast to the unreality of the aforementioned elements, consider the words of Mr. Frank Emmick of Toledo, Ohio, an American businessman, who recently returned to the United States after serving 14 years, 3 months, and 18 days in Castro's inhumane prisons:

> We are the last bastion of freedom and democracy in the world, and must maintain and lead all freedom living people in this American heritage. We are in great danger from within and from without, from a well-organized and determined enemy which aims to destroy us, using whatever means at its disposal to gain its objective.

More specifically, Mr. Emmick stated that—

> The enemy has many of our so-called liberals, intellectuals, students and a great portion of our masses hypnotized to an ideology that is leading us to enslavement by international gangsters and imperialists.

During his long ordeal, Mr. Emmick was sustained in part by radio broadcasts emanating from Miami which he and other prisoners had received over their secret prison radio. Upon his return to the United States he sought out the "voice" behind the "Radio Free Americas" program, Dr. Herminio Portell-Vila of the American Security Council. Fulfilling a vow made in prison to show his gratitude to Dr. Portell-Vila and the ASC, Mr. Emmick made his first public appearance in the United States at an ASC news conference in March of this year.

Implicit in the message of Mr. Emmick is the appeal for a mental and spiritual toughness such as he himself relied on in confronting Communist brutality:

> One would be surprised how much a human can endure under such conditions if he has the faith and the courage of his convictions. The will to fight for a moral cause gives an individual super resistance powers that he never knew he possessed. These powers account for the survival of those determined and willing to sacrifice all to resist the plague of communism.

What a difference between this courageous American businessman and the U.S. traveling salesmen who are eager to ply their wares in Cuba, further tightening Castro's bonds of tyranny over the Cuban people.

Plainly, the stage is being set for a showdown between those willing to fight for a moral cause and those, however well-intentioned, who in effect help the present Communist regimes spread their evil throughout the world. Who prevails will be decided only if true peace in justice and freedom eventually returns to our world and we, our children and our children's children escape the indescribable ordeals of the Frank Emmicks of our time.

I insert at this point in the RECORD the press statement of Mr. Frank Emmick given at an American Security Council press luncheon on March 14, 1978, at the Army and Navy Club here in Washington:

AN AMERICAN TELLS OF 14 YEARS AS CASTRO'S POLITICAL PRISONER

For your general information, this is the first public statement that I have made since my arrival in the United States on January 2nd of this year, after serving 14 years, 3 months, and 18 days in Castro's prisons of a fifty-year sentence as an American political prisoner in Cuba. It is certainly an honor and my profound pleasure to voluntarily appear here to make my brief but first statement before this prestigious and patriotic American Security Council—an organization to which I enjoyed listening clandestinally while imprisoned. I was impressed deeply by their information from the outside world, particularly with their concern about the security and welfare of my beloved country.

I had decided while I was in prison that if I ever got out of the clutches of the communists in Cuba, I'd like to make known a few true facts. Today my dreams will come true. As I mentioned, due to reasons of my precarious state of health at the present moment, this presentation will be brief and only to make my debut, so to speak. However, I hope that in the near future, I'll have the pleasure to inform you and my fellow American citizens more fully.

After 19 years' absence, I was bewildered and astounded by the changes in my country. The greatest personal changes I found were in my Church, which has become democratized in keeping with the world evolution. When I looked around me, I felt like Rip Van Winkle, as if I had entered into a huge "Disneyland"—with all the malls, shopping centers, remodeled cities, expressways, strange looking cars, color TVs, the artists'

mode of expressing themselves, strangly clad people with beards and long hair, disheveled and undisheveled appearances of both young and old. And, of course, the prices reminded me of the skyrockets that I used to shoot off on the 4th of July when I was a kid.

The change in my Church from all its old and mysterious rites and traditions to save it from decadence is a good example of how the Vatican has had the foresight to face its issues squarely and is trying to stimulate and revive the spirit of the Church without vacilitation before it is too late. I believe that our country must also be urgently awakened from its dormant, self-satisfied and indifferent attitude before it is too late. We are the last bastion of freedom and democracy in the world, and must maintain and lead all freedom loving people in this American heritage. We are in great danger from within and from without, from a well-organized and determined enemy which aims to destroy us, using whatever means at its disposal to gain its objective. We are infiltrated in all walks of life and have been lulled to disregard the dangers by our false sense of security and by our comfortable way of life. The enemy has many of our so-called liberals, intellectuals, students and a great portion of our masses hypnotized an ideology that is leading us to enslavement by international gangsters and imperialists.

I was in Cuba when the process started and consider myself somewhat of an authority on how the machinery operates, and this was only 90 miles from our shores.

CASTRO'S TREATMENT OF AN AMERICAN BUSINESSMAN

To summarize my experiences in Cuba: In the 1950's and early 60's, I was an American businessman engaged in freezing and exporting frog legs to the United States, having had an exclusive contract with the Cuban government of all fauna and flora in their fresh waters. I was then considered the largest single producer of frog legs in the world. My troubles began when the United States government broke off relations with Cuba on January 4, 1961. One week later I gave notice to the Cuban government that I was suspending my production and under no circumstances would I transport my product to the United States via another country. I was threatened with intervention to which I had no objection. Then, I was arrested several times for short terms during that month for harassment reasons and, on one occasion, was asked what I knew of the coming "invasion." Being strictly in business, I was absolutely uninformed and told them so. However, I was not only arrested, but at midnight on January 31st I was savagely beaten near my garage at my home by five militiamen and thrown into the ocean for dead. Summoning all my remaining strength, I crawled and staggered back to my home.

After medical care, I appeared at the Swiss Embassy the following morning to show them my latest humiliation. I was advised to leave the country because my life was in extreme danger. Complying with the advice, I was escorted to the airport by the Swiss diplomat. Before time of departure, I was detained by the Cuban G–2 and informed that I could not leave Cuba, because I owed a small amount of money for a fifteen-day supply of raw materials. I replied that the confiscation of all my properties, including two plants, and material produced ready for shipment, counter-balanced my debt by over 16 times; therefore, I refused to give them another cent. As a result, I was forbidden to leave the island.

On the morning of September 12, 1963, my house was completely surrounded by a score of G–2 personnel. I was robbed of my car and taken to security, commonly called G–2. Upon entering into this building, I was reminded of a morgue or refrigeration locker, a long corridor with cells on both sides all covered with armor plate and an absolute silence maintained by many guards. There I was arrested again and accused of being the chief of the CIA in Cuba. Of course, I was greatly shocked as I've never been a CIA agent, let alone the chief. For months I was under continuous interrogation at all hours of the day and night. Sometimes they would awaken me in the middle of the night just to ask one question. Occasionally their interrogation wolud be observed by Russian or Czech individuals. The first few days I was threatened to be shot within 48 hours under their special military code, but on the other days it was mostly mental and physical torture because I never fully had an opportunity to rest my mind or body. I was not permitted to get in touch with the Swiss Embassy.

INCOMMUNICADO IN DARKNESS AND COLD

I was surprised, therefore, when Congressman Charles O. Porter and several newsmen were authorized by Fidel Castro personally to interview me on October 3, 1963. There I learned from the Cuban authorities that the death penalty was going to be imposed upon me. I spoke very frankly to my American cohorts and was given permission to write an open letter to President Kennedy. In retaliation, several weeks after this interview, I was taken out of G–2 with a black hood placed over my head, forced to lie down on the floor of a car, with three guards resting their feet on my body and rifles sticking into me. I was driven to some place in Havana and placed into a completely darkened refrigerated room, stripped down to my underclothes, and there for eight days I was forced to sleep uncovered on the floor. It was so dark that I couldn't see my hands in front of me, and I could move about only by using the walls as my guide.

After five months of this horrible incommunicado, I was transferred to the old Cabanas Fortress that was built in 1760 and again placed in an underground dungeon, also incommunicado from the rest of the condemned prisoners. This dungeon consisted of four usable "galleries" where approximately 650 political prisoners were jammed like sardines, forced to sleep on an old, poorly cemented floor full of earthen pot holes, rats, vermin, etc. with little ventilation and where the sun, moon, and stars could never be seen. The sanitary conditions were shocking—only four toilet holes in the floor for the whole population, water rationed by the cup twice a day and, on occasion, bathing with a bucket and can if you were lucky. At night the conditions were inhuman, with no mattresses, pillows, or sheets. We used sacks or whatever material was available and fought for a measly inch of space to rest our bodies. I was sent a canvas cot by the Swiss Embassy but could never open it up at night because of the lack of space.

The oppression and continuous searches and harassment cannot be explained in a few words. I couldn't help but believe that Hitler's tactics were still in force. This dungeon was called the *Mazmora* of the Western Hemisphere, or the Devil's Island dungeon of the Americas. (In 1966, it was completely regenerated because of bad worldwide publicity.) While there, I was wounded in my side by a guard's bayonet simply for being the sole American among the Cubans. From there, the prisoners were taken to trial, and later, if alive, transferred upstairs. The daily turnover was unimaginable—a conveyor line of humanity, shifted like animals. No one in my memory was ever released as innocent from any trial confronting them.

THE BUSY FIRING SQUAD

It was from this dungeon that 159 of my fellow inmates and friends were taken out and executed. I heard the command and the roar of the firing squads and the valiant shouts of the condemned, 159 times in a period of approximately nine months of my confinement there. From this place, I was called and taken to trial three times supposedly to be executed. However, the trials were suspended because my attorney demanded observers from Geneva to be present. Incidentally, our conversations with our lawyers were limited to 10 or 15 minutes for only about seven or eight times. That was the extent of the preparation we were allowed to save our lives. I finally was tried on April 9, 1964, with the Geneva observers present and a full turnout of accredited Western diplomats from non-communist countries. The trial was a joke, a travesty of justice, with absolutely no positive proof. I was condemned to 30 years. I was lucky!

Back at the fortress, I was located in one of the 12 ancient galleries above the ground with condemned political prisoners. The conditions were atrocious, barbaric, impossible for a sane man to comprehend. Between 4,500 to 5,000 men, permanent and transient, living in the most inhumane conditions imaginable. An old fortress that never accommodated more than 500 persons at capacity for military infractions, now jammed to the ceiling with four-tier beds located everywhere possible. To crowd in these prisoners, the men were forced to sleep not only in the tiered beds, but also in the aisle between tiers, on hammocks four tiers high, made of sugar sacks or whatever material, swung between the bed frames. These arrangements were crammed even in the main aisle from rear to front entrance and right up to the toilets, all in a gallery only 110 feet long, and with only one hole in the floor for defecating and a bucket for urinating, and a 6 foot by 4 foot enclosure for bathing purposes, using buckets and a can when water was available.

The medical attention was practically non-existent. There was only a six-bed infirmary, no dental facilities, abominable food with no protein whatsoever. Before Castro abolished Christmas, the prisoners' families had brought us on that day containers of home-cooked meals that lasted us for several days.

At this prison, as in the others, the firing squads were operating in full force. There were anywhere from 20 to 25 executions per week to as many as 27 in one night! I am speaking of 1964. Among us there were no common prisoners, only political prisoners—men in all walks of life, from peasants to priests whose only crime was their revulsion of communism. One would be surprised how much a human can endure under such conditions if he has the faith and the courage of his convictions. The will to fight for a moral cause gives an individual super resistance powers that he never knew he possessed. These powers account for the survival of those determined and willing to sacrifice all to resist the plague of communism.

Castro saw that he could not break the spirit of the political prisoners, even though they suffered heartbreaking sorrow with the failue of the "Bay of Pigs" and the "October Crisis." Castro therefore put in motion a plan to divide and conquer us in 1967—by changing uniforms from khaki to blue, which the common prisoners used. The plan was not wholly successful, but Castro did manage to divide some of the prisoners at the fortress and throughout the island. However, hundreds of others lived absolutely nude in cells and thousands upon thousands wore only shorts or briefs in the galleries as a protest from April 1967 until August 1968. Castro finally returned the khaki uniforms to 99% of the political prisoners. However, the prison authorities had created so much discontentment and dissension through infiltrators and informers that two hunger strikes were called because of the savage acts of retaliation by the regime, one in 1968 and another in 1969 that lasted 36 days. These

left many invalid for life and caused a great division in the ranks because of the traitors in our midst. Miraculously no one died in this long strike.

In 1970, I was transferred to an ex-women's prison in Guanajay, located about 60 kilometers from Havana. There the conditions were much better, superficially. It was a regular prison. However, the food and discipline were very bad. We lived three to a cell and hygienic accommodations were very good compared to anything we had had before. This was the year that Fidel intended to produce ten million tons of sugar, and it appeared as if he were changing his policies toward us, probably with thoughts of reaching a rapprochement with the United States. We were given limited time in the sun and practiced athletics for the first time. The Ministry of Interior came in with photographers and exploited us for future propaganda purposes. But, when Castro realized that he wouldn't make his ten million ton goal, his repression machinery went into operation.

In August, 1971, I received confidential information that Castro was holding the American political prisoners as hostages of the Vietnam war and under no conditions would he negotiate our freedom. So in July 1972, I wrote a letter (underground) to the States advising of my intentions to go on a hunger strike and giving my reasons and the scheduled date. I had never been on a hunger strike before, so I prepared myself spiritually, mentally and physically for October 10th. After seven and one-half days of not eating or drinking water, I was left in a pretty bad condition, and after a conference with Swiss and Cuban officials, I was given some vague and indefinite promises.

FIRST HEART ATTACK

For some mysterious reason on June 10, 1973, though suffering from the heart condition, angina pectoris, I was transferred to the second floor of a building that obliged me to climb 40 stairs to reach my cell. This floor had no water facilities, and I had to walk down to get my food three times a day. All in all, to cover these necessities, I had to make at least six round trips minimum a day—a total of 480 stairs. Climbing stairs for an angina patient is often fatal, but my objections were ignored. Eleven days later, I had a severe heart attack. Injections for pain administered by my fellow prisoners saved my life because I had to wait nine and one-half hours before I was finally transferred to a military hospital in Havana. By then, I had double pneumonia as well as the effects of the heart attack. It was touch and go for three days; but, thanks to our Savior, I pulled through.

In December of 1973, we were all transferred back to Las Cabanas Fortress again. Conditions did not improve. I didn't receive my mail from my family. None of my letters had been received since 1970. There were many problems, but at least the firing squads were mostly quiet. On June 25, 1975, all our medicines and vitamins that we had been receiving from the Red Cross through the Swiss were suspended. The reason: after 15 years, the authorities finally decided that they did not have the "facilities" to "analyze" the medicines and vitamins that came through the embassies, insinuating that drugs or narcotics could be entering the prison through this source. The new restrictions applied not only to us foreigners, but also to all Cubans who had been receiving medicine from relatives in the States or other foreign countries. Another thing regarding medicines: no one could receive any medicine directly from the U.S., it had to be sent through another country. I made strong objections in writing to Mr. Kissinger and Mr. Moynihan at the U.N.—with copies to the Ministry of Interior for reconsideration. My petition was denied by letter.

I was later admitted to another gallery which had been converted into a chronic sick ward, and there I had my second heart attack on November 28, 1975. It was seven days before I was taken to a civilian hospital for treatment. Instead of an ambulance coming to the ground level of the ward to transport me, I was ordered to report to the Administration Building about 150 yards away, which meant I had to climb an uphill cobblestone road. I had to stop frequently to take my nitroglycerine pills for the excruciating pain in my chest and lower left arm. When I finally reported to the Lieutenant in charge, he was in battle gear and handcuffed me before calling an ambulance that was hidden in the shrubs. I was put into the ambulance, accompanied by three heavily armed officers and when I looked back from my stretcher I saw a jeep escort with the head of security and the assistant director of the prison in full battle gear too, including steel helmet. When turning a bend I saw another similar jeep leading the way. Upon arriving at the hospital, I was greeted by another force of security officers. Weakened by an agonizing seven days of pain, I wondered why the delay, why the show?

THE MODEL PRISON

During the American election campaign in 1976, conditions improved immensely, with better food and treatment. However, an enormous shortage of medicine persisted, and expired medicines were re-dated or no medication at all was dispensed. When President Carter was elected, there was jubilation among the prisons' administrative officers. They bent over backwards to be good to us. Then, suddenly on December 9, 1977, we were transferred to a new, model prison in a convoy escorted by thousands of officers and troops. Everything was meticulously planned, using the latest Russian communications equipment. High ranking officers from the Ministry behaved with extreme gentility, offending no one but using extreme precaution that no false move was made. Why the rush to get us there? Could it be that someone from the outside world would now see us, but only from the outside looking in? Did any of you read Solzhenitsyn's "The First Circle"? Well, this was a rubber stamp of it. "No, no, you can look but you can't go inside!!"

This new model prison was built in a valley and called the "Combinado Del Este" prison. We call it "The Valley of the Fallen." It had been under construction since 1972. It is a prefabricated four-story design and very badly constructed. From the outside, the buildings look modern and attractive. With a combination of lively colors, they do not look like prison buildings. But once inside, it is a horrendous castle of isolation and mental torture. There are no windows or shutters in the entire building. In the winter months you freeze and in the summer you swelter. Rain pours through wide cracks and, on the fourth floor seeps through the prefabricated beams. If you live below on the fourth floor, the sewage from the upper floor seeps through and cannot be avoided. The prisoners are strictly classified and divided to prevent any personal contact, except in the wing in which you live and then only during meal times or three times a week in the prison yard for one and one-half hours each time. There is no doctor on duty, and consultations are allowed for a limited number of men only twice a week. In case of an emergency, the patient must be transported on a stretcher or walk 150 to 200 yards. In my particular case, I was taken from a ground floor chronic ward in the fortress and transferred to the fourth floor of the new prison. In view of the fact I had suffered my first heart attack by climbing only one flight of stairs, it appeared to me that they were trying to elminate me by now forcing me to negotiate four flights each time to get sun or exercise. When I complained, the officer in charge told me that he'd arrange my matter. Result: I was kept on the fourth floor and not allowed to walk in the sun from January 10, 1977 until my release on January 1, 1978.

A little anecdote about the inauguration of the prison in June, 1977: the high officials were afraid to come within the compound for their ceremony; so they held a little half-hour affair in the Administration Building outside. One of the political prisoners prepared a bedsheet dyed in red color with the hammer and sickle and waved it outside and immediately set it afire dropping it to the ground four stories below. He was immediately sentenced to another ten years.

Ladies and gentlemen, I've attempted to give you but a few of the true facts of my 14 years, 3 months and 18 days imprisonment on this island that I now show you encircled by the barbed wires of Fidel Castro and his communist masters. This memento was presented to me by my fellow inmates, Cubans, in prison on the 4th of July, 1975. It says, translated:

"The brotherly links that have traditionally united our peoples become closer and stronger when we share our captivity. In you, we hail independence day of our sister American nation. July 4, 1975."

My heart pounds for my companions and the poor innocent Cuban people who are suffering so terribly today—only 90 miles from our own shores.

Thank you.

EXCERPTS FROM QUESTIONS AND ANSWERS

Question: Sir, how old are you, where do you live now, and in what pattern was your release arranged?

Emmick: I'll be 63 years old in April. I live in Toledo, Ohio, and I believe that I was released through destiny. By that I mean President Carter sent two Congressmen to see Fidel to have him remove the soldiers from Africa, and he refused them. However, he did concede or grant them an interview with five political prisoners still left in Cuba. At this conference, I was very emotional. They gave me some strong Cuban coffee which stimulated me and caused me to have chest pains. Of course they took pictures while I was going through the phases of this pain. Probably this persuaded Fidel. I don't know. I haven't any idea why. However, I did write a letter on August 18th to the new U.S. consul who was going to take over September 1st with a copy to Fidel Castro, showing them proof without a doubt that I was in the process of being "eliminated" like several other people several months before. I think probably he didn't want me to die on his hands, that's all.

Question: You said that after the election in 1976, the prison administrators were elated. Why were they elated?

Emmick: Because they thought that they were going to have relations with the United States, and the United States would help them out with medicines and the shortages that they have. There are enormous shortages, especially in the streets, not just in prison. Prisons were short, but the streets were worse. The streets are a bigger prison than the prison itself.

Question: Who were the two Congressmen, and how many more Americans were in this prison with you?

Emmick: The two Congressmen were Fred Richmond of New York and Richard Nolan of Minnesota, and we were five American political prisoners.

Question: Are the other four still there?

Emmick: The other four are there. However, there are many common prisoners, hijackers and marijuana people.

Question: Do you have an estimate on how many political prisoners there are now in Cuba and possibly compare that with the figures ten or twelve years ago?

Emmick: Well, the figure ten or twelve years ago ran over 100,000; my estimate, and I know I'm not too far off. At the present time it is around 40,000. That doesn't mean that they are all behind bars. They are working, they are out, or they are in concentration camps.

Question: Sir, in your statement, you mentioned at one point you sent a letter out to the United States by the underground. I wonder can you tell us a little bit about this. What you mean by the underground, and just what things they would do?

Emmick: Well the underground is sneaking it out. I can't tell you anymore.

Question: You mentioned that you were getting medicines, up to a point, in the early 70's, from the Swiss Red Cross, and then they were cut off. Was that cut off continued throughout your imprisonment or for on and off periods?

Emmick: The medicines were administered to us after Castro took over in 1959 when the first American prisoner was thrown in prison. In 1963, 27 male and 5 female prisoners were released after the "Bay of Pigs." However, medicines did come in until June 24, 1975. That's when they were cut off altogether. From 1959 to 1975, we received them.

Question: Could we have again your estimates of how many political prisoners there were ten years ago as opposed to today, and then how you base those estimates, on what you base them?

Emmick: Ten years ago, as I say, we in prison had communications throughout the island and we have people who kept the statistics.

Question: How many ten years ago and how many today?

Emmick: Say ten years ago? Well, when I say ten years ago, I should say 19 years ago from 1959 until a couple years back, there were over 100,000 prisoners. At the present there are about 40,000.

Question: Have you, since you've been out, been approached by the representatives of any of the human rights organizations such as Amnesty International or the Inter-American Commission on Human Rights, or those other organizations that are supposed to be interested in conditions of prisoners to get your story and find out what is going on?

Emmick: Well, I have been approached by many, many people, but this is my first public statement that I have made since I was released, I've been dodging reporters and dodging all types of organizations because, as I tell you, I am still sick.●

THE SCHOOL AND THE STATE

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. IRELAND. Mr. Speaker, on Saturday, June 3, Phillips Academy in Andover, Mass., celebrated its 200th anniversary. I was privileged to be at Andover to share in this celebration and to attend my own 30th class reunion at the same time.

At the commencement ceremonies, Headmaster Theodore R. Sizer delivered an eloquent and insightful address which among other things, touched upon the relationship of public and private schools and the role of the Federal Government in education.

Since we have just recently debated and passed the tuition tax credit legislation, I thought that Dr. Sizer's remarks were extremely timely and I want to take this opportunity to share them with our colleagues.

Thank you, Mr. Speaker. The address follows:

PHILLIPS ACADEMY, ANDOVER, MASS.

THE SCHOOL AND THE STATE

We are gathered today to celebrate two birthdays, the 200th of Phillips Academy and the 150th of Abbot Academy. What for us is special about these two schools, and the school that followed their merger, is not that they are the oldest in the country or the largest or unequivocally even the best—because they're not—but that we as individuals are part of them, as students or parents or teachers or graduates or colleague educators. We personally owe them something, and we wish them well.

Beyond these personal claims for the Academies' uniqueness, traditionally we have added one more, that Andover is the "oldest incorporated boarding school in the United States." Such sounds pretty dry and rather prosaic, to be sure, but it is worth examining. While all colonial "schools" below the collegiate level had existed either as the personal enterprises of individuals, of teachers who, as it were, hung out their shingles and took in pupils, or as the relatively unstable offshoots of town government, where selectmen from time to time might hire a schoolmaster, the Phillipses created a corporation and sought for it a state charter. The corporate form of organization permitted the Academy to own property, thus decreasing the dependence on tuition and creating the possibility for permanently funded scholarships. Andover's first scholarship was awarded in 1790, the income from a fund established by John Phillips of Exeter, New Hampshire.

The corporate form provided two additional, and crucial, characteristics. It permitted an orderly succession of responsibility for the Academy from one Board of Trustees and Master to another. Earlier establishments depended entirely on the availability of an individual teacher, who came and went—and whose so-called school came and went with him. Andover's corporate form allowed the building of a tradition and reputation, assuring families that their children's school was on a sustained, permanent footing. The corporate form, and the Massachusetts charter articulating it, outlined publicly the intention of the founders and prescribed the relationship of the Academy to the state. We were founded as "a public free school or Academy," to provide "for youth of requisite qualification from every quarter" an education of mind and morals devoted to "the great end and real business of living." We were to be creatures of the state, and to serve a particular, and public, interest.

The corporate form of organization has had a long history in American higher education—most of the colonial colleges were so established—but Andover was first to adopt it among the institutions created to serve a more diverse and usually younger student body, that cohort of schools which we now call "secondary" education. Following the foundation of Phillips, the pattern caught on, and in the frenzy of institution building in the nineteenth century prior to the Civil War, the corporation, with state charter and serving public ends, was the most usually adopted model across the country. Thousands of academies sprouted, Abbot Academy among them, and most, like Abbot, organized in corporate form. While the Phillipses never proselytized for their academy model, for a variety of reasons it was widely emulated. Phillips Academy was thus a leader in the institutionalization of American secondary education, providing an organizing vehicle which gave form and stability to a previously chaotic and ephemeral system of schools. In so doing, Andover outlined, both explicitly and implicitly, a relationship of secondary education with the state, with government and the political process.

And so it is with this history of organizational innovation in mind that we approach what is surely to be our third century's most vexing problem, the relationship of schools such as ours with the modern state. We have an explicit public purpose, yet classify ourselves organizationally as independent. Frequently we see ourselves today as battling with government rather than reinforcing it. For many today, government is a kind of enemy, in a fashion which would have profoundly puzzled our founders.

Let me review our current corporate and governmental status. We still have legal standing as a charitable corporation in the Commonwealth of Massachusetts, under our original 1780 charter. We technically are licensed by the Andover School Committee and are subject to inspection by that body. We are accredited by the New England Association of Schools and Colleges, a nongovernmental organization of educational institutions whose approval of schools has, by the explicit assent of the six New England state governments and of the federal government, the force of law. Accordingly, the schooling we provide meets for our students and their parents the obligation of compulsory education. We are subject to specific state law for a number of curricular offerings and for safety and related standards. We are subject to federal law primarily in our status as a charitable institution. In return for the substantial benefits of paying limited local, state and federal taxes and of receiving gifts in a form which provides tax advantages for their donors, we are subject to a variety of federal regulations relating to matters such as personnel and admissions policies and building codes.

Our status today gives us both substantial financial advantages and equally substantial freedom, perhaps even more freedom than we choose today to grasp. Most of the existing governmental restraints are on the whole reasonable, if vexing at times in their application. But the worry we should have is the trend—most noticeable so far in higher education—a trend toward greater and less reasonable government interference and regulation of education, toward a centrally imposed homogenization of American education.

It is a truism that when private higher education gets the measles, within but a few months or years schools like ours get an itchy rash. Accordingly, we should watch our older cousins with considerable care. Prior to World War II private higher education, organized in corporate form similar to ours, had roughly the same relationship with government as we do today. However, the World War, the succeeding Cold War and the deliberate blurring of academic and governmental lines that has characterized the last twenty years dramatically changed that relationship. Higher education grew due to government support of students, and government used the universities for research, development and policy analysis on an unprecedented scale. LaFollette's "Wisconsin Idea" of an interlocking university and state had come to fruition. By the mid-sixties, Clark Kerr could properly describe some of the great private institutions as "federal grant universities." Indeed, even mighty Harvard with its endowment now well over a billion dollars, depends on federal sources for some twenty-five percent of its operating budget; and portions of Harvard, particularly those units in science and medicine, rely on federal largesse to cover well over half of their costs. Harvard and its institutional cousins

are today both public and private universities, and are subject to pressures quite unlike anything we experience or even which they experienced but twenty-five years ago.

The results of this infusion of public interest and funds into private higher education are mixed. Federal aid, particularly the so-called G.I. Bill, made possible the democratization of private higher education, by supporting a growing army of middle and lower middle income students in colleges which previously had been financially out of reach of these people. Federal aid has made possible an almost geometric growth of research, such as that in medicine, to the great and lasting benefit of all of us. On the other hand, the professor on the plane to Washington to advise on policy was inevitably less interested in teaching than had been his earlier counterpart; and concern for inquiry, research and teaching in areas of scholarship not deemed to be of current governmental interest slackened. The universities at times seemed more the factories of the knowledge industry than the preservers and transmitters of the culture.

Increased federal regulation and control followed this new government-university connection, as the government was picking up the tab. While this process has been haphazard, it has had the effect of homogenizing American higher education, of enforcing conformity to certain nationally-mandated expectations and guidelines. Many of the sharp edges of American higher education have been sanded down, at the expense of variety and, ultimately, of quality.

If the experience of private higher education is a forerunner of what may happen to us, what can we learn from the last decades of experience of our collegiate brethren? We learn that government could democratize the non-public school sector, that a well-conceived federal and state program of tax incentives and direct grants to indivduals or to institutions could bring to American secondary education the freedom of choice now enjoyed by students in higher education. We also learn that how that aid is applied is crucial, that the extent to which our institutions themselves are directly aided is the extent to which direct governmental regulation may follow. From such specific regulation academic homogeneity emerges, leading us back to a gray sameness which now characterizes too much of publicly-managed elementary and secondary education. Thus we find ourselves in a bind: if we want to democratize the non-public school sector, to give it the sustained support necessary for rigorous standards and to extend the freedom of choice to students and families below the college level, we need substantial public support. At the same time, such public support might induce, through regulation, a new homogeneity, ironically, eliminating the benefit of having choices available. We are caught in a dilemma—and the wisdom we show in resolving this dilemma will be the measure of how we survive into our third century.

How surprised the Phillipses would be to hear these words! For them the ends of this Academy and the ends of the state were coterminous. The political order assumed implicitly that corporate charitable foundations would surely and well serve a civic and public interest. However, those were more trusting and more generous days.

The question of the relationship of school and state may appear remote to many of us as we gather here, certainly not on the front of our minds. Curricula, college entrance, coeducation, the "basics", pubs, "pot" and parietals seem more relevant. Yet these issues, large as they may loom in our daily lives, are in the shadow of this larger concern.

How should Andover and schools like it react? I have no panacea, no program to present today. I do have a set of principles to suggest, however, out of which specifics should emerge.

First, we should inform ourselves of our predicament, of our current relationship to and with government, local, state and federal. Surprising to say, many of our schools and their leaders fail to focus on this school-state issue, beyond the obligatory railing at the few government regulations by which they now must abide. We need to be informed, and active in support of our interests. The current myopia, misinformation and disinterest in this aspect of our schools is unconscionable and dangerous.

Second, we must situate ourselves not as opponents of the public schools, but rather as colleagues. Children will not benefit from our jousting and posturing. They might benefit from a fresh alliance, with public schools and private school collaborating and competing in a complementary and friendly way. The adversarial aspect of the current public-private conversation is debilitating.

Third, we must promote the democratization of nonpublic education. In so doing, we must find ways to channel public aid to families, especially to those most in need, rather than directly to schools. We should be apostles for freedom of choice in education, and for the freedom of schools to vary, each exhibiting a different character, but always via support of individuals rather than institutions. In sum, we must keep the principal control of schooling in the hands of the millions of users of schools, rather than in the hands of the educators and government bureaucrats who may be thus allowed to perpetuate their own view of the needs of youth. Education is too important to be left to the educators.

Fourth, and above all, while we pursue policies which concurrently promote wider use of non-public schools and which protect their diversity, schools such as Andover must present as clearly as did our founders in 1778 a clear outline of our most fundamental convictions, the values upon which our schools rest. We must be very sure what our aims are, and we should take the time necessary to articulate them, and spread them abroad. Ill-defined aims can be easily compromised: well-defined aims, if they are wise, can serve as models, as beacons.

What are our beliefs? We believe in the importance of youth, in the right of our young women and young men to a humane and effective education. We believe that scholarship is not confined to the college, that rigorous analysis, clear thought and artistic reach are not only possible but should be expected from our younger citizens, particularly those of talent. We believe that teaching is a calling as well as a profession, a ministry as well as a craft; and, as such, fine teaching defies the classifications and specialisms of the assembly line and of piece work. We believe that young citizens deserve respect, that they should be treated as individuals with souls and minds and that they deserve a far greater share of this country's resources and concern then we now allot to them. We believe that schools must serve individuals, not the reverse; that we should provide for youth not a school "system" to fashion them as from a factory as "products" for college or for work, but, rather, that we should provide a set of options from which each young person can learn and grow in his or her own manner and time. We believe in a pluralism of values, moderated obviously at the extremes, but allowing for constructive divergence; and we believe that youth and their parents should have the right to choose among schools which reflect different values.

We believe that the right of choice in education should not be confined only to those who can pay for that privilege, and we believe that it is in the public interest to promote and support a diversity of schools. Indeed, we believe that pluralism is more important in education than in any other sphere of our culture: freedom of thought is the most fundamental of all freedoms.

Such beliefs as these are at the same time traditional and radical. If they can be translated widely into specific action, they could significantly improve the quality of education for youth in this country.

School and state: what is Phillips Academy's role as a "public free school or Academy"? This is a topic that our founders would find familiar, and is an area in which they made a signal, historic contribution. However, our times—and our survival as an institution worthy of these founders—require a fresh definition. This task will be the first order of business for our third century.●

JOBS AND THE ILLEGAL-ALIEN QUESTION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. ASHBROOK. Mr. Speaker, we all can remember the prominent position given to the question of more jobs for our unemployed during the last Presidential campaign. While there is no general panacea to cure the unemployment problem, there are a number of contributing factors which should be addressed. One aspect, suspiciously overlooked in some job-conscious quarters, is that of the illegal alien and his relationship to the jobs crisis.

On May 18, 1978, The American Legion, in the person of Mr. E. Philip Riggin, assistant director of the Legion's National Legislative Commission, confronted this issue in its appearance before the Senate Judiciary Committee's hearings on S. 2252. In his prepared statement, Mr. Riggin, at the outset, stated:

> We are especially concerned with the adverse impact on illegal aliens on the employment of veterans, and particularly on the employment of minority veterans, who are coming more and more into direct competition with illegal aliens for jobs in urban areas.

Addressing the charge that illegal aliens take only the low paying jobs in the United States Mr. Riggin observed:

> Spot checks made by the INS in Los Angeles of nearly 9,000 illegal aliens showed that about half were working in heavy industry at wages of $4.50 to $6.50 per hour, while another 2,000 had jobs in light industry earning $2.50 to $3.55 per hour. According to a study done by David North and Marion Houstoun for the Department of Labor in 1976, only 20 percent of the illegal aliens sampled had been paid less than the minimum wage. Only 3.5% of those questioned in the North-Houstoun study claimed that they had been 'badly treated' and only 16% reported that they had been paid less than their legal coworkers.

On the controversial question of amnesty for illegals, Mr. Riggin had this to say:

> First, an amnesty would only compound the problem, not help solve it. Dr. Bustamente, Mexico's leading authority on illegal aliens in the U.S., recently warned that any amnesty for illegal aliens would encourage

hundreds of thousands more Mexicans to come north in search of employment. Once the precedent was set, it would be difficult to deny similar amnesties to future arrivals.

The illegal-alien problem is a highly emotional one especially here in the United States where the principle of self-initiative in search of a better way of life is an integral part of our society. Our concern for the welfare of people in foreign lands is a matter of record, implemented by positive action in the form of financial aid, technological assistance, et cetera. Assistance to the illegal alien in his homeland, through his government, is one approach that should be explored further.

The American Legion is to be commended for its efforts in this most important issue. The above-cited testimony of Mr. E. Philip Riggin of the Legion follows:

THE ILLEGAL ALIEN ISSUE AND S. 2252

Mr. Chairman and Members of the Committee: The American Legion appreciates the opportunity to testify on a problem of growing concern to the Legion and the overwhelming majority of the American people. That problem is the rapidly rising number of illegal aliens in the United States and the increasing impact they are exerting on our economy. We are especially concerned with the adverse impact of illegal aliens on the employment of veterans, and particularly on the employment of minority veterans, who are coming more and more into direct competition with illegal aliens for jobs in urban areas.

We would like to begin by discussing some of the salient features of the illegal alien problem.

The most basic and perhaps the most disputed point pertaining to this issue is the number of illegal aliens in the United States. In a 1975 study done for the INS Lesko Associates estimated that there were 8.2 million illegal aliens in this country. Other estimates range from 3 to 12 million. The only certain data on which to base an estimate are the numbers of illegal aliens apprehended. That number has been steadily rising, from about 150,000 in 1967 to more than a million last year with a great majority of such apprehensions taking place at the U.S.-Mexican border. According to INS Commissioner Castillo, "for every person caught at the border, perhaps three to five get through." Even if we are more conservative than Mr. Castillo and estimate that only two people get through for every one caught, we may conclude that about 2 million illegal aliens slipped past the Border Patrol last year alone. A total of well over 6 million illegal aliens have been apprehended during the past 10 years. Assuming that one out of three were apprehended, and that half of those who were not caught returned home voluntarily, that still leaves an accumulation of 6 million or so illegal aliens during the past decade. Thus we believe that the estimate of 6 to 8 million illegal aliens is not an unreasonable one.

Most—about 80 percent—of the illegal aliens come from Mexico, another 10 percent are from other Latin American and Caribbean countries, and about 10 percent are from other parts of the world, especially South and East Asia. Many of the Mexicans and other Latin Americans cross the U.S.-Mexican border at night or are smuggled across by so-called "coyotes." Hundreds of thousands entering from other parts of the world—and many Latin Americans—arrive with tourist or student visas and simply do not go home. More than 7.5 million nonimmigrant aliens enter the U.S. each year on such temporary visas. The INS has no precise idea of how many return home before their visas expire, but most authorities agree that hundreds of thousands of these aliens illegally remain in the U.S. every year, concentrating especially in the metropolitan areas of the east and west coasts. Yet another category of illegal aliens are those who successfully enter the U.S. through the use of fradulent documents or claims of admissibility at ports of entry. The INS estimates that more than 500,000 aliens entered the U.S. by such means in 1976 alone. Another source of illegal aliens are crewmen aboard foreign ships, thousands of whom "jump ship" every year.

In the past, most illegal aliens did "stoop labor" in the agricultural areas of the South and West. But in recent years they have moved increasingly to the towns and cities in all parts of the country. According to former Congressman Herman Badillo, "The flow of illegal immigrants has increased radically since 1970, and no where is that increase more dramatic than in major urban areas like New York." The INS estimates that there are more than 1 million illegal aliens in the New York metropolitan area, about 1 million in the Los Angeles area, 500,000 in Chicago, 300,000 in Miami, 50,000 in Washington, D.C., and hundreds of thousands in cities such as Dallas, Detroit, Philadelphia and Denever.

A related phenomenon is that illegal aliens are obtaining increasingly better jobs. In 1976, two-thirds of the illegal aliens apprehended by the INS were employed in industry, service, and construction. Only one-third were employed in agriculture. Mr. Jesus Romo, head of a coalition of Mexican-American labor organizations, recently estimated that only 15 percent of the illegal aliens in the U.S. were employed in agriculture. Of 1,500 aliens caught in Detroit in 1974, 900 held jobs in heavy and light industry and construction, and 70 percent earned more than $4.50 an hour. Spot checks made by the INS in Los Angeles of nearly 9,000 illegal aliens showed that about half were working in heavy industry at wages of $4.50 to $6.50 per hour, while another 2,000 had jobs in light industry earning $2.50 to $3.55 per hour. According to a study done by David North and Marion Houstoun for the Department of Labor in 1976, only 20 percent of the illegal aliens sampled had been paid less than the minimum wage. Only 3.5 percent of those questioned in the North-Houstoun study claimed that they had been "badly treated" and only 16 percent reported that they had been paid less than their legal coworkers. Thus it is simply not true that the majority of illegal aliens work for less than the minimum wage, are "exploited", or do menial work Americans are unwilling to do.

The principal concern of The American Legion with regard to illegal aliens is that they are increasingly competing with veterans in a tight job market. That competition especially affects the employment prospects of unemployed black veterans, who are concentrated in the large cities to which increasingly larger numbers of illegal aliens are gravitating. More than 30 percent of the minority veterans in the 20–24 age bracket are unemployed. The illegal aliens are also in direct competition with black youths, whose employment rate is between 35 and 40 percent and with Mexican-American youths, who have an unemployment rate of 45% in the Los Angeles area. They also compete with other Mexican-Americans, Puerto Ricans, and legal aliens, all of whom have a legitimate right to employment in the United States.

We are also concerned with the drain on our economy caused by the estimated $3–$10 billion sent abroad annually by illegal aliens. It is probably true that most illegal aliens avoid applying for welfare programs out of fear of being caught. But according to the Federal Advisory Committee on False Identification report issued in 1977. "Many illegal aliens use false identification to obtain welfare and other benefits at taxpayers' expense." And one must take into consideration an indirect cost of this practice—the unemployment and welfare payments paid to displaced American workers.

That summarizes the illegal alien problem as we see it. In seeking a solution to the problem we find that the legislation under consideration—S. 2252—contains two principal provisions. One would penalize employers who knowingly hire illegal aliens. The second would grant permanent resident alien status to illegal aliens who entered the U.S. on or before January 1, 1970 and temporary alien status to those who entered the U.S. between that date and January 1, 1977.

We agree that the imposition of penalties against employers who knowingly hire illegal aliens is an essential part of any program to effectively control the inflow of such aliens. We also agree that this penalty should be civil rather than criminal, that the fine assessed for each offense should be about $1,000, and that those who assist illegal aliens to find or retain employment should be subject to more severe punishment than employers.

But we cannot agree with another key feature of S. 2252—the so-called "amnesty" provision—for several reasons.

First, an amnesty would only compound the problem, not help solve it. Dr. Bustamente, Mexico's leading authority on illegal aliens in the U.S., recently warned that any amnesty for illegal aliens would encourage hundreds of thousands more Mexicans to come north in search of employment. Once the precedent was set, it would be difficult to deny similar amnesties to future arrivals. Indeed, in view of the Carter administration's assurances that there will be no "mass deportations," what would become of the 2 million or so additional aliens who will have entered the U.S. between January 1, 1977 and the enactment of the proposed legislation?

Second, problems are bound to arise in implementing the amnesty. It is quite possible that many illegal aliens who can prove residence prior to January 1, 1970 would come forward. But what about those who fall in the second category, who arrived between that date and January 1, 1977? Many, we believe, would submit false documents and affidavits to claim residence prior to January 1, 1970, while many others would remain in hiding, realizing that the avowed purpose of the second category is to obtain a "headcount" and that there is at least some possibility of being deported after 5 years.

Third, such an amnesty would be unfair to those who have gone through legal channels to obtain visas.

Finally, although S. 2252 grants permanent resident alien status only to those who entered the U.S. prior to January 1, 1970 and relegates those who entered between that date and January 1, 1977 to a sort of "limbo" status, we believe that in all probability all aliens covered by the legislation would eventually be eligible for permanent residence status. There are perhaps some 5 million adults among the 8 million or so illegal aliens and under the proposed amnesty each of those people would be immediately eligible to sponsor the admission of their immediate family members. Thus approximately 25 million relatives of the "amnestied" aliens would be eligible to legally emigrate to the United States, and there is every reason to believe that many would avail themselves of this opportunity. The sudden influx of such numbers would exacerbate our unemployment problem and have other economic and social repercussions. This factor, we believe, has thus far received little attention and deserves careful consideration.

In our opinion several provisions which are essential components of any successful alien control program have not been included in the proposed legislation.

There is need for legislation providing for the seizure of vehicles used to smuggle aliens into the U.S. and for the imposition of stiff penalties against such smugglers. The INS cannot now legally confiscate these vehicles despite the fact that some have been detained more than 20 times. The fines imposed on the 5,000 or so smugglers prosecuted annually have been low and their jail sentences have been short. Sterner measures against the so-called "coyotes" would obviously go a long way to reduce the influx of illegal aliens. We should perhaps also consider increasing the number of judges handling such cases to help cope with the enormous backlog.

We believe that there is a need for some formal mechanism, perhaps an independent agency, to coordinate matters related to immigration by combining the responsibilities of the Visa Office of the Department of State, the Immigration and Naturalization Service, and the Labor Department component dealing with foreign worker programs. It, hopefully, would institute a computerized immigration control system to keep tabs on the entry and departure of nonimmigrant aliens and coordinate closely with the Social Security Administration, the Customs Service, the Drug Enforcement Agency, and other relevant agencies.

We agree with the Carter administration that the government should develop counterfeit-proof social security cards which would be coded electronically and read only by computer. But such "fool-proof" social security cards must be granted on the basis of valid background documents. A tamper-proof identification system bears directly on two provisions of S. 2252—the documentary proof of work eligibility to be presented to employers and the documentary proof of residence prior to January 1, 1970 or January 1, 1977. The illegal alien—or the citizen, for that matter—can easily obtain all sorts of counterfeit documents. One forger in a Mexican border town was recently reported to have sold nearly $250,000 worth of false birth certificates in just three months. A journalist researching the illegal alien problem in Chicago filed another recent report that "In the bars of 18th Street or Blue Island Avenue a newcomer without documents can buy false identifications—anything from a social security card to a driver's license, a draft card, a birth certificate, a voter registration card, or a 'green card' authorizing permanent residence."

Thus it is imperative that Congress enact legislation which would prohibit the knowing use or supplying of false information of falsified documentation when obtaining Federal identification documents, prohibit the use of mails to ship false documents, and prohibit the unauthorized production or alteration of any Federal identification document. Once enacted, such legislation must be enforced by spot checking for the validity of documents submitted for social security cards or as proof of the right to employment. Consideration should also be given to such measures as establishing a national death reporting system to curb the use of birth certificates of people who have died.

Finally, there are two other aspects of the administration's alien control program on which we would like to comment.

The first is its recommendation that the strength of the Border Patrol be significantly strengthened. We agree that that is a necessary measure, and urge that the manpower of INS district offices be increased.

The second is economic assistance to help develop the economies of the countries in which the illegal aliens originate. Such proposals range from the distribution of food stamps to Mexico's poor to a Marshall Plan for Latin America. Typical of such programs is the one suggested by Sen. Bentsen, who proposed the setting up of a Joint U.S.-Mexico Development Fund, in which the U.S. and Mexico would invest $1 billion each to finance the development of labor-intensive industry in Mexico.

We are not opposed to such aid programs, but believe that it would be unrealistic to expect too much of them. Although Mexico's economy has been growing, its population has been growing even more rapidly. Mexico already has an unemployment-underemployment rate of about 40 percent and about 800,000 young Mexicans reach the working age every year. Thus Mexico must create nearly a million new jobs a year merely to maintain the status quo. But there is more to the problem than that. As Wayne Cornelius of MIT has pointed out, "It is clear that the huge wage differentials (often 3–4 times) between the U.S. and Mexico are more important than outright unemployment." For the first time in the history of our foreign economic assistance efforts we must be concerned not so much with the prevailing wage rates in the recipient country as with increasing those wages in relation to the prevailing wage rates in the United States. It is not enough to put a shovel in a Mexican's hand and pay him three dollars a day when he could be making three dollars an hour in Chicago or Detroit.

One specialist estimates that $10 billion a year would be required to merely create the new jobs required. We have learned of an AID study which estimates that $50 billion would have to be invested in Mexico, Central America, and the Caribbean countries to substantially reduce the flow of illegal immigrants.

The key to any long-range solution to the problem is controlling population growth in the countries in which illegal aliens originate. The population of Mexico, now 65 million, will double to 130 million by the year 2000 and to 260 million 20 years later, while most of the other countries will be experiencing similar population explosions. Thus we believe that U.S. aid funds could be best utilized in helping setup effective nation-wide population control programs.

In sum, we believe that it would be unrealistic to assume that economic assistance programs could solve or significantly reduce the problem in the foreseeable future. Emphasis must be placed on measures within the United States, such as those we have outlined.

If anything is certain about the illegal alien problem it is that it is not going to go away. The longer we delay the worse the problem is going to become. It is imperative that Congress move swiftly to enact effective legislation to, if not totally end illegal immigration, at least bring it under control.●

SAM BROWN AND ACTION

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. ROUSSELOT. Mr. Speaker, Monroe W. Karmin of the Chicago Sun Times has written an informative and illuminating account of Sam Brown's record as Director of ACTION. Among other interesting facts, Karmin points out that Brown:

"Is busily tidying up his act".

Has had to reverse his own policy decisions no fewer than eight times in one year in the face of criticism or public disclosure of previously secret decisions on his part;

Disavows "the politics of confrontation" while Marge Tabankin, appointed by Brown to be head of VISTA, says if confrontation politics are required, VISTA will engage in them;

Is proud of his praise of the North Vietnamese Communists delegation to the United Nations despite the fact that since the time he first publicly declared his love for these totalitarian sadists, the world has learned that Vietnam is now one big concentration camp. "I'd do it again" says Brown, but only if he were an elected official. Brown does not bother to explain why public praise of those responsible for torturing helpless American prisoners of war is more moral coming from an elected official rather than an appointed official.

Mr. Speaker, I am glad to see that Brown is tidying up his act, a feat which, if ever completed, will match the task of Hercules in cleaning the Augean stables.

At this time I hope my colleagues will review the article by Monroe W. Karmin of June 4, 1978 entitled: "Sam Brown Now Cools the Protest of Others", which appeared in the Chicago Sun Times, June 4 ,1978.

The article follows:

SAM BROWN NOW COOLS THE PROTESTS OF OTHERS

(By Monroe W. Karmin)

WASHINGTON.—At 34, Sam Brown is coming of age.

The Great Protester of the '60s and early '70s—he organized the student demonstrations against the Vietnam War, he was Chief Kid in Eugene McCarthy's 1968 Children's Crusade for the Presidency, he fought the banks in Colorado and protested plans to hold the 1976 Winter Olympics there (they were held in Austria)—now finds himself in the position of squelching protests against, of all people, Sam Brown.

The chief complainant is Republican Rep. Robert H. Michel of Peoria. To the congressman, Brown's goal as President Carter's man in charge of ACTION (the umbrella agency that covers VISTA and the Peace Corps) is to "change the whole direction of the agency, from voluntarism to confrontation politics."

Michel's charges, which include mismanagement and conflict of interest, have persuaded a House subcommittee to investigate whether ACTION is violating its charter. A report is due within six weeks.

Republicans on another House panel recently criticized the agency's lack of program justification in such strong terms that a staff member predicted, "This assures a tough floor fight."

How is Sam Brown reacting to this swelling criticism of his stewardship of a small federal bureau that's supposed to confine itself to good works? He's tacking to the shifting winds of public sentiment in the '70s.

No longer a high-spirited, youthful rebel with a cause (he's credited with originating the slogan, "Never trust anybody over 30"), Brown today is carefully dressed in necktie and business suit and speaks in carefully measured phrases.

"No one can show that a single VISTA volunteer has engaged in confrontation politics," he says quietly. "Confrontation politics is a tactic of failure, not success. It assumes that confrontation is required as an attention-getting device."

That's neither necessary nor wise today, he says. The 1960s focused attention on the problems of the poor, Brown says, but the solutions of the '60s were cumbersome and

costly. Big federal spending programs are not the answer, he says.

So, Brown's volunteers will concentrate on helping impoverished communities "become more self-sufficient," by which he means not only pursuing federal aid but also looking to such local institutions as the United Way and business groups and looking within their neighborhoods for resources and strength.

"There is a new generation of community organization," he says, "that is looking less for federal dollars and is more interested in self-help."

Within his own neighborhood (ACTION), Brown, who dismisses Michel's charges as "unfounded," nonetheless is busily tidying up his act:

In response to Michel's claims that ACTION now favors, in its grants, old friends in the social-activist community, Brown has published a new conflict-of-interest policy that he says "may be the toughest in the federal government."

Brown recently rescinded one grant contract, with the National Center for Urban Ethnic Affairs, because of a possible conflict of interest involving a member of his agency.

In response to charges that he has been loading ACTION with political appointees and overspending his budget, Brown has ordered a hiring freeze and is taking a closer look at spending. "We'll be within our ceiling," an aide promises.

To charges that VISTA volunteers are engaging in forbidden political organizing, Brown concedes that he once considered letting VISTA agents engage in nonpartisan voter registration on their own time, but then dropped the idea.

In one case, he ordered a New Orleans community organization, supported by ACTION funds, to stop endorsing political candidates if it wanted to continue receiving federal money.

Although he once ruled that ACTION training conferences should not be held in states that have yet to ratify the Equal Rights Amendment, he since has rescinded that ruling because, he says, "our programs are paid for by all the taxpayers."

To charges that VISTA volunteers are engaging in forbidden union organizing, Brown recently ordered his representatives in New Orleans to stop trying to organize household workers, and he has launched an inquiry into VISTA activities in Boston.

To charges that he wants to turn ACTION toward social activism and away from serving senior citizens, Brown restored a 25-per cent budget cut for the Retired Senior Volunteer Program.

"Then I applaud them. But I don't think Congress wants the agency to engage in confrontation politics, and if we don't, we should say so."

Perhaps the most controversial ACTION grant is the $432,200 awarded to the Midwest Academy, a Chicago-based training school that is alleged to have its roots in the soil of Saul Alinsky's confrontation politics philosophy.

The Midwest Academy was selected to sponsor VISTA programs on the basis of its "reputation and history of performance" Brown explains. He notes that the academy has provided training to a wide range of organizations "including the American Federation of Teachers, the Camp Fire Girls and the Wisconsin Council of Churches."

Michel, however, is unconvinced of the academy's virtue. "That's one that I'd prefer to wait and see what our investigators come up with," he says.

If the Midwest Academy continues to worry Michel, then Margery Tabankin, who directs VISTA, gives him apoplexy. Tabankin is an admitted graduate of Alinsky training who still reflects her background.

In contrast to Brown's disavowal of "confrontation politics," Tabankin continues to see a need for the tactic. "VISTA volunteers should be telling poor people of their rights and how to gain a share of the power when there is a misallocation of power," she says. "If that requires 'confrontation politics' at times, then that will happen."

Spawned during the idealism of the 60's, VISTA and the Peace Corps fell on hard times during the Richard M. Nixon and Gerald R. Ford administrations to the point that President Ford wanted to close VISTA down. Now President Carter wants to revive ACTION and has asked Congress for an extra $40 million for a new urban volunteer corps to assist not-for-profit organizations and fixed-income families.

Clearly, however, Carter doesn't want the money used to finance protest marches. In his urban policy statement, he stressed that the new money would be spent to tap "the sense of community and voluntary effort that I believe is alive in America."

That is closer to the "service" concept of VISTA held by Rep. Michel than the "advocacy" concept that director Tabankin brought to her job. But the new realities of the 70's, and Carter's guiding principles, are forcing an adjustment within the VISTA inner circle.

Lyndon B. Johnson's Great Society "dumped too much money into communities too fast," Tabankin concedes, and neighborhood organizations "didn't have the skills to make the best use of it." Consequently, she adds, much of the money was wasted.

Now, "think small" is the credo at VISTA. Rather than expensive antipoverty or Model Cities programs, they're talking about "seed money" grants, averaging about $5,000, for such projects as food co-ops, services for the elderly and community museums.

A sewing machine for a sewing co-op, a truck for a food co-op and a mural for a barrio are mentioned as other examples of what money will be spent for in the future.

Also in the future, it is unlikely that Sam Brown will do what he did in September when the anti-war activist attended a reception to welcome the Vietnamese delegation to the UN. "I am deeply moved," he said then. "What can you say when the kinds of things that 15 years of your life were wrapped up in are suddenly before you?'

Today, Brown does not apologize for his action at the United Nations. "My attitude then and now is that when a war is over we ought to bring about a reconciliation between two peoples," he declares. "We don't still throw tomatoes at the Germans, do we?"

But the ACTION boss concedes that, as an appointed federal offical, he would not repeat his September welcome. "I got in a lot of trouble," he says. As he talks, however, it is evident that Brown does not enjoy the hobbies of life as an appointed federal official.

On the Vietnamese, he confesses that "if I were an elected public official, I'd do it again." On helping the poor, he sometimes lets loose a burst of emotion in his carefully rehearsed explanation of what the new ACTION is all about. "I'm in favor of a more equitable distribution of power in this society and economic justice," he says.

All of which raises the question of what the new Sam Brown is all about. Those who know him well describe the son of a Republican shoe manufacturer in Council Bluff, Iowa, as "egocentric," "at times arrogant" and "terribly ambitious." They expect him to return to Colorado someday and run for public office. He served a two-year hitch as state treasurer before coming to Washington.

Brown, himself, refuses to discuss his plans beyond ACTION except to say that "I'd be surprised if I weren't doing the same work in some form." That, of course, leaves the door open for a run for higher elective office.●

FOLLOWUP THOUGHTS ON HOUSE RESOLUTION 1194

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. McCLOSKEY. Mr. Speaker, last week the House passed House Resolution 1194, a resolution threatening South Korea with possible congressional action if the South Korean Government failed to deliver former Ambassador to the United States, Kim Dong Jo, to the House Ethics Committee for clarification as to which, if any, of our House colleagues received an alleged $100,000 from the Korean Government.

I voted for House Resolution 1194, believing the integrity of the U.S. Congress to rank slightly higher in potential benefit to the people of the world than continued nonmilitary assistance to the current Government in Seoul. Checking the voting list on this 321 to 46 vote, it is of note that most of us who fought in Korea nearly three decades ago shared this sentiment.

Nevertheless, to put our action in perspective it seems fair to mention that South Korea's Government if it did authorize its Ambassador to bribe U.S. Members of Congress in the 1970, was doing no more than the U.S. Government has admitted doing for a number of years in a number of foreign countries.

I call to the House's attention the interim report of the Senate's Select Committee on Intelligence Activities, of November 20, 1975, describing President Nixon's approval in 1970 of the bribing of Chilean legislators by our Ambassador to Chile, Edward Korry, with $250,000 in U.S. Government funds.

Presumably the Korean Government's consideration of bribing U.S. Congressmen to assure continued high levels of military support to South Korea seemed as praiseworthy a course as President Nixon's desire to prevent the inauguration of Salvator Allende as President of Chile.

The approval of bribery of Chilean legislators by a U.S. Ambassador was not exactly an isolated incident. The Senate Select Committee's findings rather casually mention similar bribery-of-legislator activities conducted under the aegis of U.S. Ambassadors in Africa and elsewhere, and there seems little doubt that until Watergate at least, bribery of foreign legislators has been an accepted tool of U.S. diplomacy.

Hopefully, the U.S. Government has now forsworn this method of influencing policy decision by foreign parliaments and legislative bodies, and it is in that vein that I believe most of us voted for House Resolution 1194 last week.

To make sure, however, I have asked the CIA to provide me with a list of all occasions since 1960 when bribery of foreign officials was accomplished, attempted or approved. Upon receipt, I will inquire as to which of this information the CIA desires to remain classified, and will advise my colleagues accordingly.

It would seem to me, Mr. Speaker, that

our overwhelming condemnation of the bribery of Members of Congress requires that we make the record absolutely clear that we will no longer tolerate that practice by our own Government, as we will not tolerate bribery of our colleagues by a friend and ally, as hopefully South Korea will remain.

A copy of my letter of this date to CIA Director Turner follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 8, 1978.

Adm. STANSFIELD TURNER,
Director, Central Intelligence Agency, Washington, D.C.

DEAR ADMIRAL TURNER: I would like to request that I be furnished with a list of all cases since 1960 when U.S. government funds were used, offered or approved for the bribery of foreign legislators.

As you know, the House approved H. Res. 1194 on May 31, 1978, by a vote of 321 to 46, conditionally suggesting that all non-military assistance to South Korea be terminated until former Ambassador Kim Dong Jo cooperated with the House relative to alleged bribery of Members with funds supplied by the U.S. government.

For the reasons set forth in the enclosed speech, I would like to publish in the Congressional Record all instances of bribery of foreign officials which have previously come to public knowledge and to make available to my colleagues, under our usual rules of confidentiality, such briberies, accomplished, attempted or approved since 1960, as remain classified.

Thank you for your cooperation in this matter.

Sincerely,

PAUL N. MCCLOSKEY, Jr.●

LIFT THE EMBARGO

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. FINDLEY. Mr. Speaker, I commend to the attention of my colleagues the excellent Washington Star editorial of June 7 which follows:

TURKISH-AMERICAN RELATIONS

The Carter administration has opened an elaborate campaign to get Congress to drop the three-year-old arms embargo against Turkey. There will be briefings at the White House for "uncommitted" congressmen, at which the president will be joined by top officials of Defense and State to discuss the issue. General Haig will return from Europe for some such sessions. Our ambassador to Turkey will perform similar duty. The administration hopes to enlist the veterans' organizations in building "grass roots" support for its position that a key NATO ally should not be crippled and alienated because of a long-pending dispute with another NATO ally and neighbor.

Politically, the effort could be a risky investment of presidential prestige in a foredoomed cause. The Senate Foreign Relations Committee last month reaffirmed the embargo in an 8 to 4 vote. That seemed to cancel an 18-to-17 vote against the embargo in the House International Relations Committee. The administration's current missionary work looks immediately to a House vote late this month.

The embargo supposedly is a legal reaction to the Turks' use of American-supplied arms in their 1974 occupation of more than a third of Cyprus, after a coup on the island by Greek-Cypriot extremists was seen as a move toward union with Greece and a threat to the Turkish-Cypriot minority. What Congress really did was take sides in the regional quarrel, for Greece and against Turkey, largely because of effective lobbying by Greek and Greek-American interests.

Advocates of the embargo claimed it would promote a Cyprus settlement by encouraging Turkey to make concessions. There is no sign of this happening. The former Demirel government in Ankara vehemently resisted such pressure. Prime Minister Ecevit says he has broken the "linkage" between the embargo and Cyprus, in making new Cyprus proposals without waiting for the embargo to be lifted, but he contends the embargo now makes the Greeks intransigent about a Cyprus settlement, causing them to hope for a weakening of the Turkish bargaining position.

In the meantime, the embargo clearly has damaged Turkish-American relations, has contributed to the loss of U.S. bases in Turkey and has hurt both the credibility of NATO as an alliance and the military strength of one of its important members. The situation was a serious embarrassment at the NATO summit here last week.

One of the purposes of such publicized high-level gatherings is to demonstrate the unity and resolve of the allies for the benefit of potential adversaries. It did not help to have Mr. Ecevit explain how financial difficulties, worsened by the embargo, necessitated cutbacks of Turkey's NATO commitments, and to have the Turkish leader use what is normally a martial occasion to talk up detente with the Soviet Union and his imminent visit to Moscow.

It did not help, either, to have Greek Prime Minister Karamanlis argue for continued trouble in Turkish-American relations, on the ground that ending the embargo would damage Greek-American relations. The Greek contribution to NATO in recent years has been to blame the alliance for the Cyprus mess and withdraw from military participation, while seeking to rile U.S.-Turkish dealings.

What a majority of Congress must do at last, in reconsidering the embargo, is to distinguish between vital American interests, and the narrow Greek interest in preserving a presumed bargaining chip to play against Turkey. The U.S. interest is in a strong and friendly Turkey playing an important role in NATO. This does not preclude an equivalently friendly and valuable relationship with Greece. America's good offices are available to aid in a Cyprus settlement, but this can best be done without such partiality as the embargo proclaims.

Greece and its American friends should understand this.●

SUCCESS IN THE MINORITY COMMUNITY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. GARCIA. Mr. Speaker, I am delighted to insert a speech delivered at the commencement of Wagner College, on Staten Island in New York by my good friend, Bruce Llewellyn, a man who stands as a symbol of the kind of progress and success possible within the minority community. Bruce, president of FEDCO stores, a supermarket chain in New York, has his roots in the black ghettos of our city. He has become one of our outstanding civic and community leaders, and has worked ceaselessly to enable others to achieve the same success that he has.

His commencement remarks should be read by every Member of this body, and in fact, by all Americans who care about our future. His words are hope and inspiration that the disease of youth unemployment can have a cure, and that we are all the researchers and physicians who can help find it.

Commencement remarks follow:

SPEECH GIVEN BY J. BRUCE LLEWELLYN—93RD ANNUAL COMMENCEMENT OF WAGNER COLLEGE, STATEN ISLAND, N.Y., MAY 21, 1978

I thank you for the honorary degree. I will frame and hang it with pride. I remember how hard it was to get the degree(s) I had to study for. This one was easy. The only test I had to pass was in a private seminar with Dr. Satterfield. He asked whether I could find my way to the Wagner College Campus. I took the question on a pass-fail basis, and here I am.

As I sat and listened to your recital of all the things I've done in my life, it reminded me how busy I've been, and how many changes I have made. I can feel very tired just remembering those changes, and the efforts involved. But today I am banker, a grocer and a social activist. I wish each of you the same. But you, too, will need to go through your changes. I can tell you, however, that changes in the early years of life can be a little scary. It is like climbing a mountain. You're not always sure of your footing, but it's exciting to look down to see where you've been as well as to look up to see where you are going.

Maybe some of you remember the song made famous by the great Jimmy Durante, which went something like this, "Did you ever have the feeling that you wanted to go, and still had the feeling that you wanted to stay."

Well I feel something like that right now, but in reverse. First, there are some things I would very much like to stay to say; at the same time, I would just as soon be finished with it already and go.

Faced with this dilemma, I will resolve it in favor of telling you what I have been thinking, first about a subject that might be on the minds of most graduates today—the subject of "jobs"; and then about the reverse subject—"unemployment." And finally I propose to talk about education.

For most people, the quick meaning of the word "job" is employment, usually for wages or salary, and hence a means of meeting essential financial obligations. But a job should be thought of as more than just employment with some pay attached. A job gives meaning and direction to everyday life, and it must have some purpose and some future.

Studs Terkel, the American novelist, travelled the breadth of America, interviewing ordinary folks about their jobs . . . and their dreams, and he wrote a kind of travelogue based on his interviews. He described a meeting with a working woman named Nora Watson. Asked about her job, she said, "Most of us have jobs that are too small for our spirit."

A job should not be too small for the spirit; it must be compatible with the human spirit, and this is especially true for the young. Those who plan our economy must bear this in mind. I once heard an epigram: he has planned his work; now he must work his plan. Too often those who plan our economy take no responsibility for making it work.

The human being is not a beast of burden whose value is to be costed out by subtracting from the price of his labors the total of what he consumes, wastes, and spends. Every person is more than that, although by the measure of economics, that gloomy science,

each of us can be subjected to such a valuation. We certainly cannot dismiss such a valuation as totally irrelevant, especially in this day when the test of economic validity is being applied to every activity.

It can be due to ill-health or physical handicap. It can be due, in multitudes of cases, to ignorance, illiteracy, and unsuitability for any kind of available work. That is the most tragic kind of unemployment, the kind that in the mass constitutes a dangerous clot in the economic bloodstream. This is a condition that manifests itself in criminality, permanent welfare status, and social sickness.

The economists call it structural unemployment. I call it sick unemployment or unemployability.

This problem is concentrated in the cities, and it is further concentrated in the ghettos of the cities. I am convinced that unemployment in the ghettos is a basic manifestation of the sickness of the cities, and that unemployability is one of the basic causes of the sickness of the cities. The most extensive and most catastrophic unemployability is among the young. More than 40 percent of 16 to 20 year old minority youth are unemployed. A substantial proportion of these can probably be classified as unemployable.

These young people are the chief recruits for pimps, prostitutes, hustlers, drug addicts, pushers, numbers runners, muggers and robbers. It is from these individuals that many fearful people have run, out of the ghettos and out of the cities.

I emphasize that the root of the evil threatening the cities lies in unemployment, and in its hard core, unemployability.

What is to be done about this, who should do it, and how should it be done?

The cities must be saved. This city must be saved. I cannot imagine a United States of America without New York City. There are some foolish people, including some college professors, who think the continued decline and shrinkage of New York, and other cities are inevitable; these heavy thinkers are not particularly alarmed at the concept of a vast, endlessly sprawling white suburbia filling up the spaces between the dying and decaying black cities. Well, that must not happen and will not happen.

The nation as a whole will not let this happen. The investment of billions of dollars and three centuries of creative construction in this many-layered metropolis will not be permitted to go down the drain. Sense will prevail over ignorance. New York City will be saved, not as a ghettoized reservation for the poor and helpless, but as the thriving metropolis it still is. Jobs are the big answer. But how can more jobs be brought back to the cities? Simple answers simply will not serve or do.

There was a time, just fifteen years ago, when all possibilities seemed limitless, and when our governments thought they could do everything, and employ everybody, and solve all problems of poverty and inequality through limitless taxation and limited redistribution of wealth.

In those days the entire world was thought to be our oyster. We were the most powerful nation in the world, with unlimited resources, unlimited wealth, and unlimited horizons. The dollar was the world's hardest currency and our trade balance was embarrassingly favorable.

Then gradually, we began to realize that there were limits. Then in very recent years, in quick succession, came the Mid-east crisis, the oil embargo, the quadrupling of oil prices, and big jumps in the prices of other imported commodities. Then the dollar began to slip and slide. Then the cities and states, especially those in the northeast, began to experience budget deficits, fiscal crises, and the need to retrench.

Suddenly, or was it gradually, we all awoke to the realization that there were limits to our resources, and there was a bottom to the lake of our wealth. And that bottom began to show up. So this city went through the wringer. In this city and in this state, and in the Nation, the taxpayers began putting their backs up and telling legislators to stop appropriating and to start cutting.

That is where we are today, and that is the background against which the problem of unemployment in the cities—and in the countryside—must be considered. Putting all the unemployed on government payrolls cannot and will not be the answer. Today we are back to primary dependence on the private sector to provide employment, and to provide the tax base and the tax revenue to support the services and the people who must be supported by government.

This is, indeed the best way in a country in which 86 percent of all jobs are in the private or non-governmental sector.

What the federal government, the state government, and the local government can and must do is to provide incentives to the private sector to encourage private enterprise, by tax breaks and other devices, to reinvest in the cities, to return to the cities, to employ people, and to cooperate with the schools and universities in training people, in the schools and on the job, for productive employment . . . for jobs with a future, in production or other work which promises a reasonable profit to the businesses concerned.

I am not talking primarily about manufacturing jobs. I am talking about service jobs, jobs in corporate headquarters, in cultural and health enterprises, in profit and non-profit establishments, for all of which this city is a natural. There could be a great expansion of employment here, if the proper incentives and encouragement were offered.

But none of these measures will provide jobs for the unemployable. Most of these individuals need basic training and basic motivation. That's a tough problem. The federal Job Corps has been doing a good job with some of the unemployables. That program should be expanded, here in New York City. Yet it is a very expensive program. I believe this cost is justified. The federal government must bear this cost, just as welfare costs ought to be totally borne by the federal government. The State government could supplement the federal efforts with the unemployables. That would be a great help to New York City and its problems.

As a matter of fact, in New York City today, there appear the first glimmerings of hope that the massive economic slide toward bottomless disaster has been arrested. The migration of manufacturing jobs, the flight of the middle-class, the increase in crime, the abandonment and burning out of blocks of housing, and the paralysis of the construction industry have slowed down. In the first months of this year, the hemorrhaging of jobs has not only slowed but stopped. The curve has turned timidly upward. Yet the long-term trend continue to be described in very discouraging terms by such urban economists as Professor Dick Netzer of New York University and Professor Raymond Horton of Columbia. I do not buy their pessimism. Or rather I accept it as a warning that we are not at the end of our trials and tribulations in New York City. We are in the middle, and we must make some miracles and work some magic to stay on the long, slow, hard upward road. One of the biggest miracles we must pull off is immediately to begin to improve the operations of our elementary and secondary schools. This, in my judgment, holds the main key to the future of this city. In fact, we must strengthen all our institutions of education, including our colleges and universities, public and private, in terms of their relevance to the problem of educating the children and youth of New York.

Today the number of jobs which do not require the ability to read, write and do simple arithmetic is approaching zero. Recently the U.S. Navy Department reported a $200,000 loss resulting from a mistake by a workman who could not read the directions for turning off a valve.

Today a basic education is essential for even unskilled work; in our technological economy, educational requirements zoom upward with every upward step on the job ladder. But the sad fact is that neither elementary, and secondary nor our post-secondary institutions are teaching as they should, nor succeeding as they must. In particular, and to be blunt about it, the performance of many of our elementary and secondary schools has been outrageous and has constituted an almost criminal short-changing of our youth. The great French philosopher and novelist, Francois Mauriac, once said, "There is a close correspondence between individual and collective crimes."

Education—a good education—is essential to prepare our young people to get and to hold a decent job.

I was privileged to know a very great political leader, J. Raymond Jones, of Harlem. More than once I heard him say to individuals who came to ask him for a political appointment. "I can get you a job, but I can't keep it for you."

Education should also enlarge a person's spirit, his sensitivity, cultural appreciation, and social perspective.

We don't need to be told that education begins at home. But what if there is no home, or a home in which there is no respect for education? Or a home of jobless parents, or one-parent homes in which youngsters must shift for themselves and are taught that street smarts are more important than school smarts.

I know that all children can be taught. They can learn. At least they can learn enough to read, to write, to work, to function, to do their assigned tasks in an organization.

I saw it happen . . . in the Army, during World War II. I saw illiterate youngsters taught, the army way, to read, write, and figure. The army way was a hard way, but it was an effective way. The recruits learned. They learned to read and write and function, and some learned very well, and after the war, went on to more education, to higher education, to the complete fulfillment of their capabilities.

Why can't our public schools do it, not in six months, or a year, as the Army did it, but in twelve years? They ought to be able to do it. They can do it. They must do it, and the schools and the classrooms must be organized, conducted and taught in ways to permit it. Teaching is a very great art. Teaching and underprepared or low-achieving student calls for the greatest teaching art of all. Holding a teaching license and even knowing the subject are not enough. A knowledge of the chemistry of paint doesn't make an artistic painter.

I am not an educator. I plead not guilty to that. But I know that it can be done. I know that this is a social, economic and national necessity.

The educators had better not insist—as some do—that the education of these children is somebody else's responsibility—society's, and not that of the schools. The socialization and education of all children are the responsibility of the schools and of the educators. They had better get to it. Time is running out. The time bomb is ticking away.

I am, in the first instance, referring to our primary and secondary schools. But, especially with my honorary degree in hand, I am prepared to say the same about higher education. It is common knowledge . . . and a common scandal . . . that many colleges,

not just the public ones which have open admissions, are turning out associate and bachelors degree holders who have not acquired the education that a college graduate should have. I don't believe in giving cheap degrees to anybody, be he a football player, a basketball player, or a disadvantaged student. No favors are being done in giving cheap degrees. Providing a degree without a functional education is a fraud on the student as well as a shame on the institution (university). It is also a fraud on the parents and the public which help pay for the education . . . and on employers who accept the degree as a hiring credential.

Yet an education without an opportunity to use that education in an available job is a frustration which weakens and dissolves the moral fabric.

I believe in open access to higher education, and in equality of opportunity for all, and in compensatory higher education. Some young people and young adults are late bloomers. But a college education must not be an easy ride to nowhere. It must be rigorous, demanding, and fulfilling.

I am an alumnus of City College, of the old City College, and proud of the fact. I believe in the words of the first president of City College, Horace Webster, when he said that the great City College experiment was "whether the highest education can be given to the masses; whether the children of the people, the children of the whole people, can be educated; and whether an institution of learning, of the highest grade, can be successfully controlled by the popular will, not by the privileged few, but by the privileged many."

Have I said enough? Let me try to summarize in a few sentences some highlights of what I think I have said, and then wish you luck in your future careers.

I have said that unemployment is a disease, and unemployability is a cancer.

I have said that work is essential to life, and an essential part of life.

I have said that each young person is entitled to a chance to work—and to a job compatible with the human spirit.

I have said that every child can be taught and educated at least in the basic skills, and we owe it to that child, and to our society and our city, to do it. It can be done. All parts of our educational system must cooperate and collaborate to see that it is done. The teachers and the schools must understand that they must do it.

And now my parting words to the Wagner graduates of 1978:

There is no such thing as a free lunch. There is no easy road to achievement. In the big, outside world, it isn't enough to be white, and it certainly isn't enough to be black. You have to be good. You have to compete. You have to win a few, although you must expect to lose a few.

Be tough. Be generous. Be fair. Give it all you've got. You'll make it.●

AMNESTY INTERNATIONAL REPORT TO REVEAL SHOCKING HUMAN RIGHTS VIOLATIONS IN NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. BIAGGI. Mr. Speaker, a front page article in this morning's Washington Post discusses a soon to be released report by Amnesty International regarding human rights violations directed against prisoners by certain law enforcement elements in Northern Ireland. The Post prelude article discusses some shocking examples and the entire report will show conclusive and documented proof of a systematic pattern of human rights deprivations occurring in Northern Ireland.

What does this article reveal? To quote the Post: "Detectives in Northern Ireland beat and kick suspected terrorists to extract confessions. . . . The abuse is frequently directed at men and women against who no charges are lodged."

The Amnesty report singles out the Royal Ulster Constabulary as the most notorious offenders. They serve as an auxiliary unit to the British forces in the North and are seen by some observers as the likely successor to the British if they should ever leave Northern Ireland.

This article and the Amnesty report will confirm a great deal of what people in the North and concerned Irish-Americans have been relating to the Ad Hoc Congressional Committee on Irish Affairs since our creation last September. It lends considerable credence to some of our foremost objectives including the immediate convening of full congressional hearings on the Irish question. With respect for human rights being such a fundamental element of our foreign policy, and with Northern Ireland having one of the worst human rights records of any country in the world, it is time the Congress and the administration donated the same time and attention to eradicating these human rights problems as we have in other nations.

Those who oppose hearings in the House were fearful of the embarrassment which human rights exposes might have on the British and Irish Governments. Once the release of the Amnesty report is completed next week, both the Irish and British Governments will have been cited by two highly respected sources. Amnesty International and the European Courts and Commission on Human Rights. Hearings would only discuss human rights violations in the context of showing how their continuation hinders the road to peace in Ireland. As chairman of the 105 House and Senate members of the Ad Hoc Congressional Committee on Irish Affairs, I am profoundly concerned about the preliminary findings of the Amnesty report. I and members of the committee will focus a great deal of attention on the report once released. I hereby formally renew my request that hearings in the International Relations Committee be convened at once on Northern Ireland.

At this point in the RECORD I wish to insert the Washington Post article written by one of their highly distinguished foreign correspondents, Bernard D. Nossiter:

ULSTER POLICE ACCUSED OF MALTREATMENT

(By Bernard D. Nossiter)

LONDON.—Detectives in Northern Ireland beat and kick suspected terrorists to extract confessions, according to a report Amnesty International is scheduled to release next week.

The abuse is frequently directed at men and women against whom no charges are lodged, and is so frequent that Britain should conduct a public inquiry into it, the report says.

The 70-page document, a copy of which has been obtained by The Washington Post, says the medical and psychiatric evidence supports the claims of victims that they have been struck in the head, body and genitals, thrown against walls, threatened with rape and subjected to relentless humiliation.

The Amnesty investigating team included two unnamed Danish doctors who examined medical reports of 39 arrested persons and conducted their own examination of five. The Amnesty doctors discovered organic brain damage in two of these cases, both of whom were ultimately released by the police without charge.

The report by the humanitarian organization, winner of the Nobel Peace Prize last year, is likely to rub British sensibilities raw. There is a widespread belief here that police abuse is a problem in dictatorships or the United States and that British police—even in tormented Ulster—play fair.

To rub it in, Amnesty's director, Martin Ennals, is a brother of David Ennals, a Cabinet minister for health in Prime Minister James Callaghan's government.

Officials here declined to comment on the report until it is publicly released. They indicated, however, that they would examine every Amnesty complaint if the organization would release the names of those who made them.

The survey by the London-based organization asserts that plain-clothes officers of the Royal Ulster Constabulary—not the uniformed police who patrol the streets—are typically the assailants. The Amnesty team did not look into charges that British soldiers, who also make arrests in Ulster, frequently maltreat their prisoners.

The report is to be released here Tuesday. It is likely to cause discomfort to the British government's minister for Northern Ireland, Roy Mason, who has frequently boasted that he is suppressing bombings and shootings in Ulster by convicting terrorists in the courts.

The Ulster conviction rate is high. About 94 of every 100 persons charged are found guilty by the one-judge, no-jury courts especially set up in Northern Ireland. There is also the fact that 70 to 90 percent of these convictions rest wholly or mainly on the accused's own admission, according to another study.

If Amnesty is correct, Mason appears to be open to the charge that his court structure rests heavily on the maltreatment of suspects. To be sure, witnesses to terrorist crimes are hard to find in Ulster, either because they fear retaliation or because they sympathize with the terrorists. The document asserts that the Mason system has been strengthened by police practices which isolate suspects from lawyers for several days and by little-noticed changes in British law that no longer bar confessions obtained through fear of oppression.

Most of the cases examined by the Amnesty team are Catholic because the Catholic Provisional Irish Republican Army accounts for the bulk of terror in Ulster. Some Protestants are included, however, presumably suspected terrorists from IRA counterparts like the Ulster Defense Association.

The report does not name any of its alleged victims, but describes the complaints and medical history of several in great detail.

Case number three is a male who was released without charge after 4½ days. He said he was subjected to "prolonged oppressive questioning . . . threats (of being killed) . . . beatings (hit in the face and stomach, kicked on the legs and buttocks) . . . humiliation (soiled underpants were placed over his head, humiliating remarks were made about his religious beliefs.)"

The Amnesty doctors who examined him several months after his arrest "found a positive test for cerebral asthenopia which suggests that he is suffering from some degree of organic brain damage."

The report said, "there is consistency between the allegations of maltreatment and the attached medical reports . . . the detailed examination, which enabled the medical delegates [Amnesty doctors] to assess the symptoms described and detect residual signs, strongly corroborates the case that maltreatment took place."

Case number 12 was a woman held three days and also freed without charge. She said she was threatened with rape and electric shock, that her child would be taken from her. Her skirt was lifted, one for her interrogators "forced her to stand against the wall and then hit the wall next to her head with his fist."

Examining her several weeks later, the Amnesty doctors found her still suffering from symptoms she first complained of when she was freed—irritability, talkativeness, erratic behavior, fatigue, depression and anxiety. They described her as "moderately depressed" and concluded that their examination "strongly corroborates the case that maltreatment took place."

Amnesty could not determine the extent of the practice. It did discover that more than three of every four complaints examined came from one police holding center in East Belfast.●

GEORGE MAHON

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. CARTER. Mr. Speaker, it has been my good fortune to know the distinguished Congressman, GEORGE MAHON, chairman of the Appropriations Committee and dean of the House of Representatives, for quite a few years. One day he approached me on the floor of the House stating that he felt that I might know Shakespeare. To this I replied that over the years I had found great pleasure in language written by the Bard of Avon in words of such enduring charm that men treasure them and will not let them die.

In succeeding conversations with the dean of the House, different literary quotations were passed between us. Among them was the quotation from Longfellow's "Excelsior."

Beware the pine-tree's withered branch!
Beware the awful avalanche!
That was the peasant's last Goodnight.
A voice replied, far up the height, Excelsior!

As it happens, the newspaper in Lubbock, Tex., is called the Avalanche. It is my pleasure to include for the perusal of the Members an article by Jay Harris which appeared in the Lubbock Avalanche. Excelsior in this sense means ever upward, as I understand it. It has been my good fortune to know great men of letters in the House—I place GEORGE MAHON's name at the top. The article follows:

THE BEST YEARS . . .

(By Jay Harris)

Not long ago, Cong. George Mahon sent us an item of interest.

It reflected the veteran legislator's wide-ranging interests, including that in poetry which he has been known to quote at the drop of a meter in the nation's capital. Here is a portion of the letter he sent:

"Dr. Tim Lee Carter, a favorite Congressman friend from Kentucky, and I exchange quotes from Shakespeare and literature generally from time to time when we meet in the corridors of the Capitol.

"On one recent occasion in the House, he observed my reading from The Lubbock Avalanche-Journal. He said, 'Beware the awful avalanche.'

"I told him that I recalled that 'you who bore, mid snow and ice, a banner with the strange device,' but I did not remember any reference to the avalanche. But here it is. I am glad to say that I, myself, do not think The Avalanche is awful!"

Then Mr. Mahon enclosed the frontispiece and opening page of "The Complete Poetical Works of Henry Wadsworth Longfellow." And he also sent along Pages 22–23, which contain the poem "Excelsior."

The words, once familiar to most students, start, if the oldtimers recall: "The shades of night were falling fast, As through the Alpine village passed, A youth, who bore, 'mid snow and ice, A banner with the strange DEVICE, Excelsior!"

And midway through the poem: "Try not the pass! the old man said; Dark lowers the tempest overhead, The roaring torrent is deep and wide! And loud that clarion voice replied, Excelsior!"

Then: "Beware the pine-tree's withered branch! Beware the awful avalanche! This was the peasant's last Goodnight. A voice replied, far up the height, Excelsior!"

The poem goes on to relate how: "At break of day, as heavenword, The pious monks of Saint Bernard, Uttered the oft-repeated prayer, A voice cried through the startled air, Excelsior!"

Then, near the end: "A traveller, by the faithful hound, Half-buried in the snow was found, Still grasping in his hand of ice, That banner with the strange device, Excelsior!

"There in the twilight cold and gray, Lifeless, but beautiful, he lay, And from the sky, serene and far, A voice fell, like a falling star, Excelsior!"

Ah, we wonder if modern youth reads, and heeds, such things? We are sure the poem meant much to the young George Mahon of yore, studying for a career which even he at the time had no inkling would reach such lofty heights.

But, knowing the man, and from the man the youth, we are sure that somewhere back there in those pioneer schools and his later studies at then Simmons (later Hardin-Simmons) and the University of Texas, the youth and young man was inspired.

We often have wondered if today's youth would take up the banners of causes such as those in World War I and later World War II, and do so with fervor and understanding.

It was not just youth alone which drove millions of young, middle-aged and some older men, and women, to fight a battle for Democracy—and believe their cause was right.

To us, the saddest chapter in this nation's history is the one written in the jungles and doubt-infested valleys of Vietnam.

While there were many who indeed doubted their cause, there were thousands who believed in it, only to find their fellow citizens—both young and old, but more of the latter—undermining them at home.

We have never been one to believe in "lost causes" or moral victories. And while "winning isn't everything," it's like the man said—especially in a war—it beats anything else.

Thinking back upon the men we knew who gave their all in World War II, later in the Korean conflict and the Vietnam debacle—men who volunteered, incidentally—we wonder what else they might have contributed to their country.

Would they have grown up to be statesmen molded in the form of a George Mahon, a Harry Truman, a George Marshall, a Norman Vincent Peal, an outstanding doctor or scientist or even a newsman?

And, having given as they did, was their sacrifice and contribution any the less?

We think not, and we think we should never forget that fact. In an age when patriotism sometimes is equated with buttons and bows and old-fashioned ideas about morals and such, one wonders if the young of today, or the older for that matter, would take up the "banner with the strange device."

Banners and causes can be taken up in other ways than just in fighting wars, and should be. And in so saying, we mean in achieving for one's fellowman, not in "taking to the streets" in some form of senseless anarchy or narrow "right."

We recall during the height of the Vietnam protests a young man who worked with us asked one day: "And what did your friends who died gain by their deed?"

Our answer was simple: "The best years of your life!"

". . . And from the sky, serene and far, A voice fell, like a falling star, Excelsior!" ●

THE TAX CODE

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. GRADISON. Mr. Speaker, today I would like to insert in the CONGRESSIONAL RECORD an article written by Richard L. Lesher, president of the Chamber of Commerce of the United States. The article points out some very important but relatively unknown facts about the distribution of the Federal income tax liability. As the article points out, a true reform of the tax code would be ending the "bracket creep" caused by inflation that raises every taxpayer's liability automatically every year. This Congress could take a large step forward toward a fair and permanent reform by enacting an indexing procedure for the personal income tax system. I hope you will give Mr. Lesher's comments serious consideration:

DEMOLISHING MYTHS ABOUT THE TAX CODE

(By Richard L. Lesher)

WASHINGTON.—Would you be surprised to hear that:

The "richest" half of America's taxpayers pay 93 percent of the personal income tax?

Loopholes and fringe benefits are of most value to the low-to-middle income group?

Americans owe more to their government than a medieval serf owed to his overlord?

It's all true. These are just a few of the iconoclastic revelations contained in a mind-blowing article on tax policy appearing in the March 1978, edition of Harper's magazine.

The article was written by Paul Craig Roberts, who is both college professor and Senate staffer. His simple thesis is that we are all being taken by a parasitic government in unholy alliance with good-hearted tax "reformers" who place their faith in a few simplistic slogans without ever checking the figures.

Mr. Roberts first demolishes the myth that the low income group is most heavily taxed, while the rich escape. All you have to do, he points out, is examine the data published by the Internal Revenue Service. You learn that taxpayers in the bottom 50 percent, by income, pay only 7 percent of the personal income tax, while those in the top 50 percent pay 93 percent. Is this a fluke caused by heavy taxes on the low-middle group? No. The highest 25 percent pays 72 percent of the tax. The highest 10 percent pays almost half—49 percent. And the highest 1 percent pays 19 percent. This hardly sounds like soaking the poor for the benefit of the rich.

Furthermore, he says, if you counted untaxed aid to the "poor," such as food stamps, housing subsidies, and other forms of welfare, you would find that "their real income exceeds that of many taxpayers."

Tax "cuts" to "help the poor" are popular with the government for two reasons, he says. First, because the poor don't pay any taxes, so it costs the government nothing. And second, because inflation soon moves people out of the lower brackets and into the range where they do owe taxes.

What about those famous "loopholes" that are said to allow the rich to avoid paying their fair share? "Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions," Roberts points out. ". . . deductions are the primary income shelter for those in the middle to lower tax brackets, where most of the income is," he says. And that is why the government wants to eliminate the deductions, so it can get its greedy hands on more of your money.

"The greatest loophole of all in our income-tax system," Roberts says, "works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates."

Over the last 10 years, wages have just kept even with inflation. But wages plus taxes have not, because "the government's revenues don't simply rise by the amount of the inflation, they rise by 1.65 times the rate of inflation" thanks to the progressive tax code.

Worst of all, says Roberts, those who feed at the public trough are not even worried by the prospect of taxes so high that they wreck the economy, because that would call for new government aid programs and more government employees to run them.

What can be done? A flat, across-the-board tax cut large enough to compensate for inflation plus the push into higher brackets would help temporarily. Another possible solution being discussed is "indexing" the tax code for inflation, so taxes remain the same on the same purchasing power. Still another is a constitutional limit on the total amount of national income that may be taken by the government.

These alternatives are worth a lot of thought and discussion. One thing I can guarantee you: If we don't save ourselves, no one else will do it for us.●

SCS COMPLETES PRIME FARMLAND INVENTORY IN DELAWARE

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. EVANS of Delaware. Mr. Speaker, in my State of Delaware, the loss of agricultural land to other uses is a serious and growing problem. I say this even though Delaware farmers have been able to demonstrate a tremendous capability to produce record crops. But there is growing evidence that this may not continue. Conflicting demands for land resources are placing severe strains on economic, social, and politcal institutions; on the political process; and on the environment. Throughout America we are losing a significant amount of our most productive agricultural land. Our choice farmland that continually produces the most food and fiber with the least amount of energy and impact on the environment is also choice for many other uses.

People both in and out of agriculture in Delaware are concerned. The problem is also one of national concern and USDA has authorized the Soil Conservation Service to inventory prime, unique, and additional farmlands of statewide and local importance. Knowing this, State and local officials in Delaware approached the Soil Conservation Service to determine how their important farmlands could be inventoried.

The inventory of 1.3 million acres of land in Delaware began in 1976. I am now pleased to announce that as of February 1978 the task is completed. Delaware is the first State in the Nation with a complete inventory of prime and unique farmlands and farmlands of statewide importance. Kent, New Castle, and Sussex Counties, Del., have inventory maps showing the kind, location, and extent of these choice farmlands. These maps are now in the hands of local and State decisionmakers.

The completed inventory supports our concern about the dwindling supply of highly productive agricultural land. Out of the 1.3 million acre land base, Delaware has 28 percent prime farmland, 1 percent unique farmland, and 46 percent farmland of statewide importance. The remaining land is already committed to other uses. Data collected by the Soil Conservation Service shows that the amount of land now in urban and related uses in Delaware has nearly doubled in the last 20 years. We do not have a clear record of how much of that growth resulted from the conversion of prime farmland. My best estimate would be that about 1,000 acres of our prime farmland is lost each year.

Delaware is blessed in that it has a higher proportion of prime farmland than many States in the northeastern region of the United States, and we want to keep it that way. We want Delaware to have an efficient, viable agricultural industry. We do not want agriculture to move to lands now producing needed grass or timber and that are more susceptible to erosion or have other environmental hazards. We do not want to drain our fragile and essential wetlands. We do not want agriculture to be diverted to unproductive lands that the public must subsidize to assure needed food and fiber production.

Now that we have a current inventory of our important farmlands, I believe that State and local officials in Delaware will move forward in a coordinated effort to make intelligent decisions about changing land use conditions. The pressure for change is here and our rural and urban people in Delaware are ready to face the tough problems ahead. We have many different ideals and outlooks on how our land and related resources ought to be used and managed. But one thing stands out: we are committed to retaining our best agricultural producing areas in Delaware and we will.●

THE 10 COUNT INDICTMENT AGAINST THE AIRBAGGERS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. SHUSTER. Mr. Speaker, although 160 Members of the House cosponsored a resolution disapproving the mandatory airbag/passive restraint regulation promulgated by the National Highway Traffic Safety Administration (NHTSA), the House never had an opportunity to express its will on this issue.

A carefully orchestrated effort by the administration and the airbag lobby resulted in the resolution being bottled up in committee by a slim 16 to 14 vote. These tactics represent the first of what might be called the 10-count indictment against the airbaggers.

Count 1: The airbaggers are, by their own admission, guilty of resorting to dilatory tactics to block the House from voting on an issue of significance to the American people and their Representatives.

The UPI reported that deliberate attempts were made to block a vote on the floor. Parliamentary ploys were used to stop committee meetings so the whole House would not have an opportunity to work its will. Such tactics were openly admitted to.

Count 2: The airbaggers are guilty of suppressing evidence. The results of four tests conducted by Calspan for NHTSA comparing airbags and seatbelts in offset frontal crashes at 60 miles-per-hour closing speeds were held in the NHTSA Chief Counsel's office and finally made public by a NHTSA employee without authorization to do so.

The tests revealed that in three of the four crashes, the airbag-restrained occupants sustained fatal injuries based on limits set by NHTSA. All belt-restrained occupants survived. We may never have received this evidence but for the unauthorized actions of a concerned employee.

Count 3: The airbaggers are guilty of intimidating a Government employee. NHTSA scientist, Thomas Glenn, who was the contract technical manager on the Calspan project, was quoted in the Detroit News as saying he was "pressured by NHTSA to testify before Congress that the test results were inconclusive, but I resisted."

Congressional investigators said Glenn was subjected to a systematic pattern of harassment following his attempt to place the critical test results in the public docket.

Count 4: The airbaggers are guilty of ignoring facts. On September 12, over a month before the deadline for congressional action, I reported that sodium azide, the chemical propellant used to inflate airbags, was a potent mutagen and probably a carcinogen. Warnings from three internationally-known genetic scientists were ignored by the airbaggers, who called the issue a "technological red-herrring."

Even when statements were released from six distinguished organic and nitrogen chemists indicating that human exposure to sodium azide during a normal airbag inflation was almost unavoidable, the warnings were ignored.

NHTSA's environmental impact statement, completely omitted this potential health hazard.

Another example of the airbaggers propensity for ignoring facts is the manner in which they dealt with the high incidence of nondeployments in towaway accidents. Ralph Nader stated in his nationally-syndicated column that—

> Airbags have never failed to inflate in a crash.

This simply is not true. NHTSA has confirmed that in 230 towaway accidents involving airbag-equipped cars investigated by that agency, the airbag did not inflate in 97 crashes, or 42 percent of the time.

When challenged on AM America, Nader replied—

> The airbag has inflated in crashes where it was designed to inflate—above 12 miles per hour collisions it has worked perfectly.

Again, this statement is not true, NHTSA reports that a third of the nondeployments occurred in side, undercarriage, and rear-end collisions. Airbags are activated only by frontal or angular impacts achieving a barrier equivalent velocity of 12 miles per hour.

The balance of nondeployments occurred when a 12-mile-per-hour barrier equivalent velocity was not obtained. While airbaggers have tried to convey the impression that such accidents involve cars going less than 12 miles per hour, the fact is that the barrier equivalent velocity is determined by the amount of kinetic energy absorbed by the vehicle and barrier (or second car), and it is entirely possible that cars traveling at 50 or 60 miles per hour and above may not achieve a barrier equivalent velocity of 12 miles per hour.

Count 5: The airbaggers are guilty of excusing away data unfavorable to airbags. NHTSA studies of airbag and safety belt performance in real-world crashes revealed that safety belts, when worn, are 5.7 times more effective at preventing fatalities and 2.4 times better at reducing injuries in towaway accidents. These statistics may not be reliable, but if NHTSA believes their data is not sufficiently reliable, then they should gather additional field data before mandating airbags.

Count 6: The airbaggers are guilty of making unsupportable claims. Perhaps the most widely used—but least supportable—claim was that airbags, if installed in all cars, could save 9,000 lives annually. Despite repeated requests for hard evidence to support this assertion, only subjective theoretical calculations were provided. NHTSA Administrator Claybrook said:

> The Department of Transportation has carefully estimated the effectiveness of airbags . . . on the basis of extensive and carefully controlled laboratory tests.

But experts state that laboratory tests are not sufficient to draw scientifically valid conclusions. The National Motor Vehicle Safety Advisory Council stated—

> . . . the analysis indicates that mathematical projections and tests with dummies do not predict with sufficient accuracy the potential value of these (passive) restraints in actual use.

Count 7: The airbaggers are guilty of showing deceptive films. A film was shown to Members of Congress and the public which compared a working airbag with a defective safety belt. In simulator barrier crashes, dummies restrained by airbags emerged undamaged while belted dummies were destroyed. But upon questioning the airbaggers admitted that the belted dummy was unprotected because the belt tore apart—it was defective.

Actually, field experience proves that belts generally work, saving thousands of lives and preventing countless injuries.

Thus, comparing a working airbag with a defective safety belt is deceptive and misleading.

Count 8: The airbaggers are guilty of conducting phony airbag demonstrations at taxpayer expense. A NHTSA traveling airbag show demonstrated an airbag that is substantially different from the airbag you would purchase in a car.

The airbag in the demonstration vehicle inflates in 4 to 5 seconds, or about 20 times slower than it would inflate in a production vehicle. Thus, it also deflates slower than an actual deflation, giving the false impression that protection might be extended for secondary impacts. The noise level is also substantially lower and the startling effect less pronounced than in a real crash.

The airbag in the demonstrator is also repacked after each show, while production airbag units must be completely replaced at a cost 2½ to 3 times the factory installation charge.

Finally, the airbag simulator uses nitrogen tanks, despite the abundance of evidence that sodium azide may be used as the propellant in airbags.

Count 9: The airbaggers are guilty of grossly underestimating consumer costs. Despite statements to the contrary by automakers, the airbaggers have persisted in telling the Congress and the American people that airbags would not cost more than $112. Ford Motor Co. submitted documents showing that the cost of airbag components alone would exceed $112, without taking into account assembly, design costs, tooling, and engineering, overhead, and markup.

Estimates from the automakers range from $193 to $250 for installation and $300 to $600 for replacement. It will be the automakers, and not airbaggers, who will set the price of airbags.

Airbaggers also claim that the cost of an airbag would be offset by insurance savings. While major insurance companies have advertised 30 percent reductions for airbag cars, the fine print in their ads limited the reduction to medical costs which represent about 10 percent of the total insurance costs.

Airbaggers also failed to discuss obvious increases in collision coverage rates (necessitated by the higher cost of repairing an airbag-equipped car), or the fact that they would not cover inadvertent inflations which could number in the thousands annually.

Count 10: The airbaggers are guilty of resorting to character assassination against their opponents. Airbaggers called opponents of the Federal order "cold blooded," distorted our position as "the right of Americans to be killed on the highways," charged that opponents "must gnash their teeth" and are the kind of people who would not ban "selling thalidomide to pregnant women."

These kinds of emotional attacks add nothing to the airbag debate and merely serve to cloud the real issues.

In summary, the airbaggers stand guilty of at least 10 counts of misleading the American people, engaging in unethical conduct, and thwarting the democratic process to impose their will upon us. Presidential candidate Jimmy Carter declared in May, 1976—

> You need to tell the truth. A minimum of secrecy. Let the people have a maximum part in . . . our domestic and foreign policies.

How unfortunate it is that those high-sounding words have not been heeded by the Carter administration, its supporters, and followers in the Congress who have conspired together to impose the airbag on the American people without a vote by their Representatives.●

SOLAR ENERGY AND THE CITIES: THE TIME FOR ACTION IS NOW

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. DRINAN. Mr. Speaker, as the House Banking Subcommittee on Domestic Monetary Policy prepares to mark up the Solar Energy Bank Act, H.R. 7800, it is important that Members become fully cognizant of the role which solar energy can play in alleviating the regressive burden of high energy costs on the residents of our cities.

In my testimony on the Solar Energy Bank Act before the subcommittee, I outlined several steps which could be taken to assure that the benefits of low-interest solar financing are enjoyed by all taxpayers—not just those with large incomes, and not just those who own their own homes. I commend both the chairman of the subcommittee, the gentleman from Maryland (Mr. MITCHELL) and the author of H.R. 7800, the gentleman from North Carolina (Mr. NEAL) for their sensitivity to these issues of equity.

Mr. Speaker, many of the concerns I have expressed on the distributional effects of solar incentives have been

supported by the work of the National Consumer Law Center, a nonprofit public interest organization in Boston. During my tenure as dean of the Boston College Law School, I was pleased to play an active role in establishing the Center, and to have served on its board of directors.

As such, I take great pride in commending to my colleagues the following two commentaries on solar policy by Steven Ferrey, staff attorney to the Center's Energy Project, as they appeared in the Boston Globe and New York Times:

[From the Boston Globe, May 3, 1978]

LET THE SUNSHINE IN TO POWER OUR CITIES

(By Steven Ferrey)

The sun climbs slowly behind weary brownstones and casts long shadows across crooked streets and alleyways. Clear morning rays glitter from remnants of broken bottle souvenirs of Saturday night on the streets of Boston. This is the heart of inner-city America: cluttered, poor and in need of a break. It is the very last place anyone associates with solar energy. Yet the sun may be absolutely indispensable to a revitalization of urban America.

Solar energy conjures thoughts of the parched desert or suburban ranch-style sprawl, but it doesn't sound right paired with Roxbury, Bedford-Stuyvesant or Watts. The very concept of solar power has come to denote a certain eccentric affluence far removed from the day-to-day struggle for survival characteristic of many urban communities.

Yet, energy is a factor in urban exodus and decay. The high cost of energy in older Eastern cities is causing companies and jobs to relocate. Left behind are a large number of the least mobile and least skilled citizens. They must contend with soaring energy costs, a shrinking ecomonic and tax base and a deteriorating quality of utility service.

This is precisely why solar energy is essential for urban America: It is an alternative to traditional, increasingly expensive sources. The solar energy which falls on the earth in just three days equals the total known global reserves of all fossil fuels. Moreover, the solar energy cast upon US buildings in urban areas each day is equal to the area's total daily domestic energy requirements.

Even the skeptical Department of Energy now concedes that in most areas of the continental United States, heating residential hot water with solar is now cost-effective. So promising is the solar technology that the California Energy Resources Commission predicts there will be more than one million solar-heated houses in that state alone by 1985.

But will it work in the less sunny cities of the East and Midwest? The answer appears to be "yes." There is no great variance in the amount of usable sunlight which falls in a year around the country. The sunniest spot in the continental United States receives less than twice as much sunlight as the cloudiest location.

The most important variable in the economics of solar heating is the price of substitute fuels. Even though the older eastern cities receive less sunlight, solar is still cost-effective because of their enormous winter heating needs and the higher prices of traditional fuels.

And if decentralized "roof-top" solar energy becomes widely used by suburban homeowners and commercial enterprises, as it seems likely to, the aggregate demand for traditional centralized power supplies will be cut.

Energy suppliers, especially electric utilities, have astronomically large fixed capital costs that are passed on in consumer rates. If certain segments of the population dramatically reduce their consumption, remaining consumers will have to absorb a greater and greater share of the fixed costs.

So while solar energy promises, for those who can afford it, to be a buffer against the skyrocketing cost of utility service, it also threatens the poor.

Federal solar energy policy fails to address the urban problem. Carter's 1979 energy research and development budget includes a 10 percent real cut in solar funding. The energy legislation moving slowly through Congress attempts to stimulate residential solar development through nonrefundable tax credits. But tax credits will not effectively reach moderate-income homeowners, who do not incur sufficient tax liability against which a credit could be applied. And in the millions of rented dwellings in the country where landlords do not pay for utility bills, there will be scant incentive for solar improvement.

The adaptability of solar for the inner-city is apparent. Solar is inherently a technology on a community scale. It is relatively simple, modular in design, infinitely adaptable and freely available. Solar-collector surfaces can be in almost any shape and size to fit existing use of space. It is the ideal type of redevelopment, one in which the community gains some control over necessary services while not destroying the urban fabric or relocating its residents.

Solar energy is not a panacea for urban blight and decay. Problems of unemployment, inadequate education, poor health care and hunger simultaneously infest this nation's poor communities. Yet, energy occupies a commanding and ubiquitous role in the everyday life of the urban consumer. We have passed the era when energy was so cheap that we could afford to formulate policy as if equity and social welfare were unaffected by energy decision-making. The ultimate energy issue is not strictly a matter of technology, but also a matter of who benefits and at what cost.

In the context of existing energy policy, the sun can be a benign or wrathful god for the cities—bestowing its warmth or turning a cold shoulder. With each day's breaking there is a new beginning. Planned wisely, the solar age can be a new dawn for urban America.

[From the New York Times, May 30, 1978]

BUT SOME WON'T BASK

(By Stephen Ferrey)

BOSTON.—A transition from traditional sources of depletable fossil fuels to renewable solar-based energy is beginning to occur. As with the introduction of coal in pre-industrial England, the solar transition over the next 50 years will dramatically affect our major population centers. With this renaissance, however, arises a paradox for urban areas.

While for those who can afford it solar energy promises to be a buffer against the skyrocketing cost of utility service, it also threatens to leave the poor and those on fixed incomes behind. Those residents unable to afford the substantial initial purchase costs of solar equipment will be left largely dependent upon energy from utility companies.

President Carter's top energy advisers privately are predicting at least a doubling of fuel-oil prices by 1985. Coupled with already huge long-term fixed capital costs, especially for electric utilities, skyrocketing fossil-fuel prices will have to be absorbed by consumers unable to make the transition to solar energy. For the older Northeast and Midwestern cities, the shape of this transition may determine urban America's vital signs.

The comprehensive energy legislation now apparently emerging from the Congress attempts to stimulate residential solar development through nonrefundable tax credits equal to 30 percent of the first $2,000 and 20 percent of the next $8,000 spent on solar equipment. Nonrefundable tax credits will not effectively reach moderate-income homeowners, who do not incur sufficient tax liability against which a credit could be applied. Moreover, in that portion of the 41 million rented dwellings in which landlords do not pay utility costs, there will be scant incentive for landlords to absorb the significant front-end costs of solar improvements. Then, too, the possibility of banks' de facto redlining and strict definitions of "creditworthiness" are likely to direct most solar loans to the suburbs.

In addition, admirable legislative efforts such as a proposed solar-energy-bank bill, to make 30-year solar-improvement loans at interest rates of 3 percent, still will not reach the rental market or much of the inner city.

The President's energy program, by encouraging electric-energy expansion to meet immediate needs, is mortgaging the future to the most inefficient and expensive form of centralized energy supply. In contrast to these soaring costs, the penetration of solar technology during the rest of the 20th century will demarcate the low-cost energy "haves" from the "have-nots." Under current policy, people on fixed incomes and renters, residing primarily in the cities, will shoulder the disproportionate economic burden of the shift to renewable energy resources.

A solution to this dilemma requires that solar energy be creatively incorporated as an integral element of the Administration's urban program. For the millions of federally assisted urban rental dwellings, solar equipment should be provided through direct Government grants.

For communities undergoing comprehensive redevelopment or infrastructure improvements, placing large solar-storage facilities at little additional cost beneath streets, and utilizing rooftop collectors, offers the opportunity to alter not only the facade but also the economics of the urban environment. Community-based solar systems promise to contain costs of energy for individuals and businesses, lessen the balance-of-payments outflow for foreign oil, and provide local jobs for solar-equipment manufacturing and installation.

Solar energy is not a panacea for urban blight and decay. Yet, because energy occupies a commanding and ubiquitous role in the everyday life of the consumer, any long-range resuscitation for the cities may be impossible without the solar option.●

PROHIBITING DISCRIMINATION AGAINST THE HANDICAPPED

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. DODD. Mr. Speaker, at this time I would like to insert in the RECORD testimony which I gave before the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary on H.R. 3504, a bill to prohibit discrimination against the handicapped.

Thank you. The testimony follows:

Mr. Chairman, I want to first thank you for this opportunity to testify before your subcommittee this morning. I have many fond memories from the 2 years that I had the privilege of working with you and the other distinguished members of the subcommittee.

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It was as a member of this subcommi'tee that I first became involved with handicapped issues and problems. In fact it was in my first year as a member of this subcommittee that I introduced legislation which prohibited discrimination against the handicapped in housing and in employment.

The bill on which these hearings are being held, H.R. 3504, has an identical purpose, and I want to compliment the subcommittee on your consideration of this proposal.

The problems of our Nation's 35 million handicapped citizens have only recently received increased attention from the Federal, State and local governments and the public. In recent years significant steps have been taken to help these people realize their full potential.

For example, the Federal Government has promoted deinstitutionalization of the handicapped for about the last 10 years. Through vocational rehabilitation prohibitions against discrimination of the handicapped contained in the rehabilitation act, and through the Education of All Handicapped Children Act, the Federal Government has sought to better prepare the handicapped to live independent lives.

This goal of independent living, however, can never be fully achieved until statutory protections against the discrimination of the handicapped in employment and in housing are enacted and until adequate support systems are created to provide the transitional and after care needed in order for the handicapped to live in a noninstitutional environment.

Very often those of us in open society tend to think of our human and constitutional rights in abstract terms without any real understanding of how they impact on our daily lives. Most of us have never suffered the indignity of being denied a job for which we are qualified or access to a public place or a home. Yet, I regret to say, that the principle of equality and fairness which protects the rest of our society from such abuse still does not apply to the handicapped.

Instead, the handicapped must wage battle daily. The physically impaired must fight to gain access to transportation systems and buildings where jobs and residences are found. The mentally handicapped must suffer the prejudice of employers, neighbors and landlords who commonly believe them to be unstable, unreliable and prone to criminal acts.

To think that "deinstitutionalization" can be successful in the context of these obstacles and these public misconceptions is, I think, very unrealistic. Without the protection of the law, the handicapped will be forced to continue waging that lonely, daily battle against deep-seated public fears and environmental barriers. Occasional victories may be won, but they will be isolated and will most likely not be sufficient to change the way the public deals with all handicapped individuals.

In consideration of all of this, the importance of this subcommittee's work becomes very clear. The power of the Federal Government must be brought to bear on the environmental and attitudinal barriers which presently deny the handicapped their equal rights in our society.

H.R. 3504 seeks to establish that protection which is needed. However, the problems involved in extending this protection are so complex that in the area of housing alone it will take great perseverance on our part if we are to pass a bill that will be meaningful. What is the duty of the landlord in renting property to the handicapped? What should building codes require? What does reasonable accommodation mean? Should local zoning laws be allowed to prohibit the establishment of group homes for the handicapped?

I do not profess to have all of the answers to these and many other questions involved in this matter; however, I am certain that to ensure the protection of handicapped rights, answers must be found and these answers must promote the public welfare of all our citizens including the handicapped. Furthermore, we must not fail despite the difficulty of the task, keeping in mind that discrimination is the result of human behavior and that with incentives, restrictions and new definitions human behavior can and must be changed.

Already a kind of revolution has started in the way our Nation treats the handicapped as a result of the implementation of the section 504 regulations. Although HEW is the only Federal agency that presently has issued its final regulations implementing this section of the Rehabilitation Act, every Federal agency soon will do so. HUD has included in its proposed regulations that owners of property be required to make "reasonable accommodations" to the handicapped. I would think that certainly nothing weaker than this standard should be included in H.R. 3504, and that very probably the handicapped should also be allowed to make at least minor structural changes for which he or she is willing to pay.

Mr. Chairman, an issue which I think deserves in-depth investigation and consideration by the subcommittee is the use of local zoning laws to restrict the establishment of group homes for the handicapped. Again, to restate my position, it is my belief that the key to successful deinstitutionalization is the establishment of a system that will provide the handicapped with good transitional and after care. Furthermore, I believe that group homes are probably the best mode for providing this care.

What happens when the handicapped are unable to rent adequate housing or refused the right to establish group homes with the support and supervision they need to live in a noninstitutional setting?

For our Nation's more than 1.5 million institutionalized mentally handicapped, the only alternative to the institution is often a local volunteer organization or a local dollar-a-day hotel.

The fact is that many individuals being discharged from mental hospitals and institutions are incapable of living totally independent lives. They need a supervised group home in order to insure that the stability and control they have achieved continues and to detect at the earliest possible time any regression in their behavior.

It is my belief that if group homes were more available more people currently in institutions could be released and the time that a mentally ill individual is able to function outside an institution would be greatly increased.

Studies have found that the rate of recidivism among discharged mentally ill patients is extremely high. Within 6 months following discharge, it is estimated that between 30 and 40 percent of the patients are readmitted to the hospital. Within one year following discharge, between 40 and 50 percent of the patients are readmitted. And, within three to five years following discharge, between 65 percent and 75 percent of the patients are readmitted.

Clearly, our Nation's system of transitional and after care is not adequate to sustain the discharged mentally ill patient outside the institution.

From what I have been able to ascertain, it would appear that many communities have used their local zoning ordinances to thwart the establishment of group homes for the handicapped. I would like to qualify this by simply saying that clearly the lack of money and other resources rather than zoning restrictions are more responsible for discouraging the proliferation of group homes. But, the fact remains that in those instances in which organizations have sought to establish group homes the zoning laws have been the biggest and sometimes only insurmountable obstacles to their creation.

Although supposedly created to protect the health and safety of communities, zoning ordinances are often excessively restrictive. Typically community zoning ordinances limit the habitation of a premises to a family which is most often defined as a household unit related by blood, marriage or adoption.

It is this type of zoning restriction which is most often used to prohibit the creation of group homes. Furthermore, since zoning ordinances are designed to protect the welfare of the general public, the fears the general public have about the mentally handicapped also reinforce the strict application of these types of ordinances. One commonly acknowledged fear is that the mentally handicapped are prone to commit acts of violence. To my knowledge the only study that has been conducted on this issue shows that the incidence of crime among discharged mentally ill patients was not that much higher than in the general population. According to a study conducted by the New York State Department of Health in 1968, 93 percent of discharged mentally ill patients had no subsequent arrest, and in 1975, 90.6 percent had no subsequent arrest.

That study showed further that 32.5 individuals out of every one thousand in the general population were arrested in 1975 and that 98.5 individuals out of a sample of one thousand discharged mental patients were arrested. However, the study also showed that of those discharged patients with no prior arrest record (approximately 73 percent of the total sample) only 22.6 percent had subsequent arrests.

Despite these figures and none that contradicts them, the public perception persists that the mentally handicapped are somehow unusually dangerous people.

To overcome both the obstacle of the zoning laws and public misconception, 11 States have found it necessary to enact State statutes that exempt group homes for the handicapped from the single family zoning restriction. While my State of Connecticut is not 1 of these 11 States, Connecticut has enacted very progressive legislation for the handicapped, including a recent measure which prohibits discrimination against the mentally retarded. Furthermore, I have been told by people who work in the field that several organizations have been successful in obtaining waivers to establish group homes.

What needs to be determined, however, on a national basis is whether zoning laws are in fact excessively restrictive and whether they constitute a large enough barrier to the establishment of group homes that the subcommittee should include in H.R. 3504 language preempting this sort of exclusionary practice. If a careful review of the situation reveals that, as it appears, zoning restrictions do tend to discriminate against the right of the handicapped to reside in a noninstitutional setting, then such language should clearly be added.

Mr. Chairman, in conclusion I would like to say that I believe the protections contained in H.R. 3504 are needed in order for the handicapped to be able to live in open society. Our society has no less an obligation to ensure that the handicapped are able to enjoy their human and constitutional rights than it does to racial, ethnic and religious minorities. Society has made accommodations for each of these latter groups, and I find the demands being made by the handicapped no less compelling. While we cannot change overnight behavior which has its roots in years and years of fear and prejudice, we can demand that existing institutions and practices be modified and that from this point forward different rules apply

Mr. Chairman, I will conclude my remarks now, and, again, I would like to thank the subcommittee for this opportunity to appear before you.●

ABANDONED BANK ACCOUNTS ACT OF 1978

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. KETCHUM. Mr. Speaker, today I have introduced legislation which may be cited as the "Abandoned Bank Accounts Act of 1978." Billions of dollars rightfully belonging to the American people sit dormant in State depositories, earning no interest for its owners.

The legislation which I am introducing seeks to assist financial institutions in the location of owners of unclaimed and abandoned bank accounts. Existing Federal laws regarding the privacy of citizens prohibit the Internal Revenue Service from releasing certain personal information on our taxpayers. This legislation would permit the Secretary of the Treasury to disclose the mailing address of a taxpayer to an officer of any depository institution or other bank or savings institution solely for the purpose of advising the taxpayer of their unclaimed account.

Similarly, since most banks require the social security number of depositors, this bill would allow the Secretary of Health, Education, and Welfare to discharge information which would aid State governments in contacting the owners or their heirs of such unclaimed property.

I commend the Enquirer for its investigating initiative in this area, and respectfully direct your attention to the following article published in the Wall Street Journal which illustrates the great need for this legislation:

[From the Wall Street Journal, June 1, 1978]

STATES ACT TO MOVE UNCLAIMED PROPERTY TO ITS OWNERS OR TO THEIR OWN TREASURIES

(By Byron Klapper)

California's Comptroller, Kenneth Cory, was checking unclaimed property turned over to the state by the Bank of America. On a list of savings-account customers whom the bank said it couldn't locate were several names that Mr. Cory recognized. Like Lucille Ball, the actress; Willie McCovey, the San Francisco Giants baseball star; and L. Bob Hope, better known as comedian Bob Hope. There was another name, too, that Mr. Cory was familiar with—his own.

The presence of such well-known names indicates that banks and others may not be too efficient at tracking down the owners of property, usually money, that is considered unclaimed or abandoned. Which is one reason that California and some other states are stepping up their own efforts to track them down.

The states' motives aren't altogether, or even mainly, altruistic. Once a real effort has been made to find an owner and failed, the unclaimed property reverts to the state, and unclaimed cash is seen as an easy way to fatten state treasuries without levying new taxes.

No one knows how much unclaimed property is lying about, but states figure many billions of dollars are involved. Such funds are held by banks in forgotten savings accounts, by insurance companies in unclaimed benefits, by corporations in uncashed payroll and dividend checks, by brokerage firms in "house name" accounts, by utilities in security deposits, and by department stores, oil companies and other credit-extending enterprises in overpayments on charge cards.

WASHINGTON HAS SOME

The federal government, as well, has an abundance of cash whose owners haven't been traced. Last October, the Internal Revenue Service said it held $20.7 million in undelivered income-tax refunds, which states insist Washington isn't entitled to keep.

Jim Lord, Minnesota state treasurer, calls the IRS figure "very minor": He estimates that, all told, the federal government and its agencies improperly hold $5 billion. As president of the National Association of Administrators of Unclaimed Property, Mr. Lord is seeking legislation aimed at forcing the government to "identify unclaimed funds and return them to rightful owners."

Those states currently pressing their efforts are concentrating not on the federal government but on businesses within their borders. New York State last year thus collected $124 million, of which $24 million went to the owners and $100 million helped finance state activities.

"The state can use these funds for the benefit of all citizens rather than permit them to enrich a few business organizations," says Marvin Rosen, director of New York's Bureau of Abandoned Property. California expects to collect between $90 million and $180 million annually by 1980. Minnesota's Mr. Lord says vigorous collection efforts by his state could add $20 million a year to the general fund.

Forty-two states—all but Alaska, Colorado, Kansas, Maine, Mississippi, Missouri, Nevada and Wyoming—have abandoned-property laws stating just how many years various types of property can go unclaimed before they must be turned over to the state. Enforcement has been spotty.

Alexander Grant & Co., a Chicago-based accounting firm, says companies have generally ignored such laws before now. In a survey of Minnesota-based companies, it found "a serious lack of compliance." Insurance companies "have asserted various legal arguments" to avoid transferring funds to the state, the survey said, and "not one of the (state's) 46 brokerage firms ever filed an abandoned-property report" in Minnesota.

BOOKS ARE SEARCHED

To try to rectify the situation, 10 states, including Minnesota, hired Alexander Grant & Co. last fall to search the books of Exxon Corp.; American Telephone & Telegraph Co.; General Electric Co.; Prudential Insurance Co. of America; Merrill Lynch, Pierce, Fenner & Smith Inc., and five other major companies. The survey hasn't been finished, but Alexander Grant has already found $1.5 million in unclaimed property that hadn't been reported to the accounting firm's client states.

The amount would exceed $10 million if funds due the other 36 states with abandoned-property laws were included, according to Anthony L. Andreoli, Alexander Grant's government specialist. As a result of the findings, 15 more states have hired the accounting firm to conduct a similar study for them.

Data uncovered by Alexander Grant will be used "as a starting point in the collection process," says David J. Epstein, special consultant on abandoned property for Minnesota, Massachusetts and Illinois. State treasurers, he says, will demand that companies turn over funds that the audit shows are due.

The collection attempt may prove difficult. Massachusetts' Treasurer, Robert Q. Crane, has already met resistance with suits against First National Bank of Boston and Boston Edison Co. Mr. Crane accuses the bank of withholding $1 million, but Barry M. Allen, a First National spokesman, says: "He'll have to prove that in court. We believe we've been in full compliance with the law." Similarly, Boston Edison, sued for alleged underpayment, says it has abided by Massachusetts' abandoned property law and turned over $9,177 to the state last year for calendar 1976. "We've searched our books: $9,177 is accurate," a spokesman says.

THE QUIET WAY

To avoid such confrontation, New York has elected to deal behind the scenes with some companies. In recent months, quiet negotiations with American Express Co. and Citibank have produced about $10 million for the state. A spokesman for State Controller Arthur Levitt says the negotiations included a promise of no publicity; he refuses to disclose details, and neither company will comment. But sources familiar with the settlements say American Express paid $6.1 million on unclaimed traveler's checks and money orders while Citibank agreed to hand over $3.8 million in abandoned dividend checks and money orders.

The U.S. Supreme Court has decided that in cases where more than one state may have a claim, the property belongs to the last state where the owner is known to have lived. But despite the ruling, states haven't made it a practice to let one another know what unclaimed property is available in their jurisdictions.

Illinois and California hope to change that. The two states are drafting a model pact under which parties to the agreement would swap information Charles W. Tomlinson, supervisor of the Illinois abandoned-property division, says the plan will be presented to the abandoned-property administrators' association "to make it uniform among all states."

Whether states that turn up abandoned property do a better job than companies of returning it to rightful owners has been questioned. California, on the one hand, recently bought what it called "the world's biggest classified ad" in the Los Angeles Times to publicize recovered property. It spread the names of 30,000 persons, companies and estates across 32 pages of the newspaper.

New York, on the other hand, runs lists of abandoned property in the obscure New York State Bulletin, rarely seen by the general public—"but available in most public libraries," says Mr. Rosen of the state's abandoned-property bureau.

Such limited-circulation lists are tailor-made for "heir chasers," who comb the lists and offer to recover funds for owners for high finders' fees.●

SUPPRESSION OF SOUTH KOREAN LABOR'S WAGE BOOST EFFORTS ADDS TO AMERICAN TEXTILE IMPORT VOLUME

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. HOLLAND. Mr. Speaker, the rapid increase in textile and apparel imports into the U.S. market now is reaching alarming proportions. In the month

of April alone, imports rose 42 percent from April 1977. During that month, fabrics alone jumped 82 percent.

For the first 4 months of 1978, imports were up 33 percent over the same period last year. In the 12 months ending with April, imports rose 16 percent from the year ending April 1977.

It is obvious that our domestic industry is being severely damaged by these imports and its very future threatened.

Significantly, the textile and apparel products coming into our market in great volume emanate from such countries as Korea. The Washington Post on June 7 had an article entitled, "South Korea Clamps Down on Effort to Boost Wages." This article describes the low wages paid in that country and the poor working conditions. It also noted that the Government and factory management of Korea were suppressing an independent labor organization that is trying to raise wages of South Korea's low-paid factory workers. The reason for this suppression, according to the article, is a part of a campaign to keep wages low and assure the continued competitiveness of South Korean exports.

Mr. Speaker, the time has come when our Government needs to deal realistically with this problem and to bring about more effective negotiation and implementation of arrangements to provide more orderly flow of textiles and apparel into our domestic market. Surely, we should not sacrifice more American jobs to goods produced under conditions described in this article.

I ask unanimous consent for insertion of my remarks and the article that I have in my hand in the RECORD:

SOUTH KOREA CLAMPS DOWN ON EFFORT TO BOOST WAGES

(By William Chapman)

SEOUL.—An independent labor organization trying to raise wages of South Korea's low-paid factory workers is encountering arrests, sporadic violence and heavy government pressure.

Its leaders accuse the government and factory management of attempting to suppress their church-sponsored movement as part of a campaign to keep wages low and assure the continued competitiveness of South Korean exports.

In the past few weeks, prosecutors seized books and records of the Urban Industrial Mission and arrested one of its ministers for delivering a sermon deemed critical of the government.

Books widely circulated with government permission accuse the mission of being tainted with communism, the most serious charge that can be made in this country which shares an armed border with North Korea.

Young women demanding the right to strike were arrested at an Easter worship service. Others were showered with human excrement thrown at them during a plant-organizing election.

An American minister from Japan was detained for six hours and his papers were confiscated after he visited a mission seminar here.

The mission is an international church-sponsored organization that assists low-paid workers in urban areas of Japan, South Korea, Hong Kong, the Philippines, Indonesia, Malaysia and Thailand. It is financed by local churches, the World Council of Churches, and denominations in Australia, the United States and Europe.

In South Korea, its targets are the textile factories, which in the 1960s launched this country's formidable economic boom and which still account for a large share of the profits in the export trade.

Much of those plants' competitive success is due to the low wages paid to young women workers who tend the machines. One recent survey found the woman textile worker earns an average of $73 per month. Many work eight-hour shifts seven days a week with only an occasional official holiday for rest.

Strikes are forbidden by national law and the government has a hand in setting wage levels. In an interview, an official acknowledged that it is government policy to increase wages slowly so as not to upset the favorable competitive position of South Korean products. At this stage of development, he contended, wages must be kept low to retain markets eagerly sought by other Asian countries. He said strikes cannot yet be permitted but he denied the government is bent on suppressing the Urban Industrial Mission.

Government pressure and the docile behavior of officially sanctioned trade unions prevented any significant labor agitation until the early 1970s, when the young women workers, aided by the mission, began demanding union elections and collective bargaining rights. Their leaders are under surveillance by the Korean Central Intelligence Agency and local police and the pressures have increased in recent weeks.

On May 1, police from the public prosecutor's office entered the mission office and seized lists of members enrolled in its credit union, the major record of persons having connections with the organization. They also took large numbers of other documents and pictures from the walls.

A government spokesman said he could not supply an explanation of that incident.

Mission leaders, who asked not to be identified, said their organization had recently refused to submit to an audit of its credit union on grounds the lists of members would be turned over to the KCIA.

The same day, a mission minister, the Rev. In Myung Jin, was arrested for a sermon given two weeks earlier and was charged with violating Emergency Proclamation Number 9, which prohibits any criticism of the government or the constitution.

The sermon had questioned administration of justice and had criticized in particular one prosecutor, now deceased, for harsh treatment of political dissidents.

In a tape recording left with friends before he was arrested, the minister said he was being singled out for his activities with the mission. It was he who had initially refused to have the organization's credit union audited.

The mission had also come under strong attack in a recently published book widely circulated among workers in textile mills and other plants where mission supporters have been agitating.

The book charges that the mission is part of a communist plot and that its theology is not based on Christianity but on "the communist-red ideology." It also charges that the World Council of Churches is dominated by persons having allegiance to communism.

Mission say the book is a government device to discredit their organization in this staunchly anticommunist country. No book can be published and distributed legally without government approval.

Six women from several plants were arrested March 26, at an Easter religious services where they suddenly seized microphones and demanded the right to strike and bargain collectively. They were charged with interferring with a religious meeting.

On Feb. 21, during union elections at the Dong-Il plant, a group of men burst into a textile workers' office, destroyed machinery and threw human excrement on many of the women. The women said their assailants had been hired by the officially sanctioned textile union in its effort to retain control of the plant.

In the most recent incident, the Rev. John Walker, an American missionary from Kobe, Japan, said he was detained for six hours by questioning at Seoul's airport as he was leaving after attending a mission seminar late in May.

He said government agents confiscated mission documents and his personal notes on meetings he had attended and threatened to charge him with violating a proclamation that prohibits criticism of the government.

A government spokesman, asked to explain the incident, said Walker's papers had been uncovered during a routine search by police and customs agents and were found to include 244 copies of 63 document. The papers "slander or oppose the constitution and criticize government activities," the spokesman said, adding that it is illegal to carry such material in or out of the country. The U.S. Embassy has asked for an explanation of Walker's detention.●

SOVIET PERSECUTION OF DR. YOSEF BEGUN

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. DOWNEY. Mr. Speaker, once again I want to bring to your attention and to the attention of my colleagues another case of religious discrimination in the Soviet Union.

Today, I along with my colleague RICHARD OTTINGER sent a letter to all House Members asking for cosignatures on a letter to Ambassador Anatoly Dobrynin expressing our deep concern over the case of Dr. Yosef Begun who recently completed a 1-year sentence of exile in Siberia. Mr. Begun was arrested on May 17 by Soviet officials and is again unjustly imprisoned.

I would like to insert into the RECORD a copy of the letter Mr. OTTINGER and I sent to our colleagues:

DEAR COLLEAGUE: For the past year we have been involved with the case of Dr. Yosef Begun, a Soviet Jew, who is under constant harassment by the Soviet government.

On April 14, 1977, Dr. Begun was arrested. On June 1, 1977 he was unexpectedly brought to trial on a charge of vagrancy and sentenced to exile in Siberia. Dr. Begun was released from Siberia early in 1978 and he returned to Moscow to join his wife and son.

On May 17, 1978, Dr. Begun was again arrested by the Soviet Police while returning home from the trial of another Soviet dissident Yuri Orlov. He was arrested for alleged residence violations and taken to the Matroskaya Tishina Prison in Moscow. He was removed from this prison and taken to the notorious Bubyriki for a psychiatric examination. Yesterday, June 7th, he was returned to Matroskaya Tishina.

Dr. Begun has been on a hunger strike since his arrest on May 17th for he believes that his arrest was unconstitutional and in violation of Soviet legislation governing returning exiles. He has been assured by his lawyer that such prohibitions did not apply to people sentenced uder Article 209 for "parasitism". Even the chief investigator, Ivan Ztov, in a phone conversation with

Dr. Alla Drugova, Begun's wife, confessed that under Soviet law such a ban on living in Moscow should have been read out in his 1977 trial as part of Begun's sentence.

Dr. Begun's health is failing and both his wife and son fear for his life.

Cases such as this belie the declarations made by the Soviet Government of respect for human rights and freedom. They raise serious questions about whether the Soviet Union is acting in accordance with the Universal Declaration of Human Rights and the Final Act of the Conference on Security and Cooperation in Europe. In addition, the type of treatment experienced by Dr. Begun can only serve to damage relations between the United States and the U.S.S.R.

Yosef Begun and other Soviet Jews in similar predicaments will continue to suffer as long as the rest of the world does not protest. We must continue to help focus world opinion on the practices of persecution in the Soviet Union.

If you wish to co-sign the attached letter to Ambassador Dobrynin, on Dr. Yosef Begun's behalf, please contact Hilary Lieber at 53335 by June 21st.

Sincerely,

THOMAS J. DOWNEY,
Member of Congress.
RICHARD L. OTTINGER,
Member of Congress.

DEAR AMBASSADOR DOBRYNIN: As members of the United States House of Representatives we are very much concerned about the case of Dr. Yosef Begun.

Dr. Begun was arrested on May 17, 1978 on charges of residence violations. Dr. Begun recently returned to Moscow, to be with his wife and son, after serving one year of exile in Siberia.

Dr. Begun has been on a hunger strike since May 17th at Matroskaya Tishina Prison in Moscow. His health is failing and we along with his family fear for his life.

In the spirit of the Helsinki Accords we most respectfully urge your attention to the case of Dr. Yosef Begun to see that he does not suffer any further unjustified imprisonment.

We would appreciate you bringing this letter to the attention of President Brezhnev.

Sincerely,

———— ————.●

NATIONAL GASOHOL COMMISSION TO MEET

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mrs. SMITH of Nebraska. Mr. Speaker, I think it is important for my colleagues to be aware that the National Gasohol Commission will be holding a 2-day meeting in the Nation's Capital on June 13 and 14.

For those who do not know, Gasohol is a registered trademark of the State of Nebraska and is a blend of 90 percent unleaded gasoline and 10 percent ethyl alcohol. My home State has been in the forefront in the utilization of this splendid alternate energy source to power automobiles.

Gasohol can help solve two of this Nation's most pressing problems—the energy shortage and the low farm price situation. Many other States have recognized the importance of developing Gasohol and have joined with Nebraska to form the National Gasohol Commission. I have been honored to have been asked to address the commission. Several others of my colleagues in the Congress also will appear.

The commission will attempt to draw some national attention to Gasohol and its importance to the future of this country. Meetings will be held in room 1318 of the Dirksen Senate Office Building on Tuesday, June 13, and at the Quality Inn Hotel near Capitol Hill on Wednesday, June 14.

For the convenience of my colleagues and their staffs that may wish to attend, I ask unanimous consent that the agenda for the National Gasohol Commission meeting be printed in the RECORD:

AGENDA—NATIONAL GASOHOL COMMISSION MEETING—WASHINGTON, D.C., JUNE 12–14, 1978

JUNE 12

3:00 p.m.–7:00 p.m.—Registration, Capitol Hill—Quality Inn Hotel.

7:00 p.m.–9:00 p.m.—Jet Lag Reception.

JUNE 13—MEET THE NATIONAL GASOHOL COMMISSION DAY

Meeting begins on Capitol Hill in Dirksen Senate Office Building, Room 1318.

9:30 a.m.—Introduction and Explanation of National Gasohol Commission by Meeting Moderator—Holly Hodge, Nebraska.

9:45 a.m.—Governor J. J. Exon of Nebraska.

10:00 a.m.—*Weldon Barton, Chief of U.S.D.A. Energy Office.

10:45 a.m.—**Senator Birch Bayh of Indiana.

11:00 a.m.—*Alvin Alm, Assistant Secretary, Policy and Evaluation, D.O.E.

11:45 a.m.—**Senator Carl T. Curtis of Nebraska.

12:00 noon—Lunch at Quality Inn Hotel—Capitol Hill; Speaker—Hal Bernton, Assistant to Jack Anderson, nationally syndicated columnist, Washington, D.C.

2:00 p.m.—*Norman D. Shutler, Deputy Assistant Administrator for Mobil Source and Noise Enforcement, U.S.E.P.A.

2:45 p.m.—**Representative Virginia Smith of Nebraska.

3:00 p.m.—Ray H. Daley, Special Projects and Public and Government Policy, American Automobile Association.

3:30 p.m.—**Senator James A. McClure of Idaho.

3:45 p.m.—*Ted McFadden, Bureau of Alcohol, Tobacco and Firearms—Policy Division.

4:15 p.m.—Albert Turner, Southwest Alabama Farmers Co-op Association—Selma, Alabama.

5:00 p.m.–6:00 p.m.—**Reserved for additional comments by Members of Congress.

6:00 p.m.—Recess until 9:00 a.m. on June 14 at Quality Inn—Capitol Hill Hotel.

JUNE 14

9:00 a.m.—National Gasohol Commission Business Meeting at Quality Inn—Capitol Hill Hotel:

1. Introduction of newly interested states.
2. Discuss commission bylaws and legal formation.
3. Funding for national office.

12:00 noon—Luncheon at Quality Inn; luncheon speakers: Senator CHARLES PERCY, Illinois, and Senator FRANK CHURCH, Idaho.

1:30 p.m.—
4. Election of officers.
5. Other business.
6. Next meeting date.

3:00 p.m.—Adjournment.

*Individuals representing administrative agencies will make statements of departmental policy relative to Gasohol as well as provide an update on department activities that relate to administration or enforcement of Gasohol related policies.

**Congressmen will state their viewpoints on Gasohol, access the status of Gasohol in Congress and briefly describe any Gasonol related legislation with which they have been involved.●

THE 1973 PHOSPHATE BAN: HAS IT CHANGED ANYTHING?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. McDONALD. Mr. Speaker, we all can recall the big hullabaloo raised by EPA some years ago about the use of phosphate detergents in water. Reacting to all the clamor, Indiana State legislators banned the use of phosphate detergents in home laundries in 1973, on the basis that Indiana lakes and waterways would become purer and that it would reduce the rate of eutrophication—a fancy word for saying that waterways become clogged and eventually, a marsh as oxygen content in the water decreases. Some experts at that time said we were attacking the problem from the wrong end, and that the significant amounts of phosphates come from sewage, from fertilizer in runoff, and from natural resources. The Purdue study reveals, based upon samples from 15 lakes, that no progress is being made; in fact, the progress is backward. The study does conclude that the good Indiana folks are paying more, however, to get their clothing less clean as a result. One wonders if EPA will now reassess its approach or admit it may have made a bad error? The story from Perspective for May–June 1978 published by Purdue University follows:

THE 1973 PHOSPHATE BAN: HAS IT CHANGED ANYTHING?

So far in the years since Indiana legislators imposed a ban in 1973 against the use of phosphate detergents in home laundries, two things appear to have occurred:

1) Hoosiers are paying more to get their clothing less clean.

2) Indiana lakes and waterways which were supposed to improve as a result of the ban apparently haven't.

Jean Goodrick, a retailing specialist who is an associate professor in Purdue's School of Consumer and Family Sciences, says the bans against phosphate detergents have hit the consumer in the pocketbook and caused problems in getting washes clean and bright (as the television soap commercials put it).

Meanwhile, back at the 15 Indiana lakes from which Purdue scientists are taking water samples to compare with those taken in 1973 by the Environmental Protection Agency (EPA), there's been little or no improvement in water quality attributable to the phosphate ban. In 10 cases, it's worse.

"We need at least one more year," says Anne Spacie, co-director of the research and assistant professor of forestry, before any firm conclusions can be drawn. But from the results thus far, she says that "the lakes have not changed dramatically in five years."

The other director of the lake study is John Bell, associate professor of environmental engineering. He agrees that the findings should be regarded as tentative, but adds, "If the ban is to do some good, as some people claim it will, we should find consist-

ent improvement. We're not finding a significant improvement in all the lakes. In fact, some are worse."

Professors Bell and Spacie and their associates took water samples from 15 lakes at various times last summer and compared them with those obtained by EPA researchers in a similar study of the same lakes in 1973.

The purpose of the phosphate detergent ban is to reduce the rate of eutrophication, a natural process occurring in all lakes. During the process, phosphorus, nitrogen, and other plant nutrients build up; oxygen content of the water decreases. Gradually, algae (pond scum) and other plant life expand so much that animal life is forced out. As eutrophication proceeds, the lake water becomes less desirable for human use; eventually, the lake may fill entirely with plant life and become a marsh.

Some scientists hope that by banning phosphate detergents an important source of plant food will be reduced and eutrophication retarded.

To determine the status of lake eutrophication, the Purdue scientists recorded nine factors of water quality—among them clarity, nitrogen content, the amount of phosphate, and content of microscopic plant life—and compared them with the findings of the 1973 study. They found an increase in eutrophication level in 10 lakes, a decrease in three lakes, and no change in two lakes.

Monsanto Chemical Company, St. Louis, a producer of phosphates, funded the study of Indiana lakes and a similar one in New York being conducted by Cornell University scientists. Indiana and New York are the only states to ban phosphate detergents. Chicago; Dade County in Florida; Elnora, Illinois; and Akron, Ohio, also have such bans.

Professor Spacie points out that even if a ban is 100 percent effective, the amount of phosphate entering a lake might be reduced by only about one-fourth. The reason is that about half the phosphate coming into a lake comes from natural sources or other nonsewage sources such as runoff from fertilized fields. Another one-fourth may come from municipal sewage.

"Since there are a variety of phosphorus sources, more than one approach may be needed to significantly reduce phosphorus concentrations in the lakes," she says.

Indiana housewives and detergent manufacturers who wrestle with the resulting laundry problems can take hope from Professor Bell's belief that removing phosphate from sewage may be a more effective answer than banning household phosphate detergents.

Professor Goodrick says the laundry problems arising from the ban have been numerous. "Manufacturers have had to spend tremendous amounts of money trying to find substitutes for phosphates," she says. "They've conducted extensive research and development programs and tests to determine if the substitutes were environmentally safe as well as safe for consumers. And, of course, the costs are passed on to the consumer."

Fabric softeners and the use of water conditioners help cope with the problem of detergent residue, she says, but these additives also add to the cost of doing laundry. And some additives contributes to deterioration of fabrics.

To compensate for the lack of phosphates in laundry detergents, people increase the amount of detergent they use, Professor Goodrick says. Phosphates in detergents tie up water hardness in soluble form. Then, because it is soluble, it can be easily washed away.

The use of carbonates in place of phosphates in detergents isn't very satisfactory, she believes: "Sodium carbonate joins with the water-hardness minerals to form an insoluble residue which remains on the clothing, giving it a dull appearance."

She suggests that heavy-duty liquid detergents may be good alternatives. "In one type of heavy-duty liquid, a mixed surfactant (short for surface-active agent) is used which breaks the surface tension of water. A mixed surfactant does not leave as much residue on fabrics as carbonates," she says. "You can also help remove residue from laundry by running it through a second rinse and by using hotter water, but this conflicts with the energy situation."

Manufacturers are working to develop different formulas for detergents to compensate for the absence of phosphates. One of them, sodium citrate, a sequestering agent, "does not have quite the cleaning efficiency of a phosphate product," she believes, "and detergents with sodium citrate are not now available in large enough quantities."

Additionally, the textile companies are still at work on soil-release chemistry which they hope will help fabrics release soil during laundering.

Another negative aspect of the 1973 legislative ban on phosphate detergents: the creation of a band of interstate "smugglers," other placid housewives who go to adjoining states where phosphate detergents are not banned and return home with huge supplies.

But worse for a fashion-conscious populace: more white fabrics from manufacturers which more easily show soil. "And," says Professor Goodrick, "designers are now promoting white fabrics." ●

CUBAN FORCES IN THE MIDDLE EAST

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. McDONALD. Mr. Speaker, extensive public attention has been focused on the thousands of Cuban troops and advisers now in Africa where they work with East German and other Warsaw Pact personnel in preparing Marxist-led forces for invasion of the southern African nations. Little attention has been focused on the Cuban advisers, military, political, and technical, assisting pro-Soviet regimes in the Middle East and training terrorist insurgents targeted against non-Communist Arab countries such as Iran, Saudi Arabia, Oman, Morocco, and Egypt, in addition to Israel.

The Israeli newspaper, Davar, published in Tel Aviv on June 5, provided the following accounting of Cuban activity in the Middle East and north Africa which my colleagues will doubtless find of concern:

CUBANS SAID ACTIVE IN MIDDLE EAST

(By Yehoshu'a Tadmor)

The magnitude of Cuban activity in the Arab countries was reexamined recently by Western elements, who came to the general conclusion that 1,500 Cubans are now active in Middle Eastern countries from Libya to Iraq, from South Yemen to the training camps of the terrorist organizations in Lebanon.

The Cubans are particularly active in advising and training. Some of them are playing the role of political commissars, as it were, trying to give their allies Marxist ideological training.

The Cubans have been trying very hard recently to keep a low profile and avoid emphasizing their influence—particularly in view of Western sensitivity, which reached a peak after the massive Cuban involvement in Angola, Ethiopia and the latest occurrences in the Congo. The Saudi Arabians are showing special sensitivity on this issue because of the Libyan presence in the Horn of Africa.

About 100 Palestinian fighters are now in Cuba, most of them going through courses in guerrilla warfare and sabotage. About 30 of them are going through a full aviation course.

In Lebanon there are now about 200 Cuban instructors and military personnel, most of them in the training camps of the various terrorist organizations. About 250 more are active in Syria, most of them attached to units of the special militia of the Syrian Army. About 300 Cubans are in Libya—mainly as instructors. It appears that the Cuban presence is more convenient for the Libyans than would be a large number of Russian instructors and advisers. About 400 Cubans are practically permanently in South Yemen, which has become a people's republic with all that involves in accordance with the special conditions of this desert country. The Cubans in South Yemen hold sensitive key posts in the regime and they keep a constantly alert eye open against any possibility of revolt. They are doing everything, however, to avoid being conspicuous there because of the great Saudi Arabian sensitivity concerning Cubans, particularly after their massive involvement in the war in Ethiopia. About 250 Cubans are in Iraq and about 150 in Algeria—a total of a little more than 1,500 Cuban Army personnel.

Not all these are fighting forces. The Cuban force that acted in the Golan Heights in the Yom Kippur war was a much more formal military force. The Cuban presence does represent, however, a foundation capable of absorbing with relative speed a much larger force if necessary.

The Cuban presence in the Arab countries is a part of the general Cuban attempt being made in coordination with Moscow and intended to serve the strategic aims of the Soviet Union. It should be recalled that Cuba's external moves are laid down in full coordination with Moscow and are the fruits of Cuba's complete economic and military dependence on the Soviet Union. This activity by Cuba in Africa and the Middle East goes hand with its aspirations to play a key, catalyst role in the revolutionary movements of the Third World.

There is no doubt that Cuba and the Cuban units in the area will refrain from any active involvement in the battlefield as long as the Soviet Union does not give the signal for this. The Soviets have so far refrained from broadening this arena of competition since they fear its results or a worsening of the risk of an interbloc confrontation in the area. ●

NOBEL LAUREATE MILTON FRIEDMAN ON THE PROS AND CONS OF SEVERAL MAJOR TAX REDUCTION PROPOSALS ACROSS THE NATION AND TAX LIMITATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. KEMP. Mr. Speaker, when a Nobel Laureate addresses himself to an issue in which one is involved, one listens. This is what Congress must now do.

The Nobel Laureate is Milton Friedman, professor emeritus at the University of Chicago, currently a senior research fellow at the Hoover Institution, Stanford University. His ideas have changed the course of economic thought in the United States and has had a perceptible impact in the economies of other Western countries as well.

Dr. Friedman has authored a new commentary on the pro's and con's associated with several major tax reduction proposals—constitutional and statutory tax limitations, permanent tax rate reductions, et cetera. The comments are well worth our consideration.

This article is a revised version of a speech D. Friedman delivered before the American Legislative Exchange Council earlier this year and will be published next week in Policy Review, a quarterly journal of the Heritage Foundation, Washington.

THE LIMITATIONS OF TAX LIMITATION

(By Milton Friedman)

Two down, 48 to go.

The approval on June 6, 1978, by the people of our largest state of Proposition 13—a tax limitation amendment to the California Constitution—has given great impetus to the grassroot movement that Governor Ronald Reagan began in that state five years ago when he sponsored Proposition 1.[1]

The first victory for those who believe that government does not have an open-ended claim on the incomes of Americans came in Tennessee three months ago (March 7, 1978) when the people of that state, by a two-to-one majority, approved an amendment to limit the "rate of growth" of state spending to the "estimated rate of growth of the state's economy."

Similar amendments will be on the ballot in a number of other states this fall, and the prospects now look very good for their adoption.

The Jarvis-Gann amendment, Proposition 13, will limit property taxes in California to one percent of assessed valuation. It will restrict increases in assessed valuation to a maximum of 2 percent a year except when property changes hands. In addition, it will require a two-thirds vote of the legislature to raise other taxes. It is estimated that this amendment will cut property taxes by more than half—or by some $7 billion.

Jarvis-Gann, it must be said, has many defects. It is loosely drawn. It cuts only the property tax, which is by no means the worst tax. It does nothing to halt the unlegislated rise in taxes produced by inflation. Proposition 1 was a far better measure and a revised version will be needed even though Jarvis-Gann has passed. Yet I strongly supported Jarvis-Gann. It does cut taxes. It does raise obstacles to further increases in government spending. Those in favor of more government spending mounted an expensive fear campaign financed in large part by big businesses (which apparently allowed its own fear of the politicians in Sacramento to trigger its unerring instinct for self-destruction). In this media blitz, the state employees' union leaders (naturally the core of the opposition) predicted that state services would be drastically cut, that thousands of policemen and firemen would be dismissed, and so forth and so on.[2]

In fact Jarvis-Gann will not have the dire effect its opponents threatened. The California government has a surplus of some $3 billion to offset the $7 billion revenue reduction. The remaining $4 billion is roughly 10 percent of the state and local spending now projected for the next fiscal year. Is there a taxpayer in California (even if he is a government employee) who can maintain with a straight face that there is not 10 percent fat that can be cut from government spending without reducing essential services? Of course, the reallocation of revenues to finance the most essential services will not be an easy or pleasant task but that, after all, is just what we pay our elected representatives for.[3]

Which brings us to an important point of political philosophy. It is my view that it is desirable for the people to limit their government's budget, to decide how much in total they are willing to pay for their government. Having done this, it is desirable for them to delegate to their elected representatives the difficult task of dividing that budget among competing good proposals. The opponents of tax limitation laws charge that we are being undemocratic in proposing to tie the hands of government. After all, they say, don't we elect our state representatives and our congressional representatives in Washington to to handle the affairs of government? I believe that if we are going to be effective in passing tax limitation laws, we must understand and make other people understand that these referenda are far from being undemocratic. I believe that the real situation is precisely the opposite.

The problem we face is that there is fundamental defect in our political and constitutional structure. The fundamental defect is that we have no means whereby the public at large ever gets to vote on the total budget of the government.

Our system is one in which each particular spending measure is treated separately. For any single spending measure, therefore, there is always a small group that has a very strong interest in that measure. All of us are parts of such small groups. We are not talking about somebody else. As Pogo used to say, "We have met the enemy and they are us."

The vested interests are not some big bad people sitting on money bags; the vested interests are you and me. Each of us is strongly in favor of small measures that will benefit us and each of us is not too strongly opposed to any one small measure that will benefit someone else. We are not going to vote anybody out of office because he imposes a $3 a year burden on us. Consequently, when each measure is considered separately, there is considerable pressure to pass it. The proposers have greater force than the opponents (who are often called "negative" or "obstructionists") and the total cost is never added up.

The purpose of tax limitation is to remedy that defect. It will enable us to say to the legislature, "We assign you a budget. Now it's your job to spend that in the most effective way." The effect of removing this defect is to enable special interests to work for the general interest instead of against it. This is because with a given total budget a special group that wants a special measure has to point out the other budget items that can and should be reduced. Each item that people want is a good item. There is no pressure on Congress or on the legislature, or very little, to enact bad legislation. The problem is that there is an infinite number of good and desirable proposals and you have to have some device to limit the appetite and that's the function of tax limitation.

The next time somebody says that tax limitation is undemocratic we should ask him whether that means he is against the First Amendment of the Constitution. Because after all the First Amendment of the Constitution limits very clearly what Congress can do. The First Amendment says Congress shall make no laws interfering with the freedom of speech or the free exercise of religion. Consider what would happen if we didn't have that amendment. For any single measure restricting freedom of speech you might very well obtain a majority. I am sure there would be a majority to prevent the Nazis from speaking on the street corner. There might be a majority to prevent the Seven Day Adventists or vegetarians from speaking—or any other little group you could name. But our Founding Fathers had the wisdom to roll it up into one and say we are not going to let each individual issue be decided separately by a majority vote. They said that we are going to adopt the general principle that it is not the federal government's business to restrict freedom of speech.[4] In the same way what is being proposed today is the enactment of a principle that a government shall have a budget determined by the voters and that it will have to stay within that budget.

Right now total government spending—state, federal and local—amounts to 40 percent of the national income. That means that out of every dollar anybody makes or gets, forty cents is being spent for him by the bureaucrats whom he has, through his voting behavior, put into office. There is upward pressure on that percentage. The screws will be put on. The real problem for the future is to stop that growth in government spending. Those who are really concerned, who really are fiscal conservatives, should forget about the deficit and pay all their attention to total government spending. As we have seen, California and Tennessee have recently led the way toward the goal of a limit on government spending.

On the federal level, there have been moves to try to get a federal Constitutional amendment providing for a balanced budget. I think, however, that is a serious mistake. It spends the energies of the right people in the wrong direction. Almost all states have a balanced budget provision, but that hasn't kept spending and taxes from going up. What we need on the federal level, as we need it on the state and local level, is not a budget-balancing amendment, but an amendment to limit government spending as a fraction of income. Recently a task force of the Southern Governors' Conference, which was headed by Governor James Edwards of South Carolina, has worked extensively to produce a government spending limitation amendment for the federal government.

Congressman Jack Kemp has been pushing for several years now a so-called tax reduction bill (the Kemp-Roth Bill). I support this bill since I believe that any form of tax reduction under any circumstances must eventually bring pressure to bear to cut spending. Moreover, I believe some taxes do more harm than others. There is no doubt that the method by which we collect taxes could be rearranged so as to have a less adverse effect on incentives and production. And, from this point of view, the Kemp-Roth Bill is certainly desirable. We should be clear, however, that it is in reality not a tax reduction bill; it is a proposal to change the form of taxes. As long as high government spending remains, we shall have the hidden tax of inflation. The only true tax cutting proposal would be a proposal to cut government spending. To my knowledge, no one in Washington has yet proposed a genuine tax cutting bill, not President Carter, not the Democrats in Congress, not the Republicans. Every single so-called "tax cut plan" still envisions a higher level of government spending next year and consequently a higher level of taxes, both overt and covert.

There is an important point that needs to be stressed to those who regard themselves as fiscal conservatives. By concentrating on the wrong thing, the deficit, instead of the right thing, total government spending, fiscal conservatives have been the unwitting handmaidens of the big spenders. The typical historical process is that the spenders put through laws which increase government

Footnotes at end of article.

spending. A deficit emerges. The fiscal conservatives scratch their heads and say, "My God, that's terrible, we have got to do something about that deficit." So they cooperate with the big spenders in getting taxes imposed. As soon as the new taxes are imposed and passed, the big spenders are off again, and then there is another burst in government spending and another deficit.

The true cost of government to the public is not measured by explicit taxes but by government spending. If government spends $500 billion, and takes in through taxes $440 billion, which are the approximate figures of President Carter's estimated budget, who pays the difference? Not Santa Claus, but the U.S. citizen. The deficit must be financed by creating money or by borrowing from the public. If it's financed by printing money, that imposes the hidden tax of inflation in addition to the explicit tax. If it's financed by borrowing, then the government gets those resources instead of the private sector. In addition, there will have to be a higher level of taxes in the future to pay the interest or to pay back that debt. Essentially every current piece of wealth in the United States has a hidden tax imposed on it because of the future obligation to pay those extra taxes. In effect, what you have are two kinds of taxes: the open, explicit taxes and the hidden taxes. And what's called a deficit is a hidden tax.

I would far rather have total federal spending at $200 billion with a deficit of $100 billion than a balanced budget at $500 billion. The thing we must keep our eye on is what government spends. That's the measure of the amount of the resources of the nation that people cannot individually and separately decide about. It's a measure of the amount we turn over to the bureaucrats to spend on our behalf. I believe along with Parkinson that government will spend whatever the tax system will raise plus a good deal more. Every step we take to strengthen the tax system, whether by getting people to accept payroll taxes they otherwise would not accept, or by cooperating in enacting higher income taxes and excise taxes or whatnot, fosters a higher level of government spending. That's why I am in favor of cutting taxes under any circumstances, for whatever excuse, for whatever reason.

We have to bear in mind that tax limitation laws are not cure-alls; they are temporary stop-gaps. They are a way of trying to hold back the tide, until public opinion moves in the direction that those of us who believe in limited government hold to be desirable. Without the support of public opinion all the written laws or constitutions you can think of are fundamentally worthless. One has only to look at the results of trying to transplant versions of the American and British constitutions to other nations around the world. I believe, however, that there is a definite movement in public opinion toward greater skepticism of large-scale government programs. People are aware that they are not getting their money's worth through government spending. Among intellectuals, more and more scholars are coming to the conclusion that many government programs have not had the results intended by their supporters. In journals read by opinion-leaders (for instance, Commentary, Encounter, Harper's, The Public Interest, The Washington Monthly), this view is becoming more and more commonly expressed. However, it takes time for such ideas to be accepted by the politicians who, after all, are mostly followers and not leaders of public opinion.

Let me give you an example of what I mean. For about 150 years since the birth of our government (until about the late 1920s) there was no general tendency for government spending to get out of hand. Despite the fact that the same pressures inherent in representative democracy were present through this period, state, local and federal spending was still about 10 percent of national income. For the past 40 years, however, there has been a considerable change in these percentages, to say the least. Except for the Income Tax Amendment, the Constitutional provisions relating to the financing of government were essentially the same as they were in 1789 (and the income tax rate was quite low during this period). The essential difference was that before 1930 or so there was a widespread belief on the part of the public that government should be limited and that danger arose from the growth of government. President Grover Cleveland maintained, for instance, that while the people should support their government, the government should not support the people. President Woodrow Wilson remarked that the history of liberalism was the history of restraints on government power. Almost everyone then agreed that the role of government was to act as a referee and umpire and not as a Big Brother. Once this fundamental attitude of the public changed, however, constitutional restrictions became very much less effective against the growth of government. As we all know, the Supreme Court does follow the election returns (sometimes tardily) and most of the New Deal measures which were ruled unconstitutional by the Court in President Roosevelt's first administration were ruled to be constitutional in the second administration.

The interstate commerce clause as an excuse for federal action is a good case in point. At one time in our history there were transactions which were regarded by the Court and Congress as intrastate commerce, but it would take a very ingenious man today to find any transaction whatsoever that the Supreme Court would not declare to be part of interstate commerce. The federal government, basically as a result of this change in public opinion, is now allowed to take all sorts of actions that would have been held by the public to be unconstitutional sixty or a hundred years ago.

In the same way, I believe that the effectiveness of tax limitation laws will depend upon their acceptance by the great bulk of the public as part of our constitutional tradition.[5] My own view is that we are seeing a genuine trend in support of the basic philosophy that there should be definite limits on government spending; however, I also believe that such trends take time to solidify and in the meantime I regard tax limitation amendments as a stop-gap measure to hold back the tide.

FOOTNOTES

[1] That proposal was preferable to the one adopted on 6 June. Proposition 1 would have limited spending by the state government to a specified and slowly declining fraction of the personal income of the people of California. That amendment was narrowly defeated, as were similar amendments in two other states in recent years.

[2] In their column for The Washington Post on June 1, 1978, Rowland Evans and Robert Novak reported from Los Angeles that some politicians were claiming that the referendum was "a fight between the haves and the have-nots." Evans and Novak concluded that this view was "almost surely wrong." They explained that "On the contrary, the establishment—business, labor, the big newspapers, the academic community, civic groups and practically every important elected official—vigorously opposes the Jarvis amendment."

They went on to point out that "in contrast, the amendment's hardcore support comes from lower income homeowners who are going under because of oppressive taxes. Their ranks, oddly, are swelled by substantial numbers of school teachers and other government workers who are first and foremost taxpayers . . . State Senator Bill Greene, a black Los Angeles legislator, told us he is astounded how many of his constituents are voting for the measure."

[3] It is not without interest that California has the highest paid state legislators in the nation.

[4] It was left to the states to deal with such problems as an immediate danger of violence, and so on.

[5] In addition, they will not by themselves prevent all further government intervention. Many of the worst kinds of government intervention do not involve much spending. Some examples are tariffs, or regulation in industry (ICC, FCC, FPC) or the controls on the price of natural gas which have done such tremendous harm in the energy area. All of those involve government intervention into the economy in which the spending element is very small.●

FAIR INTERMEDIATE SCHOOL STUDENTS, SAN JOSE, CALIF., VISIT NATION'S CAPITOL

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. MINETA. Mr. Speaker, together with my South Bay neighbors, Representatives DON EDWARDS and PETE MCCLOSKEY, I would like to welcome to the Nation's Capital 89 students and their teachers and chaperones from Fair Intermediate School in the Franklin-McKinney School District in San Jose, Calif.

This group's visit is unusual because, in addition to the education about this Nation's Government and its Capital that each student will take home, they will also have the satisfaction of knowing that they helped Fair Intermediate School win this year's Santa Clara County Social Studies Exemplary Teaching Award.

The Exemplary Teaching Award is given each year to the teacher or teachers who have made a contribution which is significant to social studies teaching; is unique in application, scope or nature; shows proven success; and serves as a model for other social studies teachers.

I would especially like to mention the efforts of social studies teachers Stephen Kinsey and Jean Vaughan in helping organize the trip, although the award will go to every teacher in the school, since they all worked hard with the students to make the project a success.

And the students themselves are to be congratulated for the hard work and self reliance they have shown in raising funds for the trip. The students paid their own way with more than 30 fund raising projects since last September. These students and their adult chaperones are:

Brian Bliven, Cindy Condon, Lisa Fisher, Michael Francis, Kelly Keen, Kim Mayfield, Marc Reyes, Chris Ricabaugh, and Melissa Hall.

Linda Acuna, Margie Bechtholdt, Melanie Crane, Ernie Figueroa, Felicia Jackson, Shelly Jeffery, Hannah Kim, Mike Ratka, Gary Uyeda, Debbie Von Ruden, Larry Mills, Trinnie Aguilar, Jesse Esparaza, Sandra Espinoza, Melanie Medeiros, Robert Regnaiere, Navette Shirakawa, Jennifer Vierra, Armando Cortez, Vicky Douglas, Kathy Neves, and Kelly Owen.

Jonette Brooks, Janice Dunaway, Laurie Fairman, Dorothy Harris, Mike McCauley, Phillip Ochoa, Connie Soares, Karen Uyeda, Theresa Jelensky, Heather Caldwell, Patty Dunaway, Kin Floren, Theresa Jelensky, Marnie Martin, Nona Nolden, Michelle Siemers, Gilbert Ruiz, and Lisa Covington.

Abel Alcarez, Linda Ciolino, Laura Ferraro, Marcia Green, Cherilyn Jeffery, Jon Karstens, Stacey Nakashima, Cammy Snell, Regina Vanderberg, Jody Griffith, Jimmy Zimmer, Dennis Arriaga, Joe Espinoza, Judy Ledesma, Henry Mesquita, Christine Soares, Arthur Hall, Marcos Cereceres, Scott Daniels, Lisa Higashi, Lisa Nicora, and Sam Rodriguez.

Fred Coursey, Christine Garibaldi, Jim Gibson, Sandra Ledesma, Toni North, Hilda Ramirez, Rocky Ornellas, Tom Wardwell, Stefani Wilkins, Martha Gutierrez, Frank McKinney, Mike Varner, Audrey Townsend, Renita Uribe, Raymond Baradat, Crystal Montez, Debbie Tarantino, Marie De Anda, and Lee Beall.

ADULT CHAPERONES

JoAnn Letterman, Stephen Kinsey, Daniel Yslava, Frances Neves, Larry R. Owen, Helen Bliven, Harriett Arnold, Eunice Hodges, and Linda Ciolino.●

STATE TAXES: THE NEW FRONTIER FOR TAX REFORM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. SOLARZ. Mr. Speaker, ever since it was revealed in the late sixties that several hundred millionaires were able to legally avoid paying any Federal income tax, the reform of the Federal tax laws has been a major political issue. Almost all Democratic candidates advocate the closing of the tax loopholes and some even go as far as calling the current system "a disgrace to the human race." The popularity of the issue has become so widespread that even Republicans, who exhibit a greater tolerance for tax avoidance by the wealthy than do their Democratic counterparts, are forced to give lipservice during campaigns to the unfair burden placed on low- and middle-income families by the current system.

Although the impact of the tax reform issue has been largely limited to campaign oratory, it has had some impact on our tax laws. Since 1971, the notorious oil depletion has been greatly modified, the more aggregious tax shelters in movies and livestocks have been closed and a minimum tax has been established in an attempt to make sure that every wealthy individual paid some tax.

Yet despite these efforts and the attention paid to tax reform, our tax system is less progressive now than it was in the conservative 1950's. In 1953, a family earning $7,500 a year had to pay 14.6 percent of their income in taxes. By 1972, that percentage had increased by a fifth to 17.7 percent. On the other hand, a family with an income of $25,000 a year saw their tax burden drop during the same period of time. In 1953, such a family had to expend 24 percent of their income for taxes. By 1972 that percentage had dropped to 23.5.

One reason why the tax burden has shifted to those least able to bear it is that the corporate income tax now provides a smaller share of revenues at all levels of government than it did in past years. However, the main reason why our tax system has become more regressive over the last two decades is that State and local taxes have grown more than twice as fast as Federal taxes during that period. In 1953, total revenues generated at the local level amounted to $33 billion. By 1976 these revenues amounted to $304 billion—a whopping increase of over 800 percent. During the same period of time Federal revenue increased by less than 350 percent, from 74 billion in 1953 to 323 billion in 1972. As a result, a greater and greater percentage of our tax burden is composed of regressive sales and property taxes and a smaller portion is coming from the relatively progressive Federal income.

To illustrate just how much more regressive State and local taxes are than Federal taxes let me cite a few examples. Although the Federal income tax is riddled with loopholes of which only the wealthy can take advantage, and social security is funded by a flat regressive tax, Federal taxes are relatively progressive. A family earning $25,000 a year will have to pay more than twice the percentage of its earnings in Federal income and payroll taxes than will a family earning $5,000 and a family earning $50,000 a year will have to pay three times the percentage of a family earning $5,000 for those taxes. However, the same $5,000 a year family will have to pay a greater percentage of their income in State and local taxes than a $25,000 a year family will have to pay and the same percentage as a $50,000 a year family.

Given the large disparity between the progressiveness of Federal taxes and State and local taxes, it is clear that even if tax reform advocates succeed in closing many of the loopholes in the Federal income tax, our overall tax system will not become significantly more progressive. So long as State and local taxes continue to rise as rapidly as they have, and remain as regressive as they are, low- and middle-income people will be bearing an unfair share of the tax burden. If there is to be substantial tax reform, it must begin where the problem is the worst and that is at the State and local level.

However, the reform of State and local taxes is easier said than done. Our current economic system places very real limits on the ability of State and local governments to tax their wealthy individuals and corporate residents. Unlike the Federal Government, State and local governments are constantly subject to the threat that their businesses and wealthier residents will move out of their jurisdiction if their taxes are raised.

It is very unlikely that an American citizen or company will move to another country because of an increase in Federal individual or corporate income tax. The desire to be near one's roots, family, friends or markets usually outweighs any tax benefit that might be gained by emigration. However, while this is true when one is considering moving to another country, it is not true when one is considering moving from one political jurisdiction to another. The move from Westchester County to Fairfield County may not involve the loss of any personal amenities and the move from lower Manhattan to Hoboken may not cause the loss of any markets or clients.

The ease with which capital and personal wealth can move from one political jurisdiction to another is the major cause for the failure of State legislatures to enact progressive taxs. Nowhere is this better seen than in the recent tax cut in New York State. Although the State's major municipality continues to teeter on the brink of bankruptcy and some of its poor live in this country's most ravaged and squalid slums, the Governor and the legislature passed a tax cut which largely benefits the wealthiest.

What made this tax cut seem sensible and even necessary was the recent loss of jobs in New York State. From 1967 to the present, New York lost close to 600,000 jobs while the rest of the country and its neighboring States were gaining employment. Although regional trends were obviously a factor in the decline of New York's economy, they could not have been the major cause since most of the firms which left the State relocated in neighboring States. Of the 762 major manufacturing moveouts from New York State from 1970 to 1977, over 60 percent went to the neighboring States of New Jersey, Connecticut, and Pennsylvania, all of which have either no, or very minor and regressive, income taxes.

What was true for manufacturing was true for white collar employment. From 1971 to 1976 the number of corporate headquarters of the Nation's leading firms declined from 303 to 229 and most of these firms also relocated in neighboring States. As if this were not enough evidence that the State's tax rates were a significant factor in the loss of some industry, a study done by the New York State Department of Commerce indicated that over 60 percent of the firms that were contacted by its "early alert" program named personal income taxes as a major problem. In fact the personal income tax was named more than any other problem and was named three times as often as utility costs, five times as often as labor costs, and eight times more than unions.

Given the recent New York experience, it is clear that so long as our economic system rewards those political jurisdictions which tax regressively or fail to raise sufficient revenues to provide for their disadvantaged, State and

local governments will inevitably avoid taxing their wealthier residents and neglecting needed public services. So long as it appears that local economic growth and stability require that the wealth of the rich go untaxed and that local public budgets be kept small, even progressive and compassionate public officials will vote for tax cuts for the rich and against needed public programs.

The only way out of this dilemma is for the Federal Government to lessen the economic advantages now given to States with regressive taxes and to create new incentives for the enactment of progressive State and local income taxes. H.R. 13019, the State and Local Government Income Tax Relief and Incentive Act which I introduced in the Congress would accomplish both these goals. The act would replace the current deduction for State and local income taxes with a tax credit against the Federal individual income tax of 70 percent of any payments made for State and local income taxes, while repealing the existing deduction for State and local taxes. As a result under the bill, if a State imposed a tax of $100 on the income on one of its citizens, that local taxpayer would effectively have to pay only $30 since the Federal Government would return to him $70 in the form of a tax credit. However, if the same State imposed a tax of $100 on an individual in the form of a sales tax, the local taxpayer would have to pay the entire cost of the tax. The incentives for the enactment of State and local taxes would soon become obvious to most voters and the old logic which favored the imposition of regressive taxes would be replaced by a logic which would favor the enactment of progressive income taxes.

To make State and local taxes become progressive, the tax credit could not be extended to all State and local income taxes. Most State income taxes are only marginally more progressive than their sales or property taxes. Of the 43 States and the District of Columbia, only 22 tax their residents who earn more than $15,000 at a steeper rate than those who earn less than that sum. Many of these States such as Massachusetts, Michigan, Oregon, and Pennsylvania have a flat rate for their income tax requiring a millionaire and a pauper to pay the same percentage of their earnings in State income taxes. That is why the State and Local Government Income Tax Relief and Incentive Act limits the tax credits to progressive taxes defined in the bill. Without this provision, the tax credit could only lead to an expansion of the existing inadequate State income taxes

The cost of the tax credit would not be very great. Even assuming each existing State income tax qualified for the credit, the revenue loss would be less than $18 billion. However, the initial drain on the Treasury need not be as large. If the introduction of tax credit is coupled with the repeal of current deductions for State and local income and sales taxes, as it is in my bill, the entire cost of the package amounts to $9.7 billion, which is one-half the size of the tax cut now being proposed by the administration.

The cost to the Treasury of the tax credit would, however, expand as States begin to rely more heavily on State income taxes, as they would most likely to do once the bill became effective. Yet, even this problem can be taken care of by placing a limitation on the percentage of the Federal income tax that can be reduced by the credit. The bill I have introduced places a cap on the credit at 25 percent of one's Federal income tax. Depending on how much revenue the Treasury could afford to lose through the credit, this cap could be adjusted up or down in the future.

The idea of crediting payments for State and local taxes against a Federal tax is not a new one. Since 1924, the Federal Government has provided a tax credit for local death taxes against its estate tax. As a result, every State in the Union has enacted death taxes in order to have their citizens qualify for the credit. There is no reason to believe that States would act any differently with respect to a credit for State income taxes. There is also no principled reason why the Federal Government can use a credit to encourage States to enact death taxes and not use a similar method to encourage local jurisdictions to enact progressive income taxes.

Although one of the major effects of the tax credit will be to reform State and local taxes, conservatives who are usually not identified with the tax reform issue should support the bill. One of the positive side effects of the bill would be to breathe some new life into our Federal system. Before both our transportation made it easy to move goods and people from one part of the country and the threat of the flight of capital placed great limitations on the abilities of States to raise revenues, State governments were pioneers in developing public programs. Workman's compensation, public housing, and unemployment insurance were all programs that were first tried at the State level and then adopted by the Federal Government. However, with the integration of our economy and the advent of the New Deal, most of our new programs have had their genesis in Washington, far removed from where the problems are. As a result, more and more of our social programs have become bureaucratized and designed to meet the problems as they are perceived in the national capital and not as they are felt in the communities.

However, if the tax credit is adopted State revenues could expand and more programs could be conceived, funded, and operated at a State and local level. The creativity of State and local public officials could once again be tapped and States could once more, as Justice Brandeis said, "serve as a laboratory and try novel social and economic experiments."

If our State and local taxes are to become more progressive and our social programs to be more responsive something like the "State and Local Government Income Tax Relief and Incentive Act" will have to become law. The alternative is to funnel more of our money into Washington and let more and more of our programs be developed far away from where the problems exist.●

TUITION TAX CREDITS; ANOTHER NEGATIVE CARTER POSITION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1978

● Mr. FRENZEL. Mr. Speaker, the following editorial appeared in the Washington Star last Sunday, June 4.

It is interesting in all respects, but particularly in pointing out that the Carter administration's position on tuition tax credits, and on assistance to nonpublic schools, is wholly negative. The Star calls the administration's position "a dog in the manger, a barking dog at that."

Like the Star, I am glad that the House favored neither the bark nor the bite. The editorial follows:

[From the Washington Star, June 4, 1978]

SCORE ONE FOR TAX CREDITS

House passage of a tuition tax credit bill that would extend modest benefits to parents of private and parochial school students is an encouraging sign of open-mindedness.

Open-mindedness, we mean, on the disputed issue of whether such aid violates the First Amendment "establishment of religion" clause. We might not fly quite so far into optimism as Sen. Daniel P. Moynihan, who said that the House "has overturned the religious bigotry of the 19th Century." But clearly, a substantial House majority is not intimidated by the cry that educational tax credits are unconstitutional.

That cry has been the Carter administration's first line of defense, together with the complaint that any such measure would "destroy" public schools. There has indeed issued from the Justice Department's Office of Legal Counsel an opinion, neither more nor less weighty than most, that the legislation might fail the "three-pronged" constitutional test recently laid down by the Supreme Court in the Lemon case. But since the principal bar in the Lemon case was that tax aid to religious schools must not promote "excessive entanglement" of church and state, the outcome of its application to tuition tax credits is unpredictable.

If one takes that test at face value—laying aside, for the moment, that it is merely another judge-made gloss on the First Amendment—one can see how judgments might vary. A statutory appropriation for some specific purpose—the purchase of certain textbooks, for instance—would require administrative oversight and thus promote entanglement.

But the impact of tax credits would be altogether different. Tax credits express or imply no mandate to their beneficiaries as to how the money shall be spent, whether for public or private, whether for religious or secular education. In fact, their thrust is in the opposite direction from "excessive entanglement." They merely say that if you are paying the tuition of a child at a certain school you may subtract a certain percentage of that payment from your income taxes.

HEW Secretary Joe Califano, the administration's main spear-carrier against the measure, promptly proclaimed that "the parochial schools . . . will never see a dollar of the unconstitutional aid the House voted today because the courts will invalidate it." It is, he added, "a hollow gesture which in the long run will only delay the search for constitutional means of assistance to parochial education."

As always, Mr. Califano speaks with great assurance. And he may be right. The courts may invalidate the measure, if President Carter does not veto it first. But if the courts strike down tuition tax credits they will have to give yet another twist or two even to the *Lemon* precedent. For the theory of constitutionality on which that case and Mr. Califano rely is not universally accepted, within the Supreme Court or outside it.

The Court has long zigged and zagged on the issue of church-state "separation," and one can rarely predict beforehand where its erratic course will next carry it. Speculation on the mood of the justices, however, is not a very good way for Congress to judge the legitimacy of legislation.

If Mr. Califano and President Carter are so very confident in their views, perhaps they will ultimately be persuaded to defer to the judgment of Congress and permit the measure to come to a court test.

Moreover, if tuition tax credits are not constitutional, just what direction does Mr. Califano have in mind when he speaks of a "search for constitutional means of assistance to parochial education?" The hour is late. These schools are failing for want of funds at an appalling rate. It behooves those who cannot agree with the considered judgment of Congress to improve upon it. And there is no sign that the Carter administration, despite its campaign pledge to help ease the financial plight of parochial education, has tried to do so. Its position so far is exclusively negative. It is a dog in a manger, a barking dog at that. But Congress did not fear its bite.●

HOUSE OF REPRESENTATIVES—*Friday, June 9, 1978*

The House met at 10 o'clock a.m. and was called to order by the Speaker pro tempore (Mr. BRADEMAS).

DESIGNATION OF SPEAKER PRO TEMPORE

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 9, 1978.

I hereby designate the Honorable JOHN BRADEMAS to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Prove all things; hold fast that which is good.—I Thessalonians 5: 21.

Almighty God, our Heavenly Father, who art the source of light and life and whose glory is in all the world, in Thy Presence we pause in silence waiting Thy word for us this day. Move Thou through our hearts as we enter upon our activities. Guide us in the decisions we make, in the work we do, and in the plans we formulate for the coming days and months.

We pray Thee to bless and to preserve our beloved country. We are grateful for the rich heritage which is ours and pray that with the guidance of Thy Spirit we may make this land an even greater land for our citizens. By so doing may we make her an honor to Thee, to our people, and to all mankind.

In the spirit of Him who came not to be ministered unto but to minister we offer this our morning prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 1436. An act for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Texas.

H. Con. Res. 635. Concurrent resolution directing the Clerk of the House of Representatives to make a correction in the enrollment of H.R. 5493.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to a bill of the House of the following title:

H.R. 5493. An act to extend until October 1, 1980, the appropriation authorizations for the Seal Beach, Dismal Swamp, and San Francisco Bay National Wildlife Refuges.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested bills of the House of the following titles:

H.R. 8149. An act to provide customs procedural reform, and for other purposes.

H.R. 10822. An act to improve the operations of the national sea grant program, to authorize appropriations to carry out such program for fiscal years 1979 and 1980, and for other purposes.

H.R. 11401. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

H.R. 11832. An act to authorize appropriations for fiscal year 1979 under the Arms Control and Disarmament Act.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11401) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CANNON, Mr. MAGNUSON, Mr. STEVENSON, Mr. FORD, Mr. SCHMITT, and Mr. GOLDWATER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1835. An act requiring the Secretary of Agriculture to conduct a study of the adequacy of the Nation's transportation system to meet the needs of American agriculture and rural development, and for other purposes.

S. 2946. An act to authorize the Secretary of Agriculture to relinquish exclusive legislative jurisdiction over lands or interests under his control.

S.J. Res. 140. Joint resolution to authorize and request the President to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

VANIK-PICKLE PROPOSAL WOULD PROVIDE NO REAL TAX RELIEF

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, in January President Carter submitted his 1978 tax program to the Congress. Five months have passed and we still have not seen any consensus emerge about the appropriateness of a tax cut large enough to avoid a real tax increase.

Lack of leadership on taxes has been so all encompassing it now appears that the Ways and Means Committee may seriously consider the Vanik-Pickle proposal which would simply extend provisions of current law—the general credit, the jobs credit, the earned income credit, and the corporate rate structure—and provide no real tax relief for American taxpayers. This is billed by its supporters as a means of offsetting inflation. That offset would come entirely out of the hides of taxpaying Americans.

The real impact of the Vanik-Pickle proposal will be to permit an increase of the Federal tax burden in 1979 by $33 billion and that is assuming less than a 7-percent inflation rate for calendar 1978. If the inflation rate goes to 7 per-

cent or higher for 1978 then 1979 real taxes will increase by even more.

Five months ago the President of the United States proposed a $25 billion tax cut; the Democrat Congress is now considering, just 5 months later, what amounts to a $30 billion real tax increase. God help the taxpayer if this trend continues.

In January the administration indicated:

* * * without personal tax reductions, inflation would operate to move individual taxpayers into higher marginal tax brackets, increasing their effective tax burdens just as though higher rates had been enacted.

I do not always agree with Mr. Carter, but I do believe he is right when he urges the Congress to cut taxes. I am inserting in the Extension of Remarks a chart which explains in detail the unhappy impact of the Vanik-Pickle amendment.

CIVIL SERVICE REFORM

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I would like to advise the Members that I am surprised by the gentleman from New York (Mr. CONABLE) and the gentleman from California (Mr. LAGOMARSINO), who will follow me. They have comments critical of the President. My comments are in support of the President.

Specifically, I support the President's Civil Service Reform program, and I wish to point out to the House that it is being torn apart in the Committee on Post Office and Civil Service. I wish the Democrats would give their beloved President some proper support.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Speaker, I support the President, to the extent that he is advocating a tax cut. I hope the Congress will not scuttle it.

Mr. DERWINSKI. Mr. Speaker, this may be a great day for the President.

Mr. Speaker, President Jimmy Carter must feel like the manager of a star-laden team which has more than its share of troubles in producing victories. He has tried a variety of starting pitchers who have had difficulty locating the strike zone. He has watched in dismay as signals flashed from the sidelines have been routinely ignored. Worse still, his political moundsmen have shown a penchant for the balk.

The lack of action on the President's sound and sensible plan to reform and reorganize the Federal civil service system adds credence to the suspicion many of the players on his own congressional team are more interested in political commercials than in solid and substantive legislation. Instead of rallying to the President's support for his courageous action in attempting to make the Federal bureaucracy more responsive and responsible to the taxpayers, members of his party have been busy crafting a series of mischievous amendments. In the process, good legislation, which should be moving swiftly through Congress, has been languishing in the House Post Office and Civil Service Committee.

Republican members of the committee were ready to begin a markup of the President's legislation weeks ago. At a White House meeting, we gave the President our word we would provide the fullest possible cooperation in the expeditious consideration of the legislation.

We stand by that pledge. We agree with the President there is a genuine need for a new emphasis on increasing Government efficiency by placing a new emphasis on the quality of performance by Federal workers. Even the workers themselves have been frustrated by the inefficiency of the system.

Meanwhile, committee Democrats have been caucusing for about a month on a nonstop basis searching for ways to position themselves against the President.

The President's plan will encourage competent workers to improve the system. It is good government; it is good politics; it is good for the taxpayers; and it is long overdue. There can be no excuse for attempting to inject partisanship into what should be and is a strictly nonpartisan matter.

As the ranking Republican on the House Post Office and Civil Service Committee, I reaffirm my pledge to work with the President to overcome the irresponsibility of members of his own party.

AUTHORIZING SPEAKER TO DECLARE A RECESS ON WEDNESDAY, JUNE 14, 1978

Mr. ROSTENKOWSKI. Mr. Speaker, Wednesday, June 14, 1978, will mark the 201st anniversary of Flag Day. For many years the House has commemorated Flag Day here in the House Chamber by appropriate ceremonies.

I ask unanimous consent that it may be in order at any time on Wednesday, June 14, 1978, for the Speaker to declare a recess for the purpose of observing and commemorating Flag Day in such manner as the Speaker may deem appropriate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DEPARTMENT OF LABOR BLACK LUNG SUPPLEMENTAL APPROPRIATION

Mr. MAHON. Mr. Speaker, pursuant to the order of the House of Thursday, June 1, 1978, I call up the joint resolution (H.J. Res. 945) making an urgent supplemental appropriation for the black lung program of the Department of Labor for the fiscal year ending September 30, 1978, and ask that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

H.J. RES. 945

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1978:

DEPARTMENT OF LABOR

EMPLOYMENT STANDARDS ADMINISTRATION

BLACK LUNG DISABILITY TRUST FUND

For payments from the Black Lung Disability Trust Fund, $181,689,000, of which $162,700,000 shall be available for payments of all benefits after March 31, 1978, interest on advances under subsection (b)(2) of section 3 of the Black Lung Benefits Revenue Act of 1977, reimbursement to operators, and repayment into the Treasury for amounts expended for claims and expenses incurred for operation and administration of the black lung benefits program prior to April 1, 1978, as authorized by section 424 (a) of the Black Lung Benefits Act, as amended, and of which $17,819,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, and $1,170,000 for transfer to Departmental Management, Salaries and Expenses, for expenses of operation and administration of the black lung benefits program after March 31, 1978, as authorized by section 424(a)(5) of the Black Lung Benefits Act, as amended: *Provided*, That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to June 15 of the current year: *Provided further*, That funds provided under the heading "Advances to the Unemployment Trust Fund and Others Funds" in the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1977, shall be available for the payment of repayable advances to the Black Lung Disability Trust Fund as authorized by subsection (b)(2) of section 3 of the Black Lung Benefits Revenue Act of 1977.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, testimony indicates this appropriation is urgently required. Hearings have been conducted by the Subcommittee on Labor-Health, Education, and Welfare, headed by the gentleman from Pennsylvania (Mr. FLOOD). He will present the facts of the situation to the House.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 945, the black lung supplemental appropriation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FLOOD. Mr. Speaker, the black lung program in the Department of Labor was substantially altered by a new law passed a couple of months ago. The new law has created a very substantial increase in the black lung claims workload.

The Department expects to receive almost 300,000 black lung claims in the first year following enactment of the new law. This compares with 14,000 claims in

fiscal year 1978 and 10,000 in fiscal year 1979 that were expected to be received under the old law.

The President transmitted this budget request on an urgent basis. We believe that an urgent supplemental bill is required here to enable the Labor Department to hire the 564 additional staff required as quickly as possible to begin processing these claims. If they do not put this new staff on in the next month or so, they are going to be buried in an avalanche of claims. We do not want this program to get bogged down to the point that it just cannot operate.

The bill also includes funds for benefit payments. We want to be sure that the Department has sufficient funds to meet the payments prescribed by law.

The new law, in addition to expanding eligibility for black lung benefits, also established the black lung disability trust fund, the revenue for which is to be derived from an excise tax on coal. Fiscal responsibility for the black lung program will now be shifted from the general fund of the Treasury to the industry-supported trust fund.

The trust fund will pay all costs of the black lung program, including administrative costs. The bill before us simply permits the expenditure of $181.7 million from the trust fund, of which $18,989,000 is for administration of the program.

The black lung program will no longer be supported from general tax revenues, but will now be financed through a trust fund supported by an excise tax on coal.

That is important, and I want to make sure that the Members understand that.

I ask for your support for this urgent supplemental bill.

Mr. CONTE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the minority members of the committee support the chairman on this bill.

In enacting Public Law 95-239, the Black Lung Benefits Reform Act of 1977, we added tremendously to the number of claims expected for black lung benefits. The claims workload is expected to be almost 300,000 cases in the first year after enactment of the new act, compared with the approximately 10,000 cases expected under the old law.

The $181,689,000 authorized for expenditure in this bill will come from the black lung disability trust fund, not from appropriated funds. The trust fund is derived from coal excise taxes.

Since the trust fund is new and the coal taxes are expected to be insufficient to meet the benefit needs in fiscal 1978, the bill includes language permitting advances to the fund from existing balances available to the Department of Labor. Such advances will be repaid from the trust fund with interest. The estimated $69.5 million to be advanced for this purpose is included in the authorized $181,689,000 recommended by the committee.

The committee has approved the new positions requested—564, for a total of 834—but has reduced the amount of administrative funds requested by $2,181,000 to reflect a more realistic recruitment schedule.

In total, the bill provides trust fund authority for $162,700,000 for benefit payments, and $18,989,000 for administration, for a total of $181,689,000.

● Mr. WAMPLER. Mr. Speaker, I rise in support of House Joint Resolution 945, to provide an urgent supplemental appropriation of $181.7 million for the black lung disability fund.

Our many coal miners suffering from black lung disease were heartened when the Congress approved the Black Lung Benefits Reform Act of 1977 and the Black Lung Benefits Revenue Act of 1977, making long overdue changes in the program and providing the mechanism for future payment of benefits. Although the Department of Labor's regulations for implementation of the Black Lung Benefits Reform Act of 1977 have been a long time in being developed, I am hopeful that final regulations, in strict keeping with the intent of the Congress when it passed this measure, will be ready soon, in order that the Department can move ahead in processing claims for these benefits. This resolution before us today will help in the speedy processing and payment of these claims, until sufficient moneys are available through the black lung disability trust fund for this purpose.

In passing the above-mentioned laws, Congress intended that black lung claims be processed in a timely manner and that benefits be paid accordingly, in order that those miners suffering from this disease might gain some relief in their struggle for survival. Passage of House Joint Resolution 945 will provide the necessary operating funds to carry out this intent.●

The SPEAKER pro tempore (Mr. BRADEMAS). Without objection, the previous question is ordered on the joint resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 237, nays 72, answered "present" 1, not voting 124, as follows:

[Roll No. 434]

YEAS—237

Addabbo	Annunzio	Benjamin
Akaka	Applegate	Bevill
Alexander	Aspin	Bingham
Ammerman	Baldus	Blanchard
Anderson, Calif.	Baucus	Blouin
Anderson, Ill.	Beard, R.I.	Boggs
Andrews, N.C.	Bedell	Boland
Bonker	Beilenson	Bonior
Bowen	Hagedorn	Myers, Gary
Brademas	Hamilton	Myers, John
Breaux	Hammer-schmidt	Myers, Michael
Brinkley	Hanley	Natcher
Brodhead	Hannaford	Nolan
Broomfield	Harkin	Nowak
Brown, Calif.	Harrington	O'Brien
Broyhill	Harris	Oakar
Buchanan	Harsha	Oberstar
Burgener	Hawkins	Obey
Burke, Mass.	Hefner	Panetta
Byron	Heftel	Patten
Caputo	Hightower	Pease
Carr	Hollenbeck	Perkins
Carter	Holtzman	Pickle
Cavanaugh	Jacobs	Preyer
Cederberg	Johnson, Calif.	Price
Chisholm	Johnson, Colo	Pritchard
Cohen	Jones, N.C.	Quillen
Coleman	Jones, Tenn.	Rahall
Conte	Jordan	Railsback
Cornell	Kastenmeier	Rangel
D'Amours	Keys	Regula
Daniel, Dan	Kildee	Reuss
Davis	Kindness	Risenhoover
Delaney	Kostmayer	Roe
Dellums	Krebs	Rooney
Derrick	LaFalce	Rosenthal
Derwinski	Le Fante	Rostenkowski
Dicks	Leach	Roybal
Diggs	Lederer	Russo
Dingell	Levitas	Sawyer
Dodd	Lloyd, Calif.	Schroeder
Downey	Long, La.	Seiberling
Drinan	Long, Md.	Sharp
Duncan, Oreg.	Lujan	Shuster
Duncan, Tenn.	Luken	Sikes
Early	Lundine	Sisk
Edgar	McCloskey	Skelton
Edwards, Ala.	McCormack	Slack
Edwards, Calif.	McDade	Smith, Iowa
Eilberg	McFall	Snyder
Emery	McHugh	Solarz
Ertel	McKinney	St Germain
Evans, Colo.	Madigan	Staggers
Evans, Del.	Mahon	Stanton
Evans, Ga.	Mann	Stark
Evans, Ind.	Markey	Steed
Fary	Marks	Steers
Fascell	Marlenee	Stratton
Findley	Mattox	Studds
Fisher	Mazzoli	Thompson
Fithian	Meeds	Traxler
Flippo	Meyner	Treen
Flood	Michel	Ullman
Florio	Mikva	Van Deerlin
Foley	Miller, Calif.	Vander Jagt
Ford, Tenn.	Miller, Ohio	Vanik
Fountain	Mineta	Volkmer
Fowler	Minish	Walgren
Fuqua	Mitchell, Md.	Wampler
Gammage	Mitchell, N.Y.	Watkins
Garcia	Moakley	Weaver
Gaydos	Moffett	Whitley
Gephardt	Mollohan	Whitten
Ginn	Moore	Wirth
Glickman	Moss	Yates
Gonzalez	Mottl	Yatron
Gore	Murphy, Ill.	Young, Fla.
Green	Murphy, Pa.	Young, Mo.
Gudger	Murtha	Zablocki

NAYS—72

Abdnor	Goodling	Poage
Andrews, N. Dak.	Gradison	Quayle
Archer	Grassley	Robinson
Bauman	Guyer	Rousselot
Beard, Tenn.	Hansen	Rudd
Bennett	Hillis	Ruppe
Burleson, Tex.	Holt	Santini
Butler	Hughes	Satterfield
Clawson, Del	Hyde	Schulze
Collins, Tex.	Ichord	Sebelius
Conable	Jones, Okla.	Spence
Corcoran	Kelly	Stangeland
Cotter	Kemp	Steiger
Crane	Lagomarsino	Stockman
Cunningham	Latta	Symms
Daniel, R. W.	Lent	Taylor
Devine	Livingston	Thone
Dickinson	Lott	Trible
Dornan	McClory	Waggonner
Edwards, Okla.	McDonald	Walker
English	McEwen	Whitehurst
Erlenborn	Martin	Winn
Fish	Montgomery	
Forsythe	Moorhead, Calif.	
Frenzel	Pettis	

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—124

Allen	Gibbons	Rhodes
Ambro	Gilman	Richmond
Armstrong	Goldwater	Rinaldo
Ashbrook	Hall	Roberts
Ashley	Heckler	Rodino
AuCoin	Holland	Rogers
Badham	Horton	Roncalio
Barnard	Howard	Rose
Biaggi	Hubbard	Runnels
Bolling	Huckaby	Ryan
Breckinridge	Ireland	Sarasin
Brooks	Jeffords	Scheuer
Brown, Mich.	Jenkins	Shipley
Brown, Ohio	Jenrette	Simon
Burke, Calif.	Kasten	Skubitz
Burke, Fla.	Kazen	Smith, Nebr.
Burlison, Mo.	Ketchum	Spellman
Burton, John	Krueger	Stokes
Burton, Phillip	Leggett	Stump
Carney	Lehman	Teague
Chappell	Lloyd, Tenn.	Thornton
Clausen, Don H.	McKay	Tsongas
	Maguire	Tucker
Clay	Marriott	Udall
Cleveland	Mathis	Vento
Cochran	Metcalfe	Walsh
Collins, Ill.	Mikulski	Waxman
Conyers	Milford	Weiss
Corman	Moorhead, Pa.	White
Cornwell	Murphy, N.Y.	Wiggins
Coughlin	Neal	Wilson, Bob
Danielson	Nedzi	Wilson, C. H.
de la Garza	Nichols	Wilson, Tex.
Dent	Nix	Wolff
Eckhardt	Ottinger	Wright
Fenwick	Patterson	Wydler
Flowers	Pattison	Wylie
Flynt	Pepper	Young, Alaska
Ford, Mich.	Pike	Young, Tex.
Fraser	Pressler	Zeferetti
Frey	Pursell	
Giaimo	Quie	

The Clerk announced the following pairs:

On this vote:

Mr. Phillip Burton for, with Mr. Teague against.

Mr. Jenrette for, with Mr. Roberts against.

Mr. Howard for, with Mr. Rogers against.

Mr. Rose for, with Mr. Stump against.

Mr. Don H. Clausen for, with Mr. Ashbrook against.

Mr. Coughlin for, with Mr. Badham against.

Mrs. Fenwick for, with Mr. Brown of Michigan against.

Mr. Gilman for, with Mr. Burke of Florida against.

Mrs. Heckler for, with Mr. Frey against.

Mr. Pursell for, with Mr. Goldwater against.

Mr. Rinaldo for, with Mr. Horton against.

Mr. Richmond for, with Mr. Kasten against.

Mr. Zeferetti for, with Mr. Marriott against.

Mr. Wolff for, with Mrs. Smith of Nebraska against.

Ms. Mikulski for, with Mr. Wiggins against.

Mr. Biaggi for, with Mr. Bob Wilson against.

Mr. Shipley for, with Mr. Wydler against.

Mr. Vento for, with Mr. Wylie against.

Mr. Stokes for, with Mr. Young of Alaska against.

Until further notice:

Mr. Carney with Mr. Dent.

Mr. John Burton with Mr. Skubitz.

Mrs. Lloyd of Tennessee with Mr. Leggett.

Mr. Breckinridge with Mr. Roncalio.

Mr. Ford of Michigan with Mr. Ketchum.

Mr. Cornwell with Mr. Milford.

Mr. Nedzi with Mr. Sarasin.

Mrs. Burke of California with Mr. Krueger.

Mr. Fraser with Mr. Eckhardt.

Mr. Ambro with Mr. Pressler.

Mr. Danielson with Mr. Runnels.

Mr. Kazen with Mr. Tucker.

Mr. Ashley with Mr. Quie.

Mr. Flowers with Mr. Whalen.

Mr. Giaimo with Mr. Jeffords.

Mr. Ireland with Mr. Maguire.

Mr. Chappell with Mr. Moorhead of Pennsylvania.

Mr. Jenkins with Mr. Ottinger.

Mr. AuCoin with Mr. Walsh.

Mr. Lehman with Mr. Patterson of California.

Mr. Burlison of Missouri with Mr. Mathias.

Mr. Murphy of New York with Mr. Pike.

Mr. Brooks with Mr. McKay.

Mr. Flynt with Mr. Huckaby.

Mr. Neal with Mr. Pattison of New York.

Mr. Clay with Mr. Hubbard.

Mr. Gibbons with Mr. Metcalfe.

Mr. Nichols with Mr. Holland.

Mr. Nix with Mr. Hall.

Mrs. Collins of Illinois with Mr. Cleveland.

Mr. Pepper with Mr. Ryan.

Mr. Corman with Mrs. Spellman.

Mr. Conyers with Mr. Thornton.

Mr. de la Garza with Mr. Udall.

Mr. Simon with Mr. Charles Wison of Texas.

Mr. Weiss with Mr. Waxman.

Mr. Wright with Mr. Charles H. Wilson of California.

Mr. White with Mr. Scheuer.

Mr. Tsongas with Mr. Brown of Ohio.

Ms. KEYS changed her vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GERMANY REPAYING VICTIMS OF NAZI ATROCITIES WHILE TURKEY REFUSES TO ASSIST ARMENIAN VICTIMS OF ATROCITIES

(Mr. KREBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KREBS. Mr. Speaker and Members of the House, sometimes we forget the positive acts on the part of individuals or on the part of governments.

Mr. Speaker, in 1952 following the atrocities of World War II, the German Government instituted a program of restitution to victims of the Nazi era, and under the terms of that program the German Government up to date has expended approximately $20 billion paid directly to victims of the Nazi holocaust.

I found it extremely encouraging to read in the press that within the last 48 hours all four parties representing the German people agreed not only to increase but also expand this program in the years to come to make sure that all victims of the Nazi atrocities are going to be compensated.

I submit that this stands in sharp contrast to the inaction of the Turkish people and the Turkish Government, who to this day have not even acknowledged the 1915 massacre of the Armenian people, let alone pay them a single dime of compensation.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I take this time for the purpose of inquiring of the acting majority leader the program for the balance of the day and all of next week.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. I thank the gentleman for yielding.

The program for the rest of the day is to complete possibly the Transportation Appropriations Act for 1979. We will legislate on that, and should we legislate on that before 3 o'clock, of course, that will complete the activities for the week. If, however, the debate and legislation is not completed, it will carry over until next week.

The program for next week is the House will meet at noon on Monday, and votes on suspensions, of course, will be postponed until all suspensions have been completed. The suspensions are:

House Concurrent Resolution 612, condemn violations of human rights by Uganda;

H.R. 12441, Toxic Substances Control Act; and

H.R. 10255, comprehensive fish and wildlife management.

Then we will complete consideration of H.R. 12933, Transportation appropriations for fiscal year 1979.

We will then consider the bill H.R. 12934, State-Justice-Commerce appropriations for fiscal year 1979.

Tuesday the House meets at noon, and we will consider:

H.R. 12929, Labor-HEW appropriations for fiscal year 1979. We expect to complete consideration on that.

We will then consider three suspensions:

H.R. 11886, Veterans Disability and Survivor Benefits Act,

H.R. 11888, increase compensation for disabled veterans, and

H.R. 10173. Veterans and Survivor Pension Improvement Act.

Votes on suspensions will be postponed until the end of all suspensions.

On Wednesday we will meet at 10 a.m. and consider:

H.R. 12935, legislative appropriations for fiscal year 1979, and

H.R. 12928, public works appropriations for fiscal year 1979.

At 11:30 on Wednesday, the House will stand in recess for about 1½ hours to conduct ceremonies relating to Flag Day.

Thursday the House will meet at 10 a.m. and will take into consideration:

H.R. 12936, HUD-independent agencies appropriations for fiscal year 1979, and

H.R. 12505, solar power research and development, under an open rule, with 1 hour of debate.

On Friday the House will meet at 10 a.m. and consider:

H.R. 12927, military construction appropriations for fiscal year 1979, and

H.R. 11493, Amtrak Improvement Act of 1979, under an open rule, with 1 hour of debate.

Conference reports may be brought up at any time. Any further program will be announced. The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except on Wednesday.

There is also a footnote supplement which ought to be taken into consideration.

During the legislative days reserved for appropriations bills, other legislation may be scheduled on days when early completion of appropriations bills makes them available. Among the bills subject to being called up, not necessarily in order, are:

H.R. 12433, Housing and Community Development Act amendments, under an open rule, with 2 hours of debate.

H.R. 15, ESEA amendments of 1978, under an open rule, with 1 hour of debate.

H.R. 12005, Justice Department authorizations, under an open rule, with 1 hour of debate.

H.R. 9400, civil rights for institutionalized persons. We expect to complete consideration of that legislation.

H.R. 11983, FEC authorizations, under an open rule, with 1 hour of debate.

H.R. 10285, Commodity Exchange Act extension, under an open rule, with 1 hour of debate.

H.R. 3350, deep seabed hard minerals, under a modified open rule, with 2 hours of debate.

H.R. 12157, Export-Import Bank. We expect to complete consideration of that legislation.

H.R. 8099, water rights for the Ak-Chin Indians, under an open rule, with 1 hour of debate.

H.R. 12432, Civil Rights Commission Act of 1978, subject to a rule being granted.

H.R. 12452, CETA amendments of 1978, subject to a rule being granted.

H.R. 7577, Employment Opportunity and Community Services Amendments of 1978, subject to a rule being granted.

H.R. 12163, DOE authorizations for fiscal year 1979, subject to a rule being granted.

And, H.R. 11392, DOE authorizations for fiscal year 1979, subject to a rule being granted.

Mr. MICHEL. Mr. Speaker, let me further inquire, I note that on Tuesday while there are no suspensions for consideration, it is noted we will complete action on the Labor-HEW appropriations bill.

The gentleman will recall that last evening we got all the way through to about the middle of the general provisions. I think we are right up to the abortion amendment, and while there may be one other that we know of, I would rather think that we would not require the balance of that day for disposal of that Labor-HEW appropriations bill. As a matter of fact, with Members given sufficient notice, we might want to limit time at the beginning to a certain hour, because there are only going to be two specific votes provided for in the rule.

I am wondering in view of that what would the gentleman's conjecture most likely be to bring up to fill in the balance of the day? There are two measures on which we have not completed consideration. Would those take priority over a bill that had not been previously considered?

Mr. ROSTENKOWSKI. Mr. Speaker, if the distinguished gentleman from Illinois will yield further, as I pointed out, these are not necessarily in the order or in the importance in which they will be taken up.

Mr. MICHEL. Mr. Speaker, I would assume that the majority side would counsel with the minority side sufficiently in advance so that we might alert our Members.

Mr. Speaker, there is one other bill I am concerned about, that is the FEC authorization, because we do have a key Member that will not be here next week. I think there has been some tacit agreement on that.

Mr. ROSTENKOWSKI. Mr. Speaker, if the distinguished gentleman will yield further, I believe there has been assurance given by the majority leader that we would not bring the FEC bill up on Tuesday.

Mr. MICHEL. On Tuesday, does that mean a possibility later that week that it would still come up?

Mr. ROSTENKOWSKI. I am sure there will be consultation with the distinguished gentleman from Arizona (Mr. RHODES) about that.

Mr. MICHEL. That would still cause a problem for that Member. I think the Speaker had given some consideration that matter would be off for the whole week.

ADJOURNMENT TO MONDAY, JUNE 12, 1978

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

APPOINTMENT OF ADDITIONAL CONFEREE ON S. 2401, EMERGENCY INTERIM CONSUMER PRODUCT SAFETY RULE ACT OF 1978

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint one additional conferee on the Senate bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and, without objection, appoints the following additional conferee: Mr. MOFFETT.

TRANSPORTATION APPROPRIATIONS, FISCAL YEAR 1979

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1219, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1219

Resolved, That during the consideration of the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes, all points of order against said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI are hereby waived.

The SPEAKER pro tempore. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Speaker, the reading of the resolution makes it quite clear that this is simply a resolution from the Committee on Rules upon the request of the Committee on Appropriations to waive points of order in connection with the Department of Transportation and related agencies appropriation bill dealing with clause 2 of rule XXI and clause 6 of rule XXI.

Clause 2 of rule XXI, of course, deals with lack of authorization. It is my understanding that although the authorization has passed the House, it has not been passed by the other body.

In connection with clause 6 of rule XXI, this has to do with some reappropriation for transfer of funds, so a waiver is needed.

Mr. Speaker, I know of no objection to the rule. I urge the adoption of the rule, and I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule waives points of order which could be made against H.R. 12933, the Department of Transportation and related agencies appropriation bill for fiscal year 1979. The waivers are for failure to comply with the provisions of clauses 2 and 6, rule XXI. This clause prohibits unauthorized appropriations, legislation on general appropriation bills, and reappropriations.

The bill includes appropriations for a large number of programs for which authorizing legislation has not yet been enacted. The principal items in this category involve some or all of the activities of the Coast Guard, Federal Highway Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Urban Mass Trans-

portation Administration, Research and Special Programs Directorate, National Transportation Safety Board, Interstate Commerce Commission, Department of the Treasury and United States Railway Association. Authorizations for these activities are contained in 12 different bills which are in various stages.

Mr. Speaker, this bill appropriates a total of $8,857,296,096 for fiscal year 1979. This is an increase of $2,630,495,073 over the amount appropriated for fiscal year 1978.

Mr. Speaker, I support the rule so that the House may debate the bill, but will certainly not support the bill due to size of the increase over fiscal year 1978.

Mr. SISK. Mr. Speaker, I yield myself 1 minute.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank my colleague from California for yielding.

Mr. Speaker, I would like to ask one or two questions about this rule. I notice that a portion of the rule waives the provisions of clause 2 of rule XXI. It is my understanding that that is the rule which would make in order a point of order against any appropriation which has not been authorized.

Mr. SISK. That is correct. Clause 2, rule XXI, deals with the matter of authorizations prior to appropriation and, of course, in this case, because of the fact that all items are not authorized, we are waiving that for the purpose of expeditious handling of the bill.

Mr. LEVITAS. Mr. Speaker, if the gentleman will yield further, I would like to ask this further question of either the distinguished gentleman from California (Mr. SISK) or our colleague from California (Mr. MCFALL), the chairman of the Appropriations Subcommittee.

The measures in appropriation for which rule XXI, clause 2, is waived, are they measures in which the House has actually defeated the authorization?

Mr. SISK. Mr. Speaker, I yield to my colleague, the gentleman from California (Mr. MCFALL), to comment on that question.

Mr. MCFALL. Mr. Speaker, I thank the gentleman for yielding to me for that purpose, and the answer is, "no," nothing has been defeated.

I have a three-page chart here of all of the legislation. Some of it has passed the House. The Coast Guard authorization, that one already passed the House. But the rest of the legislation has been ordered reported. The Members may take a look at this chart. All of the rest of it is just reported from the different committees and has not been considered by the House.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield further?

Mr. SISK. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I want to thank my colleague on the Appropriations Subcommittee for that information, and I am relieved to note that we have not in this rule waived a point of order against an appropriation where an authorization has been actually defeated.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The time of the gentleman from California (Mr. SISK) has expired.

Mr. SISK. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I well understand the problem my colleague, the gentleman from Georgia (Mr. LEVITAS), has in connection with the bill which will be coming up in the very near future. I understand his concerns about the matter and, of course, it is my understanding that that particular situation does not exist in this particular appropriation bill.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RUSSO. I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 309, nays 16, not voting 109, as follows:

[Roll No. 435]

YEAS—309

Abdnor	Coleman	Gammage
Addabbo	Collins, Ill.	Garcia
Akaka	Conable	Gaydos
Alexander	Conte	Gephardt
Ambro	Corcoran	Ginn
Ammerman	Cornell	Glickman
Anderson, Calif.	Cornwell	Goodling
	Cotter	Gore
Anderson, Ill.	Coughlin	Gradison
Andrews, N.C.	Crane	Grassley
Andrews, N. Dak.	Cunningham	Green
	D'Amours	Gudger
Annunzio	Daniel, Dan	Guyer
Applegate	Daniel, R. W.	Hagedorn
Archer	Davis	Hall
Ashbrook	Delaney	Hamilton
Ashley	Dellums	Hanley
Aspin	Derrick	Hannaford
Bafalis	Derwinski	Hansen
Baldus	Devine	Harkin
Baucus	Dickinson	Harrington
Beard, R.I.	Dicks	Harris
Beard, Tenn.	Diggs	Harsha
Bedell	Dingell	Hawkins
Beilenson	Dodd	Heckler
Benjamin	Dornan	Hefner
Bennett	Downey	Heftel
Bevill	Drinan	Hightower
Biaggi	Duncan, Oreg.	Hillis
Bingham	Duncan, Tenn.	Hollenbeck
Blanchard	Edgar	Holt
Blouin	Edwards, Ala.	Holtzman
Boggs	Edwards, Calif.	Hughes
Boland	Eilberg	Hyde
Bonior	Emery	Ichord
Bonker	English	Jacobs
Bowen	Erlenborn	Johnson, Calif.
Brademas	Ertel	Johnson, Colo.
Breaux	Evans, Colo.	Jones, N.C.
Breckinridge	Evans, Del.	Jones, Okla.
Brinkley	Evans, Ga.	Jones, Tenn.
Broomfield	Evans, Ind.	Jordan
Broyhill	Fary	Kastenmeier
Buchanan	Fascell	Kemp
Burgener	Findley	Keys
Burke, Mass.	Fish	Kildee
Burleson, Tex.	Fisher	Kindness
Burton, John	Fithian	Krebs
Butler	Flippo	LaFalce
Byron	Flood	Lagomarsino
Caputo	Florio	Latta
Carr	Foley	Le Fante
Carter	Ford, Tenn.	Leach
Cederberg	Forsythe	Lederer
Chappell	Fountain	Lent
Chisholm	Fowler	Levitas
Clawson, Del	Frenzel	Livingston
Cohen	Fuqua	Lloyd, Calif.
Long, La.	Myers, Michael	Sisk
Long, Md.	Natcher	Skelton
Lott	Neal	Skubitz
Lujan	Nolan	Slack
Luken	Nowak	Smith, Iowa
Lundine	O'Brien	Snyder
McClory	Oakar	Solarz
McCloskey	Oberstar	Spellman
McCormack	Obey	Spence
McDade	Panetta	St Germain
McEwen	Patten	Staggers
McFall	Pease	Stangeland
McHugh	Perkins	Stanton
McKinney	Pettis	Steed
Madigan	Pickle	Steers
Mahon	Poage	Stockman
Mann	Preyer	Stratton
Markey	Price	Studds
Marks	Pritchard	Taylor
Marlenee	Pursell	Thompson
Martin	Quillen	Thone
Mathis	Rahall	Trawler
Mazzoli	Railsback	Trible
Meeds	Rangel	Ullman
Meyner	Regula	Van Deerlin
Michel	Reuss	Vander Jagt
Mikva	Risenhoover	Vanik
Miller, Calif.	Robinson	Volkmer
Miller, Ohio	Roe	Waggonner
Mineta	Rooney	Walgren
Minish	Rosenthal	Walker
Mitchell, Md.	Rostenkowski	Wampler
Mitchell, N.Y.	Roybal	Watkins
Moakley	Rudd	Weaver
Mollohan	Ruppe	Whitehurst
Montgomery	Russo	Whitley
Moore	Ryan	Whitten
Moorhead, Calif.	Santini	Wilson, Bob
	Sawyer	Wilson, Tex.
Moss	Schroeder	Winn
Mottl	Schulze	Wirth
Murphy, Ill.	Sebelius	Yates
Murphy, Pa.	Seiberling	Yatron
Murtha	Sharp	Young, Fla.
Myers, Gary	Shuster	Young, Mo.
Myers, John	Sikes	Zablocki

NAYS—16

Bauman	Kelly	Steiger
Cavanaugh	McDonald	Symms
Collins, Tex.	Moffett	Treen
Edwards, Okla.	Quayle	
Gonzalez	Rousselot	
Hammer-schmidt	Satterfield	
	Stark	

NOT VOTING—109

Allen	Goldwater	Rhodes
Armstrong	Holland	Richmond
AuCoin	Horton	Rinaldo
Badham	Howard	Roberts
Barnard	Hubbard	Rodino
Bolling	Huckaby	Rogers
Brodhead	Ireland	Roncalio
Brooks	Jeffords	Rose
Brown, Calif.	Jenkins	Runnels
Brown, Mich.	Jenrette	Sarasin
Brown, Ohio	Kasten	Scheuer
Burke, Calif.	Kazen	Shipley
Burke, Fla.	Ketchum	Simon
Burlison, Mo.	Kostmayer	Smith, Nebr.
Burton, Phillip	Krueger	Stokes
Carney	Leggett	Stump
Clausen, Don H.	Lehman	Teague
	Lloyd, Tenn.	Thornton
Clay	McKay	Tsongas
Cleveland	Maguire	Tucker
Cochran	Marriott	Udall
Conyers	Mattox	Vento
Corman	Metcalfe	Walsh
Danielson	Mikulski	Waxman
de la Garza	Milford	Weiss
Dent	Moorhead, Pa.	Whalen
Early	Murphy, N.Y.	White
Eckhardt	Nedzi	Wiggins
Fenwick	Nichols	Wilson, C. H.
Flowers	Nix	Wolff
Flynt	Ottinger	Wright
Ford, Mich.	Patterson	Wydler
Fraser	Pattison	Wylie
Frey	Pepper	Young, Alaska
Giaimo	Pike	Young, Tex.
Gibbons	Pressler	Zeferetti
Gilman	Quie	

The Clerk announced the following pairs:

Mr. Howard with Mr. Allen.

Mr. Jenrette with Mr. Holland.

Mr. Carney with Mr. Rinaldo.

Mr. Weiss with Mr. Armstrong.

Mr. Vento with Mr. Walsh.

Mr. Moorhead of Pennsylvania with Mr. Mattox.
Mr. Phillip Burton with Mr. Nix.
Mr. Conyers with Mr. Pressler.
Mr. Early with Mr. Quie.
Mr. Nichols with Mr. Young of Alaska.
Mr. Pepper with Mr. Leggett.
Mr. Giaimo with Mr. Ketchum.
Mr. Kazen with Mr. Brown of Michigan.
Mr. Roberts with Mr. Cleveland.
Mr. Richmond with Mr. Dent.
Mr. Shipley with Mr. Gilman.
Mr. Simon with Mr. Goldwater.
Mrs. Lloyd of Tennessee with Mr. Hubbard.
Mr. Tsongas with Mr. Huckaby.
Mr. White with Mr. Kasten.
Mr. Wolff with Mr. Horton.
Mr. Nedzi with Mr. Tucker.
Mr. Ford of Michigan with Mr. Stump.
Ms. Mikulski with Mr. Sarasin.
Mrs. Burke of California with Mr. Roncalio.
Mr. Brooks with Mrs. Smith of Nebraska.
Mr. AuCoin with Mr. Thornton.
Mr. Ireland with Mr. Teague.
Mr. Rose with Mr. Whalen.
Mr. Burlison of Missouri with Mr. Ottinger.
Mr. Clay with Mr. Milford.
Mr. Wright with Mr. Marriott.
Mr. Charles H. Wilson of California with Mr. Kruger.
Mr. Zeferetti with Mr. Jeffords.
Mr. Stokes with Mrs. Fenwick.
Mr. Udall with Mr. Frey.
Mr. Patterson of California with Mr. Wiggins.
Mr. Waxman with Mr. Don H. Clausen.
Mr. Fraser with Mr. Burke of Florida.
Mr. Flynt with Mr. Brown of Ohio.
Mr. Danielson with Mr. Badham.
Mr. Corman with Mr. Barnard.
Mr. de la Garza with Mr. Eckhardt.
Mr. Corman with Mr. Gibbons.
Mr. Pattison of New York with Mr. Scheuer.
Mr. Flowers with Mr. Wylie.
Mr. Metcalfe with Mr. Wydler.
Mr. Kostmayer with Mr. Lehman.
Mr. Jenkins with Mr. Maguire.
Mr. Brodhead with Mr. McKay.
Mr. Brown of California with Mr. Murphy of New York.
Mr. Rogers with Mr. Runnels.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EUROPEAN ORIENTATION TRIPS FURNISHED BY PRIVATE CARRIERS TO AIRPORT CONTROLLERS NEED INVESTIGATION

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, on Wednesday morning, along with thousands of other air travelers, I was in a commercial aircraft stacked over Washington for 1¼ hours after a 45-minute flight.

I deplore the action of the air controllers who delayed aircraft flights and jeopardized thousands of lives while they haggled over the issue of free orientation trips to Europe as an employment frill.

I do not believe that Government employees should be allowed to accept free trips from commercial carriers. It does not appear to be ethical.

Furthermore, unless it can be shown that foreign orientation trips are necessary for controllers who are principally involved in domestic activity, they should be taxed as a special fringe benefits.

I am requesting the Commissioner of Internal Revenue to advise on the taxability of the privilege of free air transportation for Federal controllers.

TRANSPORTATION APPROPRIATION, FISCAL YEAR 1979

Mr. McFALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes, and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Massachusetts (Mr. CONTE) and myself.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12933, with Miss JORDAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from California (Mr. McFALL) will be recognized for 1 hour and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 1 hour.

The Chair recognizes the gentleman from California (Mr. McFALL).

Mr. McFALL. Madam Chairman, I yield myself 15 minutes.

Madam Chairman, we submit for your consideration today the bill, H.R. 12933, making appropriations for the Department of Transportation and related agencies for fiscal year 1979.

As chairman of the Subcommittee on Transportation Appropriations, I want to express my appreciation to the members of the committee for their cooperation during the hearings on this bill. It is a real pleasure to serve with them. I especially want to thank the distinguished ranking minority member from Massachusetts (Mr. CONTE) for his active participation in developing this legislation.

The committee developed a hearing record contained in six volumes amounting to over 5,600 pages. Testimony was received from more than 200 witnesses.

The committee, I believe, has carefully reviewed the programs of the Department of Transportation and related agencies, and is recommending what we consider to be sufficient funds to enable these agencies to help meet the requirements of our Nation's transportation system.

SUMMARY OF THE BILL

The bill includes a total of $18,483,011,000, of which nearly $8.9 billion is new budget authority and about $9.6 billion is liquidating cash. The total amount of new budget authority is $211,327,000 below the budget. It is also well within the target established by the first concurrent budget resolution.

The bill provides funds for approximately 133,000 positions, including about 39,000 military personnel for the Coast Guard. This is an increase of about 800 positions over the current level. Nearly all of these new personnel are for the operation of the air traffic control system and for the increased responsibilities of the Coast Guard.

SELECTED MAJOR RECOMMENDATIONS

I would call the attention of the Members of the Committee to the summary on page 4 of the report. The major recommendations are as follows:

First, the appropriation of $1,981,400,000 for the operations activities of the Federal Aviation Administration, $27,553,000 less than the budget request;

Second, a general provision providing for obligations of not to exceed $8.1 billion for Federal-aid highways;

Third, the appropriation of $1,225,000,000 for the urban discretionary grant program of the Urban Mass Transportation Administration;

Fourth, approval of the full budget request of $660 million for Federal grants to Amtrak;

Fifth, an increase of $300 million over the budget for the purchase of securities of the Consolidated Rail Corporation;

Sixth, an increase of $7,998,000 and 750 positions over the budget for operating expenses of the Coast Guard;

Seventh, the appropriation of $250 million for "second tier" operating assistance for urban mass transportation;

Eighth, denial of the $146.6 million request for full funding of the Federal Aviation Administration's flight service station automation and modernization program;

Ninth, an increase of $60 million over the budget for five airport surveillance radars and other aviation safety equipment;

Tenth, approval of the full budget request of $455 million for the Northeast corridor improvement project;

Eleventh, an increase of $60 million over the budget for the safer off-system roads and off-system railway-highway crossings programs; and

Twelfth, the appropriation of $250 million for railroad rehabilitation and improvement financing funds.

OFFICE OF THE SECRETARY OF TRANSPORTATION

Madam Chairman, the bill provides appropriations of $44.5 million for the Office of the Secretary of Transportation. This is $13.9 million less than the 1978 appropriations. However, many of the functions previously under the Office of the Secretary have been transferred to other administrations within the Department.

We want to commend our former colleague, Brock Adams, for his efforts in formulating his views on transportation policy. We are hopeful that he will continue his efforts in this area and that the ultimate result will be a safer, more efficient and more economical national transportation system.

COAST GUARD

The Coast Guard is one of the finest organizations in our Government. This fine tradition is exemplified by the recently retired Commandant, Adm. Owen W. Siler, and the Vice Commandant. Vice Adm. Ellis I. Perry. Under their leadership, the Coast Guard has assumed much broader responsibilities, including the enforcement of the 200-mile-limit legislation.

The Coast Guard has a reputation for being cost conscious and submitting tight budgets. This year we felt that the personnel levels requested under the budget would not have permitted the Coast Guard to propertly execute its missions. This was particularly true in the areas of environmental protection, law enforcement, and marine safety. Under our recommendations, operating expenses for the Coast Guard would be increased by approximately $8 million. This would provide for an increase of 750 positions over the budget.

For acquisition, construction, and improvements, we recommend $286,310,000. More than $200 million of this amount is for purchase of medium-range surveillance aircraft and medium-endurance cutters. In addition, funds are included for short-range helicopters, 13 shore stations, aids to navigation, and other essential procurements and improvements.

We did not include additional funds for a new icebreaker because there are sufficient funds in the budget to continue the design of this vessel. The Coast Guard has indicated that final design will not be completed until fiscal year 1980.

For the Federal Government's share for bridge alterations, we are recommending $14.9 million for five projects. We have listed these on page 12 of the report.

We have approved the full budget requests for retired pay, reserve training, and R.D.T. & E. and have added $1 million over the budget for State boating safety assistance. We have been very impressed with the extent to which Coast Guard reservists are being employed to support regular Coast Guard activities.

FEDERAL AVIATION ADMINISTRATION

Madam Chairman, we recommend the sum of $1,981,400,000 for operations of the Federal Aviation Administration. This provides for the personnel engaged in the operation and maintenance of the air traffic control system, as well as all supporting services and administrative costs and most of the regulatory personnel in FAA.

Our recommendation is $173.1 million over the amount appropriated for similar activities in fiscal year 1978. We have approved 335 new air traffic control positions, but have made reductions totaling 202 positions in other areas, such as administrative support. The reductions total $27,553,000 and are listed on page 14 of the committee report.

We have included language which would prohibit funding for new applicants for the second career training program. Both the GAO and our committee's investigative staff reviewed this program during the past year and concluded that it should be discontinued.

The bill includes about $321 million for facilities and equipment for the Federal airway system. We have not provided the $146.6 million requested to fully fund the flight service station automation and modernization program. Testimony indicates that there are sufficient funds available from previous appropriations to continue this program during the upcoming fiscal year.

For the second consecutive year, we have recommended an increase over the budget for certain terminal safety equipment. This year we have included an increase of $60 million for airport surveillance radars, instrument landing systems, visual approach slope indicators and frangible light structures.

The bill includes $75.1 million for R. & D. to improve the air traffic control system and increase the system's capacity to meet the projected demands of the future. The bill also includes $18,515,000 for the facilities, engineering and development needed to establish or modify Federal air regulations.

For grants-in-aid for airports we have approved obligation levels of $15 million for airport planning grants, $21.98 million for general aviation discretionary grants, and $561.3 million for other airport development grants.

With respect to the Metropolitan Washington airports, the committee recommends $23,858,000 for operation and maintenance and $5 million for major capital improvements. It is estimated that the combined net profit for these two airports will be nearly $3.7 million in fiscal year 1979.

FEDERAL HIGHWAY ADMINISTRATION

Madam Chairman, highways provide by far the largest portion of transportation services used in this country. About 87 percent of all intercity travel and 98 percent of all urban passenger trips are by the highway mode. This mode of transportation is essential to the preservation of American mobility and to our economic well-being.

For the Federal-aid highways program, we are recommending a program level of $8.1 billion. This is $300 million more than the President's budget, but is the same as the level contained in the first concurrent budget resolution. To liquidate the obligations incurred under contract authority for Federal-aid highways, the bill includes a cash appropriation of $6.95 billion. The bill also includes liquidating cash appropriations of $23 million for highway-related safety grants, $44 million for off-system roads, and $19 million for the Great River Road.

For those highway programs financed with direct appropriations, we are recommending a total of $231,968,000, an increase of $86,535,000 over the budget. Most of this increase involves programs which the administration proposed to combine with the Federal-aid highways appropriation and finance with contract authority. The authorizing legislation, H.R. 11733, would continue to finance these programs with direct appropriations. Therefore, we have included funds for a number of these items in the bill. Certain programs, however, have been deferred until the enactment of authorizing legislation.

For administrative expenses of the Federal Highway Administration, the bill includes a limitation of $169.65 million. This is a reduction of $2,405,000 below the budget.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

In the field of highway safety, we recommend $78,495,000 for the traffic and highway safety program. This is an increase of about $100,000 over the current years' level and includes the full amount requested for the national accident sampling system. We are hopeful that with better accident data, NHTSA will be better able to concentrate its efforts on those programs which have the greatest potential for saving lives.

The other activity under this administration is a grant-in-aid program for State and community highway safety. We recommend $166 million to liquidate obligations already incurred under this program and also recommend a limitation of $172 million on obligations to be made in fiscal year 1979.

FEDERAL RAILROAD ADMINISTRATION

For DOT's rail transportation programs, we are recommending more than $1.5 billion. The largest rail appropriation involves $660 million in Federal grants to Amtrak. As the Members will recall, we proposed some minor reductions last year in Amtrak's budget which were not agreed to by the House. This year the bill includes the full budget request for Amtrak.

The Department of Transportation has made certain preliminary recommendations regarding a new route system for Amtrak. We realize that when a new system is agreed upon, some adjustments may be required to Amtrak's fiscal year 1979 appropriation. We expect, however, that Amtrak will attempt to operate as economically as possible until a new system is finalized.

We have approved the full budget requests for the Northeast Corridor improvement program and for rail service continuation subsidies. We have also approved virtually all of the budget requests for railroad research and development and railroad safety. A recent OTA report has renewed our concern about the effectiveness of the railroad safety programs. That report concludes that the accident rate does not appear to have been affected by the increased inspection activity. We have directed the Federal Railroad Administration to reexamine both the Federal and State grant programs in this area.

For the other major rail program in the Department, we are recommending $250 million for the purchase of railroad

redeemable preference shares and $600 million for the guarantee of privately placed loans and obligations. Since there is more than $250 million of previously appropriated preference share funds still unobligated, we believe there will be a substantial amount of Federal aid available for our Nation's railroads.

URBAN MASS TRANSPORTATION ADMINISTRATION

Madam Chairman, we recommend a total funding level of $3,311,600,000 for the Urban Mass Transportation Administration. This includes $2,461,000,000 in direct appropriations and $850 million in contract authority.

This year there were a number of different authorizing bills proposed for UMTA. For the most part, we have structured our appropriations along the lines proposed in H.R. 11733. However, in some instances we have recommended different funding levels and have deferred certain new activities until action on the authorizing legislation is completed.

For capital and operating assistance for urban areas, the bill includes a total program level of $2.7 billion, including funds for section 18 rail service operating payments. In addition, we are recommending $400 million for transit or highway projects which are substituted for Interstate System segments. We have not included any additional construction funds for the Washington Metro System, pending WMATA's development and implementation of a responsible financial plan.

For capital and operating assistance to rural and small urban areas, we recommend an appropriation of $75 million.

The remaining transit programs for technical studies, research, and administrative expenses are being funded at or very close to the current levels. We have, however, included funds for 40 new positions for UMTA.

RESEARCH AND SPECIAL PROGRAMS DIRECTORATE

As a result of the Department's reorganization, a new Directorate has been established. This component of DOT includes the Materials Transportation Bureau, the Transportation Systems Center and certain functions formerly assigned to the Office of the Secretary.

The bill includes an appropriation of $23.1 million for the Directorate, including $10.3 million for operations, $10 million for research, and $2.8 million for grants-in-aid for natural gas pipeline safety.

RELATED AGENCIES

Title II of the bill provides $598,274,000 for six transportation related agencies. This includes virtually the full requests for the National Transportation Safety Board and the Civil Aeronautics Board.

For the Interstate Commerce Commission, we are recommending $70.4 million. We have included funds for 30 additional railroad service agents in an attempt to improve the level of service ConRail provides for small shippers.

As we indicate on page 50 of the report, we are providing funds to continue the operation of the Panama Canal Zone Government and the Panama Canal Company in their current form during fiscal year 1979. There are no funds in this bill to implement the Panama Canal treaties. Funding for the new Panama Canal Commission will not be considered until implementing legislation has been enacted.

For administrative expenses of the U.S. Railway Association, we are recommending a continuation of the current funding level of $23 million. This Association is responsible for representing the Government's position in a multibillion dollar law suit arising from the reorganization of the Penn Central and certain other bankrupt railroads.

The bill also includes $300 million for the purchase of ConRail securities. These funds are essential for the continued operation of ConRail.

Finally, we have approved the budget request for interest payments for the bonds issued by the Washington Metropolitan Area Transit Authority.

Madam Chairman, I believe we have brought a balanced and carefully considered bill to the Committee and I urge its adoption.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. McFALL. I am delighted to yield to the gentleman from Pennsylvania.

Mr. EDGAR. Madam Chairman, I would like to commend the gentleman in the well for his work on this Transportation appropriation bill, and I would particularly like to commend the committee for its fine report.

Madam Chairman, I would like to point out to my colleagues a part of the committee report on this legislation which I feel makes an important contribution to solving a problem of high priority. The Transportation Appropriations Subcommittee provided that $5,688,000 in estimated unobligated funds of the Coast Guard be applied to the oil pollution research program. The report on page 13 says that—

> These additional funds could assist the Coast Guard in improving its capability to clean up oil pollution under adverse conditions on the high seas.

I cannot think of another program of the Coast Guard which is more inadequately funded, and I am pleased that the Committee recognizes that the problem of oil spill removal research and development deserves more attention.

There have been spills of oil for many years, most of which have been not the result of tanker collisions or groundings, but rather of routine tanker operations. An estimated 85 percent of all spilled oil results from these operations, according to the Coast Guard. Nevertheless, our recent enormous increase in oil imports has brought with it a greatly increased danger of tanker accidents. The Department of Transportation estimates that, in 1976 nearly 30,000 tanker arrivals were logged in U.S. ports.

The United States now imports 9 million barrels of petroleum and petroleum products each day. The *Argo Merchant*, which ran aground on December 15, 1976, near Nantucket Island, carried a cargo of 180,000 barrels. This means that the United States imports the equivalent capacity of 50 *Argo Merchants* daily. As supertankers begin to assume the burden of transporting much of our oil, the probability of accidents becomes slightly more remote, because a lower number of vessels are involved. But the damage caused by any single supertanker accident could be catastrophic. I hope that this Congress does not need a supertanker disaster adjacent to our shores to bring us to grips with the inadequacy of present technology.

The odds are that with 3,700 tankers plying the globe transporting petroleum, spills will occur.

In March of 1977, I Introduced H.R. 3209, the Oil Spill Removal Research, Development, and Demonstration Act. The purpose of my bill is to develop the technology to deal quickly and effectively with oil spills, whether caused by routine tanker operations, a tanker accident, or off-shore drilling. We cannot rely so heavily, as we do now, on the luck of currents or wind.

A major problem my bill addresses is the lack of direction to the research and development which is currently being performed. Most of this R. & D. is the responsibility of the Coast Guard. However, the Environmental Protection Agency also has a mandate from the Federal Water Pollution Control Act to respond to spills from non-transportation-related facilities. Pursuant to a memorandum of understanding between EPA and the Coast Guard, oil and gas rigs are considered nontransportation facilities. Finally, the National Oceanic and Atmospheric Administration in the Department of Commerce also is conducting oil spill-related R. & D.

To solve this jumble of overlapping mandates, I have proposed in H.R. 3209 placing all oil spill R. & D. within a single office, with a strong, focused mandate, and with adequate funding and resources to pursue a national program of response to oil spills. H.R. 3209 proposes that this office be located within the Environmental Protection Agency, primarily because I feel that EPA has the most resources, and is best equipped to respond to the multifaceted economic, environmental, social, and legal problems caused by these spills. I do not suggest that EPA has the best track record for coordinating research and development.

Where the office is located in the bureaucracy is, in my opinion, less crucial than that the office exists. I believe that a coherent national effort led by a single office would produce more results than our current weak efforts by three or four R. & D. programs.

My bill promotes full participation by the private sector, particularly small businesses, and the academic community in this national effort. I urge this Congress to approve greater private sector activity. One of the goals of this bill is to develop oil spill equipment which is commercially viable. There is a market already of over 100 companies in this field. Four private firms responded to our

call for cleaning up the spill caused by the tanker *Olympic Games* when it grounded in the Delaware River adjacent to my congressional district. Over 130,000 gallons were spilled. There are seven oil refineries and large tanker traffic in the area. Because of this, there are private firms available to assist the Coast Guard in cleanup efforts.

Madam Chairman, the Coast Guard's oil spill research program will benefit during the next fiscal year if the Appropriations Committee's recommendation is approved. However, there is no guartee that adequate funding will be made available for future fiscal years. I urge my colleagues to take a look at H.R. 3209, which has been the subject of 2 days of hearing by the Environment and the Atmosphere Subcommittee, and has been cosponsored by more than 50 of our colleagues.

Clearly, the Appropriations Committee is limited by the lack of sufficient authorization. I hope the 96th Congress will consider H.R. 3209 and report out legislation which provides more direction and more resources to solve the growing problem of oil spill removal.

Mr. McFALL. Madam Chairman, I thank the gentleman for his contribution.

The gentleman's committee is working hard trying to develop new highway and transit legislation. We hope we have provided in this bill sufficient money so that, after the hard work of the gentleman's committee, we will have a basis for continuing both of those programs.

Mr. BAUMAN. Madam Chairman, will the gentleman yield for a question?

Mr. McFALL. I am delighted to yield to the gentleman from Maryland.

Mr. BAUMAN. Madam Chairman, I thank the gentleman for yielding.

The gentleman from Maryland has read the report very carefully, and he listened very carefully to the statement made by the distinguished gentleman from California (Mr. McFALL).

I failed to read or hear any reference to the recent revelations regarding the massive bonuses given to ConRail's top officials and the extravagant spending by the United States Railway Association at its Philadelphia headquarters for dining rooms, recreation, and so forth. I am just wondering about your committee's attitude on that issue.

I know the authorizing committees are supposed to be primarily charged with oversight. Many of these facts have come to light in the last few months.

Has the committee in any way taken steps to limit the funding for either of these agencies or to make plain what I think is a near unanimous dissatisfaction with these practices on the part of both of these agencies?

The CHAIRMAN. The time of the gentleman from California (Mr. McFALL) has expired.

Mr. McFALL. Madam Chairman, I yield myself 2 additional minutes.

Madam Chairman, the U.S. Railway Association is, as the gentleman knows, the supervising agency of ConRail. Its primary job, however, is to carry on the condemnation suit arising out of the Penn Central reorganization. I know the gentleman is aware of that, but I state it for the record.

The excessive use of funds to which the gentleman refers has, I believe, been completely taken care of. That includes payment of certain fees for golf clubs, and so forth.

Testimony before our committee indicates that that has been rectified. We would expect they would not do it in the future.

We think USRA is on the right track, if I may be permitted perhaps to use an appropriate word, and they are doing their job in accordance with the desire of the Congress.

With reference to ConRail, we had testimony on that, and there may be an amendment by the gentleman from Massachusetts (Mr. CONTE) on that subject. We expect that this is going to be discussed in the next couple of hours and the Members of the House will have an opportunity to work their will with reference to ConRail and its system of providing incentive payments. We have information concerning that system by which they provide compensation to their executives. It is lower when compared with the amounts paid by other railroads.

But they also have a system of providing bonuses. They have stated that this is a better system of providing compensation than the large salaries which the railroads generally have. But I think that the gentleman from Maryland will have an opportunity at the time that the gentleman from Massachusetts offers his amendment to discuss this entire question.

Mr. CONTE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, let me begin by expressing my appreciation for the manner in which all members of the Transportation Subcommittee have worked diligently to provide effective oversight of the transportation programs under our jurisdiction. They are to be commended for this work.

As the ranking minority member, I would especially like to pay tribute to our splendid chairman, the gentleman from California, (Mr. McFALL). We have worked as a team on this bill, rather than on a partisan basis. There is really no difference between the two parties with respect to the commitment to insure that this Nation has an abundance of safe, efficient and economical transportation.

I believe that this bill will help to achieve the above-stated goal in a fiscally responsible manner. The new budget authority is well below the President's request and nearly $1.5 billion under the first concurrent budget resolution.

The chairman has already mentioned most of the major items in this bill. I will discuss a few areas that I believe are of major interest and concern.

It became evident to the subcommittee during this year's hearings that a large amount of the Federal transportation's dollar allocation is being spent for materials from abroad. Our report notes that such expenditures can result in a loss of American jobs and an increase in our balance-of-payments deficits as well as reduced Government revenues and increased unemployment, adding to the welfare burden on the American taxpayer.

For these reasons we have called upon all transportation agencies to comply with the letter as well as the spirit of "Buy American" legislation which gives reasonable preference to domestic manufacturers. I believe such laws should be supported and even strengthened lest we fail to continue to develop American transportation technology.

OFFICE OF THE SECRETARY

For the Office of the Secretary, we have provided $44.5 million for fiscal year 1979. This is $1.3 million under the budget estimate and $13.9 million under last year's budget figure. This large difference in the funding of the programs for the 2 years is due to the fact that the Office of the Secretary has been reorganized eliminating the offices of Assistant Secretary for Environment Safety and Consumer Affairs and Assistant Secretary for Systems Development and Technology. Their functions have been assumed by other Department of Transportation subagencies. In addition, a new position—Assistant Secretary for Budget and Programs—has been established. If the appropriations to the agencies absorbing the transferred programs are taken into account, the recommended figure represents a near $2.4 million increase over last year's level. This sum is primarily due to pay increases and a greater number of contractual services.

The reorganization made by Secretary Adams, comports with his new transportation policy statement which calls for a more rational, efficient, and economical approach. The committee stands ready to assist Secretary Adams in this endeavor.

COAST GUARD

We have included $1.497 billion for the Coast Guard which is $8.6 million under the budget estimate and $149.5 million more than last year. The appropriation will enable the Coast Guard to be adequately supplied in both equipment and personnel. I have been involved with appropriations for the Coast Guard since I entered Congress 20 years ago. I first served on the Treasury Appropriations Subcommittee when the Coast Guard was under that Department, and have served on the Transportation Subcommittee since the "Guard" was shifted to the Department of Transportation. The Coast Guard has always brought in a tight budget and this year is no exception. For fiscal year 1979 the subcommittee made modest increases in several accounts including operating expenses, AC and I, and State boating assistance. These increases are offset by a reduction of $19.7 million under alteration of bridges which, nevertheless, allows the completion and continuation of present projects as well as the initiation of three new ones.

An important budget action involves an increase made for offshore law en-

forcement. This enforcement program includes policing of the 200-mile limit, an activity which is of great benefit to U.S. fishermen. The increased funding to insure the continued operation of the *Duane*, will allow enforcement of the west coast limits to increase by the addition of another vessel now stationed in the East. Yet, east coast enforcement will remain the same. Recent fishing treaty problems with Canada confirm the wisdom of the action.

I would be remiss in not noting the retirement of Commandant Owen W. Siler and Vice Adm. Ellis L. Perry from active service. Both men have served their country with distinction for over 35 years. I have not known finer men during my two decades of oversight of the Coast Guard budget. I share in their pride in seeing the Coast Guard grow from the orphan of the services into the modern, effective unit equal to our other service branches. I like to think that the subcommittee of which I am ranking member, played no small part in the accomplishment of that achievement.

FEDERAL AVIATION ADMINISTRATION

For the Federal Aviation Administration we have provided over $2.385 billion which is nearly $134 million below the budget request, but $246 million more than last year's budget. We have also placed limits on obligations for general aviation discretionary grants to $21.98 million and all other airport development grants to $561.3 million. The major increase over fiscal year 1978 is in traffic control systems funding. Seventy-seven positions for traffic control centers and 258 airport control tower jobs were added. However, other economies were achieved in overall operations; funding in this account is $27.5 million below the budget estimate.

One major budget reduction was achieved by the denial of full funding of a $146.6 million request for full funding of the FAA's flight service station automation and modernization program. While the subcommittee strongly favors this program, we concluded that none of the savings projected by this approach would accrue in fiscal year 1979. Moreover, further evaluation of projected savings would prove helpful. Therefore, we appropriated over $15.7 million for the upcoming fiscal year.

The committee also limited funding to current participants in the second career training programs which were designed to help air traffic controllers who after several years of service are no longer able to function in this position. A FAA questionnaire sent to 461 ex-controllers who completed training elicited 284 responses. Of this group, only 64 indicated they were working; only 48 of the 64 had completed training under the program. Likewise, according to the GAO, this $100 million program successfully aided only 7 percent of the eligible controllers. The so-called success included training at the expense of the Government for new careers such as card dealing in Nevada and sailboat instruction in the West Indies. In other words the program became more of a boondoggle than a benefit and quite properly was cut back.

FEDERAL HIGHWAY ADMINISTRATION

For the general budget of the FHWA we have provided nearly $232 million. Although this is $39.8 million less than appropriated in fiscal year 1978, it represents $86.5 million over the budget estimate. The increase over the budget is largely due to the inclusion of a number of programs under the Federal-aid highway account and to finance them with contract authority. The pending authorizing legislation, H.R. 11733, would continue to finance these programs with direct appropriations. The appropriation is consistent with the financing procedures contained in the authorizing legislation. The programs and their level of funding are as follows: $13.1 million for highway beautification; $30 million for off-system railway crossings; and $30 million for safer off-system roads.

NATIONAL HIGHWAY TRANSPORTATION SAFETY ADMINISTRATION

We have provided $78.5 million for the National Highway Transportation Safety Administration, which is $4.25 million below the budget request. The report expresses our concern with an apparent weakness in NHTSA's development of the MVSS 121 truck brake standard. Much of this standard was recently voided by the court of appeals pointing out, among other things, that the agency failed to conduct compliance testing when critical problems developed with production of vehicles designed to meet that standard. The committee directed NHTSA to carefully review its procedures for the development of all standards which require the mass production of safety equipment, including airbags and other passive restraints.

FEDERAL RAILROAD ADMINISTRATION

For the Federal Railroad Administration, we have provided nearly $1.534 billion which is more than $38 million below the budget request. The amount includes $23.65 million for railroad safety, nearly $51.98 million for research and development and $83.03 million for rail service assistance. This includes $67 million for rail service continuation subsidies, a program which assists States attempting to nurture abandoned rail lines into revenue-producing trackage. This is a good program which I believe deserves more funding. Hopefully, new legislation which is now pending before Congress will soon pass and provide a stimulus for improvement as well as increased appropriations for this type of program.

The committee recommends the full administration request of $455 million for reconstruction and improvement of the railroad plant and right-of-way between Boston and Washington, D.C. This sum is much less than the $725 million initially suggested by the Office of the Secretary to the OMB. According to the administration, the lower figure is a result of project slippage, in the previous phases of the project. As the report language indicates, we are extremely concerned about this slippage and expect to see maximum progress in the future. The committee directs the FRA to provide quarterly reports outlining the project's goals and its efforts to meet them.

For Amtrak, the committee recommends the full budget amount of $660 million. The Amtrak route system is in the process of being restructured this year. The DOT has released a preliminary report which reexamines the Amtrak route structure which will be subject to further scrutiny by the public as well as the executive branch and the Congress. The present system is to be frozen during this period of analysis. The current appropriation of $510 million, which is the administration's request for operating funds can keep such a system in operation through July 1979, an ample period of time for the review process to be completed and a supplemental budget recommended if necessary.

Mr. YOUNG of Florida. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Madam Chairman, I thank the gentleman from Massachusetts for yielding to me. I want him to know how much I appreciate the many times he has been of assistance to me with the problems my constituents have had with agencies of the Government. He has been very generous with his effective talent, and I appreciate that very much.

On the specific question of Amtrak, again he has been very, very helpful to those of us who represent constituents from the Midwest through the Deep South, terminating in Florida, by his efforts to maintain the Floridian as part of the Amtrak system. I thank the gentleman again for yielding to me so that I might ask him several questions about Amtrak, so that we might establish some legislative history at this point.

It is my understanding, based on what the gentleman has said, that it is the intent of the Subcommittee on Transportation, as well as the Appropriations Committee, that the funding in this bill is for maintaining the overall system for whatever period of time the money will allow. Is that correct?

Mr. CONTE. That is absolutely correct.

Mr. YOUNG of Florida. So, in effect, one route or another will not be terminated because of any action in this legislation. To the contrary, it will be maintained.

Mr. CONTE. That is right.

Mr. YOUNG of Florida. And in conjunction with the Committee on Interstate and Foreign Commerce, their committee report suggesting that no route would be taken out with the approval of Congress, it appears that the Floridian, at least for the time being, will be a viable route for Amtrak.

Mr. CONTE. That is absolutely right.

I have a letter here dated April 27, 1978, addressed to me from Don R. Brazier, vice president of finance of Amtrak. Let me read the last paragraph. He said:

You also asked how long we would operate this "frozen" system if the FY 79 appropriation were limited to $510 million. Assuming that adverse publicity from the DOT study

does not severely impact ridership and revenue and that DOT/OMB will apportion funds as needed (rather than insisting on spreading funds essentially equally over four quarters) then $510 million will operate the existing "frozen" system until the end of July 1979.

Mr. YOUNG of Florida. I thank the gentleman from Massachusetts very much. I want to say how much I appreciate his current efforts in this regard.

Mr. CONTE. Let me say that last year when Paul Reistrup, president of Amtrak, was going to eliminate the Floridian, there was no one who fought harder and worked harder with me and with others who were interested in getting the necessary funds—if the gentleman will recall, we were locked up with the Senate to get necessary funds to keep the Floridian going than the gentleman from Florida (Mr. YOUNG). He certainly has been a stalwart defender of that line and he certainly deserves the credit which is due him.

Madam Chairman, finally, as I noted in my separate views to this report, I disagree with my colleagues with respect to the nearly $28 million in cuts in FRA Railroad Rehabilitation and Improvement Financing Funds. My concern is directed toward section 505, redeemable preference share program. I recognize that the bulk of cuts involve intragovernmental transactions with no net outlays. Nevertheless, the remainder of the cuts made will also substantially reduce the resources available to financially strapped railroads to repair deteriorated rights-of-way as intended by Congress.

The real villain here is the FRA which has created redtape and assumed the posture of a Wall Street banker in allocating these funds. We should vigorously demand the proper administration of the program rather than cut funds needed by the railroads. The unobligated sums now available are due to FRA intransigence and not related to any lack of railroad need for this financing. If we firmly insist that the FRA properly administer this program, the unobligated sums would quickly disappear.

URBAN MASS TRANSPORTATION ADMINISTRATION

The recommended funding for UMTA for 1979 amounts to $2.46 billion in direct appropriations and $850 million in contract authority. With respect to operating expenses, this is $403.4 million less than the budget request. A summary of the committee's recommendations by account are as follows: $81.6 million for administration and research; $55 million for technical studies; $1.3 billion for urban discretionary and rural and small urban grants; $1.4 billion for urban formula grants; $75 million for rail service operating payments and $400 million for projects substituted for Interstate System projects.

The fact that this appropriation represents a substantial increase over fiscal year 1979 instead of under contract authority as in the past. The committee retained contract authority with respect to urban formula grants. For this reason, this appropriation is substantially under the budget request.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

For the limitation on administrative expenses for the St. Lawrence Seaway Development Corporation, we have provided the sum of $1.28 million.

RESEARCH AND SPECIAL PROGRAMS DIRECTORATE

The committee recommends a budget of $23.1 million for the Research and Special Programs Directorate, a sum that is $1.32 million below the budget request. The Directorate came into being in September 1977 as part of the reorganization of the Office of the Secretary. Certain functions of that Office have been included under its umbrella as have the Transportation Systems Center and the Materials Transportation Bureau.

NATIONAL TRANSPORTATION SAFETY BOARD

For the National Transportation Safety Board, we provided $15.6 million or $50,000 less than the request of the budget. The $50,000 reduction is in the areas of travel and other services. The mission of the NTSB is to improve transportation safety by conducting special investigations and evaluating the effectiveness of other methods of transport. At hearings, we urged the Board to coordinate its activities with other agencies concerned with transportation safety to the fullest possible extent.

CIVIL AERONAUTICS BOARD

We provided the CAB with $27 million for salaries and expenses and $68.9 million for payments to subsidy-eligible certificated air carriers to make service available to small communities which otherwise might not be served. The CAB is to be commended for the extent to which it has been able to increase competition and subsequently to lower the price of airfare to the public. This has been accomplished without a change in its statutory mandate.

INTERSTATE COMMERCE COMMISSION

For the ICC we included an appropriation of $70.4 million including $1.5 million for the office of rail public counsel. The bill provides for 30 positions over the budget request which the committee has directed to be used to increase the number of railroad service agents. This action is taken in response to a request made by the Small Business Committee. Testimony before the committee indicated that the quality of service provided by ConRail to small shippers is uniformly poor. Chairman O'Neil and shipper testimony indicated that rail service agencies which press railroad management to remedy breakdowns in rail service, provide an effective means of encouraging improved ConRail performance. This matter is fully discussed in the separate views of Congressmen SMITH, ADDABBO, MCDADE, and I which are found in the committee report.

The $1.5 million which has been appropriated for the Office of Rail Public Counsel is money well spent. The Office will insure that the public interest viewpoint is well represented before the Commission, other Federal agencies and the courts. In addition, the new office should provide stimulus for reform of certain ICC practices.

PANAMA CANAL ZONE GOVERNMENT

For the Panama Canal Zone Government and Panama Canal Company, $74 million is recommended. This will allow these entities continued operation in their current form throughout the entire fiscal year. However, a new Panama Canal Commission is to be formed and its funding will be considered at a later date (after the enactment of implementing legislation).

UNITED STATES RAILWAY ASSOCIATION

The bill provides $23 million for USRA operating expenses. The USRA conducts litigation for the Government over the reorganization of the bankrupt railroads in the Northeast and Midwest, as well as overseeing ConRail progress toward fiscal self-sufficiency. The bill also includes $300 million over the budget for the purchase of ConRail securities. This funding is necessitated because no funds were provided in the intial ConRail bill to meet potential adverse contingencies.

The past year has been a bad one for ConRail. Despite the failure of the railroad to meet even minimum service expectations many of ConRail's upper management have felt entitled to larger salaries, and increased bonuses or executive perks. This high level of compensation is not only incompatible with ConRail performance, it is also an affront to the American taxpayer who must pick up the tab for a substantial portion of ConRail costs.

The chairman mentioned I was going to offer an amendment to eliminate this. After much discussion with the gentleman from Pennsylvania (Mr. ROONEY), chairman of the subcommittee handling the authorization, and others this morning, I decided to hold off, but I am going to have more to say before the afternoon is over in regard to these unconscionably high salaries.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Finally, the committee provided $19.37 million for the Federal interest subsidy on the bonds issued by WMATA. No additional funds are recommended for Metro rail construction pending the Authority's development of a comprehensive plan for financing the necessary capital and operating costs of the system.

SUMMARY

In summary, Madam Chairman, we have brought to this committee a bill that is responsive to our Nation's urgent transportation needs. I urge my colleagues on both sides of the aisle to support this bill.

Mr. MCFALL. Madam Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. YOUNG).

Mr. YOUNG of Missouri. Madam Chairman, I would like to thank the chairman of the subcommittee, the gentleman from California (Mr. MCFALL) very much for yielding me these 5 minutes and I would like to commend the Appropriations Committee for its tireless deliberations over the many complex issues involved in the transportation bill. However, I feel compelled to comment on one paragraph of the committee's re-

port that could have unfortunate ramifications for the St. Louis region.

I am speaking of a seemingly harmless two-sentence statement, apparently inserted at the request of Illinois Congressmen, that questions the decision last year to remove the site of a proposed new St. Louis airport from the national airport system plan. Removal of the site, located southeast of St. Louis in a remote area of Illinois, makes the proposed facility ineligible for Federal assistance. The statement in the conference report asks Secretary of Transportation Brock Adams to "reevaluate his decision" to remove the airport from the plan.

As I already have indicated, those who are not familiar with the circumstances surrounding the "delisting" of the Illinois airport facility would understandably place no great significance in the committee recommendation in its report.

In fact, what we are dealing with is a back-door effort to renew a controversy that most officials had thought was put to rest more than a year ago. I am speaking of Secretary Adams' well-reasoned decision to abandon any plans to build a new billion-dollar St. Louis area airport at the Illinois site. The Secretary ruled that the current St. Louis facility, Lambert-St. Louis International Airport, could be upgraded to serve the entire region for the foreseeable future.

The Secretary said that several factors played a role in his decision. Among them was a statement by airlines serving Lambert that the facility would provide satisfactory service through at least 1995. In addition, the Secretary noted that area residents favored continued use of Lambert and opposed construction of a new airport.

Since that time, Secretary Adams has asserted that one aim of his department is to avoid building massive new airport facilities when existing facilities can be utilized at much less expense to the taxpayers.

The Secretary's decision on Lambert was not reached on the spur of the moment. He had the benefit of several impartial studies. At my request, he met with members of the Missouri congressional delegation about a month before making the announcement. He also explored the issue at length with Illinois officials.

The Secretary's decision was entirely consistent with my own belief that the interests of St. Louis area residents—and of travelers from throughout the Nation—would best be served by retaining and upgrading Lambert. I had outlined my own thinking on the matter to him at the delegation's meeting:

First. That a 1972 referendum and a 1975 voter survey showed that an "overwhelming majority" of St. Louis area residents favored maintaining Lambert Field. In contrast, an Illinois-sponsored poll showed 73 percent of those interviewed in the county in which the Illinois airport would be located were opposed to the Illinois airport;

Second. That auto travel time and fuel costs would have been sharply higher for the average traveler driving to an Illinois airport from the center location of area air travelers—suburban St. Louis County—than to Lambert Field;

Third. That studies do not make it clear that Lambert will become outmoded at any time in the next several decades;

Fourth. That the cost of expanding Lambert would represent only a fraction of the cost of building the Illinois facility. Current estimates are that upgrading of Lambert would require a $150 million expenditure in a 15-year program; a new Illinois airport could cost as much as $1 billion or more; and

Fifth. That Lambert serves as an economic anchor for eastern Missouri, with the jobs of nearly 10,000 persons directly or indirectly dependent on it. On the other hand, the Illinois area not only is farmland, but, by all indications from their public statements, the residents did not want the economic changes the proposed airport would have forced upon them.

The momentous decision to retain Lambert was wisely interpreted by airport officials as a challenge to insure that the airport is upgraded to meet future needs. Since that time, those officials have moved ahead with several important improvement programs. Plans for other projects are expected to be drawn up in the near future.

Among the current improvement programs is the nearly completed double-decking of the concourse. This $23 million project will increase gate capacity by more than one-third, as well as provide new airline operating areas.

Construction will begin in August on a $16 million medterminal expansion that will quadruple baggage handling facilities, as well as add new ticketing areas and commuter airline facilities.

A $50 million, 5-year airfield improvement program is also underway. This crucial project will lengthen the existing parallel runways, as well as improve taxiways, turnoffs, and holding aprons. The result will be a reduction in delays, and accommodation on both runways of the largest commercial airport.

St. Louis officials have extended their efforts to upgrade the airport beyond the confines of the facility. To improve access to Lambert, Federal, State, and local officials have committed themselves to help speed completion of a major distributor highway—called the Inner Belt. The highway will greatly reduce the travel time to the airport from major sections of the metropolitan areas. Officials are now considering a proposal to relocate another highway to facilitate travel to the airport.

I am confident that Lambert authorities will continue to make the improvements needed to enable the airport to remain viable for many decades to come.

In view of the Secretary's decision and the farsighted efforts by officials to upgrade the airport, any move now to revive the controversy over an Illinois airport would not be in the best interests of the St. Louis region. A new dispute can only result in divisiveness, spilling over onto attempts to foster regional cooperation.

I recommend that my colleagues consider language adopted by a Senate Appropriations Subcommittee. Spurred by Senator THOMAS EAGLETON, the subcommittee noted that the decision to enlist the Illinois airport site reflected a "prudent policy of maximizing existing airport resources in preference to construction of a costly new facility."

If there is any mention of this issue in the final report on this legislation, it should be the Senate analysis—not that of the House committee.

Mr. GEPHARDT. Madam Chairman, will the gentleman yield?

Mr. YOUNG of Missouri. Madam Chairman, I am happy to yield to the gentleman from Missouri (Mr. GEPHARDT) who is from the city of St. Louis, Mo.

Mr. GEPHARDT. I thank the gentleman for yielding.

Madam Chairman, I want to associate myself with the remarks of my colleague from Missouri.

Over a year ago, Treasury Secretary Adams wisely decided against funds for building a new, superjetport to serve St. Louis. This new facility, which would have cost possibly as much as $1 billion, would have been located some 25 miles southeast of St. Louis in Illinois. The Illinois airport met with strong opposition from an overwhelming majority of St. Louis, Missourians, and a significant number of residents in the Columbia-Waterloo area where the airport would be located.

Numerous studies have concluded that the existing airport, Lambert-St. Louis International Airport, can be expanded and modernized to serve the area's needs at least through 1995. Work is already underway to accomplish that goal. By expanding Lambert, St. Louis can have a top quality airport at a considerable savings to the taxpayers and air travelers. These advantages were recognized by Secretary Adams when he removed the proposed Illinois airport from the national airport system plan.

The administration and, particularly, the Secretary of Transportation have repeatedly emphasized the importance of improving existing facilities before making major investments in building new ones. The wishes of St. Louisans to keep their present airport rather than build a new expensive facility in a remote part of Illinois, fortunately, coincides with that policy. The recommendation to reconsider removal of St. Louis from the airport system plan in the committee report accompanying the Department of Transportation Appropriations bill does not.

I oppose those comments in the committee report and urge my colleagues on the Appropriations Committee to withdraw their recommendation when writing the conference report on this measure.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MCFALL. Madam Chairman, I

yield 5 additional minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. VOLKMER. Madam Chairman, will the gentleman yield?

Mr. YOUNG of Missouri. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding. I, too, wish to join in commendation of the gentleman from St. Louis County, Mo., for his bringing this matter to our attention, as well as the fact that the St. Louis Airport decision by the present Secretary last year, for many of us in Missouri, is understood to be a final decision, one based upon the record. It was a valid decision. There is no question, as brought forth from the evidence at that time, that the airport as it is being expanded, as brought out by the gentleman from St. Louis, Mo., will serve the needs in air transportation of the State of Missouri for well into the 21st century, and that any further funds for any type of planning or any type of study would be a waste of the taxpayers' money. It would be a waste if any such study were commenced. I, too, wish to commend the Secretary for his decision which he made last year in regard to the St. Louis Airport. Again, I wish to commend the gentleman from St. Louis County, Mo., for bringing this to our attention. I am sure he will continue in his endeavors to make the St. Louis Airport in Missouri an outstanding one in this Nation.

Mr. YOUNG of Missouri. I thank the gentleman.

Madam Chairman, I yield back the remainder of my time.

Mr. CONTE. Madam Chairman, I yield such time as he may desire to my good friend, the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Madam Chairman, I rise in support of this transportation appropriation bill.

As a member of the Transportation Appropriations Subcommittee, I assure you that we have worked together diligently to present a funding proposal which balances the Nation's diverse transportation needs against the even greater need to keep Federal spending in check. I commend our subcommittee chairman, Mr. MCFALL, for his fair and thorough approach to this bill and for his expert handling of the difficult problem of planning a transportation budget while the authorizing committee is still debating legislation which would entirely revise the highway and mass transit programs. I also commend the ranking minority member, Mr. CONTE, for his hard work in putting this bill together. It's not perfect, but on balance it is a good bill.

I am pleased to be able to report that our committee's bill is $211 million below the budget request, while still providing a total of $8.9 billion in new budget authority for transportation programs, and $9.6 billion for liquidation of obligations. Let me just mention a few of the major items we have funded.

For Amtrak, we have provided a total of $660 million, the bulk of which is for operating grants. The Department of Transportation is now in the process of developing a new route structure for Amtrak, however, and our committee will consider a new request to adjust these funds if the final route structure requires it. We have increased funding for the railroad safety programs of the FRA, recommending 25 new positions, most of which will be assigned to increase track inspections. We are extremely concerned about the number of recent train derailments and a better track safety effort is needed. For the Washington Metro, we have provided $19.4 million only for the Federal interest subsidy for bonds. No additional construction funds will be appropriated for the Metro pending local agreement on the long-range financing plan for the system. For UMTA, we have approved a substantial increase, to allow most of its programs to be funded through direct appropriations in fiscal year 1979.

Under our bill, the Federal Highway Administration is funded at a level consistent with the new highway legislation under consideration in the House Public Works Committee, which would continue financing highway programs through direct appropriations. These programs include some very important highway safety research, as well as rail-highway crossing demonstration projects on and off the Federal system. For the National Highway Traffic Safety Administration, we have recommended $80.2 million, but the committee is concerned about the justifications for NHTSA's truck brake standards and suggests that the NHTSA review its procedures for developing all new standards, including those for airbags and other passive restraints.

In a number of transportation programs, the administration requested full funding in the 1979 fiscal year and the committee disagreed. For example, the FAA provisions are under the budget, at $2.4 billion because flight service station improvements were not full funded in this bill. In a similar case, the Coast Guard's bridge alteration program was not full funded, representing a savings in this bill of $19.7 million. Of course, the bill for these bridges will have to be paid in future years. The committee did recommend an increase of 750 new positions for the Coast Guard in 1979, to meet the additional environmental, marine safety, and law enforcement responsibilities required by the new 200-mile limit. We have also included language in our committee report indicating that the Coast Guard should review its search and rescue operations to determine whether and how they may be better coordinated, particularly with the agencies of the Department of Defense; and I concur in that recommendation.

I am particularly appalled by the current slowdown by the air traffic controllers. There can be no excuse for the inconvenience caused thousands of passengers who travel by air, which is apparently brought about because the controllers have been denied free air travel overseas. The authorizing committee should give immediate consideration to the question of free transportation for any Federal employee. There is no reason why the airlines should have to provide this service.

For the CAB, we have recommended a total of 28 new positions, which will hopefully help eliminate the backlog of cases and allow the CAB to strengthen its consumer programs and handle additional route applications.

Included with these funding recommendations of national importance are several provisions of direct concern in my congressional district. The committee report includes language to insure that design and engineering work will begin in fiscal 1979 on the Cochrane Bridge over the Mobile River. That bridge is in dangerous condition and must be replaced. I support provisions in the Public Works Committee's new highway bill which would assist the States in replacing bridges which are in great disrepair, but which are too costly to be funded from the States' regular allocations.

In addition, this bill includes funds to allow the Coast Guard to purchase approximately 230 acres of property it is currently leasing for its aviation facility in Mobile; it includes funds for a new flight simulator addition at that aviation center; and it provides funds for the construction of the Three Mile Creek Bridge under the Coast Guard's bridge alteration program.

Our committee bill also provides $4 million for the Sandhill Crane Wildlife Refuge in Mississippi. Construction of the I–10 interchange at Gautier, Miss., has been delayed pending assurances that this endangered species will be protected, and the courts have held that the agency responsible for the construction of the project is also responsible for the required mitigation.

This is a quick overview of some of the important programs and projects funded through this transportation appropriation bill. As in any appropriations bill there are some items which are funded or programs omitted which I would have handled differently if I had sole control over the bill. But we operate under the committee system, and I am convinced that our committee has brought a reasonably well-balanced bill to the floor. I believe it is worthy of your support.

Mr. MCFALL. Madam Chairman, I yield 5 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Madam Chairman, I would like to congratulate the Transportation Subcommittee of the House Committee on Appropriations. As usual, the chairman and the ranking minority member have done an outstanding job of putting together a bill that I think deserves the support of the entire House of Representatives.

Today I understand that one of our colleagues will be offering an amendment dealing with the question of airbags and passive-restraint systems. In fact, yesterday the Members received a letter from the gentleman from Pennsylvania (Mr. SHUSTER) soliciting their support for his amendment to the De-

partment of Transportation appropriation bill that would prevent the National Highway Traffic Safety Administration from using any appropriated funds to implement or enforce the mandatory airbag regulation.

This amendment inappropriately attempts to alter the legislative mandate of the agency in an appropriation bill. In addition, last year this issue was exhaustively considered in both the House and the Senate under the veto provisions of the National Traffic and Motor Vehicle Safety Act as amended in 1974 and the passive restraint standard was upheld in both Houses following extensive hearings.

The full Senate voted 65 to 31 in favor of the standard and in the House the Committee on Commerce voted against the veto in the committee.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, on that point, the gentleman, if I understand correctly, said the House acted on this?

Mr. DICKS. The House Committee on Commerce, yes.

Mr. SHUSTER. Madam Chairman, if the gentleman will yield further, would the gentleman agree, No. 1 the House did not act; and No. 2, the vote in the Senate committee was a 16-to-14 vote in a committee made up of 48 people.

Mr. DICKS. The House committee, not the Senate.

Mr. SHUSTER. The House committee, I thank the gentleman. In the House committee, the vote was 16 to 14 in a committee made up of 48 people. Therefore, not even a majority of the committee acted. Despite the fact that 160 Members cosponsored the resolution, the Members of this House never had an apportunity to vote on this issue.

Mr. DICKS. We are going to have a chance today, I believe.

Madam Chairman, I have to take back my time.

Madam Chairman, second, the passive restraint standard, promulgated by our former colleague Brock Adams, does not require air bags, but rather gives automobile manufacturers a choice of systems such as air bags or passive safety belts to protect front seat occupants in a crash. In turn, the public will be given a choice of these lifesaving devices. Ample lead time (4 to 6 years) has been provided to meet these requirements, and none of these automobile manufacturers has sought judicial review of the standard. In fact, Ford Motor Co. has joined the Department as amicus against the suit filed by Ralph Nader.

Third, since the standard was promulgated, the automobile manufacturers and the supplier industry have spent millions of dollars, and have committed many of their most competent engineering resources, to designing and testing systems to meet the standard.

If this amendment is passed, it would not eliminate the standard or its requirements. Rather, it would again introduce substantial uncertainty as to what the industry should do, and would result in disruption and waste. In addition, the language of the Shuster amendment is unclear and would cause substantial confusion as to its effect.

I can assure you that all of the assertions raised by Mr. SHUSTER in his letter were exhaustively analyzed and answered by the House Commerce Committee last fall during the congressional consideration of this rule. The committee report and hearing record contain an extensive discussion of all issues that have been brought up. The following comments respond to the statements contained in Mr. SHUSTER's letter:

Claim: Air bags are unproven.

Response: 12,000 cars with air bags have been driven on the public roads more than 500 million miles. They have been involved in nearly 200 crashes serious enough to inflate the air bags. There have been no cases in which the air bags failed to deploy as they were designed to do.

Air bags have been by far the most reliable and trouble free new system ever introduced on new cars.

The life saving and injury reduction in these air bag cars has been at least as great as was projected by the Department of Transportation (DOT) when it promulgated the passive restraint standard. The DOT's projection was based on detailed analysis of real world accident statistics and on the comparative performance of air bags and conventional safety belts in thousands of proving ground crash and sled tests under carefully controlled and monitored conditions.

Claim: Safety belts are better and are already on 95% of the cars on the road.

Response: Although now installed in most cars, extensive observations by the DOT and other groups have shown that fewer than one out of five motorists use their safety belts. Active safety belts are effective only if buckeled. Despite massive compaigns by the DOT, the National Safety Council, Motorists Information, Inc., and others, no way has been found to substantially increase belt use that is practical and acceptable to the American public. Thus, Secretary Adams found that the only practical way to increase occupant crash protection was to require the auto makers build such protection into the vehicle so that it would work automatically.

Claim: The chemical propellant used in airbags is highly poisonous, explosive, mutagenic, and suspected of causing cancer.

Response: Although sodium azide, the chemical chosen by most manufacturers for air bags, is a poison if taken in quantity, it has been used in proper doses as an internal medicine for the treatment of hypertension. It is also used in agriculture as a herbicide and to eliminate certain organisms and in medical laboratories as a preservative. It is mutagenic to plants and certain primative animal forms.

In an air bag, the sodium azide is hermetically sealed into a canister that is contained within a heavy steel casing that is, in turn, bolted within the steering wheel hub or behind the instrument panel. It would be virtually impossible for a motorist to be exposed to the sodium azide while the car is in use.

When the air bags deploy, the sodium azide burns to produce virtually pure nitrogen that inflates the bags. Nitrogen is the primary component of the air we breathe.

Sodium azide is not explosive under any circumstances. It burns rapidly when ignited producing only nitrogen gas and a solid residue of sodium oxide that remains in the inflator of an air bag when the bag is inflated.

Claim: Airbags are costly and could turn into a $20 billion consumer rip-off.

Response: The DOT projects the cost of air bags to be between $100 and $150 in ordinary volume production. A major insurance company has projected insurance savings of $30 per year per car when most cars have passive restraints. Thus, the insurance savings would offset the cost of air bags resulting in a net gain for the consumer.

Claim: The airbag did not deploy in 42% of towaway accidents investigated.

Response: The airbag is designed to deploy in frontal collisions at a speed equivalent to a crash into a solid wall at 12 miles per hour or greater. Thus, in side and rear end collisions, or in relatively low speed collisions, the air bag is not designed to deploy.

Claim: Additionally, the airbag did deploy in 25 accidents that were not towaways.

Response: The term "towaway" refers to whether the vehicle was incapacited and had to be towed from the scene of the crash. Whether a car is disabled depends on a number of factors. There may be some crashes that were above the speed at which the airbags were designed to be deployed but where the car was capable of being driven because none of the essential systems were damaged severely. In all cases where the air bags deployed, the crashes were extensively investigated, and it has been determined that the air bags have deployed in all cases as they were designed to.

Claim: Air bags are only protective in frontal crashes.

Response: This is true. However, frontal crashes account for a 55 percent of all fatal and serious injury producing accidents. Additional protection in other crash modes can be provided by wearing the lap belts provided in air bag cars. To say that air bags should not be used because they only work in frontal collisions is similar to saying that the Salk vaccine should not be used because it is effective only against Polio.

Claim: Airbags are not really passive restraints since they still require lap belts.

Response: Manufacturers must provide lap belts in cars with airbags if they cannot otherwise meet the side impact and rollover requirements of the standard. However, the air bags still provide their full protection in frontal collisions whether the lap belts are worn or not. The lap belts are provided for those people who want the extra protection in other collision modes and are willing to buckle the lap belts.

The estimate of the life saving capability of the passive restraint standard assumed that only about 20 percent of the motoring population would use the lap belts with their air bags, and that the remainder would receive the passive protection of the airbags in only the frontal collision mode.

Claim: NHTSAs' track record in safety standards is deplorable.

Response: The NHTSA has promulgated 50 motor vehicle safety standards that are providing lifesaving capability to tens of thousands of people today. Were it not for the programs of the NHTSA including its vehicle standards, the GAO has estimated that approximately 30,000 more people would die on U.S. highways each year. The passive restraint standard is very reasonable and has not been challenged in court by a single automobile maker. If it is allowed to take effect, the savings in lives and serious injuries will more than justify the standard.

Now, obviously an airbag does not protect against everything. It does not protect against side crashes or rear crashes, but it does provide protection in 55 percent of the crashes that produce fatalities in this country.

I also believe that we should be concerned here today with the integrity of the appropriation process. Members are complaining about limitations being

added to appropriation bills and using this process as an attempt to accomplish legislative objectives. I find it very objectionable, after both the House and Senate—at least the House committee and the full Senate—have already taken this matter and dealt with it in the proper forum, to have a last-moment effort made here; an attempt to use the appropriation process in a way in which it was never designed to be used.

I believe the Members should be concerned about the utilization of the appropriations process in this way. I think the House and the Senate have made their positions clear. The Department of Transportation has cleared up the uncertainty that has existed, and, frankly, I think it is time to let the Department of Transportation do its job.

The CHAIRMAN. The time of the gentleman from Washington (Mr. DICKS) has expired.

Mr. McFALL. Madam Chairman, I yield 2 additional minutes to the gentleman from Washington (Mr. DICKS).

Mrs. FENWICK. Madam Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Madam Chairman, I thank my colleague for yielding.

I would just like to ask one question. Would the consumer be free to choose, or would the consumer have to pay for airbags and have them put in the car?

Mr. DICKS. Madam Chairman, under the rule that has been laid down, it will be required under Federal law that we either have a passive belt system or an airbag in the car. It will be up to the manufacturer to determine which of these two systems will be implemented. So one or the other is going to be used. I do not think we should take away the option of the manufacturer to determine whether they ought to use the airbag as one option.

Mrs. FENWICK. I am not so much interested in the manufacturer as I am in the consumer. The consumer should have the right to choose.

I was hoping very much that we could persuade the manufacturers to have a limited number built, say, 250,000 or 500,000, with air bags, and then we would see if the people will buy them.

Mr. DICKS. Madam Chairman, the ruling of the Secretary of the Department of Transportation that has been promulgated will, as I understand it, phase this in over a period of time so that we will have an opportunity to study the results. But the rule does go into effect, and on certain cars there will be options in 1979 and 1980.

Under the ruling, eventually this is going to be a requirement. The reason for it is because 80 percent of the people are not using their seatbelts.

Mrs. FENWICK. Madam Chairman, that figure suggests to me that 80 percent of the people do not want to.

Mr. DICKS. I do not think that is the question. I think 80 percent of the people may not understand the risk to themselves and their families, and what we are doing here is to save the public from the billions of dollars of cost that occur when people are injured. Sometimes they have to go on welfare, and we as a country have to pay their bills.

I think we have a responsibility to the younger people, to the people who do not buy new cars and who do not have the option of making a decision about what equipment will be put on those cars. Only one-fourth of the people who own cars today are the original purchasers, so they do not have a chance to decide what equipment will be put on those cars. I refer particularly to younger people who are the victims of many of these fatalities, because they are usually the people who buy used cars.

Madam Chairman, this is not the proper forum for this matter, the authorizing committees should consider this matter.

Mr. CONTE. Madam Chairman, before I yield time to the next speaker, let me say this: I understand the gentleman from Pennsylvania (Mr. SHUSTER) is going to offer an amendment on airbags. I hope we can hold off arguments on airbags until when he offers his amendment; otherwise, we will just consume a lot of time here and then repeat everything at a later time.

Madam Chairman, I now yield 5 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Madam Chairman, I thank the gentleman for yielding this time to me.

It is not my intent at this point to defend my amendment on airbags. I will do so at the proper time, when the amendment is offered. However, there are two factual points which need to be cleared up now.

Madam Chairman, I would like to respond to the question of the gentlewoman from New Jersey. The answer to the gentlewoman's question, which is whether or not the consumer would have a choice, is clearly, emphatically no. Under the mandate, the consumer would have to take a car with an airbag in it, the consumer would have no choice. Today the only exception to that is the Volkswagen passive seatbelt system. I am sure the gentlemen, who was in the well previously, knows that the passive belt system does not work in any car except a car with bucket seats. And indeed, we do not have enough evidence at this point. So if any family wanted a six-passenger car, they would have no choice whatsoever. That is the clear and absolute answer to the gentlewoman's question.

Madam Chairman, the second point which needs to be cleared up is that this House has never had the opportunity to express its will on the issue of airbags, even though 160 Members cosponsored the resolution. I agree completely that this is not the preferable forum in which to do it. It turns out, unfortunately, that it is the only forum, because the minority of the Commerce Committee saw fit to block the House from expressing its will.

But let me turn now to my main purpose, and that is to support this appropriation. I speak as the ranking minority member of one of the transportation authorizing committees and as the Chairman of the National Transportation Policy Commission, a transportation commission created by this Congress to look into the long-term needs of this Nation as far as transportation is concerned.

Madam Chairman, I rise to commend the distinguished chairman of the subcommittee, the gentleman from California (Mr. McFALL), and the distinguished ranking minority member, the gentleman from Massachusetts (Mr. CONTE), for their outstanding contribution, and all of the members of the subcommittee.

We have heard here today criticism of this legislation on the basis that it spends more money than was spent last year. I do not think anybody in this Chamber can call me a big spender. However, I think it is extremely important for us to differentiate, as we properly become more economy minded, between money that is being poured down a rat hole and money which is being used to build assets for America.

This transportation appropriation does the latter. It contributes to the building of assets for America.

Madam Chairman, I would tell the House that the evidence is overwhelming that, unless we face up to the transportation needs of this Nation between now and the year 2000, we are going to find a transportation system in America which is inadequate to meet the needs.

Those of us in the Northeast know about the Penn Central Railroad problem. We know about that euphemistic term called deferred maintenance.

Madam Chairman, we are going to have deferred maintenance in America's railroad system, in America's transportation system, in addition to the railroad system, unless we support the kind of legislation which these Members have brought before this House today.

Therefore, I vigorously urge the adoption of this transportation appropriation today.

Mr. DICKS. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

Madam Chairman, under the existing legislation, it is obvious that the committee could bring a bill, the authorizing committee could present a bill and change by legislation what the Secretary of Transportation has done.

Mr. SHUSTER. There was a vehicle prescribed by law, and that vehicle was a resolution of disapproval, which was offered by the gentleman in the well and cosponsored by 160 Members. Despite that enormous outpouring of support to at least get a vote on something that affects the lives and the pocketbooks of almost all Americans, a minority, 16 Members, in the Commerce Committee voted to shelve, to bottle up that resolution, and, indeed, admitted and were quoted in several newspapers as saying they wanted to bottle it up for the purpose of avoiding a vote on the floor of the House. I think that is wrong.

Mr. DICKS. But you could still amend

the law in the proper way not by using the appropriation process.

Mr. CONTE. Madam Chairman, I yield 7 minutes to the gentleman from Pennsylvania (Mr. McDADE.)

Mr. McDADE. Madam Chairman, I take this time first to express my deep appreciation to the distinguished chairman of the Subcommittee on Transportation, the gentleman from California (Mr. McFALL), and to the very able ranking minority member, my friend, the gentleman from Massachusetts (Mr. CONTE), for responding to the request of the Committee on Small Business, on which several of us who are also members of the Committee on Appropriations serve, to provide some additional compliance agents to the ICC dedicated to making ConRail function in a better fashion.

Because of a stream of steady complaints that all of us have received about the adequacy of ConRail service, the Committee on Small Business, which is chaired by the distinguished gentleman from Iowa (Mr. SMITH) and, again, my very able colleague, the gentleman from Massachusetts (Mr. CONTE) who is the ranking minority member, acceded to a request by the gentleman from New York (Mr. ADDABBO) and myself, as the ranking Republican member, to hold public hearings on the exact status of ConRail and how it was performing under its public charter.

The testimony that we received was distressing, to say the least. The Chairman of the ICC described the management of ConRail as chaotic and listed a litany of horror stories to document the position, that ConRail management has to be drastically improved.

The question is, How do we, as Members of Congress, attempt to legislate something that will improve management of this gigantic corporation?

I know and I admit readily that those charged with making it work have perhaps the toughest reorganization job in the history of the Nation. The question is, How do we Members of Congress force ConRail to develop efficient management?

One answer is to put burrs under the saddle of management. That is what the Subcommittee on Transportation is doing when they give us these 30 compliance people dedicated totally to trying to make ConRail management work.

They were kind enough in the ICC to make a sweep of the system for our subcommittee to see exactly what ConRail was doing. Universally we got endless stories about poor and random delivery of cars, about bunching cars to small business people, with demurrage charges added if the man did not get the car back in 24 hours. We got incredible stories of cars totally unfit for usage delivered to a businessman, who then had to repair the car at his own expense in order not to lose it because ConRail was, in almost every instance, terribly late in delivering the cars the businessman had ordered.

Madam Chairman, we know that this sweep found thousands of violations of ICC regulations. Let me give just one example. There was a shipment of steel that was to travel only 168 miles from the point of origin. It took ConRail 21 days to move that steel 168 miles. In other words, it hastened along at an average rate of 7.6 miles per day. Is this why we appropriated $2.1 billion for a better rail system?

Perhaps most distressing to all of us on the Committee on Small Business was an incredibly noticeable trend, if not an actual practice, that comes very close to a violation of law in discriminating against small businessmen. Time after time we were told by small business people that ConRail either said inferentially or, indeed, by innuendo or verbally that they did not want their business. Time after time we saw rail spurs put into industrial parks, and small business located there because the rail spur was there. Then ConRail treated them without any respect at all and was totally negligent in the delivery of cars to that spur, with the effect that those industrial parks, often funded with EDA funds, either shriveled up or were no longer growing. Indeed, small businesses that had located there were thinking of leaving as a result of this litany of negligent acts. We know ConRail lost $1 million a day last year, and we see an increasing number of businesses that deal with them only as a matter of last resort.

Madam Chairman, ConRail, because of its poor service, is forcing businesses to move their goods by truck instead of train. ConRail loses about 600 cars every day and they remain lost for about 5 days. That means that on any one day 3,000 cars are lost. Is it any wonder that ConRail has actually lost part of its market share? At a time of energy crisis, ConRail's poor service is forcing ever increasing use of trucks.

At the ICC they tracked one car. We ought to call it the "Old Man River" car because it traveled along for 1,680 miles empty. After that, the ICC stopped tracking it, and we do not know what happened to it. Imagine the revenue ConRail lost on that one.

Mr. ADDABBO. Madam Chairman, will the gentleman yield?

Mr. McDADE. I am delighted to yield to the chairman of my subcommittee, who really was my colleague during the hearings.

Mr. ADDABBO. I thank the gentleman for yielding to me. I wish to compliment the gentleman for bringing this problem to the attention of the full House, as he has brought it to my attention, through his diligent work when he came before our Committee on Small Business.

We spotlighted this almost heinous, horrendous action by ConRail which could so easily be corrected. I am hoping that the action taken here in this appropriation will force ConRail to listen to what we are saying, and that the Railway Administration will listen by giving them these people so that this matter will be corrected. That money will go back into putting confidence in ConRail. Most importantly, small businessmen who should be properly serviced will be serviced by the action the gentleman is bringing to our attention.

Mr. McDADE. I thank my colleague. Of course, it goes without saying that without his dedication and taking time at a very busy time in his life, when he had three other subcommittees meeting simultaneously, we would not have achieved any results. I am deeply grateful to him for his assistance in trying to bring about a better organization.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. CONTE. Madam Chairman, I yield 4 additional minutes to the gentleman from Pennsylvania.

Mr. McDADE. I hope, Madam Chairman, that we will see these 30 people dedicated to ConRail approved by the OMB, and not scuttled. Without the diligence of the Department of Transportation Appropriations Subcommittee and their interest in our many days of hearings, small shippers wouldn't have a chance. There are only 69 rail service agents in the United States today. They are stretched very thin. The additional agents, for which the additional money is authorized, are to be dedicated to ConRail and to its efficient management. This is a way for Congress to make its will known to ConRail.

I am delighted to express again my appreciation to the chairman of the subcommittee, my friend from New York, and my friend from Massachusetts.

Mr. BAUMAN. Madam Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Madam Chairman, I want to join the gentleman from Pennsylvania in expressing gratitude for the oversight on ConRail that is being conducted in the Congress. I can certainly testify, representing as I do 13 counties, of Maryland, to the failure of ConRail. Many of us were very reluctant to vote for it when ConRail was created, and we were promised adequate rail services.

My experience has been that in too many instances, on the Delmarva Peninsula particularly, ConRail has adopted the old Penn Central philosophy that a reduction of service will bring about profits. In fact, such a policy brings about further loss and further decline of this system.

I can present to the House stacks of complaints from small businessmen and others on the issue of ConRail service. In fact, in my area we have lost a great many opportunities for new businesses and jobs badly needed in a rural area that has high unemployment, much of it because of the uncaring attitude of ConRail. I will say that I have seen some slight improvement in recent months, but not much.

Mr. ADDABBO. Madam Chairman, if the gentleman will yield further, I wish to take time, as chairman of the subcommittee, to commend the gentlewoman from New Jersey (Mrs. FENWICK) and her constituents for bringing before us their problems. One of them was almost forced to close because of the bad rail service and promised rail service they were supposed to get in making a business expansion.

I thank the gentlewoman for bringing to our attention and to the attention of the Appropriations Committee such information.

Mr. McDADE. Madam Chairman, I want to say that the U.S. Railroad Association has now confirmed that preliminary finding of the ICC. Their report on ConRail reads almost as though it were written by ICC, and reached the same conclusion, that ConRail is in a chaotic situation which desperately needs improvement.

I have had conversations with my friend from Pennsylvania, the gentleman from the Allentown-Bethlehem area, who chairs the subcommittee on Surface Transportation of the Interstate and Foreign Commerce Committee. We have assurances from him that he is going to look at the problem. We are very grateful to him. We are going to try to get more responsiveness to the problems of the small business community, and give the ICC power for the first time to look at the adequacy of service on a given line with direct litigation as a tool to force compliance.

So whether it is to the Delmarva Peninsula or New Jersey or New York or my own area in Pennsylvania, the ICC will have a new weapon to say to ConRail: "We do not think you are giving adequate service to this area." When the gentleman from Pennsylvania brings his bill to the floor, we will support him, and we are grateful to him for his effort to improve this service.

Mr. DUNCAN of Oregon. Madam Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Madam Chairman, for over 8 years I have tried to get meaningful Government action against cargo theft. So far all we have seen is an Office of Cargo Security in the Office of Transportation coordinating on a voluntary program. I do not know even if that office is functioning very well right now.

I would like to ask the distinguished gentleman from California or Oregon or some member of the committee what is the budgeted amount for the Office of Cargo Security or do they have a specific amount budgeted for this office?

Mr. DUNCAN of Oregon. Madam Chairman, if the gentleman will yield, there is no line item specifically for the subject to which he is referring. There is approximately $200,000 in the budget that will be used for that purpose.

Mr. PICKLE. I thank the gentleman from Oregon.

Madam Chairman, I would add, though, that this whole area bothers me because I think we should and must be doing a great deal more to prevent cargo crime.

In pushing for legislation in this area, I am often told that cargo theft is not a real problem. I am told industry is doing a good job. I am told theft on the waterfront is under control.

But based on what I read even on this very day, and what I am told, I would say this is hard to accept.

Recently the Seattle Times, in a long series of articles by Lee Moriwaki, detailed theft on the Seattle waterfront.

And today's Washington Post carries a national story on major arrests up and down the South Atlantic and gulf coasts. The arrests were of both labor union officials and shipping company executives.

The arrests stem mainly from racketeering practices, but this is evidence that the waterfront is not totally clean.

Arrests can be made; but if preventive measures are not established, there will be just more of the same.

Under permission I will obtain, I would like to insert at this point the article from today's Washington Post on the actions which took place yesterday and make that a part of the RECORD:

[From the Washington Post, June 9, 1978]

ILA AND SHIPPERS ACCUSED

(By Charles R. Babcock)

In a major attack on alleged waterfront corruption in southern ports, federal authorities yesterday charged 10 officials of the International Longshoremen's Association and a dozen shipping industry leaders with a variety of racketeering and kickback violations.

The indictments by a federal grand jury in Miami complete one phase of a 2½-year-old investigation of reported payoffs by shippers to ensure labor peace.

Justice Department officials consider the inquiry especially significant because of its extensive use of undercover FBI agents to witness and make payments to union officials, and because its goal is to clean up an entire industry rather than settle for scattered indictments.

Those arrested include the presidents of two ILA locals in Miami, as well as the presidents of locals in Jacksonville, Savannah, Ga., and Charleston, S.C. They are accused of extorting or accepting thousands of dollars in cash, and in some cases cruise ship tickets and automobile tires, over the past several years in return for contracts.

A federal grand jury in New York City is also hearing evidence gathered by investigators in ports from Norfolk north to New York. More indictments are expected within a few months, sources said yesterday.

ILA President Thomas W. Gleason reportedly is not a target of the sweeping investigation. But Anthony Scotto, head of the union's largest local, in Brooklyn, is mentioned as a participant in some of the acts described in the racketeering conspiracy charges.

About a dozen other ILA officials have been indicted in recent months on charges such as stealing from local union treasuries by double billing for expenses.

An ILA spokesman in New York said yesterday that the union would have no immediate comment on the charges because its officials had not yet seen the 127-page indictment.

The 125,000 member ILA has had a history of corruption charges dating back at least to 1948 when New York Sun reporter Malcolm Johnson exposed gangsterism on the New York docks and won the Pulitzer Prize. His series became the basis for the award-winning Marlon Brando film, "On the Waterfront."

Justice Department sources said yesterday that the latest massive attempt to police the waterfront was triggered in mid-1975 when a Miami shipping agent, Joseph Teitelbaum, was implicated in a murder plot and agreed to tell the FBI about payoffs to union officials.

A short time later, FBI agent Robert Cassidy began working in Teitelbaum's office, posing as a business associate. Over the next several months Cassidy and at least two other FBI agents working undercover witnessed and at times personally made payments to union officials, the sources said.

According to the indictment, Cassidy made the first of several payments to William Boyle, an ILA international vice president, in Miami on Jan. 31, 1976.

Boyle, secretary treasurer of ILA Local 1922 in Miami, is charged in 36 counts of the indictment, including charges of racketeering, extortion, accepting kickbacks and filing false income tax returns. He is also charged with obstructing justice by threatening two Savannah, Ga., shipping executives about their appearance before a federal grand jury.

The undercover investigation was first publicized early last year when federal prosecutors issued more than 350 subpoenas for union and shipping company officials and their records.

George Barone, 54, another ILA international vice president and president of Local 1922 in Miami, was named in 25 counts of the indictment, including charges of racketeering, extortion, filing false income tax returns and violating labor laws.

Other top union officials charged included Robert Bateman, 56, president of the Charleston, S.C., local; Landon L. Williams, 41, president of the Jacksonville local; Cleveland Turner, president of another Miami local; Isom Clemon, who was president of the Mobile, Ala., local and already had been indicted on other charges, and Elizah (Elijah) Jackson, 49, president of the Savannah local.

Fred R. Field Jr., ILA's general organizer, also was indicted. He already has been convicted of extorting $124,000 from the United Brands Co.

Shipping company executives were indicted too, investigators said yesterday, in cases where the evidence showed they were willing participants in the payoff schemes.

After the wave of subpoenas early last year, Justice Department officials decided to try to build a series of cases rather than seek scattered individual indictments, sources said.

A team of FBI accountants computerized the union local business records to simplify the search for possible double billing on expense accounts, and a variety of court-approved wiretaps backed up the work of the undercover agents, according to sources.

The first series of indictments was delayed for months because of legal fights over documents—including those of an Israel shipping firm—and because a strike by the ILA last fall slowed the allegedly illegal activities, investigators said.

May I add, Madam Chairman, I would hope that this Committee will give serious consideration to endorsing legislation that would help us set up an Office of Cargo Security Theft which has enforcement powers. So far all we have reached is a voluntary level where we try cargo theft in our major airport terminals the truck terminals, and the ship docks total some $2 billion a year, and yet we cannot seem to get hearings here in the Congress on that subject and we cannot get much meaningful action elsewhere.

One of these days this House is going to wake up and take drastic action, but unless this Committee on Appropriations or the authorizing committee takes action, this problem is going to get bigger and bigger, and the American people are going to continue to be hurt.

Mr. CONTE. Madam Chairman, I have no further requests for time.

Mr. DUNCAN of Oregon. Madam Chairman, I yield such time as he may

consume to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Madam Chairman, I rise to support the transportation appropriations bill which I believe is an excellent piece of legislation which was put together by the subcommittee after an exhaustive series of hearings. As usual, I extend the highest compliments to subcommittee Chairman JOHN MCFALL, ranking minority member, SILVIO CONTE, and to the subcommittee staff, all of whom did their usual good work.

I am particularly pleased that this bill begins to address meaningfully the Nation's mass transit problems, especially in the Nation's biggest cities. The bill contains over $8.8 billion in new budget authority for DOT and related agencies somewhat less than what was sought.

Included among the items in the bill is full funding for Amtrak grants as well as $455 million specifically set aside for the Northeast Corridor improvement project. The bill also included $250 million for railroad rehabilitation. All of these are very meaningful programs.

As a New York City Congressman, I am of course particularly interested in the funding for urban mass transit systems. We have included under the Urban Mass Transportation Administration over $1.2 billion for discretionary grants to improve mass transit systems and $300 million and $250 million for formula grants for bus purchases and mass transit formulas. But we have many problems to face. As an example the report notes:

As indicated from the funding levels recommended, the committee believes UMTA should direct increased attention to the maintenance, rehabilitation, and modernization of existing fixed rail transit systems. Rail modernization and system extension funds are provided to eight areas: New York, Northern New Jersey, Chicago, Philadelphia, Pittsburgh, Boston, Cleveland, and San Francisco. Testimony indicates that the number of rail passengers in these areas has been declining for a number of years. This decline could, in part, be related to the deterioration of the physical plant of these systems. The committee is hopeful that with the substantial capital grant assistance being recommended, these trends can be reversed.

We have included additional money for aviation safety equipment. I am also highly pleased that the committee included airport security measures.

Madam Chairman this bill recognizes the need to economize on Federal spending wherever possible but it addresses the transportation needs of the Nation head-on and it provides the money to resolve them. The subcommittee's bill contains money to modernize existing mass transit systems as well as separate funds to construct new transit systems where they do not now exist.

The bill provides operating assistance to cities and section 3 provides the department with discretionary capital grants.

I should also mention that the subcommittee recommended after full hearings on the subject to go over the budget request for the Coast Guard. The committee has recommended 750 additional positions and an increase of $7.9 million in budget authority. I would hope that the House would see fit to go along with this recommendation. This money will aid in the fight against drug and other smuggling and go for search and rescue improvements, including 24 positions in the New York vessel traffic system and $1.9 million for New York shore operations.

But it is significant that about 20 percent of the bill provides funds for the planning and operation of State, city, and private transportation systems. We have set aside 3 percent for research projects.

We have provided a goodly share of the Nation's wealth for transportation problems in fiscal 1979. We have done so, because we recognize that in a changing world we must continue to place strong emphasis on development and operation of effective mass transit systems.

Mr. DERRICK. Madam Chairman, the purpose of my remarks is to provide a budget perspective for the House as it considers H.R. 12933, the transportation bill for fiscal year 1979.

The bill is within the fiscal year 1979 first budget resolution spending targets for this subcommittee. As stated in its report, the Appropriations Committee has deferred funding on a number of programs and activities pending authorization. The first budget resolution assumes an estimated $910 million in budget authority for these programs, which includes further subsidies for ConRail and Amtrak, funding for the Washington Metro, and expected aviation and oil fund liability legislation. Assuming that these supplemental amounts are enacted, the subcommittee would still be within its spending target.

The first budget resolution for fiscal year 1979, however, assumes all fiscal year 1979 mass transportation funding through authorizations and appropriations enacted this year, as was proposed in the President's January budget. The transportation appropriations bill, instead, reflects the same approach as H.R. 11733, the forthcoming transportation authorization bill, and would utilize $850 million of previously enacted contract authority for fiscal year 1979. A downward adjustment in budget authority in the second budget resolution, therefore, will probably have to be made to reflect this approach to funding for mass transportation.

I would like to insert a copy of the House Budget Committee's early warning report on H.R. 12933, which provides greater detail regarding the specific amounts in the bill.

(Early Warning Report, House Budget Committee)

H.R. 12933—TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, FY 1979

I. SPENDING ACTION COMPARED TO TARGET

The bill includes $8,857 million in budget authority and $5,053 million in outlays. These amounts plus amounts previously enacted or those passed by the House are under the subcommittee target by $1,459 million in budget authority and $884 million in outlays.

[In millions of dollars]

	Budget authority	New entitlement authority	Outlays
1. Committee subdivision target (by subcommittee)	10,452	.....	16,988
2. Less amount in reported bill	−8,857	.....	−5,053
3. Less previously enacted or passed House	−136	.....	−11,051
4. Spending action compared to target:			
Over target	.....	.....	.....
Under target	−1,459	.....	−884

II. PROJECTION

Taking into consideration supplementals anticipated in the First Budget Resolution, the subcommittee would be *below* its target.

[In millions of dollars]

	Budget authority	New entitlement authority	Outlays
1. Amount remaining within subcommittee target	1,459	.....	884
2. Less amounts assumed in the resolution, but not yet considered	−910	.....	−450
3. Assuming no changes from remaining budget resolution assumptions:			
Over subcommittee target	.....	.....	.....
Under subcommittee target	[1]−549	.....	−434

[1] See discussion under "adjustment to subcommittee target," which follows.

Explanation of projection

A. Adjustment to Subcommittee Target

A major difference between the First Resolution and the committee action on this bill is the method of financing mass transportation. The Appropriations Committee has decided to use $850 million in contract authority which was previously authorized in the 1974 Urban Mass Transportation Act. The Appropriations Committee's approach to the mass transportation contract authority financing parallels provisions of H.R. 11733, the proposed highway and mass transportation reauthorization, which has been ordered reported by the House Public Works Committee and sequentially referred to the Ways and Means Committee. Both the Appropriations and Public Works Committees assume utilization in fiscal year 1979 of the $850 million previously enacted contract authority. These committees assume that the remainder of the mass transportation program would be funded by direct authorization/appropriation and the remaining existing contract authority would be allowed to lapse in 1980. The First Budget Resolution assumes that all existing contract authority—including fiscal year 1979—would be replaced by direct authorization/appropriation as projected in the President's legislative proposals.

B. Amounts Under Subcommittee Targets

If, in addition to completed committee action including this bill, all the remaining amounts assumed in the Resolution are enacted as projected, the 302(b) subdivision would be below targets by $549 million in budget authority and $434 million in outlays. The amount under the subcommittee target is explained by the financing mechanism recommended for mass transportation, which is described above.

C. Amounts Assumed in Budget Resolution, But Not Yet Considered

The amounts assumed in the budget resolution but not yet considered include the following items:

Budget Authority

(1) $275 million—additional ConRail subsidy.

(2) $70 million—additional Amtrak subsidy.

(3) $275 million—funding for the Washington Metro.

(4) $110 million—air legislative initiatives.

(5) $180 million—oil pollution liability legislation.

The total of these items is $910 million in budget authority and an estimated $450 million in outlays.

III. PERSPECTIVE ON FUNCTION TOTALS

The bill impacts four functions but the predominant impact is in function 400, Transportation. Anticipated later supplemental requirements could cause the subcommittee targets in function 400 to be exceeded by about $100 million in budget authority and to be under the outlay target by about $250 million.

Furthermore, this bill represents only a portion of the funding for function 400, Transportation. The major share of the additional funding for function 400 would be provided by H.R. 11733. The funding levels proposed in H.R. 11733 would exceed by $4 to $5 billion the funding level for function 400 reflected in the First Budget Resolution.

IV. COMPARISON WITH THE PRESIDENT'S BUDGET

The reported bill is $211 million below the President's budget authority request of $9,069 million.

V. BACKGROUND

Obligation Ceiling

The reported bill contains an $8.1 billion obligation ceiling on the highway trust fund programs. The Appropriations Committee's obligation limitation is far less than the $10.9 billion projected in H.R. 11733. The reported bill contains the usual language providing that an obligation limitation established by the authorizing committee would take precedence.

Waiver of House Rule XXI

The Committee has asked for and received a waiver of points of order against designated provisions of the bill for failure to comply with the provisions of clause 2 of Rule XXI, which prohibits appropriations for any expenditure not previously authorized by law.

Full Funding

The reported bill does not reflect full funding of the Coast Guard bridge replacement program ($34 million) and the Federal Aviation Administration's automated flight service station program ($174.5 million) as proposed by the President and reflected in the Resolution.

VI. AMENDMENTS

Congressman Derrick is expected to offer an amendment to add $19.7 million to the Coast Guard bridge replacement account and $146.6 million to the flight service station program to provide for full funding of these programs.

● Mr. BIAGGI. Madam Chairman, I rise in support of H.R. 12933, which appropriates funds for the Department of Transportation—including the U.S. Coast Guard—for fiscal year 1979.

As chairman of the Subcommittee on Coast Guard and Navigation, I wish to extend my sincere gratitude to my distinguished colleague from Texas, the Honorable GEORGE H. MAHON, chairman of the Appropriations Committee—and especially to the distinguished gentleman from California, the chairman of the Transportation Subcommittee, the Honorable JOHN J. MCFALL.

Their recognition of the cumulative effects of the continued underfunding of Coast Guard programs on mission performance is clearly reflected in this legislation. The authorizing committee labored long and hard—questioning basic Coast Guard mission requirements, traditional and new.

Adequate justification was sought for the requested funding of personnel and assets—the vessels, aircraft, facilities, and equipment necessary to effectively carry out these programs.

We attempted to balance adherence to the President's stated goal of holding the line on budget expenditures, without compromising our duty to the public and to this body—to insure that the Coast Guard has adequate resources to carry out the multitude of duties with which it has been charged by the Congress.

Manifestly, our colleagues on the Appropriations Committee have likewise been objective, diligent, deliberate, and comprehensive in their review of the administration's budget request. I publicly commend the consideration that the leadership of the Appropriations Committee has given to the findings, conclusions, and recommendations of the authorizing committee—reflected in language inplace contained in the fiscal year 1979 Coast Guard authorization bill passed by the House of Representatives on April 17 of this year.

Specifically, the Appropriations Committee has approved operating expenses for the Coast Guard of $964,518,000—or $7,998,000 more than the budget estimate—and $85,653,000 above fiscal year 1978 appropriation levels.

The restoration of 278 military positions to the "general detail" category transmits an unequivocal message to the administration that the Congress will only consider genuine savings in cost effectiveness.

Failure to recognize the necessity in a uniformed service force—which knows no overtime—of personnel in travel, transfer, leave, or illness status—is patently false economy.

Maintenance of sufficient personnel to operate the U.S. Coast Guard cutter *Duane* in Atlantic fisheries law enforcement—given the retirement of one vessel—the transfer to the west coast of another—and difficulty in reactivating a third from a well-deserved retirement—reinforces the sense of the Congress expressed in the Fisheries Conservation and Management Act of 1976—the 200-mile bill.

Addition of marine safety and pollution law enforcement personnel puts teeth in the "President's tanker safety initiative of March 17, 1977"—and anticipates the increased responsibilities placed upon the Coast Guard in the safety of personnel and structures on the Outer Continental Shelf—particularly in frontier areas.

Clear recognition is also given to the demonstrated shortfall in Coast Guard capability to respond swiftly and adequatley to the growing number of marine pollution incidents.

Additional resources are also provided to maintain and increase present levels of Coast Guard operations in seaborne drug interdiction. I am especially pleased by the actions taken by the committee to enhance Coast Guard maritime law enforcement efforts.

Unfortunately, there is little promise contained in the Appropriation Committee's bill, permitting reduction in the average 68-hour work week for Coast Guard search and rescue stations.

The Subcommittee on Coast Guard and Navigation supports any reasonable approach to increasing Coast Guard efficiency in the use of SAR assets—including enhanced utilization of Reserve and Auxiliary Personnel and Department of Defense assets on a noninterference basis.

Since the most significant growth of SAR activity is directly related to increases in recreational boating activity, the subcommittee feels that greater attention should be given to Federal and State Cooperation in the performance of the SAR mission.

Recognizing that the preventive aspects of maritime safety commensurately greater benefits in the reduction of loss of life and damage to property, the subcommittee notes with approval additional appropriations above the Coast Guard budget request for State Boating Safety Programs.

The subcommittee feels there is much promise in long-term cost savings in promoting Federal and State Cooperation in the performance of missions, reflecting shared responsibilities such as boating safety—search and rescue—environmental protection—and law enforcement.

Madam Chairman, the spirit of cooperation between the Committee on Merchant Marine and Fisheries and the Committee on Appropriations—evidenced in the performance of their respective duties in the analysis—review—and, now, approval of the fiscal year 1979 Coast Guard budget portends well for the future. I am proud to have played a part in this process.●

Mr. DUNCAN of Oregon. Madam Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges; $14,900,000, to remain available until expended.

AMENDMENT OFFERED BY MR. DERRICK

Mr. DERRICK. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERRICK: On page 3, line 22 strike out "$14,900,000" and substitute in lieu thereof $34,603,000.

Mr. DERRICK. Madam Chairman, my amendments add $166.3 million in budget authority to this $8.9 billion transportation appropriation bill. The purpose of my amendments is to "fully-fund" two programs that the Appropriations Committee supports and the President has proposed. These amendments

do not add to the deficit. The first amendment is the alteration of bridges of the Coast Guard, and later, I will be offering a full-funding amendment for the Federal Aviation Administration's automated flight service program. I, too, support these programs. My amendments go not to a program, but to a principle. The principle of "full-funding."

Full-funding is a budgetary procedure which requires that the Congress act on the total cost of any new major construction or procurement program. As compared to annual incremental funding, full-funding is desirable because it:

Allows for more efficient program management and planning, thus, saving time and money.

Provides a clear understanding of the effects of congressional actions on present and future Federal budgets.

More efficient program management is fostered under full funding because of stronger management control, greater ability for efficient planning, and by cost savings in purchasing equipment, supplies, and in hiring labor.

In discussing the advantages of full-funding of the FAA program contained in this bill, the project director testified that $30 to $40 million would be saved. The major source of those savings would come from allowing the contractor to order his materials in bulk and establishing a rate of production which would optimize his capabilities.

In February, I chaired budget committee hearings on the subject of full funding. At those hearings, GAO testified that in the water resources area, funding restrictions have caused substantial slippages in construction schedules resulting in increased costs by having to pay contractor overhead for a longer period and through increased material and labor costs. One dam and reservoir project was relayed 3 years because of funding restrictions; for another project half of a 9-year delay in completion was attributed to budgetary restrictions. The Army Corps of Engineers concurred with these observations. In an exchange with the Corps of Engineers, I asked:

Do you agree with the proposition that if you had the full authorization to begin with, you could build at much less expense?

The corps responded: "Yes, sir, I believe they would cost less."

I asked: "And probably more efficiently?"

They said: "Yes sir."

The Department of Defense, which has been budgeting its major procurements under the full funding concept since the 1950's, testified that annual incremental funding leads to higher costs because long term, cost saving capital investments are highly dependent on program stability. Full funding provides stability and hence, lower costs. Furthermore, full funding produces stronger management control and discipline.

OMB concurs in all these observations about the savings of time and money that become available when programs are full funded.

The second reason why full funding is important is because it provides us with a clear understanding of the total effects of our decisions on the budget. When we make decisions we should have before us all the facts. If our best estimate is that a project is going to cost $500 million, that is what we should vote on; we should debate whether the project is worth $500 million. Full funding is a procedure to force early analysis and serious debate at the start by providing greater visibility to funds and resources required to complete a project. Full funding is intended to enhance the rationality of decisionmaking by both the Congress and the executive branch.

We all know there is great suspicion and distrust with Government. Our constitutents are tired of being fooled into thinking that Government programs do not cost money. It is a step toward full accounting and accountability. I urge you to take this step and support this amendment.

Mr. McFALL. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I rise in opposition to the amendment. This amendment, and the subsequent one which the gentleman would offer to the FAA portion of the bill, would add approximately $166.5 million of new budget authority to the bill. These funds are not needed during the upcoming fiscal year and, in fact, were not even included in the Department's budget request to the Office of Management and Budget.

This full-funding concept seems to be a new approach to spending that someone in OMB or the White House dreamed up. It has no relationship to the programs' current funding needs. Under our recommendations both of these programs would have sufficient funds for the entire fiscal year.

The gentleman's amendments only address two items in the bill. They do not address the Coast Guard's procurement programs for helicopters or cutters. They do not address new starts for mass transit. These items involve hundreds of millions of dollars. If this approach is a good idea, I would think the gentleman would want to apply it on a uniform basis.

We had considerable testimony from the FAA and the Coast Guard regarding these programs. We were not convinced that by fully funding these programs we could achieve the savings mentioned. The FAA testimony, on page 337, indicates that even if we did fully fund the flight service station project, no savings would be achieved until fiscal year 1980. Therefore, we believed it was better to defer the decision on this issue until the fiscal year 1980 budget.

This would give us an opportunity to examine the reasons for this type of financing. We believe that GAO, which is a part of the legislative branch, should take a look at this issue. We want to find out if there are going to be any savings. And, if there are going to be savings, will they be large enough to warrant a departure from the normal process of annual congressional review.

The intention of the Congressional Budget Act was to increase congressional control over spending. I do not believe we accomplish that purpose by providing extra money to the executive branch. We know from past experience that when funds that are not needed are appropriated, there is a tendency for the executive branch to want to use them for other purposes. This could result in less congressional control over spending. That is why we have an appropriation bill, so that every year we can look at how they are spending the money. If we give them a big sackful of money that they can use at their own speed, then we do not have the opportunity to really look at it every year.

I believe it is important for the Congress, especially in the early years of a program to review the program's progress or lack of progress on an annual basis. That is especially true with this flight service automation program. It is a new concept, and many of the Members of the House have had questions about this program. We want to be able to respond to those Members when they ask questions about it.

Annual review is a fundamental part of the congressional appropriation process, and I believe it is consistent with the intent of the Congressional Budget Act. I do not feel we should change the procedure. I urge that the amendment be defeated.

Mr. CONTE. Madam Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

We went into this, Madam Chairman, on part 2 of the Department of Transportation and related agencies appropriation for 1979.

I would direct attention to page 86. The question was asked of Admiral Siler, the Commandant of the Coast Guard, how he felt about funding for these bridges.

Admiral Siler said:

This year you are proposing to fully fund the new bridge alteration projects. What is the reason for the full funding and do you intend to do this for your new procurement programs in subsequent years?

Admiral Siler went on to say that they did it because of OMB and he said:

Our concern with fully funding things like the ship construction programs is that there will be such a large carryover in future years. There will be considerable carryover in the alteration of bridges after the first year of this total funding, because we can't possibly expend the total amount in one year.

That is Admiral Siler.

Mr. Edwards said:

I inquired about the carryover yesterday. The carryover you are talking about is the money given to you under the full-funding program one year but will be carried over to the next year.

You are not talking about excess money in the fund; are you?

Admiral Siler:

No, sir, it will be required, and since it is an early estimate and there is inflation in each year, it may not even be enough. We

may have to modify that amount in later years.

We may have a more accurate figure if we funded on a yearly basis as we have in the past.

Mr. DERRICK. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from South Carolina.

Mr. DERRICK. Madam Chairman, I would also refer to the testimony that was taken on the automated flight service program, which is the subject of my next amendment where the chairman, the gentleman from California (Mr. McFALL) asked if full funding would save any money.

The project director, Mr. Van Demark, estimated that $30 million to $40 million would be saved.

Mr. CONTE. That is only an estimated saving.

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. McFALL. Madam Chairman, we have provided about $27 million for flight service station modernization and they estimated they would only use $20 million this year.

We suggested to them that they come back next year when they are in this program and show us how they will save this money. I do not believe they would really save $30 million. As the gentleman says, it is a horseback estimate. The GAO can look at this and give us their own estimate as to whether or not they are going to save money by this process. None of the savings that the gentleman talked about in the hearings would occur until fiscal 1980. We certainly will have an opportunity to discuss that in the next appropriation bill. If it appears that there would be any such savings after they give us some documentation, certainly the gentleman from Massachusetts and I would be able to take advantage of whatever intelligent information they give us.

Mr. DERRICK. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from South Carolina.

Mr. DERRICK. Madam Chairman, the GAO provided a short study last fall on full funding in which they recommended that projects such as this be fully funded.

Mr. CONTE. Madam Chairman, if I may continue, as we can see from the testimony, I have not got over to the FAA testimony yet, but I will. We can see from the testimony that Admiral Siler did not agree with full funding in regard to the alteration of bridges.

Mr. DERRICK. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from South Carolina.

Mr. DERRICK. Madam Chairman, I do not have the testimony right in front of me; but as I say, the admiral did not agree or disagree. He merely said it was not his original concept, that it came from OMB. I believe he did not comment whether it would save money or would not save money.

Mr. CONTE. No, but he said:

Our concern with fully funding things like this is that there will be such a large carryover in future years.

Mr. DERRICK. He was concerned in the committee.

Mr. CONTE. He said:

There will be such a large carryover in future years. There will be considerable carryover in the alteration of bridges after the first year of this total funding.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Madam Chairman, if I may repeat, he said:

There will be considerable carryover in the alteration of business after the first year of this total funding, because we can't—

And I emphasize that—

we can't possibly extend the total amount in one year.

This is a bad precedent. Not only that, Madam Chairman, but the Committee on Appropriations loses control of full funding. We give full funding and something goes wrong; we find out it is a bad program, and in the following year we are gone. We have fully funded the program and we are gone, there is nothing we can do about it. We might be just pouring corn down a rat hole.

Madam Chairman, I hope this amendment is defeated.

Mr. DERRICK. Madam Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from South Carolina.

Mr. DERRICK. Madam Chairman, there is sufficient testimony from several agencies that concern themselves with looking at these programs. There is considerable testimony in the committee transcript that would indicate we might save money in this area with full funding. It is a more efficient way to carry out programs like this, and should result in putting Congress on the line in watching more carefully considering the overall concept in the beginning.

I suggest to the gentleman that there is enough reason to take this matter seriously and to move ahead with it. We have sufficient oversight committees to maintain strong oversight, and Congress can look at it every year. There is nothing that is going to keep us from doing that. So I do not think the gentleman makes a substantial argument.

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. McFALL. Madam Chairman, there is no testimony that there is going to be any savings this year.

We would like to have an opportunity to look at this. The GAO did not tell us there would be any savings in this program. I would like to have that documented.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has again expired.

(On request of Mr. DERRICK, and by unanimous consent, Mr. CONTE was allowed to proceed for 1 additional minute.)

Mr. CONTE. Madam Chairman, we can imagine what would have happened yesterday if we had full funding on the removing of those architectural barriers for the handicapped under section 504 of the Labor-HEW bill. That would have been $2 or $3 billion.

Mr. DERRICK. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from South Carolina.

Mr. DERRICK. Madam Chairman, this will not increase the deficit one dime nor will we expend one more dime under this appropriation. This, as everyone knows, goes right to the budget authority and has nothing to do with the deficit.

I believe the gentleman is just raising a smokescreen. This has nothing to do with deficits; all this does is save money.

Mr. CONTE. Madam Chairman, I hope the amendment is defeated.

Mr. ROUSSELOT. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, we have discussed this matter rather extensively in the Committee on the Budget. As a matter of fact, the gentleman from South Carolina (Mr. DERRICK) held hearings on this subject as chairman of a Budget Committee task force on this subject. It is not something we are just bringing to the floor on a permissive basis or to hassle the Committee on Appropriations.

We are merely saying that if there is in fact to be full funding, let us do it that way. Let us not hide what we are doing in some way.

As the gentleman from South Carolina (Mr. DERRICK) has tried to indicate, this is a more efficient, long-range basis by which to project the cost of given products. So I really cannot understand why my colleagues from the Committee on Appropriations, whom most of us support in their efforts to make sure that projects are not carried out on a willy-nilly basis and that there is a long-range projection as well as a short-term consideration, would not support this effort. I cannot understand why they would not support the effort of the gentleman from South Carolina (Mr. DERRICK), a member of the Committee on the Budget. The gentleman is the chairman of a task force that went into the subject very thoroughly.

This does not add to the deficit, as my colleague, the gentleman from Massachusetts (Mr. CONTE), tried to indicate. It clearly does not add to the deficit, so we do not have that red herring to run across in front of the membership. That just is not true.

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. McFALL. Madam Chairman, I have listened very carefully to what the gentleman said, and I would like very much to have him tell us in this particular instance how it is going to save money. There is no testimony anywhere

that it is going to save any money in fiscal year 1979.

Mr. ROUSSELOT. May I reclaim my time?

Mr. McFALL. The gentleman yielded to me. Does the gentleman want to hear me?

Mr. ROUSSELOT. I thought the gentleman was asking me a question. You asked me the question, how this amendment will save any money.

Mr. McFALL. Would the gentleman explain how in this particular instance we are going to save any money?

Mr. ROUSSELOT. Does the gentleman want me to answer that?

Mr. McFALL. Yes.

Mr. ROUSSELOT. May I answer it now?

Mr. McFALL. Yes.

Mr. ROUSSELOT. That is what I thought I was doing. I did not make the statement that I knew categorically, absolutely that this amendment offered by the gentleman from South Carolina would guarantee a saving in this particular item in the appropriation entitled "Alteration of Bridges." The statement of the gentleman from South Carolina (Mr. DERRICK) was, as I heard it, that the amendment could result in savings on a long-range basis. The gentleman did not say absolutely it would save. He said it could save. We do not know in this case because it is a new policy as applied to this program. But we do have conclusive evidence in other areas that full funding at the beginning does save overall costs.

I now ask the gentleman from South Carolina: When the gentleman commented on the issue of savings, the gentleman's statement was that it could result in a saving. Is that not true?

Mr. DERRICK. That is correct.

Mr. ROUSSELOT. Does the gentleman from South Carolina want to help my colleague, the gentleman from California (Mr. McFALL), understand what the gentleman said?

Mr. DERRICK. If the gentleman will yield, I am sure my colleague from California (Mr. McFALL) is very capable of understanding someone from South Carolina.

Mr. ROUSSELOT. The gentleman from California (Mr. McFALL) seems to think the gentleman from South Carolina said there would absolutely be a savings.

Mr. DERRICK. I said it could. And there was substantial testimony in many areas to indicate that this type of planning would result, in the long term, in a more efficient way of conducting these programs.

Mr. ROUSSELOT. So the possibility of saving is present, because it requires a longer range point of view that puts us up front in this bill in understanding what is required, in the long-range on this project.

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. McFALL. Madam Chairman, in reporting this bill we are aware of the possibility that in the future full funding might save some money. FAA told us that perhaps in fiscal year 1980 they might save some money. We are going to have them tell us how they are going to save some money in 1980 and we will also ask GAO to determine whether these alleged savings are possible.

Mr. ROUSSELOT. Let me say they could do that this year, in the next 6 months. That does not change the action on the floor today to define full funding. That is, the General Accounting Office or the Coast Guard, or anybody else, can come in and define how they are going to save money in 1980. But this amendment offered by the gentleman from South Carolina, as I understand it, requires that we now understand what the total commitment is for this project.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. DERRICK. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from South Carolina.

Mr. DERRICK. Madam Chairman, I would like to bring to the gentleman's attention that, after all, the idea or the concept of full funding was initiated originally by the gentleman from Texas (Mr. MAHON), the chairman of the Committee on Appropriations, and the Committee on Appropriations itself, back in the early fifties, with the Department of Defense. And it has worked very effectively there and there is substantial testimony which indicates that there has been substantial savings, as opposed to incremental financing.

Mr. ROUSSELOT. I think we should emphasize again for our colleagues, because there are so many of them here, that this in no way increases the deficit.

Mr. DERRICK. It has nothing to do with the deficit.

Mr. ROUSSELOT. When the smokescreen is raised at the doors, when the Members come in to vote on this, they throw out the argument that it will increase the deficit; is that correct?

Mr. DERRICK. They might use it but it is not necessarily true.

Mr. ROUSSELOT. It does not make it true.

Mr. CONTE. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

It could increase the deficit if you have full funding in this bill. Maybe I do not understand it correctly.

Mr. ROUSSELOT. I do not think the gentleman does.

Mr. CONTE. All right. If you had full funding and they went out and they spent all of that money in 1 year, would that not increase the deficit?

Mr. ROUSSELOT. The answer to the gentleman's question is that it could eventually; but it does not do it this year, in 1979.

Mr. DERRICK. Madam Chairman, if the gentleman will yield further, if he wants to take it from that proposition and then take it over the life of the project, it is not going to increase the deficit at all.

Mr. CONTE. I see the gentleman's point. The gentleman's point is that over the life of the project, with inflation and all of that, it is going to increase the price. If there is full funding and one gets one smack at it, money is going to be saved as a result of inflation.

Mr. ROUSSELOT. That is because it puts an overall cost on it now.

Mr. CONTE. I do not know whether it puts a ceiling on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. DERRICK).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act; purchase of three passenger motor vehicles for replacement only and purchase and repair of skis and snowshoes: $1,981,400,000, of which $300,000,000 shall be derived from the Airport and Airway Trust Fund, for the purposes of subsection (e) of section 14 of the Airport and Airway Development Act of 1970, as amended, and subject to the conditions of that subsection: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities: *Provided further*, That none of these funds shall be available for new applicants for the second career training program.

AMENDMENT OFFERED BY MR. MARTIN

Mr. MARTIN. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN: On page 5, at line 20, strike the period following "program" and add the following additional proviso:

": *Provided further*, That none of these funds shall be available to approve liaison or familiarization travel by any air traffic control specialist if the time during which travel is to be accomplished includes either annual leave, compensatory leave, or a natonal holiday."

Mr. MARTIN. Madam Chairman, earlier today, our colleague from Ohio (Mr. VANIK) reported on the slowdown strike by the air traffic controllers. The gentleman from Massachusetts (Mr. CONTE) has also raised this issue. Many Members experienced the delay of circling around and saw thousands of exasperated angry air travelers, whose business or family vacations were disrupted. My amendment, hopefully, will protect these air travelers.

I did not personally have to travel during this slowdown, but my son did. While waiting 2 hours with him I had a chance to see the impact of this on hundreds of unhappy passengers. Later, I was up most of the night trying to locate his baggage, because his plane was 4 hours late, to Atlanta, and his

baggage could not make the change of planes. The personal anxiety for him and his fellow passengers and his parents can only be imagined.

And what was it all to accomplish? Air traffic safety? Not hardly; unless one assumes it is safer to stack up hundreds of planes and thousands of passengers in crowded holding patterns rather than land them.

No, as the gentleman from Ohio pointed out, the purpose of the slowdown is to pressure the airlines to permit extended air travel for air traffic controllers at the airlines' expense, overseas and to popular vacation spots on this continent. Some airlines went along, but a few objected.

It is generally part of the on-the-job training of air traffic control specialists to be able to ride in the cockpit jump seat so as to observe the operations during flight and most especially during takeoffs and landings. In this way the traffic controllers can gain the experience of witnessing reactions to their orders. These familiarization flights are voluntary and very helpful.

The problem is that this practice is being abused. One airline observes that it receives requests mainly for trips to Florida, especially in winter. Another a major overseas airline, willingly accommodates almost 400 requests every month.

The focus of this abuse pattern is now shifting so as to insist on overseas flights that have no relationship to an individual specialists' duties. One requested a trip from western North Carolina to London via Miami; another, from Virginia to Auckland, New Zealand; yet another from Florida to Tokyo via Honolulu; and a similar request from a small airport in Illinois.

In addition to the abuse potential, there is also the potential conflict of interest for traffic controllers who accept vacation trips from airlines. In fact, this may violate Executive Order 11222. Airlines which cooperate, and airlines which balk, may well find or suspect that their landing access rights may be handled differently.

It is my hope that the Public Works Committee will look into this, through its Subcommittee on Aviation and Investigations. They must find legislative or other remedies to insist that no travel be approved the training aspects of which are not directly related to the employee's duties.

Meanwhile, we can act through this legislation to prohibit expenditure of these funds to approve any request for such travel which will extend over a vacation or other holiday of the employee. My amendment will expressly provide such a limitation. If we do not act, we will continue sporadically to have these dangerous slowdowns imposed on air passengers until all the airlines cave in. There is a name for this, and I won't call it by its real name—but I will call it: Wrong.

Mr. CONTE. Madam Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Madam Chairman, I want to compliment the gentleman in the well, and agree with him on his amendment. I think what is happening right now is unconscionable. The gentleman heard me speak on the floor earlier today in regard to the second career program and how that is affecting controllers, but this is unconscionable.

Here we are in an energy crisis, and they are slowing down the landing of these planes. These planes are stacking over airports all over the country waiting half an hour or an hour to come in, and burning up this valuable fuel that is so badly needed. At the same time, CAB has put the airlines on a competitive basis, lowering rates, giving better service to the public. Now, we are compounding it with added costs because of this slowdown.

For what reason? Only because they want to have this right for these junkets to Paris in April and to Miami Beach in January and February. The gentleman is right on target. I am with him 100 percent.

Mr. MARTIN. I want to thank the gentleman. In the particular flight I referred to in my son's case, the plane arrived at Washington 2 hours late. It took off 2 hours late, and arrived in Atlanta 4 hours late, which meant that it was circling around for 2 hours, longer than it takes to get from Washington to Atlanta.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent Mr. MARTIN was allowed to proceed for 3 additional minutes.)

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from California.

Mr. McFALL. Madam Chairman, we have examined the amendment on this side. We would accept the amendment the gentleman is offering.

Mr. MARTIN. I thank the gentleman.

Mr. SNYDER. Madam Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Kentucky.

Mr. SNYDER. Madam Chairman, I appreciate the gentleman's concern and what he is attempting to do here. Certainly, having seen the amendment, I doubt that it can do much violence to anything. But, it ought to be on the record that PATCO, which is the union representing the air traffic controllers, has not sanctioned these slowdowns. As a matter of fact, their president is in New York today trying to put out some fires there, and the vice president is on the west coast. There is an effort on their part to try to bring this misunderstanding into a position of understanding.

Certainly, the familiarization flight practice is a matter of union contract between the controllers and FAA, and has been in some form or another since 1973. It is only on the space-available basis, and a non-revenue producing seat in the cockpit.

The training program is worthwhile, it is authorized by CAB regulations, endorsed by the FAA, the Airline Pilots Association, PATCO and the majority of the airlines.

As I say, I do not think the gentleman's limitation saying that they cannot fly on vacations and things of that nature is going to do any violence to their familiarization program, but on the other hand I do not think it should be indicated from our action here today and the acceptance of this amendment that we do not understand the good that can come out of it. The air traffic controllers should know what the pilot has to contend with when he is in the cockpit during flight.

This familiarization program does not apply to all controllers, but only to GS–10 and above, journeymen controllers, which is about half of the number.

Mr. MARTIN. The gentleman is right, and I appreciate the point he makes, because it reemphasizes the point I made earlier about the value of these familiarization flights.

What the amendment is aimed at is the abuse of that practice. It is true that the Traffic Controllers Association has temporarily gotten a suspension of the delay, but that is partly because of the injunction which the courts have handed down with respect to this practice. Rather than see us go through a sporadic, periodic repetition of this, I would rather indicate clearly that this will not be abused in this way, so that it extends over lengthy vacations as it has in the past. I think that would discourage unnecessary overseas flights.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. MARTIN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for; for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities, including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; to be derived from the Airport and Airway Trust Fund, $321,338,000, of which $54,363,000 shall be derived by transfer from the appropriation "Facilities and Equipment (Airport and Airway Trust Fund), 1976", to remain available until September 30, 1981: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further*, That no part of the foregoing appropriation shall be available for the construction of a new wind tunnel, or to purchase any land for or in connection with the National Aviation Facilities Experimental Center, or to decommission in excess of five flight service stations.

Mr. DERRICK. Madam Chairman, I have an amendment at the desk, the last amendment for full funding, but in view of the poor showing for the last amendment I will just not offer the amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

MOTOR CARRIER SAFETY

For necessary expenses to carry out motor carrier safety functions of the Secretary, as authorized by the Department of Transportation Act (80 Stat. 930–40), $12,351,000, of which $4,000,000 of the amount appropriated herein shall remain available until expended and not to exceed $1,090,000 shall be available for "Limitation on general operating expenses".

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 10, line 6; strike out "$12,351,000" and insert "$13,351,000."

Mr. GONZALEZ. Madam Chairman, my amendment restores to the bill $1 million for the motor carrier safety program.

Motor carriers transport immense quantities of freight, and they do this with an admirable safety record. But at the same time the record is clear that State and Federal safety programs are inadequate and that the public is being unduly endangered by vehicles that are not in compliance with Federal safety regulations.

I am especially mindful of vehicles that are carrying hazardous materials—explosives of all kinds, deadly gases like ammonia, flammable materials like gasoline, and liquefied gases that can kill or injure huge numbers of people if their tanks are punctured in an accident.

Adequate safety programs can alleviate the threat posed by these materials.

For example, local firefighters need to know how to deal with accidents that involve hazardous materials. I know of cases in which rural firefighters have been wiped out because they did not recognize the danger of a burning truck that carried explosives.

And emergency personnel need to know how to deal with other substances—toxic gases like ammonia or chlorine that can cause death or injury over a wide area unless it can be dispersed—and it must be treated correctly, and immediately.

And I am mindful that carriers themselves do not always know the rules that apply to them.

Moreover there are not enough Federal personnel to make those carriers aware and to assure that they comply.

I know of an accident in which 19 people were killed outright and another 52 were seriously burned when a Mexican truck loaded with butane and propane exploded near Eagle Pass, Tex. That carrier did not know the Federal regulations that applied, and there was no way that the Federal people responsible could make sure either that he did know or was in compliance. We simply did not have enough people on hand to do even the most rudimentary job of informing carriers and more important, assuring that they complied with the rules and regulations we have regarding transportation of explosive gases.

There are many cities that do not even have a restricted routing system for hazardous materials carried by truck.

The city of Houston does have such a program, and it prevents motor carriers from moving deadly materials through congested areas. It was this exact regulation that 1 year ago presented a catastrophe when an ammonia truck blew open in Houston—and as it was, five people died and 78 were injured. If that had taken place in the downtown area, no one can even guess how many would have been killed.

If we had an adequate Federal safety program, we could assure that local emergency people actually know what to do when they come across an accident involving some deadly material; we would be assured that motor carriers know what the laws and regulations are; and we would be assured that those laws and regulations would be better enforced. And if we had an adequate program we could assure that localities know what they can do, and assure that they improve their own programs.

It is not asking too much that the appropriation carry the full amount of the President's request for motor carrier safety, and that is all that I ask.

Mr. McFALL. Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

Madam Chairman, the gentleman from Texas, my good friend, Mr. GONZALEZ, I believe has misunderstood the action of the committee in this case and I would like to try to explain to the gentleman and to the members of the committee what the action of the Committee on Appropriations was in cutting $1 million from this item.

As is stated in the report on page 24:

The committee has approved the requested increase of 26 positions. This increase should provide for wider safety coverage and strengthen generally the bureau's ability to meet workload increases in areas such as cargo security and hazardous materials transportation.

In other words, in the area the gentleman from Texas (Mr. GONZALEZ) is concerned with, we have provided the agency with every nickel they asked for. We are in favor of it. We are giving them 26 new positions to do the job that is needed. The $1 million that we cut was for a new State demonstration program to promote the establishment and maintenance of the carrier safety program and the adoption of consistent safety standards. The program provides for truck weighing inspections, as well as vehicle and driver safety inspections. The budget included $4 million for this 100-percent federally funded program. We thought that the States ought to be able to participate in this, so we cut $1 million out of the $4 million.

The States already have weighing inspection programs of their own and it would seem to me that the States should be able to cooperate in this new demonstration program that would cost $4 million. We reduced it by $1 million in the hope that they would cooperate in this way.

But the program the gentleman from Texas, Mr. GONZALEZ, talks about has been provided with everything that they requested. We are in sympathy with what the gentleman wants to do and, as I said, we have provided the money for that purpose.

Therefore, Madam Chairman, I would ask that this amendment not be adopted.

Mr. CONTE. Madam Chairman, I move to strike the last word.

Madam Chairman, I think the chairman of the subcommittee, the gentleman from California (Mr. McFALL) has explained the action of the committee. I too dislike to oppose the gentleman from Texas (Mr. GONZALEZ) and I could not agree with the gentleman more on how important this program is. But Madam Chairman, we are not cutting that program one penny. I will tell the gentleman from Texas (Mr. GONZALEZ) as did the chairman of the subcommittee, that the $1 million cut comes from the demonstration project to the States for the weighing of trucks and we feel that the States should participate in this.

Let me read from the report:

The program will include truck weighing inspections, as well as vehicle and driver safety inspections.

These are demonstration projects and they have nothing to do with the inspectors. We give them all the inspectors they want, 26 aditional inspectors. The budget on this is $1,351,000 over last year's budget. We are just saying let the States participate in the demonstration projects.

Mr. GONZALEZ. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

On page 24 in this section the gentleman refers to, the report says:

The budget request includes $4,000,000 to initiate a new state demonstration program to promote the establishment and maintenance of motor carrier safety programs and the adoption of consistent safety standards for both interstate and intrastate motor carrier commerce. The program will include truck weighing inspections, as well as vehicle and driver safety inspections.

So it is not altogether correct to leave the impression that both the distinguished Chairman and the gentleman from Massachusetts are leaving by inferring that the $4 million was totally and wholly for such things as truck weighing. In addition to that, the gentleman from Massachusetts in his report admits that there is no way to evaluate presently the State effort. The reason is that for safety it is nonexistent. Actually, it is something that in effect we are going to have to, as we have in many other areas, initiate a Federal program for, and I just feel that cutting this section does not reflect the priority that the Congress ought to be giving to this type of motor carrier safety.

Mr. CONTE. If I may finish, I will say to the gentleman from Texas he is absolutely right, but we give them the extra

26 positions that it will take out there in the field to do the job. What we are talking about here—and certainly we are not just talking about the weighing of trucks—is demonstration projects. All the Chairman and I are saying is that in these demonstration projects the State ought to kick in a little bit. Take the State of Texas. It is a lot better off than the U.S. Government. It is in the black. It has got a balanced budget. Here we have a budget deficit that is out $60 billion. All we are saying is, Hey, look, Texas, Massachusetts, and California, if you want a demonstration project, you kick in a little bit of money. It is not too much when we divide it up among three or four States—not too much at all. It is peanuts.

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. McFALL. I thank the gentleman for yielding.

It is solely confined to this one demonstration program. It is a weighing project which would include a look at the entire truck to see if it is in compliance. In other words, they are using the weighing program to fully utilize their opportunity to inspect trucks, but it is only a demonstration program. We are in sympathy with the rest of the programs, and we are providing all the money they want for those programs.

Mr. GONZALEZ. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DARIEN GAP HIGHWAY

For necessary expenses for construction of the Darien Gap Highway in accordance with the provisions of section 216 of title 23 of the United States Code, $10,000,000, including the purchase of not to exceed two passenger motor vehicles, to remain available until expended.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Madam Chairman, I I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 11, beginning with line 1; strike all that follows through line 6.

Mr. BAUMAN. Madam Chairman, this amendment simply strikes from the bill $10 million which is a further increment in expenditures on the part of the U.S. Government for the construction of the so-called Darien Gap portion of the Inter-American Highway in Central America, more exactly located in Panama. This particular project is one that was agreed to in 1971 by the United States, Colombia, and Panama. The largest share of the funding for this construction, as usual, was left to Uncle Sam, although the major benefit will obviously accrue to the Republic of Panama and to the Central American countries.

The Congress in passing the original authorizing legislation was obviously in sympathy with the concept of an Inter-American Highway that would, indeed, link all of the Americas together so that motor freight and international travel by car would be permitted. But the fact of the matter is, according to a study by the Comptroller General dated February 23, 1978, this project has grown from the originally estimated cost of $150 million, of which the United States would pay approximately $100 million, to $285 million. Recently the other body has seen fit to ratify two treaties which will turn over to the Republic of Panama an $8 billion capital plant, the Panama Canal and all of its governmental agencies, over a period of time, 50 percent of that area to be turned over in a matter of 1½ years. At the same time the United States in those treaties to provide revenues from the canal to the Republic of Panama of $75 million 1 year at a minimum, based on the increased tolls and other payments as compared to the present U.S. payment annually of about $2.5 million.

What I am saying is that since the other body has been so generous in approving these treaties, I do not feel that the U.S. Government has a continuing obligation to commit itself to another payment on a possible $285-million project essentially for the benefit of Panama.

A further reason against this highway at this time is the rampant spread of hoof-and-mouth disease among cattle in Colombia. Both the U.S. Department of State and the Department of Agriculture have recommended against completion of this highway since they do not want to see this disease spread northward. They have recommended that the road be halted, that the 250-mile gap not be closed and that no further construction be done beyond a limited point, because the disease's spread could devastate the herds of cattle in the Western and Southwestern United States.

I would also add that the Comptroller in the GAO report recommends that Congress postpone further funding of this highway.

I think the prudent step for us to take in view of all these factors is to delete these funds at this time and await the treaty implementation legislation that will deal with the transfer of the Panama Canal.

I might also add that I believe that the Panamanian Government will have the ability to provide its own funds for the project. Last January when I went to Panama and met with the Economics Minister, he presented me with an extensive report on how Panama intended to spend the financial bonanza that the treaty is going to give them. On page 27 they mention the Darien Highway completion and they crow that the United States will be stuck with the lion's share of this money payment.

If the other body wants to give away the canal and the Canal Zone and billions of dollars of our property then we might want to cut back on this project.

Mr. JOHN L. BURTON. Madam Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Madam Chairman, I would like to commend the gentleman for his ability to find the canal issue alive and kicking in a transportation appropriation bill.

Mr. BAUMAN. Well, the gentleman from Idaho is my adviser on many of these matters.

Mr. JOHN L. BURTON. I mean, it has been quite a while since we had the honor of dealing with this issue.

Mr. BAUMAN. Two days.

Mr. JOHN L. BURTON. Two days?

Mr. BAUMAN. Two or three days.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(At the request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. BAUMAN was allowed to proceed for an additional 2 minutes.)

Mr. JOHN L. BURTON. Madam Chairman, if the gentleman will yield further, I just do want to commend the gentleman for finding the Panama Canal in this issue, because I was afraid it went away with the State Department and with the military appropriations and others and now to know we can get at it in this issue just is going to make the Republicans in my district overjoyed.

Mr. BAUMAN. Madam Chairman, if the gentleman from California will read a little further in the bill, the gentleman will find not only is the Darien Gap in this bill, but all the operating funds for the Panama Canal Government, all the operating funds for the Panama Canal Company, are included in this bill about 10 pages further. Perhaps the gentleman has not seen anything yet.

Mr. JOHN L. BURTON. I have not seen much lately.

Mr. BAUMAN. I can understand that limited vision.

Mr. SYMMS. Madam Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Idaho.

Mr. SYMMS. Madam Chairman, I thank the gentleman for yielding.

I think the reason I rise in support of the amendment has nothing to do with the Panama Canal or the Panama Canal treaties or any of the things that have gone on this year.

I support the amendment, rather, for one reason, which is good enough alone, and that is because of the risk of the people in this country who enjoy eating beefsteak. What would happen if we got hoof-and-mouth disease in the United States? It would be absolutely devastating to this country.

The Department of Agriculture and its inspection service have done a very excellent job over the years to protect us from any mass epidemic of hoof-and-mouth disease, which could just absolutely devastate the beef and cattle industry in this country.

Madam Chairman, if that would happen, we have seen nothing yet in this country as to what the price of beef would be.

Mr. BAUMAN. Madam Chairman, I would say to the gentleman that this is one of the chief reasons the GAO opposes the completion of this highway.

Mr. SYMMS. Madam Chairman, the gentleman from Maryland (Mr. BAUMAN) should be commended for his efforts to help protect the animal welfare and the beef industry of this country.

Mr. BAUMAN. Including the human animal.

Mr. SYMMS. Yes, including the human animal, because I know the gentleman enjoys eating hamburger.

Mr. BAUMAN. The gentleman enjoys "beefing," too.

Mr. McFALL. Madam Chairman, I rise in opposition to the amendment.

Mr. CONTE. Madam Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Madam Chairman, in regard to the point the gentleman from Idaho (Mr. SYMMS) made, there is, I think, a lot of evidence of hoof-and-mouth disease right in this Congress.

If we will look at page 25 of the report, we will find the testimony indicates that no construction will be started in Colombia until the hoof-and-mouth disease problem in that country has been resolved.

Mr. SYMMS. Madam Chairman, if the gentleman will yield, I will say that I certainly agree with the gentleman in his allusions to the hoof-and-mouth disease problem in the Congress.

Mr. McFALL. Madam Chairman, as the gentleman from Massachusetts (Mr. CONTE) has pointed out, this appropriation is in complete compliance with the GAO report. It does not suggest building the highway past the point that the GAO set as the point beyond which it should not be built.

The Darien Gap is the only uncompleted segment of a highway linking all the Americas. Of the 250-mile highway, 200 miles are in eastern Panama and 50 miles are in northern Colombia.

A court injunction dated October 17, 1975, preventing new construction on this highway was lifted on March 14, 1978. More than $48 million has already been appropriated and the bill includes $10 million to continue the construction of this highway.

The economics of the situation is serious from the standpoint of Panama, Colombia, and the United States. The inflationary trend continues to have its effect. Over the past 7 years, the estimated cost to complete this highway program has increased by 90 percent. Further delay because of insufficient U.S. funding will be costly to the United States and will place additional financial burdens on Panama and Colombia.

Madam Chairman, this is a very fine instrument of American policy in South America. It is something in which every country in South America is interested. It is something in which the State Department is interested, and it is something the administration wants to do. We are not going to be doing anything that will bring hoof-and-mouth disease into the United States. What we want to do is develop a highway that will help the Americas come closer together.

Madam Chairman, I ask that the amendment be defeated.

Mr. ROUSSELOT. Madam Chairman, I rise in support of the amendment.

Madam Chairman, as I read the General Accounting Office report dated February 23, 1978, I still believe that the gentleman from Maryland (Mr. BAUMAN) makes an excellent point in saying that the money for the Darien Gap Highway should not be appropriated at this time. The General Accounting Office and the Agriculture Department have provided good reasons why the Congress should pause and wait before we continue with the construction of this segment of the highway.

Mr. BAUMAN. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Maryland.

Mr. BAUMAN. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, I would just like to underscore one point for the gentleman from California (Mr. McFALL) that I think is most important.

The point is not that there should not eventually be such a highway or even that the threat of the spread of hoof-and-mouth disease, as disastrous as that might be, is the main point, but, rather, that since 1971, when this project was originated and authorized by the Congress, the political and economic situation has changed materially.

I do not think, in view of the impending transfer of a $8 billion capital plant, the Panama Canal, and the Canal Zone to Panama and the guarantee of a $75 million annual payment to the Republic of Panama, beginning in about a year, that we should pay two-thirds of the money for a project that will be of principal benefit to Panama. It is time for us to reassess our relationship with the Republic of Panama. I believe Panama ought to be able to shoulder this burden, having received all that largesse at the expense of the U.S. taxpayers, and I think that point needs to be considered.

Mr. ROUSSELOT. Further, Madam Chairman, I would say that in the bill there is additional money for the Panama Canal Government; so I really believe that my colleague, the gentleman from Maryland, is to be congratulated for bringing out the important issue that, since the passage of the treaties in the Senate, our responsibility, basically, is now terminated on these kind of projects within the boundaries of Panama. The responsibility really belongs to the State of Panama, and I think it is unfair and unwise to continue to place that burden on the American taxpayer.

Therefore, Madam Chairman, I urge the support of this amendment.

Mr. CONTE. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Madam Chairman, this road is uncompleted. It is a connecting link between the Inter-American Highway of Central America and the South American Highway of South America. It serves as a very important commercial link between Central and South America. Moreover, this road will create a single highway network from Alaska all the way down to South America. The United States has promised they would provide $100 million in the aid for the construction of this road. They spent nearly $50 million in the completion of the road thus far. This commitment was authorized by the Congress in the Federal Aid Act in 1970. I believe the gentleman from Florida (Mr. FASCELL) was the spearhead behind this particular amendment.

I believe that we should not appropriate funds unless we can reasonably obligate them in the fiscal year. It was for that reason, I would like to inform the author of the amendment, that the administration asked for $20 million. It was my amendment in the subcommittee that cut that $10 million. That cut takes into account the delays that are being experienced in regard to what the gentleman from Idaho mentions, the disease problems in Colombia, where the construction of the road would continue. However, I believe that Congress should honor the commitment for assistance for this highway through completion. I believe that we belittle the dignity of this great Nation when suddenly we pull back on a project such as this, which seeems to be an unnecessary expense to us, but a very, very important expense to the countries involved.

I believe that a better course of action may be to avoid such projects in the future when they come up, knock them down, do not pass them here by a large majority, and then as they come up year after year, have a fight over them. We should not provide the funds.

I think we have been reasonable, I will say to my colleague, the gentleman from Maryland (Mr. BAUMAN). I believe the committee did not want to go along with my $10 million cut. I might say that I tried to cut the whole thing, and then my second amendment was for $10 million, and then I finally went along with it. So I feel we have a fairly good compromise here.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

THE PANAMA CANAL

CANAL ZONE GOVERNMENT

OPERATING EXPENSES

For operating expenses necessary for the Canal Zone Government, including operation of the Postal Service of the Canal Zone; hire of passenger motor vehicles; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); expenses incident to conducting hearings on the Isthmus; expenses of special training of employees of the Canal Zone Government as authorized by 5 U.S.C. 4101–4118, contingencies of the Governor, residence for the Governor; medical aid and support of the insane and of lepers and aid and support of indigent persons legally within the Canal Zone, including expenses of their deportation when practicable; and maintaining and altering facilities of other Government agencies in the Canal Zone for Canal Zone Government use, $74,000,000.

Mr. GONZALEZ. Madam Chairman, I ask unanimous consent that I may be permitted to offer an amendment on page 15, notwithstanding the fact that the Clerk has read past that page.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. McFALL. Madam Chairman, I reluctantly object.

The CHAIRMAN. Objection is heard.

AMENDMENTS OFFERED BY MR. HANSEN

Mr. HANSEN. Madam Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. HANSEN: Page 25, line 17, delete the period and insert the following: ": Provided, That none of the funds herein appropriated shall be used to effect implementation of the Panama Canal treaties approved in 1978."

Page 26, line 5, delete the period and insert the following: ": Provided, That none of the funds authorized to be expended by this paragraph shall be used to effect implementation of the Panama Canal treaties approved in 1978."

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho (Mr. HANSEN) that the amendments be considered en bloc?

There was no objection.

Mr. CONTE. Madam Chairman, I reserve a point of order on the amendments.

The CHAIRMAN. Would the gentleman like to be heard on his point of order at this time?

Mr. CONTE. No, Madam Chairman, I will let the gentleman from Idaho speak.

The CHAIRMAN. The gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. McFALL. Madam Chairman, will the gentleman yield to me?

Mr. HANSEN. I yield to the gentleman from California.

Mr. McFALL. Madam Chairman, there is no money in this bill to implement the Panama Canal treaties, so that any language the gentleman might put in is not relevant to the bill.

There is no money in here for that purpose, but if the gentleman would just not make his speech, I would be very glad to accept the amendment so that we can finish this bill.

Mr. CONTE. Madam Chairman, I withdraw my point of order.

Mr. HANSEN. Madam Chairman, that is the nicest invitation I have had not to make a speech. I did not plan to make one anyway. I think everyone has heard it before.

I urge adoption of my amendments.

Mr. DERWINSKI. Madam Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Madam Chairman, as an old friend, if I may be permitted an unsolicited bit of fatherly advice for the gentleman, I think the gentleman is offering this kind of amendment to too many bills. I think the temptation has created a whole syndrome of calling wolf, and some day the wolf will be there and the response will not. I wish the gentleman would be more judicious when he offers this amendment, because I am afraid that, tactically, he is guilty of a bit of overkill. I say that as a friend, and I say that as a man who generally supports the amendment.

Mr. HANSEN. Madam Chairman, I would like to reserve a portion of my time at least to respond to the gentleman and say, at the risk of making a speech, that certainly we have to consider this type of problem about an overkill. But, I might mention that as long as the threat exists on the part of one of our agencies, the State Department, to see that the treaties may be partially implemented by funds that are otherwise appropriated, I think the only way the House of Representatives can indicate its intentions properly is to put a precautionary amendment on. That is what is intended here.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Idaho (Mr. HANSEN).

The question was taken; and on a division (demanded by Mr. HANSEN), there were—ayes 10, noes 13.

Mr. HANSEN. Madam Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, she will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2 of rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand by the gentleman from Idaho (Mr. HANSEN) for a recorded vote.

A recorded vote was refused.

So the amendments were rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PAYMENTS FOR PURCHASE OF CONRAIL SECURITIES

For acquisition of series A preferred stock issued by the Consolidated Rail Corporation, to remain available until expended, $300,000,000.

Mr. ROUSSELOT. Madam Chairman, I move to strike the last word.

Madam Chairman, I would like to ask a question of the chairman of the committee. Will any of the money in this bill be used for incentive bonuses for ConRail executives?

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. McFALL. I thank the gentleman for yielding.

This money is for the expenses of ConRail. We have been advised that before the end of this fiscal year ConRail will be out of funds. We have provided these funds in this way and at this time so that there would not be any back-door funding approach to ConRail needs. We have discussed it with representatives of the Interstate and Foreign Commerce Committee, and we agreed that ConRail would need funds before the end of the fiscal year. Since the funds provided are to be used for operating expenses, the answer to the gentleman's question is "Yes."

Mr. ROUSSELOT. Then the answer is "Yes." The moneys in this section could be used for incentive bonuses?

Mr. McFALL. Yes; if that is the way the directors of ConRail desire to pay their executives.

Mr. MOFFETT. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding.

I do not know if we are at the section where an amendment on this subject is appropriate or not.

Mr. ROUSSELOT. We are.

Mr. MOFFETT. I would say to the gentleman that I hope that when an amendment is offered relating to these bonuses, that Members will look very carefully at the list of salaries and bonuses.

Madam Chairman, I read from the incentive awards list, starting with the chairman, $220,000 salary for the year ending 1977; $46,000 bonus.

Mr. ROUSSELOT. That is certainly a tidy sum.

Mr. MOFFETT. For the president, Mr. Spence, $154,000 salary; $23,000 bonus.

Executive vice president, $125,000; $9,800 bonus.

For Mr. Fox, vice president and treasurer, $68,000 salary; nearly $12,000 in bonuses, and so on it goes.

I hope we can have a thorough discussion of this and an amendment which will address itself to it.

Mr. ROUSSELOT. Madam Chairman, I wonder if we can ask the chairman of the subcommittee, who I know has looked into these matters very thoroughly, are these incentive bonuses for a job "well done" by ConRail management while they are creating—how much deficit? I am told it is $367 million for the fiscal year.

Is that a good reason to give them an incentive bonus for creating such a large deficit? They are not quite up to the Congress in creating annual debt, but almost.

How did the subcommittee and the chairman decide to give them incentive bonuses for outstanding work?

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. McFALL. Madam Chairman, the authorizing committee has taken this under consideration. They have held hearings on ConRail.

I think the gentleman from Pennsylvania, who is here and who is the chairman of the subcommittee looking into the ConRail activity might have an answer for the gentleman from California.

Mr. ROONEY. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. Madam Chairman, I would be delighted to yield to the gentleman from Pennsylvania as to why there is not a prohibition someplace against these kinds of incentive bonuses. I do not think they necessarily deserve them.

First of all, are these figures the gentleman from Connecticut quoted the salary plus bonus?

Mr. ROONEY. Yes.

Mr. ROUSSELOT. Why would we be tolerating out of taxpayers' money these incentive bonuses if they are not doing a good job?

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for an additional 3 minutes.)

Mr. ROONEY. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am delighted to yield to the gentleman from Pennsylvania.

Mr. ROONEY. Madam Chairman, ConRail is a private for-profit corporation. It is not owned by the Federal Government. We have not given any money to ConRail. We have loaned them $2.1 billion and we hope to have that $2.1 billion returned sometime within the next 5 years.

Mr. ROUSSELOT. But we give the money to USRA and they give it to to them in turn.

Mr. ROONEY. We loaned USRA the money and they in turn after extensive consideration loaned the funds to ConRail. Again, I emphasize the funds are loaned not granted.

Mr. ROUSSELOT. But they run a substantial deficit every year. Why are we allowing them to chew up indirectly the taxpayers' money in incentive bonus payments when they are not doing the job? I realize it is difficult.

Mr. ROONEY. As you know, they had a very difficult 2 years; we had extremely severe weather during the last two winters. In addition ConRail lost considerable revenue because of the extended coal strike, the longshoreman's strike, and the iron ore strike. Management cannot be held responsible for the adverse conditions not under anyone's control.

Mr. ROUSSELOT. Madam Chairman, I thank the gentleman for that explanation. I am not sure that is adequate and good reason to allow this kind of incentive bonus system to continue. I think it looks a little slipshod on our part to allow that; at least, that is my judgment.

Mr. ROONEY. There are many corporations that lost money last year and this year. ConRail's losses were not due to poor management.

Mr. ROUSSELOT. But the board of directors in corporations in the private sector do not give any bonuses for losing money.

Mr. ROONEY. The board of directors have given them increases in pay, because of inflation during the past 2 years. These ConRail officers received only 10 percent increases in pay. These increases were less than given Federal employees which amounted to 14.7 percent.

Mr. ROUSSELOT. Madam Chairman, I think I have made the point. The gentleman from Connecticut has read into the RECORD the list of incentive bonuses. I think it is overly permissive for this Congress to allow incentive bonuses when they clearly cannot make ends meet.

AMENDMENT OFFERED BY MR. MOFFETT

Mr. MOFFETT. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOFFETT: On page 27, line 7, strike the period at the end of line 7 and insert in lieu thereof ": *Provided*, That none of these funds shall be made available to the Consolidated Rail Corporation, if that Corporation pays a total compensation to any executive in excess of the base salary in effect as of January 1, 1978."

Mr. McFALL. Madam Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from California (Mr. McFALL) reserves a point of order on the amendment.

The gentleman from Connecticut (Mr. MOFFETT) is recognized for 5 minutes in support of his amendment.

Mr. MOFFETT. Madam Chairman, the facts are here. If Members think that the people who run ConRail have deserved this kind of compensation based upon their performance, then I think they should vote against the amendment I am offering.

If we look at the bonuses here, we start out with Mr. Jordan, at $220,000, plus $46,000 for a bonus. I read some of the other figures before. The head of government affairs receives a salary of $78,000, plus a $13,000 bonus. Maybe Frank Moore could use him if he has done that good a job to warrant a $13,000 bonus over the past year.

What are the bonuses for? We keep hearing from the distinguished chairman of the subcommittee about the need to have comparability with other industries. They are far beyond comparability with other industries; I think we can safely say that. Of course, the difference between ConRail and some other industries is that ConRail appears to be even less accountable to the taxpayers, and yet we bail them out every year. In the first quarter of this year the figure was $216 million. It is almost certain to exceed the $366.6 million that we spent to bail them out last year. They definitely need more scrutiny.

I am not one who would say they do not have problems. Of course they have problems—problems of poor equipment, physical plant deterioration, and excess trackage. I am not even one who says they should not cut some of their excess trackage.

But have we seen improved service? Have we seen sensitivity to the problems of our small businessmen and our shippers? Have we seen foresight? Have we seen priorities put in the right places?

I do not think so. But even if we have, I think there is something wrong with paying this kind of money, these kinds of bonuses and salaries, at a time when the President is making a strong appeal to private industry to exercise some self-restraint. Why should ConRail not have some self-restraint?

Obviously, as we have seen, not only from these figures but from other revelations that appeared to the body with regard to the use of taxpayers' money to buy memberships in private clubs, for instance, they are not going to exercise self-restraint on their own.

So, Madam Chairman, I urge support for this amendment, which would hold them at their base salary. The intent of this amendment is clearly also to avoid this bonus business and the payment of money for memberships in private clubs.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California (Mr. McFALL) insist on his point of order?

Mr. McFALL. Yes, I do, Madam Chairman.

I make a point of order against the amendment on the grounds that it is legislation on an appropriations bill. This language is legislation in that it imposes requirements not present in the authorizing legislation and not present in existing law. It imposes additional duties and determinations by the USRA.

Citing Deschler's "Procedures in the U.S. House of Representatives," chapter 26, section 11, I quote the following:

When an amendment, while curtailing certain uses of funds carried in the bill, explicity places new duties on officers of the government or implicitly requires them to make investigation, compile evidence, or make judgments and determinations not otherwise required of them by law, then it assumes the character of legislation and is subject to a point of order.

This language clearly imposes additional duties and determinations in that USRA would have to make a determination of which employees would be affected by the legislation and would have to accumulate data regarding the compensation paid to these employees. This data is not currently being accumulated by the USRA and, therefore, this would require additional action by the agency.

The CHAIRMAN. Does the gentleman from Connecticut (Mr. MOFFETT) desire to be heard on the point of order?

Mr. MOFFETT. Yes, I do, Madam Chairman.

Madam Chairman, I might say first that I think the distinguished chairman of the subcommittee of the Committee on Appropriations has had these problems thrown on his doorstep because we have not done our job in the authorization process as we should do it.

With all due respect, I think the distinguished chairman of the subcommittee is making an argument against another amendment that I presented to the desk but which I did not offer because I was apprehensive about precisely this kind of point of order. The amendment that I offer now is quite simple, and it is no more making legislation than some of the other amendments that we have considered today. In fact, it is much less.

It is very simple, to the point, and it says we hold them to their base salary. There is nothing, in terms of an additional legislative burden, that is present.

The CHAIRMAN. Does the gentleman from California (Mr. ROUSSELOT) desire to be heard on the point of order?

Mr. ROUSSELOT. Madam Chairman, I do.

The CHAIRMAN. The gentleman is recognized.

Mr. ROUSSELOT. Madam Chairman, this is clearly a legitimate limitation on an appropriation bill. Section 307 of the Regional Rail Reorganization Act of 1973

provides for the protection of Federal funds. This section requires USRA to prepare and submit an annual report to Congress on the performance of ConRail in order to keep the Congress informed as to matters which may affect the quality of rail services in the region and which may affect the security of Federal funds. Among other things the annual report must include an evaluation of the projected financial needs of ConRail as well as the projected sources from which such financial needs are likely to be met. The law here clearly envisions the need for USRA to have total access to ConRail's financial data, including salaries. In fact it is impossible to imagine how USRA could successfully carry out its financial monitoring responsibility without knowledge of the executive compensation within ConRail.

Because of this fact it should be clear that my amendment does not add any new duties to USRA beyond those which they are already expected to be performing in their financial oversight of ConRail.

The CHAIRMAN. Does the gentleman from California (Mr. McFALL) desire to be heard further on the point of order?

Mr. McFALL. Madam Chairman, I do wish to be heard further.

The CHAIRMAN. The gentleman is recognized.

Mr. McFALL. Madam Chairman, it is true that the only way that this could be enforced is by having USRA do it. The language which was read by the gentleman does not require the USRA to compile data on salaries, as required by the amendment.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from California (Mr. McFALL) makes a point of order against the amendment offered by the gentleman from Connecticut (Mr. MOFFETT) and states, in making the point of order, that this constitutes legislation in an appropriations bill and that the effect of the amendment would be to require a new duty which is not now required by law.

The Chair has examined the amendment and has listened carefully to the arguments offered. The Chair would point to chapter 25, section 12.10, of Deschler's "Procedure" which appears to be directly in point. That rule states:

An amendment to a general appropriation bill providing that none of the funds therein shall be used to purchase goods or services from suppliers who compensate any of its officers or employees in excess of a certain rate was held a valid limitation on the use of funds in the bill.

Further, as stated by the Members who have argued this point of order, the requirement is already under existing law, in section 548 of title 45 of the United States Code, that the corporation report monthly and annually to the Congress and the public a complete and itemized report of revenues and expenses, which would presumably under normal accounting procedures indicate expenses for salaries.

Ergo, the point of order is overruled.

The question is on the amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MOFFETT

Mr. MOFFETT. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOFFETT: Page 27, line 7, strike the period at the end of the sentence and add "except that no funds shall become available until authorizing legislation is passed."

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. MOFFETT. I would be happy to yield to the gentleman from California.

Mr. McFALL. Madam Chairman, this is the amendment which the gentleman and I discussed concerning the authorizing legislation for these funds, is that correct?

Mr. MOFFETT. That is correct.

Mr. McFALL. Since this is a matter which is within the jurisdiction of the authorizing committee and since that committee is going to be working on it, we feel that this is a proper procedure.

As the gentleman is aware, we were placed in a position that if we did not provide the funds in this bill, we might find ourselves in a position where we could not appropriate the funds needed by ConRail when they needed them. Therefore, we provided the money at this time. But certainly the limitation contained in the amendment which the gentleman offers would allow the authorizing committee to further consider this matter; and we would be willing to accept this amendment.

Mr. MOFFETT. Madam Chairman, I would like to ask the distinguished subcommittee chairman a question, and that is this: My intent here is very clear. I think the chairman knows this. I feel to have this $300 million amount approved and on its way to ConRail before ConRail has had the kind of scrutiny it needs is not right. I do not just mean bonuses and membership in clubs, as the gentleman knows; it needs a lot more scrutiny. I do not intend to be a delaying force, any more than any other Member does; but we need to look at it in more serious terms.

Is it the distinguished subcommittee chairman's belief and perception and understanding that if during the authorizing process, we cut the $300 million to a lower figure, that will be the figure by which ConRail has to live and with which they have to live?

Mr. McFALL. If the gentleman will yield further, if this amendment is agreed to, I am advised that this is true. If the authorization is set at $200 million rather than $300 million, only $200 million would be available. This would give the gentleman the control that he desires.

I would point out to the gentleman that this is legislation on an appropriation bill. We could not have offered it legitimately in the bill, in the first place, without being subject to a point of order.

Mr. MOFFETT. Madam Chairman, I thank the gentleman.

I would conclude by saying that there are people who think, even though they believe we must subsidize this ConRail Corporation, that we have to look at the assumptions on which it is based, and who think we might come out well under $1.2 billion as a legitimate figure. I agree with them.

I also want to thank the subcommittee chairman, his point of order against my earlier amendment notwithstanding, he has been cooperative in this matter.

Mr. McFALL. Madam Chairman, if the gentleman will yield further, we discussed this matter with representatives of the gentleman's committee and we understood that this was within the desires of the committee. In any event, we certainly have no objection to the committee going ahead with their oversight in this matter.

Mr. MOFFETT. Madam Chairman, again I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 303. None of the funds provided in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $561,300,000 in fiscal year 1979 for "Grants-in-aid for airports" under 49 U.S.C. 1714 (a) and (b) other than general aviation discretionary grants.

Mr. O'BRIEN. Madam Chairman, I move to strike the last word.

With reference to section 303, and also with particular reference to remarks made in the general debate this morning, I would like to refer the Members of the House and the chairman to page 21 of the committee report, which refers to the question of including in the national airport system plan the St. Louis area.

I would point out that for 11 years, from 1968 to 1977, that area was included within the FAA plan. Our intention in the committee was merely to urge the Secretary to reevaluate his decision to remove the St. Louis airport from the system's plan. We are not asking for a specific decision. We are asking him to reevaluate one he made. We believe that this particular area is entitled to that consideration.

I would like to point out that it is not within my district, but belongs to the district of the distinguished chairman of the Armed Services Committee.

Mr. VOLKMER. Madam Chairman, will the gentleman yield?

Mr. O'BRIEN. I yield to the gentleman from Missouri.

Mr. VOLKMER. Madam Chairman, the gentleman is not, and the committee is not by this language, asking for any further studies or any further planning or any other action?

Mr. O'BRIEN. My impression is that the matter has been adequately studied. It would seem to me that if this area was included for 11 years, there must have been considerable study made during that period of time. I am merely suggesting that the Secretary might take those considerations into mind when he sees fit to reevaluate this recent and rather short-noticed decision to remove the area from the plan.

Mr. VOLKMER. I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk continued to read the bill.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: Page 33, following line 5, insert the following new section:

"SEC. 317. None of the funds provided under or included in this Act shall be available for the planning or execution of programs involving the construction of Interstate 66 in Arlington County Virginia."

Mr. VOLKMER. Madam Chairman, perhaps some Members would wonder why I, as a resident of Missouri, would worry about what is going on in Arlington County, Va. Well, perhaps the same reasoning would apply as to why the gentleman from Ohio was worried about what was going on in Alaska, and why the Congress worried about what was going on in Minnesota.

I am worried about what is going on with construction of I–66 in Arlington County, Va., between the beltway and Rosslyn, because I live in Arlington County, and I have seen something that disturbs me greatly. I have seen land that once was beautiful land, that once contained trees and vegetation, that now is scarred and has been raped.

There is not a tree standing where I–66 is going. There are cuts. There is concrete going in. There will be no vegetation.

It is my understanding that this was a political decision made, that approximately a year and a half before December of 1966, the then Secretary of Transportation had decided that this route was not feasible, was not proper, that there was no bridge for I–66 traffic to go across when it got down to the Rosslyn area; but then in December of 1976, following an election, that decision was reversed by that same Secretary based on political considerations.

As a result we do not have to go to Alaska, we do not have to go to Minnesota. We can go right out here a couple of miles and see trees being cut down and destroyed, we can see land being torn up, we can see a desecration, all for the purpose of providing facilities for more automobiles to come into Washington, D.C., for more air pollution, for more use of gasoline.

Right along and following the same route funds are being spent today for extension of Metro system for a subway. And I encourage that. But here we are in this bill providing additional funds for that highway and at the same time we are saying we have got to conserve energy. Here we are. We voted twice to try to preserve some of this land for a heritage for those who follow us, just recently, within a month, and here we are voting to give more money to desecrate the land for no good reason.

If Members do not believe me, just drive out and go along Lee Highway or Washington Boulevard or Kirkwood or, soon to be, along Spout Run or Lorcom Lane, beautiful areas today, and see what is going to happen to them.

I did not understand this decision at all once it was made. I have never understood it. I have not talked to the people out there. I have not talked to the local people. I do know, I have read the papers, where they have repeatedly tried to do something, to no avail.

But if Members really believe and this Congress really believes in trying to preserve some vegetation, in trying to say we should conserve energy, then I do not believe I–66 in Arlington County should be built.

I also wish to serve notice on those who are proposing it that when the time comes—because I am sure it is to come—that they say, if it is built, that because it is built and that traffic is building up more and more people west of the beltway, south of the beltway, that we have to have another bridge going into the Georgetown area, that I will be here to do everything that I can with a lot more notice than I have given on this amendment, to fight and stop any such bridge ever bringing any more traffic into Washington, D.C.

Mr. O'BRIEN. Madam Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Madam Chairman, absent the passage of this amendment, where does the authority for executing and planning the completion of I–66 lie?

Mr. VOLKMER. The planning and construction right now?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. VOLKMER was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Madam Chairman, absent this, the planning and construction is with the Virginia Highway Department. As I understand it, the funds would have to go there.

Mr. O'BRIEN. Am I to conclude then that the Virginia State Highway Department is not sympathetic to this amendment?

Mr. VOLKMER. I do not know. I would yield to the gentleman whose district the I–66 is going straight through. I do not know whether they have favored it or not. I have not conferred with them.

Mr. FISHER. Madam Chairman, if the gentleman will yield, certainly the Virginia State Highway Commission would oppose this amendment although the people who will be affected by the highway would support it. Would the gentleman yield to me?

Mr. VOLKMER. Before I do, I would like to finish by saying it is my understanding that the agreement, the final settlement in this case that permitted that I–66 would go through, was that it would be reduced from an eight-lane highway, like we have got on I–95—to a four-lane like we have on a parkway, where we would have trees for buffers from the noise and pollution and where rush hour traffic would be limited solely to buses and carpools.

If you go out there and look at it and see how they are building it, there is no place to have any buffers or trees or anything else on this right-of-way. Just go out and take a look at it.

Mr. FISHER. Madam Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Madam Chairman, I thank the gentleman for yielding to me and I want to compliment the gentleman in the well, from Missouri (Mr. VOLKMER) for taking the initiative to advance this amendment. I am pleased to support the amendment wholeheartedly.

Madam Chairman, this strip of I–66 is really not needed at all at this time. It would have the following harmful effects: It would add to congestion on the bridges and in the District of Columbia. Many of the Members commute over these routes today and they know that during the commuting hours the bridges are very highly congested already.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. FISHER and by unanimous consent, Mr. VOLKMER was allowed to proceed for 3 additional minutes.)

Mr. FISHER. Madam Chairman, if the gentleman will yield still further, in addition to the added congestion, this stretch of highway would have further harmful effects. It would worsen air pollution. It would consume more energy, more gasoline and would eat up a lot of land, parkland, school property, streambeds, valleys and the like. It would split communities and neighborhoods in a heavily built up suburban area. It would, worst of all, duplicate the Metro route, the rapid rail mass transit route. It would discourage, therefore, the use of mass transit, and it would not give Metro, which we are heavily subsidizing already, a fair chance to prove itself.

It may well prove out of compliance with requirements of the Clean Air Act amendments. A court case is underway on this issue at the present time.

The decision to build I–66 does, as the gentleman in the well has said, result from an unholy agreement between a former Secretary of the Department of Transportation who had to reverse his own earlier decision to come out with this approval, and a former Governor of the Commonwealth of Virginia.

The people most affected by it do not want it. They have made that very plain as you well know from watching local television and reading the local newspapers.

For all of these reasons I strongly urge a vote in support of this amendment.

Mr. VOLKMER. Madam Chairman, I thank the gentleman from Virginia (Mr. FISHER) for his comments and, before I yield back the balance of my time, I would like to comment that yesterday evening while discussing this with some neighbors, I was told by a lady who is in the school system there, that because of I–66 some schoolchildren, instead of having three blocks to walk to school will now have to go 1 mile and they will have to eventually either cross under or go over I–66.

So, Madam Chairman, I ask the committee to adopt the amendment.

Mr. MCFALL. Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

Mr. McFALL. Madam Chairman, I rise in opposition to the amendment.

Since the outset of the interstate highway program in 1956, I–66 was planned as a 75-mile highway from Interstate 81 near Strasburg, Va. on the west, to Washington, D.C., on the east. It has been on the national interstate map since 1959. Twenty-two miles of I–66 are completed immediately west of the Capital Beltway and the remainder of the highway west to I–81 has been approved. At the eastern end of the highway, I–66 has been constructed from Rosslyn across the Potomac River via the Theodore Roosevelt Bridge and into the District of Columbia.

The unbuilt segment of I–66 that is the subject of this amendment is 9.6 miles long and extends from the Beltway to Rosslyn. The present location of this highway was approved as an interstate segment in June 1959. The initial right-of-way acquisition was authorized in 1960. By 1968, 94 percent of all dwellings and 84 percent of all necessary right-of-way had been acquired.

From 1970 through 1975 there were a number of public hearings and court cases involving I–66. On August 1, 1975, Secretary of Transportation Coleman rejected the proposed environmental impact statement for construction of a six-lane highway and indicated that other proposals to improve transportation in the corridor should be considered.

Both the Federal and State agencies reevaluated the needs of the area and determined that the planned rapid rail and present highway system could not adequately meet the transportation needs of the corridor. They developed a four-lane, multimode concept. This proposal is designed to meet the corridor's transportation needs while minimizing impacts to the environment. It employs traffic management strategies that will be effective in preventing the use of the highway by low-occupancy commuter vehicles and trucks and will create strong incentives for use of car pools and mass transit in the corridor. The proposal is definitely consistent with the State air quality implementation plan and with the desire of the District and others to reduce the number of automobiles crossing the Potomac River bridges and entering the District. Based on the four-lane proposal, the Council of Governments restored I–66 to the regional transportation plan.

Secretary Coleman, on January 5, 1977, approved Federal aid for construction of I–66 from the Beltway to the District of Columbia as part of the Interstate Highway System, but with specific conditions and restrictions. As approved, the 9.6-mile segment would be a four-lane limited access highway; heavy duty truck traffic would be excluded; and during peak hours, traffic in the peak direction would be limited to buses, to automobiles with 4 or more occupants, to emergency vehicles, and to traffic bound to or from Dulles Airport.

The Secretary's approval was based upon a consideration of the relevant policy and statutory aspects; the major transportation, environmental, social, economic, and legal considerations involved; and the views of local elected officials, governmental agencies, and citizen groups.

On February 2, 1977, Secretary of Transportation Brock Adams gave final approval to the construction of Interstate 66 from the Beltway to the District of Columbia.

As the Members can see, the construction of this interstate segment has been thoroughly reviewed and has been approved. A total of $50 million has already been obligated for construction. This represents about one-third of the total cost of the highway and additional funds will be obligated during the next few months.

Madam Chairman, I believe the long history of project consideration, public debate and court proceedings have demonstrated the need for this highway. In view of these facts and the fact that one-third of the funds for the highway have already been obligated, I believe construction should continue and the amendment should be defeated.

Mr. ROBINSON. Madam Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Virginia.

Mr. ROBINSON. I thank the gentleman for yielding.

It would not be proper to leave the impression that my colleague, the gentleman from the 10th District of Virginia, is representing the overall opinion of Virginia when he opposes the continuation of the construction and the building of Interstate 66. From the district which I represent thousands of people will use I–66 every day. They are already using those bridges that we grant to be overcrowded, but they are going to use I–66 to come into the District of Columbia, where they have employment. A series of Virginia Governors and a substantial major of the Virginia delegation have supported the finishing of I–66. Most of the people of Virginia still do. I heartily endorse what the gentleman in the well has said in support of finishing this very important highway.

Mr. McFALL. In February of 1977, Secretary of Transportation Brock Adams gave final approval to the construction of this highway, and I believe that he has made the correct decision.

Mr. SYMMS. Madam Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

One of the questions I would like to ask is, the amendment says there can be no planning, and so forth, on I–66, if I read it correctly.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SYMMS, and by unanimous consent, Mr. McFALL was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. If the gentleman would yield, what I am interested in is we have all the bus lanes now, like on the 14th Street Bridge. In the part of this process for planning for what impact I–66 would have on the Washington, D.C. metro area, will there be some work done on whether or not it is practical to keep the bus lanes empty and have the traffic backed up 2 miles up the George Washington Parkway coming to the 14th Street Bridge, polluting the atmosphere, where they could be coming across a bridge in a lane which is kept just for commuters, four to a car?

Mr. McFALL. That could happen. The plan has been made for this highway.

In view of the fact that they have all decided, I would think they would want to go ahead and build the highway.

Mr. SYMMS. Madam Chairman, if the gentleman will yield further, I–66 will be built out of the highway trust fund.

Mr. McFALL. Yes; this is a Federal interstate highway.

Mr. SYMMS. Madam Chairman, I thank the gentleman and I agree with the gentleman's position.

Mr. FISHER. Madam Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Virginia.

Mr. FISHER. Madam Chairman, would the gentleman in the well agree it would be on the whole a good thing for this metropolitan region if we could get commuters to use mass transit, rather than so many automobiles?

Mr. McFALL. That is what this highway is for.

Mr. FISHER. Am I to conclude from what he says that the gentleman thinks it is not a good idea to get people to ride mass transit?

Mr. McFALL. Not at all. This plan is based on trying to get more people into carpools and mass transit. Mass transit is going to go down this highway. It is consistent with the idea of using carpools and similar forms of mass transportation.

Mr. FISHER. Madam Chairman, if the gentleman will yield further, it ought to be understood also, and I am sure the gentleman realizes, that over most of the route of the highway that we are discussing, the highway would parallel the rapid rail route.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. FISHER, and by unanimous consent, Mr. McFALL was allowed to proceed for an additional 2 minutes.)

Mr. FISHER. Madam Chairman, if the gentleman will yield further, over most of this stretch of highway we are talking about the highway would parallel the rapid rail route. It does seem to me, and I would like the gentleman's view on this, that if we truly want to get more people using mass transit and the rail into which a lot of Federal money is going, we ought not to be building a massive large new highway over exactly the same route. Why do we not give the rail a chance to prove itself for a few years. Then if it is not doing the job, let us consider the highway.

Mr. McFALL. Madam Chairman, as the gentleman knows, the whole compromise that was entered into was based upon the fact that this highway was supposed to get people to use mass transit,

carpools, and so forth. I believe this is an appropriate concept.

Madam Chairman, I hope the amendment will be defeated.

Mr. FISHER. Madam Chairman, if the gentleman will yield further, the plans were drawn nearly 20 years ago, long before we had so many automobiles, long before we had a realization of the damages of air pollution, long before the energy shortage, and we should not feel that we are stuck with or locked into plans that were drawn up nearly 20 years ago.

Mr. McFALL. Madam Chairman, I would respectfully disagree with the gentleman. The plans for the corridor were certainly not drawn up 20 years ago. They were drawn up within the last 3 years and this compromise was based on those plans.

Mr. CONTE. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Madam Chairman. There are few transportation decisions that have been subjected to as intense an analysis as the decision to build or not to build the remaining 9.6-mile portion of I–66. The road has had approval as an interstate segment since June 1959. Acquisition for the necessary right-of-way was virtually complete 10 years ago.

Believe me, if we had to start today and if I had anything to do with it, I would be against it, because that road out there, I–66, has taken away some of the best deer grounds ever; but it is too late. The road is out there now, flattened out and the dirt is out there.

I know if we stopped it now, we would have a dirt road out there.

Madam Chairman, for the first half of this decade, numerous public hearings and court cases involved the fate of this highway. Ultimately emerging from this public decisionmaking process was a four-lane multimodal limited access highway, which among other things would exclude heavy-duty truck traffic, and at rush hour give preference to buses, and carpools of four or more occupants. It is a much more environmentally sound project than the initially proposed six-lane highway.

Both former Transportation Secretary Coleman and Secretary Adams carefully reviewed the major transportation policy, legal and environmental factors associated with the construction of this highway. Each welcomed and considered the views of citizen groups, local elected officials, and Government agencies in making their decision to approve Federal aid for the construction of the highway.

As a result of this decision, a total of $50 million, or one-third of the total highway costs has been obligated for construction. In the next few months, additional obligations will be forthcoming.

Madam Chairman, I believe there is no basis for our second-guessing the wisdom of the completion of this highway. The need for the road is well established. The nearly $17 million invested in construction should not be wasted by bringing this project to a halt. This amendment should be rejected in order that construction can continue, and I hope it is defeated.

Mr. PRITCHARD. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, one of the things that is tearing this country apart is the fact that urban centers are deteriorating, resulting a worsening of quality of life for the residents. Nothing is affecting this situation more than major highways, cutting and dissecting neighborhoods in our large cities.

I am a member of the National Commission on Neighborhoods which meets every third weekend in a different major city across the country. I can tell my fellow Members that over and over again, we hear neighborhood groups deploring the fact that a major highway has come through their city and disrupted their area, and school districts.

This is a major problem for America. If we continue to construct these highways and route them through previously cohesive localities, how are we going to keep the quality of life intact so that a pleasant, organized social structure can be retained? What can be more destructive than to so divide and fragment these areas.

We know that there are two things involved in this discussion: First, we must encourage more people to use public transportation systems. Second, when we talk about Washington, D.C., we should remember that the bottleneck is often a bridge. No one is going to solve the District commuter traffic problems, until we get rid of these bottlenecks. What we are saying here is that to accomplish this, we will have to build another bridge across the Potomac. We all know there is no money for such a bridge, let alone a reasonable plan.

It seems to me that we are attempting to legislate on an appropriation bill, and I disagree with that procedure. But, most importantly, we must realize right now that we are dealing with a policy which will result in the continued tearing up of our cities.

Madam Chairman, I want to say to the Members that people throughout the country are fed up with large amounts of Federal money being spent destructively in their communities, when we could be spending that money in so many beneficial and thoughtful ways to improve our neigborhoods.

Mr. DICKS. Madam Chairman, will the gentleman yield?

Mr. PRITCHARD. I am glad to yield to the gentleman from Washington.

Mr. DICKS. Madam Chairman, I want to commend the gentleman from Seattle in the State of Washington for his comments. I think the gentleman's point is well taken, and I think it is something we should consider also in the State of Washington.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

The question was taken; and on a division (demanded by Mr. VOLKMER) there were—ayes 10, noes 45.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SHUSTER

Mr. SHUSTER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHUSTER: Page 33, after line 5, insert the following new section:

SEC. 317. None of the funds appropriated under this Act shall be used to implement or enforce any standard or regulation which requires any motor vehicle to be equipped with an occupant restraint system (other than a belt system).

Mr. ECKHARDT. Madam Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Texas (Mr. ECKHARDT) reserves a point of order against the amendment.

Mr. DINGELL. Madam Chairman, I desire to be heard on the point of order at the appropriate time.

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) reserve a point of order against the amendment?

Mr. DINGEL. No, Madam Chairman. I desire to be heard on the point of order at the appropriate time.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. SHUSTER) is recognized.

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from California (Mr. McFALL), the distinguished chairman of the subcommittee.

PARLIAMENTARY INQUIRY

Mr. McFALL. Madam Chairman, has a point of order been made against the amendment?

The CHAIRMAN. The Chair will advise the gentleman from California (Mr. McFALL) that the gentleman from Texas (Mr. ECKHARDT) has reserved a point of order against the amendment.

Mr. McFALL. Madam Chairman, I thought perhaps we could argue the point of order. If we argue the point of order, and the point of order is sustained, then we could vote on the bill and finish it today. If the point of order is not sustained, then, of course, we will have to go over until next week, because we have a 3 o'clock cutoff time.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Texas (Mr. ECKHARDT) desire to be heard on the point of order at this time?

Mr. ECKHARDT. I do desire to be heard, Madam Chairman.

The CHAIRMAN. The gentleman is recognized.

Mr. ECKHARDT. Madam Chairman, I raise the point of order under rule XXI, clause 2.

Madam Chairman, rule XXI, clause 2, establishes the general proposition that no provision of a general appropriation bill changing existing law shall be in order.

I would like to address that portion of the rule first. Clearly, the Shuster amendment purports to change existing law, and in a very significant way.

Under existing law, the Secretary of the Department of Transportation may make rules which may go into effect in

the absence of action on the part of the House exercising a legislative veto, which rules could result in establishing a system of passive restraints.

Indeed, the Secretary has taken such action, and the Senate has voted against action stopping the Secretary's authority. The House has taken no action. Therefore, the action of the Secretary has gone into effect.

The effect of the Shuster amendment would be to deny the Department of Transportation funds necessary to carry out the rule in one way. But it would still permit funds to be used quite freely in another way.

There are two types of passive restraints presently in existence. One is the airbag; the other is a passive seatbelt.

The Shuster amendment purports to prevent any funds from going for the purpose of the airbag—that would be the effect of it—but to permit, on the other hand, funds to be used for the seatbelt.

The Secretary's rule is not stated in terms of a design limitation, but rather in terms of a performance standard.

POINT OF ORDER

Mr. BAUMAN. Madam Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. Madam Chairman, the gentleman from Texas (Mr. ECKHARDT) is not addressing himself to a point of order. He is evidently arguing the merits of legislation or of regulations. He has not stated a point of order.

Mr. ECKHARDT. Madam Chairman, I certainly have done so. I am simply presenting my point of order and explaining what the amendment is about. I was willing to let the gentleman proceed to explain his amendment, but it was suggested to me that I make the point of order now.

Mr. BAUMAN. Madam Chairman, I have no objection to that if the gentleman is actually making a point of order.

Mr. ECKHARDT. Madam Chairman, I think I can make the point of order as I see fit.

The CHAIRMAN. The gentleman from Texas (Mr. ECKHARDT) will proceed to state his point of order.

Mr. ECKHARDT. Therefore, Madam Chairman, there is a substantial change which the amendment would accomplish.

It is recognized, of course, that rule XXI, clause 2, contains an exception which is called the Holman exception or the Holman rule. However, to come within this exception, the amendment must meet several qualifications.

Number one, it must be germane to the subject matter of the bill. Number two, it must be shown to have the effect of retrenching expenditures. Number three, its principal effect must be only to retrench expenditures and not to impose additional duties on those who administer the primary legislation involved.

Madam Chairman, I suggest that this amendment fails on the last two points which I have brought out here. In the first place, it is the duty of the officer of an amendment to show, in order for the amendment to come under the Holman exception, that the amendment does, in fact, have the effect of retrenching with respect to expenditures. If there is no retrenchment and if the money could or would or might reasonably be expended in other ways, in that event, the Holman exception does not apply.

For instance, in the Rules and Practices of the House of Representatives, 95th Congress, on page 574, the following is said:

> The following provision in the Army appropriation bill, namely, "That hereafter no money appropriated for Army transportation shall be used in payment for the transportation of troops and supplies of the Army" over certain lines of railroad which are indebted to the Government, was held subject to the point of order under this rule on the ground that on its face it did not reduce expenditures in any of the three methods enumerated in the first portion of the rule; that such a motion should come officially from the committee having jurisdiction, and not as an integral part of an appropriation bill (IV, 3927).

The point was simply this, that to prevent the goods from going over one railroad but still to permit the goods to go over another railroad did not in any wise reduce or retrench funds.

Similarly, in this case, since the matter involved is a performance standard, and since by law we direct the Secretary to put into effect such a standard or we give him authority to put into effect such a standard, and he has done so, he will expend the moneys for one method of passive restraint; and that is the method of passive restraint through seatbelts, even though he is barred from using the other method of applying passive restraint by airbags.

Madam Chairman, the precedents clearly point out that it is the burden of the maker of the amendment to show that there is, in fact, retrenchment.

I cite Deschler's procedure in the U.S. House of Representatives, page 379, section 10.7, in which it is said:

> An amendment to a general appropriation bill denies the availability of funds in the bill to a certain category of recipients but which requires federal officials to make additional determinations not required by law as to the qualifications of recipients is legislation and is not a retrenchment of expenditures where it is not apparent that the prohibition will reduce the amounts covered by the bill.

Further, in the parliamentarian's notes it is stated:

> With respect to the retrenchment point, the sponsor of the amendment defended the amendment as a retrenchment, but was unable to show that the funds not used as a result of the amendment would not otherwise be allocated to other classes of recipients.

Clearly, under this provision, since the Secretary has required passive restraint, and since this amendment in no way changes that requirement with respect to seat belts, passive seat belts, therefore this is not in fact a retrenchment.

The CHAIRMAN. Would the gentleman from Texas give us some idea of when he would like to summarize his argument?

Mr. ECKHARDT. If the Chair will permit me to say so, Madam Chairman, I think the limitations on appropriations bills are one of the most dangerous areas of retrenchment. I would merely add the one further point, which I have not yet touched on; that is the point that this is legislation within an appropriations bill calling for specific additional duties on the part of the Secretary of Transportation; that is, it directs the Secretary of Transportation to revise his present modes of putting into effect the restraints, and move from consideration of the air bag matter to the passive restraints, which is legislation in an appropriations bill calling for additional duties on the part of the Secretary.

The CHAIRMAN. Does the gentleman from Pennsylvania wish to be heard on the point of order?

Mr. SHUSTER. I do, Madam Chairman.

Madam Chairman, the gentleman from Texas, by citing the Holman rule, implies that my amendment contains legislation. To the contrary, it contains none. Thus, it is simply a proper limitation on the use of funds. No additional duties are imposed upon the executive. Further, I would cite rule XXI, section 843, in part:

> It being established that the House under its rules may decline to appropriate for a purpose authorized by law, so it may by limitation prohibit the use of the money for part of the purpose while appropriating for the remainder of it.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. DINGELL. I wish to be heard, Madam Chairman, much more briefly than the gentleman from Texas.

Madam Chairman, the amendment is a perfectly valid limitation upon an appropriation. The powers conferred upon the Secretary under this are not a statutory mandate, but rather are authority to engage in certain discretionary acts. Intertwined amidst the rather lengthy discussion of my friend from Texas on the point of order were some bits of truth, the first of which is that this is in fact a limitation upon an appropriation. The second is that it is upon a discretionary act by the Secretary.

So, we have here, Madam Chairman—and I am sure that the Chair during this lengthy discussion has not forgotten the text of the language, but it says:

> Sec. 317. None of the funds appropriated under this Act shall be used to implement or enforce any standard or regulation which requires any motor vehicle to be equipped with an occupant restraint system (other than a belt system).

This is a perfectly valid limitation upon an appropriation, which I am sure is more fully covered with the requirements of the rules of the House.

The CHAIRMAN. The Chair is ready to rule, but of course if a Member wants to be heard further on the point of order, he will be recognized.

Mr. STAGGERS. Madam Chairman, may I briefly be heard?

Madam Chairman, I would just like to say that the proper representatives have decided this issue in the regular order, that it was brought up and

presented to the Senate. It was defeated 2 to 1.

Mr. DINGELL. Point of order, Madam Chairman.

Mr. STAGGERS. I am speaking on the point of order.

It has been decided by the proper committee and by the representatives on those committees, in our committee it was decided fully.

Mr. SHUSTER. Madam Chairman, point of order. The gentleman is not dealing with the point of order.

Mr. STAGGERS. It was voted upon in our committee and was killed in our committee. So, that is what I have to say.

The CHAIRMAN. The Chair is following regular order, and the Chair is ready to rule.

The gentleman from Texas makes a point of order against an amendment offered by the gentleman from Pennsylvania on the grounds that it constitutes legislation in an appropriations bill.

The Chair would say to the gentleman from Texas that his entire argument was addressed and based on the assumption that this amendment did constitute legislation on an appropriation bill. The fact of the matter is that it does not constitute legislation on an appropriation bill, and the reason that it does not is that there is no word in it which directly by its terms changes existing law, which is the simple question here.

The amendment would prohibit the use of funds appropriated under the act to implement or enforce any regulation requiring occupant restraint systems, other than belt systems, in motor vehicles. As indicated by argument on the point of order, the amendment would disallow funding for standards requiring air cushion installation in vehicles. Section 1392 of title 15, United States Code, authorizes the promulgation of motor vehicle safety standards but does not require any particular regulation to be implemented.

Although it is true, as stated by the gentleman from Texas, that the limitation would restrict executive discretion insofar as it removes funding for regulations which are within the general authority of the executive branch to promulgate, it is well settled that a limitation may negatively restrict funding in an appropriation act for part of a discretionary activity authorized by law if no new affirmative duties or determinations are thereby required (Deschler's Ch. 25, sec. 10. 17.).

For the reason stated, the Chair overrules the point of order.

Mr. SHUSTER. Madam Chairman, I yield to the gentleman from California (Mr. McFALL).

Mr. McFALL. Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Miss JORDAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

PROCLAIMING JUNE 11, 1978, AS "AMERICAN UNIVERSITY PRESS DAY"

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 140) to authorize and request the President to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us whether this has been passed by the Senate?

Mr. LONG of Maryland. Mr. Speaker, if the gentleman will yield, this has passed the Senate, that is right.

Mr. ROUSSELOT. And it has been submitted to our committee here for appropriate action?

Mr. LONG of Maryland. I am not quite sure about that. I have been asked to introduce it today.

Mr. ROUSSELOT. I understand it was submitted to the appropriate committee.

Mr. LONG of Maryland. That may be true, yes.

I hope very much the gentleman will not object. The date is Sunday, June 11.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I just hope in the future when the gentleman has something like this to bring up, he will do it ahead of time.

Mr. LONG of Maryland. I will be glad to do that. I was only asked to do it a few moments ago.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 140

Whereas since the establishment of the first university press at Johns Hopkins University in 1878, American university presses have advanced and diffused the spectrum of human knowledge, issuing one-sixth of all American books in print today;

Whereas American university presses maintain a long tradition of notable achievement as demonstrated by the large share of prizes for literary merit and graphic excellence awarded university presses; and

Whereas American university presses continue to have a profound impact on culture, scholarship, and higher education, both regionally and internationally: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating June 11, 1978, as "American University Press Day," and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND SPEAKER TO SIGN ANY ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED BY THE TWO HOUSES AND FOUND TRULY ENROLLED

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday, June 12, 1978, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Colorado?

There was no objection.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the transportation appropriation bill considered today by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A FASTER WAY TO TOUGHEN NATO

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, today I would like to call to the attention of my colleagues the Wednesday, June 7, editorial in the Los Angeles Times, entitled: "A faster way to toughen NATO". The Times editorial advocates the lifting of the U.S. arms embargo on Turkey, in order to revitalize the strategically weakened southern flank of NATO. General Alexander Haig, the Supreme Allied Commander in Europe, has reported that the Turkish Armed Forces have been crippled in effectiveness by 80 to 90 percent, since the advent of the arms embargo.

The United States imposed the arms embargo on Turkey in 1975, due to Turkish intervention on the Isle of Cyprus, which was precipitated by the overthrow of Archbishop Makarios' ruling Cyprus Government by Greek forces supported by the then Greek junta Dictayorshia.

Although Congress cannot condone the continuing presence of Turkish troops in Cyprus, Congress as the protectors of American security, must act in a manner

that is conducive to a strong western alliance.

I believe that America has sufficiently shown its disapproval of Turkey's armed presence in Cyprus. The Times states that—

Instead of prodding Turkey into a more conciliatory position on a Cyprus settlement, the embargo has reenforced its obstinacy in resisting what it considers Greek and American pressures for a Cyprus solution.

When the House considers President Carter's request to lift the arms embargo, I would urge my colleagues to vote in favor of a stronger NATO and a more satisfactory atmosphere for a peaceful settlement in Cyprus, by voting to lift the arms embargo against Turkey.

Mr. Speaker, I commend the Times' editorial to my colleagues.

The Times' editorial follows:

A FASTER WAY TO TOUGHEN NATO

Leaders of the Atlantic alliance voiced deep concern at their recent summit meeting in Washington over the growing military strength of Warsaw Pact nations. And President Carter said the power of those countries "far exceeds their legitimate security needs."

To counter the threat posed by the Soviet-led alliance, the NATO leaders endorsed a massive defense program that calls for military expenditures of up to $80 billion over a 10-to-15-year period.

There is an additional and faster way to bolster Western defenses, one that now rests in the hands of Congress. It could alleviate some of the concern over the Soviet bloc's military buildup by approving the President's request to lift the arms embargo imposed on Turkey in 1975 over its use of American weapons in its invasion of Cyprus the year before.

The President's request, approved by the House International Relations Committee, is expected to go to the House floor for a vote later this month. It is expected to go to the Senate floor early next month, with a do-not-approve recommendation from the Senate Foreign Relations Committee.

Congress should look beyond the understandable efforts of the powerful pro-Greek lobby to keep the arms ban intact as long as Turkey refuses to relinquish Cypriot territory that it conquered in the invasion. As important as the issue is for the 600,000 Greek- and Turkish-Cypriots, the Cyprus dispute must no longer be allowed to corrode the effectiveness of the alliance.

There are important moral considerations in Turkey's use of U.S. weapons during the invasion in violation of agreements with Washington, and against people with strong cultural ties to a NATO partner. Embargo or not, Turkey has no justification for clinging to territory belonging to 200,000 Greek-Cypriots driven from their homes by Turkish forces.

The embargo, however, has been counterproductive, and the necessity for lifting it was dramatized by the concerns expressed at the summit meeting, even though the conferees did not specifically call for the removal of the arms ban. According to Gen. Alexander M. Haig, the alliance commander, Turkey's armed forces have deteriorated 80% to 90% in effectiveness since the embargo was imposed. Afflicted with economic problems. Turkey does not have the money to modernize its military machine.

Yet, instead of prodding Turkey into a more conciliatory position on a Cyprus settlement, the embargo has reenforced its obstinacy in resisting what it considers Greek and American pressures for a Cyprus solution.

It has prompted Turkish Prime Minister Bulent Ecevit to engage in a flirtation with Moscow, which he will visit later this month as part of an effort to improve Soviet-Turkish relations. That effort was underlined at the NATO summit where Ecevit, the honorary president of the NATO Council, was the only alliance leader who said he felt no threat from the Soviet military buildup.

Ecevit added that, even if the embargo were lifted, Turkey would no longer embrace NATO as ardently as in the past. Such comments may merely reflect Turkey's anger over the continuing arms ban and its inability to play a larger role in NATO.

But, as long as the ban remains in effect, there is no chance for Turkey to make a greater contribution to the alliance. If the embargo were removed, we think the opportunity would arise for improving Western defenses in a critical area, and for opening the way—finally—to a just settlement on Cyprus.

ELIZABETH POLE PROPOSED FOR NEW SILVER DOLLAR

(Mrs. HECKLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

● Mrs. HECKLER. Mr. Speaker, ever since the Secretary of the Treasury proposed that a new silver dollar be issued, the names of several famous women have been put forward as candidates for honoring by having their likenesses depicted on this new coin. The Carter administration, however, proposes that an allegorical depiction of Miss Liberty be used.

My proposal would be a departure from past policy and practice. In my opinion, a real person, a woman, should be honored rather than an allegorical figure.

Furthermore, my bill would honor an unsung woman whose pioneering and courageous spirit characterizes that of modern American woman. And the honor would be based not on fame but on accomplishment.

Her name is Elizabeth Pole, founder of the city of Taunton, public servant, and early day developer.

Mr. Speaker, Elizabeth Pole is well known to Massachusetts historians. It is long past time that other Americans recognize her accomplishments. It is true that the other women proposed for this coin are more famous. It is also true that each one already has been accorded appropriate recognition and many honors.

It is time to broaden our circle of awareness to include other deserving women. I urge my colleagues to consider the following about Elizabeth Pole:

Born in 1588, she left the comfort of a castle in England to emigrate to America after 1630.

She was the first woman to found a town or city in the United States; namely, Taunton, Mass. She was instrumental in developing the shipbuilding and iron industries in the area. She was proprietor for the town; her counsel and wise judgment were sought after by Governor Bradford and the Plymouth County Legislature. In addition, Elizabeth Pole was instrumental in founding the first school and the first church in the settlement. She was an outstanding person of high moral character.

Mr. Speaker, I would like to share with my colleagues this biography of Elizabeth Pole prepared and broadcast by Radio Station WPEP, Taunton, Mass.

ELIZABETH POLE

Elizabeth Pole was born in August of 1588 at "Shute House" in Devonshire, England, twenty miles south of Taunton, England. Her father, Sir William Pole, was knighted by King James I. Her mother, Mary, was daughter of Sir William Peryham, Lord Chief Baron of Exchequer under Queen Elizabeth and King James.

Her Royalist family must have been chagrined to learn that Elizabeth and her brother William II, a lawyer, were going to settle in America. Before sailing for these shores, she was a stockholder in the Dorchester Company. Of the 120 stockholders, 21 were members of the Clergy and all were Puritans. There is no record of her voyage or her arrival here sometime between 1630 and 1635. However, after staying for a time in Dorchester, Massachusetts, she came to the area, now known as the Greater Taunton area

Here, this pioneer lady purchased land from the Indians at "Tetiquet". This purchase led to the subsequent "Cohannet Purchase" from Massasoit about a year later. She was the first woman to found a town.

The Tetiquet Purchase took place on March 7, 1637. She called the Pole settlement "Shute House", "Littleworth", after her English home. At her new plantation, she lost many cattle and endured great hardship. The imagination can easily conjure the dangers a pioneer encountered in the wilderness that once was Taunton.

When the seal of the City of Taunton was created in 1684, her leadership role was noted in the imprint "Dux Femina Facti"—the leader of what was done. She was made the Proprietor of the whole settlement which gave her both voice and voting power at the meetings with the other landowners. Governor Bradford and the legislature of Plymouth County also relied on her counsel and wise judgement. Elizabeth Pole was an active participant in all the affairs of the town.

Her indomitable spirit was the driving force in the development of Taunton. She was instrumental in establishing the first church in this area and in developing the resources of the newly purchased land, leading to the formation of the ship building and iron industries. Along with others, she formed a joint stock company for the purpose of manufacturing iron from the bog ore which was indigenous to the area. The iron industry gave the area a vital impetus and flourished for many, many years.

An independent spirit, she can rightly take her place as a forerunner of the Women's Liberation movement. Dedicated to her religion, she was referred to as Generosa—a person of noble mind and heart.

She was truly an outstanding woman; one who left the comfort and luxury of a castle in England for a log cabin in the wilderness.

Elizabeth Pole was a pioneer . . . an outstanding person . . . an outstanding woman in American history.

Mr. Speaker, in my view, Elizabeth Pole is a superb candidate for the honor of being represented on the new coin dollar. I commend her and her accomplishments for your consideration.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, due to family matters I was not able to attend the session on June 7, 1978. Had I been present, I would have voted in the following manner:

Rollcall No. 424: H. Res. 1218, making in order consideration of the bill H.R. 12930, making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1979 and for other purposes. My vote, "yes."

Rollcall No. 425: Amendment offered by Mr. McClory to H.R. 12930, increasing the appropriation for the Bureau of Alcohol, Tobacco and Firearms by $4.2 million and striking the prohibition on using funds to enforce the Bureau's rules concerning firearms published on March 21, 1978. My vote, "no."

Rollcall No. 426: Final Passage of H.R. 12930. My vote, "yes."

Rollcall No. 428: Amendment by Mr. Symms to H.R. 12929, the Labor-HEW Appropriations, reducing the appropriation for the Occupational Safety and Health Administration to the 1978 level, a reduction of $28.4 million. My vote, "no." ●

PANAMA'S GOVERNMENT HAS REJECTED SIX KEY SENATE RESERVATIONS TO THE NEW PANAMA CANAL TREATIES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Arizona (Mr. RUDD), is recognized for 20 minutes.

Mr. RUDD. Mr. Speaker, I have just received a copy of an official communique issued by Panama's Foreign Ministry, in which Panama's Government rejects the six U.S. Senate reservations to the recently ratified Panama Canal treaties—or their interpretation by the Senate.

This communique was issued by the Panama Government on April 29, 1978, and published the following day by La Estrella de Panama, a newspaper controlled by Panama dictator Omar Torrijos.

The communique was translated by language experts of the Foreign Broadcast Information Service, an official arm of the U.S. Government, and published for distribution on May 1. The distinguished Senator from North Carolina (Mr. HELMS) placed the entire communique in the CONGRESSIONAL RECORD on June 5 (pp. 16137–16163), along with his own good analysis of its contents.

The Panama Government's communique opens up with a lengthy statement concerning reservations to treaties. Quoting from the Vienna Convention of 1969, the communique defines a reservation as follows:

D. "Reservation" is understood to be a unilateral declaration, regardless of its name or designation, made by a state in signing, ratifying, accepting or approving a treaty or in adhering to it with the purpose of excluding or modifying the legal effects of certain dispositions of the treaty in its application to that state.

The communique then rejects the binding nature of a reservation, by stating:

We can assert that, regardless of the term used, what matters is if the condition, reservation, amendment or declaration made by one party to the other modifies or changes what has been agreed to by the plenipotentiaries. If that change has been made, it is unquestionable that the treaty has not been ratified but, rather, that a counteroffer has been made by one party which the other is at liberty to reject, modify or approve. Only if it approves the counteroffer is the consent or perfecting [perfeccionamiento] of the wish of both parties to obligate themselves realized.

Among the key reservations rejected by Panama is the crucial DeConcini reservation, which guarantees the right of U.S. military intervention in the event that the canal or its continued operation is ever threatened by hostile action.

The new Panama treaties would never have been accepted by the U.S. Senate, which passed them by a razor-thin two-vote margin, if the DeConcini reservation had not been attached to the Senate's ratification resolution.

The Panama Foreign Ministry communique, issued just 9 days after ratification of the main Panama Canal Treaty, expressly rejects any interpretation that would give the United States a right to send forces into Panama, even to protect the canal.

The communique quotes many documents and speeches on international law in an effort to demonstrate that the DeConcini reservation, as finally accepted by the Senate, has no legal standing. The Panama Government quotes the Seventh Pan-American conference held in Montevideo in 1933 as saying:

No state has the right to intervene in the internal or external affairs of another.

And the communique further quotes the United Nations Charter as saying:

All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

Even more disturbing, however, is the communique's quote from article 15 of the charter of the Organization of American States, approved in Bogota in 1948, which states:

No state or group of states has the right to intervene, directly or indirectly, regardless of the reasons, in the domestic or foreign affairs of another . . .

The Panama Government concludes in its communique that the history of international and hemispheric principles absolutely proscribes the right of the United States to intervene in defense of the canal, once the new treaties have been implemented, despite the DeConcini reservation.

The communique states:

[During the Senate debate] some U.S. Senators . . . rudely used language which without a doubt indicated that in their opinion, the United States has the "right to intervene" in Panama to preserve the neutrality and the security of the canal.

The communique then states emphatically:

This must be made very clear. The "right of intervention" does not exist; everything is to the contrary.

Mr. Speaker, I am concerned that President Carter has not publicly acknowledged this communiqué to the American people, and offered an appropriate response or defense of the American position.

He is scheduled within the next few days to exchange the instruments of ratification with Dictator Omar Torrijos. Unless this communique is acknowledged and answered before that time—and unless all U.S. reservations and understandings to the ratification resolution are clearly accepted by the Panama Government—we have no treaty to accept, and thus no instruments to exchange.

This action by Panama has gone unreported throughout the United States, which also greatly concerns me, despite the fact that the communique has been publicized in Panama.

Officials of the State Department are aware of the communique, and acknowledged this to my staff today. When asked what response they had to concerns over Panama's blatant repudiation of U.S. Senate reservations to the treaties, a State Department official said he believed that those who interpreted the communique that way had "misread" it.

This is a ridiculous position, as any reading of the communique will show.

I am greatly concerned that the President still plans to exchange the instruments of ratification, under these conditions. Once this has been done, all differences of opinion and disputes over interpretation of the treaty provisions and reservations will be thrown into the hands of international agencies and courts, where it is likely that the U.S. position will not prevail.

There must be no misunderstanding or dispute over the Senate's will in this matter before the instruments of ratification are exchanged. The President of the United States must insure that the position of our country is upheld, and that both Panama and the United States are of one mind on the intent and the interpretation of all provisions, before formal proceedings to implement these new treaties go any further.

I have today sent a letter to the President, asking him to call off his plans to exchange the instruments of ratification until this matter has been settled.

It is my view that U.S. ratification of the treaties is null and void unless Panama accepts all U.S. Senate reservations.

I have opposed these treaties all along. This latest action by Panama is just further evidence to the American people that we cannot trust Panama's Government to act in good faith.

I would like to include my letter to the President at this point in the RECORD, together with a summary of the six Senate provisions disputed by the communique:

WASHINGTON, D.C.,
June 9, 1978.

HON. JIMMY CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I respectfully request that you call off your plans to exchange the instruments of ratification for the new Panama Canal treaties, with Panama's Dictator Omar Torrijos, in light of Panama's official

government rejection of six key Senate reservations which were added to the U.S. resolution of ratification as conditions for U.S. approval of the new treaties.

My request is based upon information concerning Panama's rejection of the U.S. Senate reservations, contained in an official communique issued by Panama's Foreign Ministry on April 25, 1978, and translated for publication and distribution in the U.S. by the Foreign Broadcast Information Service of the United States.

As you will recall, the Senate adopted the six key reservations, which I have enumerated and outlined in an enclosure to this letter, as a precondition for Senate ratification of the two treaties. One particular reservation rejected by Panama, the DeConcini reservation, provided for U.S. military intervention in the event that the canal or its continued operation is ever threatened by hostile action. Had the Senate known when it adopted the ratification resolution by only a two-vote margin that Panama would reject the reservations, Senate ratification would not have occurred. In my view, Panama's action through the April 25th communique therefore renders the treaty null and void, requiring the two plenipotentiaries to initiate new action if the 1903 treaty is to be replaced.

With Panama's official rejection of U.S. Senate reservations to the new treaties, the United States now has no treaty to deliver to Panama. It is therefore improper for our country to proceed with formal action leading to implementation of new treaties. I hope that you will announce this fact publicly to the American people.

Your response to this letter will be appreciated. I know that this latest action by Panama's government is further evidence to the American people that we cannot trust the regime of dictator Omar Torrijos to act in good faith. I would like my constituents, and all the American people, to know the response of their government in this matter as soon as possible.

Most respectfully,

ELDON RUDD,
Member of Congress.

PANAMA'S REJECTION OF SIX U.S. SENATE RESERVATIONS TO THE PANAMA CANAL TREATIES

(The Panama Foreign Ministry issued the attached official communique on April 25, 1978, in which it rejected six key U.S. Senate reservations to the resolution ratifying the new Panama Canal treaties, or their interpretation by the U.S. Senate.)

SUMMARY OF REJECTED RESERVATIONS

1. The DeConcini reservation to the neutrality treaty: Allowing unilateral U.S. military action to defend and protect the canal in the event that the canal or its continued operation is ever threatened, especially by hostile action.

2. The Nunn reservation to the Neutrality Treaty: Providing for continued U.S.-Panama negotiations for increased U.S. military presence than provided by the new treaties, after the year 1999.

3. The Hollings-Heinz-Bellmon reservation to the Panama Canal Treaty: Clarification of treaty provisions concerning a $10 million annual payment to Panama from canal toll revenues, to prevent a lump-sum $220 million payment to Panama from revenues have not been sufficient to pay the annual or accrued annual payments.

4. The Cannon reservation to the Panama Canal Treaty: Providing for reimbursement by the new Panama Canal Commission, to the U.S. Treasury, of revenues equal to the interest cost of funds or other assets directly invested in the Commission or the predecessor Panama Canal Company by the United States.

5. The Danforth understanding to the Panama Canal Treaty: Providing for the Panama Canal Commission to make all needed expenses to manage, operate, and maintain the canal, and to clarify that canal tolls need not be set at levels necessary to provide revenue payments due to Panama (i.e. the $10 million annual payment).

6. The Brooke reservation to the Panama Canal Treaty: A condition that instruments of ratification of the new Panama Canal treaties will not be effective until March 31, 1979, and that the new treaties will not become effective prior to October 1, 1979.

PUBLIC HEARING ON AMENDMENTS TO THE MEDICARE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, I am inserting in the RECORD, for the information of my colleagues, a copy of the press release issued today by the Subcommittee on Health of the Committee on Ways and Means announcing public hearings on possible amendments to the medicare program. These hearings will begin on Monday, June 19, 1978, and continue on subsequent dates to accommodate all those requesting to testify.

THE HONORABLE DAN ROSTENKOWSKI, DEMOCRAT OF ILLINOIS, CHAIRMAN, SUBCOMMITTEE ON HEALTH OF THE COMMITTEE ON WAYS AND MEANS ANNOUNCES HEARINGS ON AMENDMENTS TO THE MEDICARE PROGRAM

The Honorable Dan Rostenkowski (D., Ill.), Chairman of the Subcommittee on Health of the Committee on Ways and Means announced today that the Subcommittee will hold public hearings on possible amendments to the medicare program beginning at 11:00 a.m. on Monday, June 19, 1978 in Room 1100 Longworth House Office Building.

At the recommendation of the Subcommittee, the Congressional Budget Resolution for FY 1979 provided for a limited additional outlay for improvements in the medicare program. Although there are a large number of major benefit improvements which might be desirable, changes which would have a significant cost impact on the program are not feasible at this time. The Subcommittee would like to receive testimony on the following low-cost and noncontroversial changes. The hearing will not cover any other subjects or issues. Although a rather large number of potential medicare revisions are listed below, it should be kept in mind that legislation developed as a result of these hearings must necessarily be quite restricted in scope so as to conform with the limitations contained in the current budget resolution.

1. *Possible limited improvements in present coverage relating to:*

Practitioners' services furnished by oral surgeons, optometrists, podiatrists, occupational therapists, chiropractors, psychologists, physical therapists and audiologists.

Home health services including elimination of the 3-day prior hospitalization requirement, elimination of the 100 visit limitation under parts A and B, addition of an evaluation visit before transfer from institutions, and elimination of the licensing requirement for proprietary home health agencies.

Certain services and supplies, specifically ambulance services, services furnished to beneficiaries overseas, orthopedic shoes, cancer detection procedures, antigens, services furnished by hospices, durable medical equipment furnished in nonparticipating institutions, skilled nursing facility services furnished in the absence of prior hospitalization and services related to the treatment of mental illness.

Medicare entitlement provisions for the disabled to eliminate potential disincentives for reemployment.

2. Possible liberalization of enrollment requirements relating to late enrollment, reenrollment, aliens and optional enrollment for certain age groups.

3. Possible revisions in administrative provisions including standards for rural hospitals, nonphysician participation in Professional Standards Review Organizations, patient rights, the physician plan of treatment for speech pathology services, claims on behalf of deceased beneficiaries and presumed coverage provisions for services provided by home health agencies and skilled nursing facilities.

4. Possible revision in reimbursement provisions relating to payment for physicians' services to encourage greater use of assignment, requirements for the payment of the lesser of costs or charges and payment for services furnished by community mental health centers (recognizing recommendations of the study on this subject mandated by (P.L. 95-210).

In view of the heavy schedule of the Committee and the limited time available for these hearings, it will be necessary to allocate the amount of time available to each witness for the presentation of direct oral testimony, and witnesses will not be allowed to exceed the time allocated. The witnesses' full statements will be included in the record of the hearing. Witnesses may be scheduled in panels according to subject matter. Additionally, all persons and organizations having a common position should exert the maximum effort to designate one spokesman to represent them.

DETAILS FOR SUBMISSION OF REQUESTS TO BE HEARD

Requests to be heard must be received by the Committee no later than close of business Wednesday, June 14, 1978. Because of the limited time available, those requesting to testify should do so by telephone as soon as possible and follow up with a written request for the Committee files. Both the telephone and written requests should be addressed to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515 (telephone: (202) 225-3625). Notification of a witness' scheduled date of appearance will be made as promptly as possible after the cutoff date.

Requests to be Heard Must Contain the Following Information:

(1) The name, address and capacity in which the witness will appear;

(2) A list of persons or organizations the witness represents; and

(3) A topical outline or summary of the comments and recommendations which the witness proposes to make.

(NOTE: In order to make the most efficient use of the limited time available, those who do not furnish all three above items may not be allowed to testify.)

Each witness is requested to present his oral statement in summary form; a more detailed statement will be accepted for inclusion in the printed record of the hearing.

It is also requested that persons scheduled to appear before the Subcommittee submit 30 copies of their prepared statements to the Ways and Means Committee office (Room 1102 Longworth House Office Building) at

least 24 hours in advance of their appearance. An additional supply may be furnished for distribution to the press and public on the date of appearance.

If a witness cannot appear on the day of the hearings, he may wish to either substitute another spokesman in his place or file a written statement for the record of the hearing instead of appearing in person. In any event, if a change in the scheduled witness or cancellation is necessary, please advise the Committee office immediately.

Written Statements in Lieu of Personal Appearance—Any person or organization may, instead of a personal appearance, file a written statement for inclusion in the printed record of the hearing. For this purpose, 5 copies of the statement should be submitted by the close of business, Monday, June 19, 1978. Additional copies may be furnished for distribution to the members of the Subcommittee, the staff, press and public, if submitted to the Committee during the course of the hearing.●

THE FINANCIAL PLIGHT OF JUNIOR ENLISTED PERSONNEL IN EUROPE

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, last week I placed in the RECORD Congressman BILL NICHOLS' statement at the beginning of hearings on the serious financial situation confronting junior enlisted personnel in Europe. That this situation is bad, and getting worse by the day, is borne out by the statement of Dr. John P. White, Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, and by the experience of enlisted personnel as told in the enclosed article from Army Times.

Often the Congress is caught unawares by events. In this matter, we cannot plead ignorance. I respectfully request that Dr. White's statement in the abovementioned article be inserted in the RECORD at this time so that our colleagues who did not hear the statement or read the article may be aware of the severity of this problem.

The material follows:

DR. JOHN P. WHITE'S STATEMENT

Mr. Chairman, and members of the Committee, I am Dr. John P. White, Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics. It is a pleasure to appear before the Committee to discuss with you the present situation of our junior enlisted members in Europe. I would also like to review what we in the Department of Defense are doing about their problems, and to cover those areas where the Congress can be be of assistance.

There are currently about 293,000 U.S. military personnel stationed in Europe and nearly one third of them are in the junior enlisted ranks (E–4 under 2 years of service and below). While many of these younger enlisted men are single and are essentially accommodated on posts and bases, some 20,000 of them have dependents and about 13,000 of these members have their dependents with them in Europe (principally the Federal Republic of Germany).

It is a fact that many of these young men and women overseas are experiencing financial difficulties, especially those in the junior grades who have their families with them. We find that a junior enlisted member and his family have barely enough to live on in any high cost of living area. This problem has been compounded by the declining value of the dollar in foreign markets and inflation. In May 1976, our service personnel in Germany could purchase 2.55 DMarks with one dollar. On May 1 of this year the dollar was worth only 2.06 DMarks—a 19-percent change in two years. At the same time, the general level of prices in Germany has been increasing.

And it is important to note that our personnel overseas have little opportunity to supplement their military pay check with second incomes through "moonlighting" or working spouses. A recent Bureau of Labor Statistics survey indicates that some 43% of all military spouses stationed in the U.S. are working along with 12% of their sons and daughters. While the survey did not identify members by grade, it is reasonable to assume that the percentage of working spouses is highest among the lower ranks. The existence of both economic and political restrictions on the employment of U.S. nationals in Europe severely restricts both this source and "moonlighting" as ways of augmenting income for these young families and renders them much worse off than their counterparts who are serving in the U.S. In the Washington area, for example, an Army survey showed 57% of the junior enlisted members had second jobs and 68% of their wives were working outside the home.

Another major factor in the financial plight of our junior enlisteds in Germany is the debt incurred in moving their families overseas and establishing them in adequate housing. An increasing proportion of the young men and women who come into the Services today are married—and we find that the majority of these—when faced with an overseas move—opt to take their families with them. Families must travel at their own expense because junior enlisted personnel are not currently authorized travel pay for their dependents. Once in Germany, they must make advance payments of rent and high utility deposits. Consequently, the young soldier or airman begins his tour in Germany in debt.

We are, however, able to provide most of our military members with financial relief from the differences in day-to-day living expenses which they experience abroad compared to those here in the United States. This relief comes in the form of two special allowances: a Cost-of-Living Allowance (COLA) that adjusts the "spendable income" portion of an individual's pay; and a Housing Allowance (HA) which adjusts the individual's Basic Allowance for Quarters (BAQ). The basic COLA amount for a given location is based upon a comparison of the prices of approximately 150 items of food, goods and services in the specified overseas area where military members are serving with the cost of like items in the United States. Adjustments to this amount are made whenever annual or special surveys support such a change. HA reimburses members, who are not provided Government quarters (and only about 1,200 of our junior enlisted families occupy government furnished housing overseas world-wide), for the difference between the average cost of private leased housing at their duty station overseas and the average BAQ received by members at that station. Like COLA, HA is adjusted whenever annual or special surveys support a change.

In addition to changes through survey data, adjustments to COLA/HA are made when the value of the dollar varies with respect to foreign currencies. The DoD Per Diem Committee tracks exchange rates for currencies of 11 foreign countries on a daily basis and 77 foreign countries on a monthly basis. The Committee authorizes changes in COLA/HA promptly when trends in the relationship between foreign currencies and the dollar develop which will produce a 2% change in COLA and/or a 5% change in HA. As an example, allowances for a typical member in Frankfurt have changed 12 times since April 1976. I have attached to this statement a table which provides a resume of these typical changes in COLA and HA over the past two years.

We believe the special allowances just described—with their attendant adjustment mechanisms—provide a basically sound and responsive means to cope with different living expenses experienced by DoD personnel world-wide. Special problems do occur, however, when living costs increase very rapidly (either through dollar value changes or local inflation) or when members are not eligible to receive these allowances. Such has been the case for many of our personnel in Europe. Junior enlisted personnel who brought their dependents to Europe at their own expense received about 67% of the normal rates prior to March 1, 1978—at which time we began authorizing the full rate. This policy change restored the general parity between the dollar and the DM for our junior enlisted personnel. In April of 1976, our surveys of costs in Frankfurt, West Germany, for example, indicated that a typical married E–3 required approximately 804 DMarks to pay for rents and expenditures on the economy or, at that time, about $310 worth of DMarks. In March 1978, almost two years later, the same level of goods and services required almost 875 DMarks due to inflation in the FRG. Through the various adjustment mechanisms available, the typical married E–3 in Frankfurt was provided the $438 to buy those 875 DMarks at the new exchange rates without causing him to increase the proportion of his pay needed for this purpose. In addition to meeting his DMark requirement, these same adjustments have maintained the general level of the purchasing power of the dollar portion of his pay by covering rising prices in commissaries, PXs and recreational facilities. In sum, the changes have essentially maintained the total status quo for the two year period.

Concern regarding the precipitous decline of the dollar and its adverse impact on military members and their families in Europe heightened late last fall when overseas commanders began reporting its serious consequences. We in DoD commenced a review of the impact on both military functions and personnel in Europe caused by exchange rate fluctuations and inflation. We thoroughly examined the COLA system in terms of its ability to determine and manage cost-of-living allowances and housing allowances. The Military Departments participated in this review and agreed the system was responsive and satisfactorily served its purpose where full "with dependents" rates for HA and COLA were being paid.

From this survey, it became apparent, however, that early implementation of payment of full COLA for married junior enlisted members who had their families with them overseas was desirable. As stated earlier, we implemented full COLA for the junior married enlisted members this past March 1. Additionally, we have actively pursued a number of initiatives which we believe will collectively have a very positive impact on the quality of life of those in the areas most affected by the changing world economic conditions. I would like to summarize these for the Committee:

We have, as you know, included funds in the FY 1979 DoD budget which would extend travel and transportation entitlements to junior enlisted members.

The Army has implemented a program in Europe to allow the dependents of all enlisted soldiers, lieutenants, and warrant officers in pay grades W1 and W2, to eat in Army dining facilities in excess of the two times per month as previously authorized. Charges are made for these meals to cover the average cost of the food served. This program is designed to ease the financial hardships of these members.

We have submitted legislation to the Congress which would extend Family Separation Allowance to junior enlisted members, thus providing a $30 per month allowance to reduce the financial hardship of our young married members who are separated from their families.

We have also submitted legislation to the Congress that would provide authority to overcome household start-up costs. Movement by military members in some overseas areas has become an extremely expensive and disruptive experience. In many areas overseas, housing costs are extremely high and large advance deposits against lease and utility costs are required. The station housing allowance provides assistance to the member in most cases, but is payable only after the member incurs the expense. In order to ameliorate this financially burdensome situation the legislative proposal would provide for the advance payment of station housing allowances.

We are evaluating the feasibility of legislation to amend tax laws in order to provide members assigned overseas certain financial relief. Currently, a refundable tax credit is available to junior members whose income level makes them eligible. The credit is reduced as income increases until it is eliminated when earned income reaches $8000. Among the requirements to qualify for the earned income credit is that the member maintain a household in the United States for the entire year which is the principal abode for the member and a child under 19 years of age, or a student. The effect of the provision has been to render service members overseas, who are accompanied by their families, ineligible for this important tax credit. A proposal is being considered which would eliminate the requirement that a military member on active duty maintain a household in the United States in order to be eligible for the earned income credit.

We are conducting a review of household weight allowances for junior enlisted members ordered overseas. Currently these members are allowed to ship only 225 pounds of packed and crated personal property at Government expense. We are giving consideration to increasing this allowance by 200–300 pounds as a means of reducing the number of household goods items that the member must purchase at his overseas duty location.

And finally, the FY 1979 budget request contains $34 million for the Army's Enhancement of Life in Europe (ELIFE) program. This is a comprehensive, multi-year program which includes items such as medical facilities, child care facilities, bachelor housing furnishings, libraries, post offices, education centers, chaplain/religious activities, community/recreation centers, physical fitness activities and other morale support activities.

In addition to our systematic review of the entire situation, our commanders in the field are charged with the responsibility to call to our attention any conditions which they believe to warrant special attention. For example, last November General Haig advised that the situation in Europe required our serious attention. That communication led to many of the actions we have taken this year to help our junior personnel in Germany. We were pleased that General Haig indicated recently that the steps which had been taken, including those in the FY 1979 DoD budget, would in his opinion go a long way toward alleviating the problem.

Thus, Mr. Chairman, the major problem has been and continues to be the well-being of our married junior enlisted members and their families. Because their dependents and possessions must be moved without reimbursement, because household start-up costs abroad are required "up front", and because their financial position relative to many foreign currencies was deteriorating, they were badly off and getting worse. We have taken steps to relieve some of this burden so that the position of these young people has improved, but more action is needed.

Foremost in the FY 1979 budget request are the funds which would extend travel and transportation entitlements to junior enlisted personnel. This proposal recognizes the desirability of maintaining our family units together, except where military reasons dictate otherwise, and the severe impact of financial, marital and morale problems on military combat readiness overseas. Approval of funds for this purpose is, in our view, the single most important action the Congress can take to aid our young families overseas. The enactment by the Congress of our proposed legislation to permit the advance payment of housing allowances would likewise be a major step forward. This proposal would allow the payment of these allowances to be timed to match the deposits and advanced rents that many landlords require.

I am satisfied that we have made progress in resolving this problem. I am confident that more improvement can be, and will be made. I am sure, that as we continue to work with the Committee, sound and fair solutions will result.

Mr. Chairman, this concludes my prepared statement.

HOUSE SUBCOMMITTEE—JUNIOR EM TELL OF FINANCIAL HARDSHIP

(By Andy Plattner)

WASHINGTON.—"We lived without furniture for four months."

"We had to borrow from our families to pay for her air fare."

"It was a constant financial strain."

Although congressmen have been hearing for some time of the financial difficulties overseas for junior enlisted families, they finally got to hear about the impact of the problem here from some of the people affected.

Eight enlisted men and a service wife spent two hours telling House Armed Services Compensation Subcommittee members about the problems they faced overseas. Earlier this spring, the committee heard senior Defense Department and service officials discuss the situation.

The committee staff selected the eight from lists of people stationed in the Washington area who had recently returned from overseas. All the witnesses are married and said the overseas tour—whether they took their family with them or not—put them in debt.

Airman First Class (E–3) Ricky E. Brumage said it took his savings to buy the plane ticket for his wife to join him in Upper Heyford, England. He was an E–1 at the time.

Brumage told the committee his rent and utility costs were more than double his quarters allowance. "The money had to come from pay," he said.

Because he was limited to shipping 225 pounds of household goods, the airman said he had to buy more than $300 worth of cheap furniture which he couldn't take back to the U.S. with him. "Now, I'm having to buy furniture all over again," he said.

It costs more to live in Washington, Brumage said, but he has a part-time job and his wife is working. There was no job for her overseas, he said.

Sp4 Peter E. Washington of Cameron Station, Va., served in Germany on a command-sponsored tour with his family. Washington said his monthly allowances were $50 less than his housing costs.

Many young people are unprepared for life overseas and find it especially hard when the military member must spend months in the field away from home, he said. "The junior wives are often stranded. Many young families can't afford transportation, but they have to live far away from the post."

Washington said the commissary at Hamburg where he was stationed often had no baby supplies or meat.

Air Force Sgt. Philip K. Gates said he and his wife lived four months without furniture before he became command-sponsored at Sembach AB, Germany. This was the case, he said, even though the base had a warehouse full of furniture.

Gates told the subcommittee the military should pay for the travel of dependents, increase household goods shipments and provide jobs for dependents. He said most jobs at Sembach were taken by Germans.

He agreed with subcommittee chairman Rep. Bill Nichols (D–Ala.) that much of the problem for young families comes from the initial cost of transporting dependents and setting up a household overseas.

The subcommittee already has endorsed travel entitlements for junior enlisted people and members indicated they also would approve payment of housing allowances in advance and increased weight allowances for household goods.

Sp4 Cecil L. Gantt became command sponsored while in Germany. He told the subcommittee he was working at a second job and going to school before he left the States to save the money to take his family to Europe.

Junior people don't need exchange stores loaded with expensive watches and cameras, he said, but they do need better-stocked commissaries. The Fort Belvoir, Va., soldier complained that the cost of living is higher in Washington. He said he must take his dependents to a civilian dentist at great expense and the military is losing educational benefits. "That's money for someone who wants to further his education," he said.

Subcommittee members said they were impressed with the testimony of the enlisted members. Nichols said the subcommittee plans to visit Germany during the July 4th congressional recess to see the problem firsthand.

One of the things the members are likely to look for is the amount of information provided to junior enlisted families and the help they received from the military.

THE ARMS EMBARGO ON TURKEY

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, the embargo on arms for Turkey has not achieved the goals its sponsors sought. It was imposed because weapons and equipment were used in violation on the terms under which they were received. Associated with that was the belief that this would cause the Turks to withdraw from Cyprus. Until the past few weeks, there has been no improvement in the relationship between Greece and Turkey in that regard. The embargo has also aggravated the problems with respect to the Aegean question.

The southern flank of NATO has been seriously weakened, and our position there is in grave jeopardy. Rather than achieving reconciliation, or at least resolution, we have sown the seeds of destruction for a vital element of NATO.

If we continue to exclude Turkey from full partnership in the alliance, we cannot escape the possibility that this Nation may seek some other economic security arrangement. Any coalition involving Turkey, the Soviet Union, and any Mideast country will place in seri-

ous jeopardy our primary source of crude oil.

It seems to me that 3 years is more than sufficient time to send a message to any country which volates the terms of military transfer arrangements. It is time now to get on with the business of restoring the alliance to a state from which it can be expected to meet its responsibilities. NATO without a strong southern anchor simply cannot serve its purpose as a credible deterrent against aggression.

We will remain indifferent to the military needs of Turkey at our own peril, that of NATO, and of the Middle East.

Recently, I received a letter signed by former supreme allied commanders of the North Atlantic alliance, expressing their deep concern regarding the consequences of continuing this embargo. I include this letter in the RECORD:

WASHINGTON, D.C.
June 1, 1978.

Hon. DAN DANIEL,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DANIEL: As former Supreme Allied Commanders of the North Atlantic Alliance, we are deeply concerned by the damaging consequences of the U.S. arms embargo on Turkey for United States and NATO security. We view with alarm the deterioration in NATO's southern flank caused by the sharp decline in Turkish military capabilities and the increasing alienation of Turkey from the United States. Should Turkey, as a result of the embargo, turn away from this country and reduce or terminate its commitment to NATO, the whole of Southeastern Europe and the Middle East would become more vulnerable to Soviet military pressure.

Turkey is vitally important to our Western collective security in that it (1) controls the passage of Soviet war vessels from the Black Sea to the Mediterranean; (2) houses large numbers of strategically important U.S. and NATO facilities, some of which are uniquely situated for collecting intelligence on Soviet military activities; (3) provides an air defense warning critical to the operation of our Sixth Fleet in the Mediterranean; and (4) provides a major contribution of army forces to NATO. The continued adherence of Turkey to the West is particularly important to Greece. If Turkey were detached from NATO, Greece would be surrounded by neutral and Communist states and would be less able to deter or prevent Soviet political or military advances.

It is imperative, therefore, to stimulate a resolution of the differences between our two Eastern Mediterranean allies, Greece and Turkey, and to promote a just and humane Cyprus settlement in a way that does not undermine U.S. and NATO security. Our need for our Western defensive alliance is now greater than ever in light of the ominous Soviet military build-up in Europe of recent years. We, therefore, strongly support the lifting of the embargo on arms for Turkey.

Sincerely,

ANDREW J. GOODPASTER,
LYMAN L. LEMNITZER,
ALFRED M. GRUENTHER,
LAURIS NORSTAD,
MATTHEW B. RIDGWAY.

DEFEAT OF BRITISH BY SPANISH AT PENSACOLA IMPORTANT TO AMERICAN REVOLUTION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SIKES. Mr. Speaker, an event which receives little recognition in American historic annals is the battle in which Spanish forces defeated the British at Pensacola in 1781. This had an important bearing on the outcome of the American Revolution. Gen. Bernardo de Galvez, the Spanish Governor of Louisiana (for whom the city of Galveston was named), and Francisco de Miranda, Venezuelan patriot, leading Spanish forces from Louisiana, Mexico, Havana, and Puerto Rico, laid seige to the British fort at Pensacola which ended on May 9, 1781, with British surrender. This action insured Spanish control of the strategic Gulf of Mexico and the Mississippi River basin, thus eliminating British influence in that area. Defeat of the British at Pensacola relieved the pressure on the American revolutionary armies and contributed significantly toward the American victory at Yorktown. The resulting British loss of the gulf coast and cession of east and west Florida to Spain undoubtedly were key factors in Britain's later decision to cede all territory from the Appalachians to the Mississippi to the fledgling United States.

This action was commemorated on June 8 in Pensacola when the Honorable Joseph John Jova, president of Meridian House International and former U.S. Ambassador to Mexico and the Organization of American States, presented a specially commissioned high-relief sculpture of the Battle of Pensacola to the city of Pensacola. The art piece is a facsimile of the original bronze executed by the prominent Mexican sculptor, Gabriel Ponzonelli. The ceremony took place in the new Gen. Chappie James Judicial Building in downtown Pensacola, where the sculpture will be permanently installed. The original sculpture is located near the statue of George Washington in Chapultepec Park in Mexico City.

Among those attending the ceremony were Assistant Secretary of the Navy Edward Hidalgo; Ambassador Juan Jose Rovira of Spain; Venezuelan Ambassador to the OAS Jose Maria Machin; Dr. Jorge Luis Zelaya, Assistant Secretary General of the OAS; and the Honorable Sally Shelton, Deputy Assistant Secretary of State for Inter-American Affairs.●

HANDGUN CONTROL AND THE U.S. HOUSE OF REPRESENTATIVES

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, last week the Center for the Study and Prevention of Handgun Violence chaired by Dr. Milton Eisenhower published the findings of a poll on handgun control. The poll demonstrated once again the overwhelming support throughout the country for handgun control. As Dr. Eisenhower points out, the American public favors mandatory handgun registration and handgun owner licensing by a margin of 3½ to 1. I would like to share that poll with all the Members of the House.

The release of the poll coincided with the 10th anniversary of the deaths of Senator Robert Kennedy and Dr. Martin Luther King. And the release of the poll preceded by just 3 days the vote in the House on the language in the Treasury Department appropriations bill which prohibited implementation of the Bureau of Alcohol, Tobacco, and Firearms regulations to expedite tracking of handguns used in the commission of crimes.

One would think that the release of the poll coupled with the anniversary of those tragic murders would have galvanized the House into striking out the prohibitory language contained in the bill. One would think that 10 years after the passage of the Crime Control Act, the House would have been prepared to put some teeth into the rhetoric of the past decade to deal decisively with criminals who use handguns.

But, Mr. Speaker, the vote of last Wednesday on the McClory amendment to strike the language demonstrates that this body is still not prepared to stand up to the National Rifle Association. The disparity between the public view of gun control and the congressional view has never been clearer, and I suggest that when the public realizes that the NRA has browbeaten this Congress again—in defiance of the expressed wishes of over 75 percent of the people—the efforts of the great majority of Americans on behalf of gun control will be dramatically increased. And, I hope that last Wednesday's vote was the watershed for the NRA—that from here on in the wishes of the public will be heard.

SUMMARY OF FINDINGS BY CAMBRIDGE REPORTS, INC.

OBJECTIVES

The basic objectives of this survey were:

To measure citizen awareness, knowledge of and attitudes toward handguns.

To measure in-depth, citizen knowledge of and attitudes toward the *control* of handguns.

Institute a waiting period before a handgun can be purchased to allow for a criminal records check:

[In percent]

Strongly favor	74
Somewhat favor	14
Somewhat oppose	4
Strongly oppose	3
Don't know	5

Strengthen the rules for becoming a commercial handgun dealer:

[In percent]

Strongly favor	63
Somewhat favor	18
Somewhat oppose	7
Strongly oppose	5
Don't know	7

Crack down on illegal handgun sales:

[In percent]

Strongly favor	72
Somewhat favor	13
Somewhat oppose	5
Strongly oppose	6
Don't know	5

Continuing with this same series of questions we see that the general public strongly favors regulations governing the purchase of guns as well as controlling those who sell guns. A vast majority of the public wants gun registration, including guns which are already owned.

Require prospective handgun purchasers to get a permit or license to purchase:

[In percent]

Strongly favor	65
Somewhat favor	17
Somewhat oppose	7
Strongly oppose	7
Don't know	5

Require the registration of all handguns at time of purchase or transfer:

[In percent]

Strongly favor	67
Somewhat favor	17
Somewhat oppose	5
Strongly oppose	7
Don't know	5

Require the registration of all handguns now owned:

[In percent]

Strongly favor	57
Somewhat favor	17
Somewhat oppose	9
Strongly oppose	11
Don't know	6

This concern about handgun control is by no means restricted to people who do not have handguns and fear those who do. As we see in the following table, a vast majority of people from households where there are guns are in favor of regulations requiring registration of handguns, including those presently owned. Support from people who do not have handguns is even stronger.

Require prospective handgun purchasers to get a permit or license to purchase:

[In percent]

Handgun:	
Strongly favor	53
Somewhat favor	18
Somewhat oppose	11
Strongly oppose	14
Don't know	4
No handgun:	
Strongly favor	71
Somewhat favor	16
Somewhat oppose	5
Strongly oppose	3
Don't know	5

Require the registration of all handguns at time of purchase or transfer:

[In percent]

Handgun:	
Strongly favor	57
Somewhat favor	17
Somewhat oppose	7
Strongly oppose	16
Don't know	3
No handgun:	
Strongly favor	72
Somewhat favor	17
Somewhat oppose	3
Strongly oppose	3
Don't know	4

Require the registration of all handguns now owned:

[In percent]

Handgun:	
Strongly favor	44
Somewhat favor	15
Somewhat oppose	11
Strongly oppose	24
Don't know	6

Furthermore, there is substantial interest in establishing stringent licensing laws governing the use of handguns.

Require a license to own a handgun at all:

[In percent]

Strongly favor	58
Somewhat favor	16
Somewhat oppose	10
Strongly oppose	11
Don't know	6

Make the rules for a license to own a handgun stricter:

[In percent]

Strongly favor	55
Somewhat favor	17
Somewhat oppose	10
Strongly oppose	11
Don't know	8

Require a license to carry a handgun outside of one's house or place of business:

[In percent]

Strongly favor	61
Somewhat favor	18
Somewhat oppose	8
Strongly oppose	8
Don't know	6

Make the rules for getting a license to carry a handgun outside of one's house or place of business strict:

[In percent]

Strongly favor	57
Somewhat favor	19
Somewhat oppose	9
Strongly oppose	10
Don't know	5

Looking again at people in households where there are handguns we find considerable support for making rules and regulations governing use and carrying of handguns more stringent. And, people who do not live with handguns are even more likely to feel strongly that registration and licensing need to be up-graded.

Require a license to own a handgun at all:

[In percent]

Handgun:	
Strongly favor	40
Somewhat favor	13
Somewhat oppose	16
Strongly oppose	26
Don't know	5
No handgun:	
Strongly favor	66
Somewhat favor	17
Somewhat oppose	7
Strongly oppose	5
Don't know	5

Make rules for a license to own a handgun stricter:

[In percent]

Handgun:	
Strongly favor	37
Somewhat favor	18
Somewhat oppose	15
Strongly oppose	25
Don't know	5
No handgun:	
Strongly favor	62
Somewhat favor	17
Somewhat oppose	9
Strongly oppose	5
Don't know	8

Require a license to carry a handgun outside of one's house or place of business:

[In percent]

Handgun:	
Strongly favor	45
Somewhat favor	17
Somewhat oppose	13
Strongly oppose	21
Don't know	5
No handgun:	
Strongly favor	68
Somewhat favor	18
Somewhat oppose	5
Strongly oppose	4
Don't know	5

Make the rules for getting a license to carry a handgun outside of one's house or business strict:

[In percent]

Handgun:	
Strongly favor	46
Somewhat favor	15
Somewhat oppose	14
Strongly oppose	22
Don't know	3
No handgun:	
Strongly favor	63
Somewhat favor	20
Somewhat oppose	7
Strongly oppose	5
Don't know	5

The public not only wants to be able to keep track of who has guns and where they are and how they are used, but also, Americans come down hard on people who have misused guns. Eighty-three percent of the public wants mandatory prison sentences for all persons using a gun in a crime. There is less support, though still a majority, for mandatory prison sentences when people carry handguns outside of their house or business without a license. Which means that, in fact, the call for licensing we have just seen is taken very seriously.

Require mandatory prison sentences for all persons using a gun in a crime:

[In percent]

Strongly favor	68
Somewhat favor	15
Somewhat oppose	6
Strongly oppose	6
Don't know	6

Require mandatory prison sentences for all persons carrying a handgun outside without a license to do so:

[In percent]

Strongly favor	38
Somewhat favor	17
Somewhat oppose	17
Strongly oppose	21
Don't know	8

Licensing and registration are not the only concerns people have about handguns. We find that the public is very interested in banning what have come to be known as "Saturday Night specials."

Ban the future manufacture and sale of non-sporting type handguns:

[In percent]

Strongly favor	33
Somewhat favor	15
Somewhat oppose	20
Strongly oppose	21
Don't know	11

Ban the future manufacture and sale of small, cheap, low quality handgun:

[In percent]

Strongly favor	54
Somewhat favor	16
Somewhat oppose	10
Strongly oppose	13
Don't know	7

One adult in three in this country even goes so far as to advocate banning the future manufacture and sale of all handguns, although the majority oppose such a drastic step.

Ban the future manufacture and sale of all handguns:

[In percent]

Strongly favor	23
Somewhat favor	9
Somewhat oppose	22
Strongly oppose	36
Don't know	10

There is even a "hard" core of anti-handgun people, one American in three or four, who wish to use public funds to buy back and destroy existing handguns, either voluntarily or on a mandatory basis, as we note on the following page.

Use public funds to buy back and destroy existing handguns on a voluntary basis:

[In percent]

Strongly favor	22
Somewhat favor	11
Somewhat oppose	19
Strongly oppose	37
Don't know	11

Use public funds to buy back and destroy existing handguns on a mandatory basis:

[In percent]

Strongly favor	19
Somewhat favor	7
Somewhat oppose	17
Strongly oppose	45
Don't know	12

Basic involvement with handguns

People establish values and make policy decisions on the basis of their own experience and what they learn from others. For this reason we shall turn to looking at the extent to which Americans have direct contact with handguns.

We began our survey of handguns in American society today by asking respondents to tell us about their direct involvement with handguns.

We first asked whether someone in the household was a handgun owner. As the table shows, there is a handgun owner in one household out of four in this country.

Does anyone living in this immediate household own a handgun or pistol or not?

[Percent]

Yes	24
Not sure	4
No	72

We asked about other encounters with a handgun.

Have you ever been attacked or threatened with a handgun? [IF SO] Were you injured or not?

[In percent]

Yes, not injured	9
Yes, injured	2
No, never	89

More than one American adult in ten has been involved in a threatening experience with a handgun. How many people think they will actually have such an experience in their lifetime?

How likely do you think it is that you will be a victim of handgun violence in your lifetime: very likely, somewhat likely, possibly but not likely, or next to impossible?

[In percent]

Very likely	8
Somewhat likely	15
(23 percent likely).	
Possibly, but not likely	51
Next to impossible	14
(65 percent not likely).	
Don't know	12

Anticipation of being a victim of handgun violence is greater among those living in urban and suburban settings than among people in rural environments (28 percent vs. 14 percent); and we note that urban/suburban dwellers are slightly more often involved in such incidents than people in rural areas (11 percent vs. 7 percent).

On querying why people purchase handguns we learned that protection is the overwhelming reason offered. Despite a slightly lower incident of handgun violence and a much lower expectation of encountering handgun violence, rural respondents are a bit more likely to say they are buying a handgun for protection than are people in more urban settings.

Why did that person in your household buy a handgun or pistol?

[In percent]

	Overall	Urban	Suburban	Rural
Protection, protect home and family	43	43	40	46
Target shooting or practice	9	6	18	4
Hunting	8	8	4	13
Employment related, police officer, sheriff's department	8	6	13	5
Sport	6	5	6	8
Collecting	5	4	7	6
Was a gift	5	9	2	2
I like guns, for fun	4	3	3	5
Always had one, family always had one	3	4	1	2
Other	7	8	6	8
Don't know	3	6	2	1

PERSONAL EXPLANATION OF REPRESENTATIVE ABNER J. MIKVA

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was unable to participate in two rollcall votes on June 8 1978. Had I been present, I would have voted as follows:

On rollcall No. 433, an amendment by Mr. Michel to the HEW appropriations bill, "no."

On rollcall No. 434, on passage of a supplemental appropriation for the black lung program, "yes."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VENTO (at the request of Mr. WRIGHT) for today on account of official business.

To Mr. DON H. CLAUSEN (at the request of Mr. MICHEL) for today on account of official business.

To Mr. CORMAN (at the request of Mr. WRIGHT) for today on account of official business.

To Mr. JEFFORDS (at the request of Mr. MICHEL) for today on account of official business.

To Mr. RODINO (at the request of Mr. WRIGHT) for today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PURSELL) to revise and extend their remarks and include extraneous material:)

Mr. MCKINNEY, for 5 minutes, today.

Mr. RUDD, for 20 minues, today.

Mr. ASHBROOK, for 10 minutes, today.

(The following Members (at the request of Mr. WIRTH) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. DRINAN, for 60 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. DRINAN, for 60 minutes, on June 13.

Mr. LEGGETT, for 30 minutes, on June 12.

Mr. ST GERMAIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BOLAND and to include extraneous matter.

(The following Members (at the request of Mr. PURSELL), and to include extraneous matter:)

Mr. CONABLE.

Mr. FISH.

Mr. FORSYTHE in two instances.

Mr. DORNAN in three instances.

Mr. STANTON.

Mr. MICHEL in two instances.

(The following Members (at the request of Mr. WIRTH), and to include extraneous matter:)

Mr. FOWLER.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. MURTHA.

Mr. JOHN L. BURTON.

Mr. CHAPPELL.

Mr. EDGAR in two instances.

Mr. WAXMAN.

Mr. LAFALCE.

Mr. DODD in two instances.

Mr. LONG of Louisiana.

Mr. BYRON.

Mr. CONYERS.

Mr. PEPPER in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1835. An act requiring the Secretary of Agriculture to conduct a study of the adequacy of the Nation's transportation system to meet the needs of American agriculture and rural development, and for other purposes; to the Committee on Agriculture.

S. 2946. An act to authorize the Secretary of Agriculture to relinquish exclusive legislative jurisdiction over lands or interests under his control; to the Committee on Agriculture.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 8, 1978, present to the President, for his approval, bills of the House of the following titles:

H.R. 130. To provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane of automotive gasoline be disclosed to consumers.

H.R. 3161. To amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes.

H.R. 3996. For the relief of Young Hee Kim Kang and her children, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang.

ADJOURNMENT

Mr. WIRTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (3 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Monday, June 12, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4350. A letter from the Secretary of the Navy, transmitting, a draft of proposed legislation to repeal section 5153(c) of title 10, United States Code; to the Committee on Armed Services.

4351. A letter from the Secretary of Labor, transmitting the first annual joint report of the Departments of Interior, Agriculture, and Labor on the Young Adult Conservation Corps, pursuant to section 807 of the Comprehensive Employment and Training Act of 1973, as amended (91 Stat. 631); to the Committee on Education and Labor.

4352. A letter from the Comptroller General of the United States, transmitting a report on how to improve the way the United States leases Outer Continental Shelf lands for oil and natural gas exploration (EMD–78–48, June 8, 1978); to the Committee on Government Operations.

4353. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

4354. A letter from the Comptroller General of the United States, transmitting a report on benefits and problems associated with improving the ratio of U.S. combat troops to military support personnel in Europe (LCD–78–408, June 8, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4355. A letter from the Comptroller General of the United States, transmitting a report on the Maritime Administration's efforts to monitor and regulate Federal agency cargo preference programs (CED–78–116, June 8, 1978); jointly, to the Committees on Government Operations, and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE: Committee on Science and Technology. H.R. 11392. A bill to authorize appropriations to the Department of Energy and the Federal Energy Regulatory Commission pursuant to section 660 of the Department of Energy Organization Act, and for other purposes (Rept. No. 95–1166, pt. III). Ordered to be printed.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 10287. A bill to designate the proposed new Veterans' Administration hospital in Little Rock, Ark., as the "John L. McClellan Memorial Veterans' Hospital," and for other purposes (Rept. No. 95–1284). Referred to the House Calendar.

Mr. TEAGUE: Committee on Science and Technology. H.R. 12874. A bill to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies; with amendment (Rept. No. 95–1285). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 13061. A bill to regulate the trapping of mammals and birds on Federal lands, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Interstate and Foreign Commerce.

By Mr. BYRON:

H.R. 13062. A bill to amend title 18, United States Code, to provide increased penalties for using a firearm to commit a felony or carrying a firearm unlawfully during the commission of a felony, and for other purposes; to the Committee on the Judiciary.

By Mr. CARTER (by request):

H.R. 13063. A bill to amend Public Law 94–484, the Health Professions Educational Assistance Act of 1976, as amended, relating to the immigration of foreign medical graduates; to the Committee on Interstate and Foreign Commerce.

By Mr. DEVINE (for himself, and Mr. COLLINS of Texas):

H.R. 13064. A bill to amend the Congressional Budget and Impoundment Control Act to limit total Federal budget authority and budget outlays in fiscal years 1980, 1981, 1982, and 1983; jointly, to the Committees on Government Operations, and Rules.

By Mr. DRINAN (for himself and Mr. CAVANAUGH):

H.R. 13065. A bill to amend the Office of Federal Procurement Policy Act to require the payment of interest by Federal agencies on overdue payments to small business concerns; jointly, to the Committees on Government Operations, and Small Business.

By Mr. GEPHARDT:

H.R. 13066. A bill to amend title XI of the Social Security Act to limit civil liability of health care providers for damages arising in connection with health care treatment paid for under the Social Security Act to the extent that such damages include the cost of health care services for which payment may be made under that act; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GILMAN (for himself, Mrs. COLLINS of Illinois, Mr. OTTINGER, Mr. PATTERSON of California, Mr. ROE, Mr. WHITEHURST, and Mr. CHARLES WILSON of Texas):

H.R. 13067. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide for a reserve stock of agricultural commodities for use when sufficient quantities of agricultural commodities are not otherwise available to carry out agreements under that act; jointly, to the Committees on Agriculture, and International Relations.

By Mrs. HECKLER:

H.R. 13068. A bill to amend the Coinage Act of 1965 to change the size, weight, and design of the $1 coin, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ICHORD (for himself, Mr. BOLLING, Mr. BURLISON of Missouri, Mr. CLAY, Mr. COLEMAN, Mr. GEPHARDT, Mr. SKELTON, Mr. VOLKMER, and Mr. YOUNG of Missouri):

H.R. 13069. A bill to prohibit discrimination in rates charged by the Southwestern Power Administration; to the Committee on Interior and Insular Affairs.

By Mr. LaFALCE:

H.R. 13070. A bill to protect the financial records of individuals from unnecessary governmental surveillance; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McFALL:

H.R. 13071. A bill to amend section 2 of the act entitled, "An Act to Authorize the American River Basin Development, California, for Irrigation and Reclamation, and for other purposes." (act of October 14, 1949, 63 Stat. 852); to the Committee on Interior and Insualr Affairs.

By Mr. MIKVA:

H.R. 13072. A bill to amend the Internal Revenue Code of 1954 to increase by $500 the dollar limitation on the amount allowable as a deduction for contributions to certain retirement savings; to the Committee on Ways and Means.

By Mr. O'BRIEN (for himself, Mr. LEDERER, Mr. MURPHY of Pennsylvania, Mrs. MEYNER, Mr. MAGUIRE, Mr. WALSH, Mr. AMMERMAN, Mr. PATTEN, Mr. EILBERG, Mr. ROE, Mr. MOSS, and Mr. GILMAN):

H.R. 13073. A bill to amend the Rehabilitation Act to improve the formula for State allotments under part B of that act, and for other purposes; to the Committee on Education and Labor.

By Mr. RUSSO:

H.R. 13074. A bill to amend the Water Resources Development Act of 1974 relating to the Little Calumet River, Ill., to the Committee on Public Works and Transportation.

By Mr. STEIGER (for himself, Mr. RUPPE, Mr. LAGOMARSINO, Mr. FORSYTHE, Mr. O'BRIEN, Mr. LATTA, Mr. FLIPPO, Mr. RUDD, Mr. WAMPLER, Mr. DAVIS, Mrs. LLOYD of Tennessee, Mr. CUNNINGHAM, Mr. BUTLER, Mr. HILLIS, Mr. BOB WILSON, Mr. MCEWEN, Mr. GOODLING, Mr. BURGENER, Mr. EDWARDS of Oklahoma, Mr. BARNARD, Mr. FLYNT, Mr. MAZZOLI, Mr. ROBERTS, Mr. EVANS of Georgia, and Mr. YOUNG of Florida):

H.R. 13075. A bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains; to the Committee on Ways and Means.

By Mr. STEIGER (for himself, Mr. VANDER JAGT, Mr. THONE, Mr. TREEN, Mr. AUCOIN, Mr. PATTEN, Mr. GLICKMAN, Mr. SARASIN, Mr. CONTE, Mr. CLEVELAND, Mr. PRITCHARD, Mr. ANDERSON of Illinois, Mr. ROUSSELOT, Mr. DORNAN, Mr. BUCHANAN, Mr. COCHRAN of Mississippi, Mr. EVANS of Delaware, Mr. PURSELL, Mr. GUYER, Mr. BREAUX, Mr. QUILLEN, Mr. WHITEHURST, Mr. SISK, Mr. KINDNESS, and Mr. JOHNSON of California):

H.R. 13076. A bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains; to the Committee on Ways and Means.

By Mr. STEIGER (for himself, Mr. MOORE, Mr. MADIGAN, Mr. MARRIOTT, Mr. YOUNG of Alaska, Mr. BADHAM, Mr. SAWYER, Mr. SPENCE, Mr. ANDREWS of North Dakota, and Mr. CEDERBERG):

H.R. 13077. A bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.J. Res. 965. Joint resolution to designate the first week of August 1978 as "National Rivers and Bays Week"; to the Committee on Post Office and Civil Service.

By Mr. HAGEDORN:

H.J. Res. 966. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

By Mr. JOHN T. MYERS (for himself and Mr. NIX):

H.J. Res. 967. Joint resolution to authorize

the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. WYDLER:

H. Con. Res. 641. Concurrent resolution relative to the rights of Romanian citizens; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

427. The SPEAKER presented a memorial of the Legislature of the State of California, relative to Federal income taxes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. PRICE introduced a bill (H.R. 13078) for the relief of Hyang Jwa Kim, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12931

Mr. BEARD of Tennessee:

—Page 11, Line 15, after the word "directly", add "or indirectly".

H.R. 12934

By Mr. BEARD of Tennessee:

—Page 12, immediately after line 2, insert the following new section:

SECTION 104: "None of the funds appropriated under this Title shall be obligated or expended for salaries or expenses of any United States diplomatic personnel assigned to Cuba or the Swiss Embassy in Cuba".

SENATE—*Friday, June 9, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. KANEASTER HODGES, JR.).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

"Our vows, our prayers, we now present
Before Thy throne of grace;
God of our fathers, be the God
Of their succeeding race.

"Through each perplexing path of life
Our wandering footsteps guide;
Give us each day our daily bread,
And raiment fit provide."

—PHILIP DODDRIDGE, 1736.

For the goodly heritage of faith and freedom, for work to do and strength with which to do it, for the fellowship of colleagues and fellow workers we give Thee thanks. Equip us in mind and heart for the tasks before us. Guide the President and his counselors and all persons in the service of this Nation that our ways may become Thy way in the kingdom which is both in time and beyond time.

Through Him who rules above all nations. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have the regular leaders' time under the order; do I not?

The ACTING PRESIDENT pro tempore. That is correct.

SENATOR HATHAWAY AND LEGISLATION RELATING TO ALCOHOLISM AND DRUG ABUSE

Mr. ROBERT C. BYRD. Mr. President, there is much legislative work that is done in the Senate that does not find its way into the newspaper headlines of the Nation. In part, this reflects the breadth of legislation considered by the Senate. In part, this reflects the complexity of a good part of today's legislation which does not lend itself easily to front page summation. And yet, the legislation which does not make the daily headlines is frequently of major importance, with consequences for the very social fabric of the Nation.

Some of the legislative work of which I speak has been done in the health area, particularly in the most difficult area of alcoholism and drug abuse. Indeed, during this session, I believe that we have responded as a legislative body both responsibly and creatively to some of the many health issues relating to alcoholism and drug abuse. Much of the credit for what we have accomplished in this particular legislative area is due to the unstinting labor and careful workmanship of Senator WILLIAM D. HATHAWAY who serves as chairman of the Senate Subcommittee on Alcoholism and Drug Abuse.

All of us who serve with Senator HATHAWAY are familiar with the dedication to duty and the penchant for hard work that have marked his career in the Senate. His efforts on behalf of his constituents and his efforts in trying to solve national problems are put forth with equal vigor.

The work he has done in chairing the Subcommittee on Alcoholism and Drug Abuse is an example of how Senator HATHAWAY's efforts provide widespread benefits for the Nation.

I know that many of my West Virginia constituents and many other Americans around the Nation are mindful of the vital labor performed by the Congress in the area of alcoholism and drug abuse. This is especially the case with individuals who have experienced alcohol or drug-related problems. And their numbers are large.

For example, it has been estimated for 1975 that over 5½ million Americans were suffering from alcoholism alone; for every 100,000 Americans, there are more than 7,000 men and more than 1,000 women with this health problem.

Again, according to the latest available figures, alcoholism costs our country in economic and social terms in 1975 more than $42 billion per year, taking into account the impact on the health care system, the law enforcement and judicial systems, the employment market, and the general welfare and social service systems. Of course, many of the personal economic consequences of alcoholism abuse are incalculable; there is just no way to evaluate the cost of mental and physical debilitation that results from alcoholism.

It is recognized by professionals and educated laymen that if our efforts to deal with alcohol and drug-related problems are to be successful, they must be multifaceted. Legal control and law enforcement efforts must be balanced with efforts in the equally important areas of treatment and rehabilitation and research. At the same time, more attention must be given to prevention. Indeed, among professionals working in the field of alcoholism and drug abuse, it is commonly maintained that until we give greater priority to prevention, we will be unable to get a firm handle on the problems of alcoholism and drug abuse in our society.

Our legislative response this year to health-related issues of alcoholism and drug abuse is reflected in two pieces of legislation sponsored by Senator HATHAWAY. Both were favorably reported upon by the Human Resources Committee and passed by the Senate.

The first is the Alcohol and Drug Abuse Education Amendments of 1978 which passed the Senate on May 23. The bill is concerned with the proliferation and lack of coordination of drug and alcohol prevention efforts of various departments at both the Federal and State levels. It is also concerned with the disturbing lack of evaluation of which programs work and which do not work and with the needs of rural citizens which seem to be neglected.

Specifically, the bill provides for a 3-year extension of the current school-based prevention program conducted by the Office of Education within the Department of Health, Education, and Welfare. This is a program which appears to work reasonably well but which has been grossly underfunded. The bill also mandates that greater attention be given to the needs of rural areas, stipulating that funds be utilized for programs serving both metropolitan and nonmetropolitan areas in proportion to the populations residing in such areas. It strengthens evaluation by requiring that 3 percent of all funds go toward national evaluations. It also strengthens coordination at both the Federal and State levels, requiring that HEW coordinate all of its school-based prevention programs through the Office of Alcohol and Drug Abuse Education.

The second bill which reflects our legislative response to health-related issues of alcoholism and drug abuse was introduced by Senator HATHAWAY on April 13, 1978, and passed the Senate on May 24, 1978. It was the Drug Abuse Office, Prevention, and Treatment Amendments of 1978. That bill will allow for continued close scrutiny of the coordinative mechanisms affecting drug abuse policy throughout the executive branch. In addition, changes in substantive law made by the bill include a great emphasis on prevention and demonstration activities and stipulation of scientific peer review of all grants and contracts.

I could go into greater detail regarding both the seriousness of the health problems facing our country in the area of alcoholism and drug abuse and other legislative initiatives which may be taken up by the Senate this year in this area. However, the point I wish to close with is the one which I made at the start and to which my discussion of alcoholism and drug abuse issues was to serve as an example—that is, that much of what is accomplished in the Senate never receives headline coverage in our Nation's newspapers, but it is, nevertheless, vital work that owes much to the dedication and labor of the Members of the Senate as the work that has been done and continues to be done by our distinguished colleague from Maine, BILL HATHAWAY.

If I have any additional time, I reserve it, and I ask unanimous consent that I may be permitted to do so.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Nebraska (Mr. CURTIS), the acting minority leader, is recognized.

PRESIDENT CARTER'S ACTION ON MEAT PRODUCTS

Mr. CURTIS. Mr. President, the action of President Jimmy Carter yesterday in reference to meat imports has not only met with disappointment and regret across the agricultural portion of the country but with bitterness as well.

This is not an unexpected result. The action taken was most unfair. The cause of inflation is not the price of cattle. We must also keep in mind that farmers do not sell meat; they sell cattle and hogs. The cause of the inflation is right here in Washington, D.C. It is excessive spending, it is huge deficits, a national debt that piles up year after year, and no one seems to care about it.

That is why inflation is getting out of control. Farmers do not receive a steady and level income. They go through periods of crop failure, for grain farmers; they go through periods of very depressed prices; they go through periods of excessively low prices. They face disaster losses. Their only opportunity to recoup is when the market gets a little better; and it is wrong for the Government to step in and block an increase, or do things which are intended to block an increase, in the prices the farmers receive.

It is not a theory. It is not a fine spun argument economically. It is plain unfairness. It is demagoguery. Out of every 100 people in the United States, only 4 of us have anything to do with the production of food. Turning against the 4 to make a grandstand play with the 96 is wrong. It is morally wrong. It has nothing to do with inflation.

Other prices have gone up. I hold in my hand the Wall Street Journal of March 14 of this year, in which a headline reads: "Labor Costs Have Soared for a Decade Now, and Pay Outlook Points to More of the Same."

Another article says:

> Excluding foods, wholesale prices of finished goods advanced 1 percent last month, or a 12 percent annual clip, up sharply from March's 0.5 percent rise, or 6 percent annual increase.

Mr. President, why would the President of the United States single out agriculture? All prices are going up. We read also, from a recent news item:

> National Steel Corp., the Nation's third largest steel producer, announced today it is raising prices $5.50 a ton.

The article also says:

> U.S. Steel, the Nation's largest steelmaker, announced Wednesday it is raising its prices $10.50 a ton.

I am not condemning those people. Costs were going up, and people had to charge more. But an increase in cost is not the cause of inflation. It is the result of inflation. Inflation is caused by politicians here in Washington; and the very man who moved in and took action intended by him to lower the price of livestock is sending message after message to the Congress of the United States for more programs: National health insurance, Humphrey-Hawkins—I could go on and name a long list that will cost billions of dollars more.

Does not anybody care about the future? Are we going to go on increasing the deficit year after year? It used to be shocking when we had a deficit of $1 or $2 billion, or it got up to $5 billion. Now it is $60 billion. What are we going to do if the youngsters look us in the eye and ask, "Does Uncle Sam ever pay his bonds, or does he just renew them?"

Mr. LUGAR. Mr. President, will the distinguished Senator from Nebraska yield?

Mr. CURTIS. I am happy to yield to the Senator from Indiana.

Mr. LUGAR. The distinguished Senator from Nebraska is well aware, coming from a State which produces corn and has a lot of cattle feeders, that one of the messages that the President might be sending to cattle feeders is simply to reduce their herds. Would the Senator want to make a comment, from his experience? Because the Senator from Indiana is very much interested in precisely the same point. The message we see in Indiana—and I would like to get the Senator's experience in Nebraska—is that the President is following a very short-term attitude regarding inflation, as to what the result of his announcement is likely to be in the cutting back of herds and the feeding of cattle, and that this is likely to set up a permanent increase in the price of beef.

Mr. CURTIS. That is very true. Even last year, the prices were so low that many ranchers went bankrupt and went out of business, and there are now fewer of them. It takes about a 3-year cycle in the cattle industry to make a comeback. So what I said was not an economic theory; it is a fact. The President's action is basically unfair; but it is very bad economics as well, and it is promoting future trouble.

Mr. President, I wish the President of the United States would return the Department of Agriculture to the farmers. I am not suggesting that we banish out of the country the militant environmentalists and the militant consumer crusaders and picketers, but I do think they ought not to be in the Department of Agriculture. I think rural America is entitled to a department. I think we ought to have a Labor Department, and I think we ought to have a Commerce Department. We used to have a Department of Agriculture. It has been taken away from the farmers by a collection of bureaucrats, environmentalists, consumer advocates, and others. They have their place in our country, but that place is not in the one department that was intended to serve the farmers.

Mr. President, I reserve the remainder of my time.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Vermont (Mr. LEAHY) is recognized for not to exceed 15 minutes.

RURAL TRANSPORTATION

Mr. LEAHY. Mr. President, I rise to speak for an area of this Nation which has rusted from corrosive neglect for too, too many decades. It is an area of neglect which every Member of this Chamber should have interest in alleviating. It is an area which has been discounted, overlooked, and even ignored by the Government. It is rural America. And its time has come.

I could stand before you today Mr. President and recite a seemingly endless list of inequities rawly dealt to our rural sector. I could ramble through the dismal rural and smalltown statistics for housing, health, legal services, and the entire gamut of the social services ad nauseum.

However, such an enumeration of this Nation's shame in dealing with rural Americans, I fear, would be without effect. This Chamber neither needs nor desires meaningful generalizations which are hollow of specific recommendations.

Rather, Mr. President, I rise to speak to a specific area of rural needs where the noxious trend of neglect is, perhaps, subsiding—rural and smalltown public transportation. Public transportation in this sector of our Nation has always been the poor stepchild of its urban counterpart.

Mr. President, the Congress has supported public transportation services because it is money well spent. It allows mobility for the elderly, travel to and from employment for the breadwinner, access to social services, and, as has been painfully emphasized by the energy crunch, it allows a more rational and efficient use of our precious fossil fuels. However, due to this Government's tacit urban bias, most of the public transportation which Congress supports operates in urban areas.

Public transportation in the rural areas and the smaller cities receives an inequitable proportion of the available funds. Of the billions of dollars Congress approved for public transportation expenditures under the National Mass Transportation Act of 1974, less than 5 percent was targeted for rural areas and smaller cities. And, this 5 percent was severely shackled by a crippling caveat which did not allow rural and small city buslines to use the Federal funds to help cover operating expenses.

The National Mass Transportation Assistance Act of 1974 is a glowering example of urban bias. A bias which did not realize that 46 percent of this Nation's poor—those who depend most heavily upon public transportation—do not live in urban areas, and hence were not significantly served by the funds available under the 1974 act. A bias which has fostered a most horrendous situation where only a paltry 318 of the 20,000 towns with populations under 50,000 are served by a public transportation system. This is less than 2 percent. A bias which every Member of this Chamber should be concerned with checking, for all of us have rural areas and small communities in our home States, and all of us have a constituency which is not urban.

Mr. President, this urban bias is nearly ubiquitous. It is so prevalent that, at times, it has even stymied the rather limited congressional efforts to move toward rural transportation equity. For example, although the National Mass Transportation Act of 1974 authorized $500 million for nonurban transportation, the Department of Transportation never developed effective regulations for the allocation of those funds, and the administering agency for the $500 million, the Urban Mass Transportation Administration, fostered little outreach. These facts, and the inability of the funds to be used for operating expenses, led to a Catch-22 dilemma creating the incongruous situation where only $23 million of the $500 million ever reached rural constituents whom Congress intended the funds to serve.

However, Mr. President, as I stated earlier, the noxious trend of denying public transportation to rural areas and small cities is subsiding. This necessary change has come due to efforts of several of our colleagues who have cast off the urban blinders which have for decades chartered the course of Federal policy.

One such colleague is the Senator from New Jersey, Senator WILLIAMS. Senator WILLIAMS introduced the Federal Transportation Act of 1978, S. 2441, which authorizes significant funding for rural transportation services—$100 million annually.

Also, rural and small town America owes thanks to the Senator from Wisconsin, Senator PROXMIRE. For it was his Committee on Banking, Housing, and Urban Affairs which recently reported out S. 2441. Chairman PROXMIRE and his committee assured that the rural areas' and small cities' Federal transportation moneys can be used to help cover operating expenses. This is a significant alteration of past rural transportation funding and it is one which I, coming from the most rural of States, greatly appreciate.

And too, Mr. President, rural America should be grateful to the Senator from Indiana, Senator BAYH. For it is he and members of his Appropriations Subcommittee on Transportation, especially Senator CASE, which will allow rural areas and smaller cities to realize the benefits of S. 2441's authorizations. Again, coming from the most rural State, I appreciate and acknowledge Chairman BAYH and his subcommittee's willingness and desire to finally bring public transportation to rural America.

Mr. President, I also deeply appreciate the continuing efforts of Senator STAFFORD, my senior colleague from Vermont. His persistent concern with rural public transportation has and will continue to make S. 2441's rural emphasis a reality.

Senators WILLIAMS, PROXMIRE, BAYH, CASE, STAFFORD, and I and 60 million rural Americans thank you.

Mr. President, now it is the responsibility of this Chamber to assure that rural and small town America receives those funds. It is our responsibility to affirm the 1978 public transportation bill's efforts to bring public transportation to rural America, as is embodied in S. 2441.

It is also our responsibility to see to it that the Department of Transportation prudently and promptly develops allocation regulations upon congressional affirmation of this funding for rural and small town America's transportation needs.

Mr. President, I would like to add a final comment. It is that Congress must not assume that the 1978 Transportation Act will be a panacea for rural transportation ills. Rather, it is a step in the right direction, a first dose of sorely needed medicine, as it were. It is my hope that this remedy to rural transportation woes be quickly applied, and that in the coming years we will be able to considerably increase the dosage.

Mr. President, I yield back the remainder of my time and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, have I any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes remaining.

ORDER OF PROCEDURE ON MONDAY

SWEARING-IN CEREMONY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, immediately after the prayer, the Senate proceed to the swearing in of the new Senator from Alabama, Mrs. Allen, and that this occur prior to the recognition of the two leaders under the standing order.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the respective cloakrooms can inform Senators that the swearing in will occur. The Senate will be coming in at 10 o'clock Monday morning. Therefore, the swearing in should occur by 2 minutes after 10. I hope that we will have a good attendance on both sides of the aisle on this occasion.

EULOGIES FOR SENATOR JAMES B. ALLEN

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the recognition of Mr. BARTLETT and the recognition of any other Senators for whom orders may be entered prior to that time, that there be 2 hours set aside for eulogies with respect to our late departed colleague, Senator James Allen, and that the time be equally divided between the majority and minority leaders, provided further, that the RECORD remain open for 10 days for statements of eulogies, and that such statements be printed in this instance as though read.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. LUGAR. Mr. President, reserving the right to object, and I shall not object, I ask the distinguished majority leader, would that amount of time be sufficient for all those who might want to eulogize Senator Allen on Monday? Is it possible that that time might be extended? What is the pleasure of the majority leader in that instance?

Mr. ROBERT C. BYRD. Heretofore, 2 hours has normally been sufficient. It has been occasionally necessary to give a few additional minutes. Under the consent order which will be entered if the Senator does not object, Senators will be able, throughout the day, to bring their statements in and they will be printed in the RECORD as though stated, in this instance. Under these circumstances, it would be understandable that the statements would not carry bullets.

Mr. President, I withdraw that request temporarily.

Mr. President, I revise my request and make it 3 hours instead of 2 hours.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. LUGAR. No objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EULOGIES TO BE PRINTED AS PERMANENT SENATE DOCUMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that such eulogies be compiled and bound together in a permanent volume as a Senate document.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

RESUMPTION OF UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following those 3 hours on Monday, the Senate resume its consideration of the unfinished business.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

ORDER TO CONVENE AT 10 A.M. MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, for reasons that I think are sufficient, that when the Senate completes its business today. it stand in recess until the hour of 10 a.m. on Monday morning, with the understanding that Mrs. Allen will be sworn in immediately after the prayer, and that the Senate will have 3 hours for eulogies following the recognition of Senators for whom previous orders have been entered.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, two bills have been cleared for action by unanimous consent. They are Calendar Orders numbered 761 and 765. I, therefore, ask unanimous consent that the Senate proceed to the consideration of those two calendar orders.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL PROGRAM OF INSPECTION OF DAMS

The Senate proceeded to consider the bill (S. 2444) to amend the act of August 8, 1972 (Public Law 92–367) relating to a national program of inspection of dams, which had been reported from the Committee on Environment and Public Works with an amendment on page 2, line 6, after "(3)" strike through and including line 7, and insert the following in lieu thereof:

Section 6 is amended by inserting a new (2) as follows and by renumbering (2) as (3):

"(2) to create any liability for agents or contractors for damages caused by such action or failure to act beyond the amount of any contract entered into pursuant to the Act;".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to authorize the Secretary of the Army to undertake a national program of inspection of dams," approved August 8, 1972 (Public Law 92–367; 33 U.S.C. 467), is amended as follows:

(1) In section 2 insert "(a)" immediately after the words "the Chief of Engineers shall carry out a national program of inspection of dams for the purpose of protecting human life and property.".

(2) Add at the end of section 2, the following new subsections:

"(b) In order to carry out the purposes of this Act, the Secretary, or his authorized representative, upon presenting appropriate credentials to the owner, operator, or agent in charge is authorized—

"(1) to enter without delay and at reasonable times any dam site, structure, appurtenance, or any work area, or other area used in connection with operation of the dam; and

"(2) to inspect and investigate during regular working hours and at other reasonable times, and within reasonable limits and in a reasonable manner, any such damsite and all pertinent conditions, structures, machinery, apparatus, devices, equipment, and materials therein or thereon; and to require any owner, operator, agent or employee, or designer, contractor or builder, to provide information regarding the design, construction, operation, and maintenance of the same; and to have access to any records, blueprints, plans, or other pertinent documents pertaining to the design, construction, operation, and maintenance of the same.

"(c) Except as to cases the court considers of greater importance, any judicial proceedings involving this Act before a district court of the United States, and appeals therefrom, take precedence on the docket over all cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.".

(3) Section 6 is amended by inserting a new (2) as follows and by renumbering (2) as (3):

"(2) to create any liability for agents or contractors for damages caused by such action or failure to act beyond the amount of any contract entered into pursuant to the Act;".

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–830), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of S. 2444, as reported, is to clarify the National Dam Inspection Act of 1972 (Public Law 92–367) with respect to liability, right of entry, and judicial proceedings.

GENERAL STATEMENT

The National Dam Inspection Act of 1972 directed the Army Corps of Engineers to inspect non-Federal dams, compile an inventory of those conforming to certain size criteria, report inspection results to States, and recommend to the Congress a comprehensive national program for dam safety.

While the corps completed an inventory of non-Federal dams in 1976, actual inspections have only just begun. Funds for inspection were neither requested nor appropriated until the current fiscal year. The executive branch considered inspection of non-Federal dams to be a non-Federal responsibility and thus never implemented that requirement of the 1972 act.

The Congress appropriated $15 million in fiscal year 1978 to initiate dam inspections. This money was not released to the corps until after the collapse of the Toccoa Falls dam in Georgia in November 1977. The corps expects to undertake a 4-year program to inspect some 9,000 dams that are so located that failure could result in loss of human life and/or appreciable property damage.

The amendments to the act proposed by this bill will insure that an adequate inspection program can go forward. It is essential that the inspectors be able to enter premises to carry out visual inspections. Contracting to perform this work is necessary. Without such activity, corps personnel would not be sufficient for the task assigned. The committee believes that limitation on liability will encourage architectural and engineering firms to enter into contracts for this work. The amendments to the dam safety law accomplish this goal and will expedite this valuable program.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LUGAR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STATE DAM SAFETY AND INSPECTION ACT

The Senate proceeded to consider the bill (S. 2437) to amend the act of August 8, 1972 (Public Law 92–367) to provide Federal assistance to the States for the development and implementation of effective dam safety programs in order to protect human life and property, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 1, beginning with line 5, insert the following:

SEC. 2. Section 2 of Public Law 92–367 (86 Stat. 506) is amended by striking the "and" after "inspection" and striking the period after "property" and inserting the following: "and (5) dams located within a State having an approved program under section 8 of this Act.".

On page 2, line 1, strike "2" and insert "3";

On page 2, line 1, after "92–367) insert "(86 Stat. 506)";

On page 2, line 8, after the comma insert "and";

On page 2, line 8, strike "and September 30, 1982";

On page 2, line 19, strike "a" and insert "an approved";

On page 2, at the beginning of line 22, insert "and maintenance";

On page 2, line 25, after "establishes" insert "and maintains";

On page 3, line 9, after "during," insert "during and";

On page 3, line 11, strike "and" and insert "that";

On page 3, line 15, after "detailed" insert "and frequent";

On page 3, line 18, strike "any" and insert "those";

On page 3, line 19, strike "if it is determined that the dam poses a threat to human life and property" and insert "necessary to assure the dam's safety";

On page 3, line 24, after "fails" insert "or for which failure is imminent";

On page 3, line 25, strike "of that area that may" and insert "for those dams where failure could be reasonably expected to endanger human life, of the maximum area that could";

On page 4, line 3, strike "each" and insert "such";

On page 4, line 4, strike "in such State,";

On page 4, line 8, after "repairs" insert "or other changes";

On page 4, at the beginning of line 14, insert "or other changes";

On page 5, line 11, after "of" insert "section 7 of";

On page 6, beginning with line 13, insert the following:

"(e) Not later than eighteen months after enactment of this Act, the Secretary and the Secretary of the Treasury shall report jointly to the Congress with an analysis of the effects of this section, together with any recommendations for a more comprehensive dam safety insurance program to assure the availability of insurance to owners of dams inspected under a State program approval under section 8 of this Act, in an effort to lessen or eliminate the need for any disaster assistance in the event of the failure of such a dam."

On page 7, line 1, strike "or";

On page 7, at the beginning of line 2, insert "or to make other safety improvements in";

On page 7, line 10, strike "within the responsibility" and insert "constructed and operated under authority";

On page 7, line 13, after "review" insert "as expeditiously as possible";

On page 7, line 15, strike "a" and insert "an advisory";

On page 7, line 23, after "of" insert "seven members selected for their expertise in dam safety, including";

On page 8, line 3, strike "who shall be selected for their expertise in dam safety";

On page 8, line 6, after "States" insert "having an approved program under section 8 of this Act";

On page 8, line 18, after "training for" insert "State";

On page 8, line 19, strike "who are or will be employed by such State";

On page 8, line 23, after "1980" insert "and";

On page 8, line 23, strike "and September 30, 1982";

On page 9, line 5, after "shall" insert "provide for State participation in such research and";

On page 9, line 10, after "1980" insert "and";

On page 9, line 10, strike ", and September 30, 1982";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of Public Law 92-367 is amended by repealing the final sentence.

SEC. 2. Section 2 of Public Law 92-367 (86 Stat. 506) is amended by striking the "and" after "inspection" and striking the period after "property" and inserting the following: "and (5) dams located within a State having an approved program under section 8 of this Act.".

SEC. 3. Public Law 92-367 (86 Stat. 506) is amended further by adding at the end thereof the following new sections:

"SEC. 7. There is authorized to be appropriated to the Secretary of the Army, acting through the Chief of Engineers (hereinafter referred to as the 'Secretary'), $15,000,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981. Sums appropriated under this section shall be distributed annually among the States on the following basis: one-third equally among those States that have established dam safety programs approved under the terms of section 8 of this Act, and two-thirds in proportion to the number of dams located in each State that has an established dam safety program under the terms of section 8 of this Act to the number of dams in all States with such approved programs. In no event shall funds distributed to any State under this section exceed 50 per centum of the reasonable cost for implementing an approved dam safety program in such State.

"SEC. 8. (a) In order to encourage the establishment and maintenance of effective programs intended to assure dam safety to protect human life and property, the Secretary shall provide assistance under the terms of section 7 of this Act to any State that establishes and maintains a dam safety program which is approved under this section. In evaluating a State's dam safety program, under the terms of subsections (b) and (c) of this section, the Secretary shall assure himself that such program includes the following:

"(1) a procedure whereby, prior to any construction, the plans for any dam will be reviewed to provide reasonable assurance of the safety and integrity of such dam over its intended life;

"(2) a procedure to determine, during and following construction and prior to operation of each dam built in the State and that such dam will be operated in a safe and reasonable manner;

"(3) a procedure to inspect every dam within such State at least once every two years;

"(4) a procedure for more detailed and frequent safety inspections, if warranted;

"(5) the State has or can be expected to have authority to require those changes or modifications in a dam, or its operation, necessary to assure the dam's safety;

"(6) the State has or can be expected to develop a system of emergency procedures that would be utilized in the event a dam fails or for which failure is imminent together with an identification for those dams where failure could be reasonably expected to endanger human life, of the maximum area that could be inundated in the event of the failure of such dam, as well as identification of those necessary public facilities that would be affected by such inundation;

"(7) the State has or can be expected to have the authority to assure that any repairs or other changes needed to maintain the integrity of any dam will be undertaken by the dam's owner, or other responsible party; and

"(8) the State has or can be expected to have authority and necessary funds to make immediate repairs or other changes to, or removal of, a dam in order to protect human life and property, and if the owner does not take action, to take appropriate action as expeditiously as possible.

"(b) Any program which is submitted to the Secretary under the authority of this section shall be deemed approved one hundred and twenty days following its receipt by the Secretary unless the Secretary determines that such program fails to reasonably meet the requirements of subsection (a) of this section. If the Secretary determines such a program cannot be approved, he shall immediately notify such State in writing, together with his reasons and those changes needed to enable such plan to be approved.

"(c) Utilizing the expertise of the Board established under section 11 of this Act, the Secretary shall review periodically the implementation and effectiveness of approved State dam safety programs. In the event the Board finds that a State program under this Act has proven inadequate to reasonably protect human life and property, and the Secretary agrees, the Secretary shall revoke approval of such State program and withhold assistance under the terms of section 7 of this Act until such State program has been reapproved.

"SEC. 9. (a) In order to assure that owners of dams will be able to obtain liability insurance at reasonable rates, and to protect persons located downriver of dams, the Secretary, or the head of any agency of the United States designated by the Secretary, shall provide to any insurer, subject to conditions established by regulations, reinsurance or guarantees of any insurance provided to the owner of a dam to protect such owner from liabilities incurred in the event of the failure of such dam. Reinsurance or guarantees provided under this section shall reimburse an insurer for those liabilities in excess of an amount agreed upon between the Secretary, or his designee, and the insurer.

"(b) Any reinsurance or guarantees provided under this section shall be available only in a State which has an approved dam safety program under the terms of section 8 this Act.

"(c) Agreements on reinsurance or guarantees under this section shall provide that the failure of the owner of any dam to carry out expeditiously any modification or procedure required by a State under the terms of its dam safety program shall result in the cancellation of any reinsurance or guarantee provided by the Secretary, or his designee.

"(d) There is authorized to be appropriated such sum as may be necessary to carry out this section.

"(e) Not later than eighteen months after enactment of this Act, the Secretary and the Secretary of the Treasury shall report jointly to the Congress with an analysis of the effects of this section, together with any recommendations for a more comprehensive dam safety insurance program to assure the availability of insurance to owners of dams inspected under a State program approval under section 8 of this Act, in an effort to lessen or eliminate the need for any disaster assistance in the event of the failure of such a dam.

"SEC. 10. There is authorized to be appropriated and remain available the sum of $20,000,000 to be placed in a revolving fund by the Secretary, such funds to be available for loans, on terms established by the Secretary, to any owner for any dam required to make repairs, to replace, or to make other safety improvements in such dam under any safety program approved under section 8 of this Act, if such owner can demonstrate to the Secretary that other funds are not reasonably available.

"SEC. 11. (a) There is authorized to be established a Federal Dam Safety Review Board (hereinafter referred to as the 'Board'), which shall be responsible for reviewing the procedures and standards utilized in the design and safety analysis of dams constructed and operated under authority of the United States, and to monitor State implementation of this Act. The Board shall review as expeditiously as possible the plans and specifications on all dams specifically authorized by Congress prior to initiation of construction of such dam, and file an advisory report on the safety of such dam with the appropriate agency, the appropriate State, and the Congress. The Board is authorized to utilize the expertise of other agencies of the United States and to enter into contracts for necessary studies to carry out the requirements for this section. There is authorized to be appropriated to the Board such sums as may be necessary to carry out this section.

"(b) The Board shall consist of seven members selected for their expertise in dam safety, including one representative each from the Department of Army, the Department of the Interior, and the Department of Agriculture, plus four members, appointed by the President for periods of two years on a rotating basis, who are not employees of the United States. At least two members of the Board shall be employees of the States having an approved program under section 8 of this Act. The Chairman of the Board shall be selected from among those members who are not employees of the United States.

"SEC. 12. The head of any agency of the United States that owns or operates a dam, or proposes to construct a dam in any State, shall, when requested by such State, consult fully with such State on the design and safety of such dam and allow officials of such State to participate with officials of such agency in all safety inspections of such dam.

"SEC. 13. The Secretary shall, at the request of any State that has or intends to develop a dam safety program under section 8 of this Act, provide training for State dam safety inspectors. There is authorized to be appropriated to carry out this section $1,000,000 for the fiscal year ending September 30,

1979, and $500,000 during each of fiscal years ending September 30, 1980 and September 30, 1981.

"SEC. 14. The Secretary, in cooperation with the National Bureau of Standards, shall undertake a program of research in order to develop improved techniques and equipment for rapid and effective dam inspection, together with devices for the continued monitoring of dams for safety purposes. The Secretary shall provide for State participation in such research and periodically advise all States of the results of such research. There is authorized to be appropriated to carry out this section $1,000,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.

The amendments were agreed to.

UP AMENDMENT NO. 1331

Purpose To Make a Technical Amendment to the Dam Safety Bill

Mr. McCLURE. Mr. President, I send a technical amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 1331.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 11, after the word "appropriated" add "for the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981".

On page 6 line 22, after the word "appropriated" add "in the fiscal year ending September 30, 1979, or any fiscal year thereafter".

On page 7, line 21, after the word "Board" add "for the fiscal year ending September 30, 1979, and each fiscal year thereafter".

Mr. McCLURE. Mr. President, this amendment is technical in nature. It clarifies the intent of the bill to insure that the moneys authorized can be appropriated and be made available in fiscal year 1979.

This has been cleared on both sides of the aisle.

The clarification is necessary in three sections of the bill:

The section authorizing insurance guarantees, section 9; the section authorizing the revolving fund for dam repair, section 10, and the section establishing a Federal Dam Safety Review Board, section 11.

Mr. President, I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCLURE. Mr. President, I will not burden the Senate with a prolonged discussion of this legislation, but I think it ought to be underscored that this bill is the outgrowth of the crying need to avoid the bursting of dams which has occurred, which was underscored first by the rupture 2 years ago of the Federal dam on the Teton River in Idaho, which caused a loss of life and hundreds of millions of dollars in damage when that dam burst. The problems associated with that are being adequately investigated, and there are ongoing changes in the methods by which we design, locate, construct, and supervise the construction of Federal dams.

But there is a glaring omission, so far as non-Federal dams are concerned. Some States have absolutely no inspection programs for dams that may be decades or perhaps 100 years old, which have never been inspected. There is no way to know whether or not they are safe.

The bursting of the dam in Georgia was just the latest of a series and will not be the last of such series unless legislation of this kind is passed.

This bill does not deprive the States of their authority to do their own dam inspection programs. It provides the assistance to them to make certain that the dams are inspected, so that people who live in this country need not fear the specter of a sudden onslaught of a wall of water in the dark of night without any warning, which wipes out their families or their property.

This is, I think, the best possible answer to this problem and will pay off handsome dividends in added safety for the people of this country.

Mr. President, I urge adoption of S. 2437. It is legislation that will encourage the development and implementation of dam safety programs in the States.

I need not tell my colleagues of the need for an effective dam safety program. Recent dam failures in Idaho, Georgia, and elsewhere have caused severe damage and taken dozens of lives. Current law provides authority for a one-time Corps of Engineers safety study of dams. That program, however, has not moved ahead rapidly and it fails to meet the dam safety needs on a long-term basis.

This legislation will encourage on-going State efforts to protect persons downriver from dams and provide greater assurance that when new dams are built they will be constructed in a safe, and reasonable manner, with State review.

Since the reporting of this bill, two points have been brought to my attention. One involves whether trained geologists should be involved in the safety review of dams. It is my expectation that the expertise of geologists, as well as that of engineers and hydrologists, should be utilized in reviewing dams. Ultimately, however, the makeup of dam safety rests with the State.

Second, it has been argued that implementation of section 8 might be delayed by requirements for the development of detailed manuals by each State. It is not the intent of the bill that such manuals be required.

Mr. President, more adequately to explain the bill, I ask unanimous consent that portions of the report on this bill be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE LEGISLATION

This bill seeks to develop on-going programs that will reduce the likelihood of dam failure, or greatly minimize the effects if any such failure may occur.

No dam can ever be totally free of risk. This legislation seeks to achieve an evaluation of that risk, and monitoring to minimize that risk.

S. 2437 will encourage the development and maintenance among the States in dam safety programs, gradually reducing the Corps of Engineers' role of inspecting non-federally owned dams. Such a change will, over time, limit the Federal responsibility to the inspection of Federal dams, the development of new dam safety techniques, and the training of dam safety inspectors to work in State programs. The Corps' responsibility for dam inspection would remain in those States that fail to develop their own State plans.

GENERAL STATEMENT

Following the collapse of the Buffalo Creek coal mine refuge dam in West Virginia in 1972, Congress enacted Public Law 92-367, which authorized a national dam-inspection program. Until recent months, the Corps of Engineers had only undertaken an inventory of dams having a height of 25 feet or more, or with a capacity of at least 50 acre feet of storage.

That inventory, which may be incomplete, identified the existence of 49,329 such dams in the Nation. Of this total, 44,000 were non-federally owned dams located on non-Federal property, 3,343 were nonfederally owned dams located on Federal property, with the remainder being dams owned by the Federal Government and located on Federal property. The number of dams of this size is estimated to be growing at a rate of 1,600 annually.

Of the 49,329 dams currently identified, approximately 20,000 have been characterized by the corps as "hazardous"—a definition that identifies a dam by its location, not its stability. A hazardous dam is one failure of which could result in loss of life and/or appreciable property damage. Of those 20,000 dams, approximately 9,000 are considered to have a high-hazard potential.

The breakdown by State of non-Federal dams is as follows:

NON-FEDERAL DAMS

[Estimate of dams in each hazard category]

State	Number of dams (non-Federal)	High hazard	Significant hazard	Low hazard	State	Number of dams (non-Federal)	High hazard	Significant hazard	Low hazard
Alabama	1,390	85	418	887	Hawaii	118	54	8	56
Alaska	34	8	8	18	Idaho	288	56	163	69
Arizona	275	66	58	151	Illinois	903	301	298	304
Arkansas	1,021	161	229	631	Indiana	499	142	283	74
California	1,099	378	358	363	Iowa	1,429	25	44	1,300
Colorado	1,755	570	590	592	Kansas	3,865	332	1,104	2,429
Connecticut	669	225	222	226	Kentucky	754	39	197	518
Delaware	58	14	18	20	Louisiana	320	7	49	264
Florida	426	59	87	285	Maine	437	26	193	218
Georgia	1,715	100	165	1,450	Maryland	132	33	35	64

State	Number of dams (non-Federal)	High hazard	Significant hazard	Low hazard
Massachusetts	1,027	303	292	432
Michigan	609	185	209	215
Minnesota	593	104	147	332
Mississippi	2,725	71	335	2 319
Missouri	2,316	769	774	773
Montana	1,309	115	185	1,009
Nebraska	1,484	61	421	1,002
Nevada	137	15	35	87
New Hampshire	458	314	99	45
New Jersey	533	408	105	20
New Mexico	270	81	58	181
New York	765	224	362	170
North Carolina	1,185	153	101	931
North Dakota	318	31	90	197
Ohio	884	192	498	194
Oklahoma	2,212	139	184	1,839
Oregon	556	63	38	455
Pennsylvania	856	708	56	92
Rhode Island	139	12	30	97
South Carolina	865	71	132	602
South Dakota	2,073	37	162	1,874
Tennessee	487	161	161	163
Texas	4,192	463	625	3,103
Utah	330	143	86	101
Vermont	236	64	64	108
Virginia	728	209	175	344
Washington	302	90	68	144
West Virginia	402	245	135	22
Wisconsin	817	140	177	500
Wyoming	1,314	13	58	1,243
Puerto Rico	25	16	8	1
Trust territory	2	0	1	1
Virgin Islands	8	1	4	3
Total	47,343	8,352	10,407	28,585

Until recently, the inspection aspects of the 1972 law have not been funded or implemented. Following the collapse of a private dam at Taccoa Falls, Ga., in November 1977, with the loss of many lives, the Corps of Engineers was directed to initiate the inspection portion of the 1972 act, in cooperation with State officials.

In a report entitled "Improving Federal Dam Safety," dated November 15, 1977, the Federal Coordinating Council for Science Engineering and Technology said: "It is recommended that the Federal Government initiate an inspection program on all non-Federal dams which, in the event of failure, would have high-hazard potential to downstream life and property. The program should be designed to encourage the States to provide longer-term regulation to both existing and new private dams."

The corps presently is undertaking a one-time program of dam inspections, utilizing $15,000,000 appropriated for fiscal year 1978. The administration budget requests $16,400,000 for the dam safety program in fiscal year 1979, sufficient funds for an estimated 2,000 inspections.

In the initial effort begun last December, the corps inspected 95 dams and concluded that 10 of these dams, in 7 States, were unsafe. The high ratio of unsafe dams in the early phase is unlikely to continue, since the corps and the States sought to investigate those dams most likely to have problems.

SECTION-BY-SECTION ANALYSIS

The first section of the reported bill removes a prohibition against inspecting very small dams. This change does not require that such dams be inspected, but provides the latitude to enable the Corps and the States to use good judgment in determining that such an inspection can be made, if warranted.

Section 2 excludes from the Federal inspection program dams in any State with an approved State dam inspection program, established in the bill. This change is designed to prevent duplication of effort.

Section 3 adds eight new sections (sections 7–14) to the basic 1972 Dam Safety Act. These changes are designed to encourage the States to assume responsibility for this important program so that further Federal inspection of non-Federal dams becomes unnecessary.

These new sections are as follows:

FUNDING

Section 7 of the expanded Dam Safety Act authorizes the Corps of Engineers to distribute $15 million in each of the fiscal years 1979, 1980, and 1981 in dam safety funds among the States. One-third of this money would be distributed equally among the States with approved dam safety programs. The remaining two-thirds would be allocated on the basis of the number of dams, as defined in this act, in each State. These grants, however, are limited to no more than 50 percent of the State's dam safety program costs. Thus, while it is unlikely the States will be ready to utilize the full $15,000,000 in fiscal year 1979, the money should be made available to encourage rapid development of State programs.

STATE PLANS

Section 8 describes the standards by which a State program shall be judged. As with existing law, this bill requires that a State program cover only dams having a height of 25 feet or greater, or with storage capacity exceeding 50 acre-feet. The committee expects that State programs would encompass some smaller dams, if it is warranted, depending on local situations.

State programs would be required to provide preconstruction review of plans for new dams, review during construction, a preoperation safety review, plus ongoing inspections of each dam at least once every 2 years thereafter. In making an inspection of an existing dam every 2 years, the committee does not intend that the State be required to undertake a full and detailed engineering review of each dam. Once the initial inspection of plans and a dam has been made, a visual review by a trained inspector should prove sufficient.

The State program would have to provide authority to require changes or modifications in a dam, or its operation, if the dam were found to be in danger of failure. The State would also have to develop emergency procedures in the event of a dam failure, and have authority to see to it that dam repairs will be made by the dam owners. Each State program must include some form of emergency fund to be available to breach a dam or take other emergency corrective action, when necessary. A State program must have procedures for notification of officials of any community of the potential danger to the community in the event of the failure of a dam.

The committee recognizes the regional differences that may require a responsible dam safety program in one State to differ considerably from that in another State. The corps is expected to provide as much latitude as possible, recognizing that the goal of the act is to protect human life and property.

The dam safety guidelines that have been issued by the corps are not to be viewed as "standards" for the purposes of this Act. The states must have the flexibility to consider the local situation and their own needs, without dictation from the corps on the specific components of an acceptable dam safety program.

Once a State program is submitted to the corps, it is deemed to be approved in 120 days following the date of submission, unless the corps finds that the program fails to meet the requirements of this section and so notifies the State with recommendations on what will be needed to make the program acceptable.

Where the failure of a dam could affect lands downstream from the State in which the dam is located, the downstream State will be expected to cooperate with the State or States in which the dam is located to map the inundation area. When the dam itself is located in more than one State, the two States shall be expected to cooperate in the safety review.

Section 8 contains several references to a plan containing authorities, that a State "can be expected to have." This language is intended to allow States to move forward rapidly in developing dam safety plans, without having to wait a year or two for the State legislature to meet and enact such authority. Assuming the State indicates an intention to provide such authority, the corps shall assume it will exist. However, should the State, once the State legislature meets in regular session, fail to provide such specific authority, the corps would be expected to review the State plan and withdraw approval of a State plan where required. If a State fails to fund the State program, the corps is expected to withdraw its approval of the State plan. The reapproval procedure for a plan for which approval is withdrawn shall be identical to the procedure for original plan submittal.

The committee recognizes that some States may still not wish to participate in the program. The bill does not require participation, but it seeks to encourage it by offering financial assistance to participating States and by making liability reinsurance available only to dam owners in States that do participate. It is expected that dam owners in those States without an approved program will seek to develop an interest in order to make the reinsurance program available to the owners.

INSURANCE

Section 9 seeks to assure the availability of liability insurance for dam owners. This is a growing problem as a result of recent dam failures. Liability insurance no longer appears to be available to dam owners. This section authorizes the Federal Government to provide insurance companies with reinsurance or guarantees on any dam liability insurance. Such guarantees or reinsurance shall be available only in those States with an approved dam safety program. This is intended to serve as an inducement to the States to participate fully in this program.

Such liability insurance would also provide another major benefit: It would tend to lessen somewhat the need for Federal disaster assistance in the event of a dam failure.

The Committee has found that there is a need for the insurance industry and the Government to improve their risk analysis of

dams and to establish a program providing for insurance premiums based on that risk. The Committee anticipates that the Corps and the Department of the Treasury will work with the private insurance companies to develop more sophisticated analysis of such risks, then provide Federal support when warranted.

This section is not intended to provide subsidized premiums for any owner of a dam who fails to take prudent action to reduce the risk created by that dam. The benefits of Federal insurance guarantees of reinsurance should focus on assisting owners of those dams where development downriver of the dam has increased the dam owners exposure to liability, without offsetting benefits to the dam owners from such development. Thus if a town has grown up downstream from an irrigation dam, the dam owners should not be forced to carry the full burden of the cost of providing liability protection against damage that would occur in the community.

The committee has added an amendment to the bill for a study to be sent to Congress midway through the 3-year implementation of this act. This study allows for a full analysis of the development of insurance guarantees or reinsurance or other mechanisms to provide financial protection for those owning a dam and those that could be affected by its failure.

This study in no way is intended to delay the immediate development of a reinsurance program under the authority of this section. The regulations for reinsurance guarantees or reinsurance are to be developed and implemented as expeditiously as possible. The Committee expects to consider the development of this section in oversight hearings following the submission of the report to perfect its scope if that proves necessary.

SAFETY BOARD

Section 11 establishes a seven-member Federal Dam Safety Review Board. This section in part is in response to the recommendation in a report for the Subcommittee on Energy Research and Development of Committee on Energy and Natural Resources, dated June 1977, which stated that "An Independent Federal Board for Dam Safety should be established . . .". A General Accounting Office report, dated June 3, 1977, and entitled: "Actions Needed to Increase the Safety of Dams Built by the Bureau of Reclamation and the Corps of Engineers" also recommended independent review of dam designs. This view was confirmed by the Federal Coordinating Council for Science Engineering and Technology's report entitled "Improving Federal Dam Safety", dated November 15, 1977, which stated: "An independent review of a dam project at critical stages in its development, by experts not directly involved, is essential for all dams where existing or anticipated downstream life and/or property would be threatened in event of failure."

The Board would review the existing Federal dam safety procedures and standards used on Federal dams. The board shall also review the implementation of State plans and provide the corps with information the corps may need to withdraw approval of a State plan. This Board—composed of three Federal, two State, and two other experts—also will review the plans and specifications for all Federal dams for safety purposes. The Board is given authority to contract out the safety review of dams. The committee emphasizes that this review is advisory and is to be undertaken expeditiously. The Board does not have a veto authority over projects to be constructed by a Federal agency. Rather, its recommendations, which are provided to the agency and the Congress are to assist the line agency in assuring the safety of the dams it constructs.

The Energy Committee report went on to explain: "The main objective of the Board is to establish procedures for safety reviews and standards to be used on Federal dams and to determine the adequacy of sites and designs for all proposed large Federal dams. They will also be responsible for contracting required independent, external (private sector) reviews of the design and site selection for all major dams. Such reviews should be conducted by panels of experts who, by training, knowledge, and experience, are qualified to review geologic, hydrologic, and end engineering design data for the purpose of ascertaining the suitability of proposed damsites and the adequacy of proposed designs for assuring the construction of safe dams at those locations. Focus of the panels should be site suitability, adequacy of field explorations, suitability of construction materials, and the adequacy of the dam's design. The findings of the panels should be reported in writing, such reports to include but not be limited to a discussion of the aforementioned topics. The reports should also include an assessment of site and design alternatives considered by the agencies and recommendations for or against construction or for consideration of other alternatives or modification of proposed designs."

CONSULTATION

Section 12 requires Federal dam building agencies to consult fully with the State on the design and safety of any Federal dam built in that State, and to allow State officials to join Federal inspectors on safety inspection of those Federal dams. The committee emphasizes that this language does not provide a State veto. Rather it seeks to assure reasonable cooperation between State and Federal authorities. States, of course, will retain full safety authority over private dams on Federal property.

TRAINING

Section 13 provides $2 million over a 3-year period for training of State dam safety inspectors in visual and other techniques of examining a dam, and to train professional engineers in more detailed analysis. It is estimated that adequate training can be provided at a cost of $2,000 per week for inspectors, including salary and travel. Thus, a $1 million program the first year should train 10 inspectors from each State. After the initial year, an ongoing training program costing $500,000 should prove adequate.

RESEARCH

Section 14 directs the corps and the National Bureau of Standards to undertake research to develop improved techniques and equipment for rapid and effective dam inspection, augmenting work the Bureau is now undertaking on techniques, such as portable microwave units, to make a safety profile of dams. A total of $3 million is authorized to carry out this section over 3 years.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2437

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of Public Law 92-367 is amended by repealing the final sentence.

SEC. 2. Section 2 of Public Law 92-367 (86 Stat. 506) is amended by striking the "and" after "inspection" and striking the period after "property" and inserting the following: "and (5) dams located within a State having an approved program under section 8 of this Act.".

SEC. 3. Public Law 92-367 (86 Stat. 506) is amended further by adding at the end thereof the following new sections:

"SEC. 7. There is authorized to be appropriated to the Secretary of the Army, acting through the Chief of Engineers (hereinafter referred to as the 'Secretary'), $15,000,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981. Sums appropriated under this section shall be distributed annually among the States on the following basis: one-third equally among those States that have established dam safety programs approved under the terms of section 8 of this Act, and two-thirds in proportion to the number of dams located in each State that has an established dam safety program under the terms of section 8 of this Act to the number of dams in all States with such approved programs. In no event shall funds distributed to any State under this section exceed 50 per centum of the reasonable cost for implementing an approved dam safety program in such State.

"SEC. 8. (a) In order to encourage the establishment and maintenance of effective programs intended to assure dam safety to protect human life and property, the Secretary shall provide assistance under the terms of section 7 of this Act to any State that establishes and maintains a dam safety program which is approved under this section. In evaluating a State's dam safety program, under the terms of subsections (b) and (c) of this section, the Secretary shall assure himself that such program includes the following:

"(1) a procedure whereby, prior to any construction, the plans for any dam will be reviewed to provide reasonable assurance of the safety and integrity of such dam over its intended life;

"(2) a procedure to determine, during and following construction and prior to operation of each dam built in the State, that such dam will be operated in a safe and reasonable manner;

"(3) a procedure to inspect every dam within such State at least once every two years;

"(4) a procedure for more detailed and frequent safety inspections, if warranted;

"(5) the State has or can be expected to have authority to require those changes or modifications in a dam, or its operation, necessary to assure the dam's safety;

"(6) the State has or can be expected to develop a system of emergency procedures that would be utilized in the event a dam fails or for which failure is imminent together with an identification for those dams where failure could be reasonably expected to endanger human life, of the maximum area that could be inundated in the event of the failure of such dam, as well as identification of those necessary public facilities that would be affected by such inundation;

"(7) the State has or can be expected to have the authority to assure that any repairs or other changes needed to maintain the integrity of any dam will be undertaken by the dam's owner, or other responsible party; and

"(8) the State has or can be expected to have authority and necessary funds to make immediate repairs or other changes to, or removal of, a dam in order to protect human life and property, and if the owner does not take action, to take appropriate action as expeditiously as possible.

"(b) Any program which is submitted to the Secretary under the authority of this section shall be deemed approved one hundred and twenty days following its receipt by the Secretary unless the Secretary determines that such program fails to reason-

ably meet the requirements of subsection (a) of this section. If the Secretary determines such a program cannot be approved, he shall immediately notify such State in writing, together with his reasons and those changes needed to enable such plan to be approved.

"(c) Utilizing the expertise of the Board established under section 11 of this Act, the Secretary shall review periodically the implementation and effectiveness of approved State dam safety programs. In the event the Board finds that a State program under this Act has proven inadequate to reasonably protect human life and property, and the Secretary agrees, the Secretary shall revoke approval of such State program and withhold assistance under the terms of section 7 of this Act until such State program has been reapproved.

"SEC. 9. (a) In order to assure that owners of dams will be able to obtain liability insurance at reasonable rates, and to protect persons located downriver of dams, the Secretary, or the head of any agency of the United States designated by the Secretary, shall provide to any insurer, subject to conditions established by regulation, reinsurance or guarantees of any insurance provided to the owner of a dam to protect such owner from liabilities incurred in the event of the failure of such dam. Reinsurance or guarantees provided under this section shall reimburse an insurer for those liabilities in excess of an amount agreed upon between the Secretary, or his designee, and the insurer.

"(b) Any reinsurance or guarantees provided under this section shall be available only in a State which has an approved dam safety program under the terms of section 8 of this Act.

"(c) Agreements on reinsurance or guarantees under this section shall provide that the failure of the owner of any dam to carry out expeditiously any modification or procedure required by a State under the terms of its dam safety program shall result in the cancellation of any reinsurance or guarantee provided by the Secretary, or his designee.

"(d) There is authorized to be appropriated for the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981 such sums as may be necessary to carry out this section.

"(e) Not later than eighteen months after enactment of this Act, the Secretary and the Secretary of the Treasury shall report jointly to the Congress with an analysis of the effects of this section, together with any recommendations for a more comprehensive dam safety insurance program to assure the availability of insurance to owners of dams inspected under a State program approval under section 8 of this Act, in an effort to lessen or eliminate the need for any disaster assistance in the event of the failure of such a dam.

"SEC. 10. There is authorized to be appropriated in the fiscal year ending September 30, 1979, or any fiscal year thereafter and remain available the sum of $20,000,000 to be placed in a revolving fund by the Secretary, such funds to be available for loans, on terms established by the Secretary, to any owner for any dam required to make repairs, to replace, or to make other safety improvements in such dam under any safety program approved under section 8 of this Act, if such owner can demonstrate to the Secretary that other funds are not reasonably available.

"SEC. 11. (a) There is authorized to be established a Federal Dam Safety Review Board (hereinafter referred to as the 'Board'), which shall be responsible for reviewing the procedures and standards utilized in the design and safety analysis of dams constructed and operated under authority of the United States, and to monitor State implementation of this Act. The Board shall review as expeditiously as possible the plans and specifications on all dams specifically authorized by Congress prior to initiation of construction of such dam, and file an advisory report on the safety of such dam with the appropriate agency, the appropriate State, and the Congress. The Board is authorized to utilize the expertise of other agencies of the United States and to enter into contracts for necessary studies to carry out the requirements for this section. There is authorized to be appropriated to the Board for the fiscal year ending September 30, 1979, and each fiscal year thereafter such sums as may be necessary to carry out this section.

"(b) The Board shall consist of seven members selected for their expertise in dam safety, including one representative each from the Department of the Army, the Department of the Interior, and the Department of Agriculture, plus four members, appointed by the President for periods of two years on a rotating basis, who are not employees of the United States. At least two members of the Board shall be employees of the States having an approved program under section 8 of this Act. The Chairman of the Board shall be selected from among those members who are not employees of the United States.

"SEC. 12. The head of any agency of the United States that owns or operates a dam, or proposes to construct a dam in any State, shall, when requested by such State, consult fully with such State on the design and safety of such dam and allow officials of such State to participate with officials of such agency in all safety inspections of such dam.

"SEC. 13. The Secretary shall, at the request of any State that has or intends to develop a dam safety program under section 8 of this Act, provide training for State dam safety inspectors. There is authorized to be appropriated to carry out this section $1,000,000 for the fiscal year ending September 30, 1979, and $500,000 during each of fiscal years ending September 30, 1980 and September 30, 1981.

"SEC. 14. The Secretary, in cooperation with the National Bureau of Standards, shall undertake a program of research in order to develop improved techniques and equipment for rapid and effective dam inspection, together with devices for the continued monitoring of dams for safety purposes. The Secretary shall provide for State participation in such research and periodically advise all States of the results of such research. There is authorized to be appropriated to carry out this section $1,000,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary or technical corrections in the engrossment of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 419

Mr. ROBERT C. BYRD. Mr. President, this agreement has been cleared by Mr. HANSEN and Mr. HASKELL and by the minority leadership. I ask unanimous consent that, at such time as S. 419, Calendar Order No. 733, a bill to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes, is called up and made the business before the Senate, there be a time agreement thereon as follows: Two hours on the bill, to be equally divided between Mr. HANSEN and Mr. HASKELL; 4 hours on an amendment by Mr. HANSEN; 1 hour on any other amendment; 30 minutes on any amendment to an amendment; and 10 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; and that the agreement be in the usual form.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators for their patience.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 419 (Order No. 733), a bill to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes, debate on any amendment in the first degree (except an amendment to be offered by the Senator from Wyoming (Mr. HANSEN), on which there shall be 4 hours) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Colorado (Mr. HASKELL) and the Senator from Wyoming (Mr. HANSEN): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

(June 9, 1978.)

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to receive a briefing by CIA officials on Cuba and Africa.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. HATCH. Mr. President, I ask unanimous consent that Cynthia Covey, of my staff, be accorded the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LABOR LAW REFORM ACT OF 1978

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinshed business (H.R. 8410) which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 8410) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey is recognized.

THE NEED FOR LABOR REFORM, CHAPTER 11

Mr. WILLIAMS. Mr. President, some employers just do not want to deal with a union as the representative of their workers and will fight efforts to secure union representation by any means. Employees fired for union activity will obviously have great difficulty in having their rights restored because of the procedures that exist under current labor law.

Joseph Gause of Florida was one such employee, and his 6-year battle for justice provides dramatic evidence of the need for labor law reforms.

This is chapter 11 of a continuing series, Mr. President, of why America's workers need labor law reform.

Joseph Gause and his fellow employees were dissatisfied with the terms of their employment. In the spring of 1968 they met with their supervisors at the Winn-Dixie distribution center in Hialeah, Fla., to try to work things out. The results of this discussion were not satisfactory to the workers, and so they sought union representation. A petition for an election was filed, and on June 28, 1968, the Teamsters Union won a Board-conducted election.

Bargaining started slowly, but meanwhile, the company entered onto a course of discharging those who were engaged in prounion activities. Among those was Joseph Gause, a long-time employee, who was discharged on October 31, 1968, after wearing a union steward button.

On November 10, 1968, the workers went out on strike to support their contract demands, a strike that was to last until June 23, 1970.

On December 20, 1968, charges were filed alleging that, by firing Joseph Gause and others, the company had violated the National Labor Relations Act. On September 12, 1969, the administrative law judge found that Gause was fired because of his union activities, not because of the pretextual reason stated by the company. The National Labor Relations Board, on March 10, 1970, upheld the law judge and ordered Gause reinstated.

The company did not disagree with the Board's finding with respect to Gause's discharge, but it did not offer him his job back. It was not until June of that year that Winn-Dixie finally offered Gause his job back, nearly 3 years after he had been illegally discharged. But the question of how much backpay Gause was due was not yet settled.

On October 30, 1973, more than 5 years after the discharge and more than 3 years after Gause had been offered his old job back, the Board finally issued its backpay order. It directed the company to pay Gause $17,960.45, and to give him the watch that it normally presents to 10-year employees, since Gause's 10-year anniversary had occurred during that period. The company argued that Gause was not entitled to backpay during the strike, because he probably would not have come back during the strike anyway. The Board found, relying on 20-year-old precedent, that there was no way of knowing this and that the company could have complied with the law by offering Gause his old job—which, of course, the company did not do.

The company was still dissatisfied and appealed to the circuit court. The court agreed with the Board, and on September 18, 1974, nearly 6 years after Gause had been unlawfully fired for wearing a union button, the court ordered Winn-Dixie to give Gause his backpay.

Mr. President, it took 6 years to get a man who was illegally discharged his backpay even though the company, after the very first decision, never contested the finding that the discharge was unlawful. The simple fact of the matter was that Winn-Dixie felt that the money, not to mention the watch, was better in their pocket than in the pocket of the illegally discharged worker. The current procedures permitted Winn-Dixie to drag out the matter and delay final reckoning for 6 years.

Under H.R. 8410, this would not have occurred. The temporary reinstatement provisions of this bill would have secured a court order for Gause's reinstatement within a matter of weeks; and then, if Gause had refused to go back to work, the employer's liability would have been cut off. The provision of H.R. 8410 which requires 1½ times backpay for workers illegally discharged in these circumstances would have encouraged the company to reinstate Gause promptly, rather than to drag the matter out. Indeed, under H.R. 8410, there would have been no point in litigating for 6 years the speculative issue of whether Gause would have returned to work if the company had offered to take him back.

Mr. President, H.R. 8410 cuts through the bureaucratic maze that has confronted Joseph Gause and the countless innocent victims of unfair labor practices.

It is cases like that of Joseph Gause that labor law reform is all about.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from California.

Mr. HAYAKAWA. Mr. President, when I got up to speak on this bill before, I talked about racial discrimination, actually racist propaganda, directed against the Chinese and Japanese by the labor unions of California. This is a shameful history that goes back over a hundred years.

Today, I would like to address myself to the specific question of racism in the American trades union movement in the AFL–CIO, more especially in the construction unions.

The matter of racial discrimination in the construction unions has been exhaustively researched by Mr. Herbert Hill, formerly labor secretary of the NAACP and now, I believe, a professor at the University of Wisconsin. I shall draw considerably from his researches in presenting the case on racism in the construction unions.

Mr. President, as we all know, among the very urgent problems confronting black communities—and one that has crisis implications for the entire society—is the rapidly deteriorating condition of black youth.

Projections based upon census reports and other data indicate that during the decade of the 1970's, the number of black teenagers will increase by 24 percent, and the number of blacks aged 20 to 24 will increase by 36 percent. The number of black youth who will be entering the working-age category will increase at a rate five times greater than the rate of increase of young white workers. But the question remains: What is their future? What does the future hold for them?

Unless a drastic and rapid change occurs in the dismal condition of black youth trapped in the web of urban racism, a large part of an entire generation of young blacks will never enter the labor force. Their only future will be a marginal, alienated existence—separate and unequal within American society. This circumstance is the single most explosive factor in causing urban unrest and has dangerous implications for every city and suburb in the United States.

A major difficulty in reversing the pattern of joblessness and alienation among young blacks is the rigid control of training and access to employment by many labor unions committed to perpetuating the racial status quo.

I have to say with great regret, additional complicating factor is the role of the Federal Government in aiding and abetting discriminatory racial practices. The relationship between the U.S. Department of Labor and the various unions affiliated with the AFL–CIO (under both Democratic and Republican administrations) is a prime example of how Government policy can transform "voluntary associations," such as labor unions, into a private sovereignty.

Mr. Herbert Hill traces the history of these sovereignties in his very excellent researches into this matter.

With the passage of the Civil Rights Act of 1964, and after the Federal courts began to expand their interpretation of title VII (which pertains to employment), organized labor began to resort to more sophisticated practices that gave the illusion of compliance with the law without the actuality of that compliance. This was especially true in the building and construction trades where craft unions rigidly control apprenticeship training programs and access to employment through union hiring halls and other job referral systems.

As a consequence of this control, Mr. President, craft unions have been able to exclude blacks from higher paying skilled jobs in new construction and to limit nonwhite workers generally to repair, maintenance, and small residential building. The demands of black workers seeking to enter the more desirable job

classifications in new construction have increased during the past decade and have taken a variety of forms, including litigation and protests at public construction sites. This issue has been a major source of volatile racial conflict in many American cities.

Therefore, soon after title VII went into effect, the building trades unions were found by many Federal courts to engage in unlawful and systematic discrimination. For the first time, the courts ordered sweeping relief to black plaintiffs in class action suits and began to impose restrictions on the power of the unions to determine eligibility for employment.

However, Mr. President, confronted with the potential loss of the basis of their power—job control—the building and construction trades unions responded by developing approaches which give the illusion of fulfilling the requirements of the law, but actually serve to evade and circumvent the comprehensive body of civil rights statutes and Federal executive orders as they apply to the construction of industry. These two approaches are the apprenticeship outreach programs and the related hometown plans.

APPRENTICESHIP OUTREACH PROGRAMS

The apprenticeship outreach program is intended to prepare black and other minority youths to pass a variety of written and oral tests which will qualify them for formal apprenticeship training. The outreach preparation usually consists of a tutoring program lasting approximately 10 weeks.

After the preapprenticeship preparation, tests are given by representatives of joint apprenticeship committees—committees which are invariably dominated by the craft unions. Persons who successfully complete the preapprenticeship stage and then manage to pass a battery of tests for admission into apprenticeship training programs must still wait until occasional local openings occur in those programs.

The outreach concept of preapprenticeship, preparation career apprenticeship for union members, could be potentially beneficial to minorities, but only if this program were operating in conjunction with a fundamentally restructured and greatly expanded system of apprenticeship training. More importantly, control by restrictive labor unions would have to be eliminated.

However, in the past few years several basic factors prevented these programs from ever being effective.

First. The majority of craftsmen do not enter their respective trades through apprenticeship, since formal training programs involve only a very limited number of potential journeymen.

That is, the law requires apprenticeship programs in order to include more minorities and to include more minorities than they do they include more apprentices of minority races but those apprentices most of the time do not make it into journeyman status and in most cases journeymen are given direct on-the-job training and then taken into the union as journeymen without having to go through the apprenticeship at all.

So if you have an apprenticeship program, especially for blacks, it is not going to get anywhere if you are going to have a whole system by means of which other people, without having to go through with that apprenticeship training, are just taken directly into the union through, as I say, on-the-job training.

According to the 1974 Manpower Report of the President, in 1972 only 28,488 workers completed training nationally in all building trades apprenticeship programs, while 30,159 failed to complete training. This number is not enough on an annual basis to fill even 20 percent of the vacancies caused by attrition.

A second reason for the failure of the program is that highly restrictive journeymen-apprentice ratios drastically limit the number of apprentices in each craft.

In most unions, as I understand it, the union can take on only one apprentice for every five journeymen. There was one Los Angeles union which took in five apprentices for every one journeyman and the number of jobs that were suddenly created was spectacular. But no one followed up on this. It never became a national policy, and the policy of most unions still is to restrict apprentices to the number of one for every five who have journeyman status.

Then, in testing people for whether or not they should be given this apprenticeship training, nonwork related and discriminatory testing procedures are frequently used.

This is a charge they often make about admission programs to colleges, universities, law schools, and professional schools, but it is also done in the trade unions and hits people who are much more in need of these jobs than people who are applying for professional college education.

Then another thing: These training programs are often geared to go on for 4 years, 4 years for an apprenticeship into a skilled trade, which is the equivalent of the number of years you have to go to college to get a bachelor's degree. And that is the kind of training they require in many of the building trades.

Furthermore, arbitrary standards and nepotism are common practices of unions controlling training and job referrals.

The outreach programs accept the discriminators' description of the issue. They continue to give the excuse that the inadequacy of the black population is at the root of the problem. In other words, there is a basic theory of racial inferiority about blacks that they use in justification of their program and its lack of success. But an extensive body of litigation proves that this is untrue. The greatest proliferation of training programs will have little effect until racial discrimination is eliminated.

Mr. President, let me call attention to a decision of the Federal court in New York City in a typical case involving the discriminatory racial practices of building trades unions:

> There is a deep-rooted and pervasive practice in this Union of handing out jobs on the basis of union membership, kinship, friendship and, generally, "pull" . . . The Government has shown in case after case the preference of whites over blacks on grounds of nepotism or acquaintanceship.
>
> The officers of the Local did not merely acquiesce in this state of affairs; many, if not all, of them have been active participants in the pattern of favoritism and its inevitable concomitant, racial discrimination.

The outreach programs have received much favorable publicity as a result of an extensive public relations campaign, and much praise from spokesmen for organized labor, Government, and other groups. However, a close analysis of outreach programs clearly reveals that they have failed to alter the status of blacks and other minorities in the building trades.

Right out here in the reception room adjoining our Senate Chamber, Mr. President, a lobbyist for the AFL–CIO urged me to vote in support of one of the measures he was supporting, and I said to him: "What about the racial discrimination against Chinese and Japanese workers in California over the past 100 years?"

He said, "Our president, George Meany, has given great speeches that you have heard over national networks protesting racial discrimination."

So I asked him: "How come there are few Chinese or Japanese or blacks in the construction unions in San Francicso?

And do you know what he said to me:? He said, "Our president, George Meany, believes in nondiscrimination, and you know it."

And I said, "Sure."

He said: "But the business agents of the locals have control over the locals."

And I said, "There is nothing Mr. Meany can do about it?"

He said, "No."

I am sure Mr. Meany could do something about it if he were determined to do so and the Department of Labor could force Mr. Meany to do something if the Department of Labor were determined to do so, but no one does so and so if the business agents of locals in San Francisco, or anywhere else, are determined to keep blacks out of their local, they could do so, and they have done so, and they continue to do so to this very moment, Mr. President.

This is why I am profoundly morally opposed to any strengthening of labor's powers in this respect. They are the most racist institution that has governing power over the lives of people in this country.

When people's jobs have been threatened, as in the case of the turning over of vast thousands of acres for Redwood National Park, I have defended the rights of workers to continue working. I have defended the rights of working men to continue with the kind of work they are trained in and accustomed to doing because I believe in working people, but I also believe in working people of all races and all national origins to have an equal chance at these jobs.

As I said over and over again, I am not against the working man or working woman. I am for the 75 or 80 percent of nonunionized working men and women as well as for the 20 or 25 per-

cent of unionized working men and women.

But this kind of legislation which is before us now, Mr. President, represents the kind of monopoly that union leadership insists on maintaining for purposes of control and for purposes of excluding those they do not want and for maintaining an extremely high price for labor and maintaining a system by means of which their access to highly paid jobs in Government construction and everything else is guaranted by means of exclusion of all others.

And so these matters of pull, favoritism, and kinship are very, very serious matters in holding together this monopoly of whites in so many of the construction unions.

And let me interrupt myself in this account to say that there are some unions, notably the International Longshoremen and Warehousemen Unions, where this racism does not exist. In San Francisco the ILWU unions have many blacks, perhaps even a majority.

I have talked to my distinguished colleague from Hawaii, Senator SPARK MATSUNAGA, and he tells me that Asians have no problems at all with the ILWU in Honolulu or in the islands of Hawaii.

So I am not saying, Mr. President, that all unions are racists. There are some that are not. But the prevailing pattern and the AFL–CIO construction unions electricians, plumbers, and so on, is racist to the core, and I protest giving increasing power to these racist institutions.

Jobs in the construction industry, Mr. President, are especially significant to low-income black communities.

What happens under urban renewal, highway and road building, public housing, waterways and harbor improvements, hospitals and schools and other federally assisted building programs is that often these take place in or near black population centers. Nevertheless, in those circumstances, blacks are excluded from jobs in there, except sometimes as laborers in a separate laborers' union which does not get paid as well as a member of a construction union.

I think it was 1966, was it not, Mr. President, that the Watts riot occurred in a part of Los Angeles. After the destruction that took place in Watts, construction workers had to go in to rebuild. An additional source of disaffection and discontent within the black community at that time was the fact that the majority of people sent in to rebuild Watts were white construction members. Even when you are building, rebuilding, a black community, white construction workers had a monopoly of access to the jobs for that rebuilding.

It is a disgraceful state of affairs, and has never been adequately discussed, and I would like to bring this to the attention of this body at the present time.

The construction industry is growing and vast expansion is anticipated in the 1970's and 1980's The U.S. Department of Labor estimates that during the 1970's, the construction industry will experience the third largest employment increase of any sector.

The most dramatic increases are projected to occur in the skilled crafts, with electricians doubling their percentage of employment in the industry and plumbers and pipefitters tripling their representation during the 1970's. And these are among the trades where racial exclusion is most rigidly enforced.

(Mr. ZORINSKY assumed the Chair.)

Mr. HAYAKAWA. The construction industry, in comparison with other large industries, is highly dependent on public funds. The Federal Government is directly responsible for at least one-third of all money spent on construction throughout the country. It is anticipated that during the 1970's, Federal construction projects, as well as those of States and local governments, will be greatly increased. One example of this trend was the announcement by the Federal Government in June 1972 of a $1 billion new construction program that would create over 320,000 additional jobs during a 3-year period. That is a 1972 figure quoted by Prof. Herbert Hinn. But since that time even more billions have been poured into public construction.

A major new form of implementation developed to obtain compliance with the law on such Government projects is the concept of numerical goals and timetables. The use of numbers expressed in the form of imposed goals and timetables to enforce the legal prohibitions against job discrimination in the building trades and in other industries has its origins in a 14th amendment case, Ethridge against Rhodes, initiated by the National Association for the Advancement of Colored People and decided in 1967 by the U.S. District court in Columbus, Ohio.

In this case, the NAACP proposed the principle that Government agencies require a contractual commitment from building contractors to employ a specific minimum number of black and other minority workers in each craft at every stage of construction. Whatever its procedural and administrative difficulties, this concept, later known as the Philadelphia plan, was potentially the most effective means of enforcing the law.

GOALS AND TIMETABLES

The Philadelphia plan was most important, because it was the case that joined the issue and finally established the legality of the use of specific numbers in civil rights law enforcement. It is the kind of use of numbers that they use in school integration, college admissions and everywhere else, and they apply it to all kinds of employment, but they have not succeeded in applying it to the building trades. The intransigent resistance of organized labor to the Philadelphia plan explains the development and proliferation of apprenticeship outreach programs and the hometown plans.

Labor unions in Philadelphia and nationally had repeatedly resisted all efforts to increase minority participation to the skilled craft occupations of the building trades unions. While the first Philadelphia plan guidelines were still in effect, an electrical subcontractor, under pressure from Government agencies, hired three black electricians on the U.S. Mint construction project.

What happened as a result? Twenty-five members of the International Brotherhood of Electrical Workers immediately walked off the job in protest. Apparently these 25 believed that working on, as electricians, a Government project is supposed to be for white people only, so they walked off the job. In response, black demonstrators threatened to close other construction sites in Philadelphia.

More resistance and protest followed. As a result of volatile demonstrations that impeded Federal and State building activity, 3 days of public hearings were held by the Office of Federal Contract Compliance on the exclusion of nonwhites from jobs in the Philadelphia construction industry. On June 27, 1969, the first part of the revised Philadelphia plan was issued by the OFCC.

It contained a Labor Department review of its own data together with information compiled by various Government agencies which showed that nonwhites were excluded from seven crafts, ironworkers, plumbers and pipefitters, steamfitters, sheet metal workers, electrical workers, roofers and waterproofers, and elevator constructors.

The revised order stated:

> Because of the exclusionary practices of labor organizations, there traditionally has been only a small number of Negroes employed in these seven trades. These exclusionary practices include . . . failure to admit Negroes into membership and into apprenticeship programs.
>
> At the end of 1967, less than one-half of one percent of the membership of the unions representing employees in these seven trades were Negro, although the population in the Philadelphia area during the past several decades included substantial numbers of Negroes.

I think in Philadelphia something over 30 percent.

The revised Philadelphia plan was designed to meet the U.S. Comptroller General's requirements of specificity in affirmative action programs and hiring goals. It ordered "goals" or "ranges" in the form of minimum percentage requirements of nonwhite employment in specific crafts. The first part of the plan announced that affirmative action commitments would be required of contractors in the preaward stage of all Federal construction projects involving the expenditure of $500,000 or more in Federal funds in the Philadelphia area. No contracts were to be awarded to bidders who did not commit themselves to percentage requirements imposed in the seven affected crafts.

The OFCC issued the second part of the revised Philadelphia plan—the first order of implementation—on September 23, 1969—that is 9 years ago. This required contractors to commit themselves to hire from 4 to 9 percent minority workers in 1970, 9 to 15 percent in 1971, 14 to 20 percent in 1972, and 19 to 26 percent in 1973. Ranges were given in each of six skilled trades which had virtually no black members or referrals in 1969 (roofers were exempted "subject to further examination"), with the aim of increasing minority participation to 20 percent over a 4-year period.

Has this been done? Mr. President, it

has not been done. From the very beginning, it was resisted.

The primary reason for the 3-month delay between the OFCC's announcement of the revised Philadelphia plan and its scheduled implementation was a second attempt by the U.S. Comptroller General, Elmer B. Staats at that time, to have the plan terminated. (The Comptroller General pays the bills for Federal contracts.)

Staats asked for a legal justification for setting goals and timetables, although the plan had already been revised once to meet his objections.

Mr. Herbert Hill, in his further research, discovered that Laurence H. Silberman, Solicitor for the Department of Labor, pointed out in a memorandum dated July 16, 1969, that Federal executive orders had been issued for over 28 years. Their authority to require no-discrimination in Federal contracting had been upheld by opinions of attorneys general, comptrollers general, and several courts. Since the revised Philadelphia plan was an administrative procedure for enforcing Executive Order 11246, it too was well within the enforcement authority of the Department of Labor, but the Department of Labor has not done its job. It never has done it so far as the elimination of racial discrimination is concerned. It is as if the Department of Labor is merely a stooge for the AFL–CIO's building trades unions.

The solicitor went on to argue that the requirement of ranges and goals as affirmative action under the Executive order was parallel to the affirmative action provisions of title VII of the 1964 Civil Rights Act and of the National Labor Relations Act.

Silberman noted:

> It is plain that affirmative action programs limited to recruiting of minority group employees will be inadequate; since the contractor does not do his own recruiting, (and) so long as the unions engage in discrimination, few minority group persons will be hired.

This, Mr. President, turns out actually to have been the case, and 10 years later it is still the case.

Although the ranges contained in the plan were very minimal—well below the 40-percent black population in the Philadelphia area—the principle of goals and timetables for administrative enforcement of the Executive order was established. For the first time, the concept of mandatory minimum percentage requirements for the employment of black workers in specific job classifications was included in Government procedures for enforcing civil rights laws in the building trades.

From the Government's point of view, the plan had the advantage of avoiding contract cancellation by offering the less drastic alternative of refusing to award contracts in the first instance to companies that would not commit themselves to hire specific numbers of minority workers in high-paying skilled jobs.

This, then, is the Philadelphia plan, which has been fought over and fought over and fought over, and still has not been implemented.

In an effort to stop the Philadelphia plan, Senate Minority Leader Everett M. Dirksen appended a rider to an appropriations bill that would have barred funds for contracts in which the minority employment goals were imposed. The implementation of the Philadelphia plan virtually ceased as a result of Dirksen's rider and opposition to the plan by the Comptroller General, and the debate shifted to the congressional arena. All this happened, as I say, as a result of the opposition of the Senate minority leader, Everett M. Dirksen, a Republican; but it also happened under a Democratic administration, with the result that both parties can be held responsible for the perpetuation of this racial injustice.

The AFL–CIO lobbied intensively in support of Dirksen's proposals. At its annual convention in Atlantic City, the Building and Construction Trades Department adopted a statement condemning the Philadelphia plan as an "illegal quota system" imposed upon the "scapegoat" construction industry.

The NAACP defended the Philadelphia plan, arguing:

> The requirement for the employment of a specific number of black workers in each craft at every stage of construction is absolutely essential, given the institutionalized pattern of racial discrimination in the building trades . . . The Philadelphia Plan, at a minimum, should be adopted and strongly enforced by the Federal Government.

Finally, in December 1969, the House voted 208 to 156 to strip the rider from the appropriations bill, and the Senate voted 39 to 29 to accept the House action.

But this, Mr. President, was 9 years ago, and in the intervening time the consequences of that discrimination accumulated. In many, many respects since 1969 blacks and other minorities have made significant advances: In the white-collar trades, in college admissions, in the professions—in all sorts of respects there have been improvements in the black condition in other areas of American life; but so far as the building trades are concerned, they are back where they were in 1969, or 1959, or 1949. Congress approved the use of numerical goals and timetables as a means of insuring black workers jobs long barred to them on federally assisted construction projects, but these goals and timetables were never observed.

MISLEADING NUMBERS

Despite the congressional vote, the AFL–CIO and the various building trades unions continued to oppose and resist compliance with the Philadelphia plan in many ways. Pressed for compliance with title VII and Federal executive orders, these unions almost invariably responded by citing the labor-sponsored outreach programs as the alternative to the mandatory minority employment goals of the Philadelphia plan.

I have described the outreach programs before. That is the development of a 10-week program of preapprenticeship training, before you took the 4-year apprenticeship program. Most of those who took the preapprenticeship training did not get into the apprenticeship program anyway, and those who did get into the apprenticeship program did not become members of the union. These outreach programs began to be widely utilized by organized labor 2 years after the effective date of title VII, when it became apparent that labor unions, particularly those in the construction industry, would be vulnerable under the new law.

In a speech to the National Press Club, AFL–CIO President George Meany called the plan "a concoction and contrivance of a bureaucrat's imagination." He went on to say:

> Whatever the reason, we found that very few young Negroes who could qualify to enter the existing apprenticeship programs were interested in entry. Now what the reasons might be, I don't know. Maybe some of them just didn't believe that the doors were going to be open to them. . . . But this is a fact, and that is why we set up this so-called apprenticeship "Outreach Program"—reaching out and bringing these people in. And the AFL–CIO and its affiliates in the Building Trades inaugurated an official apprenticeship "Outreach Program" about 2½ years ago.

Meany then contrasted the Philadelphia plan with the success of the outreach programs:

> As of November 1969, just a short 5 weeks ago, 5,304 apprentices had been placed by this outreach program.

An examination of Meany's claim reveals much about the effectiveness of the outreach programs. Official reports on them issued by the Department of Labor also reveal how misleading numbers can be if accepted at face value.

Through October 31, 1969, the "cumulative total" of those entering apprenticeship training through the program was indeed 5,304. But the president of the AFL–CIO refrained from noting that the "cumulative total" included 860 workers who for various reasons dropped out. This figure itself has been called low by many observers.

Of the remaining 4,444 in the Manpower Administration's overall figures, 2 percent were white—not members of minority groups—leaving a total of 4,355. The pertinent question at this point is how many of these gained entry into training for the exclusionary skilled craft occupations. Such classifications as cement mason, carpenter, bricklayer, plasterer, and roofer, as well as those identified as "miscellaneous trades" (laborers), have long had a relatively high concentration of blacks. Significantly, more than half of the 4,355 in the outreach program were in this group.

In those classifications from which black workers have been most rigidly excluded, such as plumbers and steamfitters, sheet metal workers, and asbestos workers, 1,599 minority men began training as a result of outreach programs—but with no guarantee of union membership and jobs. This amounted to 0.05 percent of the full 3,500,000 membership of the building trades unions. The outreach programs, after 2½ years of operation, had disturbed the racial status quo not at all.

Of course there is no assurance even after the men are indentured that they will be graduated—or once graduated,

what position (if any) they will fill in their trade. Will they, for example have a "class A" journeyman's card, or a "class B," or a "class C" card? That is, will they be classified in new construction, or in prefabrication, or in maintenance and repair? The difference is important. A higher classification means higher pay, higher job status, and other advantages.

Such decisions are controlled solely by the building trades unions which establish and apply the standards by which job applicants are judged. Apprenticeship training programs are supposedly designed to prepare workers for journeyman status, in deciding whether to grant that status, union authority is absolute.

Furthermore, there is no guarantee that upon completion of their apprenticeship training, blacks and other nonwhite workers will be admitted into craft unions or be permitted to work. In several cities, black youths, after preparation by outreach programs, have passed the written tests of local building trades unions, but repeatedly failed oral examinations—which are highly subjective and depend upon arbitrary scoring by union officials.

After a survey of outreach and related training programs, the New York Times reported last year that "the process of winning a union book is long and often discouraging." Specifically:

If an applicant passes the aptitude test, which is both verbal and mathematical, he must score high enough to place among the number of apprentices the union wants.

"Unions call apprentices on a needed basis," said Robert Sutton, who heads the Recruitment and Training Program's operation in Harlem. "If he takes the test in January, he may not be called until the next January. The union must only hold his name on the list for a year. After a year, he may have to be retested."

According to Mr. Sutton, some applicants tested last June were still waiting to be called (in February).

FALLACY AND FUNDING

It turns out that the basic concept of outreach programs is a fallacy. Even if full racial integration of all union-controlled apprenticeship programs were achieved, no substantial integration of the craft unions would result, because the overwhelming majority of white construction workers do not become journeymen through apprenticeship training.

Data from the Department of Labor reveals that about 80 percent of the journeymen in the craft unions did not advance through a formal apprenticeship program. They are trained on the job. They do not have to be prepared or tutored. They do not have to pass examinations. It is only blacks and members of other minority groups who must climb the slow and often futile apprenticeship ladder. What a system.

In addition, a 1971 Labor Department study of journeymen and apprentice admission standards in the building trades found that union selection criteria were frequently those the courts had repeatedly struck down as discriminatory and unlawful. Local unions were allowed a very high degree of discretion in establishing and applying their apprenticeship entrance standards and the most frequently occurring provision related to age, followed by examination (scores) and "good moral character."

The study also reviewed the body of title VII law applying to the construction industry, noting that Federal courts have consistently ruled that entrance requirements "must be objective in character and nondiscriminatory" in contrast to the practices which the Department of Labor found to be prevalent in the industry.

Such studies, however, do not prevent the Department of Labor from financing and helping to perpetuate these practices by funding outreach and related programs, which have been demonstrated to be futile.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFERENCE REFORM IS NOT A ONE-SIDED COIN
JUNE 9, 1978

Mr. THURMOND. Mr. President, the proponents of the so-called Labor Law Reform Act of 1978 proudly speak of the fine tuning reforms this bill will accomplish. The Random House College Dictionary gives several definitions of reform. One definition is "the improvement or amendment of what is wrong, corrupt or unsatisfactory, and so forth." Another definition is "to put an end to abuses, disorders, and so forth."

This leads to my next thought. Whom are the so-called reforms in this bill written to benefit? The "quickie election" provision in the bill is not written for the employer. It is not written for 75 percent of our work force who are not members of unions. It is written for big unions so they can increase their membership and coffers.

The equal access provision in the bill is not written for employers. They own the premises and can enter or leave at will. It is not written for the worker. He earns his wages on the premises. It is written for labor bosses so they can force employers to subsidize their union organizing campaigns.

How about the provision for "black listing of employers?" This provision will prohibit companies from receiving Government contracts for 3 years. Whom was that provision written to please? It was certainly not written for the employer. The worker will not benefit. In fact, he may lose his job if the firm does much business with the Government. It was written to please the big unions. The NLRB must be * * * "of the opinion that an employer is violating an order of the Board in connection with the union" * * *.

What about packing the NLRB, who asked for the provision to increase the size of the Board? The employers did not ask for an increase. Workers raised no hue and cry for an increase. Big labor has asked that the deck be further stacked for them. The case docket of the Board is current.

I could go on to other provisions, with the answer always coming out the same way.

The definition of reform is to put an end to disorders and abuses. Reform should be a two-way street. This bill certainly and quite one-sidedly addresses any and all perceived abuses by the employer. The nonunionized employee is an innocent bystander. There is no concern in this bill for the 75 percent of the work force who do not wish to join unions. This bill fails—I said fails, and I say again, utterly fails—to address big union abuses of the worker. They are there, but where are the provisions in the bill putting an end to abuses and disorders by big labor? Where in this bill will you find provisions "reforming" the big unions? not find any reform of the unions. This Do not waste your time looking; you will bill is not a Labor Law Reform Act. It is a bill written for big unions by big unions for the benefit of the big labor bosses.

The name coined by the Washington Post fits nicely: "The Union Organizing Act of 1978."

If we really had reform, the bill would correct union abuses of workers. What abuses should it address? I turn to some now:

Paperworkers Local 318 (Niemand Brothers, Inc.) (29–CB–2770; DS–993), Elmhurst, N.Y. Oct. 26. Pursuant to stipulation, the Board ordered the Union to cease threatening to cause bodily harm to employees of Niemand Brothers, Inc. for filing unfair labor practice charges with the NLRB; and in any like or related manner restraining or coercing employees of the Company in the exercise of their rights guaranteed by the Act.

(Chairman Fanning and Members Jenkins and Panello participated.)

Charges filed by Mustafa Brkich, an Individual; stipulation entered into June 20, 1977.

Operating Engineers Local 101 (17–CB–1761; DS–1001), Kansas City, Mo. Oct. 26. Pursuant to stipulation, the Board ordered the Union to cease restraining and coercing employees of The Heavy Constructors Association of the Greater Kansas City Area and its members; assaulting nonstriking employees; engaging in mass picketing and trespassing on jobsite(s); entering a trailer on a jobsite and damaging and destroying documents; slashing a job superintendent's truck tires at a jobsite; following employees from jobsite(s), firing a gun at them and brandishing clubs; blocking and hampering ingress and egress to the premise(s) or jobsite(s) of the Association and its members; threatening to assault a nonstriking employee; hitting trucks crossing the picket line with baseball bats, causing damage to these vehicles; and hitting and damaging motor vehicles driven by nonstriking employees.

The Union was further ordered to cease trespassing on jobsite(s) while carrying club-like objects and taking pictures of nonstriking employees; throwing dirt on nonstriking employees and threatening them with physical harm; bringing a cannon to various jobsites and aiming it at nonstriking employees; threatening to blow up jobsites and going through the motion of loading and aiming the cannon; striking employees with picket signs and otherwise assaulting and causing physical harm to nonstriking employees and other persons entering and leaving job-

site(s); damaging motor vehicles and other property of employees, suppliers, customers and supervisory personnel as they enter and leave jobsite(s); throwing rocks and other objects toward nonstriking employees, supervisory personnel, suppliers or customers entering, or attempting to enter, or exiting from jobsite(s); and by other acts of violence, or threats of violence, restraining or coercing employees of the Association and its members in the exercise of their rights under the Act.

(Chairman Fanning and Members Jenkins and Murphy participated.)

Charges filed by The Heavy Constructors Assn. of the Greater Kansas City Area; all-party stipulation entered into July 22, 1977.

United Auto Workers (UAW) Local 1663 (25–CB–3072; DS–1011), Elwood, Ind., Nov. 9. Pursuant to stipulation, the Board ordered the Union to cease firing shotguns or other weapons at and/or damaging any helicopters or other vehicles entering or exiting the Essex Group, Inc., facility; barricading the facility with logs, barrels or other objects or by any other means preventing the ingress and egress to and from the facility of employees and supervisors of the Employer, or persons employed by other employers; firing firearms and using slingshots, wrist-rockets or any other means to shoot metal ball bearings or other dangerous projectiles at the facility and/or at persons located on the property occupied by the facility, or shooting at or in any other manner damaging the property of, or attemtping to kill or injure, employees and supervisors of the Employer or other persons; and shooting with firearms at and/or damaging the personal residences, vehicles, and property of supervisors of the Employer, or in any other manner threatening and inflicting bodily harm and/or property damage upon nonstriking employees, supervisors, or members of their families.

The Board also ordered the Union to cease squirting or throwing acid or other caustic substances on supervisors or in any other manner physically assaulting employees, supervisors and agents of the Employer; overturning or damaging vehicles of the Employer, vehicles of its agents or employees, or vehicles of nonstriking employees at locations away from the facility; throwing rocks, paint and other projectiles at the facility; following nonstriking employees when they leave the facility, and forcing or attempting to force the employees off the road in their vehicles, thereby causing damage and endangering lives; threatening employees with physical harm or other reprisals because they cross the picket line; placing nails or other sharp or dangerous objects in the driveways leading to the facility; restraining and coercing employees or supervisors to observe any picket line or to support the strike; and in any other manner restraining individuals in the exercise of their rights under the Act.

(Members Jenkins, Penello and Murphy participated.)

Charges filed by Essex Group, Inc.; all-party stipulation entered into August 29, 1977.

Mr. President, I think it is clear how some of the big labor bosses give orders to actually harm people, to throw acid in their eyes, to damage their automobiles and injure people who do not go along with their wishes.

That is the reason I pointed out illustrations from the National Labor Relations Board which show what actually occurs in this country when the big labor bosses do not have their way and when individuals, free men, free women, free people, wish to go to work and are not allowed to do so except under threat to their lives.

PUMPING UP UNION POWER

Mr. President, it should be no secret to any of us why the Senate is being subjected to unrelenting pressure from the labor movement, the AFL–CIO, the United Auto Workers, the Teamsters, and other independent unions, to rush through the Senate, without proper consideration, the bill presently before us, H.R. 8410.

Labor's need for this bill grows more evident with each passing day. There has been a steady reduction in the percentage of the workforce that are union members compared with the percentage of workers who work union free. The union movements share of the American workforce has fallen from a fourth to about a fifth in two decades. In the last few years alone, unions have lost 750,000—I repeat, 750,000—dues paying members.

The labor movement's ability to organize American workers has slipped dramatically. Ten years ago unions were winning 60 percent of all representation elections. Not so today. In the fiscal year 1977, the NLRB conducted 9,626 secret ballot elections among employees for the purpose of determining whether or not they desired union representation. Unions won only 46 percent of those elections; 4,424 out of 9,626. These results represented a 2-percent decline in union election victories since 1976.

The story does not end there. In fiscal year 1977, the NLRB held 849 decertification elections for those who do not know, those are elections in which employees vote on whether or not they wish an incumbent union to continue to represent them. Unions lost in 645 of those elections. In other words, only in 24 percent of the decertification elections held did employees express a continued desire to be represented by a union.

In light of the figures discussed above there is little wonder why the labor movement is before the Senate pushing so hard for this bill. This bill is nothing more than an attempt to prevent by special interest legislation what the union leaders have been unable to prevent by presenting to the American working people the alleged benefits of their services—the decline in the number of union workers and, correspondingly, the political influence of labor unions.

Why is it that unorganized workers are rejecting unions in ever-growing numbers and that the overwhelming majority of unionized workers who are presented with the opportunity in decertification elections to free themselves from union control are doing so. I believe that the reason is that the increasingly sophisticated workers of America realize that the labor movement does not truly serve their needs nor represent their interests.

In addition to this feeling that the labor movement has lost touch with the real concerns and desires of American workers, I believe that American employees have soured on unionization because of their recognition of the significant amount of corruption—I repeat—of corruption and illegal activities that have come to be associated with several factions of organized labor. So that my colleagues can appreciate the extent of union corruption and the significant level of infiltration by organized crime into the labor movement, I would like to share some items with you. The first item is the statement of Benjamin R. Civiletti, Deputy Attorney General, U.S. Department of Justice before the Senate Permanent Subcommittee on Investigations:

Mr. Chairman, I am pleased to be here to testify, on behalf of the Department of Justice, concerning the magnitude of the organized crime problem in labor-management racketeering and the requirements of an effective program to combat that problem.

Later this morning a number of Strike Force attorneys will be available to relate to the Subcommittee their individual experiences concerning labor-management racketeering cases. While a number of their past experiences have been disappointing, we have every expectation that these disappointments are now behind us. Indeed these hearings come at an auspicious time because as a result of the recent efforts of Attorney General Bell and Secretary Marshall, the Departments of Labor and Justice have developed a general plan to intensify their co-operative efforts in the investigation and prosecution of labor-management racketeering cases.

At the outset, let me assure the Subcommittee that the Department of Justice's Strike Force Program is alive and well, and that we have intensified our efforts in the area of labor-management racketeering. As you know, in 1975 and 1976 the Strike Force Program was cut back considerably. At the same time, the program was criticized in a GAO report published in March 1976. During the past year, the Department sought to revitalize the program and to meet those valid criticisms contained in the GAO report. We have opened a new Strike Force in New Orleans and have opened field offices in several other cities. We have also re-oriented our program to meet criticisms of the GAO report. Specifically we have created a National Organized Crime Planning Council (NOCPC), whose members are the supervisory personnel of all agencies participating in the Strike Force program, and we have directed our Strike Forces to create investigation plans focusing on certain priority criminal activities. Our program now emphasizes long-term, project-type investigations. In the past we had concentrated on shorter investigations and had prosecuted a number of gambling cases. The theory behind this approach was to prosecute lower-echelon figures and then with the use of immunity grants, work our way up the hierarchy of criminal organizations. We found, however, that this theory did not work very well, particularly when the prosecutions were for gambling violations. As the GAO report points out, judges failed to impose severe sentences in many of our cases, particularly gambling cases, so that there was little incentive for lower-level criminal figures to cooperate with the Government against their superiors. Our new approach targets the most important criminal activity in which criminal organizations engage and seeks to put an end to that activity.

As we have moved to fix priorities for the Strike Forces, greater emphasis has been placed in labor-management racketeering investigations. The Attorney General has publicly identified labor-management racketeering as one of the priority areas for Strike Force investigations.

I want to repeat that sentence:

The Attorney General has publicly identified labor-management racketeering as one of the priority areas for Strike Force investigations.

I want to emphasize that the term we have used to refer to this problem is "labor-management racketeering," because we recognize that many of the crimes that are committed—such as the so-called "sweetheart contract", whereby a union official in return for a bribe agrees to hold an employer's labor costs down—benefit corrupt employers as well as corrupt union officials. An employer who saves money by paying off a union official is as guilty of a crime as the union official.

We have placed a high priority upon labor-management racketeering because it is a very serious national problem. While I want to emphasize that there are tens of thousands of local unions which are crime free, one intelligence report has indicated that there are several hundred syndicate-influenced local unions in this country. Most of these locals are concentrated in a handful of national or international labor organizations. Equally serious is the problem of corrupt businessmen who conspire with corrupt union officials to deprive workers of the wages they might have earned had there been no illegalities.

Let me give the Subcommittee a few examples of the kind of criminal activity we are concerned with: (1) No-show or ghost employees who are frequently organized crime members paid for doing no work; (2) Kickbacks to trustees of pension funds in return for loans to shakey investment projects which are in turn looted; (3) Payoffs to union officials in return for which an employer's labor costs are kept to a minimum; and (4) Embezzlements from union treasuries. All of these activities cost someone money. They cost either the consumer who must pay higher prices because the cost of labor is inflated by payments which the employee never receives. Or they cost the employee who does not receive the wages he should because his employer has a "sweetheart contract" or because his pension fund has inadequate resources to pay the pension he has been counting on for his retirement. Underlying all these monetary costs are the more fundamental costs of loss of workers' freedom, physical safety, and even lives when mobsters exercise or obtain control through violent means.

We can point to several successful prosecutions that illustrate the seriousness of the problem:

(1) In 1977, Richard Nell, former President of Operating Engineers Local 675 was convicted of seven counts of embezzlement of union funds and sentenced in 1977 to serve eight years in jail and to pay a $10,000 fine. Nell and his associates had been responsible for considerable labor violence in Southern Florida, including destruction of equipment, beatings, bombings, extortion, and bribery.

(2) On July 8, 1975, Bernard G. Rubin was indicted in Miami for embezzlement of the assets of six labor union organizations and funds. Following his conviction he was sentenced on December 15, 1975, to five years in jail and a $50,000 fine. He was also compelled to forfeit all union offices.

(3) On September 24, 1975, Anthony Delsanter and one other pled guilty to a fraud on Teamster Local 377's Health and Welfare Fund in Youngstown, Ohio. The fraud had led to depredations totalling about $36,000 from the fund. Delstanter, a leader of an organized criminal group, was fined $2,000 and placed on one year's probation.

(4) On February 18, 1976, Michael C. Bane and two others were indicted for embezzlement of benefit and union funds and mail fraud on Hotel and Restaurant Workers Local 794 in Pontiac, Michigan. Bane gave himself bonuses and took reimbursement for non-existent expenses. A jury convicted him last December.

(5) On April 15, 1976, Irving Stern, Moe Fliss, and Nicholas Abondolo pled guilty to tax evasion in cases arising out of original charges that they ran the affairs of their union, Local 342 of the Meatcutters, through a pattern of Taft-Hartley bribes, i.e., illegal payments from employers to union officials. Stern and Fliss were jailed for four months; Abandolo for six months. Stern, the Director of Organization of Local 342, was also an International Vice-President of the Meatcutters and a member of the New York City Central Labor Council.

(6) On October 27, 1976, Charles Linton O'Brien was convicted by a Detroit jury of accepting Taft-Hartley bribes to agree to sweetheart contracts. O'Brien, an International Organizer of the Teamsters, was in effective control of Teamster Local 212 at the time. On January 27, 1977, O'Brien was sentenced to serve one year in jail and pay a $2,500 fine.

(7) On April 26, 1977, after a four-week jury trial, Joseph M. Bane, Sr., President of Teamster Local 614, was convicted in Detroit for embezzlement of union funds and mail fraud via payments to William Hoffa for a "no-show" job.

(8) On July 27, 1977, John Priore was indicted in Brooklyn, New York, for running Local 690 of the Amalgamated Workers Union of North America through a pattern of extortion, bribery and embezzlement. He later pled guilty, along with the corporate defendants who paid him.

(9) At present there is a massive investigation into the port practices along the Atlantic and Gulf Coasts, with particular emphasis upon the activities of racketeers in the International Longshoremen's Association. Indictments and convictions have already been obtained against:

Frederick J. Otterbein of Columbia, South Carolina, customs broker;

Julio Mello, a Puerto Rican steamship executive and Trustee of the ILA Welfare and Pension Trust Fund;

Isom Clemon, Mobile, Alabama, former President, Local 1410, ILA;

Ramon DeMott and James H. Hodges, Savannah, Georgia, businessmen;

Edward F. Dalton, Boston, Massachusetts, an ILA Vice-President;

Richard Cedarholm, Boston, associate with the Boston Shipping Association.

(10) David Frye, Chief Steward for Teamsters Local 714 in Chicago was convicted of 73 counts of Taft-Hartley violations and one count of violating the Racketeer Influenced and Corrupt Organization statute. In a subsequent civil suit he was permanently enjoined on March 31, 1978, from participating in labor activities.

(11) On April 7, 1978, Seymour Gopman, a Florida attorney, pleaded guilty to embezzling over $15,000 in multiple expense allowances, embezzling over $65,000 in union trust fund monies, receiving kickbacks of $990,000 for arranging a Teamsters Pension Fund loan, and omitting approximately $1,000,000 from his 1972 tax return. As part of the plea agreement, Gopman has resigned his bar memberships and consented to the entry of a permanent injunction against his ever dealing with unions or trust funds again.

You will note that the penalty imposed in some of the cases is not substantial, nonetheless, we are able to make effective use of these convictions in many situations by removing the defendant from the labor movement. 29 U.S.C. § 504 provides that union officials convicted of certain crimes shall not serve in union office for a five-year period after such a conviction. Similarly, 29 U.S.C. § 111 has a disabling provision with respect to officers of employee benefit plans who are convicted of certain specified crimes. The Criminal Division has a firm policy of following up on convictions in the labor field to see that these ineligible persons do not continue to serve during the five-year period.

These are completed cases. There are many more which are either still under investigation or which have been indicted but not yet brought to trial. I am not at liberty to discuss those cases because of their status, but I think the Subcommittee can appreciate the seriousness of labor-management racketeering and why the Department of Justice has made it a priority for the Organized Crime Strike Forces.

Now, Mr. President, I would like to read several newspaper articles which discuss the involvement of organized crime with some unions.

The first is an article published in the Charlotte Observer of Sunday, May 7, 1978, entitled "FBI Is Inside, Near the Top of Mob-Run Unions." It reads:

FBI agents have infiltrated the hierachy of crime syndicate dominated unions, the Chicago Tribune has learned.

Sources said the infiltration, which began about two years ago, will result in indictments—the first expected this summer—probably involving the International Longshoreman's Union.

The infiltratioon of unions began after the death of FBI Director J. Edgar Hoover, who for years personally blocked such activities, it was learned.

The FBI succeeded in putting some agents into the inner sanctum of the syndicate-run unions, according to an investigator. The agents have been present when payoffs were discussed, and will be able to testify to such activity, one source said.

The source emphasized the infiltrators are FBI agents, not paid informers. Some are lawyers capable of building a case, while others are accountants, able to scrutinize union books.

They have gone into deep cover and survived to tell about it, a source said.

The first indication FBI agents are involved in the battle against labor racketeering came last week when organized crime strike force chiefs from nine cities testified before a Senate subcommittee.

While strike force chiefs were critical of Labor Department investigators, they praised the FBI's work.

At the same time, however, the chiefs were guarded in commenting on details of FBI involvement.

The FBI reportedly has learned organized crime's domination of some unions is so strong, it is on the verge of controlling entire industries.

The agents have documented cases of union mobsters demanding huge sums of money from companies to avoid union troubles, and of using the union to drive out all companies except those owned by the syndicate, the sources said.

The union's real power is in its ability to control a large segment of the economy and jobs, an investigator explained. He said the syndicate-dominated unions hand out jobs to people just as some political organizations do.

The agents also found organized crime much more involved in labor consultation than previously thought, particularly in the hotel service and trucking industries.

A company of consultants formed by the syndicate will approach a firm having trouble with a mob-dominated union local and offer to negotiate the contract for a price, sources said.

The company will pay a stiff fee for a so-called "sweetheart contract" to stay in business. In the end, the rank-and-file union member is hurt because he gets a bad contract, investigators said.

One investigator emphasized the mob ac-

tivity is not new. Federal authorities long have been aware of shakedowns, sweetheart contracts, rakeoff of union pension funds and mob gunmen on union and company payrolls.

The problem has been in proving anything, one source said. He said the syndicate is sophisticated, careful and intimidates potential witnesses. The FBI undercover people are nailing down necessary evidence, he explained.

Mr. President, another article is from the Washington Post of Monday, May 15, 1978, written by Jack Anderson and entitled "Mobsters Still Infest Labor Unions." The article reads this way:

Two decades ago, the late Sen. John McClellan (D-Ark.), the embodiment of righteous wrath, held hearings that shook the labor movement. He exposed links between labor bosses and crime lords. His investigation led to the conviction of Teamsters president James R. Hoffa.

The flamboyant Hoffa has been liquidated, according to underworld informants, by the mobsters he befriended, and McClellan has succumbed to old age. But little else has changed. The labor racketeers still infest the unions.

We have sought to bring the story of labor racketeering up-to-date. The Teamsters, for example, brought in the former All-American football player, Daniel Shannon, to clean up its Central States Pension Fund, which allegedly has made illegal loans to gangsters.

Last year, he testified before the Senate investigations subcommittee about the mobsters he had discovered in the shadows. He blasted Allen Dorfman, a convicted racketeer, by name. Intelligence documents in our possession describe Dorfman as "the man to see to get a loan."

Shannon was forced to resign as a pension fund trustee, say our sources, because he dared to stand up to the mob. Now we have learned that Shannon has received death threats. In view of Hoffa's experience, these cannot be dismissed lightly.

The Justice Department and Senate subcommittee are conducting a low-key investigation of the death threats. The federal authorities will try to determine whether they are related to Shannon's previous testimony and are intended to prevent him from testifying again.

Since he is still under Senate subpoena, it would be a federal crime to prevent him from testifying. Our sources believe this should deter any underworld hit men. But as a precaution, the government is protecting him.

We have also been checking into Local 210 of the International Laborers Union, a brass-knuckle local, which controls the construction industry in Buffalo, N.Y. We have identified Local 210 as the power base of the late Stephano Magaddino, who has been named in Senate testimony as the former boss of Buffalo's "powerful, well-entrenched organized crime syndicate."

The syndicate's "principal remaining source of power," according to the Senate testimony, "is complete control of a single, though important union local." We have determined this is Local 210. It was run by Victor Randaccio whose brother, Freddy, is listed in federal records as a Mafioso.

A Mana killer, whom our sources have identified as Dan Domino, is carried on the union payroll as a "custodial" worker. "He specializes in enforcer type activities, and he is believed to have been responsible for some four unsolved murders," testified Robert Stewart, who heads the federal strike force offices in Buffalo and Newark. Earlier, Domino was "convicted of bank robbery in 1968."

Labor Department records show he started out as a "business agent" for the notorious Local 210. But the Labor Department forced the union to oust him after he was convicted of "making a false loan application to a federally insured bank." The local immediately rehired him for two "custodial" jobs, paying him a combined annual salary of $18,500.

A companion local in Niagara Falls, according to Senate testimony, is also dominated by an organized crime figure. Without naming the union, Stewart testified: "There have been persistent rumors over the past five years of extortionate demands upon industry, acts of property destruction and assorted misconduct.

"Authorities have found it impossible, however, to develop a viable prosecution because the atmosphere of intimidation is so complete that no one is willing to testify." We have identified this racketeer-ridden union as Local 91, which is run by Michael (Butch) Quarcini.

Stewart summarized the problem in urgent language. "Unless there is a drastic improvement in the enforcement capabilities of the federal government," he declared, "the trend . . . created by the labor racketeering problem cannot be reversed."

Footnote: Our associate Marc Smolonsky tried without success to get comments from the two locals. An attorney for Local 210 said only: "They didn't know what Stewart was talking about." An official of Local 91 said: "There is no one here, and I can't talk to you." He refused to put Smolonsky in touch with anyone else who could speak for the union.

As the statement and newspaper article I have just read indicate, organized labor is plagued with a considerable amount of corruption by union officials and also control by organized crime.

I would like to share with you another article I have which touches on the same theme as it concerns one union in particular, the International Brotherhood of Teamsters. I ask you to listen to this newspaper account concerning the Teamsters Union.

Mr. President, I believe this article will be of considerable interest.

The article appeared in the Washington Post on May 25, 1978. It is by Jack Anderson, entitled "A 'Classic Study' In Labor Rackets."

A "CLASSIC STUDY" IN LABOR RACKETS

(By Jack Anderson)

Two months ago, Salvatore Briguglio was gunned down, gangland style, on the streets of Manhattan. His murder, which remains unsolved, was no ordinary mob hit. He was a key suspect in the Jimmy Hoffa case.

Ostensibly, Briguglio was a business agent for Teamsters Local 560 in Union City, N.J. But his real duties apparently were more ominous; he was a reputed button man for the notorious "Tony Pro." The latter, known more formally as Anthony Provenzano, is the boss of Local 560 and an identified member of the Mafia.

Tony Pro is also a suspect in the Hoffa investigation. His late associate was shot, union sources believe, because he talked too much.

Men like Provenzano and Briguglio infest the labor unions in America. Several locals have been taken over by mobsters and hoodlums, who have turned them into criminal power bases.

As part of our continuing reports on organized crime, we have been writing lately about labor racketeering. Our findings have been reaffirmed by Justice Department organized crime experts, who have just testified before the Senate investigations subcommittee. Their message, delivered in grim language, was clear. Labor racketeering is flourishing in America.

Robert Stewart, head of the Newark, N.J., organized crime strike force, shed new light on Hoffa's disappearance. Apparently, Hoffa was liquidated by the mobsters he had befriended during his rise to power in the Teamsters union.

Not long after he vanished, reported Stewart, "the investigation focused upon suspects A and D." Our sources identified the two mysterious suspects as Provenzano and Briguglio.

Tony Pro seized control of Local 560 in 1961 after the violent elimination of his chief rival, Tony Castellito. Provenzano and Briguglio were charged with the murder.

According to the Senate testimony, Provenzano's 17-year reign of the union is "a classic study in labor racketeering." Here is a small part of the story, gleaned from Senate testimony, confidential Justice Department files and our own investigation:

Ralph Picardo, a protected government witness, told investigators that he was recruited by Briguglio in the late 1960s for Tony Pro's gang. Picardo "was directed to participate in various organized thefts, hijackings and 'bust out' operations, all of which involved organized rings of professional criminals operating in multiple states in the Northeast."

While Tony Pro served four years in prison for attempting to extort kickbacks from a trucking company, Local 560 salted away $223,785 for him. He began collecting the cash during his final year in the slammer. The payments continued until he rejoined the union in 1975.

In 1966, Briguglio and Provenzano's brother Nunzio, were locked up for attempted extortion in another labor shakedown scheme. According to Senate testimony, "both felons returned directly from prison to the local's payroll. In 1973, Briguglio was again jailed, this time for counterfeiting. But he was hired by the union as soon as his prision term ended in 1974."

Three years ago, Briguglio and Provenzano allegedly agreed to fence $1 million worth of securities and bonds stolen from separate victims in New York. "The boss and underboss of a different organized crime family were directly involved in the conspiracy to fence the stolen paper," it has been sworn.

Provenzano was convicted last March of conspiring to arrange a kick-back on a loan from the New York Teamster Conference pension fund.

I believe that the material I have shared with you paints a clear picture of the significant level of corruption that currently exists in some areas of the labor movement. I believe that American workers are generally aware of this corruption and this knowledge and awareness has contributed to their demonstrated unwillingness to become associated with unions.

It certainly would not be to the credit of this proud body if we provide the labor movement, through passage of this bill, with the power and means with which to increase the opportunities for labor corruption it would give labor an unfair advantage in its efforts to organize currently nonunion workers. We should not change the rules of the game, so to speak, at the behest of labor, to stem the tide of labor's losses, when the majority of American people have so clearly demonstrated that they do not desire to have their working lives controlled by "big labor."

Mr. MORGAN. Mr. President, during the weeks in which the Senate has considered the labor law reform bill, I have spoken of my concerns for my State, for the Nation, and for our system

of labor-management relations. I addressed the specifics of the labor bill in some detail and spoke to the high points of the bill.

Today, I should like to address the Senate on some of the minor provisions of the bill, which may have been overlooked during the course of the debate. While presented as minor, they represent some important procedural and substantive changes which ought to be considered more carefully, I think, by the Senate. These provisions are not addressed by the amendments introduced yesterday by the supporters of the bill.

JUDICIAL REVIEW OF ELECTION RULES

I have spoken about the proposal in S. 2467 which directs the National Labor Relations Board to create rules for elections. Specifically, the bill calls for set election time limits. I shall not speak to the problems I foresee with this approach, but I shall discuss a provision that affects court review of any rules created by the NLRB in the election area.

S. 2467 amends the National Labor Relations Act so that rules or regulations issued by the Board should be judicially reviewable only in a proceeding under section 10 of the act. In other words, if the Board creates a rule, a party affected by the rule may not appeal the rule itself when it goes into effect; he can only challenge the rule in the course of an unfair labor practice proceeding.

Now this is not unrealistic and is reflected in current administrative practice to some degree. There is a problem, however, when this concept is included in the scheme of S. 2467. When applied to an election rule the following would result: The Board creates an election rule. An employer or a union cannot challenge the rule at that time. The employer or union must commit an unfair labor practice in order to test the validity of the Board-promulgated rule. For the employer, this is a rather risky venture. If he wants to challenge a rule about elections or an election itself, he has to commit an unfair refusal to bargain.

At present, there is no way to challenge an election except by committing what has come to be known as a "technical refusal to bargain." If the employer does this, he would incur, under the provisions of the remedy section of this bill, the so-called "make whole" provision which imposes a contract on the employer.

What this means, Mr. President, is that in limiting review by the courts, we effectively limit all review for an employer of election rules. The only route to a remedy is made prohibitive by an economic sanction. The result, I fear, is that Board rules on elections will be unreviewable, for all practical purposes.

This is not only unfair, it is wrong to deny a remedy because a penalty exists for exercising the right to secure the remedy. The Board has rebelled against such an approach in a 1970 decision. In the *ex-Cell-O Corp.* case, 185 NLRB 107, 109 (1970), the Board stated:

> . . . where the wrong in refusing to bargain is, at most a debatable question, though ultimately found wrong, the imposition of a large financial obligation on such respondent may come close to a form of punishment for having elected to pursue a representation question beyond the Board and to the courts.

Personally, I agree with the Board reasoning. We should not penalize a party for exercising the only procedural route available to a valuable remedy.

GUARD UNIONS

In another area, unrelated to court review, I am concerned about the proposal to allow guards to join unions which represent other employees. Under the provisions of existing law, guards may join or form unions of their own to bargain collectively with employers. The idea behind this approach is that guard loyalty is vital to protection of property and should guards be members of unions that represent other employees, their loyalties might be divided.

In short, S. 2467 would allow nonguard unions to organize guards so long as the union did not represent other employees at the same facility.

First of all let me note that under current law, it is not unlawful for a guard to join a nonguard union, even at the same facility where a union represents other employees. It is not unlawful for an employer to recognize the union for the purposes of collective bargaining. That was decided in the case of *NLRB* v. *White Motor Corp.*, 404 F. 2d 1100 (6th Cir., 1968).

My second point is one of concern about the need for this change. The purpose of the National Labor Relations Act was to allow employees to organize so that they might bargain collectively. Personally, I do not see how this is defeated by the current law; guards can join unions so long as the union is an exclusive union, representing guards only. Their loyalty might be questioned if they were members of an international union even if that union did not represent other employees at the same workplace.

Why then is the change proposed? The committee report accompanying S. 2467 simply notes, at page 35, that the current law is "* * * overly broad and unnecessarily restricts the rights of guards to select their own bargaining agent." What exactly does this have to do with the National Labor Relations Act? The idea is that employees may organize, not that they be granted a shopping list of union organizations.

I might add, Mr. President, I have had personal experience as a practicing attorney representing employers in labor disputes. I know how extremely important the role of the guards is in labor disputes, and I cannot conceive of anything worse than having guards members associated with the same union that is engaged in the strike.

Additionally, I have received many, many thousand of letters concerning the labor law bill, I must confess that only a very few have spoken of a desire to alter the present law regarding guard unions. There has been no groundswell of opinion favoring such a change and again I am at loss to see the committee's reasoning that the current law is "unnecessary." The same description might be applied to many of the provisions of S. 2467, that is, "unnecessary."

This provision, along with many of the others in the bill, are simply unsupported by the current events and the current situation in the labor management relations. Again, I would like to reassert my position that if change is needed, I shall not stand in its way. The change in this provision by S. 2467 is simply not mandated by any existing need. I might point out that many guards are contract guards today and do not work for the employer whose property they protect, which makes much of this issue "unnecessary." Again, the reality does not support this change.

SHORT FORM ALJ DECISIONS

At another point in S. 2467, there is provision to create short form decisions by administrative law judges. The Human Resources Committee adopted the recommendation of the NLRB task force to attempt to shorten the decisionwriting time of the ALJ's. In other words, the bill would permit the ALJ to set forth their findings of fact and conclusions on law in brief form and only comment briefly on their reasoning.

There is a question of whether this provision violates section 557(c)(A) of the Administrative Procedure Act which requires that such administrative decisions include a statement of reasoning and the bases for a decision. I might add that summary affirmance, a delay-curing concept, will take more time if short form decisions are the only item available for review. How will a Board panel make a determination in these cases without a charge that it acted in an arbitrary and capricious fashion?

Again, I cannot fault the idea of reducing paperwork so as to reduce delay. I just want to be sure that we would accomplish that by the approach the committee is taking. Will this not, however, encourage less reasoned decisions? What will this approach do to the substantial evidence standard contained in sections 8(b) and 7(c) of the Administrative Procedure Act? Does not the committee go beyond the recommendation of the NLRB task force? Will short forms not encourage appeals rather than compliance because they might be more easily attacked on appeal?

What concerns me, Mr. President, is that so many questions need to be answered about a seemingly unimportant part of the bill. I hope that the proponents of the bill will take the time to address these issues during the course of their remarks.

SUMMARY

Mr. President, I have addressed three of the lesser known provisions of S. 2467 in order to express my concern about the entire bill. These provisions are significant as they symbolize some of the basic problems with the Labor Law Reform bill.

First, there is the fundamental question. Do we need this sweeping legisla-

tion? I have not noticed any public outcry for reform prior to the introduction of this bill in the House of Representatives. My review of the functioning of the National Labor Relations Board indicates that it is a fine agency which, in light of its caseload and in contrast with other Federal agencies, works very well. Beyond some fine tuning, which is much more than this bill does, there is really no need for change.

Additionally, my review of the system of adjudication offered by the Board and its regional offices, and its effect on labor-management relations leads me to the conclusion that the National Labor Relations Act is doing an excellent job of assisting orderly operation of the workplace.

Second, the nature of the reforms set forth in this bill, such as the short form ALJ decisions which I have just addressed, may be unworkable and create more problems in the long run. My position here is not one of opposition to a provision because I do not like it; it is an attitude of concern for continuing a good system and not impairing its efficiency. Reform which complicates, increases delay, and otherwise injuries the system, should be avoided. I believe that my earlier statements about S. 2467 indicate that this may very well be the result if this bill is passed.

Third, I am concerned that the reforms proposed may not do the job. Again, the short form decisions by administrative law judges may actually increase rather than reduce delay. This must be avoided. As I have noted, some reform at the administrative law judge level may be in order. I just want to be sure that improvement results from any reforms enacted by Congress.

Finally, I must return to the spirit of the bill. I believe that this bill will go a long way toward altering the attitude of businessmen and unions to a negative bent. Small and large businessmen alike feel that they are being punished, in the name of reform, for the sins of a few major law violators. I feel that the labor law reform bill will create great inequities and imbalances in our labor laws. The provision relating to review of Board rulemaking, which in effect penalizes use of the remedy of court review, is simply an injustice and should be prevented.

Personally, I do not feel that all the issues have been raised or adequately addressed. I am against closing the debate on the labor law reform issue. While there has been some movement by the supporters of the bill to take into account the concerns I have stated, I believe that further clarification and debate is required. I do believe that the floor should remain open for further discussion.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PELL). Without objection, it is so ordered.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion, having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the substitute amendment, No. 2445, by the Senator from West Virginia (Mr. Robert C. Byrd) and others to H.R. 8410, An act to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

1. Robert C. Byrd.
2. Patrick J. Leahy.
3. Harrison A. Williams, Jr.
4. John Melcher.
5. George McGovern.
6. Claiborne Pell.
7. Dick Clark.
8. Frank Church.
9. Daniel Patrick Moynihan.
10. Edward M. Kennedy.
11. Jacob K. Javits.
12. Abraham Ribicoff.
13. Howard M. Metzenbaum.
14. Birch Bayh.
15. Henry M. Jackson.
16. William Proxmire .

ORDER FOR 20-MINUTE VOTE ON CLOTURE ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to invoke cloture occur next Tuesday at the hour of 2:30 p.m., with the quorum call under the rules to be waived, and with no quorum call being in order at that point.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote be a 20-minute vote rather than a 15-minute vote, and that the warning bells sound at a point 12½ minutes into the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield the floor.

AMENDMENT NO. 2445

Mr. HATCH. Mr. President, yesterday we had an interesting substitute amendment by the distinguished majority leader and others, and I would like to direct my remarks to that particular amendment today. We have had an opportunity to examine the amendment, and I think we can make some appropriate remarks in regard to it.

One of the provisions to which the amendment addresses itself happens to be the quickie elections provision.

QUICKIE ELECTIONS

Section 6 of the Byrd substitute amends the election time limits set out in the original Senate bill. Instead of election deadlines of 21 to 30 days in the case where a majority of employees have signed representation cards, 45 days in the case where less than a majority of employees have signed representation cards, and 75 days in cases of "exceptional novelty or complexity," the Byrd substitute proposes a two-tier election deadline setup. Under the Byrd substitute elections would now be required—not less than 35 days after the employer involved has been notified in writing that the employees in a unit are seeking representation by a labor organization involved and not more than 50 days after the filing and serving of an election petition, unless the employer and the union agree to an earlier election date. The Byrd substitute also retains the 75-day limit in cases of exceptional novelty or complexity. The National Labor Relations Board would be required to give priority to any petition in which the majority of the employees in the unit for which the union is seeking representation have signed authorization cards.

At first blink, the election time limits mandated by the Byrd substitute appear to be an improvement over the tremendously restrictive quickie election deadlines that were required by both S. 1883 and S. 2467. Nothing could be further from the truth.

The new election deadlines in the Byrd substitute are designed to favor even more than before the organizational activities of the union while placing the employer at a decided disadvantage during the election process. What we now have before us could easily be labeled "instantaneous elections" instead of just "quickie elections." Under the system proposed in the Byrd substitute it is not only possible but even likely that representation elections will be held within days or even hours of the filing of a petition for an election. The distinction between "notification in writing that employees are seeking representation" and a "petition" is crystal clear. The deletion of the majority support for a petition by the substitute also is crystal clear. Under this system unions could "notify in writing" at any time and then file a petition at their convenience or at an advantageous point beyond the 35-day period and the National Labor Relations Board is statutorily required to hold an election, regardless of support for the petition, regardless of notice periods, regardless of unit eligibility questions, regardless of anything other than vacation days, on the earliest administratively possible date." This could be the day after the petition is filed. It could be a few days after the petition is filed. One thing is sure, the holding of elections would likely be only a matter of a few days. I call this instantaneous, quickie elections. The amendment not only removes the few protections of a 21-day minimum period after the filing of an election and the majority support for the petition but also sets up the prospect for utter chaos in the election process. The potential for mischievous abuse of the organizational process by the use of blanket notices to innumerable employers and the indiscriminate calling of unanticipated elections at a moment's notice abound in this substitute.

It will be an administrative nightmare for the NLRB with a resulting loss of

employer rights which are so inherent in any quickie election system. You can imagine how inherent they are in any instantaneous quickie election system.

In other words, this so-called substitute which is supposed to have been arrived at only after careful consideration of the feelings of the opponents of this bill, actually restricts the employer even more than the other quickie election provision in S. 8410, formerly S. 2467.

Finally, there is a serious question as to whether the new time limits set out in the Byrd substitute will have any meaning at all. The change to 9(c)(6)(D)(iii) states that an objection which is based on the new time period and notice criteria, regardless if there is merit to the objection, shall not be grounds for setting aside an election. Thus it would seem that while with one hand the bill giveth, with the other hand it taketh away. What value is there in setting criteria if they are to have no binding effect? This further confirms the ill-advised approach of setting inflexible procedures which indeed can only lead to utter chaos in the entire representation election process.

I find it difficult to believe that the sponsor of this substitute amendment intended to set up the potential confusion and chaos contained therein. I feel certain that full examination of the substitute by experts in labor law will bear out everything I have said and more; and I think instead of improving the bill they have made the bill even more repugnant and worse than it was as a matter of fact even more unfair than it was; and I thought that at one time would be a very difficult thing ever to accomplish, because I considered the original bill so unfair to all concerned except the leaders of the labor movement here in Washington. And if you look over the long run probably even to them, because the effects on this country will affect them also.

That is so much for the "quickie" election provision. You notice we have had to add the word "instantaneous," because that is what we believe is contemplated; but even if these awful side effects were not a part of it, we still have a mandatory "quickie" election, which is contrary to all labor-management relations over the last 43 years, and will lead to "quickie" unionization and easy organizing all over the country.

With regard to the equal access provisions:

EQUAL ACCESS

In introducing his amendment to the equal access provision, the distinguished majority leader claimed that the amendment would meet the objections to the original provision which have been carefully detailed here over the last few days. While I must admit that, in some respects, the amendment offered is an improvement, I must also point out that any change in the original provision would have been an improvement, given the completely unfair, onerous and burdensome requirements originally set forth. However, this amendment, like the original provision, is still riddled with defects and cannot be considered an acceptable solution by any Senator who still believes in the Constitution, in fairness and in the true meaning of the word "reform." I would now like to elaborate on the reasons for my objections to this amendment.

CONSTITUTIONALITY

First let us talk about constitutionality.

I think it must be crystal clear to all of us that this amendment reflects a recognition by the majority leader and those who support his amendment that the original "equal access" provision was of dubious constitutional validity, particularly in light of the very recent Supreme Court decisions in the Sears and Barlow's cases. I would have thought, however, that these cases and the earlier decisions relied on by the court would have convinced the majority that no access onto private property may be authorized except in the very limited circumstances already recognized by the court; that is, to remedy unfair labor practices which made reasonable communications impossible, or where employees were difficult to reach in the normal industrial setting. But no, the majority leader still maintains that the body may authorize such trespass, albeit on a more limited scale than originally proposed.

It has been argued here that we are not talking about the rights of outside union organizers to enter private property but rather the rights of employees to receive information if they are deciding the question of whether to organize or not. With all due respect, no matter how the question is phrased the answer is the same. The Supreme Court has made it clear that the rights of employees to organize does not confer special status on outsiders which allows them to trespass on private property. This basic rule applies to OSHA inspectors and to union organizers. As the Court stated only 2 weeks ago in the Barlow's decision:

> . . . This court upheld the right of employees to solicit for a union during nonworking time where efficiency was not compromised. By opening up his property to employees, the employer had yielded so much of his private property rights as to allow those employees to exercise section 7 rights under the National Labor Relations Act. But this Court has also held that the private property rights of an owner prevailed over the intrusion of nonemployee organizers, even in nonworking areas of the plant and during nonworking hours.

Thus, the Court clearly distinguished between the rights of employees to solicit on the premises and the absence of the right of nonemployee union organizers to enter an employer's private property. Thus, the principle objection voiced by businesses across the country to any "equal" access has not been met, for the amendment still tells them that they must make that property available to outsiders.

Why the proponents of the bill refuse to acknowledge this simple fact is beyond my comprehension. However, I do not believe that we, as Senators, can ignore the Court's message and we should not legislate a provision that flies in the face of the Constitution.

The reason this country is great is because of the private property rights, because we can own and manage our own property, and do what we ordinarily want to on our own property. But there has been a continual encroachment by the Federal Government into private property rights, and into this area, and this particular provision is no exception.

So much for the so-called equal access provisions in the substitute.

GENERAL DEFECTS

Aside from the constitutional issue there are other serious problems presented by the amendment.

For example, the amendment uses the words "addresses the employees at the work site or during working time." What exactly does this mean? The majority leader yesterday stated that this provision was directed at "captive audience" speeches. If that is his intention why does he not specifically say so? The Senate report indicates that "address" also includes bulletin boards, and one-on-one supervisor meetings with employees. I believe we have to assume that these would still trigger the access provision with the result being that numerous access requests will be submitted to an employer who must then accommodate union organizers by opening up his plant. Moreover, although the amendment limits access to nonworking times, it does not specifically say that an employer will not have to pay employees while they listen to union organizers. Indeed, by using the phrase "in an equivalent manner" it would still seem that if the employer paid his employees while they listened to his speech, he would still have to pay them to listen to the other side regardless of when such access is granted.

Also, notice that amendment requires access if an employer's speech is at the work site or during working time. This means that if the employer chose to use his private property on a Saturday or Sunday to talk to his employees, he would still have to allow the union organizers free use of his property to make a speech. This is still subsidization of the union organizing drive by the employer. There is no earthly reason why the union should be permitted free use of private property except to provide them with an even greater advantage than they already enjoy in communicating with employees.

With regard to the proviso at the end of the amendment, one must also wonder why such language was chosen. What does "compensates fewer than 10 individuals" really mean? Suppose an employer has a number of franchises or, in the case of banks, branches within a specific geographic area. Suppose there are less than 10 employees at each place and suppose the union only desires to organize one location. It seems clear to me that the same employer is compensating more than 10 individuals, although not at the same location. However, under the amendment access would still be permitted. Thus, what the majority leader giveth he also taketh away. The very fact that we now at this point in the debate are presented with a narrow exclusion for very small employers, by whatever definition, is tacit

recognition that the recalled "equal access" provision is patently unfair and ill-advised.

If this provision is designed to satisfy the deep, real, and grave concerns of the business world, the small businessmen particularly, then let me assure my colleagues that the substitute will not only fail, but it is also a ringing, ringing alert, it seems to me, as to exactly what so-called "equal access" really means.

I ask you, do employees of an employer of less than 10 employees have any less need for the so-called "equal access" protection than do the employees of an employer of 10 or more?

Does the owner of private property who employs 10 employees have any less right to the privacy of his property than the owner where fewer than 10 are employed? Why the need for such distinction if the rules are fair and even-handed for all concerned?

Of course, I think the distinction points out that they are not fair, that there is implicit within this distinction or within the rule itself, as enunciated in the substitute, an unfairness and a recognition that the so-called equal access provision is unfair.

The substitute amendment does serve an important purpose which should not go unnoticed. It does spell out for all of us, and especially businessmen and all Americans, what the so-called "equal access" is all about. Two nonemployee organizers in any or each place such as cafeterias, rest areas, and other commonly shared employer areas—up to four outside "professional" organizers in parking lots. One can almost picture a place literally crawling with nonemployee organizers while those there are attempting to conduct the business attempt to do so. We have not only "packed the Board," but we have "packed the employer premises" with outside union organizers all through the force of the almighty Federal Government.

Mr. President, there are still grave problems with this so-called "equal access" amendment. I think when read in conjunction with the election provision it is a thinly veiled attempt to silence the employer, to discourage him from exercising his first amendment right of free speech, to preserve his right, to run his business on his private property, as he should have a right to do. It is an untenable, unacceptable choice we would force upon the small businessmen if we pass this provision. Let us maintain the balance that now exists in providing information to employees and not give inordinate help to one side to the detriment of the other.

I might mention running through this whole amendment is the theme often articulated by union organizers and union leaders as this has been debated over the last 9 months, and that is that, sure, they will take amendments on the floor of the Senate in order to get the bill through, but "When we get to conference it is going to be whatever labor wants."

So, my colleagues should not be deceived by any amendments here because, frankly, if we fail here in our extended educational dialog, oftentimes called a filibuster, then I think we are going to suffer from a bill which, of course, is going to be handwritten by those who represent the unions here in Washington.

"MAKE WHOLE" SANCTION

Mr. President, it is particularly disturbing to the Senator from Utah and many of his colleagues who have expressed such strong reservations about the so-called make whole remedy, that the amendment in the nature of a substitute fails to address the fundamental unfairness of this punitive sanction, but instead merely substitutes one formula—the Bureau of Labor Statistics' quarterly report of major collective bargaining settlements—for another—the Bureau of Labor Statistics' employment cost index for occupations covered by collective bargaining agreements.

All of the previously expressed objections to this provision remain unaltered by this change in formula. As previously stated, this so-called make whole sanction, which despite the change in formula is still based upon existing contractual wage and salary provisions in the collective bargaining agreements negotiated by other parties, injects the Federal Government directly into the formative stage of initial collective bargaining negotiations. This direct intervention of Federal regulation and determination of economic terms in collective bargaining is abhorrent to the longstanding principle of governmental neutrality in labor relations. The principle of Government neutrality in the collective bargaining process dates back to the original debate on the Wagner Act. Senator Walsh, then chairman of the Senate committee, declared:

> When the employees have chosen their organization, when they have selected their representatives, all the bill proposes to do is to escort them to the door of their employer and say, "Here they are, the legal representatives of your employees." What happens behind those doors is not inquired into, and the bill does not seek to inquire into it. (79 Cong. Rec. 7660)

While the limitation implied by that last sentence has not been strictly maintained in practice, nevertheless the underlying purpose of that remark has remained the most basic purpose of the statutory provision. Governmental intrusion into the substance of collective bargaining constitutes a total departure from our national labor policy a—policy which has functioned successfully on the theory that Government should assist in bringing management and labor together but should not impose the substantive provisions of their contracts for them and without their mutual agreement. Apart from the duty imposed by sections 8(2)(5) and 8(b)(3) of the National Labor Relations Act—which make it an unfair labor practice for either the employer to refuse to bargain collectively with the representatives of his employees, or a labor union to refuse to bargain collectively with an employer whose employees it represents—Congress clearly intended that the parties should have wide latitude in their negotiations, unrestricted by any governmental power to regulate the substantive solution to their differences.

The so-called make whole sanction, therefore, would be a dramatic and revolutionary change in congressional policy regarding what heretofore has been a successful system of free collective bargaining—free of outside interference. In testimony before the Senate Human Resources Committee, former Secretary of Labor, John Dunlop, expressed misgivings about this particular proposal, which he termed "unwise" for the future course of collective bargaining. It is ironic that as recently as the coal negotiations earlier this year, both Secretary of Labor F. Ray Marshall and President Carter publicly commented that it would be improper for the Federal Government to interfere in the system of private collective bargaining unless, of course, an impasse was reached which affected the national interest thereby necessitating Federal intervention in the form of a Taft-Hartley injunction. Suite clearly this make whole provision is totally at odds with Secretary Marshall's earlier statement that—

> We don't believe in interfering directly in collective bargaining . . . (139 DLR at E–1 (BNA, July 19, 1977)).

It is curious that the Secretary of Labor could be so reluctant to involve the Federal Government in the collective bargaining process on that occasion, a national crisis, and yet propose to involve the Federal Government directly in future collective bargaining pursuant to this proposal.

Mr. President, the change in formulas contained in the proposed amendment does not alter in any way the basic and fundamental opposition to this provision. Moreover, the provision is objectionable not only because of the fact that it thrusts the Government directly into the collective bargaining process—which is a repudiation of the long standing principle of governmental neutrality in labor relations. The provision is also objectionable because of its practical impact on employers, especially small employers, engaged for the first time in collective bargaining negotiations.

Section 8(a) of the National Labor Relations Act requires the parties to "confer in good faith with respect to wages, hours, and other terms and conditions of employment." In other words, the law contemplates that under a system where the Federal Government does not attempt to control the results of negotiation, the parties are free to bargain in earnest the content and substance of an agreement so long as they bargain in good faith. Each side may attempt to drive a hard bargain and, based on the free play of economic forces, to seek a contract with advantageous terms. It is this freedom to write their own contract, tailored to the specific requirements of a particular workplace and workforce, which is largely responsible for the effective operation of our national labor policy. And, of course, this freedom is based upon the relative equality of bargaining power.

The so-called make-whole provision would tilt that balance of power at the bargaining table strongly in favor of the unions. Confronted with the severe economic penalty which this provision would authorize—a form of economic coercion—an employer, and especially a small employer, would be unable to engage in negotiations on an equal footing. This sanction goes beyond the purported need to deter the flagrant disregard of the duty to bargain. Any allegation of a refusal to bargain in good faith, including the perfectly legitimate attempt to drive a hard bargain or bargaining which ends in impasse, could potentially threaten an employer with severe economic sanctions imposed by the Federal Government. Consequently, the practical impact of the make-whole sanction is not to compensate employees, but rather a substantial economic sanction designed to intimidate an employer during contract negotiations and to force that employer to accept union contract demands without engaging in lawful hard bargaining.

Again, this penalty would have a chilling effect on an employer's ability to negotiate. When is an employer—and especially a small employer—to know what distinguishes a refusal to bargain in good faith from a good-faith and perfectly legitimate attempt to withstand a union's contract demands? Perfectly, in many cases, only after the National Labor Relations Board makes the fine distinction with the threat of a heavy economic penalty to be imposed retroactively. Since this penalty is to be imposed as a result of negotiations on an initial contract, the employer would be inexperienced in the strategies and techniques of collective bargaining. And yet he would be confronted with an experienced and skilled union negotiator, who may be quick to point out the penalty for not agreeing to the union's terms.

Again, these objectionable features of this provision remain, regardless of the particular formula selected. The change of formula proposed by the amendment does not remove those objections. In essence, this provision will have a far-reaching effect on the employer's ability to negotiate a fair contract. The provision will provide a wage floor in first collective bargaining agreements based on previously negotiated union contracts which may be beyond the employer's ability to pay. The threat of this penalty will also provide the leverage necessary for the unions to achieve contract terms otherwise unobtainable in fair and balanced negotiations. As a result, the employer could be forced to meet an arbitrary labor cost package, regardless of his economic condition and without obtaining any benefits—in the form of a no-strike or management rights clauses—in return. It prevents, therefore, quid pro quo bargaining. Thus, while the make-whole provision is cast as a remedial proposal, it is instead a disguised but discernible means of radically transforming the historic nature of collective bargaining by enabling unions to secure contracts they might not otherwise be able to obtain if collective bargaining were left to the free play of economic forces.

In addition, the proposed amendment does not change the fact that it would deter an employer from exercising his right to secure judicial review of representation or bargaining unit issues pursuant to a lawful technical refusal to bargain. Indeed, an employer's refusal to bargain a first contract with a union is his only means under current law of obtaining court review of representation cases. It has long been held that the decisions of the National Labor Relations Board in a representation case are not immediately appealable to the Federal courts of appeals. Therefore, in order for an employer to legally contest the Board's determination of bargaining unit or other representation issues, it must first refuse to bargain with the union—or should I say, technically refuse to bargain with the union. Thereafter, the General Counsel issues a complaint alleging the refusal to bargain by the employer, the Board issues an order finding that the employer has refused to bargain, and the case then goes to the court of appeals. At that time—and only at that time—the employer is free to argue that the Board's determinations in the representation case were wrong. Historically, that is the only way in which such Board orders are reviewable by the Federal courts. (*Am. Fed of Labor* v. *N.L.R.B.*, 308 U.S. 401 (1940).) As the second circuit has stated:

> The Company pursued the only procedural course available to secure judicial review of the Board certification [by refusing to bargain]. This commonplace attack on the Board's decision certainly does not warrant a direction by us to the Board to undertake the speculative adventure of fixing damages by "determining" whether the parties would have reached an agreement . . . (*Lipman Motors, Inc.* v. *N.L.R.B.*, 451 F. 2d 823, 829 (2d Cir., 1971).

Under the "make whole" proposal, even as amended, this anomaly is not addressed.

Mr. President, the change in formula from the quarterly report of major collective bargaining settlements to a different one based upon the Employment Cost Index for occupations covered by collective bargaining agreements, totally ignores, of course, these fundamental objections to the make-whole provision.

Further, the selection of this new index—the Employment Cost Index—continues to reflect the arbitrary nature and inflationary impact of the penalty itself. The EC measures the wage and salary rates of selected occupational groups. Over the past 12 months, the ECI rose by 7 percent. In some occupational groups, of course, that rate is higher (craft and kindred workers, for example, rose by 8.2 percent). This rate, when imposed by the Federal Government, would set an inflationary wage floor which would, in effect, serve as the base for initial collective bargaining negotiations.

The arbitrary selection of the ECI is reflected in the description of that index provided by the Bureau of Labor Statistics.

According to that description, it is designed to measure changes in the rate of compensation of a standardize a mix of labor services "much like the fixed weight market basket of the Consumer Price Index." Recently, as I am certain my colleagues will recall, was debated the Fair Labor Standards Act amendments which, as originally proposed, would have indexed future minimum wage rates based upon increases in the Consumer Price Index. That indexing concept was withdrawn from the bill, and it was generally agreed that the Consumer Price Index was inappropriate for use as an index in this fashion and, I think, generally agreed that it would have added to the ravages of inflation. Therefore, nothing is being done, once again.

As stated in the description, the Bureau of Labor Statistics is currently in the process of expanding the Employment Cost Index to measure total compensation, covering employee benefits as well as wages and salaries, and to broaden industrial coverage. The Bureau of Labor Statistics reports that publication of compensation statistics, including employee benefits, is expected to begin in 1979. As the Bureau of Labor Statistics' description states:

> A longterm program objective is to increase the amount of industry, occupation, and area detail and the frequency of publication. Seasonally adjusted statistics will become available as soon as sufficient experience is accumulated to compute adjustment factors.

While this work is being completed, I suppose we must speculate as to the impact such changes will have on the index as we debate this labor law reform bill.

Of course, one of the major objections to the use of the original formula contained in S. 2467/H.R. 8410—the quarterly report of major collective-bargaining settlements—was that it measured only those units of 5,000 employees or more. The Employment Cost Index is not much better. According to the Bureau of Labor Statistics' description, the ECI statistics may cover from one to several thousand employees.

In summary, the ECI appears to be an insubstantial improvement to this provision. It certainly does not address the fundamental unfairness of this punitive sanction nor does it substantially reduce its inflationary impact.

Mr. President, I ask unanimous consent that a Bureau of National Affairs analysis of the ECI be printed in the RECORD at this point for the information of my colleagues.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

EMPLOYMENT COST INDEX

EDITOR'S NOTE

Wage and salary rates as measured by the Employment Cost Index (ECI) rose 1.7 percent in the fourth quarter of 1977, according to the Bureau of Labor Statistics. That increase is slightly less than the 1.8 percent rise reported for the third quarter of 1977. Over the past 12 months, the ECI has increased 7.0 percent.

The deceleration in the rate of increase in the ECI during the fourth quarter was attributed to a lessening of wage gains in manufacturing, construction, and services. Wages in manufacturing, which have the greatest effect on the overall index, increased 1.8 percent in the fourth quarter, compared to 2.2 percent in the third quarter. A slower increase in construction pay "reflects the seasonal pattern of collective bargaining which concentrates settlements and deferred increases in the spring and summer," BLS says. In transportation and public utilities, BLS notes that the fourth quarter increase of 2.1 percent is "about the same as in the third quarter."

In 1977, pay increases for blue collar workers outpaced those for both white collar and service workers. Employees in the manufacturing and transportation and public utilities industries received increases in earnings which exceeded the national average. And as a group, workers covered by collective bargaining agreements received higher pay increases than those not working under labor agreements.

The ECI is designed to measure in the rate of compensation for a standard mix of labor services. BLS plans to expand the series from a quarterly mix of wage and salary rates to a monthly measure of total compensation including fringe benefits. BLS also plans to present pay changes in the form of indexes and seasonally adjusted data. (See reverse for full text of BLS description of the index.)

RATES OF WAGE AND SALARY CHANGES IN EMPLOYMENT COST INDEX, THROUGH DECEMBER 1977

Series	1st quarter, 1977	2d quarter, 1977	3d quarter, 1977	4th quarter, 1977	12 mo ending in December 1977
All private nonfarm workers	1.5	1.9	1.8	1.7	7.0
Workers, by occupational group:					
White-collar workers	1.3	1.6	1.7	1.8	6.5
Professional and technical workers	1.5	1.5	1.8	1.7	6.7
Managers and administrators	2.1	2.0	1.3	0.7	6.2
Sales workers	(1)	1.7	1.7	4.0	(1)
Clerical workers	1.8	1.2	2.0	1.7	6.9
Blue-collar workers	1.7	2.2	1.8	1.8	7.7
Craft and kindred workers	2.1	1.9	2.2	1.7	8.2
Operatives, except transport	1.6	1.7	1.6	2.2	7.3
Transport equipment operatives	.4	4.2	1.6	1.0	7.3
Laborers, except farm	1.7	2.9	1.3	1.5	7.6
Service workers	1.3	2.2	1.7	1.0	6.4
Workers, by industry division:					
Construction	.9	2.3	1.8	1.4	6.6
Manufacturing	1.9	1.8	2.2	1.8	7.8
Transportation and public utilities	1.9	2.9	2.0	2.1	9.2
Wholesale and retail trade	2.2	1.7	.9	1.5	6.6
Services	.9	1.8	1.8	.7	5.3
Workers, by region:					
Northeast	1.1	2.0	1.7	1.5	6.5
South	1.5	2.2	1.9	1.2	6.9
North-central	.7	1.5	2.0	2.4	6.8
West	2.6	1.7	1.5	1.8	7.8
Workers, by bargaining status:					
Occupations covered by collective bargaining agreements	1.4	2.2	1.9	2.0	7.6
Occupations not covered by collective bargaining agreements	1.5	1.7	1.7	1.6	6.6
Workers, by area:					
Metropolitan areas	1.4	1.8	1.7	1.9	6.9
Other areas	1.6	2.1	1.8	1.1	6.7

[1] Data collected were insufficient to meet statistical criteria for publication during the periods indicated.

Note: The statistics are percent changes in straight-time average hourly earnings over the period indicated. For example, the 1.5 percent change for the "all private nonfarm workers" series in the 1st quarter 1977 is the actual percent change in straight-time average hourly earnings from the pay period including the 12th of the survey month of December 1976 to the comparable period in March 1977. The statistics are not annualized, nor are they adjusted for seasonal influences. The computation of percent changes spanning more than 1 survey period is accomplished by compounding successive changes for individual quarters. In actual practice, the compounding calculations are made to the 5th decimal place.

The Employment Cost Index is designed to measure changes in the rate of compensation of a standardized mix of labor services, much like the fixed weight market basket of the Consumer Price Index. The Employment Cost Index is a measure of change in the price of labor not of the level of well-being of workers.

The scope of the measure will be expanded to total compensation, covering employee benefits as well as wages and salaries, and to broader industrial coverage, resulting in an index of changes in all compensation. Publication of compensation statistics including employee benefits is expected to begin in 1979, followed by statistics for the total civilian economy in subsequent years. A long-term program objective is to increase the amount of industry, occupation, and area detail and the frequency of publication. Seasonally adjusted statistics will become available as soon as sufficient experience is accumulated to compute adjustment factors.

The Employment Cost Index statistics are now computed from over 9,000 occupational wage and salary observations collected quarterly from approximately 2,000 respondents representing, with certain exclusions, the occupational employment composition of the private nonfarm economy. Each observation may cover from one to several thousand workers. Data are collected covering nearly a half million employees. Respondents in the quarterly survey are establishments or groups of establishments composing a reporting unit. Establishments of all sizes are within the scope of the survey. The major exclusions are the self-employed, unpaid family workers, private household employees, and workers in Alaska and Hawaii. Except for the self-employed and unpaid family workers, these exclusions are temporary. It is intended that agricultural employees will also eventually be within the scope of the survey.

Straight-time hourly earnings are used in the Employment Cost Index as a proxy for a measure of wage and salary rates. All occupational wage and salary data are collected as, or converted into, straight-time hourly earnings for the survey occupations. Straight-time earnings are total earnings before deductions, excluding premium payments for overtime and for work on weekends and holidays and shift differentials. Production bonuses and cost-of-living allowances are included in straight-time earnings. Data pertain to the pay period including the 12th of the survey months of March, June, September, and December.

The index occupations conform to the Bureau of the Census occupational classification system, which consists of 441 occupations grouped into 12 broad occupational categories. Nine of these groups are now in the scope of the survey. These major occupational groups are:

PROFESSIONAL AND TECHNICAL WORKERS

These occupations are concerned with the theoretical or practical aspects of such fields of human endeavor as art, science, engineering, education, medicine, law, and business relations. Included are such highly trained personnel as teachers, dentists, accountants, attorneys, chemists, engineers, physicians, and the clergy. Computer specialists, political scientists, writers, artists, and entertainers are also in this category.

MANAGERS AND ADMINISTRATORS

This group includes those positions charged with the direction and responsibility of a given activity. Top and middle management, and all other supervisory personnel above first-line supervisory level are included.

SALES WORKERS

These workers include sales clerks as well as insurance and real estate agents, stock and bond sales agents, and manufacturing sales representatives.

CLERICAL WORKERS

Within this category the workers who type, operate computers, and office machines, keep records, take dictation, and deliver mail.

CRAFT AND KINDRED WORKERS

Work activities in this group primarily involve fabricating, processing, inspecting or repairing materials, products, or structural units. Included are a variety of occupations such as carpenters, tool and die makers, instrument makers, jewelers, electricians, and typesetters. Apprenticeship is usually a prerequisite for entry into these occupations.

OPERATIVES, EXCEPT TRANSPORT

Operatives in this grouping are engaged in such activities as assembling goods in factories, operating or tending machinery, and photographic processing. Occupations such as solderers, welders, meat cutters, and gas station attendants are also included.

TRANSPORT EQUIPMENT OPERATIVES

Truck, bus, and taxi drivers fall within this group.

NONFARM LABORERS

Laborers move, lift, and carry materials and tools in the nation's work-places. These include freight and material handlers, longshore workers, and construction laborers.

SERVICE WORKERS

This group includes those who maintain law and order, serve individuals in institutional, commercial, and other establishments. Some of the occupations are janitors, bartenders, waiters, dental assistants, practical nurses, flight attendants, barbers, and police and fire fighters. Private household workers are excluded.

A complete listing of ECI occupations may be found in the *Employment Cost Index--Occupational Classification System Manual*, Bureau of Labor Statistics, January 1975.

The published industry and occupational statistics do not pertain to mutually exclusive groups of employees. Workers from all industry divisions may be represented in a major occupational group; conversely, workers from all occupational groups may be represented in a major industry division. For example, statistics for the industry "Services" are based on occupational pay data for professionals, managers, clerical workers, service workers, etc. Similarly, statistics for the occupational group "Service workers", cover such workers as janitors, waiters, practical nurses, flight attendants, and guards; these may be found in real

estate, retail trade, transportation, and other induustries as well as services.

The Employment Cost Index statistics, although computed from levels of occupational pay, are measures of change. The pay level data collected from sample reporting units are weighted into occupational averages, by industry, using weights essentially derived from a 1974 occupational employment survey. These industry pay averages are aggregated for index computation using fixed weights obtained from the 1970 decennial census. Average pay levels for the overall measure and its components are not explicitly calculated as part of the computational process. Although pay levels can be obtained by dividing the wage and salary aggregates by the fixed index weights, these data do not correspond to actual average pay levels at any point in time. However, because of interest expressed in the statistical design of this new series, average pay levels have been computed for the overall and component published series for September 1975, and these are available upon request.

In addition to the industries shown in the table, published statistics cover mining and finance, insurance, and real estate, but insufficient data preclude separate publication of these results. Series for which statistics are published comprise over 90 percent of the total sample. The relative importance of the industrial and other component submeasures, as of December 1977, and estimates of relative sampling errors are also available on request.

The regional coverage is as follows: Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; North Central—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; and West—Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

A description of the survey design is provided in the chapter on the Employment Cost Index in the BLS *Handbook of Methods*, BLS Bulletin 1910.

Releases are scheduled for February, May, August, and November—2 months after each quarter. Statistics in these releases pertain to the preceding quarter and 12-month period ended in that quarter. The Employment Cost Index statistical series, from September 1975, is available in *Current Wage Developments*, a BLS monthly periodical.

DEBARMENT

Mr. HATCH. The amendments purport to make improvements in the punitive remedy section which allows for debarment of Government contractors—a remedy which we have described as reprehensible because it is plain and simply Government blacklisting of businesses with the harsh consequences falling upon the employees—the employees whom the act is designed to protect. In effect, the blacklisting section of the bill could and would be used as a club to destroy businesses which depend upon Government contracts for their livelihood and eliminate the jobs of the workers whose rights are sought to be protected. The potential for abuse of businesses across this land contained in this section, clothed in the bureaucratic administrative processes set out in this bill is awesome, to say the least. The obvious and dangerous power which this section alone would put into the hands of the National Labor Relations Board and the Secretary of Labor is reason enough for pause and concern. If you look at the overall scheme of this legislation you find a carefully designed plan to silence the employer in the organizing or unionizing process through a process of intimidation at being subjected to harsh and punitive remedies if he acts and steps across the line of unfair labor practices. For the Government contractor and his employees debarment is the ultimate weapon. In the early stages of this legislation it was proposed that this power to blacklist be placed solely in the hands of the NLRB. Then there was the move to transfer some of that authority to the Secretary of Labor with the addition of some flexibility as to the term of the debarment and power to lift the blacklisting upon good behavior.

The amendment to the debarment section appears to vest more authority, and perhaps exclusive authority for all practical purposes, in the NLRB with regard to determining when and if a term of debarment will be reduced or removed. This proposal hardly could be called an improvement or a valid move to answer the grave concerns which we hold for the debarment proposal in the legislation. If anything, it seems to be a step in the wrong direction although given the circumstances of the present day it might be debatable whether one would prefer to be at the mercy of the NLRB as opposed to the Secretary of Labor. Perhaps it would be a tossup. In any event, it must be said that this amendment totally misses the mark if it truly seeks to answer the concerns and apprehensions over the blacklisting provisions of the bill. All of the potential for abuse of Government power, intimidative effects (especially against small business), inflationary impact upon the most insidious of inflationary causing factors—Government spending and the ultimate force-feeding of unionism in this country remains and is probably made worse by this amendment.

Mr. President, I must say again, debarment—blacklisting if you will—has no place in this legislation. It is one of the most reprehensible, punitive remedies which is being proposed. It literally puts into the hands of the bureaucracy the power of economic life or death over thousands of businesses—large or small. The exercise of such power in the name of protecting the working person, whose economic life may well depend upon the ability of his employer to survive could be a cruel hoax. Debarment should not be a remedy put into the hands of the National Labor Relations Board with or without the questionable supervision of the Secretary of Labor, whoever he may be. The amendment, try as it will, cannot and does not cover up this harsh truth—Government blacklisting would remain in the bill with all of its potential for wrong results and political abuse.

Mr. President, the last remaining Byrd change to the Labor Reform Act is the Ford ombudsman amendment, amended by the Byrd provision which freezes into law the Board's current jurisdictional standards. I have previously spoken at great length on the lack of merit of this amendment and the vehement and uniform small business opposition—as expressed by the SBA Legislative Council, the NFIB, and other small business associations—to the Byrd-Ford amendment. They cannot tolerate those amendments. It could hurt them rather than help them.

Mr. President, these are my initial observations of many of the fallacies and weaknesses of the Byrd substitute. In many ways, the Byrd substitute is worse than H.R. 8410/S. 2467. In any event, it is not the answer to solve the problem of how this bad bill may be made palatable. In fact, "it is a tough pill to swallow" and will not be swallowed if my colleagues will dig in and carefully scrutinize its features.

More debate will be required to understand how the Byrd amendment changes current law.

What I am trying to say is that it is a nice try, but, like we have already said, the Byrd amendment is in some ways even worse than the other amendments, than the bill itself.

It is a thinly disguised attempt to have this bill survive the extended debate and yet accomplish the same things that the original bill would have accomplished.

I think it is more important we continue the extended debate after this substitute than ever before.

I had suspicions last evening as I sat here and listened to the explanation of the substitute how bad it was, but after I was able to reflect and go through it even further I knew it was bad.

It is not just a matter of trying to be obstreperous or trying to hold in there and fight this awful measure. It is a matter of right. It is a matter of protection to the country. It is a matter of trying to stop the inflationary impact. It is a matter of trying to protect small business.

If the President really means what he said last evening, that he is going to take measures to stop inflation in our society, I suggest that one of the best measures he could take is to pull this bill right off the floor of the Senate.

I think he would be cheered by millions and millions of businessmen all over this country, and I think by millions and millions of employees and I know by millions and millions of common, everyday citizens who are just fed up to here with big business, more bureaucracy, more control, especially in the field of labor.

It is about time that the President started putting his money where his mouth is. If he wants to do something about inflation, let us do it on something as bad as this bill is. Let us get rid of this type of legislation which could put this country in real trouble.

Last evening, the President said that, unfortunately, inflation is continuing and it is going upward.

It was at 7 percent last month and they felt they could not go below 7 percent.

This bill would almost immediately put us into double-digit inflation and it

is only one of many measures which are pressing this country into that untenable posture once again.

What is interesting is that with regard to those things the President thinks are inflationary, and he has plenty of evidence to show that this is inflationary, it is very unlikely he would pull this bill because this particular bill is desired by the strongest public interest group in the history of this country, the group which controls this Congress, the Presidency and the bureaucracy which it has had such a great role in creating.

Mr. President, I ask unanimous consent that this not be considered a second speech in accordance with the rules of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I yield the floor.

Mr. BARTLETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, the foundation of the U.S. labor policies is the National Labor Relations Act of 1935. This law gives labor unions the right to represent employees and bargain collectively with employers and establishes procedures for the conduct of employee elections to determine union representation—including changing or ending representation.

U.S. labor policies are based on a philosophy that employees have the right to join unions or not, that unions have the right to seek to organize employees, and that employers have the right to voice opposition to union organizing efforts.

In theory, the National Labor Relations Board acts as an umpire. As George Meany observed in his 1977 Labor Day remarks:

> The Nation's Labor Law should not take sides but rather should provide a reasonable framework and code of conduct under which labor and management can resolve their differences.

The proposed legislation would, according to its House sponsor, Representative FRANK THOMPSON, bring "the most sweeping revisions of national labor relations policy since the passage of the Landrum-Griffin Act 17 years ago."

Such changes are needed, explains Vic Kamber, head of the AFL-CIO's labor law reform task force—

> Because there are . . . recalcitrant employers out there who are out to stop people from exercising rights that they have as granted by the laws of this land. There are workers in this country who wish to get into a collective bargaining situation, or at least wish the opportunity to try to have a collective bargaining situation and there are employers who feel it is to their advantage to keep these employees from having those rights.

Big labor organizers in our country are having difficulty organizing. Union ranks have decreased to about 20 percent of the work force in this country. Union leaders want to facilitate the ease with which they can organize on a union basis all over America.

Union membership has been declining. In 1934, just before passage of the National Labor Relations Act, unions represented slightly over 3 million workers. Within 2 years after the act's passage, membership had more than doubled and continued to increase until 1974 when unions represented 24.5 percent of all working Americans.

Between 1974 and 1976, however, union rolls decreased by 767,000. Further, employees actually rejected unions in 52 percent of the elections conducted by the NLRB in 1975 and 1976. Other problems for union leaders are indicated by the fact that 612 groups of workers voted to end their union affiliation during 1976 alone.

Union leaders maintain that loopholes in the National Labor Relations Act are responsible for their declining membership.

More objective observers, on the other hand, suggest that union membership is decreasing because employers are providing more liberal benefits—thus neutralizing the traditional union appeal.

Writing in the magazine Financier, columnist Louis Kohlmeiner points out still another factor:

> * * * Dissension grows within the ranks of labor. Younger and more militant members are challenging the old members who have led the movement since the 1930's.

Mr. President, it is against this background that the Labor Law Reform Act of 1977 should be reviewed.

H.R. 8410, if passed, will upset the balance of labor relations at the expense of individual worker's freedom of choice and, to that extent, stability in labor relations will be seriously undermined for union and nonunion employees alike. Since industrial strife and labor unrest will likely result if this bill is enacted, this legislation profoundly contradicts the avowed goals of its sponsors.

Many of the difficulties surrounding H.R. 8410 stem from a failure by its sponsors to remedy the weaknesses they perceive in current labor laws with precise and carefully drawn legislation. The preeminent concern of course, is to obtain legislation that is fair and workable. In my view, however, the proposed bill satisfies none of these criteria. In its present form, this bill simply turns the clock back to the Wagner Act of 1935 which resulted in abuses by labor organizations, and ultimately was amended in 1947, by the Taft-Hartley Act. As presently constituted, if H.R. 8410 is enacted, employees will suffer, employers will suffer, and above all, the public will suffer.

Under the Taft-Hartley Act, employees achieved substantial gains. While that legislation attempted to create an equitable balance between employers and labor organizations, employee rights remained the paramount concern. This bill, however, does little for the protection of employee rights, and, in fact, would result in an undermining of an employees right to refrain from engaging in union activity.

The significance of an employee's informed choice in selecting a union to be a bargaining agent should be at the forefront of this legislation. However, the bill completely skirts this issue and would have exactly the opposite effect. Employee free choice is not something that should be sacrificed in the name of expediency.

One of the key problems with this legislation is that there are numerous sections of this bill wholly unrelated to the stated purposes. It is self-evident that the real purpose of these provisions is to provide union organizers with greater advantages during representation campaigns. This conclusion is borne out by figures published by the Bureau of Labor Statistics indicating that organized labor lost 800,000 dues paying members between 1974 and 1976. Similarly, according to the Board's annual report, in 54 percent of the elections conducted in fiscal 1977, workers rejected union representation.

These statistics reveal the eroding position of organized labor and the genesis of the demands voiced by officials of international labor unions in seeking congressional assistance to help stem the tide of declining membership.

In sum, in contrast to prior labor legislation, this bill does not provide an appropriate balance between the rights of labor and management. While much has been made of the assertion that the bill is intended to equalize the position of labor and management, even a cursory analysis shows this claim to be specious.

Mr. President, I had planned to speak until the hour of 3 o'clock on the Labor Law Reform Act, but I understand that the distinguished Senator from Massachusetts (Mr. KENNEDY) would like to speak at this time. I would be very happy to yield the floor to him for that purpose, for as long as he would like, reserving my right to the floor to continue a discussion of the Labor Law Reform Act after the distinguished Senator from Massachusetts has concluded his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I thank the distinguished Senator from Oklahoma for his accommodation.

Mr. President, I rise to speak about labor law reform, because I believe that labor law reform is fair to American workers, is fair to American employers, and, most importantly, is a commitment to a decent and healthy life for all of our people.

I believe that the filibuster being waged against the desires and needs of the majority of Americans must be broken. We must produce a strong bill to reform the procedures and penalties under the National Labor Relations Act.

Mr. President, I am disturbed by the arguments that have been made over the last few weeks by those who oppose this desirable legislation. Many of those arguments have been wrong; they have been hypocritical and, often, they have not been directed at the contents of this legislation at all. I would like to address some of those arguments.

Some have railed on about unions, claiming that they are bad for this country and even bad for the workers they represent.

Some have railed on about so-called union violence, claiming that there is a

high association of violence with union organizing.

Some have claimed that the new penalties contained in this legislation are unwarranted and maliciously motivated.

The facts belie these claims.

Mr. President, organized workers have better benefits and higher wages than those who are not organized.

Mr. President, organized labor has been in the forefront of the struggle for most of the major pieces of social legislation in the last 40 years. Labor has aimed at helping all Americans—the unorganized worker as well as the organized worker; the consumer as well as the organized worker; those who have been denied their civil rights as well as the organized worker. Unions in this country have effectively represented us as Americans.

Few of the American people would now question the Voting Rights Act of 1965, the Civil Rights Act, the Public Accommodations Act, or other important legislation of the period of the 1960's; but we should not forget that it took the working people of this country laboring here in Congress to help bring those pieces of legislation to fruition.

Tonight I have the good fortune of having an opportunity to speak to the National Council of Senior Citizens. One of the most clear and forceful voices in the U.S. Congress, in the early and mid-part of the 1960's, for medicare for our senior citizens, was that of working people, looking after the interests of elderly people. Too few people realize the strong and powerful support that they have given in representing the consumer interests in this country. That has been true, Mr. President, whether we are talking about health legislation, education legislation, housing legislation, or any part of the march of social progress: The working people have been in the forefront. Organized labor has had a broad view of this country and the needs of its people.

Mr. President, there is no basis for associating union organizing with violence. I have studied this question for many months as we moved criminal code reform through this body. The charge is so wide of the mark that it deserves separate comment in length, and I shall speak on this issue in the early part of next week.

To conjure the image of union violence and dangle that out in the course of this debate is to conjur a strawman, Mr. President; and I shall detail at very considerable length responses to many of the allegations and charges that have been made over the period of the past few days.

I wish, quite frankly, that there had been equal attention paid to white collar crimes—$30 billion of white collar crimes in this country. I wish all the voices we have heard about the dangers of violence in union activity had talked about the gouging of the American consumer by other forces in our society.

Mr. President, I reserve my special award for oblivious argumentation to those who claim there is something wrong about strengthening the penalties against wrongdoers who find it easier or less expensive to violate the rules than to comply with them. The fact of the matter is that the number of violations is increasing astronomically. It is hurting the choice by employees of whether or not they wish to be represented by a union. It is slowing Board procedure. It is making a mockery of the rule of law.

LABOR IN AMERICA

The legislation before us allows workers to make a free choice to be represented by a union or not to be represented by a union. The ability to make that choice has grown ever more distant as employer techniques for staving off elections and staving off decisions in unfair labor practice cases have been perfected.

Mr. President, elections postponed are elections which need not be held. Workers unfairly fired effectively shut the ballot box for other workers. Board orders which are willfully violated put labor-management relations back in that feudal time where classes of people are placed beyond redress.

In order to restore the balance to labor relations—to once again let the worker make the choice—this bill will provide for quicker elections, by establishing a rulemaking procedure for determination of bargaining units and through a ceiling on the number of days from notification to an employer of the desire for an election and the time at which that election is held.

It will allow for quicker determination of unfair labor practice cases through administrative reform of the National Labor Relations Board.

Finally, it will establish effective penalties for those who have been found to violate the law.

Nowhere in this bill is there a provision which gives unions rather than workers the choice of whether those workers will be represented.

If, as some have suggested, unions will win more elections after the enactment of this legislation, it is for a simple reason. The workers have been unfairly denied the choice they desire under the current law. If unions do win more elections after reform it is because the law is now out of balance. If unions do win more elections after reform, it is because the law has become a tool to stave off choice and intimidate those who are choosing.

Nonetheless, there are those who claim to fear unions themselves. They seem blinded to the history of the last 40 years during which time this country has been a model of labor-management relations. More than that, they seem oblivious to the vital contributions which the labor movement has made to the welfare of all Americans. Let me just remind you of some of these contributions.

It is organized labor which has worked so hard for unorganized labor, by pressing for minimum wage legislation and limitation on work hours.

Travel with me to many areas in my own State, to Fall River, the North Shore, to tanneries where men and women are toiling under some of the most difficult working conditions.

It has been because of labor activities here that those people are going to have at least a few hours to enjoy something other than the hard-working bench.

It is organized labor which has worked so hard for the civil rights of all Americans by pressing for voting rights legislation, legislation ending the poll tax, protection for women workers and fair employment legislation. It is organized labor which has worked so hard for the American consumer by pressing food and drug protection, product safety legislation and no-fault insurance.

It is organized labor which has worked so hard for the elderly in our country through social security legislation and pension reform. It is organized labor which has heard the child coughing in the night and has said that this child needs medical attention.

So, Mr. President, I do not think we have to fear the results of a fair choice by workers. If it results in more workers deciding to be represented by unions, then we have the happy result of giving sustenance to those who are concerned about the welfare of all of us, and who have worked effectively and continuously to make ours a more decent and humane society.

THE NEED TO STRENGTHEN PENALTIES

Mr. President, most of those in opposition to this bill have no trouble supporting stiff sentences when a person breaks and enters one house and steals one stereo system. But somehow, when a person refuses to bargain in good faith and steals hundreds of thousands of dollars from thousands of people, they believe that stiff penalties are not in order.

Of course, the penalties here are civil and not criminal in nature. But the need to deter people from taking or keeping what is not rightfully theirs is just as strong when we are talking about the livelihood of our fellow Americans.

The plain fact is that the legal results of violating the law today do not even deserve to be called penalties. Look at them:

If a worker is unfairly fired, perhaps for engaging in legitimate organizing activity, then the employer who has thrown this man or woman out on the street need only make up straight back pay—after deducting the amount by which the worker is supposed to mitigate damages. The penalty is usually small change.

In other words, Mr. President, the worker gets illegally fired for being involved in union activity. He has to face the necessity of providing for his family, and takes another job. A year and a half or 2 years later the company is found to be in violation of the law. The company itself can use the fact that this person has been out working to provide for his family to mitigate the damage against itself, leaving little to be paid for violating the law.

If an employer refuses to bargain in good faith after the workers have chosen to be represented by a union, he is simply put under an order to begin negotiations—he is, in effect, given a free ride of months or even years while the case is adjudicated. Whether he is right or wrong—and usually the employer is

ordered to begin negotiations—the workers bear the full brunt. Only a great linguist or semanticist could find a "penalty" in this procedure.

The workers in a manufacturing plant make a decision to join a union in March of 1975. Then the employer refuses to bargain, there is a Board and a court procedure, and delay and delay and delay. Finally, the employer is required to begin the negotiation. There is absolutely no penalty for failure to negotiate at the earlier period of time. It is virtually a free ride.

Clearly, this has the effect of denying the legitimate rights of the people who had voted to have a union but have been prevented from gaining what increases in their wages and benefits they may have been able to work out at the bargaining table.

Worst of all, an employer can willfully violate a Board order—can simply thumb his nose at the rules—and the penalty for this is often far less than the cost of abiding by the rule. So, even if you do something wrong, and are caught doing it, and are ordered not to do it, and continue to do it—you pay less than if you honor the law.

That is the real condition under the National Labor Relations Act in many instances. Those who believe that the workers in a particular plant want a union, and want to at least give the opportunity for the workers to express themselves, are fired. Then they have to try to get a job, if they can. If they can get a job, and the NLRB finally says they have been illegally fired, companies can mitigate the damages by reducing the payments by what the individual has made in the other job.

If they go ahead, and hold the union elections, and the union wins overwhelmingly. The employer says, "No, we are going to adjudicate. We contest the election." He delays another couple of years.

Then, finally, the NLRB says, "This is a properly constituted bargaining unit, and we order you to go ahead." He only has to start negotiating then. If he still says he will not go ahead, and is found in contempt, what is the penalty? He gets virtually a slap on the wrist. In instance after instance, the amount of the fine assessed does not come close to the increase in wages or other benefits that the employees could have achieved through collective bargaining. That is what is happening. Those are the abuses which this particular piece of legislation is attempting to remedy. It attempts to give expression to a legitimate sentiment within a plant and, if it is expressed in a certain way, to have that mean that the employer and the employees will set down together for collective bargaining.

Today's ineffective penalties are "penalties" which promote and do not deter wrong behavior. Those are not penalties at all. They are closer to incentives.

This fact has not gone unnoticed by those employers who do not want their workers to make a free choice or who want to stifle that choice once it has been made.

In the past 10 years, while organizing activities have remained constant, the number of board complaints on employer violation of employee rights has gone from 1,585 in 1966 to 3,345 in 1976. In 1960, 3,400 former employees were found to deserve backpay awards. But in 1977, over 7,500 former employees were found to deserve these awards. These facts illustrate that the penalties are ineffective.

It is taking longer and longer for an election to be held. It is taking longer and longer for the adjudication of unfair labor practice cases.

This is simply unfair to those who, by law, are supposed to be able to decide if they want a union.

The changes proposed in this legislation are reasonable ones. Backpay is increased to one-and-a-half times the amount of pay which would have been earned—and it is still mitigated by the amount actually earned elsewhere by the wronged employee during the interim. This amount is smaller than the awards made when other worker rights are violated.

Similarly, the penalty for a refusal to negotiate after an election is simply adjusted to put the risk on the party which is in error. If the company has wrongly refused to negotiate it must pay a backpay award. If it has not, it continues not to be liable.

Finally, those who willfully violate board orders are simply denied Federal contracts—we do not support lawbreakers. We have decided not to award contracts to violators of several other laws, and it is certainly as important that we do not provide business to those who would deny the freedom of American workers to choose how they want to negotiate for the terms of their employment. It seems fair to me that firms must obey the law if they are to be given public business. We must not allow them to willfully violate the law.

So, Mr. President, I believe that the new penalties contained in this act are fair penalties, and are necessary penalties. It is vitally important that they be enacted into law. Not doing so threatens to make the National Labor Relations Act an exercise in futility—to be evaded at will by those who would not allow the workers to make a choice or by those who would not come fairly to the bargaining table.

In sum, Mr. President, the Senate must get on with labor law reform and pass this bill. We need its procedural provisions and we need its enforcement provisions.

The people of this country, who have enjoyed good labor-management relations, deserve and will settle for nothing less. They will not be deluded by wrong arguments and arguments which are not focussed on the issue at hand. They know that labor law reform is an important step forward in insuring the rights of all workers and in insuring a better society for all Americans in the years to come.

Mr. President, I again thank the Senator from Oklahoma for yielding the time. I yield the floor.

Mr. BARTLETT. Mr. President, the distinguished Senator from Massachusetts is most welcome. I am happy to give him the opportunity to express his views on this very important legislation.

Mr. President, a major portion of the focus of the opponents of H.R. 8410 has been on the impact of this reform legislation on the small businessman. This time, I should like to share with my colleagues some of the letters I have received from businessmen, and these are small businessmen, who genuinely fear the passage of this bill. The first one is from a vice president and general manager of a steel casting company:

DEAR SENATOR: Perhaps the most effective way to offer our view on S.B. 1883 is to ask you to read the enclosed copy of an item from the January 9th, 1978 issue of Iron Age Magazine.

You will note that it is a letter from a Mr. Charles Mosey, a small businessman in Richmond, Indiana, written to the magazine publisher.

His frustrations and despair are expressed with impact and simplicity. He is telling it like it is from the views of the people that provide the employment in this country of ours.

The mixing of economics and populism on the part of Congress has had damaging effects on the reality of economics of the United States. We are losing our ability to compete in world trade. We have become hostages to the game of cheap money and higher prices and wages.

The net effect of S.B. 1883 will be to fuel these problems. We ask that you please recognize the value of balance in labor legislation and vote against the measure.

Yours very truly,

On behalf of my sons and office staff, I would like to express our deep appreciation for your fine report, "It's Face-Off Time In Labor Law Reform," which appeared in your Nov. 28 issue. I feel that you were very accurate in expressing my views of our uncivilized, totally unfair, union vote.

If the Labor Law Reform bill clears the Senate, small business will become an instant victim of an organizing campaign. This would without a doubt be the most frightening thing that could happen to a small business just starting out.

Without these starts, there can be no business growth. They are the cream of the free enterprise system and should be helped by the concerned people, not harassed by the army of regulators, local, state, and Federal which includes National Labor Relations Board (NLRB) regulations.

When I had a talk with our very young Indiana Congressman, he said he had voted for House Bill 8410 (Labor Reform) because there had been no debate to tell the small business side and the terrible effect it would have on a family-owned business. When I explained to him how bad it was, he did not seem to understand.

There was a reason for this. When the bill first came out, most people thought its purpose was to create instant labor and management peace. I firmly believe it was misunderstood from the President on down to the local politicians. Its authors named it a reform law instead of a labor law change to mask its evil effect on small business.

I am referring to small business only because we hire most of the working people and we are not receptive to an organized pressure group telling us how to run our business and how to pay our people. Most job shops work with no cost accounting systems, no full time attorneys and no contracts for our services. Only a purchase order issued by the customer is used.

It is the big stock market companies

who set the prices on the finished products. We, in small business, as part makers, have to get our work by bidding against another small business. Our small shops live and die on many jobs each year. To assume that we can give our people wages and benefits that compete with a large auto company has got to be the most asinine assumption on this earth. Believe me, the NLRB and the union tried to force this garbage down our throats.

We have refused to recognize our union election as a valid one until there is another vote in which all of our people are allowed to vote. I told the NLRB that there was no way I can write a contract to cover my people's jobs, since we have no contracts with prices. Our prices are renegotiated up or down at a moment's notice by purchase orders. We are sometimes told to cut our price or lose the job. To get more money, we have to invest in better methods.

It took 31 years to build our shop and it took the NLRB less than 30 minutes to raffle us off to the highest bidder. It was later said that Charley Mosey could not run a peanut stand without representatives of the winning union.

When all of this has taken place with our present labor laws, can one imagine the terrible consequences if the quickie elections and huge fines (of the Labor Law Reform bill) are levied against any business, large or small?

If the labor laws must change, let them be changed with input from large and small business alike. By what stretch of the imagination can we expect groups of political people to approve or disapprove of anything that has to do with leading people on their daily jobs in mines, factories and small business?

The laws for small independent business must be on a different level than for giant, stock-owned companies. The rules for organizing should be strict for both big and small business, but on a more legal basis.

If union leaders can prove that the people they represent came to them with legitimate proof of gross unfair labor practice by the employer, let them be called before the NLRB before the huge disruption and expense of an NLRB election. The average worker is not aware of his protection on his job by the government.

It is my opinion that there must be a solution to our problem within the Constitution of our country. It should be my right to run my business as I see fit, being fair to my employees and obeying all laws, including antitrust laws. How then is it possible for any pressure group to have rules or laws written and passed by our lawmakers which can legally invade my privacy in operating my business, set my employees against me with promises of things not yet delivered and make me stand and not be able to come to the defense of my rights.

It is becoming nearly impossible to tell of the dilemma of small business. If the small business does not have a union, it will not join another small business in a union struggle for fear of retaliation. If the small business has a union, they have learned to work with it and could care less.

In our case, if we are forced to accept the union, it will close our doors. All our competition is nonunion and can work with less benefits. Three-fourths of our work is machining parts from imported forgings. The next step will be our customers buying them already machined.

In the last four years, all forgings for trailer spindles have come to us in seatrain containers from Taiwan, Japan, Italy and Brazil. These forgings are all of excellent quality. We also receive thousands of 30 lb castings for oil coolers from Sweden. Our customers are buying these forgings at a good savings.

I could tell you a sad story about how our wonderful forgers in Michigan and two other states lost this business, but you already know it.

To sum up all that I have said, let's say it is not my nature to hurt any one group. My contact with the NLRB was congenial. The elderly man in charge seemed comfortable in his job. When I asked him how it felt to kill 100 people's jobs, he jokingly said Al Capone could create 100 jobs. It seemed to me that in his eyes, I was just one more victim of a vicious system, and there was nothing he could do.

This man's job must be very hard, and the people who put him there to make these important decisions had to be very careful. It must have been a long time since a small businessman had confronted him, and it must have shocked him. My first attempt to contact him was by telephone. He would not answer my call, and later sent a registered letter to me informing me that since I had legal counsel, a very expensive attorney, he would deal only with him.

After this experience, I was very disillusioned. To make matters worse, after $8000 in fees to handle my unsuccessful union campaign, our attorney called and said he was quitting and would not represent me any more. We later engaged another attorney to keep us legal and to keep us from breaking any more rules. This was done only to satisfy the fears of my family, especially my three sons who have worked faithfully all of their working lives, day and night, to create our jobs.

Our next step is going to court, much like common criminals, where the union and NLRB will attempt to educate us in our new duties. How in God's name can anyone imagine such a fantastic hoax? Every penny we have to our names is wrapped up in this business. It has no backers other than myself. By what stretch of the imagination does anyone think I will ever bid on any more work or hire one more youngster off the street or create one more basic dollar job?

Here we have the root of all of our problems today. All small business is in a fright from these fantastic consequences. When you go to a small plant auction and ask why they are closing, the answer is always labor trouble.

If you think we have an unemployment problem now, let the Labor Law Reform pass in any form and you will witness the most terrible depression this country has ever seen. The law hasn't even been passed and the auction folders are piling up. Many people are cashing in by liquidating their plants. These are good people. The only thing they want to do is run their own business.

Most of the statements I have made concerning my dilemma are common knowledge to most manufacturing people, large and small. Nobody seems to want to be put on the spot or endangered by some radical by saying it.

This is not the time for threats. We will need some ideas from all concerned with the new labor rule changes, so, when passed, it has some relief for small business. Size, financial strength, the owner's physical condition, length of time in business and the attitude of the heirs to protect small plant workers' seniority are things that have to be considered. If this does not sound sensible, then our freedom is in grave danger.

All or part of the views I have expressed are OK to use as a public statement in your publication.

Thank you very much for this opportunity.

Mr. President, the other letter is from the chief executive officer of a tank company.

DEAR SENATOR BARTLETT: Being as how the U.S. Senate is now involved with the so called "Labor Reform Bill" I would like to give you an example from the "Real World" of how unfairly the N.L.R.B. now operates under existing law. God help us in industry if an even more Pro-Union N.L.R.B. results from your hearings and subsequent vote for the "Reform " Bill.

1. We were recently involved in an organizational drive by the United Steel Workers of America, even though we have negotiated with a Shop Committee for over 15 years.

2. On March 17, 1978, an N.L.R.B. election was held and our employees voted against representation by the U.S.W.A. and voted to have representation remain with Shop Committee.

3. Prior to the organizational drive we dismissed one worker and for this received an unfair labor charge. The individual claiming he was fired because of Union activities.

4. After the election, on 31 March 1978, we discovered another worker who admitted to falsifying his application form. He had a lot of absenteeism with our company and upon further questioning admitted he was "fired" by his previous employer because of "absenteeism." This job history was completely missing from his job application. When originally confronted with these facts he lied to Personnel Manager and two foremen as to why he left the company missing on his job application blank. He then quit our company rather than being fired by us. Because this man was allegedly involved in the Union organizational drive, even though the election was over and behind us and because we had already had an unfair labor charge with man No. 1, the N.L.R.B. sustained the unfair labor charge against us after the investigation.

5. I called the N.L.R.B. man, in Milwaukee, WI who conducted the investigation and he said that even though the employee *lied*, because he was involved in the Union organizational drive our company was wrong in letting him go and the N.L.R.B. acted against our company on the unfair labor charge.

6. I tried to explain to him the employee-employer relationship in today's labor market (with unemployment insurance, social security, etc.) was a "marriage" and that the job application was a prime instrument in determining whether or not that "marriage" actually occurred. If the application was deliberately falsified, and important derogatory facts omitted intentionally, we as an employer would be gravely damaged by making an important job "marriage" decision based upon *lies* not facts.

7. In this case other employees in the shop knew about the lies on the job application. We felt that we as management could not expect others, now or in the future, to live up to commonly accepted moral standards if we knowingly forgot about the lying by this employee. How could we criticize, reprimand, etc. other employees if all knew that "where would we draw the line in the that "Joe lied—everyone including management knew it and the company did nothing about it; so why can't I do likewise."

8. Our employer-employee relationship based upon commonly accepted moral standards would be seriously undermined.

9. I tried to explain to the N.L.R.B. attorney that "where would we draw the line in the future—as long as a man was involved in a Union organizational drive; could he lie, cheat, steal, rape or where could we draw the line and fire him"? He facetiously said the man could not get by with rape.

10. He then said the decision had been made and our only recourse would be through an Administrative Law Judge.

11. Otherwise, I assume we will be forced to hire the man back, pay him back pay and put up signs around the plant saying we were "bad boys" in firing the admitted liar and promising never to do it again.

12. Now we have a good business (my two

brothers and myself own it) and in the last 60 days paid the U.S. and State of Wisconsin almost one-third million dollars in Federal and State of Wisconsin income taxes.

13. We were thinking of borrowing another million dollars and expanding our business and hiring perhaps another 100 men (we presently have a total employment of approximately 185–190 men). Even though the partners would have to sign the note personally at the bank.

14. But if I have to be continually harassed by the N.L.R.B. and continually have to be hiring lawyers to defend myself and the company from any charge being leveled against us by an employee "egged" on by the Union to send the N.L.R.B. a post card with a claim against us, I'll be damned if I'll ask my brothers to hang their necks out to borrow more money and put more men to work with the present N.L.R.B. rules.

15. And if you vote Senator for an even tougher N.L.R.B. Reform Law it would be tougher yet for small business and we would be even less inclined to expand and might be more inclined to think about selling out.

16. If you gentlemen wanted to "Reform" the N.L.R.B., you would either abolish it or severely limit its unfair powers.

17. If you would check into its past history you would find that its decisions are overwhelmingly antibusiness and there is no way business can almost always be wrong and the Unions always right especially since most businesses are extremely careful about how they handle situations like this in the first place, what with the prejudiced pro-Union approach of the N.L.R.B.

18. Spending tax dollars to maintain a Board like this is a travesty of justice to the tax payers.

19. Business in this country is hurt and management expansion decisions are often junked because we in management know we are playing with a stacked deck with the N.L.R.B. on any future labor matters.

20. I went to a Memorial Day Parade in our town and afterward listened to a speech in which a war veteran said America is the greatest country in the world.

21. Well, I served in World War II for 44 months of active duty and went in the Reserves after the War for 21½ years. I started as a Buck Private and ended up a Lt. Colonel. I too always believed and still do that America is the greatest country in the world. I love my country but I hate its bureaucracy—and the N.L.R.B. is the most unfair worst example of them all.

I am perfectly willing to document any thing contained in this letter and would be willing at my own expense to fly out and personally testify before your hearings.

Mr. President, I wish to read another letter. Mr. President, this is a letter to me from the secretary of the treasury of this construction company in my State and the gentleman says:

DEAR MR. BARTLETT: As a businessman in the construction industry and a concerned citizen as well I would urge you to vote against the "Labor Law Reform" bill, S. 2467. Those of us in the construction industry of Oklahoma and the nation as a whole cannot stand any more inflationary labor bills.

It is unfair for me to pay my employees and stop production while union organizers discuss unionization with them. They should have all the time they want when the employees are at home after working hours. But they should not be allowed advantages at my expense.

The election speedup provision of the bill is unfair and Un-American. Equality and justice is a slow process. If employees are to decide what it is that they want, they must have enough time to clearly understand both sides of the issue. This is a slow and deliberate process. It cannot be rushed and sped up, and still serve to reflect a fair and deliberate decision.

The NLRB serves as a check and balance between labor and management. This balance should not be tipped in favor of organized labor. The board should not become a dictator, both making and enforcing rules. Nor should an employer be forced to pay punitive damages for appealing a board decision. There is no place in American law for coercion. Everyone has the right to appeal to the full extent of the legal system. This is a constitutional freedom.

The purpose of the National Labor Relations Act is to provide a balance of power between labor and management. When this balance is offset by one side, the original purpose is no longer served. If we are to have a fair and just system of balances between labor and management this bill must be defeated.

Mr. President, this is a letter from a manufacturing company written by the chairman of the board and chief executive officer. It states:

I would like to point out to you some of the hidden inflationary factors in Senate Bill S. 2467 which have been successfully glossed over by the sponsors of the bill.

The provisions of the bill which provide penalties against employers who are found to have been guilty of an unlawful refusal to bargain on a first contract are new, novel and wholly inflationary. This is certainly one of the most punitive provisions of the bill and is directly contrary to all past law and precedent. The bill itself contains eight major features which are clearly destructive of numerous employer rights as well as employee rights to join or refrain from joining a union.

Well supported studies have indicated that the major economic burden of this new legislation would be borne by small businesses which presently tend to have a low degree of unionization. These are the businesses that generally employ 250 or less workers, but then make up 66 percent of the total employment of workers in the United States. A study further indicated that for the U.S. industry as a whole, which is currently less than 24 percent unionized, wage costs would increase by 17 percent or more when many nonunion establishments become unionized.

It is estimated that in the service industries, wholesale and retail trade, finance, insurance and real estate firms, wage costs would rise by 31 percent or more following unionization. The study by international economist, Pierre Rinfret, estimates that for each 10 percent increase in union membership, the consumer price index would increase by at least 5 index points or a 3 percent increase in the rate of national inflation for each 10 percent. With a cost of living clause in many union contracts, it would simply multiply and aggravate the annual inflation rate.

At the outset, it must be understood that the National Labor Relations Act requires only that when employees are represented by a labor organization, the employer and the union meet at reasonable times and places to negotiate over wages, hours and working conditions. Section 8(d) of the National Labor Relations Act specifically provides that neither party has to agree to the other's proposals. The only obligation in bargaining is for each side to approach the bargaining table with an open mind and maintain enough flexibility to attempt to compose their overall differences, even though there may be some areas in which a party will refuse to change their position.

Federal law also recognizes the possibility that a union and an employer may bargain in good faith but may be unable to reach any agreement. This is known as an impasse. Once impasse is reached, as long as neither party is willing to change their position, the impasse continues and the obligation to bargain is suspended.

As you can see from the thumbnail sketch above, if one party files a charge with the NLRB that the other party has refused to bargain in good faith, there is very little objective evidence of whether an unlawful refusal to bargain occurred. If the parties both agree to meet at reasonable times and places, evaluation of whether an unlawful refusal to bargain took place (and proof at any subsequent trial) is very subjective. Consequently, the parameters of lawful and unlawful conduct in bargaining are not clear and the Courts have struggled with this problem since the initial passage of the National Labor Relations Act over forty years ago.

S. 2467 and its companion measure H.R. 8410 would amend Section 10(c) of the Act to read:

"(3)(A) In a case in which the Board determines that an unlawful refusal to bargain prior to the entry into the first collective-bargaining contract between the employer and the representatives selected or designated by a majority of the employees in the bargaining unit has taken place, the Board may enter an order pursuant to Paragraph (1) of this subsection which includes an award to the employees in that unit of compensation for the delay in bargaining caused by the unfair labor practice in an amount equal to the difference per hour during the period of delay between (i) the wages and other benefits such employees were receiving at the time of the unfair labor practice increased by a percentage equal to the change in wages and other benefits stated in the Bureau of Labor Statistics' average wage and benefits settlements, quarterly report of major-bargaining settlements, for the quarter in which the delay began and (ii) the wages and other benefits actually received by such employees during that period. If the Secretary of Labor certifies to the Board that the Bureau has, subsequent to the effective date of the Labor Law Reform Act of 1978, instituted regular issuance of a statistical compilation of bargaining settlements which the Secretary determines would better effectuate the purposes of this subsection than the compilation specified herein, the Board shall, in administering this subsection, use the compilation certified by the Secretary."

The concept underlying the law of collective bargaining since its inception has been that the employer and the labor organization representing the employees must be free to make their own bargain without interference or assistance from any source. By leaving the ultimate bargain struck to the realities which affect the bargaining posture of the employer and the labor organization, the National Labor Relations Act does not provide any guarantee that wages and fringe benefits will go up, down, or remain the same. This permits each party to adjust their situation to the employer's financial and business status and the primary concerns of the labor organization.

S. 2467 would let the National Labor Relations Board determine contract terms under the guise of remedying an unlawful refusal to bargain. The remedy would not be measured by the difference between the wages and benefits received during the delay and the wages and benefits provided in any contract agreed to. Instead, it would be measured by the difference between the wages and benefits received during the delay multiplied by the percentage change in the wages and benefits stated in the Bureau of Labor Statistics' average wage and benefits settlements, quarterly report of major collective-bargaining settlements for the quarter in which the delay began. Four immediate and punitive ef-

fects will be felt by employers if this provision becomes law.

1. Any union negotiating a first contract with an employer which does not achieve a company contract offer of wages and fringe benefits at least equal to major collective bargaining settlements reached during the quarter will be tempted to file unlawful refusal to bargain charges with the National Labor Relations Board. Even if the union felt the employer had bargained in good faith, it may feel compelled, for internal union political reasons, to file a charge in order to shift the blame for lower settlement terms to the NLRB.

Apparently the NLRB also believes that this bill would lead to a tremendous increase in charges filed and resultant litigation, because it has asked for a supplemental appropriation of $28,000,000 including 900 new staff positions, if S. 2467 becomes law.

2. Regardless of the size of the employer, once an unlawful refusal to bargain was found, the employees would be entitled to the percentage change in wages and benefits determined in the most recent quarterly report of major collective bargaining settlements. Major collective bargaining statistics involve employers who have 5,000 or more employees. Naturally, settlements among the largest (and financially strongest) employers are often 50 to 100 percent higher than smaller employers. In recent quarterly reports, the percentage increase in major collective bargaining settlements over last year was 10–11 percent. Under this provision, once an unlawful refusal to bargain was found, the employees would be entitled to the major settlement percentage increase regardless of their employer's ability to pay. This punitive provision could drive many marginal employers into bankruptcy and increase unemployment substantially.

3. It would make it difficult, if not impossible, to negotiate a first contract for less than the percentage increase in major contract settlements. Every employer would be confronted with the threat that in the event of refusal to bargain charge is filed, the remedy would be the percentage increase in major contract settlements plus the litigation costs. In order to avoid expensive and time-consuming proceedings, many employers would be tempted to make economic offers to settle the contract quickly and worry about the possible economic impact on operations and future financial stability later. Also, as more employers accede to merely adopting a major contract settlement pattern of increases, pressure will be placed on other employers to follow suit and their failure to do so may be used as evidence in subsequent refusal to bargain charges that they did not bargain in good faith.

4. Unions will use this new provision of the law as an effective propaganda pitch to organize employees. Unions will "explain" that the law provides that they will receive the same percentage increases as major contract settlements as a result of collective bargaining. The fact that this remedy would be available only when an unlawful refusal to bargain is found would simply be brushed over in union campaign propaganda. Today, many labor organizations publish campaign propaganda telling employees that they cannot lose wages or fringe benefits by going union, although the law very clearly does not promise that wages and fringe benefits will go up or even remain the same as a result of collective bargaining.

The above amendment to the National Labor Relations Act is simply designed to drastically change the balance of power between labor and management in favor of labor organizations. The AFL–CIO is pushing very hard for the Labor Reform Bill of 1978 because since 1975 it has lost 760,000 members and is now winning only about 45 percent of all NLRB elections on a national basis. This percentage of union wins is lower in the Sun Belt.

It is projected that the Labor Reform Bill of 1978 would increase unionization dramatically from the present 22 percent of the nonagricultural work force to perhaps 40 to 50 percent within five years. Labor leaders' overwhelming endorsement of this measure is strictly one of self interest.

Many large national companies such as the major automobile manufacturers, big steel, the railroads and the like do not generally oppose unionization since they have been successful in passing on the increased labor costs in the form of price increases which are passed on directly to the consumer and, of course, tend to cause additional inflationary pressures on the economy.

I apologize for the length of this letter, but the essential facts of this ill-conceived and ill-timed "Labor Reform Bill" must be considered for what they are. I urge you to vote against S. 2467, or if it should pass in any form, Section 3A should be deleted.

I see the distinguished Senator from California (Mr. HAYAKAWA) is here, and I will yield the floor.

Mr. HAYAKAWA. Mr. President, this morning I spoke at length on the discrimination against blacks and other minorities exercised by building trade unions in the construction industry of the AFL–CIO. I spoke at length also on the degree to which the Department of Labor fails utterly to apply to these unions the kinds of requirements of equal justice and equal access to employment—such requirements as are required of schools, of department stores, of universities, and of all kinds of other institutions which have had to respond, as they should, to the demands for racial justice; and that the building trades unions have successfully resisted such requirements through one sophisticated evasion after another.

I would like to expand further on those remarks, based on the investigations of Herbert Hill of the NAACP, who has made an extensive study of this matter, and I would like to talk about the variety of trade programs in which the Labor Department's Manpower Administration allocated $104 million for "outreach" to increase vocational opportunities for the young and those who were not adequately trained for union membership.

The AFL–CIO Human Resources Development Institute received $5.8 million, and $7.7 million went directly to construction unions conducting outreach programs.

By May of 1972, the Department of Labor had specifically funded outreach programs in the amount of $27.2 million. Of this sum, almost $9 million went to the Urban League, over $6 million to the Workers' Defense League/A. Philip Randolph Institute, and over $4 million to various AFL–CIO building trades councils.

By mid-1973, there were 117 outreach programs with 32 operated directly by building trades unions. New grants continued to be made. On March 18, 1974, for example, the Department of Labor announced that $870,989 in Federal funds were granted to outreach programs in four cities in northern California. From 1967 to mid-1974, total Federal funding of all apprenticeship outreach and related other programs was almost $50 million.

What were the results?

An indication of the results of some of these programs is to be found in the highly publicized plumbers union training program. Funded by the Department of Labor in 1970, this $1.4 million program had the stated aim of placing 500 minority workers in the construction industry. A year later, not a single worker belonging to a minority group had been trained or placed on a job.

Thus, while the Department of Justice was suing building trades unions and contractors' associations in many cities across the country for violating the law, the Department of Labor was subsidizing them.

Let me submit an analysis by the same professor, Herbert Hill, of the record of Project Build, an outreach program in Washington, D.C., further confirms the failure of the outreach approach. Project Build, funded by the Department of Labor, began operations in February 1968. In mid-1972, it reported to the Labor Department that 659 persons were enrolled in training, but the Manpower Administration was able to verify only 344 as registered. Further investigation revealed that over a 4-year period only 12 minority youths had completed the program; 183 had been canceled, and 149 were still in training.

Moreover, no Government agency could report that any of the 12 had actually been admitted into construction craft unions as journeymen members or that they had ever worked on a union job. The failure of the outreach program in Washington, D.C., is especially significant, because it occurred in a city with extensive Federal building programs and where blacks make up more than 70 percent of the population.

The conclusion, Mr. President, to me seems to be inescapable: A decade of apprenticeship outreach programs have failed to eliminate discriminatory racial patterns in the building trades. They have served the interests of restrictive labor unions, but not the interests of blacks and other minority workers. Indeed, the data reveals that the present system of apprenticeship training constitutes an added and formidable barrier to black workers.

While there has been an overall increase during the past decade in nonwhite participation in apprenticeship training, little change has occurred in the percentages of black journeymen admitted into unions controlling employment in the skilled occupations. Black construction workers remain concentrated in laborers' jobs and in the trowel trades. Apprenticeship training is obviously not an end in itself. If is meaningful only if it leads to skilled employment and it has failed to do so for blacks.

It is significant that to the lowest-paid jobs, the laborers' tasks, a considerable number of blacks have been admitted, but the whole problem is that they are kept at that elementary level and not permitted up into the level of plumbers, electricians, tinsmiths, and other high-paid trades.

REMEDIES: BACKPAY AND REFERENCE

Litigation under title VII of the Civil Rights Act of 1964 has proved to be the most potent form of legal action developed to date in combating racial discrimination in employment. This statute has given rise to the articulation of legal principles and new prohibitions against discriminatory employment practices.

The right of private parties to sue, not only on their own behalf, but on behalf of an entire class, has helped expose the underlying broad patterns of discrimination which give rise to specific charges. Prior to the passage of title VII, legal and administrative procedures might, after much delay, have produced some small benefit for the individual complaining party. But the discriminatory system remained intact.

The most important consequence of the new judicial perception of employment discrimination is the sweeping relief and remedies ordered by the Federal courts. In practical terms, the relief has taken two specific forms.

First, large sums of money have been awarded as backpay to an entire affected class of minority workers found to be the victims of discriminatory practices. These substantial backpay awards are certain to have a deterrent effect upon the discriminatory practices of both employers and labor unions.

Second, the courts have imposed new preferential hiring remedies. These new legal requirements indicate the minimum—not the maximum—number of minority workers to be hired, in contrast to the unofficial quota system long in operation in the building trades which has rigidly excluded nonwhites from skilled, high-status jobs.

A major factor in union resistance to new legal remedies is that white worker expectations, based on the systematic denial of the job rights of black workers, have become the norm in the building trades.

Thus, any alteration of this norm is considered to be reverse discrimination.

That is a parody of the idea of reverse discrimination if I ever heard of one.

It should be evident that what is really involved in the debate over hiring "quotas" is not that blacks will be given preference over whites, but rather that a substantial body of law now requires that discriminatory systems which operate to favor whites at the expense of blacks must be eliminated.

I appeal to all those who call themselves liberals, whether Republicans or Democrats, who have been interested in the advancement of blacks, who have been interested in the suffering of blacks at all times in our history. At the same time as they came to be in favor of blacks they stand behind these discriminatory practices of the AFL–CIO building trades that do nothing to shatter them, to fracture them in any way. I say you cannot in all consistency as a liberal stand for black equality and for the present practices of the AFL–CIO building trades.

I would like anyone who calls himself any kind of liberal, any kind of believer in social justice, to confront that contradiction within his own position.

During the past quarter of a century, the Federal courts have increasingly recognized the validity of numerical quotas to eliminate traditional forms of discrimination.

In academic life I have seen reason for objections to quotas. But, confronted with situations of the kind represented by the building trades the courts have used quotas as a remedy to eliminate systematic discrimination in the selection of juries, in legislative reapportionment, and in school segregation cases. In one such case, the Supreme Court ruled that mathematical racial ratios could be used as "a starting point in the process of shaping a remedy."

Although the courts have repeatedly spoken on this issue, the extensive public discussion of preferential hiring has ignored the major legal interpretations of the validity of minimum quotas in civil rights enforcement efforts. Typical of current judicial opinion is the decision of the U.S. Court of Appeals for the Seventh Circuit in Builders Association against Ogilvie. In this case, the court affirmed the use of job quotas, saying:

> Numerical objectives may be the only feasible mechanism for defining with any clarity the obligation of Federal contractors to move employment practices in the direction of true neutrality.

Mr. President, among the other remedies sought for the exclusion of blacks from the building trades is the so-called hometown plans.

HOMETOWN PLANS

Although the legality of mandatory preferential hiring systems, as well as the Government's power to enforce them, has been repeatedly—and I repeat, repeatedly—sustained in the courts, the Federal Government—at the insistence of organized employers and organized labor—has refrained from using these powers in the construction industry and has substituted voluntarism in the form of hometown plans.

This type of plan does not contain provisions for contractual duties and obligations and does not contain legal sanctions. It relies for compliance on the "good faith efforts" of the same employers and labor unions who are responsible for the continuing pattern of discrimination and who have repeatedly resisted compliance with the law.

Why we should permit a system of voluntarism among those who have a known record of resisting any motion in this direction I cannot understand, but, nevertheless, that was the plan.

In May 1974, in addition to the more than 100 hometown plans either in effect, under consideration, or already abandoned, there were seven "imposed" plans. However, the distinction between the voluntary hometown plans and the few "imposed" plans that do contain goals and timetables is not significant. Neither set of plans has done any good. They both depend on "good faith efforts" by contractors and labor unions, both of whom have never shown any good faith in these matters.

Hometown plans are based on preapprenticeship and related training activities conducted through a variety of outreach programs.

It seems to me that most outreach programs reach out to keep people still farther away, instead of reaching out to bring them in.

Like the outreach approach, these voluntary hometown plans have been proposed and supported by the AFL–CIO and its affiliated building trades unions. They are specifically intended as a substitute for Federal contract compliance and enforcement of civil rights laws in the construction industry. The Chicago plan, developed by the labor unions as a prototype, was vigorously pressed as the alternative to court ordered and imposed plans containing mandatory hiring goals and timetables.

The doubletalk that we get from the president of the AFL–CIO, George Meany, is illustrated in a speech he gave in 1970, when he hailed the Chicago plan as "truly a hometown product—vastly superior to any Government-imposed quota system—which is, of course, artificial and discriminatory." Mr. Meany suggested that the Chicago plan approach be applied to other cities as "a worthy extension of Operation Outreach, which has already proven itself."

Looking at the past record, however, the U.S. Commission on Civil Rights, took a prophetically different view:

> Unlike the Philadelphia Plan, with specific procedures and sanctions for enforcement, the Chicago Plan will depend entirely on the ability of the local minority coalition to exert pressure . . .
>
> The danger in "hometown solution" plans is that without guidelines to set minimum standards for local community solutions, contractors and unions may seek agreements less demanding than the Philadelphia-type Plan and lacking automatic sanctions clauses.

What happened after we instituted this Chicago plan spoken of so highly by Mr. Meany?

A year and a half after the much publicized Chicago plan—the first and most widely hailed of the "hometown solutions"—went into effect, and after the expenditure of $831,737 in Federal funds to implement the goal of placing 4,000 black and Spanish-speaking workers on construction jobs in the Chicago area, Government officials acknowledged that the plan was a resounding failure.

A representative of the Department of Labor conceded that its staff had been unable to verify the names of black employees claimed under the plan. The participating unions had refused "specific identification data" regarding alleged placements.

Let me expand on this. In one typical case, investigators found that "of the 75 persons initially started in the program, only 5 of the 46 placed are presently employed." In another, "Of the reported 72 placements, the task force was able to contact 44 of these persons—43 operating engineers and 1 cement mason. Only 5 were employed; 23 had been laid off, 10 discharged, 4 had quit, and 2 had joined the Armed Forces." This information

was incorporated in the finding of the Department's investigative task force.

The OFCC audit of the Chicago plan conducted during April 1971 concluded that—

The Chicago Plan has failed to produce any meaningful jobs at all levels in the construction industry.

The Chicago Plan has failed to be the vehicle of providing the preparation necessary to qualify minorities for all crafts. This is particularly clear when attention is given to the higher-paying mechanical trades.

The Chicago Plan has failed to maintain suitable records of alleged minority placements.

The Chicago Plan has failed to provide proper follow-up of minority placements.

The nearly $1 million in Federal and State funds being expended to support the Chicago Plan have done little to improve the entry of minority workers into the construction industry.

On June 4, 1971, the Government announced that it would impose a mandatory plan on Federal construction projects in Chicago; as the New York Times reported, "the voluntary equal hiring program there (had) collapsed."

But the Government did not impose a mandatory plan with numerical goals and timetables in Chicago after all. Instead, it approved another voluntary plan similar to the one that had just failed.

In October of 1972, the Department of Labor announced that it had funded a new Chicago plan in the amount of $1.7 million. Like the first, the second Chicago plan contained no enforcement powers. Fulfillment of the agreement by the unions and contractors was to be voluntary.

What were the results of this second Chicago plan? On June 28, 1973, the Chicago Urban League—so long interested in employment of blacks—advised the Department of Labor of its intention to withdraw from the plan, charging that its "major failure" after 9 months of operation was due to the refusal of the unions and contractors to place nonwhite apprentices in jobs. The league also announced that it was considering legal action. It became evident that the second Chicago plan would suffer much the same fate as the first.

A later investigation by the Labor Department confirmed the failure of the second Chicago plan and eventually Federal approval was withdrawn. On January 14, 1974, more than 4 years after the negotiation of the original Chicago plan, the Department of Labor funded a third one—this time in the form of an imposed plan with annual goals for a 5-year period ending December 31, 1978. The Labor Department acknowledged the failure of the two previous voluntary plans and stated that contractors "must exert good faith efforts" in fulfilling the requirements of the third plan. Thus the Government again relied upon voluntarism which had repeatedly failed, and opened itself up to another failure.

The Chicago plan was the first of the many hometown plans and it set a pattern of failure that the Department of Labor was to repeat in many other cities.

In the spring and summer of 1971, unrest over the continuing failure of blacks and other nonwhites to obtain construction jobs again became evident in one community after another.

In East St. Louis, Memphis, New York City, and Denver among others, protest actions were mounted at public and private construction sites. The New York Times commented on the new wave of demonstrations:

Decades of failure to open up construction jobs to minorities have left a residue of bitterness, frustration, confusion and divisiveness. So deep are the scars that growing numbers of blacks and other minorities feel that only direct action, such as physically closing down job sites, will lead to any substantial changes.

The action, such as that which the New York Times is discussing, indeed, it was time someone thought of something a little more effective than this time after reliance upon voluntary compliance.

A Federal compliance audit of 28 hometown plans, made public in November 1973, revealed that a majority failed to meet even their own extremely modest expectations. More Labor Department audits acknowledging the failure of the voluntary approach followed the demise of hometown plans in several cities.

I repeat, Mr. President, why is it that so many self-proclaimed liberals, who continue to worry about the plight of blacks and minorities, stand solidly behind the AFL–CIO building trades in insisting on maintaining their monopoly for white people of jobs in these highly skilled occupations? And this monopoly is maintained by law. It is maintained by the timidity or inaction of the Department of Labor. It is maintained by collusion between contractors and unions.

However, it is maintained, it is a blot on our national labor record. It is a blot on our pretensions to democracy, equal justice, and equality of opportunity. However, this thing keeps on going.

What we are confronted with here, Mr. President, is the demand by labor unions that these powers, now criminally abused to keep hundreds of thousands of blacks and minorities from ever getting a job at all, be strengthened even further.

This is why I rise to object to this kind of evidence of an already enormous power, enormously abused day after day in every city in the United States.

THE CONFLICT OVER ENFORCEMENT

The collapse Mr. President, of the New York plan not only provided further confirmation that hometown plans cannot change traditional racial practices in the construction industry, but also exposed the conflicting roles of cities, States, and the Federal Government.

Mayor Lindsay, a former advocate of the New York plan, said in January 1973:

Despite our most vigorous effort, we have been very disappointed in the results of the New York Plan . . . I am forced to agree that the problem of discrimination in the construction trades has not and cannot be satisfactorily addressed by the voluntary hometown plan concept.

On April 17, 1973, New York City presented its own new program to be enforced against racial discrimination in the construction trades. The mayor issued regulations requiring that all municipal contractors submit affirmative action plans with their bids, specifying annual goals and timetables for the employment of black and Spanish-surnamed workers on all their construction projects within the city.

The mayor's order, which went into effect in July 1973, involved the city in controversy with both State and Federal Governments. State Labor Commissioner Louis L. Levine, in a letter to the heads of all State agencies, said:

Only those plans that have been approved by the Governor or this department shall be recognized and included in contract specifications.

Peter J. Brennan, Secretary of Labor since early 1973, issued a directive prohibiting local efforts to enforce antidiscrimination regulations relating to the construction industry if such regulations exceeded Federal requirements. States and cities were not to establish any fair hiring plans that set goals and timetables without the approval of the Secretary of Labor.

We will recall that before becoming Secretary of Labor, Secretary Brennan was a highly placed union official and he carried out the mandates of those very labor unions of which he had been an official.

In response to the insistence of Governor Rockefeller and Secretary Brennan that the Federal New York plan was the sole equal employment program for the area, one city official states:

"That's like saying we're in conflict with the Federal Government if we require a $2.50 minimum wage and they only require $2.00." Deputy Mayor Edward Morrison added, "There are Federal projects under way here without a single minority trainee, without a single trainee."

Civil rights organizations, as well as the city government, indicated that court tests were in the offing. They specifically cited a court decision in Boston which ruled that the State of Massachusetts could "set higher standards than the minimum Federal standards."

In that case, a U.S. district court judge ruled in May 1973 that a Massachusetts executive order requiring minority employment quotas on State construction projects was constitutional. Hiring minorities in the percentage they represent in the population is not only legal, said Judge Freedman, but is "a proper attempt to remedy the present effects of past discrimination."

In so many areas of life, and, in my experience, in the area of academic life, we have been urged from within our own consciences, urged by outside pressures and, more than that, mandated by Federal authority, especially from HEW, that we must try to attempt to remedy the present effects of past discrimination. That mandate which has been issued to all the institutions of our society, has not

applied whatsoever to the AFL–CIO construction trades unions.

They have ignored the full process completely and they go merrily on with their patterns of racial discrimination.

In 1971 when it became evident that hometown plans were in reality aiding in the evasion of legal prohibitions against discrimination in the construction industry, criticism of the voluntary approach reached into the Government itself. Continued Federal insistence upon encouraging negotiating and funding these failing plans caused serious concern within the Commission. In 1971 the Commission's regional and area directors jointly submitted an internal paper entitled "Need for Compliance Enforcement in the Construction Industry" and that paper was submitted to their director, John L. Wilks, at that time.

The memorandum pointed out that nondiscrimination in Government contracting had been stated national policy for over 30 years, with strong enforcement sanctions available, yet these sanctions have never been used in the construction industry.

Why are they exempt from the laws and pressures the rest of us in all other occupations are subject to? How do they manage to exempt themselves and how do the liberals manage to support that exemption right here in this Chamber, and how do they call themselves friends of black people and friends of the minority when they continue this process?

I ask you, Mr. President.

The history of hometown plans demonstrates not only how they are used by unions and employers to violate the legal prohibitions against employment discrimination with impunity, but also calls attention to the contradictory roles of Government agencies in civil rights enforcement, especially within the Federal Government itself. This is exemplified by the activities of the Department of Labor and the Department of Justice.

In several cities where the Justice Department has initiated litigation against building trades unions for violation of title VII, the Department of Labor has declared these very same labor organizations to be in compliance with the law by virtue of their participation in a hometown plan.

What a farce.

If it were not impolite to call them liars, one can at least say such a statement was disingenuous. Disingenuous is my polite way of saying it is a lie.

The situation in New York City is typical. Prior to the formal approval of the New York plan by the Department of Labor the Department of Justice filed lawsuits against four of the plan's union signatories. A year earlier the Department of Justice had obtained a contempt citation against a fifth.

Thus, five of the plan's key union participants were believed to be in violation of title VII by the Department of Justice and later found to be so by the courts, while the Department of Labor declared these same unions to be engaged in "affirmative action" compliance with the law through their participation in the New York plan.

The level of disingenuousness to be found in statements of the Department of Labor staggers the imagination.

Recent history records and the legal secretary of the NAACP and people in the Urban League, people like Herbert Hill, who I quoted before, see this pattern repeated in many, many other cities.

THE SEATTLE PLAN

Let me say a little bit about the Seattle plan.

The experience in Chicago, Pittsburgh, New York, San Francisco, Boston, Atlanta, and in many other cities reveals that hometown plans have not eliminated discriminatory patterns in the building trades. Measured even by their own very limited expectations, the majority of hometown plans have failed. At best, the plans provide only a dubious training program for minorities, with no guarantee of union membership or jobs at the end of that training period. Furthermore, the hometown plans are used extensively by employers and labor unions, to evade their legal obligations and to perpetuate institutional forms of racial discrimination.

In contrast, a mandatory plan issued in the form of a judicial order containing clearly defined legal sanctions with monitoring and enforcement provisions can be effective.

It is interesting to contrast what has gone on with what was demonstrated in Seattle, Wash., where a court-ordered minority hiring plan for the construction industry indicates the potential of this approach, and it is a relief to be able to tell you a story with a slightly different ending.

On June 16, 1970, in U.S. against Local 86, Ironworkers, a Federal judge in Seattle issued a far-reaching decree. In addition to obtaining the immediate admission of 45 black journeymen into union membership and ordering various reforms in union recruiting, training, and referral practices, the court established a continuing monitoring system to enforce compliance, and that was what was needed.

A unique and most important aspect of the court's action was to make the United Construction Workers Association, an independent community organization of black, Chicano, and other nonwhite workers, part of the job referral and monitoring operation as they had every right to be, of course. For the first time, as a result of this kind of operation, the minority community was directly involved in efforts to implement a court order against discrimination in the building trades.

As a result of the role of the minority community in enforcing the decree, some progress has been made for black and other minority workers in obtaining jobs. Most significant, however, is the fact that institutional racial barriers in the construction industry have been directly attacked. The events in Seattle reinforce the continuing necessity for litigation in conjunction with an expanded role for black community organizations in obtaining compliance with the law.

Whatever limited progress has occurred during the past decade in opening jobs in the building trades to blacks and other nonwhite workers is directly attributable to successful litigation. Some recent examples indicate the continued effectiveness of lawsuits against construction labor unions and contractors. Since March 1971, when a private action was filed against Local 638 of the Steamfitters Union in New York City, 625 nonwhite journeymen were admitted into union membership. The court had ordered a 30-percent nonwhite membership by July 1977.

On June 28, 1974, a district court in Washington, D.C., rendered final judgment in an agreement requiring the merger of segregated black and white locals affiliated with the Bricklayers, Masons, and Plasterers' International Union, AFL–CIO. The international union agreed to pay $80,000 in backpay to black workers belonging to local 4, whose members were limited to lower paying residential work, and who were denied membership because of their race in the white unit—local 1—which holds jurisdiction over more lucrative commercial employment.

Members of the all-black local earned $3,000 to $4,000 per year less than members of the white local. The international union had specifically chartered local 4 as a segregated unit whose members were limited to residential work. The litigation was initiated by three black workers who had for many years protested in vain against the segregated pattern.

On July 2, 1974, in an interim order, a district court judge ordered Local 28 of the Sheet Metal Workers Union in New York City to admit 40 minority trainees and apprentices by September 30, 1974. Furthermore, the court ordered a 1-to-1, white-non-white ratio for new members admitted to this local union, which has resisted the admission of nonwhites for more than two decades.

That is the only way, Mr. President, by court order, by judicial decision, that some of these unions can be compelled at all to open up any kind of equality of opportunity and equal justice to minorities.

By mid-1974 many lawsuits were pending against building trades unions and contractors associations across the country. Among the most important of these was a case in Baltimore, where several black workers filed suit against various unions, joint apprenticeship committees, contractors associations, and trustees of union health and welfare funds charging systematic racial discrimination under the Civil Rights Acts of 1866 and 1871, as well as title VII.

On June 21, 1974, black electricians in the district court for the District of Columbia filed suit against the International Brotherhood of Electrical Workers and a major contractors association charging violation of title VII by systematically excluding qualified blacks from union membership and employment. The complaint further alleges that the international union established a segregated all-black training program which pays 30 percent less per hour than that paid to white trainees.

This is what we criticized South Africa for, where it has been institutionalized

over and over again right in our own city, the Capital City of this great democracy.

THE ALTERNATIVES

In assessing the variety of efforts to eliminate employment discrimination over the past 30 years—the period of executive orders, State civil rights laws, and Federal statutes—one conclusion is inescapable. All efforts failed when the Government indicated it would not use its enforcement powers, but would substitute voluntarism for law enforcement.

Programs based upon voluntary compliance, with their expressed or implied promise not to enforce the law, have not eliminated patterns of employment discrimination. This is true of State agency approaches and of Federal programs—including plans for progress, hometown plans, and outreach programs, Chicago plan, Philadelphia plan, what have you.

The underlying reason for the failure of these programs is not hard to find. Job discrimination is deeply institutionalized. Employers and labor unions may make some superficial alterations, initiate a public relations campaign, or announce an education program in response to the nuisance of public exposure and criticism.

But they will not, except under legal compulsion, change the basis on which their institutions have, in their view, functioned quite satisfactorily. Yet so pervasive is the nature of racial discrimination that only far-reaching systematic changes will eliminate the entrenched patterns of the past and provide equal opportunity for all workers of whatever race or creed or national origin or previous condition of servitude.

All the voluntary programs avoid the concept that racial discrimination is illegal, that black workers and other nonwhites have fundamental rights which cannot be bargained away, and that the institutions which discriminate against them are required by law to change their conduct. This, of course, is the basic message delivered by the courts as a result of litigation under title VII.

Because voluntary approaches such as outreach programs and hometown plans are used to maintain the racial status quo, and because administrative civil rights agencies at all levels of government have failed to enforce the law, creative responses by independent community organizations are now essential. In practical terms, this means the development of alternative access routes to training and employment in the construction industry.

The formation of minority contractor organizations, such as the National Afro-American Builders Corp.—already active in many parts of the country, and the existence of independent community hiring halls such as the United Community Construction Workers in Boston, the United Minority Workers in Portland, Oreg., the United Construction Workers in Seattle, and Harlem Fightback in New York, among others, provides a realistic basis for the emergence of such alternative community programs. Creating these alternative routes for jobs and training in the construction industry, together with an intensified program of innovative litigation, must be one of the first priorities for black communities today.

May I wind up, Mr. President, by reiterating that if we in this body believe really in the concepts of liberalism, of equality of opportunity for all, we cannot in consistency, to say nothing of fairness, continue to protect the AFL–CIO building trades in their long-established practices of keeping out everybody but whites from their membership.

It has been done too long, and we cannot any longer live with this inconsistency within our own institutions which reach right into our own Capital City, to say nothing of the principal cities of California.

Mr. President, I yield to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I wish to commend the distinguished Senator from Indiana for his forceful statement and his clear thinking on the points that he has—I am not cross eyed. I was looking at the Senator from Indiana and his charm distracted me, and I apologize—I commend the Senator from California, who always has a worthwhile statement. I want to commend him for what he has contributed today.

We are faced with legislation here on the floor backed by powerful and wealthy special interests, and it takes courage to speak up, as the Senator did, and I commend him for it.

Mr. BARTLETT. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. CURTIS. I am happy to yield.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Tom Wasinger and Ed King of my staff be accorded the privileges of the floor on this pending legislation during the votes and consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. I thank the distinguished Senator.

Mr. CURTIS. Mr. President, if it is the desire of the majority to proceed with the debate, I may have something futher to say. Otherwise at this time I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, other than the debate itself which is now in its 13th day, the most enduring aspect of the discussion on H.R. 8410 is the repetition by our opponents of a series of charges about the purpose and effect of the legislation. The bill has been portrayed as a juggernaut pushed on inexorably by the unquenchable thrust for power by the so-called big labor lobby. The casual observer is left with the impression that the bill was drafted in the dark of night by a cabal whose sole purpose is, to quote our friends "place a dagger in the heart of the small businessmen of America and to force millions of unwilling American workers into unions."

Finally, our opponents have implied that this legislation is a veritable minefield of tricks designed to entrap the innocent employer.

All of these charges are incorrect. As I have pointed out from the time we began consideration of this legislation, we merely seek to fashion a measure which would be most responsive to the fundamental needs of America's workers and America's employers, legislation which will further the intent of Congress of fostering stable industrial relations.

To that end, both in committee and on the floor, we have examined and reexamined the provisions of this bill in light of the objections which have been raised, both in committee and here, and numerous changes have been made.

Now, once again, with the assistance of the most able distinguished majority leader, we have demonstrated our good faith by offering further modifications to the bill, changes which are designed to assure those who have thought otherwise that we seek nothing more than a fair and equitable result.

The substitute introduced by Senator ROBERT C. BYRD, of which I am a cosponsor, addresses the debarment provision, equal access, election time schedules, and the "make-whole" remedy. These provisions are the heart of the bill, and I want to describe the changes we have taken with regard to each and the reasons for these changes.

H.R. 8410 provided that the Board may, as a remedy for a refusal to bargain prior to the entry of a first agreement, award damages to the affected employees as compensation for the delay in bargaining.

However, use of the BLS major settlements index to calculate the measure of such damages has been critized as unfair to small businesses because it is based solely on settlements covering units of 5,000 employees or more.

I will tell you that when these observations were made here on the floor, I was one of the first, along with my colleague the ranking Republican member of the committee, the Senator from New York, also was one of the first, to say that we understand that there is an apparent unfairness in applying major business unit settlements to the small business unit situation. "We will struggle and we will find a way," we said, and we made a promise. I stood here and made a promise: "I will do my level best to find a better index." This was in response to the honest and earnest criticism of a provision within the bill that came here.

After that honest and earnest and good faith search, we have found what we feel is the answer that will meet the anxiety, the apprehension that was communicated to us. This is one of the provisions in this substitute.

Our amendment substitutes the Bureau of Labor Statistics employment cost index for occupations covered by collective bargaining agreements. The ECI—that is, the employment cost index—is based on a sample of collective agreements in units of all sizes and is weighted to reflect the proportionate number of units in which collective bargaining occurs by size. Its use assures that the experience of small employers will be fairly reflected in the Board's remedy and is

yet another step to allay the fears expressed by small businessmen.

I am wondering whether any speeches made by the opponents today, next Monday, Tuesday, Wednesday, or Thursday, will reflect this; whether any of the canned material that has been mailed out and has been the foundation of fears among small businessmen, most or many of whom were not even covered by the National Labor Relations Act—I wonder whether this message will get to them. I hope so. I do not know who is going to report it fully, but I do hope this message gets through, that this is one of the key problems brought to us by our opponents, that we have searched and searched for an answer, and that we have found the answer.

I have mentioned the Senator from New York as one who made that promise at the very beginning of this debate, that we would do our level best to insure that we had a fair index, and now we have it in this substitute. I hope that message reaches those who have felt great anxiety in this regard.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I am happy to yield.

Mr. JAVITS. You know, I am beginning to see in this debate a pattern emerging. There are certain Members—and bless them, they have every right to have their views and their sincerity—who are not going to be reached by anything we do, any changes we make, anything we find, any efforts to deal with the conditions because of which they feel this bill should not be passed.

But there are, in my judgment, enough Members to effect cloture and to decisively pass this bill, who really want to solve the problem. So I do not believe we need to be unduly unhappy if we cannot help those Members who are simply against union organization and will not have it. I believe we can look forward to the cooperation of the Members of this body who believe this country has to have trade organizations in the labor union field, just as we have trade organizations in the business field. That is what I am projecting and making every effort toward, in partnership and company with the principal manager of the bill, the distinguished Senator from New Jersey.

Mr. WILLIAMS. I appreciate that. This is a rough estimate, but I would say that 80 percent of the Members of this institution not only accept but appreciate that the basic law, the underlying law, the fundamental law, the National Labor Relations Act, which grew out of the Wagner Act, is a law that promotes stability in the labor-management relationships in our country.

Mr. JAVITS. And equality of competition.

Mr. WILLIAMS. Yes. And if it is the agreement of 80 percent to make that law effective, that should, in my judgment, be the next step.

Mr. JAVITS. And that is what we are trying to do.

Mr. WILLIAMS. Exactly what we are trying to do.

The amendment also insures that employers and unions will not be taken by surprise and required to make employees whole without being afforded a last chance to avoid that remedy by engaging in collective bargaining as required by law. It provides that a party will not incur liability prior to the time he is put on notice by the NLRB's general counsel, that an illegal refusal to bargain is taking place.

This argument is part of our search for manifest fairness.

The equal access provision has probably generated more criticism than any other provision in the bill on the grounds that by providing the union an opportunity to reply in "an equivalent manner" to an employer's captive audience speech delivered on company time, the employer is required to subsidize the union's campaign. It has also been charged that the terms and conditions of access are not stated in the detail necessary to assure that the employer's interest in running his business without interruption will be adequately protected.

The substitute bill is designed to answer both of these criticisms. First, it provides that regardless of the time and place the employer chooses to conduct his campaign, the union will not be given an opportunity to respond during working time. Rather, the union will be limited to nonworking areas which are suitable for the exchange of views such as cafeterias and parking lots.

This provision dealing with access also provides specific detail on the nature and extent of the access. It does this in the foliowing way:

First, unions will have to file a notice stating that they are actively seeking to represent employees in a specified bargaining unit before access is available.

Second, no more than two nonemployee representatives will be allowed to campaign in any designated area, and a maximum of four will be permitted in parking lots.

Third, the union must provide at least 1 day's advance notice that it wishes to address employees and must specify the areas to be used and state the names of the organization's representatives and the time during which they will be present.

Mr. President, I believe this provision will substantially reduce the concern expressed about equal access and provide sufficient detail so as to avoid confusion or potential abuse.

Now, Mr. President, let us come back again to the debate we have had here for almost 3 weeks now. If there was substance to the fears expressed about this bill, in the "make whole," in the equal access, and, as I get to later, in election time, this substitute meets those problems. There has been the fear expressed that access and an equal opportunity to be heard would flood the workplace with nonemployee organizers; that it will disrupt production; and that the company will be paying for the organizing efforts by the union.

Absolutely beyond any peradventure we have removed that possibility with this provision.

Again, we told our good friends and opponents, as they brought this to us in the early days of the debate, that we would search out possibilities and ways to define access so that it would not, in any way, affect the production at the plant. That is what we have done.

I would imagine that the canned speeches in opposing the bill will not reflect this change. But I hope that the speeches yet to be delivered, the speeches yet to be made will show an understanding and will reflect upon this change in the access provision designed to reduce that alleged unfairness that was described by the opposition.

Mr. President, a third area addressed by the substitute is the election time schedule. We went through this—I was going to say ad nauseam. Being a patient person and knowing that this is a democratic process, I will say at considerable length, we knew that what we provided for in this bill was very close to the experience where the employer and the union are living with the law anyway. What we were trying to do is to reach those who misuse the law to obtain delay. But in order to make sure that no election is sprung upon an unknowing employer, we have provided for a time schedule that makes the election certain. The substitute extends the period to what must be in anybody's fair judgment, a reasonable time.

The election time schedule in the bill has been criticized on the grounds that where a petition is the first notice of a union organizing campaign, 21 days is too short a period for an employer to advise the employees of his views. And, that limiting expedited elections to cases in which the election petition is supported by 50 percent of the employees gives unions an unfair advantage.

To meet these criticisms, the amendment substantially lengthens the minimum time period for employer campaigning before an election may be conducted and simplifies the election timetables. At the same time the amendment preserves the provision's basic purpose of rationalizing the present system and assuring that elections will be held promptly and on schedule.

Under the amendment, no election shall be held less than 35 days after the employer first receives notice of a union organizing effort.

I would like to repeat it: 35 days are provided as the minimum time from the notice of a union organizing effort to the date of election. That is a long time, during which the case can be made by both sides.

Since organizing efforts precede the filing of an election petition, the amendment permits the union to serve a written prepetition notice on the employer stating the bargaining unit involved. This notice is also a precondition for union access to the workplace to reply to employer campaigning. If an election petition is not filed within 6 months of the filing of the notice, the union is barred from participating in a board election for 2 months thereafter.

Second, the amendment provides that subject to the 35-day minimum time period just discussed, the Board must hold elections as promptly as administratively feasible but not more than 50 days after the filing and serving of the petition. For exceptional cases a 75-day time limit is provided.

Third, within these time limits the

board is instructed to give priority to petitions supported by 50 percent of the employees in the unit. This provision reflects the judgment that the Board should give first attention to cases in which there is evidence that a majority of the employees want to bargain or no longer wish to be represented by their union.

Of course, this goes both ways, when there is an effort to organize or when there is an effort to decertify the union.

Finally, in accordance with the overall purpose of the rulemaking provision, the Board is instructed to proceed to an election without holding a hearing where the petition is for a unit declared appropriate pursuant to board rule.

Finally, the substitute makes an important change in the debarment provision. That section has been criticized as too harsh.

I will say this has surprised me because the provisions of the bill that we reported, in my judgment, completely assured due process of law for violators. And it is far less severe than virtually every other debarment statute on the books. There is nothing new in debarring law violators in order to encourage them to abide by the law. Debarment is provided for under numerous other statutes. It is nothing new. We put it here and it was less demanding in our bill than in other law.

Notwithstanding that, this was one of the objections raised repeatedly, and we have again taken steps to assure that there will be no mistake about our intention to punish only law violators and not those who in good faith comply with the law.

Nevertheless, we have again taken steps to assure that there will be no mistake about our intention to punish only law violators, not those who in good faith comply with the law.

Under the debarment provision now in H.R. 8410 the Board may recommend that the Secretary of Labor remove a previously issued debarment order if it finds that the remedial provisions contained in that order have been satisfied. However, the decision to remove debarment is discretionary with the Secretary.

The proposed amendment introduced by the Senator from West Virginia (Mr. ROBERT C. BYRD) assigns the responsibility for determining compliance to the Board and converts the Secretary's discretionary authority in this regard to a ministerial duty. Thus, where the debarred party has taken all the steps necessary to abate the violation, the Secretary of Labor will be required to remove the debarment order forthwith.

Mr. President, this substitute answers every substantial complaint that has been raised about H.R. 8410. We have shown our good faith.

The time has now come for those who have opposed the original bill to demonstrate their good faith by looking at this substitute.

I thought this bill was of that degree of importance that we should have been on it for 2 weeks, maybe more, understanding it and getting in a position to perfect it. We have been on it a week longer than that. It seems to me we are now in a position to end the filibuster and get to the business of dealing with these amendments to the bill and on to final decision by this body of this matter. We all know what this could mean if we do not let the democratic process prevail and let Members of this legislative body come to judgment, yes or no, on the bill.

If this filibuster persists, obviously, all other business of major import cannot be undertaken by this body. The longer we go, the more we delay, we are not meeting our responsibility in this democratic society of ours.

I hope that we can now make effort to reach these areas of greatest concern, that this will come through to enough of those who have expressed honest concern to invoke cloture, move on to the constructive part of this debate, improve the bill and go on to final consideration.

I yield the floor, Mr. President.

Mr. HATCH. Mr. President, I have enjoyed the comments of my distinguished colleague and friend from New Jersey, the principal proponent and cosponsor of this legislation. My affection for him, thank goodness, goes way beyond this legislation.

I have to admit that I have been appalled that the best they could come up with, after all of these weeks of debate, really is the substitute which was filed yesterday, which basically does not change this bill substantively, except in a few details which, really, in a way, hurt the employees and employers worse than the old bill, which was bad enough as it was.

As to quickie elections, if we have this substitute, it becomes instantaneous quickie elections, the way the substitute was written. The old bill was bad enough. Under the bill before us, S. 8410, an election had to be held in not less than 13 days and not longer than 30 days, in the House version, 25 days.

Under this bill, once they show they are interested in a union election, they can let 35 days expire and they can go up to the 49th day and demand an election and it has to be held on the 50th day, as I read the language. I call that instantaneous election procedures which are even worse than quickie election procedures. That is my understanding.

Mr. WILLIAMS. If the Senator will yield, his understanding is incorrect. And I think this is the appropriate time to read the language in the substitute.

Mr. HATCH. I am more than happy to be shown where that is wrong.

Mr. WILLIAMS. On page 8 of the substitute.

Mr. HATCH. I have it.

Mr. WILLIAMS. The key words on page 8. line 12, are "and not more than 50 days after the filing and receiving of the petition." That is the period.

Mr. HATCH. No. What it says is that the elections will be required in not less than 35 days after the employer involved has been notified in writing that the employees in that unit are seeking representation by the labor organization involved, but not more than 50 days after the serving and filing of an election petition.

They can give notice that they are going to have an election and then serve the petition just a day before the 50 days and have a vote 1 day later. Under this substitute, it is mandatory. So I respectfully take very firm issue with my friend and colleague, because I do not think he realizes what this language really says.

Mr. WILLIAMS. The time period that the Senator was telling us was so destructive of the employer's opportunity to make his case was that time that the union was organizing and the employer did not know about it. We have responded to that complaint. We said that no election can be held in less than 35 days from the time the employer learns of the organizing campaign.

Mr. HATCH. That was not the problem. That is one of the problems. The major problem I shall get into in a minute.

Is it not true that the election has to be held in not more than 50 days after the filing and serving of an election petition, which can take place after the 35 days and at the behest and desire of the union?

Mr. WILLIAMS. The 50-day maximum deals with a different problem—that of bureaucratic delay in processing petitions. The minimum 35-day period addresses the time both sides and the employees should be assured of to discuss the issues.

What we say is that it cannot go longer than 50 days from the filing of the petition.

Mr. HATCH. As the Senator knows, filing a notice does not mean there is going to be an election. That is done all the time. My illustration is absolutely correct. They can file the petition on the 49th day, and they could have an election on the 50th and it would be mandatory.

Mr. WILLIAMS. I respectfully suggest that the Senator read the provision. If the petition is filed 49 days after notice, the Board would have 50 days maximum from the date of the petition to hold the election. All we say is that elections should be held as promptly as administratively feasible, after the petition is filed. This will depend on the complexity of the legal issues involved and the showing of interest. In many cases, especially where the appropriate unit has been established by rule it will take less than 50 days, but it certainly will take more than 1 day.

As the Senator knows, under present law there is no time requirement.

Mr. HATCH. I agree with that.

Mr. WILLIAMS. There is no time period under present law from the time of petition.

Mr. HATCH. I agree with that.

But let me just add this, in addition to allowing that kind of unjust advantage, the big point that I have raised against the quickie election procedure, which, of course, has been the mandatory time limit which we do not have now, and, as the Senator well knows, 82 percent of all elections are held within 43 days, between 12 and 43 days.

Of the remaining 1,500 elections, they are held in a median time of 75 days.

I have really complained about the vote and impound procedure and this right to spring an election on the employer any time they want to, even when the employer is away on vacation,

or his employees, and to mandate that and give the advantages to the unions makes it a quickie election.

It makes an election without resolving the difficulties and ambiguities which exist, which I think the Senator knows about.

Let me go a bit further with regard to equal access, alternate arrangements. That is moving in the right direction. So they cannot go on and shut down the work.

All I can say is, any move would be an improvement on the present situation. But even this allows two union organizers in every nonworking area of that plant, and four outside the plant.

Mr. WILLIAMS. The provision merely states that maximum number allowed.

Mr. HATCH. The maximum of four outside the plant.

So this provision still allows the union organizers, if the employer talks about unionization on his premises, to come on his premises, his private property, and preach unionization. And that is what is offensive to private employers and especially small business employers.

The equal access provision, although somewhat improved, is still a far cry from freedom and a far cry from what is right in our society today, especially when the union has the right, the organizers have the right, to pass out literature, to make promises they know they cannot keep, which the employer cannot do, and have a right to call upon employees in their homes, which the employer cannot do.

If the employer makes a comment he cannot live up to, or makes a coercive comment, he will have an unfair labor practice slapped on him so fast he will not even know what hit him.

With regard to the "make-whole" factors, I do not see any substantive change.

So we move from the Bureau of Labor Statistics standards to the other standard, and I do not see much difference there.

Mr. WILLIAMS. Will the Senator yield?

Mr. HATCH. Yes.

Mr. WILLIAMS. Was not the Senator concerned that the index we were using was an index that went to big unit settlement?

Mr. HATCH. That was a concern. But this index goes to collective bargaining agreements between unions and employees. So, in essence, this one is going to be an index.

Mr. WILLIAMS. But it is an index that is weighted to reflect large number of small business units.

Mr. HATCH. Well, this index does not require units of 5,000 or more employees.

From that standpoint, it is a substantive change. But it still gives an artificial mandate which takes away certain rights of the employer, especially the small business employer, and intimidates him.

Mr. WILLIAMS. What rights does it take away?

Mr. HATCH. Well, with regard to the particular——

Mr. WILLIAMS. He does not have a right to refuse to bargain. The law says that he shall bargain.

Mr. HATCH. What does he do now? If he wants to test, he has got to technically refuse to bargain in order to get a hearing on it. If he does that under this provision, he has lost a right because he can be stung with a payout here that is higher than he can afford to pay.

Mr. WILLIAMS. He is stung where he should be stung. He is only stung when he is wrong.

Mr. HATCH. Not when the courts have said this is the only way he can adjudicate.

Mr. WILLIAMS. Not if he is right. The Senator seems to ignore the loss to the employees during this period.

Mr. HATCH. Who determines whether he is right or wrong but the Board? And the only way to check the Board is to technically refuse to bargain, a time-heralded approach which nobody has found offensive or wrong, and now, if he does this, he will be considered willfully refusing to bargain, even if he is technically doing it to get a hearing in court.

Mr. WILLIAMS. And when he gets his hearing and he is right and the general counsel is wrong, he is not stung at all, he does not pay a nickel.

Mr. HATCH. Well, he may not——

Mr. WILLIAMS. But if he is wrong, he pays.

Mr. HATCH. He may not be able to afford that, for instance.

Mr. WILLIAMS. I do not know why this is so bothersome to the Senator. The general principle is that the wrongdoer takes the risk attendant to losing his appeal.

Mr. HATCH. I do not know anywhere else where the employer is going to be stung almost no matter what he does. I do not know where the employer has to be intimiated to accept a union demand, as this provision.

Mr. WILLIAMS. There is nothing here that says he must accede to any bargaining demand.

Mr. HATCH. That is right.

Mr. WILLIAMS. He has got to sit there and bargain in good faith, just as we have to sit here in good faith, not bargaining, but searching to get the answers to all the points the Senator has raised.

We have raised them, and I would have to question whether it is not an unfair practice here, since we don't appear to be legislating in good faith, since we have answered all the legitimate issues which have been raised.

Mr. HATCH. Oh, we have? What about union challenge, mass picketing?

Mr. WILLIAMS. Those problems are adequately dealt with in State criminal and civil proceedings.

Mr. HATCH. Indiscriminate findings. We have gone through 40 or 50 problems that exist that nothing is done about.

Mr. WILLIAMS. This is the National Labor Relations Act and the Senator was talking about many unrelated areas.

Mr. HATCH. We are talking about having unions negotiate fairly, just like businesses have to, and they are not doing it, and some businesses do not.

Mr. WILLIAMS. If there is violence criminal law will deal with it.

Mr. HATCH. We can bet there is.

Mr. WILLIAMS. Today's paper shows a lot of abuses by business and labor.

Mr. HATCH. Mostly labor.

Mr. WILLIAMS. In combination with business and the law-enforcement people are at work finding it.

But these are not violations of the rights of employees who are seeking to organize. These are violations of other provisions of law, and they should be reached and are reached by those provisions.

Mr. HATCH. If they are not violations of the National Labor Relations Act, they should be, especially if we are going to reform labor law.

Mr. WILLIAMS. Some of the questions the Senator raises are covered by the NLRA, others are covered by the criminal law.

Mr. HATCH. We do not have to.

Mr. WILLIAMS. We have done that.

Mr. HATCH. We can have civil sanctions against labor like the Senator is giving punitive sanctions against business.

Mr. WILLIAMS. We certainly do.

Mr. HATCH. I do not see any effort to try to solve those problems.

Mr. WILLIAMS. The remedies working most effectively and efficiently in the National Labor Relations Act are those provisions that run against unions. We have been through this so many times.

When the unions engage in a secondary boycott or signs a hot cargo agreement, what happens? The employer goes to the Board, gets an injunction, and nails it.

Mr. HATCH. Well, of course, I do not believe that is the case.

Mr. WILLIAMS. That is the case.

Mr. HATCH. It has been long held the decisions of the National Labor Relations Board in representation cases are not immediately appealable to the Federal courts of appeals. Therefore, in order for an employer to legally contest the Board's determination of a bargaining unit, or other representation issues, it has to first refuse to bargain, technically refuse to bargain, with the time-heralded practice, acceptable, that right, and the employer is intimidated to accept, or else, because he cannot afford to have the index cost assessed against him in the future.

So what it is is a total intimidation of one side for the benefit of the other.

Frankly, the loser is small business. I can say also that the loser in this case is all business, but small business in particular.

With regard to debarment, we brought out so many aspects against debarment that I would think the Senator would be willing to get rid of that one because it is punitive and, I have to add, certainly not fair. I could say other words, but I will leave it with "not fair" at this particular point.

We start talking about the tendency to do away with voluntary agreements, the Board ruling, the vote, and impoundment procedures. None of these things are taken care of. We talk about stacking the Board so that we have friendly people to one side on the Board. That is not taken care of. We talk about one and a half times back pay—that is not

taken care of—or punitive remedy. We talk about intimidation of the employers. That is not taken care of. We talk about deficit problems to small business. That is not taken care of.

We talk about the indiscriminate fining of union members. That is not taken care of. We talked about the mass picketing. That is not taken care of. Stranger picketing is not fully taken care of here, as the Senator knows. As a matter of fact, it is very poorly taken care of. We talk about union violence. That is not taken care of.

As a matter of fact, one of the most interesting things that I have had come across my desk in years has been this most recent publication on the question of some of these difficulties, and I am reading from the explosive incidents 1977 annual report of the Treasury Department, Bureau of Alcohol, Tobacco, and Firearms, Intelligence Branch, at pages 19 and 20.

Bombing incidents by motive and property damage for 1976-1977. In 1976 labor related bombing incidents, 29 in this country; in 1977, 78, tripled. The percentage is 23.2 percent in 1976 and 31.8 percent in 1977.

Labor-related bombing incidents by motive and property damage for 1976 and 1977. Incendiary bombing incidents, labor related, 11 in 1976, and 14 in 1977. That is 17.7 percent of those bombings.

What is being done about that in this so-called reform bill?

We go on and on. We spent days, and frankly weeks, on this matter pointing out the difficulties and why this is not a reform bill. And all I can say is for all of the talk about not being set in concrete, talk about trying to be cooperative, the talk about making this fair, and the talk about meeting the needs of the opposition in this matter, I think we have gotten more written language but unsubstantive in effect.

I think these are the problems.

We can go on and on on this subject, but the point is that the last thing that has to be addressed is this, and that is that it has been said by union leaders across this country that that is fine, we will amend in the Senate, even assuming that substitute was a good amendment, or really did what some of the rhetoric has indicated maybe it does, which I think we have shown it does not. But even assuming the best, union leaders in this country said:

> Sure, we will accept some amendments in the Senate, but when we get to the conference and we get to the final aspects of this bill it is going to be one that we want and not what you want.

That is really what is at issue here. So, no amount of amendment is going to solve that problem and since it has been said by union leaders—I personally know of it—even if this substitute amendment was any good or really did what really resolved some of the difficulties that have been raised we could not be very excited about it. I certainly am not excited about it in its present form. As a matter of fact, I am a little bit depressed by it because I do not think it does anything and does not do what is right. It is certainly not reform with that.

Mr. WILLIAMS. If the Senator will yield and help me out here, we have been through a long period in this Senate developing a codification of the criminal law. The Senator has dealt a good bit with the criminal aspects of abuses of unions and union members.

Mr. HATCH. That is correct.

Mr. WILLIAMS. And all of these activities have been talked about, Mafia control and violence, and if the criminal law is not adequate now, why was that not done? Were the Senator's amendments turned down in the Judiciary Committee where they were certainly germane without any question?

Mr. HATCH. That is a fair question. Let me answer it.

As the Senator knows, that was a very delicate negotiation between the eight liberals on the committee, the eight moderate-to-conservatives, and there was one who was a moderate on the committee.

Mr. WILLIAMS. Who was the moderate?

Mr. HATCH. There are a lot of things left out of this bill that a I personally wish to see in it, such as capital punishment which is not in there because neither side would accept it. There was no way we were going to make major criminal law changes with regard to labor law. Those changes have to be made, I suggest, by the labor committee.

Mr. WILLIAMS. This is not labor law alone. This is far more pervasive than that. The Senator is talking about the fundamental wrong of violence.

Mr. HATCH. Related to labor.

Mr. WILLIAMS. And intimidation and coercion, and all of that. Those are the basics of criminal law.

Mr. HATCH. Let me go a little bit further. Even if you did not want to get into criminal law, why did not we have some civil sanctions against unions as we are going to have? Why do we not have some civil sanctions that resolve some of these major problems, such as mass picketing, union violence, and some of the problems we have raised here?

Mr. WILLIAMS. If the law on picketing is violated, we have the civil remedy. We have the injunction. That is the strongest thing you can run against working people and the unions. That is an injunction. With respect to violence and mass picketing both are a violation of NLRA and in addition civil and criminal remedies are readily available and regularly granted under State law.

Mr. HATCH. I see.

Mr. WILLIAMS. Injunctions stop the picketing and if the injunction is ignored the contempt sanction is available.

Mr. HATCH. Why do we not have an injunction?

Mr. WILLIAMS. And it works.

Mr. HATCH. Why do we not have an injunction instead of Federal contractual deparment or blacklisting? I mean why blacklist when we can have the most awful remedy of an injunction? Why do we have to do that to the business community?

All I am trying to say is let us be fair. Let us make another point.

Mr. WILLIAMS. This debarment runs both ways. We have debarment here. That debarment runs against the employer. It runs against the union.

Mr. HATCH. How many unions have business with the Federal Government?

Mr. WILLIAMS. Plenty, and there will be more as training is needed and as the Senator from California was very eloquent in the way he describes that the tradespeople, the working people who have the skills have to bring these skills and training to more workers so we have more skill, and we do that through Federal training programs. There will be more and more training programs, and unions will be in it.

Mr. HATCH. Let me throw out a couple other things. The Senator knows I have been complaining about the gutting of the Labor Department's investigatorial staff against the criminal violations, if you will, by the labor unions. Where was the Human Resources Committee when Burkhardt, as a member of the painters' union, Assistant Secretary of Labor, gutted the Landrum-Griffin investigatorial staff and put it from 64 to 15 just in this last year? Where was the desire to solve problems there? The only point I am trying to make is, and I want to say this——

Mr. WILLIAMS. The only point I am trying to make is that the Senator is talking criminal law. The Senator happens to be a member of the committee that deals with criminal law. If he has these amendments to improve the law what happened to them in the committee? The Senator says there was a delicate balance, eight and eight. Did the Senator offer them and did they lose? It is as simple as that.

Mr. HATCH. We could not offer them and knew it.

Mr. WILLIAMS. Why could you not?

Mr. HATCH. Because they would not be accepted. That is why, and because there were a number of other amendments.

Mr. WILLIAMS. Would they have been ruled out of order?

Mr. HATCH. No; but we would have broken down the delicate balance that existed.

Mr. WILLIAMS. That, I will say, is a weak retreat, if the Senator is conscientiously worried about these criminal problems.

Mr. HATCH. I have enjoyed the repartee and I have to say this, and I think the chairman of the Human Resources Committee knows that it is true, that I enjoy him and I enjoy the committee. I think I have worked with the committee, and I have tried to work within the committee. I have been accused today, or—I have not been accused—the chairman has stated here in the Chamber that finally after listening to this debarment he has realized that not less than 21, not more than 30 days, really, was not quite right. So he has been willing to change it by this substitute. I raised every one of those in committee.

Mr. WILLIAMS. The Senator did what?

Mr. HATCH. Eveything that has been raised in the Chamber since that I raised in committee.

Mr. WILLIAMS. We extended the time limits for election in the committee bill and my recollection is that the Senator from Utah voted no.

Mr. HATCH. Well.

Mr. WILLIAMS. It is in the report. Does the Senator wish to look at it?

Mr. HATCH. My argument was that we should not have mandatory time limits, and I brought that up, and I brought up the 21 days was not enough.

Mr. WILLIAMS. All right. I have the report here with all the votes and now we will look at the Hatch amendment that makes the further extension.

Mr. HATCH. It was not the Hatch amendment; it was somebody else's.

Mr. WILLIAMS. Well, the Senator says that was not enough, so where is the Senator's amendment that sought more time?

Mr. HATCH. It is here on the floor; it is at the desk.

Mr. WILLIAMS. The Senator is learning. The place to win your case is not on appeal but it is in the trial court; in our situation the place to really establish it is in the committee when you are on the committee rather than waiting on the floor.

Mr. HATCH. I have learned in that committee that any time I want to establish it I am going to get two votes, those of Senator HAYAKAWA and mine, and that is why I am here on the floor.

Mr. WILLIAMS. Mr. President, here we see a Senator who has double trouble. In the Judiciary he has too fine, too delicate a balance, and he cannot offer his amendments.

Mr. HATCH. That is correct.

Mr. WILLIAMS. In the Human Resources Committee he is outnumbered. The Senator has got problems.

Mr. HATCH. We sure do.

The Senator has problems. We have been here for 2 weeks, and we may be here for another 2 months, because this bill is so bad. Maybe the Senator will win next week. I doubt it, but if the Senator does I will be the first to congratulate him, as he knows. As a matter of fact, I will do so willingly and with great friendship, as the Senator also knows.

But let me say this: We are here on the floor because this is the only place where we can bring these reprehensible provisions in the bill out into the open and in public and get a hearing, because we would not have gotten it in the committee, as the Senator knows.

Mr. WILLIAMS. The Senator in his talk has carried us well beyond the subject matter of this bill. On the subject matter of this bill, in the four areas that have given, as he described it, most concern, access, time periods, "make-whole" and debarment, Senator ROBERT C. BYRD has led us with a substitute that in great measure we feel, and I know, meets the objections, if they are earnest, to the bill as it was in those four areas. We have met those objections with a substitute and we have tried to make this measure do its job, but do so in the fairest possible way.

Mr. HATCH. Let me just say this: As I read this amendment in the nature of a substitute it says: "This act may be cited as the 'Labor Law Reform Act of 1978.' "

Mr. WILLIAMS. And the labor law that this refers to——

Mr. HATCH. I will add it should be labeled "The Labor Law Deformity Act of 1978," because it does not cover the problems we have raised here on the floor, and it does not effectively resolve the problems which the Senator claims are resolved.

Mr. WILLIAMS. I would be willing to change the title to the "National Labor Relations Act Revision Amendment."

Mr. HATCH. Well, that is pretty broad also, and it covers these areas which I have been complaining about.

Mr. WILLIAMS. No, it does not.

Mr. HATCH. Surely.

Mr. WILLIAMS. No. The ones the Senator is complaining about are here in the substitute. The other areas of criminal conduct are in other laws.

The Senator is in a position to more effectively deal with that, being a member of the Judiciary Committee. The Senator was in better position than I, who have not had the honor to serve on that Judiciary Committee.

Mr. HATCH. Well, I acknowledge that it is a very important committee. But, in my opinion, it is no more important than the Human Resources Committee, through which hundreds of millions of dollars come, and through which this legislation has come, which does nothing to resolve the problems on the other side, and that is what is at issue here. The Senator is not doing it or meeting it, and I think if we want to talk fairness, we want to do what is right, we ought to talk about it and not just these issues about this itty-bitty bill, that "do not help nobody and do not hurt nobody," talks about.

Mr. President, I yield the floor.

I ask unanimous consent that my remarks here today not be considered either a first or second speech on the bill.

The PRESIDING OFFICER. I am sorry, I did not hear the Senator.

Mr. HATCH. Mr. President, I ask unanimous consent that my remarks here today not be considered a first or second speech under the rules.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who seeks recognition?

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I see that my friend from Utah is on the floor, and I wondered if the Senator from Utah would allow me to take this occasion to respond to some of the comments which he made on Wednesday, with respect to an address which Lane Kirkland, the secretary-treasurer of the AFL–CIO made at Harriman, N.Y., and which aroused the concern of the Senator from Utah, and yet I feel if he were to see them in the perspective which some of the others of us would, he might have stronger sense of what this legislation means to the American trade union movement.

It might first be said, Mr. President, that the most important thing to, perhaps, understand, is how very old the American trade union movement is, how very stable and how a large part of American history goes into its own deliberations, and the kinds of concerns it brings to public forums such as the U.S. Senate.

The AFL was formed in 1886, and its predecessor, immediately preceding it, an organizing committee, was founded in 1881.

In the period since 1886 there have been, I dare not say, I believe, some 15 Presidents of the United States, some 30-odd Secretaries of State.

There have been, let us see, in 1886 there would have been, almost 44 Congresses; the number of kings and queens who have reigned in Britain, the premiers who ruled in France, are, as the saying goes, too numerous to mention, and all of which suggest something of the stability of the American labor movement, where there have been three heads in this almost entire century, with the exception of a gentleman named O'Brien, who served 1 year in the 1890's, Samuel Gompers to William Green to George Meany, with institutional experience spanning a century, which has been in the leadership of three men with a very strong sense of their history, a very powerful sense of their beginnings and, in that respect, an especially strong sense of the importance of this moment in the American labor movement's history and its relationship to the major institutions of the United States.

Mr. President, there was a review in this morning's Wall Street Journal—and I ask unanimous consent to include it in the RECORD—of a recent biography of Samuel Gompers.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

THE OLD-FASHIONED FERVOR OF SAMUEL GOMPERS

(By Carl Gershman)

There is a sense in which one can come to a proper understanding of America by studying the history of its labor movement, above all by examining the career of Samuel Gompers, who founded the American Federation of Labor almost a century ago.

Gompers was a distinctly American figure: an immigrant, a pragmatist, an individualist, an optimist. He believed in America with an old-fashioned fervor. It is not merely a land or a country, he said: "America is a symbol; it is an ideal." He set his course on building a labor movement within the framework of the American economic system, in conformity with "the original intent and purpose of America." Nothing—especially not the relentless carping from intellectual radicals, whom he despised—could divert him from this course.

The strongest aspect of Harold Livesay's new biography of Gompers is its appreciation of the "American exceptionalism" of the AFL's founder and its account of the evolution of the American trade union philosophy.

Gompers sharpened his conception of trade unionism in the course of doing battle

against two other different approaches to organizing American workers. The first was that of the "Lassallean" socialists (named after the German theorist Ferdinand Lassalle), who believed in building a socialist political party as an instrument for transforming society. The second was that of the Knights of Labor, which hoped to escape the consequences of industrialization by creating a system of small entrepreneurs and producers' cooperatives in which the distinction between employers and employes would be abolished, as would the wage system itself.

In response to the Lassallean socialists, Gompers enunciated his famous credo that the natural organizations of workers were "unions pure and simple" that would not be tied to any political party or doctrine, as they were tied in Europe. And unlike the Knights, Gompers embraced industrialization, accepting even the rise of trusts on the ground that they would increase the efficiency of production and thus the amount of wealth in which workers could share. His goal was to gain a foothold for unions in the emerging economic order. He was convinced that eventually unions would develop to the point where they could contend with the new corporate goliaths, but first it was necessary to lay solid foundations.

He advocated business unionism, according to which unions bargained on wages and working conditions; high dues, which he regarded as a precondition for strong, viable unions; and the restrained use of the strike weapon. Never one to favor lost causes or precipitate action, he warned affiliates not to "strike in haste and repent at your leisure." By 1888, according to Mr. Livesay, the AFL "seemed a haven of sanity and pragmatism" to workers dissatisfied with the various radical movements of the time.

While Mr. Livesay's biography has much to recommend it, including a highly readable style, it suffers from a tendency to blame the AFL's shortcomings on Gompers himself and to credit its achievements to objective conditions. For example, Mr Livesay faults Gompers for doing little to bring blacks into the AFL, or to promote industrial unionism. Yet it isn't clear that Gompers could have acted much differently from the way he did.

In the early years of the AFL, Gompers refused to admit the machinists and blacksmiths because they had Jim Crow clauses in their constitutions. But in time he decided that it was "useless . . . simply trying to ram our heads through a stone wall," and he acquiesced in the practice in many unions of organizing blacks and whites separately, hoping in this way to bring about a gradual "unity of feeing and action among all toilers." Mr. Livesay himself acknowledges that the federation couldn't dictate policy to autonomous unions; and it would have been exceedingly difficult, if not impossible, to enforce the kind of basic changes in racial practices that even the civil rights revolution would bring about only at a much later date.

Similarly, Mr. Livesay is unfairly critical of Gompers' preference for craft over industrial unions. This was the prevailing view within the federation, and Gompers saw no reason to oppose it, given the constant problems resulting from jurisdictional disputes and the conflicts inside the AFL between the industrial unions (the miners and brewers) and the crafts. Moreover, it is not clear that a different approach was possible at the time, as the fate of the Wobblies showed, in the absence of a Wagner Act which later made it feasible to organize industrial unions on a large scale.

Mr. Livesay also contends that Gompers' antipathy to political involvement weakened the labor movement. But in the early years of the federation, when Gompers was trying to establish unions as a permanent and independent force, the avoidance of entanglements with ephemeral protest movements and corrupt parties was probably a wise choice. Later, during the Wilson era, Gompers threw the full weight of the federation into politics and in due course achieved far-reaching legislative reforms. Mr. Livesay credits these gains not to labor's efforts but to "the progressive reform wave that swept the country." In fact, Gompers' policy of rewarding friends and punishing enemies, while maintaining the union movement as a politically independent force, had served labor well and has continued to do so.

A final word should be said about Gompers' views on international affairs. Mr. Livesay gives the subject only one paragraph, in which he sardonically notes that Gompers made labor "an arm—albeit a feeble one—of American foreign policy." The fact that this view is widely held among labor's academic critics should not lend any credence to it.

It is instructive to remember that when American intellectuals were overwhelmed with admiration for the new Bolshevik regime in Russia, Gompers calmly condemned it as a dictatorship based on "the militarization of labor" and the suppression of political freedom. American labor has never wavered from this aspect of the Gompers legacy, no matter who the occupant of the White House has been. It's unfortunate that this isn't better known, since democracy—our own and others'—has gotten much benefit from it.

Mr. MOYNIHAN. It is an excellent biography, and it is interesting that in the Wall Street Journal the review was written by Carl Gershman, a young American Socialist—he is the executive director of Social Democrats USA, and he is the editor of the New America, a journal of the American Socialists—and it is typical that his thoughts on this subject would be welcomed, on the editorial page of the Wall Street Journal, as a man of balance and of experience and of something very serious to say about the relationship of the American labor movement to American society at large, in general, and the American business community, in particular.

I would like to describe this relationship in these terms: In the beginning, toward the end of the 19th century, when the American labor movement formed, in the middle of the second half of that century, and there were many options before it, almost all of which were basically revolutionary, if it chose, not necessarily to be violent, but chose fundamentally to change the direction of American society.

It is useful to remember that in the first international which Karl Marx formed, and to this day in Philadelphia, the European socialistic labor movements, more radical in some cases than in others, had close relationships with the American labor movement.

It was the great genius of Gompers to understand that a truly great labor movement, if it were to exist in American society and to become great, would have to come to terms with the fundamental institutions of this society, and not seek to change them save as to make American working men an institutional force within them.

So in the course of the 1880's, Gompers, McGuire, and others worked out what I would call a social contract. They worked out an understanding with the rest of American society, and they put it forward in a long series of debates and campaigns, a lot of writing and a lot of talking went on, and out of it emerged two fundamental propositions.

The first is that the American labor movement would not seek to transform the American economic system. It accepted the business system. It accepted private ownership of private enterprise. It would not seek to transform it.

Mr. President, ours was the only labor movement in the world to reach that judgment. The Canadian movement is to be included with ours, inasmuch as it has been very close, and from the beginning our trade unions have been called international trade unions because they have included Canadian workers as well—that is why you have the International Brotherhood of Electrical Workers, and so forth.

The first item in the social contract was that the labor movement would not seek to transform the American business economy. It wanted a part of it, to have a role in the values of the economy, but not to change it. It did not seek to put an end to private capital, free enterprise—and, not to avoid the word, there is no reason to avoid it—capitalism, and that it would enter this business system through the device of the labor contract, of contracts freely negotiated in the manner of all other contracts in a contractual society under a rule of law—a contract to supply labor in the same manner that contracts are made to buy and to sell, with the special provision, however, that labor was not a commodity, but represented a participation of people in the enterprise.

The second of the two measures of the social contract, as I have called it, just as important, was that labor would not seek to transform the political party system, the political party system with its political parties, of the United States; and this, too, was a decision without precedent. No other labor movement in the world, except in Canada, which is a part of the American movement, made any such judgment. Labor would not be socialistic, seeking the nationlization of the means of production, distribution, and exchange, which the British labor movement had sought, nor would it start a Socialist political party, seeking to elect persons committed, as the Labor Party members of Britain are committed, to the nationalization of the means of production, distribution, and exchange.

This may seem an unnecessary set of choices to us, because in fact they have had the consequence of leaving the basic structure of American society unchanged. But everywhere else in the world they have transformed it, because everywhere else where the labor movements are powerful—and where they are not powerful, there are regimes usually molded in the image of the European models—the consequence of the labor movement has been to nationalize and socialize the economy and to transform the political system and arrange it whereby the working class, which has a normal political majority, exercises that majority to direct politics in a class-state system.

Labor made those two commitments

in return for a third, and that is the third part or the third clause in this social contract: That labor should be free to negotiate for its workers as much as it can do, as effectively as it can, freely to get as much out of the American economic system as its free collective bargaining could bring it.

It seems to me, Mr. President, that labor has kept its agreement. It has not sought to transform the American economy. It has not sought to organize a political party of its own. And it has kept to its essential business of negotiating for the interests of its members in free collective bargaining at the bargaining table. For the rest, the American labor movement has been an extraordinary bulwark of liberties, both in this country and in this world. To this day, the AFL–CIO spends a quarter of its budget overseas, seeking the development of free trade unions overseas.

Mr. Solzhenitsyn spoke at Harvard University yesterday, and astonished the intellectuals, the elite, and the Brahmins of New England by some of the things he had to say about what he would want to change in this country. But I remind Senators that when Mr. Solzhenitsyn first appeared in this country, his first appearance was at a dinner, on July 31, 1975, at the offices of George Meany of the AFL–CIO. And what was the first organization in this country to publish a map of the Gulag Archipelago? The AFL–CIO. Documents published by the AFL–CIO in the 1940's named one link after another in that chain of forced labor camps across Asia. The AFL–CIO knew and cared.

The irony of all this, after half a century in which labor has been mostly true to its commitment, to its undertaking to that social contract, as I have chosen to call it, in an extraordinarily faithful way, not seeking to transform our economy, to set up a political party, in Samuel Gompers' phrase "rewarding friends and punishing enemies" in politics, which is the legitimate process in politics—Democrats have known support and Republicans have known support as they have responded to what seemed to be the interests of the voters involved—still, the labor movement has never been fully accepted into this country, which it has accepted and sustained and supported with such incredible devotion and affection.

When John Dunlop, Secretary of Labor to President Ford, wrote his book with Derek Bok, now of Harvard University, they observed that of all the institutions of American society, the labor movement was the one whose legitimacy was still the most challenged, still the least accepted.

And we have seen that evidence on the floor of this Senate in the course of the debate of these past 13 days.

We have come to the floor with a proposal which in no sense could be described as radical; which some persons might say was scarcely even innovative. It merely reaffirms the right to collective bargaining established under the Wagner Act in 1935. It does no more than reaffirm and refurbish a system that has been in place now through geologic time and convulsions in American life, and, of course, in the course of which our population has doubled, I believe.

I want to make certain I am correct. I believe this measure increases the membership of the NLRB from five to seven. At the time the population of the United States had barely passed 100 million we had five members, and now having passed 200 million in population we are adding two members to the NLRB.

Is the concept that the U.S. Government will be providing this mechanism for regulating collective bargaining? Not at all. We are just adding two members, making it a seven-member board instead of a five-member board, after having an increase of over 100 million people in the country. We are refurbishing the system to see that the original objectives proclaimed by the Congress in 1935 under the Wagner Act, authored by Robert F. Wagner of New York.

We do not assert any new objectives. We reaffirm the old ones and refurbish the mechanism for carrying them out. That is all.

And yet this is not accepted. This becomes the occasion for a prolonged debate which is clearly designed to prevent a free vote by what is clearly a majority. We had a clear majority yesterday on cloture.

It is under circumstances such as these that Lane Kirkland rose and asked, "Is there any reciprocity in this arrangement?"

He spoke, and I say he had the right to speak, to the representatives of great industries in this country who could not imagine running their industries without the labor movement, without the trade unions which provide an organized group of persons on the production side of the management-labor relationship with which to deal and handle complex matters, genuinely important. They provide a regime of stability, of predictability, of contract, of law, of legitimacy, to what was once the jungle of industrialization. They create community where there was only atomization.

The steel industry, the automobile industry, the chemical industry, the railroad industry, the major producers of capital goods and consumer products in this country could not live without their trade unions. But here they are, nonetheless, supporting an effort to prevent the simplest advances and refurbishment of the existing arrangement.

They do it in a situation where they have not known labor strife in a generation.

Next year, 1979, will mark 20 years since we have had a major industrial strike in the United States, a true strike. The coal strike was not industrywide. As Members know, the largest amount of coal in this country is mined by nonunion miners in the West.

We have had symbolic strikes in the automobile industry, 3 or 4 days. But the last true battle we had in industry was in 1959 in steel, where so much is begun, in steel, iron, and coal. Chief Justice Arthur Goldberg was the attorney for the steelworkers and William Murray still headed the steelworkers. That was a battle over existence. That was a question of who will survive. Will there be the kind of regime in industry which had existed?

One of the interesting things after that fight was that both labor and management wondered, "How did we get ourselves into such a situation where we tried to destroy each other?" They set up the participatory bargaining units that brought absolute peace to the steel industry.

For two decades there has not been a major instance of industrial strife in the United States—two decades without a major strike.

(Mr. MATSUNAGA assumed the chair.)

Mr. MOYNIHAN. This is because a mature and responsible arrangement has come into place. Labor has kept its part of the social contract.

I, for one, feel that Mr. Lane Kirkland was entirely within his rights to say, "Have we been misled? Are we wrong in thinking that the industrial centers of this economy judge the labor movement to be an institution of value, and judge industrial democracy to be important? When we ask these small refurbishments of the existing arrangement, the people with whom we have negotiated, bargained, and dealt for a half-century suddenly say, 'No, we do not want you to have anything like that.'"

Do they know what it is like not to have lived in a country where for two decades there has not been a single instance of industrial strife? Do they know another such country on Earth? No they do not. Two decades of responsibility and maturity on the part of the labor movement, has perhaps made them too confident of what they have and too little aware of what reality in the rest of the world is like.

When labor comes to the Senate, which so proudly in 1935 recognized the right of the American worker to bargain collectively, and asks only to refurbish the existing legislation, the giant industrial centers not only do not help, what clearly they ought to be doing, but they hinder. They associate themselves with the exacerbation of fear and misunderstanding that is not worthy of them.

I would like to suggest to my good friend from Utah—and I do not know that he knows Lane Kirkland though I hope he will meet him one day—he will not know a finer man, a man who went to sea in a time of war, an officer in the merchant marine, an officer in his union, and who has given his life to the trade union movement. There is not a more responsible man, not a more careful man, not a man of more proven devotion to this country and its purposes. It is a measure of his responsibility that he stood up and said:

> If the leaders of American business, having worked with us for a century, the large industrial unions a half century, at this moment are not with, do they realize what could come of a world in which the trade union movement was dropped and soured and diminished?

Do they not know what is at stake? Have they not seen the consequences elsewhere in the world?

It is not easy to tell people who have known peace what war can be. It is not

easy to tell people who have short memories what the 1930's were like, what West Virginia was like, what Harlan County was like, what Detroit and New York were like, in a world where there is terror of social division that comes of industrial strife.

Lane Kirkland, for the American labor movement, stood up and said to American business:

> You have dealt with us and we have dealt with you in good faith for a half century and, at this moment, you choose not to be neutral, but actually to aline yourself with forces that would not even see this small matter.

In terms of the provision of this legislation, there is nothing of consequence but the symbolic reaffirmation of the U.S. Congress to the principle of collective bargaining and industrial democracy as of the utmost consequence.

He spoke to his community not to threaten; in no sense did he threaten the U.S. Congress. He spoke to the people he had a right to speak to. He said:

> Is this what you mean? Are you prepared to let this go this way?

I think he was right. He could have been much stronger. One thinks of John L. Lewis' remark directed at President Roosevelt, when he said:

> It ill behooves a man who has supped at Labor's table and slept in Labor's house, to damn with fine impartiality both Labor and its enemies when they are locked in mortal embrace.

Lane Kirkland said nothing so strong. He said:

> Where is Henry Ford; where is United States Steel; where are the heads of the great chemical companies, the petrochemical companies? They know what the labor movement means to this world. Why are they not helping? Why let fear deminate a debate, why have fears of their own after generations of trust and competence and bargaining?

I say to my friend from Utah that Mr. Kirkland was speaking responsibly. He was speaking from experience. He is not a man who does not know about the world. The American labor movement has been struggling to keep industrial democracy and political democracy alive on five continents of the world. It has been doing it from 1891, when the American labor movement first sent a delegate to an international conference in Paris. As a matter of fact, Labor Day was first organized in Europe to support the 8-hour day movement in the United States.

Samuel Gompers drafted the charter of the International Labor Organization. And when Solzhenitsyn came to the United States, he came because the labor movement asked him. He stood up and said:

> When the whole world was blind to Stalin, except the labor movement, they published the maps of the Gulag.

He said that the labor movement is building monuments to commercial exchange in Moscow.

It is not the labor movement that is suggesting that we forget about places like Cambodia. They mean something to this country. They mean freedom, they mean democracy, they mean commitment to the institutions of representative government.

I respectfully suggest that Lane Kirkland spoke well and I am only surprised that he did not speak even more strongly than he did.

Mr. HATCH. Mr. President, I rise on this occasion to compliment the Senator from New York. On many of the comments he has made, I agree wholeheartedly. I believe that the trade union movement in America has been a very important, significant, and necessary movement in America. I agree that the trade union people are patriotic, decent, honorable, and hard working.

I also agree that the trade union leaders, by and large, the vast majority of them, are outstanding citizens and good people. I have a great deal of regard and admiration for Mr. Meaney; I have had all my life, as a matter of fact.

I read the same book review of the book about Samuel Gompers. I enjoyed that, because Gompers was a great man, no doubt about it, albeit he was criticized vastly because he seemed to be more interested in protecting the craft unions than he did the industrial unions. That was his nature, because he came up through the craft unions.

All I would like to say is that I congratulate the Senator from New York. Almost all that he has said I agree with. I agree that Mr. Kirkland is an excellent person. One of the people I enjoy most in the labor movement is a man named Bill Winpensinger. Bill is head of the International Association of Machinists. He is a tough guy and a good guy. I enjoy him and I have no doubt in my mind that Mr. Kirkland is a loquacious man and a good speaker for his cause. I believe that the speech he gave, for the most part, was a good speech. I do believe that there were some aspects of it—let me go further—that, maybe, were a little stronger than they should have been.

On the other hand, I think that, being one of the top trade union people and feeling that, perhaps, this bill really is as important as we know they have said it is, he could have been much more vitriolic than he was. I agree with the distinguished Senator from New York on that.

I do not think he would be justified, but I think he could have been, and I think could have abused the forum he was speaking to.

I do not consider his remarks in an abusive form. But I was concerned about some of his remarks and did make consequent remarks here on the floor of the Senate as a result of that concern.

I am also concerned when we have any segment of our society, which is really a minority segment, stand up and indicate that we may have difficulties in society because they do not get their way, and there was some degree of indication of that, as well.

Although the strength and power of the trade union movement has been enhanced considerably over the years to the point where I believe it controls the Congress, the Presidency, and the bureaucracy, I still believe that it is still a minority of the people in this country, approximating 20 percent of the nonagricultural employees.

But, in any event, what I want to say, without prolonging this unnecessarily, is that the distinguished Senator from New York, as usual, has made a good recitation of history. I think he has in many ways expressed the feelings of those who are leaders in the trade union movement today, with which I have a great deal of sympathy, and has indicated that they are decent, law abiding, patriotic persons in our society.

The only thing I would like to add is that I do not believe, as the Senator from New York does, that this bill is as simple or as easy or just as natural as he does, naturally. But I do believe that this bill or the substitute thereto, if enacted, is reason to cause every small businessman, in fact, every businessman in America and many employees, and I think the vast majority of all citizens, great concern.

If I did not believe this, I would not have been spending this much time on the floor.

I think the bill is injudicious and not appropriate for this country and will do nothing more, in one sense, than add to that already too great power here in Washington which I think dominates this society.

I think I would have no question about that if we keep the balance balanced. I would be just as vociferous and would stand here just as I did on the Senate floor, as I have the last couple of weeks and as have a number of colleagues, and fight against a big corporate domination of our society. I feel just as strongly about that.

I believe we have got to have this balance or this country is going to be in trouble. I think that is what this fight is about.

In conclusion, I want to thank the distinguished Senator from New York for his good remarks. I have enjoyed them, as usual. I think that for the most part they have been very accurate and, frankly, well received by me.

Mr. MOYNIHAN. It is for me to thank the Senator from Utah. I know how strongly he feels and how capably he has argued his case. It was characteristically generous, open, large of him, as big as that great outdoors he comes from, to hear some of the history and some of the concerns which animate the labor movement at this point.

LABOR LAW "REFORM": PUBLIC INTEREST OR UNION POWER?

● Mr. GRIFFIN. Mr. President, in the past, congressional debates over labor legislation have been among the most intense, controversial and bitterly fought of all legislative battles. The debate and controversy surrounding this bill is no exception to that tradition.

To illustrate the intense interest in this legislation, I might report that since this session began in January, I have received about 65,000 letters, postcards, and telegrams on the subject of labor law reform. Of these, roughly 24,500 have been in support of this legislation, and about 40,500 have been opposed to it.

As one who has been somewhat involved in the development over the years of labor legislation, I have a strong interest in the bill before us. Shortly after President Carter presented his proposals in this field to Congress last year, I expressed my agreement with the professed objectives of his program; namely, to make NLRB procedures fairer, prompter and more predictable, and to protect the rights of organized labor and management by strengthening NLRB sanctions against those who break the law. These are worthy goals—indeed, I have been pursuing such objectives since I came to Congress nearly 22 years ago.

Unfortunately, the bill which was introduced to achieve the President's objectives not only falls far short but is a biased and unbalanced piece of legislation that completely ignores workers' rights as well as the public interest. I cannot support it.

President Carter, Secretary Marshall, and other proponents of this bill have attempted to sell the legislation as merely a "procedural streamlining" of our labor relations laws. The implication is left that no basic changes in labor relations policy are really intended.

The kindest way in which I could characterize that representation would be: Hogwash!

Let us call a spade a spade. The primary purpose of this bill is to facilitate union organization. Period. The effect of its enactment would be to tilt the delicate balance of Federal labor policy in favor of union leaders and away from individual workers, small businessmen, and the public. This bill is concerned solely with promoting the rights and interests of unions as unions—as entities in and of themselves.

The greatest weakness and the most notable defect of this bill is not what is in it—but what is not in it. Ignored and left out of this bill is recognition that others besides unions need consideration and protection. In the rush to give unions more organizing muscle, this bill brushes aside the rights of individual workers and small businessmen, as well as the public.

The Washington Post emphasized these points in an editorial written shortly after the House of Representatives passed its version of the legislation:

> No one seems to talk in the workers' behalf. The union leaders, of course, claim that they do—and no doubt their predecessors once did. But the rhetoric of this debate underlines the degree to which much of organized labor now acts as an independent force, deeply concerned about its own internal and external needs, which sometimes are—but sometimes are not—the same as the needs of the people it is supposed to be representing.

In an earlier editorial, the Post again hit the nail squarely on the head when it pointed out that this legislation totally ignores abuses and wrongdoing by labor organizations—both against employers and against their own members:

> The legislation being considered today doesn't consider the other side of the coin. Employers are not the only malefactors in labor disputes Unions, too, sometimes break the law. This bill, put together by the Administration, its friends in the labor movement and their friends in the House, addresses only half of the problem . . . if the legislation passes in anything like its present form. Congress will only have strengthened the labor law partially and selectively and will have left a great deal undone.
>
> The Senate faces the major task of trying to turn this one-sided piece of legislation into the basic reform the labor laws need.

Unfortunately, the Senate thus far has not been equal to this challenge—since little of substance has been done to balance the impact of this legislation since those words were written.

Last August—shortly after the President sent his proposals to Congress—I introduced a bill (S. 1983) in an effort to be contructive as well as critical. My bill contains reform measures that are needed but are conspicuous by their absence from the President's bill. My legislation takes into account the rights of individual workers and the public interest.

In this presentation, I shall not attempt to speak to all of the reform proposals included in my bill. But I would like to point to some of the areas which cry out for reform but which are ignored by the legislation now before the Senate.

Recent experiences in the coal fields have underscored the need for effective measures to cope with the problem of violence associated with labor disputes. Sadly, there are many situations—such as the coal field violence of several months ago—in which local law enforcement agencies lack either the capability or the willingness—or both—to deal adequately with outbreaks of organized or sporadic violence. Although the violent activity may be local in a geographic sense. it can often have implications far beyond the locality in which it occurs. Recent violence in the coal fields, for example, was responsible for drastic reductions in coal output—reductions that our Nation can ill afford.

Federal sanctions against violence under current law simply are inadequate to do the job that is needed. Although violent conduct can result in an unfair labor practice, the only NLRB remedy available now is a cease-and-desist order. The Board will not order backpay awards for employees who are unable to work because of the violent conduct during a labor dispute.

Under existing law, violent activity that causes harm or damage to persons or property is not a Federal crime if it occurs in conjunction with a legitimate labor goal. Nor is there any Federal law that provides relief to persons injured by acts of violence where a labor organization is pursuing what the Board considers to be valid union objectives.

Despite these shortcomings in current law, there is nothing in the administration's proposals or the bill pending before us that addresses the serious need for reform in this area. The interests of the public in promoting a violence-free atmosphere in labor relations is ignored, and, equally as bad, the right of workers to be free from the fear of threats of retribution is likewise unmentioned. Proponents of the bill now before the Senate show no interest in compensating victims of violent conduct.

I believe this situation should be dealt with by making violent conduct an unfair labor practice warranting mandatory injunctive relief and providing the injured party—usually workers—with compensation for loss suffered as a result of such conduct. Such a provision is included in my bill.

Another area that is in desperate need of reform—but which is not addressed in the pending measure—is that of union disciplinary measures toward workers. Despite statutory provisions in current law that are supposed to protect the right of an individual worker to cross a picket line, court decisions have allowed unions to levy heavy fines against the worker who dares to exercise his rights.

I believe existing law should be amended to make it an unfair labor practice for a union to fine, threaten to fine, or otherwise punish individuals who merely exercise rights guaranteed to them under the National Labor Relations Act or an applicable collective bargaining agreement. My bill includes such an amendment.

Another right that I believe should be guaranteed to employees is the democratic right all Americans enjoy when they vote for their Government officials—the right to a secret ballot. I have never been able to understand how some Members of Congress can espouse the sanctity of secret ballots in their own elections yet oppose efforts to give the same right to workers.

Unfortunately, that is the situation today. Under current law, representation orders can be issued without employees ever having the opportunity to vote by secret ballot on the question of representation. Even more distressing is the fact that in some instances, NLRB representation orders have been issued in situations where a majority of the workers have actually voted against union representation.

I have proposed a reform in my bill to require secret ballot elections in all cases to insure that employees are given the right to accept or reject union representation.

In addition to amending provisions of the National Labor Relations Act, Congress should give serious attention to reforming and tightening up the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), known as Landrum-Griffin, which was designed to protect the rights of individual workers, and to "eliminate or prevent improper practices on the part of labor organizations, employers, labor relations consultants, and their officers and representatives which distort and defeat the policies of the Labor-Management Relations Act of 1947, and the 'Railway Labor Act.'"

As an author of Landrum-Griffin, I have been dismayed by the way in which this legislation has been implemented and enforced. Title I of the act set forth a bill of rights for workers, guaranteeing such basic rights as freedom of speech and expression, equal rights within the union, and protection of the right to sue without retribution.

Yet, the Department of Labor, charged with enforcement of Landrum-Griffin, has done little, if anything, to insure that the provisions of the act are carried out. As one critic has noted:

> The Labor Department should issue regulations specifying the procedures unions must use to educate members concerning their rights. But, the Labor Department is not in the business of making things tough on labor unions.

To make matters worse, if a worker goes to court to attempt to have his rights enforced, he must bear the costs, which often proves too heavy for most rank-and-file workers. This fact alone operates as a strong disincentive for workers to pursue their protected rights.

I would amend Landrum-Griffin to allow courts to award successful plaintiffs the costs of their attorney's fees. Such an amendment is particularly necessary and fair since the union, in most cases, uses union lawyers whose fees are paid for out of membership dues.

Title II of Landrum-Griffin requires all union entities to file reports with the Labor Department showing how much money the union has received, how much it has spent, and the purposes for which it was spent. These reports are known as LM–2 forms. Despite the fact that stories of union violations of these provisions are legion, the Department of Labor's enforcement of the reporting provisions has been extremely lax and it is often impossible for individual members to get this information.

Equally as bad is the Labor Department's enforcement—or lack thereof—of title IV of the act, which sets forth guidelines and safeguards for internal union election procedures. Since the passage of the act, the Department has failed to enforce vigorously the procedures of the act covering the election of officers to local, national, and international labor organizations.

I would amend LMRDA to transfer enforcement of title IV to the Department of Justice. Too often now, those responsible for enforcing the act come from the very unions they are supposed to police—it is like putting the fox in charge of the henhouse. As Joseph Rauh, former UAW general counsel and a strong advocate of union democracy, phrased it:

> You wouldn't put enforcement of the antitrust laws in the Commerce Department because that's business. And, you shouldn't put enforcement of Landrum-Griffin in the Labor Department because that's labor.

Mr. President, I have attempted here to outline some of the reforms that I believe should be addressed in a comprehensive labor law reform bill—but which are not included in the bill before us today. Now, let me discuss some of the specific objections I have to provisions that are in the pending bill.

To begin with, I do not accept a basic premise on which the proponents rely—that broad-brush reforms are needed to make NLRB operations more effective and efficient. Proponents of the bill would have us believe that the current law promotes delay, procrastination and litigation by employers in an overwhelming majority of cases; but the facts prove otherwise.

In 1976, the NLRB conducted a total of 8,899 elections with almost all ending in certification of the results—either a bargaining representative was certified or the Board certified that the union had failed to receive a majority of the votes cast. One might assume—particularly after listening to the proponents—that with this tremendous number of elections, many delays and much litigation and bitterness would have been prevalent.

This was not the case. Approximately 80 percent of all these elections were held pursuant to the consent of both parties, which eliminated the need for lengthy hearings and protracted litigation. Further, not only did the parties usually consent to elections, but the vast majority—over 75 percent—were conducted within a time period ranging from 12 to 45 days. And, almost all of the rest of the elections were conducted in a median time of only 75 days.

Considering the level of efficiency in other Government agencies, one might say that this was a pretty good record. In fact, the Board's record brings to mind the common sense retort made by the President's friend Bert Lance in response to one "reform" proposal. He said, "If it ain't broke, don't fix it."

Another major concern of mine is that this legislation would change the fundamental nature of our labor law policy—from remedial to punitive—with questionable rewards for employees. The remedial approach has been grounded in the traditions of the common law of contracts, and seems approriate since the nature of the relationship between employers and employees is essentially contractual.

I can agree that flagrant violators should be dealt with in a firmer fashion than is sometimes the case under current law. I do not defend the relatively few companies that have flouted or wilfully avoided our labor laws. The problem with the legislation before us, however, is that the punitive sanctions in the bill are drawn too broadly, and, in some instances, would defeat the very purposes for which they are intended. Indeed, it is highly questionable that these provisions would even serve to deter hardcore offenders. Where the delicate precision of a scalpel is needed to cure the patient, this bill would bring in a meat cleaver.

For example, section 9 of the pending bill would give backpay awards of one and one-half times the employee's wage rate to those employees who are discharged for union activities. The version passed by the House of Representatives would give a double backpay award. These awards would be mitigated by the amount the employee actually earns in the interim period between his discharge and reinstatement.

There is no question in my mind that when a worker is fired for union activities, he should recover everything lost as a result. I would go further and say that, in cases of clearly flagrant, bad faith dismissals, employers should pay a penalty and the discharged employee should be allowed an award that exceeds his true losses.

But, I have several problems with the backpay provisions of the pending bill. First, the provisions would apply indiscriminately to every case of employee discharged which the Board may subsequently find was motivated even in part by antiunion bias; the punishment would apply regardless of whether or not an employer had a good faith motive for dismissing the employee unrelated to union activities.

This is a particularly difficult situation for the small businessman because he may not have the financial resources to obtain the kind of expert legal help necessary to give him accurate guidance as to when he has proper grounds to risk firing an employee without incurring such liability.

The dilemma faced in these cases is illustrated by the comments of Dean St. Antoine and Professors Smith and Merrifield in their well-known text labor relations law:

> Perhaps the most troublesome aspect of these cases lies in the fact that overt acts of the kind which are part of everyday business management are laid open to interpretation as to motive and effect. It is not an exaggeration to say that *whenever* the employer makes a decision affecting adversely the employment situation of an employee who happens to belong to or to be interested in a union, and some other employee who happens not to belong to or be interested in a union is not similarly treated, a charge of discrimination *may be made* with the possibility that it will be sustained.

In such instances it is often very difficult for the small businessman to know what to do. And, I hasten to add, if it should turn out that the employer made the wrong decision in firing the employee, the employee deserves a remedy which will make him whole. But, it is equally clear to me that in the close, mixed bag cases, the remedy should be compensatory—and not punitive.

A provision in the pending legislation that would boomerang, if enacted, is the one that calls for 3-year Federal contract debarment as a penalty for certain employer violations.

Since contract debarment would not compensate the employees aggrieved by the employer's conduct, the remedy is purely punitive in nature. Further, its overall effectiveness is highly doubtful since it would be applicable only in the case of those companies that have Federal contracts.

Perhaps the most serious problem with the debarment remedy is not its intent, but its effect. This prospect was recognized by Mr. Louis Poulton, associate general counsel of the International Association of Machinists, AFL–CIO, when he told the House Labor Subcommittee:

> (Debarment) is directed at flagrant violators of the act. . . . (T)his procedure could, in our opinion, adversely affect the employees that we are attempting to protect. For example, if an employer flagrantly violates the act and has one contract, that being with the U.S. government, the loss of that contract would penalize employees rather than help them. It would mean that the employer would have to shut his doors and terminate his employees. How this remedy helps under these circumstances we cannot comprehend.

I echo and endorse Mr. Poulton's sentiments.

Let me turn to several other objections I have to the pending legislation.

First, there is a provision euphemistically known as the equal access provision. This provision would reverse a long history of NLRB and court decisions that have developed a delicate but pragmatic balance between the legitimate property rights and concerns of employers—particularly small businessmen who own their own business—and the fundamental first amendment rights of unions to make their case to employees.

The so-called equal access provision give additional advantages to union organizers who are already favored in representation campaigns under the current law. For example, employers now are severely restricted in what they can say to employees during a representation campaign, and as to how—and under what circumstances—they can say it. Expert guidance is needed and many smaller businesses simply do not have financial resources to retain such counsel. In stark contrast, union speeches during a campaign are virtually unrestricted.

In addition, employers are required to furnish unions with the names and addresses of their employers—the so-called Excelsior list—so that organizers can visit employees in their homes for the purposes of soliciting support. But, employers—even if they are social friends of their employees, as is often the case in small businesses—may not visit employee homes to talk against the union.

Giving union organizers the right to come onto company property during worktime at company expense would tilt the balance strongly in favor of union organizers—and would make the task of the small businessman in rebutting union campaign appeals much more difficult and expensive. The so-called equal access provision would also exacerbate tensions in an environment that may already be strained by adversarial conditions. If adopted, the amount of litigation arising out of representation elections would increase markedly. In fact, the NLRB itself estimates that it would require an additional 32 staff attorneys just to handle the flood of lawsuits which would be generated by the so-called equal access provision.

I object also to the self-defeating imposition in the pending bill of rigid, fixed deadlines for holding representation elections to determine whether employees wish to become or remain union members. The committee bill, for example, would require an election within 21 to 30 days of the union's filing of a petition stating that 50 percent of the employees had signed authorization cards. If 30 percent of the employees have signed the cards, an election would have to be held within 45 days.

Such limitations hardly give a small businessman enough time to mount an effective campaign to get his side of the story out. Equally important is the fact that these rigid time restrictions may not give employees themselves enough time to make an informed, rational decision. It must be remembered that unions hold the power to determine when an election will be held because they decide when to file the petition requesting the election. Union organizers often wait until a particularly discordant atmosphere exists among employees—perhaps centering on a single, transient issue—to file the petition. In such a situation, employees may make a decision in the heat of passion rather than at a time of careful thought. This possibility is greatly enhanced by this bill because rigid, artificial deadlines would be imposed and the employer would have only a brief period of time to address the concerns of his employees and rebut the arguments and promises made by the union.

The spectre of such tension-filled atmosphere stands in marked contrast to the situation that exists now. As I have pointed out, current procedures encourage harmonious elections through the consent of both sides. The expedited elections clause will remove much of the incentive for voluntary election agreements—agreements that help achieve and maintain goodwill, cooperation and stability in labor-management relations. Indeed, the NLRB general counsel predicts a 45-percent decline in the number of consent elections if these deadlines become law, and a doubling of the number of representation hearings that will have to be held.

Mr. President, I have enumerated some of the objections I have to the pending bill and I have suggested some of the reforms I believe should be included in labor reform legislation if it is to be worthy of such a title.

The fact is that to call the pending bill labor reform is both a hoax and fraud. It is a biased, one-sided piece of legislation that does not reform labor unions—but rather gives them additional powers and privileges—at the expense of individual workers, the public and small businesses. The bill ought to be rejected.●

THE GREAT ICE CREAM SWINDLE: PART II

Mr. MORGAN. Mr. President, recently I learned that the Department of Agriculture has wisely decided that it will not take action that could cost the consumers of this Nation up to $28 million a year in increased ice cream prices. I called for the cancellation of these proposed regulations in a speech to this body last May 5.

This decision could mean that ice cream will be up to 6 cents a gallon less expensive than it would have been had the USDA made some misinformed proposed regulations final.

Needless to say, another $28 million added to the Nation's grocery bills is a serious matter, particularly in these inflationary times.

While I commend the USDA for its wisdom in withdrawing its proposed regulations that would have created a new program of market grades for ice cream, I am still troubled that these regulations, which had no apparent support, were ever proposed in the first place.

My interest in this particular subject dates back several months. I supported the establishment of ingredient standards for ice cream, an issue that was addressed in the Food and Agriculture Act of 1977, an act which is now law.

When the USDA issued its regulations for ingredient standards, I naturally became interested. Obviously, I wanted to be able to assure the consumers of North Carolina and the Nation that safe, nutritious dairy products would continue to be used in the making of ice cream. While the USDA's regulations in this specific area, ingredient standards, proved very satisfactory, the Department decided to go one step beyond that.

The step beyond was the Department's decision to propose market grades for ice cream, a make-work proposal that had no discernible support from consumers, farmers, or the dairy industry. Anyone with much sense should realize that ice cream cannot be graded in the same fashion as fruits and vegetables or the other items that are routinely graded.

When I learned about this latest bureaucratic fiasco, I decided to protest on the floor of the Senate on May 5 in a speech entitled, "The Great Ice Cream Swindle of 1978."

Much to my surprise, I discovered that one part of the executive branch chose to get involved in this struggle against unnecessary growth. My ally was the Office of Consumer Affairs of the Department of Health, Education, and Welfare, the biggest bureaucracy of all.

I suppose that it is not particularly bad that one agency opposes another. As a lawyer, I appreciate the virtues of the adversarial process. But I do find the struggle, USDA versus HEW, on the matter of ice cream somewhat intriguing and, to be honest, somewhat amusing.

Perhaps the important thing here is that the USDA has backed off some bad regulations.

Early in my comments, I mentioned that these regulations would have cost consumers up to an additional $28 million annually in increased ice cream prices. This estimate is an industry estimate. The USDA itself has estimated that these regulations would have cost $12 million annually which does not sound like a whole lot but as someone said in the Chamber earlier a few million here and a few million there soon adds up.

More importantly, these regulations would have put small ice cream makers at a serious disadvantage against large ice cream makers. These regulations would have upped per-gallon costs an estimated 6 cents at small plants, 5 cents per gallon more than the grading costs of large plants.

It does not take much training in economics to understand how this would have impacted upon small ice cream makers. And this would have come at a time when we should be encouraging more small firms to enter the marketplace. I cannot say that these regulations would have driven some small plants out of the business, but I do not believe that this additional cost would have been constructive to healthy competition.

I trust that this is the last chapter of the "Great Ice Cream Swindle." And my

colleagues may be glad of that. I trust that my friends at the USDA have learned something from this exercise, that their decisions that cost money to consumers for unnecessary and uncalled-for endeavors do not always go unnoticed. I trust that the Department of Agriculture is unleashing some of the same imagination and energy in solving this Nation's nutritional problems, an area where we need creative ideas.

SOVIET AND CUBAN ACTIONS IN AFRICA

Mr. THURMOND. Mr. President, after visiting various towns and meeting with citizens of my State during the recess I find their views are well expressed in a recent editorial entitled, "The Time Has Come."

This editorial takes the position that our national leadership in Washington is lacking when it comes to meeting the threat we face in Africa.

I found this viewpoint widespread in my State. Therefore, I ask unanimous consent that this editorial which appeared in the May 26, 1978, issue of the Aiken Standard newspaper, Aiken, S.C., be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE TIME HAS COME

The unchecked intervention of Cuban troops in Africa, sustained and manipulated by the Soviet Union, is presenting the United States and the free world with a mounting challenge for which no meaningful response has been constructed. How to save newly independent and weak African nations from Communist colonialism has become a top concern of U.S. foreign policy.

The President's recent sharp denunciation of Cuba for acting under Soviet direction in sending troops into the Middle East as well as Africa suggests a new realism in Washington. This is a far cry from Mr. Carter's earlier efforts to normalize relations with Cuba and full circle from the balmy time last year when United Nations Ambassador Andrew Young described Cuban troops in Angola as being a "stabilizing influence."

But the next day after the President expressed the hope that Fidel Castro would withdraw his troops from Angola, Mozambique, South Yemen and Ethiopia, there were unconfirmed reports that Cubans were among invaders from Angola and Zambia who had crossed into mineral-rich Africa. American words, no matter how strong, are in themselves no match for such deeds and this is a simple measure of our dilemma of how to keep the African continent, with all of its vast raw materials, from being dragged into the Soviet orbit.

If the reports are true and Zaire is overrun, it would mean an almost solid Soviet-Cuban bridge across Central Africa, stretching from Angola's Atlantic coast to the Red Sea coast of Ethiopia. This huge bloc in turn would overshadow, and further isolate Rhodesia, which, it is feared, will be the next target of Cuban Troops.

Those troops are estimated to number more than 50,000; they are stationed in 15 African nations, where their influence ranges from outright control to low-profile military assistance. Soviet planes and modern weapons give them mobility and striking power far beyond what their numbers would warrant against poorly organized, ill-equipped native soldiers. Despite mounting casualties, Cubans are reported to be proud of the enlarged and threatening role on the world stage. And Castro is said to be delighted at his success as a missionary of communism. In any event, Castro is showing a complete willingness to do Soviet bidding in Africa in return for the $4 million Moscow spends every day to sustain Cuba's ailing economy.

No one can envy President Carter's task in fashioning a defense against further Soviet inroads in Africa. The bitter aftermath of our costly and futile effort to defend Southeast Asia from Communist conquest militates against direct American intervention in Africa, as the Kremlin well knows. The free world is yet to develop a formula whereby threatened nations are inspired to defend themselves with the same fanaticism as attacking native Communists or, as in the case of Africa, surrogate troops of another Communist nation.

Even so, the free world should not be helpless to act, lest it be nibbled to death. In the end, leadership must come from the United States. We suspect that countermeasures, perhaps in the form of military assistance, will not be forthcoming unless the American people perceive the danger they will face when Africa, or most of it, is added to the Eurasian land mass that has already fallen under Communist domination.

In the absence of forceful leadership in Washington, it is likely the President and Congress will act only in response to public opinion. We suggest the time has come for the American people to assert themselves.

EVENTS IN SOUTHEAST ASIA SINCE 1975

Mr. THURMOND. Mr. President, the relentless advance of Communist imperialism in both Southeast Asia and Africa must be resisted by more enlightened U.S. policies.

This country has vast economic and political levers it could pull to register our concern relative to the bloodbath in Cambodia, Zaire, and other countries. The time for new and firm policies is at hand.

The loss of freedom by the people in countries like Vietnam, Laos, Cambodia, Angola, Ethiopia, and Afghanistan should be of concern to the entire Western World as well as the United States.

These advances by Communist-dominated forces were recently chronicled by Patrick J. Buchanan in a column headlined "The Dominoes Fall in Southeast Asia," which appeared in the May 23, 1978, issue of the Chicago Tribune.

Mr. President, I ask unanimous consent that this article appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DOMINOES FALL IN SOUTHEAST ASIA

(By Patrick J. Buchanan)

WASHINGTON.—Three years have elapsed since this column began. And it would appear that the predictions of those of us dismissed as "Cold Warriors" have come to pass.

We argued that a collapse in Viet Nam would mean the loss of Southeast Asia, a Communist bloodbath, repercussions throughout the world.

In the spring of 1975 the dominoes—Cambodia, Viet Nam and Laos—fell. Today, from South Viet Nam, by the thousands each month, refugees set out in leaky boats into the South China Sea—half of them to a watery death. In Cambodia, a bloodbath has taken place which would have turned the stomach of Heinrich Himmler.

Beyond Asia, a Cuban expeditionary force has secured the Portuguese colony of Angola as a beachhead for the Soviet empire in Africa. Ethiopia, second most populous nation on the continent, has shifted from the West to the East bloc. Two weeks ago, a pro-Soviet coup occurred in Afghanistan, a blood insurrection which brings Russian power only a few hundred miles from realization of the tsarist dream of an outlet to the warm water of the Indian Ocean. Pakistan and Iran, overnight, were outflanked.

In March of 1976, 26 months ago, speaking for the United States, Secretary of State Kissinger issued this solemn warning: We "cannot" he declared, "acquiesce indefinitely in the presence of Cuban expeditionary forces in distant lands for the purpose of pressure and to determine the political evolution by force of arms. . . . We have issued these warnings before. I repeat them today. The United States will not accept further Cuban military interventions abroad."

Viewing the creeping McGovernism of American foreign policy, consulting the Soviets, Castro decided the United States was bluffing. He was correct.

Since the secretary's warning, Cuban troops have intervened in Ethiopia, crushed the Somalia invasion-rebellion, invaded Eritrea, trained guerrillas for operation in Southwest Africa, supported two invasions of the old Belgian Congo, moved in force into South Yemen, and assisted the guerrillas in Mozambique and Zambia, whose objective is overthrow of the black-white government in Rhodesia.

Last week, in massive retaliation, our President called Castro a Soviet puppet, a human rights violator who is "acting contrary to peaceful settlements of disputes that are inevitable in Africa, and that is an obstacle to any further progress between us and Cuba."

Take that, Fidel! One is reminded of the story of the cowboy who, after years of searching, finds the man who raped his wife, murdered his children, and burned his farm and confronts the villain in a bar with, "You just better watch that stuff."

But the President is an optimist. The Russians will fail in Africa, he suggests, because of their innate "racism," and their atheism. The same way the Kremlin's atheism has prevented domination of Catholic Poland and Hungary.

Once again, take an atlas down from the shelf.

The Western industrial machine is dependent upon minerals from Zaire, Angola, Southwest Africa, Rhodesia, and South Africa. Today, one of these has fallen to the Soviet bloc; three are under guerrilla assault, and the last, South Africa, was unanimously denounced by the United Nations—including the United States—when it retaliated against Cuban-supported terrorists in Angola.

Turn now to the Persian Gulf whence comes the oil on which the United States, and Europe especially, depend.

To reach Europe, oil coming from the Persian Gulf must either transit the Suez Canal or cross the Cape of Good Hope.

Going the former route it must enter the Red Sea through a narrow strait dominated by the Soviet client states of Ethiopia on the west bank and South Yemen on the east.

Going the Cape route, tankers must pass, on the east coast of Africa, through the Straits of Madagascar, dominated by Mozambique, and up the west coast—passing Angola. Meanwhile, the United States refuses to use the great naval base at Simonstown because of segregation in South Africa.

Saudi Arabia, with perhaps one-fourth of

the world's proven oil reserves, now looks north to Soviet-supported Syria and Iraq, south to South Yemen and west to Ethiopia. Oil-rich Iran looks west to Iraq, north to the USSR and east to Afghanistan.

However, rest secure. Our point man for African policy is Andrew Young, whose experience dealing with Communists and Third World thugs was obtained in sit-ins at five-and-dime lunch counters.

Years of American self-delusion and self-abasement have now made the hour ripe for the sort of confrontation with Communist power for which detente has left us unprepared militarily, morally, psychologically.

ADDRESS BY MRS. MAXIE S. GORDON

Mr. THURMOND. Mr. President, in a recent address commemorating the 25th anniversary of the Order of Eastern Star, Prince Hall Affiliation, Columbia, S.C., a very distinguished lady, Mrs. Maxie S. Gordon, made an inspiring presentation on the merits of family life.

Her thoughts were sound and her words were well-chosen. She described in terms clearly understood the strengths of family as being the foundation for our entire society. Furthermore, Mrs. Gordon, who spoke of her own 37 years of marriage, said the basis for good family life is a strong marriage. Recognizing that some people do encounter difficulties in married life, Mrs. Gordon pointed out the necessity for working to make a marriage successful.

She decried the growing occurrence of marital breakups which have become all too common in recent times, and urged a revitalized commitment to the family bond. Such a commitment, she said, is important to us both as family partners and as parents, providing the groundwork for stability today and in the years ahead.

Mr. President, the words delivered by Mrs. Gordon at the Eastern Star celebration go right to the heart of a national problem. In order that my colleagues may profit by her thoughts, I ask unanimous consent that the text of her address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY MRS. MAXIE S. GORDON

I wish to thank the committee for honoring me to be the speaker for our 25th anniversary. I am certain you could have found a better speaker, but I am not certain that you could have invited one who is any more sincere than I am. As I pondered for a subject I knew that most religious denominations were discussing and helping with world hunger. Energy and ecology are current topics, but I felt inclined to choose another subject that is also close and dear to all of us. It may be because I firmly believe "that the hand that rocks the cradle rules the world." If the women here tonight would rededicate themselves, and pray sincerely for others that we may have stability in the home again, we would be felt. "More things are wrought by prayer than this world dreams of."

Family feelings yesterday, today, and tomorrow (with very few projections for tomorrow).

WHAT IS A FAMILY?

For our purposes here tonight I feel that we can say a family is a succession of persons connected by blood, name, etc. This may include:

1. Grandparents.
2. Sisters and brothers.
3. Inlaws and the like.

Reread or rethink much of the book of Genesis, chapters 1, 2, etc. God's purposes for the family have been challenged but they have not been changed.

FAMILY FEELINGS YESTERDAY

Here, yesterday means 50 or more years ago. I didn't want to go back too far, lest you may think I can remember that far back. Some of this I read!

A. Yesterday's family, for the most part, felt that marriage was the proper foundation on which a family was built. (We all know there were some common law marriages when we were growing up, for we heard the old folks whispering about them). The fact that they whispered made us know there was a little something wrong with it, but children were not free to ask grown-up questions as they do now. If the preacher didn't marry you, then you probably went to a trial justice's office.

B. The feeling in those days you did everything in your power to make the marriage work. The early days of adjustment for some were harder than for others depending upon a number of factors (mostly how spoiled you were at home). Some of us realized that the persons we married had backgrounds not exactly the same as ours maybe, but we were willing to do some giving and taking. So you didn't think about running back home or quitting every time tongue and teeth fell out. Some old people warned their children, especially girls, if you make your bed hard turn over on it, don't come back here! Marriage was a serious business and was to be taken seriously. Not only did you think over it, but you also asked God's guidance that you might make a wise choice. Most couples discussed before marriage the possibility of children, not always really knowing but hoping they would be blessed with children to add to their complete fulfillment. If they were blessed with children they felt that it was their Christian responsibility to bring them up in the fear and admonition of God.

Parents 50 years ago were not financially able to give their children the material things they wanted, in some cases needed, but they took time to give them love and understanding. That's the reason you and I are here tonight because most of us grew up in a home where we felt loved, wanted, and that we belonged. That's worth more than things for children, maybe for grown-ups too.

Parents of 50 years ago practiced more of what they preached than we see now days. Children saw parents bow their heads before eating a meal. They didn't always understand the words uttered but they learned to imitate parents so they too bowed and muttered something. If they didn't call it family prayer, they asked God's blessings upon the food.

Parents 50 years ago taught little ones their prayers at an early age. When they got down on their knees, their children did too. How many of you learned?

Now I lay me down to sleep
I pray the Lord my soul to keep
If I should die before I wake,
I pray the Lord my soul to take. Amen.

Parents 50 years ago taught their children to respect their elders. If my brothers got a whipping at school and daddy knew it they got another one at home. Parents didn't believe a school teacher was ever wrong.

If an older person in the community told you to stop doing something that he thought was wrong and you didn't stop; if reported, you got a whipping. In many cases another older person could even whip you, and your parents thanked him. I could go on and on and you could add to the list, but I think I have said enough to give the younger persons here a glimpse of what families were like 50 or more years ago.

We all will admit there has been a tremendous change in family patterns.

It seems that the present generation, for the most part, feels that their parents and the world in general owes them an awful lot. So when it comes to marriage most girls saddle their parents with the debt of a fabulous church wedding, or go to the other extreme and move out from home and start shacking up.

I heard a lady say recently that she had stopped buying wedding gifts because so many of the couples don't stay together long enough for her to pay for the gifts, and for the others who do stay together she will buy something for the first child.

These persons shacking up have their side of the story also. They say you need experience to see if you are compatible.

See Ann Landers in the June 16, 1977 State paper. She says: "Love, marriage doesn't mean experience needed." A man responded to her article saying her advice was wonderful, that he and his wife were innocent when they married but they managed to learn things together and after 22 years they have 3 kids and a fantastic sex life.

A lady responded in a similar fashion: She and her husband were 17 and 20 when they married, both were green horns, but after 66 years they look back and smile. She said they have slowed down a bit, but not entirely!

A report from the Census Bureau by Paul C. Glick and Arthur J. Norton show that as of March 1977, almost two million persons were living with an unrelated adult of the opposite sex.

Reasons given:

1. Prolonged Vietnam war.
2. Peace time economy and post war family living.
3. Woman's lib—more liberal attitudes by religious groups and other organizations.

All of us have more material things than we have ever had before, as a result too many parents today give their children too many material things and too little of their time and attention. Just visit the average public school if you want a sampling as to how children are not reared.

Parents are so busy doing their own thing they hardly have time to rear the children they bring into the world. People in Africa still teach respect for their elders. Most of our children today have very little respect for parents, less for grand parents, and the teacher.

Fifty or more years ago grandparents if forced to could live with their children and grands, but today from the richest to the poorest, they find refuge in the rest home for the most part.

Parents really don't find time for their own children. Dec. 12, 1977 copy of record paper reported on 25 students interviewed at Dreher High School about their dating patterns and their parents' attitudes: It was revealing to know that some parents don't even ask their children 15 and 16 years old, "where they are going nor when they will be back." Some 15 year olds did say they are expected home from 2 to 3 a.m. One 14 year old girl said her parents had no objection to her enjoying two or three beers. Most agreed their parents objected to dope, and the youngsters agreed that it was important for parents to trust their children to build up an atmosphere in the home where parents and children can relate to each other.

Modern technology has eliminated all home chores and modern children are bored. Many from all types families leave home: Ann Landers says, go back hang the storm window, paint wood work, rake leaves, mow lawn, wash car, learn to cook, scrub the floor, repair the sink, build the boat, get a job, help the minister, priest or rabbi, help

Red Cross, help Salvation Army, study your lesson, and when you are through if you aren't too tired read a book.

Too many youngsters feel the world owes them so much more than they owe the world. So they squeeze their parents, grandparents and anyone else that they can and get away with. They show too little appreciation for courtesies shown as though it is no more than you should have done and why didn't you do more?

We are saying in substance that too many families have lost that closeness we enjoyed.

There is a ray of hope that after reviewing the picture Roots, some feel we are returning to some of the old customs and mores. Some families are practicing family reunions who have never bothered before to assemble in large numbers.

In spite of the enormous number of divorces and remarriages it was interesting to note in the State paper Jan. 11, 1978 an article entitled "Children Getting Into the Act of Parents' Weddings."

Eleven-year-old Lisa Gray (brother, Peter, 13 yrs. old) and David, 8 years old, were model attendants at their mother's, Church of Advent, Kennett Square, Peter says he didn't do too much, "I just stood up there and looked nice." He said standing through an Episcopal service was "kind of tiring" but being in a wedding was still lots of fun.

The same group of children had previously participated in their father's second marriage in Round Hill Community Church in Greenwich, Conn.

Peter, the son said, "I am getting the hang of it now." Well, in the eyes of parents this is better than sitting on the sidelines with the other members of the family. It is better to involve them as they, too, are expected to accept the new mate.

Marriage counselors and many ministers seem to think that much should depend upon the age of the child, how the child feels about the divorce, and their feeling about the new spouse.

Some feel that taking the vows with the child standing beside, as a symbol that the parent-child relationship remains intact, that is he/she is not being replaced as a union of two families and not simply a union of two individuals seems to appeal to divorced parents and children. Much of this will depend upon the emotional status of the children. No child should ever be forced or coaxed to participate against his or her wishes. It seems that the age of adolescence is the most difficult stage for a child to accept this type behavior. The adolescent is so involved accepting his or her own changing body, accepting his own new sexuality he is not ready to take on this much.

One 8½-year-old N.Y. girl remarked she thoroughly enjoyed:

1. Signing the license.
2. Cutting the cake.
3. Catching the bouquet when her mother threw it to her.

If our Society must live with divorces maybe we shall learn to accept this.

Frankly I don't see divorces disappearing for too many people enter into marriage too casually, same as taking a trip to N.Y. If I don't like it I'll soon be back.

Parents no longer teach their children to work. Wives can't cook. They have not learned to cook at home, and when the novelty of being married wears off the husband wants a home cooked meal.

Too many husbands are too immature to work to hold a job. They pick and choose, and often do not have the necessary skills to hold the kind of job they aspire to. Such couples are not ready to become parents. Many children in our public schools are victims of such circumstances. This increases problems for teacher.

It doesn't have to be this way. I am a living witness that married life can be beautiful. In the first place, I meant for my marriage to be permanent. I had no intention of going back to Antreville to hoe nor pick cotton! With all seriousness I have been married to the same person 37 years.

To share the story Rev. Gordon told of the student asking him how long he had been married? The answer was that 37 years is a long time in the eyes of old people or young people, but there is nothing:

1. Like the closeness, (2) the mutual support.
3. The deep affection and companionship that grow between a man and a woman who have fought the battles of life together for 37 years.
4. Pleasures are brighter because you share them.
5. Problems are lighter because you share them together.

Henry Drummond in his book "The Greatest Thing in the World" takes the 13th chapter of first corinthians and divides St. Paul's words into nine basic elements of what he calls the spectrum of love. And it looks like this:

1. Patience—"Love suffereth long."
2. Kindness—And is kind
3. Generosity—Love envieth not. . . .
4. Humility—Love vaunteth not itself. is not puffed up.
5. Courtesy—Doth not behave itself unseemingly.
6. Unselfishness—Seeketh not her own.
7. Good temper is not easily provoked.
8. Guilelessness—Thinketh no evil.
9. Sincerity—"Rejoiceth not in iniquity, but rejoiceth in the truth."

One important thing some people could do that may be helpful is to, "slow down" spend a litle more time with each other so as to know one another better.

Smiley Blanton, a psychologist said, marriage is a wonderful, challenging, endless drama, based on the great spiritual truth that love alone is useless, it has to be shared to be fulfilled.

While parents may divorce and remarry and go on living, but the member of the family we are most concerned about is the child.

We could spend hours talking about child abuse that is so prevalent, even in Columbia.

The State paper March 1, 1978 carried the story of a young man who had worked as a paramedic on a volunteer basis with the county ambulance service, he said he could handle accident victims, drownings, coronaries, but says he just isn't up to facing another abused child.

He said "Last night I held a beautiful 5 year old child in my arms who had been beaten so badly she looked as though she had been in a wreck. With her tiny hands clutched tightly around his fore finger, she managed to whisper, "I was bad," before she died.

How much further family life will deteriorate we do not know, but we pray O' God that thou wouldst help us, help our innocent children who do not ask to be born, it takes the respect and cooperation of both parents and children to have a happy home.

I close with this paraphrased poem by Alton H. Wilson, and I dedicate it to the finest husband in the world, except yours:

Lord, it hit me hard today.
It suddenly dawned upon me.
He chose me.
He gave his life to me.
He could have had his pick.
And he picked me.
He might have married a wiser woman
or a rich woman,
or a stronger woman
but he married me.
It awes me to know
He gave his life to me.
He follows me, soothes my nerves,
And sometimes cooks my meals.
He loves me when I am good,
And if I am bad . . . he loves me when I am bad.
Some how make up to him, Lord.
For all he missed by choosing me.
So, help me Lord, to be a good wife.

DUTY ON LEVULOSE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 727.

The PRESIDING OFFICER (Mr. MOYNIHAN). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5176) to lower the duty on levulose until the close of June 30, 1980.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment: On page 1, following line 5, strike the table and insert the following:

"907.90/Levulose (provided for in item 493.66, part 13B, schedule 4)/10 percent ad val./No change/On or before 6/30/80".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–796), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. SUMMARY

H.R. 5176, as amended by the committee, would temporarily provide (through June 30, 1980) a duty on imports of levulose of 10 percent ad valorem under column 1 of the Tariff Schedules of the United States (TSUS). Column 1 of the TSUS is applicable to Most-Favored-Nation imports: that is, imports from countries eligible for nondiscriminatory tariff treatment. The duty under column 2 of the TSUS, applicable to imports from most of the Communist countries, would not be changed.

II. GENERAL EXPLANATION

Present law.—Imports of levulose are dutiable under TSUS item 493.66 at a column 1 rate of duty of 20 percent ad valorem and a column 2 rate of duty of 50 percent ad valorem.

House bill.—H.R. 5176 as it passed the House would add a new item 907.90 to the

Appendix to the TSUS providing a column 1 and column 2 rate of duty of 1.9875 cents per pound on imports entered on or after the date of enactment and through June 30, 1980.

Committee amendments.—The committee amended the bill to provide a temporary duty of 10 percent ad valorem on column 1 imports of levulose, instead of a temporary duty of 1.9875 cents per pound on column 1 and column 2 imports of levulose as is provided in the bill which passed the House. This is expected to result in a duty payment under the committee bill of about 6 cents per pound.

Reasons for change.—Levulose is a sweetener produced by an expensive manufacturing process and used primarily in special dietary preparations and in chewing gum. There are claims that levulose may be of special value to diabetics and in the manufacture of sweetened articles not contributory to dental caries. The committee action on this bill should not be read as expressing a judgment on these claims.

There is no U.S. production of levulose. However, the Finn-Cal Fruit Sugar Co. of San Francisco, Calif., is in the process of building a plant expected to go into production in the early 1980's. Imports are primarily from Finland, and Finn-Cal, along with the C & H Sugar Co., import levulose from the Finnish Sugar Co. of Helsinki, Finland, co-owner of Finn-Cal.

The lowering of duties on levulose is considered not likely to create a competitive threat to products of the U.S. natural sweetener industry (for example sugar, dextrose, corn syrup, and so forth). The product is not likely to have much impact on other rare polysaccharides, or on noncaloric sweeteners such as saccharin or cyclamates. In particular, although levulose is known to be "sweeter" than sucrose sugar, its price is substantially higher than sugar and levulose does not compete with sugar.

The bill as it passed the House would temporarily reduce the duty on levulose to 1.9875 cents per pound, identical to the rate of duty on sugar at the time the House considered the bill. Since its passage by the House, the President has taken several actions with respect to the duty on sugar which result in the duty changing from time to time in a range substantially higher than 1.9875 cents per pound. Currently, the total import duties and fees applicable to sugar (about 6 cents per pound), if made applicable to imports of levulose, would be equivalent to approximately a 10-percent ad valorem rate of duty for levulose (about 6 cents per pound). The committee considers it appropriate to establish a 10-percent ad valorem rate as the temporary rate, given the nature of present duty on sugar and the stability and certainty provided by an ad valorem duty.

The committee also considers it unnecessary to change the present rate of duty under column 2 of the TSUS applicable to levulose. The present sources of imports of levulose are countries whose products are eligible for the rate of duty contained in column 1 of the TSUS. Additionally, no information is available to the committee about productive capacities and other aspects of levulose production in countries whose products are subject to the column 2 rate of duty.

ORDER FOR REFERRAL OF S. 3098

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. SPARKMAN, that when S. 3098 is reported from the Committee on Commerce, Science, and Transportation, it be referred to the Committee on Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. SPARKMAN. Mr. President, this legislation would give congressional approval of a 4-year bilateral fisheries agreement between the United States and Canada. It was introduced on May 17, 1978, and referred to the Committee on Commerce, Science, and Transportation. Under the Senate rules, this bill clearly falls into the jurisdiction of the Committee on Foreign Relations. It is my understanding that the Committee on Commerce, Science, and Transportation has no objection to this referral.

An identical House-passed version of this legislation (H.R. 12571) was jointly referred to the Committee on Foreign Relations and the Committee on Commerce, Science, and Transportation on May 26, 1978. The Committee on Foreign Relations has scheduled a hearing on this legislation on Tuesday, June 13, 1978.●

GRIM REMINDERS THAT THE NEED FOR THE GENOCIDE CONVENTION REMAINS

Mr. PROXMIRE. Mr. President, few people around the world will recognize tomorrow, June 10, as a day of mourning. The same cannot be said of those familiar with the towns of Lidice, Czechoslovakia, and Oradour-sur-Glane, France.

It was in those villages, on June 10, 1942, and 1944, respectively, that the Nazis committed two of the most barbarous acts of World War II, or any war. In Lidice, German security police murdered 172 men and boys by firing squad, and sent the women and children off to a concentration camp. Those who survived the slaughter had nothing to return to; the Nazis burned down the village, dynamited the ruins, and leveled them off.

Oradour's story is equally appalling. Using suspected espionage as a pretext, a German SS detachment herded the town's residents into a barn and a church. There, 2 years to a day after the massacre of Lidice, and only 4 days after the Allies' landing in Normandy, 642 people were machinegunned to death.

The atrocities perpetrated at Lidice and Oradour are but two in the terrible annals of man's mass murder of his fellowman. They were not, however, ignored. Most of the murderers were located and sentenced to death or imprisonment. As a monument to Hitler's so-called New Order in Europe, the two villages were never rebuilt.

Unfortunately, many other acts of genocide have been more easily forgotten. We must not forget these crimes. We must not allow them to be repeated. We must punish them.

The Genocide Treaty does exactly that, asserting that genocide is an international crime, "contrary to the spirit and aims of the United Nations and condemned by the civilized world."

Mr. President, it is high time we affirmed our membership in the civilized world by ratifying the Genocide Convention. Over 80 nations have already done so, leaving them to question the sincerity of our stated commitment to fundamental human rights.

For 30 years now, this treaty has been before the Senate, and in all that time, this body has yet to vote on this critical document. Having witnessed its endorsement by every President since Harry Truman, it is shameful for us to delay any longer. Let us ratify this treaty immediately.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 4:30 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 140. A joint resolution to authorize and request the President to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 12426. An act to authorize the Secretary of the Treasury to provide financial assistance for the city of New York.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 441. A concurrent resolution providing for the printing of the report "New Perspectives in Health Care for Older Americans."

H. Con. Res. 561. A concurrent resolution authorizing the printing as a House document the folder "The United States Capitol."

The message also announced that the Speaker appoints Mr. MOFFETT as an additional manager on the part of the House in the conference on the disagreeing votes of the two Houses on the bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to

the standards for flame resistance and corrosiveness of certain insulation, and for other purposes.

HOUSE BILL AND CONCURRENT RESOLUTIONS REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 12426. An act to authorize the Secretary of the Treasury to provide financial assistance for the city of New York; to the Committee on Banking, Housing, and Urban Affairs.

The following concurrent resolutions were read by their titles and referred as indicated:

H. Con. Res. 441. A concurrent resolution providing for the printing of the report "New Perspectives in Health Care for Older Americans"; to the Committee on Rules and Administration.

H. Con. Res. 561. A concurrent resolution authorizing the printing as a House document the folder "The United States Capitol"; to the Committee on Rules and Administration.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with reports, documents and papers, which were referred as indicated:

EC–3771. A communication from the Acting Comptroller General of the United States, commenting on the President's eighth special message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974, proposing a rescission of budget authority for $30 million, four new deferrals totaling $55.1 million, and revisions to two previously transmitted deferrals; to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, the Committee on Agriculture, Nutrition, and Forestry, the committee on Armed Services, and the Committee on Commerce, Science, and Transportation, jointly, pursuant to the order of January 30, 1975.

EC–3772. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Packers and Stockyards Act, 1921, to authorize value based tariffs; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3773. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the Final Report of the Task Force on Housing Costs; to the Committee on Banking, Housing, and Urban Affairs.

EC–3774. A communication from the General Counsel, Office of the Secretary of Transportation, commenting on S. 2166, to revise and improve the laws relating to documentation of vessels, and for other purposes; S. 2165, to revise and improve the laws relating to documentation of seamen; and S. 881, to simplify the tonnage measurement of certain vessels; to the Committee on Commerce, Science, and Transportation.

EC–3775. A communication from the Secretary of the Army, transmitting, pursuant to law, a report of the Chief of Engineers, dated 12 May 1978, entitled "Projects Recommended for Deauthorization—3d Annual Report; to the Committee on Environment and Public Works.

EC–3776. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed Legislation to amend title XIX of the Social Security Act; to the Committee on Finance.

EC–3777. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the Department of Defense's implementation of Public Law 93–365, section 2 (known as the "Nunn Amendment"), which required a reduction of 18,000 authorized military support personnel spaces in Europe in fiscal years 1975 and 1976 and permitted the Secretary of Defense to increase authorized combat spaces equivalently; to the Committee on Governmental Affairs.

EC–3778. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a follow-up report on the recommendations of the Presidential advisory committee on the report of the Board of Visitors to the Air Force Academy; to the Committee on Governmental Affairs.

EC–3779. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a follow-up report on the recommendations of the Presidential advisory committee on the report of the National Advisory Council on Extension and Continuing Education; to the Committee on Governmental Affairs.

EC–3780. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Overseas Private Investment Corporation for Fiscal Year Ended September 30, 1977, and Transition Quarter Ended September 30, 1976," June 7, 1978; to the Committee on Governmental Affairs.

EC–3781. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Lower Cook Inlet—Another Example of More Data Needed for Appraising Outer Continental Shelf Oil and Gas Resources," June 8, 1978; to the Committee on Governmental Affairs.

EC–3782. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Cargo Preference Programs for Government-Financed Ocean Shipments Could Be Improved," June 8, 1978; to the Committee on Governmental Affairs.

EC–3783. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on May 2, 1978, which would eliminate the bar against the recovery of damages for pain and suffering by the legal representative, administrator or executor of a deceased victim in tort actions, to eliminate the bar against recovery of damages for pain and suffering from the legal representative, administrator or executor of a deceased tortfeasor in tort actions, and for other purposes (Act 2–199); to the Committee on Governmental Affairs.

EC–3784. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Better Services at Reduced Costs Through an Improved 'Personal Care' Program Recommended for Veterans," June 6, 1978; to the Committee on Governmental Affairs.

EC–3785. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Benefits and Problems Associated with Improving the Ratio of U.S. Combat Troops to Military Support Personnel in Europe," June 7, 1978; to the Committee on Governmental Affairs.

EC–3786. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on May 2, 1978, which would authorize the Board of Education of the District of Columbia to adopt, alter and use a seal (Act 2–200); to the Committee on Governmental Affairs.

EC–3787. A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the Definition of Developmental Disabilities; to the Committee on Human Resources.

EC–3788. A letter from the Secretary of Labor, transmitting, pursuant to law, the first annual report of the Young Adult Conservation Corps; to the Committee on Human Resources.

EC–3789. A communication from the Director, Bureau of ESEA Title 1, Office of Funded Programs, Division of Community School District Affairs, Board of Education of the City of New York; transmitting pursuant to law, a document entitled "A Compendium of ESEA Title 1 Programs, 1976–77, 1977–78"; April 1978; to the Committee on Human Resources.

EC–3790. A communication from the Chairman, Administrative Conference of the United States, transmitting, pursuant to law, its report for 1977; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–687. A concurrent resolution adopted by the Legislature of the State of Delaware; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 9

"Whereas, millions of abortions are alleged to have been performed in the United States since the decision on abortions by the United States Supreme Court on January 22, 1973; and

"Whereas, the Congress of the United States has not proposed to date a 'human-life amendment' to the Constitution of the United States.

"Now therefore be it resolved that the House of Representatives of the 129th General Assembly of the State of Delaware, the Senate concurring herein, applies to the Congress of the United States to call a convention to propose an amendment to the Constitution that would protect the lives of all human beings including unborn children at every stage of their biological development.

"Be it further resolved that this application shall constitute a continuing application for such a convention pursuant to Article V of the Constitution of the United States until such time as the Legislatures of two-thirds of the States shall have made like applications and such convention shall have been called by the Congress of the United States.

"Be it further resolved that copies of this concurrent resolution be presented to the President of the Senate of the United States, the Secretary of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States, and to each member of the Congress from Delaware attesting the adoption of this concurrent resolution by the 129th General Assembly of the State of Delaware."

POM–688. A memorial from the Young Crusaders, First United Methodist Church, Lafayette, Louisiana, relating to the death of the late Senator James Allen of Alabama; laid on the table.

POM–689. A memorial from the Greek Orthodox Archdiocese, New York, New York, relating to the death of the late Senator James Allen of Alabama; laid on the table.

POM–690. A memorial from the Government of Chile, relating to the death of the late Senator James Allen of Alabama; laid on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Special report submitted pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95-928).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HELMS (for himself, Mr. EASTLAND, and Mr. RANDOLPH):

S. 3188. A bill to establish a National Office of Maternal and Child Health and a National Advisory Council on Maternal and Child Health, to promote the efficient administration of health care programs for mothers, infants and crippled children, and for other purposes; to the Committee on Finance.

By HASKELL (for himself and Mr. HANSEN):

S. 3189. A bill to further amend the Mineral Leasing Act of 1920 (30 U.S.C. 201(a)), to authorize the Secretary of the Interior to exchange Federal coal leases and to encourage recovery of certain coal deposits, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (for himself, Mr. EASTLAND, and Mr. RANDOLPH):

S. 3188. A bill to establish a National Office of Maternal and Child Health and a National Advisory Council on Maternal and Child Health, to promote the efficient administration of health care programs for mothers, infants, and crippled children, and for other purposes; to the Committee on Finance.

MATERNAL, INFANT, AND CRIPPLED CHILDREN'S HEALTH REFORM ACT OF 1978

Mr. HELMS. Mr. President, no better example of the use of preventative medicine to reduce the rising cost of health care can be found than in the area of maternal and infant health care. Although maternal and infant health care programs are not inexpensive, the cost of not implementing these programs is even more expensive to the individual involved and society as a whole.

Dr. Archie Johnson, Jr., president of the North Carolina Pediatric Society, puts the alternatives this way:

> You either are going to pay for a child early in life and get an intact individual or you are going to pay one quarter of a million dollars for institutionalization, special education and rehabilitation later in life for a child with retardation.

Dr. Johnson suggests that the cost to the taxpayers can be as much as 600 percent more for such additional services than for the cost to provide simple and basic care during pregnancy and the newborn period.

States which have implemented special newborn care centers have witnessed a decline in infant mortality rates of up to 50 percent. Reductions of up to 50 percent in the rates of retardation, cerebral palsy, and other adverse consequences of prematurity have been achieved as well. As many as one-third to one-half of the children in special infant care centers are there as a result of injuries or conditions which could have been prevented. The major problem affecting these children is brain damage caused by the lack of oxygen from respiratory distress following premature birth. Experience indicates that nearly 40 percent of the infants who require some degree of intensive care at birth, but who do not receive that care, will have significant brain damage.

A number of scientific and medical studies have indicated that premature births are associated with a lack of prenatal care. Studies in New York City, the District of Columbia, and at the Johns Hopkins University Hospital in Baltimore strongly suggest that the rate of prematurity significantly declines with as little as two or three visits to health facilities for prenatal care.

Often States with large rural populations face the most difficult problems in delivering health care services to mothers and infants. For example, my own State of North Carolina suffers one of the worst infant mortality rates in the Nation. Its infant mortality rate is higher than 47 other states. In 1976, more than 2,400 babies died before birth or during their first month of life. Many of these deaths could have been prevented. In 1974, North Carolina developed a pilot program to respond to this situation and there are now plans in the general assembly to expand that program.

However, this problem is not limited to North Carolina. While the United States experienced in 1975 its lowest death rate ever—890 deaths per 100,000, the death rate for those under 1 year of age was nearly double—1,641 per 100,000. The death rate for children under 1 year of age was only surpassed by the death of those between the ages of 65 and 79 years. However, the problem is not uniform throughout the United States. Mortality rates for black children under the age of 5 are almost twice as high as they are for white children. The infant mortality rate in the Southeastern United States is 32 percent higher than the rate among the West Coast States.

Mr. President, while significant steps have been taken in response to these problems and States like North Carolina are developing new and more extensive programs to meet local needs, much can also be done at the Federal level. Federal programs intended to provide health care services to children and mothers have multiplied in recent years. Such health care programs are scattered throughout the Department of Health, Education, and Welfare, as well as other departments. More than a dozen health care programs expressly serve children while others care for children as part of a large population.

Title V of the Social Security Act has been the dominant legislation for health care programs to mothers and children during the past four decades. In addition to providing maternal and infant care assistance, title V provides aid to hundreds of thousands of crippled children including children with palsy, fibrocystic disease, congenital heart disease, epilepsy, muscular dystrophy, and major orthopedic problems. Recently, a special committee of the American Academy of Pediatrics reported that the objectives of title V are not being fully realized because of the lack of a single, competent office in the Federal Government responsible for the administration of health care programs for children and mothers.

Today, I am introducing legislation intended to provide for better administration of maternal and infant care programs and to increase Federal assistance to those areas which need it most. I am honored to have as cosponsors of this legislation the distinguished Senator from Mississippi (Mr. EASTLAND) and the distinguished Senator from West Virginia (Mr. RANDOLPH).

The Maternal, Infant and Crippled Children Health Reform Act of 1978 will increase the assistance which these mothers and children receive by more fully coordinating the assistance programs administered by the Department of Health, Education, and Welfare; providing that health care needs are more properly identified; and providing high risk areas with priority status for funding.

The bill establishes a National Office of Maternal and Child Health within the Department of Health, Education, and Welfare to improve maternal and child health care programs by better coordination of the activities of Federal programs and to assist the States in improving their programs.

The bill establishes a National Advisory Council on Maternal and Child Health to review and advise the Secretary of Health, Education, and Welfare concerning proposed regulations, policy matters, and the administration of title V. In addition the National Council shall conduct a study of the national maternal and child health care delivery system and health care needs to be submitted to the President and the Congress by 1980. An important aspect of the National Advisory Council is that a majority of its membership is composed of practicing physicians with experience in those areas of medicine affected by title V programs.

Finally the bill amends title V to reform the formula for the allotment of Federal aid. Presently, a substantial portion of the funds authorized for distribution under title V are made available "according to the financial need of each State for assistance in carrying out its plan." The bill would provide further that such distribution also be made "according to the need of each State to reduce the infant or perinatal mortality rate, giving priority to the funding of programs intended to reduce such mortality rates in States which had an infant or perinatal mortality rate which exceeded the national average."

Mr. President, I ask unanimous consent that the bill I am introducing, the Maternal, Infant and Crippled Children's

Health Reform Act of 1978 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Maternal, Infant, and Crippled Children's Health Reform Act of 1978".

FINDINGS

SEC. 2. The Congress finds that—

(1) Each year, many mothers, infants, and children suffer from preventable illness or from crippling illness as a result of the limited availability of health care services.

(2) The health programs for mothers and infants assisted under title V of the Social Security Act directly affect most of the public health programs for mothers, infants, and children in the Nation; the program for crippled children assisted under title V of the Social Security Act is the major health system for providing special services unique to children with crippling diseases; and the programs for providing comprehensive services for high risk pregnant women and children living in underserved areas have been instrumental in improving the health of those served. Consequently, the efficient administration of these programs is necessary to assure a healthy future for all pregnant women, infants, and children.

(3) Steps should be taken to promote the national goal that all pregnant women, infants, and children have access to adequate health services, since—

(A) births to women under age 16 increased 80 percent between 1960 and 1975;

(B) low birthweight infants are born to women under age 15 twice as often as those over age 20;

(C) 28 percent of pregnant women begin prenatal care after the first trimester or have no such care at all; and

(D) low birthweight babies are more common among women who receive no prenatal care.

NATIONAL OFFICE OF MATERNAL AND CHILD HEALTH

SEC. 3. Title V of the Social Security Act is amended by adding at the end thereof the following new section:

"NATIONAL OFFICE OF MATERNAL AND CHILD HEALTH

"SEC. 517. (a) There is hereby established in the Department of Health, Education, and Welfare an identifiable unit known as the National Office of Maternal and Child Health (hereinafter in this section referred to as the 'National Office'). The National Office shall—

"(1) monitor the operation of this title in the several States and evaluate the effectiveness of State programs in providing maternal and child health care services under this title;

"(2) seek to improve maternal and child health care services through coordination of the activities of Federal health agencies with respect to material and child health and crippled children's services;

"(3) develop, with the advice and assistance of the National Advisory Council on Maternal and Child Health, guidelines for use by States in the development of State plans pursuant to section 505;

"(4) develop, with the advice and assistance of the National Adivsory Council on Maternal and Child Health, an organized system of data collection and retrieval which shall serve as a central source of information related to the health of mothers and children and to the health services available to them under this title, to be implemented at national and State levels and coordinated to serve national, State and local areas;

"(5) provide technical assistance to any State in carrying out its plan approved under this title (including consultation, conferences, demonstration, and evaluation); and

"(6) develop a long-range program for carrying out the purposes of this title, to be implemented by the States on a voluntary basis, including provisions for comprehensive maternal, infant, and child health care services and designation of priorities for program deve'opment.

"(b)(1) The National Office shall be headed by the Director of Maternal and Child Health (hereinafter referred to in this section as the Director) who shall be appointed by the Secretary. The Director, in accordance with the applicable laws and provisions governing the Civil Service, may employ and prescribe the functions of such staff as are necessary to carry out the provisions of this section.

"(2) In carrying out his duties under this title, the Director is authorized to make grants to any public or nonprofit agency, organization, or institution, and to enter into contracts with any such agency, organization, or institution, or with any individual.

"(c) For the purpose of carrying out the provisions of this section there are authorized to be appropriated such sums as may be necessary for the fiscal year beginning October 1, 1978 and for each succeeding fiscal year.".

"NATIONAL ADVISORY COUNCIL ON MATERNAL AND CHILD HEALTH

SEC. 4. Title V of the Social Security Act is further amended by adding after section 517 (as added by section 3 of this Act) the following new section:

"SEC. 518. (a) The Secretary shall appoint a National Advisory Council on Maternal and Child Health (hereinafter in this section referred to as the 'National Council') which shall consist of fifteen individuals including the Assistant Secretary for Health of the Department of Health, Education, and Welfare, who shall serve as Chairman. The remaining members shall be individuals who are not otherwise employed by the United States, and who are specifically qualified to serve on such Council by virtue of their education, training or experience, and shall include at least eight persons who are practicing doctors of medicine, one practicing doctor of osteopathy, and one practicing doctor of dentistry, each of whom shall be recommended by appropriate national professional organizations and licensed in a State as a practicing doctor of medicine, osteopathy, or dentistry.

"(b) Each member of the Council (other than the Chairman) shall be appointed for a term of four years, except that—

"(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(2) of the members first appointed, five shall be appointed for a term of four years, five shall be appointed for a term of three years, and four shall be appointed for a term one year, as designated by the Secretary at the time of appointment. A member may serve for the expiration of his term or until his successor has taken office.

"(c) A member of the National Council (other than the Chairman) shall receive for each day he is engaged in the performance of the functions of the Council compensation at a rate not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule; and any member while so serving away from his home or regular place of business, may be allowed travel or transportation expenses in the same manner as such evpenses are authorized by section 5703 of title 5, United States Code, for persons in the government employed intermittently.

"(d) The National Council shall—

"(1) advise and assist the Secretary in the preparation of regulations for, and on policy matters arising with respect to, the administration of this title;

"(2) consider all State plans developed for approval by the Secretary pursuant to section 505, and make recommendations to the Secretary with respect to such approval;

"(3) review the long-range program;

"(4) assist the National Office of Maternal and Child Health in developing guidelines under section 517(a)(3) and data systems under section 517(a)(4); and

"(5) perform such other duties as are appropriate in advising and assisting States and the National Office of Maternal and Child Health.

"(e) The National Council shall meet as frequently as the Chairman deems necessary but not less than two times annually. Upon request of four or more members, it shall be the duty of the Chairman to call a meeting of the National Council.

"(f)(1) The National Council shall appoint an Executive Director who shall be compensated at a rate fixed by the National Council, but which shall not exceed the rate established for level V of the Executive Schedule by title 5, United States Code.

"(2) In addition to the Executive Director, the National Council shall have the power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of title 5, United States Code, governing appointments to the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(g) In carrying out its duties under this section, the National Council, or any duly authorized committee thereof, is authorized to hold such hearings, sit and act at such times and places, and take such testimony, with respect to matters with respect to which it has a responsibility under this section, as the National Council or such committee may deem advisable. The Chairman or any member authorized by him may administer oaths or affirmations to witnesses appearing before the National Council or before any committee thereof.

"(h) The National Council may secure directly from any department or agency of the United States such data and information as may be necessary to enable it to carry out its duties under this section. Upon request of the Chairman, any such department or agency shall furnish any such data or information to the National Council.

"(i) The General Services Administration shall provide to the National Council on a reimbursable basis such administrative support services as the National Council may request.

"(j) For the purpose of carrying out the provisions of this section there are authorized to be appropriated such sums as may be necessary for the fiscal year beginning October 1, 1978, and for each succeeding fiscal year.".

STUDY ON MATERNAL AND CHILD HEALTH CARE DELIVERY

SEC. 5. (a) The National Advisory Council on Maternal and Child Hea'th shall conduct a study of the Federal health programs for mothers, infants, and children. The study shall—

(1) include the collection of information about the cost, efficiency, and effectiveness of the State maternal and child health programs and the State crippled children programs, as well as the cost, efficiency, and effectiveness of all other Federal programs

concerned with the health of mothers and children;

(2) make suggestions on how Federal health programs for mothers, infants, and children can be coordinated or consolidated;

(3) evaluate the extent to which, and reasons why, care for which individuals are eligible under title V of the Social Security Act has not been adequately provided; and

(4) make recommendations for improving the delivery of health care services made available under title V of the Social Security Act to eligible individuals, including any recommendations for bringing such care to individuals in health care shortage areas.

(b) In carrying out the study the National Council shall invite the participation of other Federal departments and agencies having related responsibilities and interests, State governments, medical associations, and insurance carriers.

(c) The National Council shall make a report on this study and forward the report with such recommendations as it deems appropriate to the Congress and the President on or before January 1, 1980.

ALLOTMENTS TO STATES HAVING AN INFANT OR PERINATAL MORTALITY RATE WHICH EXCEEDS THE NATIONAL AVERAGE

SEC. 6. (a) Section 503(2) of the Social Security Act is amended by inserting after "according to the financial need of each State for assistance in carrying out its plan," the following: "and according to the need of each State to reduce the infant or perinatal mortality rate, giving priority to the funding of programs intended to reduce such mortality rates in States which had an infant or perinatal mortality rate which exceeded the national average in the last preceding year for which statistics are available,".

(b) Section 503 of such Act is further amended by inserting "(a)" after the section designation and adding at the end thereof the following new subsection:

"(b) For purposes of this section—

"(1) the term 'infant mortality rate' means the number of deaths to infants under one year of age per 1,000 live births; and

"(2) the term 'perinatal mortality rate' means the number of deaths to fetuses of 20 or more weeks gestation, and the number of deaths to infants under seven days of age, per 1,000 live births.".

By Mr. HASKELL (for himself and Mr. HANSEN):

S. 3189. A bill to further amend the Mineral Leasing Act of 1920 (30 U.S.C. 201(a)), to authorize the Secretary of the Interior to exchange Federal coal leases and to encourage recovery of certain coal deposits, and for other purposes; to the Committee on Energy and Natural Resources.

COAL LEASING AMENDMENTS

● Mr. HASKELL. Mr. President, I am today introducing a bill to amend the coal provisions of the Mineral Leasing Act of 1920. The bill contains three provisions which would give the Secretary of the Interior additional administrative latitude to manage Federal coal lands.

The Subcommittee on Energy Production and Supply, which I chair, held several days of oversight hearings in late 1977 and early 1978 on Federal coal leasing policy. During the course of these hearings and subsequently, information came to my attention which led to the bill which I am introducing today.

The first change would permit the Secretary of the Interior to exchange existing coal leases or permits covering lands which, in his judgment, should not be developed for environmental reasons or because of conflicts with other land uses, for new leases on which development would not involve unacceptable environmental consequences.

President Carter's May 23, 1977, environmental message stated that he was directing the Secretary of the Interior to review existing leases and preference rights and to consider a program of exchange of environmentally unsatisfactory leases for environmentally acceptable coal lands of equivalent value. I have worked with the Secretary in drafting the provisions permitting such exchanges which are incorporated in the bill I am introducing today.

The authority which the Secretary would receive should this legislation be enacted would be supplementary to this existing authority pursuant to the Surface Mining Control and Reclamation Act of 1977.

By providing the Secretary of the Interior additional authority to exchange leases and permits, it is my belief that existing rights on Federal coal lands can be rearranged such that the amount and nature of the coal under lease will more closely reflect the production requirements from Federal coal lands.

A second change in the law which would be made by this bill, deals with rights-of-way across Federal land. The Federal Land Policy and Management Act of 1976 gives the Secretary the authority to grant rights-of-way over, upon, under, or through Federal lands. However, this act also provides that any minerals extracted as a result of exercise of a right-of-way permit may only be removed subject to the laws governing removal of such minerals.

A number of coal companies have advised me that they require Federal rights-of-way to obtain access to coal deposits for mining purposes. However, to exercise these rights-of-way, it will be necessary to remove small amounts of Federal coal. The Mineral Leasing Act of 1920 provides that coal can be leased only through competitive bidding. In instances where mining of small amounts of Federal coal would be necessary incidental to exercise of a right-of-way, it does not make sense to require an applicant to go through the competitive leasing process. Therefore, the bill which I am introducing today would give the Secretary the authority to negotiate the sale of the coal which would be removed. Such a change in the law should facilitate the more rapid development of both Federal and non-Federal coal deposits.

A third change which this legislation would make in the Mineral Leasing Act of 1920 has to do with the ability of a Federal lessee to obtain a modification of his lease by obtaining up to an additional 160 acres of Federal land. The provision permitting lease modifications was retained by the Federal Coal Leasing Amendments Act of 1975 to avoid bypassing small amounts of Federal coal which, should modification not be possible, might never be mined.

In retaining this provision in the law, the Congress determined that, should a lessee obtain a lease modification, both the additional lands and the lands of his original lease would become subject to the new provisions of the act, including a provision placing a mandatory 12.5 percent royalty on all surface-mined coal.

Several companies have indicated that this provision encourages bypass situations because they are unwilling to pay a higher royalty rate on existing leases in exchange for obtaining the rights to an additional small parcel of Federal coal land.

The bill would change this situation by providing that leases which are modified would not become subject to the requirement of 12.5 percent royalty as a result of a modification. However, any lands obtained by modification would be subject to this requirement. This change should encourage companies to apply for lease modifications since the favorable terms of their existing leases would not be jeopardized.

I would like to thank Senator HANSEN and the Department of the Interior in working with me in drafting this legislation. It is my hope that the Committee on Energy and Natural Resources and the full Senate will approve it expeditiously.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2(a)(1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201(a)(1)) is further amended by adding the following paragraph at the end thereof:

"Notwithstanding the requirement in this section that leases be awarded by competitive bidding or any other provision of this or any other Act to the contrary, the Secretary is authorized to acquire Federal coal leases or rights to federal coal leases by purchase at fair market value as determined by him, by exchange for another coal lease, or by condemnation, subject to the provisions of subparagraphs (i) through (iv) of this subsection. The authority granted by this paragraph is in addition to and does not restrict the existing authority of the Secretary to acquire coal and other mineral leases and rights to leases by exchange for another Federal mineral lease, or for bidding rights to Federal mineral leases.

(i) The acquisition authority granted in this subsection may be exercised by the Secretary only upon a determination by him that (a) development of the lease would result in unacceptable damage to other resource values including archeological values or significant adverse environmental, social, and economic impacts in the vicinity of the lands covered by the lease or proposed lease, and the public interest would be better served by acquisition of the lease or right to lease in question than by development of the existing lease or proposed lease, or (b) development of the lease would conflict with a specific proposal for use of the land for a public purpose and such use was not considered by the Secretary prior to issuance of the prospecting permit or lease.

(ii) This subsection does not require or obligate the Secretary to take any action or to make any commitment to a lessee or lease

applicant with respect to issuance, administration, or development of any lease.

(iii) If the Secretary decides to acquire an outstanding coal lease or right thereto by exchange, he is, authorized to accept relinquishment of a lease issued under this Act, the Mineral Leasing Act for Acquired Lands (30 U.S.C. 271–276), or the Railroad and Other Right-of-Way Leasing Act of May 31, 1930 (30 U.S.C. 301–306) or a right to issuance of such a lease, in whole or in part, and to issue to the lessee or lease applicant, in exchange therefor, a coal lease which the Secretary determines to be a lease of comparable value. Leases issued pursuant to the exchange provisions of this subsection are subject to the provisions of this Act except as otherwise provided expressly in this subsection.

A new lease issued in accordance with this subsection shall become effective only upon relinquishment of the outstanding lease or right to a lease.

(iv) The Secretary shall issue such rules and regulations and establish such procedures as he deems necessary to carry out the provisions of this section. Such rules and regulations shall include but need not be limited to: requirements concerning information which must be submitted by a lessee or lease applicant and requirements for public participation with respect to any proposed exchange including public meetings or hearings where the Secretary deems them necessary.

Section 2. Section 2(a)(1) of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 201(a)(1)) is further amended by striking the period at the end of the first sentence and inserting in lieu thereof the following:

": *Provided*, That notwithstanding the competitive bidding requirement of this section, access may be granted for tunnels or surface rights-of-way through coal deposits subject to obtaining the fair market value through negotiated sale and subject to the conditions which the Secretary may deem appropriate."

Section 3. Section 3 of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 203) is further amended by adding, after the word "contiguous", the words "or cornering" and by deleting the period at the end of the second sentence thereof and adding the following clause:

"except that nothing in this section shall require the Secretary to apply the minimum royalty provisions in Section 7(a) of this Act (30 U.S.C. 207(a)) to any lands covered by the modified lease prior to such modification."●

● Mr. HANSEN. Mr. President, I join with my distinguished colleague, the Senator from Colorado, (Mr. HASKELL), in introducing a bill which amends and fine tunes the coal provisions of the Mineral Leasing Act of 1920 as amended.

I wish to emphasize that the proposed changes have been thoroughly discussed and aired in several committee hearings on the Federal coal leasing policies. The changes suggested are generic and for the public good. If adopted, the removal of coal near areas that are currently being mined, but would be bypassed for economic reasons, will be allowed. Exchange of leases would be facilitated allowing mining to occur where it should occur and not in environmentally unacceptable areas. It would give the Secretary of the Interior the authority to negotiate the sale of coal removed in rights-of-way and accesses. It allows for exchange of coal leases where mining should occur because of valid public uses such as highways overlying coal deposits.

In short, if passed the bill could help close the gap between the production requirements from Federal coal lands and projected availability of coal that can be mined.

I thank Senator HASKELL, Tom Laughlin of the Energy Committee staff and the Department of the Interior for their help in preparing this legislation.●

ADDITIONAL COSPONSORS

S. 1880

At the request of Mr. HELMS, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1880, to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States.

S. 1967

At the request of Mr. ROBERT C. BYRD, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 1967, regarding periodic reporting of social security contributions by States and interstate agencies.

S. 2306

At the request of Mr. WILLIAMS, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 2306, to establish a national system of reserves for the protection of outstanding ecological, scenic, historical, cultural, and recreational landscapes, and for other purposes.

S. 2388

At the request of Mr. PACKWOOD, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2388, to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain employer educational assistance programs.

S. 2779

At the request of Mr. BROOKE, the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 2799, the Public Housing Security Demonstration Act of 1978.

S. 2843

At the request of Mr. HELMS, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 2843, the Gold Medallion Act of 1978.

S. 3111

At the request of Mr. PACKWOOD, the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 3111, to allow taxpayers to deduct charitable contributions whether or not they use the standard deduction.

At the request of Mr. MOYNIHAN, the Senator from Montana (Mr. MELCHER), and the Senator from Michigan (Mr. GRIFFIN) were added as cosponsors of S. 3111, to amend the Internal Revenue Code of 1954, to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 3164

At the request of Mr. BAYH, the Senator from Wisconsin (Mr. NELSON), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 3164, the Citizen's Privacy Protection Amendment to the Civil Rights Act of 1964.

SENATE RESOLUTION 468

At the request of Mr. BROOKE, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Texas (Mr. TOWER), the Senator from Indiana (Mr. LUGAR), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Senate Resolution 468, relating to the President's intended visit to Panama.

AMENDMENT NO. 2445

At the request of Mr. WILLIAMS, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of amendment No. 2445, proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2449

At the request of Mr. KENNEDY, the Senator from Connecticut (Mr. WEICKER), the Senator from Arizona (Mr. DECONCINI), and the Senator from Montana (Mr. PAUL G. HATFIELD) were added as cosponsors of amendment No. 2449 intended to be proposed to S. 2850, a bill to establish the National Home-Delivered Meals Act of 1978.

SENATE RESOLUTION 477—SUBMISSION OF A RESOLUTION TO DISAPPROVE THE MEAT IMPORTS QUOTA SUSPENSION

Mr. CULVER submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 477

Whereas, until recent months American cattlemen have suffered substantial financial losses for several years.

Whereas, cattle herd liquidations of recent years have reduced the potential supply of beef worldwide,

Whereas, restoration of ample beef supplies will require that cattlemen receive prices sufficient to recover recent losses and to expand their herds,

Whereas, the President has announced his intention to suspend the quota on meat imports under section 2 of the Act of August 22, 1964, and has announced that the United States will permit the import of an additional 200,000,000 pounds of meat this year in excess of the quantity which may be imported under such section before quotas are required,

Whereas, a 200,000,000 pound increase in the quantity of meat imports offers little potential for reducing retail beef prices, and

Whereas, such an increase in meat imports could reverse cattlemen's current intentions to rebuild their herds and restore beef supplies to ample levels, thereby posing the threat of even lower supplies and higher prices in the future: Now, therefore, be it

Resolved, That the Senate disapproves the suspension of the quota on meat imports under section 2 of the Act of August 22, 1964 (Public Law 88–482) and in announcing that the United States intends to permit the import of an additional 200,000,000 pounds of meat this year in excess of the quantity which may be imported under such section before quotas are required.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President of the United States.

MEAT IMPORT QUOTAS

● Mr. CULVER. Mr. President, I am submitting today a resolution expressing the Senate's disapproval of the President's intention to suspend the quota on meat imports and to permit 200 million additional pounds of meat to be imported by the United States this year.

The President made his plans known yesterday, indicating that his action was an attempt to combat inflation by holding down beef prices through increased imports. I believe that the evidence shows that if the President does carry through on this action there will be no appreciable short term effect on retail prices. Cattlemen, however, who until very recently have been losing money consistently, will be seriously damaged and in the long run consumers will suffer as well.

Under the meat import law and the voluntary restraint agreements currently in effect, the United States would allow about 1.2 billion pounds of meat subject to the law to enter the country. This makes up about 7 percent of total U.S. meat consumption of 26 billion pounds annually. It is evident that an additional 200 million pounds is a very minor increment. In fact, only yesterday Secretary of Agriculture Bergland said that the additional meat would not even be noticed in the retail market.

The facts support the Secretary's statement. Data on meat imports so far this year show that we have since February been importing meat at a rate that would have brought an additional 200 million pounds in by the end of the year anyway, unless the quotas were maintained and imports cut off in November. I have prepared a table showing monthly imports under the Meat Import Act for calendar year 1974 through May 27, 1978. I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection. the table was ordered to be printed in the RECORD, as follows:

IMPORTS OF MEATS SUBJECT TO PUBLIC LAW 88-482, BY MONTH, FROM JANUARY 1974 THROUGH MAY 27, 1978

[In millions of pounds]

Month	1974	1975	1976	1977	1978
January	118.0	135.5	117.6	92.8	79.2
February	82.3	97.5	92.2	97.8	100.3
March	104.9	106.0	147.4	107.0	150.8
April	91.4	86.1	94.7	103.2	132.6
May	80.6	75.8	104.4	102.9	[1] 128.0
June	78.6	100.9	120.0	91.5	
July	59.4	104.3	87.5	91.4	
August	101.4	112.8	82.3	133.8	
September	91.8	114.6	109.6	117.1	
October	72.3	85.2	135.8	85.9	
November	93.2	121.7	106.6	107.9	
December	105.2	68.6	33.6	120.3	
Total	1,079.1	1,208.9	1,231.7	1,250.2	

[1] May 1, 1978, through May 27, 1978.

Source: U.S. Department of Agriculture.

Mr. CULVER. Mr. President, beginning in February and accelerating through March, April, and May, exporting nations began shipping meat to the United States at a substantially higher rate than could be sustained throughout the year under the voluntary restraint agreements. Half of the 1978 quota was shipped in the first 5 months of the year.

Beef prices reached more profitable levels early this year. It is not surprising that other nations stepped up their shipments to take advantage of the more profitable situation. The higher rate of imports does not violate the law and quota levels could easily have been maintained by stopping imports later in the year when the quota was reached.

It is significant, however, that this higher rate of importation, aimed at holding down future increases in retail beef prices, has been taking place during the very period when beef prices were increasing. The higher volume of beef has been in the market for 4 months and retail prices have continued to rise. How then can we expect a continuation of what has already been occurring to bring prices down? The answer is simple—it will not happen.

I would also like to note that live cattle prices rose during this period of increased imports. This indicates that the additional imports should already have had their impact on live cattle prices. Yet we see that since rumors began of official action on meat imports, the live cattle market has dropped $4 to $5 a hundred pounds.

It is evident that any retail beef price decrease as a result of the President's decision will be based not on a change in real supply and demand in the beef market but on the anticipation by the industry of future Government action.

Even if these declines in live cattle prices ultimately bring reduced retail beef prices, which is unlikely, such decreases are not likely to exceed a few cents a pound. Cattlemen, on the other hand, will suffer lost income of millions of dollars at a time when they are only beginning to recover from almost 4 years of absolute losses.

The Department of Agriculture reports that cattlemen have lost money during 15 of the past 23 quarters. Cattle herds have been cut back from 122 million head to 116 million head and the decline is expected to continue until next spring.

Iowa cattlemen have, until this week, been telling me that they were planning to increase their herds and work toward restoring our Nation's beef supplies. They are beginning to pay off the notes accumulated over the past 4 years. They were optimistic about the future. I am not hearing this optimism now. I am hearing the exact opposite. I am hearing frustration that I did not hear even at the bottom of the past slump when almost every cattleman in Iowa was losing $100 on every head he sold.

The President's announcement places an unnecessary burden on cattlemen who have sold beef at below cost to American consumers for 4 years. It denies them a fair return after their long perseverance against forces over which they had no control.

If the current climate of pessimism prevails, the decline in cattle numbers will continue past next spring and imports will not be able to stem the tide of price increases American consumers will face in 1979 and 1980. If we want adequate meat supplies in this Nation, the message must go out, loud and clear, that cattle producers should be allowed the reasonable profit they deserve. The resolution I am introducing today is a part of that message.

I hope my colleagues in the Senate will join me in sending this message, and I urge the President to retract this plan before irreversible damage is done to both cattlemen and consumers.●

SENATE CONCURRENT RESOLUTION 91—SUBMISSION OF A CONCURRENT RESOLUTION URGING THE PRESIDENT TO SEVER RELATIONS WITH CUBA

(Referred to the Committee on Foreign Relations.)

Mr. BARTLETT. Mr. President, for several years I have maintained a keen interest in the affairs of Africa and its newly founded nations. On several occasions, I have been fortunate enough to journey there and receive a first-hand account of the trials that fledging African nations must weather, while securing a stable economic and political system.

Naturally I have viewed the recent events in Africa with great concern and apprehension. It seems obvious, even to the most casual observer, that there is a rising tide in Africa, which if not tempered or arrested, will only foster further chaos and deny the nations of Africa their right of self determination and the opportunity for economic prosperity, that they so desperately need.

Mr. President, the tide of which I am speaking is the escalating Soviet-backed Cuban military presence in Africa, which has repeatedly demonstrated its aggressive intention to disrupt and interfere with the internal affairs of African nations. I would submit to my colleagues, that this military presence, often taking the form of active combat, not only threatens the secure borders of African states but also presents national security challenges to the United States and other nations of the West.

The record of Cuba, as surrogate to Soviet designs, is one of repeated military agitation not only on the African continent but in our own hemisphere as well. In fact, it was in the face of American opposition, that Cuba abandoned its program fostering Communist insurgency in Latin America and turned its attention to greener pastures in Africa, where there was considerably less of an American presence.

It is not my purpose here to build a case against the Cubans. The Cubans have done that for themselves. Cuba currently maintains thousands of troops in Angola and Ethiopia, where it continues to intervene in the domestic affairs of those nations. The tenuous internal settlement in Rhodesia, which seeks to replace a longstanding minority regime, with a government founded on majority rule, faces its only real opposi-

tion from terrorist forces trained and supplied by Cuba and the Soviet Union. Additionally, Cuba maintains military personnel and advisors in 12 other African nations, besides the ones I have just mentioned, whose placement can only serve to threaten the security of their neighbors.

The most recent episode where Cuban forces were heavily implicated, bespeaks the nature of Cuba's current role in Africa. In the Shaba Province of Zaire innocent nationals, both black and white, were massacred, private property was looted or destroyed, and Zaire's copper mining operation, which supplies 70 percent of the world's cobalt was shut down indefinitely. To round out the shameful debacle, the President of the United States and the American people, according to our best intelligence reports, were lied to by the leader of the Cuban Government.

In my own humble estimation, it is time that the United States resorts to more than rhetoric in dealing with the Cubans. Today I place before the Congress a concurrent resolution urging the President of the United States to take tangible diplomatic, yet peaceful steps, designed to discourage Cuba and the Soviet Union from further military activity in Africa.

Mr. President, I call for the sense of the Senate and the House of Representatives that President Carter sever existing diplomatic and economic relations with Cuba and stem any other official acts toward the normalization of relations with Cuba, until such time as Cuba removes combat military forces from Africa.

Since early 1977, there have been significant movements toward reestablishing normalized diplomatic relations with Cuba; the most important to date being the exchange of notes of May 30, 1977. This informal agreement provided interest sections for the United States in the Swiss Embassy in Havana, and for the Cubans in the Czechoslovakian Embassy here in Washington.

There has also been a limited amount of U.S. technological trade with Cuba by American subsidiaries, via third party nations.

The recent movements for normalized political and economic relations have not developed out of a 17-year hiatus without cause. The Cuban economy is in a shambles. Cuban officials have actively courted American business in hopes of rebuilding tourism, foreign investment, and trade opportunities.

Eighty-five percent of Cuban foreign exchange earnings are derived from sugar; and given the depressed price of sugar on the international exchange, their economy has fared poorly. Plans for industrial and agricultural diversification have failed. Cuba continues to have the highest per capita foreign indebtedness of any country in Latin America, with over 40 percent of its yearly foreign exchange earnings in hard currency going to pay the interest and principal on its external debt. They would like to see the flow of American dollars into their country continue and increase. They would be hurt if the current flow was stopped, and disheartened at the prospect of not having more American dollars.

The President of the United States, in stemming normalized relations with Cuba, would establish the first primary linkage between Cuba's military presence in Africa and their desire for political and economic favor with the West. Mr. Castro must learn, as any other reasonable participant in the world community, that he cannot have his cake and eat it too. He must be told that Cuban forces cannot go marauding through Africa without sacrificing diplomatic and trade relations he is seeking at home.

Perhaps in the meantime, Mr. Castro might learn that he can best solve his unemployment problems by promoting trade and industry at home instead of shipping soldiers abroad to interfere in the affairs of African nations.

I have formerly been encouraged by recent humanitarian concessions made by Mr. Castro, en route toward improved trade and political relations. Yet this movement, which would be to Cuba's greater gain, must be supplanted in favor of restoring order and the removal of impending threats to the security of African nations and the rest of the world.

The adoption of this resolution would have no binding legal effect on the President of the United States. Indeed, it should encourage him to take a freer hand in creatively exercising his powers over foreign policy. This resolution merely expresses the sense of Congress that first things be placed first, that tangible political pressures be applied before military initiatives. Mr. Carter should hear from the Congress our disapproval of Soviet-backed Cuban military activity in Africa, and move in the manner suggested by this resolution. In addition, he should encourage other leaders of the Western community to recognize these threats to world peace, and to take similar action.

Mr. President, I am aware that President Carter has inferred that Congress has bound his hands in dealing with the problems in Africa. That may be the case as far as the Clark amendment pertaining to Angola is concerned. But concerning the resolve clauses in this resolution, that is not the case. The President is fully empowered to take action seeing that the beginnings of the diplomatic relations, established by interest sections in both Havana and Washington, be dispensed with, that they be eliminated, and that the trade betwen Cuba and our country likewise be terminated.

This, I think, is the kind of first step of getting the attention of Cuba and, hopefully, of getting some action on their part that would indicate to the rest of the world that Cuba was, as a nation in the world, exercising its influence in a constructive way.

Hopefully it would use its talent and its money and its people to help the trade and the economics of the African countries, rather than interfere in their private relationships.

Mr. President, in this resolution I do not offer a comprehensive program designed to resolve the complex problems of national determination in Africa. However, I do believe that consideration and approval of this resolution does lend a direction, provide an initiative, and create an environment by which the United States can be an active participant in bringing peace to Africa.

Mr. President, I send to the desk a concurrent resolution sponsored by myself with 28 cosponsors, and ask that it be read.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The second assistant legislative clerk read as follows:

Mr. BARTLETT (for himself, Mr. BAKER, Mr. BELLMON, Mr. CHILES, Mr. CURTIS, Mr. DANFORTH, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. GARN, Mr. GOLDWATER, Mr. GRIFFIN, Mr. HANSEN, Mr. HATCH, Mr. HAYAKAWA, Mr. HELMS, Mr. LAXALT, Mr. LUGAR, Mr. MCCLURE, Mr. NUNN, Mr. RANDOLPH, Mr. ROTH, Mr. SCHMITT, Mr. SCHWEIKER, Mr. SCOTT, Mr. STEVENS, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, Mr. YOUNG, and Mr. ZORINSKY) submits a concurrent resolution (S. Con. Res. 91) expressing the sense of the Congress that the President should sever existing diplomatic and economic relations with Cuba until such time as Cuba removes its military forces from Africa.

Whereas Cuba, by its military presence, continues to intervene in the domestic affairs of Angola and Ethiopia, and threatens the national security of other African countries;

Whereas Cuba has actively sought to upset an internal settlement of political disputes in Rhodesia by sending troops and arms to train and supply terrorist forces operating inside and outside Rhodesia;

Whereas a Cuban military presence continues in Algeria, Angola, the Congo, Ecuatorial Guinea, Ethiopia, Guinea, Guinea-Bissau, Libya, Mozambique, and Sierra Leone, and poses security threats throughout Africa;

Whereas the Cuban military presence in Africa has been linked repeatedly to unprovoked rebel incursions in Zaire and Rhodesia, resulting in considerable loss of life and property;

Whereas Cuba has nearly tripled the number of Cuban military personnel serving in Africa in the past year and gives no indication that the disturbing presence of such personnel will be tempered or diminished;

Whereas the Government of Cuba has reportedly issued a second callup of military reservists, the intent of which may be to further their military presence in Africa;

Whereas the President of the United States authorized the exchange of notes of May 30, 1977, between the governments of the United States and Cuba, which established an Interests Section for the United States in the Swiss Embassy in Havana and an Interests Section for Cuba in the Czechoslavakian Embassy in Washington, D.C., in an effort designed to move toward normalized diplomatic relations;

Whereas the President is authorized to limit trade with Cuba being conducted by subsidiaries of American firms acting in third party nations under the Export Administration Act of 1969;

Whereas the President of the United States has the power to sever all diplomatic and economic relations with Cuba;

Whereas the Congress deems the removal of a Cuban military presence in Africa of paramount importance to the security of the United States and the world: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President should—

(1) recall the United States Interests Sec-

tion from Cuba and expel the Cuban Interests Section from the United States,

(2) deny any license for commercial trade or export to Cuba under the Export Administration Act of 1969,

(3) reverse any other action toward the normalization of relations with Cuba, and

(4) defer any further official actions toward normalization of United States relations with Cuba,

until such time as all Cuban military forces are removed from Africa.

Mr. BARTLETT. Mr. President, I ask that the concurrent resolution be referred to the proper committee for consideration.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution was referred to the Committee on Foreign Relations.

AMENDMENTS SUBMITTED FOR PRINTING

TAX LAW REFORM—S. 1989

AMENDMENT NO. 2454

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HASKELL submitted an amendment intended to be proposed by him to the bill (S. 1989) to reform the tax laws of the United States.

● Mr. HASKELL. Mr. President, on August 3, 1977, I introduced S. 1989, a bill to reform the tax laws of the United States. Based on the reforms, I intended that the maximum tax on unearned income be reduced from 70 to 50 percent; also, the minimum tax on preference items be eliminated.

Due to an inadvertent drafting error, the reduction from 70 to 50 percent was not included, and a section which disallows deductions for certain preference items, a provision of a different bill, was inserted.

Therefore, Mr. President, I would like to take this opportunity to correct these errors. I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 8, beginning with line 22, strike out through the matter appearing between lines 15 and 16 on page 12.

On page 12, line 16, strike out "SEC. 107." and insert in lieu thereof "SEC. 106.".

and insert in lieu thereof "SEC. 108.".

and insert in lieu thereof "SEC. 107.".

On page 15, line 15, strike out "SEC. 109." and insert in lieu thereof "SEC. 108.".

On page 16, line 9, strike out "SEC. 110." and insert in lieu thereof "SEC. 109.".

On page 20, line 14, strike out "SEC. 111." and insert in lieu thereof "SEC. 110.".

On page 26, line 4, strike out "SEC. 112." and insert in lieu thereof "SEC. 111.".

On page 27, line 8, strike out "SEC. 113." and insert in lieu thereof "SEC. 112.".

On page 28, line 5, strike out "SEC. 114." and insert in lieu thereof "SEC. 113.".

On page 28, line 19, strike out "SEC. 115." and insert in lieu thereof "SEC. 114.".

On page 29, line 11, strike out "SEC. 116." and insert in lieu thereof "SEC. 115.".

On page 53, strike lines 14 through 17, and insert in lieu thereof the following:

SEC. 201. MAXIMUM INCOME TAX RATE OF 50 PERCENT.

(a) IN GENERAL.—

(1) The table appearing in subsection (a) of section 1 (relating to married individuals filing joint returns and surviving spouses) is amended by striking out everything after the item relating to taxable income over $43,200 but not over $47,200 and inserting in lieu thereof the following:

"Over $47,200---------$14,060, plus 50% of excess over $47,200.".

(2) The table appearing in subsection (b) of section 1 (relating to heads of households) is amended by striking out everything after the item relating to taxable income over $38,200 but not over $40,200 and inserting in lieu thereof the following:

"Over $40,200---------$12,240, plus 50%, of excess over $40,200.".

(3) The table appearing in subsection (c) of section 1 (relating to unmarried individuals (other than surviving spouses and heads of households)) is amended by striking out everything after the item relating to taxable income over $28,200 but not over $34,200 and inserting in lieu thereof the following:

"Over $34,200--------- $10,290, plus 50% of excess over $34,200.".

(4) The table appearing in subsection (d) of section 1 (relating to married individuals filing separate returns) is amended by striking out everything after the item relating to taxable income over $21,600 but not over $23,600 and inserting in lieu thereof the following:

"Over $23,600--------- $7,030, plus 50% of excess over $23,600.".

(5) The table appearing in subsection (e) of section 1 (relating to estates and trusts) is amended by striking out everything after the item relating to taxable income over $20,000 but not over $22,000 and inserting in lieu thereof the following:

"Over $22,000-------$7,030 plus 50% of excess over $26,000.".

(b) Effective Date.—The amendments made by this section shall apply with respect to taxable years beginning after the date of enactment of this Act.●

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1979—S. 3151

AMENDMENT NO. 2455

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to the bill (S. 3151) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1979, and for other purposes.

NOTICES OF HEARINGS

HEARINGS ON ZURCHER VERSUS STANFORD DAILY LEGISLATION

● Mr. BAYH. Mr. President, recently I introduced the Citizen's Privacy Protection Amendment to the Civil Rights Act. This legislation is designed to establish special procedures for searching and seizing evidence of a crime when that evidence is in the possession of a person not implicated in any criminal activity. A special exception to this approach is incorporated when there are specific indications that the evidence to be sought might be hidden or destroyed.

The Citizen's Privacy Protection Amendment of 1978 is a response to the Supreme Court's decision of last week in the case of Zurcher against Stanford Daily. In that decision the majority held that the police armed with a warrant could, forcibly and without notice, search a person's business or home for evidence of a crime even if that person is in no way suspected of complicity in that crime.

Mr. President, at this time I would like to announce that the Subcommittee on the Constitution will hold hearings on legislation concerning the implications of the Zurcher decision (S. 3162 and S. 3164) on June 22 at 9:30 a.m. in room 2228, Dirksen Senate Office Building.

Anyone wishing to submit testimony for the hearing record should send his or her statement to or contact Kevin O. Faley, Subcommittee on the Constitution, 102–B Russell Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, the Subcommittee on Federal Spending Practices and Open Government is announcing that the hearing room and meeting times for the upcoming hearings have been changed.

The oversight hearing on the Government in the Sunshine Act (Public Law 94–409) will be held on Tuesday, June 13, at 9:30 a.m., in room 2228, Dirksen Building. The hearing on the Contract Disputes Act of 1978 (S. 2787) will be held on Wednesday, June 14, at 9 a.m., in room 2228, Dirksen Building.

For further information regarding these hearings, please contact Mr. Ronald A. Chiodo, subcommittee chief counsel and staff director.●

ADDITIONAL STATEMENTS

JIM ALLEN

● Mr. SPARKMAN. Mr. President, on Tuesday of this week, 35 Members of this body, joined by a number of Members of the House of Representatives and congressional staff members, attended the funeral of our late colleague, Jim Allen, in Gadsden, Ala. Our own Chaplain, the Reverend Edward L. R. Elson, officiated with the assistance of the Reverend O. B. Sansbury, host pastor at the First United Methodist Church of Gadsden.

I ask that a copy of the funeral service for Senator Allen, including eulogies offered by Senator HARRY F. BYRD, JR. and former Senator Sam J. Ervin, Jr. be printed in the RECORD.

The material follows:

FUNERAL SERVICE FOR THE HONORABLE JAMES B. ALLEN, SENATOR OF THE STATE OF ALABAMA, TUESDAY, JUNE 6, 1978, 11 A.M., IN THE FIRST UNITED METHODIST CHURCH OF GADSDEN, ALA.

OFFICIATING

The Rev. Edward L.R. Elson, S.T.D. Chaplain, United States Senate; The Rev. O. B. Sansbury, D.D. Host Pastor; The Choir of the First United Methodist Church directed by Mr. John Powell; Organist, Mrs. John Powell; and Pianist, Mrs. Aleen Ware Sherwood.

Opening sentences:

God is a Spirit and they that worship Him must worship Him in spirit and in truth.

The souls of the righteous are in the hand of God, and there shall no evil touch them. They are in peace.

Blessed are the pure in heart, for they shall see God.

They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; and they shall walk, and not faint.

Invocation and Lords Prayer, Dr. Sansbury:

O God, our help in ages past, our hope for years to come, our shelter from the stormy past and our eternal home, land of the free and home of the brave, we invoke Thy blessings, Our Father, from whom we come and to whom we return, and in whom we live and move and have our being, we praise Thee for Thy good gift of life, for its wonder and mystery, its interests and joys, its friendships and fellowships. We thank Thee for the ties that bind us one to another. We bless Thee for Thy loving and patient dealing with us, whereby Thou dost ever teach us Thy truth and Thy way by the varied experiences through which we pass. We thank Thee for the meanings that lie hidden even in the very heart of sorrow, pain, disappointment, loss, and grief. And we bless Thee for Thy guiding hand along the way of our pilgrimage.

Be Thou with Senator Allen's family. Thou hast said though we sorrow, we sorrow not as those that have no hope. Our hope is in Jesus Christ who taught us when we pray to say Our Father, who art in heaven; Hallowed by Thy name. Thy kingdom come. Thy will be done; On earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those that trepass against us. And lead us not into temptation; But deliver us from evil; For Thine is the kingdom, and the power, and the glory, forever. Amen.

Hymn, "How Great Thou Art" (2 verses)

OLD TESTAMENT LESSON

The Psalms 27: 1–5; 103: 1–5; and 23.

NEW TESTAMENT LESSON

I Corinthians 13: 9–13; I Corinthians 15: 57, 58; Ephesians 16; 10–18; II Timothy 4; 6–7; Romans 8: 14; I Thessalonians 4: 13, 14, 18; II Corinthians 4: 5; Matthew 5: 3, 4; and John 14.

Hymn, "Amazing Grace"

Memorial Tribute, Senator Harry F. Byrd, Jr. of Virginia.

(See attachment.)

Memorial Tribute, Senator Sam J. Ervin, Jr. of North Carolina.

(See attachment.)

Hymn, "Faith of Our Fathers" (verses 1 and 4).

MEMORIAL TRIBUTE BY DR. ELSON

"Senator James Allen, The Christian Layman in Public Service"

Senator Allen often quoted some lines called "Builders" which the family desires to share with all of us.

"I watched them tearing a building down—
A group of men in a busy town
With a ho-heave-ho and a lusty yell—
They swung a beam and a side wall fell
I asked the foreman, 'Are these men skilled,
The men you would hire if you had to build'?
He gave a laugh and said, 'No, indeed,
Unskilled labor is all I need.
I can easily wreck in a day or two—
What builders have taken years to do'.
So I thought to myself as I went my way—
'Which of these roles do I try to play?
Am I builder who works with care
Measuring life with the rule and square?'
Or am I a wrecker who walks the town
Content with the rule of tearing down?'"

Senator James Allen answered his quotation with a life of building.

The James Allen we knew is described in an excerpt from a letter by a constituent—

"When I was down and out James Allen offered assistance, when I was discouraged James Allen gave encouragement, when I was disappointed James Allen offered sympathy. He was truly representative of the people and the state that he served so honorably and well. He be missed as he was loved, by all of us."

This is the James Allen we knew.

In I Corinthians 2:15 St. Paul wrote: "The spiritual man judgeth all things". Goodspeed's translation makes it more relevant, "The spiritual man is alive to all true values".

James Allen was a spiritual man. His inner spirit and outward action were unified and synchronized. There was nothing synthetic, artificial or counterfeit about him. He was genuine to the very core of his being. In every fibre of his being he was unified in commitment to the Lordship of Jesus Christ.

James Allen never allowed ill-will or vindictiveness to accumulate and fester within him. He was free from rancor, recrimination and resentment.

He had pertinacity and infinite patience. He knew how to measure instant panacea and cheap political gain against the ultimate right and good.

He knew how to bear suffering for he suffered and he knew how to turn it into a testimony and let it fashion a better character. He could sing in the depths of his being:

"Let sorrow do its work,
Send grief or pain;
Sweet are Thy messengers,
Sweet their refrain.
When they can sing with me
More love, O Christ, to Thee,
More love to Thee,
More love to Thee."

—PRENTISS, 1818–78.

The word "honor" was incarnate in him. The word "courtesy" was defined by his daily conduct.

The word "humility" was a demonstrated virtue to all who could see.

He lived under the authority of two books: (1) The King James Version of the Holy Bible which he regarded as God's self-communication to man. (2) The Book of Rules and Manual of the United States Senate which he mastered.

James Allen was a lawyer, a Senator, a superb parliamentarian, a legislative tactician, a dedicated public servant.

There are many skills and varied professions, but James Allen's life had a single vocation. It was to love the Lord God with all his heart and soul and mind and his neighbor as himself—to walk and work in obedience to the first two commandments, under the Lordship of Jesus Christ. It was growth in grace, perfection in love, discipline in prayer and ethical rectitude which marked his single vocation. He kept his priorities straight

Christian perfection and fulness of grace do not mean flawless political judgment, perfect legislative action or errorless administrative direction. It does mean a better man at work bringing the mind and spirit of Jesus Christ to bear upon all of life. It does mean refinement in making the highest moral decision in each existential situation. It does mean doing one's best under God's judgment and leaving the consequences to providence.

Such a man was James Allen. He lived and worked and prayed and died with a single vocation.

He missed only one prayer breakfast during his Senate career which spanned almost ten years. Last February he presided at the National Prayer Breakfast and to the vast audience he said in part:

"It was Alexis de Tocqueville, 140 years ago, who wrote that America is great because America is good, but that if America ceases to be good, it will cease to be great. . . .

". . . Has America lost some of its greatness because it may have lost some of its goodness? We need God's help and guidance if we are to retain the goodness that makes for greatness.

"To this end this Prayer Breakfast is held. The Prayer Breakfast puts us in communion with our heavenly Father, and in touch with that great reservoir of spiritual strength that is available to all those who call on God in prayer. . . .

"I am sure that all of us present this morning are convinced that without God's help we will never have world peace. We will never solve our many problems as a natjon and as a world. Will prayer help? James says that 'the effectual fervent prayer of a righteous man availeth much'. If that be true, and we know that it is, how much more would the prayers of all those present today avail?

"Suppose all Americans—suppose all peoples everywhere lifted their minds and hearts in prayer to God for help and guidance. Would that help? Surely it would. You know, it is an element of God's omnipotence that millions can pray to God simultaneously and all have direct, personal communion with Him. No busy signals, no overcrowded circuits or switchboards. No, rather a straight line to God. Who could ask for more?

"But God is not going to do it all. We've got to do our part. God uses our hands, our minds, our hearts, our planning and our efforts." . . .

"He being dead, yet speaketh."

Prayer:

Our Father God, we thank Thee for all the sacred memories which cluster about this hour—for periods of prayer, for hours of debate, for times of fun and fellowship, for conferences and committee meetings, for hard study and careful preparation, for precious moments at home and on holiday.

We thank Thee for the life of James Allen, eloquent with love and wisdom and selfless service. We thank Thee for his love of country, his fidelity to his state and its people, his compassion for all who suffer, his courtesy and magnaminity, for his devotion to human rights and universal justice, for his innate spirituality and the depth of his commitment to the Lordship of Jesus Christ.

Suffer us not to miss the meaning of this day. Give us eyes to see and hearts to feel something of his spirit among us and though his chair is vacant and his voice silenced, may we be true as he was true, loyal as he was loyal, strong as he was strong.

And now, O Father who doest all things well, with thankful hearts that Thou hast given him to us for a season, we give Thy servant, James back to Thy tender care until the shadows flee away and the brighter day dawns when the visible and the invisible are one in Thy higher kingdom.

Through Jesus Christ our Lord. Amen.

Hymn, "Eternal Father Strong to Save"

Benediction:

The grace of our Lord Jesus Christ, and the love of God, and the communion of the Holy Spirit, be with you all. Amen.

Recessional.

MEMORIAL TRIBUTE TO SENATOR JAMES B. ALLEN

(By Senator Harry F. Byrd, Jr.)

In reflecting on the Senate career of James B. Allen of Alabama, several words instinctively come to mind: integrity, determination, ability, dedication.

During his years in the United States Senate, Senator Allen not only represented the people of Alabama with great skill and great dedication—but he became, indeed, a Senator of the United States. His service to our nation has been acclaimed far beyond the borders of the great state in which we are assembled today.

I speak for my colleagues in the United

States Senate when I express deep and heartfelt distress at the untimely death of Senator Allen.

All of us in the Senate disagree with one another from time to time. Jim Allen, more often than not, was on the minority side of an issue, presenting his viewpoint with eloquence and with patient perseverance.

But even those who opposed him the most, admired his tenaciousness and his skill as much as did those of us who customarily followed his brilliant parliamentary leadership.

Through the years, just as it does now—the Senate of the United States has had within its membership so many splendid and outstanding individuals. But never have I known a finer man than James B. Allen, nor one in whom I had greater confidence.

What a combination of qualities did the Alabama Senator possess—strong convictions, great courage and a fierce determination to protect the principles of government in which he deeply believed.

Yet, with it all, he was kind and thoughtful and humble.

The government of our great nation is established on the principle of majority rule.

It is a sound principle—indeed, a foundation stone of democracy.

But Jim Allen once said this:

"I don't feel the majority is always right. There are times when the majority can run rough-shod over the minority."

The Alabama Senator recognized that majorities are transient—and from time to time vanish.

But he knew, too, that when a majority is alive and strong, it has awesome power.

If what Jefferson called the "inalienable rights" of the minority are to be safeguarded, there must be sentinels of democracy, vigorous champions of those who may hold views contrary to the passing but powerful majorities of the day.

Such a sentinel, such a champion, was Senator James B. Allen of Alabama.

Often he carried out his lonely battles against great numbers, and against immense pressures.

Yet, he never flagged in his efforts.

Some of his battles ended in victory, some in defeat.

Jim Allen, like any individual, would prefer that his cause prevail; unlike most, however, he believed that there is something more important than being on the prevailing side.

An important measure of the man to whom we say farewell today was that his fairness and integrity became a legend in the Senate—a legend based on the unassailable fact that James Allen was a man whose dedication and courage were matched only by his honesty and sense of justice.

If one is to be accurate and candid, perhaps it needs to be said that too many persons in public life seek or use public office for personal advantage.

With Jim Allen, however, precisely the reverse was true.

He gave to the people of Alabama——and to the Senate of the United States—far more than he received.

His service was unselfish. His Senate hours were long and difficult. And when the Senate was not in session, he was out amongst the people of Alabama.

He was, indeed, a servant of the people, giving without limit his time and talent—and sacrificing his health.

But his sacrifices were not without reward. In my many conservations with him, I am convinced that what meant the most to him—aside from his wonderful wife, Maryon—was the feeling in his heart that he had the confidence and the support and the admiration of the people of Alabama. What more could a person ask?

Such a treasure did Jim Allen possess, a treasure beyond price.

In his death, the people of Alabama have lost an unselfish and dedicated champion; the Senate of the United States has lost a courageous—and, perhaps, irreplaceable leader; and I have lost a dear friend.

MEMORIAL TRIBUTE TO SENATOR JAMES BROWNING ALLEN

(By Sam J. Ervin, Jr.)

A giant oak has fallen in the forest and left a vacant place against the sky.

I knew James Browning Allen well, loved him much, and was privileged to call him friend.

Born in Gadsden, Alabama, on December 28, 1912, and educated in the humanities and the law at the University of Alabama, James B. Allen began the practice of law at Gadsden in 1935, and excelled in that calling until 1968, when he was elected a United States Senator from Alabama and retired from the practice to devote full time to his senatorial duties.

His life was rich in service to Alabama and America. He represented his neighbors in the Alabama House of Representatives for four years and in the Alabama State Senate for four years, and served all the people of Alabama as Lieutenant Governor of the State during two separate terms totaling eight years. He resigned his seat in the Alabama Legislature during the Second World War, and served as a Lieutenant in the United States Navy in the Pacific Theater, participating with distinction in the engagements at Leyte and Okinawa.

He was a United States Senator from Alabama from January 3, 1969, until his death near Gulf Shores, Alabama, on June 1, 1978. His arduous work in the Senate probably contributed to his demise.

No public official ever merited and enjoyed more completely the esteem and confidence of his constituents. This is attested by the fact that he carried all of Alabama's counties and received about 95 percent of the popular vote when he ran for reelection to the United States Senate in 1974.

Senator Allen was twice married: First, to Marjorie Jo Stephens, who mothered his three children and preceded him in death; and second, to Maryon Pittman Mullins, who had three children by a previous marriage. He loved his step-children as his own.

My wife and I deeply sorrow with our dear friend, Mrs. Maryon Allen, and our country in their irreparable loss. She was the inspiring and loving helpmate to Senator Allen during the years of their happy marriage.

Jim Allen was a big man—physically, intellectually, and spiritually.

As a United States Senator, he was distinguished for his independent and intellectually honest mind, his untiring industry, his understanding of legislative proposals and their implications, his mastery of parliamentary procedures, his eloquence and repartee in debate, his courtly courtesy to his colleagues, his steadfast loyalty to his convictions, and his undaunted moral and political courage.

Like William Ewart Gladstone, he knew that the Constitution of the United States is the most wonderful work ever struck off at a given time by the brain and purpose of man; and like George Washington, he knew that it is just as important to preserve the Constitution as a law for rulers and people alike as it was to create it.

He desired above all things for America to endure as the land of the free and the home of the brave.

For this reason, he supported free enterprise rather than bureaucratic regimentation, fiscal integrity rather than deficit financing, military might rather than international appeasement, and freedom rather than tyranny over the minds and affairs of our people.

He never sold eternal truth to serve the transitory needs of the political hour, or bowed the pregnant hinges of the knees that political thrift might follow political fawning.

Since he carried his own sovereignty in his own mind and heart and was never willing to follow a great multitude to do what he believed to be ill for his country, he stood with the minority and suffered defeat in some legislative battles. But the eloquence he exhibited and the valor he displayed on these occasions illustrated this sublime truth: Defeat may serve as well as victory to shake the soul and let the glory out.

In this moment of sorrow I rejoice to remember I revealed my appraisal of Jim Allen as a man and Senator while he was still with us.

He and I fought side by side on the Senate floor on many occasions for causes we held dear. After one of these events he honored me by asking me for an autographed picture. I gave him a picture bearing this inscription in my handwriting:

"If I ever have to stand with one man at Armageddon and battle for the Lord, I want that man to be Senator Jim Allen of Alabama."

Josiah Gilbert Holland prayed God to bless America with public servants like Jim Allen when he composed his poem "God Give Us Men." I quote his words:

God, give us men! A time like this demands
Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor; men who will not lie;
Men who can stand before a demagogue,
And damn his treacherous flatteries without winking!
Tall men, sun-crowned, who live above the fog
In public duty and in private thinking.●

TURKISH ARMS EMBARGO

● Mr. BELLMON. Mr. President, even though I opposed the imposition of the Turkish arms embargo, I had been hopeful that the embargo would have the desired effect of hastening a settlement of the Cyprus problem and bringing closer relations between Turkey and Greece.

The fact is that the embargo has had none of the beneficial effects which its proponents hoped for at the time the embargo was voted. Relations between Turkey and Greece are even more tense today than they were 4 years ago. Also, the situation in Cyprus seems to be no better.

Perhaps the greatest negative impact of the embargo has been its effect upon NATO. The embargo has lessened the participation of Turkey in NATO, it has caused serious strains in relations between the United States and Turkey, it has diminished U.S. access to intelligence gathering facilities in Turkey, and it has done nothing to increase the participation of Greece in the defense of Europe.

Present indications are that NATO greatly needs to be strengthened. This

need is based upon the fact that the Soviet Union has embarked upon an aggressive expansion program in Africa as well as in other parts of the world. Also, there is conclusive evidence that efforts are underway to strengthen the arms might of the Warsaw Pact nations. The Carter administration has recommended an increase in appropriations to assist in the strengthening of NATO and there is every indication that Congress will approve these proposals. One of the most effective actions Congress could take to make NATO more effective would be to lift the Turkish arms embargo and in this way help to strengthen the southern flank of NATO by assuring the active participation of Turkey in the defense of Europe.

Mr. President, when legislation to remove the Turkish arms embargo reaches the Senate floor, it is my intention to support this legislation. I feel the embargo has failed, that NATO needs the strength of the Turkish nation and that chances for a settlement in Cyprus will be enhanced rather than harmed by the lifting of the embargo.●

COMMENCEMENT ADDRESS AT YESHIVA UNIVERSITY

● Mr. MOYNIHAN. Mr. President, yesterday, I spoke to the graduates of Yeshiva University at that institution's 47th annual commencement exercises. It was an occasion, I thought, to address some of the issues in our Nation's foreign relations, especially as we enter upon a period of close reexamination of some of the central questions. I ask that the text of my remarks be printed in the RECORD.

The material follows:

COMMENCEMENT ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

We meet at a time of important re-examination of the role of the United States in world affairs. President Carter spoke just yesterday in a brilliant commencement address to the Naval Academy in Annapolis, offering a report on the status of America's relations with the world's most prominent totalitarian power, the Soviet Union.

It was a year ago, in May of 1977, that the President had spoken at Notre Dame University. There he had put forward two propositions of central importance. He spoke of an "inordinate fear of Communism," which he and his advisers, presumably, would not share. And he said, too, that the division of the world into rich and poor—into a "north" and a "south"—had superceded an earlier, fundamental, division between East and West—between totalitarian and democratic.

With such a taxonomy of world affairs, it was natural that the President would invite the Soviets to join with us in common endeavor to alleviate the oppressive social and economic problems of the "third world."

The President's remarks then were the occasion for a useful discussion of the nation's foreign policy. Almost a year ago to this day, I spoke at the commencement exercises at Baruch College here in New York City, and offered a contrary proposition. It seemed to me that the Soviets would continue to employ their basic working principle, "the worse, the better," so that one might anticipate even more instability in the "third world," not less.

Yesterday the President returned to the theme of Soviet totalitarianism and Soviet expansionism. In April, Secretary Vance had said that President Carter and Mr. Brezhnev shared "similar dreams and aspirations" about fundamental issues. Yesterday, the President seemed less than certain of that proposition. Thus the President called on the Soviets to choose either "confrontation" or "cooperation" in their relations with us.

Today, it falls to me to say, as it did a year ago, that the Soviets are unlikely to relate to so stark an invitation. For, in a curious way, the relationships will be characterized by both cooperation and confrontation—precisely because the Soviets do not, in any fundamental way, distinguish between the two. For them, each is a perfectly legitimate way to advance their foreign policy interest—the expansion of totalitarian power—as the exogencies of the moment dictate. A presumed preference for one over the other represents not so much a state of mind as a tactical evaluation.

Thus, it seems to me, we shall not receive a response as such from the Soviets. Such anticipations, in fact, are likely to introduce new notes of uncertainty into relations with old allies, and complicate the resolution of outstanding diplomatic issues. Here I have in mind the Middle East, the one area of the world where the Administration's failure to perceive clearly both the motive and modus operandi of Soviet policy has created major difficulties. It is this theme to which I must turn.

Some weeks ago a column by Mary McGrory in the Washington Star carried the headline: "Has the United States changed sides in the Middle East?" In describing the Carter-Begin talks of late March Miss McGrory wrote:

"The President went out of his way to characterize his talks with the Israeli Prime Minister as 'grim.' He sighed, when they finished, that peace seems 'far away.'"

And soon after, in a column in Newsweek, George F. Will, writing of the Israeli Prime Minister's quite extraordinary opening offer in his negotiations with Egypt calling for self-rule for the West Bank and the return of the Sinai, asked how it could have come to pass that "the Administration praised Begin's proposal in December but disdains it in March."

On April 7 an editorial in the Washington Post observed that "Through three major wars and countless incidents successive administrations have understood that the realities of Arab hostility justified the reading that in using American weapons across its borders Israel was acting in legitimate self-defense. Why, then, did the Secretary of State feel bound to slap Israel hard on April 5, by informing Congress that Israel 'may' have violated the 1952 military aid agreements in its recent intervention in Lebanon."

For the first time in the history of the state of Israel the question is being asked whether the United States is breaking off its attachment to that nation. Or, as a Washington Post editorial of April 7 stated it, whether the security of Israel is "of fading American concern."

We must understand this as a decisive period in the history of these relations. There are visible, conspicuous, signs of troubles, focused of late on the Administration's proposal to sell sixty of our most advanced fighter planes to Saudi Arabia.

But even a Congressional rejection of the arms sales proposal would not have put things right. And the problem is not the sincerity of the President or the Secretary of State, not yet a weakness in their desire to do the right and honorable thing. They are both men of transparent honor and integrity.

Who was not moved by the simple humanity of President Carter when he welcomed Prime Minister Begin just a month ago (May 1). "We will never waver," the President said:

". . . from our deep friendship and partnership with Israel; our total absolute commitment to Israel's security."

And,

"The establishment of the nation of Israel is a fulfillment of Biblical prophesy. In Jewish tradition, 30 years stands for the age of strength, and Israel, thank God, is strong."

If this is what the President believes—and I am absolutely certain that it is an honest reflection of his deepest feelings—why then the unease among so many about the Administration's Near East policy, and foreign policy in general? Why the elusive, yet palpable, anxiety over the way things are going? And, conversely, why the puzzlement in the White House over the opposition to Administration foreign policies in custommarily friendly circles? And if I speak plainly that larger policy that our concerns must be dent's.

On April 7, I spoke at Temple Israel in New York, and I said:

"For three years now I have been speaking of the failure of nerve in American foreign policy. I find it more pronounced now than ever. And I do urge the friends of Israel to consider than, now, more than in the past, American policy in the Middle East reflects our policy in the world at large, and it is to that large policy that our concerns must be directed."

Not two weeks later Secretary Vance, about to leave for Moscow to discuss strategic arms, was asked how President Carter and Mr. Brezhnev might fare if they themselves were to discuss these issues. The Secretary said in an interview in Time:

"When the two men eventually sit down together, they will get along well. Both of them are strong men who have similar dreams and aspirations about the most fundamental issues . . ."

Similar dreams and aspirations?

This seems to be a profound misreading of reality—of American, Soviet, and world reality. I would go further to say that if this really is the Secretary view, then the ethereal and humane objectives of the Administration in the Middle East must eventually come to grief.

For the Soviets do not aspire to make common cause with us. To offer them confrontation or cooperation is to miss the po'nt. Mr. Brezhnev may appear more open than his predecessors, and as a person he may be. But the Soviet state which he directs is the same totalitarian police state that Khruschev, Stalin, and Lenin directed before him. And the "dreams and aspirations" of that state apparatus are wholly contrary to those of the American democracy.

Instead, the normal objective of the Soviet state is the expansion of Communism, and it can be ruthless with any small nation which stands in its way at a time when it is expanding. An example, surely, is the recent history of Lebanon. A small democracy has been destroyed by Soviet arms and two Soviet clients, Syria and the PLO, beginning in 1975, an event that elicited not the least protest in the West. By acting as if Lebanon was not being overrun, we absolved ourselves of any responsibility for allowing this to happen to yet another small democracy.

In the process, of course, we had to suffer more than a little humiliation.

Thus, in June, 1976, our Ambassador to Lebanon was murdered: almost certainly by the PLO. Whereupon the PLO professed shock and outrage and it would take it upon itself to find the murders. They would round up the usual suspects. A week ago, three members of the UN peacekeeping force were killed in a clash with "unidentified gunmen." The press of May 5 carries the headline "PLO

Pledges to Shield UN Forces," and it is therein reported that "PLO units were rounding up Lebanese extremists said to be responsible" for the attack. And so it goes.

How candid, then, of Yasser Arafat, who now is based in Lebanon, to bring the discussion back to reality, to tell us why this is happening in what used to be a small stable democracy. He said on Soviet television on April 29:

"In our struggle we are backed by numerous friends in the whole world . . . but our main support are countries of the Socialist community, and, above all, the Soviet Union . . ."

The Soviet aspirations for Israel are equally plain. Israel is in the way of current Soviet expansion, for beyond pro-Western, democratic Israel lies the Persian Gulf, Egypt, a whole continent, and island sea. The Soviet Union, in 1967 and again in 1973, helped to organize and to equip attempts at the military destruction of Israel.

Finding that Israel could not be destroyed militarily, the Soviets thereupon set about seeking the political destruction of Israel. For this, they devised and then promoted a stunning, Orwellian inversion of truth which could scarcely have been imagined by Goebbels himself. The Soviets began to depict Jews not as victims of the Nazis but as successors to them. This actually began somewhat before the Yom Kippur War.

In February, 1971, Bernard Gwertzman of the New York Times reported from Moscow on the beginning of this formal campaign:

"Zionist leaders are accused of having collaborated with the Nazis during the war . . . Soviet television recently showed a 50-minute documentary film largely devoted to the history of Zionism. The Nazi-Zionist theme was emphasized. On several occasions, David Ben-Gurion's face was superimposed on that of Hitler."

The Soviets carried this campaign to propaganda forums around the world, most notably the United Nations. Its culmination was the General Assembly resolution of November tenth, 1975, which declared "Zionism is a form of racism and racial discrimination." In a word, Israel was declared to be illegal.

To stress again that this obscene anti-Semitism was raised to its highest stage at the behest of Mr. Brezhnev himself is to remind ourselves of the enduring nature of Soviet totalitarianism. What "aspirations" do we share with that police state?

Why, as a government—more profoundly, why as a political culture—do we use language which so distorts reality?

Even as Soviet expansionism is made manifest in Africa, it appears once again in an area of historic Russian imperial ambition, Central Asia. On April 27, so-called "insurgents in the military" overthrew the government in Afghanistan. Almost immediately, it became apparent that the military coup was in fact a coup by the Communist Party of Afghanistan, a pro-Soviet organization. A civilian Communist government has now been installed. Two years ago, there were two Communist parties in Afghanistan, but the Soviets forced them to merge. Now, the leader of one of those parties is the new Prime Minister of Afghanistan, and the leader of the other is his deputy.

It was a bloody business. President Daud's wife, his three sons, their wives and some of his grandchildren, his brother, all were executed.

To gain a sense of the political momentum of Soviet expansion at this time, contrast the world reaction to the slaughter in Kabul with the events in Santiago five years earlier.

In September, 1973, there was a military coup in Chile, and the President of that country, Salvatore Allende was murdered. There were rallies, and demonstrations, and expressions of outrage throughout the world. There were accusations that the CIA had done it; the fate of Allende became a rallying point for so-called "progressives" across the world.

There will be no such sympathy for Mr. Daud or his family, or for the people of Afghanistan who one assumes will now come to know the force of Soviet-style police rule.

What can explain this tendency to acquiesce in Soviet explanations for developments in international affairs? How are we to interpret the seeming silence, indifference, ignorance of the facts and consequences of the Soviets' expansionist foreign policy?

When on April 7, I urged that we look to "our policy in the world at large," I had a hypothesis in mind. Let me restate it:

"I believe that what is happening to American policy, not merely in the Middle East but in the world at large, is a gradual accommodation to the fact that the Soviet Union has not only become the equal to the United States in military power, but seems destined to surpass the United States."

I believe that much of what the Administration has done in foreign affairs can be understood in this context. It is a succession of events, large and small, dramatic and simple, but all pointing in one direction: a quiet accommodation to long-sustained Soviet efforts.

Surely, Israel is an outstanding example. In October of 1977, in agreeing to a joint declaration with the Soviets on the Middle East, the United States employed implicitly the vocabulary of "similar dreams and aspirations" that Secretary Vance now employs explicitly.

Early this year, from both the President and the Secretary, we began to hear references—repeated references—to Israel actions supposedly "contrary to international law." Once again, however unintentionally, the Administration contributes to a Soviet-inspired worldwide effort to depict Israel as a kind of international outlaw.

The more the Administration accommodates to the expansion of totalitarian power, the less it appreciates the special value of the remaining democracies. The more it accepts as inevitable—or inconsequential—the imperialistic advances of the Soviet Union, the less it can imagine a successful test of wills with the Soviet leadership.

And so it becomes easier to allow reality to give way to fantasy, a fanasty of Soviet-American relations as one of "shared dreams and aspirations".

To be concerned with American relations with Israel, to insure the survival of Israel, one must first confront the larger problems in the world, the larger question of the West's willingness to accept the expansion of totalitarian power as much.

I submit that this question must now absorb the energy and the attention of all the world's democracies—the United States first of all. One welcomes the signs that the Administration is beginning to appreciate this.●

COLLIER TROPHY PRESENTATION

● Mr. GOLDWATER. Mr. President, annually the National Aeronautic Association awards the Collier Trophy. The Collier Trophy is the oldest aviation trophy given in the United States and is given each year to that person or persons who have made the biggest contribution to aviation in all of its many facets. The award this year was presented to now retired general, Robert Dixon, and his tactical air command for the development of the project called "Red Flag." At the presentation ceremonies the president of the National Aeronautic Association, Mr. John Alison, himself an ace in World War II, made remarks in presenting this trophy to General Dixon which I think would be of interest to my colleagues and, therefore, I ask that the remarks be printed in the RECORD.

The remarks follow:

REMARKS OF JOHN R. ALISON

We all know that in any profession it is the trained and tested individual who is successful, but to the military professional who will have to do the fighting—training and testing has a larger dimension. You live or you die. The nation which you fight for survives or falls.

We would like to think that our democracy would never ask its young men and women to go to war inadequately trained, inadequately equipped, and inadequately led, but this we have done, time and again. There are some of you who will remember that when the President of the United States decided that this nation would enter World War I, the United States Army didn't have one completely ready division. The boys were trained with wooden guns and make-believe tanks, and when they first arrived in France, they shot French artillery and fought in aircraft made in France and England.

World War II was some what the same. We had a small nucleus of professionally trained military people, but not enough for the tremendously expanded and rapidly trained Army, Navy, and Air Force which was required. Americans fought with what they had and, in the early days, many of our young pilots were sent into battle with training levels considered unsafe even for peacetime aviators. We remember the magnificent industrial and training effort launched by America, but forget that it was almost two years before men and material began to arrive overseas in the quantities necessary for success in that war.

In the past, time has been on our side. Weapons and the machines of war and battle conditions were such that young men could be trained in battle. The losses were high, but it could be done.

If another President decides that in our nation's interest the country must again send Americans to fight, there will be no period of grace sheltered behind our two oceans. There will be little time for learning. Today's equipment is capable but complex, and in the hands of untrained people, it won't work. Aircraft performance and weapons performance have taken on a new dimension and the experience of past wars is no longer adequate. The experience that we once got in battle must somehow be provided before the battle.

Red Flag does this. Training on the scale which Red Flag permits, costs money and involves risks. In peacetime America, the pressure is on to reduce costs and avoid risks, but investment in training is a matter of life and death, and the risks are justified because the stakes are so high. The leadership of our Air Force is to be complimented on recognizing the need and providing the resources which have made Red Flag possible. General Robert Dixon is being recognized for his role in implementing this program which will have far-reaching and lasting effects on the development of military aviation to the benefit of this great Nation of ours. The Tactical Air Command, which is represented here tonight by many of its outstanding officers and airmen, shares this honor with General Dixon for the dedication and professionalism which has created a training environment in time of peace which will insure that our Nation will be ready in time of war.

It is difficult to visualize the magnitude of

Red Flag without visiting Nellis Air Force Base and the thousands of acres of range and millions of cubic feet of air which are required to create a realistic training environment. Because you are not there with the complex electronic environment which is required to visualize the battle, measure its successes and failures, the Air Force has provided a short film which we hope will give you a better understanding of what Red Flag is all about.

The Collier Trophy is awarded annually by the National Aeronautics Association for the greatest achievement in aeronautics or astronautics in America, demonstrated by active use in the preceding year. The trophy is the oldest aviation trophy in continuous operation in the world. It was founded in 1911 by Robert J. Collier, the publisher and aviation enthusiast, and named in his memory upon his death. It is interesting that Mr. Collier became the first civilian to ever buy an airplane, and he bought it from the Wright brothers. I want to thank the National Aviation Club for providing this occasion to present the trophy.

Will Senator Goldwater, General Jones, and Mr. Jack Reed join me at the podium. And now, will General Robert Dixon please come forward and accept the trophy on behalf of the Tactical Air Command.●

CLEO W. BLACKBURN

● Mr. BAYH. Mr. President, it was with a great deal of sorrow that I learned of the death of a very dear friend, Mr. Cleo W. Blackburn of Indianapolis, Ind. Although we will miss Mr. Blackburn, his memory will live on as an example of what great achievements an individual can attain through hard work, untiring determination, and devotion to a cause. Mr. Blackburn's cause was to improve the political, social, and economic conditions of all underprivileged Americans.

The grandson of a slave, Mr. Blackburn was born at Port Gibson, Miss. He came to Indianapolis, Ind. in 1928. He received a bachelor's degree in social work from Butler University, Indianapolis, Ind. in 1932, and master's degree in sociology in 1933 from Fisk University at Nashville, Tenn. After receiving the degree at Fisk University, Mr. Blackburn went to work as director of research and records at Tuskegee Institute in Tuskegee, Ala.

After working at Tuskegee for 3 years, he returned to Indianapolis, where he set out to establish a means by which to improve the living conditions of the downtrodden. The vehicle he used was Flanner House. Flanner House was designed to provide jobs, health services, and housing for the poor.

In 1948, he established the Board for Fundamental Education which addresses itself nationally to the basic problems of the poor. It is the purpose of the board to develop programs in housing, education, health, and employment throughout the entire country. Mr. Blackburn was executive director of the board from 1948 to 1969, served as president and chief executive officer from 1969 to 1973 and then became president emeritus. The board has trained unskilled, undereducated, low-income Americans throughout the country. In 1954, the board was granted a charter by Congress. It is the only organization with a black as its founder to be so honored.

Over the years, Mr. Blackburn's hard work and dedication to his cause has been acknowledged by a number of distinguished organizations. He received the Special Services Award from the Religious Heritage of America, Inc., in Washington, D.C., Distinguished Service Award from the Indianapolis Junior Chamber of Commerce, and honorary doctoral degrees from Northwest Christian College in Eugene, Oreg., Indiana Central, Fisk University, Drake University, Butler University, and Wabash College.

So, Mr. President, I say to you and to my distinguished colleagues in the Senate that this country has truly lost a most honored and outstanding son. May his accomplishments live as an everlasting shrine as his true devotion to the betterment of all mankind.●

FREIGHT RATE INCREASE OPPOSED

● Mr. YOUNG. Mr. President, I ask to print in the RECORD the letter I received from Mr. D. L. Wolden, president of the North Dakota Grain Dealers Association, addressed to Mr. A. Daniel O'Neal, Chairman of the Interstate Commerce Commission, in which Mr. Wolden expresses the views of the North Dakota grain dealers opposing the freight rate increase proposed by the Western territory railroads.

I share their concern over a situation which cannot be justified in an area that already has the highest freight rates in the Nation.

The letter follows:

MAY 26, 1978.

Mr. A. DANIEL O'NEAL,
Chairman, Interstate Commerce Commission, Washington, D.C.

DEAR MR. O'NEAL: The North Dakota Grain Dealers Association, representing the near 600 licensed and bonded country elevators in North Dakota, wishes to register its vigorous opposition to the 4% general freight rate increase proposed by Western Territory railroads, to take effect June 8. Due to lack of car supply and service a huge backlog of cash grain remains to be shipped and movement of same would be costly under a new freight rate increase.

Your Commission's Director of Bureau of Operations, Joel Burns, was in Bismarck, North Dakota on May 12 to hear of the severe grain car shortage of this region. This shortage has crippled commodity movements out of our State and has cost North Dakotans millions of dollars in interest and late delivery fees on contracted grain shipments. Several of our member elevator managers told Mr. Burns that ICC should see to it that the railroads improve their level of service before granting further increases.

Mr. O'Neal, it is hard to see how the railroads can justify this latest request, on top of several increases they have been granted in the last 18 months, when they provide the slipshod service we have seen of late.

Car shortages running into many thousands, service at ever-increasing intervals and wholesale disregard for upkeep and maintenance lead many North Dakota shippers to wonder how long things can go on.

In our opinion, the railroads have failed to provide an adequate level of service sufficient to maintain or increase traffic. In the process they have allowed their fixed plant to deteriorate to the point where we face mass rail line abandonments. Now the rails advance the story that our reduced shipments are causing lines to be unprofitable and thus subject to abandonment. Some rails were laid for boxcars. Railroad companies term these lines obsolete because they cannot accommodate hoppers.

We strongly suggest the railroads meet their original obligation for service by proceeding to build sufficient grain cars for those lines unable to handle hoppers. This Association asks ICC to assist railroads in establishing minimum weight limits to coincide with whatever the maximum track limits may be . . . to use and load hoppers at lesser weight loads.

North Dakota and other states like us can ill-afford to lose rail service. Grain, our economic mainstay, has the disadvantage of being a high weight and bulk commodity relative to value. Rail transportation has been, is, and likely will remain the most efficient means of transporting our production to market.

We feel that the U.S. railroad system has reached a fork in the path. The citizenry can continue to watch from the sidelines as the rail system costs more and more, becomes less efficient, deteriorates faster and eventually dies, save only a few mainlines; or, we can assemble rail management, labor, shippers and regulatory bodies to reevaluate the priorities and long-term goals of each group in an all-out effort to begin a program of management that will provide health, life and growth to an integral part of the inter-modal transportation system.

This then is the challenge to all of us.

Management must recognize the fallacy of withdrawal and utilization of revenues without adequately providing for better service and line maintenance. Railroads need better planning to provide adequate equipment and service for future needs rather than allowing the lines to default through lack of attention and some investment. Grain shippers have paid for the kind of car service and car supply they ask for. The rate of decline in grain hauling capacity currently is uncalled for.

Labor must recognize that their efficiency must improve if they are to retain their jobs. Obsolete regulations, laws, or work rules, whoever is responsible for their existence, must be scrutinized and revised to produce the most efficiency possible. Labor must cease its demands for ever-increasing wage and fringe benefits that exceed productivity and tax the employer beyond justification.

Shippers must realize that the carriers' investment brings with it a lot of overhead. This overhead requires regular usage of rail plant and equipment by the shipper in order to maximize the use of these fixed costs. More orderly year-around marketing needs scrutiny.

Government regulation must cease to be a "finger in the dike operation." Granted, at times, quick and decisive actions are necessary. A case in point is the current grain car shortage. We need immediate and vigorous enforcement of ICC orders demanding return of cars to owners' lines. But more importantly, we need to employ measures which will prevent the reoccurrence of such catastrophes. Per diem rates should be set and enforced at a level that makes utilization of other railroad lines cars more costly to non-owners than suppling their own car needs.

The present 10 hour loading rule implies that it is the shipper who is holding up car turnaround. Such is not usually the case. A 10 hour rule becomes a farce in the face of 1, 2 or 3 times per week service. Shippers are forced to hurry up and load while the carrier is allowed to leave the loaded car sit for days. This situation limits the marketing option of the grain seller and price is thus reduced. We urge ICC to reinstate 24 hours loading and billing time to shipper.

Long range planning of national rail transportation needs must be substituted for

makeshift actions if possible. We caution however that such planning needs include local level grass roots inputs. We do not wish to see any more proposals out of Washington such as the Preliminary Standards, Classifictions and Designations of Lines of Class 1 Railroads of the United States issued in August 1976 and which, in our opinion, almost totally ignored local socio-economic situations.

It is imperative that government regulators, at all levels, apply their controls in such a manner as not to distort usual competitive business practices to any great degree. If the public good requires the hand of government, fine. But, too often it turns out that end results would have been better if a hands off policy would have been used instead.

Mr. Chairman, our grain elevators here in North Dakota and to a great extent many other shippers are "hostages" of the railroads. Many of these plants have recently built new facilities or substantially remodeled present facilities at great expense. This was all done under the taken-for-granted assumption that the railroad would always be there to provide transportation.

We believe it would be a great disservice to these shippers, their patrons, and the public at large if these interrelated problems of car supply, adequate car service, and, upkeep of lines to prevent abandonments, are not resolved. Our national balance of payments picture depends on agricultural exports to maintain some degree of credibility. We have the most productive agricultural technology in the world. We must maintain and improve our transportation system to complement that productivity and technology.

We would advise the Interstate Commerce Commission to be very tight-fisted regarding issuance of permits to abandon rail lines. Let's make sure that all other alternatives have been thoroughly explored first. Let's make sure the public served by lines up for abandonment realize the loss they will suffer. Let's even go to the point of enlisting public support to promote our rail lines and those solutions that could save any line that provides shipper and user service.

This Association stands ready to assist your Commission in dealing with the situation. We do reemphasize our vigorous opposition to a rate increase at this time.

Yours very truly,

D. L. WOLDEN,
President.●

PRESIDENT ARIAS RETURNS TO PANAMA

● Mr. DOLE. Mr. President, tomorrow, June 10, Arnulfo Arias will return to Panama for the first time since he was ousted as President in 1968. His visit, in the wake of Senate approval of the Panama Canal treaties, will help to focus attention on the underlying currents of opposition to the Torrijos dictatorship in Panama. The visit itself will obviously challenge the repeated promises of Gen. Omar Torrijos, during the recent treaty debate, to welcome back political exiles and guarantee freedom of speech.

Having met with President Arias myself last December, I know of his concern for the deterioration of the Panamanian economy, and his hopes to see democracy restored in his native country. It is my understanding that these are the points he will address as he travels around Panama during the coming days.

Charles Bartlett's column, "Two Fateful Visits to Panama," which appeared in the Washington Star of June 8, suggests that the visit of President Arias will be a serious test of the ambiguities of Panama's new political climate. Coming as it does just 1 week prior to President Carter's official visit, President Arias' trip will serve to remind the world that oppression and totalitarianism still mark the country with which we are about to enter into a new treaty governing the Panama Canal. Bartlett points out that—

Carter's visit will agitate the frustrations of a nation that is hanging uncertainly between its democratic aspirations and the repressions of a corrupt regime.

Whatever the consequences of both visits, it can be hoped that Panama eventually reaches the state of political maturity to which Bartlett refers.

Mr. President, I ask that Charles Bartlett's column of June 8 be printed in the RECORD.

The material follows:

[From the Washington Star, June 8, 1978]

TWO FATEFUL VISITS TO PANAMA

(By Charles Bartlett)

Two major figures are heading for Panama shortly, and the one with the most to gain is not Jimmy Carter.

Arnulfo Arias, president of Panama until Omar Torrijos and the national guard seized his office in 1968, will fly to Panama City one week ahead of Carter. His well-timed emergence from exile in Miami is going to be a serious test of the ambiguities of Panama's new political climate.

This is a gallant mission for the 76-year-old Arias, who is shrugging off the physical risks that are implicit in his plans to tour the country and preach the case for restoring democracy.

It is hard to say how Torrijos will react in his present state of insecurity. The economy is bad, disillusionment with the treaties is widespread, the Panamanians will not gain tangible benefits from the canal tolls for another nine months.

The greatest potential of Arias' return is that he may manage to force a revival of Panama's political parties. None is tolerated now except the Communists, who function as a Greek chorus for the Torrijos regime. Torrijos has been explicit in stating that his "political opening" does not contemplate a return to party politics.

But anti-Communist sentiment has bubbled to a boil at which it could be transformed by Arias into a substantial movement.

It is also likely that manifestations of the anti-treaty feelings will be stirred by Arias' return. But he means to ignore the treaties, focusing instead on the economic and political issues.

While these complexities give Arias an opening, they limit the potential gains of Carter's visit. He will be cheered because there are 100,000 government workers whom Torrijos can turn out. But his visit is going to be dourly perceived in many quarters as an endorsement that the dictator badly needs.

The inevitable charge will be that Carter is repaying Torrijos for his participation in a rigged event that produced a one-sided treaty.

Arias' arrival will stir Panama's democratic juices, but Carter's visit will agitate the frustrations of a nation that is hanging uncertainly between its democratic aspirations and the repressions of a corrupt regime. Arias will be edging Panama toward a new era, but Carter will inevitably seem to be putting his stamp on the status quo.

The dictator says he has not decided whether he will be president, chief of state, or commander of the national guard in the government that will emerge from the Aug. 6 election. Voters will elect delegates to an Assembly of District Representatives, a Torrijos-oriented body that is heavily gerrymandered against the interests of Panama City.

The election is an illusive concession to the democratic pressures because the regime has concocted a script in which it cannot lose.

It is difficult to see why it is wise for Carter to intrude on this shadowy scene, particularly when he is enjoined from any finalization of the treaties until next April by the Senate's Brooke Amendment. The drama is not over in Washington because the House has been enacting, by heavy margins, amendments which warn the White House it cannot even be confident of securing the appropriations necessary to pay the costs of the treaties.

Only one thing is certain: Panama has not ceased to be an awkward problem, a likely source of embarrassment and trouble to the United States.

There will be little in the relationship to celebrate until the diminutive nation achieves a more stable state of political maturity.●

UNITED KINGDOM TAX TREATY

● Mr. CHURCH. Mr. President, Ferdinand P. Schoettle, professor of law at the University of Minnesota and noted tax authority, in April 1977, wrote an article on the United Kingdom Treaty and the State taxation of corporate income. Schoettle describes how the unitary method arose in an attempt to protect State tax revenues and prevent corporate tax avoidance. He points out that over a period of years denying the States the right to use the unitary business doctrine could have a substantial revenue impact. Schoettle then notes that article 9(4) of the United Kingdom Treaty is a precedent-setting provision which would limit the States' power to use the unitary method to tax corporate income. Schoettle concludes that it is "unwise" that Federal policy with respect to an important issue of State taxation "be dictated by the exigencies of a treaty negotiation."

I agree fully with Professor Schoettle's analysis. I ask that it be printed in the RECORD.

The analysis follows:

THE U.K. TREATY AND THE STATE TAXATION OF CORPORATE INCOME

(By Ferdinand P. Schoettle)

[NOTE.—Ferdinand P. Schoettle is a professor of law at the University of Minnesota. He is co-author (with Oliver Oldman) of State and Local Taxation, published by the Foundation Press.

In this article, Schoettle discusses the provisions of Article 9 of the proposed tax treaty between the United States and the United Kingdom. That article would limit the right of the states to apply the so-called "unitary business doctrine" when computing the income of subsidiaries of United Kingdom corporations. As Schoettle points out, this appears to be the first time that the Treasury Department has sought to limit the states' power to tax corporate income. And he concludes that it is "unwise" for federal policy with respect to an important issue of state taxation "to be dictated by the exigencies of a treaty negotiation."

Schoettle begins his analysis by describing how corporate income is currently divided

between the states for tax purposes, and by showing how astute corporate tax planning can reduce or avoid state taxation of business income. He also shows how the unitary business doctrine has arisen in an attempt to protect state tax revenues and prevent corporate tax avoidance maneuvers. He points out that, over a period of years, denying states the right to use the unitary business doctrine could have a substantial revenue impact.

Schoettle then turns to analysis of the ongoing dispute regarding the state taxation of business engaged in interstate commerce. In this context, he discusses the origin and current activities of the Multistate Tax Commission and its role in promoting the unitary business doctrine.

He also traces the efforts of the business community to obtain legislation abolishing that doctrine. This brief history, in his view, "illustrates both the failure of the states and the business community to reach consensus and the inability of Congress to shape a coherent federal policy."

Schoettle concludes that the United Kingdom tax treaty is the wrong context in which to debate the right of the states to tax foreign source corporate income. If federal restrictions are to be placed on the power of the states to cope with corporate tax avoidance maneuvers, those restrictions should arise as part of an overall effort to bring more uniformity to state taxation. But Schoettle cautions that federal legislation with respect to state taxation should be a last resort. For the time being, the most appropriate federal role might be to provide a forum in which disputes could be discussed and compromise struck, thereby giving both the business community and the states ample opportunity to compromise their differences.]

Over a decade ago, Congress made a plea that the United States Treasury Department become involved in regulating the state taxation of businesses engaged in interstate commerce. In addition, the Supreme Court has often expressed the view that state taxation of businesses engaged in interstate commerce requires a national policy embodied in appropriate legislation. To date, despite such pleas, the Treasury Department has not applied its tax policy expertise to the problem of state taxation of interstate business. Nor is there a coherent national policy. To my knowledge, the first time the Treasury Department has taken any substantive position concerning the states' power to tax occurs in the income tax treaty recently negotiated with the United Kingdom.

LIMITING THE UNITARY BUSINESS DOCTRINE

In the U.S.-U.K. income tax treaty, which will soon come before the Senate for its advice and consent to ratification, the Treasury Department has agreed to the inclusion of a provision which limits the rights of the states to tax the income of subsidiaries of United Kingdom corporations. In particular, the treaty provides in Article 9 that, in determining the taxable income of a United Kingdom corporation, a state shall not consider the income of any related corporation except for the purpose of making any adjustments which might be necessary to reflect arms length prices. The doctrine of state taxation with which the treaty concerns itself is the so-called "unitary business doctrine." Where invoked, the unitary business doctrine requires that a corporation file the equivalent of a consolidated return. The treaty would deny this right with respect to a subsidiary of a United Kingdom controlled corporation.

To those unacquainted with the history and current status of state and local income taxation, such a limitation may seem both fair and innocuous. At the hearings before the Senate Foreign Relations Committee the provision undoubtedly will evoke debate. Those who represent the majority of state tax commissioners will contend that the treaty provision is undesirable on its own merits, adopts the wrong principle as a matter of tax policy, and is an unwarranted encroachment on the sovereignty of the states. On the other hand, representatives of the multinationals, and other corporations, will support the provision. It represents the embodiment of a principle which the largest corporations in the United States have attempted unsuccessfully to have Congress adopt.

The lack of consensus concerning state taxation of business income which will be exhibited before the Senate Foreign Relations Committee has previously resulted in congressional inaction. As then-Sen. Walter F. Mondale, D-Minn., put it in opening his 1973 hearings on state taxation of business in interstate commerce "the reason for the failure of Congress to act, among other things, has been the almost total lack of agreement among the interested parties—the states, their tax administrators, and the principal business interests involved."

My best guess is that the Senate Foreign Relations Committee will follow the traditional path of congressional inaction and recommend that Article 9 be reserved from the ratification. The Senate can, and most likely will, exclude the provision limiting state taxing power from its consent.

NEEDED: A COHERENT POLICY

Such a reservation seems to me a desirable result. First, I favor federal involvement of some sort in the whole area of state taxation of interstate businesses. Business has legitimate complaints about the lack of uniformity in state taxation and about occasional unfair treatment. State tax administrators' complaints about the shell games that can be played under the current system also seem justified. The sums involved are sufficient to justify federal concern: in 1975 about 14 cents of every corporate income tax dollar went to the states. Given the current and expected magnitudes of the state corporate income tax, there is in fact some need for coordinated taxation in the federal system.

Second, I think that effective federal involvement in state taxation means Treasury, or other executive department, involvement. The views of the various parties are sufficiently divergent so that there will never be a consensus; there can only be a compromise. Furthermore, compromise will come only if there is a mediator and some effective threat of federal legislation. Because of the complexity of the issues, the divergence of views, and the time required to reach a compromise, the executive department is the natural mediator of the ongoing dispute concerning state taxation of business in interstate commerce.

Third, given my views that the government should have a coherent policy concerning state taxation of interstate business, I think it very unwise for the Treasury to allow federal policy to be dictated by the exigencies of a treaty negotiation. State taxation of United Kingdom income is relatively unimportant. However, the future use by the states of the unitary business doctrine is one of the more important issues concerning state taxation of interstate business that has to be resolved.

The balance of this article bears witness to the conclusions set forth above. The first section briefly describes the unitary business doctrine and gives a paradigm example in which the tax planning and hence tax liability consequences depend upon the unitary doctrine's application. The second section reviews the history of the dispute concerning state taxation of business in interstate commerce. The section introduces the reader to the major institutions and actors in the area of state taxation and provides evidence for the conclusion that, while change is needed, consensus seems impossible and compromise unlikely without Treasury Department involvement. The third, and final, section suggests the direction of future reform and analyzes the reasons given by the Simon Treasury in support of Article 9 of the U.S.-U.K. Tax Treaty.

TAX PLANNING FOR PURPOSES OF THE STATE CORPORATE INCOME TAX

Tax planning for purposes of the state corporate income tax can be an important determinant of corporate profits. First, the yield of the state corporate income tax has increased dramatically in recent years. In business terms, state corporate income taxes are "big ticket" items. Forty-five states have enacted a corporate income tax. The highest-rate states levy their tax at 12%. Table 1 displays the relationship between state revenues from corporate income and federal revenues from the same source. For 1975, state revenues were about 16% of federal revenues as contrasted with only 7.6% a decade earlier. Moreover, if the past is an accurate prologue of the future, the yield from this source seems likely to increase.

TABLE 1.—COMPARISON OF STATE AND FEDERAL CORPORATE INCOME TAX COLLECTIONS

[Dollar amounts in millions]

Year	State corporate income tax	Federal corporate income tax	State as percentage of Federal
1975	$6,642	$40,621	16.4
1974	6,015	38,620	15.6
1973	5,425	36,153	15.0
1972	4,416	32,166	13.7
1971	3,424	26,785	12.8
1970	3,738	32,829	11.4
1969	3,181	36,678	8.7
1968	2,518	28,665	8.8
1967	2,227	33,971	6.6
1966	2,038	30,073	6.8
1965	1,929	25,461	7.6

Second, the corporate income tax rates of the states for 1976 varied from zero to 12 percent. If a corporation can sucessfully assign a dollar of income to a zero-rate state rather than to a 12-percent rate state, there will be a 12-cent saving in state income tax. After payment of a 48-percent federal corporate income tax, the corporation will have 45.76 cents of its dollar left if it has paid the 12-cent state tax and 52 cents if it has successfully avoided state tax. Avoiding the state tax represents a 13.6-percent increase in the post tax profits attributable to the transaction which gave rise to the original dollar of income.

INCOME DIVISION BETWEEN THE STATES

The basic law concerning the division of multistate corporate income between the states can—at the expense of only mild inaccuracy—be simply summarized. Income is either specifically allocated to a particular state or divided among more than one state according to a formula. A typical formula for the apportionment of income among the states contains three factors: property, payroll, and sales. To determine its income attributable to a particular state, a corporation will construct as many fractions as there are factors. The numerator of the fraction is the amount of the particular factor in the taxing state and the denominator the total amount of the particular factor. The fractions for each of the factors will be added together and, if the factors are equally weighted, divided by the number of factors in order to determine the fraction of corporate income which should be allocated to a particular state.

If a corporation separately accounts, files a consolidated return, or files a combined return, the income tax base for state tax purposes will not be the same as the unallocated

income of the single corporation. Separate accounting allows a corporation—for instance, a conglomerate with a number of independent divisions—to exclude from its state income tax base activities that have no connection with a particular state. Under separate accounting, the corporation either may separately account for its operations in a particular state or may separately account by product line. Separate accounting is not routinely available. If a separate accounting involves income from more than one state, a formula may be used to apportion the income among the states involved. A consolidated return has the same meaning for state tax purposes as for federal: the filing of a return reflecting the income of a corporate family.

A combined return, on the other hand, is a tax return which reflects the income of certain operations carried on by more than one member of a corporate family. The right of a state to require the filing of a combined return is what the unitary business doctrine is all about. Let me give a paradigm example where the application of the doctrine would make a difference.

PLANNING CUTS STATE TAXES

Consider the following sets of facts. XYZ Corporation manufactures widgets in State A. Seventy-eighths of the corporation's employees and property are located in State A. However, only one-eighth of the widgets are sold in State A. XYZ's operations produce $100 per year in pre-tax profits. For purposes of simplicity, let all of the states other than A in which the corporation operates be called State B. The legislature of State A has adopted a corporate income tax with a 12% rate State B's corporate income tax has a 6% rate. Both states use a standard three-factor formula of property payroll and sales in the apportionment of income.

XYZ should plan to minimize its state income tax according to this formula. If XYZ operates as a single corporation, its $100 income will be apportioned between States A and B according to formula. According to the formula (the calculations are shown in Table 2), 62.5% of the income is allocated to A and 37.5% to B. XYZ will pay $7.50 to A and $2.25 to B for a total state income tax payment of $9.75.

TABLE 2.—*Allocation of corporate income between States by means of a three-factor formula*

Factors	State A	State B
Property	0.875	0.125
Sales	.125	.875
Payroll	.875	.125
Total	1.875	1.125
Allocation (Total÷3)	.625	.375
Taxable Income ($100×Allocation)	$62.50	$37.50
Tax Rate	12%	6%
Tax Due	$7.50	$2.25

Suppose now that XYZ determines that if it operates two corporations, one in State A and one in State B, it can properly attribute $40 of its income to operations in State A and $60 to operations in State B. XYZ recognizes the possibility of reorganizing its operations in order to lower the income base which is subject to State A's 12 percent corporate income tax. Accordingly, XYZ establishes a corporation, SXYZ, which operates only in State B. XYZ now operates only in State A. Under this arrangement, XYZ will pay $4.80 in corporate income tax to State A. SXYZ will remit $3.60 to B.

Now another thought occurs to XYZ: would it be possible to file a consolidated return in State B? If XYZ and SXYZ can file a consolidated return, B will determine its tax by applying the three-factor formula to the $100 income of XYZ and SXYZ. Under this arrangement, state corporate income taxes are $7.05 with $4.80 going to State A and $2.25 going to State B.

Let us analyze the results of the above operations on the assumption that SXYZ and XYZ are able to file a consolidated return in State B, while XYZ alone files in State A. As compared with formula apportionment of all income arising from the widget business, $2.70 in state taxes have been saved. Of course, the deductibility of state taxes for purposes of determining federal income tax liability mitigates the effect of this saving on earnings after all taxes. If XYZ had operated as a single corporation, its net earnings after payment of taxes to A, to B, and to the federal government would have been $46.93. If XYZ and SXYZ file a consolidated return in State B, and if XYZ alone files in State A, net earnings after payment of state and federal income taxes will be $48.33. This $1.40 difference represents a 3 percent increase in post tax earnings, or, if XYZ gets a 10 percent post tax return on invested capital, a $14 increase in corporate net worth. From the point of view of States A and B, XYZ's tax planning has had a substantial impact on their revenues. Their combined revenues have decreased from $9.75 to $7.05 or by about 28 percent.

INVOKING THE UNITARY BUSINESS DOCTRINE

In the above fact situation, State A may well attempt to protect its revenues by invoking the unitary business doctrine. Under one statement of the doctrine, XYZ and SXYZ will be treated as a unitary business, if they are in the same type of business, if they are steps in a vertical process, or if they have strong centralized management. The presence of any one of these three factors will be sufficient to cause a finding that XYZ and SXYZ operate a "unitary business." On the above facts, the department of revenue would find ample judicial support for application of the unitary business doctrine in a state like California. If the unitary business doctrine were successfully invoked, XYZ and SXYZ would pay to A $7.50, not $4.80, in state income tax.

Adoption of a general principle which denied the states the right to combine the income of corporate taxpayers could have a substantial revenue impact on the states over a period of years. I say "over a period of years," because I believe that today many corporations which could reduce their state and local tax bill do not do so. First, many corporations and lawyers have not yet focused on the savings available from planning for state corporate income taxes. The opportunities for substantial tax savings are relatively recent. For instance, the literature of state and local taxation still contains few, if any, articles of the "how-to-do-it" variety which would give the tax practitioner, who was not already familiar with the tax schemes of several states, a good lead on how to begin planning for tax minimization. Second, among those corporations that now plan for state tax minimization, the threat of the application of the unitary business doctrine may deter some tax planning that otherwise might take place.

THE ONGOING DISPUTE CONCERNING STATE TAXATION OF BUSINESS IN INTERSTATE COMMERCE

The current interest in federal legislation concerning state corporate income taxation had its genesis in the 1959 decision of the Supreme Court of the United States in *Northwestern States Portland Cement Co.* v. *State of Minnesota*, 358 U.S. 450. The court held that Minnesota had jurisdiction to levy an income tax on an Iowa corporation even though the income of the corporation in Minnesota came only from interstate commerce. In his dissent, Mr. Justice Frankfurter contended that the court's holding represented an unwarranted extension of state jurisdiction to tax and prophesied apocalyptic consequences for businesses engaged in interstate commerce.

The Congress responded quickly. Public Law 86-272 limited the right of a state to tax corporate income where there was no business establishment and directed that a congressional study be conducted for the purpose of recommending "legislation providing uniform standards to be observed by the states in imposing income taxes" on income from interstate business. A subcommittee of the House Judiciary Committee conducted the study required by Public Law 86-272. The subcommittee held extensive hearings, published an excellent four-volume report, and in late 1965 introduced a bill. Hearings on the bill were held in early 1966.

ORIGIN OF THE MULTISTATE TAX COMMISSION

The perceived imminence of federal legislation evoked a response by the states which resulted in the creation of the Multistate Tax Commission. From a special meeting of the National Association of Tax Administrators convened in January, 1966, for the purpose of opposing the committee's bill came the idea of the states agreeing among themselves upon a uniform system of taxation.

Fortunately, for the administrators, a model statute was at hand. The National Conference of Commissioners on Uniform State Laws had adopted the Uniform Division of Income for Tax Purposes Law ("UDIPTA") in 1957. By August 1967, an agreement called the Multistate Tax Compact had been drafted and had been approved by the requisite seven states. The agreement created a Multistate Tax Commission (MTC) with audit and other administrative powers. Substantively the agreement provided that taxpayers in member states could choose to allocate their income in accordance with the provisions of UDIPTA which was incorporated almost whole cloth into the compact. The MTC can issue nonbinding regulations interpreting the substantive provisions of the compact.

BASIC PROBLEMS REMAIN

The formation of the MTC did not end, nor have subsequent events resolved, the basic problems which promoted the House subcommittee's 1966 conclusion that uniform federal legislation was required. Currently 21 states are members of the MTC and eight others have used UDIPTA as the basis for their income tax statute. However, not all of these states interpret their statutes similarly, and even with respect to members, the MTC has no power to enforce uniformity. Particularly often cited as example of nonuniformity is the decision of the Supreme Court of Utah, a MTC member state, in Kennecott Copper Corp. v. State Tax Commission of Utah, 27 Utah 2d 119, 493 Pac. 2d 632 (1972). The case undoubtedly lends credence to business' allegation that expediency, not uniformity, is the guiding principle of statutory interpretation for some MTC members states. In addition to the MTC's lack of power over its members' actions, the MTC must interpret a statute that is both substantively defective and, as a practical matter, unamendable.

The MTC itself freely admits that there are important substantive problems with the UDIPTA statute reproduced in the Multistate Tax Compact. Since any amendment to the substantive provisions of the Multistate Tax Compact requires legislative action by all of the member states, the MTC has attempted to solve these substantive problems by promulgating regulations which bend, if not amend, the statute. For example, UDIPTA contains a questionable distinction between "business" and "non-business" income. The

MTC believes this distinction should be eliminated, but has chosen, instead of recommending amendment of the Compact, to restrict nonbusiness income by regulation.

Even when first adopted, the basic provisions of UDIPTA appeared inadequate. A group of state tax administrators and representatives of the business community formed the Ad Hoc Committee on Taxation of Interstate Business for the purpose of drafting a more suitable statute. When the Ad Hoc Committee proposed that there be federal legislation which, among other things, granted the MTC power to adopt regulations binding on all the states, New York responded in 1971 by terminating its associate membership in the MTC.

BUSINESS WANTS END TO UNITARY DOCTRINE

The Senate Finance Committee's subcommittee on state taxation of interstate commerce held hearings in September 1973 on a bill which in effect would have abolished the unitary business doctrine. Business interest in such a bill has been piqued by, among other things, the MTC's adoption in February 1973 of apportionment regulations which embraced the unitary business concept. The Congressional hearings reveal little more than a lack of consensus among the various interested parties. Both the National Association of Tax Administrators and the MTC opposed federal legislation in general and in particular opposed limiting the right of the states to use the unitary business doctrine. The United States Chamber of Commerce, on the other hand, favored federal legislation and in particular supported drastic limits on the right of the states to apply the unitary business doctrine.

As to matters of state taxation, the business community is well organized and appears to have an effective legislative presence. The Committee on State Taxes of the Council of State Chambers of Commerce ("COST") includes within its membership some 92 of the 100 largest corporations in the United States. The members of COST have extremely able counsel. Furthermore, there appear to be no disagreements among the group concerning the outcomes they desire. At the moment there is a uniform position: Business favors abolition of the unitary business doctrine.

If there were anybody with whom to bargain, business might trade away its position on the unitary business dictrine for other advantages which might flow from uniformity in state apportionment of business income for tax purposes. For instance, in 1970, the directors of the United States Chamber of Commerce offered to accept a compromise bill which would have granted to both taxpayer and tax administrator the option of a consolidated return. However, as things now stand, a well-organized business community has nobody with whom to negotiate.

Since 1973, the business community has continued to push for elimination of the unitary business doctrine. Bills such as that which business supported in 1973 continue to be introduced into the Congress.

Last year the Task Force on Foreign Income of the House Committee on Ways and Means considered at businesses' request the state taxation of foreign source income. Recently it issued a report in which it recommended that the states be limited to taxing what is considered taxable income under federal law. Thus, income on which taxes are deferred under federal law could not be included in a state's taxable base. This year the U.S.-U.K. income tax treaty may adopt the principle for which business has contended.

Business challenges the constitutionality of the Multistate Tax Compact itself. The U.S. Supreme Court February 22 granted certiorari to review a lower court decision upholding the Multistate Tax Compact against an attack by U.S. Steel and others. The companies alleged that the Multistate Tax Compact was a compact among states to which Congress had not consented and thus was in violation of the Compact Clause of the Constitution. The lower court ruled that the Multistate Tax Compact does not increase the political or legislative powers of its 21 members and therefore need not be approved by Congress as the Compact Clause otherwise would require.

THE DIRECTION OF FUTURE TAX REFORM IN THE STATE TAXATION OF INTERSTATE BUSINESS AND THE U.S.-U.K. INCOME TAX TREATY

The brief history set forth above illustrates both the failure of the states and the business community to reach consensus and the inability of Congress to shape a coherent federal policy. As to the first point, the lack of consensus is entirely appropriate. Business should not be expected to wish to pay as much in state taxes as the states might wish to receive. Furthermore, although I believe the actual interests of the states are less diverse than the past might indicate, the states' interests are not identical. For instance, manufacturing states may support different rules for apportionment than do those states which mostly provide a market for the manufactured goods. Barring the threat of federal legislation, one should not expect to witness a future consensus in which states and business agree to some particular set of statutes.

As to the inability of Congress to shape a national policy concerning state taxation of interstate business, again this seems understandable. The information and staying requirements for a coherent national policy concerning state taxation of interstate business are substantial. Furthermore, making federal policy in this substantive area will require moving slowly, listening, negotiating, and mediating. The best outcome might be a series of amendments to the Multistate Tax Compact. If such were the case, the federal role should consist of reaching conclusions about the need for uniformity in state taxation of interstate business, providing a forum in which a compromise concerning substantive outcomes could be struck, and then withholding federal legislation until the states had ample opportunity to implement the compromise solution. Legislation should be the last, not the first, resort.

PLAYING CHIPS AT THE WRONG TABLE

As far as limiting the right of the states to tax foreign income is concerned, such a policy might be appropirate as part of an overall compromise concerning state taxation of interstate business. I have no trouble with the idea that state taxation of foreign source income should be used as a bargaining chip. My concern is that the chip was played at the wrong table. The Treasury Department states that some concessions were made by the British concerning taxation of dividends remitted to the U.S. in return for the protections from U.S. state taxation contained in Article 9 of the treaty. Even if this is so, the advantage to the United States from bargaining away the states' right to tax subsidiaries of United Kingdom firms seems far smaller than the advantage that could be gained by using the same bargaining posture in an effort to bring more uniformity to state taxation.

Furthermore, it is not at all clear to me that in bargaining away the rights of the states, the Treasury Department had any idea of what was at stake in the area of state taxation. For instance, Secretary Simon in a letter to Sen. Quentin N. Burdick, D-N.D., defended Article 9 on the ground that only a "few states" use the unitary business approach to state taxation. Treasury, when recently asked by me how many states it counted as using the unitary business doctrine, answered that there were four: New York, California, Alaska and Oregon. Treasury seemed to be unaware that the regulations of the Multistate Tax Commission adopted the unitary principle and that 21 states were members of the MTC. One of my students recently counted 15 states with regulations that adopted the unitary business doctrine and another 11 states where the concept had been accorded judicial recognition.

Furthermore, Treasury seems unaware that the unitary business doctrine was a major point of dispute in the 1973 hearing before then-Sen. Walter F. Mondale. Secretary Simon says in his letter to Sen. Burdick that the "unitary apportionment system"—his label for the unitary business doctrine—"is viewed as a highly imperfect" substitute for an arms-length pricing standard. It is so "viewed," but only by business. As pointed out above, both the National Association of Tax Administrators and the MTC are on record as of the opposite view.

THE OPEN MARKET CREDIT CONCEPT

● Mr. KENNEDY. Mr. President, over the past several years I have been actively interested in the crude oil entitlements programs. As a Senator from a State dependent upon imported petroleum, I particularly appreciate the importance of this program in equalizing the economic impact of the OPEC cartel on the various geographic regions of the country. Through this program, the benefits of low-cost domestic production are equitably shared by each region. As chairman of the Antitrust and Monopoly Subcommittee, however, I have also attempted to look at how the entitlements program has been accomplishing its parallel purpose of protecting competition among petroleum refiners. This, however, has not been an easy task. I believe it is fair to say that over the past 3 years the program has grown in complexity at a rate unparalleled in the history of government.

This outrageous weed garden of regulation in large measure reflects a very fundamental failure on the part of energy policymakers. The United States quite simply has no coherent policy relating to its refining industry. Lacking a sense of direction or overall purpose, the policymakers have simply responded to each new problem with a new regulation. The result has frequently been confusion and inconsistency.

Even now, there is little evidence that any serious consideration is being given to the formulation of a coherent and rational refinery policy. Major issues are still being confronted piecemeal, without the benefit of an overall policy framework to address the central questions facing us in this area. To what extent can the United States rely on off-shore refiners in the Caribbean for its domestic needs? To what extent should public policy favor domestic offshore refining? Is Government action required to encourage the development of greater capacity to run high-sulfur crudes? Does exemption from the Jones Act create competitive problems? Should something be done to encourage the use of heavy California crudes? And, finally, what should be done to protect the competitive viability of the independent sector which faces significantly higher crude costs than its integrated competitors?

Without a basic policy framework,

without coherent national objectives, private economic interests and regional interests will continue to dominate the debates on these questions. And without a national policy it is improbable that we will find answers which will serve the interests of the whole country.

Central to most of these questions is the issue of competition: To what extent can we rely upon market forces to promote the development of the industry in such a way that protects the interests of consumers? I do not mean to imply that competitive solutions are available for all these problems. But to the extent that we can rely on a self-regulating free market, we can reduce our reliance on direct Government regulation.

Any discussion of competition in the petroleum industry inevitably focuses on the role of independent refiners. Their importance to consumers in stimulating price competition is well understood. And the Congress has recognized that their survival is being threatened by the absence of an open and accessible crude oil market.

In the past year the antitrust subcommittee has devoted a great deal of time to the problems confronting independent refiners and to those aspects of energy policy that purport to promote competition from this sector. In particular, we have examined the effects of "the small refiner bias" aspect of the entitlements program.

On April 10, I wrote to the Department of Energy, the Department of Justice, and the Federal Trade Commission asking that they consider the possibility that the small refiner bias was misconceived as a remedy to the competitive problems of the industry. I proposed that the bias be replaced with a credit for open market transactions. I suggested that such a change would go far to eliminate both the abuses and the subsidization of inefficiency that seemed inherent in the small refiner bias.

I have received a reply from Mr. Alfred F. Dougherty, Director of the Federal Trade Commission's Bureau of Competition. Mr. Dougherty advances a very strong criticism of the small refiner bias (SRB):

> We think your statement about the SRB being "misconceived" is probably an understatement, but we cannot state this unequivocally since the purpose of the program is so difficult to ascertain. It is not a program directed solely at aiding small companies because Fortune 500 companies with small refineries still receive the bias; it is not a program aimed at ensuring the viability of small refineries because a company with numerous small refineries must aggregate its capacity to determine its eligibility for the SRB; it is not a program specifically tailored to subsidize the inefficient because it makes no allowance for efficiencies (or inefficiencies) due to complexity, or feasible marketing areas; it is not a program which encourages expansion of refining capacity because the SRB penalizes a company with the loss of entitlements if it expands; nor is it a program designed to stimulate competition because it subsidizes only small refiners and not large independents that would presumably have more impact on the market.

Mr. Dougherty goes on to elaborate on the open market credit concept and its implications. Not only does this approach avoid the abuses of the small refiner bias, it avoid breeding further regulatory complexity by becoming self-eliminating over time. The open market credit would deal precisely with the problem of the independent refiners, which is, not that they are too small to be efficient, but rather that they do not control a captive supply of crude oil.

I ask that my letter of April 10 and Mr. Dougherty's reply be printed in the RECORD.

The correspondence follows:

APRIL 10, 1978.

Mr. ALFRED F. DOUGHERTY JR.,
Director, Bureau of Competition, Federal Trade Commission, Washington, D.C.

DEAR MR. DOUGHERTY: Over the past several years the Antitrust Subcommittee has been examining competition in the petroleum refining industry. During the past year we have specifically examined the competitive position of the independent refiner, under both the present entitlements system and the proposed crude oil equalization tax (COET). As a result of this study I have reached a number of conclusions regarding the competitive significance of the independent refining sector and the public measures that should be taken to insure its viability.

First, I believe that independent refiners are essential to price competition at the retail marketing level. They are the historic suppliers to the independent marketers, who have consistently been responsible for keeping downward pressure on retail prices. In short, the American consuming public has a direct interest in the continuing existence of independent refiners as a competitive force in the industry.

Second, it is clear that independent refiners are at a significant competitive disadvantage because they do not control a captive supply of crude oil. This problem has two parts. The independent refiner has a cost disadvantage compared to the integrated firm. This is true in spite of the entitlements program: the entitlements program does equalize the crude oil costs of refiners in so far as it gives each refiner a share of the price controlled "old oil," but neither the controlled price for "old" crude oil or the price for "new" oil accurately reflects the actual costs of production. In many instances actual costs are well below the prices permitted. Therefore, while the integrated refiner may "charge" its refinery the market price for the crude, its actual costs are much lower. On the other hand the cost of crude to the independent refiner is the full price.

In addition to the problem of cost the independent refiner as a problem in obtaining access to crude oil. The amount of crude oil passing in arms-length transactions is relatively very small. Or, to put it another way, there is no crude oil market to which the independent refiner can look for its crude supply. He is, for the most part, dependent upon his major competitors for his supply of crude.

Third, the disadvantage experienced by the independent refiner is not related to a lack of efficiency in any conventional economic sense. There are, of course, refineries which do not meet the minimum efficient scale. But there is no persuasive evidence that the independent refiners as a group are inefficient in their refining operations. In fact there is evidence to the contrary. Certainly prior to 1973 the independent refiner was able to absorb higher crude costs and still undersell its major competitors.

The fourth conclusion follows from the previous three: given the importance of the independent refining sector to the consumer and given that the independents' disadvantage is unrelated to normal market forces, a strong case exists for public policy measures which alleviate or reduce their disadvantage.

It is apparent that neither the present entitlements system nor the proposed crude oil equilization tax is a sufficient solution to the problem. While both approaches remedy the problem to some extent, neither really equalizes crude costs nor deals with the problem of access to crude oil.

The small refiner bias provision of the entitlements program does alleviate the problem somewhat. This approach, however, seems to be misconceived. It gives a special entitlements credit to smaller refiners based wholly on their size—the smaller the refiner the larger the advantage. The problem, as I see it, however, is not simply one of size. To the extent small size alone creates disadvantages, there is a serious question whether public policy ought to provide a remedy. Linking the benefit of the bias to size has led to the charge that the government is subsidizing inefficiency. The bias based on size probably does discourage expansion, and it certainly has led to a number of abuses.

Ill-suited to the problem as it is, the small refiner bias is nevertheless the margin of survival for a number of efficient refineries. Its elimination without some replacement would deal a serious blow to competition in the refining industry. What is required is a new mechanism which more precisely addresses the problem.

In my view the above conclusions make a strong case for a major revision of the small refiner bias aspect of the entitlements program. Rather than being directed at aiding small refiners simply because they are small, it should be directed at the real problem—which is that independent refiners by definition do not control a captive crude supply. It should focus on the extent to which the refiner is dependent upon arms-length transactions in the purchase of its crude oil.

I would thus suggest that an entitlements advantage for each barrel of crude actually purchased rather than obtained by intracorporate transfer or by exchange agreement would be the best approach to the problem. Although it would require additional legislation, this approach could be made part of the COET.

This proposal would have two benefits. It would preserve the independent refining sector without subsidizing inefficiency. And at the same time it would encourage the creation of a larger and more accessable crude market.

This proposal for an "open market credit" does not, of course, purport to solve all of the industry's competitive problems. It does not eliminate the fact that integrated companies will continue to have very high profits at the crude production level. And it will not prevent the profits from crude production from being used to subsidize their downstream operations of refining and marketing. Likewise it will not eliminate the special advantages inherent in the operation of pipelines. (It is quite probable that these problems can onlly be dealt with by industry restructuring.) It is still possible, however, in the context of the present industry structure for an "open market credit" to make a significant contribution to protecting competition in the industry.

I would greatly appreciate your comments on this proposal at your earliest convenience.

Sincerely,

EDWARD M. KENNEDY.

FEDERAL TRADE COMMISSION,
Washington, D.C., May 23, 1978.

HON. EDWARD M. KENNEDY,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, Washington, D.C.

DEAR MR. CHAIRMAN: I have read your April 10 letter with interest and believe your open market credit (OMC) proposal to be a creative approach to the problems engendered by the small refiner bias (SRB) to the entitlements system and the problems

created by the noncompetitive nature of the crude oil markets. Like you, I believe that independent refiners are disadvantaged because they do not have ready access to crude oil supplies comparable to that of the major, integrated companies. This handicap has nothing to do with the relative efficiencies of large versus small refineries. Accordingly, I have directed the staff of the Bureau of Competition to further develop your OMC proposal.

We have devised a system which could replace the SRB in the present entitlements structure or be incorporated into the crude oil equalization tax. The OMC would work by attaching a credit—either additional entitlements or tax credits—to every barrel of crude oil charged at the refinery which was purchased in an arm's length transaction in the secondary market. This would compensate the nonintegrated refiner for unwarranted crude oil acquisition costs. At the same time, the program would provide incentives for the majors to eschew exchanges and buy/sell agreements and turn to open market sales. This, in turn, would ease the nonintegrated refiners' acquisition cost burdens and consequently reduce the need to continue the OMC. The program is designed so that when acquisition problems decrease the credit diminishes. Eventually the subsidy would disappear altogether.

The discussion below is organized around three topics: the effects of the SRB; the access problems of nonintegrated refiners; and the OMC proposal. We conclude that the SRB promotes inefficiency and deters efficient expansion of facilities; that domestic crude oil markets are noncompetitively structured, to the detriment of a refiner without a captive supply of crude oil; and that the OMC is the best method to compensate independent refiners for this disability.

I. THE SMALL REFINER BIAS (SRB) TO THE ENTITLEMENTS PROGRAM

A. The small refiner bias

The SRB tilts the equalization effects of the entitlements program in favor of small refiners. The entitlements program itself attempts to roughly equalize crude costs by spreading the benefit of low cost, price-controlled domestic crude across the refining industry. This is accomplished by the issuance of licenses, called entitlements, to each refiner based on its crude runs to still and the amount of domestic crude oil (as a percentage of total crude runs to still) run by the refining industry in a given month. Each entitlement permits the refiner to run one barrel of price-controlled, domestic crude oil. If the refiner runs more domestic crude oil than it has entitlements, it must purchase entitlements from other refiners which ran fewer than their entitled number of barrels of domestic crude oil that month. The price of the entitlement is set by the Department of Energy (DOE) at the difference between weighted average domestic and weighted average foreign cost of crude oil to domestic refiners.

Small refiners are issued a disproportionate number of entitlements based on their size. This enables them to purchase more domestic crude than the national ratio of domestic to total crude runs to still. Alternatively, they can sell the additional entitlements and run foreign crude oil. The number of barrels run determines the number of additional entitlements as the chart below illustrates:

VALUE OF CURRENT REFINER BIAS[1]

Crude runs	Number of bias entitlements	Daily value of bias entitlements	Per barrel value of bias entitlements
10,000	2,288	$19,699.68	$1.97
30,000	3,123	26,899.03	.90
50,000	2,079	17,900.19	.36
100,000	1,258	10,831.38	.11

[1] 43 F.R. 5870, 5872 (Feb. 10, 1978) (based on the November 1977 entitlement price of $8.61).

The greatest number of additional entitlements per barrel run is issued to companies refining 10,000/bbl per day, giving them a $1.97 subsidy for every barrel refined. The greatest number of additional entitlements per company is issued to companies refining 30,000/bbl per day. These companies receive an additional 90 cents per barrel based on the November entitlement price. The greater the number of barrels refined by the company, the fewer the additional entitlements issued. Companies processing over 175,000 barrels per day receive no SRB subsidy. The economic effect of the SRB, however, is to shift revenue from refiners processing over 99,250 bbl/day to refiners processing fewer barrels than this benchmark figure.[2] When all other programs benefiting small refiners are included the subsidized/subsidizer breakeven point is 71,870 bbl/day.[3]

The annualized subsidy rate of the SRB program is $659 million. Exceptions and appeals relief under the entitlements program provides small refiners with an additional $460 million at an annual rate.[4] It should be pointed out that it is ultimately the consumer who pays most of the subsidy, rather than large refining companies. Since 81 percent of the crude oil in this country is processed by refiners with over 175,000 bbl/day in capacity,[5] their higher costs of crude oil will ultimately determine the price of products.[6]

B. Effects of the small refiner bias

We think your statement about the SRB being "misconceived" is probably an understatement, but we cannot state this unequivocally since the purpose of the program is so difficult to ascertain. It is not a program directed solely at aiding small companies because Fortune 500 companies with small refineries still receive the bias; it is not a program aimed at ensuring the viability of small refineries because a company with numerous small refineries must aggregate its capacity to determine its eligibility for the SRB; it is not a program specifically tailored to subsidize the inefficient because it makes no allowance for efficiencies (or inefficiencies) due to complexity, or feasible marketing areas;[7] it is not a program which encourages expansion of refining capacity because the SRB penalizes a company with the loss of entitlements if it expands;[8] nor is it a program designed to stimulate competition because it subsidizes only small refiners and not large independents that would presumably have more impact on the market.[9]

Whatever the conception of the SRB, its impact is clear: it promotes smallness and, as a corollary, inefficient investment in the refining industry. In fact one study has shown a small refiner producing gasoline with a distillation capacity of 15,000 bbl/day has a $1.06/bbl profit disadvantage compared to a world scale plant processing 250,000 bbl/day.[10] The imposition of the bias reverses this situation giving the small refiner a $.42/bbl profit advantage over the major.[11] Another study found that most economies are not obtained until the refinery reaches 100,000 bbl/day level.[12] Yet this is just the level at which the subsidized company becomes the subsidizer. For very small companies the per barrel benefits provided by the SBR "substantially exceed the total per barrel operating costs of many larger operations."[13]

Moreover, the SRB is providing the smaller small refiners with unnecessarily large profits. At the same time large small refiners are not appreciably affected by the program. We have made our own calculations based on information found in a recent study of refining profiability.[14] Our findings indicate that pre-tax profitability with the SRB of firms with less than 10,000 bbl/day in capacity was on average 39.7% in 1976. Firms with 10–20,000 bbl/day in capacity had on the same basis profits of 30.6%. Firms in the 30–50,000 bbl/day class receive no significant help from the SBR and had pre-tax profits of 13.9%. Similarly firms in the 50–175,000 bbl/day class had 13.4% profits.[15]

These figures point out the highly disproportionate impact of the SRB. While we agree there that it is important to preserve the economic viability of efficient small refiners, the SRB does no such thing. Rather, it provides an extraordinary windfall for the smallest of small refiners, and does nothing to enhance the chances of survival of the larger small refiners.

It should also be pointed out that the SRB and appeals and exceptions subsidy of over 1.125 billion dollars provided to small refiners in one year would have been sufficient to construct four world scale refineries with a total of well over 800,000 bbl/day in distillation capacity.[16] The total increase in domestic refinery capacity in 1975 was only 170,000 bbl/day.[17] If such expansions had been forthcoming the consumer would not be in jeopardy of spending an extra $11 to $22 billion because of the potential shortfall of 200,000 bbl/day of gasoline in 1979.[18]

Needless to say, a subsidy which exposes the consuming public to such deleterious effects must be reformulated. A program designed to protect small refiners should not be justified as compensation for small scale diseconomics. Competition does not require such subsidization of inefficiency. Moreover, most small refineries do not need to be compensated for inefficiency. They were sized to take advantage of special attributes of local markets and special product slates. They survived from 1971 to 1974 without any special program and will continue to prosper as long as they are not unduly handicapped by a noncompetitive crude oil market structure. Consequently, a subsidy program should be devised which compensates only for noncompetitive conditions adversely affecting small and independent refiners.

II. THE COMPETITIVE PROBLEMS OF NONINTEGRATED REFINERS

Small and independent refiners contend that they could be effective competitors if they had access to crude oil on terms equal to those of the major integrated oil companies. Small and independent refiners are handicapped to the extent that they do not possess a captive supply of crude oil. Some of the present access problems are purely a product of misguided regulations; other problems are structural and cannot be solved by amending DOE rules, though they can be compensated for by a properly constituted substitute for the SRB.

Attachment 1 to this letter is a recent comment of the Bureau of Competition to the Department of Energy on the present regulation of the crude oil market. We conclude in that comment that the present regulatory structure creates crude oil price disparities which redound to the benefit of the vertically integrated oil companies—as well as companies advantaged by administrative vertical integration such as the supplier/purchaser rule.[19] A Gresham's Law of crude oil operates, as vertically integrated oil companies eschew crude oil, on the wrong side of the price disparity. The nonintegrated refiner has no alternative but to suffer the burden of this higher cost crude oil. This would cripple the independents' operations vis-a-vis its major competitors were it not for the subsidy provided by the SRB. The SRB, however, does not remedy this problem because it is based on size, rather than preferential access. Thus, large independents continue to suffer and small integrated refiners receive an unnecessary boon.

While we believe the implementation of the proposals made in our comment would do much to resolve the regulatory morass, it would not begin to address the structural problems in the industry. Some examples may help to illustrate the unresponsiveness of the crude oil market to normal competitive pressures:

1. Until the passage of the Energy Policy

Footnotes at end of article.

and Conservation Act (EPCA) [20] in December 1975, the regulatory price restraints did not apply to the upper tier of domestic crude oil. The price of this crude oil, however, remained one dollar per barrel below the imported price.[21]

2. The price of crude oil from wells producing less than ten barrels per day, so-called "stripper oil," was exempted from controls in August of 1976.[22] Despite decontrol, prices remained substantially below world prices for a considerable length of time. Over nine months of this period stripper producers lost $165 million in revenues.[23]

3. It would be erroneous to assume that there is something about domestic crude oil which makes it less valuable than foreign oil. In fact there are reported cases of domestic oil selling for more than an equivalent foreign oil. In April 1977, for instance, West Texas Sour 34° lower tier cost Houston refiners 37 cents per barrel more than Iranian Light—34° post-entitlements.[24]

The point of these examples is that the present regulations are not wholly responsible for the obvious price anomalies. While there may be a price ceiling on West Texas Sour there are no price floors mandating a 37 cent premium for sour crude oil. A number of market conditions wholly apart from the regulatory scheme may account for the fact that domestic crude oil can be more expensive than comparable foreign crude; [25] that is what makes the stripper example so interesting. It cannot be argued that the supplier/purchaser freeze prevented the price of stripper oil from being bid up to world levels from July 1976 to August 1977—an eleven month period with highly stable stripper prices—because small refiners were free to bid such oil away from the majors.[26] Prices remained low because, in general, the structure of the industry (rather than regulation) insulates the crude oil from bidding pressures.

As described in Part III of the attached Comment, the major integrated oil companies control the price of domestic crude oil by gathering the crude oil in the field as well as by producing it. Gathering most frequently requires a pipeline connection to the well (or lease tank). Once that connection is made the relationship is, for all intents and purposes, permanent. It is rare that a potential purchaser would be willing to invest in an entire gathering system just to bid away a fellow gatherer's crude supply.

If gathering were an independent operation rather than one function in the vertically integrated structure of major oil companies, the gatherer would make monopsony profits and all refiners would have roughly equal acquisition costs. Since this is not the case, those refiners which are integrated into gathering (and production) have a captive supply of crude oil at prices which they determine.

Naturally some fields are more competitive than others, and this may result in higher prices in those fields as small refiners bid the crude oil away (or as the major raises its wellhead price to prevent the crude oil from being bid away). Even if the vertically integrated company intends to sell crude oil to small and independent companies, there is nothing in the present regulations which prevents it from selling the crude oil from the more expensive fields and captively consuming the less expensive crude oil.[27]

Gathering lines would not alone assure the major the use of the crude oil purchased in the fields, because the expense of transporting the crude oil to the refinery from so many widely dispersed fields would be prohibitive. A rational refiner would sell the crude oil not appropriately located and purchase crude oil nearer his refinery. This is not industry practice, however. Instead, the industry has resurrected a form of trade which generally disappeared with the waning of the obsidian trade of prehistory. Known as an "exchange" (or its equivalent, the "buy/sell agreement") it replaces the need for a single coincidence—a buyer must find a seller in the appropriate location with the need for a double coincidence—someone who wishes to "sell" oil at a given location must find someone who wishes to "buy" oil at that location, and that buyer must also have oil it is willing to "sell" at a location where the first seller wishes to "buy." This must entail substantial search and transaction costs beyond what might be expected in a money market.[28]

By separating crude oil transactions from money markets the sensitive price barometer is removed, almost surely causing markets to work less than perfectly. Markets are so thin that domestic sour crude oil can have a higher acquisition cost than the foreign equivalent, at the same time domestic stripper crude is selling for less than its foreign equivalent.

The exchange system will often work to the disadvantage of the nonintegrated refiner by limiting "access to the benefits of the market to those with two qualifications instead of the usual one—a need for oil of a certain kind in a particular place and possession of a particular oil that the opposite party will accept." [29] The inland independent refiner can of course purchase foreign crude oil at the port (through perhaps at a higher price than former concessionnaires) and attempt to trade it for oil it needs at an inland location; but this is not calculated to be an easy task. A major would only trade oil located inland for oil at the port if it had no need for any oil in any inland location; it could always purchase the foreign oil itself and therefore it does not need the independent. The price of crude oil inland will tend towards its price at the port plus full transportation costs to the inland location, because independents will not be able to bid oil away from the majors at those inland locations and will be forced to transport it much farther than might be necessary in money markets.[30]

That small and independent refiners have higher acquisition costs is really not in doubt.[31] One study found that:

[M]ost small refiners are forced to pay a premium of 20–40 cents/barrel in order to obtain crude oil supplies. Factors which may contribute to this premium could include extensive reliance of small refiners on brokers and resellers; in addition, they apparently incur more freight expenses than majors.[32]

As discussed above, however, these freight expenses may only be necessary because of the independent's inability to bid away oil just "over the fence" from their refineries. One interesting set of statistics in this regard is compiled by the DOE from Form P–102–M–1, Refiners Monthly Report. It indicates the "Cost of Crude Oil Received in Refinery Inventory" by class of refinery and tier of crude oil.[33] If logistical reasons or considerations relating to the quality of crude purchased accounted for the higher acquisition costs of small and independent refiners, one would expect to see them reflected in higher costs for these refiners for all tiers of crude. As the Table at Attachment 2 demonstrates, however, this is not the case. In fact, the higher acquisition costs appear to be a relatively recent phenomenon. Small refiners actually have lower costs for old (lower tier) oil than the majors.[34] They have higher costs for new (upper tier) oil [35] and dramatically higher for stripper oil.[36] This may indicate less a logistical problem and more a competitive problem, as small refiners scramble to gain access to, and bid up the price appreciably for, the small amounts of stripper production which are not captively gathered, exchanged, and consumed.

These acquisition cost problems are particularly troublesome for a nonintegrated refiner determined to expand, and for a potential entrant. For existing capacity there may be some lower cost old oil to rely upon. New capacity must rely upon higher priced new production, stripper crude and imports. These marginal acquisition costs are bound to deter both expansion and new entry.

III. AN OPEN MARKET CREDIT

A. Introduction

We believe the Open Market Credit (OMC) to be a creative solution to three existing problems: 1) the structural access problems of nonintegrated refiners; 2) the SRB's subsidization of inefficiency; and 3) the SRB's deterrence to expansion. It is our understanding that the OMC would work by attaching a credit—in the form of additional entitlements or a deduction from the Crude Oil Equalization Tax (COET)—to every barrel of crude oil purchased in an arm's length transaction in the secondary market.

Based on your idea we have developed a proposed method of operation for the OMC. The formulae we employ are designed specifically for COET but it is a very simple procedure to adpt them to the present entitlements program.

Our proposal uses the "avail system" as the basis for the implementation of the OMC. By "avail system" we mean the following: all crude oil produced by a company or gathered by a company is preferentially available to that company, and if refined by that company no OMC should attach. Such a barrel would be deemed "captured." The refiner would only receive a credit for those barrels of crude oil charged at its refinery which cannot be accounted for within its avail system. If a refiner, in an arm's length transaction, sells an avail barrel, the number of avail barrels which would be "potentially captured" at the refinery would be reduced by one. Thus, for instance, it is conceivable that a major integrated oil company would sell outright all the barrels of crude oil it produces or gathers in the field, and would purchase outright all the barrels of crude oil it processes. Such a refiner would be eligible for a credit—OMC—for every barrel run at its refinery. This is as it should be, because such a refiner would have the same sort of access problems as a non-producing, non-gathering refinery.

Each month the refiner would report to DOE its total inventory in available barrels, exchange or buy/sell barrels, and purchased barrels, as well as the number of barrels charged at its refinery. Based on these figures, DOE can calculate the number of captured barrels and open market purchased barrels charged at refineries in the nation as a whole; and could distribute the tax credit or entitlement credit accordingly.

We assume that some large integrated refiners would attempt to take advantage of the program by selling crude oil when the former exchange was particularly inefficient. To the extent that such companies do increase their market activities there will be more open market crude oil for nonintegrated refiners to purchase; and the access problem would accordingly decrease. Hence, the formulae we propose decrease the amount of OMC money (or number of OMC entitlements available) to be applied to open market purchases as the access problem diminishes. As the system takes effect, it may in the long run become more difficult to exchange as more and more refiners opt for the open market. This, in turn, would reduce the credit even further. In fact, this is the only subsidy program we know of which is designed to cause its own demise, rather than continually perpetuate itself.

It also should be pointed out that the OMC system will work even if a refiner is non-complying. No refiner should be forced to comply with any aspect of the OMC. All refiners can simply continue past practices. They need not even report their gathering or exchange statistics. The only penalty for failure to report would be the loss of credits. DOE, for aggregation purposes, would just

Footnotes at end of article.

assume that all barrels charged by the non-reporting refiner are "captured."

The program has other advantages. Since most refiners are not self-sufficient the OMC would be spread more thinly than the SRB. This would lower crude acquisition costs to the vast majority of refiners. These lower costs would be passed through as lower product prices to the consuming public.

The proposal also provides incentives for new entry and efficient expansion not provided for in the SRB. The present bias system deters optimal size entry and efficient expansion because it penalizes expansion in capacity beyond a certain level. The OMC, on the other hand encourages expansion by providing credits for all additional distillation capacity as long as open market barrels are charged at the refinery.

What follows is not a completely polished proposal nor is it intended to represent the only possible method by which the OMC could be implemented. It is meant to be, rather, a subject for continued discussion and development.

B. Proposal for an open market credit

1. The Open Market Credit Formulae

(1) $t_x=(a_x \cdot t_1)/a_1$

where

x is the month.

a_1 is that fraction of all crude oil refined which is "captured" in month 1.

a_x is that fraction of all crude oil refined which is captured in month x.

t_1 is the total aggregate credit in month 1.

t_x is the total aggregate credit in month x.

(2) $Z_{xb}=U_{xb} \cdot r_{xb}$

where

Z_{xb} is refiner b's total credit from the crude oil equalization tax in month x.

U_{xb} is refiner b's number of "noncaptured" barrels in month x.

r_{xb} is refiner b's credit per barrel in month x.

where

(3) $r_{xb}=t_x/u_x$

or

(4) $r_{xb}=t_x/u_x+((n_x/u_x)/u_{xb}) \cdot (s_x-q_{xb}) \cdot (t_x/u_x)$

or

(5) $r_{xb}=t_x/u_x+(1/u_{xb}) \cdot (s_x-q_{xb}) \cdot (t_x/u_x)$

or

(6) $r_{xb}=t_x/u_x+((u_x/n_x)/(u_{xb})) \cdot (s_x-q_{xb}) \cdot (t_x/u_x)$

(6') $r_{xb}=t_x/u_x+(t_x/(n_x \cdot u_{xb})) \cdot (s_x-q_{xb}) \cdot (t_x/u_x)$

where

n_x is the number of refiners that have "non-captured" crude oil and are therefore eligible for the bias in month x.

u_x is the total aggregate number of "non-captured" barrels in month x.

q_{xb} is refiner b's fraction of "captured" barrels to total barrels run through its refinery in month x.

s_x is the average refinery "capture" of those refiners eligible for the credit;

Explanation of the formulae

(1) This formula determines the total aggregate credit in any month. Its two reference points are the total aggregate credit chosen for month 1 (t_1), and the total vertical integration in month 1 (a_1). Note that t_x, the total aggregate credit in month x, will be less than the total aggregate credit in month 1 if vertical integration in month x is less than vertical integration in month 1. This is true because $(a_x/a_1)<1$ if $a_x<a_1$.

(2) This formula will determine a refiner's total bias based on the number of "non-captured" barrels charged and the credit per barrel for the period.

(3) This formula gives an equal per barrel for determining the per barrel credit for the partially integrated refiner.

(3) This formula gives an equal perbarrel credit to every refiner. Thus a refiner's total credit will be proportional to the number of "non-captured" barrels in its refinery runs. A refiner with twice as many "non-captured" barrels as a second refiner will receive twice the credits.

(4)–(6) These formulae provide for a progressive credit. A refiner with above average vertical integration will receive a smaller credit per barrel than a refiner with below average vertical integration. The (s_x-q_{xb}) term is central to this result. If q_{xb}, the refiner's vertical integration, is greater than average vertical integration, s_x, the term is negative and the total per barrel bias will be less than the average per barrel bias, t_x/u_x. That t_x/u_x is the average vertically integrated refiner's credit is apparent because at that juncture $s_x-q_{xb}=0$ and the second term drops out of the equation. Formulae (4)–(6) proceed from less to more progessivity.

Ramifications of the formulae

Formulae (3)–(6) distribute the total aggregate credit in different ways. There are a number of considerations to take into account.

The less progressive the formula the greater the incentive for highly vertically integrated companies to switch from an exchange to a market system. With a greater credit the highly vertically integrated concern would have greater incentive to switch. Because the total credit decreases as markets develop the least progressive formula will cause the most rapid shrinkage in the total aggregate credit.

The less progressive the formula the greater the subsidy which will be provided to vertically integrated refiners. It could be argued that part of the subsidy would go to refiners with no access problems. However, the partially integrated refiner may have access problems and the credit is only attributable to those problem barrels. And again, the less progressive the formula the greater the incentive.

The less progressive the bias the greater the initial total aggregate credit may have to be to prevent substantial injury to independent refiners. Since the credit is supposed to alleviate an access problem a certain minimum credit should be directed to the least integrated refiners. The greater the progressivity the less the total aggregate credit must be to meet this need.

It is unclear at this point whether more progressivity or less progressivity will in the long run make lesser demands on the equalization tax. The less progressive the formula the faster the aggregate credit diminishes; but the less progressive the formula the greater the initial credit may have to be to support independents.

A hypothetical example of the OMC in operation under the crude oil equalization tax

An extremely simplified hypothetical has been devised to illustrate the operation of the system. A four refiner system will be taken through four months. Each refiner refines three barrels of crude oil. It will be assumed that there is one type of oil with a ceiling price of $6.00. The world price is $12.00 and hence the equalization tax on each of these 12 barrels of domestic crude oil is $6.00. The total aggregate credit for the first period is arbitrarily set at $20.00.

The refiners are vertically integrated (determined by the percentage of "captured" oil to total oil refined) as indicated in the chart. The total vertical integration of the oil in month 1 is 50%. Note that the incentive provided by the credit has decreased vertical integration in succeeding months. (This is not compelled by the formulae but is rather a behavioral hypothesis based on the formulae's incentive). As vertical integration decreases the total aggregate credit decreases. When there is no capture, as in month 4, there is no remaining credit.

Columns 3–6 under the two headings "refiner's per bbl credit" and "refiner's total credit" illustrate the various possible distributions of the total aggregate credit afforded by formulae 3–6. Formula (3), for instance, yields an equal per barrel credit to all refiners. It is $3.33 per barrel in month 1. Of course the total credit that a refiner receives depends on its number of "non-captured" barrels of crude as is demonstrated in column 3'.

In columns 4–6 the credit per barrel is progressive. Thus in column 6, refiner 2, 67% integration, receives $1.11 per barrel, while refiner 4, 0% integration, receives $4.07 per barrel. In month 1 refiner 3's integration is equal to the average integration of all refiners receiving the bias in month 1. It consequently receives the same per barrel credit, $3.33, under any of the formulae.

In month 2 refiner 4, despite the fact that its vertical integration has not changed, receives a smaller total bias, $5.49 vs. $12.21 in column 6.' Since it was the purpose of the formulae to reduce a refiner's credit as the access problem decreases, this result naturally follows.

HYPOTHETICAL EXAMPLE

	Tax	Aggregate credit	Refiner's per barrel credit				Refiner's total credit			
			3	4	5	6	3'	4'	5'	6'
Period 1 (50 percent vertical integration) total	$52.00	$20.00								
Refiner:										
1 (100 percent integrated)			0	0	0	0	0	0	0	0
2 (67 percent integrated)			3.33	2.77	2.22	1.11	3.33	2.77	2.22	1.11
3 (33 percent integrated)			3.33	3.33	3.33	3.33	6.67	6.67	6.67	6.67
4 (0 percent integrated)			3.33	3.51	3.70	4.07	10.00	10.53	11.10	12.21
Period 2 (33 percent vertical integration)	$58.67	$13.33								
Refiner:										
1 (100 percent integrated)			0	0	0	0	0	0	0	0
2 (33 percent integrated)			1.67	1.60	1.48	1.18	3.34	3.20	2.96	2.36
3 (0 percent integrated)			1.67	1.69	1.73	1.83	5.01	5.07	5.19	5.49
4 (0 percent integrated)			1.67	1.69	1.73	1.83	5.01	5.07	5.19	5.49
Period 3 (25 percent vertical integration)	$62.00	$10.00								
Refiner:										
1 (67 percent integrated)			1.11	0.96	0.65	0.05	1.11	0.90	0.65	0.05
2 (33 percent integrated)			1.11	1.09	1.06	1.01	2.22	2.18	2.12	2.02
3 (0 percent integrated)			1.11	1.15	1.20	1.32	3.33	3.45	3.60	3.96
4 (0 percent integrated)			1.11	1.15	1.20	1.32	3.33	3.45	3.60	3.96
Period 4 (0 percent vertical integration)	$72.00	0								

Details of the program

a. "Potentially captured barrels": To assure the success of the program "potential capture" must be defined to account for those barrels of crude oil a refiner will refine primarily because it is underpriced. These are some of the considerations:

True vertical integration—There is a small portion of the oil industry which is truly vertically integrated from production to refining. This means one of two things. Tho actual crude oil molecule which the company produced at the wellhead is refined by the company. The alternative is that the actual crude oil molecule is put in a pipeline with the crude oil of other companies. The producing company extracts its share of molecules at the end of the pipeline.

Property interests—Production by the company refers to any type of property interests which gives it priority access. Thus, a company may have a royalty interest in a property which gives it priority access to some of the crude oil produced on the property. The company might also be a partner in a joint venture oil well. This would give it a property interest in the crude oil produced equal to its interest in the joint venture.

Relationship equivalent to a property interests—There may be cases where a company has priority access despite the absence of property interests. For instance companies attempting to avoid the effect of this program might attempt to sell the property to a straw man and at the same time contract for the oil at a favorable price. Companies may produce oil subject to royalty agreements but the royalty share of the production may be committed to the producer by long term contract. DOE must be given the authority to determine which interests are the equivalent of property interests on the basis of preferential access.

Administrative vertical integration—There are a number of mandatory allocation programs which give certain refiners preferential access to crude oil. The buy-sell program is one example. The buy-sell program is now fairly limited, but those refiners still eligible for its benefits are able to obtain underpriced crude oil. Employing the buy-sell authority a refiner can compel certain other refiners to sell sweet crude to it at the average purchase cost of foreign crude to the selling refiner. Since the sweet crude is price above average, its replacement cost to the selling refiner is above its sales price. Thus the buying refiner has received an advantage at the expense of the selling refiner. DOE must be empowered to identify programs which permit preferential access. All barrels of oil purchased under such programs should be "potentially captured".

Gathering.—Companies will have preferential access to the oil because they provide the only feeder lines from the oil field. Under such circumstances it would be extremely difficult for the producer to sell to anyone other than the gatherer. Consequently, gatherers have preferential access to substantial amounts of crude. Any crude oil gathered must be deemed "potentially captured".

Four types of potential capture have been identified:[37] property interest, its equivalent as defined by DOE, sale under compulsion, and gathering.

b. Exchanges.—Exchanges are the method employed to vertically integrate what is otherwise not an integrated system. Refiners own extensive amounts of crude oil which cannot practically be charged at their refineries. To make statistical self-sufficiency real self-sufficiency refiners exchange crude produced at a distance for crude located nearer their refinery. In this manner competitive markets are avoided and vertical integration is sustained.

Under the entitlements program and COET, underpriced crude can be retained by exchanging it with underpriced crude of another company. Defining exchanged barrels of crude as "captured" is the linchpin of this program. When a "potentially captured" barrel of crude oil is exchanged for another barrel, that latter barrel is "captured."

Exchanges can be hidden in monetized exchanges and buy-sell agreements. In such agreements the sale of one barrel of crude is dependent upon the purchase of a second barrel. All such agreements must be considered exchanges; and DOE must be accorded the power to categorize them as such. To make the system work DOE should be empowered to establish prima facie rules. One such rule might place the burden on a refiner of proving that sales and returns purchases are not hidden exchanges if such deals statistically are greatly out of proportion of what would be expected in money markets. Another possible prima facie rule would presume an exchange if a refiner/buyer offered a refiner/seller more money for the crude oil than the seller was previously receiving, and the offer was turned down. DOE could deter hidden exchanges by removing the refiner from the credit program entirely for some time period, and by giving additional credits to the refiner that reported the evidence leading to discovery of a hidden exchange.

c. Captured barrels: Any barrel which is "potentially captured" becomes "captured" when it is charged at the refinery or when it is exchanged for another barrel charged at the refinery. At that point the possibility that a credit could be attributed to it is removed.

d. The aggregation problem: Aggregation will be a problem because actual barrels are fungible and a refiner can neither trace nor report the actual history of a given barrel. Aggregate reporting is subject to multiple interpretations. For instance, both Refiner A and Refiner B might report production of 40 barrels, sales of 40 barrels and purchases of 40 barrels. For Refiner A this represents sales of its 40 preferential access barrels and purchase of 40 replacement barrels. For Refiner B this represents sales of the 40 purchased barrels while the 40 preferential barrels are refined.

Given this type of ambiguity a reporting scheme must be employed by DOE which minimizes the ability to cover up actual "capture" with side sales and purchases. The following is a suggested procedure:

1. There would be three classes of crude oil:

(1) exchange barrels, (2) "potentially captured" barrels other than exchanged barrels, and (3) all other barrels.

2. For every barrel exchanged a barrel moves from class 2 to class 1 to the extent class 2 barrels are available. If class 2 is exhausted exchanges are ignored.

3. Barrels sold beyond the total number of barrels charged at the refinery are deducted from purchases.

4. All other barrels sold are deducted from class 2 barrels first, class 3 barrels next and class 1 barrels last (4'. Alternative: All other barrels sold are deducted proportionally from class 2 and class 3 barrels first and class 1 barrels last.)

5. Barrels charged at the refinery are class 1 barrels first, class 2 barrels next and class 3 barrels last. (5'. Alternative: Barrels charged at the refinery are class 1 barrels first and then proportionally class 2 and class 3 barrels.)

DOE could decide to use this system, its suggested alternative, give the companies a choice of reporting one or the other, or choose a different system which more closely reflects the goals of this program. A hypothetical example demonstrates how the suggested system might work.

At the beginning of the given month the refiner's inventory consists of 13 barrels distributed as follows:

Class 1	1
Class 2	2
Class 3	10

The refiner that month produces or has other types of preferential access to 5 barrels; it exchanges 4 barrels buys 16 barrels other than at wellhead and sells 18 barrels. The refiner has 15 barrels of throughput that month. The barrels produced are added to class 2 and the barrels purchased other than at wellhead are added to class 3 so that we find:

Class 1	1
Class 2	7
Class 3	26

Since 4 barrels were exchanged they are deducted from class 2 and added to class 1. Thus:

Class 1	5
Class 2	3
Class 3	26

Since 3 more barrels were sold than refined (18—15=3), deduct these 3 barrels from purchases (16—3=13) and from class 3. Deduct as many of the 15 remaining barrels sold outright from class 2 (3—3=0). The 12 remaining barrels can now all be deducted from 3. The refiners distribution of barrels before charge is:

Class 1	5
Class 2	0
Class 3	11

Of the 15 barrels charged, 5 are attributable to class 1; since class 2 is empty, the remaining 10 barrels are attributable to class 3. In summation, the refiner for the month was ⅓ vertically integrated. It has 10 barrels to which the credit may be applied. And it begins the next month with 1 class 3 barrel in inventory.

C. *The OMC and the entitlements program*

While the above proposal is directed specifically at COET, it is equally well-suited to the present entitlements program. Credits would just have to be denominated in terms of additional entitlements rather than dollars and cents.

In the initial stages of an OMC we believe it would be best to employ all the entitlement transfers governed by the SRB and the exceptions and appeals process.[38] Therefore, the program initially would have $1.125 billion available for credits. Crude oil demanded by domestic refiners in 1978 is projected to be 5.55 billion barrels.[39] Based on various assumptions about the degree of vertical integration in the oil industry at the inception of the program we can determine the per barrel credit for each barrel purchased in an arm's length transaction:

VERTICAL INTEGRATION—BASED ON "CAPTURE"

	Percent				
	25	33	50	67	75
Credit cents per barrel	27	30	36	61	81

Arguably, this is enough to compensate for nonintegrated refiners' 20 to 40 cent crude oil acquisition cost disadvantage. And it would deal more directly with the access problem than the SBR. It would also lower crude acquisition costs to all refiners less than 100% self-sufficient (based on the capture definition). This in turn may lower product costs. Whether the OMC would actually lessen the access problem rather than

Footnotes at end of article.

just compensate for it is not clear. It depends on whether integrated refiners have sufficient incentive to eschew the exchange and buy/sell systems. We do believe it is sufficient (if and only if the regulatory changes proposed in the attached comment are adopted) because we see no cost advantages to the exchange system. We are, however, dubious as to how rapidly the major companies of the petroleum industry would abandon established practices simply to supplement their profits. As John Phelps of our Bureau of Economics has demonstrated, these same majors preferred to waste $42–$57 billion dollars from 1968–1975, rather than reform their refining and marketing practices.[40] This has sufficiently shaken our belief in the rational profit maxmizing oil company that we are unable to decide whether the OMC is remedial or merely compensatory. Whichever is the case, it will do the majors no damage and it will help the independents maintain their competitive viability.

* * * * *

I hope the foregoing comments will enable you and your Subcommittee to determine the best course to take with respect to the OMC. Because of the limited amount of time we have had to grapple with the difficult issues raised by your letter, I may wish to supplement the views expressed herein with further comments. My staff, particularly attorney Marc Schildkraut, the author of the foregoing analysis, will be available to work with the Subcommittee staff to further develop these proposals.

Very truly yours,

ALFRED F. DOUGHERTY, Jr.,
Director, Bureau of Competition.

FOOTNOTES

[1] Included on table.

[2] *See Small Refiner Bias Analysis*, 1, 111 (prepared for the Department of Energy, January 1978) [hereinafter *SRB Analysis*].

[3] *Id.* at 111.

[4] *Id.* at 1.

[5] *Impact of Mandatory Petroleum Allocation, Price and other Regulations on the Profitability, Competitive Viability, and Ease of Entry of Independent Refiners and Small Refiners* 18 (FEA-Report to Congress, March 1977). [Hereinafter *Price & Allocation Control Impact Analysis*].

[6] The major refiners will absorb some of the increase in crude costs as determined by the elasticity of demand.

[7] As the Justice Department has pointed out, small refiners may be located in areas where it is efficient to build smaller refineries due to transportation cost advantages in serving local markets. *See* Comments of the United States Department of Justice, *Small Refiner Bias Under the Entitlements Program* 16 (March 31, 1978); *SRB Analysis* 36–37.

[8] The SRB will provide some incentive for entry by small refiners. Fourteen small refiner entrants account for 121,010 of the 130,710 bbl/day of additional distillation capacity from 1975–77. *See Price & Allocation Control Impact Analysis* 51.

[9] This is not to say that small refiners do not have a competitive impact on the market, but rather that a large independent, so disposed, could greatly enhance the competitive fringe of the industry.

[10] *See Price & Allocation Impact Analysis* 42.

[11] *Id.* at 47.

[12] *See SRB Analysis* 7.

[13] *Id.* at 24.

[14] Ohner & Moore Associates, Inc. *Analysis of Recent Financial and Operating Data for Segments of the U.S. Domestic Petroleum Industry* (March 31, 1978).

[15] *See* Attachment 3, particularly Table III.

[16] This assumes a fixed refinery investment of $1100/bbl for a 200,000 bbl/day refinery with catalytic cracking, using a mix of foreign and domestic crudes. *See SRB Analysis* 151.

[17] National Petroleum Refiners Association, U.S. Refining Capacity 1 (August 9, 1977). In 1976 the increase in capacity was about 1 million bbl/day.

[18] Final Report of the Federal Energy Administration, *Findings and Views Concerning the Exemption of Motor Gasoline From the Mandatory Petroleum Allocation and Price Regulations* 93–96 (September 1977) [hereinafter *Exemption of Motor Gasoline*]. This is predicated on a 10–20 cent increase in the price of a gallon of gasoline. It assumes, moreover, no reimposition of gasoline price controls. If controls are reimposed the price increase would be more modest, 3 cents per gallon or a total of $3.3 billion. Rationing, however, would be necessary.

[19] 10 C.F.R. § 211.63 (1977).

[20] Pub. L. No. 94–163, 89 Stat. 950 (1975).

[21] Attachment 1 at 14.

[22] 15 U.S.C.A. § 757(i)(1) (Supp. 1977).

[23] *See* Attachment 1 at 15–16.

[24] *See* Attachment 1, Appendix C at 5.

[25] *See* Attachment 1 at 32–33.

[26] 41 Fed. Reg. 24338 (June 16, 1976); 10 C.F.R. § 211.63(d)(1)ii (1977).

[27] We see no reason under the present reseller rule, 42 Fed. Reg. 64855 (December 29, 1977) (to be codified at 10 C.F.R. § 212.181–88), why a reseller/major could not consume the low priced crude and pass through to independents the costs of high priced crude.

[28] *See* M. deChazeau & A. Kahn, *Integration and Competition in the Petroleum Industry* 185 (1959).

[29] *Id.* at 185–86.

[30] *See* Attachment 1 33–34.

[31] *See* SRB Analysis *supra* 78–81.

[32] *Price & Allocation Impact Analysis supra* at 27.

[33] *See* Attachment 2.

[34] "Old oil" is frozen at its May 15, 1973 price plus uniform adjustments. 10 C.F.R. § 212.73 (1977).

[35] "New oil" is frozen at its September 30, 1975 price less a uniform adjustment. 10 C.F.R. § 212.74 (1977).

[36] *See* Attachment 2.

[37] Oil purchased by former OPEC concessionaires from the country of their former concession could also be considered "potentially captured". The problem here is that the company can reap the profit of its cut rate price by selling the oil and buying equivalent oil. To prevent this, DOE must be empowered to deem any foreign oil charged at the refinery "captured" to the extent the refiner purchased crude of a similar grade and quality from its former concession.

The "potentially captured" stigma could be removed from the barrel if the company proves to DOE's satisfaction that it was purchased at the market price. To the extent the company proves that it was purchased below the market price the difference between the market price and cut rate price could be deducted from the credit.

Such an approach, however, must be weighed very carefully. If the OPEC mandated price is to ever crumble, it will come about through a process starting with hidden discounts to major oil companies. The company would have no incentive to force down the price if it would thereby lose a similar amount in credits.

[38] The exceptions and appeals process guarantees refiners their 1968–74 profits. *See, e.g., Delta Refining Co.* 2 FEA ¶ 83,275 (September 11, 1975). No refiner should be guaranteed a profit. If it cannot sustain itself with the aid of the OMC it is probably not well adapted for continued competition with the remainder of the petroleum industry.

[39] *See Exemption of oMtor Gasoline* 94.

[40] "[A]t a 6–8 cents cost of inefficiency (representing the average gain from an efficient marketing system), on automotive gasoline sales between 1968 and 1975, the consumer has lost $42–57 billion." J. Phelps, *Subsidization and Inefficiency in the Downstream Petroleum Industry* 25 (June 1977, unpublished).●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were received on June 7, 1978.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, Room S-116 in the Capitol:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 7, 1978.

Mr. WILLIAM RICHARDSON and
Dr. HANS BINNENDIJK,
Professional Staff Members, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SIRS: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a South Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lt. Gen., U.S.A., Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 7, 1978.

Mr. WILLIAM RICHARDSON and
Dr. HANS BINNENDIJK,
Professional Staff Members, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SIRS: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Lt. Gen., U.S.A., Director.●

NEW YORK CALLING—COLLECT

● Mr. HARRY F. BYRD, JR. Mr. President, as the Senate approaches consideration of whether or not to provide financial assistance to New York City, I would like to share with the Senate some of the feeling that exists within the State of Virginia concerning this issue.

On May 18, 1979, the Norfolk Ledger-Star which serves the State's largest city, printed an editorial by Mr. Frank Callaham, the Ledger Star's associate editor, on the New York City issue.

The commentary, while written in a humorous tone, points out in a very incisive way a few of the many reasons the citizens of the State of Virginia are overwhelmingly opposed to "bailing-out" New York City's politicians once again.

I commend to the Senate for its reading and reflection the Ledger-Star's article entitled "New York Calling . . . Collect", and ask that it be printed in the RECORD.

The material follows:

NEW YORK CALLING . . . COLLECT
(By Frank Callaham)

"Hello? Uncle Sam? This is your nephew in New York."

"Oh, hello, Gotham. It's good to hear your voice. How you doing?"

"Great. Remember you guaranteed some small loans for me a while back, about $2.3 billion worth, I believe?"

"Oh, yes. Let's see. That was to help you get back on your feet over a three-year period. In 1975, it was. My, how time flies. You must be calling to tell me you're solvent again and to thank me for helping. Well, I was glad to oblige. I've always had faith in you, Goth, and you're an appreciative nephew, too. I like to see that in our young people."

"Well, thank you, Uncle. And I am deeply appreciative, of course. But, to be candid, my financial recovery is slightly behind schedule. I was wondering, well, I was hoping you could see your way to help me out a while longer."

"Oh, I guess I could extend you a few weeks or so if that would help, Goth. Is that what you had in mind?"

"Not exactly, Uncle. More like another four years."

"Four years! What the hell have you been doing with your money up there? You've already had three years. And if you recall, some of my other nephews weren't exactly ecstatic over my helping you out the first time."

"I've tried, Uncle. Honest I have. And I've made progress, too. I got rid of some of the help, and I'm living the spartan life with the services I've cut back. I also started charging people tuition at the college I run. But it just hasn't been enough. I really do need more time. And there's no other place to turn."

"Goth, you know I'd like to help but—and you won't believe this—since we made that first agreement in 1975 I've gone another $150 billion in the hole myself. So you see, in a way I'm a lot worse off than you are."

"But, Uncle, you know I'm good for it. Isn't my word worth anything to you?"

"Well, now that you mention it, Goth, Sen. Harry Byrd from Virginia was saying just the other day that I made a mistake back in 1975. If I recall his words, he said I had 'established a very injudicious precedent.' He didn't seem to have much faith that you'd get your budget balanced this year. I guess he was right."

"Sen. Byrd never has liked me. You know that, Uncle."

"Maybe not, Goth. But I had a hard time defending you when he reminded me that you spent only $2.7 billion in 1960 compared to $13.5 billion last year."

"That's not fair. Your budget hasn't exactly remained steady. Everything is so expensive these days. And my friends in the unions, the policemen and firemen and teachers and trash collectors and so on, they drive hard bargains. Not only that. Lots of my private friends are deserting me. Some of them are even going down to Virginia to be near Sen. Byrd."

"You told me all this before, Goth, and I believed you. But now I'm not so sure. For instance, back in 1973 you were paying a subway changemaker $212 a week and a bank teller was getting only $150. There were some other comparisons, too, that indicated to me you've just been paying your public help too much."

"That's only one part of it, though, Uncle. Look at all the people we have on welfare."

"I saw some figures on that, too. For 1975, I think. Anyway, 10.9 percent of your people benefited from aid to families with dependent children. Some of my other nephews had as high as 15 or 16 percent, and they haven't tried to tap me for a loan."

"Yeah, but they get along better with their fathers up in the statehouses."

"Maybe so, Goth, but I'll tell you what Harry Byrd said about you when we had our little chat. 'Your nephew, Gotham,' he said, 'is a creature of state government.' He and a lot of others just don't think I ought to be bailing you out every time."

"Does that mean you're going to turn me down, Uncle?"

"Well, things aren't final yet, but judging from the advice people I respect are giving me, I'd say: Call your Dad in Albany." ●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider three nominations on the Executive Calendar that have been cleared on both sides.

There being no objection, the Senate proceeded to the consideration of executive business.

FARM CREDIT ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nominations under Farm Credit Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the three nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move en bloc to reconsider the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that motion.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to en bloc.

The nominations considered and confirmed en bloc are as follows:

George Warren Lacey, of Montana, to be a member of the Federal Farm Credit Board; John D. Naill, Jr., of Arkansas, to be a member of the Federal Far · Credit Board; and Dwight L. Tripp, Jr., of Maine, to be a member of the Federal Farm Credit Board.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW YORK CITY

Mr. MOYNIHAN. Mr. President, I would like to take this opportunity to express the appreciation of this Senator from New York for the extraordinary performance of the House of Representatives yesterday which, by a margin of 96 votes, approved the legislation which the President has requested providing some fiscal loan financing and the potential Federal guarantee of up to $2 million of bonds for the city of New York.

It was an act of generosity and farsightedness that I think any New Yorker would wish us to take. I am one of the two New Yorkers on this floor. It falls to me.

Congressman REUSS, of Wisconsin, rose on one occasion to describe New Yorkers as miserable sinners. He said that they have been miserable sinners, but they have repented.

In the tradition of Christian deliverance, I think we feel once more the House has saved us. We do acknowledge the possibility of redemption and hope for the forgiveness of sins, and we shall, before long, be on the floor of this Senate.

I see the distinguished Senator from Indiana, the former mayor of Indianapolis, who knows so well the difficulties of the city governments and the temptations to wrongdoing in the highly ethical sense that can come about.

He managed to resist on behalf of Indianapolis and no doubt will have the occasion to show a large sense of the capacity to forgive those weaker than he in the performance of duties solemnly evolved upon those who seek to lead the institutions of American Government.

I see the Senator is rising. I wonder if he would not perhaps give us some early indication of his prospective support for this reformed and repentant city which I have the honor to represent.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I thank the Chair.

Mr. President, the comments of the Senator have offered a remarkable opportunity simply to say that whatever may have been the good fortune of Indianapolis, I do appreciate the need for responsible action of this body with regard to New York.

I am hopeful that in the course of deliberations of the Senate Banking Committee that means may be found in which a great deal more still could be done by the State and city of New York, by the bankers, by public employee unions and by citizens, some formula whereby it is clear that New York will move toward a balanced budget which I believe is the sine qua non into the market for coming back. At the same time, that fiscal chaos will not ensue during this process.

I appreciate, I think as much as anyone could, the extraordinary attempts that are being made by Mayor Koch and his extraordinary courage at this point in saying that, in the event nothing occurs, he still will proceed for fiscal responsibility and save the city from bankruptcy.

I think that latter is important. It has been impressive, as far as I am concerned.

So I intend, without heralding precisely what the formula ought to be, to present a constructive suggestion during the coming week that I hope may have some appeal. I will do so with much thoughtfulness of the situation and, likewise, with some sense of responsibility.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would simply like to express my appreciation for the statement of the Senator from Indiana and to say we look forward to what he has proposed, and with the anticipation of one who knows him to be one of the men who has not only been a student of urban affairs, but a practitioner of achievement, a blameless record, and that comes from one who just acknowledged having been a miserable sinner.

I thank the Chair.

SPECIAL ORDER FOR MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HODGES be suostituted in lieu of Mr. BARTLETT for the order for recognition on Monday for 15 minutes after the two leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. MONDAY, JUNE 12, 1978

Mr. WILLIAMS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. Monday.

The motion was agreed to; and at 5:50 p.m., the Senate recessed until Monday, June 12, 1978, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 9, 1978:

DEPARTMENT OF STATE

Viron P. Vaky, of Texas, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

INTER-AMERICAN FOUNDATION

Viron P. Vaky, of Texas, to be a member of the board of directors of the Inter-American Foundation for the remainder of the term expiring September 20, 1978, vice William S. Mailliard, resigned.

U.S. METRIC BOARD

Bruce P. Johnson, of Nevada, to be a member of the U.S. Metric Board for a term of 2 years (new position).

CONFIRMATIONS

Executive nominations confirmed by the Senate June 9, 1978:

FARM CREDIT ADMINISTRATION

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for the terms indicated:

For a term expiring March 31, 1984:

George Warren Lacey, of Montana.

John D. Naill, Jr., of Arkansas.

For the remainder of the term of 6 years expiring March 31, 1979:

Dwight L. Tripp, Jr., of Maine.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

TV: MEDIOCRITY OR ENLIGHTENMENT?

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. LaFALCE. Mr. Speaker, its arrival on the American scene only 30 years ago was hailed as man's greatest achievement in communication. Today, it is condemned as an anti-social vehicle contributing to mass mediocrity.

I am referring, of course, to television, the modern wonder that has found its way into nearly every American living room—in living color. The disparity between TV's potential as a medium for enriching human understanding and its actual record of providing little more than insipid entertainment is disburbing.

But a recent editorial in the June 6, 1978, Niagara Gazette, of Niagara Falls, N.Y., made a statement worthy of our colleagues' attention, suggesting that man need not be made slave to machine, and that harnessing the true potential of television is within our grasp if we should choose to make the effort.

The editorial follows:

[From the Niagara Gazette, June 6, 1978]

A DARK PROPHECY

Marshall McLuhan, often called the prophet of the television age, makes a dark prophecy.

In a commencement address at Niagara University, McLuhan said television has produced a "generation unable to retain knowledge and information."

"Only a literate man," said McLuhan, "is able to accept new things. Without literacy the tribal man cannot retain information."

The evidence of the decay of knowledge is all about us. There has always been a "saving remnant" of people to learn and know, even in the most illiterate and barbaric times. In our time, that "remnant" is still active. But in a time when universal literacy is possible—when it is possible for the mass of people to participate in knowledge—the mass of people are becoming less and less literate, less and less knowledgeable. We are becoming a tribe, and our chieftain is television. We live by its ephemera, the snippets of information it dispenses along with the masses of uninformative—indeed numbing—"entertainment."

Still, McLuhan's dark vision of a "$6 million man" made a "superman" by technology but with "no morals, no identity" is not inevitable.

Man need not be the slave of his technology. He need not be condemned to ignorance by television.

He can turn the television off, for one thing. Or, better still, he can convert it to an instrument to serve knowledge rather than to serve commerce; he can make it open up the world to the individual mind rather than stultify the mass mind.

There is some evidence that this is beginning to happen gradually. The commercial networks in the United States are troubled that their audience is declining. The decline is not great, but it is significant, and the networks are troubled because it may grow.

Turning off the TV is only the beginning. It remains, once the people's command of the medium has been asserted, to turn it on to reality, to knowledge, to life.

And it remains, too, for man to learn that television, even if it were made into the kind of enriching medium it could be, is not a substitute for life and experience. Nor a substitute for books and for study.

McLuhan once foresaw the end of the printed word. It would be made unnecessary by electronic communication. Now he foresees that such an end would be a disaster.

Equally disastrous would be the loss of human contact that goes with addiction to television—a loss that has been accumulating for years. McLuhan alluded to this loss with his remark at Niagara that cities (i.e., people) are facilities of information.

McLuhan the prophet seems more acute today than he ever was, not only able to see what technology is doing to us, but better able to see the long-range consequences of it. His vision is dark, but not hopeless. Man can take control of his technology; he need not allow himself to be condemned to tribal darkness.●

MAXWELL HILLARY SALTER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. WAXMAN. Mr. Speaker, on Wednesday, June 21, 1978, Maxwell Hil-

lary Salter, known affectionately by his friends and associates as Sonny, will be honored by Temple Beth Am. Although this is only the latest of a number of awards offered to Maxwell Salter in recognition of dedicated service to his community, it gives us the opportunity of gathering together many public figures from the world of Judaism, politics, business, and the arts who wish Maxwell Salter to know how much he is admired. I know that my fellow Members, as well, will want to join his almost numberless friends in this recognition of a devoted human being.

A member of Temple Beth Am for over 25 years, he served as chairman of its board of trustees, vice president, and currently as president for his third term. During his administration, Max Salter was instrumental in initiating a permanent endowment fund for the congregation to insure its future. His innovative approach to all the fields of his activities has marked his success in commerce, philanthropy, and community service.

Max Salter is president of Beno's. In addition to being a patron of the arts and serving on the advisory board of Manufacturers Bank, he supports a host of charitable institutions, including the Diamond Circle of the City of Hope, Uncles Club of Vista del Mar, and he has established a fellowship at Los Angeles Children's Hospital. He is a founder of Camp Ramah, Akiba Academy, Herzl Schools, the Greater University of Judaism, and serves on the university board. A long-time supporter of the State of Israel, Max served as the chairman of the apparel industry campaign for United Jewish Welfare Fund, chairman of Temple Beth Am's UJW drive and its bond drive, and is a member of the Prime Ministers Club of Bonds of Israel.

A man of compassion, warmth, and humor, Sonny Salter gives himself without stint, and knows how to draw others after him. His wife, Janet, emulates his philosophy of doing for others, and was herself honored with the first Golda Meir Award of the State of Israel in October of 1976. Our community has been the recipient of Sonny's love and devotion, and we are all the richer for it. It gives me great pleasure to be the means of bringing Maxwell Hillary Salter to your notice and to ask you to join me in honoring him.●

WHO IS A PATRIOT?

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. STANTON. Mr. Speaker, I was deeply impressed to receive a short essay from a constituent of mine on the subject of "Who Is a Patriot?"

I think all of my colleagues will want to share these thoughts from my constituent, Mr. Lynn Snyder. His dad is a shining example of a truly loyal and dedicated American.

The essay follows:

WHO IS A PATRIOT?

Webster's dictionary defines a patriot as: "One who loves and is dedicated to his native country and its welfare."

With this as a beginning, let us think for awhile about patriots and heroes and whether they are put in different classes as to their place in society and national fame.

One such person born of a very ordinary family in Butler, Pa., August 16, 1880, reared on a farm near Shippenville, Pa., before moving to the town of Marienville, Pa., where he worked in the logging mills in Forest County.

When the Maine was sunk in Havana Harbor February 15, 1898, this was the Pearl Harbor of the times, and war was declared by the United States on Spain. Recruits were needed and one such was this person we are talking about.

He enlisted August 7, 1899 in the 28th Regiment of the Pennsylvania Volunteers and trained at Camp Meade and Mt. Gretna, Pa. His regiment went to the Presidio, Cal., then to the Philippine Islands.

This regiment, of which he was a part, Co. D to be exact, was not all just parading, spit and polish, but their record showed them in such places as Battle of Pertol Bridge, January 7, 1900, engagement of Barrio de Tulany at Sirmskran River in February 1900, repulsed attack at Taaul July 1900, and on and on.

No motorized troop transports then, marching on foot thru malaria infested jungle, none of whom were familiar or had training in such.

Many contracted the fever, while the only thing known to fight it was quinine—lots of it.

Coming through all of this, his discharge took place May 1901, with such remarks on his paper as:

"Character excellent."

"Service honest and faithful since enlistment."

Paid in full $309.93!

This veteran married October 14, 1902 and in time a son was born. The family then moved to a larger city in Penna. where he took up a new trade, learning the highly skilled trade of a metal pattern maker.

He purchased a home and rode out the depression, keeping the home and family together.

Now, why all this? He was no different in many ways than the thousands of other volunteers, but the difference is when the life span is over and these patriots are laid to rest.

At the age of 94 years and at the graveside funeral service, no representative of any military organization was on hand to sound taps or any other military memory.

The funeral director presented the folded flag of this man's country to the nearest of kin, his son, and that was it!

Why should not some remembrance be in order and proper respect paid to such men? Do they have to be Who's Who in society or military rank? All served the same and gave of themselves, so why not a last farewell? It is said that the ranks of these veterans is rapidly dwindling.

Why again is this written? Maybe in the hope that some or all of our still living patriots be honored.

This man, a true patriot, was my father!●

THE ECONOMY—PART II TITLE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. FORSYTHE. Mr. Speaker, although reducing inflation is my highest economic priority, other very fundamental problems are threatening our Nation's economic system. In recent years, my constituents have faced stiffer and stiffer taxes. Today, the average worker pays more than one-third of his or her income to the Federal, State, or local government. While it is clear that the Government has overstepped its limits in taxing citizens to support generally lasklustre Federal programs, I am equally concerned that the overall shape of tax schedules is altering our Nation's character.

Today, our taxes are very steep as income increases. People earning a moderate salary find that for each extra dollar they earn, more than 50 cents is taxed away. The same holds for businesses. The net effect of this tax rate is that people have less motivation to work longer or harder; businesses have little incentive to expand their activity, to create more jobs, to produce more, to give workers raises for increased productivity. Today, our tax and welfare systems penalize hard work, savings, and investment, and encourage welfare payments and non-productivity. The implications of this trend are clear; under the guise of equity for all our Nation is moving away from a society where hard work is rewarded and is moving toward a welfare state.

While I am sensitive to the problems caused by high personal taxes, I am also concerned about prohibitive taxes on corporations. For too long, the Government has tried to pass the costs of its programs onto "big business" by increasing the corporate tax rate. In many cases, these tax increases simply gave businesses a reason to raise their prices, contributing to inflation. While everyone should pay their fair share, I feel that corporate taxes should be revised to give private companies the incentive to build new plants, hire new people, and pay their employees more for increased productivity.

President Carter has proposed a tax reform package which I have analyzed very carefully and which, I believe, is wholly inadequate. Although the President proposes a "tax reduction," his so-called reforms generally raise taxes on middle- and upper-income taxpayers. The over all tax package of the administration—including social security taxes, energy taxes, and the increased taxes resulting when inflation pushes people into higher tax brackets—mean people would pay higher taxes in the future under the President's proposal. The President's program is designed to redestribute income, rather than produce real growth in the economy, a tragic shortcoming.

As an alternative to the President's tax program, I, and a number of my colleagues, have cosponsored measures which will get our economy moving again. Most importantly, these legislative proposals do not call for the Federal Goverr ment to hire people directly; rather, the Government acts as a catalyst by providing incentives for new economic activity within private industry.

One measure of central importance to our objectives is the Tax Reduction Act.

H.R. 8333, which I have cosponsored. Under this proposal, individual rates would be reduced by an average of 33 percent. A family of four earning $15,000 each year would, under this measure, have their Federal taxes reduced from the present figure of $1,380 to $852. Under the proposed Tax Reduction Act, corporate tax rates would be gradually reduced from 48 percent to 45 percent and small businesses would receive additional tax relief.

The Tax Reduction Act, supported primarily by Republicans, is similar to a measure engineered by President Kennedy in 1963. In the early 1960's, economic conditions were very similar to what they are today. Individual income tax rates were as high as 91 percent and corporate rates were 52 percent. Economic growth was miniscule. President Kennedy, to attack this stagnant economy, proposed a reduction in both personal and corporate tax rates. Once enacted, the economy rebounded sharply. Real growth was substantial and the Nation's GNP grew steadily.

Today, critics of the tax relief proposal argue that such tax cuts will cost the Federal Government too much money. Similarly, critics of President Kennedy's proposal raised the same objections. President Kennedy's Treasury Department projected that the Kennedy tax cut would, over 6 years, cost the Federal Government $89 billion in lost revenues. But because of the phenomenal economic growth which occurred, Federal revenues increased by $54 billion. The estimates of President Kennedy's Treasury Department were off by $143 billion.

Private economists estimate that the tax reduction which some of my colleagues and I are proposing would, if enacted, increase the GNP by over $240 billion by 1985. It would create nearly five and one-half million jobs. By taking 5½ million people off of the welfare roles and putting them to work, the Federal Government would save large welfare payments and, instead, collect taxes from this new addition to our work force. So rather than costing the Federal Government money, the Tax Reduction Act is likely to increase the Government's, as well as the average taxpayer's, financial position. The Tax Reduction Act is a bold and exciting positive economic step. I plan to work hard for its enactment.

I have also cosponsored the Tax Consistency Act of 1978, H.R. 12801, which will repeal major corporate tax loopholes and put all industries on common ground for the purpose of calculating taxable income. More importantly, this bill lowers the corporate tax rate to 40 percent in order to provide across-the-board incentives for increased investment.

Unless we can spur investment in new capital—capital includes new factories, new industrial equipment, new business offices, and so forth—our economy will continue to have chronic symptoms of stagnation. The Tax Consistency Act encourages capital formation by reducing the corporate tax rate. I anticipate that, if enacted, this measure will lead to increased economic activity, which means more productivity, more jobs, and a higher standard of living.

I also strongly support a measure which Congressman STEIGER, of Wisconsin is advocating. This measure, H.R. 12111, would reduce the capital gains tax to its pre-1969 level. A capital gains tax is the tax paid on an investment which is sold. For instance, much of the capital gains tax which is now paid occurs when people sell their homes.

Currently, the United States has the highest capital gains tax in the industrialized world. Germany and Japan, two countries with sound, growing economies and stable currencies, have no capital gains tax on portfolio investment. As a result, Japan, for example, has an investment rate three times that of the United States.

In the first 5 years after the 1969 increase in the capital gains tax, risk capital raised for investment purposes was cut in half. Investment plummeted, and the overall capital gains tax revenues decreased. Here, again, the evidence is that lower tax rates produce more economic activity and, as a result, greater tax revenue.

I have also recently joined Congressman JAKE PICKLE, of Texas in sponsoring a measure which will help our Nation's corporations expand their capital base. The bill provides for the deferral of any current Federal tax on dividends reinvested in original issue stock under a qualified dividend reinvestment plan. Stockholders receiving dividends would be given a break by taking their dividend and reinvesting it in the company. Under this provision, it is estimated that as much as 40 percent of all new investment needs of U.S. industry could be provided.

I cannot overemphasize the importance of the provisions I have described which stimulate the formation of capital. Without expanded business, in the form of new factories, new business branches, new restaurants, or new industrial equipment, our economy will stagnate. New job opportunities, a higher standard of living, and our country's position as the world's top economic power will be jeopardized.

The importance of these tax changes to the economy is underscored by the following statistics. In 1965, corporate aftertax profits, as a percentage of corporate domestic income, were 13 percent. Ten years later profits had dropped to 5.1 percent. In 1969, some 548 small companies sold stock to raise approximately $1.5 billion in capital to expand their operations—expansions which meant jobs and economic growth. In 1975, just four small companies issued stock, raising just $16 million, to expand and employ more people. Clearly, this trend in business growth must be reversed; without strong and growing business, our Nation cannot maintain its high standard of living.

In sum, I am convinced that the current tax system is sapping our economy of its vitality. Personal income taxes are inordinately high and reductions are needed. Moreover, the tax rates are so steep that people are losing their incentive to work additional hours. In addition, the misguided approach of tagging businesses with the bulk of the tax bill is counterproductive. Businesses simply pass these costs on, contributing to inflation. Moreover, corporate taxes are making it extremely difficult for businesses to grow. Without the growth of private industry, job opportunities are jeopardizes and the Nation's economy stagnates.

I believe that the tax package I am supporting is urgently needed to revive our economy. Personal and corporate tax reductions and revisions to provide incentives for increased productivity are imperative. The heavy hand of the Government, in the form of high taxes, must be removed. In addition, if Federal spending and, in particular, the Federal budget deficit are reduced, inflation will subside. The economic steps I am proposing are of vital important to our Nation and I, and many of my colleagues, are prepared to work long and hard for their enactment.●

VANIK-PICKLE TAX INCREASES

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. CONABLE. Mr. Speaker, I enclose for the RECORD a chart which shows the real effect of enactment of the Vanik-Pickle amendment, to which I referred in a 1-minute speech at the beginning of this session. This amendment is being considered, among others, as the Ways and Means Committee tries to get its tax deliberation back underway, and I hope all Members will study the following chart which shows what disastrous results for the taxpayer would come from enactment of this amendment. It would be better than doing nothing, for it makes some temporary tax cuts enacted in 1976 permanent, but such an amendment if adopted would accept real tax increases of damaging dimensions.

VANIK-PICKLE TAX INCREASES, INFLATION AND SOCIAL SECURITY

1979 income [1]	Tax increase (percent)	1979 total taxes	1977 total taxes	1979 income tax liability	1977 income tax liability	1979 social security taxes	1977 social security taxes
$10,000	36.1	$1,059	$778	$446	$259	$613	$519
$15,000	21.7	2,250	1,849	1,330	1,070	920	779
$20,000	23.7	3,406	2,753	2,180	1,788	1,226	965
$25,000	27.6	4,554	3,568	3,150	2,603	1,404	965

[1] Assumes a 12.6 percent inflation-induced increase in income from 1977 to 1979.

Note: Figures are rounded.

ON THE ANNIVERSARY OF ROBERT KENNEDY'S ASSASSINATION

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. DODD. Mr. Speaker, a decade has passed since the death of Robert Kennedy and the pain of that untimely loss remains for those who still search for the kind of dynamism, pragmatism, and confidence he brought to American politics.

I would like to bring to the attention of my colleagues a poignant tribute to the memory of Bobby Kennedy which appeared in the June 5 edition of the Washington Star. The article was written by Al Lowenstein, a former Member of this body who is now the U.S. Representative to the United Nations for Special Political Affairs.

His piece captures the unique spirit of Bobby Kennedy; that chrysalis of political and social ideals whose emerging, brilliant colors we beheld for all too brief a moment in time. I would like to share this moving article with you in honor of a man whose legacy cries out for change, promise and, above all, hope:

ANNIVERSARY OF AN ASSASSINATION

And now suddenly it is 10 years since Robert Kennedy was killed: another anniversary in a season of little-noticed 10th anniversaries that remind us, when we think about them at all, how much a country can change in a decade, and how inadequate a substitute nostalgia is for hope.

How long ago it seems since the three most beloved and promising figures in America all died within five years, all murdered strangely, all having lived only half their lives. And how easy it is to think that what has happened to us since then was somehow inevitable, to forget that those deaths changed the national mood and direction, and that much that has happened might not have happened were it not for this series of events that left us haunted by great absences through years made difficult in part by those absences.

Perhaps because Robert Kennedy was the last of the three to die, his death seems the cruelest—bearing the cumulative freight of what had gone before, multiplying the doubt that there was any place for hope in a society where the best spokesmen for hope could not survive.

He was not a prophet like Martin Luther King, Jr., not a president like his brother, but he touched his countrymen in a special way, reaching large numbers of people who were least sure that they belonged, and so were hardest to touch. That was a boon to this country, and to democracy itself.

Robert Kennedy meant as much as he did to as many as he did partly because he was his brother's brother, and his death hurt as much as it did partly because he died so early and so wrongly. But the totality of loss was far greater than these parts, for with him went the spirit of a generation.

When he was killed so was something generous and electric in us and in the nation, something not yet reborn and possibly not to be reborn in our lifetime. We were left instead with a scar too close to the heart and with leaders whose bleakness was to remind us continually through a damaging decade of what might have been.

As a politician, Robert Kennedy was less than heroic, and as a hero he was uncomfortable and uncertain. But by the end he was blending in common purpose not just the rich and poor and black and white and young and old that he invoked too often during his last campaign, but toughness and gentleness, and the pragmatic and the uplifting as well.

More than anyone since FDR, he brought people together at the price of driving others away. But in a time of great divisions he brought more people together than any of his contemporaries, and he made more people believe that they could, as he liked to say, "make a difference."

He wanted everyone to see what seemed so obvious to him: that if people couldn't be roused to try to make a difference in the effort to "reclaim" their country, they would make a difference anyway by not trying.

Before and better than anyone else, he understood the realities of power in the United States. Almost alone he saw the nature of the lassoes that were hobbling the machinery of democracy, and he set out to weaken the hobblers and strengthen the hobbled.

And somehow, through all the commotion, he managed to keep growing, to become a presence as well as a politician, an American resource beyond the glitter of mere celebrity. He was the midwife of the uncertain arriving future, trendy, moody, in motion, but he called us as well to the abiding values of stabler times.

The Robert Kennedys enjoyed it when they played together and meant it when they prayed together, and they made us want to enjoy each other and to believe that we could pray together too. Their grace through devastating grief helped everyone with lesser griefs to endure, and Robert Kennedy's words after Martin King's death would turn out to be among those few words whose power increased as their immediacy faded.

And then Robert Kennedy died too, just when the sense of promise that he inspired was overtaking the resentments and suspicions that he aroused. He was getting better as the nation's problems were getting worse, and in retrospect almost everyone would realize that he was needed more than anyone had understood until he was gone.

I was never close to Robert Kennedy. Our relationship was political, and started out in rather adversary circumstances at that. Of the only year I knew him at all well, it would be accurate to say that I spent one half arguing that he should run for president when he wouldn't, and the other half supporting an opponent when he did. Yet he meant more to me, as to so many others, than any other public figure of the time, and the awful fact of his unnatural death will shadow events as long as we are a part of them.

And in that shadow we still struggle with the problem connected to so many others—the problem of how to revise enthusiasm and excite energies, of how a spirit once aborted can be born again. Old battle cries drift back, but they are harder to hear now through the years of My Lai and wheat deals and Elizabeth Ray and Spiro Agnew and Tongsun Park and expletives deleted.

The mind wanders past jaded words, there is not radiance, nothing is clearcut. We have learned that Camelot was not quite Camelot, and that America is neither as innocent nor as easily changed as we once thought. It has become sensible to be cynical.

But anybody who thinks about it knows that it is sensible, too, to remember that greater sophistication is not the same thing as greater wisdom, that an immobilizing cynicism is no cure for what has gone wrong.

And anybody who finds himself wishing on this occasion that Robert Kennedy were still around knows what Robert Kennedy would be saying if he were—knows that we have dallied long enough, and that it is past time to try again to do better, to make a difference; past time to dream again of things as they ought to be, and to ask again why they are not.●

GOVERNOR MILTON SHAPP ON THE FUTURE OF RAILROADS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. MURTHA. Mr. Speaker, it appears certain Congress is about to embark on a major debate over the future of passenger and freight rail service in the United States. Last fall Pennsylvania Gov. Milton Shapp made some very pertinent comments on this subject I would like to share with my colleagues. Governor Shapp has spoken out for many years with a number of innovative ideas for restructuring the Nation's railroads. I am pleased to share these comments with you:

GOVERNOR MILTON J. SHAPP ADDRESSES THE ASSOCIATED RAILROADS OF PENNSYLVANIA, HOTEL HERSHEY, HERSHEY, PA.

We all know the dilapidated condition of our American railroads. There is no way we can possibly fulfill President Carter's national energy objective to increase coal production to a billion tons a year without modern, high speed rail service in the Appalachian, Midwest, mid-Atlantic and New England States.

The rebuilding of our railroads calls for an investment of approximately $20 to $22 billion. This investment could be repaid by adding a small surcharge on the rail freight bills. The concept is not new. The four cent per gallon Federal gasoline tax has already brought many billions more dollars back to the United States Treasury than the amount invested in building the interstate highway system.

To rebuild rail roadbeds throughout the Nation will require more than five million tons of steel. New locomotives and freight cars and electrification of main lines in order to cut energy requirements by at least a third, will demand many additional millions of tons of steel.

Congress adopted the principles of the rail trust fund program in the 1976 Rail Act, setting aside $1 billion for rail improvements, including electrification, with the money to be advanced to the railroads and repaid to the Federal Treasury over a period of years.

This is not nearly enough money to do the job, but to date neither the U.S. Transportation Department, nor the railroads has fully implemented even this program. I think it is time to re-examine this plan, for it attacks the triple problem of our energy shortage, deteriorating railroads and the steel crisis.

Most importantly, particularly in view of the energy crisis. It is essential for the future wellbeing of our Nation that our major railroads should be electrified. If we fail to do so, we are courting national economic disaster in the very near future.

The Pennsylvania energy council has estimated a 34-percent savings in energy could be achieved utilizing electric power. Electrification of just 10 percent of the present rail mileage (in the densely populated, heavy industrialized areas) could result in a 40-percent reduction of diesel fuel consumption.

In addition to freight benefits, electrification of rail lines in and around our big cities would greatly relieve present traffic jams by

reducing the number of automobiles on the road.

A few judiciously selected commuter lines near our major cities could readily replace a quarter million automobile passenger trips a day saving almost 40 million gallons of gasoline a year without Government "coercion" or the imposition of heavy casualties. Thus, the potential for oil saving is substantial.

Safety is another factor. Statistics indicate that a rail passenger will travel 20 times further than a motorist before befalling a serious accident.

To illustrate the unfilled potential for savings, it is important to emphasize that rail passenger service today attracts only 1 percent of the Nation's passenger trips. With electrification, this would rise dramatically. Electrification would make possible short, fast and frequent train service near and in our cities.

The main economic consideration is that the hauling of freight offers the greatest financial, energy and time-saving advantages for rail electrification.

While diesel powered locomotives have offered the advantage of lower initial capital commitment, minimal engineering and lower initial railroad construction cost, diesel locomotives do not handle as well at full speed. In fact, acceleration with diesels is rather poor.

A generation or so ago, steam powered trains operated at 100 m.p.h. speeds while diesel engines are now down to 70 m.p.h. or even slower. It is not unusual for a highway truck to pass a so-called "streamlined" diesel drawn passenger train where the roadways are parallel.

Yet, high speeds are essential if the railroads are to provide maximum benefits to both freight and passenger customers and at the same time, resolve rail energy requirements. Therefore, the need to electrify our railroads is urgent....

The pendulum has swung definitely in favor of high speed electrified railroads for both passenger and freight service.

Importantly, electrifying railroads offers the best chance to turn present red ink operations into profitable operations, for electrification offers the greatest hope for our railroads to obtain high rateable products for haul.

The dilemma impeding railroad electrification under normal financing even if it could be arranged is quite apparent. Most eastern and midwestern railroads are losing money at present. The national rail system earns only 1½% on the old net investment. Though an electrification program would increase present rail net earnings ten-fold, but there are other investment projects which requires less funding, that offer high rates of return for investors that are safer.

Thus, important railroads not being able to raise equity funds continue to slide down the drain. This slide must be halted. This major project of rail reconstruction must be financed. Thus the need for implementing the rail trust fund concept is greater today than in 1974.

I do not wish to take much more of your time, so let me leave you with these points:

It's time to rebuild and modernize the railroads of America. Electrification makes a great deal of engineering and economic sense.

Rail electrification will save enormous quantities of oil for other uses.

Electrification will increase rail efficiency and lower the cost of transporting goods.

Electrification of our railroads will increase employment in America by many hundreds of thousands in the plants manufacturing the equipment for construction crews—and most importantly, by making rail service more competitive and thus creating thousands of permanent new rail jobs.

We can help start a new industrial revolution in America if we utilize logical programs to conserve on fuel and improve transportation facilities.

Electrification of our railroads is a major step needed to achieve this goal.

The economics are all favorable. It's time to move forward.

Thank you.●

WOMEN'S CHAMBER OF COMMERCE OF ATLANTA

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. FOWLER. Mr. Speaker, the Women's Chamber of Commerce of Atlanta began the month of June with its annual meeting, and on that occasion heard about some accomplished women of this country. Since achievers are often unrecognized even among those who know them, I found these remarks an example of how often we have what is pure gold in human qualities and values at our very elbows and more often than not pass them by.

The speaker was Col. Barney Oldfield, USAF (Ret.), now with Litton Industries, Inc., in Beverly Hills, Calif. He knows Georgia well, having come first to our State in 1942 to become one of the pioneer paratroopers schooled at Fort Benning, and later served at Warner Robins Air Material Area near Macon.

Retiring Women's Chamber President Helen Gore brought these remarks to my attention, and I ask permission for them to be entered in the CONGRESSIONAL RECORD for the benefit of my colleagues:

THOSE OTHER WOMEN IN MY LIFE

(By Barney Oldfield, U.S. Air Force, retired)

Distinguished Guests and Members of the Women's Chamber of Commerce of Atlanta: When your President, Helen, asked me if I could join you for your annual outing tonight, she said the invitation was conditional. I asked her if the condition was, if I talked naughty, she would wash my mouth out with soap; whether I had to send along a titillating photo for your publication as James Darren did—shirt open down to here; whether I would want money? She said NO, none of those. The condition was—would I come if I knew I was second choice, and the first choice said NO. I told her her second choice was pretty high for me. So, the condition was, would I stay home if the first nominee did come, and not hold it against your Women's Chamber of Commerce? I told her to rest easy. But I do want you to know that in Beverly Hills, the corporate headquarters of Litton Industries is called "the white house." And since I'm here this evening, it's from that "white house" your speaker came rather than that one on Pennsylvania Avenue in Washington. In all my "standing in" experience, this is the first time for me to stand in for a "First Lady."

Atlanta, I might say, is almost a second home to me. I came this way first enroute to Parachute School at Fort Benning, Georgia in 1942 to become an early joiner of the airborne. When your old Henry Grady Hotel came down, it was as though someone had literally dynamited my lost youth into oblivion. That old hotel, whatever else might be said of it, was a military landmark. It was there that one of my paratrooper colleagues was arrested for dashing unclothed down one of its corridors chasing a young lady also in the buff. He was court-martialed on the softest charge possible—for being out of uniform. His defense attorney, one of our brighter minds, got him off. To do so, he cited a military regulation which said being out of military uniform was permissable only when one was attired correctly for the sport in which he was engaged!

Mid-May, I worked a charity affair in Los Angeles as one of Monte Hall's assistants. His TV "Let's Make A Deal" is legendary by now, and you all know how sharp and quick he is. Years ago, before enjoying the success he now has, he was working one of those quiz-for-prizes types of radio shows in New York. As master of ceremonies, he would confront members of the studio audience, name an amount of money he would pay for a correctly answered question, then ask the question. It was in the dead of winter. He began to notice that right in the front row at every performance, there was this bundled-up lady in her '70s. Her clothes were old. She was wrinkled and gray, even rather pitiable, he thought. Each show he tried to bring himself to put a question to her, but he was afraid the question might not be simple enough. And he wanted her to win. After several weeks of this, and as the day's show neared its end, he was told by the producer that he had $403.00 left. He determined that this was the time, so he ran over to the old lady, put the microphone right in front of her, and said: "For $400, name the first man!" The old lady drew back, fire in her eyes and she said: "Dat's my biznis, young man. NOT for a touzend dollar will I tell you da name of da foist man in my life!"

If all girls in the world had such basic loyalties to old memories and kept secrets as well, half the magazines and books now published would never happen. How much easier most of the male population of this country would sleep at night.

As is the case with all men, there have been some fantastic woman experiences in my life. I don't want you to get ahead of me now, and start writing your own scenarios. For perspective, I have backed off 34 years to what I was doing this very day in 1944. It was before the Normandy invasion, and it fell to me to brief the 58 war correspondents who would participate in the landing. At the conclusion of that briefing, I had to ask each man to write his own obituary. If anything happened to any of them, we wanted their summary of what they thought had been important in their lives—attitude, philosophy, personal feelings, to range freely. One of that 58 was, of course, Ernie Pyle, the most famous of them all. He had the constant premonition that he would not survive the war. He had shared too many front-line experiences to believe he would escape a fatality statistic. In that obituary, he spoke of his philosophy about the human interest stories he wrote. "In my business," he said, "one must un-pack the heart." Ernie had a very special belief in the magnificence and courage of ordinary people, that they were important, more important than things—even war—pressing in on them. Over and over, in column after column, this diminutive little man unpacked his heart. No war has been covered since in his special way on a steady, un-relenting basis. If I may with you all here, I'd like to tell you about some of those "other women in my life." I'm nowhere likely to be a good at un-packing the heart as Ernie Pyle was, but I'll try.

My first school teacher, a lady named Lucy Phelan Meeboer, is still alive. She lives in Laramie, Wyoming. Just to keep my head measurement within bounds, she gives me instructions which straighten me up on occasion still. Example: When I was asked to come to my hometown to serve as commencement speaker, the place she had had me for my very first day in school, she was in her '70s, but she came 700 miles to be there. She

explained why. "That first day you came to school," she said, "you went to the little boys' sandbox, but couldn't get your pants buttoned—and I had to help you. At your age, if you have trouble again, I don't want you to be asking any of the girls your own age for that kind of help."

Hardly anyone would think of a village post-office as a shrine of any kind, but I do. I was once sent to the one in my hometown by my grandfather to pick up his mail. I was a junior in high school at the time, I lived on a farm, walked five miles each way to school. I had never been anywhere, and the prospects were good for more of the same. The postmistress stuck her head out of the parcel post window and asked me what I intended to do when high school was behind me. I told her I'd probably be a farmer like everyone else around there. "But," she said, "my son tells me that you like to write. Did you ever think of going to the University and taking journalism?" I must confess that such a wild idea had never occurred to me—that one could actually choose what he would like to do, could enjoy it, make a living at it. On the basis of that conversation, I did exactly as she suggested. She NOT only gave me my grandfather's mail that day, she gave me a ticket to the world. She sent me farther than any letter ever went that she processed in a lifetime. In the 67 countries in which I have so far worked, I have never failed to remember that for that wonderful idea planted by a lady named Lucy Mendenhall I have one of the most marked up collection of passports around.

Another of those women in my life now lives in Covina, California. Her neighbors think that the most important thing which ever happened to her was her election one year as the President of the Covina Garden Club. Her name is Lillian Keil today. She's married, has two daughters. Over years, I have probably written 200,000 words about her. She started out professionally as a United Air Lines' stewardess when to be one, it was necessary to be a registered nurse. When World War II came, she was recruited in that newest of developments—the Air Evacuation Nurse program, and I was at her graduation near Louisville, Kentucky. In WWII and Korea she was to help compile the amazing statistics of recovery of wounded, as she brought more than 450 combat loads of the bloody, the maimed, and refuse of battle safely from fronts to first class hospitalization. Most importantly she never lost a single one of those wounded men in flight. Lillian might well have been the re-incarnation of Florence Nightingale, with technological add-ons, but with all her spectacular achievements in holding life together, she was shy about her hands. She had the feeling they weren't very pretty. Once in Chicago, she was about to face 1,100 student nurses seeking recruits. I cajoled her into doing a speech which we worked out together which we called "With These Hands". When she opened by holding up those hands, and told them what they had done in more than 20 war torn countries of the world, practically the whole 1,100 in her audience pressed around her to shake those hands. That speech led to one of the last of the old Ralph Edwards' TV presentation of "This Is Your Life", and there were enough letters from men all over the country who recognized her as the one to whom they owed their lives—she has more invitations to visit in their homes than she could manage in what's left of her life. President of the Covina Garden Club, wife and mother she may be, but in that garden of the human heart she knows no peer.

On the other side of the world, philosophically and geographically, there is a Russian lady named Ludmilla. I only met her once. But she gives me comfort every time someone rises to say microwave ovens "might" be unsafe. Not that they are unsafe, but that they "might" be. The reason is this: In 1969, my boss, Litton Board Chairman Charles B. Thornton, was invited to be an official guest of the Soviet Union's National Academy of Sciences, and visit that huge country. He took me along. Who he would see and talk with was unknown, but there was a good chance he would meet Prime Minister Alekse! Kosygin, if he were in Moscow when we were there. As custom dictates an exchange of gifts, for him we took along a Litton microwave oven. It spoke well of the successful transfer of weapons technology into usefulness in the American home, as magnetrons were first used in early warning radar. The unit which manuactured these magnetrons had been the very first acquired when Litton came into being 25 years ago. Its technological base spawned the microwave oven which has revolutionized the American woman's approach to homemaking. It spoke well of our way of life. It fell to me to be the custodian of that microwave oven all the way from California to Moscow! I always thought from the James Bond books and movies that anyone going to Moscow really had things going for him, girls of all kinds bounding in and out of his rooms, some even staying overlong to do who knows what all! With me, NO. I slept my first three nights in Moscow with my microwave oven at the foot of my bed! We found it was not all easy to make this kind of a gift. When word finally came to start the processes, I had to take it to the USSR Ministry of Electrical Industries. At that way station, every conceivable test from every conceivable angle was given to that microwave oven before it could be passed on to Prime Minister Kosygin. Two years later when I was in Moscow again, I was at a reception attended by the Prime Minister's son-in-law. At one juncture when we were standing alone, I asked him how the oven had worked out? Did he have any knowledge of it? Of course, he said quickly, and told me that he and his wife lived "in the apartment next door." He explained that the Prime Minister had been a widower since 1966, and that his daughter, Ludmilla, frequently performed in the role of his official hostess. "Sometimes," he said, "when he has a working meeting at home in the evening, she frequently goes over to prepare quick snacks for whoever is there. She really loves that oven!" So now when we read in various activist, consumerist tracts or in books which need sensation to sell that American microwave ovens do not meet the rigid and tough standards of the Russians, it is amusing to me. Since 1969, one of ours has been in the kitchen of the home of the second highest figure in the Soviet Union! I'm sure that would not be so if there was any concern there that it endangered him.

When I was still in the Air Force, there was a time when women gave us considerable concern, particularly when they opposed the earliest jet aircraft for noise, nuisance and hazard. I suddenly was in receipt of a letter from a woman broadcaster named DelVina. She said she was disturbed about a beauty shop conversation which ranged through subjects such as an Air Force career being dangerous. She said the thought came to her that women who benefitted from the security it provided were probably one of its biggest problems. Being a broadcaster, she wanted to help. I checked her out, found she did an inspirational type of program, then went over to see her and explained what she would have to undergo to produce the effect she wanted—and we hope to get. She would have to speak from experience, and I emphasized that this was plural. What experiences? High altitude flight, penalty of oxygen failure, excessive gravity, flight through the sonic barrier or faster than sound in a military aircraft. And since we were then on the threshold of space exploration, she would have to know such sensations as weightlessness, frictionlessness, buffeting, senselessness, and to simulate re-entry of the earth's atmosphere from outer space being put in an oven and taken up to and held at 250-degrees Fahrenheit! She gulped a little, said "Let's GO!" And she did it all. The series she did was much emulated by other broadcasters, and in general women today accept the Air Force and jet traffic as a necessary part of lifestyle and real life, important and not alien to them or their interests. DelVina NOT only went that extra mile, she went 830 miles an hour—and she cast a long shadow of understanding and acceptance and tolerance over all people, not just women.

Another of the women in my life is a black lady barber, who once worked in the bloody fifth ward of the Houston, Texas ghetto, and tried to rear her seven children alone. She was the only person in the world her son believed in, and at 16, that son was headed for at least prison, and probably even execution. She with police help persuaded him to go into the Job Corps and he came to the Parks Job Corps Center which we operated near Oakland, California. The son was big, strong, brutal, and inarticulate, so much so that his idea of stopping an argument going against him was to punch his adversary—usually into hospitalization. I was assigned to work with him, be available to him when he was troubled, and eventually his fists were channelled into boxing. We went to the Olympics in 1968 in Mexico City together.

There, after being a loser all his life, he won the heavyweight Gold Medal. He in that moment of enthusiasm, waved the American flag in that ring, and became known internationally as one who believed in his country. The first person he called after winning the fight was his mother back in Houston, the lady barber, and he asked me to reassure her over that phone that he had emerged unhurt. He turned professional and the road ahead was hard, full of small gates, hocked watches for bus fares to the next town and fight. When I talked with him, I could feel the depths of his frustration. Then at 3 o'clock one morning, the phone rang beside my bed. It was a lawyer calling me from New York. A contract had just been signed for him to fight Joe Frazier for the heavyweight championship of the world in Jamaica. This brought me up wide awake, but what he said next was the surprise of my life. He said the Houston lady barber's son had walked out, said he wouldn't fight because he had picked up some partners along the way, and they would get more of the purse for that fight than he would. I was thunderstruck knowing how long he had labored to get this chance. The lawyer said he had caught up with him at the door after a day and night of the negotiations and asked him if there was someone somewhere that he trusted to whom an explanation could be made and the implications known, and to whom he would listen. The lawyer said he told him to call Barney Oldfield in Beverly Hills. He said he had stepped out into the night, and he had no idea about where his client might be. But long experience had taught me that when he was troubled, he always sought out that lady barber in Houston. Late the next day, I got through to her, and she told me her son had asked her not to tell anyone where he was. I told her not to tell me, but to please get word to him to call me. She knew she was the link. She knew she had to keep the trust he had in her. She would not violate his confidence. But she also knew she couldn't let this one last door slam shut on him. Shortly afterward, her son was on the phone. He was adamant, said he wouldn't fight and let the people with their hooks in him get the money. I asked him to listen for a few minutes, pointing out that as he talked to me he was only a challenger,

that there were lots of those; that he was fighting the wrong people, but that he should go to Jamaica, knock Joe Frazier over, come back a champion—and that no court in the world would let such a punitive contract stand. He was very quiet for a moment, then said he hadn't thought about it that way, that he would go to Jamaica and come back the Champion. That was how George Foreman became one of boxing's most exciting champions—a flimsy chain which included a lady barber he trusted above all, who urged him to make one phone call. George later said it was that conversation we had which brought him back into contention for the heavyweight crown, but that would never have been possible without that important bridge provided at a crucial moment by his mother, Mrs. Nancy Ree Foreman, lady barber, now retired.

The most highly placed woman in corporate executive suites today is a longtime member of the board of directors of Litton Industries, and several other companies—Mrs. Jayne Baker Spain—and I've enjoyed her as one of the women in my life. No one can ever use the word *token* about her. She ran her own company for fifteen years, merged it with ours and ran it as a division for another five years, then was appointed Vice Chairman of the Civil Service Commission. She had a lot to do with women being more highly placed in more places in our government. But for more than 20 years, she has been No. 2 in the President's Committee on Employment of the Handicapped. When she ran her own company, she insisted that one in every ten of her employees would be recruited from among the handicapped. She asked that contracts let to vendors be placed with those vendors who used handicapped people. Under auspices of our State and Commerce departments, she has performed all over the world at international trade fairs. Her ploy was to recruit blind and otherwise impaired peoples from the indigenous population, where she would appear. She took language lessons in their tongue, so she could basically communicate with her recruits in their language. She has done this in some 16 countries of the world, and she teaches them to assemble her kind of equipment, then run it for the life of the trade show. They know her in Eastern Europe, Africa and Asia. This remarkable woman, who always looks as though she is never more than five minutes out of the clutches of Elizabeth Arden, once asked me to help her with a speech. She was invited to be the first woman who would address the Cadet Forum of the United States Air Force Academy. We chose for her the provocative title: A Woman Could Be President. She developed this theme for the Cadets, to get them thinking about how they would react sometime later when they've become generals, how they would react to, or give advice and counsel to a female Commander in Chief. She had not only the allotted time, but 45 minutes beyond that before the Academy Superintendent could break it up. They had laughed at her opening, but when it became apparent that they had better be prepared for all eventualities, it became one of the liveliest sessions the Academy has even known. She gets letters still that high school debating teams use this exact theme from her speech, and several have won all the way to state championships. She is so dis-arming, so charming, and so effective. I once saw her in action at a convention of librarians, and that convention was going on record opposing consideration of handicapped people being included in the profession. She merely said that she hoped when the meeting would finally break up that each attendee would use great care leaving the hotel and walking across the traffic-heavy street outside. "If anything were to happen to you, I would hope that someone would come to your hospital and read the minutes of the proceedings back to you." The opinions may not have changed, but the vote did.

Earlier in this decade, there was a White House effort to honor the so-called common people who do un-common things, the many who do things bettering society but who do so in obscurity. The White House asked for nominations of such individuals with brief descriptions of what they did, and said a letter would be forthcoming from the President. One came to us and one of my colleagues worried with it for a week, finally throwing it on my desk saying he knew of no one he could suggest. There was a shy young girl there among us who had a hobby. She sewed each evening on animal costumes. On weekends, she wore those costumes and worked with blind children. She encouraged the youngsters to feel of the costumes, and she gave word picture descriptions to match what they touched and she explained the functions and working parts of the animals she portrayed. I nominated her. A month later, she was going through the office mail and almost fainted. She had a personal letter from the then President of the United States who told her he was aware of what she had been doing and how constructive and important its impact was on the less fortunate among us. The part I enjoyed especially was that she was the secretary to my colleague who had said he knew of no one he could nominate! To me, she has always been an example of how often we associate with the pure gold of human values around us and never learn of it. Today, this girl, Sylvia Brozic, is back in college seeking a doctorate which will prepare her for a management role in a health care facility. She has never been the same since that letter, her motivation seems never-ending, and she has enough adrenalin in her system to see her productively into and beyond the year 2000!

The late Ernie Pyle, great reporter, great recognizer of the human interest story, could say that he had to "un-pack his heart". To some degree, I've tried to do the same with you. Each of these women in my life has found many times and ways to shine very brightly and in unexpected quarters. Each has done so with grace and graciousness often under great pressure and requiring selflessness of high order. Each has shown me tenacity in pursuit of goals in which she believed. In their association with me, they not only helped me as a conduit to reach an achievement pinnacle and they have enriched my appreciation of the human race. I hope I have done right by them in your presence. A friend of mine once told me one should be careful with words. You can tell a lady, he said, that she has a face that would stop a clock, and she'll slap you; you can say when you look at her that time stands still, and she'll kiss you. He claims you are really saying the same thing, but what a difference in the way it sounds. These ladies have all made a great deal of difference to me as "the other women in my life," and I thank you for allowing me to share them with you here tonight.●

BLACKS AND OTHER MINORITIES NEED PERMANENT TAX RATE REDUCTIONS TO "GET THE TRAINING RUNNING AGAIN"

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. KEMP. Mr. Speaker, as blacks and other minorities were finally breaking through legal and social barriers to economic growth in the 1960's, the "peculiarly black tax of discrimination" was being replaced by Government tax policies that stifled economic growth for black and white alike. Unnecessarily high rates of taxation upon individuals and the total burden of taxes upon the economy have continued to stifle that economic growth.

The news accounts of the Jarvis-Gann vote in California on Tuesday have depicted the wide margin of proposition 13's win as evidence of "the middle-class tax revolt." That is misleading, for the tax revolt going on in this country is not just a middle-class tax revolt. It is a product of the discontent of all classes of people from almost every demographic characteristic imagineable.

Why is this true for minorities?

Because the minorities—who are trying to get into the middle class—know the effects of higher taxes on them and the economy.

They know also that until the economy is moving again, job opportunities will not be created and sustained for their principal benefit. Minorities are the "last in, first out" in far too many of the employment markets in our economy. Thus they are the first to lose jobs by a slowing down of that economy.

There is proof of this.

Look at the record of the 1960's, at what President Kennedy's tax cuts did to reduce the high levels of black unemployment remaining from the recession of 1958:

UNEMPLOYMENT RATE AFTER THE KENNEDY TAX CUTS

[In percent]

Year	All workers	Blacks	Black males 20 yrs plus
1961	6.7	12.4	11.7
1962	5.5	10.9	10.0
1963	5.7	10.8	9.2
1964	5.2	9.6	7.7
1965	4.5	8.1	6.0
1966	3.8	7.3	4.9

These figures are dramatic. They show a reduction of 5.1-percent in unemployment among all blacks—a 41-percent drop. They show a reduction of 6.8-percent in unemployment among blacks 20 years of age or more—a 58-percent drop. That is something every Member of Congress should be seeking.

This can happen again—and now—through permanent tax rate reductions, reductions modeled on what President Kennedy did in the early 1960s. That is offered this Congress through H.R. 8333, the Tax Reduction Act of 1978, popularly referred to as the Kemp-Roth Act.

Now that blacks can sit on the front of the bus, we must get that bus moving again. That is true for other minorities as well. I am, of course, referring to economic opportunity.

These points were well made in an editorial in the Wall Street Journal this morning, an editorial which describes the tax and regulatory burdens of Government upon minorities and what to do about it.

The editorial's lead is the testimony of Wendell Gunn, a black entrepreneur and vice president of Chase Manhattan in New York City, before the 1976 Republican National Convention's platform committee in Kansas City. Wendell Gunn articulated then, as he continues to do today, the impact of government tax-and-regulate policies on minorities. His points are well made.

This country must have a strong middle class, a large middle class, consisting of all its people, including minorities. The great segments which comprise the middle class of this country were added in the past three centuries during periods of expanding economies. They were not built during periods of economic contraction such as we now find ourselves in.

When I made these points at a recent meeting, Mr. Speaker, the State president of the National Association for the Advancement of Colored People in Georgia, the NAACP, rose and said:

If the Republican Party will articulate what you are saying, it will be in good shape.

My point, as was his point, is not a partisan one. Neither was Wendell Gunn's testimony in Kansas City. Minorities need less taxation and less regulation, and Congress needs to assure both, no matter what the partisan composition of Congress. The simple fact is that one party, the Republican Party, is advocating less taxation, less regulation, and the vibrant private sector, jobs-producing economy which would flow from less of both, while the other one is still stuck on the horns of the Keynesian inflation versus unemployment dilemma. And the party which brings about these economic reforms—permanent tax rate reductions and less government—will be the majority party for the remainder of this century.

The editorial follows:

[Wall Street Journal, Friday, June 9, 1978]

BLACK CAPITAL

At the 1976 Republican Convention in Kansas City, Wendell Gunn, a black vice president at Chase Manhattan, argued before the platform committee that blacks had struggled for decades for the right to buy a ticket to the train, and just when they won that right the train stopped running.

The thrust of his remarks was that just as blacks were finally breaking through legal and social barriers to growth in the mid-1960s, the "peculiarly black tax of discrimination" was being replaced by government tax and regulatory policies that stifle economic growth for black and white alike. The truly successful businesses and really significant fortunes were built prior to the mid-1960s and as a result are exclusively white.

We're reminded of these observations by the June issue of Black Enterprise, which lists the top 100 black owned and/or controlled businesses in the United States. Of these, 84 were started since 1965. The biggest, Motown Industries of Los Angeles, had only $61 million in sales last year. To make the Fortune 500 in 1977 took $355 million in sales. It takes only $3.6 million in sales to make the top 100 as a black enterprise. And only one of Black Enterprise's 100 is publicly held.

Those blacks who share Mr. Gunn's views are growing in number and becoming increasingly vocal, recognizing that the major obstacle to black capitalism is no longer racial discrimination but the tax and regulatory structure. One of the major reasons why there is so much steam behind the Steiger amendment to President Carter's tax package is that it has been endorsed by black energy and banker groups and by Mayor Tom Bradley of Los Angeles.

The tightening of capital gains taxation in 1969 is precisely the kind of barrier to new growth that changed the rules just as blacks were getting into the game. The Steiger measure would roll the tax back to where it was in 1969, at a top of 25 percent instead of the current roughly 50 percent. The principal beneficiaries would be successful but small enterprises now ready to expand, like those on the Black Enterprise list.

In retrospect, it is puzzling that such a destructive change in the tax laws could be made in 1969, the first year of Richard Nixon's presidency, with his blessing and with so few voices in the business and financial community raised against it. But it becomes easier to understand when we reflect on the fact that in 1969 the lower capital gains rate was perceived by the corporate bureaucary not as a boon but an irritant.

The Fortune 500, after all, have little to gain directly by a lower rate. Big business has already gained most of the risk capital it needs and generates expansion capital internally. What was happening in the late 1960s, spurred by the Kennedy tax cuts of 1962–64, was an economic boom built on venture capital. The brightest and most adventurous managers and engineers were leaving the Fortune 500 and starting enterprises of their own. They could sell their ideas of better mousetraps to investors who could see that with a 25 percent top rate on capital gains there would be a potential payoff that would match the risks attendant on fledgling companies. Corporate bureaucrats felt nothing but harassment from this vigorous new competition.

With the passage of the Steiger amendments in some form, there would almost surely be a great burst of entrepreneurial activity, along with an exodus of talent from the Fortune 500. Risk capital would be available for new ventures, allowing more blacks to try their hand at forming businesses. The more successful of them—the ones on the Black Enterprise list—would be able to raise money by going public. This means the black entrepreneurs would take home a big capital gain personally, have more money to expand their businesses, and still be chief executives. To realize their personal gains and get expansion capital under the current tax structure, they have to sell out to a white conglomerate, which is why this year's Black Enterprise list has lost H. G. Parks, Inc., the Parks sausage people.

Those black leaders who still believe black enterprise can only be built via government subsidies or contract favoritism have a pleasant surprise coming. There is a vast population of talented, educated and adventurous blacks bottled up in corporate America for want of venture capital. They will be freed if only we can change the rules to get the train moving again.●

PERSONAL EXPLANATION

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. BYRON. Mr. Speaker, yesterday the House voted to approve the Michel amendment to the Labor-Health, Education, and Welfare Appropriations bill to reduce the HEW budget by $1 billion. I voted in favor of this amendment, which passed by a 290–87 margin, and I would like to take this opportunity to explain the reasons for my vote.

The need for the Federal Government to reduce the budget deficit and fight inflation is critical. I think everyone will agree that all Federal agencies should do everything possible to eliminate wasteful and unnecessary Government expenditures. The Michel amendment directed itself to "trimming the fat" from the HEW budget without jeopardizing any Government services.

The Inspector General of HEW recently issued a report estimating that HEW loses between $6.3 and $7.4 billion each year due to waste, mismangament, fraud, and abuse. The Michel amendment would cut the HEW budget by $1 billion and specifically directs that these funds come from reductions in the misspent HEW funds and not from any reductions in HEW programs or services. This amount represents less than 2 percent of the total HEW budget subject to annual appropriations and would force the Secretary of HEW to eliminate only 20 percent of the estimated waste in his department. I therefore think the amendment is a reasonable step in the right direction of reducing unnecessary Government expenditures.

The American people have given Congress the mandate to exercise judicious restraint in appropriating taxpayers' money and I am encouraged by the overwhelming margin by which the Michel amendment was approved.●

THE NONGAME FISH AND WILDLIFE ACT OF 1978

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. FORSYTHE. Mr. Speaker, on Monday, June 12, H.R. 10255, the Nongame Fish and Wildlife Conservation Act of 1978 will be considered under suspension. What is at stake is the quality of life in America—the quality of life for over 90 million Americans who each year venture into the outdoors to enjoy our nongame wildlife heritage. Also at stake is the integrity of the many diverse and complex ecosystems which provide essential living space for wildlife. To date, H.R. 10255 has received the active support of 41 States and over 160 environmental organizations across the country.

During the course of the hearings on this important legislation many issues were presented to the Committee on Merchant Marine and Fisheries. Following is a list of these issues, and a discussion of how they were resolved, which may be of interest to my colleagues:

QUESTIONS AND ANSWERS

Question. Will H.R. 10255 require the states to develop a conservation plan for pests such as rats?

Answer. No. H.R. 10255 provides that the states shall develop conservation plans for vertebrate species of fish and wildlife which are valued for ecological, educational, aesthetic, cultural, recreational, economic, or scientific benefits by the public. Species of fish and wildlife which are considered pests clearly would not qualify for inclusion under the plan.

Question. What is the difference between a preliminary conservation plan and a comprehensive conservation plan?

Answer. A preliminary conservation plan is one which is based upon the best scientific evidence available at the time the plan is developed. The preliminary plan, therefore, does not require the state to develop new data on the status of fish and wildlife and their habitats in the state. The comprehensive conservation plan, however, is based upon an inclusive inventory and assessment of fish and wildlife and their habitats. Thus, to develop a comprehensive conservation plan, the state must make a reasonable effort to develop a complete inventory of its vertebrate fish and wildlife resources and their habitats.

Question. H.R. 10255 provides that after October 1, 1988, no state may receive funds for the implementation of nongame fish and wildlife projects unless those projects are being carried out pursuant to a comprehensive conservation plan. How did the Committee determine that ten years would be an adequate length of time for the states to develop a comprehensive conservation plan?

Answer. The Committee wrote each of the fifty states soliciting their views on H.R. 10255. In their responses to this letter and in the testimony presented during the hearings several state fish and wildlife directors indicated that ten years would be a reasonable period of time within which a comprehensive plan could be developed.

Question. Why must a state complete a preliminary or a comprehensive conservation plan before being eligible for reimbursement for nongame fish and wildlife conservation projects?

A. There is a widely recognized need among state agencies and wildlife experts to better coordinate state and fish and wildlife programs. Of the many states responding to the Committee's request for recommendations on H.R. 10255, several commented specifically on the need for planning. Texas noted that "the compehensive planning process is most logical and desirable". Vermont contended that the ". . . development of comprehensive plans is very beneficial". California stated, "We enthusiastically endorse the provisions of H.R. 10255 for the development of comprehensive statewide fish and wildlife plans". Other states commented on the duplication of Federal and state conservation efforts as a major problem area that could be resolved through comprehensive planning. Hawaii, for example, noted that "The potential the bill provides for enhanced planning coordination for both game and nongame resources is much needed".

Witnesses at the hearings on H.R. 10255 pointed out that there are a wide array of benefits which could be derived from the development of fish and wildlife plans by the states. In addition to the increased coordination that fish and wildlife plans will provide, these benefits were:

(1) Fish and wildlife plans will document the need for such programs. This documentation will assist state fish and wildlife agencies in obtaining needed fish and wildlife conservation funds from state legislatures.

(2) With the development of comprehensive plans, decision-makers will be able to compare the impact of various development projects on fish and wildlife, and can guide programs toward those alternatives which have the least environmental impact. In this way, the planning process can help avoid future confrontations between competing user groups—confrontations which have delayed or stopped many projects.

(3) Data gathered during the planning process will permit more effective implementation of existing laws for the protection of air and water resources by providing better information on the impact of pollutants on fish and wildlife.

(4) The development of state comprehensive plans will improve the effectiveness of land management by the Forest Service, the Bureau of Land Management and other agencies by providing these agencies with detailed information on the fish and wildlife found within individual units of public lands. In letters to the Committee, the Forest Service and the Bureau of Land Management indicated that they lacked sufficient resources to develop detailed information on the number and type of fish and wildlife and their habitats found on BLM or Forest Service lands.

(5) Comprehensive planning would dramatically reduce red tape and paper work. In 1970, the Department of the Interior processed nearly 900 separate wildlife restoration project contracts under the Pittman-Robertson Act and the Dingell-Johnson Act. If each state elected the planning option under these Acts, as they are encouraged to do by H.R. 10255, this paper load could be reduced to 50 contracts annually. These benefits were recognized in a recent report of the Council on Environmental Quality which recommended that "the states should be encouraged to develop long-range comprehensive fish and wildlife plans . . .".

Q. Will the enactment of H.R. 10255 result in a decrease in the amount of funds which are available for implementation of the Pittman-Robertson Act and the Dingell-Johnson Act?

A. No. H.R. 10255 will assist the states in implementing the Pittman-Robertson Act and the Dingell-Johnson Act. In fact, H.R. 10255 may make more money available under these Acts. H.R. 10255 will reduce the need to expend P-R or D-J funds on comprehensive fish and wildlife planning and on nongame projects since H.R. 10255 will provide new funds for these functions.

Q. What level of Federal matching funds will be available to the states under H.R. 10255?

A. Up to 90 percent of the costs of developing and revising statewide fish and wildlife conservation plans will be eligible for reimbursement by the Secretary for ten years after the date of enactment of H.R. 10255. Thereafter, up to 75 percent of these costs will be eligible for reimbursement. During the initial ten years of the Act, the legislation also authorizes reimbursement of 90 percent of the costs of implementing those projects which are identified as nongame fish and wildlife projects in state comprehensive conservation plans. Nongame projects implemented pursuant to a preliminary plan will be eligible for 75 percent Federal matching funds.

After the initial ten-year period, 75 percent of the cost of developing comprehensive conservation plans and of implementing nongame projects pursuant to such plans will be eligible for reimbursement.

Q. How are the funds appropriated under H.R. 10255 to be allocated to the States?

A. Section 8 directs the Secretary to deduct up to five percent of the total amount of the funds appropriated in order to administer the Act. The Secretary shall then allocate to each of the District of Columbia and the Commonwealth of Puerto Rico a sum equal to one-half of one percent of the total amount appropriate (less administrative costs) and to each of Guam, American Samoa, the Virgin Islands and the Trust Territory of the Pacific Islands a sum of one-sixth of one percent of the amount appropriate (less administrative costs).

The Secretary shall allocate the remaining funds to the fifty states according to the following formula:

(1) one-third in the proportion that the state's area bears to the area of all states; and

(2) two-thirds in the proportion that the state's population bears to the population of all states.

No state may receive more than five percent or less than one-half of one percent of the amount of the funds available for distribution.

Q. What if the state doesn't use all the funds which have been allocated to it?

A. Any state that fails to utilize all the funds apportioned to it in the year in which those funds are apportioned, shall be permitted to utilize these funds during the next fiscal year. Any funds remaining unused at the end of the second fiscal year shall revert to the Secretary who may reallocate such funds to the states for the purposes of this Act. Disbursement by the Secretary of these unused funds may be made without regard to the allocation formula established in section 8 of the Act.

Q. How did the Committee arrive at the authorization levels established in the bill?

A. The Fish and Wildlife Service conducted an informal survey of the states in order to determine the nongame funding requirements of each state. Authorization levels contained in H.R. 10255 reflect the results of this survey of state needs.

Q. Section 9 of the Act provides that each Federal Department or Agency shall, to the maximum extent practicable, administer programs under its jurisdiction in a manner consistent with the state's approved comprehensive conservation plan. Will this requirement result in the same confrontations which have occurred because of the Endangered Species Act?

A. No. In the first place, the Endangered Species Act provides that federal programs shall not adversely affect endangered species or their habitats. H.R. 10255, on the other hand, only provides that federal agencies shall to the maximum extent practicable administer programs under their jurisdiction consistent with a state comprehensive fish and wildlife conservation plan.

Second, with the development of the comprehensive plans provided for in H.R. 10255, decision-makers will be able to compare the impact of various development projects on fish and wildlife, and can guide programs toward those alternatives which have the least environmental impact. In this way, the planning process contained in H.R. 10255 can help avoid future confrontations between competing user groups.

Third, the conservation program established by H.R. 10255 will reduce the number of animals added to the endangered species list. Almost 70% of the vertebrates on the endangered species list are nongame animals. If a specific program for the conservation of nongame fish and wildlife was established the number of animals added to the endangered species list will be reduced.

For these reasons I believe that H.R. 10255 will not result in the confrontations that have occurred under the Endangered Species Act. In fact, H.R. 10255 will minimize and reduce such problems.

Q. What is the Administration posiiton on H.R. 10255?

A. The President's May 23, 1977, Envi-

ronmental Message to Congress stated that ". . . 97 out of every 100 Federal Wildlife dollars are devoted to the less than one percent of vertebrate species that are hunted or fished for commerce or sport. To the rest, little attention has been given, even though they are part of the biological system that sustains us. To correct this imbalance, I am directing the Secretary of the Interior . . . to propose other measures to improve the conservation of nongame wildlife".

On March 14, 1978, however, the Department of the Interior submitted a report to the Committee recommending against enactment of the legislation on the ground that a new program for nongame species is not warranted.

Q. What is a nongame species?

A. A nongame species is one that is not hunted for sport or food in the particular geographic area concerned. Examples of nongame species are chipmunks, salamanders, painted turtles, box turtles, tree toads, porcupines, owls, flying squirrels, prairie dogs, loons, swans, ospreys, kangaroo rats, horned toads and songbirds such as warblers, meadowlarks, cardinals, grosbeaks, mocking birds, wrens, martens, orioles, whippoorwills and terns.●

OXFORD (MASS.) POLICE HONOR GUARD ONE OF BEST IN COUNTRY

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. BOLAND. Mr. Speaker, on May 21, 1978, the Oxford Police Color and Honor Guard from Oxford, Mass., won the honor as the Number One Color and Honor Guard at the National Police Parade held at Newport, R.I. I congratulate these national champions on their success.

The 1978 national championship is just the latest in a long line of honors for this distinguished marching group from Massachusetts. Since their inception in 1968, the Oxford Police Honor Guard has received several awards and distinctions, including assignment as personal guard to the Governor of Massachusetts at the St. Patrick's Day parade in Holyoke, Mass.; outstanding marching awards from the towns of Plymouth, Webster, East Brookfield, Millbury and Oxford; an official citation from the State Senate; a 1976 citation from the President of the United States; the outstanding marching award for their participation in the Lexington and Concord Bicentennial parade; and the second place award (out of 168 police marching units) at the 1978 National "Law Day" parade in Newport, R.I.

In addition to their many awards, the Oxford Police Honor Guard appear often during services on Memorial Day, other holidays, dedications and funerals of police officers. Their precision marching and showing of our country's flag is a valuable service that strikes a patriotic chord in all who see them. I commend this group of police officers for their fine work. Also to be commended for his hard work is the leader of the Oxford Police Honor Guard, Sgt. Robert Carlsen. He has built this group to their current national champion status. Mr. Speaker, I wish the Oxford Police Honor Guard many more years of service and success.●

SALUTE TO RALPH ELLIS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. DORNAN. Mr. Speaker, I wish to pay tribute to a man in my district who has compiled a distinguished record of accomplishments while serving as president of the Western Los Angeles Regional Chamber of Commerce, Mr. Ralph Ellis.

On a personal level, I want to thank Ralph Ellis for the ideas and suggestions that he has offered at his famous "brown bag" luncheon sessions. His input into these community discussions over many months has been constructive and valuable. Everyone who has had the pleasure of dealing with Ralph Ellis has been impressed by his sincerity, honesty, and dedication; qualities which have contributed to his tremendous success as president of the chamber of commerce.

His service as president has helped not only the Western Los Angeles Regional Chamber of Commerce, but the residents of all of southern California as well. His effects have succeeded in making our community a better place to live as evidenced through the safety programs that he has implemented at the University of California campus and Westwood Village and his proposal to the city of Los Angeles of a program to upgrade architectural requirements in the city.

Ralph Ellis has also succeeded in improving the esthetic values of our neighborhoods through his involvements in the beautification awards program and joint projects with the city of Los Angeles to improve the landscaping on our city streets.

Along with improving the present conditions of our community, Ralph Ellis demonstrated his concern with insuring a brighter future by providing guidance to tomorrow's leaders through his participation in business education seminars and Job Ops Day. He has helped students to more clearly understand the operation of the business community through his cosponsorship of UCLA's "Economic Outlook 1978."

Ralph Ellis' success in these areas and his many accomplishments as president have been through his volunteered efforts, without seeking any recognition or acclaim. For this we are sincerely grateful.

I ask this 95th Congress to join me in recognizing the outstanding public service of Ralph Ellis while serving as president of the Western Los Angeles Regional Chamber of Commerce. And his term as president comes to an end, I offer this commendation and extend my best wishes for continued success in his future endeavors.●

VOLUNTARY HOSPITAL COST CONTAINMENT

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

Mr. CHAPPELL. Mr. Speaker, in light of recent efforts to impose a national mandatory hospital cost containment program, I was delighted to receive from the Halifax Hospital Medical Center in Daytona Beach, Fla., a summary of their successful voluntary cost control effort. Last year, on its own initiative, the Halifax Medical Center kept its operating expenses down to an increase of only 3 percent per patient day, in spite of an overall inflation rate of roughly 7 percent. The success of the Halifax Medical Center indicates that voluntary programs, designed by each individual institution to fit its own specific needs and those of the surrounding community, can be the most efficient and cost-effective way to control hospital expenses. While the Halifax approach may not be the most ideal or useful model in every community, it does represent a significant first step in the voluntary control of rapidly increasing medical costs. The management of the Halifax Hospital should be recognized for their voluntary and significant efforts to reduce the cost of health care in the Halifax area.

The following is a statement by the Halifax Hospital Medical Center which outlines some of the procedures which can be employed in successful voluntary cost containment efforts:

COST CONTAINMENT AT HALIFAX HOSPITAL MEDICAL CENTER

At Halifax Hospital Medical Center in Daytona Beach, Florida, we do our best to control costs when it doesn't affect quality of care. The hospital's 500,000 square foot physical plant requires careful monitoring to keep power usage at a minimum. Although the square footage of the hospital has increased by 25 percent in the past two years, kilowatt hour consumption has been reduced by 17 percent by the monitoring efforts of our Maintenance and Security Departments, and all hospital personnel.

At Halifax Hospital Medical Center, nothing goes to waste—literally. In 1977, the hospital acquired a Waste-Heat Incinerator which has saved thousands of dollars. All hospital trash, and that of other local health-related organizations, is burned in the incinerator, with the resulting heat used to produce steam for our laundry, kitchen and autoclave sterilizers. This process saves over 200 gallons of oil each day, providing free steam to user departments, eliminates dumping fees, and provides a new source of income from work done for other organizations.

Prudent purchasing policies and competitive bidding have resulted in the purchase of many items for less than the state contract price. Many items have been, and continue to be, standardized, eliminating the costly duplication involved in buying many different types of surgeons' gloves, for example. Such aggressive buying has decreased the cost of many items by 50 percent, and placed others on consignment where no payment is made until items are used.

An innovative Exchange Cart System has reduced inventories for nursing unit usage by over $250,000, while allowing for greater sensitivity to a drastic change in the supply

demands of individual departments and nursing units. And, in house microfilming, along with microfilming projects for other local hospitals and the introduction of a copy center concept, have saved over $120,000 in the past two years alone. This does not take into account the vast sums saved each year by our inhouse Print Shop operation.

Utilization Review Committees continue to work diligently to assure that the length of each patient's stay is appropriate for their individual medical problem.

In the Radiology Department, old x-rays are stored and later sold for their silver content, while extra 35mm film from rolls used for heart catheterization procedures is saved and bulk loaded for use by the Public Relations Department.

The hospital's Comprehensive Cancer Program is now in the process of formulating a Hospice program for terminal cancer patients which allows them and their families to receive the support of hospital physicians, nurses, clergy and social workers in the comfort and security of their home so that hospital stays are kept to a minimum.

Recently a complete analysis of our telephone system utilization has allowed us to save over $100,000 this year by reducing the number of units and lines we use. And by contracting with area hospitals to do their laundry service we maximize utilization of our Laundry Department equipment and make money, while providing the service to the other hospitals at a very favorable rate.

Cleaning our physical plant can be costly, but through contracting with management specialists in environmental services we save over $96,000 each year.

With an annual budget approaching $30 million, using old computer print-out sheets for scratch pads and saving a few cents on ballpoint pens might seem inconsequential, but it all adds up. The approximately $700,000 worth of savings discussed here do not represent our total cost containment efforts, but show what can be done with 1,350 employees committed to cost containment.

NED B. WILFORD.

LABOR DEPARTMENT REVEALS LOCAL TEAMSTER PROBE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. PICKLE. Mr. Speaker, this past Tuesday I tried to emphasize strongly to officials of the Labor Department my fears of lack of priority for the Central States Teamsters pension fund investigation.

In today's paper we read of DOL's effort to clean up the pension funds of the Washington, D.C., and Baltimore, Md., Teamsters' locals.

Even though I am sure DOL's investigation into these two multimillion dollar funds began some time ago, it is interesting to note its revelation so soon after Tuesday's criticism.

I commend the Department for its efforts with these two local funds.

At the same time, I still cast warnings that DOL be more diligent in its investigation of the billion dollar plus Central States fund.

I would like to put today's story in the RECORD:

[From the Washington Post, June 9, 1978]

U.S. PROBES TEAMSTER FUNDS

(By Elizabeth Becker)

The U.S. Labor Department began an investigation this week into alleged mishandling of Baltimore and Washington Teamsters Union health and welfare and pension funds worth over $21 million, according to informed sources.

Labor Department investigators are looking for possible violations of the 1974 Employe Retirement Income Security Act ERISA) which forbids administrators of funds from taking advantage of the beneficiaries by paying themselves handsome fees, making reckless investments or in any other way tampering with the money.

The Labor Department is the second government agency to begin examining allegations against former officials of the two Teamsters Union locals and their associates. The U.S. Attorney's Office in Baltimore is investigating allegations of labor-management racketeering by former officials of Washington's Teamsters Local 639 and Baltimore's Teamsters Local 311.

The federal attorneys are looking into a possible pattern of alleged favors between corporate officials and union leaders that may have led to substandard contracts and loss of money for union members. The Labor Department investigators are examining only the alleged mismanagement of union trust funds. This is a civil rather than a criminal violation.

Earlier this year, two Baltimore Teamsters Union members filed a civil suit against their former union leader and the former administrator of their trust funds charging misuse of funds.

These union members are asking that more than $200,000 be returned to their Baltimore local. The money was set aside from union dues to establish a trust fund for their former top union official, Leo D'Alesio, and also went for what union members charge were excessive fees for the services of the man who formerly administered their trust funds, Alfred Bell.

For the 9,000 members of the two Teamsters locals, the outcome of these investigations and the suit could mean a government reassessment of how their pension and health and welfare funds are run. It also could bring a reimbursement of money the courts may decide was improperly spent by former officials.

The one man connected with both locals in these investigations is Bell, formerly the administrator of all the funds for both Baltimore and Washington Teamsters locals.

Walter Dillon, attorney for Bell, has refused to comment on any of these legal actions. In March Bell sold all of his companies—he was an insurance broker and head of his own fund administration firm—and has refused comment on any allegations.

Last winter The Baltimore Sun revealed that Bell had given alleged favors to D'Alesio—who had enormous authority over how the pension funds were administered—such as use of an Ocean City condominium and office space in Baltimore area hotels.

In their civil suit, the two Baltimore Teamsters members charge that D'Alesio gave Bell excessive fees in return for the favors. To administer the four trust funds of the Baltimore Teamsters local, Bell received annual fees of about $300,000, the two members charged in the suit, which more than represented 9 percent of the income earned.

Since Bell retired, the fund has been taken over by another firm that charges $50,000 in fees, according to Arthur Fox, attorney for the two Teamster members.

Bell also administered the two funds of Washington's Teamsters Local 639, which has a pension fund with over $18 million in assets. Last week the local named a new firm to administer that fund and their health and welfare funds, according to Teamsters officials.

For more than a year the U.S. Attorney's office in Baltimore has been investigating allegations of possible labor-management racketeering in the locals and officials of a major Washington-area construction firm, Excavation Construction Inc.

Last month a subcontractor for Excavation Construction was killed in a Rockville motel room, shot once in the back of his head by an assailant who has eluded Montgomery County police and FBI investigators.

With that murder, the extent of the investigation became public and it expanded with the issuing of new subpoenas and the inclusion, this week, of Labor Department investigators.

Sources said that Labor Department officials had been reluctant to mount their investigation while a criminal inquiry by the U.S. Attorney's Office was under way and a civil suit was pending in the U.S. District Court in Baltimore.

The Labor Department has investigators trained in the minutiae of pension fund and health and welfare fund violations. It is a field that has grown in the last two years as allegations of corrupt management of union funds has doubled.●

H.R. 13033

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. JOHN L. BURTON. Mr. Speaker, I wish to call to the Members' attention a bill which was introduced yesterday by myself and my colleague from Virginia, Mr. WHITEHURST. The bill, H.R. 13033, would provide health benefits to the divorced spouses of military personnel, if the couple had been married for a minimum of 20 years. The text of the bill, and a brief explanation of it, follows:

H.R. 13033

A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical dental benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of section 1072 of title 10, United States Code, defining dependent, is amended—

(1) by striking out "and" at the end of subparagraph (E);

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) an unremarried former spouse, if such former spouse was married to the member or former member for no less than 20 years."

SEC. 2. (a) Subsection (a) of section 1079 of title 10, United States Code, is amended by striking out "spouses and children" and inserting in lieu thereof "spouses, former spouses described in section 1072(2)(G), and children".

(b)(1) The headings of sections 1079, 1080, 1081, and 1083 of such title are each amended by striking out "spouses and children"

and inserting in lieu thereof "certain dependents".

(2) The table of sections for chapter 55 of such title is amended by striking out "spouses and children" in each of the items relating to sections 1079, 1080, 1081, and 1083 of such title and inserting in lieu thereof "certain dependents."

SEC. 3. The amendments made by this Act shall take effect 180 days after the date of the enactment of this Act.

Mr. Speaker, the purpose of the above bill is to provide health benefits to the unremarried former spouse of an active or retired member of the armed services, if the couple had been married for a minimum of 20 years. This legislation would affect mostly middle aged and older women who, when divorced, find themselves in the shocking and desperate position of having no health coverage.

Today, more and more people are recognizing the fact that marriage is a partnership in which each spouse makes a valuable contribution to family and community and is entitled to economic benefits from his or her contribution.

Present law reflects an outdated social code which places a stigma on the divorced woman, casting her out from society and excluding her from benefits and privileges she has justly earned.

If we look at the case of the military wife, most of us will recognize that her plight is particularly difficult. She is required to move her family and possessions any number of times during her husband's career. Further adjustments, such as irregular hours, loss of family ties, and other sacrifices are borne by the military wife who serves side-by-side with the serviceman. Most wives believe, as do their husbands, that they are working toward a decent retirement with the security of medical and hospital benefits when they would be most likely to need them.

Instead, the divorced spouse finds no reward for her sacrifices and contributions to our Nation if her marriage dissolves. In many cases, this happens when the woman is older and has not had substantial working experience, making it difficult or impossible to secure employment. Her health may be failing; she has no medical coverage and will find private carrier insurance prohibitively expensive, if she is able to find a carrier who will accept her.

It may be argued that unremarried military wives may be able to include medical coverage in their divorce settlement—this is an unrealistic and unreliable expectation in most cases.

More and more divorce settlements are "no fault." In addition, the problem is compounded by the fact that enforcement of alimony payments is often lax. I have heard from a number of women who were finally able to obtain court orders to have funds paid to them as compensation by their ex-husbands. But for military wives, these court orders are not enforceable in practical terms because the husband's pay from the military cannot be garnished in such circumstances. Thus, the ex-wife is left with little or no recourse to fight for the money she has been ordered to receive.

The present law is inequitable, punitive primarily toward women, and inconsistent with a similar Federal law—social security. It creates an unfair hardship on the divorced spouse who has served with a uniformed employee of the Armed Forces.

The cost of rectifying this deplorable situation will most certainly be minimal in relation to the entire military budget. Moreover, we are convinced that this bill is a reasonable and necessary step, that it is in keeping with other Federal law, and that it is eminently justified on both moral and practical grounds.●

CARTER ADMINISTRATION DOES NOT USE SCARE STORIES

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. DODD. Mr. Speaker, I have been impressed with the rational tone and solid substance of many of the major national defense pronouncements of the Carter administration. While I may not agree with every specific proposal of the administration, I feel strongly that it has presented its case in a straightforward and reasonable manner. Absent from the Secretary of Defense's posture statement for fiscal year 1979, for example, were many of the strident and unfounded allegations that the Soviet Union is threatening us in all fields which used to characterize previous posture statements. We should be able to consider the defense budget without hysterical warnings or scare stories. This has been a big contribution of the Carter administration.

My colleague Representative BOB CARR, who has done such distinguished work on the Armed Services Committee, has just written an article in Armed Forces Journal which compares Secretary's Brown's posture statement with the statements of previous administrations. The article gives us a good understanding of how the administration is trying to give us a more realistic assessment of our military strengths and weaknesses in the world today.

Mr. Speaker, I commend this article from the June 1978 issue of Armed Forces Journal to my colleagues.

The text of the article follows:

THE FISCAL YEAR 1979 POSTURE STATEMENTS—A CONGRESSIONAL VIEW

(By Congressman Bob Carr)

The March issue of *Armed Forces Journal* carried a critique of the FY 1979 posture statements of the Secretary of Defense and the JCS Chairman by "Justin Galen." Reading it, I was struck by the consistency with which Mr. Galen criticized those items which did not deserve criticism, failed to criticize those which did, and emphasized the superficial at the expense of the significant.

In an article of this type, it has always seemed to me that an author wishing to be honest with his readers should begin by identifying his prejudices. "Justin Galen" is identified only as the pen-name of "a former senior Department of Defense civilian official." His attitude strongly suggests he was an official during the Rumsfeld regime, that he worked on the Rumsfeld posture statement, and that his primary objective is to defend that statement. It is striking how he holds Secretary Brown responsible for all DoD problems—for example failing to "cope with the massive cost-escalation of the M-X" even though it appears the M-X concept as now defined by the Air Force is inherently and inevitably superexpensive. At the same time Secretary Rumsfeld's nonperformances are transformed into examples of virtue and farsightedness by saying he planned to deal with certain urgent matters "after the 1976 election." Why a coming election should not be considered grounds for delaying defense decisions is not apparent—unless Mr. Rumsfeld's attentions were occupied by electioneering, which would have been a violation of law.

My own prejudices are 180 degrees apart from "Galen's." I supported President Carter in the 1976 campaign. I regard Harold Brown as the most capable and potentially the best Secretary of Defense in the nation's history, and I regard President Carter as the best President we have had in the defense area. I place President Ford and Secretary Rumsfeld at the opposite end of the ability and performance scales. So between my article to follow and "Galen's." AFJs readers will have heard both sides of the story.

POSTURE STATEMENTS AS INSTRUMENTS OF DETERRENCE

With perceptions of U.S. will to resist aggression as important as they are, DoD posture statements have become more than mere information packages and funding requests. They have become our principle message to the world—including the Soviet Union—expounding our state of mind and our inclination to respond to attack.

Viewed in this light the Rumsfeld, Schlesinger, and Laird statements can only be described as encouraging aggression as counterproductive to U.S. national security interests. The message permeating them is this: "We consider ourselves to be weak and you to be strong. If you attack, we are not sure we will be able to resist you; therefore we may not resist and it is in your interest to attack."

Time after time, comparisons of U.S. and Soviet capabilities are slanted to minimize the former and magnify the latter. As one of dozens of examples, on page 26 of Rumsfeld's FY 1978 statement we are told that the Soviets have developed seven new ICBMs since 1965 (a date chosen because it just excludes Minuteman II), while we have only developed the Minuteman III; we are also told that the Soviet missiles have larger throwweight and more and larger RVs—all of which is true. But we are not told that seven types of ICBMs are no better than one type, nor that the original Minuteman III has undergone and is undergoing evolutionary improvements which multiply its capability many times and render it in effect a new missile, nor are we told that it is superior to any Soviet missile for U.S. purposes. These "admissions" had to be drawn out of the Air Force in House Armed Services Committee questioning.

On the few occasions in which Soviet weakness is described, it is immediately qualified by a description of Soviet strength, as if Mr. Rumsfeld cannot bear to leave the reader with the impression that the Soviets are less than twelve feet tall. For example, on page 62 Mr. Rumsfeld tells us Soviet "submarines are becoming only slightly quieter"—meaning we can find them even though they can't find us—but he feels compelled to soften this faux pas by immediately adding, "but missile ranges are growing longer, and MIRVs are being developed for SLBMs."

I do not accuse Rumsfeld of misleading the Soviets as to military reality. Their intelligence and damage calculation methods are as good as ours. No matter how many times we tell the Soviets they have but to flex their biceps and the concussion will knock us dead on the floor, they will not be so foolish as to believe us in the face of contrary analysis from their technical experts. But there is a very real danger that the Soviets may conclude we believe our own twaddle and are therefore intimidated and lack the will to resist.

To what extent this professional poormouthing is motivated by a desire to spoof the Congress into bigger defenes appropriations, and to what extent it stems from a psychological need for a bogeyman, only the poormouthers and their psychiatrists know for sure. But the effect is clear. The posture statements of Secretary Brown's immediate predecessors have served a deterrence-weakening function at least equivalent to, say, the SSp18 ICBM.

FALLACY OF THE DOLLAR MEASURE

None of the foregoing is to suggest Dr. Brown is above criticism. His posture statement includes two charts comparing U.S. and Soviet defense spending in dollars. This is a shamefully inadequate and deceptive technique; I would think anyone capable of a positive score on an I.Q. test would be embarrassed to use it. Surely, if "Galen" wished to attack Dr. Brown, here was an occasion to zap him between the eyes. Instead, he compounds the felony by presenting us with no less than fourteen dollar-comparison charts, making them the centerpiece of his case!

Let us briefly review the defects of the dollar measurement.

The first set of defects center around the fact that it involves estimating how many dollars it should cost us to duplicate the Soviet military establishment, and comparing this with what we actually spend. The problem is that each nation does what it does best, and the two superpowers approach cost-effectiveness in very different ways. We do best by going heavy on technology and light on manpower; the Soviets do best with the reverse.

Thus, measuring what it would cost us to duplicate the Soviets is irrelevant since we will never do such a thing and would be fools to try. Moreover, it is dishonest and deceptive because it places us in an artificial unfavorable light; it is as if one were to test a left-handed pitcher against a righthanded pitcher under rules requiring both to throw their right arms.

Secretary Brown's posture statement marks a turn away from the self-defeating rhetoric of the past. Not only is the previous encouragement of Soviet aggression largely absent; in addition, in Brown's hands the posture statement has become a positive instrument of U.S. policy, contributing to deterrence rather than weakening it. Specifically, read page 63—we can be sure the Soviets have. On the issue of Minuteman vulnerability, he firmly points out that the Soviets "would necessarily have to consider whether the U.S. missiles would still be in their silos when the attack arrived, or whether, given our capability to have unambiguous confirmation of a massive attack, we could launch from under the attack." To make sure the Russians get the point, on page 106 he reiterates, "nor can an attacker ignore the possibility that we might launch our ICBMs under attack—an approach which requires the greater caution, but through which vulnerability problems are avoided."

From a defense-conservative point of view, nobody in his right mind can regard with equanimity launch under attack, with its risk of escalation to countervalue holocaust. Nevertheless, its employment is entirely conceivable in certain circumstances, and from an offense-conservative point to view its effect is devastating; In a sense, neutralizing at the stroke of a pen the entire Soviet hard-target ICBM capability. Such tough talk was anathema to Dr. Brown's predecessors, who apparently regarded their posture statements as instruments for raising American anxiety and lowering Soviet anxiety. It is good to have a Secretary of Defense who values national security more than big budgets.

To continue the analogy, one could require both to throw with their left arms. This is the "ruble" comparison in which we estimate the ruble cost to the Soviets of duplicating the U.S. effort and compare this with actual Soviet expenditures. This, of course, stacks the deck against the Soviets just as the dollar comparison stacks it against the U.S., and is equally invalid; the Soviets would be as foolish to play our game as we would be to play theirs.

Might we perhaps eliminate the bias by doing both dollar and ruble comparisons and averaging them? It can't be done, because a true ruble comparison is impossible. The problem is that many U.S. weapons are beyond the reach of Soviet technology. There is, for example, no way the Soviets could produce the engine or avionics of an F–15 or an F–16 today, or numerous other advanced U.S. weapons. A true ruble comparison of U.S./Soviet defense spending would have to conclude we are spending infinitely more than they, which is not very useful. Alternatively, we can do false ruble comparisons in which we, for example, don't estimate the Soviet cost to produce an F–16 but instead substitute their cost to produce their nearest equivalent which would probably be the Mig–23. But while this technique produces manageable numbers, it loses contact with reality since the Mig–23 is far less capable than the F–16.

The second set of defects in the dollar comparison centers around the fact that dollars are a measure of effort rather than results, and in war one gets no brownie points for trying; the American people pay us for output, not input. These defects would remain even if the foregoing problems were somehow resolved.

Suppose you and I went out to buy calculating machines. Suppose I spent $700 for an old-style electro-mechanical calculator, while you spent $14 for a pocket-size electronic model. By the dollar analysis my effort would exceed yours by a factor of 50. In terms of size (an analogy can be made here to those silly charts comparing silhouettes of U.S. and Soviet ICBM's) and man-hours needed to produce, my effort can also be made to seem superior to yours. But the fact is your product is faster, more versatile and more reliable than mine; your capability exceeds mine, and the fact that you have saved $686 you can now use for other purposes merely adds to your advantage.

The great evil in any spending comparison is that it makes a virtue of inefficiency. The American genius, in agriculture and industry as well as defense, lies in using technology to gain more output from less input; if we can gain more capability at less cost, this should be a source of pride and satisfaction to us. But to complain that we are not spending enough is to equate input with output and to treat efficiency as a vice—in short, to deny and destroy the major traditional source of American strength.

Conclusion: Forget dollar comparisons. If our capability is insufficient in some way, let us correct the insufficiency in the cheapest and most efficient way we can devise.

If we are not to measure our security in terms of dollars expended, how then is it to be done? Because of space limitations, I will confine my discussion to strategic forces, but the principles to be applied to tactical forces are similar in many respects.

STRATEGIC FORCES

The most significant unclassified strategic balance chart of recent years appears on page 104 of Dr. Brown's statement, and is reproduced as Table 6 in "Galen's" critique. This chart plots relative strategic force size, defined as "a measure of force capability to destroy a given set of economic and military targets" against fiscal year in the time frame FY 1978–87. In essense, the chart shows that should a fully generated Soviet force, at any time during this period, conduct a first strike against a surprised U.S., and should the U.S. respond with a counterforce second strike, the forces remaining to the two sides would be essentially equal. If the U.S. were to have warning, the residual balance would favor us; if we were to strike first and surprise the Soviets, it would favor us still more.

The thrust of this chart clashes sharply with more simplistic—and more widely publicized—charts such as on Dr. Brown's page 46 ("Galen's" Table 5) showing the Soviets zipping ahead of us in numbers of ICBMs and SLBMs. "Galen" reacts to the clash by observing Table 6 "differs so much from other recent studies, and is so poorly defined and explained, that it seems to be little more than political gamesmanship. It certainly addresses none of the issues raised by Paul Nitze in 'Deterring Our Deterrent' Foreign Policy, Winter 1976–77). . . . It so conspicuously avoids the issues in the current debate over the balance that it risks being regarded as a clumsy attempt to put a good face on failure.

I agree that the chart is poorly defined, in that "force capability to destroy a given set of economic and military targets" is quite vague. But it is not possible to be more specific in an unclassified forum. I can also fault the chart on the grounds that it assumes a U.S. counterforce restrike, which is nonsensical.

But "Galen" notwithstanding, the chart addresses precisely the issue raised by Paul Nitze. "Galen" may not like the answer it gives, and I suspect Mr. Nitze likes it even less, since it directly refutes their doom-saying, but this is their problem.

There are two rational explanations for the disagreement between the charts, neither involving the statistical hanky-panky "Galen" suggests.

The first explanation can be stated in four letters: ALCM. The impact of the air launched cruise missile upon U.S. strategic capabilities in the mid and late 1980s will be immense. A recent AFJ article by Ben Schemmer detailed a large number of these missiles to be purchased, but this tells only part of the story. The other part is the superior accuracy of this weapon, and the very high hard-target lethality it permits. When one considers, for example, that a single four-engine widebody jet armed with cruise missiles will have more hard-target lethality than the entire present Soviet heavy ICBM force, and that SALT will reportedly permit 120 such aircraft (assuming current force structure patterns), the magnitude of future U.S. retaliatory capability begins to come into focus. (And "Galen's" observation that "No better solution is presented to cancelling the B–1 than yet another B–52 upgrade program, and another manned bomber study" appears rather out of focus.)

The second explanation lies in the fact that Brown's residual-forces chart, with all its limitations, is infinitely more relevant to military reality than the simplistic numerical "idiot charts" which blight the annual

JCS posture statements and with which the Brown chart disagrees.

Take, for example the SLBM "idiot chart" which shows gross Soviet SLBM launcher numbers passing us in 1974 and now standing at about 900 to our 656. One might ask why we should compare our SLBMs to their SLBMs, since the two will never engage each other. But setting this aside and comparing the two forces as an academic exercise, the fact is that unit numbers do not equate with capability. At any given time, 85 percent of Soviet SSBNs are in port and therefore useless they would be annihilated in the first minutes of a nuclear exchange. Only 45 percent of our SSBNs are typically in port. Moreover, there is an immense difference in the potency of the missiles themselves. Almost all Soviet SLBMs have 1-megaton single warheads; 496 of ours are Poseidons with 10 MIRVs of 40 kilotons each. In terms of counter-industrial capability, as measured in "adjusted megaton equivalents,"* a Poseidon is about 3.7 times as effective as its Soviet counterpart, and a simpler launcher count is shown to be meaningless.

Placing strategic deterrence in perceptive, I suggest that Nitze, "Galen," and Brown's charts all address the wrong question. The real crux of strategic deterrence would be set out in a chart describing long-term Soviet loss of economic output as a result of U.S. counter-industrial retaliation following a Soviet counterforce first strike. If it can be done in an unclassified way, perhaps the FY 1980 statement could contain such a chart.

GENERAL CONSIDERATIONS

"Galen" says, "There seems little hope that U.S. strength, or a U.S. response to the Soviet build-up, will lead the Soviets to moderate their future defense spending or their search for military superiority." To be sure. The more they build up, the more we build up, the more they build up, etc. No amount of buildup on our part can break the cycle; this can only be done by arms control.

In the interim, I suggest we do the following:

(1) Don't worry about Soviet defense spending per se. If they want to break their banks, that's their problem. Our concern is their capability.

(2) Respond to real rather than imagined threats. Bend every effort to see that the capability measures we use validly express the magnitude and quality of the threat and of our ability to meet it. This is as important in public discussion as in high-level planning. Frequently, the valid measure is more difficult to understand than the invalid simplification. But the American people do not need to be talked down to.

*For an explanation of this measure, see "A Manual of Missile Capability" by my military affairs assistant, Robert Sherman," in Air Force magazine, March 1977.●

PASSING THE BUCKS OR MILTON FRIEDMAN LOOKS AT INFLATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. McDONALD. Mr. Speaker, the well known economist, Milton Friedman recently pointed out to Mr. Carter, as others have attempted to, that inflation is basically caused by our Government, and that nothing permanent will result from attempting to hold down wages and prices. His comments appeared in Newsweek for June 12, 1978 in a little item entitled, "Passing The Buck," which follows:

In his State of the Union Message last January, President Carter said: "There is a limit to the role and the function of government . . . Government cannot eliminate poverty or provide a bountiful economy or reduce inflation or save our cities or cure illiteracy or provide energy . . . Only a true partnership between government and the people can ever hope to reach these goals."

This passage was widely cited as a tribute to free enterprise and a welcome recognition of the limits of government. It is that. But if anyone said that it also provided the Administration with an alibi for poor performance, it escaped my notice. After all, if government cannot do these things, the private sector must be responsible for failure.

In particular, the correct statements in the passage camouflage at least one clearly wrong statement. Only government produces inflation and only government can reduce inflation, since only government possesses a printing press (or its equivalent) on which to turn out those colored pieces of paper we call money. No one would gather that from either this passage or the President's more recent anti-inflation speech in which he treated inflation as reflecting largely an absence of restraint by workers and businessmen—on a par with blaming the obstetrician for the baby.●

LEAVE US ALONE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. ARCHER. Mr. Speaker, an outstanding Houston journalist, Lynn Ashby, recently wrote one of the most perceptive articles I have ever had the pleasure of reading. It would be well worth the time for my Colleagues in Congress to take a few minutes to carefully read his comments which appeared in the Houston Post on Sunday, June 4:

JIMMY: HELP!
(By Lynn Ashby)

PRESIDENT JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I know you are quite busy, what with running the Western world and all, but I would like to talk to you just a minute. In the long run, it might actually save you a lot of time. My plea is simple.

Please, leave me alone.

You are no doubt thinking: "I'm not bothering you, *you're* bothering *me*." So, let me explain.

I am overgoverned, overtaxed, overregulated and overspent. I have more government than I have ever had before. It's more than I want and more than I can afford. Under your management are 41 regulatory agencies with an annual budget of $4.82 billion, which is about double what it was only four years ago. You have agents to regulate my every move, my every deed, my every dollar.

Then there is the judiciary, regulators of another sort. Federal judges I never voted for and never heard of tell me where to send my children to school, how to build my jails, where to draw my city's limits, when to hold my elections and in which languages.

Now, why is it that you feel I can't take care of myself? Where does it say that those working in or for Washington are somehow innately superior in intelligence to the rest of us? I don't need all this help, honest.

I get the idea that you, and those working under you, really have a low opinion of Americans. You feel that we are not smart enough to cope without your help. Well, our fathers were smart enough. So were their fathers and their fathers. But obviously the sons of the '70s did not inherit this wisdom. Thus, it is felt, we must be protected.

Really, I think you underestimate us. We aren't that stupid. We elected you, didn't we? Yet we are buried under an avalanche of expensive government advice, mostly unsolicited. I am paying an extra $666 for a U.S. automobile because of the regulations Detroit must labor under. A hospital room averages $22 more per day, due to government red tape. Dow Chemical estimates it spent $147 million in 1975 complying with federal regulations, and I would imagine this was all passed on to the consumer.

All right, to be fair, we do need some rules, some regulations, some inspections, but good Lord, the 1977 Federal Registry has 65,603 pages, up 8,531 from the year before. Whether you are a liberal or a conservative, Mr. President, let's be reasonable.

This rampaging growth of your government is costing me a bundle, and I'm getting tired of it. You talked a good fight during the election about curtailing the federal bureaucracy. The fact is, according to Alan Campbell, chairman of the Civil Service, there has been no cutback in the number of federal employes. And those taken off your own White House staff have simply been transferred to other federal agencies. I'm still paying them.

The cost of federal, state and local governments, according to one study, is growing at a rate of $5.2 million an hour. Our governments now spend almost one-third of our GNP, and the fact that the U.S. has slipped from first in the world to seventh in per capita GNP tells us something, right there.

I am now obligated for $150,000 in government spending, an increase of $20,000 in the last year alone. The average American worked from Jan. 1 to May 5 just to pay his taxes. This is more than ever before, but I can't see that we're any better off. We've just got more people on the government payroll taking in and handing out more of our money.

In just one area, you are taking $248 billion from us and spreading it around through 182 different federal programs, ranging from $8 million in guaranteed income to owners of sheep and goats selling mohair or wool, to $5.4 billion for food stamps. This year you spent $500 million, a half billion dollars, mind you, for films, TV spots and federal movies. And you spent $35 million for sanitation facilities for Indians.

Do not get me wrong. I am all for feeding the hungry, clothing the naked, making life better for our downtrodden. But you have gone off the deep end. Two weeks ago HEW had a little birthday party for itself, and it cost $15,000. When someone complained, it was noted that this is less than HEW spends every three seconds.

If you are overspending, you are also wasting. It is estimated that through fraud, cheating and theft, close to $12 billion is lost by the federal government each year. That is a lot of money, and frankly, I think you could do a better job in this matter.

Look, we've got problems. Last year the average worker's hourly salary went up 9 percent but his productivity went up only

2.5 percent. In March we posted a trade deficit of $2.8 billion, fourth largest in the nation's history. Our inflation is getting worse, not better.

Everytime we have trouble, you answer it with more government for the governed, but I think the real solution lies where it has always lain, in the simple animal cunning of the average American. Let my people go. Trust me.

We did not move from a third-rate backwater colony to the most powerful and richest nation in the history of civilization because of Washington, D.C., but rather, despite it. You've got to have more faith in your fellow Americans, Mr. President. So let me have the same freedom and the same crack at success that previous generations had.

Please, leave me alone.

Sincerely,

LYNN.●

THE COST OF EDUCATIONAL EXCELLENCE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. MICHEL. Mr. Speaker, there has been much written and said about the proposed tax credits for parents sending children to schools that charge tuition. I think one of the best arguments in favor of that proposal—for which I voted when it came before the House—is that in many urban areas nonpublic schools and specifically parochial schools provide quality education for minority children.

Nowhere has this been more evident than in Chicago where, at Providence-St. Mel school, educational excellence is the rule rather than the exception. Both students and teachers are required to live up to a standard of high achievement. There is no coddling of those who will not try, but there is at the same time great compassion and love for the children involved. And there is a marvelous record of educational excellence.

Providence-St. Mel is facing financial hardships now. I think that if we already had tax credits, we would find that this school would be able to continue. At any rate I think it is good for all of us to learn about an inner-city school that does the job of educating minority group children.

At this point, therefore, I would like to insert in the RECORD, "Closing Threatens Chicago School Praised for Its Students' Successes," New York Times, June 6, 1978:

CLOSING THREATENS A CHICAGO SCHOOL PRAISED FOR ITS STUDENTS' SUCCESSES

(By Nathaniel Sheppard, Jr.)

CHICAGO, June 5.—If a student at Providence-St. Mel High School cuts class, he is automatically expelled from school. If any one of a group of students is caught using marijuana or other drugs, all of them are expelled. But if a student achieves an "A" average, his tuition is refunded for that quarter.

"It may sound autocratic," says Harvey Gross, the admissions officer and a teacher at the Roman Catholic school in a poor, black and Hispanic area on Chicago's West Side, "but it's the way we have built the kind of school we have here today—one at which there are no discipline problems and from which 85 percent of the graduates go on to college.

"We accomplish this by a no-nonsense, no-excuses-accepted approach to learning. We don't accept any of that cultural bias, disadvantaged" type of approach, he said. "We want results."

And the results are evident. The school has an impressive list of prestigious colleges to which its graduates have gone. It has received the praise of regional curriculum evaluators and the accolades of parents.

It also has received notice that it will be closed.

A HAVEN FOR LEARNING

The school building is aging and in need of repair, but the grounds are clean and the interior walls are covered with student murals instead of graffiti. In a neighborhood beset by poverty and crime, it has been a haven where hope and specific goals served as catalysts for learning.

To get into Provident-St. Mel students must pass a battery of tests. They are reexamined after each school year. The school admits some students who do not read at their grade level, but they must take special courses and bring their performance up to par before they can graduate.

The school's 20 teachers also are judged on the basis of performance, according to Mr. Gross, who said, "If a student fails, a teacher must be able to explain why."

"During the first quarter, students are required to take a course that tell them what our college preparatory program is all about and how to study," Mr. Gross said. "We try to let the kids know that the world is bigger than the West Side of Chicago and that there are careers open to them other than pumping gas or being a pimp."

"There is total faculty involvement," he said, "and even the principal teaches classes."

CLOSING IS THREATENED

But for all the school's success, the Archdiocese of Chicago has decided to close it at the end of this month.

In a one-page letter to Principal Paul J. Adams, Msgr. Francis A. Brackin of the archdiocese praised the faculty for its "tremendous interest and involvement," but said the costs of supporting the school were too high.

"There are some hard facts to face up to," Monsignor Brackin said in the letter. "The subsidy need has not decreased and now we are faced with notices from the building department . . . requiring tremendous outlays of money to rehabilitate the building. The cost estimates could run well over $200,000 and then, the building is just too large for 350 students."

Mr. Adams has vowed that the school will remain open with or without the support of the archdiocese. He has started a major fund-raising effort, including a full-page advertisement in The Wall Street Journal explaining the school's plight.

$1.6 MILLION IN SUBSIDIES

Mr. Adams said that since 1970 the archdiocese has contributed $1.6 million in subsidies, while the school has provided $1.9 million through tuition charges and fund-raising. The fund-raising programs took in $100,000 last year, as against $1,350 in 1971, he said.

In the same period, tuition costs rose from $335 per pupil to $550.

Twenty-seven Roman Catholic schools, most of them in the inner city, have been closed in the past seven years as their neighborhoods changed from predominantly white to predominantly black or Hispanic.

Provident-St. Mel is in a high-crime area with an unemployment rate of 40 percent. Half of the families in the area have incomes below the national poverty level.

In response to an assertion by some parents that racial motivations were behind the closings, Monsignor Brackin said, "We are sick and tired of talking about it and we have decided not to discuss it further. We have given out information to about 35 groups and it hasn't come out as we have given it."

ECONOMIC CRUNCH BLAMED

Stephen Titra of the Alliance of Catholic Laity, a two-year-old organization that solicits funds for needy Catholic schools, said the school closings were the result of an "economic crunch."

"Operating costs have gone up and enrollments have declined as neighborhoods have changed and minorities have replaced second generation Europeans in the parishes," Mr. Titra said.

A spokesman for the Catholic Archdiocese of Chicago said Catholic-supported schools' enrollments had fallen at about the same rate as those of public schools. Enrollment in the city's Catholic elementary schools was 147,497 and in the high schools 58,107 for the school year just ended, he said. For the 1975–1976 school year, the figures were 154,-145 for elementary schools and 61,385 for high schools.

The archdiocese and its 451 parishes operate 386 elementary and 21 high schools in the metropolitan area.

For the city as a whole 15 percent of the students in Catholic schools are not Roman Catholic. At Provident-St. Mel, however, 60 percent of the students are not Catholic.

Still, Philip R. Melcher, of Touche Ross and Company, said it is the over-all financial picture that makes Provident-St. Mel's closing necessary.

"The funds available for the schools are those that come into the central archdiocese office," Mr. Melcher said, "and for the past five to six years the central office has operated at a deficit."

Last year the central office deficit was $2 million, according to the annual report. The archdiocese spent a total of $2.119 million in subsidies to high schools in 1977, as against $2.262 million in 1976.●

DELETION OF EIGHT NEW STARTS OF PUBLIC WORKS BILL

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. EDGAR. Mr. Speaker, I wish to share with my colleagues a statement by Eliot R. Cutter, Associate Director for Natural Resources Energy and Science, Office of Management and Budget. In the statement he announces President Carter's water project fiscal year 1979 new starts. I plan to offer an amendment to the public works appropriations bill to delete eight projects which the administration did not request. I hope this information will be useful to the Congress.

The statement follows:

REMARKS OF ELIOT R. CUTLER

President Carter is transmitting to Congress today his 1979 budget recommendations for new water resources projects.

There are 17 construction starts for the Corps of Engineers, 9 for Bureau of Reclama-

tion and 25 for Soil Conservation Service, plus 10 new Corps planning starts.

These are the first new construction starts recommended by a President in four years.

The projects meet the strict criteria which were announced this week as part of the President's new water policy. They will require a total funding commitment, including allowance for inflation during construction, of $720M.

The 1979 Federal outlays—about $70M—for a new starts package of this magnitude were included in the allowance for contingencies in the President's 1979 budget. Thus, the appropriations recommended today will not cause an increase over the total outlays provided in the President's budget of January 23. The outlays in future years can be accommodated within the Administration's current, tight planning levels.

These projects were chosen not only in light of our budgetary limits, but also with a concern for project purposes and relative urgency. Thus, hydropower and urban flood-control projects to protect existing development were emphasized, followed by commercial navigation projects where improvements will provide needed commercial benefits. Non-structural and environmental factors also were given strong consideration. Rural and agricultural improvement, of course, are the predominant purposes of the new Reclamation and Soil Conservation Service projects.

The budget amendment amounts are:

[Dollars in millions]

	Appropriations for total cost	1979 outlays
Army Corps of Engineers	522.4	45.0
Interior Bureau of Reclamation	120.5	17.2
Agriculture Soil Conservation Service	75.0	6.0
Total	717.9	68.2

The specific Corps and Bureau of Reclamation projects are listed in the attachments. The individual SCS projects will be selected during the fiscal year as their local sponsors complete preparations, as is normal practice. About 25 SCS small watershed projects will be built for the $75 M.

The new 1979 budget authority requested will finance, in one lump sum, all these projects to completion. This full-funding policy is a sharp departure from past practice, where a few dollars have been appropriated to start huge projects, committing vast sums in future year budgets. We urge Congress to support the full-funding policy in 1979 and future years so that the construction of the new projects can proceed in the most efficient manner, and so that the full magnitude of the funding commitments involved in these projects will be very clear to the Congress and the people. The Congress could, of course, give the appearance of cutting the budget while in fact increasing it, by rejecting full funding and starting more projects with smaller 1979 appropriations. The House Appropriations Committee has taken that course, and we hope that the full House will not follow suit.

Finally, it should be very clear, from the history of this Administration's actions in the water policy area, that the President is both quality-conscious and budget conscious. He will support construction of good water projects—those that meet the criteria he has set forth—so long as they can be built within our budgetary limits.

I would like to stress the President's intention of sticking to his Budget on water projects. The House Appropriations Committee already has gone well beyond the President's Budget for ongoing projects, including the restoration of a number of unsound projects which the Congress agreed to halt last year. The President wants to work with the Congress to fund the new water projects starts he is announcing today, but he is firm in his intention to veto a Public Works Appropriations bill which is not in line with his Budget. In January, the Administration requested over $2.1 billion for continuing water projects construction, and we are augmenting that request today. These funds will provide for a vigorous and sound water development program.

We hope the Congress will give the most careful consideration to the President's position as they deliberate on the 1979 Public Works Appropriations bill.

II. SELECTION CRITERIA

Selection of new starts was guided by a comprehensive set of criteria which insure that the selected projects represent the best use of limited budgetary resources. The criteria as outlined by the President in his Water Policy Message are as follows:

Projects should have net national economic benefits unless there are environmental benefits which clearly more than compensate for any economic deficit. Net adverse environmental consequences should be significantly outweighed by economic benefits. Generally, projects with higher benefit/cost ratios and fewer adverse environmental consequences will be given priority within the limits of available funds.

Projects should have widely distributed benefits.

Projects should stress water conservation and appropriate non-structural measures.

Projects should have no significant safety problems involving design, construction or operation.

There should be evidence of active public support including support by State and local officials.

There should be no significant international or intergovernmental problems.

Where vendible outputs are involved, preference should be given to projects which provide for greater recovery of Federal and State costs, consistent with project purposes.

The project's problem assessment, environmental impacts, costs and benefits should be based on up-to-date conditions (planning should not be obsolete).

Projects should be in compliance with all relevant environmental statutes.

Funding for mitigation of fish and wildlife damages should be provided concurrently and proportionately with construction funding.

Pending enactment of legislation to reform cost sharing, expedited consideration will be given to projects where State governments assume a share of costs over and above existing cost sharing provided that the projects meet the other selection criteria. This provision, obviously, could not be applied in preparing these recommendations for FY 1979, but it will be followed in selecting FY 1980 and future year new starts from among those projects authorized prior to adoption of the cost sharing reforms proposed by the President in his Water Policy Message.

PRESIDENT CARTER'S FISCAL YEAR 1979 RECOMMENDED NEW CONSTRUCTION STARTS FOR CORPS OF ENGINEERS OF THE DEPARTMENT OF THE ARMY

[In thousands of dollars]

WRC region/project	Full funding estimate based on— Oct. 1 1977, prices (1)	Projected prices (2)
New England: North Nashua River, Mass	2,100	2,300
South Atlantic-gulf:		
Port Everglades, Fla	23,000	28,600
St. Lucie Inlet, Fla	4,700	5,020
Hartwell 5th unit, Ga	14,300	18,400
Ohio: Big South Fork National River and Recreation Area, Ky. and Tenn	114,300	140,000
Upper Mississippi:		
Milan, Ill	9,600	11,200
Prairie Du Chien, Wis	3,400	3,933
Point Place, Ohio	5,350	6,320
Two Harbors, Minn	185	260
Winona, Minn	22,200	25,920
Missouri: Blue River Channel, Mo	86,100	114,000
Columbia-North Pacific: Lower Snake River fish and wildlife conservation, Washington, Idaho, and Oregon	64,100	78,156
California: Los Angeles-Long Beach Harbor, Calif	17,300	19,100
Alaska:		
Hoonah Harbor, Ala	5,000	5,485
Metlakatla Harbor, Ala	5,950	6,971
Hawaii:		
Barbers Point Harbor, Hawaii	42,300	46,600
Honolulu Harbor, Hawaii	6,935	7,700
Totals	426,820	519,965

PRESIDENT CARTER'S FISCAL YEAR 1979 RECOMMENDED ADVANCE ENGINEERING AND DESIGN (A.E. & D.) STARTS FOR CORPS OF ENGINEERS OF THE DEPARTMENT OF THE ARMY

[In thousands of dollars]

WRC region/project	Based on Oct. 1, 1977 prices: Total Federal Project cost (1)	A.E. & D. cost (2)	Fiscal year 1979 appropriation request (3)
Middle Atlantic: Ardsley, N.Y	1,910	300	100
Upper Mississippi:			
Bassett Creek, Minn	9,240	1,000	200
Chaska, Minn	11,800	875	200
Columbia-North Pacific:			
Placer Creek, Idaho	3,490	390	100
Willapa River at Raymond, Wash	1,810	220	100
California: Goleta and vicinity, California	28,700	1,600	200
Hawaii: Kahoma Stream, Hawaii	4,330	430	230
Puerto Rico-Virgin Islands: Ponce Harbor, Puerto Rico	4,250	240	100
Total (8 projects)	65,530	5,055	1,230

PRESIDENT CARTER'S FISCAL YEAR 1979 RECOMMENDED NEW PHASE I ADVANCE ENGINEERING AND DESIGN STARTS FOR CORPS OF ENGINEERS OF THE DEPARTMENT OF THE ARMY

[In thousands of dollars]

WRC region/project	Based on Oct. 1, 1977 prices Total Federal phase I cost	Fiscal year 1979 appropriation request
Upper Mississippi: Chicagoland underflow plan, Illinois (phase I)	7,700	1,000
Puerto Rico-Virgin Islands: San Juan Harbor, Puerto Rico (phase I)	340	170
Total (2 projects)	8,040	1,170

President Carter's fiscal year 1979 recommended new construction starts for the Bureau of Reclamation, Department of Interior

[Thousands of dollars]

Full funding

Project/State:	Oct. 1977 prices	With projected cost indexing
Chief Joseph Dam Oroville Tonasket Unit, Washington	$43,107	$55,300

President Carter's fiscal year 1979 recommended new loan program starts for the Bureau of Reclamation, Department of Interior

Project/State	*Full funding of contracted loan*
Glenn Colusa Irrigation District, California	$16,985
Hidalgo and Willacy Counties Water Control and Improvement District No. 1, Texas	10,982
Hidalgo County Water Improvement District No. 2, Texas	16,100
Overland Ditch and Reservoir Company, Colorado	1,677
Pleasant Valley County Water District, California	4,685
Rainbow Municipal Water District, California	9,899
South Weber Water Improvement District, Utah	1,720
West Bench Irrigation District, Montana	3,147

THE CAREFUL APPROACH OF THE CRIMINAL JUSTICE SUBCOMMITTEE H.R. 6869 AND S. 1437

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. CONYERS. Mr. Speaker, an essential element of our democratic society is the obligation of the press, through its editorial positions, to comment critically upon the inner workings of government and its legislative process. With the steady decline in the number of daily newspapers—and thus in the variety of editorial comment—this obligation has taken on heightened importance. I was pleased, therefore, that the Los Angeles Times so ably met its responsibilities in its May 24, 1978, editorial on S. 1437 and H.R. 6869, the proposed new criminal code.

The editorial pages of our newspapers frequently provide stimulation for the public to think about issues of public policy, including legislative issues. In this respect, they serve as an important medium through which what we do here is presented to the people. As a consequence, it is essential that editorial expression fully and perceptively reflect the nature of bills of the magnitude of the new criminal code and the manner in which we are treating them.

In recent editorials, the New York Times and the Washington Post failed to appreciate the care with which the Subcommittee on Criminal Justice is proceeding in its work on the proposed criminal code. They failed to appreciate the code's complexity, and they failed to recognize the independent legislative responsibility of the House of Representatives. Our colleague PETER RODINO and I felt compelled to bring these points to their attention in our respective letters to the Times and the Post.

The members of the House Criminal Justice Subcommittee have insisted upon examining S. 1437 and H.R. 6869 with care, refusing to forgo critical analysis of the bills. Fortunately, the Los Angeles Times has acted in like manner, as its May 24 editorial, which I insert in the RECORD, attests:

[From the Los Angeles Times, May 24, 1978]

A LEAP IN THE DARK

Legislation to codify, revise and reform federal criminal law (S. 1437, passed by the Senate, and H.R. 6869, now under consideration by the House of Representatives) has encountered a setback in the House judiciary subcommittee.

After 23 days of hearings, the subcommittee balked at the complexity of the massive, 682-page measure. Rep. Henry J. Hyde (R-Ill.), summed up the committee's sentiment by calling the bill "a giant leap in the dark." Another committee member, Rep. Charles E. Wiggins (R-Calif.), says the House must take a long and independent look at reform, and not simply ratify the Senate action.

Supporters of the legislation proceeded immediately to the attack, but their arguments, instead of adding strength to their cause, became impressive new evidence that the code should be defeated.

The Washington Post prefaced its renewed support of the code with this confession: "It is almost impossible for anyone, other than the (Justice Department) lawyers who have lived with it for a decade, to comprehend all of the changes this proposed code would make in federal criminal law." Yet, from that admission, the newspaper went on to argue for passage of a bill that it finds almost incomprehensible.

The New York Times attacked the House subcommittee's analysis as "a cop-out on crime," an evaluation that reduces a momentous issue to a trivial level. The present form of the revision of federal criminal law would profoundly alter the relationship between the federal government and the states, and between the American people and the federal government.

Sen. Alan Cranston (D-Calif.), who opposes the legislation, says it would "tip the delicate balance of police power in our nation too much in the direction of the federal government." That observation was a diplomatic attempt to state a hard truth in soft terms.

The code represents a massive invasion of federal criminal power into areas traditionally left to the states. In testimony before the House subcommittee, Prof. John Quigley of Ohio State Law School estimated that, under the bill, the annual criminal caseload of federal courts, now numbering 40,000, would increase more than five times. This would bring about a tremendous expansion in the apparatus of the federal criminal-justice system, including the FBI.

The significance of this vast extension of federal jurisdiction would be difficult to exaggerate. No longer would there be a "delicate balance" between state and federal police authority. Federal power would predominate.

In a most fundamental way, the proposed code would reverse the relationship between government and American citizens. In our democracy, through the First Amendment that guarantees freedom of information, the government is kept under the watchful eye of the people. Under the code, as approved by the Senate, the government would become the watchful censor over the political activities of the people.

How did this come about in a measure that began as a well-intended effort by a national commission to rationalize a jumble of federal laws accumulated over nearly 200 years?

The commission's work, started under President Lyndon B. Johnson's administration, fell into the hands of Richard M. Nixon's administration, which was dominated, even during the peak of its power after the 1972 election, by a siege mentality.

What emerged was legislation that was authoritarian in tone and substance, and whose guiding principle was the implicit assertion of the need to protect the government from its domestic enemies—the people.

During the uproar over Watergate, the proposed code, like nearly everything else, was overtaken and submerged in the news of the dramatic, day-by-day developments that finally led to the ouster of President Nixon. But the legislation, which escaped the attention of most of the public, was not forgotten by its sponsors, nor by the Justice Department's team of lawyers who drafted the bill.

When the measure surfaced, as Senate Bill 1 in Gerald R. Ford's administration, the public finally became aware of its significance. Even proponents of the S 1 version have now admitted that it was an atrocity. It would have whittled away First Amendment freedoms, undercut Fifth Amendment protections and, in sum, enhanced the power of government and diminished America's system of individual rights. It would have enabled the government to insulate itself from effective political criticism.

Yet a reform of the criminal code, a tedious task involving the rewriting and codifying of some 3,000 criminal offenses, was an appealing idea. Everybody agreed that, if not imperative, the revision of the code was worthwhile.

After the disaster of S 1, an immediate salvage effort was launched, with the technical assistance of the Justice Department squad that had continued to draft and redraft the bill through three administrations.

What finally emerged was S 1437 in the Senate and the companion bill in the House, and the new measure was hailed as a "masterful compromise between liberal and conservative senators who otherwise could not agree on the time of day."

The compromise does represent an advance over S 1, but if the new version had been drafted in the dark it hardly could have failed to be an improvement over its predecessor, which was a carefully designed assault on individual freedoms.

Several improvements in the current draft should be noted.

Judges would be barred from prosecuting a news organization for violating a court-issued gag order, if the order subsequently were held unconstitutional. As the situation now stands, a news reporter can be punished for violating an order that is later declared invalid.

The so-called Nuremberg defense for public officials accused of law violations has been dropped. The old bill would have allowed them the defense of claiming that their lawless actions were committed in behalf of national security.

The new version would repeal the Smith Act, which made it a criminal offense to talk about the overthrow of the government by force.

Such gains and some others are not to be minimized, but to say that these changes justify enacting this legislation is to overlook numerous other statutes that lay a heavy burden on all forms of political expression.

Thomas I. Emerson, professor emeritus, Yale law school, comes to the conclusion that this bill "retains a large number of provisions which individually and in totality are gravely detrimental to the American system of individual rights."

Though enumerating them may be somewhat less exciting than reviewing a Rapid Transit District bus schedule, they demand close study because they give the government widely expanded power over the actions of American citizens.

Section 1301 (Obstructing a Government Function by Fraud) could be used by the government to impose censorship on government information. It would be a bar to prosecution that the "offense was committed solely for the purpose of disseminating information to the public." But the use of the word "soley" would virtually wipe out the protection if a jury could detect the presence of any other motive.

Section 1311 (Hindering Law Enforcement) would provide that a person was guilty of an offense if he "interferes with, hinders, delays or prevents the discovery, apprehension" of a person charged with a crime "by engaging in conduct by which he knowingly conceals the other person or his identity." This provision could be used against a news reporter who refused to disclose his files to the government, or destroyed them to protect a confidential source.

Section 1331 (Criminal Contempt) would create an offense of not only disobeying a court order but "resisting" such an order. This term could be interpreted to include mere speech. News organizations would be exempt under certain conditions, as we noted, but other forms of expression would be subject to the authority of a judge.

There are many other aspects in this massive revision of criminal law that reflect the legacy of the Nixon years.

Section 1343 (Making a False Statement) says that a pesron is guilty of a crime if, "in a government matter," he knowingly makes "a material oral statement that is false" to a law-enforcement officer or to an official assigned "investigative responsibility." A mere disagreement between a citizen and a law-enforcement agent could subject the citizen to federal prosecution, and the outcome could depend on one man's word against another. Moreover, the offense would extend beyond a statement of fact, because it would include "a declaration of representation of opinion, belief or other state of mind."

Present law on false oral statements generally has been limited to false statements in the content of a quasijudicial proceeding, or in a situation where one person falsely tried to implicate another in a crime.

Several sections of the code would impose greater control on the flow of information from inside the government to the public. While national-security matters have to be guarded, and some information affecting the privacy of individuals should be protected, a democracy thrives on information, and withers when information is cut off.

The sweep and magnitude of the proposed reform is ominously impressive. If the code is approved in its present form, the weight of federal criminal law will be felt in every corner of the land.

Section 1831, for example, would extend federal jurisdiction over riots to any incident involving the movement of a person across state lines. A "riot" is defined as a public disturbance that includes as few as 10 persons. As one critic has said, the code would come close to converting the federal judiciary into courts of general criminal jurisdiction.

The reform of the entire body of federal criminal law is a logical approach—on paper. In reality, it is not. It is just too vast, too complicated for Congress to swallow at one time.

When the bill was perfunctorily debated a few months ago in the Senate, Sen. James B. Allen (D-Ala.) said, "There aren't five senators . . . who have any idea what's going on. . . ." Sen. James A. McClure (R-Ida.) said the legislation had "become a law unto itself, a massive re-creation whose full implications are known only by its prosecutorial draftsmen (in the Justice Department). . . ."

The cautious position taken by Rep. James R. Mann (D-S.C.), the chairman of the House Judiciary subcommittee, is fully justified. He wants to limit his committee's work to the consideration of obsolete laws and some improvements in sentencing procedures.

Step by cautious step is the way to proceed on legislation that goes to the heart of our system of justice and affects the fundamental freedoms of the American people.●

NEW YORK'S 25TH DISTRICT QUESTIONNAIRE RESULTS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1978

● Mr. FISH. Mr. Speaker, one of the greatest features in a participatory form of government is the interest of citizens in making their views known to their legislators on the important issues of the day. And one of the best ways, in my opinion, is through the congressional questionnaire. I know there are those who feel such a questionnaire is merely "lip service" or "window dressing" designed to promote the particular Member, but that is unfair.

For the 10 years I have served in the House of Representatives, I have sent out at least one districtwide questionnaire each year. The results of these polls have been a great help to me in determining the mood of the 25th District of New York, and applying that mood to my votes. This year is no exception.

I received a large response from the poll sent out this spring—some 16,000—and would like to share the results with my colleagues in the House and Senate, in the hopes that they will take notice of the developing trends sweeping this Nation's people.

The questionnaire follows:

THE 25TH DISTRICT, NEW YORK, WINTER 1978
QUESTIONNAIRE RESULTS

(1) Do you favor extending the time past March 22, 1979, during which the Equal Rights Amendment can be ratified?

Yes, 33.4 percent; no, 62.3 percent; no response, 4.3 percent.

(2) Do you favor creation of a federal Department of Education?

Yes, 25.1 percent; no, 70.3 percent; no response, 4.7 percent.

(3) Do you favor a near doubling of U.S. expenditures for outer space weaponry?

Yes, 28.3 percent; no, 66.8 percent; no response, 4.8 percent.

(4) Do you favor Madalyn Murray O'Hair's attempt to have "In God We Trust" removed from U.S. currency?

Yes, 7.2 percent; no, 90.2 percent; no response, 2.7 percent.

(5) Do you favor greater Civil Defense preparedness?

Yes, 59.4 percent; no, 34.1 percent; no response, 6.5 percent.

(6) Do you favor a rollback of proposed Social Security tax increases?

Yes, 65.8 percent; no, 28.7 percent; no response, 5.6 percent.

(7) Do you favor development of the neutron bomb?

Yes, 45.9 percent; no 48.8 percent; no response. 5.3 percent.

(8) Do you favor decriminalization of the possession of small amounts of marijuana?

Yes, 52.2 percent; no, 44.9 percent; no response, 2.9 percent.

(9) Do you favor efforts to prevent lowering of tariffs on imports to protect American jobs and production?

Yes, 63.2 percent; no, 31.6 percent; no response, 5.3 percent.

(10) Do you favor a law that would allow taxpayers to designate that their taxes not be used for war/weapons provided that the Soviet Union and other major governments enact similar statutes?

Yes, 32.6 percent; no, 62.4 percent; no response, 5.0 percent.

(11) In the Persident's half-trillion budget, the $128.4 billion for national defense is: (a) adequate; (b) dangerously low; (c) too high—should be cut; (d) other.

(a) 32.7 percent; (b) 19.5 percent; (c) 22.5 percent; (d) 5.8 percent; no response, 19.4 percent.

(12) Tax credits for tuition costs vs. direct grants to a majority of students: (a) one or the other is needed; (b) same as (a), but would limit to higher education costs; (c) neither is a proper use for federal funds; (d) other.

(a) 22.6 percent; (b) 21.2 percent; (c) 25.5 percent; (d) 12.5 percent; no response, 18.3 percent.

(13) The President proposes the sale of U.S. war planes to Egypt, Saudi Arabia and Israel: (a) necessary, as Arab nations would buy elsewhere; (b) indefensible in midst of peace negotiations; (c) we should limit arms sales to Israel only; (d) other.

(a), 42.1 percent; (b), 19.4 percent; (c), 6.6 percent; (d), 12.3 percent; no response, 19.5 percent.

(14) To attack unemployment, we should primarily: (a) rely on a vastly increased program of public service jobs (at an estimated cost of $1 billion per 100,000 public service jobs created); (b) subsidize employment in the private sector for unemployed youth; (c) rely on expansion of private sector to provide jobs; (d) other.

(a), 11.4 percent; (b), 13.2 percent; (c), 45.4 percent; (d), 11.1 percent; no response, 18.9 percent.

(15) New York City is asking for continued but declining federal season loans, as well as for a federal guarantee of long-term bonds: (a) city better off in bankruptcy; (b) city can meet its credit needs by aid from New York banks, union pension funds and MAC borrowing; (c) after city has seri-

ously tapped local and state resources, some federal help is warranted; (d) other.

(a), 11.6 percent; (b), 17.2 percent; (c), 38.5 percent; (d), 13.9 percent; no response, 18.8 percent.

(16) For months, farmers have been protesting in Washington over their income squeeze caused by high land values, low grain prices and rising costs: (a) farmers should get the higher price supports they demand; (b) a combination of land set-asides, build-up of government reserves and expanded credit will suffice; (c) free market prices should be permitted to function; (d) other.

(a), 10.8 percent; (b), 14.6 percent; (c), 43.6 percent; (d), 9.2 percent; no response, 21.8 percent.●

SENATE—*Monday, June 12, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Almighty God, who rules in power above all lesser sovereignties, lay hold upon us by Thy Holy Spirit that we may have grace and wisdom to face old problems with new insights and new problems with old imperatives. And to Thee shall be all thanksgiving and praise. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the swearing in of Senator ALLEN, the orders for the recognition of the two leaders and the order for the recognition of a Senator be delayed until after the period for eulogies has expired.

The VICE PRESIDENT. Without objection, it is so ordered.

SENATOR FROM ALABAMA

The VICE PRESIDENT. The Chair lays before the Senate the Certificate of Appointment of Senator-designate MARYON PITTMAN ALLEN of the State of Alabama which the clerk will read.

The assistant legislative clerk read as follows:

STATE OF ALABAMA,
GOVERNOR'S OFFICE,
Montgomery.

CERTIFICATE OF APPOINTMENT

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Alabama, I, George C. Wallace, the governor of said State, do hereby appoint Mrs. Maryon Pittman Allen a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of the Honorable James B. Allen, is filled by election as provided by law.

Witness: His excellency our governor George C. Wallace, and our seal hereto affixed at Montgomery, Alabama, this 8th day of June, in the year of our Lord, 1978.

By the Governor:

GEORGE C. WALLACE,
Governor.
Mrs. AGNES BAGGATT,
Secretary of State.

The VICE PRESIDENT. If the Senator-designate will present herself at the desk, the oath of office will be administered to her.

Mrs. ALLEN of Alabama, escorted by Mr. SPARKMAN, advanced to the desk of the Vice President; the oath prescribed by law was administered to her by the Vice President, and she subscribed to the oath in the official oath book.

(Applause, Senators rising.)

RECESS FOR 5 MINUTES

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Senate stand in recess for 5 minutes so that Senators may welcome our new colleague.

The PRESIDING OFFICER (Mrs. HUMPHREY). Without objection, it is so ordered.

There being no objection, the Senate, at 10:05 a.m. recessed until 10:10 a.m. whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PAUL G. HATFIELD).

TRIBUTES TO THE LATE SENATOR JAMES BROWNING ALLEN

The PRESIDING OFFICER. Under the previous order, there will now be a period of 3 hours for the presentation of eulogies for the late Senator JAMES B. ALLEN, of Alabama, with the time to be equally divided between and controlled by the majority and the minority leaders. Who yields time?

Mr. LONG. Mr. President, on behalf of the majority leader, I yield myself 4 minutes.

Mr. STENNIS. Mr. President, will the Chair see that we have quiet, not only that we may be respectful, but that we may hear?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LONG. Mr. President, we are all saddened over the loss of our beloved colleague, Senator JAMES BROWNING ALLEN. He was a tireless and dedicated worker for those ancient values that gave birth to the United States and preserved it for 200 years.

He was gentlemanly, considerate, and soft spoken, but he was as tough as any Member of the Congress in defending those things he thought fundamental and right.

I knew and respected him as a colleague during the 10 years he so honorably served the Senate. His outstanding ability as a parliamentarian will be long remembered. The citizens of the State of Alabama can feel nothing but pride when they recall the manner in which he has spoken and acted for them in the Senate.

JIM ALLEN has always been a believer in the premise that a Senator ought to stick to his bargain with the people, and that he should devote virtually all his time to the job.

His understanding of the needs of the people of Alabama developed from his years of dedicated service in the State legislature, and as Alabama's only two-term lieutenant governor.

Referred to as "Alabama's Asset," he had strong and obvious feelings for the folks back home. An Alabamian he was, but first an American.

His constituents expressed their appreciation when they reelected him to the Senate in 1974 when he received the highest percentage vote of 95.8 percent of any contested candidate for the U.S. Senate.

He served proudly, both as chairman of the Subcommittee on Agriculture Credit and Rural Electrification and as chairman of the Subcommittee on Separation of Powers.

He was a believer and an example of the concept that democracy should endow the voters with the gumption to elect honorable men to public office, and that those elected should voluntarily follow the highest possible concepts of service and action.

We will feel the pain of JIM ALLEN's absence, for a long, long time.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I yield 2 minutes from the minority's time to the Senator from New Mexico.

A MAN FOR ALL SENATORS

Mr. SCHMITT. Mr. President, JIM ALLEN's life in the Senate will be the source of memories and stories for as long as there is a Senate.

He preserved the traditions of the Senate with skill and determination so that the new generations of Senators could begin their reapplication to the affairs of country and life. Our premature loss of a friend is also our premature loss of a teacher.

He preserved the traditions of prayers and fellowship among Senators by his active, indeed, aggressive sponsorship of the weekly prayer breakfast. The discussions of those meetings reflect in their breadth the breadth of personality of JIM ALLEN. From the close analysis of the Bible's teaching about heaven and hell to speculation about the future philosophical implications of social and technologic change, JIM brought from all a renewed sense of dedication to the work of the Senate.

JIM ALLEN's funeral was a remarkable symbol of JIM ALLEN's life as it should have been: Christian, organized, direct, patriotic, sunny and, most importantly, attended by those who genuinely could call him friend.

Over half of the freshmen Senators of the class of 1977 attended JIM's funeral and more wished to. It was they among the Senate who felt the loss most keenly; it will be they who insure that JIM's belief in the philosophy and procedures of representative democracy is not misplaced.

We felt, as I am sure did JIM, that the outward expression of loss, respect, and patriotism in the signs, flags, and salutes of the people of Gadsden reinforce his hope for the future of this great country. The haunting notes of "Taps" was again a fitting and proper tribute to all that was JIM ALLEN of Alabama.

I yield the floor.

Mr. STENNIS. Mr. President, I am glad to yield such time as he may desire to the Senator from Alabama (Mr. SPARKMAN).

Mr. SPARKMAN. I thank the Senator from Mississippi.

Mr. President, Alabama and the Nation suffered a grievous loss on June 1, when my colleague and friend, Senator JAMES ALLEN, suddenly was taken from us.

I have known JIM ALLEN for a great many years, and he was my good friend. He was a valuable man when he represented his area in Montgomery, and when, in two terms, he was Lieutenant Governor of our State. His great abilities were evident even then.

However, I came to know Jim well after he came to Washington as junior Senator from Alabama at the beginning of 1969, just a few months short of 10 years ago. I was able to help JIM secure the committee assignments he wanted, and I did what I could to be of help in those early days.

Following Alabama tradition in the Senate, JIM ALLEN and I worked side by side over this decade for those things which were best for Alabama. There is hardly a community in the State which did not get our joint action in support of some local project or to meet some area need, either through the necessary legislation or through dealing with the Federal agencies involved to speed up action and to secure favorable action for our constituents.

We were a team for Alabama.

Certainly, JIM ALLEN and I did not always agree on national issues, although we did on most. But that is healthy, too. When we did see issues differently, we spoke for and voted for our respective positions, which is as it should be.

Whatever we did, or however we saw issues, JIM and I were friends and partners on those things which we felt were vital for Alabama.

JIM ALLEN was one of the kindest and most considerate persons I have ever known. He was self-effacing, always thinking of others and their comfort and convenience.

In the last few days I have heard JIM ALLEN referred to as one of the greatest parliamentarians in our history, as a statesman without equal as a truly great Alabamian. All of these expressions of praise are true—but I, for one, and, I am sure, all of his colleagues in the Senate, will remember him best as a kind and true friend, whose greatness was tempered by humility.

This morning we have welcomed a new Senator ALLEN to the Senate. I again extend her my deepest sympathy in her loss, and wish her all success as she enters on her duties here in this great body. I know she will represent Alabama well.

I want to say, Mr. President, that Senator MARYON ALLEN has been, through the years. a helpmate to JIM ALLEN in the finest sense of the word.

I know we all welcome her here and look forward to service with her.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point as part of my remarks an article written by Les Kinsolving, of the Washington Weekly, entitled "Jim Allen, United States Senator."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Weekly, June 8, 1978]

JAMES ALLEN, UNITED STATES SENATOR

(By Les Kinsolving)

It is a touching and yet somber experience to drive down Constitution Avenue from Capitol Hill and see that the American flags at the top of every building and surrounding the Washington Monument are all at half mast.

Touching in the fact that the nation is drawn together in mourning the passing of one of its leaders.

Somber in the Scriptural reminder:

"Man that is born of woman hath but a short time to live . . . He cometh forth as a flower and is cut down . . . In the midst of life we are in death . . ."

At age 65, when he was taken by a heart attack, Senator James B. Allen of Alabama was near the traditional three score years and ten. But the calibre of service which this man rendered to the Congress and people of the United States was of such premium quality that this nation has unquestionably been cut short in his passing. For he brought to the Senate an almost inimitable blend of awesome Parliamentary prowess, unfailing courtesy and massive integrity.

As a dedicated conservative, Jim Allen was usually chided or ignored by the nation's generally liberal media, who liked to needle him as the master of filibusters. He took this with characteristic grace; usually with the beneficent smile of clear recognition that his authority was dependent upon the towering majorities he won in Alabama ballot boxes—not New York Times or Washington Posts.

When National Public Radio broadcast the Panama Canal Treaty debate direct from the floor of the Senate, however, the nation was afforded a far better perspective of this Parliamentary Paderewski.

What they heard from him was in fact the position of the majority of the American people—which had become the minority position in the United States Senate—defended almost irresistibly.

For Senator Allen, in standing directly in the tracks of the Jimmy Carter-Robert Byrd Railroad, unleashed an absolutely devastating array of facts, relentless probing, unrelenting courtesy, ingenious (if maddening) strategy and rich humor, which often defused what would otherwise have become a bitter brawl.

Allen's principal antagonist on this issue, Senate Majority Leader Byrd at one point felt obliged to take the floor for the purpose of warning his colleagues to beware of the "bewitching and beguiling" arguments of his friend from Alabama, who once observed:

"I don't feel the majority is always right. There are times when the majority runs roughshod over the minority."

I became personally acquainted with this tall and courtly southern gentleman through his wife, Maryon, a dynamic and enormously affable journalist whose delightful style we were honored to publish in her column "Reflections."

It was absolutely fascinating to watch these two together—as if Woodrow Wilson had married Scarlett O'Hara.

What I remember most poignantly, however, was one night at the dinner table of their small but attractive town house in McLean, when I heard the Senator say Grace.

There was not a trace of the piousity which often appears and disfigures politics. Instead, I heard the natural and quiet tones of convincing communication; of one who was actually conversing with Another—"and not as a stranger."

For his beloved wife and children; for his colleagues in the Senate; for his constituents and for all his countrymen, there is the grateful remembrance of Jim Allen's moral calibre in that ideal enunciated in the Fifteenth Psalm:

Lord, who shall dwell in thy tabernacle
And who shall rest upon Thy Holy Hill?
Even he that leadeth on uncorrupt life,
And doeth the thing which is right,
And speaketh the truth from his heart.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. I yield 4 minutes to the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, there is an old story told in New England about the captain of an 18th century whaling vessel who took his young, estranged grandson aboard for one of those grueling, 4 year ventures from which so few returned alive and whole. The young man was at odds with his grandfather over old Reuben Joy's methods and his adherence to the code of the rough life at sea. The grandson thought his grand-

father despised the new and the scientific and had rendered his vessel a floating anachronism. After nearly 4 years of disagreement, before the long sail home, old Captain Joy spotted a vessel foundering. Against all the advice of his crew, he descended in a sling between his own vessel and the other to help the men board his ship. His grandson and his cronies said rescue was technically impossible. The rescue was completed, but at the cost of the master's life. The young man never spoke, but on meeting the next vessel answered the hail with the name of his ship. To the call, "Who is your master?" He answered, "Captain Reuben Joy."

Such has been the influence of the junior Senator from Alabama that when anyone asks who has been the best or most influential man in the Senate my answer will be Senator JAMES ALLEN.

Whether here or with his Maker, Senator ALLEN's legacy will be impossible to live down.

He was in many ways the Lone Ranger of the Senate. Some—those who admire conformity—resent that. But he was, more than any man I have ever known, the servant of his colleagues.

There was another man, now gone from this body, an intelligent and able man, but junior in the ways of the Senate, who once rose to perform some business. It involved rather difficult parliamentary maneuvering. He was halfway through it when he sensed a towering presence behind him. He managed his way through the procedural thorns and, relieved, turned to thank Senator ALLEN for the help he had not needed. But JIM ALLEN, sensing the other Senator's success as he had sensed his need, was already back behind his desk. This is the nature of the man we mourn.

He will be missed more than any other Member of our time. If there is such a thing as an irreplaceable man, Senator ALLEN was it. The ultimate tribute to him has already been expressed. Senator Ervin once said that if he had to fight for the Lord with but one man he hoped that man would be Senator ALLEN. I cannot add anything to that.

As Christians we pray for the departed. I mourn the loss of Senator ALLEN, but far more I feel the need to pray for my country.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I yield myself such time as I may wish, not to exceed 5 or 6 minutes.

Mr. President, I have a very serious approach to this matter because I have a personal and official loss which is involved with the passing of our late friend, the Senator from Alabama. Many others of this Chamber share that same feeling.

In addition to whatever we might have thought of him as an individual, I want to emphasize the policies of the man as I saw them and his attitude toward his official life which need to be emphasized and personified in the times in which we are living.

I say with emphasis that Senator ALLEN made a difference. There is a careless expression sometimes that one vote does not make any difference; that one person cannot do anything about matters.

However that may be in some rare instances, this man made a difference here in the U.S. Senate. He made a difference in the committees upon which he served. He made a difference here on the floor of the Senate, in the caucus room. Wherever and whenever it was, when he participated he made a big difference. Sometimes just his presence here on the floor of the Senate would make a difference from what things would have been if he had not been sitting there.

But the main reason that JIM ALLEN made this difference was not just his stand on an item here and there, or whatever he might have been able to accomplish. The main reason was that JIM ALLEN stood for something. He stood for something in life. He stood for something as a figure. He stood for something here in this body. That something had a meaning in depth. His stand meant something because he had the honor and the integrity and the character required in public officials, or nonofficials, to give meaning to their conduct, to their talents, to their efforts. He had all of these qualities in great abundance, coupled with talent. He was a highly talented man. It is not that he wanted to show it, but he had it and he cultivated it, he nurtured it, and he improved those talents to go along with his daily, conspicuous energy. Whatever physical and mental energy he had he gave to the cause, to his obligations, to his promises.

It was not just those things alone, but he used his judgment. We did not hear JIM ALLEN talking about polls, having polls taken, reading the sentiment columns, and such.

JIM ALLEN was eager to get the facts and apply those facts to what his people in Alabama and also the people of the Nation needed, in his estimation, and he applied his commonsense judgment to those facts. His mind was made up, whether it was popular in Alabama or here on this floor or in the committee, wherever it was; that was the measure of the man. I am not here this morning to praise him, but I have thought seriously about what I was going to say, because I think he meant so much to this institution. It is in his pattern of conduct, not whether you agreed with him, that he personified that we need today.

I want to emphasize another point. He set a pattern of work for his colleagues that all of us could well note with interest and, so far as we can, follow ourselves. He stayed here in Washington and worked on matters concerning his State and the Nation. It has gotten to the point where it is difficult to do that, considering all the other demands there are on a Senator.

It is a growing concern that it is more and more difficult, because of outside demands, to stay here and give your real time and energy and attention to matters here that concern the Nation's welfare and its future. Whatever time he had away from here, most of it was spent in Alabama with his people. That is real representative government.

The first call of duty here, the second call with the people of Alabama: That is what he practiced, that is what he meant, that was the man. He made a difference.

I do not want to use too much of the time, but he contributed to this Senate as an institution, not because of some particular rule in a parliamentary matter at any given time, but one of his great motivations in this parliamentary procedure was that he loved this institution. He might be wrong himself, but he wanted it to maintain itself. He wanted the Senate to stand for something, as it has over the decades, and does now. But that is so easy to forget.

We all owe this body something, those intangible things that make it an institution of government that must function. He certainly carried on and did his part. God bless his memory and bless his successor here, his own beloved wife, who also contributed to his fine record.

I yield the floor, Madam President.

Mr. WALLOP. Madam President, I yield myself 2 minutes.

Madam President, one can hardly add to the eloquence of the Senator from Mississippi. We surely cannot, in any way, begin to describe what Senator JIM ALLEN meant to this institution without having that kind of appreciation, of what it stood for, and what it was. I count as one of the lucky experiences of my life that I happened to arrive here while JIM ALLEN was still serving because to one, as a freshman, he very early became a symbol of what this institution could and should be. Not, as many have said, that, in every instance, one agreed with him but one could not but agree with how he felt about the Senate and how he behaved in it.

I knew him as a friend quicker than I knew many other Senators here. Partly, this was through the guidance that he provided to the prayer breakfast.

One of the things that I knew most about him and that must have pleased those who were close to him, was his endearing sense of humor. It frequently was not the side the public saw when he did battle for those issues which he took on so bravely and, sometimes, so solitarily, on the floor when he thought he was right. For those of us who had an opportunity to share some private moments with that man, he had a most wonderful, gentle sense of humor and a most extraordinary sense of family. That is another institution to which he provided so much earnest dedication. He worked at supporting those institutions that he believed in. The work became not work, but pleasure, and the work and the pleasure became his life. He was, indeed, a man that I shall remember.

He was very, very kind to members of my family as we occasionally crossed paths outside the halls of the Senate of the United States. Whatever else he was, he was the example that many of us, I

hope, will strive to emulate as the years go by.

Madam President, I yield the floor.

Mr. STENNIS. Madam President, I am glad to yield 5 minutes to the Senator from Florida.

Mr. CHILES. Madam President, I am delighted to have this opportunity to add my words to the wonderful memory of JIM ALLEN. Since I came to the Senate in 1970 as a freshman Member, I have spent considerable time in the chair where the President is today, presiding. I thing the first Senator I really got to know was JIM ALLEN because, during that time, he was the only Senator who would be on the floor continuously. The majority leader would be there at times and the minority leader, but there was one Senator who really was on the floor during all of that time, all of the hours. I remember that I won the gavel for presiding for 100 hours and I would venture to say that, during that 100 hours, probably in 99 of those hours, JIM ALLEN was on the floor. So I had an opportunity to observe him and see him and to really get an opportunity to see how a Senator should operate on the floor.

I think that we can say that JIM ALLEN guarded the floor. I doubt if we can ever know, over the period of years that he was here, how much he really added not only to the Senate but to the country by the fact that he always was guarding the floor. We shall never know some of the things that, by virtue of his being on the floor, the country was spared.

We know the kind of determination that JIM ALLEN had, that he was never afraid to stand alone, and he did stand alone many, many hours on this floor when he felt something was right. I think that, really, we have been tremendously served by that.

I also know that, in a time when so many of us get involved in our committee work and with the meeting of constituents and with trying to read in the office and answer our phone calls and everything else, we find that we do not have much time to get to the floor. While this body used to be the greatest deliberative body in the world and we still like to refer to it as that, Madam President, many of us know that you cannot have a great deliberative body if you do not have people there to deliberate, to listen and participate in the deliberations.

Certainly, JIM ALLEN believed that about the U.S. Senate and he conducted himself accordingly.

He was here. He did participate in the debate. He did feel that the Senate had a role to play as being a deliberative body. He was here regardless of committee meetings, regardless of other affairs about which we many times say, "Well, that's so important I'm going to have to be there." He managed to be on the floor. Still, if constituents would come in, they would meet him off the floor. If he had business to do, many times I would see him trying to do it at his desk here.

But he managed, day after day, to be on the floor and to participate and to represent his State.

I think he had the wonderful ability, too, of being able to disagree without being disagreeable. I know of no man who was more of a gentleman in debate, who could fight harder and sometimes longer and stronger for the points and beliefs he had, but still be as agreeable, such a gentleman, and protect rights during the entire time he was doing that, and also could have a respect for his adversaries, a respect many times for people who had a completely different philosophy from the philosophy that he had.

I think that is a wonderful ability. I think too many times we tend to want to backbite those with whom we disagree or to cut, or to talk behind their backs and say something. I did not hear JIM ALLEN do that. JIM ALLEN would say what a strong fighter someone was with whom he disagreed. He would say what their good qualities were and would defend their ability to take another side. That was, again, a wonderful ability he had.

Madam President, the trip to Alabama was sad for me, but it was also tremendously rewarding for me because I had the ability to see how a State can respect its Senator and its public servant at a time when we find that the polls show and we see a tremendous distrust for those that hold public office. The people feel that they are left out, that they do not get a chance to participate, that no one will listen to what they say, or they feel that the politician is up here voting for his own interest or some special interest, but not representing them.

I was inspired to take that route in to the church and to see the signs along the way that normally would be advertising sales, hamburgers, and tires and to see how people had gone out and put on those signs wonderful tributes to JIM ALLEN, "a great tree has fallen, the world will never be the same, a salute to JIM ALLEN, a wonderful U.S. Senator." All of those tributes really said to me, what better thing could anyone have happen to him at the end of the fight than to have that great respect of his people.

If every public servant had conducted himself in the way JIM ALLEN had, there would not be a low number in the polls for public servants. There would be a tremendously high number.

At a time in which personal ethics is very much on people's minds, JIM ALLEN conducted himself and his affairs so that there was never any question about his ethics.

I remember the extent to which he would go to disclose his finances, to disclose every kind of item that he spent. Many times on this floor when we were taking up allowances or other matters, I would see him offer amendments to make sure it was going to be completely open and completely disclosed.

I think that JIM ALLEN also kept his people tremendously informed of where he stood on issues and what he believed in. In many instances I think, and of course it shows in that vote of 95 percent by which he was reelected, that he was very much in step with his constituency, or they were in step with him, but I think it was a mutual thing.

I think he was leading and at the same time he was listening to his constituency.

JIM ALLEN had a philosophy, and I know that philosophy is shared by his wife MARYON, who is now the junior Senator from Alabama. That was a philosophy that Government should be doing for the people those things they cannot do for themselves, but many things Government has decided to do the people do not want us to do for them.

It is interesting to see a proposition 13 come along in California. Proposition 13 is something that JIM ALLEN was cognizant of a long time ago. He talked about it many times.

He voted a philosophy, many times, that people want to be able to choose some of those additional things that government is trying to do for them. They want the ability to say whether they think they can afford certain expenditures from their taxes or not. That is a philosophy that I know MARYON shares and I know the people of Alabama share.

I look forward very much to the ability now to serve with MARYON ALLEN, because I know she was always a partner with the distinguished junior Senator from (JIM ALLEN). They had a wonderful partnership. That partnership was a relationship that benefitted the people of Alabama and the U.S. Senate. Many times the strength of JIM ALLEN that we saw on the floor was a combined strength, not just a single strength, and could not have been that kind of strength if it was alone.

Now I think we and the people of Alabama have the privilege of having a continuation of that philosophy and that type representation.

Mr. PERCY addressed the Chair.

Mr. STEVENS. Madam President, I yield to the Senator from Illinois 5 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Madam President, first, I should like to say that this is an occasion balanced between sorrow and joy. It is joyful in the sense that we recall our distinguished colleague's presence and friendship. But it is sorrowful in the sense that we cannot adequately express our appreciation for the many things he gave to us.

Also, it is joyful because MARYON ALLEN is taking JIM's place. No one would be better equipped to do so. No one would be more warmly welcomed by the people of Alabama and by those of us who have been privileged to know her. She not only possesses many of the fine qualities we so admired in JIM ALLEN, but she also will contribute on her own much of her own background and experience.

We need MARYON ALLEN in the Senate. The country will be the better for it, just as we have benefited by the presence of our present Presiding Officer (Mrs. HUMPHREY) in these past few months.

After I first met Senator ALLEN I followed his career with great interest. I have always followed the affairs of the State of Alabama, not only through the eyes of my distinguished colleagues from Alabama, but earlier in my life through the eyes of my father, who was born and

raised in Mobile. I was born across the bay in Pensacola.

I treasure my friendship with JIM ALLEN because of his unique qualities, and also because of my own great respect for the South and what the South gave to my father, and the pride he held in his country and his native region of the country, to which his family had contributed so much for many generations.

I shared with JIM ALLEN another bond that many of us in the Senate hold dear. The spirit of Senator JAMES ALLEN is embodied in the Senators' prayer breakfast group in an indelible way.

One of the great experiences I have had in the Senate was the period of time I served as the chairman of that group. I had the honor to be nominated by Senator ALLEN for that post. There was only one way I could repay the Senate and repay him for the privilege he had given me, and that was the privilege, together with my distinguished colleagues, of nominating him to be the chairman of the Senator's prayer breakfast.

It is a remarkable group, which meets on Wednesday mornings, in which we share our great faith that man is very limited in what he can contribute if he does not seek guidance and power from his Creator. Although there are 17 different religious faiths represented by the 100 Senators in the U.S. Senate, every one is a member of a particular denomination. Though we have differences in approach to religion, we hold in common our trust in God and live and serve in a Nation under God.

In the prayer breakfast meetings we had the opportunity to better know JIM ALLEN's qualities and characteristics, which his constituents and the members of the Alabama congressional group had always known. But we had the opportunity to observe his qualities in a special way.

Today, we are all acutely aware of the void that has been created in the Senate by the passing of JIM ALLEN. He was in every respect a Senator's Senator. He embodied every quality that a Senator should strive to achieve—perseverence, conviction and deep beliefs. Added to this was the deep friendship and respect he held for his colleagues, regardless of their points of view.

Time and time again, he demonstrated to those of us who had been in the Senate a longer number of years than he the power that can be achieved by a Senator from his knowledge of a subject or his knowledge of the operations of the Senate. His mastery of parliamentary skills in Senate debate is legend and will be admired for many years. He will be regarded as one of the masters of Senate rules who fully understood the methods of advocacy used in debate.

Although JIM ALLEN was a master of parliamentary skills, he was always, as has been said by my colleagues, unfailingly courteous, considerate, and understanding of all points of view. He was a gentleman in the truest sense of the word who taught us a great deal from which we all have benefited.

JIM ALLEN had strong beliefs and strong convictions. He never wavered in advancing his position. What is more, he persisted in a way that made it clear to all that he meant just what he said. You always knew where JIM ALLEN stood. There was no equivocation. You might have disagreed with him, as I did on occasion, but you respected the fact that he fought convincingly for his point of view.

There is a lesson in JIM ALLEN's career for everyone—for every Senator, for every Member of the House, for everyone in government.

It is easy to express opinions and espouse views. It is harder to fashion opinions and views into proposed legislation. But it is harder still to go through the long and sometimes laborious legislative process to see one's work become law.

JIM ALLEN showed us that we can disagree without being disagreeable. Perhaps MARYON can tell us whether he ever had a disagreeable moment in his life. We never did see any of those moments, if they existed. As I observe by her indication, there never were any, in her judgment, either.

He was truly a man whose gentleness and lasting contribution to the Senate's long tradition of open and free debate shall always be remembered.

I had the privilege of serving with JIM ALLEN on the Governmental Affairs Committee. In the intimate, day-by-day work of a committee, his incisive intelligence and his gentle conduct were evident for all his fellow committee members to see.

As we extend to MARYON ALLEN our warmest welcome to the Senate, we extend to her also our deepest sympathy, as well as to her family and JIM's family, whom many of us had the privilege of meeting at the service we attended in Alabama.

We all take note today of the passing of a truly distinguished colleague who served his State well, who served his Nation well, and who was one of the staunchest most loyal friends that any of us will be privileged to have in our lifetimes.

Mr. STENNIS. Madam President, the Senator from Minnesota, who now occupies the chair, had asked for recognition. Under the circumstances, I will yield to another Senator.

Mr. NUNN. I say to the Senator from Mississippi that I would be glad to relieve the Senator from Minnesota as Presiding Officer at this time, if the Senator from Mississippi would agree to recognize me later. She could make her remarks at this time, and I would like to make my remarks later.

Mr. STENNIS. That is agreeable to me, if the Senator from Minnesota wishes to proceed at this time.

(Mr. NUNN assumed the Chair.)

Mr. STENNIS. Mr. President, I yield to the Senator from Minnesota 5 minutes—and more time, if it is needed.

Mrs. HUMPHREY. Mr. President, Senator JAMES B. ALLEN was a gentleman in the truest sense of the word. His courtesy, skills, and friendship will be missed by this body. His thoughts and actions were governed by the principles of honor. He had trained himself in those qualities of character and disposition that are the marks of a civilized and cultured life. These traits of noble character are valued in societies the world over.

The guidelines of his life were a powerful influence when he came to the U.S. Senate. He became the master parliamentarian and his personal integrity dictated that he employ all the Jeffersonian skills with diligence and dedication. But he is best remembered as a considerate and reasonable man.

I made my maiden Senate speech not too long ago on the Panama Canal treaties. Senator ALLEN was one of the leading opponents of these treaties. Though we disagreed, he was unfailingly courteous and fair and most encouraging to me when I was so new and so nervous.

During the debates, he fulfilled a primary obligation to the Senate, that of affording the opportunity for all vital information to be made available. This trait, perhaps above all else, was Senator JAMES ALLEN's badge of statesmanship.

He loved the Senate and its distinguished tradition of free and full debate. He always maintained a strong and effective stance, but when the Senate worked its will and decided an issue, he accepted the decision with grace and stood by the collective judgment of his colleagues.

I respected him as a person for his graciousness and his great capabilities on the Senate floor. I know that a deeply rooted sense of respect was shared by all his colleagues. We shall remain in his debt.

I extend my deepest sympathy to Mrs. ALLEN and the family.

Mr. President, I am most pleased to welcome Senator MARYON PITTMAN ALLEN to the Senate. I am deeply moved to be here today, at her swearing in, and I am most pleased to be speaking to her at this moment—first, as a friend; second, as an acting fellow Senate wife, and now as a Senator in her own right.

It will be a great help to me to be able to share our views and balance things off each other's minds and thoughts and hearts. I am looking forward to our working together very closely.

Our new Senator ALLEN has had a noteworthy career as a journalist and has been an active aide to her husband, the late Senator JAMES ALLEN throughout his public life.

Senator ALLEN has had a distinguished career as a newspaperwoman with both the Sun Newspapers and the Birmingham News. She is also a member of the American Newspaperwoman's Club.

Senator ALLEN has also displayed commendable civic and cultural leadership by serving on several State boards. Her contributions to fine arts and cultural affairs in Alabama brought her national recognition when President Ford appointed her Chairman of the Blair House Fine Arts Commission.

Senator ALLEN's active public life has prepared her well to take on duties as a U.S. Senator. Several years ago, Senator ALLEN expressed her views on those principles which have governed her life. She stated:

You have to believe in yourself and your talents and the premise that you were put here to contribute of yourself, not always to take.

This is a philosophy that I and many of my colleagues share. I know all of us in the Senate join in extending a warm welcome to MARYON PITTMAN ALLEN.

Mrs. ALLEN. Thank you.

Mrs. HUMPHREY. Thank you, Mr. President.

Mr. STEVENS. Mr. President, I yield such time as the Senator from Indiana may desire.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, it is often said that funerals are more for the benefit of those of us who remain than for the honor of the one whom we come to remember. Certainly the funeral for Senator JAMES ALLEN was an opportunity for his life to be relived in the minds and hearts of his friends and guests in Alabama, his colleagues in the Senate and those all over the Nation who have revered his public service. But it was also a marvelous opportunity for each one of us, regardless of why we came to Gadsden, Ala., on that date, to think through some very important aspects of the character of Senator ALLEN and likewise the character of our Republic.

Mention has been made already in previous remarks, but I simply wish to underscore the tremendous sentiment that all of us felt as we went into Gadsden, Ala., and saw flags flying, flags that had been placed, I suppose, by the public authorities in some areas, but very clearly small flags on wands and small flags being waved by individual citizens, individual citizens who simply wanted to respond in some way and gave a hand salute as the buses passed and they knew not who precisely was in the buses, but they knew there were friends of JIM ALLEN from the Senate, knew the Vice President of the United States was coming, the Governor of Alabama and others to pay tribute to JIM ALLEN. There were small signs in places where tradespeople might have given the price of various commodities that day or some marketing message, but instead the letters had been replaced and such things as "Well done, JIM" were there, or "Our best to the Allen family," or "Our JIM was a great American." These sorts of things were legend.

I was impressed because I read, as all of us do in the Chamber, of the loss of confidence in institutions of this country, the sense of no confidence that many people express in the executive branch, in both Houses of Congress and individual Members. Clearly in Gadsden, Ala., there was a sense of reverence, a sense of support and commendation, really a universal sense of place that this public servant had done a good job. People were proud of their country, proud of him as a representative of their State in the best traditions of this country.

That sense continued in the services, as we heard messages from distinguished Members of this body past and present, from the Chaplain of the Senate, from the choir singing hymns that JIM ALLEN loved and that we know from knowing him that he would have loved, including the Navy hymn. This all reminded us, as did the short biography that was read of him, of his service to the Navy and of his service to the people through a long career as an attorney there in Gadsden, as a member of the legislature of Alabama, as a Lieutenant Governor twice, a U.S. Senator for 10 years. A sense of place and tradition was shared by people who knew him well, still gathered around feeling that he had grown in stature and at the same time had kept touch.

Mr. President, let me suggest that some other things might have been included, I suppose, as we take a look at the whole picture of that service and of his life. Much has been made in the days since he died of how he was literally a third force in the Senate. There were a majority leader and minority leader and JIM ALLEN. There were three forces to be reckoned with on each major piece of legislation. Much has been made, as it ought to have been, about his mastery of the rules, his ability to sense what was going on in the Chamber.

I must say, Mr. President, that much more might have been made of that long before he died. I suppose as a freshman Member of this body that I was aware of Senator ALLEN's leadership before I became a Member of this body, but at the same time it is a fact, I suspect, that the national press in discussing Senator ALLEN usually discussed Senator ALLEN as one who was pictured as an obstructionist, as one who was leading filibusters, as one who stood in the path of what others felt to be noble causes and callings, a dour figure of a person to be reckoned with but almost always in the footnotes of the story. Yet, Mr. President, I would suggest that what we saw in Gadsden, Ala., last week at his funeral is the great story of our country. It is a story of patriotism and of service, a sense of what the Constitution is all about, a sense of what this Chamber is all about, a sense of deeply held ideals. These are great stories. They are being told now and they need to be told often. This is what this man stood for.

The ideals that JIM ALLEN stood for may not have been as fashionable at various times as other alternatives, but they were better over the course of time, and they shall be seen to have worn better, I suspect, by people whose enthusiasms come and go while the institutions that we all serve thrive, because of the vigor and the insight of Senators such as JIM ALLEN.

This is at least the public's idea that we see.

Now, mention has been made, and appropriately so, of the private things that all of us may not have seen. Yet you know one of the remarkable things about Senator JIM ALLEN was that his public posture was identical with his private posture. There were not two or three JIM ALLENS. There was just one. And the same sense of duty and detail which we saw in public was true clearly in private.

I was privileged to see instances of this, and I want to cite a few, not that they are monumental, but they are certainly indicative of his life.

I can recall during the long debate we had last fall on the Pearson-Bentsen amendment on the deregulation of natural gas, during the particular session that was longest and most troubling for us, the one that lasted 37 hours, with rollcall votes each 15 or 20 minutes, and encompassed the prayer breakfast.

You may recall, Mr. President, we were up all of Tuesday night and Wednesday morning, and the prayer breakfast meets on Wednesday morning. Senators who had been up all night went to JIM ALLEN at about 7:15 that morning as things were breaking up, and Senators were going to be given time to shave or wash their faces or douse their heads in water in order to revive themselves in some fashion, and Senator ALLEN was asked, "Will the prayer breakfast meet this morning?"

He found the whole question to be incredible. He said:

Why, of course, the prayer breakfast will meet this morning. It will be at 8 o'clock as always.

There were seven people with JIM ALLEN at the prayer breakfast in the midst of all of this. I do not think anybody else knew who was going to be there or, as a matter of fact, whether JIM ALLEN would be there, but we should have known he would be. It is reported he missed only one prayer breakfast in the entire time of his service in this Senate.

Quite apart from all of the physical considerations that were involved, and the fatigue and strain and the importance of various issues, there were certain priorities with JIM ALLEN. They were not simply for public consumption; they were part of the man. He saw the need for prayer at that point to be paramount whether he was tired or whether the session was going forward or backward and, as a bulwark of strength, he was there.

When it came time to plan for the national prayer breakfast, over which he presided last year, it so happened that Senators and Members of the House who were part of that committee had to leave town in due course. Things were pieced together in a way, but most of the decisions remained. Almost everybody else was gone except for JIM ALLEN who was left, really, to put it together.

I remember he called a committee meeting one afternoon in November. I went over to what I thought would be a sizable group of people, and there was just JIM ALLEN sitting there. Eventually a Member of the House came over, a distinguished Member from Iowa, and it was left to JIM ALLEN really to call all the people who were to be a part of the affair to make certain that in November and while Senators were coming and going throughout December and January it would fall in place, with the aid of some of the prayer breakfast staff.

No one worried about that, because they knew JIM ALLEN would do it. There was no particular folderol about the procedure, but it was a magnificent sit-

uation that finally eventuated as people saw a remarkable prayer breakfast, characterized by many who attended as the best one they had seen, JIM presiding calmly, MARYON there, of course, shepherding all of us who were part of the program, and making certain that it went well. A remarkable man, once again totally offstage.

I well remember in the Agriculture Committee in a small subcommittee dealing with fungicide, pesticide, and rodenticide legislation in which not many were interested, but which was kicked back to the subcommittee, because no one wanted to handle it, with Senator PAT LEAHY the chairman, and Senator JIM ALLEN who had a long-time interest in it, attending the meetings and attending to all the details and attending the conference meetings. This was during the monumental debate on Panama. The fact was that JIM ALLEN had a capacity to handle all sorts of things. While the public was watching the big picture, JIM ALLEN was constantly faithful in the small details. He literally always was there in the situation that no one cared about. JIM did, and those of us who loved JIM knew that, knew we could count on him.

I would say, Mr. President, that the thing that impressed me about Senator JIM ALLEN was that he was not only a great parliamentarian and one who knew the rules of the Senate well, one who did enormous research on anything, and whose word you could rely on and whom you could trust to make certain that the footnotes were there, that the scholarship was complete, but he was a man I found of a tremendous sense of humor.

Comment has been made about that today. But who among us cannot recall occasions in which a self-deprecating JIM ALLEN indicated that the debate might take a little longer than we thought, and who would wave a sheaf of amendments, which would be carried down amongst hilarity?

We knew what JIM was talking about. He had a delightful flair for doing it, quite apart from his reputation and the deed.

Then I found in most of the subcommittee situations I had with him he was perectly willing to discuss, to compromise, and to dispose, and he was not someone who simply for the sake of being tedious kept it going, except when it was fundamentally important.

He chose his causes well. He debated them well, and he lived by his word.

For these reasons, Mr. President, we will all remember him for a long time, so long as we serve and have any idea of images, personalities, and forces who made a difference in our service in this body.

I yield the floor.

Mr. STENNIS. Mr. President, the Senator from Georgia has requested time. He seems to have been called from the Chamber, so I yield 5 minutes to the Senator from Hawaii.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator for yielding.

Mr. President, when JIM ALLEN succumbed to a heart attack, he fell as a tall pine tree, leaving an empty space in the lonesome sky. JIM ALLEN, in his passing, leaves an empty space in this Chamber for many reason, perhaps the foremost being that he more than anyone else knew the rules of the Senate and knew how to use those rules to full advantage.

The people of Alabama have, indeed, lost a great advocate of their cause. Those who espouse the same political philosophy as JIM ALLEN throughout the United States have lost in JIM ALLEN a great champion.

JIM ALLEN was a fighter, but a true gentleman. It was by choice that I was assigned to this seat which I now occupy next to the seat which JIM ALLEN occupied. As a freshman Senator I thought I could learn a few thing by sitting next to the expert in parliamentary procedure, and I did learn a lot, and gained a friend. Whenever I introduced JIM ALLEN to visiting constituents from Hawaii, he would respond by putting his arm around me and saying, "Well, you know, SPARKY is my seat mate," and proceed to tell them how fortunate they were "to have SPARKY in the Senate," representing them. In JIM ALLEN, my past seat mate, I found not only a fighter and true gentleman, but also a teacher and a friend.

JIM ALLEN was a man with a keen sense of humor, unknown to some of the Members of this body. Let me cite just one case in point. During the debate on the Panama Canal treaties I had the opportunity to go to Chicago to address a group of businessmen on the subject of the Panama Canal treaties. After I had spoken, and during the social hour many of the members of that business group, who had been listening to the Senate debate over public radio, came up to me and, shaking my hand, said "JIM ALLEN is our hero."

When I came back to this Chamber the next day, I approached JIM ALLEN and said:

> JIM, I just returned from Chicago, where I spoke before a group of businessmen, and I talked about the Panama Canal Treaties. As you know, I am on the opposite side from you on that issue; but, JIM, after I had spoken, many of them came up to me, shook my hand, and said, "JIM ALLEN is our hero."

Whereupon, JIM said:

> Well, I wish they were Members of this body instead.

It was by his sense of humor that JIM ALLEN revealed his quick-wittedness. In putting forth his arguments on this floor JIM ALLEN represented a sense of righteousness about his political philosophy, which at times irritated Liberals; but he mixed it with his sense of humor to balance the heated arguments in which he so frequently engaged.

JIM ALLEN also knew what he was doing. I was somewhat puzzled, and in fact so were a number of those who were opposed to the President's proposal to sell arms to the Middle East, including Israel, Saudi Arabia, and Egypt, when JIM ALLEN voted in support of the resolution to disapprove the President's package proposal to sell arms to the three countries. Because questions had been raised that maybe JIM ALLEN had made a mistake in voting for Israel's position, that maybe when he voted "aye" he thought it was on a motion to table the resolution to disapprove the resolution, I approached him and said:

> JIM, there are many liberals who feel that since you voted with them on the resolution to disapprove the President's package sale of arms to three Middle East countries, you might have thought that a motion to table was before the Senate. Did you really mean to vote against the sale of arms to Saudi Arabia and Egypt, along with Israel? Or did you make a mistake in voting "aye"?

His response was:

> SPARKY, I voted just the way I intended to vote.

He explained:

> The thing that concerned me most was that the President was proposing to sell arms to potential enemies, who would some day be using American arms against each other.

JIM ALLEN knew exactly what he was doing every minute he was on this floor, and his possession of the knowledge of the Senate rules gave him an advantage over his colleagues. JIM ALLEN will be recorded in the annals of American history as one who stood high among all, who led the fight to influence Americans, especially his colleagues in Congress, to his political philosophy and way of thinking.

To MARYON and her family, I extend my deepest sympathy; and yet, in the same breath, I congratulate MARYON, now Senator ALLEN, for having shared the responsibilities of that office with JIM, while he occupied it, and subsequently having offered her services and herself to fill that position which calls for extreme sacrifices—to carry on the great work of JIM ALLEN.

Mr. STEVENS. Mr. President, I yield such time as he may require to the Senator from Nebraska (Mr. CURTIS).

Mr. CURTIS. Mr. President, I do not rise to remember Senator ALLEN for his parliamentary expertise. Let his opponents do that. We do not honor JIM ALLEN today, because he happened to have time to attend the debates on the floor of the Senate. JIM ALLEN had no more time than any other individual. There is given to every man and every woman 24 hours a day. We honor JIM ALLEN for his attendance here, because of the priorities that he established in his life. He was given no more time, but he made a wise choice of what to do with that 24 hours.

It was very evident that JIM ALLEN found time to do his homework, and to be prepared for the legislative tasks on the floor. We are also aware of the fact that JIM ALLEN found time to stay here and perform as a Senator should. The Nation owes much to him for that.

All of the priorities in the life of JIM ALLEN were arrived at by him in a manner that made his life great and wonderful. Many people feel that they do not have time for daily devotions, or the remembrance of our Creator early in the morning. Although JIM ALLEN had no more than 24 hours a day, he was

not among those who spoke or acted as though he did not have time for that. That was one of his priorities.

Those of us who had the opportunity to know and work with JIM ALLEN have had the privilege to know greatness in our time.

I do wish to thank our Heavenly Father for the time I was privileged to serve with him. What impressed me most about JIM ALLEN, a wholly impressive man, was his example of practiced Christianity. His chief guide on the determination of a position was the application of principle. He was a man completely unapproachable to anyone of venal purpose.

Each year, Senator ALLEN's financial statements showed that he grew poorer in the service of his country. Conversely his country grew richer by his service.

As excerpts from the Bible enriched his conversation and debate, its precepts enriched his life.

Despite villification from within this body and from without, and despite the fact that he suffered the sort of attack which would have driven many a milder man to vitriol, JIM ALLEN never delivered evil for evil. No one was slower to rise to his own defense or quicker to defend others. While he forbore to criticize he was generous with his praise.

JIM ALLEN's presence not only established a legislative safe zone, but affected all who knew him in a more important way. No one who had much contact with him, his colleagues, staff, friends, and acquaintances, could fail to think, in some way, I should be more like that man.

One of his last encomia was in support of the senior Senator from Connecticut, a memory which I know Senator RIBICOFF will cherish, for like everything our colleague said, it was said from the heart.

The wound caused by his loss will not heal easily. Situations repeatedly occur in which we would have been guided by JIM ALLEN'S wisdom. That pause, where before we would have heard his voice, will continuously remind us of our loss.

Mr. President, the Senate has not lost a leader, it has lost its anchor: a fine, sure presence against which the rest of us could measure the worth of our positions and the virtue of our styles. His like will not be found again in our midst.

Again I say, we have been privileged to know greatness in our time.

Mr. STEVENS. Mr. President, I had scheduled this time for their senior Senator from Utah. However, I will now yield to the junior Senator from Utah such time as he may desire.

The PRESIDING OFFICER. The Senator from Utah (Mr. HATCH).

Mr. HATCH. Mr. President, the death of our beloved colleague from Alabama has created an awful stillness in the Senate. The sudden realization that this very dear friend and magnificent man will no longer grace our Chamber, that his great voice will no longer be heard within these walls, fills us all with a sense of loss and despair. For we know that we shall now have to carry on without the benefit of his leadership, his wisdom, and his personal friendship.

Above all, we cannot suppress the thought that his departure has left our Republic less secure and our future less sanguine. Here was a friend of liberty and limited government who worked relentlessly to keep us on a steady course laid out by our founders. Here was a pillar of strength, resisting with every gesture the thrust of mindless innovation, the flood of unnecessary laws and regulations, and the forces of consolidation that threaten to make a ruin of our country, here was the legislators' legislator, one of those rare men who is too seldom elected to public office.

Like a sentinel at a lonely outpost, Senator ALLEN monitored floor proceedings almost every day the Senate was in session, guarding the rights of the minority. When the history of our time is written, his name will surely glitter in the record very noticably. The greatest parliamentarian in our time, he seemed to know the rules of Senate procedure by chapter and verse. Many were the times he crippled an ambitious, steamrolling majority through his mastery of parliamentary details, sending the proponents of an unwise bill scurrying to the cloakrooms.

And when the distraught "reformers" changed the cloture rule to quicken the legislative pace, Senator ALLEN found new ways to cope with the situation. Using motions after cloture had been invoked, he mounted his own "minifilibusters" and singlehandedly rewrote the substance of Senate rule XXII. Indeed, it is not too much to say that Senator ALLEN breathed new life into Senate deliberations, and saved the filibuster from an untimely and early extinction.

With regard to that, the filibuster, it seems to me, is one of the few ways in a free legislative body that the minority can stand up to the majority. In many cases the minority happens to represent the majority of the people in this country. And what Senator ALLEN did for all of us, I think, will long be treasured and will always be important in our lives.

An opponent of arbitrary power, Senator ALLEN relied upon his parliamentary skills in order to encourage deliberation and test the determination of transient majorities. In his rulebook, speed was not a virtue in a legislative assembly. He knew that majorities will be tempted to warp the Constitution to suit their ends, and he believed that the essence of civilized government is not reliance upon power, but consent—consent that is arrived at through free and robust debate and which accommodates the rights of minorities. As a States' rightist, he also understood the importance of local associations and local rights, and did not hesitate to rush to their defense when threatened by an overbearing majority.

Senator ALLEN also relied upon his parliamentary skills in order to cope with the problem of overlegislation. Like earlier republics, ours has acquired the vice of legislating indiscriminately on anything—often for immediate purposes and special interests. This tendency of passing too many laws has reached epidemic proportions in Congress, and the arm of the Federal Government now seems to reach into every aspect of American life. Consequently, there are more laws than Congress or any individual Member can understand, let alone debate intelligently and knowledgeably.

Senator ALLEN was acutely aware of the pernicious effects of overlegislation on the liberties of the American people, and through his debating skills was able to slow down production of what might accurately be described as the Senate bill factory. Equally alert to the harmful effect of overlegislation on the quality of Senate debate, he was an omnipresent figure in the Chamber, working to preserve the integrity of the Senate by encouraging his colleagues to remain on the floor, and defend their views, and rely on their own inner resources. He disliked the heavy influx of staff in Senate proceedings, and even introduced legislation to prohibit staff members from entering the Senate Chamber. The Members of the world's greatest deliberative assembly, he believed, should both deliberate and assemble, not make cameo appearances to read prepared speeches and then make a hasty retreat for the exits.

The high standards that Senator ALLEN set for himself, and expected of others, were best exemplified during the Panama Canal Treaty debates. In this, his last great effort in defense of American interests, he quickly emerged as the leader of the opposition. As chairman of the Separation of Powers Subcommittee of the Senate Judiciary Committee, which I had the honor to serve on with the late Senator as the ranking minority member, he held extensive hearings, even before the treaties were signed, on the vital constitutional question of whether the President may dispose of American territory and property by a self-executing treaty.

At the outset of Senate debate, Senator ALLEN established clarity in the proceedings through thoughtful and important parliamentary inquiries, and in the months following dominated floor discussion. Articulate and knowledgeable, he fought valiantly and remained faithfully at his post until the last vote was counted. For the proponents of the treaties, it was a hard-fought victory, but hard-fought principally because of JIM ALLEN'S unremitting volley of inquiries, challenges, and legislative assaults. To be sure, this was the hallmark of Senator ALLEN'S brilliant public career.

No less conspicuous was Senator ALLEN'S high moral character and reputation for honesty and fair play. A Christian gentleman of the old school, in the best tradition of the South, he was courteous to everybody, and ungracious to none. Affable in manner, always ready with a cordial smile, he had the unique ability of being able to disagree without being disagreeable. By nature independent and self-reliant, he neither sought publicity nor craved popularity; and yet he was one of the most highly respected and well liked Members of this body.

The spirit of our age leaves little room for the kind of statesmanship which JAMES ALLEN symbolized, and it is a bold but simple truth that we shall not likely see him replaced. Let us take comfort in the realization, then, that we knew this fine man and enjoyed the benefit

of his mind and wit. Without him, surely the Senate would have fallen even shorter of those high standards of democratic government which are expected of us by the American people.

I want just to say that, of all the men here, and I have regard for all of them—I do not think you make it to the U.S. Senate unless you are an exceptional person, except, perhaps in my case. All of the men here are exceptional people. I think all of them try to represent their constituents well, but I do not know of anybody I would compare in that regard to Senator JIM ALLEN. He was one of my greatest friends in the Senate. I can truthfully say that I loved him. I can truthfully say that he made an impression on me that will, I think, never leave me.

I think he has had one of the greatest influences on me of anybody in my lifetime, and I have had many great influences. I do not know of any man who deserves the plaudits of America more than he did. I do not know of any Senator who has ever sat here who deserves our respect more than he did. I do not know of anybody who deserves our love more than he did.

I am pleased that his wife has succeeded him, because, in knowing him, I have been able to know her also and I expect her to be a tremendous asset and addition to this great body. I am sure that, from the beginning, she is going to take her place in continuing the memory of Senator ALLEN, whom all of us loved so much.

Shakespeare said it well for us in Macbeth, when the Scottish nobleman, Ross, sadly informed the Earl of Northumberland that the Earl's son had been slain in combat near Birnam Wood:

Ay, and brought off the field; your cause of sorrow
Must not be measured by his worth, for then it hath no end.

I thank the Chair.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from Georgia (Mr. NUNN).

Mr. NUNN. Mr. President, first of all, I express my congratulations to MARYON ALLEN on becoming a Member of this body. I think that all of us are going to take a great deal of pleasure in continuing to hear the rollcall with "ALLEN" right near the front of it. I think all of us are also going to realize that MARYON ALLEN is a person in her own right, who has had very notable accomplishments in her own life.

She comes to this body with a tremendous amount of experience and a tremendous amount of governmental expertise. I think that we are going to find that MARYON is going to be a person who is going to come as close to filling the shoes of JIM ALLEN as anyone possibly could. So I first want to congratulate her, and also congratulate Governor Wallace and the people of Alabama for making what I think is an exceptionally fine choice in a successor to one of the real giants of the U.S. Senate.

I do not think anyone could exceed the description that former Senator Sam Ervin gave at the funeral in Gadsden the other day, when he said that a giant oak had fallen. I think that is what has happened. I know that my colleague and good friend from Virginia (Mr. HARRY F. BYRD, JR.), who is presiding today, has thought a great deal about how to pay tribute to JIM ALLEN. Senator HARRY F. BYRD, JR., of Virginia, made a marvelous tribute at the funeral, as did Senator Ervin.

I am not going to try to dwell on JIM ALLEN's legislative accomplishments or his parliamentary skills. I do not think anyone has had a more profound influence on legislation in the years that he has been in the Senate than JIM ALLEN has. He has had a tremendous influence, though, far beyond legislative activities, because JIM ALLEN was a man of deep and abiding Christian faith. It has already been said that he was a leader of the weekly prayer group. I think he missed only one meeting on Wednesday morning in 10 years, which is a remarkable achievement. I think it indicates his tremendous dedication, not to the prayer group as such, but to the overall principles of christianity in his daily conduct of his own life and his approach to government.

JIM ALLEN was a man who was aware of the spiritual significance of our decisions in the U.S. Senate. He believed, and I quote him, that "The stronger men are spiritually, the better their earthly government will be."

Shortly after arriving in the Senate, JIM addressed the weekly prayer breakfast group for the first time. Of course, I was not here then, but I went back before I ever delivered my first message to that group, and I read JIM ALLEN's previous messages, because I had heard about them.

The first time he spoke to that group, he shared with his colleagues a letter that he received from one of his constituents. This letter said in part:

Far from being handicapped by being a Christian, it is my view that the best businessman, the best public servant, the best professional man, the best person in any walk of life is a Christian.

Jim used that letter as the theme of his message that day and he added to that:

We need to set the tone for high and lofty conduct for all the people. Our conduct should inspire confidence and respect and give the people greater faith and confidence in our government and in us as their duly elected representatives.

Actually, if we spent a long time discussing JIM ALLEN, we could not improve on that quote that he used the first time he ever addressed the Wednesday morning group, because he did set a high tone for lofty conduct for all the people, because he did inspire the confidence and respect of his colleagues in the Senate, and he inspired the confidence and respect of his constitutents in Alabama and, indeed, every one who followed legislative activites in the United States.

So JIM ALLEN spoke these words in May of 1969 and they guided his daily steps throughout his service in the Senate.

If we summarize the life of JIM ALLEN as it pertains to the U.S. Senate, he did have a profound impact on legislation considered in the Senate for 10 years, but he had an even greater impact on the lives of the Senators who were privilege to work with him.

His presence enriched the lives of all of us.

JIM ALLEN was a great Senator, a great American, a dedicated Christian, and a wonderful friend. Every citizen of this country has suffered a great loss in his untimely death.

Mr. GARN addressed the Chair.

Mr. STEVENS. Mr. President, I yield to the senior Senator from Utah such time as he may desire.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I join my colleagues today in paying tribute to one of the finest gentlemen it has been my privilege to know, Senator JAMES B. ALLEN, of Alabama. It is rare, indeed, to find a man so totally honest and so completely dedicated to public service as JIM ALLEN. When he was elected to the Senate in 1968, he gave up the practice of law and severed all connections with his law firm, so as to avoid even the appearance of any competing interest that might divert his time or attention away from the responsibilities of his office.

I talked to him many times about this. He said that he was elected to the U.S. Senate to serve as a Senator and that he would allow no professional, business, or other interests to divert him from that service.

JIM ALLEN was a man loved by his constituents. He was elected in 1968 by 70 percent of the popular vote, and carried every single county in Alabama. He obviously pleased his people, and they returned him in 1974 with 95 percent of the popular vote.

This is rather amazing to some of us who are pleased with 51 percent.

The great loss of the people of Alabama is shared by his colleagues here today in the U.S. Senate, Mr. President, and, more importantly, by the people of this Nation. America has lost one of her truly great sons. A statesman and a gentle, kindly, and wise man. Senator JIM ALLEN's voice was heard on all of the great issues that have faced this body and this Nation while he served here. He has been an advocate and unswerving defender of the rights of the minority to be heard, and, of course, has become a legend in his own time as a master of the rules and procedures of this body. No one was his peer, Mr. President, and an adequate successor in his knowledge of parliamentary procedures of this body is not likely to be easily found. Some in the past have said that he was an obstructionist, and that he stood in the way of legislation. If that is true, Mr. President, then it was because JIM ALLEN truly believed that legislation to be detrimental to the interests of this Nation. And I may say that in the 3½ years that I have been a Member of this body, JIM ALLEN has been the single most important reason for the defeat of a lot of very bad legislation. He has been the cause of many of his colleagues having the time

to give second thoughts to legislation that was on a steamroller course through the Senate, and which deserved much more careful and deliberate consideration. We can thank him for that, Mr. President, those of us who share his political philosophy, and I believe history will bless him for it.

Senator JAMES B. ALLEN has left us a legacy of decency and integrity that we would all do well to emulate. His public life was the epitome of striving for the public trust. His presence will be sorely missed by all of us, and perhaps, if it is possible, even more by all who believe, as he did, in free enterprise and conservative values. I am one who will carry the memory of JIM ALLEN with me into the debate on the critical issues yet to be resolved by this body.

In closing, I certainly wish to extend my deepest and most heartfelt sorrow to his lovely wife, MARYON. I certainly am pleased that this morning she became a Member of the U.S. Senate, replacing JIM. I am sure all of us feel that she will be a great addition to this body.

Mr. President, I thank the Chair.

Mr. STEVENS. Mr. President, I am deeply saddened by the departure of my good friend, JIM ALLEN. We came to the Senate together and I watched Senator ALLEN develop the parliamentary skills that became his trademark in the Senate.

He participated in so many legislative battles that those of us who served the same amount of time he had served—a relatively short term, really, in terms of the passage of time in this body—find it amazing that he was able to develop such an uncanny knowledge of the operations of the Senate and become a parliamentary leader on the floor in such a short period of time.

There were many occasions when I discussed with Senator ALLEN what he intended to do about a particular piece of legislation, and he never once hedged or tried to postpone decisions. He was capable of making a decision and capable of communicating with his colleagues exactly how he felt and why he felt the way he did.

As a member of the minority, I am most proud of the fact that I never can remember JIM ALLEN discussing what was the majority point of view in the sense of a partisan majority. He discussed the majority or minority viewpoint in terms of each issue independently and in terms of the knowledge of where he thought an individual Senator might end up. He could do this with surprising accuracy because of the way he had observed the voting patterns, philosophy, and degree of dedication a Senator had on any particular issue.

I believe that Alaskans will miss JIM ALLEN deeply, because this year we have perhaps the greatest struggle that any State has faced in a short history of statehood. I had discussed with Senator ALLEN the problems of the so-called lands issue and the strategy we would use to deal with that issue should it come to the floor.

Mr. President, I have heard Members of the Senate mention today on the floor the remarks of the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) who occupies the chair now and a former Senator who made remarks at the ceremonies for Senator JIM ALLEN, when we traveled to Alabama last week. I do not know whether it is in order; but if it is possible and proper. I ask unanimous consent that those who make up the remarks that will be printed for distribution to Senator ALLEN's friends and relatives arrange to have printed at the conclusion of the remarks that are made on the floor today the remarks that were made at the ceremonies by his two former Senate colleagues.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENS. I believe those remarks were most stirring to all of us who were in attendance that day.

Mr. President, many people have seen, in the heat of debate, another Senator lose his temper or lose his composure or do something he might regret later. In the 9½ years I served with JIM ALLEN, I never saw him lose his temper. I never heard him say anything that he later regretted. I never saw him lose control of his emotions. He was a true gentleman.

Unfortunately, some of us who have learned lessons from JIM ALLEN in terms of parliamentary procedure sometimes forget that he added that extra quality of being a true gentleman in the way he exercised his rights as a Senator on the floor of the Senate. I hope that all of us who use the lessons we learned from him in terms of parliamentary procedure remember that he was totally courteous to all his colleagues; that no matter how long or how hard he fought for an issue, he never forgot that we are all equal on the floor of the Senate and that we all can work only under a system that some people call senatorial courtesy. JIM ALLEN was the epitome of senatorial courtesy. You could trust him. You knew that JIM ALLEN lived by the Golden Rule.

In the beginning of my service in the Senate, I attended the prayer group sessions with the distinguished Senator from Mississippi, Mr. STENNIS, JIM ALLEN, and others. Because of the time frame I live in, and traveling as I do, about once every 3 weeks—as a matter of fact, more often than every 3 weeks—to Alaska, I found that when I returned from such a trip, it was most difficult, because of the 5-hour time change, to get up in time to join my colleagues at the prayer breakfasts. Therefore, I decided that, rather than walk in late every time, as I was doing for a while, I would terminate my relationship with that group. But I know of JIM ALLEN's service there. I was delighted to hear Senator NUNN remark about the first time Senator ALLEN led the discussion at the prayer group, because I was there also, and it was a very inspirational moment for all of us.

Mr. President, I say to our new Senator ALLEN that our wives are wont to bring home stories of other Senate wives, and I have heard a great deal about MARYON ALLEN. I will miss those stories, because MARYON has contributed very greatly and significantly to the family of Senate wives. I know they are very happy to see that the State of Alabama has recognized her contributions to JIM ALLEN's service in the Senate by sending her here to join us as a Member of the Senate.

Mr. President, there is no way, really, for one Senator to adequately address the loss of a friend and fellow Senator who passed away in such an untimely way as the way in which JIM ALLEN prematurely left this Earth. I can only say to the Senate and to MARYON that one of the great things about the Senate is that it is a continuing body, and I believe there will be many of us here for many years who will remind the Senate from time to time of what Senator ALLEN taught us during his distinguished service in this body.

Mr. President, I yield such time to the Senator from New Jersey as he may desire.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from New Jersey is recognized.

Mr. CASE. Mr. President, somewhere a while back I saw the statement that the Senate reached its finest hours in the times when it took time out from its legislative business to consider and speak of one or another of its departed colleagues.

I think that is so, Mr. President; I think that is a quality that is not unique to the Senate. Most of us are at our best, I think, when we, without in any way considering what its effect upon ourselves might be, think about the good qualities, and if there be any, the bad ones, of other human beings, and express themselves without inhibition or without extraordinary stimulus, just in the light of things as they are.

Unhappily, Mr. President, we have this year experienced too many such opportunities, and now we have come to another.

I do not think there was a Member of the Senate—and I shall venture to say probably no one at all—who knew JIM ALLEN at all well who did not love him. Certainly that is true of all of us. How could it be otherwise in respect of a man who was so invariably considerate, so invariably kind, so invariably compassionate, so invariably understanding of the problems of his fellows? And for someone to do that in the role which, I think, it is right to say, JIM ALLEN was cut out for and elected to fill, was not a very little thing because by its nature his constituency, both as an Alabamian, and also within Alabama, was a very particular one, one that many of us did not find compatible with our own kind of thinking.

But that did not make any difference. When you were dealing with JIM ALLEN you could not help but feel the truth of what so often is expressed without thinking as to its truth of falsehood, that the world has to be made up of a great many different kinds of people, and it is so.

One of our great problems, of course, I suppose, the essence of politics, is how people of different approaches to life, different attitudes toward life, toward

human beings, can resolve their differences and act tolerably in society. JIM ALLEN had no trouble on that score, nor did anyone who had dealings with him have trouble.

He was utterly understanding, utterly thoughtful, and while he could be extremely exasperating if you wanted to get something done that he did not want to get done, the exasperation was never felt in any harsh or personal way. JIM ALLEN just happened to be there, and a very inescapable fact of life which, on the whole, in a very real sense, one not only had to deal with but one ought to be able to deal with.

We shall miss him deeply. That his place will be filled by Mrs. ALLEN is something that will in substantial measure reconcile ourselves to the fact of his death.

We are able to tell her in person how much JIM meant to us and that, I think, has been, and will continue to be, helpful to her. I surely hope so for they were a great pair, and they have added and will continue to add to the life of the Nation, to the strength of the Senate, and to the deep happiness of all of us.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I join with my colleagues in expressing a deep sense of loss over the recent passing of our admired and esteemed colleague JAMES B. ALLEN of Alabama.

There can be no question that Senator ALLEN was one of the most extraordinary individuals ever to serve in the Senate and his presence will be sorely missed. He was an exceptional master of the rules and procedures of the Senate, and he played by those rules fairly and squarely.

Those who found themselves with positions different from him nevertheless held him in the highest regard, not only as a formidable foe but as a kind, compassionate, and honorable man.

He was a devoted and dedicated legislator whose great knowledge and unending patience gained for him national stature as one of the Senate's most skilled masters of debate. Through it all, his first and foremost concern was maintaining the trust that had been placed with him for so many years by the people of Alabama.

It was a privilege and honor to have served with JAMES B. ALLEN for the past 3½ years. The Senate will not be the same without him and I extend my heartfelt sympathy to his wife and family.

Mr. President, I congratulate the Governor of Alabama in his selection of Senator ALLEN'S widow to replace him here in the Senate. Not only does she bring a part of JIM ALLEN with her, she was a part of JIM ALLEN, and I look forward to serving with her in the years ahead.

Mr. SCHWEIKER. Mr. President, I rise today to express my deep sorrow over the passing of our friend and colleague, Senator JAMES B. ALLEN of Alabama.

I had the distinct honor of being sworn in as a freshman Member of the Senate with JIM ALLEN in January of 1969 and will remember him for his wit, his good humor, and for his mastery of Senate rules and parliamentary procedures.

While many of us will remember JIM ALLEN for his decade of distinguished service in the U.S. Senate, it is also important to recall his highly distinguished career in Alabama State government—a career which began more than 40 years ago.

JIM ALLEN was first elected to the Alabama House of Representatives in 1938. Soon after his reelection in 1942, however, he resigned from office to serve his country in the U.S. Navy in the Pacific theater.

After returning to the United States, JIM ALLEN was elected to the Alabama State Senate and later served as Alabama's Lieutenant Governor in the 1950's and 1960's.

The Senate will sorely miss the skill, eloquence, and dedication of JIM ALLEN. This has been expressed quite movingly by many of his colleagues. He left an impression on the Senate which will not soon fade. Although I did not always agree with him, JIM ALLEN'S diligent and unwavering support for the principles in which he believed stand as a monument to his outstanding career and as an inspiration to all of us who had the pleasure of serving with him.

JIM ALLEN was a public servant in the most positive sense of the word. The people of Alabama can take great pride in having been represented by a gentleman of such character in the U.S. Senate.

To JIM ALLEN'S wife, MARYON, to his many friends, and to the people of Alabama, Claire and I extend our most sincere condolences.

Mr. President, I was privileged to be here earlier this morning when JIM ALLEN'S widow, MARYON, was sworn in to fill his seat. I think this was a very appropriate and fitting appointment. I believe, having known her for the past 10 years personally, that she will carry on his philosophy, his dedication, and his concept of public service, and I believe that she, too, will be an asset to the State that she will represent; and Claire and I congratulate her at this time on this very significant appointment, and wish her well in her new and entrusted public duty.

Mr. EASTLAND. Mr. President, it is with a feeling of genuine sadness that I rise to speak about my good friend JIM ALLEN of Alabama.

JIM ALLEN'S sudden and untimely death was a devastating loss to his State, to the country, to the Senate, and to me personally.

I have known JIM well during the 10 years in which he served in the Senate, and in this Congress part of which he has been a member of the Committee on the Judiciary.

JIM was a true gentleman, and I mean just that—a gentle man. His courtliness, unfailing courtesy and even temper bespoke a true southern gentleman.

Much has been said about Senator ALLEN'S mastery of the rules of the Senate, a fact acknowledged by all. JIM ALLEN had such a command of the Senate rules that in any debate in which the meaning of the rule came into question JIM ALLEN was almost inevitably the final arbiter.

On a great number of occasions I witnessed during debate on the floor, when inquiry was made to him about a measure, his answer was accepted without question. But there was much more behind the acceptance of JIM'S words than his reputation and knowledge of the rules. He was a man of honor. In the final analysis, that fact was the basis of JIM ALLEN'S life.

He was universally known as a fair and decent man. He was willing to listen to all sides of an argument and to proceed in an open and even-handed manner. Because of his knowledge of the rules and legal abilities, JIM was in the center of debate concerning the great constitutional issues which have faced this country in the past decade. Combining his mastery of the rules with diligent work, he became one of the most effective Senators to have been in the Senate in this century. He was known as a man with a capacity for hard work and long, late hours.

Although always busy with legislative matters, he was never too occupied to offer his friendship to his colleagues and staff which serves the Senate. It was this warm annd unselfish characteristic of his which also attracted so many of us to him. I feel fortunate to have been able to work closely with him on committee business. In this close context, one gets to know a man. In addition to the Judiciary Committee, I served with him on the Agriculture Committee. While JIM was busily working on national issues and shaping the nature of debate on the floor, his most important concern in the Senate was always with the people of his beloved State of Alabama.

For me, as one who shared in his political philosophy, it was always a comfort to stand together with JIM ALLEN on any issue. In his committee work, JIM was unfailingly present, on time, and stayed to the end. When JIM ALLEN was present, ill-conceived and hastily drafted legislation got very short shrift. For that, we should all be grateful and our committee will sorely miss him. We all knew that we had to prove our case for Senator ALLEN, and, in so doing, our legislation was immeasurably improved. He made better Senators of us all.

Not only did we work closely on committee work and legislation affecting our region of the country, but I feel especially fortunate that JIM and I got to know each other on a warm, personal basis. He was a straightforward man who did not seek credit or glory. He believed in what was right and had the courage to speak for his convictions. He was not only a fine legislator and representative of his State, but he was a fine human being, family man, and friend. He truly is one that it can be said the Senate will not be the same without.

Libby and I extend our deepest and heartfelt sympathy to MARYON and Jim, Jr.

Mr. THURMOND. Mr. President, with the death of JAMES B. ALLEN last Thurs-

day, a noble patriot and one of Alabama's courageous favorite sons was lost. He was a dedicated Senator, and his passing created a vacuum on the floor which will be hard to fill. JIM ALLEN was a close friend and a trusted colleague whose firm commitment to America earned him the respect of Senators on both sides of the aisle.

When he came to the U.S. Senate less than 10 years ago, JIM ALLEN had served in the Alabama Government for 16 years. He served two terms as Lieutenant Governor—longer than anyone in the history of Alabama, and it is in this role that he gained the parliamentary acumen which will long distinguish him. By presiding over the Alabama Senate, he gained much of his vast knowledge of parliamentary procedure. His careful and deliberate study of Jefferson's rules of order enabled him to become the undisputed master of parliamentary tactics in the U.S. Senate, thereby making him an invaluable ally and a formidable opponent.

His convictions and his dedication made him immensely popular with the people of Alabama where he received 70 percent of the popular vote in his first election to the Senate. He was devoted to the people of his home State and was ever responsive to their needs. In his 1968 campaign for the Senate, he promised to "put more Alabama beliefs in the Nation's capital." He echoed his State's voice in the Senate and Alabamians realized it as, in his next election, he gained 95 percent of the popular vote.

JIM ALLEN was one of the men who could transcend party boundaries for the higher good of his State and his country. His political savvy made him a valuable asset to both parties as he could employ complex tactics and obscure rules to outmaneuver his opponents. He was a man who stood his ground on the floor and would never concede victory without a fight.

JIM ALLEN'S firm commitment to America and his overriding sense of responsibility for its welfare are reflected in the sound positions he took. He loved this country and what it stands for, and he was a staunch advocate of strong defense programs to keep it free. He believed that America should not bow to intimidation as in the case of the Panama Canal treaties. His concern for America's welfare sometimes forced him to vote against his party's leadership but not against his conscience.

My deepest sympathy is extended to Senator ALLEN'S wife, Mrs. MARYON ALLEN; to his son, James B. Allen, Jr., his stepsons J. Sanford Mullins and John Pittman Mullins; his stepdaughter Mrs. Maryon Felty; and to his grandchildren and other relatives at this time of sadness. They can take genuine solace, however from the lifelong benefits gained by sharing this close family association. Mrs. ALLEN was a true inspiration to her husband and stood staunchly by him through the rigors and demanding schedules of public service. I know that she was a great help to him throughout his career.

JAMES ALLEN was an energetic and conscientious Senator who left a lasting mark on all of us fortunate enough to have known him. His soft spoken manner and gentlemanly demeanor, coupled with his keen intellect and adroit handling of legislation, will be sorely missed in this Chamber. His loyalty and devotion have made the people of Alabama, indeed the people of America, proud of him.

ON THE DEATH OF JAMES BROWNING ALLEN

Mr. MUSKIE. Mr. President, the death of Senator JAMES ALLEN leaves a void in the Senate.

JIM ALLEN was a man of purpose. A man who understood the need for courtesy and rectitude. And a man committed to the ideals he brought with him to the Senate.

I am not certain he would agree with me—which would not be an unusual occurrence—but I believe his years in the Senate represent an important reminder to us all.

JIM ALLEN did not serve in the Senate in the days of iron-handed leadership, or in the days of the "old-style" filibuster. I think he would have much preferred the latter to the former, but it was his lot to serve in a more modern, more complicated Senate.

He helped to educate this "new Senate" in important ways.

First, he reminded us all why this is such a vital and democratic institution. He reminded us that one man of conviction and courage can still make his voice heard. One man can still stop the sweep of public pressure long enough to allow the alternative view to be considered.

One man, or a small minority, can still gain the people's attention long enough for the people to make an informed judgment about an issue. One man or a small group can still influence the course of public policy and Government. One man can make certain that the many minorities which make up the American people can have their say, and have the opportunity to persuade others to their point of view. It is this which keeps the Senate a vital institution today. With all its imperfections, it is a forum unmatched in the world.

I often found myself opposing our colleague. His presence could sometimes be an irritant—no, a threat—to the majority in this body.

But as I watched him over the past 10 years, as I occasionally fought him, and occasionally lost, I was reminded of JIM ALLEN'S second lesson to the Senate. He reminded us why we have rules. He understood better than most what Lord Acton meant when he called the tyranny of the majority "the one pervading evil of democracy."

We have rules to allow the minority equal access to the legislative forum. We have rules to require our deliberations to proceed at an orderly, unhurried pace. We have rules to require that the arguments of both sides be stated fully, and the implications of each policy explored in detail before we act.

Too often in these hurried times we have chafed under the rules. We have been in a hurry—to meet perceived public needs, to right perceived injustices, to respond to perceived demands. JIM ALLEN understood that we have rules to make certain at the very least that the majority knows what it is about, justifies its actions, and further that the errors we make cannot be later blamed on haste.

In his manual, Jefferson devoted the first section to the importance of rules. He wrote:

> . . . As it is always in the power of the majority, by their numbers, to stop any improper measures proposed on the part of their opponents, the only weapons by which the minority can defend themselves against similar attempts from those in power are the forms and rules of proceeding which have been adopted as they were found necessary, from time to time, by a strict adherence to which the weaker party can only be protected from those irregularities and abuses which these forms were intended to check and which the wantonness of power is but too often apt to suggest to large and successful majorities.
>
> And whether these forms be in all cases the most rational or not, is really not of so great importance. It is much more material that there should be a rule to go by, than what that rule is; that there may be a uniformity of proceeding in business not subject to the caprice of the Speaker or captiousness of the members. It is very material that order, decency, and regularity be preserved in a dignified public body."

JIM ALLEN reminded us of Jefferson's last point—that humor, courtesy, and personal honesty are essential to the formation of good public policy. He reminded us that the Senate should be a place of ideas. The institution will remain after we have gone. So in the last analysis, who we are is less important than what we believe, and what we gain is less important than what we leave behind.

I respected JIM ALLEN. I respected his skill. I respected his person. And while we often did not agree, I respected his beliefs and his right to express them.

Mr. DOMENICI. Mr. President, it is with a great sense of loss that we remember our colleague, the late Senator JAMES B. ALLEN of Alabama, who passed away so suddenly and unexpectedly earlier this month.

Some men are fighters, willing to sacrifice every kind of virtue for victory. Others are like JIM ALLEN, fighters who had the extraordinary ability in the heat of the most pitched battle to extend to his adversaries courtesy, kindness, and generosity. His passing means more than the loss of a skilled debater and a legendary parliamentary expert; his passing means the loss of a man who embodied qualities of courtesy, respect for his fellow men, and humility, qualities all too often lacking in this world.

I had often sided with Senator ALLEN in his legislative battles. For me, having JIM ALLEN on my side was a great source of comfort. I knew that I could count on him in every encounter. On a few occasions, I found myself on the other side of Senator ALLEN on an issue. Even during the heated debate on the question of waterway user fees, which I worked for here in the Senate and which Senator ALLEN opposed, Senator ALLEN was un-

failingly fair and courteous, as well as able.

I hope that the American people realize what a great champion of freedom they have lost. On some very important issues involving individual liberty and economic and political freedom, JIM ALLEN was like Horatio at the bridge, the warrior on whom the burden of carrying on the fight successfully weighed most heavily. That he and his forces were so often victorious is a tribute to his skill and hard work. I only hope that those of us who remain committed to many of the principles for which Senator ALLEN fought can carry on his tradition with as much success.

To his family and his wife, who has taken his seat as Senator from Alabama this morning, I extend my sympathies. I know what a tremendous personal loss his passing was, I hope that some small comfort is afforded you by the knowledge that so many others join you in sorrow.

Mr. WILLIAMS. Mr. President, when speaking of JAMES ALLEN, two qualities are inevitably mentioned: His astounding and often frustrating mastery of the Senate rules, and his incredible sense of fairness.

Many times he used his expert working knowledge of parliamentary procedure to further the interests of the minority in Congress, but he always sought this remedy, because of a deeply held belief in the correctness of his position, and never out of capriciousness or obstructionism.

And Senator ALLEN was always perfectly courteous; preferring debate to argument, never abandoning the qualities of dignity and human decency which endeared him even to his opponents. He gave meaning to the phrase "Southern gentleman."

As much as he was a tenacious debater and determined adversary, Senator ALLEN could be an equally stalwart ally. He and I often disagreed philosophically, but I recently had the pleasure to join in sponsoring his bill to relieve State troopers from the burden of paying retroactive taxes on meal allowances. He worked to insure that our tax laws would be applied fairly and reasonably, and was guided in all his actions by a deep concern for the welfare and quality of life of his constituents.

Senator ALLEN enjoyed strong support in his home State of Alabama, in addition to the admiration of his colleagues here in the Senate—a fact which I hope will be of some comfort to his family during this difficult time. In 1974, when he ran for reelection, Senator ALLEN garnered 95 percent of the popular vote and carried every county in the State—an uncommon testimony of support.

He will, indeed, be missed for he was a man of talent, dedication, patience, and decency.

Mr. BURDICK. Mr. President, I would like to join the others in this Chamber who have risen to pay their respects to the late Senator from Alabama, JAMES ALLEN, and to express my deep sympathy to the Allen family for the loss they have suffered. His death was sudden and untimely, and I know this is a difficult time for all who were close to him.

I want to pay special tribute to Senator ALLEN's superb legislative abilities and to the way in which he used them. Though we often did not agree, I had the deepest respect and admiration for his abilities as a legislator. Not only were his parliamentary skills unexcelled, but, more importantly, they were always used with honor, with fairness, and with respect both for his adversaries and for the institution of the Senate, itself. Senator ALLEN was a good and principled man and a Senator in the finest Southern tradition. He deserves an important place in the history of this body.

Mr. JOHNSTON. Mr. President, I learned of the unexected death of our colleague, JAMES ALLEN, with a deep sense of sadness. JIM will be missed by all of us who have had the privilege to serve with him. Not only was he an articulate and energetic representative of the people of Alabama, but he was also a spokesman for men and women in all parts of our country.

As we all know, JIM was a constant presence on the floor of the Senate. Much has been said of his abilities as an authority on rules and as a superb parliamentation. But we should not lose sight of the fact that rules served only as the means through which Senator ALLEN defended principles of Government as he saw them.

JIM ALLEN and I agreed philosophically on many issues. We both supported legislation to reinforce the free enterprise system, to restore fiscal integrity to our country, and to build a strong military force.

Senator ALLEN encouraged discussion in the Senate on a variety of controversial subjects in the last 10 years. He demonstrated the independence and moral courage to stand alone in defense of his viewpoint if necessary. Often he was not on the winning side, but JIM was consistently a fair and courteous gentleman.

I am sure that I speak for the entire Senate when I express my sympathy to JIM's wife, MARYON, and wish her strength in her new position as a Senator from Alabama.

Mr. LAXALT. Mr. President, JIM ALLEN is gone. Abruptly, dramatically, and with all the suddenness of one of those parliamentary coups for which he was so well known, he has been removed from our presence. The Senate has lost a parliamentary master and I, personally, will miss a close friend and teacher.

Perhaps less so in our society, but in many others, the accolate of teacher is among the highest one can bestow. And, JIM ALLEN was my teacher in every sense of the word.

He taught me parliamentary procedure as no one else could. The Duke of Wellington once said of his great rival that Napoleon was worth 40,000 men in the field of battle. Well, JIM ALLEN's knowledge of procedure was, on many occasions, worth 40 votes and then some on the Senate floor. And, while I never came close to getting into it as thoroughly as he did, when he offered his advice, as he frequently did, on common situs, on Panama and on labor reform, I knew I was in the presence of a master.

But, JIM taught me more than just such things as when to reserve the right to object. More importantly, he showed me just exactly what being a Senator should be all about. He was hard as nails on the issues and would fight tenaciously for anything he believed in. But, although he fought long and he fought hard, he was always fair and never let his natural competiveness interfere with his close, personal relationships with his colleagues.

Mr. President, I have listened to many of the eulogies offered by Senators against whom JIM fought during his years in this body. All recognize his ability, integrity, and honor. At times like these, the reaction among one's opponents often tells more about a man than that of his friends. JIM ALLEN was, they say, a worthy opponent and few of us can hope to be very much more.

Mr. GOLDWATER. Mr. President, I rise this morning to add my name to that long list of friends and admirers who already have paid tribute to the memory of our believed colleague, the late Senator JAMES ALLEN of Alabama. During my two decades of service in the Senate, I have never known a man more universally loved, admired, and respected by the Members of this body as was our departed friend. Nor have I experienced the impact of a man who was as skillful and effective in the intricacies of parliamentary procedure as was Senator ALLEN. And I know I speak for everyone on both sides of the aisle when I say that Senator ALLEN was the epitome of gentlemanliness. I never saw him moved to resentment or petty reaction even in the thickest of hot Senate debates. He was kind, helpful, understanding, and patient at all times.

But I believe the thing I most admired about Senator ALLEN was his total dedication to what he believed was good and right for the United States of America and his willingness to fight for his beliefs regardless of the odds. His tireless devotion to the principles of sound government was a source of admiration for all his colleagues whether they agreed with him or not.

Mr. President, Senator ALLEN provided for us and for all future Members of the Senate a high standard of morality, courtesy, and efficiency. The country has lost a devoted servant, the Senate has lost a valuable Member and I have lost a great friend.

Mr. PEARSON. Mr. President, I join my colleagues today in expressing sorrow at the passing of JIM ALLEN, the Senator from Alabama. He has served as one of our colleagues diligently and brilliantly for almost a decade and will be deeply missed.

Although upon occasion I found myself in disagreement with Mr. ALLEN, I never found myself lacking respect for his purpose or his personal conduct. Even as he was known as one of our more controversial Members he was also known as one of the kindest. In spite of the passion of our most ardent battles in this Chamber he will be remembered for his courtesy, his calmness, and his steadfastness.

He was a dedicated Senator. He served the constituents of Alabama exceedingly well and was a most valuable ally to those of us who joined him in the debate of our daily issues. His mastery of the legislative and parliamentary machinery of the Senate will be his hallmark for decades to come.

We shall remember JIM ALLEN as one who firmly embraced and espoused those deeply held traditional values such as love of country, dedication to duty and his fellow man, and respect for authority. And we all knew him as a man of great personal honesty and integrity.

As one who has been a Member of this body for 17 years I have deeply appreciated the quality of debate that Mr. ALLEN provided. I have appreciated also the dignity and the thoughtfulness that he gave so naturally. As the nature of this body continues to evolve we all would do well to remember the contributions of JIM ALLEN. He put his stamp on this institution and the evidence of his work will not soon be erased.

Mr. CRANSTON. Mr. President, the sudden departure of our colleague JIM ALLEN has left a void in the Senate that no other Senator will soon or easily fill. JIM ALLEN was at once unique while at the same time he personified the essence of the Senate as a deliberative body.

He was a fierce partisan—usually, though by no means always, of ideas and policies which I personally rejected. When he took the floor in debate or rose on a parliamentary point, he was an awesome opponent. He knew the rules as well as any other Senator—the majority leader alone was his match in parliamentary procedure.

And Senator ALLEN often won his fights But he won by making the rules work for his purposes—he did not resort to evasion of the rules or to other chicaneries. As a Senator, he was a model of honor, of courtesy, of fairness, and of decorum. He taught us that the democratic process can produce legislators of good will and civility no matter how divergent their political views may be.

In short, Senator ALLEN was a gentleman.

His presence on the Senate floor could never go unnoticed. When he was there, you knew the Senate was there and that you had to be a better Senator, because of his presence.

The gentleman from Alabama will be deeply missed—by some of us as a foe, by all of us as a friend, and by our Republic as a Senator.

I join in welcoming the new Senator ALLEN of Alabama—MARYON. We all know her. We all welcome her. We all know she will at once be very effective in carrying out the causes JIM served so staunchly.

Mr. HAYAKAWA. Mr. President, I was shocked and saddened to learn of JIM ALLEN's death. When I came to the Senate last year as a freshman, JIM ALLEN, in his impeccably courteous manner, made me welcome and I will always be grateful for that. My colleagues have referred to JIM ALLEN's prowess as a parliamentarian, his unfailing courtesy, and his love for his fellow man. I admired all of these qualities which JIM ALLEN had in such abundance, but if there is one thing I will remember most it is how warmly he welcomed me to the Senate and helped me during the first few months of adjustment. Alabama and the rest of these United States have lost a loyal and patriotic son; the Senate has lost a skilled and considerate leader; we have all lost a friend.

Mr. KENNEDY. Mr. President, Senator JAMES ALLEN was perhaps the greatest parliamentarian ever to sit in the U.S. Senate. He was a skillful and unfailingly courteous statesman whose dedication to the Senate was surpassed only by his dedication to the people of Alabama. They have lost a kind and extremely able public servant, and the Senate has lost one of its best known modern institutions.

His knowledge of the Senate rules was unsurpassed. One of the great strengths of the Senate as an institution has been as a forum for extensive debate on major national issues of both foreign policy and domestic policy. Few in the long history of the Senate have practiced that art with the grace and skill of JAMES ALLEN.

In fact, it may appropriately be said that, of all the skillful Senate practitioners of the art of such debate, Senator ALLEN was the Senator who came closest to turning that art into a science. His superb mastery of the Senate rules enabled him to develop a continually shifting arsenal of arcane tactics and maneuvers that made him a dominant figure in any debate in which he wished to participate.

Although we occasionally differed on the merits of particular issues, those of us who opposed him in debate often came away with the feeling that we had never had a more able or congenial adversary. He had a broad variety of interests, and was extremely well informed on all of them. And he had an equally friendly and courteous style of debate which generated respect in all of us for both his knowledge and his character.

The story of the Senate is not only the vigorous debate on the larger questions. On myriad smaller issues, I came to know and respect Senator ALLEN as a friend and energetic colleague who took great pride in his service to the people.

Mr. President, it is also a privilege for me to join today in welcoming Mrs. ALLEN into the Senate. We look forward to working with her, as she carries on the work her distinguished husband began.

Mr. ZORINSKY. Mr. President, the Senate and the Nation have lost a fine public servant. JIM ALLEN, who represented so well the people of Alabama, will be sorely missed.

Senator ALLEN's mastery of parliamentary procedure gave him a great impact on the course of legislation and won for him a special place in the history of this institution. His excellence in this regard was perhaps unequaled in this century.

We have also lost a good friend. JIM ALLEN's personal charm and integrity earned our affection and respect. I join my colleagues, the people of Alabama, and the Nation in sending heartfelt sympathy to his wife, MARYON, and his family.

JAMES B. ALLEN—A GOOD MAN

Mr. RANDOLPH. Mr. President, the unexpected passing of Senator JAMES B. ALLEN leaves a void in the Senate. Those who have known and respected him as a cherished friend and as a gifted legislator will miss his presence in this Chamber.

JIM ALLEN was acknowledged as a skilled tactician, and parliamentarian. Some may have seen him as stubborn, an obstructionist, but I believe that he had a mission to perform in the Senate, and he did it as well as any man. The course he followed was the one he believed he should follow.

It is true that JIM ALLEN may have left some scars in his legislative battles, but he left no enemies. He was always a gentleman and a gentle man. Members who became angry during extended debate over issues grew more out of the frustration of being outmaneuvered than personal animosity, and their emotions swiftly turned to admiration.

I valued his counsel on matters before this body, and I always found him thoughtful, considerate, and courteous in discussing issues on which we disagreed. He had a special understanding of the problems each Member faced and he would send along letters and personal notes to convey that understanding.

When he died, JIM ALLEN was the leader of the Senate prayer breakfast group, which is only one evidence of his devout and dedicated service to his beloved State of Alabama, the United States of America, and to God.

He has served all with distinction, and has earned from both sides of the aisle both respect and praise for his exemplary service.

Mrs. Randolph and I extend our condolences to MARYON and the family. The people of Alabama and the Nation grieve for the loss of this good man.

Mr. CHURCH. Mr. President, I was shocked when I heard that Senator JAMES ALLEN had died. The man was a rock: he seemed to have an inexhaustible supply of energy, and he relished the long hours of debate in the Senate, rarely tiring.

No one worked harder, or longer, on the floor of the Senate, nor sought more diligently to represent his State.

When I think of JIM ALLEN, the words that come immediately to mind are honor, integrity, and strength. He was a Senator who believed deeply in the causes for which he stood. Yet, he was unfailingly polite, devoid of any anger, always fair, and possessed a keen sense of humor.

Much will be said and written of JAMES ALLEN's mastery of Senate rules and procedure. His reputation in the area was well deserved and will not readily be matched by another. But, in using Senate procedure so effectively, he always acted out of a sense of conviction, following Thomas Jefferson's advice: "In matters of principle, stand like a rock."

The Senate will miss the service of JIM ALLEN, for he made an indelible impression upon this body. Alabama will miss the services of an indefatigable Senator.

In closing, Mr. President, I call attention to a column by Tom Braden in a recent edition of the Washington Post concerning JIM ALLEN. I ask that it be printed at this point in the RECORD.

The material follows:

A SOUTHERN GENTLEMAN WHO PLAYED BY THE RULES

(By Tom Braden)

Across the room from the desk in Jim Allen's Senate office there was a picture of his former colleague, Sam Ervin of North Carolina. It was inscribed as follows: "If I had to stand with a man at Armageddon and battle for the Lord, I would hope that man would be Sen. Jim Allen of Alabama, whose industry, intelligence and courage make him one of America's finest public servants of all time."

I thought of those words the other day when I heard the news that Jim Allen was dead. I had said to Allen, when I first read them, "That's an astonishing tribute considering you and Sam don't agree on much."

And Allen had chuckled, "You notice Sam didn't say I was with him. He only says he hopes I would be."

That just about sums up Jim Allen's career in the U.S. Senate. Everybody who was battling for the Lord—and many senators regard themselves as so engaged—hoped to enlist Jim Allen. The reason was that he made the Lord's work so terribly difficult whenever he decided that the Lord didn't understand the facts in the case.

And in order to have time to explain the facts, he became the Senate's chief expert at the tactics of delay. He was by all odds the most skillful parliamentarian in that body, his knowledge of the rules far surpassing that of any of his colleagues.

"I don't think that the country wants a filibuster on the Panama Canal treaties," he confided to me one day not long ago. "But I have a number of amendments to propose."

Indeed, he had more than a hundred amendments ready and was prepared to introduce them one by one, and to debate each. It always took a long time to beat Jim Allen.

He was about the closest thing to what we all think of when we use the phrase "Southern gentleman," and, in that respect, he was the successor to the late Richard B. Russell of Georgia for, like Russell, he could take positions so far to the right as to madden both liberals and moderates, yet take them with such courtesy, such courtliness, as to make it impossible for anybody to stay mad.

When he first came to the Senate, he volunteered frequently to take the presiding officer's chair, a dull and boring job that the vice president is supposed to perform but hardly ever does. So the chore gets passed around from one senator to another as in a family with many children.

Everyone was glad to yield his term of service to the eager freshman from Alabama, and none of them guessed that his purpose was to so master the Senate's rules that he would become very nearly able to master the Senate.

It was a tough regimen he set for himself. Day after day he sat there, guiding the often desultory and dull debate, studying the rules and how to use them against an opponent. By the time he finished, he had become a kind of third force in the Senate. There was the majority leader to negotiate with; the minority leader to negotiate with; and then there was Jim Allen.

Except on the sterling qualities of homemade vanilla ice cream, I don't think there was anything on which Jim Allen and I agreed. But I liked nevertheless to lunch with him because I learned from him that what seemed to be very reactionary positions could be very reasonably maintained.

When Allen was a boy, he read all of Calhoun and all of Webster, and it bothered him greatly that Calhoun, whose position he thought unassailable, lost out to the more persuasive Webster.

Allen's mind, like that of Calhoun, was dry, factual, lacking in vision and breadth. But it was very effective and must have reminded many colleagues of that remark of Whitman: "Have you never learned great lessons from those who dispute the passage with you?"

Mr. McGOVERN. Mr. President, I mourn the passing of my colleague and friend, JIM ALLEN of Alabama.

For several years JIM and I sat side by side as members of the Senate Committee on Agriculture, Nutrition, and Forestry. During those years I came to know him as a public servant fully devoted to the well-being of the American farmer. I knew him as a courteous, warmhearted friend.

On the Senate floor where I sometimes engaged him in debate on national issues I found him to be the parliamentary expert for which he was renowned, but I also found him to be always diligent, frequently witty, and a man of personal charm and high intelligence.

It was my privilege to attend his funeral in Gadsden, Ala., where we bore witness to the high esteem in which he is held by his constituents.

My wife, Eleanor, joins me in wishing Godspeed to his lovely widow, MARYON, and to his family and countless admirers across the land.

Mr. HARRY F. BYRD, JR. Mr. President, 10 days ago the Senate suffered a tremendous loss in the death of Senator JAMES B. ALLEN of Alabama.

He was a magnificent Senator and a wonderful individual.

I am deeply touched that Mr. ALLEN should have asked me to deliver the eulogy at Senator ALLEN's funeral which was held at the First United Methodist Church in Gadsden, Ala., last Tuesday, the sixth day of June. My comments on that sad occasion were placed in the RECORD this morning by the Senator from Alaska, Senator STEVENS.

So I rise now only to say once again how deeply I shall miss my dear friend, JIM ALLEN, and to welcome to the Senate his cherished wife MARYON as his successor.

The Senate has lost one Senator ALLEN, but it has gained another Senator ALLEN.

None can take JIM ALLEN's place, but I suspect that MARYON ALLEN can come as close to it as any could.

She shares the philosophy so ably championed by her late husband, and she in her own right has the intellect and the determination to represent the people of Alabama with the same unselfish dedication as did JAMES B. ALLEN.

The Senate and the people of Alabama are fortunate in having MARYON ALLEN as a successor to JAMES B. ALLEN.

Mr. STENNIS. Mr. President, I shall take only 1 or 2 minutes at this time to commend the way the Senator from Alabama (Mrs. ALLEN) has gone through the ceremonies this morning of being sworn in and listening to what has been said on the floor here about her late, great husband and about her prospective career as a full-fledged Senator.

I wish to comment briefly on what has been said here by our colleagues who attended the late Senator ALLEN's funeral, particularly those who live in other areas of the country. It was a great tribute to Senator ALLEN, one which is well-deserved and which was conveyed with the greatest sincerity on their part. Their remarks and behavior carried the additional message that although some might not agree with a person every time as to a position taken in the Senate, if they think he is striving and doing his best, they will support him over and over. I think that message, too, was expressed at those ceremonies.

There are those who disagreed with JIM ALLEN on many points during his career in the Senate. They have been just as sincere and meaningful in their tributes which were very fine indeed, and was tangible evidence that the good he did continues to live after him.

I have a warm feeling for the people of Alabama. I have always lived within 25 miles of Alabama's western border. Alabama's lawyers would come over on our side, and I used to be among those who went over there and took part in Alabama's courts. I have a great feeling of understanding of the people of that State. Alabama has always had two mighty good Senators here since I have been here, but I flatter myself to say that when they have to have a third Senator, I am Alabama's third Senator.

I am impressed and, frankly, greatly inspired and pleased by the sentiments expressed here today.

As I understand it from the floor leader, unanimous consent has already been given to Senators to place statements in the RECORD on this occasion or later, for as much as 10 days, and that those statements will be included also in the book-form compilation of statements made today, or heretofore made, or hereafter made.

Mr. President, I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, of course, the statement of the senior Senator from Alabama should appear first, and I ask unanimous consent that his statement appear first in that document.

Mr. STENNIS. Yes, that is a very timely suggestion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Com-

mittee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a markup session on S. 1493, energy impact assistance.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF SPECIAL ORDERS FOR TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for the recognition of Senators be vitiated for today.

The PRESIDING OFFICER. Without objection, it is so ordered.

LABOR LAW REFORM ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask that we now resume consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the title of the bill.

The legislative clerk read as follows:

A bill (H.R. 8410) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

The Senate resumed the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, the majority leader of the Senate, Mr. ROBERT C. BYRD of West Virginia, filed a comprehensive amendment to the so-called Labor Reform Act of 1978 on Thursday, June 8, 1978. This amendment came after two efforts to invoke cloture on the labor bill had been defeated by the Senate.

The Byrd amendment is, in effect, a substitute bill which, in many respects, is far worse than the bill reported out of the Senate Human Resources Committee or even the bill (H.R. 8410) passed by the House of Representatives last year. For example, the Byrd substitute deals with the subject of "equal access" in a way which spells out numbers of nonemployee organizers who are given the right to come onto the premises of private employers in ways which no one could have reasonably expected under the other versions of the bill. The amended "equal access" provisions would, by statute, literally make it possible for small armies of outside organizers to invade the premises of private employers, large or small, for months on end.

The other major thrust of the Byrd amendment which makes the proposed legislation far more onerous is the section dealing with election timing—quickie elections, if you will; what Abe Raskin of the New York Times referred to as "push-button unionism." The Senate committee bill allowed for quickie elections within 21 to 30 days of the filing of a petition supported by a majority of the employees in a unit. The Byrd substitute appears to extend that minimum time to 35 days. This is not what it does.

In fact, it would eliminate a minimum time period from the date the petition is filed, statutorily order the NLRB to hold elections at the earliest administratively feasible time after any petition is filed, and eliminate entirely the majority requirement for triggering "quickie elections" by simply giving priority status to such petitions. To be sure, there is a requirement that the employer be notified of a desire of the employees to be represented and a 35-day waiting period before instantaneous elections would be possible, but the notice is good for 6 months and leaves the timing of the election wide open to the shortest possible time from petition filing. The notice also triggers the equal access provision, which would then be in effect for months on end.

In reality, the Byrd amendment, which purports to be a compromise, is a "wolf in sheep's clothing," basically a subterfuge by which the unions hope to gain enormous advantages in organizing never even contemplated by the committee.

In another development, on Friday, June 9, Senator BYRD filed a petition for cloture which does not go to the committee bill but rather to the Byrd substitute. If it carries the cloture vote on Tuesday, it would shut off debate on the substitute and could have the practical effect of killing any further meaningful debate on the entire bill. In other words, the cloture vote on Tuesday, June 13, could cut off debate on a bill which only came before the Senate late Thursday, June 8, and thus has had no real chance of debate at all—but also it would effectively lead to the early passage of the substitute which is the worst of all proposals. Defeat of the cloture petition on the "Byrd amendment" or "substitute" is absolutely imperative.

I believe that that amendment may have other amendments to it, but, nevertheless, the approach has to be defeated.

The so-called "labor law reform bill" is bad legislation for many reasons—it is inflationary: it would have an unusually harsh impact on small business; it is contrary to the desires of a majority of the American people as reflected in nationwide poll after poll; it would severely alter the basic thrust of our labor laws and tilt them further in favor of big unions; and its only possible purpose is to give more power to the already too-powerful labor leaders in Washington. In my opinion, this legislation must be defeated.

UNION HORROR STORIES RE VIOLENCE; OBJECTIONS TO THE PUNITIVE PROVISIONS

Mr. President, I address my remarks now to those provisions of the bill that would impose penalties upon employers for certain kinds of violations of the National Labor Relations Act. Specifically, I am referring to sections 8 and 9 of the bill dealing with so-called willful violators of the National Labor Relations Act and imposing Federal contract debarment penalties upon employers found to be willful violators of the act. I also refer to the so-called make whole remedy and the backpay remedy which would award an employee who had been unlawfully discharged one-and-a-half-times backpay the employee lost.

It is generally accepted that, in a democratic society, the success of the law's ability to meet its stated objectives is entirely dependent upon the voluntary acceptance of the law and compliance with the law by the society. This principle has been the foundation stone upon which our national labor policy has been built up to this time. The proposed amendments to the act represent a dramatic departure from Congress previous recognition of the democratic principle of voluntary compliance. I submit that there has been insufficient examination of the facts and insufficient consideration of the principles involved to justify our abandonment of a principle which has served this Nation so well for the past 43 years.

I need not recount the history of labor relations prior to the passage of the National Labor Relations Act of 1935. We need only remember that this was a history drenched in the bloodshed of American citizens, including the blood of workers, employers, and innocent third parties. In the days before the National Labor Relations Act was passed, a typical labor dispute more closely resembled a minor revolution in the workplace. Need I remind my fellow Senators of the bloody sitdown strikes conducted by the United Auto Workers at the various automobile plants in the 1930's? Need we remember the various worker rebellions that were crushed by Pinkerton guards in the mines of eastern Pennsylvania and in the industrial establishments of New England?

The history of labor relations in our country since the passage of the National Labor Relations Act has changed dramatically. Disputes are now resolved in a more civilized, saner fashion. It is no longer necessary to bring Federal troops into every labor dispute as was the case during the tumultuous period preceding the passage of the National Labor Relations Act. I submit that the reasons underlying the peacefulness of labor relations today lie in the willingness of employers and workers alike to comply with the mandate of the law without being forced to do so. If it were otherwise, then we would be constantly presented with scenes such as that which we recently witnessed in the coal fields, where the United Mined Workers Union flagrantly disregarded the orders of Federal courts which enjoined them from continuing their strike against not only the mine owners but the public in general.

You will remember recent newsstories recounting the actions of roving bands of United Mine Worker pickets in overturning the equipment and burning the trucks which were then being operated by employers against whom the union had no labor dispute by employees who had no interest in belonging to their union. We have seen the spectacle recently of State and Federal Governments

paralyzed in fear that they might have to enforce an order of a State or Federal court requiring the United Mine Workers to respect the rights of employees who did not want their representation and of employers with whom they had no contracts.

What was the union's response when they were questioned about the effects of the entry of Federal troops to protect both the rights of nonunion operators and to enforce the Federal court's injunction against their strike? They thumbed their nose at the public. They taunted the Federal Government, daring them to attempt to dig coal with bayonets.

Both the House and the Senate committees, when considering these so-called labor law reform amendments, were treated to parades of witnesses, trucked in like cabbages by the various international unions, who plaintively described for the Congressmen and Senators the cases of employer contempt for the law. But did the Senators and Congressmen consider the news reports that have been appearing throughout the fall and winter of 1977 and 1978 which described the riots of the coalfields?

The lawlessness is not restricted to the United Mine Workers. Let me bring to your attention a recent article by the labor columnist, Victor Riesel, which appeared in newspapers around the country on November 15, 1977. It was entitled "New Antiviolence Bills: Local Union Agrees Not To Use Cannon, Bullets, Ball Bats in Strikes." I quote from the Article:

Back in early June 1960, Jimmy Hoffa, then more fleshy than astral, told the Detroit Press Club audience that he and the gentry leading the teamsters were so "constantly amazed" by what they read in the press, were shocked by "distortions" in the "press, radio and television" reporting on the union, that the brotherhood soon would launch its own chain of daily newspapers "in major cities."

He told the crowd of media people and public relations flax that they ought to be "ashamed of themselves." They gave him a standing ovation.

Which proves something about changing times. But the late Hoffa's plaintive complaints about the media haven't eased. Not from the Teamsters, and, more recently, there has developed a sprawling national labor assault on print and electronic reporting of the "movement".

Well all these complaining angels would do better to look homeward and inward for the cause of their oft unhappy image. There are today at least 4 Senate and House committees considering toughening, for example, the Federal Government's power to punish local union violence on or against construction sites specifically and in labor disputes in general. One bill was reported out of committee on the Senate floor the other morning on behalf of the venerable and venerated Senator McClellan.

It isn't the media which hurls rocks, slashes tires, cuts loose with guns and baseball bats. It's some of the local unions out there, away from the rarified statesmanship of this capitol where the action concentrates on more global and national political pressure.

For example, here is a gory section from the record from this National Labor Relations Board (and who can ask for greater objectivity these days): "Operating Engineers Local 101, Kansas City, Mo., October 26, 1977" pursuant to stipulation, the Board ordered the union to cease restraining and coercing employees of the Heavy Contractors Association of the Greater Kansas City area and its members; to (cease) assaulting nonstriking employees; engaging in mass picketing and trespassing on job sites; entering a trailer on a job site and damaging and destroying documents; slashing a job superintendent's truck tires at a job site; following employees from job sites; firing a gun at them and brandishing clubs; blocking and hampering ingress and egress to the premises or job sites of the association and its members; threatening to assault non-striking employees; hitting trucks crossing a picket line with baseball bats, causing damage to these vehicles; and hitting and damaging motor vehicles driven by non-striking employees. The union was further ordered to cease trespassing on the job site while carrying club-like objects and taking pictures of non-striking employees; throwing dirt on non-striking employees and threatening them with physical harm.

The Board also ruled that the union must cease and desist from "bringing a cannon to various jobsites and aiming at nonstriking employees; threatening to blow up jobsites and going through the motions of loading and aiming the cannon; striking employees with picket signs and otherwise assaulting and causing physical harm to nonstriking employees and other persons entering and leaving jobsites; damaging motor vehicles and other properties of employees, suppliers, customers and supervisory personnel as they enter and leave jobsites; throwing rocks or other objects toward nonstriking employees, supervisory personnel, suppliers or customers entering, or attempting to enter, or exiting from the jobsites."

I am still quoting from the Reisel article:

Note that the above is a stipulation. Meaning that all parties, the union and the Heavy Contractors Association, which brought the charges, are in accord. And that the local agrees to desist from continuing the practices. The agreement was entered into on July 22, 1977.

Mr. President, I notice the distinguished senior Senator from Utah is here. I ask unanimous consent that my remarks not be considered either a first or second speech under the rules and that I be permitted to continue later in the day, adding to the statement which I have already made without its interruption.

Mr. WILLIAMS. Mr. President, reserving the right to object, neither a first nor a second speech, then it would be no speech.

Mr. HATCH. Just so that I ask unanimous consent——

Mr. WILLIAMS. Will that not fall within the rules of the first speech? Would it not be a continuation of the first speech, I ask as a parliamentary inquiry?

The PRESIDING OFFICER (Mr. GRAVEL). If the Senator secures unanimous consent for the first or second speech not to be counted, it is as if he spoke not at all.

Mr. HATCH. Then I ask unanimous consent this not be considered a second speech under the rules.

Mr. WILLIAMS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, during the course of this debate over the last couple of weeks we have continually been told that this was a bill that would help the individual and, in addition, that it was something that would certainly not hurt small business.

I have heard all kinds of statements in my home State by certain labor leaders that those of us who oppose this bill are here working in favor of big business.

I find that a rather interesting comment, that we continue to hear that, in that I do not know of any big businesses in this country that are not already organized. Certainly, General Motors, U.S. Steel, Kennecott Copper Corp., any of the big giants we see in Fortune magazine, are already organized, have been organized for many years, are organized in my State, even though it is a right-to-work State.

I think we ought to put to rest that those of us who are opposed to this piece of legislation are here representing big business. This bill has really no effect whatsoever on the big businesses of this country. The evidence of that is certainly clear. They are already organized, so how could it possibly help them organize, unless they are going to reorganize. That fact already exists.

My major concern in opposing this bill is the fact that it does have tremendous impact on small business and has tremendous impact on inflation in this country.

The President is very concerned about that. In the last 2 or 3 weeks we have heard him talk about it.

Proposition 13 has certainly stimulated a lot of politicians in this country to talk about taxes and inflation, how we are having a tax revolt in this country, that the people are getting sick and tired of big deficits, big spending, big government, and high taxes.

I think the people of California have spoken. I think we are going to see a lot more people around this country speak out against the excesses of government.

The only problem that I really have with proposition 13 in California and other places around the country is that initiatives are only allowed against local government, and some of them do need limitations upon them. But the big offender is the Federal Government.

Unfortunately, there are not any initiative petitions that can be brought in referendums to put some controls on the fiscal and regulatory irresponsibility of the Congress of the United States and the Federal Government. Only through messages that they can send that maybe we should wise up a little bit and stop some of the things that we are doing.

It is rather interesting to me, right in the middle of all this rhetoric about inflation, that the President says how we have to restrain ourselves, business must restrain itself, labor must restrain itself, that we must keep our wage increases and our price increases down. He talks about everybody but the No. 1 culprit—government.

So what do we see here in this particular bill, which the President is supporting and which is being supported by probably a majority of this body and a majority of the House of Representatives? It is a bill that will give unions a much easier opportunity to organize, particularly the small- and medium-sized businesses of this country. It is estimated that there probably will be at least a 3-percent increase in inflation if this bill is passed. But it is not unusual in Washington for us to do one thing while we are saying something else. Unfortunately, that is the usual thing that goes on in Washington.

So, while we talk against big government, against rules, regulations, and deficit spending, and while we are trying to analyze proposition 13, Congress and the Federal Government and the administration will roll right along with bigger and better deficits, more rules and regulations, more interference in our individual lives; and, in effect, say, "To hell with the people of this country. We don't really care what the people of California have said or other people will say around this country. We'll go right ahead and steamroller this bill through."

I and many of my colleagues have expressed concern about the effects this bill would have on the small businesses of this country. Quickie elections, equal access to the jobsite, 150 percent back pay, make whole provisions, and contract debarment—all will have their most devastating effects on small business, not on large business. Large business already is almost totally and completely organized by the unions of this country.

For example, put yourself in the position of a small, independent furniture retailer in a town of 20,000 people. You have 10 employees, 2 of whom are managers. More than half of them have been with you in excess of 5 years, with both the managers and three of the other employees being friends of yours. This is not an untypical situation in small towns and rural areas of this country—small businesses employing 10 to 20 people.

We hear a great deal about corporate giants and about the influence they have, but in my State, the biggest employer is small business, with more than 200,000 employees in the State. Collectively, it is by far the biggest single employer. We hear about Kennecott, with 7,000; about Hill Air Force Base, with 18,000; about Geneva Steel; and others, with 5,000 or 6,000. Giants do not even begin to match the small employers of this country.

In my State, as I have said, more than 200,000 work for small business. Across the country, the vast majority of the employees, the working force of this country, do not work for the corporate giants or the Federal Government or State or local government; they work for small business. That is why this bill has such an impact on so many people in this country and so many small businesses. The illustration I am going through is certainly not untypical of thousands and thousands of small businesses around this country.

Most of the sales of this business are by nongovernment purchasers. Once a year or so, you get a large order from a nearby Federal installation with whom you have been doing business for a number of years.

At the start of your busiest season, you add a new employee, telling him that you can guarantee him a job only for the next several months, during this particular buildup, and possibly thereafter, if sales volume continues to increase. He understands this when you hire him. You soon notice, however, that he seems more interested in talking with the other employees than in serving customers, and you think perhaps you will have to let him go because he is not working out as you thought he would and is not helping you with your increased business.

However, before you can make a decision on his continued employment, you are startled to receive a special delivery letter from the National Labor Relations Board late one Friday afternoon. The letter informs you that a petition has been filed with the National Labor Relations Board by a union which claims to represent a majority of your employees. The National Labor Relations Board letter further advises you that the Board's normal practice in such circumstances is to hold a secret ballot representation election within 21 days. If the union wins the election, it will be certified by the Board as the bargaining agent for your employees.

Obviously, you are bewildered, since you know nothing of unions, nothing of labor laws. You do not even have a labor lawyer, there not being one in your whole county.

So you call on one of your social friends in this small town who also happens to be an employee and who, since the workday is over, happens to be at home. You then go to his home to discuss the situation, since that is more convenient than asking him to come back to the office. Your friend-employee tells you that, yes, there has been a labor organizer working in the area; that he seems to be particularly close to the new employee you hired; and that several of the employees are unhappy about a couple of issues.

You ask the employee why it had not been mentioned before and the employee tells you that no one had ever thought about these issues until the labor organizer and the new employee mentioned them. These are relatively minor issues which you are perfectly happy to discuss with the employees, and so you ask the friend you are visiting to arrange a short employee meeting at the store for the next working day. During the discussion, the employee demands are considered reasonable by you and you agree to grant those demands. You also seek to correct some of the misleading and incorrect assertions which the union organizer has made to your employees.

At noon the same day you are presented with a demand by the union representative to have an employee meeting at your store for him to address the employees. You refuse this demand because it is your private property and you feel the demand is unreasonable.

You also observe that the new employee is spending virtually all this time talking to the other employees urging them to support the union. He is doing no work himself and is diverting the other employees from their work. You call the new employee into your office to admonish him. When you do, however, he becomes belligerent, arrogant, and surly, because of your previously considering firing him because of his lack of work. This is the straw that breaks the camel's back. You tell him he is fired, and he says he will get even with you by going to the NLRB.

Let us stop here for a minute, after having gone through this example, and find out what kind of trouble you have gotten into if H.R. 8410 becomes law.

Assume you have now finally been able to obtain the services of labor counsel. Here is what he will likely tell you:

First of all, the Board will hold a representation election between 21 to 30 days of when you received the petition. Sure, that does not give you very much time to find out much about his union and pass such useful information on to your employees so they can cast an intelligent and informed vote. But that is the law.

Second, you violated the law by refusing to give the union organizer "equal access" to your employees; even though it is your property, he has the right to talk to your employees during work time and on your property because you did.

You can anticipate that the employee you fired will file an unfair labor practice charge with the Board. If, as seems probable, the NLRB decides to issue a complaint against you, the Board will immediately proceed to Federal district court to obtain a court order requiring you to reinstate the discharged individual pending a full hearing on the matter before an NLRB administrative law judge. The Board's chances of getting such a court order are excellent. If the administrative law judge and then the Board agree that you committed an unfair labor practice by discharging the individual for union activity, you will be liable for time-and-one-half backpay.

You have probably committed an unfair labor practice in violation of the National Labor Relations Act by going to your friend/employee's home and by discussing the union with him there. You have committed another unfair labor practice by asking him any questions about the union drive.

You have undoubtedly committed yet another unfair labor practice by asking the employees what their grievances were and by promising to take action to correct the problems brought to your attention. Under the National Labor Relations Act, this would be regarded as an improper attempt to "coerce" the employees into voting against the union.

The election will very likely become a one-way ratchet to be used against you. If the union wins, the Board will certify it as the bargaining agent for your employees. But even if the union loses, the Board would probably find on the facts here that you have committed

unfair labor practices "that undermined a free and fair election." If the union had obtained signed cards in its favor prior to the election from a majority of your employees, the Board could, and almost certainly would, order you to bargain with the union. And this despite the fact that a majority of your employees cast their secret ballots against the union in the Board-run election.

If you wanted to obtain a review of a Board certification or a Board bargaining order in the courts, you could do so. But only at a substantial risk. If you lose in the courts, you will be required to pay your employees wage increases from the date when the Board says bargaining should have started until you actually sign a first contract. The amount of those wage increases is based on the percentage change in a Labor Department index. That index, however, is not based on wage settlements in small businesses, but on those in units of 5,000 or more employees.

And I remind my colleagues here that I am using the example of the business with 10 employees. The wages are going to be based on units of 5,000 or more employees.

Finally, if the Board should find that you commit any new unfair labor practices in violation of a prior Board or court order, you can be debarred from receiving Government contracts for up to 3 years. In other words, you can be prevented from selling your merchandise to any Federal installation.

Mr. President, this example clearly illustrates what would happen to the struggling small businesses across this country if this bill is enacted. It would give the unions overwhelming new weapons to ramrod unwanted union organizing down the throats of small business.

Let me elaborate further on how blatantly unfair many of these provisions are and the disastrous affects they will have on small business.

First, the quickie election provision. Under this bill, where a majority of employees support the request for an election, the NLRB will order it within 13 days and hold it not less than 21 nor more than 30 days after the petition is filed. This gives unions an unfair advantage. The union may spend months campaigning among employees presenting only the unions side of the issues. If the union manages in this manner to obtain signed authorization cards from a majority of the employees, it can force a quick election and leave scant time for the employer to present his case.

If, on the other hand, majority support cannot be shown, then the union is afforded additional time to organize and the election must be held within 40 days unless issues of "exceptional novelty or complexity" are involved, in which case 75 days are afforded.

Once again, we see the current balance of the NLRB being tilted toward labor, as it is obvious that under this provision if labor has the support necessary for an election victory, then the election is expedited before management has an opportunity to present its views to the employees and for the voting employees to hear everything they need to know. If they do not have a majority, then they delay the election until additional support can be generated.

It is typical in this type of legislation. They want it both ways. They want it in their favor whether they win or whether they lose.

This scheme points out again how prolabor this bill is rather than proemployee. If we were truly concerned about the employee, we would certainly want them to have both sides of the story under all circumstances before they vote. Once again I ask why unions, if they have such a good product, are not willing to compete fairly and openly with salesmanship to convince their employees why they should join a union? But apparently they have not been too successful on their own and, therefore, they consistently, as they have in the past, run to Washington for legislative help to accomplish by law what they cannot do in a free competitive situation.

And, of course, these quickie elections will have their greatest impact on small businesses which must face professional organizers with prepared propaganda and long experience in organization. A small business, however, may not be able to afford professional help, even if it has notice of a union-organizing campaign, until it is sure an election petition will be filed. By then, it may be too late to present the employer's position in adequate form and detail. The employee's vote, therefore, will not be fully informed.

Second, the equal access provision. This provision would give nonemployee union organizers the right to campaign on company property whenever the employer addresses company employees on its premises or during worktime on issues relating to union representation.

Now, on the surface this does not seem too bad until you realize the existing restrictions already imposed on businesses and the distinct advantage union organizers have under current law. For example, unions have the right to communicate freely with employees on an individual basis, may visit with employees in their homes, and may make unlimited promises of benefits to be derived from union representation.

Similar conduct on the part of employers, of course, would constitute unfair labor practices, even as I outline in the illustration, that an employer dropping in on a social friend of his to find out what was going on, regularly dropped in at his home, had social gatherings together all the time, would be construed as an unfair labor practice.

Under current law the employer cannot do most of the things with employees that the union can. There is already a distinct advantage under the current law. We see a situation where unions are losing membership across this country, not gaining new membership, when they have decided advantages in talking to employees, with the exception of during work hours, and able to say most anything they want, and what they will achieve if they unionize. But that does not seem to be sufficient. They want a new law that keeps all of their advantages for them, prohibits the employer from having any of those advantages, and then seeks to have the advantages at the workplace as well as away from it. It is blatantly unfair to do so.

As a result, most employers have found it necessary to restrict campaign speeches to their own premises. Such speeches impose a financial hardship on employers because production must be stopped and employees must be paid for their nonproductive time. Accordingly, as employers are afforded no other opportunity to inform their employees, they absorb this financial hardship. But, to add insult to injury, this bill would not only allow equal access, but would require that the employer foot the bill—pay the employee for time spent listening to the unions organizers' speeches on the company premises. This is nothing short of employer subsidization of union campaigns. If unions feel they are at such a disadvantage, if they are unable to obtain equal access, then why aren't they willing to share expenses.

This has been brought up before, but to date I have not heard any satisfactory answer as to why the entire economic burden of union organization should be placed on the employer, on his time and on his premises, yet prohibit him from going to the homes or social gathering places of employees while the unions have that particular advantage.

I can well imagine what this will do to the small businesses in my State, especially those in our rural communities. It does not take much commonsense to realize the small businessman is more concerned about his business and his employees than the National Labor Relations Board. Why, I venture to say, there may be some who have never even heard of it, so it would not be too hard to understand the rural employer who, upon learning of union organizing efforts, wishes to talk to his employees to see if there are any problems which exist. Unfortunately, little does he know that when he does so on his property he has opened a can of worms, and the professional organizer can now work his will.

The "make whole" and the time and a half and provisions will be especially devastating to small business. Both these penalties only apply to the period of time involving organizing activity and negotiation prior to contracting. It is important to note that a recent NLRB study reveals that 75 percent of representation elections involved firms of fewer than 50 employees. So it is obvious, once again, that the small firm will be most vulnerable to these proposed sanctions.

I want to repeat that because, again, when I started out making this speech, I said we constantly hear about big business, and yet 75 percent of representation elections, from an NLRB study, show they are being conducted with firms of less than 50 people. That is hardly big business. That is practically mom-and-pop-type businesses on which we are going to put the brunt of these provisions; not General Motors and not United States Steel, not the big boys, but the little tiny businesses of this country. That is where the unions have been unsuccessful, they have not been able to sell their product, they have not been able to interfere with the

kind of intimate relationships that exist between employers and employees in small businesses, where they normally are friends socially in small communities. So now they want this bill so that they can organize easily among the small businesses of this country.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. GARN. I would yield for a question, without losing my right to the floor.

Mr. MELCHER. I thank the Senator for yielding.

I know he would not want anything misunderstood in the RECORD. The citation of the National Labor Relations Board survey of when elections were held and what size businesses, when they refer to units with less than 50 employees, of course, they are not talking about businesses of 50 employees or less.

Mr. GARN. I may be wrong in my interpretation. Even if I am, and we are dividing up into units rather than employees, that does not change at all the general thrust of what I am trying to point out today, that we are talking about the major impact of this bill being imposed on small business, and by small business I am talking about even if you have a few hundred employees, even if you want to add those units together.

We are not talking about the Fortune 500; we are not talking about that at all.

Most of the businesses of this country are small businesses. Most of the unorganized businesses of this country are small businesses, not the giants, even in your State or mine. Big businesses are already organized.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. GARN. I yield again without losing my right to the floor.

Mr. MELCHER. I think the Senator is doing a service to the debate on this bill by discussing its significance on small business. However, there are a couple of points I am sure the Senator would want to make clear that in all probability an employer could go to an employee's home if invited. Of course it would have to be a truly spontaneous invitation and the slightest suggestion by the employer that he desired to be invited would constitute interference with employee free choice and require the setting aside of the selection.

In our society a person's home is his castle, and no employer should accost an employee at his home without being invited in the manner just described. I see no change in the bill in that regard nor should there be a change.

I think the remarks concerning the time frame, concerning the question of debarment, regarding the question of access are entirely appropriate, and I appreciate the Senator's viewpoint. But to take care of a lot of those very concerns the substitute has been introduced, is available, is printed for all to look at. Twenty-four Senators have cosponsored it, and it goes right to the point of would an election held in 21 days be too quick for the employer.

Taking note of that, the substitute said 35 days—no less than 35 days between the time of notification and the election. No less than 35 days, or a little over a month, so that no employer is placed in the position of not having adequate time to get his point across.

On the question of access, the substitute now before us, now available for everyone to understand, says that if the employer decides, by his own action, to allow the union organizer to have access, the triggering of that only allows the organizer of the union involved to have access with the employees during nonworktime and nonworkplaces.

I think it is a valid point, and the substitute goes directly to that point. For instance, a retail store would not have to worry about an organizer, after access was triggered—in other words, after the employer had decided to hold a special meeting or a systematic campaign with his employees on the union question. Surely, it would interfere with the business to have the union organizer in that retail store trying to take up the time of the employees. So the substitute very appropriately says, "If you get access, it will not be during the working hours and in the working place." I think that makes sense.

On the question of debarment, the Senator is discussing a very valid point. The substitute takes note of that, also, and says that whatever the business did to avoid following the order of the Board that resulted in debarment—and remember, it has to be a willful, deliberate act on the part of the company or business to cause debarment—then the substitute goes directly to the point and says when that has been corrected, in other words, when the order of the Board has been filed, debarment ceases as of that moment.

These points are entirely relevant and entirely debatable, and the Senator from Utah is making a splendid case for his viewpoint; but I think it is only practical and logical to think about what is in the substitute, because if I have any proper judgment here in the Senate, it is the substitute that will be adopted.

I thank the Senator for yielding to me. I think the points that he has raised, many of them, have been adequately taken care of in the substitute.

Mr. GARN. I thank my distinguished colleague.

First of all, let me respond to his comments about meeting in the homes. There is a big difference between what may be technically in the law and how the law is followed, and how employers can defend against that.

I did not ever have any union employees when I was in private business, though I certainly did when I was mayor of Salt Lake City. I am not going to take the time to get back into the problems I had with the International Association of Firefighters Union during the 2 or 3 years of court cases and all the other things, but believe me, I could talk at great length, and take up the rest of the next couple of weeks talking about the violations of law, settled violations of law and attempts to sandbag me as mayor, in inviting me to a home, which I was smart enough not to go to, because I got word from one employee who said he was tired of the way his union was acting and informed me—in other words, he turned out to be a stoolie—so I did not go, and was able to stay out of a few situations. That has not been unknown to happen.

So I fear some of the provisions of this bill, in the second part of the Senator's statement——

Mr. MELCHER. Mr. President, will the Senator yield again on that point?

Mr. GARN. I yield without relinquishing my right to the floor.

Mr. MELCHER. Since cities are not covered under the National Labor Relations Board, I fail to understand how any of these provisions would apply to the mayor of Salt Lake City or any community. I used to be mayor of Forsythe, Mont. I do not know how to reply.

Mr. GARN. I think my distinguished colleague is missing my point. There have been attempts to organize the cities under the National Labor Relations Board. There was one attempt which we took to the Supreme Court, and won.

My point is that even though we were not subject to the strict provisions of the National Labor Relations Act, I also know of examples where employers have been sandbagged.

You are saying someone can be invited. I am agreeing with you, yes, they can be invited, and I know the distinguished Senator does not agree nor in any way would propose that kind of activity, but I am saying it has gone on, and that there are unfair labor practices on the other side, too. We have heard mostly about so-called business unfair labor practices.

Last week when the Senator from Montana was not on the floor I discussed some of the abuses of labor. That is what I was addressing myself to, and I know some employers of my State who have been deliberately gotten into that kind of situation under the NRLB so that they could get an unfair practice decision against them and be able to work through that route.

There is no doubt about the fact that there have been some setups. I know the Senator does not condone that, but the point I was trying to make is that I had some of that very type of experience with one particular union when I was mayor of Salt Lake City.

Let me respond to the Senator's statement on the substitute. While there have been some very serious attempts, in my opinion, by the distinguished Senator from Montana, the majority leader, and other proponents of this bill to address some of the objectionable provisions I have mentioned today, I believe the substitute only makes cosmetic changes—changes in the right direction, but not of any great substance. The inherent evil in every provision of this bill still remains unchanged. It still, to me, is overwhelmingly unfair to the small businesses of this country. Although I applaud the proponents for trying to address themselves to some of the problems we opponents have, I simply do not think they go nearly far enough.

Mr. MELCHER. Will the Senator yield again?

Mr. GARN. I yield, without relinquishing my right to the floor.

Mr. MELCHER. In my discussions with small business people in Montana—and again I agree with the Senator from Utah when he says we may be talking about employers that have 200, 300, or 400 employees, and who are now nonunion—in my discussions with such employers in Montana, in the case of retailers, it was extremely important that if an election were to be held, it not be in too short a period, they very properly pointing out that if the election were to be held, if they got the notice between, say, the day before Thanksgiving and the day after Thanksgiving, that is well into their Christmas sales campaign, and nobody has any time, so that 21 days, if that were the case, would be too short, and hence the 35 days.

The question of access was extremely important, and the relevance of what the Board and case law has established on access was and is extremely important to them in the existing law, and is not satisfactory, in many instances, because it has required a very astute labor attorney to interpret what access really was.

So on these two points, I find that employers who we can call small business, and who have anywhere from 15 to 300 or 400 employees, are impressed with the fact that rather than leaving the discretionary or the result of case law—discretionary in terms of the Board as to when they would set the time for election which it was important that the 35 days become locked in, that is, the 35 days minimum, locked in by law, not leaving it to be discretionary, not leaving it up in the air, not requiring a continuous checking with the Board to see what their most recent policy is.

On the question of access, this is to make it clear by law that access, when triggered—first of all making it clear by law when it would be triggered so that they would not have to follow all the cases that come before the Board and seek out what their latest dictum was but put it in the law so everybody can understand it—if access was triggered, the point about having union organizers in the work area during work hours they thought, and I agree, was an impossible situation. How can you have a sawmill operating with the union organizers trying to talk to the men? How can you run your department store with union organizers trying to talk to the clerks while there are customers around?

I believe we would feel a lot more comfortable by putting it into law and making it definite, clearly understood, and with a clear intent. There will not be any deciding to do differently by the Board 6 months from now, a year from now or 2 years from now. It would only be different if Congress saw fit to make it different. I think there is a real advantage in putting it into law, making clear what Congress intends, after due consideration and debate here, rather than leaving it to be discretionary for the Board and for case law established by subsequent cases.

Mr. GARN. I would say once again to my distinguished colleague that I agree to this improvement. My point was that I do not think the substitute goes nearly far enough, not only in this area but in a number of areas, to make the bill palatable to me. I still believe that the substance of the bill, the overwhelming substance of this bill, would still leave a great advantage to organized labor, particularly with small business, and to the detriment of small business.

Let me read into the RECORD at this point a letter I received last week, and I am sure a lot of other Senators received it, from the Labor Policy Association, Inc., here in Washington, on this very subject of the substitute:

> On Friday, May 26, 1978, Sen. Byrd offered amendment No. 2254 to H.R. 8410 for the purpose of preserving the existing jurisdictional standards developed by the National Labor Relations Board with respect to small business. The amendment was cosponsored by Senators Williams, Javits, Durkin, Sasser, McIntyre, Zorinsky, Cranston, Huddleston, Chafee, Brooke, Weicker, Stafford and Percy.
>
> The amendment proposes to freeze the Board's jurisdictional standards in effect as of May 1, 1978. However, the practical effect of the amendment would be to legislate a continued gradual expansion of the Board's jurisdiction.
>
> Under Section 14(c)(1) of the Landrum-Griffith Act, the Board is already precluded from making its jurisdictional standards more stringent than those prevailing on August 1, 1959. The standards prevailing at that time (and still effective today) were announced in 1958 in Siemans Mailing Service, 122 N.L.R.B. 81. These standards were expressed in terms of specific dollar volumes depending upon the type of business in question. However, inflation has steadily eroded their jurisdictional thresholds, thus expanding jurisdiction over small businesses. The Byrd amendment would continue this expansion by codifying standards written twenty years ago without taking into account the effect of inflation since that time. For example, the Board will assert jurisdiction over a nonretail enterprise if the gross annual outflow or inflow of goods sold or purchased are only $50,000. Because of inflation, far more small businesses would have been exempted under the $50,000 standard in 1958 than would be true today. As is readily apparent, organized labor would benefit greatly from adoption of the Byrd amendment. By removing the Board's discretion in determining the scope of its jurisdiction, the amendment insures a gradual expansion in the coverage of the NLRA.

Leaving the letter for a moment, this points out the problem that every American has. We talk a great deal in another field about trying to index income tax for inflation. I read a story just last week about a man who was making $10,000 in 1968. Today, in 1978, he is making slightly over $18,000, an 80-percent increase in his pay during that period of time. Yet his net spendable income was down by $43. He had $43 less with which to buy things with an $18,000 income than he did with $10,000, primarily due to inflation and being placed in higher tax brackets as a result of that inflationary wage increase. That is the point which is being made in this letter.

A $50,000 figure back in 1958, 20 years ago, was worth so much more. Many businesses were making less than that. To businesses today with no more employees, with no more sales volume, in terms of quantity, a $50,000 business is really small business. That is practically nonexistent. I had a little business that only had seven employees 20 years ago and we did much more than that. You cannot even exist if you do not have more than $50,000.

Here, again, though it is off the point a little bit, is a picture of what inflation has done, what it has done to not only income taxes but to estate and gift taxes. The Federal Government is reaping tremendous benefit from additional taxes as a result of inflation, forcing people into higher brackets. Now we are using the same figure, a $50,000 level, and by 1958 standards we should increase that, if we are going to be fair, at least to $150,000 or more for the same number of businesses.

Mr. President, I do believe this is a highly important point made by this letter. We will have a gradual increase in the number of small businesses covered because of this lack of consideration of this limit and the inflationary impact on it.

To continue the letter:

> The Byrd amendment would still leave under the jurisdiction of the Board 847,497 business establishments, a rather substantial number even if one were to subtract all of the Fortune 1000 companies. Moreover, these businesses employ over 44 million workers, 75 percent of the covered workforce.

So we are looking at a substantial number, even under the Byrd amendment.

> One might also inquire as to the manner in which the Board's jurisdictional standards were initially promulgated. Historically, the Board has demonstrated considerable distaste for the rulemaking process. Instead of issuing proposed standards and conducting legislative-type hearings, the Board announced the standards in a series of individual cases and through press releases. Although such a procedure would seem to raise some questions as to whether due process requirements were observed, the Byrd amendment would set these standards in legal concrete.

I believe, as I said, that the proponents of these standards believe that they do not go far enough. In my opinion, I agree with this letter. We are going to continue to lock under the coverage of this bill a lot more small businesses.

Under the make-whole provisions, small businesses will be fearful to even exercise their rights during negotiations and organizing time for fear they will later be charged with an unfair labor practice. A simple request from an employer for a clarification of a procedure would undoubtedly cause a delay—and justifiably so—but later could be construed as an unwarranted delay. Should the Board find that this was an unlawful delay, it may award employees compensation equal to their normal wages and benefits multiplied by the average percentage increase in wages and benefits as reported in the Bureau of Labor Statistics quarterly report for major collective bargaining settlements. I am alarmed that the standard of relief chosen is based on BLS statistics derived from bargaining agreements in units of 5,000 or more employees. As stated before, 75 percent of representation elections involve units of 50 or fewer employees, so the BLS sta-

tistics are essentially meaningless where small business is concerned and in no way reflect actual losses as a result of any violation of the duty to bargain. This provision simply tries to bludgeon employers into sacrificing their legal rights so that they will cave in to the unions' demands. In order to avoid the severe financial impact of this provision, they will, unfortunately, probably do so if this bill is enacted.

One of the most alarming aspects of the backpay provision is that the bill would make it punitive rather than a compensatory measure. Not all employees suffer consequential damages as a result of a discriminatory discharge. The award of sums should be related to actual loss or else the employee will acquire a windfall and the employer will be punished. It is crystal clear that this provision will increase litigation, as employees will be less likely to settle when they know they can hold out for the windfall of the backpay provision. Again, small business will be required to bear the brunt of such charges since it is the least able to bear the cost of litigation and the risk of a large award.

I am happy to yield to the majority leader without losing my right to the floor.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for his courtesy. I send a cloture motion to the desk.

The PRESIDING OFFICER (Mr. RIEGLE). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the substitute amendment, No. 2445, by the Senator from West Virginia (Mr. ROBERT C. BYRD) and others to H.R. 8410, An act to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

Robert C. Byrd, Patrick J. Leahy, Harrison A. Williams, Jr., John Melcher, George McGovern, Claiborne Pell, Dick Clark, Frank Church, Daniel Patrick Moynihan, Edward M. Kennedy, Jacob K. Javits, Abraham Ribicoff, Howard M. Metzenbaum, Birch Bayh, Henry M. Jackson, William Proxmire.

Mr. GARN. Mr. President, again, I wish to emphasize the impact on small business of many of the laws that we pass, not only this one, but many of them, from EPA regulations to OSHA, and all sorts of things we do. It is interesting that big businesses always have a battery of attorneys and a battery of CPA's as part of their cost of doing business. They have people who are paid to do nothing but keep up with Federal regulations and laws.

Although I do not mean to indicate that they are not a nuisance to them or that they are not costly in many cases, at least they are equipped with professional help to handle them. Very few small businesses have the availability of that kind of help, certainly not on their staffs. In rural areas, you very rarely find labor law specialists. They are not available. Even though this type of counsel and expertise certainly is available in other areas, and they can go to the bigger cities, it is expensive, very expensive, to hire those kinds of specialists.

This is not something that is talked about a great deal, but it does place a great burden on small businesses, because, in many cases, even though they might have the law behind them and, if they went to litigation, could prove their case when there is anything unfair being done on the part of the union, they simply give up. I have seen that happen many, many times with a small business. Even if they feel they might win, they could not afford to win.

I do not think we talk enough about that. We hear all kinds of things about big business and big labor and not enough about the individual employee and the impact of legislation on small business.

Mr. MELCHER. Will the Senator yield again?

Mr. GARN. I yield without losing my right to the floor.

Mr. MELCHER. I thank the Senator.

The discussion of the amendment offered on May 26, which is now before us, freezing the standards, let us say by law, of the Board's discretion to extend their jurisdiction, by lowering those standards—for instance, in retail business, a hotel, motel, or restaurant—saying instead of its being a $500,000 gross per year threshold, the Board should decide to lower it—it is somewhat confusing.

So the amendment now before us, now being discussed and debated, and which is also included in the substitute which was introduced June 8 which I have previously referred to, freezes the standard.

Those businesses that are not under the jurisdiction of the Board now do not need that $500,000 gross sales threshold, in the case of hotels, restaurants, retail stores, motels, and they will not in the future.

Now, the Senator from Utah has very correctly pointed out that inflation will change that. Yes, it will. But there are two things to note here.

First of all, the indefiniteness when the Board has a discretion to change the standards was one that was properly pointed out as leaving a question mark.

I think it was on May 23 that Senator HATCH pointed out that the Board might change its mind afterward. So this is the amendment that prohibits the Board from changing it. It just freezes it.

In that case, the advantage of definiteness is there and the decision is made by Congress.

Unlike many of the regulations that were promulgated by the Department of Labor after OSHA was enacted into law, when we found out, as the Senator so correctly just discussed, that those regulations were confusing to small business, they found themselves, as the Senator has said, having to employ legal counsel to defend themselves, at least on this point it will not any longer be confusing, it will be clear.

This does not say, of course, and the present law does not say, that just because a business is approached by a union that those employees will want to unionize. But it is also necessary to note that because these businessses will be frozen, the standards will be frozen at that level, will not be under the jurisdiction of the National Labor Relations Board, just as they are now, because the National Labor Relations Board has not extended jurisdiction to them, does not mean they can be approached by a union to organize.

Other law pertains to that and I suspect it goes back as far as common law.

It would permit a group of employees not under the jurisdiction of the National Labor Relations Board to decide to unionize. It would permit that. That is other law.

The National Labor Relations Board, when there is an effort to unionize a group of employees and they are under the jurisdiction of the National Labor Relations Board, then sets a process for doing it.

Now, the Senator has also discussed what was in the committee's bill, as reported by the committee to the Senate, concerning the make-whole provision. But I think it is appropriate also to point out at this time in the debate that the substitute introduced on June 8, and which in my judgment will be the bill we finally enact here in the Senate and the one which, in my judgment, will become law, takes an entirely different approach on the make-whole provision, based on the Employment Cost Index, the Bureau of Labor Statistics Index, and under that process which is a summary, really, a tabulation of collective bargaining agreements in the various fields where those agreements have been reached, the contracts have been reached, will be used.

It is weighted to the size of the employer, how many employees they have. So if it is a machinist, for instance, they will look at the contracts arrived at by machinists' bargaining groups across the country.

I think it is much fairer. I think it is appropriate to point out now that this is a provision in the substitute which, again, is an improvement over the bill as reported by the Senate committee.

Mr. GARN. I do not disagree that this provision is better than the bill. There is no doubt about it. It changed it from 5,000 down to 1,000 employees in the employment cost index.

I have said several times in the course of this discussion that many of the provisions of the substitute improve it. But they are cosmetic. At least in this Senator's opinion, they do not go far enough to correct many of the basic faults of this particular piece of legislation.

In regard to the Senator's comments about our making provisions definite by law rather than leaving it up to the National Labor Relations Board, I do not disagree with that.

One of the biggest fights and problems we have had in the Banking Committee on truth in lending is bankers saying, "Look, we just don't know what to do, can we get some definiteness so we're not constantly having things changed?"

I do not disagree with that.

The major point I was trying to make there has not been resolved by the substitute, and that is the inflationary im-

pact. We gain something by definiteness. Yes, I agree. But we lose something, also.

The most devastating thing to our economy—at least, in my opinion—is inflation. Unless we start indexing many of these set, definite provisions that we place in tax law, in laws of this kind, we penalize people severely, not because they have in fact grown, not because they are really expanding, but simply because they have a higher level of sales, because prices are higher. They really are not doing any better. I used the example of an individual with an $8,000 increase and yet gaining less.

So the definiteness is of help. It is an improvement. But we simply are not addressing the inflationary impact.

I repeat that the Byrd amendment still would leave under the jurisdiction of the Board 847,497 business establishments, a rather substantial number even if one were to subtract the Fortune 1,000 companies. These businesses employ more than 44 million workers, 75 percent of the covered work force.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. GARN. I yield, without losing my right to the floor.

Mr. MELCHER. I think the Senator's figures are entirely correct. I believe it is appropriate to note that the 870,000 individual businesses and companies that are subject to the jurisdiction of the National Labor Relations Board are a part of the total 4.2 million businesses which file employer tax returns—meaning that they have employees. So we have established that the 870,000 is roughly 22 percent or 24 percent of the total number of businesses in the country which have employees.

Mr. GARN. But, again, the last sentence of that was that 75 percent of the work force are covered. So even though you reduce the percentage of the number of businesses, you still have 75 percent of the covered work force.

Mr. MELCHER. That is an entirely appropriate discussion at this point. As I understand the action taken by Congress in 1935 in adopting the Wagner Labor Act, it said that it is chaotic not to have a procedure, not to have a system, in which someone is the umpire as to when a union was going to have an election and when there was going to be a determination by employees in a particular business that they wanted a union and which union they wanted.

If we did not have the Wagner Labor Act in 1978, I think we would be about the business of figuring out what we wanted and would adopt something like the Wagner Labor Act.

So, to state how many people are subject to the National Labor Relations Board and to state that most of the employees are covered is extremely appropriate; because the Wagner Labor Act envisioned that that would be the case and that you would not have almost all the employers scratching around with their employees, out from under any jurisdiction of a referee who would say which union is going to have the opportunity to bargain collectively and without a procedure to follow. If we did not have that, we would have secondary boycotts, for one thing, would we not? Would not the Senator agree with that?

Mr. GARN. Yes, I would agree with that.

Mr. MELCHER. We might have a preponderance of different unions at the same time trying to organize the same group of workers and having one union organizing group fighting the other union organizing group, in the most chaotic factions and methods. I suppose it would be fair to say that we would have labor strife among labor unions with the same group of employees.

So, in order to correct that situation in 1935, the Wagner Labor Act, as I understand it, was adopted by Congress, and the National Labor Relations Board was established to be the referee or the umpire.

If there is any criticism—and I think our debate for the past several weeks has brought that out—that can be said to be uniform about the failures as to the performance of the National Labor Relations Board in its duties, I would say that perhaps it is the changing attitude they take at various times as to what the regulations are and what new rules are promulgated. It illustrates what a jungle of redtape it is to be an expert in the law, to be a real labor attorney who understands the Board's rulings and the court cases involved.

So if there is an advantage to being direct and concise by congressional direction—and I believe there is an advantage to that—then we have made some strides forward by taking away some of the discretion, being definite in the case of access. If we are not definite in the case of access—and the substitute is—we will find conflicting rulings and conflicting cases, I am sure, as it is now, in figuring out whether a union organizer can come to the parking lot or in a portion of the shop, even during working hours, and doing his bit in carrying on a campaign for union organization.

There is an advantage to being definite in this regard. Congress has said what it feels is right in the case of access. It does not leave it up to the decision of the board, which may change several times in the next few years, and you never know where you are at.

In the case of knowing who is under their jurisdiction and who is not, it is an advantage for the small businessman. Of course, I recognize that, even so, some group of employees still may organize under other law. It simply will not be under the jurisdiction of the National Labor Relations Board.

To the extent we make some of these things definite, positive, clear, and understandable, I think this is a step forward. The time frame, it is made clear, would be no less than 35 days for an election. There would be some distinct merit, in terms of my understanding of what employers in my State have told me.

When we are straightforward and definite on it, we are doing them a service. If we do not do that, this bill should fail; the substitute should fail; no bill should pass. We will still have those conditions exist. It will be unclear about access. It will be unclear about how long a time frame there would be as to when an election would be held. We will just put in the law that it can be no less than 35 days, and he will know that, if we pass this substitute. If we do not pass it, the condition will not exist, that uncertainty and doubt as to both access and the time frame. It just will be discretionary with the Board.

Mr. GARN. I agree with my distinguished colleague that there is a need for a process. I do not know of anyone here who is trying to repeal the National Labor Relations Act. It is necessary to have a process. So, as to the general principles that the Senator is discussing, I agree with him.

The point that is being missed—at least from my standpoint—is that the way in which we are trying to amend that process is decidedly unfair to business and overly fair to organized labor. That is the point I think we miss—that we simply need a process, but the process we are trying to amend would give unfair advantage to one side of the coin, and that is organized labor. The most glaring defect of the bill is that most punishment will go to small business. We should not lose sight of that.

I agree with the process, but let us have a process that is fair and equitable to both sides.

We get back to the Panama Canal debate. Some of my colleagues were opposed to that particular treaty, not because they did not want to give the canal back to Panama but because they did not like the substance of the treaty.

They felt it was unfair to one side—I think my distinguished colleague from Montana felt that way—that there were problems, that it was overwhelming, and I share that feeling on this bill.

I do not object to amending the National Labor Relations Act if I feel it is equitable to both sides. It is my judgment that it is not, that it favors one side over the other and we should not be in the Senate taking sides with any one particular group. I think this bill does.

One of my favorite provisions in this bill that purports to protect the rights of the workers is the contract debarment section. This provision seeks to prevent any person who willfully violates a Board or court of appeals order from receiving Federal contracts for 3 years unless the Secretary of Labor determines that the national interest would be jeopardized. But who are we kidding? Certainly the employer will suffer if he is debarred from receiving Federal contracts, but it is the worker who will suffer the most, for, when the firm loses Government business or any business, for that matter, employees lose their jobs.

So we may say that this is to punish business for unfair labor practices. Particularly around large military installations a lot of small business exists on Government contracts. Have we not done the employee a great service? We have just cost him his job.

Mr. President, the devastating effects the provision I have mentioned would have on small business cannot be minimized. Proponents of this bill would have us believe that the pending amendment would help to solve these problems by

codifying the existing jurisdictional standards developed by the NLRB with respect to small business. In effect, the amendment provides that the Board "shall not assert jurisdiction over any labor dispute over which it would decline jurisdictions" under the standards in effect on May 1, 1978. Unfortunately, this amendment will do nothing to solve any of the problems that would be created by passage of this legislation.

For example, it would not prevent the adverse application of the new provision in this bill to any business which currently meets the NLRB's jurisdictional standards. Labor claims that this would exclude 78 percent of the businesses in our society from NLRA's jurisdiction. However, what they fail to point out is that more than 75 percent, or 44,112,560 of all employees, work for employers covered by the NLRA, a rather substantial number in anybody's business.

All it excludes are sole proprietorships or individual businesses which are owned by individual proprietors who work for themselves, or units which are so small that the unions would not want to bother with them anyway.

Again, Mr. President, the infringement that this bill would make on their rights is not affected by the amendment. This amendment does not address the problems created by equal access, 150-percent backpay, the make-whole remedy or any other section of the bill which has been criticized for its impact on small business.

It makes some changes, some improvements, but not nearly enough, in my opinion.

Let me, in closing, sum this up and read a letter that was written just to "Dear Senator," not to me personally. I think it is a rather interesting comparison with what are trying to do in this law. I wish more of my colleagues were here to listen to it:

DEAR SENATOR: I have a question for you. If your opponent in the next election is allowed to make wild promises, but you can't make even a tiny one; if he is allowed to visit in the homes of the voters, but you can't, and you even have to watch while he can question voters as to how they intend to vote so he can determine where to concentrate his efforts, but you are not allowed to conduct any polls of your own; and if he can decide when to call for an election, while at best you can only argue about the voting procedure, wouldn't you have trouble getting re-elected? This is exactly the great organizing advantage that unions already have under the present law.

Keeping these handicaps in mind, suppose that these new campaign rules are adopted:

1. Everytime you or one of your aides talk to a voter about the campaign, you have to notify your opponent and assure that he has equal access and time to talk to the voters.

2. Everytime you put up a poster in your campaign headquarters across the state, he gets to put up one beside yours, even though you pay the rent for the space.

3. Everytime you hold a fish fry and talk about the campaign, you have to allow your opponent to speak—but you pay for the fish fry and the clean-up afterwards.

4. The day after you leave the country on a fact finding mission, your opponent files for an election which must be held within 25 to 30 days even though the question of voter eligibility of your campaign workers is still unsettled.

Could you really expect to get re-elected with this kind of handicap? The idea is so unfair that it seems unthinkable. But isn't this exactly what Congress is trying to do to American industry with H.R. 8410 and S. 2467, the so-called "Labor Law Reform Bills"?

Again with all this discussion, an hour and a half of it, Mr. President, the main thing I wish to sum up is simply that the major impact of this bill is on small business. Big businesses are already organized. It is not going to change. They are unionized. They have representation.

We simply must assess this on the basis of its impact on small business and particularly the employees of those small businesses across this country. I certainly hope that the Senate will reject this bill.

At this time, I yield to the distinguished Senator from Nevada, Senator LAXALT.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. LAXALT, I yield.

Mr. MELCHER. I thank the Senator for yielding.

Just before we go on to another aspect of the debate or get away from what the Senator from Utah has been expounding and explaining, I think it noteworthy in considering the proposal, and I wish to consider the substitute rather than the committee bill, because I think the substitute answers some of the points that have been raised and improves on them and makes them very clear and very definite and solves some problems, but if we are going to say who is the bill weighted toward, let me point out that the bill looks at the employee and worker and says that if they want to unionize you are going to have an election for that purpose. These are some corrections to the process of the National Labor Relations Board's function in that process.

But again it looks to the employee who wants to decertify, have an employee group, and have an election to get rid of the union. The bill says how that is to be followed.

For instance, a time frame for the election under the substitute will be no shorter than 35 days so that the group of employees that wants to get rid of the union will have an adequate time to make their case. Of course, the union wants to continue to represent that group as a bargaining unit. They will have the time to make their case, also.

But it looks to the employee first. What are the right of the employee in this very significant field of labor law?

I think it is fair and appropriate to point out that not all of these elections are held to get a union. There is a significant number of the elections that are held to decertify a union, to get rid of that union for that group of employees.

We are trying to determine what side the bill is drafted for, who it helps the most. I think that it is fair to say that the bill and the substitute bill looks toward the rights of the employee first either to decide to have a union and have an election on that process, yes or no, whether it will have a union but also the employee's right, if he is already working in a business that has been unionized, to have the chance for an election to be held to decertify that union, to get rid of it.

That part is clear in the bill; very definitely the employees' rights are addressed in that, and it addresses the employees' rights in that regard in an even-handed manner.

I thank the Senator for yielding.

Mr. LAXALT addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. LAXALT. Mr. President, in my previous address before this body on the Labor Reform Act, I contended that H.R. 8410 was an unnecessary piece of legislation. Unnecessary because the National Labor Relations Board operates efficiently and handles cases and complaints expeditiously. Passage of H.R. 8410 would do nothing to improve the Board's fine record and would, in fact, cause more delays due to an increase in time-consuming litigation and bureaucratic entanglement.

But, worse than unnecessary, this legislation is undesirable. What is more, this is an opinion shared by the vast majority of the residents of my State of Nevada and people all across the country. Now, I am not denying that there may be some need for labor reform. However, there is definitely no need for H.R. 8410.

There certainly are areas in the field of labor-management relations that require reform. The near catastrophic problems that resulted from this winter's national coal strike made this very clear. The President's reluctance to implement the Taft-Hartley Act in the face of widespread violence indicates a serious deficiency in our labor laws. After all, if the Taft-Hartley Act will not work as a last resort, what will? And, why does Congress not address itself to this situation rather than spending our valuable time on H.R. 8410?

In conversations with my fellow Nevadans and in examining my constituent mail, it is apparent to me that the public is concerned about the devastating impact of strikes, the inflationary spiral that is being pushed upward through union demands for higher wages and the welfare of the individual worker in the face of the growing power of the big unions. But, these problems are not even addressed in H.R. 8410.

The results of a survey, which I find to be rather interesting, which was conducted in December 1977 by the Opinion Research Corp. of Princeton, N.J.—and this was a firm and foundation that we quoted frequently in the many weeks that we spent on the Panama Canal debate, because it appeared that the methods by which they employed their surveys were done in a scientific fashion and proved actually to be as factual and as accurate as most any of the numerous polls and surveys we have addressed here on the floor—in any event this same firm, the Opinion Research Corp. of Princeton, N.J., highlighted some areas where the

public feels that substantive reform is needed.

This survey shows an interesting trend. This comes from the American people. This has nothing to do with the sentiment here in Congress or in Washington which I found in times past to be drastically different from what people are saying out here in the country. This survey shows an interesting trend in light of that context.

The overwhelming majority of Americans do not feel that the unions should be strengthened. Rather they feel that workers' rights should be strengthened in relation to union control over their affairs. They feel, let me repeat that, that workers' rights should be strengthened in relation to union control over their affairs.

What do they say? They are saying, and I am inclined to believe this, after fighting a few union fights on this floor, that very often the rights we are attempting to protect for the individual union member are different from that which are professed and espoused here in Washington by the leadership.

We had an example of that, I think, rather dramatically when 3 years ago we fought the common situs picketing fight on this very Senate floor. This was a piece of reprehensible legislation, in my judgment. It came to the floor here in 1975, after a resounding vote in the House of Representatives.

Basically what it did was to legalize the secondary boycott. This was an open grab for power on the part of the unions here in town, something which had been kicking around the halls of Congress for many, many years, and even the union leadership here did not have the political temerity or courage previously to bring it to the floor of either House.

Yet in the wake of Watergate, when unions generally throughout the country were very successful in supporting and electing candidates favorable to unions, they find a fight against common situs picketing. It was introduced in the House, and after a few perfunctory hearings over there it was passed. It was passed by a resounding vote. It was a bill at that time which was supported by many who, I suppose in the political spectrum, would be deemed conservative. They did not even believe they had voted for the kind of bill that was eventually developed during the course of debate here on the floor in terms of how it was to be interpreted.

Well, we had the debate here for several days, for several weeks, as a matter of fact, during which we had various cloture votes, and it was then that the American people made their will known here on the floor of the Senate, to which at least 23 Senators eventually responded favorably. The initial nose count that this Senator, leading and managing the bill in opposition, had indicated only 23 Senators were willing to stand up and oppose common situs picketing.

Yet, after the course of the debate here, but mainly because the American people found out how bad this legislation was and what Washington organized labor is doing to the rest of the country, they made the heat felt in this Chamber like it has never been felt before and, perhaps, not in the future as well.

In any event, after winning one successful cloture vote, we eventually ended up garnering over twice that original total. As most everybody on this floor knows, and perhaps most of the people in the area know, it was thereafter vetoed, to his great credit, by President Ford.

What came through that, which is a point I want to make during the course of the survey, was very often what is gospel around the Hill and around this Senate floor as being good legislation, good for the people, is totally at variance with what the American people feel. More often than that, in the area of union legislation, which is espoused and propounded here on the floor of the Senate and over in the House and downtown as being in favor of union people, it is very often detrimental to their interests and even they, and the opinions that are rendered by some of the research firms around the country evidenced that, the union people, are very often displeased by what is espoused legislatively here in town.

So on this very point, this survey, once again illustrates this.

The survey indicated that the overwhelming majority of Americans do not feel that unions should be strengthened. Rather they feel that workers' rights should be strengthened in relation to union control over their affairs; workers' rights, not labor bosses', not labor unions', workers' rights.

Of those surveyed, 77 percent of the public, and 83 percent of the union members, favored the secret ballot as the only way to determine whether or not nonunion employees want union representation. Eighty-one percent of the public and 79 percent of the union members, almost on a par with the general public, on the labor issues favor a law requiring worker approval by secret ballot before a strike can be called.

This is the height of direct access. And what is significant in this survey is that the union people do not think one way and the general public another. As often as not, as is clearly indicated here, very often in this kind of situation the thinking of the typical member is consistent completely with the thinking of the public at large.

Now, going further into this matter of the survey by the Princeton people, in addition, 83 percent of the general public and 75 percent of the union members favor a legal requirement that after a strike has been in effect 30 days, a secret ballot be taken among members to determine their wishes about continuing or not.

This is extremely significant, and again it is directed not at the rights of the union bosses, who at times may be on some form of ego trip to the detriment of the membership or the will or the wishes of the membership. All that these people are indicating is the fact that they feel that union members—and union members concur with this—want the privacy of the secret ballot in making these decisions affecting their economic life.

Senator BYRD, that makes sense; and I think it is consistent with the variance that we often find between what we here on the Senate floor say is for the benefit of the union members and what they feel. They say:

> No, we do not want that, we want to be protected, and very often our interests are completely different from those who are in union superiority and leadership positions throughout this country and particularly here in Washington.

I think the Princeton survey clearly establishes that.

The results of a poll conducted under the direction of Cambridge Reports, Inc., between April 20 and May 15 of this year, yields similar conclusions about public opinion with respect to unions. This is a poll taken between April 20 and May 15; it is current, right now. And what does it indicate? This survey indicates that 79 percent of those interviewed indicated that a secret ballot should be held on whether or not a strike could be called. The survey shows that more people, 44 percent, feel that existing labor laws still favor labor unions in a dispute, as opposed to 31 percent who feel that the laws favor business.

Moreover, 53 percent feel that labor unions have too much power in politics; and, by a margin of 57 to 24 percent, they believe that there should be more restrictions on political campaign contributions by labor unions.

You can go anywhere in this country, you can talk to people, and generally speaking they will concur with you. They say the unions are too strong, and they are too powerful, particularly here in Washington. And I think probably what happened in connection with common situs picketing, which, as I said, was an atrocious piece of legislation, illustrates the type of strength they have here. In spite of its lack of merit, the support it received indicated that the unions have tremendous political power here.

I am not degrading that. I have no wish to criticize it. In fact, I am rather envious. As I have told my friends throughout the country, the reason why the unions have been so successful here for so many years is because they have been far better politicians than have those in the business community. The business community, as Senator GOLDWATER can testify, more often than not, when you go to them for help in a campaign, will say, "Stay away from me; I do not want to be mixed up in this dirty business. If I get involved with you in this campaign, I am going to lose business." It does not make sense.

But they are finally coming to the conclusion, as the Senator from Arizona well knows, that they necessarily have to be involved in politics. It is a part of their business. The business of politics has become a primary ingredient in the conduct of a successful business today, essentially because if you sit in a board meeting in this country today, you might as well have some Federal bureaucrat

sitting there, because the Federal Government, through laws passed here and regulations downtown, is having a more and more profound effect on that business.

And, as I say, the reason why that has happened is because the union leaders of this country have been far better politicians. Far better.

Since World War II, they have recognized there is no substitute, in the Halls of Congress, for Members' votes; and in that connection, they have done a splendid and effective job.

The people of the country know that. They know that in labor management issues, by and large, the unions here for too long have called the shots. Common situs picketing bore witness to that. Common situs picketing indicated, on these very floors, that organized labor and those supporting the AFL–CIO, God bless them, are no longer invincible here; that if we have a tough labor-management issue on the floors of Congress, it had better have some merit, that its passage is not automatic any longer, because we have enough Senators here on this floor now who will evaluate a piece of legislation fully, and if they do not like it they are not going to go for it simply because some union boss says, "It is good for us, therefore it is good for the country."

So I personally, as one who has opposed this kind of legislation, feel more assured today standing on this floor than I did in 1975, when, with very few others, we felt we were standing alone.

That change has arisen principally because there is an increased sense of political consciousness in this country on the part of people and business; and that is not the "biggies." The facts are that the Fortune 500, multinational corporations, are antipolitical; they can take care of themselves. They go either way. Witness the election results of the 1976 election. The people being squeezed in this country are not the multinationals, the Fortune 500. It is the millions of small business people in this country. They are the ones who have been unrepresented. They have, for years and years, been the victims of oppressive regulation, oppressive taxation, and oppressive paper work, and little by little, the people who produce the goods and services and pay the taxes in this country have been forgotten.

Well, they are not forgotten anymore, because during the last few years there has developed, in the House of Representatives and here in the Senate, a constituency within these halls in favor of small business, and small businesses have finally recognized: "We better get with it; we better get politically active, because if we do not get additional representation on these floors of Congress, we will eventually get wiped out," because that is precisely where we were going. That is essentially what this Cambridge survey indicates.

The public is aware of the fact that in labor-management matters, for too long the unions have had their way, to the detriment of everybody, including their own union members. Finally, now, we are achieving a little bit better balance, and this piece of legislation is what it is all about—again, because in addition to its substance, it is symbolic of labor reform, because literally speaking, from a broad political standpoint, the union leadership in this town is saying to the people in Congress, in this town, and this country:

> We are still politically strong, and we are going to show our will and our muscle, even though this legislation may not be all that it says.

So the Princeton survey indicated, as I have stated before, that 53 percent of the people of this country feel that labor unions have too much power in politics and, by a margin of 57 to 24 percent, they believe that there should be more restrictions on political campaign contributions by labor unions.

What do they mean by that? They mean there is a double standard in this country, and there has been for a long time. You know, if you are a business, a private candidate, or an office holder, there are all kinds of limitations operating all the way across the board in this country as to the campaign contributions you can give or receive from a business enterprise. Not so on the part of a union.

They have a blank-check situation in many respects. They can go in and turn their people loose to make individual contributions; they can conduct a very forceful direct mail campaign; they can bring in the computers, and do a thorough and effective job, unfettered and uncontrolled in those areas that are legislative.

Why, you ask? Because they have been better politicians and have more political muscle here in town. Because they have been better able to protect themselves. In every significant piece of campaign legislation, more often than not, it is oppressive to those who support private enterprise, it is oppressive to those who support private competition and that general area, as opposed to those who are union oriented.

In short, "Most Americans feel labor is already powerful enough—if not, indeed, too powerful already," according to the Cambridge research firm.

The conclusion to be drawn from the Cambridge survey is similar to the one found in the ORC poll. They both indicate that although a sizable percentage of those surveyed believe that changes in the existing labor laws are necessary, few support the changes proposed in the pending legislation. For example, with respect to the controversial "equal access" and "quickie election" provisions found in H.R. 8410, the Cambridge survey showed that 65 percent oppose allowing union organizers access to employers' property for the purpose of soliciting votes during an organizing campaign.

They do not like it. They recognize that this is an unusual and unnecessary extension of union organizers, to have access to employer's property and be able to hussle prospective union people on the employer's premises and on the employer's time. So the high percentage reflects that just as a matter of simple fairness 65 percent oppose that provision in this bill and 70 percent believe that there should be an adequate waiting period, such as a month, before representation elections are held in order to permit the union and the employer to explain their positions and campaign for support.

We in Nevada are justifiably proud of our status as a right-to-work State.

I think we probably have more right-to-work elections in Nevada than any other State in the 50. We voted on this provision five times and each time the percentage in favor of right to work has has increased perceptively. We think that probably we are one of the spectacular examples in the country which indicates when an issue of this kind is brought before the people and intensely debated and considered, the American people will inevitably come down on the side of the right to work. In our State we interpret right to work to mean this is no slap at the unions, anybody has a right to join the union if they see fit, but if they do not want to join a union, they cannot be squeezed or muscled into it. It is freedom of action in the economic area. So in our State, as I indicated, we have had five elections over a period of several years and each time the majority in favor of the right to work has increased.

(Mr. CULVER assumed the chair.)

Mr. LAXALT. Our belief in a true collective bargaining system implies the need for a balanced approach by labor and management as well as the preservation of the worker's freedom. Last October, the Las Vegas Review-Journal—the largest newspaper in Nevada—printed an editorial that I feel sums up the attitude of many of my constituents concerning H.R. 8410. Commenting upon House passage of the bill, the Journal stated that—

> What in fact has taken place is the initial deterioration of the right-to-work. The union leaders are not interested in freeing anyone from fear. Their interests are in requiring every able-bodied worker's name on a union list. With the passage of the reform measure unions would hold the strongest legal position they have held in this country and would be assured of rapid gains in membership. There is nothing wrong with union membership if a person desires it, but it is completely contrary to our system to make membership a condition of employment.

If a person wants to join a union, fine. Unions have contributed materially to the economy of this country over the last several years. I shudder to think where this country would be if it were still in the grasp of capitalism as we had it in the early part of the century. Unions extricated us from all of that. Unions at the right time restored some kind of balance and respect to underprivileged and underrepresented workers who had no representation before. They were at the mercy of capitalism in this country. To that extent, the unions have made a material contribution. The questions are: Has the pendulum swung too far? Have we come to the point now in this country where the unions exercise too much power and too much influence here in the Halls of Congress?

NATIONAL LABOR POLICY

As a point of departure, I think I can say that any labor legislation starts with the proposition that all of us want free collective bargaining to remain as the instrument of our national labor policy. This is true whether the legislation is substantive or procedural and remedial as H.R. 8410 purports to be.

Free collective bargaining is, of course, indigenous to a free and democratic society. In this process, Government must remain essentially neutral. One of our first labor statutes, the Norris-LaGuardia Act of 1932, was designed to promote freedom in bargaining between labor and management, with, to quote its leading proponent, Senator Robert Wagner:

> The government occupying a neutral position—lending its extraordinary power neither to those who would have labor unorganized nor to those who would organize it.

This, indeed, has been the intent behind all comprehensive labor legislation in recent times: The Wagner Act of 1935, the Taft-Hartley Act of 1947, and the Landrum-Griffin Act of 1959.

What is the common thread through all of these significant pieces of labor legislation? That Government not be an advocate of either side, of management or labor, but in all these areas Government be as neutral as possible.

This, indeed, has been the intent behind all comprehensive labor legislation in recent times. The design, said the Supreme Court, of all these pieces of legislation was to encourage "the making of voluntary labor agreements." That is what collective bargaining is all about. That is what collective bargaining should be all about, that neither side is coerced into these situations, that the essence of it is that the agreements, whenever reached and whenever negotiated, should be totally voluntary.

Commensurate with this liberty, and so that collective bargaining could remain free and function in the national interest, Congress has sought strike statutory balance, allowing management and labor substantial equality in bargaining power.

It was the judgment of our legislators that a balance of power would result in an acceptance of the legitimate interests of all parties, while excessive power would lead to industrial strife and unrest, and labor agreements not in the public interest. Senator Taft, in the debates leading to the Taft-Hartley Act, put it this way: "Unreasonable power leads to the exercise of power to accomplish ends which are not reasonable" and, where there is a balance of power, "neither side feels that it can make an unreasonable demand and get away with it."

Think of that. Let me repeat that for emphasis. Senator Taft here on the Senate floor during the course of the debates on Taft-Hartley said: "Unreasonable power leads to the exercise of power to accomplish ends which are not reasonable" and, where there is a balance of power, "neither side feels that it can make an unreasonable demand and get away with it."

This truth is still evident today, many years after Senator Taft spoke to the point.

Experience teaches us that excessive power inevitably leads to a demonstration of power and to industrial conflict, but equality of bargaining power tends to reduce conflict and leads to an accommodation of the public interest.

Given a labor policy of free collective bargaining, does H.R. 8410 provide the framework for management and labor to meet on an equal footing? Does it tend to equalize the bargaining power of parties, or does it tend to distort it? Does it protect and enhance the rights of the individual worker, who is too often the "forgotten man" in the sound and fury that often accompanies debates on labor legislation, or does it submerge workers' rights to the interests of organized labor? I submit that H.R. 8410 impinges on our national labor policy by imposed settlements; undermines free collective bargaining by creating a further imbalance in bargaining power; converts the National Labor Relations Act into punitive legislation; and, rather than protecting the rights of the individual worker, it sacrifices them to the power of organized labor.

H.R. 8410 IMPACT ON NATIONAL LABOR POLICY

This bill, in my judgment and in the judgment of many observers in the field, is an ill-disguised attempt to saddle unorganized employers with a union, and for those employers who are already organized, it constitutes an attempt to give unions even greater power over labor-management relations. H.R. 8410 is, I submit, a bad bill almost made the worse, because it hides these substantive changes behind a claim of simply protecting the rights which employees already have. For example, Secretary of Labor Marshall downplayed the import of the bill when he testified before Congress that the proposal was simply "a way of achieving the collective bargaining rights already guaranteed in our labor laws." AFL–CIO Secretary-Treasurer Lane Kirkland echoed the remark, stating that the bill simply seeks to "strengthen available remedies to enforce the existing law to make the operations of the National Labor Relations Board more speedy and predictable, and to strengthen the collective bargaining rights of workers."

He contended that the bill only seeks to deal with "procedural and remedial reform."

No big deal. What are we all excited about? Of course, many of us who oppose this bill see a lot more in the bill than attempting to deal with and correct procedural and remedial reform.

However, an analysis of the bill shows that it would create an even greater imbalance than now exists in labor-management relations in favor of organized labor. What is even more insidious, the Government would dictate the wage terms of collective bargaining agreements, thus flouting our national labor policy, which is supposed to rest upon the foundation of voluntary agreements voluntarily reached in bargaining between the parties. Moreover, what are alleged to be merely "procedural" amendments become "substantive" and dramatically convert a remedial statute into one which is punitive in nature.

With respect to Mr. Kirkland's further remarks that this bill would "strengthen available remedies to enforce the existing law," it would certainly do so insofar as employers were concerned, but completely disregards any remedy against a union which commits unfair labor practices. I submit further that, far from making the operations of the Board "more speedy and predictable," the bill would cast many of the procedures in doubt and raise new issues for litigation; and that any "speedy and predictable" procedures would apply only where the unions would benefit, not the employees.

In short, I am opposed to H.R. 8410 because I believe free collective bargaining would not be enhanced by it. That is bottom line. Rather, the bill would deter and seriously undermine such bargaining. H.R. 8410 would also eradicate our long-held national labor policy of voluntary agreements between the parties by encouraging dictation of wages and benefits as part of the bargain. It converts a remedial statute into a punitive statute of general application, because of the alleged misconduct of a few; and, finally, it weakens the underpinnings of responsible bargaining in the public interest by further distorting the balance of bargaining power between management and organized labor, a balance required for a rational accommodation of legitimate interests in labor-management relations.

But so much for general criticism. Let us now examine some of the more objectionable specific provisions of this bill.

CASE-TIME REQUIREMENTS

Section 6 of H.R. 8410 amends section 9(c) to provide that where a majority of employees petition for a unit which is appropriate under Board rules, the election would be held within 21 to 30 days of the filing of the petition.

All right. That sounds all well and good—expeditious, punctual, speedy. And it would appear on the surface to be a desirable provision.

Where a petition for an election presents issues of "exceptional novelty or complexity," the election would be held within 75 days. OK, that is a safety valve, recognizing that the situation is not always the same. It may not fit within 21 or 30 days. There may be issues that add complexity. Within those situations, the time limit should properly be extended.

In all other cases, the election would be held within 45 days of the filing of the petition. I submit, however, that this claim for needed reform is not justified by the facts, for in practically all cases Board elections already meet these targets.

I spoke to this before, when I was here on the floor in opposition to this bill. The Board is doing a good job. Fooling with these time limits implies that the Board has not been expeditiously doing their job, but the record indicates otherwise. The NLRB has been processing these hearings and these elections in an expeditious fashion.

As developed at the NLRB oversight hearings in the 94th Congress, 2d session, 1976, of the over 9,000 elections held by the Board in the fiscal year 1975, 7,466—about 82 percent—were held between 12 and 44 days from the filing of a petition.

If that is not a decent track record, I have not seen one. The Board operates far more efficiently and expeditiously than we do in Congress. That is an excellent track record, when you are reaching up to 82 percent of the whole.

In the 1,500 of the cases, where there were issues over the unit and eligibility—tough issues requiring a lot of time and consideration—the election was held in a median time of 75 days. In only 47 of the more than 9,000 cases, one-half of 1 percent, where it was necessary for the 5-person Board to decide, it took a median election time of 218 days from the filing of the petition.

Of course, that is what is being pointed at, that 218 days is too long. Sure, it is too long in an ordinary case. No one argues anything to the contrary. But you do not argue or should not legislate to the specific. That, I think, is a legislative truism.

We always can find exceptions to the rule. That does not mean that we must pass a specific piece of legislation here on the floor of the Senate to meet the one-half of 1 percent of cases. That is precisely what is being sought in terms of this piece of legislation.

Moreover, contrary to the hue and cry of union representatives that employers have taken advantage of procedural delays, the facts are that in 1976, more than 80 percent of Board elections were held even faster pursuant to consent of the parties.

Obviously, the 21-day provision enables the union to more or less dictate the time of the election to the most opportune date. It is a matter of common experience that, long before a petition is filed by a union, it is normally preceded by a period of unimpeded organizational efforts, where it can conduct its campaign without rebuttal or contradiction. Having secured a card majority, the union may then file at a time most advantageous to it—not to the employer—possibly during periods of a layoff or during an expansion, when a full complement of employees have not yet been hired, but where the union has a secure nucleus of voters. Thus, the bill restricts the employer in conducting an effective countercampaign and in educating the employees on what unionism actually means to the worker.

It allows the employee to hear, in effect, only one side of the story. Providing information to the voters so that they can make an educated choice is part and parcel of a sound election process. The importance of an informed choice on organizational matters was conceded by Secretary of Labor Marshall when he said:

> The most important thing to us is the question of whether or not the employees have the opportunity to get the information to make an informed decision.

That is what we are attempting to achieve. That is what I think we have achieved under existing procedures.

Indeed, the Labor Board itself, in amending its rules to provide for new "vote and impound" procedures to avoid delay in an election in the event of a request for review, recently underscored the importance or order by procedures by saying that they "will contribute to stability by permitting the parties to plan their election campaigns in confidence that the election will be held as scheduled, and by providing the employees the opportunity to cast their ballots at a time when they are best informed and interested concerning the election issue."

It is not under the terms of this legislation. This is under the terms of the directive as indicated by NLRB.

Significantly, the same right to expeditious treatment is not accorded employers who file election petitions under H.R. 8410. Here the full allotment of time for the union to conduct a counter campaign is provided.

Frankly, the priorities seem to be confused. H.R. 8410 allows the union the right to trigger an election within 21 days when it suits its purpose, yet permits the union to picket an employer for recognition under section 9(b)(7)(C) for up to 30 days in most cases despite the heavy losses to an employer that picketing usually entails, and without similar election assurances to the employer.

RULEMAKING

Section 4 (together with section 6) also directs the Board to enter into rulemaking with respect to the expedited election procedures. I believe this is an ill-advised proposal. Ever since its existence, the Board has shunned rulemaking as not being the best method of determining issues in most cases. This has been the accumulated wisdom of Board members over the years, whether it has been the so-called Eisenhower Board, the Kennedy Board, the Johnson Board, or the Nixon Board. In addition to this informed judgment by experts in the field, a body of law has been developed which deals with actual cases, not abstract propositions dealing with thousands and thousands of cases these many years. I fear that rulemaking tampering with existing precedents must necessarily be overly detailed and complex in order to cope with a myriad of factual and legal situations, and can only result in uncertainty and a proliferation of litigation. This is not the kind of procedural reform that is either necessary or salutary. Moreover, when rulemaking is appropriate, the Board can be depended upon to utilize it without H.R. 8410, as they did in their recent "vote and impound" regulation, previously mentioned, and as it may further do in implementing some of the recommendations of the Chairman's task force.

Let us turn for a second to one of the more controversial elements of this very controversial bill, and that is to impose on the employers for the first time some imposed punitive measures by way of employer liabilities on backpay.

BACKPAY—EMPLOYER LIABILITY

Section 9 of the proposed bill would amend subsection 10(c) of the act to provide that employees illegally discharged during an organizational effort, or until a first labor contract is obtained, would receive compensation of 150 percent—not 100 percent, 150 percent—of the amount that they would have earned had they not been illegally fired. This is a punitive provision and to that extent converts our present law, which is remedial in nature, into a punitive law, which I do not think has any place in labor-management relations. I would agree that employees should be "made whole" of course, they should be, if they have been illegally fired during the course of a strike—if they lose their jobs on account of an employer's unfair labor practice. But I do not agree that the employer should be further penalized. The proposal is obviously designed to make an employer "think twice" (or maybe three times)—he should with a 150-percent penalty looking him in the eye—before discharging an employee, even for just cause, in the apprehension that he may be charged with discrimination and subject to punitive damages. This can create serious morale problems, and have a devastating impact on the work force and the employer's operations. Congress should not foster inefficiency in the American work force—and that is what I think this necessarily does.

In my experience, I am aware of employers who encounter situations where an employee has flouted a rule or engaged in other misconduct during an organizing drive, but they are now literally afraid to discipline him for fear of being charged with unfair labor practices. The unhappy alternative is a breakdown of discipline and morale. It is easy to advise the employer to "do what's right"—but the employer has to think about the cost of a controversy even if he is likely to win. The dilemma is compounded by section 11 of the proposed bill which would require the Board to seek an injunction requiring the reinstatement of the employee (should the employer have the temerity to discharge him) upon the grounds that the regional director has a "reasonable cause to believe." a lower standard of proof than the normal "substantial evidence" required to support a charge of discrimination.

Additionally, the punitive aspect of this bill is aggravated by the disregard of potential earnings, which also has the deleterious effect of rewarding the employee who is indolent and would willfully incur losses, contrary to our traditional concepts of jurisprudence. The scenario all this adds up to is pretty plain, a comprehensive effort to assist union organization and to make it pretty risky for the employer who does not go along.

BACKPAY—UNION NONLIABILITY

But if the proponents of this legislation are as interested in the rights of the individual worker as they claim to be, they should concede that the union should be equally liable when the worker loses wages on account of union unfair labor practice. In order to have mutuality of remedies, I submit that the union should be required to make an employee whole if he is forced out of work because of the union's unlawful secondary boycott or

jurisdictional strike or unlawful picketing for recognition or because of the union's threats, or violence or mass picketing. H.R. 8410 does not do this, limiting effects to employers.

The effectiveness of Board remedies is a matter of proper congressional concern. There can be no objection to the imposition of meaningful remedies against both employers and unions who commit unfair labor practices, but they should be applied with equal effectiveness against both. The treatment should be evenhanded. I would ask this Chamber to be as vigilant in devising meaningful remedies against unions as against employers, particularly when they cause loss of wages to the individual employee. This does not obtain today in terms of this legislation.

The right of an employee "to refrain from engaging in union activity" is a statutory right, and in my judgment should be respected. The "right to refrain from union activity" should be protected as much as the right to engage in union activity. One right is coordinate with the other, and when violated by either unions or employers they should be liable for the consequences. True neutrality of evenhanded treatment will brook no disparity between the two.

"Making the workers whole for losses suffered on account of an unfair labor practice is part of the vindication of the public policy which the Board enforces." Why not then award damages to an employee when he is kept out of work because of mass picketing? Or a jurisdictional dispute? Or a secondary boycott? Or because of threats, or violence, or mass picketing? While the Board has the power to do this, it has not been exercised, and Congress should direct it. Such remedies would not be punitive or speculative, and they would be a far more effective deterrent than a mere cease and desist order.

Let me give you a glaring example of what I mean. In *Catalytic Industrial Maintenance Co.*, 219 NLRB No. 66 (1975), the Board refused to order backpay for employees physically and forcibly prevented from working by leaders of a striking union.

Now, these are employees and they were forcibly and physically prevented from working.

Although this result was a reaffirmation of prior Board law, it is significant because the union's astonishingly egregious and violent conduct was not remedied by the Board.

Significantly in this case, the union engaged in conduct described by NLRB member Kennedy as the most "continuous, reprehensible conduct by union officials" he had ever seen in all his years with the Board. Among many other acts of violence, the union leaders had physically blocked the plant entrance and prevented employees from going in or out, threatened to kill any employee seeking to go to work, beat up supervisors, hit automobiles with rocks and sticks, and threatened employees at their homes. The union further demonstrated its complete disdain for the rule of law when its leaders flouted and ignored a court restraining order prohibiting such conduct. To make the violence even more blameworthy, this very same union had been before the Board on several other recent occasions after having practiced the same type of violence upon other employers and employees.

And what remedy was devised for the employee victims of this planned campaign of violence and lawlessness? None. Absolutely none. Some 20 months after the conduct in question, the Board (over Kennedy's forceful dissent) decided that it would be sufficient to order the union to post a notice promising not to do it again. The result staggers the imagination. What can one tell such employees about the protection of their section 7 rights by the National Labor Relations Board? And what hope can they have when faced with the same conduct in the future?

CONCLUSION

To conclude, I am opposed to this bill because its provisions undermine our national labor policy of free collective bargaining in a democratic society. The bill converts free collective bargaining into bargaining which would force a bargain. It turns a remedial measure regulating union-employer conduct into one which is punitive. Where equality of bargaining power is essential for sound and responsible settlement in the public interest, this bill would substantially tilt the balance in favor of unions, and lead to the exercise of power not in the public interest. Finally, where it pretends to simply protect existing rights of individual workers, it makes them subservient to the union instead. The "forgotten worker" remains a forgotten worker under this bill. H.R. 8410 is particularly deficient and one-sided in applying backpay remedies against employers and not unions where employees lost wages on account of union unfair labor practices. This is an inequity that literally cries out for correction.

As part of its public relations campaign, the AFL–CIO Special Report on Labor Law Reform says:

> We do not seek a new national labor law. The present law can be made to work if the most glaring procedural and remedial deficiencies are corrected—and enforcement made swift, as well as just.

With this statement I am in full agreement, but I would also add "and applied with an even hand." H.R. 8410 does not even begin to do that.

Mr. President, I now yield the floor to the Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, I listened with interest late last week as our distinguished majority leader described the major provisions of the pending substitute to the labor law reform bill. I think many of us expected the substitute to be offered as the debate on this bill continued. While this Senator is less than encouraged by the provisions of that substitute language, it is nonetheless heartening to know that there is at least a tacit recognition among some who will support this bill that it represents nothing short of legislative overkill.

I commend the Senator from West Virginia on his intention to mitigate some of the most onerous provisions of this bill, and indeed there are many onerous provisions of this bill. Ever mindful of the need to proceed with pressing Senate business, he is anxious to end this legislative logjam, and the Senator from Texas would gladly accede to this request, were it not for the fact that this legislation is so virulently objectionable and would impact so dangerously on a major section of our economy. In my view, the pending substitute falls woefully short of an effective solution to the problems of this bill.

I do not doubt the sincerity of the Senator from New Jersey (Mr. WILLIAMS). He is always sincere. Everything he says reflects precisely what he believes. He is a man of impeccable integrity, and he has described this as a good-faith effort to compromise on this issue. Without questioning my distinguished friend's integrity, I can say that perhaps perceptions of the term "compromise" may differ, understanding what a compromise really is.

The fact remains that what we are looking at here is the difference between a 10-foot snake and a 9-foot snake—perhaps an 8½-foot snake.

In an attempt to garner needed support for this so-called reform bill, the Byrd amendment seeks to alter those provisions which have elicited the strongest objections from those of us in the Senate, as well as the public generally, who oppose the bill.

Beginning with equal access, which has raised the hackles of employers of all sizes, the substitute, as I understand it, would preclude nonemployee union organizers from responding to an employer's speech during working time or in working areas.

On the surface, this sounds like an improvement over the bill, and even in practice, this may be somewhat more palatable than the previous language. However, the substitute goes on to provide that nonemployee organizers may have access, provided they give notice of intent to organize and the 1-day request to appear, to nonwork areas and during nonworking periods for the purpose of addressing the employees.

Furthermore, the substitute would allow two nonemployee organizers in all nonwork areas except parking lots, where four would be allowed. Employers with 10 or fewer employees would be exempted. Is that not generous?

Now the problem here is the fact that equal access, no matter how you describe it, should not be in this bill at all. We have given a good deal of attention to this issue in previous debate, and the fact that the courts have dealt with this question, and that where the unions are truly prevented from making their case, they have been allowed access in these unusual instances.

Furthermore, from this Senator's reading of the substitute, and from the reading of it by my intelligent staff, I might add, it appears that you could have a situation where a small army of organizers could have access to company property simultaneously, as long as they were in teams of two in different areas,

or four in parking lots. This kind of activity could go on for 6 months, provided the union files a notice of intent to organize, and thus give the union an advantage in trying to obtain the 50 percent of authorization cards before they even have to file an election petition.

On the matter of election deadlines, I think this substitute has created more problems than it has solved, and from the debate I have already heard on this point, it seems that there are some very real questions as to just what this change means in terms of election deadlines. The Byrd amendment would replace the three-stage procedure in the bill with a rather unusual arrangement giving undue sanction, in my opinion, to the simple filing of a notice of interest in organizing.

Once such a notice has been filed, an election could not be held for at least 35 days. The amendment goes on to say, however, that once an election petition has been filed, the election will be held "on the earliest administratively feasible date," but not more than 50 days after the filing of the petition. The point has been made, Mr. President, that an election could be held within a few days of the petition being filed, or even within 1 or 2 days, if the Board so decides. If this is so, then what we have here is tantamount to "instant elections," and I would hope that this suggestion will be soundly rejected.

Once again, this notice of interest runs for 6 months, and I fully expect that there will be numerous instances where capricious use of such notices will force employers to devote costly time and efforts to electioneering, thus creating a drain on production and efficient use of resources.

I am particularly disappointed in the apparent lack of willingness on the part of the bill's proponents to do away with the so-called make-whole provision. This language has no place in labor-management relations law, because it blatanty directs government intervention in the collective-bargaining process.

We have had just about all the Government intervention in every aspect of our life here in the United States of America that our people can tolerate. They keep crying out for less Government intervention, not more Government intervention. We seem to proceed on the assumption that the Federal Government is infallible. The Federal Government is not infallible any more than individual human beings are infallible, and indeed I think we have discovered time and again that Government, Government planning, Government regulation, Government intrusion, and Government second guessing, has tended more to create inequities and anomalies in the marketplace than the free operation thereof. Why do we need Government intervention in the collective-bargaining process? What new dimension can Government bring into the collective-bargaining process? What is so magic about the governmental touch that it sets everything aright in the most just and sanguine way? Government is made up of people who are capable of making mistakes. As a matter of fact, it is just possible that Congress is capable of making mistakes. As a matter of fact, Congress is capable of making some lulus. As a matter of fact, for the last 40 years we have been delegating away legislative authority to the executive branch of the Government much to the chagrin of the general citizenry of this country. And occasionally when we try to reclaim some of our lost authority, some of our lost participation in the decisionmaking process, we usually do it in the wrong area. Here we are directing blatant intervention by Government in the collective-bargaining process. This sort of activity has been discussed for many years, and it has been the longstanding view of both the Congress and the Federal agencies that private parties should freely conduct their collective-bargaining arrangements without the interference of the Federal Government.

Many of my colleagues, even some who might otherwise support this legislation were it not for make-whole, have voiced the opinion that this provision should be removed.

And yet proponents of the bill insist that this substitute will provide an equitable means of inflicting this unwarranted intrusion of our economy. Obviously, proponents have decided what they are going to do to employers who resist unionization, and now they expect us to haggle with them over the price.

I can think of a good story that illustrates what we are doing here. But, perhaps, I had better not tell it, except to anyone who would like to listen to it in private.

I recall that in an earlier exchange with my friend from New Jersey, we discussed the fact that the settlement index contained in the bill, which represents major bargaining agreements for units employing 5,000 or more, was patently unfair to smaller businesses. At that time, I believe that the distinguished chairman agreed with me, and expressed an intention to come up with a better formula. To the extent that we are dealing in degrees here, I must admit that the current employment cost index figure of 7 percent is certainly preferable to the major settlements figure of 14.6 percent.

The fact remains, however, that make-whole—at any price—is one of the most objectionable features of this bill, and should be removed.

On the matter of debarment, I frankly see little improvement over the bill in this current substitute. The fact that the Board will determine whether or not debarment should be lifted depending on compliance with its order is hardly a compromise, in my view. If a company, particularly a small company, is barred from Federal contracts even for 9 months or a year, the resulting loss of business could mean lost jobs; economic hardships for a small community, and perhaps even the closing of a business.

Now Mr. President, the provisions I have just mentioned are points which I have discussed before at some length, and I must say that I find little in this substitute to alter my previous objections. While I am not adverse to restating in detail my reasons for opposing this bill, I believe the point is well taken that debate on this bill should remain current and constructive.

Before turning my attention to the small business provisions in the Byrd amendment, I would like to make one more general observation on our present situation here in this debate.

I said earlier that I had expected a substitute to be offered. Now I did not expect that the proponents of this bill, fairminded as they are, to embrace in toto, and in the spirit of compromise, those suggestions which were offered by Senator HATCH and myself in our employee bill of rights. Nor did I truly anticipate that we would have a chance to vote on other changes, such as bringing unions under the antitrust laws, or transferring unfair labor practice cases to district courts, or enacting tougher criminal penalties for union violence and corruption—all of which have been offered by Members of this body as genuine attempts to provide "labor reform" as we see it.

I am truly disappointed, really very disappointed, that the proponents of this legislation have seen fit to give so little in the name of compromise.

Absent some drastic changes in the pending bill, the Senator from Texas has every intention of opposing its passage, should it come to that. In the meantime, for the sake of constructive debate here, I would hope and I entreat that the proponents of this bill will reconsider their position on some of these highly objectionable provisions.

Now, Mr. President, I would like to address the remaining aspect of the pending Byrd compromise, which concerns the coverage of small businesses under the National Labor Relations Act.

Despite the fact that proponents of the bill continue to insist that it will not contribute to increased inflation or spread the heavy hand of Federal regulation, even they are hard pressed to deny that this bill will cause untold economic problems for smaller businesses.

I would venture to say that based on the preceding debate on this bill, from the conversations I have had with several of my colleagues, a good many Members of this body would be loath to support this present bill because of the impact it will have on the small business sector of our economy.

In an effort to blunt the criticisms for unfair burdens placed upon small business, our distinguished majority leader, Senator BYRD, has introducd an amendment to statutorily limit jurisdiction of the National Labor Relations Board.

As I understand the majority leader's amendment, it would bar the Board from lowering its present jurisdictional standards in order to cover currently exempt small enterprises. Since 1959, the law has already precluded the Board from raising its standards, so we can assume then, that if this amendment is passed, the present jurisdictional standards would remain in effect unless further amended by Congress.

I applaud the intent of the majority

leader to come to grips with the problems facing small business should this legislation be enacted. Nevertheless, I am not convinced that the Byrd amendment will alleviate these injustices, nor, in fact, that it even addresses small businesses' most salient objections. Senator BYRD and others have indicated that there exists some interest among the members of the National Labor Relations Board, or at least some interest has been inferred by Chairman Fanning, in lowering the present jurisdictional standards. Be that as it may, I think the Board might well have some difficulty in accomplishing this goal.

While present Board jurisdiction includes roughly 22 percent of the Nation's employers, it does cover 75 percent of all employees. This means, then, that the remaining 78 percent of the employers who might be covered by lowering the standards only employ 25 percent of the workers, and those have to be pretty small businesses.

I also have strong misgivings about the statement that this amendment will "prohibit the National Labor Relations Board from exercising jurisdiction over more than 75 percent of our business establishments." While that may be accurate today, I doubt that all of those presently exempted by jurisdictional amounts of $50,000 or $500,000 will remain uncovered in view of the ravages of inflation. It only stands to reason that the prospect of double-digit inflation this year is going to boost a good many employers from the uncovered category into the covered category. I must therefore take exception to the prospect that 75 percent of American businesses will remain exempt from the Board's jurisdiction.

Looking at the present standards, incidentally, I think it is interesting to note what inflation has already done in terms of bringing small businesses under NLRB coverage. Consider, for example, the "inflow-outflow" test of $50,000 for general nonretail concerns. In terms of 1959 dollars, that $50,000 would be worth $103,950 today. Looking at the volume of business test for retail concerns, that $500,000 amount in 1959 would be worth $1,039,500 in terms of 1978 dollars.

That is bad enough; but I rather suspect that these figures have been miscalculated. It occurs to me that we have probably had a little greater rate of inflation than that since 1959, but I will accept the figure. It is bad enough the way it is.

In this case, National Labor Relations Board jurisdiction is not triggered by a growing business, but by a shrinking dollar that continues to shrink, by the way, because of the very type of legislation we are considering here right now, and because of other legislative orgies we have indulged ourselves in around these Chambers.

So, Mr. President, if my principal concern for small business under this legislation were related to whether or not they would be subjected to the provisions of the National Labor Relations Act, my misgivings would not be alleviated by the pending amendment.

My principal concern however, is that the small businesses which are already covered by the act, and there are a good many of these small businesses, will be subjected to the pending amendments regardless of whether or not the Byrd amendment is accepted. The hue and cry we have been hearing from the small business community is not based on the existing National Labor Relations Act, but on the far-reaching and inequitable provisions of the pending bill. We have been through these issues before—the expedited elections, equal access, rulemaking, make-whole, debarment, and the 150 percent backpay provision.

Nothing in the Byrd amendment would ease the burden of these requirements on small businesses, whether they are covered already, or whether they will be brought under jurisdiction later as a result of inflation. It is in this crucial respect that the amendment is virtually meaningless, and it is in this same respect that it is most potentially dangerous.

The amendment is dangerous because it is being touted as a "small business" amendment. It is being used, in my view, to reassure some of my colleagues who might have misgivings about the bill, that there will be some protection built in for small business. Unfortunately, that is not the case here.

On the contrary, to consider this amendment anything more than an attempt to codify existing practices of the National Labor Relations Board would be to obscure the very real problems which the bill poses to small business.

Consider, for example, the findings of the Small Business Administration in regard to the net impact of this bill:

> The Labor Reform Act of 1977, as currently written, would tip the delicate balance which exists between small business and labor, in favor of the latter. The essentially neutral labor laws, which define the rights and obligations of both employers and employees, would be transformed into pro-labor legislation, by operation of the subject bills.

Certainly, this is a sanguine assessment of the net impact this bill will have on the National Labor Relations Act. Subsequently, the SBA report predicts with even greater specificity the bill's consequences for small business:

> The labor reform bill will give unions an unfair advantage over small businesses who have neither the time or expertise (including resources to acquire the expertise) to walk the very thin compliance line proposed by the bills. Since the penalties for non-compliance are so severe, most small businesses confronted with a union organization drive will likely give up in advance rather than risk any action which might be construed later to have been illegal. This will result in unnecessarily increased costs which small businesses are least able to pass on to consumers. Projected further, this means many more small businesses going out of business.

Interestingly, the concluding recommendation suggested by SBA is also in the form of a small business exemption, but theirs is a far cry from the pending proposal. First of all, the SBA exemption is based on the number of employees involved—in this case the suggestion is 50—as opposed to a sales volume or a commerce test. In my view, it makes far more sense to look first at the number of employees involved, rather than the amount of business, for determining the applicability of laws governing labor-management relations.

Second, the SBA proposes exempting small employers from the provisions of this bill, rather than the entire act. Such advice is consistent with their analysis of the bill's provisions and its anticipated impact on small employers.

There is one further point which I would like to emphasize in conjunction with this SBA analysis. Since there are no provisions in the pending bill to change the NLRB standards for coverage, the SBA recommendations was based on the conditions existing under current jurisdiction. Now the Byrd amendment will do nothing to change current jurisdictional standards either, so the conclusion we must draw is simply this: even if the Byrd amendment is accepted, there will be no relief—no relief—for small businesses in this legislation, and should the SBA reconsider the bill even with this amendment, I wou'd expect the same conclusions from that agency.

No relief for small business. That is the message we send out. The small businessman, the man most harassed by the Federal Government, the man who bears the heaviest burdens, the small businessman, what message do we send him? He is already harassed by the Occupational Safety and Health Administration, the Environmental Protection Administration, the Internal Revenue Service—any number of other Government agencies. He is buried in paperwork. He cries to the Congress "Relief. Give us some relief."

What is the message that we send out? "No relief. More trouble is on the way."

I wonder what it takes to remain a small businessman in this country in the face of the staggering burden that his Government is imposing upon him. It must take a lot of guts. The American people ought to raise a monument to the small businessman in this country. He suffers more at the hands of his Government than almost any other element of our society, the Government that is supposed to protect him.

(Mr. HODGES assumed the chair.)

Mr. TOWER. Mr. President, during this past Memorial Day recess, I traveled extensively throughout my State and I enjoyed the opportunity, as I always do, to visit with my fellow Texans. Oh, what a refreshing experience it is after 5 days a week in Washington, to bask in the warmth and the good sense, the vision, of those great people of Texas. I wish that the Congress met on weekends so that we could spend 5 days a week in our States. I think that would be better. I think if we did that, we would legislate a lot less and the American people would applaud us for it.

Sometimes the leadership worries about us taking a recess period, that we are supposed to stay here. Maybe if we had taken a recess period during the consideration of that social security bill we passed last year, that some people crowed would be a great political asset to the incumbents in Congress who voted for it we would not have passed the thing and

generated the outrage of people all over this country.

We do not get home enough. We do not get back there enough.

Maybe if we had spent more time with our constituents and less time up here trying to protect them, we would not have heard that cry of outrage from them on the interlocking seatbelt devices that would not even permit them to start their cars unless they buckled in.

The American people have had more Government than they want. Somehow we still do not seem to be able to get the message up here, because this little pressure group or that pressure group, or that big pressure group or this one, with some political clout, says, "We want you to legislate on this subject so legislate on it."

The majority of the people of the United States do not want this bill. Who wants it? Big labor. Who has the political clout? Big labor. Who currently operates behind a statutory wall of protection? Big labor. Who operates outside the market place, demands and gets increases in labor costs and diminished productivity? Big labor. They enjoy privileged status here.

The majority of the people of this country do not want big labor to have any more power, but big labor is going to get it, because they have the political muscle.

I wonder if we heard that voice that was raised in California? They are tired of paying the bill. They want some limits. They are tired of paying the bill. They are sending us a message. Unfortunately, they do not have an opportunity to have a referendum on some of the things that we do here. If they did have a referendum on them, we would see about half the things we have done over the last 15 years wiped off the statute books. And you can bet your bottom dollar that this legislation would never become law. I think we need to get back home more.

As I said, during the recess period, I did what I usually do in my State. Throughout my schedule, wherever I go, in most instances, I provide for a question-and-answer period. At town meetings, luncheon clubs, civic groups, trade and professional associations, I usually follow a question-and-answer format, because it is very educational for me. It enables me to know what the concerns of my constituents are. I feel that, by doing this, I can return to Washington with a better understanding of their concerns and a fresh reading as to the pervasiveness of certain common problems in the different areas of my State.

In view of the vast amount of mail that I have been receiving on the labor law reform bill—what a prostitution of the term "reform" attached to this bill—I was hardly surprised at the number of questions and comments I received in connection with this proposal. In communities of all sizes, diverse geographically and economically, big cities and small towns, I heard, time and time again, repeated objections to passage of this legislation. What can we do, they said? What can we do? Big Government is about to roll over them again and about to marry itself to organized labor, to big labor, to bring to bear on the little man the aggregate impact of big Government and big labor. A failure to comply with what big Government and big labor want means punishment of the most harsh and stringent kind.

Not only are Texans opposed to passage of this bill as it will affect the application of our labor laws; many of them view it as a potential conduit of increased inflation and Government interference in the marketplace. I heartily agree. I think that a number of us here in the Senate have cited these adverse effects of the proposal.

We are now in our fourth week of debate on this measure. As the distinguished majority leader recently observed, debate thus far has been constructive and substantive. Certainly, there is ample fodder in this proposal to warrant extensive analysis. I feel strongly that every aspect of this legislation should be aired thoroughly so that Senators will be fully informed as to the effect it will have on employees, employers, and union organizers.

I think it is also beneficial for the public to be fully informed on this bill. It has been my experience that the more people come to understand just what the bill will do, the less they like it.

One interesting example of this phenomenon came to my attention recently as I was reading through some of the literature which I have received from various organizations pertaining to this bill. In fact, this particular literature I am thinking of was accompanied by a letter from my good friend, Andrew Biemiller. I always enjoy my letters from Mr. Biemiller because they consistently inspire me to further observations of the deficiencies of the proponents' arguments.

As many of my colleagues may recall, some groups opposing the labor law reform bill published a compendium of newspaper editorials against the bill. I believe this document was printed in two rather healthy sized volumes and contains some 850 or so articles from newspapers across the country.

Not to be outdone in the printed medium category, proponents of the bill then published their own collection of editorials. I believe they spoke about some 350 or more endorsements. The point I am making here does not focus on the simple numbers aspect of this competition for public endorsement but, rather, the way in which at least one of these editorials was misused. I am referring here to one of the our fine Texas publications, the Dallas Times-Herald.

In a letter dated April which accompanied an AFL–CIO booklet of newspaper editorials, Mr. Biemiller berated opponents of the bill for trying to deceive the Senate into believing that all newspapers were opposed to the labor law reform.

Further to illustrate his point, Mr. Biemiller stated:

One such attempt at deception claims 83 newspapers editorially opposed labor law reform. That publication only provided the text of 38. Among the newspapers claimed as opposing the bill, with no editorial evidence submitted, were the Baltimore Sun, Dallas Times-Herald, Chicago Daily News, and Detroit Free Press. Those editorials are reprinted in our booklet and we ask you to judge for yourself whether these papers did, in fact, oppose or support the bill.

I should like to share with my colleagues this particular editorial cited by the AFL–CIO. This is a Dallas Times-Herald article dated July 20, 1977.

The editorial is as follows:

President Carter's union-blessed and controversial labor law reform message has been thrown at Congress and bills to support it will be quickly introduced. And then the shooting starts.

Basically, the Carter plan is designed to make it easier for unions to organize new members and the immediate indications are that it will start a slugfest in Congress between business and labor and widely separated elements of that body itself.

President Carter argued in his message that his proposed reforms would make the laws that "govern labor-management relations work more efficiently, quickly and equitably."

Not so, shot back business. Through the U.S. Chamber of Commerce it quickly responded that the Carter program is a sop for union labor, a program that "is an ill-advised attempt to further the interests of organized labor at the expense of individual worker rights."

The proposal would expand the National Labor Relations Board from five to seven members and streamline its procedures to eliminate long delays in resolving disputed labor cases. It would also provide that any two members of the NLRB could decide "routine" cases. But who is to decide what is routine?

It would impose strict deadlines ranging from 15 to 75 days for scheduling a union certification election after union authorization cards have been signed. It would also require payment of double back wages to employes ruled to have been illegally fired for engaging in union activities and deny federal contracts to firms that "willfully and repeatedly" violate labor laws.

Labor Secretary Ray Marshall, conceding that "many people will call this a labor bill." said that isn't a totally accurate statement. He contends that business also could benefit from the reforms "that will lead to a more smoothly functioning NLRB."

Most observers see the Carter proposal as a tradeout with organized labor after the AFL–CIO agreed not to press for its long-sought goal of repealing state right-to-work laws which ban union shop agreements.

It is important to the working man that his rights as an individual be protected under the law. It is equally important that business also receive the same protection, particularly in the federal area.

Most of the reform proposals are known goals that labor has been trying to achieve for years.

That is the editorial that was enclosed in Mr. Biemiller's package. The message I gleaned from it is certainly not one of all-out support for the President's labor reform package.

As a matter of fact, the editorial came out about 8 months before the bill was reported out of committee in the Senate.

What this says is that it is possible to reform existing labor laws, but that such action will involve difficult questions which should be resolved in an equitable manner.

What really concerns me about this particular example is not the mere fact that the AFL–CIO and I happen to in-

terpret an editorial somewhat differently, but, rather, the fact that subsequent to this July editorial the Dallas Times-Herald published further comments, specifically stating that the labor law reform bill, if passed, will "work to the detriment of American business and, in the long run, to the American worker as well."

I would like to point out that this second editorial ran on January 29, 1978, well before the AFL–CIO booklet was sent out in April. So who is deceptive here?

I would like to share this second article with my colleagues in order to set the record straight. Here is the editorial, which is headed "It Is No Reform":

The theory underlying American labor law is that the workers have the right to decide for themselves whether or not they wish to join a union, and the employer has the right to try to persuade his employees not to join. If one side or the other uses unfair tactics to win, or refuses to negotiate in good faith, the National Labor Relations Board (NLRB) acts as referee.

The federal Labor Relations Act which implements that theory is not a perfect law, but it has created a delicate balance of power between the union and the employer that has been good for the American worker, the company and the national standard of living. The law may need a little reforming, but not much.

The so-called "reform" bill that the AFL–CIO has pushed through the House—with the blessing of President Carter—and is now trying to get through the Senate does not reform at all. If it passes, it will throw the weight of government so strongly onto the union side that the delicate balance between management and labor will be knocked into a cocked hat, even to the extent of requiring companies to subsidize union's organizing activities.

That plum is contained in a provision that would allow union organizers to come on company property *during work hours* and propagandize workers while they are working and their employer is paying them. The influence that such activity could have on productivity is not difficult to imagine.

Another dangerous provision would require union elections to be held within 21 days after an election petition is filed by a union. If a union requests more time, a time period of 45 to 75 days could be permitted. But the employer would not have the right to request such an extension, so the amount of time he would have to counter the union's propaganda would be determined by the union. The AFL–CIO desperately wants this provision, because it has discovered that unions stand a much better chance of winning a "quickie" election than one in which an extended period of debate is allowed.

The "reform" bill also would give punitive powers to the NLRB, enlarge its membership and lengthen the terms of its members, all of which means that a strongly pro-union NLRB would exercise almost dictatorial powers in cases where management and labor could not come to terms.

Essentially, the bill is designed to shore up big labor's flagging political and economic power. Since 1975, union membership in the U.S. has declined by 767,000—a development that last month necessitated a 20 per cent hike in AFL–CIO union dues.

Big labor's decline can be attributed partially to more enlightened business leadership, which is learning that the best way to keep the unions out is to give the workers more than they could expect under a union contract and treat their grievances fairly. And part of it can be attributed to worker disillusionment with the quality of leadership that many unions are providing.

What big labor has not attempted to achieve through reform of itself and what it has not been able to achieve through persuasion it is now trying to achieve through legislation.

The bill amounts to a congressional bailout of an ailing labor leadership. If it is passed, it will work to the detriment of American business and, in the long run, to the American worker as well.

Now I ask, Mr. President, whose credibility should be called into question and who is being deceptive here? That second editorial, which clearly and cogently states objections to this bill, was printed well before the AFL–CIO book went to print. In fact, I notice that there were some entries as late as March which were included, but for some strange reason, the Dallas Times-Herald from January was omitted. I guess all the news that is fit to print is not necessarily fit for the AFL–CIO's purposes.

Now Mr. President, despite the fact that proponents of the bill continue to insist that it will not contribute to increased inflation, nor spread the heavy hand of Federal regulation, even they are hard-pressed to deny that this bill will cause untold economic problems for smaller businesses. I would venture to say that based on the preceding debate on this bill, and from conversations I have had with several of my colleagues, a good many Members of this body would be loathe to support this present bill because of the impact it will have on the small business sector of our economy.

Mr. President, I see that my distinguished friend the Senator from Indiana is in the Chamber and is chomping at the bit, so I am prepared to yield the floor, unless the distinguished Senator from New Jersey has a question.

Mr. WILLIAMS. Would it be permissible also to make an observation or two, as the Senator yields to me?

Mr. TOWER. I certainly yield for that purpose.

Mr. WILLIAMS. I will not delay the Senator unreasonably.

Mr. TOWER. The Senator may delay me all he would like. As a matter of fact, I would like to hear a 3-hour speech from the Senator from New Jersey.

Mr. WILLIAMS. First, I congratulate the Senator from Texas. The speech he has just delivered has had the undivided attention of the membership in the Senate. We all know the exigencies of the work day, and frequently Members will be stirring around and communicating with each other and doing other extraneous things in the Chamber. Once in a while, we will be called to order. But that did not happen when the Senator from Texas spoke. This Chamber was in perfect order, and the Senator received the undivided attention of the membership.

Mr. TOWER. I thank the three Members who were present for preserving such splendid order and being so courteous and not making raucous noises while I was speaking. (Laughter.)

Mr. WILLIAMS. I was not going to let the cat out of the bag.

At any rate, it was interesting, and I am always pleased to hear the Senator. He is incisive and picturesque. In discussing our substitute, offered by the Senator from West Virginia, he described the original bill as a 10-foot snake; and the substitute as a 9-foot snake, maybe 8½.

Mr. TOWER. Maybe 8½.

Mr. WILLIAMS. I do not know that he will appreciate the figure as much as I enjoyed it, if we must have figures.

We have followed, as I did today, the speeches and the thought of the opponents of this bill—we follow them very carefully—and we have made many promises in search for a way to respond to some of the objections to the bill that seemed to us to be reasonable.

The opponents talked about access, and we were here to listen, on May 19, to the Senator from Utah say this:

There is an additional problem concerning the number of union officials who should be permitted on the company premises. Union campaigns usually entail the efforts of significant numbers of organizers who will surely want to spread their propaganda. However, the thought of a parade of organizers canvassing company premises should not be tolerated, and therefore a maximum number of two officials should be set out in this provision.

I point out that the substitute includes such a new limitation on the number of union representatives that can be on the premises.

Mr. TOWER. May I ask a question, in order to clarify this?

The substitute says "limit the number of nonemployee organization representatives in each such area to a maximum of two."

"In such area"—what does that mean? That means areas of the plant, does it not?

Mr. HATCH. Two for each area.

Mr. TOWER. Say, we are talking about the cafeteria and the restaurants, I suppose. No, restaurants are not included.

Mr. HATCH. Hallways, auditoriums.

Mr. TOWER. Playgrounds, if they have any.

Mr. HATCH. Four for each parking lot.

Mr. TOWER. There could be several parking lots.

Mr. WILLIAMS. It says: "to the area where access." I thought the Senator was talking about the access areas when he said we would have a horde of organizers.

Mr. TOWER. You still have a horde of them if they travel in pairs.

Mr. WILLIAMS. We are using the same area that the Senator from Utah was talking about in May. We are limiting it to exactly the number he prescribed—two.

Mr. TOWER. It does not limit them to the plant or company property.

Mr. WILLIAMS. We are referring to the same area the Senators were referring to when they were examining the bill and expressing their fear and objection to the numbers that then could be included in the areas they were talking about. We took their areas and their numbers.

On May 18, the Senator from Texas said:

In addition, under the equal access provision, the employer could be under an in-

definite and lengthy obligation to turn over his work place to the union any time he opens his mouth on the subject of unionization.

If the Senator will examine the Byrd substitute, it will be seen clearly that this is not access for organizers any time the employer opens his mouth on the subject of unionization.

Mr. TOWER. He could file a notice of interest, and it runs for 6 months. Two months later he could file another one.

Mr. WILLIAMS. He does not have to. Access is triggered by his action and his statements, and that is what creates access.

Anyone who believes in the democratic process I think should recognize that people should not be prevented from getting the maximum of information. In this case it is limited. It is limited to that situation where one side triggers the campaign within a certain area, the employer triggering the access opportunity can stop production so that he can talk to his employees about his attitude on unions. We have now with the substitute certainly not gone the full measure of equal opportunity for the other side, but we give some opportunity through the substitute for a chance to reply.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. HATCH. Under those circumstances, I presume in all this fairness you are going to allow the employer to go to the homes of employees, as the unions can, and make any kind of promise he feels as the unions can, and he cannot, if you are going to be fair. I suppose, also, what really is going to happen, as a practical matter—and this is from labor lawyers whom I know and from some personal experience—they all know that the minute the equal access provision is passed the employer is not going to be saying very much.

So in entitling the employer telling his side of the story, how is the employee going to benefit from that?

Mr. WILLIAMS. There is nothing I know in law here that puts a demand upon a homeowner to invite in or to receive either side.

Mr. HATCH. But the Senator will agree with me that the union is entitled to go to the home of the employee—they may not allow them to come in—and the employer is not allowed, and the names and addresses of the employees are given to the unions so that they can do this within 10 days of an election.

Mr. WILLIAMS. There is no right protected under the law for the employer or union to go into the home.

Mr. HATCH. Will the Senator give the employer the same concomitant privilege to call upon the employees at their home, whether or not they invite them in, which is now given to the unions and not given to the employer? Will the Senator make that a part of this?

Mr. WILLIAMS. Mr. President, there is one other thing that I wanted to know. My friend from Texas yielded to me to talk to him so I hope I may have the opportunity to have discussion with the Senator from Utah later.

Mr. HATCH. Sure.

Mr. WILLIAMS. On the other I will want to talk later if I could to the Senator from Texas about his giving to the Small Business Administration all the weight and authority of one individual within the Small Business Administration who wrote a memorandum that was not the position of the Small Business Administration but was a memorandum within a department. I am going to try to see whether the Senator will not agree as an analogy here to what might happen if the Senator had a legislative assistant who came to a position on this bill before he talked to the Senator from Texas and thought that S. 2467 was innocuous and seemed to be a fair bill and then that got back to the Senator from Texas that a constituent got a letter, for example, from a legislative assistant saying that labor bill seems fair and reasonable. Would the Senator from Texas want to have that assistant's opinion interpreted throughout Texas to be the Senator from Texas' position?

Mr. TOWER. Let me say that I think that there is not an analogy between one errant legislative assistant and a whole number of people who put together that SBA analysis.

That is an objective analysis and it was just like the report on the financial standing of the major oil companies that came out of DOE that was suppressed. Something was ordered to be done. It was something that was ordered to be done and because it did not support the preconceived notion of the people at the White House it was suppressed. It was an objective piece of work.

If one of my assistants came up with an objective piece of work that proved that my position on a matter was not in the best interest of my State or the country and was not a proper posture for me to take, I would change that posture or alter it. In fact, I would be persuaded by this particular work.

But in fact what has happened here is not that one person produced this SBA study, but on the contrary, several people produced it. It is not a matter of one errant employee in the SBA who did not follow the White House dictates in the matter.

Mr. WILLIAMS. It came out of one department within the SBA. It was not the SBA and its director. My whole point is that it was an internal document and not in conformity with the official position of Small Business Administration.

Mr. TOWER. It was in the Office of Advocacy and it did advocate the proper small business position.

In fact, small business does not have an advocate in this administration because they are not going to pay any attention to what SBA wants. If big labor says "By George, we want this legislation," that has to be the policy. The little guy does not have an advocate. The small businessman does not have an advocate.

Mr. WILLIAMS. The Small Business Administration is the small business advocate.

Mr. TOWER. The Office of Advocacy prepared this study and the SBA then tried to suppress it because it presented facts that were inconsistent with the preconceived notion already established downtown, not by virtue of any study, but because some very clever labor lawyers of the CIO drew this legislation. That is not something that emanted from the White House.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WILLIAMS. As if in the Senator's office.

Mr. TOWER. It was something that the administration felt obligated to push for because of the political power of organized labor. The majority of people of the country do not want this. The majority of the small business in this country think it is going to be a disaster for them. What SBA prepared is certainly consistent with the small businessman's own perception of his interest.

Mr. WILLIAMS. If the Senator would say one department within SBA had this opinion but not the Small Business Administration we would be talking to the same thing.

Mr. TOWER. It was the opinion of the department that is best prepared to determine what the small businessman's interest really is in the area of the SBA that has the responsibility to determine what impacts adversely on the small businessman or what tends to favor him.

Mr. WILLIAMS. Having read the big business plea for small business perhaps the advocate came to this decision, and that is what we have had here pretty much.

Mr. TOWER. I think that subjects some contempt for the small businessman when the Senator suggests that his views on this matter have been wholly shaped by propaganda he has gotten from big business.

Mr. WILLIAMS. The ones who talked to me have.

Mr. TOWER. The first reaction I received on this legislation did not come from big business. It came from trade associations made up of small businessmen in my State. They recognized the danger first, and big business can confront big labor. They do not have that much concern with it. They do not have that much concern. But the small businessman has a very great concern, indeed, when you are going to bring together the aggregate power of big Government and big labor to try to push him in unionization.

Mr. WILLIAMS. We will discuss that later and I appreciate the Senator yielding.

Mr. TOWER. I am glad to continue as long as the Senator from New Jersey so wishes.

Mr. HATCH. Mr. President, will the Senator yield to me? Perhaps I can shed some light on this inasmuch as I was the one who had to fight for 3 months to get the Small Business Administration Office of Advocacy report, and had almost daily conversations with the director of the Small Business Administration who said he agreed with that report, until he met with the President and F. Ray Marshall, and finally indicated he had to disavow it, as he had to do in the past.

I think it is important that he had them under lock and key, had them numbered, and only so many copies, and the director of the SBA told me personally he agreed with it. That is different from

what he is saying today, after Administration pressure and after meeting with the Secretary of Labor. I do not think too many people would advocate that the present Secretary of Labor gives very much consideration to small business or to any business because his consideration has been 1000 percent down the big labor line. There is not much question about it.

So if you really stop to think about it, I was the one who got that report, and the director told me personally that he agreed with it.

We knew about it, and that is why we put forth such an effort to get it because these things have a way of coming out here in Washington, so that the public can finally see what goes on.

I admit that the Director is not very anxious to come out and say it today, because he has been beaten over the head by the administration and by the Secretary of Labor.

Mr. WILLIAMS. Which Director is the Senator talking about?

Mr. HATCH. I am referring to the Small Business Administration.

Mr. WILLIAMS. Weaver?

Mr. HATCH. Yes, A. Vernon Weaver. I talked personally with him. Is the Senator from Texas aware of that?

Mr. TOWER. I think the Senator from Utah has enlightened me further in this matter. I am even more outraged now than I was 5 minutes ago.

Mr. WILLIAMS. I am a little bit nonplused myself because I have a letter from the Administrator, and that is why I wondered if the Senator was talking about the same Administrator of the Small Business Administration.

Mr. HATCH. I am talking about A. Vernon Weaver, the Administrator of the Small Business Administration, to whom I talked personally, and he told me he would have to write a letter disavowing this report, even though he had told me prior to that that he had agreed with it.

Mr. WILLIAMS. I have a copy of the Administrator's letter to the Senator, and it says:

It should be noted that the SBA staff report—

That is why I used the analogy here that I am not reading any more as to legislative assistance—

is a working paper which was written without any discussion with either the National Labor Relations Board, the Department of Labor or the senior staff of this agency. The staff paper is an internal memorandum to me giving me some possible options. It is not the Administration's position nor, of course, the position of this Agency. We ask that you examine it in that light.

Mr. HATCH. That is the understatement of the year. It is not the Administration's position, but he told me personally that he agreed.

Mr. WILLIAMS. "This Agency." Maybe he does not want to be part of the Agency. He is the Administrator of it. I think it had better be included in the RECORD at this point. It has been in the RECORD before, I know, and it is an expense to the taxpayers, but having learned this, I ask unanimous consent that this letter once more appear at this point.

Mr. HATCH. I would like to have accompanying that letter my statement that I talked personally with Mr. Weaver, and he told me that he agreed with it and he would have to write that letter as the result of Administration and Department of Labor pressure. It was that simple. I would like it immediately to accompany the insertion of the letter in the RECORD.

Mr. WILLIAMS. That is the Senator's conversation with an individual. We have the letter from that individual. If the distinguished Senator from Florida were sitting there as judge, we would have to ask for a ruling.

Mr. HATCH. I would be happy to have the distinguished Senator make a ruling.

The PRESIDING OFFICER (Mr. STONE). The RECORD will include the letter and the statement.

The letter, ordered to be printed in the RECORD, follows:

U.S. SMALL BUSINESS ADMINISTRATION,
Washington, D.C., May 5, 1978.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: Thank you for your letter of April 3, 1978, concerning the impact of S. 2467, the Labor Reform Bill, on the small business community.

As you know, the Bill is a proposal of the Administration and as part of the Administration, we support it.

With respect to the letter that you received from Mr. Nik B. Edes, Deputy Under Secretary of Labor, I know of no coordination with the Small Business Administration by him prior to writing the letter.

As you requested, I am enclosing a "Small Business Situation Report," which was prepared by staff of the Office of Advocacy of the SBA. This report is annotated on its face page as follows:

"* Notice: This Staff Paper does not represent the official position of the Small Business Administration or other government officials and should be regarded as an internal staff level discussion paper only—subject to further refinements, modifications, and revisions."

I am also enclosing a memorandum from the Department of Labor which makes clear to me that the SBA staff report contains matters of fact or interpretation that are incorrect or open to question.

It should be noted that the SBA staff report is a working paper which was written without any discussion with either the National Labor Relations Board, the Department of Labor or the senior staff of this Agency. The staff paper is an internal memorandum to me giving me some possible options. It is not the Administration's position nor, of course, the position of this Agency. We ask that you examine it in that light.

Sincerely,

A. VERNON WEAVER,
Administrator.

Mr. HATCH. I want to compliment the distinguished Senator from Texas for bringing this up because I think it is important.

Mr. TOWER. I see the distinguished Senator from Indiana is chomping at the bit. Therefore, I will yield the floor.

The PRESIDING OFFICER. Does the Senator from Texas yield the floor? To the Senator from Indiana.

Mr. LUGAR. Mr. President, in remarks that I made during this debate last Wednesday morning I attempted to bring together a number of things that were occurring in our country, and which have a bearing on this debate. Among those items were, of course, the debate itself, the whole idea of labor law reform, and how adequate the bill we are considering is in meeting the public idea of what labor law reform ought to be.

But clearly, in addition to the labor law reform debate, and I believe impinging on that debate, is the entire proposition of inflation in our country. That idea certainly has been bandied about during the past few days in this Chamber and elsewhere as the results of the proposition 13 referendum in California and other referenda that were held throughout the country on last Tuesday have been analyzed.

Likewise, in the Banking, Housing, and Urban Affairs Committee of the Senate hearings have been held, three of them, with a fourth continuing tomorrow, on potential assistance to New York City for the year following the expiration of the current financial arrangements on June 30.

I suggested during my remarks of last Wednesday that all of these situations must be considered simultaneously. To do otherwise is to defy the logic of the American people who do see one large cloth, even though we are fixed upon one small part of it.

I want to suggest that in many ways it would appear to me that the word has not arrived in this Chamber. In many ways the word could not have arrived simply because the debate on this particular narrow focus of labor law reform continues.

If, in fact, this were an emergency piece of legislation, if there were any impelling reasons why we were discussing this particular law, the public as a whole would be exercised day by day; I would suggest that the media would be exercised day by day; that a good number of people would be broadly upset that progress was not being made on this particular bill.

Mr. President, may I simply suggest, and I think this is an appropriate comment about this debate, that the country as a whole really does not care very much about this debate. The press, as a whole, barely notices this debate. The press from time to time tries to remind itself and remind the rest of the public what it is that the Senate is now doing these days, suggesting somehow or other that we are still in session and that there is a debate of sorts going on. But the suggestion certainly implicit in that analysis is the debate is not very important, the legislation is not very important, and the suggestion is simply one of these things that has to be done, has to be gotten through with.

(Mr. STONE assumed the chair.)

Mr. LUGAR. This morning the distinguished majority leader (Mr. ROBERT C. BYRD) suggested, in remarks that have been carried on the wire services and I presume will be in the printed media as the day goes on, that essentially crucial legislation is being held up by this debate, that it is imperative that those of us who are in opposition stop; that in essence whatever may be the merits of

this bill, they have been debated long enough, and that by and large the bill ought to be passed and thereby a block to crucial legislation could be eliminated.

It is not clear, Mr. President, what crucial legislation has been blocked by this debate. I would suggest, as a matter of fact, that if the majority leader had seen any crucial legislation coming along the trail, he would not have scheduled this particular bill for consideration at all. This as a matter of fact, Mr. President, has been a period of fill-in time, apparently, in which it did not make a whole lot of difference what came before this body. Without having any idea precisely why the majority leader has scheduled this debate for this particular time, my suggestion is simply that there was nothing else to talk about, and feeling some obligation to do it at some point, he threw it out here and hope for the best.

As a matter of fact, the bill has been here for a long time. The distinguished floor manager of the bill at one point mentioned the number of days that were consumed in debating other major pieces of labor legislation in the past. Certainly the number of days spent on this bill has exceeded that of the Wagner Act, the Taft-Hartley Act, and the Landrum-Griffin Act, to my best recollection, and apparently will go on to set records day by day so long as the bill continues before us.

Let me suggest that the public as a whole is not either entranced, beguiled, or fooled by what is occurring here. As a matter of fact, the public as a whole grows more concerned daily about the problems of inflation and the problems posed by the proposition 13 situation; and I am trying in these remarks, Mr. President, to give some idea of what we ought to be looking at as Senators dedicated to the public weal.

For example, President Carter met on Friday with the news editors, and he gave a half-hour interview in which he made comments about this body and the House of Representatives. He was asked in the interview Friday with visiting news editors if Congress would get a message from the Tuesday referendum in which California put a tight limit on property taxes, slashing them by 75 percent. The President replied:

> I hope so. . . . I would guess that they would certainly get a message.

But the President then said that he would be "greatly surprised" if Congress proposed a similar spending limit on him.

He also suggested that Congress has not been willing to go along with cutting income taxes so far, to this point, but he suggested in his interview that far from Congress moving to a cut in spending, the President thought that Congress was more likely to increase spending, and therefore, he said: "We are going to hold the line."

The President probably cannot have it both ways, and in the course of the interview I think that he recognized that. The President said:

> I think the overriding concern that I have is about inflation. It is very bad, getting worse. And I don't think we have marshaled an adequate support in the Congress or around the nation to join in a concerted effort to control this threat to the economic structure and stability of our country.

Well, indeed, of course, the President has not. And later Mr. Bosworth, who is Director of the Council on Wage and Price Stability, followed up with a President as to what sort of danger signals lie on down the road. He said:

> Some signs of moderation are needed from the railroad unions and postal workers in their labor negotiations. The Teamsters union contract to be negotiated early next year is "crucial," he said, because if affects automobile, rubber and electrical contracts as well as retail-trade negotiations.
>
> "The rate of wage increases in the economy as a whole in recent years has been about 7% a year," Mr. Bosworth said. "Compounded, that's about 22% or 23% for a three-year contract, and to advance the President's plan we need to get under that."

Mr. President, in the midst of that particular interview in which the President of the United States said he would be greatly surprised if Congress imposed a spending limit on him, rather, he seemed to feel an obligation to impose one on us, suggesting that we will want to spend more; and the thought was happily expressed that somehow labor contracts might be kept to a 22 or 23 percent increase over a 3-year period. Then we have additional items in the news, under back-to-back headlines in the Wall Street Journal:

> MONEY SUPPLY CLIMBED SHARPLY IN LATEST WEEK: JUMP OF $4.2 BILLION IN M–1 PUTS PRESSURE ON THE FED FOR CREDIT TIGHTENING

And:

> HOUSE EASILY CLEARS FEDERAL GUARANTEES FOR NEW YORK, BOOSTING HOPE OF PASSAGE

Those stories have drawn some attention. But one would search that particular issue without finding any mention of labor law reform, because the public, by and large, sees this particular bill as part of the same old pattern, part of a debate which continues on, rather irrelevant to what is going on in the world today around us.

What is going on in the world around us is all too clear. Wages and prices are going up rapidly. One part of the other body, the Banking Committee of the House of Representatives, and the House as a whole, are seen as pushing ahead the New York guarantees, and the money supply as going up very rapidly. It reminds one of a quotation from John Kenneth Galbraith, who was discussing urban policy in his 1970 book "Who Needs the Democrats?" Galbraith had this to say—and mind you, this is 1970:

> Having contemplated all of the other remedies for urban decay, we should now try using money. We must stop using sociology as a substitute for taxation. That ample funds for city services—for the schools, police, courts, sanitation, public transportation, parks, playgrounds, museums, public festivals—will make city life agreeable may not be clear. But financial starvation does make urban life intolerable. And good and amply financed amenities do make urban life quite tolerable for people of various races in other countries.
>
> Modern city life is incredibly expensive. To make the necessary money available, Democrats may reject out of hand the notion that Americans are overtaxed. They are not and will be less so when foreign policy is reduced to need. A strong urban policy must include large bloc grants from the federal government to the large cities. (None should go to the states, which are not in any similar need.) But the money should also be given on terms that require the cities to tax their own rich, and their own commuters more adequately than now. Before John Lindsay is given final credentials as a Democrat, he must be required to make rich New Yorkers complain more about their taxes and less about their services.

The point of this, Mr. President, is that the ideas that are being suggested in the chambers of the House of Representatives and the Senate are not new. The thought that we simply ought to try money, spending more money, is not a new idea. But it runs absolutely counter to what is occurring in this country. The point that some of us are attempting to make with regard to this debate is that something occurred last Tuesday in California, and that is that several million people held a referendum, and they said that they do not feel that the service that they are receiving is worth the money they are paying. A great deal of quibbling has been done as to whether property taxes should have been the particular avenue that was attacked, whether income taxes would not have been more appropriate, or whether in fact local governments have been affected.

The people of California could not find a more convenient target, nor can most people who are involved in referendums whether they are in Ohio or California. What they were saying is, "The same old game will not work."

Now, of course, on this floor the common plea is made that first of all the impact of this labor law reform bill will not be inflationary, or some who would say it might be slightly inflationary would say, "Really, it will not be all that much." I have not heard a credible argument made, nor am I certain that one can be found, that would suggest this bill is going to be anti-inflationary.

The facts of life are again, Mr. President, that the reason we are debating this bill—and I want to keep the premise before us very clearly—is not that it pertains to inflation, not that it pertains to better services for people in our cities. Does anyone seriously believe that the passage of this bill is going to lead to better services for people in cities in California or New York City? Does anyone seriously believe that inflation or the problems which now face the urban areas in meeting their budgets will be assisted? Is anyone seriously arguing that more jobs are going to be created in the economy for the unemployed, whether they are in the inner cities, on the farms, or in suburbia of America by scaring the life out of small business?

Again and again we have the plea made that small businessmen really do not know what they are saying about this bill.

As a matter of fact, in the last colloquy the suggestion came that large businessmen are scaring small businessmen and that these large businessmen have scared the small businessmen to such an extent the latter rushed to Washington

to see us and tell us how frightened they are, the implication being that they really are not frightened, that they simply cannot perceive their own self-interest.

This is so ludicrous on the face of it that it hardly bears comment by anyone who has ever been involved in small business, and there are not many on this floor who have been involved, though I have been. I have been involved in small business. I still am involved in small business and I know what this bill is all about, I know small businessmen who have been involved in these situations.

Let me say very frankly, Mr. President, that the business of which I am an officer has been, in fact, cited by the National Labor Relations Board for unfair practices. I know what that is all about. I know who the folks are who are involved in the hearings. I know the sort of trumped-up charges which occur in the course of this sort of situation and the type of justice that is dispensed.

I do not need a large businessman to come to Washington to instruct me to tell my colleagues that there are some problems with this bill. Quite the contrary, Mr. President, it is very important that the proponents of this bill begin to believe, and begin to know, that small businessmen in this country are not going to be rolled over on this particular one. If proponents are determined to take time, we are determined to take time. We are going to take all the time that is needed.

This bill is not required by the country. It is not demanded by anyone except organized labor in its frustration, in its inability, to organize small business.

Concerning the preposterous thought that somehow or other small businesses cannot understand their situation—indeed, Mr. President, they do, and they have come to Washington.

I presume the real problem for small businesses is the same as for large businesses. It was brought to the fore I thought very graphically today by an editorial by Mr. Herbert Stein in the Wall Street Journal, entitled "Businessmen of the World Unite." I think he makes some very perceptive comments about businessmen generally.

Businessmen on the whole are a fairly peaceful and docile group. By and large, as Mr. Stein points out, businessmen have been rather easily persuaded, some would even say bought off from time to time, by honors, privileges, perquisites. They do not really have the gut instincts to be fighters the same as other groups in our society have.

Mr. Stein suggests, and I quote paragraphs I thought were particularly graphic:

> A business executive may agree with this argument and still say that he is not employed to be a hero with his stockholders' money, and he cannot risk his stockholders' money by not complying. Presumably the cost of defending the free enterprise system by not going along with the administration would be greater than the cost of endowing another chair on free enterprise. However, this would only be true if the nonconformists were a small minority, each acting in isolation from the other. The government would have great difficulty in imposing sanctions upon American business as a whole, or upon any large part of it. Even a presidential denunciation of American business should not be terrifying, especially since the labor leadership has openly absented itself from the voluntary price-wage restraint program.
>
> What businessmen need to do at this point is to dissent. This means not only not cooperating; it means getting together to affirm that they will not cooperate, on grounds of principle. They would be violating no law in doing this. It is not a violation of the antitrust laws to get together to refuse to join with a government official in fixing prices. The government has authority under the Council on Wage and Price Stability Act to require reports and subpoena witnesses. It cannot require anyone to come to lunch at the White House to negotiate with a government official, or to conform to his standards of price behavior. Indeed, the act specifically says that it does not authorize the imposition of any mandatory economic controls.
>
> DISSENT AND DEMONSTRATE
>
> Business needs to demonstrate its dissent, and not just by writing letters to government officials or even by putting ads in the newspapers. Businessmen need to demonstrate in Washington as the civil rights activists, have demonstrated, and as the anti-Vietnam activists, the environmental activists and the higher-farm-price activists did. We need a businessmen's liberation movement, and a businessmen's liberation day and a businessmen's liberation rally on the monument grounds in Washington, attended by thousands of businessmen shouting and carrying signs. We need a few businessmen to chain themselves to the White House fence—and do it themselves, not have it done by their Washington reps.
>
> What demonstrations demonstrate is that some people care about something a lot. Even in the biggest demonstration the number of people involved is small compared to the size of the American electorate. But the demonstrators are powerful because their presence, and their uninhibited behavior, shows that they feel deeply. For a business executive to hire a lawyer, PR man or speech writer to put some words together for him does not show that he cares very much. But for the businessman to put his body on the line, to stand in a crowd and shout himself hoarse in the Washington sun—that will show that he cares deeply. That will be something that Washington will pay attention to.

Now, having been here during the excitement of the American agricultural movement in January and February, I must say that I am not convinced that simply by coming to Washington and being involved in this manner that legislation either passes or fails. As a matter of fact, I think there are all sorts of countervailing forces in the country. The media and all sorts of other strains that come to bear in a two-Chamber legislature with an Executive moderates the various demands. But the point made by Mr. Stein is a good one. That is essentially that this is something that Washington understands, the people who come, the people who make their own arguments personally.

I would say, Mr. President, that the only people I can see who are making the argument personally on this particular issue are small businessmen and leaders of trade unions in this country. They care about this.

The distinguished junior Senator from New York in his comments last week, in last Friday's debate, was commenting on speeches that had been made by some who were saying that this bill means a great deal to organized labor because of a feeling that somehow or other the tide has been going out for organized labor in the country; that the bill is symbolic; that it may, in fact, have very little to do with what is going on in the rest of America but it does have a lot to do with the dynamics of the trade union movement and whether anybody in public life cares about the ebbing of that situation.

I can understand what he was saying and I am certain that there is poignancy in that type of a plea.

What I would hope from the advocates of this bill is a sense of understanding that that same degree of caring can be felt by people in private enterprise, by owners of small business, that there is, in fact, a sense of emotion and of ties to principle that are equal thereto. This is that kind of issue, Mr. President. It is not a bill in which one simply throws out the propositions and then, by amendments, tailors them in one way or another to make them somewhat more acceptable. It is not the sort of bill, as a matter of fact, that ought to come up at all, given the general mood of the country, which I believe is clearly one that perceives big labor, big business, big government, all in league, all a part of the problem of inflation, all a part of the problem of diminishing freedom for many Americans.

This issue is not ripe for this kind of solution. It is an anachronism in the course of American public affairs currently, totally counter to the mood of the public. I do not know how many other ways one can make the point, but one should continue to try to make it, that there is no correlation between this bill and several million people in California who are prepared to hack out everything, if necessary, to simply get back to ground zero.

In the midst of all of this, of course, some have suggested that proposition 13 may fail if public employee unions raise successful lawsuits. Some have suggested that it is all well and good for the public, as a whole, to vote that they would prefer to cut property taxes and take their chances with fewer services, but that the people providing the services will not take no for an answer; that they will want to continue providing them in any event; and that, having a vested interest as they perceive it in their jobs and their particular situation, they will make implementation of proposition 13 or any other similar revenue matter rough.

I have no doubt that that is what lies ahead for 13 or any other such proposition. As a matter of fact, as I suggested last Wednesday, why in the midst of the consideration by Congress presently of the New York situation, would the city of New York accede to what has been described as a billion dollar wage increase? There is a city that is indicating that it may go bankrupt without substantial loan guarantees, if not other assistance; a city that is suggesting that, as a matter of fact, it has not negotiated well in the

past, has acceded to exhorbitant demands, not only for wages but for pensions. But clearly, even in the midst of all of that, Congress and the country were treated to labor negotiations that resulted in at least 4 percent wage increases in 2 years, back to back, with additional cost of living increases in addition to that.

Why, Mr. President, does that occur? Is anyone in this Chamber really in doubt as to why it occurs? Because essentially, the public employee unions in New York are saying, "We will shut your city down. We do not agree with that." The people in New York are really saying, "We do not have a rational option of saying we want our taxes cut, we want fiscal sanity restored, we want a balanced budget."

Public employee unions are saying, "You do not have that option. We do have the political clout, even in bankruptcy, to get a wage increase 2 years in a row. As a matter of fact, we will not settle for that unless we are really in a mood to do so."

I simply raise this question, Mr. President, that the people are in a proposition 13 mood. The public has spoken, but the public is about to find what we are finding in this Chamber. That is that you can have a mood, you can have a consensus, but when it comes to the power of organized labor, very frequently, Mr. President, you will find that that prevails regardless of what the other rules of the game will be.

There was no consensus to bring this bill to this Chamber to tie us up for 14 days with the most narrow focus of special interest legislation, no national consensus whatsoever for this. I am amazed, day by day, that anyone even makes the argument that those of us in opposition could be accused of delay or of holding up vital legislation for the country. Those who scheduled this bill are totally responsible for that and will remain totally responsible.

Anybody who has severe problems with regard to legislation, I think, needs to know that the majority leader schedules bills on this floor. The majority leader determines when we start and when we close and, likewise, when this bill might be withdrawn. The majority leader knows that, too.

What I think we are trying to say is that if there is emotion on the part of the organized labor leaders of this country to try to recapture what they have lost, it is more than matched by the emotion of small businessmen and people involved in free enterprise to try to maintain what they have and provide more jobs and more opportunity and a great deal of the initiative and spirit that are required, as a matter of fact, if employment is to happen for many Americans who have not had that opportunity.

I think, Mr. President, that it is essential, as we discuss, whether it is the Byrd substitute or various attempts on the part of advocates of this bill to accommodate various objections, to say that that is interesting, but it is almost irrelevant. The facts of life are that if one accepts the premise to begin with that the bill is important, that it has anything at all to say that is vital to American life at this point, one can argue about the small nuances.

The point that many of us are making on this side is that the American public will be better off without this bill. As a matter of fact, the American public as a whole would like to be discussing legislation which clearly is anti-inflationary, which cuts taxes, which opens opportunity, which speaks to the initiatives in private free enterprise that might bring about employment of more people, that, somehow, has something less to do with the coercion of individuals in our society that this bill clearly has. The public, right now, wants more freedom, less taxes, less inflation, all the situations against which this bill runs.

Mr. President, I am very hopeful that, in the course of the next few days, as we continue to discuss this labor law reform legislation, as attempts are made—as I am advised they will be from time to time—to terminate debate, to ram it through anyway, quite apart from whether the public wants it or the public is interested in it—it simply is an expedient move to clear the floor or clear the agenda—there are still a large number of Senators who will reject that idea. A large number of Senators will indicate that the time has come to move on to other important matters, that, somehow, we shall be spared something that is still, no matter how you look at it, an unfortunate piece of legislation.

Mr. WILLIAMS. Mr. President, I just want to say that the Senator from Indiana is generally moderate, not in his feelings, but in the way he expresses himself. But to say that it is clear that small business has arrived without any help from big business to an intense lobbying against this bill is not accurate at all.

On May 17, we included a long and obviously well-documented report from the Wall Street Journal that dealt with this bill and the lobbying effort. In one specific, I will read from the RECORD itself on May 17 at p. 14042. I will just enlighten the Senator from Indiana where one of our Members said that he had never seen so many big businessmen and not small businessmen come to lobby him on this bill.

I quote from the Wall Street Journal:

"As if by magic"—in the words of one business lobbyist—the big companies stopped sending their executives to Sen. Chiles's door. In their stead came a stream of small Florida entrepreneurs, appearing in groups of 25 and carrying dire arguments about the measure's threat to their livelihoods.

THE MAGIC OF CORPORATE JETS

But it wasn't magic that carried those small-business representatives to Washington. It was the corporate jets of Florida's big business—which, like businesses large and small throughout the country, are involved in a lobbying campaign that is more sophisticated, better coordinated and more extensive than any other in recent memory.

So I am just saying that this is further evidence to support what we have said, that the buildup of the campaign against this bill was developed and then the mechanics were engineered, the technology was bought by big business, just as included in the ad from the chairman of the board and chief executives of the Marathon Corp. complaining about the double-digit inflation and expressing concern about small business.

This is all part of a massive effort financed by large business through the national associations, the chamber of commerce, and the business roundtable.

That is what we say has been what has provoked small business in such large numbers, and then the content, and I am not going to delay this any longer, but the content and the propaganda that went out across this country to individuals and to small business misrepresented the original bill. Of course, it has not been updated, because the misrepresented original bill is far different from the present substitute that is before us.

I will say that I apreciate the Senator from Indiana was moderate, but I thought in that particular degree he overstated.

If the Senator has yielded the floor, I will finish out the RECORD for today.

Mr. LUGAR. If the Senator will yield for just a short comment, I appreciate the point he has made and, of course, there has been money provided by businesses of all sizes for advertisements and for lobbying efforts in this particular regard.

I think the point that I was attempting to make and that would still stand is that a great number of small businessmen have been effective with Senators, because they have, in fact, spoken for themselves.

I would guess that most Senators have been much less persuaded by the efforts of large business than they have by the individual pleas of small business and by the individual persons who have appeared in a great number of instances. Each of us can testify as to what has been persuasive in our cases.

But, quite apart from the money or organization that might have been paid, it would appear to me the persuasion has come from individual sacrifices and individual experiences.

Mr. WILLIAMS. I just wonder whether with all of the technology available, and the money that is there, and the mailings that have gone out to millions, whether a mailing did go out incorporating the provisions of the substitute to those who received the information on the original bill.

Mr. President, on behalf of the majority leader, I want to announce that an original cosponsor of amendment No. 2445 was to have been the Senator from South Dakota (Mr. MCGOVERN) whose name was inadvertently omitted when the amendment was offered and I ask that that be included.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NEED FOR LABOR LAW REFORM

Mr. WILLIAMS. Mr. President, most often an employer learns that his employees are interested in union representation well before the union seeks recognition or files a petition for an election.

Sometimes the employer fires those active in the union drive or campaigns against the union himself, by interrogating and coercing his employees.

Workers may withstand this onslaught and vote in favor of the union; and often, after the union is certified as the employees' representative, the employer, will fulfill his statutory duty and bargain in good faith.

But even when this occurs, those workers who were illegally discharged must be reinstated, and they must be given back pay. Under our current law, this is not always easy.

George Yarber, and Clifton Cox were two such employees, and their story reveals why America's workers need labor law reform.

WHY AMERICA'S WORKERS NEED LABOR LAW REFORM: CHAPTER 12

On July 25, 1968, the Carpenters Union started its campaign to organize the employees of the Southern Household Products Co., of Shubuta, Miss. Three employees signed cards, and were discharged the next day, on July 26, four more employees signed cards. They were discharged on July 31.

On July 31, the company received notification from the union that it was organizing the employees. By that time, seven employees had already been discharged, because of their activities in support of the union.

On September 8, 1968, the union filed a petition. By that time, the employer had held a captive audience speech, during which he threatened to close the plant if the union campaign persisted, and had already interrogated several employees as to their union sympathies.

On October 25, the Board conducted an election. Despite the captive audience speech, despite the interrogation of employees, despite the fact that by that time, 11 union adherents had been illegally discharged, the workers voted, 55 to 50, to have the Carpenters Union represent them. There were 10 challenged ballots, 9 of which were cast by workers who had been illegally discharged.

On December 16, 1969, more than a year after the union had won the election, and nearly 17 months after the first discharges, the Board issued its decision finding all of the discharges illegal, and ordering the company to reinstate the discharged workers and give them back pay.

The company refused to comply, and the Board sought enforcement of its order by the U.S. Circuit Court for the 5th Circuit. The company argued to the court that since it had already entered into a contract with the union, and, indeed, by that time the company had met its statutory duty to bargain, the matter was moot. The court entered its decision on October 27, 1971. It disagreed with the company, concluding that the matter was not moot, and held that enforcing the Board's order would provide an incentive for continued compliance by the company.

It was not until late in the spring of 1972 that the Board held a backpay hearing for George Yarber and Clifton Cox and their fellow employees. This was almost a year after the Circuit Court's decision, it was almost 2½ years after the Board had issued its original decision finding the discharges illegal, and it was almost 4 years after the illegal discharges.

And the Board's decision and order in the backpay case did not occur until May 24, 1973, almost 5 years after the illegal discharges.

Mr. President, let me tell you why the backpay took so long to determine.

With respect to George Yarber, the company argued that Yarber did not prove that he looked hard enough for other work in order to mitigate the company's backpay liability. After this issue was litigated, the Board found that it was the company's burden, not Yarber's, to prove how hard Yarber looked for other employment.

The Board ordered the company to pay Yarber $1,285 rather than the $967 that the company claimed was due and owing Yarber. Thus, 5 years of litigation and delay was over a little more than $300 worth of backpay .

With respect to Clifton Cox's backpay, the issue was a little more complicated. The company had sent Cox a letter, in compliance with the Board's order, offering him his job back. The letter told Cox he should return to work on April 9, 1969, or not later than April 18. Cox did not report on the 9th of April, and the company argued that Cox's backpay should be cut off on that date, even though the offer was open until the 18th. The Board disagreed, and said that since the offer was open until the 18th, the backpay period should run to the 18th. The Board ordered the company to pay Cox the additional $95 in backpay for the extra 9 days.

There was no way of determining why Cox did not report on the 9th, since by the time the backpay hearing was held, Clifton Cox had died.

Mr. President, it is outrageous that these cases took nearly 5 years to decide.

Under H.R. 8410, this would not have happened. The bill before us today provides that workers who are illegally discharged during union drives may be ordered reinstated by the courts. They would be reinstated in weeks, not years. The bill before us provides a measure of backpay which would cut through this litigation nightmare. Backpay under H.R. 8410 would have been 1½ times the employee's earnings, less what he actually earned in the interim, not what he might have earned.

Mr. President, it is cases like that of Clifton Cox and George Yarber that labor law reform is all about.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak up to 20 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:10 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 945. A joint resolution making an urgent supplemental appropriation for the black lung program of the Department of Labor for the fiscal year ending September 30, 1978.

At 3:25 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to H.R. 10884, an act to authorize appropriations to the Council on Environmental Quality for fiscal years 1979, 1980, and 1981.

HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read twice by its title and referred as indicated:

H.J. Res. 945. A joint resolution making an urgent supplemental appropriation for the black lung program of the Department of Labor for the fiscal year ending September 30, 1978, to the Committee on Appropriations.

ORDER TO HOLD H.R. 12441 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 12441, Toxic Substances Control Act authorizations, is received, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Appropriations, without amendment:

S. Res. 478. An original resolution authorizing additional expenditures by the Committee on Appropriations for routine purposes. Referred to the Committee on Rules and Administration.

By Mr. PELL, from the Committee on Rules and Administration:

Special report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95-929).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BURDICK:

S. 3190. A bill for the relief of Elwood Erickson; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 3191. A bill to authorize the home production of beer and wine; to the Committee on Finance.

By Mr. LAXALT (for himself, Mr. CANNON, Mr. DOMENICI, Mr. GARN, Mr. STEVENS, Mr. HATCH, and Mr. SCHMITT):

S. 3192. A bill to provide that certain public lands which are intermingled with non-

public lands shall be conveyed to the several States; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 3193. A bill to amend the Internal Reveune Code of 1954 and the Employee Retirement Income Security Act of 1974 to simplify paperwork requirements and streamline enforcement; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 3191. A bill to authorize the home production of beer and wine; to the Committee on Finance.

HOME BREW BEER EQUALITY ACT OF 1978

● Mr. CRANSTON. Mr. President, today I am introducing legislation to give homebrew beer equality with homemade wine in the eyes of Treasury's Bureau of Alcohol, Tobacco, and Firearms.

The need for this legislation has been brought to my attention by homebrew beer clubs in California. Among them are the Yeast Bay Brewers, the Maltose Falcons, and the San Andreas Malts.

Current Federal law provides that a duly registered "head of household" may make up to 200 gallons of wine for his own and his family's use and consumption. But, brewing beer at home for home consumption, according to ATF, is illegal.

Homebrewers contend that they have not been engaged in illegal activity. They point out that section 5092 of the Internal Revenue Code defines a brewer as one "who brews or produces beer for sale" and who is therefore subject to regulation by AFT. Nowhere in the Federal laws do homebrewers find a specific prohibition against brewing beer at home for home consumption.

A spokesman for ATF responds that the restriction on home brewing is found in the "collective reading" of the statutes. It is further argued by AFT that since home brewing of beer is not specifically authorized by Federal statute, it is therefore illegal.

Based upon its interpretation of the law, ATF, in the belief that it is helping home brewers, has endorsed legislation, H.R. 2028, which expands the definition of brewer to include "every person who brews beer." Such persons, unless they register with ATF, would be subject to a $1,000 fine and 1 year in jail for brewing beer in their homes for home consumption.

This is ridiculous.

H.R. 2028, however, does contain some positive steps. It eliminates the absurd requirement that only male "heads of households" may qualify as legal winemakers and it eliminates the registration requirement for home winemakers who produce less than 200 gallons annually.

But H.R. 2028 imposes different conditions upon homebrewers. Homebrewers under H.R. 2028 must register with ATF and may not have more than 30 gallons of beer on hand in any household at any one time, including beer in process.

My bill would provide equal treatment for homebrewers.

The bill, like H.R. 2028, will permit the production of up to 200 gallons of homebrew beer annually, but in addition my bill drops the registration requirement on homebrewers and eliminates the 30 gallon restriction on beer permitted to be on hand at any one time.

Treasury has indicated that the registration requirement for winemakers has been of little use to the Federal Government and, indeed, has proven burdensome to the public.

But Treasury expressed concern that removing the registration requirement for homebrewers would open the door to widespread moonshine distilling operations. Homebrewers, on the other hand, point out that a whiskey mash is significantly different from homebrew fermentation. Agents from ATF can tell the difference virtually on the spot.

And, as far as I have been able to learn, the present widespread practice of making beer at home has not led to increased moonshine operations.

Mr. President, it is unfortunate that ATF is convinced that hordes of "phantom moonshiners" are lurking in the basements and closets of ordinary citizens who make beer in their own homes. The Bureau has stated, on the other hand, that they have not the slightest interest in small scale homebrewers and have not made any arrests for small scale homebrewing since prohibition was repealed 44 years ago. To go ahead with legislation requiring homebrewers to register is a foolish waste of everybody's time, energy, and money. ATF took a commonsense position with respect to home winemakers. The Bureau ought to accord equal treatment to homebrewers. My bill assures that the Bureau will.

Mr. President, I ask unanimous consent that the text of S. 3191 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(a) EXEMPTION FROM TAX ON WINE.—Section 5042(a)(2) of the Internal Revenue Code of 1954 (relating to production of wine for personal consumption) is amended to read as follows:

"(2) WINE FOR PERSONAL OR FAMILY USE.—Subject to regulations prescribed by the Secretary—

"(A) EXEMPTION.—And adult may, without payment of tax, produce wine for personal or family use and not for sale.

"(B) LIMITATION.—The aggregate amount of wine exempt from tax under this paragraph with respect to any household shall not exceed—

"(i) 200 gallons per calendar year if there are 2 or more adults in such household, or

"(ii) 100 gallons per calendar year if there is only 1 adult in such household.

"(C) ADULTS.—For purposes of this paragraph, the term 'adult' means an individual who has attained 18 years of age."

(b) EXEMPTION FROM TAX ON BEER.—

(1) IN GENERAL.—Section 5053 of such Code (relating to exemptions from excise tax on beer) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new section:

"(e) BEER FOR PERSONAL OR FAMILY USE.—Subject to regulations prescribed by the Secretary, any adult may, without payment of tax, produce beer for personal or family use and not for sale. The aggregate amount of beer exempt from tax under this subsection with respect to any household shall not exceed—

"(1) 200 gallons per calendar year if there are 2 or more adults in such household, or

"(2) 100 gallons per calendar year if there is only 1 adult in such household.

For purposes of this subsection, the term 'adult' means an individual who has attained 18 years of age."

(2) ILLEGALLY PRODUCED BEER.—

(A) Section 5051 of such Code (relating to imposition and rate of tax) is amended by adding at the end thereof the following new subsection:

"(c) ILLEGALLY PRODUCED BEER.—The production of any beer at any place in the United States shall be subject to tax at the rate prescribed in subsection (a) and such tax shall be due and payable as provided in section 5054(a)(3) unless—

"(1) such bear is produced in a brewery qualified under the provisions of subchapter G, or

"(2) such production is exempt from tax under section 5053(e) (relating to beer for personal or family use)."

(B) Section 5054(a)(3) of such Code (relating to illegally produced beer) is amended to read as follows:

"(3) ILLEGALLY PRODUCED BEER.—The tax on any beer produced in the United States shall be due and payable immediately upon production unless—

"(A) such beer is produced in a brewery qualified under the provisions of subchapter G, or

"(B) such production is exempt from tax under section 5053(e) (relating to beer for personal or family use)."

(3) DEFINITION OF BREWER.—Section 5092 of such Code (defining brewer) is amended to read as follows:

"SEC. 5092. DEFINITION OF BREWER.

"Every person who brews beer (except a person who produces only beer exempt from tax under section 5053(e)) and every person who produces beer for sale shall be deemed to be a brewer."

(4) EXEMPTION FROM CERTAIN PROVISIONS RELATING TO DISTILLING MATERIALS.—Section 5222(a)(2)(C) of such Code (relating to certain exemptions) is amended by striking out "; or" and inserting in lieu thereof "or 5053(e); or",

(5) PENALTY FOR UNLAWFUL PRODUCTION OF BEER.—

(A) Section 5674 of such Code (relating to penalty for unlawful removal of beer) is amended to read as follows:

"SEC. 5674. PENALTY FOR UNLAWFUL PRODUCTION OR REMOVAL OF BEER.

"(a) UNLAWFUL PRODUCTION.—Any person who brews beer or produces beer shall be fined not more than $1,000, or imprisoned not more than 1 year, or both, unless such beer is brewed or produced in a brewery qualified under subchapter G or such production is exempt from tax under section 5053(e) (relating to beer for personal or family use).

"(b) UNLAWFUL REMOVAL.—Any brewer or other person who removes or in any way aids in the removal from any brewery of beer without complying with the provisions of this chapter or regulations issued pursuant thereto shall be fined not more than $1,000, or imprisoned not more than 1 year, or both."

(B) The item relating to section 5674 in the table of sections for part III of subchapter J of chapter 51 of such Code is amended to read as follows:

"SEC. 5674. PENALTY FOR UNLAWFUL PRODUCTION OR REMOVAL OF BEER."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the

first day of the first calendar month which begins more than 90 days after the date of the enactment of this Act.●

By Mr. LAXALT (for himself, Mr. CANNON, Mr. DOMENICI, Mr. GARN, Mr. STEVENS, Mr. HATCH, and Mr. SCHMITT):

S. 3192. A bill to provide that certain public lands which are intermingled with nonpublic lands shall be conveyed to the several States; to the Committee on Energy and Natural Resources.

PUBLIC LANDS CONVEYANCE ACT OF 1978

● Mr. LAXALT. Mr. President, I am pleased to introduce the Public Lands Conveyance Act of 1978 for myself and Senators CANNON, DOMENICI, GARN, STEVENS, HATCH, and SCHMITT. This bill provides that certain public lands which are intermingled with nonpublic lands be conveyed to the States.

The disposition of intermingled public and private lands has become a critical issue in my own State of Nevada, as well as throughout the other western States. To dramatize this problem, during the week of May 22, 1978, representatives from the National Association of Counties and the Western Coalition of the Council of State Governments were in Washington to discuss with administration leaders and Members of Congress appropriate means of proceeding in the resolution of this problem, and they continue to urge that steps be taken to resolve this issue through the conveyance of the intermingled public lands to the States.

Mr. President, the intermingled public and private landownership pattern was created by Congress by enacting the Railroad Land Grant Acts for the purpose of advancing and expediting the construction of the Transcontinental Rail System and as a result of the Small Tract Act. While these original land disposal approaches served their original purposes, the intermingled public and private landownership pattern is now creating difficult land management and land use and planning problems for the private landowner, the cities, counties, and States, as well as the BLM. A few of the problems are:

First. The private landowner does not have access to his land over the public lands, and now, under the new BLM Organic Act, obtaining any access road may be so cumbersome, delayed and expensive that, in practical effect, the private landowner is deprived of the use of his private property. He is landlocked and cannot develop or use his land.

Second. The BLM could effectively deny the owner of private lands of the grazing use of his private lands through trespass actions against the owner for traveling across public lands or permitting his livestock to get off his private lands, unless the owner, under compulsion, turns the management of his lands over to the BLM by exchange of use agreement or fences his private lands. In many instances, it is not economically feasible for a private owner to fence each section of his land, and even if he did, he could not go from section to section of private land through a corner without trespassing on public lands.

Third. The BLM cannot properly utilize the intermingled public lands unless it obtains consent to use the private lands from the landowner or arbitrarily causes trespass on those lands. They may compel this consent in the case of ranchers in issuing grazing permits, but they cannot compel consent from nongrazing landowners; so if these private lands are used, they would be being used without permission.

Fourth. The BLM has, for all practical purposes, stopped all exchanges of land which could beneficially block land pattern ownership for the benefit of both the Government and the private landowner because of their planning and EIS processes and timetables.

Fifth. The landownership pattern precludes utilization of the public lands for wildlife development, wild horse use, and so forth, because of the intermingled private lands.

Sixth. The intermingled landownership pattern prevents city, county, and State development of projects of any size without BLM interference and control. For example, the city of Elko, Nev., has one recreational use patent to a small portion of its golf course, and in order to obtain it, Elko had to agree to the Secretary of the Interior having the power to determine the use of the golf course, the green fees that will be charged, et cetra. Mr. President, in my view, this is ridiculous.

The point I want to make, Mr. President, is that this type of landownership pattern is certainly not desirable from a standpoint of either the Government or the private landowner. And, this is no small problem; in Nevada alone, the BLM has identified at least 5,280,000 acres of intermingled public lands as being unmanageable.

Mr. President, the legislation I introduce today provides what I believe is a basis for a reasonable legislative solution because it involves lands generally most desired by the States and which are most difficult to manage by the Federal Government. I hope there is a mutual interest in providing this new authority. In conclusion, Mr. President, it is important to note that this measure does not interfere with the Department of the Interior's process of preparing regulations to implement land disposal authority under the provisions of the Federal Land Policy and Management Act or other existing authorities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Lands Conveyance Act of 1978."

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to provide for the conveyance to the several States of certain public lands in order to serve important public objectives, including the expansion of communities and economic development, which cannot be achieved on other than public lands and which outweigh other public objectives.

DEFINITIONS

SEC. 3. (a) For purposes of this Act the term "public lands" means any land and interest in land (including improvements thereon and mineral rights therein) owned by the United States within the several States and administered by the Secretary of Interior through the Bureau of Land Management, without regard to how the United States acquired ownership, except—

(1) lands located on the Outer Continental Shelf; and

(2) lands held for the benefit of Indians, Aleuts, or Eskimos.

(b) For purposes of this Act, the term "Secretary" means the Secretary of the Interior.

LANDS TO BE CONVEYED

SEC. 4. The public lands which shall be conveyed to the several states under this Act shall be only those public lands (as defined in section 3) which, as a result of land grants made to railroads under any Act of Congress or as a result of grants made under the provisions of the Act entitled "An Act to provide for the purchase of public lands for home and other sites" approved June 1, 1938, as amended, are intermingled with lands not owned by the United States.

PLAN FOR CONVEYANCE

SEC. 5. (a) Within one year after the date of the enactment of this Act, the Secretary shall submit to the Congress a plan for the orderly conveyance to each of the several States of all right, title, and interest of the United States in and to any public lands which meet the criteria set forth in section 4.

(b) The plan shall provide—

(1) a description of the methods and procedures by which the Secretary shall determine which lands shall be conveyed under the provisions of this Act;

(2) a timetable for carrying out the conveyances under this Act; and

(3) a description of the application procedure to be used by a State in order to request that land be conveyed to it under this Act.

(c) The plan shall be submitted to the Congress and shall take effect at the end of the period which ends 60 days after such plan is so submitted (excluding days on which Congress is not in session), unless, before the end of such period, either House of the Congress adopts a resolution of disapproval.

CONVEYANCES AUTHORIZED

SEC. 6. Within five years after the date on which the plan for conveyance becomes effective, as provided in section 5, the Secretary shall (subject to section 7) convey, in accordance with the provisions of the plan, to each of the several States all right, title, and interest of the United States in and to any public lands located within the exterior boundaries of such State, which have been determined in accordance with the provisions of the plan to be lands that meet the criteria set forth in section 4.

STATE APPLICATIONS; ADMINISTRATIVE COSTS; IMPROVEMENTS

SEC. 7. (a) In order to receive land under the provisions of this Act a State must—

(1) submit an application to the Secretary describing the land which such State wishes conveyed under this Act;

(2) agree to pay to the United States an amount equal to the administrative costs incurred by the United States in the conveyance of such land, including the costs of any necessary surveys; and

(3) agree to pay to the United States an amount equal to the fair market value of any improvements on such land.

(b) The Secretary shall determine the administrative costs involved in any conveyance under this Act and the fair market value of any improvements on lands subject to conveyance under this Act.

WAIVER OF REQUIREMENTS

SEC. 8. The requirements of the National Environmental Policy Act of 1969 and the Federal Land Policy and Management Act of 1976 shall not apply to conveyances authorized under this Act.●

By Mr. BENTSEN:

S. 3193. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to simplify paperwork requirements and streamline enforcement; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

ERISA PAPERWORK REDUCTION ACT

● Mr. BENTSEN. Mr. President, I am today introducing a bill to help reduce pension paperwork requirements and to help streamline enforcement of the Employee Retirement Income Security Act (ERISA).

Mr. President, everybody recognizes that ERISA has created unnecessary governmental paperwork and redtape. Excessive costs for administering a pension plan simply mean that employers will have less funds available to provide benefits for the plan participants. Duplicate paperwork, inconsistent regulations and long regulatory delays in the implementation of ERISA are harmful to pension plan participants, employers and unions as well as government regulators. Failure of Congress to address this problem this year will be simply inexcusable.

Last year the Senate Finance Committee unanimously approved my Pension Simplification bill (S. 2352) which has two major objectives. First, it would help eliminate overlapping jurisdiction in the administration of ERISA. It is a waste of taxpayers' money to have the Departments of Treasury and Labor fulfilling identical functions. My bill would carefully allocate jurisdiction between the two agencies and I was very pleased that the administration endorsed this concept in hearings before the Finance Committee last year. Second, S. 2352 would implement several of the recommendations of the Paperwork Commission to reduce unnecessary ERISA reporting requirements.

The legislation I am introducing today supplements S. 2352 and would help further streamline the 1974 Pension Reform Act.

Several accountants in the firm of Price Waterhouse and Co. recently conducted a comprehensive study of the paperwork and enforcement problems under ERISA, particularly for smaller plans. These accountants formulated several concrete proposals to remedy the problems they identified and the legislation I am introducing incorporates many of their recommendations.

These accountants believe this proposal can reduce the costs of administering a pension plan by reducing paperwork and by shifting some of the reporting requirements to the time of establishment of the pension plan. It is at this point in the process where there is greater competition between banks, insurance companies and other pension administrators in the sale of pension services. Greater competition in the sale of services can reduce the costs of administering the plan, particularly for small employers.

This proposal has several features.

First, tax-qualified pension plans would be required to obtain so-called determination letters from the Internal Revenue Service at the time a plan is created. Most plans already obtain this letter and all plans must file a form with the Federal Government when the plan is established anyway. Thus, this proposal would not result in any additional reporting. It is at the time a pension plan is formulated that the information is most readily available to smaller businessmen. Since Congress has mandated pension reporting for enforcement purposes, Congress should structure the reporting requirements to impose the least burden on businessmen.

Second, form EBS–1, which is submitted to the Labor Department, would be consolidated with the initial qualification forms that are submitted to IRS. This would reduce duplicate paperwork at the time a plan is established without denying the Federal Government information necessary to enforce ERISA.

Third, the annual report (form 5500) which must be filed with the Federal Government every year under ERISA would only have to be filed every 5 years. In other years, plans would file a simplified annual report which could be incorporated with the plan sponsor's tax return. (Of course, the Departments of Treasury and Labor would continue to have complete access to information from any plan that might require thorough annual audits.)

Fourth, the full annual reports would be filed on a staggered basis with only 20 percent of the plans filing in any 1 year. There are presently about 685,000 private plans and it is difficult if not impossible for the Federal Government to audit each 1 of these every year. If only one-fifth of these plans or about 135,000 file each year, it will be easier for the Federal Government to review the plans and identify violations of ERISA. The purposes of the reporting requirements in ERISA are to enable the Treasury and Labor Departments to enforce the law and protect the pension rights of senior citizens. A staggered filing system would expedite the audit process and strengthen ERISA enforcement.

Fifth, the Departments of Labor and Treasury would be directed to formulate a booklet or guide to assist small businessmen in complying with ERISA. Currently, IRS publishes many books and guides to help various groups of taxpayers and these have proved to be helpful.

Although the study by the accountants from Price Waterhouse & Co. recommended some changes in reporting requirements to plan participants, I have not included these proposals in the legislation pending further study.

Mr. President, the Senate Finance Committee's Pension Subcommittee, which I chair, will hold hearings on this proposal in the very near future so that we can get the views and suggested modifications of the Departments of Treasury and Labor.

Mr. President, at this point in the RECORD, I ask unanimous consent to insert a memorandum prepared by the accountants describing their proposal, together with the text of the bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "ERISA Paperwork Reduction Act."

SEC. 2. REQUIREMENT FOR A DETERMINATION LETTER.

Section 6057 of the Internal Revenue Code of 1954 (relating to Registration of and Information Concerning Pension, etc. Plans) is amended by redesignating subsection "(g)" as "(h)" and adding the following new subsection "g":

"(g) Determination Letter—Pursuant to regulations promulgated by the Secretary, in order for a plan to qualify under section 401, the plan must obtain a determination letter from the Secretary granting qualification."

SEC. 3. CONSOLIDATED FORM FOR INITIAL QUALIFICATION.

Subtitle A of Title III of the Employee Retirement Income Security Act of 1974 (relating to jurisdiction, administration, and enforcement) is amended by adding at the end of section 3004 the following new subsection (c):

"(c) Within 60 days after the date of enactment of the ERISA Paperwork Reduction Act, the Secretary of the Treasury and the Secretary of Labor, acting jointly, shall prescribe a single form for employee benefit plans (as defined in paragraph (3) of section 3 of this Act) which will satisfy the requirements of section 102(a)(2) of this Act and of the initial qualification requirements of the Internal Revenue Code of 1954."

SEC. 4. CONSOLIDATED ANNUAL REPORTS.

Section 103 of the Employee Retirement Income Security Act of 1974 (relating to annual reports) is amended to read as follows:

"ANNUAL REPORTS

"SEC. 103. ANNUAL REPORTS.

"(a) PERIODIC ANNUAL REPORTS.—Subject to the limitations in subsections (b) and (c), the Secretary of the Treasury and the Secretary of Labor shall require employee benefit plans to which this part applies to file every five years a single annual report with the Secretary of the Treasury to carry out the policy declared in section 2 of this Act and to satisfy the requirements of sections 6057(a) and 6058(a) of the Internal Revenue Code of 1954. The Secretaries may require such plans to furnish or make available to participants and beneficiaries for inspection copies of summaries of reports and other information required under this section.

"(b) SIMPLIFIED ANNUAL REPORT.—For years when a full report under subsection (a) is not required, the Secretary of the Treasury and the Secretary of Labor are directed to prescribe a simplified annual report which could be incorporated with the tax return of the sponsor of the plan.

"(c) STAGGERED FILING.—The Secretary of the Treasury and the Secretary of Labor are directed to stagger filing of the annual reports required under subsection (a) so that only 20 percent of existing plans would file such reports each year."

SEC. 5. TREASURY AND LABOR DEPARTMENT BOOKLET.

Subtitle A of Title III of the Employee Retimement Income Security Act of 1974 (relating to jurisdiction, administration and enforcement) is amended by adding at the end of section 3004 the following new subsection (d):

"(d) Within 60 days of enactment of the ERISA Paperwork Reduction Act, the Secretary of the Treasury and the Secretary of Labor shall publish a booklet to assist plan sponsors (particularly smaller businessmen) in developing or revising record keeping systems in order to simplify compliance with the provisions of this Act."

SEC. 6. TECHNICAL AND CONFORMING CHANGES.

The Secretary of the Treasury and the Secretary of Labor shall, as soon as practicable but in any event not later than 60 days after the date of the enactment of this Act, submit to the Congress a draft of any technical and conforming changes in the Internal Revenue Code of 1954, and the Employee Retirement Income Security Act of 1974, respectively, which are necessary to reflect throughout such Code and Act the changes in the substantive provisions of law made by this Act.

(Recommendations of Accountants at Price Waterhouse & Co.—June 1978)

REPORTING AND DISCLOSURE CONSIDERATIONS FOR SMALL RETIREMENT PLANS

The following comments and ideas for small plan reporting were gathered, in part, from the recent study of plan administration costs that we conducted for the Department of Labor and from our own knowledge and thoughts on the subject.

We believe that the primary purpose of pension compliance reporting is basically to provide protection e.g. assurance or a means to determine that the interests of the government and participants are adequately safeguarded. Basically, we believe that there has to be a reporting arrangement that provides the government with useful and adequate information that must be fitted into a well coordinated policing function. However, in the same sense, we believe that the reporting structure must be designed in such a manner that does not set compliance costs at such a level that promotes plan termination or discourages plans from being established.

There has been a great deal of concern voiced that the small retirement plan sector (100 or fewer lives)[1] has been subjected to inadvertent and disproportionate plan administrative costs due to the reporting and disclosure requirements of ERISA. The findings of DOL study supports this claim. We believe that there are a number of reasons for such reporting cost increases as briefly discussed below.

Extension of Reporting Requirements—ERISA required that many plans (those with less than 25 participants) that were not subject to WPPDA reporting now report to the government and to participants. Therefore, the new requirements added an extra layer of plan administration costs.

Technical Nature of ERISA—The expanded nature of ERISA reports caused many plan sponsors to seek or required professional services due to the increased technical requirements—and thus increased out-of-pocket costs.

Inconsistencies in the Regulatory Process and "Learning Curve"—Changes in the effective dates of many of ERISA's regulations which caused duplication, delay and increased involvement of the outside pension advisors and the "learning curve" effect added to plan administration costs.

We believe that it is not impossible to piece together a framework for small plan reporting that when properly evaluated may be very desirable to *both* plan sponsors and regulators. Our approach takes into account a number of characteristics that, in general, prevail in the retirement plan sector;

Degree of Pension Knowledge and Reliance on External Assistance—Most plan sponsors are not capable to complete the mandatory reports and must rely on external resources since they do not have a support staff (accountant, personnel manager) that can perform the functions internally.

Lack of Detailed Record Keeping Systems—The general lack of administrative techniques to gather and report plan information makes plan reporting even more pronounced for the small employer group.

Method by Which Plans Are Sold—Many comments were received that indicated small plans are sold by the pension industry.[2]

With these three basic considerations in mind, we believe the bulk of regulation for the small plan sector should be at the front-end for a number of practical reasons.

First of all, if the plan qualification process were a mandatory requirement then the regulators could develop and collect relevant information regarding the plan's future operations and could initiate administrative techniques similar to those used to review tax returns. Also, the EBS-1 requirement could be rolled-up in the initial qualification process and approval for the Summary Plan Description requirement could follow shortly thereafter.

This means that the plan sponsor or the pension advisor would be able to satisfy all initial plan reporting with one streamlined process. At present, many pension professionals undergo plan qualification as a conservative measure—thus we do not expect plan installation costs to increase to any great degree. Another factor that enters into this equation is that there is *competition* in the plan installation area—since plans are sold. This is the only competitive aspect of plan administration since professional fees are on a time and materials basis thereby being insulated from competition to a large degree.

We believe that even with the increased front-end reporting, plan administration costs would not be significantly impacted since the pension industry would readily adopt pricing practices and "standardized installation arrangements" to attract pension busines and at the same time to realize economies in administering their plans.

The advantage of such an approach is two-fold—one being that the annual administration costs and possible dissatisfaction that impact plan sponsor termination would be greatly reduced and secondly, that the pension provider organizations themselves would be able to reduce their involvement necessary to administratively support a plan. In other words, the increased level of front-end regulation should permit a reduction in the annual reporting and produce across the board cost savings both to the benefit of the pension industry, plan sponsors, and participants.

With this reduction of annual requirements, we still believe that our reporting design will provide adequate information to police plan operations. We propose that a series of annual, periodic and intermittent reports be developed to butress ERISA's other provisions. For instance, we would replace the existing 5500 (K and C) annual report with a fairly straightforward one page filing to be incorporated with the plan sponsors' tax returns. This schedule would primarily be geared to support the tax deduction, disclose basic plan information, and report on prohibited transactions and fiduciary matters.

We believe that a schedule of this type could be prepared by the plan sponsor or by his advisor with a minimal amount of effort and cost as part of the annual tax preparation. Also, we would suggest that the regulatory agencies develop plan administration guidelines in simple and clear language to help the untutored plan sponsor with this filing. This plan booklet would be similar to other basic tax publications issued presently and would describe what information had to be collected and reported. This type of document would give the small plan sponsor the ability to revise or develop his record keeping accordingly which should ease the preparation effort and cost.

From the government's standpoint, automated administrative techiques could be developed within established decision rules to "flag" those filings that may need special attention.

The emphasis on compliance reporting under our arrangement would be on the expanded periodic filings that would perhaps be comparable in detail to the present 5500 annual reports. This type of report would be filed every 3 or 5 years and allow the government to enhance its review procedures and undertake appropriate actions as the circumstances warrant. Also, the filing of these reports would be staggered for the small plan sector i.e. 20 percent file in year one, 20 percent in year two, and so forth.

This would allow the government to level out the workload thus promoting efficient, orderly and economical processing and regulation through the audit process. Also, the staggered filing dates relieve the pressure on pension organizations that have to prepare and file numerous reports within specific time frames. We found that pension professionals did not have the staff nor time necessary to service all of their clients within the required deadlines.

If the periodic report was adopted, we could assume that costs and preparation effort would not exceed the present levels for preparing the 5500 annual report. In effect, this would allow plan costs to be reduced on average and spread over a period of years thus relieving the annual cost impact that presently exists.

Another area that would have to be integrated into the reporting scheme would be for reportable events. Exception reports would have to be filed promptly in some instances for certain reportable events while others could be included in the proposed one page annual filing at tax time. Plan sponsors could be given basic plan guides that define events that must be reported and outline the steps to do so.

One of the most important features of our reporting design would increase participant reporting—in part because the average participant is untutored with pension matters in general. This added reporting would require that the statement of accrued benefits[3] be provided each year and expanded to include necessary fiduciary information. Such annual statements in and of themselves would report on how the plan is being operated thus eliminating the need for the Summary Annual Report.

We found that during the DOL project that defined contribution plans prepare such benefit information as a part of routine plan

[1] According to the DOL statistics the small retirement plan sector accounts for nearly 93 percent of the total private pension plan universe on a numerical basis—but only includes 11 percent of all participants.

[2] The pension industry is a broad classification that includes those organizations that install and service small retirement plans such as, actuarial firms, banks, pension consulting, insurance companies, etc.

[3] In the case of defined benefit plans we believe that projected benefit information would be much more useful to assist a participant in post-employment income planning.

administration. Also, defined benefit plans may be subject to increased statement costs—but with the other trade-offs their overall costs should be at much lower levels. The participant reporting is intended to plan administration costs productive and meaningful.●

Mr. ROBERT C. BYRD subsequently said:

Mr. President, I ask unanimous consent that S. 3193, the ERISA Paperwork Reduction Act, introduced earlier by Senator BENTSEN, be referred jointly to the Committee on Finance and the Committee on Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 2627

At the request of Mr. GRAVEL, the Senator from Idaho (Mr. MCCLURE), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 2627, the Deferred Compensation bill.

SENATE RESOLUTION 242

At the request of Mr. HATCH, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. Res. 242, relating to the proposed IRS rule changes pertaining to the taxation of employee fringe benefits.

SENATE RESOLUTION 477

At the request of Mr. CULVER, the Senator from Missouri (Mr. EAGLETON), the Senator from West Virginia (Mr. RANDOLPH), and the Senators from South Dakota (Mr. MCGOVERN and Mr. ABOUREZK) were added as cosponsors of Senate Resolution 477, to disapprove the meat imports quota suspension.

SENATE RESOLUTION 478—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

Mr. MAGNUSON, from the Committee on Appropriations, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 478

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-fifth Congress, $75,000 in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946, and in Senate Resolution 113, Ninety-fifth Congress, agreed to April 1, 1977.

SENATE RESOLUTION 480—SUBMISSION OF A RESOLUTION ON THE 100TH ANNIVERSARY OF ST. BRIGID ROMAN CATHOLIC SCHOOL

Mr. HEINZ submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 480

Whereas during the spring of 1978 Saint Brigid Roman Catholic Church of Meadville, Pennsylvania is celebrating the one hundreth anniversary of its founding;

Whereas a special liturgical service will be held on Sunday, June 18, 1978 to commemorate the first one hundred years of the Saint Brigid Roman Catholic Church and to reaffirm the hallowed beliefs of the church;

Whereas the establishment of the Saint Brigid Roman Catholic Church one hundred years ago exemplifies the dedication of the people of the United States to the fundamental principle of freedom of religious worship;

Whereas the people of the parish of Saint Brigid Roman Catholic Church embody the spirit of our ancestors whose high ideals made the United States a great country: Now, therefore, be it

Resolved, That the Senate recognizes and honors Saint Brigid Roman Catholic Church and the parish community upon the one hundredth anniversary of the founding of the church.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the pastor of Saint Brigid Roman Catholic Church.

● Mr. HEINZ. Mr. President, today I am submitting a resolution to commemorate the 100th anniversary of the founding of St. Brigid Roman Catholic Church in Meadville, Pa.

In the spirit of America's early pioneers, a small but determined group of Pennsylvanians over 100 years ago in Meadville, Pa. sought to fulfill their constitutionally guaranteed right of freedom for religious worship. Seeking to have their Catholic religious services conducted in a way to better benefit their community, this dedicated group of parish leaders, John Riordan, Thomas McGuigan, James O'Connor, Walter Furlong, Richard Whalen, and Thomas Breen, petitioned their diocesan head for permission to establish St. Brigid Roman Catholic Church.

Upon final diocesan approval to establish their parish, the new congregation was still without a dedicated house of worship. Mass was said in private homes until a brick building on the southeast corner of Center and Chancery Lane in Meadville, Pa. was rented for the small parish. The new congregation named their church Divinity Hall. Although Mass was conducted here for a number of years, the parish resolve to build a new house of worship dedicated to the Lord was strengthened.

The congregation was growing larger every year and finally under the leadership of the Reverend James J. Dunn construction of the present church building, Saint Brigid Roman Catholic Church was begun.

Today Saint Brigid Roman Catholic Church is an important center of religious, community, and social strength in Meadville, Pa. The congregation now numbers over 1,000 families and under the current direction of Father William C. Karg the parish community is growing stronger.

It is with great pleasure that I submit this resolution, and congratulate the parish of Saint Brigid Roman Catholic Church.●

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—H.R. 8410

AMENDMENTS NOS. 2456 AND 2457

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself, Mr. CHAFEE, and Mr. MARK O. HATFIELD) submitted two amendments intended to be proposed by them, jointly, to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2458 THROUGH 2461

(Ordered to be printed and to lie on the table.)

Mr. ROBERT C. BYRD (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. HART, and Mr. MCGOVERN) submitted four amendments intended to be proposed by them, jointly, to H.R. 8410, the Labor Law Reform Act of 1978.

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978—S. 3074

AMENDMENT NO. 2462

(Ordered to be printed and to lie on the table.)

Mr. TALMADGE submitted an amendment intended to be proposed by him to the bill (S. 3074) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes.

Mr. TALMADGE. Mr. President, I am today submitting an amendment to S. 3074, the International Development Assistance Act of 1978.

The amendment to S. 3074 adds a new title II to the bill entitled "Food for Peace." It makes three changes in the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The amendment first, requires a study by the President to determine how U.S. food assistance can be more effectively used to meet the needs of the poor in developing countries;

Second, authorizes the Commodity Credit Corporation to pay freight charges under title III of Public Law 480 for nations on the UNCTAD list of relatively least developed countries; and

Third, increases the attractiveness of the title III program by making it possible for participating countries to defer obligations under title I agreements.

Mr. President, the food for peace program originated in the Committee on Agriculture, Nutrition, and Forestry; and we have had the lead role in developing and refining it since its inception in 1954. In 1977, our committee developed a package of major amendments to the food for peace program, but because of jurisdictional problems with the House side, most of that package was taken out of the farm bill (S. 275), and added to the foreign assistance legislation. And our committee was involved in the conference on the foreign assistance legislation of 1977.

Today, we are following a similar course in introducing amendments which were approved by our committee on June 7 to be added as amendments to this year's foreign assistance bill (S. 3074).

These are not major amendments, but I would anticipate that we would likely be holding hearings next year on these and other provisions of the food for peace program.

I should like to point out that these amendments which I am offering on behalf of the Committee on Agriculture, Nutrition, and Forestry are identical to

three amendments on the food for peace program contained in H.R. 12222, the International Development and Food Assistance Act of 1978 as passed by the House of Representatives.

The first amendment calls for a study to be completed and submitted by the President to the Congress no later than February 1, 1979, which would explain why food assistance under title I of Public Law 480 is not more successful in reaching those suffering from hunger and malnutrition and recommend steps which could be taken to increase the effectiveness of our total food assistance effort in addressing hunger and malnutrition abroad.

The committee intends that the President, in making the study, should look at titles I, II, and III of Public Law 480 in terms of their effectiveness in addressing hunger and malnutrition. It is my understanding that at the present time food assistance under title II costs approximately $358 per ton, while under title I, the cost per ton runs around $150. This rather significant difference results largely from the fact that all shipping costs for food distribution through voluntary agency programs under title II are paid by the Commodity Credit Corporation. Also, under title II, a large proportion of the shipments are blended foods which are more costly per volume than the unprocessed grains supplied under title I. But the blended foods are more appropriate for maternal and child feeding programs.

Under title I, not less than 50 percent of the commodities shipped must be carried on U.S.-flag vessels. The CCC, under this title, meets the only cost of the ocean freight differential between the foreign flag rates and the rate charged by American carriers.

Therefore, in looking at the effectiveness of the food for peace program in meeting the needs for hungry people abroad, the study should also examine the relative cost effectiveness of the three titles of the program. Thus, I would hope that when the Department of Agriculture carries out the study it will begin with an open mind and be prepared to offer any recommendations which it feels are warranted on the basis of the facts which it uncovers.

The second amendment authorizes the Commodity Credit Corporation to pay, with respect to commodities made available under title III to a country on the United Nations conference on trade and development list of relatively least developed countries, freight charges from U.S. ports to ports of entry abroad or designated points of entry abroad in the case of landlocked countries.

This amendment has been designed to increase the attractiveness of the title III program and encourage needy countries to participate where it meets their needs.

While supporting the amendment, our committee voiced concern that this section be used with caution in order to fulfill a need which otherwise would not be met. In addition, our committee felt that funds for title III transportation costs must not reduce the funds made available for commodity financing.

Any funds used for this purpose should be separately identifiable and appropriated as is the case of funds used for transportation requirements under titles I and II.

The third amendment is designed to increase the attractiveness of the title III program by making it available on a case-by-case basis to defer obligations coming due under earlier title I agreements.

Under the title III program, a needy country can be forgiven its credit obligations for commodities received if it agrees to program the local currencies generated for agreed-upon development purposes.

Under this amendment, the recipient country would not receive the full forgiveness of its obligation under title III, but a portion of that credit could be applied to title I credits coming due. Thus, it would help the poorest countries in meeting their current cash flow situation.

The committee also agreed that—in furnishing food assistance to combat hunger and malnutrition and in terms of the goals of Public Law 480—the President should encourage and assist aid-receiving countries to develop and maintain a sound food grain reserve program.

We requested the Congressional Budget Office to examine the possible cost estimates of the three amendments, and they estimate the costs at $8.7 million in fiscal year 1979, increasing to $24.5 million in fiscal year 1983.

Mr. President, the amendments represent an attempt to improve the operation of the food for peace program, and I urge their favorable consideration.

Mr. President, I ask unanimous consent that this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 1, between lines 5 and 6, insert the following:

AMENDMENT No. 2462

"TITLE I—DEVELOPMENT ASSISTANCE"

On page 1, line 7, strike out "SEC. 2" and insert "SEC. 101" in lieu thereof.

On page 9, line 20, strike out "SEC. 3" and insert "SEC. 102" in lieu thereof.

On page 16, line 13, strike out "SEC. 4" and insert "SEC. 103" in lieu thereof.

On page 21, line 4, strike out "SEC. 5" and insert "SEC. 104" in lieu thereof.

On page 24, line 15, strike out "SEC. 6" and insert "SEC. 105" in lieu thereof.

On page 24, line 23, strike out "SEC. 7" and insert "SEC. 106" in lieu thereof.

On page 25, line 5, strike out "SEC. 8" and insert "SEC. 107" in lieu thereof.

On page 25, line 20, strike out "SEC. 9" and insert "SEC. 108" in lieu thereof.

On page 26, line 12, strike out "SEC. 10" and insert "SEC. 109" in lieu thereof.

On page 27, line 14, strike out "SEC. 11" and insert "SEC. 110" in lieu thereof.

On page 28, line 23, strike out "SEC. 12" and insert "SEC. 111" in lieu thereof.

On page 31, line 22, strike out "SEC. 13" and insert "SEC. 112" in lieu thereof.

On page 32, line 14, strike out "SEC. 14" and insert "SEC. 113" in lieu thereof.

On page 32, line 22, strike out "SEC. 15" and insert "SEC. 114" in lieu thereof.

On page 36, line 22, strike out "SEC. 16" and insert "SEC. 115" in lieu thereof.

On page 38, line 22, strike out "SEC. 17" and insert "SEC. 116" in lieu thereof.

On page 39, line 5, strike out "SEC. 18" and insert "SEC. 117" in lieu thereof.

On page 39, line 11, strike out "SEC. 19" and insert "SEC. 118" in lieu thereof.

On page 45, line 7, strike out "SEC. 20" and insert "SEC. 119" in lieu thereof.

On page 46, line 15, strike out "SEC. 21" and insert "SEC. 120" in lieu thereof.

On page 46, line 24, strike out "SEC. 22" and insert "SEC. 121" in lieu thereof.

On page 47, line 6, strike out "SEC. 23" and insert "SEC. 122" in lieu thereof.

On page 47, line 13, strike out "SEC. 24" and insert "SEC. 123" in lieu thereof.

On page 47, between lines 16 and 17, insert a new title II as follows

TITLE II—FOOD FOR PEACE

EFFECTIVENESS OF FOOD ASSISTANCE IN MEETING BASIC FOOD NEEDS

SEC. 201. The Congress finds that food assistance provided by the United States to developing countries under title I of the Agricultural Trade Development and Assistance Act of 1954 often is distributed within those countries in ways which do not significantly alleviate hunger and malnutrition in those countries. In order to determine how United States food assistance can be more effectively used to meet the food needs of the poor in developing countries, the President shall submit to the Congress not later than February 1, 1979, a report (1) explaining why food assistance provided to developing countries under title I of the Agricultural Trade Development and Assistance Act of 1954 is not more successful in meeting the food needs of those suffering from hunger and malnutrition, and (2) recommending steps which could be taken (including increasing the proportion of food assistance which is furnished under titles II and III of that Act) to increase the effectiveness of food assistance under that Act in meeting those needs.

TRANPORTATION COSTS FOR FOOD FOR DEVELOPMENT PROGRAMS

SEC. 202. Sections 304 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new subsection:

"(d) The Commodity Credit Corporation may pay, with respect to commodities made available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, freight charges from United States ports to designated ports of entry abroad or to designated points of entry abroad in the case of landlocked countries."

APPLICATION OF FOOD FOR DEVELOPMENT PROCEEDS TO REPAYMENT OBLIGATIONS

SEC. 203. Section 305 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting "(a)" immediately after "SEC. 305"; and

(2) by adding at the end thereof the following new subsection:

"(b) Such disbursements shall be deemed to be payments with respect to the credit furnished pursuant to the agreement or if, in the case of a country on the United Nations Conference on Trade and Development list of relatively least developed countries, the disbursements in a fiscal year are greater than the amount of the annual repayment obligation which that country would have to meet for that fiscal year under the agreement but for the disbursements in accordance with the Food for Development Program, then the disbursements which are in excess of the amount of that annual repayment obligation may, to the extent provided in the agreement, be considered as payments with respect to the annual repayment obligations of that country for that fiscal year under other financing agreements under this Act.".

On page 47, line 18, strike out "SEC. 24" and insert in lieu thereof "SEC. 204".

MILITARY PROCUREMENT AUTHORIZATIONS—S. 3079

AMENDMENT NO. 2463

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill (S. 3079) to authorize certain construction at military installations, and for other purposes.

BLACK LUNG URGENT SUPPLEMENTAL APPROPRIATIONS—HOUSE JOINT RESOLUTION 945

AMENDMENT NO. 2464

(Ordered to be printed and referred to the Committee on Appropriations.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to the joint resolution (H.J. Res. 945) making an urgent supplemental appropriation for the black lung program of the Department of Labor for the fiscal year ending September 30, 1978.

● Mr. HOLLINGS. Mr. President, today I am submitting an amendment to House Joint Resolution 945 that makes an urgent supplemental appropriation for the black lung program. My amendment would provide a supplemental appropriation of $3,788,000 for the local public works program of the Department of Commerce and is critically needed to avoid the unnecessary lay off of the 400 employees of the Economic Development Administration monitoring this $4,000,000,000 program.

By way of explanation let me indicate that the $15,000,000 we included in last year's Economic Stimulus Appropriation Act for the administration of LPW was based on experience of the earlier $2 billion appropriated for round I of the local public works program. Several factors drastically affected this estimate. The legislation was changed after the budget was developed and enlarged the staffing requirements; for example, the 10 percent minority business set-aside provision that has given more business to the minority firms of my State than they received over all the years of SBA's 8(a) program. Also encountered was the fact that the smaller size of the projects submitted resulted in 8,554 projects being approved instead of the 4,000 originally projected. Accordingly, EDA had to maintain a greater level of processing and monitoring manpower than was expected. Ordinarily the Department would solve this type of situation by stretching out the processing of the projects. However, the Senate will recall that this legislation included a mandate to approve the projects within 90 days after the appropriation was enacted so this procedure was not possible.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a letter dated June 8, 1978, from the Assistant Secretary of Commerce for Administration, that more fully describes the necessity for this supplemental appropriation.

As this letter indicates, this appropriation while budgeted, is not yet authorized. However, I have spoken to the distinguished chairman of the Committee on Environment and Public Works, (Mr. RANDOLPH) and he is apprised of the need for this emergency action and is fully supportive of this amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., June 8, 1978.

Hon. ERNEST F. HOLLINGS,
Chairman, Subcommittee on State, Justice, and Commerce, the Judiciary, and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The President's budget, as presented to the Congress in January, requested supplemental funding of $3,788,000 for FY 1978 and $10,607,000 for FY 1979 for administration of the Local Public Works (LWP) program.

The House Committee did not approve the $10,607,000 requested for FY 1979, stating in its report that, "While the Committee is not opposed to the monitoring and evaluation of grants made under this program, the amount requested is not authorized for fiscal year 1979." The supplemental request has not been considered officially as yet, although earlier hearings did cover both the FY 1978 and FY 1979 proposals.

The Administration has now proposed legislation which would provide authorization for the amounts requested so that a supplemental appropriation for FY 1978 could be enacted and funds made available to meet the critical needs for executing the program in a manner consistent with the intents of the Congress.

There are two major factors which came into play after the original appropriations were made which make it necessary to request additional funds. The first consideration is that in Round I approximately 2,000 projects had been approved; the assumption was made during the initial consideration of Round II that approximately 4,000 projects would be approved under the second phase of the program. The actual number of projects approved in Round II was 8,554. The workload impact of this increase has been most dramatic.

The second major reason why the administrative costs of carrying out the LPW program successfully have risen, is that the Round II authorizing legislation contained a number of special provisions which require a significant increase in our monitoring effort. While the nature of these provisions was known at the time the initial administrative funding estimates were made, the true magnitude of the monitoring workload was not fully recognized.

At this point, when the prospects for the success of the LPW program are so good, it is more important than ever that the personnel be available to maintain the total effort that has characterized the LPW program to date.

Because of the urgency of initiating and maintaining a major level of effort from the beginning of the fiscal year, this has meant that staffing support and other costs have been incurred at a rate which is greater than had been budgeted originally; hence, the urgency of obtaining supplemental funding for FY 1978 ($3,788,000) and additional funding in FY 1979 ($10,607,000).

Without supplemental funding, it will be necessary to release all LPW employees and cease all operations other than simply processing the letter of credit drawdowns by July. Even with supplemental funding, we plan to continue to decrease the LPW employment level until the end of FY 1978. We started the year at 506, now have approximately 470 employees on board, and expect to reach a level of 370 by September 30.

Because of the immediate need for additional funds to enable us to continue effective monitoring and evaluation of the LPW program, I urge that you consider initiating an "Urgent Supplemental" or seeking other means of making funds available to the Department for this critical activity. We will be happy to provide any additional information you may require.

Sincerely,

ELSA A. PORTER,
Assistant Secretary for Administration.

Enclosure.

LOCAL PUBLIC WORKS PROGRAMS—ADMINISTRATIVE COSTS

[Amounts rounded to thousands]

	End of month employment	Personnel costs	Support costs	Other costs [1]	Total costs	Cumulative by fiscal year
September	506					
Fiscal year 1978:						
October	503	$733	$178		$911	$911
November	499	769	158		927	1,838
December	515	743	183		926	2,764
January	509	744	179		923	3,687
February	517	759	179		938	4,625
March	506	735	335	$782	1,852	6,477
April	497	670	415	500	1,585	8,062
May	497	670	296	[2] 3,099	4,065	[3] 12,127
June	480	543	296		839	12,966
July	400	449	171		620	13,586
August	370	421	170		591	14,177
September	370	416	170	1,152	1,738	15,915
Total, fiscal year 1978		7,652	2,730	5,533	15,915	
Fiscal year 1979:						
October	370	$441	$110		$551	$551
November	370	441	110		551	1,102
December	370	441	110	[4] $1,290	1,841	2,943
January	370	441	110		551	3,494
February	370	441	110		551	4,045
March	370	440	110	[4] 1,290	1,840	5,885
April	320	411	103		514	6,399
May	270	349	87		436	6,835
June	228	284	71	[4] 1,290	1,645	8,480
July	170	212	67		279	8,759
August	170	212	67		279	9,038
September	170	212	67	[4] 1,290	1,569	10,607
Total, fiscal year 1979		4,325	1,122	5,160	10,607	

[1] Includes major support costs from other agencies, and from contractors for support of the program evaluation.

[2] These are amounts owed. Payroll expenses can be covered for a longer period by deferring payment of these bills.

[3] This is equal to the total now available.

[4] Evaluation and other support costs are simply prorated by quarter.

ECONOMIC DEVELOPMENT ADMINISTRATION—LPW ADMINISTRATIVE COST ESTIMATES

[In thousands]

	Fiscal year—	
	1978	1979
I. Funds available:		
Carried forward from previous year	$12,127	
Budget Requested		$10,607
Total	12,127	10,607
II. Current apportionment	12,127	
III. Estimated EDA costs:		
Salaries and general support	9,107	5,447
Department of Labor for data		
Department evaluation and staff support	80	
SBA for bonding	563	
Sec. 110 evaluation	500	
EDA evaluation	2,000	2,000
OMBE support	1,000	
OMBE evaluation	150	
Total costs	13,400	7,447
IV. Departmental auditors	2,515	3,160
Total costs	15,915	10,607
V. Current funding request	3,788	10,607
VI. Staffing levels (end-year strength):		
Total EDA	370	170
Total auditors	124	94
VII. Project activity: A total of 10,616 projects were processed in fiscal year 1977 (round I: 2,062 projects; round II: 8,554 projects).		

NOTICES OF HEARINGS

MEDI-GAP: PRIVATE HEALTH INSURANCE SUPPLEMENTS TO MEDICARE

● Mr. CHURCH. Mr. President, the Special Committee on Aging will conduct a second hearing on the sale of private health insurance policies to supplement medicare on Thursday, June 29, 1978. Senator LAWTON CHILES will preside. The hearing will take place in room 457, Russell Senate Office Building, from 9:30 a.m. until noon.

Senator CHILES will take testimony from representatives of the National Association of Insurance Commissioners; Elizabeth Hanford Dole, Commissioner, Federal Trade Commission; and Kenneth Moore, Insurance Commissioner, Santa Fe, N. Mex. Additional witnesses may be announced at a later date.●

ADDITIONAL STATEMENTS

PRESIDENTIAL POWERS

● Mr. CHURCH. Mr. President, we have been hearing a great deal recently about "constraints" that Congress has placed on the Presidency since the Vietnam war, and there is beginning to be agitation for Congress to "ease up" on the President.

As one who helped write or supported many of the laws now at issue—the War Powers Act, the legislation which put an end to the prospect of government by emergency decree, and some of the amendments to foreign aid bills circumscribing certain types of involvement abroad—I find this new attitude puzzling. Frankly, I know of no law that hinders the President in the legitimate conduct of foreign policy. The President retains his authority to act abroad to protect American national security. The President remains the chief architect of American foreign policy, as he has always been.

What has happened is that Congress has insisted upon re-establishing its constitutional role in the conduct of foreign affairs. The Constitution gives the Congress—not the President—the power of the purse strings, and it gives to Congress a clear role in decisions of war and peace. All we have done in the past few years is to require that the President recognize that Congress has such constitutional obligations.

One of the best analyses I have seen concerning this new debate over "restraints" on the President was an editorial which appeared May 19 in the Idaho Statesman in Boise, Idaho. It is a thoughtful commentary on what is involved, and I commend it to my colleagues. I ask that it be printed in the RECORD.

The commentary follows:

KEEP PRESIDENT LEASHED

President Carter has expressed concern that congressional restraints on foreign aid, particularly military aid, keep him from providing adequate aid to the African nation of Zaire, now under attack by rebels from Zaire's Shaba province.

We're not sure exactly what restraints Carter refers to, and neither are many others. Some suspect Carter is using the Zaire episode as a smokescreen to launch a major attack on all congressional restraints on foreign policy, whether they bear on aid to Zaire or not.

About the only restraint we know of on aid to Zaire is a provision that no more military aid can be shipped until Zaire catches up on its payments for earlier purchases. Should the situation in Zaire deteriorate, or should it be shown that Cubans or Soviets are involved in the rebal action, Carter could reasonably ask Congress to waive the payment provision. We expect that Congress would comply. Or, an alternative is for a third country, such as Saudi Arabia, to pay the debt out of self interest. As the situation now stands in Zaire, the need for massive American aid is not indicated.

If Carter is using the situation in Zaire as an argument for regaining the broad foreign policy powers that Congress has systematically whittled down in recent years, he is in for a tremendous fight, and rightly so.

What Congress has done over the past five years is to clean the slate on foreign policy and start over in a position more equal to that of the President. The first step was to repeal four declarations of national emergency dating back to 1933. None had been rescinded, and each gave to the President special powers that he held long beyond the existence of any emergency.

Then Congress established a very critical restraint on the President's ability to commit American troops to combat in the 1973 war powers act.

Beyond that, Congress' power in foreign policy is mostly passive. The President must apprise Congress of what he intends to do, but he still retains the critical power to shape foreign policy. In no way can Congress take away that power. Congress simply has required that it be notified.

Columnist David Broder recently challenged the rationale for congressional incursions into foreign policy by making two points. First, Broder argued, congressmen have a bad habit of thinking of foreign policy as an extension of domestic policy. Their decisions are based more on the political risks involved and the interest of their constituents rather than the national interest.

Second, he said, congressmen are unaccountable for their foreign policy actions. The President can be turned out of office for his conduct of foreign affairs, but a congressman can take most any stance he chooses in foreign affairs with impunity, according to Broder.

The problem with Broder's column is that it makes presidents, congressmen and their constituents too one dimensional. Rejection of a president purely on foreign policy grounds is unlikely. Even Lyndon Johnson was not forced from office totally on the basis of his foreign policy.

Likewise it is erroneous to argue that congressmen and their constituents cannot look beyond the ends of their noses to see the national interest as opposed to local interest.

Broder has a point, but it is of limited value because of its one dimensional quality. It may be true that the President needs more flexibility in dealing with foreign policy, particularly in view of the current Soviet-led Communist adventurism in Africa. We are concerned with that development and would be happy to see constructive proposals made for fine-tuning the system we now have, such as a proposal that a president can commit a limited amount of one-time military aid to a country without Congressional assent if he determines it is in the national interest.

But we reject the notion that Congress should retreat from the active foreign policy role it has carved for itself in recent years. The atrocious mistakes committed by inhabitants of the White House in the name of "national security" are too fresh in our mind.●

THE ASSISTANT ATTORNEY GENERAL'S LEGAL FEES OPINION

● Mr. McCLURE. Mr. President, a prominent "robber baron" of an earlier era has been credited with the remark: "I have had many lawyers who have told me what I cannot do. Mr. Root is the only lawyer who tells me how to do what I want to do."

In the post-Watergate era, this remark seems even more pejorative than it did at the time. The evolving notion is that it is not the function of attorneys to devise specious justifications in order to allow their clients to prolong a clearly illegal course of conduct. Recent lawsuits against prominent law firms, notably White and Case, have served to reinforce this notion.

While all of this does normally fall within congressional purview, it does become a matter of congressional concern when the U.S. Department of Justice, in the guise of giving objective legal opinions on the state of the law, produces ill-considered, selfserving memoranda compiled solely for the purpose of justifying a continuing course of unlawful conduct.

The memorandum I have in mind concerns the matter of intervenor funding by Federal agencies. While Congress has been in the process of sorting through the "pros" and "cons" of each of several bills under consideration, it appears the Justice Department has decided to preempt the Congress by allowing legal fees without congressional authorization.

In response to queries from the Department of Transportation, Assistant Attorney General John Harmon has issued an opinion letter authorizing that department to continue to award legal fees to "public interest intervenors" in agency proceedings. This letter repre-

sents a "slap in the face" to Congress and a deliberate violation of several recent court decisions.

For example, the Second Circuit Court of Appeals just recently adopted the "Alyeska principle," ruling in Greene County Planning Board against FPC that, unless an agency has specific statutory authority, that agency can not spend Federal funds to reimburse voluntary intervenors in agency proceedings. Earlier this year, the Supreme Court refused to review that decision, thereby allowing it to stand.

Thirteen Senators have been sufficiently concerned about the apparent sanction of illegality embodied by the Harmon letter to correspond with the Justice Department in connection with it. I submit for the RECORD the letter from Senators HELMS, CURTIS, GARN, BARTLETT, LAXALT, and myself.

The Justice Department has, after 2 months, thus far refused to issue a substantive reply.

At roughly the same time as our letter was sent, we requested the Pacific Legal Foundation, a public interest law firm, to investigate the extent of continuing unlawful legal fees award programs. I also submit a copy of Pacific's letter to the Department of Transportation for the RECORD.

In answering Pacific, DOT sent copies of two documents requested, but refused to complete the request unless Pacific pays a $40 charge. In the alternative, DOT wants PLF to spell out what benefit the public would obtain from the release of this information if fees are waived.

It seems very clear that, when the issue is illegal expenditure of Federal funds, revelation of amounts and recipients of these funds provides a substantial benefit. I do not believe that the Department of Transportation response is at all satisfactory. Moreover, it is interesting to note that, while the administration talks about public interest group participation in agency decisionmaking, it now throws up barriers to an organization attempting to investigate potential illegality in expenditure of Federal funds.

In my opinion, this is just one more instance of "the public interest" being defined to include only those actions which enhance the Federal Government's jurisdiction. The growing recognition of this fact can only decrease the chances that legitimizing legislation will be passed.

The material follows:

U.S. SENATE,
Washington, D.C., March 20, 1978.

Hon. GRIFFIN BELL,
Department of Justice,
Washington, D.C.

DEAR ATTORNEY GENERAL BELL: It has come to our attention that Assistant Attorney General John Harmon has recently issued a letter stating that agencies of the federal government can award legal fees to liberal public interest intervenors if they can pick from the broad policy statements in their charters the implicit authority to do so.

Such a result is, in our opinion, illegal under recent decisions by the Supreme Court and the Second Circuit Court of Appeals. In addition, it administratively short-circuits a policy debate which is currently underway in Congress.

As the Second Circuit noted in the recent case of Greene County Planning Board v. Federal Power Commission, Congress is currently considering several bills on the subject of intervenors' costs. Said the court, "it is for Congress . . . to set the conditions under which payments, if any, should be made."

Thus, the Second Circuit reaffirmed the Supreme Court's Alyeska decision that "absent statute or enforceable contract, litigants pay their own attorneys' fees."

Out of this language, Harmon purports to draw a holding that each department and agency must examine the policies of its statutory authority to search for an implicit grant of authority to award legal fees. "Assuming it concludes that such power exists," he states, "it will additionally have to determine the standards and procedures under which such compensation may, at its discretion, be provided."

We cannot imagine a clearer contradiction between the holding of a court and the interpretation placed on it.

We therefore urge you to repudiate this proposed violation of federal law and affront to Congress, and to withdraw the letter and replace it with an opinion more accurately reflecting current law.

Sincerely,

JESSE HELMS,
JAMES A. MCCLURE,
CARL T. CURTIS,
JAKE GARN,
DEWEY F. BARTLETT,
PAUL LAXALT.

PACIFIC LEGAL FOUNDATION,
Washington, D.C., April 7, 1978.

DEAR MR. SECRETARY: The Pacific Legal Foundation is officially serving you notice and a copy of the Second Circuit Opinion in *Greene County Planning Board* v. *FPC*, 559 F.2d 1227 (1977), *cert denied*, 46 U.S.L.W. 3514 (1978), regarding reimbursement of intervenors in agency proceedings. The court held that absent explicit statutory authority federal agencies may not expend funds to pay such expenses. Any attempt by your department to implement such a reimbursement program would not be consistent with the law as it currently stands.

In conjunction with this issue we are also making a request under the Freedom of Information Act, as amended, 5 U.S.C. § 552 (1976). Specifically we request the following information:

(a) Has a reimbursement program been implemented within your department to pay such expenses? If the response to this question is affirmative, please send copies of any departmental documents implementing this program.

(b) What is the statutory authority that you are using as a basis for this action?

(c) Identify and document all organizations that have applied for such assistance. Please send copies of all documents approving or denying financial assistance and identify the geographic location where those requests were made or approved.

The Pacific Legal Foundation (PLF) participated in *Greene County* as an *amicus curiae* at the Appeals and Supreme Court levels. As a public interest legal foundation engaging in litigation on a nationwide scale, we filed briefs on behalf of over 20,000 individuals, who directly and through associations and firms, support the Foundation's activities. As taxpayers and citizens they have a deep concern that Federal tax dollars be expended according to the law. On their behalf we have filed extensive written comments with Federal agencies warning them they must have clear and explicit statutory authority before they may pay intervenor's fees. This position was held in *Greene County*. The purpose of this letter is to reiterate the Foundation's position that, consistent with *Greene County*, Federal agencies may not expend Federal funds to reimburse intervenors absent explicit statutory authority.

We would appreciate your prompt consideration and attention to this request. If you have any questions regarding this request, please contact our office.

Very truly yours,

ALBERT FERRI, Jr.,
Managing Attorney.

Enclosure.

OFFICE OF THE SECRETARY
OF TRANSPORTATION,
Washington, D.C., April 25, 1978.

ALBERT FERRI, Jr., Esq.
Managing Attorney, Washington Office, Pacific Legal Foundation, Washington, D.C.

DEAR MR. FERRI: This is in response to your letter of April 7, 1978 to the Secretary of Transportation, enclosing a copy of the Second Circuit's opinion in *Greene County Planning Board* v. *FPC*, and posing three (3) specific questions, under the Freedom of Information Act, concerning the Department's reimbursement program to provide financial assistance to participate in administrative proceedings. Your letter has been referred to me, since the Office of Public and Consumer Affairs is delegated responsibility for the Departmental implementation of the Freedom of Information Act.

You state that "consistent with *Greene County*," the Department of Transportation "may not expend Federal funds to reimburse intervenors absent explicit statutory authority." We have independently studied the Second Circuit's opinion in *Greene County*, and disagree with your characterization of the Court's holding in that case. We believe that the proper interpretation of *Greene County* is set forth in the enclosed opinion of the Assistant Attorney General, Office of Legal Counsel, Department of Justice, which was issued to the Department of Transportation. The Assistant Attorney General concluded:

"Because the holding of the Second Circuit involved only a construction given to the Federal Power Act . . . We think it clear that no department or agency (including your department) other than possibly FERC is bound by that holding. Nor do we think that the Second Circuit, in reaching its conclusion regarding the Federal Power Act, announced a principle of law broad enough to cover other departments and agencies."

Following the suggestion of the Department of Justice, we have examined our own organic statute and other relevant statutory provisions, and concluded that the Department of Transportation does have the implied statutory authority to fund participants to our administrative proceedings.

The answers to your specific questions are as follows:

(a) On January 13, 1977, the Department initiated a one-year demonstration program to provide financial assistance to participants in the administrative proceedings of the National Highway Traffic Safety Administration. On March 16, 1978, the demonstration program regulations were extended until the Secretary of Transportation determines whether to issue final Departmental regulations. Your request for the documents implementing this program is granted.

(b) In answer to this question, we have enclosed a document discussing the Department's implied statutory authority to fund administrative participants.

(c) Copies of all documents approving or denying applications for financial assistance are releasable and this portion of your request is granted.

The fee for direct research of your request is $25.00 and the fee for reproduction of the above described documents is $5.95. These fees have been prescribed, pursuant to the Freedom of Information Act (5 U.S.C. 552 (a)(4)(A)), as implemented by Departmental regulations (49 C.F.R. 7.95). Upon receipt of a check or money order, drawn to the order of the Treasury of the United States in the amount of $30.95, the records will be mailed to you.

If, on the other hand, you wish to request a waiver of the above fees, you must furnish us with a letter signed by the head of your organization, explaining the specific benefits to the general public which will be derived from furnishing the requested records and information (see 5 U.S.C. 552(a)(4)(A)).

Sincerely,

ROBERT A. HOLLAND,
Deputy Director,
Office of Public and Consumer Affairs.●

A RUSSIAN AT HARVARD

● Mr. McGOVERN. Mr. President, James Reston had a particularly insightful and constructive critique of Alexandr Solzhenitsyn's recent address to the graduating class of Harvard.

I believe Mr. Reston's column deserves the close attention of my colleagues in the Senate and I ask that it be printed in the RECORD.

The column follows:

A RUSSIAN AT HARVARD

(By James Reston)

EDGARTOWN, MASS., June 10.—Aleksandr Solzhenitsyn said so many true and even noble things in his address to the Harvard graduates a few days ago that one wonders why he spoiled his message with so many unfair, provocative, and even silly comparisons on the side.

His attack on the materialism and moral squalor of the Western nations and their selfish subversion of freedom was fair enough.

"Even if we are spared destruction by war," he told the Harvard graduates, "our lives will have to change if we want to save life from self-destruction. We cannot avoid revising the fundamental definitions of human life and human society.

"Is it true that man is above everything? Is right that man's life and society's activities have to be determined by material expansion? Is it permissible to promote such expansion to the detriment of our spiritual integrity . . .?"

These are good questions, which the poet Archibald MacLeish raises with equal eloquence and better balance in his latest book of essays and reflections, "Riders on the Earth." But Mr. Solzhenitsyn went beyond questions to conclusions that made Oswald Spengler's "Decline of the West" sound recklessly optimistic.

Mr. Solzhenitsyn talked of "a decline in courage" as perhaps the most striking feature of the Western world today—not only in the United States but in all free nations, particularly among all the political leaders and the intellectual elites.

Our leaders bullied weak countries, he suggested, but were "tongue-tied and paralyzed when they deal with powerful governments and threatening forces, with aggressors and international terrorists."

To be fair, Mr. Solzhenitsyn, who was exiled from the Soviet Union four years ago for his criticism of the brutality and inhumanity of the Soviet political system, emphasized that he was not recommending that system as a substitute or the weaknesses in the West. But he added:

"I could not recommend your society such as it is today as a model for the transformation of ours. Through intense suffering, our country (the Soviet Union) has now achieved a spiritual development of such intensity that the Western system in its present state of spiritual exhaustion, does not look attractive.

"A fact which cannot be disputed is the weakening of human beings in the West while in the East they are becoming firmer and stronger. Six decades for our (Russian) people and three decades for the people of Eastern Europe; during that time we have been through a spiritual training far in advance of Western experience . . ."

This from the author of the unspeakable tortures of the Soviet prisons and psychiatric wards? This is "a fact which cannot be disputed"? The hell it can't. Mr. Solzhenitsyn entitled his commencement address at Harvard "A World Split Apart," but for all its brilliant passages, it sounded like the wanderings of a mind split apart.

He suggests that it was the spiritual bankruptcy and physical cowardice of the United States that led to what he calls "the hasty Vietnam capitulation." Hasty? After a generation of slaughter? Lack of courage? It was precisely because the American people still heard some echoes of their spiritual heritage and belief in the sanctity of individual human life that they rose up against the genocide Mr. Solzhenitsyn condemns.

There is a fundamental contradiction in this Solzhenitsyn speech. For on the one hand, he argues that "only moral criteria can help the West against Communism's strategy", but on the other, that only American military power and willpower could have stopped the carnage in Vietnam by continuing it, and avoiding the expansion of Communist power in Asia.

It is an interesting argument, particularly since it was made when the domino theory doesn't seem to be working in Southeast Asia; when the Cambodian Communists and the Vietnam Communists are fighting each other; when Hanoi is driving the Chinese back into the People's Republic; and when all the fears at the end of the Vietnam war have not come to pass.

Anyway, as commencement speeches go, there is something to be said for Mr. Solzhenitsyn. He was right to complain that "hastiness and superficiality are the psychic disease of the Twentieth Century". He had some good tough criticisms to make of the press, even though he sounded in the process a little like Spiro Agnew, and he said some true and poignant things.

"After the suffering of decades of violence and oppression, the human soul longs for things higher, warmer and purer than those offered by today's mass living habits, introduced by the revolting invasion of publicity, by TV stupor and by intolerable music."

But at least he was allowed to say all these things. On commencement day at Moscow University, if they have one, the "spiritual superiority" of the Soviet Union, probably wouldn't have allowed it.●

COMMUNIST RHETORIC AND COMMUNIST ACTION

● Mr. McCLURE. Mr. President, the recent invasion of Zaire's Shaba province by Russian-backed and Cuban-trained troops was closely paralleled by Russian demands for nuclear arms reductions at the current round of SALT talks.

As many of us have known, there is a major discrepancy between Communist rhetoric and Communist action. ABC news commentator Howard K. Smith pointed this out 1 year ago. Smith noted the two rarely mean the same thing and questioned the wisdom of arms limitation agreements with a nation that is intent on increasing its own military might.

Unfortunately that type of warning usually falls on deaf ears. Now, 1-year later, Smith's words merit review—especially in light of the current push for a new SALT agreement.

I ask that Mr. Smith's commentary of June 2, 1977, be printed in the RECORD.

The commentary follows:

COMMENTARY

The term Cold War was invented in 1946 to describe the world contest between us and Russia to get the better of one another without actually fighting.

It has become a habit to consider the Cold War as past, buried with the age of detente.

Well, signs multiply that the burial was premature; the Cold War rages on, from Russia's side, with increased intensity.

The film is in the news today, produced by so-called hard-liners showing graphically Russia's advances and our slippage.

The film may be over-stated. But the facts are undeniable. In the past ten years Russia has furiously armed while we have languished. On land, for example, they outnumber us in tanks four-to-one. At sea they have for the first time more warships than we.

Their geographical reach is visible. Soviet arms and Cuban client force show up in every African conflict. Surely the aim is more bases and wider world power.

At the SALT talks they are adamant against cutting nuclear forces. At the Vienna talks on cutting arms in Europe likewise, suggesting they seek superiority not parity.

In Russia the removal of Podgorny, accompanied by ever sharper attacks on us, suggests a tightening of command under Brezhnev for an intensified contest. The new stamping out of Russian dissidents seems to support that view.

If present trends continue they will attain the goal: dominance without having fired a shot. The evidence is too great to be disregarded. We had better stop disregarding it.●

THE 35TH BIRTHDAY OF THE URBAN LEAGUE OF FLINT, MICH.

● Mr. RIEGLE. Mr. President, it is with great pride that I draw to the attention of my colleagues another milestone for the people of my hometown of Flint, Mich. Today, we celebrate the 35th birthday of the Urban League of Flint.

As I am sure all of us are aware, the Urban League is one of this Nation's most outstanding organizations. Dedi-

cated to insuring equal rights for all people it has worked persistently to insure a better life for all people. It is with this spirit and determination that the Urban League of Flint was founded and has worked for 35 years.

Incorporated on May 17, 1943, the Urban League of Flint was established to assist blacks from the rural south to adjust to the new lifestyle of the urban north. Although the original role of the organization was that of an advocate, it quickly grew, and now is active in many facets of human rights in the areas of housing, employment, and personal welfare.

Some of the many achievements credited to the Urban League of Flint include the formation of a black workers education program, entitled the Worker's Council of Flint, the creation of the Flint Housing Study Commission which served as a catalyst for necessary and adequate housing in Genesee County, and the establishment of Talent Bank, which continues to deal with the ever-increasing youth unemployment problem.

For 35 years the Urban League of Flint has successfully helped focus the attention of large and important public and private sectors of the Flint community so that all of the people of the city could enjoy the benefits of employment, housing, and health care. Evidence of these achievements can be found in the 1950 signing of the racial hiring pact with the Michigan Unemployment Compensation Commission which led to openings for blacks in the areas of employment—including automotive production and nursing. The Urban League of Flint has done a great deal to rectify past injustices and in doing so, continues to serve as a leading force in the Flint community and in the State of Michigan.

Injustice continues, but we can all feel reassured with the knowledge that the Urban League will continue the fight to protect the rights and freedoms of all people.●

MIDEAST CONSTRUCTION: WHERE ARE THE AMERICANS

● Mr. McCLURE. Mr. President, an analysis of 542 construction and design-and-construction turnkey contracts awarded since June 1975, in 14 Middle Eastern countries reveals a glaring lack of major involvement by U.S. construction companies.

The study was prepared by Reinhardt & Hall of New York, drawing upon on-site reports from the Middle East compiled weekly by McGraw-Hill's International Construction Week and upon data provided by the U.S. Army Corps of Engineers. The Middle East countries included in the study are Saudi Arabia, Iran, Egypt, Iraq, Syria, Libya, Kuwait, Jordan, Oman, Dubai, Bahrain, Abu Dhabi, Qatar, and the United Arab Emirates.

According to the study, "Of a total of $86.4 billion in new construction in the Middle East, American Contractors only signed up $8.9 billion, or 10.3 percent of the total."

In contrast to the U.S. showing, contracts signed by European companies from mid-1975 total more than $44.3 billion, more than half of all the work. Japanese contractors are next with almost 17 percent of Mideast work.

On the basis of the number of contracts signed since June of 1975, American firms won only 9.8 percent of the total or 53 out of 542 awarded—far behind the European countries which signed 243 contracts and Japan which signed 104.

The study confirms my repeated warning that current policies on the tax treatment of American nationals at work overseas are pricing American industry out of competition for overseas projects, with serious consequences for our Nation's balance of trade account.

Mr. President, I ask that the report by Reinhardt & Hall be printed in the RECORD in its entirety.

The report follows:

MIDEAST CONSTRUCTION: WHERE ARE THE AMERICANS?

Statistical input for this analysis is drawn from on-site reports from the Mideast compiled weekly by McGraw-Hill's International Construction Week newsletter from June, 1975 to May, 1978. In addition, contract awards by the U.S. Army Corps of Engineers, which manages military construction in Saudi Arabia, were used as a cross reference in compiling data for that country. In addition to Saudi Arabia, countries included are Iran, Egypt, Iraq, Syria, Libya, Kuwait, Jordan, Oman, Dubai, Bahrain, Abu Dhabi, Qatar and the United Arab Emirates.

An analysis of 542 construction and design-and-construct turnkey contracts awarded since June, 1975, in 14 Middle Eastern countries reveals a glaring lack of major involvement by U.S. construction companies. Of a total $86.4 billion in new construction there, American contractors have signed up $8.9 billion, or 10.3% of the total.

A fast look at who's actually building the Middle East (and who's hawking petrodollars to balance trade accounts) shows European contractors are the leaders by far. Contracts signed by European companies from mid-1975 total $44.3 billion, more than half of all the work. Japanese contractors are next with almost 17% of Mideast awards, followed by the Koreans (5.4%), Eastern Europeans or Communist block countries (5.2%), other Asian contractors (4.4%), Mideast contractors (3.8%) and Canadian companies (2.5%).

Much of the services rendered by U.S. construction companies in the Middle East is limited to design, supervision or so-called construction management, where American administrative expertise is tapped to perform most of the tasks that would normally be assumed by the owner. These contracts are not for construction, however.

Examples of this kind of work being performed by U.S. companies include Bechtel's construction management work for Saudi Arabia on a $20-billion industrial center at Jubail; Ralph M. Parson's management contract for a similar development at Yenbo; and Sanderson & Porter's signing of what is probably the largest Saudi design contract ever, a $91 million ticket for a huge desalting project also at Jubail.

But most of America's construction companies are, for the most part, distinguished by their limited participation in what will eventually be a $200 billion to $300 billion development effort fueled by Midwest petrodollars. Competition is stiff among contractors from all industralized countries out for big profits and who, in some cases, are liberally financed by their governments to help balance oil-induced trade deficits.

Restraints, such as the U.S. tax on expatriate earnings and strict anti-boycott regulations, when added to complex contractual requirements typical in the Middle East, have cut U.S. contractors' ability to compete in that market.

For example, in terms of the dollar volume of contracts awarded, U.S. contractors fall below 5 percent of the total in three countries—Iraq, Libya and Syria. Less than one eighth of the dollar volume of contracts awarded in Saudi Arabia and Egypt have gone to U.S. construction companies. And only one seventh of the dollars being spent on construction in Iran will go to Americans.

By comparison, European contractors have signed up more than half of the total $56.3 billion (or approximately $30 billion) of work going on in Saudi Arabia and Iran. The Japanese have 41 percent of the work in Kuwait and communist block countries have almost one third of the $10 billion awarded so far in Iraq.

An analysis of the numbers of individual contracts awarded in each country shows an even greater bias against American contractors. Of a total of 542 contracts awarded, just 53, or 9.8 percent, have been signed by U.S. concerns. South Korea almost matches that with 51 contracts. The leaders, by far, are the Europeans with 243 contracts, followed by the Japanese with 104. Other Asian contractors have 36 jobs; Mideast contractors, 31; Eastern European builders have 18; and contractors from Canada and Brazil took the last six contracts.

Even in Saudi Arabia where the Corps of Engineers provides a foothold for U.S. contractors, less than one eighth (20) of the 163 contracts counted have gone to Americans. Europeans have signed up 78 jobs there and Asian companies, including those from Japan and Korea, have been awarded 55 contracts. A similar situation exists in Iran where U.S. contractors have only 14 of a total of 83 contracts.

Some reasons for the success of Asian contractors, especially the Japanese, are the billions of dollars in oil-for-work trade agreements and low-interest loans granted in the Mideast by foreign governments. Total Japanese loans and credit financing by the government's export-import bank, for example, have amounted to about $3.5 billion for Mideast work since 1974. That, in addition to various government programs to help Japanese contractors overcome Mideast paperwork problems, probably accounts for much of their $14.6 billion in contracts.

In addition, an almost total lack of skilled construction workers in the Mideast before the oil boom blossomed has added another dimension to the competition for work. Many of the big contracts awarded in Saudi Arabia and Iran, for example, have been snatched away from U.S. companies by Asian contractors which can draw on idle construction forces at home in the Mideast.

If grouped as a block, Asian contractors, including Japanese, Korean and others mostly Taiwanese, Indian and Pakistani firms, have been awarded $23 billion by Mideast countries. That 26.6% share, better than twice the U.S. cut, results, in part, because of the availability of massive, cheap labor pools in these countries.

According to a recent article in Engineering News-Record, Korea has sent 40,000 hardhats to work in the Mideast, and expects to add 35,000 more this year. Pakistan estimates 200,000 of its workers have taken jobs in the Mideast over the past five years, and Thai workers are leaving home for higher Mideast wages at a rate of about 1,000 per month. India and the Phillipines experienced such a labor drain that they're now limiting manpower exports.

NUMBER OF MAJOR MIDEAST CONSTRUCTION CONTRACTS BY NATIONALITY OF CONTRACTOR

Host country	Nationality of contractor							
	European	Japanese	American	Korean	Other Asian	Middle Eastern	East European	Other
Abu Dhabi	12	10	3	4	2	3		
Bahrain	6	2		3				
Dubai	10	2	1		1	3		
Egypt	25	5	5	1		5	1	
Iran	34	22	14	3	2	4	1	3
Iraq	12	19	1		8	1	5	1
Jordan	3	2	1	2	2	1	1	
Kuwait	7	10	4	9	3	1	2	
Libya	24	4	2	1	8	2	4	
Oman	2							
Qatar	14	5	1		1	2		
Saudi Arabia	78	18	20	28	9	8		2
Syria	5						3	
United Arab Emirates	6	5	1			1	1	
Yemen	5							
Total	243	104	53	51	36	31	18	6

Source: Analysis of 542 construction contracts reported during June 1976 to April 1978 by International Construction Week newsletter (McGraw-Hill, Inc.).

MIDEAST CONSTRUCTION CONTRACT AWARDS BY NATIONALITY OF CONTRACTOR

[Based on 542 major construction projects awarded during June 1975–April 1978 as reported in International Construction Week newsletter (McGraw-Hill)]

Contractor nationality	Dollar amount in millions of U.S. dollars					Percent of total				
	1975–78 period	1975, June–December	1976, year	1977, year	1978, January–April	1975–78 period	1975, June–December	1976, year	1977, year	1978, January–April
West European	$44,334	$9,372	$9,139	$20,219	$5,604	51.3	45.0	42.2	59.1	57.9
Japanese	14,557	3,916	5,013	4,489	1,139	16.9	17.4	23.1	13.1	11.8
American	8,946	1,163	2,374	4,315	1,094	10.3	5.6	11.0	12.6	11.3
Koreans	4,667	389	1,943	1,524	811	5.4	1.9	9.0	4.4	8.4
East European	4,527	3,478	213	546	220	5.2	16.7	1.3	1.6	2.3
Other Asian	3,784	1,000	1,800	470	455	4.4	4.8	8.6	1.4	4.7
Middle Eastern	3,291	615	1,032	1,284	361	3.8	2.9	4.8	3.7	3.7
Canadian	2,180	895		1,285		2.4	4.3		3.7	
Other	85		5	80		.1			.2	
Total	86,370	20,827	21,648	34,212	9,683	100.0	100.0	100.0	100.0	100.0

VOLUME OF MAJOR MIDEAST CONSTRUCTION CONTRACTS BY NATIONALITY OF CONTRACTOR

[In millions of U.S. dollars]

Host country	Nationality of contractor								
	European	Japanese	American	Korean	Other Asian	Middle Eastern	East European	Other	Total
Saudi Arabia	16,498	3,022	3,271	3,347	543	1,349	10	1,366	29,406
Iran	15,529	5,743	3,471	328	53	906	140	892	27,062
Iraq	4,002	1,163	415		1,280	44	3,332	5	10,941
Gulf States	3,352	2,119	742	424	147	414	10		7,408
Libya	2,648	110	105	35	1,425	242	184		4,749
Kuwait	234	1,321	412	500	234	92	198		3,083
Egypt	941	368	205	10		215	150		1,889
Jordan	299	12	325	24	11	29	187		887
Syria	621						316		937

Source: Analysis of 542 construction contracts reported during June 1975 to April 1978 by International Construction Week newsletter (McGraw-Hill Inc.). ●

WHERE ARE THE MEDIA?

● Mr. McGOVERN. Mr. President, in the New York Times of June 11, 1978, there appeared a column written by Harold Willens who serves with distinction as a special adviser to the U.S. delegation at the United Nations Special Session on Disarmament.

I share Mr. Willens' concern over the lack of detailed and serious press coverage of this all important United Nations meeting and I believe Mr. Willens' views deserve the attention of my colleagues in the Senate. I ask that this article entitled "Where Are the Media?" be printed in the RECORD.

The article follows:

WHERE ARE THE MEDIA?

(By Harold Willens)

Several days ago someone asked me what business a businessman had serving as a special adviser to the United States delegation at the United Nations special session on disarmament.

I replied that the Vietnam War should have shattered forever a blind belief in the myth of expertise and that there are no experts on disarmament anyway—there are only theorists—for the simple reason that there hasn't been any disarmament.

In fact, I went on to say, after 15 years of substantial involvement in this issue, the only person whose judgment I would trust on disarmament is Jimmy the Greek, whose job it is to weight the odds in any situation without self-delusion.

My guess is that on the question of the global game of chance, which is more commonly know as the arms race, Jimmy the Greek would consider it less than an even bet that my children (not to mention my grandchildren) can expect to escape the horrors of nuclear holocaust.

Jimmy the Greek, who operated out of Las Vegas, came to mind recently when we were all barraged by the news-media blitz that preceded and accompanied the opening of legalized gambling in Atlantic City, N.J.

The newspapers carried a huge quantity of photographs, features and sidebar stories, while radio and television ran "reams" of reports on various games of chance, the odds involved, and so on.

Nothing remotely resembling this large-scale reporting preceded or accompanied the opening of the special session on disarmament.

Despite the fact that this major disarmament conference is an unusual event—the first international gathering of world leaders on this vital subject since 1932—treatment of the special session by the press, radio and television has been abysmal, from my experience.

I did a small telephone survey after the fourth day of the session, calling 22 friends in seven states. These are people whose interest in international and domestic events prompts them to try to follow carefully what is happening. Without exception they were

furious and frustrated by the lack of media attention to the special session.

While it is understandable that the front-page focus would fall heavily on President Carter's absence and the hard-line aspects of Vice President Mondale's speech, where are those many photographs, the features and the sidebar stories lavished on Atlantic City?

More important, where are the detailed explanations of what is at stake here, the carefully researched description of the issues, or an assessment of the odds involved in a potentially apocalyptic game of chance that worries the world enough to bring 149 nations together to try to stem the tide of the escalating arms race?

Properly reported to the American people, this extraordinary session stands a chance of becoming the first in a series of steps, buttressing the negotiations on limiting strategic arms and a comprehensive ban on testing of nuclear weapons, halting and reversing a dangerous momentum toward ultimate tragedy—a momentum that moves us ever closer to a world filled with nuclear-armed countries and terrorists.

Continued inadequate media attention, on the other hand, could result in the downgrading of this and all other efforts to expose this issue to the light of human reason. Responsible journalism demands that during the remaining days of the special session, which is to end June 28, the American news media find ways to report and describe the origins, purposes and ongoing activities of this attempt to prove that man is not an insect on the flywheel of history and that human beings are still capable of slowing down and reversing an out-of-control arms race that the world must end before it ends the world. You can report events like the Vietnam War and Watergate, but you cannot report the end of history. We can only prevent it, as Jimmy the Greek would be the first to tell us.●

THE LATE WILLIAM A. PURTELL, SR.

● Mr. CURTIS. Mr. President, I was saddened to hear of the death of our former colleague, Senator William Purtell, Sr., of Connecticut, on May 31, 1978.

I served alongside Senator Purtell during his term, from 1952 to 1958, and noted his intelligence, sound judgment, and determination. His exemplary performance was an inspiration to his colleagues.

Senator Purtell accomplished a great deal in his 6-year term. It was through his efforts as chairman of the Senate Office Building Commission that the Dirksen Senate Office Building was erected.

I wish to extend my condolences to Mrs. Purtell and her children. I ask that Mr. Purtell's obituary as it appeared in the June 1, Hartford Courant be printed in the RECORD.

The obituary follows:

WILLIAM PURTELL, SR., DIES AT 81; SENATOR, STATE BUSINESSMAN

William A. Purtell Sr., retired U.S. senator and founder of the Holo-Krome Corp. of West Hartford, died at his home, 6 Arlington Road, West Hartford, Wednesday. He was 81.

A native of Hartford, he attended local schools and enlisted in the Army in 1917 to serve overseas in World War I. Although not ashamed because economic forces made him drop out of high school, he became perturbed when anyone pointed to his accomplishments despite a lack of education.

"I urge youngsters in school to complete their formal education," he once wrote in a letter to The Courant. "Today, the door to success is not completely closed to the school dropout, but it is indeed a heavy door to open."

Purtell managed to open that door in 1929 when, after 10 years as a salesman, he and a few friends organized the Holo-Krome Corp. and began the production of high quality screws. He was president of the firm in 1952 when former Gov. John Lodge appointed him to succeed Brien McMahon in the U.S. Senate after McMahon died.

He was elected to a full term in November 1952, and during the next six years served as a member of the Labor and Public Welfare Committee and the Committee on Interstate and Foreign Commerce. He also served on many subcommittees, including the juvenile delinquency, welfare and pension plan legislation, surface transportation and health subcommittees.

One of his most important assignments came when he was appointed by then Vice President Richard M. Nixon to the select committee to investigate lobbying and related activities. He was a delegate to the Inter-Parliamentary meetings in Austria in 1954 and Finland in 1955, and he was an official observer at the United Nations Atoms for Peace Conference in Geneva in 1955.

Purtell was prominently identified with many issues in the health field. The Congress accepted and the president signed a Purtell amendment to the Social Security law which prevents preemption by federal or state agencies of child welfare services in urban areas already adequately covered by voluntary agencies.

Purtell did not run for reelection in 1958 and his seat was won by the late Prescott Bush of Greenwich. Before his appointment to the U.S. Senate, Purtell was active in Republican politics and was a candidate for the Republican gubernatorial nomination in 1950.

He said his decision to accept the senatorial post was made because "I was always crabbing about the way things were going, and I decided to do something about it." He said he also wanted to champion his belief in the value of "competitive capitalism."

After his stint in the Senate, Purtell concentrated on running his business ventures, although he was in the public limelight from time to time as an after-dinner speaker or featured speaker on special occasions such as Memorial Day observances. He was an organizer of the Connecticut Department of the American Legion after World War I and served in many official capacities with the organization.

He was leader of a Legion delegation that presented a Colt pistol to the late Gen. Douglas A. MacArthur when the war hero visited Hartford in 1947.

Just before World War II, Purtell was named president of Billings and Spencer, an old Hartford firm. He organized and revitalized the company, which became an important war industry. At the same time, he carried on as president of Holo-Krome, one of the first Connecticut firms with an employe profit-sharing program.

During World War II, Purcell was director of the Hartford Red Cross.

He was active in community affairs, a former director of Hillyer College which later became the University of Hartford, and was a member of the state Interracial Commission; director of the Connecticut State Prison and Board of Parole; former president of the Manufacturers Association of Connecticut; former president of the American Supply and Machinery Manufacturers Association; and former director of the United States Chamber of Commerce.

He was a former director of the Hartford Connecticut Trust Co., Colt's Manufacturing Co., Veeder-Root Inc., Hartford Gas Co. and National Fire Insurance Co.

He was a communicant of St. Peter Claver Church, West Hartford.

He leaves his wife, Mrs. Katherine Cassidy Purtell of West Hartford; a son, William A. Purtell, Jr. of Old Saybrook; a daughter, Mrs. Charles E. Poehnert Jr. of West Hartford; two sisters, Edna M. Purtell and Eileen E. Purtell, both of West Hartford, and four grandchildren.●

ALLEGATIONS OF POLICE BRUTALITY IN NORTHERN IRELAND

Mr. KENNEDY. Mr. President, I am deeply concerned about the allegations of police brutality contained in the recent report of Amnesty International with respect to its investigation into the practices of a section of the Royal Ulster Constabulary in Northern Ireland.

It is of the greatest importance, not only to the cause of peace in Northern Ireland, but also to the reputation of Britain in the world community, that the facts about these allegations be determined, and that appropriate steps be taken to deal with any abuses that may be found. Above all, the investigation into the truth or falsity of these allegations not only must be fair, but must be seen to be fair, especially by the two sections of the community of Northern Ireland.

The allegations involve basic questions of human rights that transcend national frontiers and that are of deep concern to Americans and all others who care about human rights.

The allegations are not confined to any single faction in Northern Ireland. The charges of brutality relate to both Republican and Loyalist prisoners, and they demand an evenhanded and impartial investigation that is capable of securing the credibility of the police force.

It is obvious to me that neither the U.S. Congress nor any other outside tribunal is in a position to answer the important questions that have been raised. It is, therefore, especially incumbent upon the British Government to take all appropriate steps to put these questions to rest.

The statements I have seen indicate that the British Government fully intends to be forthright and forthcoming in dealing with these serious allegations. But in the light of the overriding need to secure public confidence in the results of the investigation to be undertaken, I believe that the inquiry outlined so far can be improved in two significant respects:

First, in dealing with the specific cases of alleged ill-treatment described in the Amnesty International report, and any other similar cases that may be brought to light, a more effective approach should be adopted than simply utilizing the current procedure involving referral to the Police Complaints Board and the Director of Public Prosecutions in Northern Ireland. When I met in Washington last October with Roy Mason, Britain's Secretary of State for North-

ern Ireland, I emphasized my concern at that time that these procedures were inadequate to resolve the serious doubts even then existing about the Castlereagh Detention Center. It is obvious now that this approach has not been sufficient to dispel the numerous and persistent allegations of police brutality involving a section of the RUC.

Faced with such a situation in a different context, involving serious allegations of misconduct with our own Government, the United States successfully resorted to the use of a prestigious independent special prosecutor, with full powers of investigation to find and state the truth.

In circumstances of this magnitude and sensitivity, the British Government should not be placed in the compromising position of investigating itself. I would urge, therefore, that an independent investigative entity be established to develop the truth about the current allegations in Northern Ireland.

The establishment of an independent special prosecutor would fully meet the necessary requirement for privacy in law enforcement investigations of this type, in order to insure both that rights of innocent parties are protected and that the potential prosecutions of guilty officials are not jeopardized. The business-as-usual approach involving the DPP is neither the only, nor the best, method of purusing the needed investigation.

Second, the same need for privacy, however, is not applicable to the role of the independent committee of inquiry which the British Government has proposed to establish for the purpose of carrying out a general review of the police practices and procedures in Northern Ireland. That committee should sit not just in private, as has been proposed, but in public as well to the greatest possible degree. By making the procedures of the inquiry as open as possible, the likelihood will be enhanced that the report and recommendations of the inquiry will achieve the fullest possible public acceptance. In the volatile atmosphere of Northern Ireland, actions confined to a private forum cannot clear the air and marshal the public confidence essential to allay the doubts that now exist.

The moral authority of the police and the willingness of governments to admit and correct abuses are among the greatest hallmarks that distinguish free societies from totalitarian regimes. Consistently over the past 8 years of violence in Northern Ireland, I have spoken out against the violence on both sides of this tragic conflict and against all forms of American support for the violence. I have also spoken out repeatedly against abuses of power by the security forces, both because of my abhorrence of such law enforcement tactics in a democratic society and my firm belief that such tactics inevitably prove counterproductive.

In its submissions to the European Court of Human Rights in the case arising out of past allegations of the use of torture by the security forces in Northern Ireland, the British Government pledged that the challenged practices of ill-treatment had been discontinued. If Britain is to meet the letter and spirit of that commitment, it must do all within its power to insure that the current allegations receive a full and fair investigation.

Mr. President, I ask that an editorial appearing on this subject yesterday in the London Observer, entitled "Behind Closed Doors," may be printed in the RECORD.

[From the London Observer, June 11, 1978]

BEHIND CLOSED DOORS

Amnesty International has given its authority to serious allegations of ill-treatment of terrorist suspects by the Royal Ulster Constabulary. In the face of these allegations, Mr. Roy Mason's announcement of a private inquiry into police practice and procedures and the complaints machinery is not adequate. Although he promises to publish the eventual report of such an inquiry, that will neither allay public suspicion, particularly in the local Catholic community, from which most of the allegations come, nor mitigate the provisional IRA's propaganda advantage.

What is needed is a public inquiry into the specific charges of brutality in the amnesty report, though with a duty to make recommendations also on the more general issues raised by Mr. Mason. These complaints of beating, banging heads against walls, hair-pulling and other ill-treatment can only be tested adequately by a full process of witnesses, cross-examination and production of police records, including medical reports.

It would be naive to assume that such an inquiry will necessarily produce the complete truth about what has happened in Ulster interrogation rooms. There are at least two obstacles to that. One is the notorious, understandable but unforgiveable tendency of policemen or prison officers the world over to stick together against such charges. (Even in the milder terrorism of Birmingham, it has been impossible to convict anyone of attacking the bruised IRA bombers in Winston Green prison: Yet they cannot all have sustained their injuries innocently.)

The second obstacle is the equally notorious existence of an allegations industry which preys on the more gullible. A careful reading of the amnesty report raises doubts whether even its international investigators fully understand the ingenuity traditionally used in Ireland to discredit the police.

Nevertheless, a public inquiry is the best means we have of achieving three essential and complementary objectives: to stop those policemen—perhaps a comparatively small number—who use brutality to extract confessions; to protect the good name of the majority of R.U.C. men who have lost an appalling number of comrades in the campaign to convict murderous terrorists; and to diminish the constant flow of allegations as an IRA propaganda weapon.

Mr. Mason has rejected a public inquiry mainly because Amnesty has refused to give the names of the people complaining. But if he can be persuaded to change his mind, amnesty ought to persuade its informants to change theirs and give evidence. In the previous brutality cases of 1971, the association for legal justice (one of Amnesty's informants this time) criticised the Compton inquiry for not compelling witnesses to attend. An inquiry into these new and serious allegations ought to have power to compel attendance, though it must also offer all possible protection to prisoners and policemen.

Behind this report lives the issue which runs, like a malignant thread, through the 10 years of Ulster crisis. While internment existed, a number of distinguished investigators, appointed by successive governments, sought a fair system to deal with terrorism through the courts. None found a system that was satisfactory: Civilian witnesses could not be found, because they were intimiated or murdered; leading terrorists are not caught red-handed or by forensic methods because they are planners rather than executants of crime. That leaves two principal alternatives—internment or confessions.

Mr. Merlyn Rees ended internment in an attempt, at least partly successful, to repair the alienation of the Catholics. Confessions, the police maintain, are often extracted by the sheer weight of intelligence information with which they confront the suspect, over several lonely days in an interrogation centre.

But the government's policy of handling terrorism through the courts, rather than through internment, puts immense pressure on the police to get confessions—and therefore a great temptation to bend the rules; and the length of sentences terrorists face, combined with the ruthlessness of the IRA towards its own members, puts a great temptation on suspects to claim that any confession was extracted by brutality.

It is because this issue is so central both to the fight against terrorism and the maintenance of civilized behaviour by agents of the state that it needs to be cleared up publicly, however difficult that may be.

THE 20TH ANNIVERSARY OF THE MARION COUNTY MUSCULAR DYSTROPHY FOUNDATION

● Mr. LUGAR. Mr. President, yesterday the Marion County Muscular Dystrophy Foundation celebrated its 20th anniversary of competent and compassionate service to handicapped persons and their families in Indianapolis.

The work of the foundation includes: Research and education in the causes and treatment of muscular dystrophy; and clinical services and recreational opportunities for patients and their families.

Of particular interest to me is the foundation's publication Navigation Unlimited in Indianapolis, which was compiled for use by all physically handicapped persons, detailing obstacles to mobility and describing routines of access in public places throughout the community. As mayor of Indianapolis, I became increasingly aware of the need to consider the special problems of the physically handicapped in building and maintaining public facilities.

The foundations' 20th anniversary highlights the important contribution of dedicated volunteers in our society. Yesterday's celebration honored eight individuals who have served since the inception of the foundation: Mr. Verda Allee, Mr. James E. Forsythe, Mrs. Lilly Leonard, Mrs. Zenna McCance, Mrs. Hortense Myers, and Mr. Kurt F. Pantzer, Jr., have served on the board of directors; Mrs. Natalie Richards has been a social worker at the Muscular Dystrophy Clinic at Riley Hospital for Children; and Chares A. Bonsett, M.D., is the distinguished director of the Muscular

Dystrophy Clinic at Riley and volunteer research director for the Indiana Neuromuscular Research Laboratory, which is funded by the foundation.

Mr. President, let me take this opportunity to express my sincere thanks to these individuals and the entire Marion County Muscular Dystrophy Foundation for their dedicated volunteer service.●

CONTEMPORARY ART FROM ALASKA

● Mr. GRAVEL. Mr. President, I would like to advise my colleagues of an exhibition of Alaskan art which will be shown at the Smithsonian's National Collection of Fine Arts. Enlisted "Contemporary Art from Alaska," the exhibit will open on June 23 and run through September 16.

This is the first time a collection of contemporary Alaskan art has been shown in the "lower 48." The collection includes more than 50 works contributed by 43 artists from throughout the State. It contains sculpture, ceramics, paintings, and prints. Themes of the various pieces include an artistic survey of Alaska's awe-inspiring wilderness, its wildlife, as well as an interpretation of the effect of dynamic growth on the State's people and resources. Dr. Peter Bermingham, Curator of Education at the National Collection of Fine Arts, said the following concerning the collection's works:

> With considerable imagination and intelligence they provide provocative fusions of an old culture and a newer one still far short of definition.

The Alaska State Council on the Arts played an active role in organizing the exhibit. I would like to express my appreciation for its efforts, as well as those of the Smithsonian Institution, in making this premier exhibit possible. I am certain that all who visit "Contemporary Art from Alaska" will find it both an exciting and educational experience. ●

DEATH OF FORMER SENATOR WILLIAM A. PURTELL

● Mr. WEICKER. Mr. President, the Honorable William A. Purtell, who served this body as a Senator from Connecticut for 7 years, died last week at the age of 81.

Senator Purtell began life as the son of tobacco workers in the Connecticut River Valley. As an inventor and businessman, he started and nurtured a successful screw manufacturing company in his home city of Hartford. In 1950, he was named that city's most distinguished citizen. In 1952, Gov. John D. Lodge appointed him to the Senate seat vacated by the death of Brien McMahon. The following November the voters of Connecticut elected him to the Senate in his own right. Completing that term of office in 1959, Senator Purtell returned to Hartford to resume business activities there.

During his life, Bill Purtell was an outstanding citizen and public servant. An outspoken opponent of Government corruption, he established a strong record of effective representation for the people of Connecticut during his years in the Senate. His continuing involvement in business and manufacturing associations was yet another contribution he made to the welfare of his community.

As Senator, businessman, and public servant, Bill Purtell was a credit to the State and city he loved. As we mourn his passing, Mr. President, we can be proud of the exemplary life that he led.●

AFRICA: WHAT SOVIET-CUBAN TRIUMPH?

● Mr. McGOVERN. Mr. President, in last Sunday's New York Times of June 11, 1978, there was a letter to the editor from Mr. William J. Dean of New York. In that letter, Mr. Dean succinctly and intelligently discusses what U.S. policy should be toward Africa vis-a-vis the Soviet Union and Cuba, and I commend his analysis to my colleagues in the Senate. I ask that Mr. Dean's letter be printed in the RECORD.

The letter follows:

AFRICA: WHAT SOVIET-CUBAN TRIUMPH?

TO THE EDITOR: At the NATO Washington meeting, British Prime Minister Callaghan made the sensible comment on Soviet and Cuban activity in Africa that it was important to analyze the situation and not rush into action.

The Horn of Africa is cited as a Soviet-Cuban triumph. Yet the Soviets suffered a severe setback there when they were evicted by Somalia. In aiding Ethiopia in the war with Somalia, the Soviets found themselves in a position not unknown to American policymakers: arms supplier to both sides.

It is not clear how the Soviets and Cubans, while supporting the winning side, will benefit tangibly from their involvement. The political situation in Ethiopia continues to be unstable, to say the least. If the Soviets and Cubans become involved in Eritrea, they enter a quagmire, fighting an indigenous people—not invaders, as with Somalia—in a mountainous terrain. (This should give Castro, himself a former guerrilla fighter in the mountains, pause.)

Although they backed the winning side in Angola, again it is not clear how the Soviets and Cubans have benefitted, or how the vital interests of the United States are adversely affected.

The most authoritative thing that can be said of the fighting in Shaba Province is that no one really knows what happened.

Myths were created to justify United States intervention in Vietnam. (One myth being that a Communist victory would bring Vietnam under Chinese domination.) Today we are in danger of creating a new set of myths about Africa.

The Soviets and Cubans have had limited success in Africa, for which they are paying a price (Soviet money and Cuban lives). But they are not going to take over the place. Troublemakers they are and will continue to be, but we should not forget that the Soviets have already compiled an unenviable record of being expelled from three countries on the African continent: Egypt, Sudan and Somalia. Given Soviet clumsiness and insensitivity, the list is certain to lengthen.

To think that African countries, having sought independence for so long, intend now to become puppets of the Soviet Union or Cuba flies in the face of the continent's history.

The United States should be severe in its denunciation of Soviet and Cuban military activity in Africa. (The Soviets never hesitated to denounce our role in Vietnam.) We should reject out-of-hand suggestions for U.S.-supported covert activity in Angola or anywhere else, which would undermine the moral force of our opposition to outside military interference in African affairs and make a mockery of our legitimate criticism of Soviet and Cuban activity. We should encourage African solutions to African problems.

And we should not permit Soviet activity in Africa, which over the long run will leave little of lasting impression, to keep us from completing a SALT agreement or any other agreement which serves our national interests.

This is a point the Soviets understand well. It will be recalled that in 1972 the Soviet Union received President Nixon even though he had just ordered the mining of North Vietnamese ports, and the two sides signed the first strategic arms treaty.●

UNITED STATES-SOUTH AFRICAN POLICY

● Mr. GARN. Mr. President, the foreign policy of the United States with respect to Africa has overshadowed even the difficult issues of the Middle East in recent weeks. The attention of the world has been focused on the horrible tragedy of human suffering in Zaire's Shaba Province, the latest in a series of violent explosions in Africa.

Three years ago, the conflict in Angola raised the serious question of Soviet-backed Cuban military involvement in the Dark Continent. The United States, through errors in judgment, mismanagement, and the absence of a definitive foreign policy, missed an opportunity to stand against that foreign incursion. Our apparent policy of benign neglect in the subsequent crisis in the Horn of Africa has left pro-Western African states confused and mistrustful of American intentions and resolve.

Our rejection of the so-called internal settlement in Rhodesia, and insistence on the inclusion of avowed Marxist guerrillas and terrorists in any government in Rhodesia has further confused those hoping to see constructive United States-South African policy.

Early last week the Congressional Black Caucus issued a statement in which they actually defended the role of Cuban troops and Soviet military assistance in Africa, echoing Ambassador Andrew Young's assertion that the Cubans are a "stabilizing influence" in Africa. By what reasonable yardstick, Mr. President, can Cuban mercenaries and Soviet weapons be considered "stabilizing"? I suppose a roomful of corpses in Kolwezi could be described as a "stable" situation; or a Marxist police state with iron-fisted control of the population could be

described as "stable." But what of individual freedoms? What of our bold new crusade for human rights? What kind of price should a people be asked to pay for "stability"? Is the peace of death the only kind of peaceful solution we are going to allow to come to the nations of Africa?

I am afraid that the nonpolicies of this administration and the shortsighted naive voices urging it on, do not bode well for any other solution.

Last week, President Carter again used rather strong language in his address to the graduating class at Annapolis.

The Soviet Union can choose either confrontation or cooperation. The United States is adequately prepared to meet either choice.

Those were the words Mr. Carter used in the context of Soviet and Cuban intervention in Africa. The Kremlin quickly responded to the President's speech, calling it "strange." I wonder what they meant.

Was it "strange" because it was inconsistent with the actual record of this administration in dealing with the confrontation of interests that has already occurred in Africa?

I applaud those words of President Carter, even if they were subsequently qualified and watered down by the White House press office, as the President's Wake Forest speech of a few weeks ago. I hope he is serious about taking a nononsense approach to Cuban-Soviet military involvement in Africa. I, for one, will support him wholeheartedly if he is. But I confess to perhaps the same confusion that prompted the Kremlin's response, except that, for me, it translates into skepticism.

In Paris last week, for example, an American delegation, presumably acting on the President's orders, successfully avoided discussion of increased American support of a French proposal for a Pan-African peace force to prevent future tragedies like Zaire's Shabo Province. I do not suggest, Mr. President, that the French proposal should be adopted. I have not seen the details. But I do not understand why we appear unwilling to even discuss it. It would seem to me that such discussions would lend a measure of credibility to the President's strong words. But perhaps the administration is afraid to be seen to participate in what the Washington Post described this week as "neo-colonialism" in an article describing efforts of Western countries to assist Zaire's President Mobutu. Why those efforts should be considered "neo-colonialism," instead of "a struggle against Soviet imperialism," I am at a loss to understand.

I have said before, Mr. President, that I am one who believes that our negotiations in Geneva on a SALT II treaty cannot be conducted in a vacuum. I accept the notion that these discussions must be linked to Soviet actions elsewhere in the world. At the same time, I believe that the question of improved relations between the United States and Cuba must be linked to Cuban actions elsewhere in the world. I may start sounding like a broken record on that point, but it seems like repetition is the only way to get the message of the real world across to those who are formulating the foreign policy of this administration.

And if that is not enough, I have joined a number of my colleagues in cosponsoring a concurrent resolution which urges the President to defer any further official actions toward normalization of relations with Cuba until such time as all Cuban military forces are removed from Africa. It is past time to dispel the myth of Fidel the giant killer. And it is far past time for this country and this administration to acknowledge the reality of Communist imperialism. The fantasy world of détente has allowed us to forget that the Communist ideology of Marxism-Leninism does not allow for the continued existence of Western democracy. There is a threat to the survival of freedom, and we refuse to recognize it at the peril of our way of life.●

DIET-NUTRITION RESEARCH AND CANCER—CONGRESS RESPONSIBILITY

● Mr. DOLE. Mr. President, too often family, friends, colleagues are stricken by cancer while we stand by helplessly as they grow weaker and weaker. We realize how little is known about the cure of cancer when someone close to us is stricken by this disease. With the ever-increasing incidence of this most dreaded disease, the Nation reaffirmed its goal of conquering cancer in our lifetime by greatly expanding the research investment in the seventies. However, 7 years and 7 billion research dollars later we do not appear any closer to a cure for cancer.

In 1978, the National Cancer Institute (NCI) will spend over $800 million on cancer research. Other Federal sources and private cancer interests will spend another $350 million on cancer research. Nevertheless, 800,000 Americans will contract cancer this year and upward of 400,000 Americans will die of the disease.

At a time when Americans are revolting against skyrocketing taxes and still fear cancer more than any other disease, it is appropriate that Congress reexamines our national efforts for cancer research. This morning I heard five key witnesses call our attention to the important role of nutrition not only in disease prevention but also in disease treatment and rehabilitation and I would like to share excerpts of their remarks with my colleagues today.

Richard A. Rettig, senior social scientist, the Rand Corp., reviewed briefly the events of 1970 and 1971 that led to enactment of the National Cancer Act, indicated how some of the questions not asked during the legislative debate at that time gave rise to the questions being asked today, and underscored the importance of our hearings as a first step in a needed review of the national cancer program. He went on to identify several questions being raised about our national cancer program; namely:

What is the conceptual basis for measuring progress in the fight against cancer—five-year survival rates or mortality data?

What demonstrable clinical progress is being made in the treatment of the specific forms of cancer?

How are the research priorities within the national cancer program determined and how are resources allocated in light of these priorities?

How is the national cancer program held accountable to the Congress and the public?

Dr. Rettig concluded by saying:

What is needed is a dialogue, a creative tension, between the Congress and the cancer research community. The Congress cannot know the areas of established scientific and clinical knowledge without listening carefully to the medical-scientific community. But the medical-scientific community, on the other hand, cannot fully appreciate the intensity and nature of the public's concern for cancer research without listening carefully to the Congress.

Dr. Theodore Cooper, dean of the Cornell University Medical College, said:

Of great concern to many are the possible economic consequences that new dietary policies imply for current practices of food production, processing and distribution.

The food industry cannot be expected to be less traditional than any other segment of our society, and therefore we should not be surprised if it will resist change, particularly rapid change.

This notion of rapid change is another subtler element of concern and, I believe, of hesitation in the initiation of programs for better nutrition.

Somehow there is a widespread feeling, probably fostered by the good and sometimes zealous intentions of various advocates, that change of dietary habits must be rapid, or at least as rapid as possible. This conjures up images of dietary changes drastically imposed or taking place over a few months of intensified campaigns. To me it is clear that changes in dietary patterns are likely to develop in rather slow trends, over periods of several years, in a dynamic interplay of educational pressures, food demand shifts, production incentives and regulatory policies. The long time required for this process is likely to give ample opportunity for policy corrections in mid-course, persuasive behavioral changes, and changes in food production practices that should not cause economic disruption.

This slow, secular trend in the evolution of dietary practices is indeed another reassurance of the safety features of such public health action, and should be kept in mind both by proponents and by foes of change. A good appreciation of this would put their thinking closer together, dampen the hurry on one side, moderate the fears on the other, and in so doing improve the chances of a cooperative endeavor for better nutrition.

But in any event we need to start, for without the initial step even the longest journey will never be undertaken.

In his testimony Dr. George L. Blackburn, associate professor of surgery of the Harvard Medical School and director of nutrition support services at New England Deaconess Hospital stated:

The public wants better knowledge as to the proper role of diet and nutrition in the maintenance of health. Currently, they are confused—and occasionally misled—by specific announcements of research findings,

fraudulent advertising, self-serving promoters of "faddish" diets and inadequate guidance on proper nutrition. Funding of nutrition-related research and other activities at the relatively modest levels I have suggested ($27 million) will go toward meeting the public's need and desire for dietary guidance and enhancing the effectiveness of our health care system in promoting good health and fighting disease.

A fourth witness, Dr. Charles B. Arnold, director of the Health Maintenance Institute of the American Health Foundation, commented in his concluding remarks that:

With increased recognition of the role played by nutrition in the etiology of cancer, and other chronic diseases, it is apparent that greater research efforts must be devoted to this area. In order to more fully understand the mechanisms of cancer etiology, new directions in research must be considered and implemented on a national scale. Our ultimate success is dependent upon the interdisciplinary approach, not just to environmental carcinogenesis as a whole, but to nutritional carcinogenesis in particular.

It is our prediction that the research area of nutrition and cancer will turn out to be one of the most fertile fields in the study of human carcinogenesis and will enhance our knowledge of the pathogenesis of all neoplastic diseases.

In her concluding statement Dr. Peggy C. Fry, assistant professor at the department of pediatrics, University of Texas Health Sciences Center wrote:

The role of nutrition in the prevention of cancer has been limited by the course of past research in this field. The major thrust of research has been on the role of diet in treating health problems after they develop. This crisis-oriented approach has held true for cancer research. It would seem that the knowledge we have gained from studying the Seventh Day Adventists and the Mormons would compel us to take a closer look at preventative strategies. Adopting one of these lifestyles would cut one's risk for diet-related cancer by at least 25%. It is reasonable to assume that intensive research could reduce one's risk by another order of magnitude. Having been associated with the NCI's Diet, Nutrition and Cancer Program and a member of its original Advisory Committee, I feel strongly that nutrition research is consciously ignored by the NCI. The Advisory Committee's final resolution before it was abolished was that a minimum of $15 million should be spent on new research programs. As far as I'm aware, no action was even taken, even though the Congress subsequently recommended that the NCI spend a minimum of $7.5 million for new programs in nutrition and cancer research. That in itself should be an indication of the attitudes of the NCI bureaucracy. I suggest that Congress should now require that NCI develop and fund a coordinated and integrated program on diet, nutrition, and cancer research, along with a line item in the budget of at least $25 million. It seems inappropriate that the NCI currently spends only 1% of an $800 million budget on nutrition research.

Revelations from today's hearings came on the heels of a letter that I along with several other Senate colleagues sent to the chairman of the Appropriations Committee last month requesting that $30 million of the total NCI fiscal year 1979 appropriation be designated as a line item for nutrition research, of which $20 million should go to research directed toward preventing cancer, and $10 million to therapeutic research initiatives, particularly hyperalimentation of cancer patients.

Through these hearings I hope we will be able to redirect our efforts in cancer research, and at the same time make our efforts more cost effective and win the battle against cancer.

THE HOLOCAUST IN CAMBODIA

● Mr. CHURCH. Mr. President, since April 1975, the most barbaric act of contemporary genocide has been underway in Cambodia, now known as Kampuchea. The mass murder of between 10 and 30 percent of a population of 7 million in 3 years exceeds the worst Stalinesque purge or Nazi persecution. Recently, 120 million Americans watched a television dramatization of the inhumanity of the Nazis and deplored the world's inaction in face of that holocaust.

Yet, today, few have spoken out against the extermination of a helpless people. Where is our righteous indignation over this Nazi-like purge to "purify" Kampuchea? Murder, forced labor, malnutrition and disease flourish in this tropical Gulag. What person can ignore these deaths and live with his conscience? Who could not fail to take pity on the multitude of helpless victims undergoing "purification," the tactic of elimination.

The methodology of these barbarians is first to eliminate the urban centers. Three million people, including the sick, the lame, and the blind were forcibly removed from Phnom Penh on a death march into the jungle, en route to agricultural collectives demanding endless toil on meager rations. The second step is to eliminate currency as a form of exchange, thus forcing total dependence on the Khmer Rouge collective. Life outside the collective is virtually impossible. Third, eliminate all communications. Revolutionaries know the value of an idea, an alternate ideology. Therefore, radios, televisions, magazines, and books are no more. Even talking to a neighbor is forbidden. Only the state radio transmitting "official news" and an infrequent cadre newspaper, Revolution, exist. The Khmer Rouge have destroyed the principal social institution of Cambodia by eradicating Buddhism. Monks are killed, and temples are destroyed or made into prisons. Lastly, the elimination of any overt signs of individuality is dictated. Children are taken from parents, everyone eats communally, and personal property is confiscated. The nation is ruled by "The Organization on High" or Angkar in Cambodian. People know it exists, but know little about it. Leaders are hidden and appear only to issue orders and supervise killings. Transit and communication between collectives is strictly regulated.

These policies are the means by which 1 to 2½ million people—of a nation of 7 million—have been murdered. Starvation and cholera have been the plight of the young, the elderly, and the ill during the mass migation to rural labor camps. For those violating the rules, apparently including minor infractions, death is the penalty. In one case cited by Amnesty International, a father was executed for admonishing his 6-year-old daughter for singing, a Khmer Rouge song.

Executions are generally carried out by clubbing the transgressor to death with a pick handle or hoe. Brutality is commonplace. The result is clear. Kampuchea is the worst violator of human rights in the world. Their leaders are fanatical and xenophobic rulers intent on creating an Asian Auschwitz.

Phnom Penh has chosen to ignore the request of the United Nations Human Rights Commission for comment on these reports. Likewise, they are ignoring a similar Amnesty International request. To be frank, there is little we can do. But at least we can make certain that those who succeed in escaping from Cambodia are cared for and aided. This can be done by suporting the U.N. High Commissioner for Refugees and by assisting in the resettlement of the escapees. We should allow the admission of these unfortunate people under special legislation or the parole provisions of our immigration laws. This effort, although belated, is underway. Second because the People's Republic of China is the regime's closest ally, we should make every effort to have the PRC leadership intercede with Cambodian leaders to stop the carnage.

This massacre of people on a scale perhaps unprecedented in history demands that we express our outrage. The Committee on Foreign Relations recently reported to the Senate a provision in the State Department authorization bill (S. 3076) that condemns the atrocities in Cambodia, urges multilateral action, and requires the Secretary of State to report back to Congress on actions taken under that provision.

Arbitrary power, mass relocations of people, forced labor in agricultural collectives, terror as the principal instrument of government—these are the characteristics of the regime in Kampuchea. We must express our outrage at the savagery of the Khmer Rouge. The quest for peace and justice inherently demands respect for human dignity.●

SENATE RESOLUTION 479—COMMENDATION OF NANCY LOPEZ

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution commending Nancy Lopez.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from New Mexico had indicated to me that he would call up the resolution. I want to make clear for the record that the resolution has been cleared with the leadership on this side of the aisle.

Mr. JAVITS. Mr. President, as I understand from the secretary for the minority, it has been cleared on this side, also.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 479) commending Nancy Lopez.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to the consideration of the resolution.

Mr. DOMENICI. Mr. President, during the past weekend, a native of Roswell, N. Mex., has solidified her position as one of the most remarkable young professional athletes in the world.

Miss Nancy Lopez won the prestigious Ladies Professional Golf Association championship at Mason, Ohio, Sunday, and established a series of "firsts" in this highly competitive sport:

Set an all-time record for winnings for any rookie on the LPGA tour and has moved near the all-time record for any professional golfing rookie, male or female;

Has won $100,000 earlier than any other LPGA player;

Has tied the record for the most number of consecutive victories at four;

And, extended her own record of having won more championships in her rookie year than any other rookie, male or female, in the history of professional golf.

We in New Mexico have known Nancy's great ability for a long time. We have also known what the rest of the Nation is learning about her now—that this 21-year-old New Mexican is a sincere, sensitive, and truly humble person, who has brought to her sport the highest qualities of sportsmanship and class.

She follows in the footsteps of such famous New Mexican sportsmen as Bobby Unser and Al Unser, the latter winning the Indianapolis 500 this year for the third time in his career; former world light-heavyweight boxing champion, Bobby Foster of Albuquerque; professional basketball stares Mel Daniels and Ira Harge, and football standouts Ralph Neely, Tommy McDonald, and Charley Johnson.

I must add, Mr. President, that Nancy's victories are a triumph of more than talent, they are a triumph of extraordinary hard work, of the love and sacrifice of her father and her late mother, and a triumph of perseverance. One must hope that her victories will inspire other young women who wish to compete in both amateur and professional sports.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 479), with its preamble, was agreed to, as follows:

S. RES. 479

Whereas, Nancy Lopez having won the 1978 Ladies Professional Golf Association Championship, and

Whereas, in so doing established two new records for this major tournament; her 13-under-par performance snapping the previous record of 9-under-par set in 1964, and her purse establishing her as the earliest winner of $100,000 in a single season on the Ladies Professional Golf Association tour, and

Whereas, Miss Lopez, has, with charm and humility, tied the all-time LPGA consecutive Tournament victory record, and

Whereas, Miss Lopez extended her own record among both men and women for having won the most titles for a first-year player, and

Whereas, Nancy Lopez stands as an inspiration for the more than 4 million American women who are now actively engaged in the sport of golf, Now, therefore, be it

Resolved, That the United States Senate wishes to honor and pay tribute to the new World Champion of ladies golf, Miss Nancy Lopez of Roswell, New Mexico.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Miss Nancy Lopez and Mr. Domingo Lopez.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HELPING THE WORLD'S POOR TO HELP THEMSELVES

Mr. PERCY. Mr. President, last week I called up an unprinted amendment to the Peace Corps authorization for fiscal year 1979 which allows the Peace Corps to use its expertise and funds to assist Third World volunteer programs. Due to the unanimous support of my colleagues on the Senate Foreign Relations Committee, this amendment has now been incorporated into the Senate's Peace Corps authorization. I thank my colleagues for their support.

There has been over the past decade, a marked shift in attitudes toward development in the less-developed countries. Increasingly, they are spurning traditional donor-donee relationships with the industrialized world and relying on indigenous, self-help initiatives to spur the development process.

Bruce Stokes, a researcher with Worldwatch Institute, recently wrote an article for the New York Times which addresses this new attitude toward development in the Third World. Mr. Stokes believes that the work being done on the village level, where basic housing, health, food, and energy needs are being met, is the most effective means of improving the lives of the world's poorest peoples. He urges that the United States reassess our foreign assistance programs to take this new process into account.

I share Mr. Stokes' belief that this country should increasingly turn its efforts toward assisting development at the village-level in Third World nations. I believe that by allowing the Peace Corps to use its funds to assist indigenous volunteer programs, we will have taken a small but significant step toward recognition of the importance of this new movement in the development process.

Mr. President, I ask unanimous consent that the Bruce Stokes article "Helping the World's Poor To Help Themselves" be printed in the Record at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HELPING THE WORLD POOR TO HELP THEMSELVES

(By Bruce Stokes)

WASHINGTON.—The Carter Administration and Congress, in the midst of a sweeping review of foreign aid programs, are considering proposals to revamp, or even replace, the Agency for International Development, which oversees American foreign assistance. In its reassessment, Washington should take note that some of the most successful third-world development efforts have come not through highly centralized, capital-intensive international programs but through people at the local level doing more to help themselves.

In communities where people most affected by a problem have assumed the primary responsibility for solving it, basic housing, food, health-care and energy needs are being met. Such self-help initiatives are beginning to receive the financial and political support of governments and international agencies long frustrated by their own failures.

Most people, no matter how low their incomes, find a way to put some sort of roof over their heads. In even the poorest African Asian and Latin-American countries, the majority of people struggle to own their own homes. This wish for secure shelter is a fount of human energy that annually provides several million owner-built housing units in the third world. The answer to the squalor of squatter settlements in New Delhi and Manila is not public housing but land tenure and Government loans so the poor can build their own dwellings. The World Bank has already dispensed $866 million over the last five years for such self-help housing.

Food self-reliance is of growing interest in a number of developing countries. In 1973, the Jamaican Government mounted a "Grow Our Own Food" campaign. In rural St. James Parish the proportion of home-grown food is the household diet grew from 38 percent to 56 percent between 1973 and 1975. Similarly, in China about 25 percent to 30 percent of total household income comes from the private production of vegetables, poultry and pigs, with individual initiative being used to make up the shortfall in collective agricultural production.

In the health field, basic medical care is most effectively and economically provided through indigenous efforts. The World Health Organization is exploring ways that traditional cures, such as herbal medicines, can complement professional medical care. In China, Cuba and Tanzania, minimally trained "barefoot" doctors and medical helpers, selected and supported by their fellow villagers, treat minor ailments, give first aid, and organize preventive health campaigns. These local initiatives have done much to improve the health of the poor. For example, Cuban deaths from gastroenteritis, tuberculosis and measles fell by more than 80 percent after neighborhood health workers began work.

Energy consumers, whether countries or individuals, are assessing how they can best become producers of more of the energy they need. For examole, the Gelebs, a seminomadic people in Ethiopia, recently turned to wind power to pump underground water for irrigation. After scratching out a meager existence for generations, they now have year-round cultivation and a better chance of avoiding periodic food shortages.

In South Korea, local forestry associations have planted more than two million acres of wood lots in the last few years. Villagers maintain the trees and organize the cutting and sale of firewood.

Such local energy self-reliance enables the poor to be less vulnerable to energy-price rises and supply shortages, and can become the basis of greater national energy independence.

The mobilization of local resources is the first step in alleviating the burdens of poverty. Foreign aid should be given directly to third-world cooperatives and participatory community organizations to multiply the effectiveness of limited financial resources by tapping the local reserve of labor and ingenuity. In this way, foreign assistance can respond to the expressed needs of the poor rather than impose upon them preconceived notions of what they should want.

To be sure, public policies that have seemed equally appropriate in the past have floundered as new dilemmas and unforeseen difficulties arose. Helping the poor to help themselves will certainly be no exception to this historical experience. Decentralized, participatory efforts are, however, flexible by nature. They promise to stand the test of time better than centralized, dogmatic development projects. In a rapidly changing world, the resilience of a foreign-aid strategy based on local problem-solving could be an important asset.

COMMONWEALTH EDISON: A RECORD OF NUCLEAR ACHIEVEMENT

Mr. PERCY. Mr. President, I commend to my colleagues who have doubts about the viability of nuclear power a recent article in Forbes magazine. The article describes how Chicago's great public utility, Commonwealth Edison, is producing dependable, safe, and affordable electricity from seven nuclear plants.

Mr. Tom Ayers, president of Commonwealth Edison, says of Commonwealth Edison's reactors: "They're just marvelous machines." He points out the flexibility and diversity nuclear plants bring to a utility system. These plants allowed Chicago to weather the coal strike and freezing conditions that affected coal plants elsewhere. I commend Tom Ayers and his colleagues for their foresight in planning the nuclear investments of Commonwealth Edison.

Mr. President, I do not wish to imply that nuclear power is problem free. Uncertainties about reliability, costs, safety, and waste disposal do exist. However, those problems are not insurmountable. For example, I am working hard on legislation to get in motion a solution to the nuclear waste problem. I merely wish to point out that nuclear power, like all new sources of energy, is not a perfect or adequate solution or our overall energy problems.

I ask unanimous consent that the text of the above mentioned June 12, 1978, Forbes articles, "Nuclear Power Is Alive and Well and Living in Chicago," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows.

NUCLEAR POWER IS ALIVE AND WELL AND LIVING IN CHICAGO

It was Sun Day, May 3, and a dreary, windy day in Chicago. At various places in the city, demonstrators went through their paces urging greater use of solar power. In his 37th-floor office, Thomas G. Ayers, Commonwealth Edison's chief executive, leaned back in his chair and commented dryly: "You couldn't heat a helluva lot of water here in the wintertime. The sun, you know, doesn't shine every day in Chicago."

At a time when nuclear power is heavily in disfavor, thanks to opposition from an influential minority, it is alive and well in Chicago. As Tom Ayers says, you couldn't really expect much in the way of solar power in the Windy City.

"Last year we produced nearly 27 billion kilowatt-hours with nuclear energy," says the 63-year-old chairman of Chicago's $2-billion (revenues) electric company. "That's 42% of our total output," he adds, noting that nuclear plants are only 30% of capacity—which means they are run harder. Why? Cost. "If we had produced those kilowatt-hours with coal, it would have cost our customers an extra $280 million; if we had burned oil, $650 million."

Does that mean electricity rates are cheap in Chicago? That depends on how you look at it. "They are high by historical standards," says Ayers, who is currently seeking a 5.6% rate increase on top of the 7.6% increase granted last October. "But for residential customers they are 50% below those in New York and about the same as those in Los Angeles, which benefits from hydro, the cheapest of all power.

"They're just marvelous machines," he says enthusiastically about his nuclear reactors. "They're easier to operate than coal machines—they operate at low temperature and low pressure, they're simple and they're very efficient." By that Ayers says he means they're good at following load—operators can easily match electricity produced with usage. "They're a production man's dream."

What about safety, the issue that worries so many Americans? Ayers argues that the safety of nuclear power has long ago been proven: "They talked first about radiation; there was nothing to that. Then they talked about thermal pollution; that turned out to be a straw man. Then they talked about somebody stealing the fuel—terrorists or criminals; there's no way; you couldn't do anything with it when you got it. I think the opposition is mostly people who think it's bad to have growth in energy."

Commonwealth Edison currently operates seven nuclear plants with a total capacity of 5.4 million kilowatts, has six under construction for another 6.6 million kilowatts and is about to order two more. "We're arguing with two vendors right now," Ayers says. The company also operates two oil plants with 2.1 million kilowatts of capacity and nine coal-fired plants—7.8 million kilowatts—three of them supplied by United Mineworkers-mined coal.

During last winter's coal strike, the company burned more oil than normal, but people in Chicago didn't have to turn their lights down or off as they did elsewhere in the Midwest, nor was industrial production curtailed. Commonwealth was able to sell surplus power to northern Indiana and to American Electric Power for the Ohio valley. All thanks chiefly to its trusty nuclear reactors.

Commonwealth's first-quarter earnings were down from 76 cents to 69 cents because oil costs more than coal. But they would have been down even more if the company hadn't been able to sell power. "I can't tell you how much we made on it," says Ayers, "but I can tell you how we charged for it: our out-of-pocket costs plus 10%, and we sold our most expensive power. We kept our nuclear power for the home folks."

Nuclear showed its stuff, too, during the severe weather conditions that plagued the Midwest the past two winters. When coal piles were frozen and men had to go out with jackhammers to try to break them up and coal barges couldn't move on frozen rivers, Ayers' nuclear plants kept turning out kilowatt-hours. "They didn't know it was bad out," he quips. "They just kept going."

Chicago, of course, isn't the only city to benefit from nuclear power. Sacramento, Calif., of all places, home of Jerry Brown and the California Energy Commission (which lately struck what it hopes will be a deathblow to nuclear energy in the state) gets over 80% of its kilowatt-hours from the municipal utility's Rancho Seco nuclear plant. Last year Baltimore, supplied by Baltimore Gas & Electric Co., got 66% of its power from nuclear plants; the areas of Connecticut and Massachusetts supplied by Northeast Utilities got 58%; the Piedmont section of North and South Carolina supplied by Duke Power got 25% and southern Florida, supplied by Florida Power & Light, got 33%.

But Chicago is still Nuclear City. Commonwealth Edison generates a far greater number of kilowatt-hours for customer use with nuclear energy than does the Tennessee Valley Authority, its nearest rival—27 billion *vs.* 17 billion.

Ayers, a lawyer by training, has been with the company for 40 years. He remembers when it all began: "We were looking ahead 25 years at the amount of coal we would be burning and the logistics of moving it and getting rid of the ash and the accompanying pollution."

General Electric built Commonwealth Edison's first nuclear plant, Dresden I, which went on line in 1960. By then Ayers was manager of engineering, construction and production. The facility worked well, and four years later Edison started buying more and bigger units.

Compared with the opposition nuclear power generates elsewhere, it is well accepted in Chicago. There are few antinuclear demonstrations or lawsuits, and no one has seriously tried to get an antinuclear initiative on the ballot. "People in Illinois know when they've got a good thing," says Ayers.

Commonwealth Edison plans to supply its entire base load with nuclear by the late 1980s. Four years ago it had the foresight to buy itself a uranium company, so now it has its own supply of uranium at about $30 per pound through 1991. (The market price is about $42.) Two years ago it bought some coal properties in Wyoming, and currently it is experimenting with coal gasification in hopes of someday being able to use high-sulfur Illinois coal. But that is for the distant future. Ayers' present plan is to build new coal-burning facilities only for peak and emergency loads.

So Chicago has plenty of power for now and the future. And all this with a minimum of pollution and a maximum of dependability.

REV. JESSE JACKSON AND THE "EXCEL" PROGRAM

Mr. PERCY. Mr. President, during the third week in May, Howard University was the site for a national conference on EXCEL, the innovative education program developed and implemented by Operation PUSH—People United to Save Humanity—which is based in Chicago, Ill., and its founder, the Reverend Jesse Jackson. The underlying principle of the EXCEL program is that schoolchildren

need a "high moral atmosphere and encouragement at home and at school from parents, clergy, and teachers in order to do well in school." The program brings to bear and focuses the influence of home, church, and school to motivate schoolchildren to do their best in school and at home. It endeavors to develop in the schoolchildren a sense of self-respect and self-discipline and, most importantly, a knowledge that they are responsible for what happens in their lives and thus must work hard to lead successful lives.

The EXCEL program is presently operating in 26 school systems throughout the country. It has been the subject of a report on "60 Minutes," which led to a Federal grant to the program after Secretary of Health, Education, and Welfare Joseph Califano saw the "60 Minutes" report and was impressed by it. Parents, teachers, and school administrators who have worked with the program praise its concept and its success.

Mr. President, I am sure that my colleagues are well aware of the problems confronting many of our schools and troubling many of our schoolchildren and their parents. The EXCEL program is one attempt and a successful one, to cope with some of these problems. Therefore, I ask unanimous consent to have printed in the RECORD at this time an article from the Washington Post of Sunday, May 21 on the EXCEL program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JACKSON'S SYSTEM FOR SUCCESS IN SCHOOL: PRESSURE TO EXCEL

(By Juan Williams)

What makes for a good high school?

"You've got to put pressure on the kids," said James Ball, principal of Los Angeles High School, after he spoke to a workshop at Howard University last week. It was part of a national conference on EXCEL, the education program that the Rev. Jesse Jackson has begun.

"After the Watts riots PTAs were considered bourgeois organizations at my school," Ball said, "so I used counselors and intake rooms to put pressure on the kids. If we found them in the halls we'd take them in the intake room and hassle them . . . if we caught them in the halls three times we'd call their parents in. You've got to put some pressure on the kids to counteract the pressures that are pulling them out of the classroom."

Once he gets the students out of the halls and off what he calls a "flexible schedule"—one that allows them to come to school at 10 a.m. and leave at 10:30 a.m.—Ball has been putting the students in Jackson's EXCEL program.

Last week educators, parents and students from schools in Los Angeles, Chicago and Kansas City, where EXCEL programs are currently under way, and from 23 other school systems that have expressed an interest in the program, came to Howard for a conference.

The basic premise of Jackson's program is that school children need a "high moral atmosphere," and encouragement at home and at school from parents, clergy and teachers in order to do well in school.

Jackson told his audience he wants to challenge today's youth so that they realize "the choice is theirs: they can put dope in their veins or hope in their brains."

"Motivation must be seen as important and a critical element in turning this crisis in education around," Jackson told the conference. "We must teach our children that if they can conceive it and believe it, they can achieve it. They must know it is not their aptitude but their attitude that will determine their altitude . . ."

As Jackson conceived it, the program starts with students signing pledges in which they promise to "push for excellence by striving to learn as much as I possible can . . . I will respect the authority of my parents and accept the help of my teachers. . . ."

Parents pledge to pick up their child's report card and make sure the child studies for two hours. Teachers pledge to "use all means available" to educate students and instill discipline and respect in them.

"It may sound juvenile, hokey," said Ball, the principal from Los Angeles, "but it works. It is hard for an outsider to understand. Really the change was dramatic."

There are 11 Los Angeles high schools in the program. It is funded by $402,000 grant from the school board. Each school has an EXCEL council that decides how best to apply Jackson's ideas at their school. At Los Angeles High School, according to Ball, the principal and the council decided to increase the number of hall sweeps to urge students cutting classes to sign the EXCEL pledge. If a student is repeatedly found in the halls and refuses to join EXCEL, his or her parents are brought to the school and the parent is asked to get the student involved in EXCEL.

EXCEL schools also receive funding for a tutor who works a half day with EXCEL students to help them improve their grades. Funding also is provided to hire a community liaison who spends the day at school observing EXCEL students' progress. The liaison then reports back to parents on what can be done to help the child do better.

Jeff Schiller, chief of assessments of innovative developments of the National Institute of Education, which has studied the program, said, "what we found is that the program is more than Rev. Jackson's rhetoric. Quite a sophisticated structure remains, after he leaves, to accomplish the program's goals."

Schiller said there has been no objective evaluation of EXCEL's effectiveness although there has been widespread praise of the program voiced by most of the people involved.

Calvin Rhone, a Los Angeles High senior who attended the conference, said EXCEL has not been a cure-all for problems at his school.

"EXCEL is merely an eye-opener," he said. ". . . but by surrounding one of the people who are out on the campus cutting classes with it, it is almost impossible for them not to know that something is going on . . . EXCEL is strong external stimulation to do good in school."

"There's a great possibility it could be a fad," he added, "but that depends on the attitude and efforts of the individual student."

In speeches to the conference Jackson repeatedly stressed that the impetus for the EXCEL program was that blacks need to "catch up."

"We must excel because we are behind," Jackson told the mostly black audience. "There is one white attorney for every 680 whites, one black attorney for every 4,000 blacks; one white physician for every 649 whites and one black physician for every 5,000 blacks. . . ."

Mr. PERCY. Mr. President, I do wish to commend Rev. Jesse Jackson, who has, through the years, devoted himself to many worthy causes. I do not know of anything he has ever done that has captured the imagination more of the American public and has, I think, done more to instill hope in a large part of our minority population.

GENOCIDE IN CAMBODIA

Mr. GLENN. Mr. President, it is both easy and seemingly futile to speak out against the genocide in Cambodia. With no aid program, without diplomatic relations, we have little leverage to express our disgust with murder, forced labor, and the deprivation of essential human rights. Cambodia presents a challenge to our diplomacy. The stark evidence of atrocities is present; the means to alleviate the slaughter is elusive. We have only one weapon—truth.

Let us therefore trumpet that truth to the world, and especially to the seeming indifference of the United Nations. Moral indignation must be our starting point. Morality can, but should not be, divorced from politics. Indeed, that is the legacy bequeathed us by our late and beloved friend Hubert Humphrey. Public morality consists of certain tenets which no reasonable man would dissent from: it is wrong to murder, to steal, to lie, to injure others. Yet, the Government of Democratic Kampuchea is guilty of all these actions. Men, women, children are tortured, imprisoned, murdered. The enormity of it boggles the mind. Who can debate whether it is 1 million or 2½ million? The reality is death camps, murders of bloodbaths committed with hoes. It is barbarism.

Until recently we have been dependent upon refugee accounts to learn of Khmer Rouge policies. And, like tyranny everywhere, some sycophants have minimized this crime against humanity. But, now the genocidal dictatorship of the Khmer Rouge is evident in Communist press accounts. Cambodia is a sealed off country. It has diplomatic relations with nine nations, eight of them Marxist regimes. Yet, Yugoslav journalists note there is "no mail, no telephones, public transport, or higher educational institutions." The sole radio station broadcasts only "official" news and the former national library stores furniture. Life and labor are totally "collectivized." A Polish journalist touring Cambodian refugee camps in Vietnam made frequent comparisons to Nazi "fascists" and noted the refugees fled because the "people have feared for their lives all the time." Thus, even Communists do not deny the inhumane treatment and genocide of the Cambodian rulers.

To one interested in Asian cultures, I must also sadly note the policy of extinguishing the Khmer culture. All forms of that culture except agricultural labor have been destroyed—books, buildings, the work of professors, monks, artists. The rulers have declared the cities a "breeding ground for parasites" and drove a high proportion of the population of Phnom Penh—3 to 4 million—

like cattle into the jungle and concentration camps called collectives. Labor in the fields is mandatory for those age 6 and above. Violations of the rules frequently means execution by the bloodlusting Khmer Rouge soldiers. This then is a holocaust as brutal and violent as the Nazi-era. The gruesome tales of terror, the mindless violence related by refugees stun one into speechless horror.

It is because of these facts, Mr. President, that I have become a cosponsor of Senate Resolution 469, introduced by the distinguished majority leader, Mr. BYRD. Further, as chairman of the East Asian and Pacific Affairs Subcommittee of the Foreign Relations Committee, I am planning hearings on this and similar resolutions in the near future.

Therefore, I ask unanimous consent that the complete text of President Carter's statement on "Human Rights Violations in Cambodia," be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Reports of atrocities are commonplace, yet the United Nations awaits a response from the accused government. This compromise of the original British demand for a special investigator is like the avoidance of discussion of Amin's Ugandan terrors by the Third World. But, truth cannot forever be denied. Crimes against humanity will be cited. President Carter correctly called Cambodia "the worst violator of human rights in the world today." We must now unleash a tidal wave of world opinion against Cambodian repression to perhaps alleviate the slaughter. Cambodia must be discussed, investigated, to the extent possible, and condemned.

Try we must while the horror continues.

EXHIBIT 1

HUMAN RIGHTS VIOLATIONS IN CAMBODIA

(Statement by the President, April 21, 1978)

America cannot avoid the responsibility to speak out in condemnation of the Cambodian Government, the worst violator of human rights in the world today. Thousands of refugees from Cambodia have accused their Government of inflicting death on hundreds of thousands of the Cambodian people through the genocidal policies it has implemented over the past 3 years. Witnesses have recounted abuses that include mass killings, inhuman treatment of the supporters of the previous government, the forced deportation of urban dwellers, and the total suppression of recognized political and religious freedoms, as well as deprivation of food and health care for the general population. Summary executions continue in Cambodia today, and fear of the authorities is pervasive.

We support the growing international protest against the policies of this inhumane regime. On April 17 the Canadian House of Commons, in a unanimous motion, expressed the horror of all its members in the acts of genocide carried out in Cambodia and called on all governments which maintain relations with Canada to protest against the slaughter.

In the private sphere, a Norwegian committee supported by leaders of the major Norwegian political parties will hold hearings in Oslo, beginning today, to illuminate through public testimony the tragic situation existing in Cambodia. Amnesty International has issued an appeal to the Cambodian Government to respond to allegations of continuing summary killings in that country. We welcome and applaud these initiatives.

We also welcome the recent action taken by the United Nations Human Rights Commission which, this year, in consequence of a British initiative, adopted by consensus a resolution asking the Cambodian Government to respond to allegations of human rights violations.

The American Government again condemns the abuses of human rights which have occurred in Cambodia. It is an obligation of every member of the international community to protest the policies of this or any nation which cruelly and systematically violates the right of its people to enjoy life and basic human dignities.

RETIREMENT OF ADM. JAMES L. HOLLOWAY III

Mr. THURMOND. Mr. President, on July 1, 1978, Adm. James L. Holloway III, Chief of Naval Operations, will retire after 36 years of distinguished service to our country.

Our Nation is deeply grateful for his dedication and faithful performance of duty. As a naval pilot, Admiral Holloway was decorated for heroic action in combat during World War II, Korea, and Vietnam. In 1958, as commanding officer of an attack squadron operating from the carrier U.S.S. *Essex*, he participated in the Lebanon landings and later in the Quemoy-Matsu crisis.

Mr. President, Admiral Holloway is a professional naval officer whose outstanding leadership will be a great loss to the Navy and to our country. He has served with remarkable distinction at every level of command. As an expert in naval aviation and the nuclear attack carrier program, Admiral Holloway led the way in new warfare concepts in the deployment of the fleet. As director of the nuclear attack carrier program, he originated the multi-purpose carrier concept which has been adopted by the Navy and implemented by the fleet.

Admiral Holloway has been a dynamic leader of the Navy, as Chief of Naval Operations. His leadership, in spite of many obstacles and funding shortages, has been a major contributing factor in our Nation's effort to modernize our Navy and to restore our naval seapower.

Admiral Holloway is a native son of South Carolina. Our State and our Nation are proud of him. His professional counsel and advice and extensive naval experience will be missed by the Congress and the highest echelons of our Government. The retirement of such an able leader who has so many good years yet to give to his country is unfortunate and a loss to our Nation. However, I am confident that Admiral Holloway stands ready to serve our country, as the need requires it.

I join with my distinguished colleagues in paying tribute to a great American naval officer. We extend our congratulations and best wishes to Admiral Holloway and his fine family for continued success, good health, and happiness.

Mr. President, I ask unanimous consent that the biography of Adm. James L. Holloway III be printed in the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

ADM. JAMES L. HOLLOWAY III, U.S. NAVY, CHEIF OF NAVAL OPERATIONS

Admiral James L. Holloway III became the 20th Chief of Naval Operations on 1 July 1974, relieving Admiral Elmo R. Zumwalt, Jr.

Admiral Holloway came to his present position with broad experience in command of major fleet units during combat operations, and with an extensive background in Navy program planning and management, as well as a long and distinguished career in naval aviation. He is also the first nuclear power-trained officer to rise to the Navy's top uniformed position. His principal assignments have included command of the nuclear aircraft carrier USS ENTERPRISE, command of an aircraft carrier task force, Deputy Commander in Chief Atlantic and U.S. Atlantic Fleet, Commander of the U.S. Seventh Fleet during the Vietnam War and, most recently, duty as Vice Chief of Naval Operations.

Following graduation from the U.S. Navy Academy in June 1942 as a member of the accelerated World War II class of '43, Ensign Holloway served on destroyers in both the Atlantic and Pacific theaters. As gunnery officer of USS BENNION (DD-662), he participated in the capture of Saipan, the Southern Palau Islands and Tinian, the Leyte landings and in the Battle of Surigao Straits, the last major engagement between two surface fleets. For service while aboard BENNION, he was awarded the Bronze Star Medal and the Navy Commendation Medal, each with Combat "V".

After the war, he underwent flight training and was designated a Naval Aviator in January 1946. He flew Curtiss "Hell Divers" from the carrier USS KEARSARGE, served as an instructor in the air training command and on the staff of the Chief of Naval Air Basic Training in Pensacola, Florida.

Next, Lieutenant Commander Holloway transitioned to jet fighters and deployed for two tours of combat duty in Korea aboard the carriers USS VALLEY FORGE and USS BOXER. For his action in combat he was awarded the Distinguished Flying Cross and three Air Medals.

More significant aviation duty came in August 1958 when, as Commanding Officer of Attack Squadron EIGHTY-THREE, Commander Holloway participated with the U.S. Sixth Fleet in the Lebanon landings. Transiting the Suez Canal in the carrier USS ESSEX, his A-4 "Skyhawk" squadron became a part of the Seventh Fleet during the Quemoy-Matsu crisis in October 1958.

Two tours of duty in Washington, D.C., began in January 1959, first as Executive Assistant to the Deputy Chief of Naval Operations for Air and then as a student at tho National War College (Class of 1962).

In July 1962, Captain Holloway took command of the seaplane tender USS SALISBURY SOUND, which was serving as flagship of Commander Patrol Force, U.S. Seventh Fleet.

After instruction in the nuclear reactor program under Admiral Hyman G. Rickover, Captain Holloway became Commanding Offi-

cer of USS ENTERPRISE, the Navy's first nuclear powered carrier, in July 1965. He commanded her for two full combat tours in the Vietnam conflict, during which ENTERPRISE was awarded the Navy Unit Commendation and won the coveted "E" award for ranking first in battle efficiency among attack carriers in the Pacific Fleet. For his leadership, Captain Holloway received the U.S. Legion of Merit and was personally decorated by General Thieu, President of the Republic of Vietnam.

In May 1966, at the age of 44, Captain Holloway was selected for promotion to Rear Admiral. He reported to Washington the following year for duty in the office of the Chief of Naval Operations where he established and served as Program Coordinator of the Nuclear Attack Carrier Program in addition to duty as Director of the Strike Warfare Division. It was in this latter assignment that he originated the CV (multipurpose carrier) concept which is now being implemented in the fleet. In this concept, the carrier's complement of tactical, strike, or anti-submarine aircraft is tailored to the particular task or mission assigned and the anticipated threat in its operating area. For his service as Director, Strike Warfare, he was awarded the Navy's Distinguished Service Medal.

In August 1970, Rear Admiral Holloway took over as Commander Carrier Division Six and, while embarked in the carrier USS SARATOGA, he directed Sixth Fleet carrier operations in the eastern Mediterranean during the Jordanian crisis in the fall of 1970. He was awarded a second Distinguished Service Medal for his performance of duty.

Following promotion to Vice Admiral and duty as Deputy Commander in Chief Atlantic and U.S. Atlantic Fleet, he returned to command at sea in May 1972 as Commander, U.S. Seventh Fleet. For directing Seventh Fleet operations in the Vietnam War, and particularly the highly successful Navy air operations, from May 1972 to August 1973, and the strategically important mine warfare operations in North Vietnam, Vice Admiral Holloway was awarded his third Distinguished Service Medal.

On 1 September 1973, he was promoted to Admiral and became Vice Chief of Naval Operations, the post he held until assuming the Navy's top uniformed position on 1 July 1974.

Admiral Holloway was born in Charleston, South Carolina, on February 23, 1922, the son of Admiral James L. Holloway, Jr., U.S. Navy (Retired) and the late Jean Hagood Holloway. He is married to the former Dabney Rawlings, the daughter of Rear Admiral Norborne L. Rawlings (Retired) and Mrs. Rawlings of Washington, D.C. The Holloways have two daughters, Lucy Holloway Lyon and Jane Meredith Holloway.

DEATH OF J. BOONE AIKEN, OF FLORENCE, S.C.

Mr. THURMOND. Mr. President, a distinguished South Carolina businessman, Mr. J. Boone Aiken, of Florence, S.C., passed on May 6, 1978.

I was associated with Mr. Aiken for many years, and he was both a good friend and a trusted advisor. I had the opportunity to work with him on many occasions, and he was always dedicated and sincere in everything he undertook.

As chairman of the board of Guaranty Bank and Trust Co. of Florence, S.C., he led the bank, which was organized during the depth of the Depression, to being one of the soundest financial institutions in America.

Mr. Aiken was a distinguished Rotarian. He founded the Florence, S.C., Rotary Club and was the governor of the 58th Rotary District, a district which included all of South Carolina and parts of North Carolina. In 1975 the Rotary Foundation of Rotary International presented him with its highest honor, the A. Paul Harris Award.

He was president of Furman University Alumni Association, and in 1971 was presented with the Bell Tower Award "in recognition of exceptional achievement and meritorious service to Furman University."

Mr. Aiken had an intense interest in education as he believed our youth held the keys to the future of our Nation. He was a member of the South Carolina Commission for Technical Education which established an excellent system of technical education units throughout the State.

For his exemplary work for all of South Carolina, he was awarded an honorary doctor of humanities degree by Benedict College and an honorary doctor of laws degree by Furman University.

Boone Aiken was an outstanding Christian man. He was a deacon, the chairman of the board of his church, and vice president of the South Carolina Baptist Convention. In 1970 he was presented with the Edward A. McDowell Award "for distinguished Christian service."

He established the J. Boone Aiken Foundation which has already awarded grants to Florence, S.C., totalling $110,000 and to Southern Baptist Theological Seminary in Louisville, Ky., totalling $50,000.

In 1971 he was named South Carolina's outstanding older citizens during a White House Conference on Aging held in Columbia, S.C. He was also cited by Florence's mayor and council with a special resolution of appreciation.

He was listed in "Who's Who in America," "Who's Who in Finance and Industry," "Who's Who in the South and Southwest," and the "National Cyclopedia of American Biography."

J. Boone Aiken was an outstanding South Carolinian and an outstanding American. I am very proud to have known him. He will be greatly missed by all, and I extend my heartfelt sympathy to his family.

Mr. President, in order to share the inspiring eulogy, the telegram of condolence, the resolutions and the many newspaper articles about Mr. Aiken with my colleagues, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Florence (S.C.) Morning News, May 7, 1978]

J. BOONE AIKEN, 88, DIES AT HIS HOME

Jefferson Boone Aiken, 88, chairman of Guaranty Bank and Trust Co., died Saturday morning at his home after an illness of two months.

Funeral will be Sunday at 3 p.m. at First Baptist Church, with burial in Mount Hope Cemetery, directed by Waters Funeral Home.

A native of Pickens County, Mr. Aiken came to Florence in 1914 after a brief business career in Greenville. He became agent for the 12-county area for Southeastern Life Insurance Co.

It was the start of a business career that would span more than half a century in insurance, real estate, mortgage loans, banking, and related enterprises.

In 1950, he purchased a controlling interest in Guaranty, a firm which had organized in 1932 at the depths of the Great Depression, while banks all over the country were closing their doors.

Mr. Aiken led Guaranty to the distinction of being one of the soundest financial institutions in the American banking community.

He was founder and first president of Florence Rotary Club and was the last surviving member of the original 17 charter members. He was elected president of the club for a second time 25 years after its founding, a distinction accorded no other Florence Rotarian.

In 1929–30, he was governor of the 58th Rotary district, an area that included all of South Carolina and part of North Carolina. In 1975, the Rotary Foundation of Rotary International presented Mr. Aiken its highest honor, the A. Paul Harris Award.

Although he dropped out of Furman University after two years to enter business, he remained interested in the school, serving as president of its alumni association and as a trustee.

In 1971, the Furman Alumni Association presented him its Bell Tower Award "in recognition of exceptional achievement and meritorious service to Furman University.

Mr. Aiken was also interested in other educational institutions, and was a member of the original S.C. Commission for Technical Education which established the statewide system of technical education centers.

He served on that commission from 1961 to 70 and at retirement was named a member emeritus. During his term, he was instrumental in establishing Florence-Darlington TEC.

Mr. Aiken was awarded an honorary doctor of humanics degree by Benedict College in 1968 and an honorary doctor of laws degree by Furman in 1976.

He was also active as an adult Boy Scout leader for many years, and in 1963 was presented scouting's highest adult honor the Silver Beaver Award.

An active Baptist, Mr. Aiken was elected a deacon of First Baptist Church in 1920, serving continuously until the church adopted a policy of rotating deaconships. He was then made a life deacon.

He was chairman of the church's board from 1940–46, and was vice president of the S.C. Baptist Convention in 1943.

In 1970, the Christian Life and Public Affairs Commission of the convention presented him the Edward A. McDowell Award for distinguished Christian service.

Mr. Aiken was also a charter member of McLeod Memorial Hospital Board of Trustees and served until his death.

He was known for his philanthropic work, and in 1947 established the J. Boone Aiken Foundation. In 1959, he began a 10-year series of grants to the City of Florence, which totaled $110,000, to be used for educational, spiritual, cultural, esthetic and human development projects.

Many private grants were also awarded, including $50,000 to the Billy Graham Room at Southern Baptist Theological Seminary in Louisville, Ky.

In 1971, he was named South Carolina's outstanding older citizen during a White House Conference on Aging in Columbia.

On his 78th birthday, he was cited by Florence's mayor and council with a special resolution of appreciation.

Mr. Aiken was listed in "Who's Who in America," "Who's Who in the South and Southwest," "Who's Who in Finance and Industry," and in the "National Cyclopedia of American Biography."

Surviving are two daughters, Mrs. Peter S. (Mary Lyles) Knox Jr. of Thomson, Ga., and Mrs. David H. (Peggy) McLeod of Florence; three sons, O. S. Aiken, J. B. Aiken, Jr. and John D. Aiken, all of Florence; three sisters, Mrs. Ira L. Griffin of Charlotte, N.C., Mrs. John R. Brooks of Columbia and Mrs. D. D. Gleen of Florence; a brother, John E. Aiken of Columbia; 16 grandchildren and 26 great-grandchildren.

[From the State, Columbia, S.C., May 7, 1978]

FLORENCE BUSINESSMAN J. BOONE AIKEN DIES

Florence businessman J. Boone Aiken died Saturday at his home. He was 88.

Mr. Aiken was chairman of Guaranty Bank and Trust Co. and had served on the South Carolina Commission for Technical Education from 1961–1970. He was a charter member of the McLeod Memorial Hospital Board of Trustees.

In 1947, he established the J. Boone Aiken Foundation, which over a 10-year period awarded $110,000 to the city of Florence for cultural projects, and $50,000 to Southern Baptist Theological Seminary in Louisville, Ky.

In 1971 the Pickens County native was named the state's outstanding older citizen during a White House Conference on Aging in Columbia. He was listed in "Who's Who in America" and "Who's Who in Finance and Industry."

Services will be 3 p.m. Sunday at First Baptist Church in Florence with burial in Mount Hope Cemetery.

Survivors include two daughters, three sons, three sisters and a brother.

[From the Florence Morning News, Florence, S.C., May 7, 1978]

JEFFERSON BOONE AIKEN

Seldom does a man live long enough and contribute enough to the community in which he lives to become a living legend in his own time. But that was the case with Jefferson Boone Aiken, Florence businessman, Banker, civic leader, churchman, and philanthropist, who died Saturday morning as he approached his 89th birthday.

During the sixty-four years of his residence in Florence, Boone Aiken became a part of the history of Florence itself. So closely identified was he with so many areas of Florence life that his name was among the first to come to mind when considering those who in one way or another exerted strength and influence in charting the development of the city.

The Florence he came to in 1914 was in the adolescent stage of its history. He lived to see it become one of the most dynamic and progressive among smaller cities of the Southeast, and during every stage of its growth his broad interest in its present and its future contributed in no small way to its unfolding destiny.

With his business success firmly established, during the latter part of the 1950s he thought more and more in terms of philanthropy and community benefaction.

In 1947, he had established the Aiken Foundation. On January 1, 1959, the Florence Morning News announced that the Foundation had awarded a $10,000 grant "to be used for the advancement of the spiritual, moral, and civic interest of Florence." To be administered by a 12-member committee of Florence citizens, it was the first of his annual grants made to Florence and the larger Pee Dee region totaling $110,000 over a 10-year period—all designed for enriching the economic, cultural, esthetic, educational, and spiritual life of people, and for encouraging the development of leadership committed to those goals.

The 1960 grant was made to the Florence Pastors Conference. Out of it grew a week-long Family Life Institute attended by an estimated 1,000 people nightly. They came to hear leading psychologists and psychiatrists lecture on subjects ranging from teen-age petting to ways to lead useful lives during the "golden years."

A second Family Life Institute was made possible by his 1963 grant. This one, featuring "A Study in How We Live," brought in speakers with a wide range of knowledge and expertise, including a college president, a nationally-known platform speaker, the former mayor of Kansas City, Missouri, a Chicago minister, and an industrial management specialist.

The 1962 grant went to the Negro community "to recognize, encourage, and foster the fine spirit of our Negro community," and to be used in "the spiritual, educational, civic, health, recreation, and home beautification fields." An all-Negro committee was named to administer the grant.

Individual and family rehabilitation was the target of the 1964 grant, with a six-man bi-racial administering committee given "complete autonomy to exercise daring abandon."

The 1967 grant was to study "how people regard themselves and others, how they respond to opportunity, how they relate themselves to government and institutions, their ideas of citizenship, and their system of values." The grant came at a time when the Florence community and the rest of the South were struggling through the period of racial desegregation.

The committee named to administer the grant came up with a people-to-people program that brought ethnic and racial groups together for intimate dialogue. In a week-long nightly emphasis, involving group discussions followed by general sessions addressed by visiting speakers, a cross-section of the community consisting of about 500 people nightly faced up to sensitive issues with unusual frankness and candor. In the Florence experience of peaceful transition to a desegregated community, the People-to-People week proved a major contributing factor.

The 1968 grant looked beyond county lines to emphasize the concept of "creative regionalism."

This was a unique concept of philanthropy—one unrelated to brick and mortar but to qualities of spirit that undergird and strengthen the character of a community and its people.

The annual grants dramatized in a special way the philanthropic thrust of one man's vision of converting business success into community service over and above that normally associated with his business enterprises.

Other causes, too, were the recipients of his grants, and continued to be until his death. They included churches, colleges, a seminary ($50,000 for the Billy Graham Room at the Southern Baptist Theological Seminary), civic causes, cultural and artistic organizations, health agencies, and yet others that even his memory had difficulty recalling.

Honors and recognitions came too numerous to enumerate, including honorary doctorates from Benedict College and Furman University. The walls of his office in the Guaranty Bank and Trust Company ran out of space for displaying awards, citations, recognitions, and personal memorabilia.

With most of his contemporaries gone, he lived during his latter years with many memories, but every working day, until he left to undergo hospital surgery two months ago, his office door remained always open to the public, with his interest in whatever concerned Florence and its people never waning.

He was a shaper of Florence history for more than half a century. He was also a patriarchal champion of the Great Pee Dee, and a loyal citizen of South Carolina. He will be sorely missed. But he will also be remembered.—J.A.R.

BY DR. EDWARD L. BYRD

(Former Pastor of the First Baptist Church, Florence, S.C.)

In a far distant day, David, the King of Israel, stood at the burial of Abner in Hebron, and unashamedly wept with a host of people, and among other things which David said in praise of Abner he said to his gathered subjects: "Know ye not that there is a prince and a great man fallen this day in Israel?" This event and these words from the Bible came to my mind when I heard of the passing of Mr. Aiken.

Jefferson Boone Aiken was the first child born to Jefferson Davis and Molly Duckworth Aiken on May 24, 1889. The place of his birth was Central, South Carolina, and it was in the little church in the wildwood there that he made his public profession of faith in Christ and followed Him in baptism. He became a member of the First Baptist Church of Florence on March 14, 1915.

In this intervening time, there were student days at Furman University; the beginning of a long and successful business career with its inception there in Greenville (which saga reads like a Horatio Alger story): and the courtship of Miss Pearl Ellis, one of Florence's fairest maidens.

This courtship eventuated in their marriage on December 28, 1909. God blessed this union with six children, five of whom survive the deceased. The grand old patriarch of this family also leaves sixteen grandchildren and 26 great grandchildren. Had the late Mrs. Aiken lived until December in the year of her passing, by God's providence they would have had fifty-nine years together in the bonds of matrimony. This was an uncommon blessing given to them by God. At the Christian service marking the passing of Mrs. Aiken, as a tribute to her I quoted from Florence Marly who once wrote, "It is easy to make twenty men fall in love with you in one year; that is nothing. But to have one man love you for twenty years, that is an achievement." Another decade has been added to the love here on earth that Mr. Aiken had for the bride and love of his life, ten more years added to the love he had for her during fifty-nine years of marriage. And now they are reunited in bonds of love that have meaning and expressions which we here do not yet understand.

I must leave it to the newspapers and to the host of people who knew him well to recall some of the innumerable causes he

either initiated or supported, and likewise to recall some of the innumerable honors bestowed upon him. Our minds immediately go to such endeavors and institutions as the Florence Rotary Club; The McLeod Memorial Hospital; the annual grants of the Aiken Foundation, the Florence Family Life Conferences, the People to People Week; technical education in this state with the Florence-Darlington Tech Center, a living and proximate symbol of his conception and labor. Our minds likewise recall such honors as the Edward A. McDowell Citizen of the Year Award going to him as the result of all the citizens of this state being screened as possible candidates; the Bell Tower Award bestowed upon him by Furman University, and also the honorary Doctor of Laws degree from his beloved Alma Mater; the Honorary Doctor of Humanities degree awarded him by Benedict College, which honor he cherished because it was awarded in appreciation for his contribution to race relations in a troubled period and for his contribution to higher education; his intimate friendships with persons of highest rank in business and government without ever losing the common touch. Falling back on the words of the writer of Hebrews in the New Testament: "And what shall I more say? for the time will fail me if I tell of it all!"

Ah, but I must refer to service rendered through the channels of his church. He was the last of four who had attained to the status of "Life Deacon" before the present plan of rotating deacons caused that plan to cease. But the present plan did not deprive those who had already arrived at this place of recognition this honored position. He served 58 years as a deacon, and for a number of years the deacon body chose him to be their chairman. Those whose memory can carry them back to those years before he felt obliged to retreat from some of his activity, will remember him in the church as member and chairman of the finance committees, building committees (chairman), chairman of pulpit committees, and as Sunday School teacher.

Before departing the campus of the Southern Baptist Theological Seminary to return to Florence, I went by the Boyce Centennial Library and the wing that houses the Billy Graham materials, which wing was financed by a large grant from the Aiken Foundation, there to record accurately the inscription on a bronze plaque at the entrance of the Billy Graham Rooms. It reads:

Believing that the ministry of Billy Graham is inspired, influenced and performed under the guidance of our Heavenly Father and that he was inspired by the Holy Spirit in donating to the Southern Baptist Theological Seminary the records of his ministry and other valuable documents for the study and guidance of all Christian students and leaders of this and future generations.

Mr. and Mrs. J. Boone Aiken of the First Baptist Church of Florence, S. C., and their children—

Have accepted the invitation of the president of the seminary to provide the funds through the Aiken Foundation for this room and its facilities to house and preserve these records in perpetuity to be used of God for the furtherance of His Kingdom.

I can readily account for some one hundred thousands of dollars in special gifts he made to the Lord's causes, sometimes at my request and sometimes as he asked for my opinion.

In these personal encounters across the years, strong and divergent viewpoints were expressed about various issues, but always with love for each other and repect for each other's viewpoint. And in his talking with me about personal matters, I have seen tears well up in his eyes maybe more frequently than in experiences with any man in the congregation, revealing a tenderness of heart which may not have been apparent to the community at large.

I have already referred to him as the grand old patriarch of the family. Family life was his richest earthly treasure as was evidenced by his devotion to his mother, affectionately called "Granny Aiken" by a wider circle than her immediate family, and by his devotion to the other children of the family into which he was born. This patriarchal and parental love was even more easily seen in his relationship to the children God gave him and Mrs. Aiken, and then in turn to his children's children. The most of what he did in life was for his family. I was twenty-five years old and married when I kissed my father goodbye for the last time as I departed for theological seminary—a treasured family custom which we did not abandon as grown men. You can understand why I was impressed on many occasions to see these Aiken men as well as the daughters kiss their father upon greeting him or departing from him in the home or in the hospital room or wherever they were. Had one asked Mr. Aiken which child he loved the most, he would have answered in some such language as this: the child who is sick today or until he or she is well; the child away from home or until he or she returns; the child who needs my love and support the most at this particular time. So, today, you sons and daughters who called him "Daddy," and you grandchildren who called him "Pop," as did some others who became a part of the family, and some in the clan who continued to call him "Mr. Aiken," all of you rise up and call him blessed, and join with an innumerable host of friends, including his pastor for twenty-seven years, in acknowledging that "a prince and great man has fallen this day in our midst."

A RESOLUTION

Whereas, the recent death of Mr. J. Boone Aiken, Chairman of the Board of Directors of the Guaranty Bank and Trust Company, has occasioned grief, individually and collectively, for the surviving officers and employees of the Bank;

And whereas, Mr. Aiken demonstrated such genius for sound banking practices as to have guided the destiny of the Guaranty during the 28 years of the chairmanship of its Board until long before the time of his death it had become widely recognized as one of the soundest and strongest financial institutions in the American banking community;

And whereas, His influence upon and contributions to the Florence Community, the Great Pee Dee, and the State of South Carolina as businessman, banker, churchman, civic leader, philanthropist, and patriotic citizen give us special cause for pride and thanksgiving that we were privileged to have served with him in our several capacities as officers and employees of the bank;

And whereas, His philosophy of banking never varied from viewing management of a bank's resources as a public trust to be administered for the absolute protection of depositors, out of sensitive consideration for the needs, both public and private, of its service area, and ever ready to respond cheerfully in keeping with the principles of soundly proven banking practices;

And whereas, Mr. Aiken's generous philanthropic spirit, demonstrated in so many ways and for so many causes, exemplified his belief that money should not be viewed as an end in itself but as a means for rendering humane service;

Therefore, be it resolved: First, That we view the sum total of his life and career as a legacy for continuing to guide the destiny of the Guaranty, his beloved "Home Town Bank," to enlarging service to its customers, continuing commitment to the solid economic principles that guided his personal and business career, and as an institution firmly dedicated to the financial, moral, spiritual, educational, and cultural interests of people as people—an ideal he so often emphasized.

And second, That a copy of this Resolution be spread upon the minutes of the Board of Directors.

Whereas, Jefferson Boone Aiken acquired a controlling interest in Guaranty Bank and Trust Company, of Florence, S.C. in the year 1950, at which time the bank had resources of about seven million dollars, and he then became the Chairman of its Board of Directors, together with its chief executive officer, remaining as such until his death on May 6, 1978; and

Whereas, said Guaranty Bank and Trust Company under the able leadership of Jefferson Boone Aiken grew in resources to over sixty million dollars at the time of his death, during which period it rendered services to Florence and the Pee Dee community of South Carolina of great value to the economic health and growth of said areas; and

Whereas, Jefferson Boone Aiken during the long tenure of his services to Guaranty Bank and Trust Company repeatedly refused to accept any remuneration therefor, although the Board of Directors of the bank on many occasions tendered compensation to him; and

Whereas, Jefferson Boone Aiken labored long and hard as chief executive officer of Guaranty Bank and Trust Company, never ceasing to put the interest of the bank above all other considerations, which those closely associated with him knew was truly a labor of love; and

Whereas, Jefferson Boone Aiken was a devoted churchman, a great benefactor to his fellowman, and one of Florence's greatest civic leaders, now therefore

Be it resolved by the Board of Directors of Guaranty Bank and Trust Company In meeting assembled on the 15th day of May in the year of our Lord, one thousand nine hundred seventy-eight, That it recognize the great loss of Guaranty Bank and Trust Company and the Florence and Pee Dee Areas of South Carolina have suffered by the death of Jefferson Boone Aiken on May 6, 1978.

Be it further resolved by the Board of Directors of Guaranty Bank and Trust Company That it will strive diligently to maintain the high standard of service which the bank enjoyed during the time Jefferson Boone Aiken was its chief executive officer.

Be it further resolved by the Board of Directors of Guaranty Bank and Trust Company That these Resolutions be spread upon the minutes of this meeting, remain a part of the permanent records of this corporation, and a copy thereof sent to each member of the immediate family of Jefferson Boone Aiken.

[From The News and Courier, May 23, 1978]

J. BOONE AIKEN OF FLORENCE IS DEAD AT 88

FLORENCE.—Jefferson Boone Aiken, 88, chairman of Guaranty Bank and Trust Co. and a Florence civic leader, died May 6 at his home.

The funeral was May 7 at First Baptist Church of Florence. Burial was in Mount Hope Cemetery.

Mr. Aiken was born in Pickens County and moved to Florence in 1914 after a brief business career in Greenville. In Florence he began his career in insurance, real estate, mortgage loans, banking and related enterprises.

In 1950 he purchased a controlling interest in Guaranty and made the company one of the soundest financial institutions in the American banking community.

He was founder and first president of Florence Rotary Club and was the last survivor of the 17 founding members of the club. He was also a former governor of the 58th Rotary District, comprised of all of South Carolina and parts of North Carolina.

He served as a trustee of Furman University and as president of its alumni association. He was a member of the South Carolina Commission for Technical Education and when he retired from the commission in 1970 was named a member emeritus.

He was an adult leader of Boy Scouts and was awarded the Silver Beaver Award, Scouting's highest adult honor.

He was a member and deacon of First Baptist Church and was chairman of the church's board from 1940 to 1946. He was vice president of the S.C. Baptist Convention in 1943.

He was a charter member of the McLeod Memorial Hospital board of trustees.

His philanthropic acts through the J. Boone Aiken Foundation provided the city of Florence with a 10-year series of grants totalling $110,000 to be used for educational, spiritual, cultural, esthetic and human development projects.

Surviving are: two daughters; three sons; three sisters; a brother; 16 grandchildren and 26 great-grandchildren.

[From the News and Courier, Charleston, S.C., May 24, 1978]

J. BOONE AIKEN

Born in the Piedmont County of Pickens, Jefferson Boone Aiken moved to Florence as a young man and became one of the leading citizens of the Pee Dee section of South Carolina. As a banker and businessman, he took an active part in the growth of his community. Under his guidance the Guaranty Bank and Trust Co. won a nationwide reputation for sound operations.

Mr. Aiken was a charter member and first president of the Rotary Club of Florence, and served as governor of the 58th Rotary District. As a member of the South Carolina Commission for Technical Education, he had an important part in developing the widely admired technical school system of this state. He was active in the Baptist Church, a trustee of Furman University, holder of the Silver Beaver Award of the Boy Scouts and in countless other ways an outstanding member of society.

Boone Aiken not only was successful, he was generous in his gifts. The J. Boone Aiken Foundation provided a series of grants totaling $110,000 for civic developments. He gave $50,000 to establish a repository for evangelist Billy Graham's writings at the Baptist seminary in Louisville, and contributed to many other causes.

The News and Courier has had occasion in the past to pay tribute to Boone Aiken. We are among the many mourners who experience sorrow at his death. Today on the 89th anniversary of his birth we bid him farewell as a South Carolinian of distinction, and a longtime friend.

RESOLUTION

Whereas, Jefferson Boone Aiken was named as Trustee of McLeod Memorial Hospital when the hospital was chartered as an eleemosynary corporation on February 5, 1930; and

Whereas, Jefferson Boone Aiken served continuously as a trustee of this institution until his death on May 6, 1978; and

Whereas, during the forty-eight years of his tenure as a trustee, Jefferson Boone Aiken was faithful in his attendance to meetings of the Board of Trustees and by such dedication to his duties as a trustee offered much sound advice to the decisionmaking processes of this institution; and

Whereas, during the period of service by Jefferson Boone Aiken as a trustee of this institution, the hospital has grown in the medical services which it renders to the community and continues with such growth, which may be attributed in no small measure to the voluntary service rendered by trustees who have served long and ably as has Jefferson Boone Aiken; and

Whereas, the trustees, administration and staff of McLeod Memorial Hcspital have been saddened by the death of Jefferson Boone Aiken, Now, therefore,

Be it resolved that McLeod Memorial Hospital by action of its Board of Trustees hereby expresses its appreciation for the long and valuable service rendered by Jefferson Boone Aiken as a trustee of this institution and directs that this Resolution be made a part of the official minutes of the corporation and that a copy of this Resolution be sent to members of his family as a token of appreciation for valuable service rendered.

JEFFERSON BOONE AIKEN

Whereas, Jefferson Boone Aiken, deacon over a span of 58 years and dedicated leader of First Baptist Church of Florence, S.C., was called to his Eternal Home on May 6, 1978, and

Whereas, Mr. Aiken was a diligent, faithful and consecrated member for more than 60 years having served as Chairman of the deacons for six years, being the last life deacon of the church, and

Whereas, he was Chairman of the Building Committee for the present Sanctuary and served as Chairman of one Pulpit Committee and a member of another, and

Whereas, he was a Bible teacher of note, a man of profound thought undergirded with a strong prayer life contributing much to the church's earlier growth, especially during the 1930's and 1940's,

Therefore, be it resolved that the deacons of the First Baptist Church pay special tribute to his sacred memory and extend sympathy to his loved ones, and

Be it further resolved, that a copy of these resolutions be sent to the family, a copy be placed in the church minutes and a copy be sent to The Baptist Courier.

MONTREAT, N.C.,
May 8, 1978.

J. B. AIKEN Jr.,
1423 Madison Ave.,
Florence, S.C.

Word just reached me here in Memphis that your father joined my father. We rejoice over his victory and we pray that God will give you and your family his comfort and special grace during these days. First Corinthians 15, 55 through 58.

BILLY GRAHAM.

ILLEGAL ALIENS

Mr. TOWER. Mr. President, prior to the Memorial Day recess, our distinguished colleague Senator SCHMITT testified before the Senate Judiciary Committee on S. 2252, the Alien Adjustment and Employment Act. The subject of illegal aliens is, as Senator SCHMITT stated, "one of the most serious social and economic problems facing our country at this time." It especially impacts those States such as Texas and New Mexico which share a common border with our friend to the south, Mexico.

In his testimony, Senator SCHMITT ably articulated the views of many of those who object to the Carter administration's alien bill. He also offered several excellent suggestions on how we, as a Nation, might resolve or lessen this problem before it overwhelms us.

Senator SCHMITT's testimony should be must reading for those who are concerned with the problem of illegal aliens. Therefore, I ask unanimous consent that the text of his testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR HARRISON SCHMITT

Mr. Chairman, I welcome the opportunity to testify on one of the most serious social and economic problems facing our country at the present time. New Mexico is as close to this problem as any state. Economically and culturally, we have a major stake in what is done to solve this problem.

There have been numerous proposals designed to provide solutions to the tremendous influx of immigrants who enter the United States unlawfully, but because of the complexity and delicate nature of this problem, enactment of any meaningful legislation has been thwarted. One of our biggest difficulties has been the lack of accurate data on the scope and nature of the problem. This is changing, fortunately.

It is a widely known fact, supported by all recent studies on illegal immigration, that people are coming to the United States for economic reasons. The gap between the standards of living on the developing countries and the United States creates a situation that attracts people from impoverished nations to America to seek opportunities which will enable them to have a better standard of living.

In this regard, we have a very unique situation with our closest neighbor to the South. In no other part of the world does a developing country, with severe economic problems, border such a technologically and economically advanced country. This is the key factor involved in the large influx of illegal Mexican migration. Therefore, the only truly effective, long-term solution to this problem can only be achieved through concerted, bilateral and international efforts that will create stable employment opportunities in Mexico.

The Southwestern United States, especially the U.S.-Mexican border states, are effected in a special way by illegal Mexican migration. Therefore, I object to many provisions in S. 2252 because of the drastic impact this legislation will have on the Nation and its people—particularly in the Southwestern border states.

Although I support the humanitarian provisions contained in S. 2252, I feel that the Administration's proposal is generally shortsighted, based on limited factual data regarding the nature of this problem, and only suggests snake-oil treatments, not solutions to the problem.

S. 2252 addresses the issue of undocumented aliens as a whole, but provisions of this bill are aimed primarily at the Mexican immigrants. Before I proceed, I feel that it is necessary to distinguish between immigrants from Mexico and those immigrants who come from other parts of the world. This distinction is vital because of the unique geographical relationship between the United States and Mexico and because of the sub-

stantial differences in numbers and characteristics of immigrants from Mexico.

The most widely accepted estimate of undocumented workers (provided to the Immigration and Naturalization Service by Lesko and Associates) is 8.2 million illegals (1975) of whom 5.2 million are from Mexico. In FY '74, 90 percent of the number of apprehended illegals were from Mexico (see Table I). Many recent studies corroborate the fact that at least 70 percent of the Mexican nationals come to the United States for short periods of time and then return to Mexico without intention of permanently residing in the United States. The majority of Mexican nationals who come to the U.S. are young (average age 22–29), proud, hard-working individuals who come to this country to temporarily increase their income because of a temporary personal economic crisis. These people are living in a marginal economic situation and during times of hardship, they are forced to come to the U.S. to temporarily increase their income. Because of the nature of these undocumented workers, they often encounter wage exploitation by U.S. employers and, contrary to popular belief, are also being exploited by the "system". I would like to quote from what I believe to be one of the most comprehensive ongoing studies on illegal aliens. This study is currently being conducted by Dr. Wayne Cornelius of the Massachusetts Institute of Technology.[1]

"There is uniform agreement among researchers that Mexican illegals make amazingly little use of social welfare services while present in the U.S., and that the cost of the services they do use is far outweighed by their contributions to Social Security and tax revenues. Illegal aliens must, of course, pay state and local sales taxes. Moreover, at least two-thirds of them also have Social Security and federal income taxes deducted from their wages, as well as payroll taxes for unemployment and disability insurance (North, 1976; Villalpando, 1977; Cornelius, 1977). At the same time, only about 4 percent of the Mexican illegals interviewed in the North, Bustamante, and Cornelius studies had ever collected unemployment benefits; fewer than 4 percent had ever received welfare benefits; only 3 percent or fewer had ever had children in the U.S. public schools; and only 8–10 percent had ever received free medical assistance in a U.S. hospital or clinic. Villalpando (1977) found that there were only 193 illegal aliens on welfare aid in San Diego County in May, 1976, and that the number had decreased to 23 by January, 1977, (.0002% of a total estimated illegal alien population of 92,138).

"The Villalpando study provides the first comprehensive analysis of the burden placed by illegal aliens on tax-supported social services consumed by illegal aliens in a specific area of the United States. The study estimates that the social services (education, health care, general relief) cost approximately $2 million per year; however, the study also calculates that illegal aliens contribute about $48.8 million in taxes on wages earned locally each year."

Furthermore, Mr. Chairman, I would like to quote from the September 7, 1977 issue of the Wall Street Journal, "What about the state and federal taxes withheld from paychecks of illegals working here, taxes that pay for benefits most never receive? What about their productivity and its impact on keeping prices down and businesses healthy? Is the alien a huge financial drain or does he actually pay his own way? 'No one knows,' concedes Leonel Castillo, the new chief of the INS."

Mr. Chairman, I feel that these reports must be taken into account during consideration of proposals on illegal aliens—the Administration's proposal does not do so. Even if these reports are disputed, the fact remains that there is inconclusive evidence on the nature of undocumented aliens and their impact on our society. Therefore, I feel that we would be acting in a manner contrary to the basic principles of the legislative body should we enact the legislation proposed by the current administration, which is based on insufficient and inconclusive data.

In a press briefing shortly after announcement of the President's proposal last August, the Attorney General admitted that "we can't know how many people we are dealing with, don't know the costs, don't know the impact of funds on the country or anything else. It is just something that has never been assessed."

It appears to me, Mr. Chairman, that the President's proposal is a good example of putting the cart before the horse.

I would like to comment briefly on the provisions contained in the President's bill. In summary, the President's proposal would: (1) provide for an adjustment of status of undocumented aliens who have resided in the U.S. continuously from before January 1, 1970, and create a new immigration category of resident aliens for undocumented aliens who have resided in the U.S. continuously prior to January 1, 1977; (2) make it unlawful to hire undocumented aliens by enforcing civil penalties against employers who engage in a "pattern or practice" of such hiring; (3) significantly increase resources available to control the Southwestern border; and (4) promote continued cooperation with the governments of undocumented aliens.

I agree with the Administration that enforcement of our present immigration laws through massive deportations such as we had during the "Repatriation" Campaign of 1929–1930 and during "Operation Wetback" in 1953 are inhuman and impossible to accomplish. However, providing an adjustment of status is not a viable alternative.

The adjustment of status provision in the Administration's proposal only treats a symptom of the disease. The cost of the adjustment of status provision, alone, imposes a great tax burden on U.S. taxpayers and does nothing to address the root of the problem. According to the Congressional Research Service, the estimated cost for administering this provision is estimated at $49.5 million for the first two years. This is a costly measure which does nothing to solve the real problem of illegal immigration. Although special consideration should be given to those persons who have acquired considerable equity in the United States, the arbitrary cut-off date of January 1, 1970, for permanent resident status applications is immensely unfair to those immigrants who have waited patiently to enter the United States legally. It is also unfair to those aliens who are only eligible for temporary resident status. In addition, the amnesty provision condones breaking the immigration laws of the United States as well as the immigration laws of source countries and sets a costly precedent which may have to be pursued every five years.

The administration's proposal would make it unlawful to hire undocumented aliens and provide civil penalties against employers who are engaged in a pattern or practice of hiring the undocumented worker. I very strongly object to this provision because it will lead to employment discrimination against Americans whom some employers may suspect to be an undocumented worker. In the Southwest, this would mean anyone who has a Spanish surname or appears to be of Spanish descent might be denied a job to avoid the risk of possible penalties. Since this provision does not, and could not, require the employer to request identification from all prospective employees, the employer may request identification from only those persons whom, because of personal characteristics, may be suspect of being an undocumented worker. The costs of this provision to our Spanish-speaking citizens far outweigh any possible benefits that may be obtained.

I do not feel that emphasis should be placed on employer penalties, but on criminal penalties for professional smugglers. The fees charged by these smugglers have ranged from about $150–$400 per worker, and the abuses to the undocumented worker are numerous and will increase as enforcement of laws increases. Although the President plans to establish an anti-smuggling task-force, we cannot possibly eliminate these smuggling rings without joint efforts between the United States and Mexico since the majority of these smuggling rings are based in Mexico.

Increased border patrols may help if these measures are taken in conjunction with other measures—police actions only treat the symptoms of the real problem. Furthermore, increased border enforcement will be futile without cooperation with Mexico and joint U.S.-Mexican efforts toward more advanced border patrol mechanisms. Complete insulation of our 1,945 mile border is impossible due to the length, terrain and cost.

The President's program includes a provision to thoroughly review the present temporary foreign worker certification program to guarantee that employers always have available labor supply. Although this area deserves careful consideration, the rules and regulations published by the Department of Labor on March 10, 1978, do not address the long-standing criticisms of this program—that it is cumbersome and time-consuming and, therefore, unworkable. In addition, these new regulations do little to address the sort of problem encountered by farmers in Presidio, Texas last year when an entire onion crop would have rotted in the ground if temporary foreign workers were not allowed to harvest the crop.

I do feel that a temporary Mexican Labor Program deserves careful study as a short-term alternative to the President's amnesty proposal.

As a fact-finding device to determine how New Mexicans feel about the possibility of providing a legal means by which Mexican immigrants may come to work temporarily in certain areas where there is a shortage of American workers, I distributed a questionnaire to a cross-section of my constituents regarding a modified foreign worker program.

Preliminary results of these questionnaires indicate that 65 of the 90 respondents, to date, are in favor of such a program. The majority of respondents stress the fact that foreign workers are essential to many businesses and industries in the Southwest because most Americans are unwilling to do the low-skill jobs that are required in many businesses regardless of pay or other incentives offered. This is particularly true in many small businesses and industries which are financially unable to use advanced automation. In addition, respondents state that since many of the low-skill jobs are temporary in nature, American citizens find it more profitable and secure to collect unemployment or public assistance.

Other arguments in favor of consideration of a foreign worker program include:

This type of program would reduce the physical dangers of unassisted border cross-

[1] Dr. Cornelius' project is being funded by the National Institute of Health and has been underway since 1975. During the past three years, Dr. Cornelius has been involved in extensive interviews with undocumented aliens both here in the United States and in their home communities. Dr. Cornelius has also consulted several members of the Mexican Administration and was highly recommended to me by Ambassador Hugo Margain during a recent meeting with him.

ings, as well as exploitation by commercial smugglers and others who profit by the existing situation.

A Mexican Labor Program would benefit U.S. workers as well as aliens since the use of legal alien labor has less depressing effects on wage scales and working conditions than the current undocumented alien labor.

A structured foreign labor program would reduce the risk of economic exploitation and other abusive practices by U.S. employers (e.g. reporting undocumented alien employees to the INS to avoid paying them at the end of the job).

Most of the illegal aliens from Mexico come to the United States for a temporary basis anyway. The overwhelming majority of illegals come to the U.S. during a temporary acute economic crises (i.e., illness; crop failure, marriage, death) and return to Mexico with earnings which will help them survive their temporary hardship. The average period of time the Mexican nationals remain in the U.S. is approximately 5 and ½ months.

Again, I want to stress the fact that a modified worker program should only be considered in conjunction with other long-term solutions to the problems through cooperation between the United States and Mexico. In addition, any foreign worker program would have to be different from the old "Bracero" Program and the present "H–2" Program, because of the inadequacies of both programs. In addition, neither one of these programs were designed to provide short-term solutions to the problem we are now facing.

The final provision of the President's proposal is the one which I feel provides the only workable solution to the illegal alien problem. The administration proposes to promote continued cooperation with the governments which are major sources of undocumented aliens. This type of cooperation is the only real long-term solution to the problem. However, more than rhetoric is required.

An excess of population—relative to the amount of productive land and the number of non-agricultural employment opportunities—is one of the most basic factors promoting migration to the United States. Birth control information and services remain conspicuously unavailable in most rural communities, since the Mexican government's family planning program has been heavily concentrated in urban centers. I thoroughly agree with Dr. Cornelius' assessment and recommendations for long-term solutions to this problem by suggesting that "the United States should use its leverage in international financial institutions (particularly the World Bank, and the Inter-American Bank) to encourage a much greater effort by the Mexican government in the area of rural industrialization . . ."

The emphasis of the Administration's proposal is on providing partial solutions to the "pull" factors associated with illegal immigration, (i.e., employment opportunities in the United States) but does little more than verbalize any long-term solutions designed to solve the "push" factors involved.

It is my belief that, unless the United States takes affirmative steps in cooperation with Mexico now, we are going to have an uncontrollable situation in twenty years.

Mexico's current economic woes are coupled with its ever increasing population, now about 63 million (the world's 10th largest nation). This population is expected to double in less than 25 years. In addition, almost half of Mexico's population is under 15 years of age and will soon flood the labor market.

Most observers agree that unless Mexico renews economic growth and takes care of its population explosion, a very chaotic situation will arise in our lifetime.

I would like to quote from another article in the Wall Street Journal which appeared on August 8th, 1977:

"Mexico's major hope of weathering this economic crisis is its huge reserves of petroleum, natural gas and other resources. Petroleum exports are expected to reach $1.2 billion, up from $460 million two years ago . . .

Many believe the key to the turnaround in the Mexican economy is held by the U.S.—its government, its investors and its tourists. Mexican officials dread the imposition of any further trade restrictions (such as those on textiles), and they fear that any serious crackdown on illegal immigrants would have disastrous consequences in Mexico. They would also like Washington to use its influence with lending agencies such as the World Bank, the IMF, and with U.S. companies that could provide badly needed technology to Mexican industry. And, of course, they want U.S. tourists to visit their country."

Mr. Chairman, as a member of the Senate Subcommittee on International Finance of the Banking, Housing and Urban Affairs Committee, I will actively pursue means by which the United States can, *concretely*, renew its commitment to providing technical and financial assistance to Mexico.

In addition, we must continue to seek financial assistance programs but must develop a new approach in the use of this assistance. The world respects our educational, technological and economic achievements. We must develop a method of sharing those achievements. In other words, to be successful in assisting the economic development of Mexico, a program of sharing our know-how combined with financial assistance to support the projects is needed. We must seek programs which involve various departments and agencies of our government and international financial institutions. The involvement of our society, especially the business community, will be needed.

The solution to the long-term problem is the development of Mexico and the other nations of Latin America. The United States has a historic commitment to these nations. Now is the time to begin a major effort of assisting and financing their economic development. The dividends for the United States will be great. A renewed era of goodwill and solutions to some of our own problems will be just some of these dividends.

TABLE I.—DISTRIBUTION OF REGION OF ORIGIN OF APPREHENDED ILLEGAL ALIENS, FOR SELECTED YEARS, FISCAL YEARS 1968-74

Region of origin	Fiscal year 1968		Fiscal year 1970		Fiscal year 1972		Fiscal year 1974	
	Number of apprehended illegals	Percent of total number	Number of apprehended illegals	Percent of total number	Number of apprehended illegals	Percent of total number	Number of apprehended illegals	Percent of total number
Western Hemisphere:								
Mexico	151,705	71.5	277,377	80.3	430,213	85.0	709,959	90.0
Canada	11,056	5.2	11,323	3.3	11,012	2.2	9,362	1.2
Other Western Hemisphere	16,186	7.6	23,320	6.8	28,119	5.6	34,948	4.5
Total	178,947	84.3	312,020	90.4	469,344	92.8	754,269	95.7
Eastern Hemisphere:								
Europe	15,520	7.3	16,111	4.7	15,462	3.1	15,031	1.9
Asia	15,488	7.3	14,613	4.2	18,733	3.7	14,633	1.9
Other nations	2,102	1.0	2,609	0.8	2,370	.5	4,212	.5
Total	33,109	15.6	33,333	9.7	36,605	7.3	33,876	4.3
Total [1]	212,057	99.9	345,353	100.1	505,949	100.1	788,145	100.0

[1] Percentages may not add to 100 due to roundoff.

Source: North/Houstoun Study (March 1976), table III-1, p. 47. INS Annual Report, table 27B, for the years cited.

BEEF IMPORTS

Mr. HODGES. Mr. President, the President of the United States recently allowed an additional 200 million pounds of beef to be imported into the United States. Cattlemen have had the worst 4 years in recent memory and have lost hundreds and hundreds of millions of dollars. They began to make a profit only in the last 3 months. They finally began to see the light at the end of the tunnel. But there is in Arkansas an old saying that the light that you see at the end of the tunnel may be a train coming in the other direction. Indeed, the light they thought they saw at the end of the tunnel has turned out to be a train coming in the other direction, in the form of this administration.

The President is allowing in 200 million additional pounds of beef, simply to hold down the retail price of beef and to appease the consumers of America.

Let us take a look, for a moment, at the last 4 years in terms of what the cattlemen have gone through.

I speak, Mr. President, with a great deal of personal involvement, because I was and am in the cattle business, in addition to other things in which I am involved. I had two large herds of cattle and one smaller herd, as well as being a lawyer and a farmer and a number of other things. I can testify personally to the tremendous difficulty that has been involved in the last few years.

Simply to give an example, in Arkansas 4 years ago the average price of a 450-pound steer, in 1974, was $166, com-

pared to $265 in 1973. In 1975, the price went down to $135, or about one-half in a period of 2 years. Add to this severe droughts and unusually harsh winters, and you have even further reductions and difficulties for those involved in the cattle business.

In Arkansas, cattlemen reduced their herds by more than 1 million head, going down to a total of 2.1 million head of cattle. Interestingly enough, Arkansas ranks 13th in the Nation in the number of beef cows. So Arkansas suffered tremendous financial difficulties.

But cattlemen are used to that, because cattle traditionally are in a cycle, and cattlemen simply told one another, "If we can wait long enough, the price will come back." As a matter of fact, that was the litany of the administration and the Agriculture Department. In fact, over the last 3 months, prices did begin to come back; but the moment they did, we faced an administration that apparently sold out to the pressures of some.

The price finally begins to become realistic, and the Government pushes the panic button.

The most significant effect, however, is not simply letting in the additional 200 million pounds of beef, which will have a terrible short-range effect, and already has. The most significant effect on the cattlemen is the great leverage this decision gives those who buy in the marketplace, for there now is known to be, if the price increase is very much, a government which is not hesitant to dump more foreign beef on the market.

So those who now buy no longer have to respond in the free marketplace and in the area of supply and demand; but as demand increases and the price goes up, they know they have a government that will put a lid on it. This obviously has a very chilling effect.

We see continued here the policies that have bothered me a great deal since I have been in the Senate—a government totally committed to cheap food, regardless of the cost and price to those who produce it. In my opinion, it is a form of political pandering.

Let us look, then, at the international system and what effect this finally has.

Mr. President, we are in a time when other nations can produce some products cheaper than we can. There are those in our country who say, "Let us take advantage of that and reduce in the United States our cost of living."

And it is that philosophy that has brought steel into our country at considerably lower prices. It is that philosophy that has brought shoes into this country at considerably lower prices. And as you look around you begin to realize that imports have, in effect, ruined our steel industry in this country. Imports have virtually driven out the shoe industry in our country. We do very little electronic components work in this country, under the theory that it is cheaper to have it done elsewhere and therefore that is the way it should be done. A great deal of this is done in Japan.

But here now are the cattlemen who say: "What about the markets in Japan for our cattle? May we sell meat in Japan as we drive their Toyotas and ride their Hondas and listen to their radios?"

Mr. President, Japan will not let our meat enter into their country. The average retail price in Japan of a pound of beef is $13 to $15. And yet they have barriers against a single pound of our meat going over there. What has been done about that?

It is any wonder, then, that the report which I began to receive from Arkansas about this latest effort of the administration to have cheap food is one of bitterness, anger, hostility, and frustration? And why not?

How are cattlemen being treated? They are political pawns in an effort by the administration to keep the price of food down.

But what is the long-range effect of that? Sure, it may have some immediate impact. The long-range effect, Mr. President, is that those cattlemen who are now reducing their herds and by higher prices had an incentive to build back up their herds have now lost that incentive.

I have no incentive in my herd to keep the heifers, get more brood cows, and produce more calves because I see an administration that, the moment I begin to make a profit, is going to dump in foreign beef.

We should look at the foreign beef and ask why can they produce it cheaper? I tell you why they can, Mr. President, because in this country all the beef that is produced here cannot use certain antibiotics in the feed. The beef that is produced in this country has to be produced in sanitary conditions that you could virtually medically operate under. And our people have to deal with OSHA and they have to deal with the water and pollution boards and all these sort of things.

But this administration allows beef to come into this country that is slaughtered and processed under conditions that would never pass muster here. Our competitors get to use the antibiotics, the steroids, and other things that are not allowed in this country.

So here is an administration that talks about free enterprise, talks about letting the agricultural system work, and by which they mean one single thing. They will let it work so long as the price is cheap.

To add to the audacity of this move, the administration has released a little summary chart where they purport to talk about the effects of what they have done, and on page 2 of this they talk about the economic impact. They say the economic impact of increasing the supply of meat by 200 million pounds will not be large for either retail meat prices or cattle prices.

But then, further down they say the net savings to consumers could be $500 million or more.

You cannot have it both ways. You cannot be the total hypocrite. You at least should say to the cattlemen, "We are selling you out for the consumer for $500 million in savings and for what we hope will be some votes in November."

At least be honest. But to come and say there is no effect really on the cattle producer is an absolute fabrication, and I cannot believe that anyone, unless he is deeply buried in the Agriculture Department in one of those deep recesses that has not seen the real world for years, can believe otherwise.

But let me tell you the actual effect.

Prices dropped on the Arkansas market, the daily market, where the ordinary people come in and market their cattle from 3 to 10 cents a pound. What does that mean? That means they dropped in many instances 15 to 20 percent all because this 200 million additional pounds has been let in. But I tell you it is more than that because now the leverage is not in the hands of those who supply but the leverage is in the hands of those who buy, and the processor has won another battle against some poor dirt farmer there in Arkansas who is raising cattle and hoping to make a living from it.

He has once again been manipulated by that same Department of Agriculture, and by the same administration that said when they were here in January "give our system a chance to work."

What do they mean by working? They mean that the minute you get a little light at the end of the tunnel we are coming after you.

And in the last 60 months of operation in business for the average cattleman he or she has made profits in 3, the last 3, but when you drop your price received in the marketplace by anywhere from 10 to 25 percent, then he is hurting; he is in trouble.

And cattlemen do not have any leverage. They do not have any ability to hold cattle for long periods of time. Cattle are livestock. The longer you hold them the older they get and the less price you get down the line. They are the most vulnerable of people. So at least, although I would like it no better were the administration to simply come out and say, "We have done this in the interest of pacifying the buving public," at least I would admire them more were they to do so.

The Arkansas Cattleman's Association called the move of the administration, "a farce, a completely political move." They are bitter, and they wonder what sort of Government we have.

I must say that I agree with them because apparently we have a Government that cares very little about their welfare. The administration can make profound statements about human rights as long as such statements relate to some far distant country, but when you go to Independence County, Ark., and a man relies on raising cattle, apparently he has no one concerned about him or who will speak for him.

I am hopeful that this will be the last imposition of this sort, but I am realistic enough to realize and to know that those who are involved in agriculture apparently have no friends in this executive branch, and I regret it very, very much.

Thank you Mr. President.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HODGES). Without objection, it is so ordered.

KAMEHAMEHA DAY

Mr. MATSUNAGA. Mr. President, today, June 12, is a State holiday in Hawaii. On that date, the people of the Aloha State celebrate Kamehameha Day in honor of the founding father of modern Hawaii, King Kamehameha I.

On Friday, June 9, the Hawaii congressional delegation and the Washington, D.C., Chapter of the Hawaii State Society held their annual observance of Kamehameha Day in front of the statue of King Kamehameha I in the Statuary Hall.

Since the Senate was in session Friday afternoon, I am afraid that many of my colleagues missed this colorful and historic ceremony. The statue of King Kamehameha was ceremoniously draped with fragrant flower leis, flown in from Hawaii especially for the occasion. Lovely Hawaiian maidens danced the ancient ceremonious hula to the chanting of the kahuna, enacted by Tom Kanahele and Mahina Bailey, before King Kamehameha and Queen Kaahumanu, played by Donald Van Geason and Dorothy Apo, respectively. All were properly costumed in Hawaii's unique and colorful garments. I wish that I could insert into the CONGRESSIONAL RECORD the beauty and fascination of the pageant which was superbly performed by members of the Hawaii State Society, headed by John Lopez. Obviously I cannot do that. The least I can do is to ask unanimous consent that the text of the speech which I delivered be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

KAMEHAMEHA I: THE FOUNDING FATHER OF MODERN HAWAII

We are gathered here today to honor the memory of King Kamehameha I, the founding father of modern Hawaii.

Kamehameha was born about 1758 in North Kohala, on the Big Island of Hawaii. Although he was a member of the district's ruling family, little is known about his early childhood except that he was an unusually bright and ambitious boy who easily won the respect and affection of his peers. As he grew to young manhood, these very attributes caused considerable concern among members of the court. Moving to head off a dispute over the succession, Kamehameha's uncle, King Kalaniopuu, named his own son as successor. When even this failed to quiet the gossip and speculation about Kamehameha, King Kalaniopuu sent his nephew home to Kohala.

Kamehameha's exile lasted more than two years. Moreover, it was only the first of several times during his long public career that he was forced by events or defeat to retire to his family estate. Not satisfied with a life of idleness and luxury, Kamehameha used the time to reflect upon the future of the islands, to sharpen his administrative skills, and to participate personally in the construction of new public works projects and the cultivation of his land.

In 1782, King Kalaniopuu died and his chosen sucessor, Kiwalao, prepared to redistribute the lands of the kingdom, as was the custom, as soon as the official period of mourning was over. Because they suspected that the new king would use treachery if necessary to take away their fishing grounds and farmlands, Kamehameha's neighboring chiefs in the Kohala and Kona districts urged him to lead them in the defense of their possessions. It was the beginning of what is still known as "the Bitter War" which lasted nearly ten years and during which Kamehameha conquered Maui, Oahu and the remainder of the Island of Hawaii. In 1795, after several attempts to conquer the island of Kauai had failed, Kamehameha concluded a favorable treaty, or peace agreement, with the ruler of the Garden Island, which incidentally is my native island and which has never been conquered.

While Kamehameha is rightfully renowned for his achievements in battle, we honor him today for his achievements in peace, which were no less remarkable. He moved rapidly to consolidate his power and win the support of the newly conquered peoples. As the principal source of law in the newly consolidated Kingdom of Hawaii, he tempered justice with mercy and established himself as protector of the common people. The degree of enlightment which he brought to government was unusual not only for Hawaii but for all the world at that time. An outstanding example is the "Law of the Splintered Paddle," which was promulgated by Kamehameha immediately after he became ruler of a united Hawaii. The law reads:

"O my people,
Honor thy god;
Respect alike (the rights of) men great and humble;
See to it that our aged, our women and our children
Lie down to sleep by the roadside
Without fear of harm.
Disobey, and die."

A man of deep convictions, Kamehameha is credited with preserving and strengthening the ancient Hawaiian way of life. At the same time, he sought the friendship and assistance of the Malihini, the newcomers, such as the western traders who came to Hawaii in increasing numbers during his reign, extending to them his protection. In his regard for the rights of others, and in his concern for social justice, he had a great deal in common with those who united the thirteen colonies and fought to establish a new, democratic nation—the United States of America. It is entirely appropriate that his statute should stand here in Statuary Hall along with those of our other founding fathers, and the residents of the Aloha State are proud to share his achievements in war and in peace with our fellow Americans and with the peoples of the world.

MARITIME APPROPRIATIONS AUTHORIZATION ACT, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2553.

The Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2553) entitled "An Act to authorize appropriations for the fiscal year 1979 for certain maritime programs of the Department of Commerce, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1979".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1979, as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $157,000,000: *Provided*, That no funds authorized by this paragraph may be paid to subsidize the construction of any vessel which will not be offered for enrollment in a Sealift Readiness program approved by the Secretary of Defense: *Provided further*, That in paying the funds authorized by this paragraph, the construction subsidy rate otherwise applicable may be reduced by 5 percent unless the Secretary of Commerce, in his discretion, determines that the vessel to be constructed is part of an existing or future vessel series;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $262,800,000: Provided, That no funds authorized by this paragraph may be paid for the operation of any vessel which is not offered for participation in a Sealift Readiness program approved by the Secretary of Defense;

(3) For expenses necessary for research and development activities, not to exceed $17,500,000;

(4) For maritime education and training expenses, not to exceed $24,647,000, including not to exceed $15,523,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, of which $450,000 shall be for the replacement of barracks windows at the Academy, $7,220,000 for financial assistance to State marine schools, and $1,904,000 for supplementary training courses authorized under section 216(c) of the Merchant Marine Act, 1936; and

(5) For operating expenses, not to exceed $34,845,000, including not to exceed $5,516,000 for reserve fleet expenses, and $29,329,000 for other operating expenses.

SEC. 3. There are authorized to be appropriated for the fiscal year 1979, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 4. Section 3 of the Maritime Academy Act of 1958 (46 U.S.C. 1382) is amended by the addition of a subsection to read as follows:

"(d) The Secretary may pay additional amounts to assist in paying for the cost of fuel oil consumed during training crises of the vessels referred to in subsection (a).".

SEC. 5. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273(f)) is amended by striking "$7,000,000-000.", and inserting in lieu thereof $10,000,000,000.".

Mr. ROBERT C. BYRD. Mr. President, I move the Senate concur in the House amendment.

The PRESIDING OFFICER. The ques-

tion is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

A FOREIGN OPINION ON ALASKA'S INTERIOR FOREST

Mr. STEVENS. Mr. President, I again have the opportunity to share with the Senate information which provides additional insights on the State of Alaska. We will soon be called upon to make major decisions that will affect the economic and cultural future of a State for generations to come.

Legislation on the disposition of Alaska's lands is now pending in the Senate Committee on Energy and Natural Resources. As the focus of the d–2 legislation shifts to the Senate, I will continue to impress upon my colleagues the vast holdings of both renewable and nonrenewable resources contained within my State. The energy crisis helped to define Alaska's role as a major supplier of oil and gas. The 200–mile limit bill recognized our valuable fisheries stock. Less well known is the timber and agriculture potential in Alaska which have been only minimally developed.

While the great timber resources in southeast Alaska have received attention, few have had an opportunity to learn of the vast forests in the interior of Alaska. According to a recent report published in the Alaska Construction and Oil magazine, there are over 22.5 million acres of commercially valuable timber in interior Alaska alone.

This is sufficient to support a viable timber products industry. Recently, a scientist from Norway completed an intensive study of the forest in the interior of Alaska concluding that these forests have an even greater potential than we ever thought possible.

At this time, I request unanimous consent that an article which appeared in the April issue of Alaska Construction and Oil be printed in the RECORD. "A Foreign Opinion on Alaska's Interior Forest" by Ms. Laura Hamilton, clearly sets forth the impact that the decisions we make on the disposition of d–2 lands will have on the future of the State of Alaska.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FOREIGN OPINION ON ALASKA'S INTERIOR FOREST

(By Laura Hamilton)

In prefacing the report of the Scandinavian Study Team, Nyysonen stated that "Our team has the feeling that the full potential of Interior Alaska's forested lands have been largely underestimated. Assuming a reasonably intensive management, yields of forest products and improved wildlife habitat could be built up substantially." He proceeded to draw many comparisons between the forests of "Fennoscandia—Finland, Norway and Sweden" and the forests of interior Alaska.

According to the study team's findings 22.5 million acres of Alaska's 106 million acres of forest lands are classified as having potential commercial value (land capable of producing 20 cu. ft. of timber per acre annually). They found that cuttings of mature or overmature stands (150 to 200 years old) has been carried out only sporadically. The bulk of the forests are virgin. Commercial forest land is predominantly white spruce, and includes broadleaved trees which are more shortlived than the white spruce. Interior forests tend to grow to larger size than trees in Fennoscandia.

The report capsulized Alaskans' historic dependence on forest for food, shelter and subsistence. It touched on gold rush era consumption of wood to fuel steamers enroute to mining camps, log burning to thaw gold-bearing gravels and cross-tie construction for the Alaska Railroad.

The report noted an increase in produced lumber, cants and chips in the Interior following the construction of a chip mill at Tyonek that harvested from 13 to 100 mmbf per year, but added, "There is no guarantee of the continuation of this trend in coming years." Logs, cants and chips are destined for exports to Japan, with some used locally.

The Tyonek and Nenana area was of special concern to the study team, however, because, "there seemed to be little or no consideration of future forest regeneration. This is a matter in need of urgent attention and action," the report urged.

The study team focused on a "unique situation" concerning local use of timber products in the state. While visiting sawmills and wood product yards in Fairbanks, "the team was surprised to see that some 80 percent of wood products used are imported from Canada or the lower states . . . while excellent raw material is deteriorating in the nearby forests."

Based on predicted increases in demand for industrial timber products and supplies, the report indicated there would surely be progress in utilizing the "considerable forest resource in Interior Alaska". Past impediments to progress in this field were listed as, "inaccessibility, lack of transportation, high manufacturing and production costs, lack of adequate resource data, inadequate market research and business management, undercapitalization, unsuitable and inefficient equipment, lack of experience, adverse climate, limited population, poor communication systems and lack of utilities."

But foresters of Fennoscandia were encouraged by some observed progress. "Transportation nets are being enlarged . . . the road to the North Slope . . . has made the timber of the Yukon and Porcupine Valleys more accessible. Road building seems to be cheap and simple in relation to some parts of Scandinavia. Commercial forest lands are accessible by navigable rivers. The topography is favorable to efficient harvesting. Even the lowland wet areas can be logged in the wintertime."

In connection with problems of regeneration, the report said that "it is important to decide whether future forests should be purely or nearly purely coniferous, or to what extent mixed or even purely broadleaved forests should be accepted." Fennoscandia has concentrated on establishing "coniferous stands with birch mostly as fill-in tree. In Alaska, it is also advisable to aim for as much white spruce as possible in future stands."

Research will also reveal whether "shelterwood cutting may gradually reduce the moss layer and make the forest floor better suited as a seedbead . . . . White spruce in Interior Alaska seems to give very high crops of seed in good years, but these may fall up to 10–12 years apart." In comparison, "Spruce stands in Fennoscandia are commonly established by planting which usually results in better density and higher yield in new stands. This also gives a certain freedom with regard to the seed source and size of the area."

Regarding thinning, the study team stated, "The main purpose of thinning is to secure a good stand able to utilize the growth potential to the fullest extent." The report advocated thinnings in Interior Alaska forests "to gain experience, especially on how trees respond to a better and more uniform spacing. Thinned stands will also be good items for demonstrating forest management, for instance, near the Native villages."

Inventories made of Interior forested lands indicated that the annual allowable harvest amounted to 4.5 million cords or an equivalent of 360 million cubic feet of forest products. This is the same annual harvest of timber that is harvested from the forested areas of Michigan, Minnesota and Wisconsin, according to published U.S. Forest Service reports.

The study team estimate of potential yields utilized past forest survey information. "Based on these considerations, the average yield of 45 cubic fest/acre/year in the present commercial forest area seems to be entirely possible, if the forests were to be managed properly. This would mean a total of 1 billion cu. ft. a year. Even these estimates may be conservative, since such measures as peatland drainage and forest fertilization were not assumed; also 4.6 million acres of marginal forest lands were not included."

The Scandinavian foresters also turned their attention to alternative uses of forest land in Alaska, particularly the use of land for agriculture, wildlife and recreation.

They indicated that forestry and agriculture are "not generally in competition, but rather complement each other, with forestry providing the farmer with extra income, winter employment, fuel and raw materials, at sectors north of 60° latitude" in Fennoscandia. They foresaw, "hardly any conflict" between forest production and agriculture in Interior Alaska due to the similar constraints of erosion risk both land uses observe. Many areas feasible to agriculture production are . . . of secondary interest for forest production." And additionally, "It is unthinkable that agriculture will develop to such an extent that forest areas will be considerably reduced. Development of agriculture will in fact be beneficial to forestry by increased economic activity and more people living in the countryside."

The study team said that, "In the minds of many people there is a great concern that timber harvesting will spoil the forest environment," but concluded, "from a recent review on the fauna of Sweden it seems evident that no species has become extinct because of modern forestry practices." Areas of regeneration within forests actually, "may mean an outstanding habitat for moose, for instance." The Scandinavians emphasized that, "some species of big game have never appeared in such great populations as they do today during a period of intensive timber harvesting and hunting."

They did point out a threat to some species, 'mostly birds . . . when dead trees used for nesting are removed or a draining operation radically changes a site." The danger to "rarer environments" within the managed forest lands was also noted. "For this reason, it is necessary to leave rather limited areas outside of cutting activities."

The vastness of Alaska's forest resource will allow more multiple use of forest lands, compared to Scandinavia. Only 2.5 per cent of the land area in Sweden is set aside for national parks, nature reserves and wildlife refuges. In Finland, that figure is about three percent of the total forest area. "It is of great importance to preserve from practical forestry a certain amount of typical and distinct areas," the Scandinavians said, but added that, "The recreational needs of people in Scandinavia have been satisfied in production forests."

Turning their attention to the recreation and aesthetic values of Alaska's forest lands, the foresters pointed out, "All the forests of

Interior Alaska are by no means ideal from a recreation point of view. They generally have a more dense understory than forests in Fennoscandia . . . are less penetrable for recreationists and hunters. Managed forests will be in some stages easier to penetrate and more friendly to cross-country skiers and walkers."

Thorough information on the purpose of forest management needs to be generated during harvesting of timber of a mature stand, "when the change in the landscape may be experienced negatively by many people as it interferes with the established order of things . . ." Such information must emphasize "that the effects are only temporary," the study team advised.

The foresters were very much impressed with the work being done in different fields, and said that as a result of improved firefighting techniques, the nature of forests will be gradually changed.

Concerning forest research, the study team concluded, "Forest research and applied research, in particular, should be greatly widened and stimulated," in view of the vast areas and great values involved.

"There exists overall information concerning forest resources, but it was repeatedly mentioned that a poor data base is hampering the efforts of development in certain areas." The foresters complimented the Institute of Northern Forestry and the University of Alaska for research efforts, saying, "Although the history of this (forest) research is short, a lot of valuable work is being conducted."

The report emphasized that, "It will be essential to get people interested in good forest management," and that would be best accomplished by getting, "forestry measures economically motivated." Incentives that might be used include, "lower transport fees, subsidies to promote forest production, tax exemptions, etc." The best economic results come when a forest industry uses, "each part of the timber for the product for which it is best suited."

In conclusion, their visit to Interior Alaska, "assured the team of the existence of valuable forest resources there suitable for multiple use forestry on a sustained yield basis. Multiple use as a guiding principle will guarantee a wise use of land without ruining it, and will pay attention to the total environment which includes wildlife and recreation."

LEGISLATION PROPOSAL EVAPORATES HYDRO HOPES

Mr. STEVENS. Mr. President, for some time now, I have been pointing out the effects of some of the d–2 proposals on nonrenewable resources in Alaska. But, Alaska has renewable resources which must be considered as we deal with the final disposition of Alaska's d–2 lands.

One of the most important of Alaska's resources is water—and what that can do for our current energy crunch. There are approximately 300 potential hydroelectric sites which are feasible for development in Alaska. Yet, some of the d–2 proposals would prohibit the use of 80.6 percent of the identified hydroelectric potential of the State.

There has been a great deal of talk lately about becoming self-sufficient in energy—about reaching this goal by developing other forms of energy. Alaska has the potential to contribute substantially to that goal now and for all time. A recent article in International Business discusses the impact the development Alaska's hydroelectric power could have. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEGISLATION PROPOSAL EVAPORATES HYDRO HOPES

When one normally listens to the talk by developers on how "d-2" may "lock up Alaska's land," it usually is the correlation to the State's mineral wealth, oil reserves, forests of timber, and the like. Little is said of man's greatest renewable resource . . . water . . . and its hydroelectric potential for the State of Alaska and people in the lower-48.

This article intends to analyze the impact of d-2 on hydroelectric development in Alaska.

Inasmuch as there are several different d-2 proposals, the impacts on each differ slightly. In all instances, however, those impacts can be best described from devastating to disastrous!

As you are aware from this issue of IB, d-2 proposals have been made by Congressman Udall, by U.S. Secretary of the Interior Andrus, as well as a joint proposal by Governor Hammond, Senator Ted Stevens, and Congressman Don Young, and a few others.

For lack of space, and the fact that the Udall proposal is most in the limelight, we shall limit this article to the Udall proposal and to the U.S. Department of Interior's proposal.

When one looks at the hydroelectric potential in Alaska it is found to be staggering! There are some 2,000 sites in the State which have some potential to generate power. These include essentially all potentials covered in previous studies by the Corp U.S. Army Corps of Engineers, the Bureau of Reclamation, the Federal Power Commisison, the U.S. Geological Survey, and the Alaska Power Commission.

However, about 1,300 of those sites were eliminated because of obvious physical restraints, an additional 400 sites eliminated for other reasons. This leaves some 300 sites which are considered to be highly feasible to develop.

In 1974, an in-depth study of these 300 sites was conducted, studying the water supply, reservoir capacity, sediment inflow, design, estimates of facilities needed to develop the power, environmental impact to nature, and operation and maintenance costs. The result was a reasonably consistent evaluation of the energy potential, and relative cost of power for all locations.

From this study came recommendations of 76 locations which had by far, and based on total costs vs. repayment, the best potential.

In summary, there are approximately 300 potential hydroelectric sites which appear quite feasible for development, with 76 of those projects being clearly classified as having "high economic feasibility to supply hydroelectric power."

What does current d-2 thinking do to these sites?

A quick look at the map of Alaska with this article outlines this. On this map are spotted, by number, the locations of the 76 best sites which were identified in the 1974 power market survey. Further, we have crossed with an "x" those projects which would be precluded by the Udall proposal.

Of the 76 identified hydroelectric potential sites, approximately 12.9 percent are now unavailable because of National Park designation. Enactment of the Udall d-2 proposal would wipe out, or lock up, however which you wish to use the term, an additional 80.6 percent of the identified hydroelectric potential of the state, including the proposed Upper Susitna Dams and a number of other projects that appear desirable to meet near future demands.

Considering the overall Alaskan geography, the Udall proposal would, essentially, preclude hydroelectric development in Southwest Alaska, in Northwest Alaska, and in the Yukon Basin. It would also preclude development of most projects in Southcentral Alaska including the upper Susitna Chakachamna, and Wood Canyon. For Southeast Alaska, the impacts are not so widespread. The bottom line, however, is that the enactment of the Udall bill would, essentially, remove Alaska hydroelectric power as a meaningful energy alternative.

Why do we make issue of this? Why is this important, not only to Alaskans but to America at large? Simply, because the current d-2 thinking as related to hydroelectric power is exactly counter to America's dream of energy self-sufficiency, and counter to President Carter's suggestion that America must develop other forms of energy.

Hydroelectric energy is a renewable resource whose "fuel" . . . falling water . . . does not escalate in price or deplete a resource. In effect, this recycled energy comes from the sun. The cost of alternative fossil fuels, on the other hand, will continue to escalate as demand increases and reserves are depleted.

The use of hydroelectric energy reduces the pressure on other energy sources and extends the life of the non-renewable fuels whose future value may be more important in other uses than the generation of electricity.

In Alaska, as example, where hydroelectric potential is available in abundance, its use releases other more transportable energy resources (oil, gas, coal) for use in areas where there is no such opportunity for choice. For instance; the hydro-energy output of the proposed Alaskan Devil Canyon—Watana project could be annually equivalent to 113 billion cubic feet of natural gas, or 15.2 million barrels of oil. At current "lower-48" prices, these fuel savings equate to about '200 million dollars' worth of gas or oil annually.

The existing hydroelectric projects in Alaska provide about 10% of the State's electrical energy demands, the balance being imported. In actual statistics, this equates to some 122,800 kilowatts currently generated, most from the Southeast portion of the State. But, these existing sites represent less than ½ of 1% of the 76 potentially economical hydroelectric projects noted earlier.

While existing hydroelectric development in Alaska is small, the inventory studies show that potentially economic hydroelectric development is about 180 billion kilowatt-hours annual energy, or roughly one third of the total U.S. undeveloped hydroelectric sites with similar potential.

With overall energy demands predicted in the future as 'increasing dramatically' in the lower-48 of the U.S., and in Canada's Northwest Territories, Alaska's hydroelectric energy supply might well be another exportable resource which this State can capitalize on, adding to its new-found wealth of oil and gas.

If . . . it's allowed to develop!

NEW YORK CITY SHOULD CUT 70,000 EMPLOYEES AND GET OFF UNCLE SAM'S BACK

Mr. PROXMIRE. Mr. President, New York City can and should meet its problems without any further Federal financial assistance after the end of this month.

A few days ago before our Banking Committee Mayor Koch testified that if that assistance were not made available, he would do his best to prevent bankruptcy by cutting expenditures. He said

he would cut the lowest priority programs first.

Senators and others who believe the Federal Government should pass additional aid legislation contended that such a cutback would virtually destroy the city's ability to make economic progress and to hold on to the present middle-class residents.

Is that the case? Or would the cutback simply eliminate unnecessary services and streamline and make more efficient the operation of the services that are essential?

Mr. President, on Friday New York State's commerce commissioner gave an interesting answer to that precise question. He called for a constitutional amendment that would limit the total number of public employees—local and State throughout New York State—to 3 percent of the population. State employees would be no more than 1 percent of the population and city employees no more than 2 percent of the population.

The result would be the layoff of 70,000 New York City employees as well as 50,000 New York State employees

Mr. President, a layoff of 70,000 city employees would much more than balance the New York City budget. At an average of $17,000 per job, it would save approximately $1.2 billion.

The fact that Mr. Dyson, who is a responsible and seasoned official in the Carey administration, has made this proposal suggests that the course for New York City of standing on its own two feet without a Federal crutch is a practical and reasonable prospect.

It is another indication that if it can summon the will, New York City without any further Federal aid but with just a reasonable degree of effort on the part of its banks, its labor unions, and the State will make it and will not go bankrupt.

But there is one essential ingredient in New York City coming through. What is it?

It is a firm and final "no" from the Congress. Now that the House of Representatives has said "yes" to 19 years of further Federal involvement in New York City, it is up to the Senate to make the right decision against pressure from the President of the United States, big New York banks, the labor unions, the massive influence and prestige of the New York Times, and the intense lobbying of the mayor of the Nation's biggest city and Governor of the second biggest State.

Incidentally, the New York Times on Sunday reported that over in the White House for months now there has been a meeting every week of a White House aide with a number of lobbvists for unions and corporations, including General Motors, Grace & Co., Pfizer, and a number of others, in order to organize a lobbying situation in the Congress.

And who is on the other side arguing for the Senate to make the decision to require New York to meet its own problems?

The answer is that there is not any significant force organized and fighting for New York City responsibility—only the good sense of the Members of the U.S. Senate.

Mr. President, I ask unanimous consent that the article in Saturday's New York Times by Steven Weisman entitled "Dyson Proposes Limit on Number of Public Employees in the State" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DYSON PROPOSES LIMIT ON NUMBER OF PUBLIC EMPLOYEES IN THE STATE

(By Steven R. Weisman)

ALBANY, June 9—New York State's Commerce Commissioner, John S. Dyson, has called for a constitutional amendment to limit the total number of public employees to 3 percent of the population—a proposal that would force the dismissal of tens of thousands of state, county and municipal workers.

The idea is by far the most drastic suggestion put forward in New York in the aftermath of California voters' overwhelming approval of a sharp slash in property taxes, but a spokesman for Governor Carey said the Governor considered it worthy of study.

The Dyson proposal would seem to mandate a layoff of more than 50,000 state workers and 70,000 or more New York City employees.

Politicians looking at the result in California have concluded that the taxpayer revolt is every bit as much a reality here as there, and Mr. Dyson's comments brought praise, criticism and guarded reactions from officials throughout the state.

But legislative aides cautioned against the likelihood in New York of a similar broadbrush proposal to cut taxes drastically in one year, especially since the Legislature has already cut state income and business taxes by $1 billion in the last two years.

Unlike many politicians, Mr. Carey has not issued public statements responding to the California vote. Therefore, many political experts were looking at Mr. Dyson's proposals as a possible sign of the Governor's views. In the past, the outspoken Mr. Dyson has served as a tester of ideas that the Governor later moved to embrace. On other occasions, Mr. Dyson expressed opinions that Mr. Carey immediately disavowed.

This time, David Murray, the Governor's press secretary, said Mr. Dyson made his comments without checking with Mr. Carey, who "neither approves nor disapproves" of them. He said the Commerce Commissioner's proposal was "worthy of discussion" but noted that Mr. Carey had already slashed the state payroll by several thousand employees in the last few years.

A CALL FOR TWO AMENDMENTS

Specifically, Mr. Dyson called for two amendments. One would limit state employees to 1 percent of the state's population, and local government employees to 2 percent of the local government's population. Another would require the approval of two-thirds of the electorate before any taxes could be raised. The Commerce Commissioner made his comments in a speech before the Nassau County Democratic Committee in Lido Beach, L.I.

According to the Federal Bureau of Labor Statistics, in 1977, 231,800 employees worked for the state, and 865,700 for local governments, of which 366,100 worked for New York City. The latest Census Bureau figures show that the city's population is 7.6 million, and the state's is 18 million. Thus, Mr. Dyson's proposal would probably force tens of thousands of layoffs.

A spokesman for the Civil Service Employees Association, which represents most state civil servants, termed Mr. Dyson's proposal "typical meaningless rhetoric."

The most enthusiastic response to the California vote came from the Conservative Party, which said it would encourage legislators to move toward tax cuts as large as the one there.

In New York City, Mayor Koch said: "The reduction of taxes is necessary—not just the property tax, but the income tax as well. That is why I supported Governor Carey's $750 million tax reduction and continued the cap on the real-estate tax in New York City. While it is easy to promise, a tax cut is difficult to achieve, but we will continue to explore ways to reduce taxes as long as it doesn't jeopardize the financial plan."

In the Legislature, both Republican leaders called for more tax cuts.

Assemblyman Perry B. Duryea, a Montauk, L.I., Republican and his party's likely gubernatorial candidate this year, hailed what he said was "a national revolt of the citizenry against the dual pincers of taxes and inflation." He said New York "could have led the way" if it had passed his proposal for a five-year $2.2 billion tax cut instead of the cut it adopted this spring.

Warren M. Anderson, the Senate majority leader and a Binghamton Republican, said the California vote was "probably a short-sighted and potentially dangerous course for that state's economy," but he also called for more tax cuts in the years ahead.

In the suburban counties, the county executives also hailed the California action.

Mr. PROXMIRE. Mr. President, New York City can and must do a lot more to get its fiscal and financial house in order. And if Congress goes all the way to approve 15-year Federal guarantees of some $2 billion in new city debt, then I am concerned that this will rob the city of the incentive to tighten its belt and take the tough actions necessary to balance its budget and regain access to the public credit markets. We run the risk of encouraging the same sort of spend-now, pay-later mentality that got New York City into trouble to begin with.

Consider for a moment the fact that the city has in the last few months faced some of the tightest deadlines of the whole period of the "fiscal crisis," with the present Federal seasonal loan program slated to expire on June 30. And yet even in this pressured period, many things have happened in the last week alone which suggest that the city has by no means abandoned all of its spend-thrift ways of the past:

Mayor Koch, upon taking office last January, vowed that he would hang tough and push for "no-cost" labor contracts, in which any increases would have to be based on productivity or other savings. Then a few months later he "found" $610 million in the budget to fund some pay raises, but said he would demand $100 million in fringe benefit "givebacks" in return. This past week we finally saw the full labor contract package. The basic price tag is now $757 million with no "givebacks," and the total cost to the taxpayers—city, State, and Federal—will come to about $1.1 billion. Moreover, the large policemen's and firemen's union say they would not even go along with this settlement. They want twice as much, and the policemen

say they will strike to get it, regardless of the impact on the city and its people.

Then there is the city council, which gave up on the $10,000 pay raises it voted itself in a lame-duck session back in December, because the popular outcry was so great. However, the city council turned around last week and grabbed back those raises and more as grease for getting the city's budget passed on time. The raises came in by the back door, in the form of an $11,000 increase in each member's expense account—and this is over and above the present $5,000 expense accounts and $20,000 salaries. Not bad for a part-time job. It sure puts the city workers' 7 percent in the shade.

The borough presidents cashed in for their part, too. They got hefty patronage increases of $210,000 for the four largest boroughs, and $190,000 for Staten Island.

So the upshot is that everybody got more—except, perhaps, the more than 7 million private citizens of the city of New York.

In the hearings the Senate Banking Committee held last week, we asked Mayor Koch what he would do if the Federal Government gave no more financial aid to New York City after June 30. His answer was most significant. He said the following:

> I will reduce services in order of priority. . . . We will establish an order of priorities, and those services will be eliminated, and there will be massive layoffs in order to keep our budget going.

What the mayor is saying that the less the Federal Government does to bail out New York City, the more the city will have to face up to its own tough realities—the need to cut the fat out of the budget, the need to run a more efficient operation, the need to do away with the "business as usual" attitude that gives city council members $11,000 raises whether the people of New York City want it or not.

I think this is exactly what should happen, in a city which still faces a real budget deficit of about $1 billion and which still has difficulty selling its bonds and notes in the public credit markets.

People often ask me, do I want New York City to go bankrupt? The answer is that I see no reason in the world why New York City should go bankrupt. You have a mayor who says he will cut services rather than let the city go bankrupt. And, even more significantly, you have vast resources available in New York City and New York State which should easily be more than enough to keep the city from going bankrupt, with or without additional Federal aid. I think these local parties—mainly the banks and the pension funds—have not done enough; I think they will do more; I think they have to do more.

Look at the banks, just to begin with. New York City has 6 of the 10 largest banks in the country, and these are some of the largest banks in the world. These six banks alone now have over $248 billion in assets. They have far less than 1 percent of those assets—0.72 percent, to be exact—invested in New York City and MAC bonds. Furthermore, their investments in city-related securities have gone down and not up in the last couple of years, the years of the city's greatest problems. I calculate that if these banks were simply to return to their 1975 level of investment—which was 0.92 percent of assets, still less than 1 percent—if they were simply to go back to that level, then this would net New York City about $2.3 billion in long-term financing over the next 4 years. This is more than half of the $4.5 billion the city says it needs for capital and other long-term financing purposes over this period.

What have the banks said to date? They have said they might, just might, lend the city $500 million more, if nine separate conditions are met, including long-term Federal guarantees. Well, I think they can do more, and I think they must do more. After all, this is their city. They have a very large stake in seeing New York City get back on its feet. They live there: Their business is centered there; and their worldwide reputation is closely linked to their being in New York City, the financial capital of the world. Furthermore, the banks have made a lot of money over the years from underwriting and investing in New York City bonds and notes, and they cannot afford to pass up this business in the future. I am confident that the banks will come through for New York City.

Then there are the city pension funds. They have done a lot already; they have kept the city going since 1975 with their commitment to put up $2.5 billion in long-term financing over that period. I do not think they should necessarily do more, but neither do I think they should do less during this crucial post-June 30 transition period. According to figures developed by the State's own special deputy comptroller for the city of New York, the pension funds could supply about $2.6 billion to the city over the next 4 years simply by remaining at their present level of investment in city and MAC obligations, which is 35 percent of assets.

I think the pension funds can make these investments: I think the banks can make these investments—and without any real risk. New York City has made substantial progress over the past 3 years; it should make still more progress in the next few years; and there are now substantial safeguards in State law to protect investors and make sure that they get paid back.

This is where the city's financing needs should be met—by the local parties with a strong stake in the city's future, who will be right on the scene working hard to keep the city on course. The Federal Government should get out of the picture and leave New York City to the New Yorkers.

WHAT TO DO ABOUT INFLATION

Mr. PROXMIRE. Mr. President, there is broad recognition that inflation is at the present time our most pressing national economic problem. We are caught in a situation where the underlying rate of inflation persists at 6 to 7 percent, because prices are chasing wages and wages are chasing prices. On top of this base rate of inflation we have additional price measures resulting from a wide variety of factors, some of which are temporary and some that may be more permanent.

If inflation is to be controlled in a reasonable manner it will take a combined and coordinated effort of the Congress, the administration, the Federal Reserve, business, and labor. Standard inflation fighting through fiscal and monetary policies must be supplemented by other means. President Carter's anti-inflation program based on voluntary arrangements to hold down prices and wages deserves to have the support of each and every sector of the economy. I applaud his efforts and those of his chief inflation fighter, Robert Strauss, and Barry Bosworth.

The Congress for its part must carefully consider the effects that its spending will have on the rate of inflation. The Congress should be mindful of the inflationary impact of the legislation that is being developed within committees, that is being voted on in committee and on the floor of each House, and that has already been passed. While individual bills may or may not increase inflation significantly, the cumulative effects, if they are not clearly pointed out and recognized, could be significant. We must be mindful that many people are claiming it is the Government itself that has a tremendous impact on inflation. The Congress should take every possible step to assure the people of this Nation that it recognizes the inflation problem and will take steps to do its part to reduce inflation.

In my view there are three things that deserve to be given careful consideration at this time by the Members of the Congress, and the Senate in particular. First, the addition of an explicit numerical inflation goal within the Full Employment and Balanced Growth Act of 1978 that is currently being considered by the Committee on Banking, Housing, and Urban Affairs and that will be taken up by the Senate later this session. This bill amends the Employment Act of 1946 that has stood for 32 years as the basic economic policy statement. It would be wrong to amend the act by putting in only a numerical goal for unemployment without a comparable numerical goal for inflation. I have proposed the addition of an inflation goal and recommend its support by other Members as an indication that the Senate is concerned with inflation and committed to reducing it. Second, each piece of major legislation that could increase inflation should be analyzed for the effects it is likely to have on costs. The Congressional Budget Office should be required to make an inflation impact statement to go along with the budget impact statements it already makes for each bill. And consideration should be given to a recommendation made by Arthur Okun that the Congress get a quarterly scorekeeping report on the inflationary impact of legislation pending and recently approved. Third, the Congress should seek new ways to reduce inflation. Recently the Senate Banking Committee held 2

days of hearings on taxed-based income policies. The proponents claim that the inflation spiral can be broken through such policies that offer incentives through the tax system for labor and business to adhere to disinflationary guidelines. Such new and innovative approaches for reducing inflation deserve further exploration and consideration by the Congress.

Mr. President, I have written to several distinguished and knowledgeable people to get their views on taxed-based income policies, because I believe they should be more widely discussed and the pros and cons debated. I would like to include in the RECORD a letter from Paul A. Volcker, the president of the New York Federal Reserve Bank, that points out that such policies should not be viewed as substitutes for, but rather as complements to, prudent monetary and fiscal policies. I agree, and I think that ways should be sought to help President Carter and the Federal Reserve. I ask unanimous consent that President Volcker's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 19, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for soliciting my views on Tax Based Incomes Policies and other new anti-inflationary proposals that are to be the subject of the Banking, Housing and Urban Affairs Committee hearings on May 22 and 23.

While I am not prepared to endorse the so-called "TIPs" approach at this point, I do think it is highly constructive for your Committee to examine these ideas more closely. The need for new ideas in the inflation field is clear. Our inflation problem has obviously not improved. Indeed it is threatening to get worse as a result of deteriorated supply conditions in agriculture, the decline in the dollar, a range of Government actions affecting costs and prices, the re-emergence of some scattered signs of tightening in the labor market and rising business confidence that market demand will support efforts to strengthen profit margins through higher prices.

The recent signs of stronger inflationary pressures and, indeed, our whole experience with inflation in this recovery have pointed up limitations of the traditional aggregate demand policies, including monetary policy, to cope with inflation by themselves without difficult side effects. The problem arises from the fact that for a variety of reasons, the wage and price setting mechanisms in this country (and in other modern industrial economies) seem to be (or to have become) rather rigid and subject to a substantial amount of inertia. As a result, once inflation becomes established, prices and wages seem to respond more to ongoing inflationary expectations than they do to current demand conditions. This fact produces a self-sustaining and hard-to-break core rate of inflation.

Thus changes in nominal aggregate demand in our economy tend to have relatively little effect on prices in the short run. This means that policies operating primarily on aggregate demand such as monetary policy, while absolutely essential to restore a climate of price stability, cannot move very rapidly to contain inflation without excessively restraining needed real economic expansion. Putting it another way, it means that aggregate demand policies by themselves can realistically be expected to reduce inflation only over a long time horizon without substantial risk of impairing economic growth. These features of our economy explain why the Federal Reserve has had to move so gradually over the past three years in reducing its long-term monetary targets and, to some degree, why, despite this approach, the actual path of monetary growth has not in fact been one of steady deceleration. I remain convinced that the Federal Reserve's long-run strategy of gradually reducing monetary growth will be an essential element in beating the inflation problem, but our experience of the last three years does clearly raise the question of whether it will be enough by itself.

It is this very painful situation in which we find ourselves with regard to inflation and the apparent limitations of traditional tools, coupled with the widespread (and amply justified) aversion to mandatory wage and price controls that make it desirable to debate new and as yet untried ideas such as the TIPs proposal as possible supplements to monetary and fiscal policy.

At this point, I confess to considerable skepticism about that approach, and my ideas on exactly what form a possible TIPs approach might best take are by no means fixed. It is, however, fairly easy to draw up a list of desiderata for the ideal TIPs plan. Obviously, a TIPs plan should be significant in its quantitative impact, should involve minimal distortion of the price and wage mechanism's allocative function, should be able to attract widespread support as equitable, and should involve only moderate administrative problems. My skepticism reflects the difficulty in devising a program that successfully embodies all these objectives. On grounds of administrative simplicity, for example, a TIPs plan aimed at wages would appear preferable to one aimed at prices or at both wages and prices. Moreover, such an emphasis on wages would be justified on the grounds that profit margins are not currently high and have not themselves been a significant source of our inflationary problem. On the other hand, it is quite likely that a plan aimed solely at wages would have difficulty in attracting the support of organized labor (even though the actual tax were levied on profits) without some means of assuring that moderation in wages would be matched by moderation in prices rather than simply by widespread profit margins. But if the result would be an artificial squeeze on profit margins, prospects for growth and investment would be stifled. This seems to me indicative of the kind of political/economic problems that the approach raises.

Similarly, it could be argued that ease of administration would argue for confining TIPs to penalties for above-target wage (or price) increases since it might be easier to limit a pure penalty system to a relatively small number of large firms whereas any "reward" for lower-than-target increases would probably have to be made available to all firms meeting the standards. But the inclusion of both penalties and rewards in a TIPs program would have a desirable broadening effect on its impact since a penalty-only program would involve incentives to moderate wage increases only for firms whose increases would have been above the norm in the absence of TIPs.

I am not suggesting that it will prove impossible to reconcile these various competing objectives, but they are obviously problems requiring some satisfactory resolution before a specific TIPs program could be accepted as workable and effective. The theoretical value of a satisfactory TIPs program is that it could facilitate the adjustment of the economy to a gradually lower rate of inflation through the use of the traditional monetary and fiscal policy tools while maintaining acceptable patterns of real growth and employment in the economy and without major distortions in the allocative functions of the price mechanisms. I regard the TIPs proposal as essentially an effort to use tax incentives in conjunction with the market mechanism to achieve certain effects; it is neither related to mandatory controls nor to voluntary "social contract" ideas and is in principle, at least, within the mainstream of our traditional approaches to economic issues.

Broadly, the problems with TIPs seem to relate to gaining widespread acceptability for it without introducing excessive administrative complexity and rigidity. I do not know whether these problems can be ironed out well enough to produce a satisfactory program. But I am convinced that the bind we find ourselves in with respect to inflation is serious enough to warrant careful study of the TIPs proposal and I welcome the efforts of your Committee in this respect. I only hope that the approach in any event, not be viewed as a panacea that distracts attention from budgetary problems and the need for prudent monetary policies.

Sincerely yours,

PAUL A. VOLCKER,
President.

GENOCIDE TODAY

Mr. PROXMIRE. Mr. President, just this morning I opened the Washington Post to Jack Anderson's column entitled "Genocide Still a Daily Occurrence." In his piece, Mr. Anderson reports an unfortunate and depressing truth—acts of mass murder continue to take place throughout the world.

The article details a number of instances of this horrible crime today. The perpetrators include the rulers of Cambodia, Francisco Macie, dictator of Equatorial Guinea, and Ugandan leader Idi Amin. The victims number in the tens of thousands.

According to Mr. Anderson, "The United States may be powerless to halt the killing in Cambodia and Equatorial Guinea," but economic action is one possible sanction against Uganda.

Mr. President, I believe that we can do more and that we must do more. There is one alternative which we have considered for years. In the face of thousands of deaths, we can wait no longer. It is time for this body to ratify the article of the Genocide Convention.

Ratification does not mean that we will automatically put an end to the barbarous act of genocide. It does mean that we will join 82 other nations in declaring genocide an international crime. It means that we will go on record in support of the prevention and punishment of the crime of genocide. It commits us to punish offenders as members of a league of nations which has agreed to uphold the principles of the Genocide Convention.

As a symbolic act, ratifying the treaty would place the United States on record as a stronger advocate of human rights. It would signal other nations that we will

not tolerate genocide in any nation—friend or foe. It would pave the way for a future in which we will no longer note genocide as a daily occurrence.

Mr. President, I ask unanimous consent that Mr. Anderson's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GENOCIDE STILL A DAILY OCCURRENCE

(By Jack Anderson)

Genocide did not disappear with the downfall of Adolf Hitler, it is still an everyday occurrence in the world.

For three years, we have been reporting on the human extermination in Cambodia, whose faceless rulers have tried to reshape society simply by slaughtering everyone belonging to the old order.

We have also published evidence that Francisco Macie, the brutal dictator of Equatorial Guinea, has been executing everyone he fancies may be against him. He celebrated one Christmas Eve by hanging and shooting 150 of his countrymen in a soccer stadium, while a recording of "Those Were the Days, My Friends" blared in the background.

But the world's most flamboyant murderer is Uganda's Idi Amin, whose dreaded State Research Bureau has bludgeoned, hacked and shot to death an estimated 150,000 to 300,000 Ugandans.

It fell upon his former minister of justice, Godfrey Lule, to defend Amin before the United Nations Human Rights Commission. Now Lule has written an agonized private letter, recanting his former statements.

He repudiated the official account, for example, of the deaths of two cabinet ministers and Archbishop Janan Luwuum. They had not died in an automobile accident, he said, as the government had announced. He recalled that Amin had telephoned him "in a hilarious mood" to boast: "God had punished them."

Lule charged that Amin alone had been their "complainant, jailer, judge, executioner. The sporting president has chosen murder as his favorite sport. It is a somber thought that as the commission discusses procedure, the forces of evil exult."

The United States may be powerless to halt the killing in Cambodia and Equatorial Guinea, which are isolated from the western world. But we reported on Nov. 23, 1977, that 35 American companies were bolstering Amin by purchasing coffee beans from Uganda.

Secret intelligence studies predict that without U.S. coffee revenue, Amin would lack the revenue to pay his mercenary army and would be overthrown.

Last November, we obtained the secret list of American companies subsidizing Amin and identified the big-name companies. This brought quick results.

Folger Coffee Co., the No. 1 importer of Ugandan coffee, announced suspension of all coffee purchases from Amin. Nestle, which produces Nescafe, Tasters Choice, Decaf and Instant Sunrise, made a similar announcement.

General Foods, which sells Maxwell House, also swore it would no longer buy Ugandan coffee. But competent sources claim the company still imports Amin's coffee beans through foreign subsidiaries. The company did not respond to our calls.

A spokesman for Sachs International told us his company had stopped buying coffee from Amin but "not for human rights reasons. It's just that nobody wants to buy Ugandan coffee anymore. We can't unload it."

CONCLUSION OF MORNING BUSINESS

Mr. PROXMIRE. Mr. President, is this the conclusion of morning business?

The PRESIDING OFFICER. If there are no further Members who wish to speak, morning business is closed.

ORDER OF PROCEDURE ON TUESDAY

ORDER FOR RECESS UNTIL 8:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF SPECIAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for the recognition of Mr. BELLMON and Mr. MELCHER for tomorrow morning be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME ALLOTTED TO LEADERSHIP

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the two leaders tomorrow morning be reduced to 4 minutes, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUMPTION OF UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, is the Senate to resume consideration of the unfinished business upon the completion of the orders for the recognition of Senators on tommorrow?

The PRESIDING OFFICER. There is no specific order to that effect, but that will be the case.

Mr. ROBERT C. BYRD. So an order will not be needed.

The PRESIDING OFFICER. The Senator is correct.

TIME FOR VOTE ON CLOTURE MOTION ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to invoke cloture which will occur on Wednesday take place at 5 p.m., with no quorum call being in order just prior to the vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I will state the program. The Senate will come in at 8:30 tomorrow morning. I believe there are six Senators who are to be recognized under orders previously entered, each for not to exceed 15 minutes. Following the completion of those orders, the Senate will resume the consideration of the unfinished business, which will be around 10 o'clock.

The pending question is on the adoption of the Byrd amendment to the Ford amendment to the labor reform bill.

The vote on the motion to invoke cloture will occur at 2:30 p.m. tomorrow. There will be a 20-minute rollcall, a rollcall being automatic under the rules.

If cloture is invoked, then that business will be before the Senate to the exclusion of all other business until completed. If cloture is not invoked, debate will continue. In that event rollcall votes could occur on amendments or motions in relation to the bill, and conceivably on the substitute, under certain circumstances.

The fourth cloture vote will occur on Wednesday at 5 p.m. Under the order entered previously no quorum call is in order just prior to the vote on cloture tomorrow.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. PROXMIRE. Mr. President, I move, under the previous order, that the Senate stand in recess until 8:30 a.m. tomorrow morning.

The motion was agreed to; and, at 6:28 p.m., the Senate recessed until tomorrow, Tuesday, June 13, 1978, at 8:30 a.m.

HOUSE OF REPRESENTATIVES—*Monday, June 12, 1978*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 12, 1978.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let us not be weary in well doing; for in due season we shall reap, if we faint not.—Galatians 6: 9.

O God and Father of us all, in the midst of the trials of these troubled times we come to Thee seeking the firm faith of those whose minds are stayed on Thee. As we face the difficulties of these days steady us with the realization that back of all the trials and troubles that plague our minds is the assurance of Thy presence and the awareness of Thy purpose for mankind.

Empower these leaders of our Nation to bring to their tasks clear minds, clear hearts, and a creative faith that will lead our people to a higher plane of noble endeavors, always seeking the welfare

of our Nation and the wellbeing of all mankind. To this end direct us in our thinking, our planning, and our doing: for Thy name's sake and the good of our Nation. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 5176. An act to lower the duty on levulose until the close of June 30, 1980.

H.R. 11877. An act to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1909. An act for the relief of certain employees of the Charleston Naval Shipyard, Charleston, S.C.

S. 2437. An act to amend the act of August 8, 1972 (Public Law 92-367), to provide Federal assistance to the States for the development and implementation of effective dam safety programs, in order to protect human life and property.

S. 2444. An act to amend the act of August 8, 1972 (Public Law 92-367), relating to a national program of inspection of dams.

S. 2522. An act to amend title X and part B of title XI of the Public Health Service Act to extend appropriations authorizations for 5 fiscal years for voluntary family planning and population research programs and for sudden infant death syndrome programs, and to make improvements in the provisions governing such programs and research with respect to such syndrome; and for other purposes.

BROADCAST COVERAGE OF THE HOUSE

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, this is an historic occasion—the first time that the floor debates of this House have been open to broadcast coverage. I commend Speaker O'NEILL for the decision he announced last week to allow radio coverage of our proceedings and I want to continue to work with the Speaker of this House in solving the remaining problems of television coverage also.

Most Americans get most of their news today from the broadcast media. The American people want to know more about the important issues affecting our country; they want to know more about the actions of their elected representatives in Washington. I believe we are serving their interests by permitting broadcast coverage of our floor debates.

I believe we are also serving the interest of the House of Representatives as a whole. The framers of the Constitution intended that the Members of this House have a closer relationship to the people than any other Federal officials. By opening our proceedings to broadcast coverage, we will make that relationship even closer.

Two centuries ago, when the House of Commons tried to prevent publication of its debates in the newspapers, the great leader of Parliament, Charles Fox, observed that the best way to prevent inaccurate reporting of its debates was to open up the galleries and make the debates as public as possible.

Our action today, opening floor debates to regular, continuous coverage by the broadcast media, will give the American people the chance to hear for themselves exactly what is said here in this Chamber.

The public will benefit from this change, and so will this House—for we will be able to communicate more directly than ever before with the people we were elected to represent.

BEEF IMPORTS SHOULD NOT BE LIBERALIZED

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, I find it very difficult to comprehend the reasoning of President Carter in allowing a 15-percent increase in beef imports. It is questionable that this will have more than a minimal effect on the price of beef to the consumer. Obviously, the President hopes to stem the increasing cost of food. However, the real place to control food prices is after it leaves the producer on the farm or ranch.

It is almost certain that the action of the President will do more harm to the cattle producer than it will do good for the consumer. Surely Mr. Carter knows that cattlemen and farmers are just now reaching a break-even price for beef after years of losses in beef cattle production. I have protested this action and I stand ready to join in congressional attempts to reverse the President's decision.

Legislation is now pending before the House which contains a provision to prohibit the President from suspending import quotas except in cases of extreme national emergencies. This would not help in the present case, but I am hopeful that this act can be amended on the floor to reverse the action of the President.

It is well to note that the Senate has passed a bill which would, for the first time, impose quotas on processed beef and would reduce the discretionary authority which the President has to suspend or increase meat import quotas. The measure, introduced by Senator LLOYD BENTSEN, was passed as a rider to a House bill to adjust tariffs on photographic color couplers. This proposal could be helpful if it becomes law.

OVERSIGHT HEARINGS ON VETERANS' INSURANCE PROGRAMS

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. MONTGOMERY. Mr. Speaker, on Wednesday, June 14, at 8:30 a.m. in room 334 of the Cannon House Office Building, the Subcommittee on Compensation, Pension, and Insurance of the Committee on Veteran's Affairs will begin oversight hearings to review all of the insurance programs for veterans administered by the Veterans' Administration.

The subcommittee of which I am privileged to chair will hear first from administration witnesses. Testimony of the national service organizations will follow.

We will give close attention to the National Service Life Insurance term insurance program. As many Members know, the committee has closely monitored this program for a number of years due to the burden which falls on veterans who continue to carry their term insurance after reaching 65 years of age and older. Many veterans have kept their term coverage even though the Veterans' Administration has encouraged each policyholder that it would be more advantageous after a certain time to convert their term insurance.

I take time to announce these hearings because some Members of the House have expressed a desire to appear before the subcommittee, or to have the opportunity to submit statements when such hearings are held. Members are invited to appear; however, for those whose schedules will not permit a personal appearance, the hearing record will be open until the close of business on Friday, June 23, so that such Members may be able to file their statements.●

BROADCAST COVERAGE OF THE HOUSE

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, we have talked about the need to restore public confidence in Government in this Congress and to bring Government closer to the people.

Today the House has taken an important first step toward restoring confidence and bringing Government closer to the people. I refer to the first live broadcast of a regular session of Congress which is taking place today.

This is both an historic and momentous occasion. For the first time, with the exception of state of the Union messages, listeners throughout the country are having the opportunity to hear live the proceedings of this body.

I am very enthusiastic about these developments. I commend the House Speaker, Congressman GILLIS LONG and Congressman AL GORE for their diligence in this matter and I look forward to the

day when we also have live television broadcasts of the House.

LITTLE HERALDED WORK OF ACEP

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I would like to bring to my colleagues' attention the work of the American Council for Emigres in the Professions, Inc. (ACEP).

The work of ACEP is little heralded, although its efforts underlie the successful resettlement of many refugees, including those recently arrived here from the Soviet Union.

I have had occasion previously to remark favorably on the President's proposal to establish a grant program to aid voluntary agencies in resettling Soviet refugees. And I am delighted that when the House voted to approve the Foreign Relations Authorization Act, H.R. 12598, on May 31, $20 million was indeed allocated for a program that would include this grant program. At this time I want to acknowledge and commend ACEP's very important job development activities, including their initiatives in behalf of 1,222 registrants in 1977.

ACEP's nonsectarian programs served 732 refugees from the Soviet Union last year as a fundamental part of the overall resettlement program in our country. The organization has been instrumental in assisting professional people from the Soviet Union, including 326 scholars and academics, to find employment in the United States.

ACEP eases transition for these and other refugees through its English language training courses, replacement of lost or stolen credentials, assistance with professional licensure, counseling services, retraining, interim placement, and in finding professional employment.

For more than 40 years, ACEP has helped to deploy the talents and training of those who seek freedom in our country. I am familiar with the organization's excellent record and I applaud its continuing contribution to the resettlement of refugees in our Nation.

"YEAR OF THE BITE"

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAGEDORN. Mr. Speaker, lest any casual observers get the impression that President Carter is speaking with a straight face when he claims "tax cutting" credentials for himself, I would very briefly like to remind my colleagues, readers of the RECORD, and those who are privileged to be tuned in to this body for the first time that none other than the esteemed Washington Post recently labeled the Carter administration's first year in office as the "year of the bite."

To refresh the memory of the President, I would like to recall for him that, in December, he signed the largest tax increase in the history of this or any other country—a $227 billion social security tax increase. He has proposed a host of new energy taxes which would raise anywhere from $50 to $100 billion in new revenues. These include crude oil equalization taxes, standby gas taxes, industrial use taxes, utility taxes, and "gas guzzler" taxes.

The administration has raised taxes $10 to $12 billion simply through its continued failure to "index," or tie to the cost of living the income tax system. It has increased unemployment compensation taxes. It has attempted to tax fringe benefits, and to require taxpayers to "red flag" any questionable deductions. And its efforts at tax reform have provided almost no benefit to the middle class of this country, instead providing the most tax relief to those who pay the fewest taxes.

If President Carter believes that these are the sort of public policies endorsed by those who supported proposition 13 in California, I believe that he is going to be sorely disappointed come 1980.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 436]

Alexander	Evans, Colo.	Nowak
Allen	Evans, Del	Obey
Ambro	Flowers	Panetta
Ammerman	Ford, Tenn.	Patterson
Anderson, Ill.	Fraser	Pepper
Andrews, N.C.	Frenzel	Quie
Annunzio	Frey	Quillen
Archer	Garcia	Rhodes
Armstrong	Gilman	Rodino
Ashley	Gonzalez	Roncalio
AuCoin	Goodling	Runnels
Beard, Tenn.	Hanley	Santini
Beilenson	Hansen	Sarasin
Biaggi	Harrington	Scheuer
Bonior	Harsha	Shuster
Burke, Calif.	Heckler	Solarz
Butler	Holland	Spellman
Caputo	Huckaby	St Germain
Cederberg	Jenrette	Steiger
Chisholm	Jordan	Stokes
Clawson, Del	Kelly	Stump
Clay	Le Fante	Teague
Cohen	McKay	Tsongas
Conyers	McKinney	Tucker
Cornell	Mann	Udall
Cotter	Markey	Van Deerlin
Coughlin	Meyner	Vander Jagt
Cunningham	Mikulski	Waxman
Davis	Mikva	Whalen
de la Garza	Milford	Wiggins
Delaney	Miller, Ohio	Wolff
Dellums	Murphy, Ill.	Young, Alaska
Dent	Myers, Michael	Zeferetti
Dingell	Nedzi	
Dodd	Nix	
Drinan	Nolan	

The SPEAKER pro tempore. On this rollcall 329 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING APPROPRIATIONS TO COUNCIL ON ENVIRONMENTAL QUALITY FOR FISCAL YEARS 1979, 1980, AND 1981

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10884) to authorize appropriations to the Council on Environmental Quality for fiscal years 1979, 1980, and 1981, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That section 205 of the Environmental Quality Improvement Act of 1970 (42 U.S.C. 4374) is amended to read as follows:

"SEC. 205. There are hereby authorized to be appropriated for the operations of the Office of Environmental Quality and the Council on Environmental Quality not to exceed the following sums for the following fiscal years which sums are in addition to those contained in Public Law 91-190:

"(a) $2,126,000 for the fiscal year ending September 30, 1979; and

"(b) $3,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981.".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object, I do so in order to offer the chairman of our committee the opportunity to tell the House just what this statement does for this bill.

Mr. MURPHY of New York. Mr. Speaker, if the gentleman will yield and in response to the inquiry of my colleague, the gentleman from New Jersey (Mr. FORSYTHE), I would say that on April 10, 1978, the House passed H.R. 10884 by a vote of 307 to 76. The bill would authorize $3 million to be appropriated to the Council on Environmental Quality for each of fiscal years 1979 through 1981.

Mr. Speaker, on May 25, 1978, the Senate agreed to H.R. 10884 with an amendment, which would reduce the appropriation authorization for fiscal year 1979 from $3 million to $2.126 million.

Mr. Speaker, the Senate version of H.R. 10884 is germane and would cost $874,000 less than the House version of the bill. This represents the amount appropriated to the Council on Environmental Quality for fiscal year 1978, and the amount requested to be appropriated to CEQ by the administration for fiscal year 1979. The Senate version of H.R. 10884 is completely acceptable to the Merchant Marine and Fisheries Committee and I urge the House to concur in the Senate amendments and pass H.R. 10884, as amended.

Mr. FORSYTHE. Mr. Speaker, further reserving the right to object, as I understand the chairman, this does not reduce the authorization below that amount in the 1979 appropriation bill to be later considered by the House.

Mr. MURPHY of New York. The gentleman is correct.

Mr. FORSYTHE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

CONSERVATION PROGRAMS ON MILITARY RESERVATIONS AND PUBLIC LANDS

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10882) entitled "An Act to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981", with a Senate amendment thereto, and concur in the Senate amendment with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That this Act shall be cited as the "Sikes Act Amendments of 1978".

SEC. 2. Section 106 of the Act of September 15, 1960 (16 U.S.C. 670f(b)), as amended, is further amended—

(1) by striking subsection (b); and

(2) by inserting in lieu thereof the following new subsections (b), (c), and (d):

"(b) There are authorized to be appropriated to the Secretary of Defense not to exceed $1,500,000 for the fiscal year ending September 30, 1979, and for the next fiscal year thereafter to carry out this title, including the enhancement of fish and wildlife habitat and the development of public recreation and other facilities. The Secretary of Defense shall, to the greatest extent practicable, enter into agreements to utilize the services, personnel, equipment, and facilities, with or without reimbursement, of the Secretary of the Interior in carrying out the provisions of this section.

"(c) There are authorized to be appropriated to the Secretary of the Interior not to exceed $4,500,000 for the fiscal year ending September 30, 1979, and for the next fiscal year thereafter to carry out functions and responsibilities as the Secretary may have under cooperative plans to which such Secretary is a party under this section, including those for the enhancement of fish and wildlife habitat and the development of public recreation and other facilities.

"(d) Sums authorized to be appropriated under this section shall be available until expended. In the event funds requested for appropriations are less than those authorized under this section, the Secretary of the Interior and the Secretary of Defense shall report to the Committee on Environment and Public Works of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives stating with particularity the reason for not requesting appropriation of the amount authorized under this section and the plans of such Secretary for otherwise carrying out the intent of this Act.".

SEC. 3. Section 209 of such Act (16 U.S.C. 670o) is amended to read as follows:

"SEC. 209. (a) There are authorized to be appropriated the sum of $10,000,000 for the fiscal year ending September 30, 1979, and $15,000,000 for the fiscal year ending September 30, 1980, to enable the Department of the Interior to carry out its functions and responsibilities under this title, including data collection, research, planning, and conservation and rehabilitation programs on public lands. Such funds shall be in addition to those authorized for wildlife, range, soil, and water management pursuant to section 318 of the Federal Land Policy and Management Act of 1976, or other provisions of Law.

"(b) There are authorized to be appropriated the sum of $35,000,000 for the fiscal year ending September 30, 1979, and $40,000,000 for the fiscal year ending September 30, 1980, to enable the Department of Agriculture to carry out its functions and responsibilities under this title. Such funds shall be in addition to those provided under other provisions of law. In requesting funds under this subsection the Secretary shall take into account fish and wildlife program needs, including those for projects, identified in the State comprehensive plans as contained in the program developed pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (16 U.S.C. 1601).

"(c) In the event funds requested for appropriations are less than those authorized under this section, the Secretary of the Interior and the Secretary of Agriculture shall report to the Committee on Environment and Public Works of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives stating with particularity the reason for not requesting appropriation of an amount authorized under this section and the plans of such Secretary for otherwise carrying out the intent of this Act.".

The Clerk read the House amendments to the Senate amendment, as follows:

Page 1 of the Senate engrossed amendment, strike out lines 10, 11, and 12, and insert the following:

Secretary of Defense not to exceed $1,500,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981, to carry out this title, including the enhancement

Page 2 of the Senate engrossed amendment, strike out lines 7, 8, and 9, and insert the following:

Secretary of the Interior not to exceed $4,500,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981, to carry out such functions and responsibilities as

Page 3 of the Senate engrossed amendment, strike out lines 5 and 6, and insert the following:

ber 30, 1979, and $15,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981, to enable the Department of the

Page 3 of the Senate engrossed amendment, strike out lines 16 and 17, and insert the following:

1979, and $40,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981, to enable the Department of Agriculture

Mr. MURPHY of New York (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the amendments, and that they be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object, I do so again in order to yield to my colleague, the gentleman from New York, for the purpose of explaining these amendments.

Mr. MURPHY of New York. Mr. Speaker, I thank my friend the gentleman from New Jersey for yielding.

Mr. Speaker, on April 10, 1978, the House passed H.R. 10882 by a vote of 377 to 8. As passed by the House, H.R. 10882 would authorize $1.5 million to be appropriated to the Department of Defense and $2 million to be appropriated to the Department of the Interior for each of fiscal years 1979 through 1981 to carry out fish and wildlife conservation and rehabilitation, and public recreation programs on military installations. It would also authorize $10 million to be appropriated to both the Departments of the Interior and Agriculture for each of fiscal years 1979 through 1981 to carry out fish and wildlife conservation and rehabilitation programs on certain lands under their respective jurisdictions.

Mr. Speaker, on May 26, 1978, the Senate agreed to H.R. 10882 with the following amendments, all of which were germane to the bill:

First, it would increase the appropriation authorization to the Department of the Interior to carry out Sikes act projects on military installations from $2 million to $4.5 million for each of fiscal years 1979 and 1980.

Second, it would increase the appropriation authorization to the Department of the Interior to carry out Sikes act projects on certain lands under its jurisdiction and lands under the jurisdiction of the Department of Energy and the National Aeronautics and Space Administration from $10 million to $15 million for fiscal year 1980.

Third, it would increase the appropriation authorization to the Department of Agriculture to carry out Sikes Act projects on certain lands under its jurisdiction from $10 million to $35 million for fiscal year 1979, and from $10 million to $40 million for fiscal year 1980. These figures reflect what the Department testified as needing to carry out a comprehensive Sikes Act program. This increase is consistent with the House authorization because the Committee on Merchant Marine and Fisheries intended the authorization of $10 million to be over and above the $26.7 million which the Department of Agriculture is presently spending on fish and wildlife management.

Finally, if a department does not request all of the appropriations authorized to it by the Sikes Act, it would require the Secretary of that department to specify the reason for not requesting the amount of appropriations authorized by the Sikes Act and to state the plans of that Secretary for further carrying out the intent of the act.

Mr. Speaker, the amendment which we are asking the House to concur in today, with an amendment, would result in the passage of the Senate version of H.R. 10882, except that the fiscal year 1980 authorization levels would be extended to fiscal year 1981.

Mr. Speaker, this amendment to the Senate version of the bill is germane and I urge the House to concur in the Senate amendment, as amended by the House, and pass the bill H.R. 10882, as amended.

Mr. FORSYTHE. Mr. Speaker, further reserving the right to object, I think these are very acceptable amendments for a program that we have been very anxious to see move forward.

Mr. Speaker, I support the Senate amendment and the House amendments thereto.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York (Mr. MURPHY) that the amendments be considered as read and printed in the RECORD?

There was no objection.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from New York (Mr. MURPHY)?

There was no objection.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

CONDEMNING VIOLATIONS OF HUMAN RIGHTS BY THE GOVERNMENT OF UGANDA

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 612) condemning violations of rights by the Government of the Republic of Uganda and urging the President to take certain actions with respect to those violations.

The Clerk read the concurrent resolution as follows:

Whereas in recent years the Government of the Republic of Uganda has engaged in a consistent pattern of gross violations of internationally recognized human rights;

Whereas the United States holds such actions to be unacceptable and has already taken certain measures to express its abhorrence of human rights conditions in Uganda;

Whereas the United Nations Human Rights Commission has agreed to and is currently preparing for study missions in order to investigate charges of violations of rights in Uganda;

Whereas the Government of the Republic of Uganda continues to earn significant amounts of foreign exchange from exports of coffee to the United States and other countries; and

Whereas repressive measures taken by the Ugandan Government have aroused deep concern among Americans and throughout the international community: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) the Congress strongly condemns the gross violations of human rights, and other acts which suppress freedom of political thought and violate the rights of individuals, which have been committed by Idi Amin and the Government of the Republic of Uganda, and the Congress urges the President of the United States to support, and where possible, implement measures, such as an embargo on trade with Uganda, which would effectively discourage United States Support of the Government of Uganda.

(b) The Congress urges the President of the United States to encourage and support international efforts to investigate and respond to conditions in the Republic of Uganda, including economic restrictions.

The SPEAKER pro tempore. Is a second demanded?

Mr. BUCHANAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. BONKER) and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 20 minutes each.

The Chair now recognizes the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on behalf of the International Relations Committee, it is my pleasure to call up today House Concurrent Resolution 612, a concurrent resolution citing and condemning what has become a consistent pattern of gross violations of internationally recognized human rights in the Republic of Uganda. The resolution, which calls on the President to take certain actions with respect to those violations, was adopted by the House International Relations Committee, after three subcommittees conducted five hearings and briefings on United States/Ugandan relations.

The chairman of the Subcommittee on Africa, the gentleman from Michigan (Mr. DIGGS) is to be commended for his leadership in chairing these hearings, which were held jointly with the Subcommittee on Economic Policy and the Subcommittee on International Organizations chaired by Congressman BINGHAM and FRASER, respectively. My colleague, Mr. PEASE of Ohio, deserves much credit for raising our consciousness of how the United States, in effect, props up and sustains the Amin regime by importing large volumes of coffee from Uganda.

The resolution before us today does not go as far as earlier proposals sponsored by Representative PEASE and myself. Nonetheless, we are convinced that House Concurrent Resolution 612 provides a very clear message to Idi Amin and other leaders who consistently violate human rights that this Congress will not tolerate Government-sponsored atrocities on the scale we have seen in Uganda.

House Concurrent Resolution 612 is more than a general condemnation of human rights violations in Uganda. It calls on the President to take specific actions with respect to trade, training, and technical support to halt U.S. complicity in the atrocities which have been occurring in Uganda. Also, there is a desire to stimulate and support efforts by the United Nations and other multilateral organizations to investigate and hopefully stimulate an international response to conditions which prevail in Uganda.

Ugandan witnesses who appeared before the subcommittees argued strongly that tyranny and oppression must be fought wherever they exist, and cannot be rationalized on the basis of the skin color of either the perpetrators or the victims of the suffering. I share with many of my colleagues a feeling that our country needs to be much more consistent in applying its human rights policies. Consistency does not necessarily mean that identical steps must be used for every country, but it does mean that our commitment should be measured through actions, and not just through our moral pronouncements.

Therefore, House Concurrent Resolution 612 is a call for action. A summary of the provisions is contained in the accompanying report No. 95–1233. During subcommittee hearings the following points were highlighted clearly by witnesses representing the U.S. Government, American corporations conducting business with Uganda, Ugandan exile groups, academic, and private groups such as the International Commission of Jurists:

First. Since Idi Amin took power, his regime has been marked by government-sponsored mass killings and torture of as many as 300,000 individuals.

Second. The Ugandan economy is in very bad shape. Roughly 90 percent of Ugandan export revenue is obtained through the sale of coffee. Purchases by the United States of Ugandan coffee account for over 33 percent of that country's coffee exports. Ugandan coffee growers benefit very little from this trade since practically all of the proceeds go directly to the Ugandan Government to finance the purchase of military equipment and services and other items essential to Idi Amin's rule.

Third. Despite the fact that the United States closed its Embassy in Uganda in 1973, and encouraged Americans to leave the country, approximately 200 remain there, a third of this group are committed to providing professional and technical services under international and private auspices. It is encouraging to not that, according to recent corporate testimony, many of these individuals are in the process of leaving Uganda.

Fourth. Several American firms such as Harris Corp. and Page Airways have been providing sophisticated items such as communications equipment and aircraft along with training programs for Ugandan Government personnel in the operation and maintenance of this equipment.

In March of this year, after repeated requests for action, the United Nations Human Rights Commission decided to send a study mission to investigate the situation in Uganda. The "Whereas" section of the resolution before us, takes account of this as well as some of the other findings noted above.

House Concurrent Resolution 612 calls upon the President of the United States to support and where possible im-

plement measures including an embargo on trade which would effectively discourage U.S. support of the Government of Uganda. The resolution also urges the President to encourage and support international efforts to investigate and respond to conditions in Uganda, including economic restrictions. Britain, France, Japan, and West Germany collectively account for an additional 36 percent of Uganda's export earnings through coffee payments.

The administration's position to date on the proposed Uganda legislation has been disappointing. While deploring human rights violations in Uganda, the administration has consistently opposed all of the pending legislation on Uganda, including an earlier resolution I introduced, House Concurrent Resolution 426, which contained more stringent and specific provisions, and the Pease legislation calling for an economic boycott. Even the much milder and eminently reasonable resolution now before us has failed to gain executive branch support. This is hardly worthy of an administration strongly identified with human rights objectives and striving to make human rights an important facet of American foreign policy.

Following the International Relations Committee's adoption of House Concurrent Resolution 612, three major coffee companies informed the committee of their intention to terminate purchases of Ugandan coffee. Ironically, this places these companies somewhat ahead now of the Carter administration on the question of human rights, a bold if not unprecedented move from the private sector.

Some have argued that a trade embargo with Uganda would run counter to America's "free-trade" principles. But should these principles be allowed to help prop up one of the world's most notorious dictators? When countries such as Uganda engage in a policy of exterminating large segments of their or another country's populations, it seems to me that "free trade" in this case means little more than implicitly condoning genocide. There is encouraging news that trade restrictions with Uganda are also likely to be considered in other countries such as Britain.

Another question relates to the welfare of U.S. citizens in Uganda.

Frankly, I feel it would be shameful to allow support for Amin to continue simply because of concern for Americans who choose to remain in the country against repeated warnings by the State Department and others. Missionaries who have remained because of what they feel is a higher call to duty have stated in letters and in conversations their desire for Congress to proceed with action on Uganda, despite any possible consequences for them. Frankly, I doubt very much whether Idi Amin will take severe action against Americans if Congress adopts this or even stronger legislation. Not only does he need their help, but he would also tarnish even further his image, which he has been carefully attempting to improve.

What sense is it to condemn Idi Amin on the one hand, while at the same time give him the financial and technical support he needs to continue his murderous rule over the country. Clearly there are certain countries such as Uganda whose human rights violations are so egregious that exceptional steps are required to dissociate the United States from such policies. I strongly urge my colleagues to support this resolution.

Mr. Speaker, I yield to the distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding.

At the very outset, Mr. Speaker, I want to commend the gentleman in the well, the able and very dependable Member from the State of Washington (Mr. BONKER). He together with the gentleman from Ohio (Mr. DON PEASE), the chairman of the Subcommittee on Africa, the gentleman from Michigan (Mr. DIGGS), the ranking minority member from Alabama (Mr. BUCHANAN), and the subcommittee members have all worked diligently, sincerely, and forthrightly on this resolution.

I want to thank and commend them for bringing this matter to the attention of the House.

Mr. Speaker, I rise in support of House Concurrent Resolution 612, condemning violations of human rights by the Government of the Republic of Uganda and urging the President to take certain action with respect to those violations.

The heinous murders of countless thousands of Ugandan people have stunned the world. Idi Amin's merciless killing and human rights violations of the Ugandan citizenry can not be condoned and must be opposed.

This resolution, which does not direct specific action against Uganda, expresses the strong sentiments of the House denouncing the gross injustice to individual rights being violated there. It calls upon the President to back measures to discourage U.S. support of the repressive government in Uganda.

The once-stable Ugandan economy has seriously deteriorated since Amin took power in 1971. Coffee production is the primary industry on which the economic viability of Uganda depends. Of the Ugandan exports, coffee comprises 90 percent—one-third of which is purchased by the United States.

We applaud the recent decisions of the U.S. companies—Nestle's Procter & Gamble, and General Foods, to halt their purchases of Ugandan coffee. We encourage such voluntary actions which will deny a significant measure of support to the Amin regime. It is hoped this will serve as an example to be followed, and will send an unmistakable message to the Ugandan Government of our intense displeasure with its actions.

It is our sincere hope the situation there will be remedied.

Mr. Speaker, I urge my colleagues to adopt the resolution.

Mr. BONKER. Mr. Speaker, I thank the distinguished chairman. I appreciate the work and cooperation that the gentleman has provided to those Members who have been pushing for this legislation.

Mr. Speaker, once again I want to commend the gentleman from Michigan (Mr. DIGGS) and the gentleman from Ohio (Mr. PEASE) for their tireless work on behalf of a resolution that has already had some effect in our relationship with Uganda.

I would also like to point out that Senator HATFIELD in the other body is pursuing similar legislation and, hopefully, the two Houses will come to terms on an expression of sentiment from the Congress concerning the atrocities in Uganda.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join in urging the adoption of this resolution.

Within the world community of nations, there are those whose actions are so odious, so unacceptable as to command universal condemnation. Uganda is such a nation.

Under the leadership of dictator Idi Amin Dada, the Government of Uganda has violated virtually every human right conceivable to man. It has murdered religious leaders. It has undertaken the slaughter of many thousands of Ugandans, primarily members of the Acholi and Langi tribes. It has devastated the economy of a nation already among the world's poorest.

The United States is already on record in condemnation of these actions. Our embassy has been closed since 1973 and all aid and Peace Corps programs halted.

During this year's session of the United Nations Commission on Human Rights, to which I was a delegate, we adopted a resolution expressing concern about these violations and established a study mission to visit Uganda to assess these violations.

Our Government has also denied export licenses for a number of articles to Uganda.

I would also like to take this opportunity to commend those American coffee companies who have ceased buying coffee from Uganda. There are some individuals who would argue that ending trade with Uganda will only hurt the poor workers of that country. We have had substantial evidence to the contrary.

During our series of hearings on this and similar resolutions, witnesses testified that many of the coffee growers in Uganda often receive little if any payment for their crops. Instead, revenues from the coffee sales go into Idi Amin's coffers to continue his reign of terror.

Thus, such companies as the Folger Coffee Co., General Foods, and Nestles are to be commended for placing their concern for human rights and human lives above economic considerations.

Idi Amin's brutality, unfortunately, is not limited to the people of Uganda.

We all watched in horror as he praised and gave assistance to the terrorists who held captive hundreds of innocent airline passengers at Entebbe and then mer-

cilessly killed an elderly woman passenger who had been hospitalized.

Mr. Speaker, the resolution before us today puts the Congress on record in strong condemnation of the actions of Idi Amin and his government. We also urge the President to implement additional measures which effectively discourage U.S. support for the Government of Uganda.

In adopting this resolution, we will say to Idi Amin and we will say to the world, we cannot and will not accept as our full partner in the world community a nation which not only accepts, but undertakes terror, brutality and wholesale murder.

Again, Mr. Speaker, I urge the adoption of this resolution.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes, certainly, I will be glad to yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I wonder if the gentleman could tell us if our U.N. Ambassador, Andrew Young, supports this concurrent resolution.

Mr. BUCHANAN. So far as I know, I will say to the gentleman, this resolution does have the support of the executive branch of the Government, including Andrew Young. I do not believe he has expressed himself on the resolution, however.

Mr. MICHEL. I note that one member of the Black Caucus is a cosponsor of the resolution, but I would be curious to know whether or not other members of the Black Caucus would support this kind of resolution.

Mr. BUCHANAN. Mr. Speaker, as the gentleman knows, the distinguished member of the Black Caucus to whom the gentleman refers is chairman of the subcommittee which reported out this resolution. It has his full support. We have a second member of the Black Caucus on the full committee, and I believe the concurrent resolution passed that committee without a dissenting vote. So I feel certain this resolution would receive the approval of all Americans.

I will say to the gentleman that when the United Nations Commission on Human Rights actually decides to investigate a country and do something about human rights in any place other than Chile and Israel, the situation must be serious.

Mr. MICHEL. Mr. Speaker, I applaud the gentleman from Alabama (Mr. BUCHANAN) for his remarks.

I think it would have a very salutary effect if this resolution were adopted unanimously by the Congress, with support from all Members, including members of the Black Caucus, and if the resolution likewise has the support of our Ambassador, Andrew Young.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I appreciate my colleague's yielding.

I agree with everything the gentleman says, and I wholeheartedly support this concurrent resolution.

The only quandary I find myself in is that everything the gentleman said seems to apply equally to Communist China. I was a little disturbed, coming to the House this morning, to hear on the radio that it is indicated his administration is prepared next year to reward Communist China with diplomatic recognition and acceding to their demands. That country, through its leaders, has killed millions of people, and yet the government is still there—no change at all. There has been no turnover, as there was in Japan and Germany with the dictators overthrown and new democratic governments installed. There is talk about our abrogating relations with Nationalist China, pulling our troops out, withdrawing diplomatic relations with that country, and just acceding to every request of Communist China.

My quandary is: Do we apply one standard to smaller nations, which are easy targets, and a different standard to larger nations?

I wonder what my colleague thinks about that.

Mr. BUCHANAN. I think that our definition of human rights ought to be consistent in any situation, whether we are dealing with a large nation or a small nation. I will say to the gentleman, so far as this one Member is concerned, any increase in our relationship to Communist China, the People's Republic, which comes at the price of our relationship with the Republic of China, will be vigorously resisted by this one Member.

Mr. ASHBROOK. Mr. Speaker, I commend my colleague for his position.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding, and I would like to point out, in this connection, that there has been a change of government, a very considerable change of government, in Communist China, and that we are now getting from Mr. Hua very much the kind of revelation that we received about what was going on during the Stalin era in Soviet Russia.

There is, I believe, reason to hope. As the gentleman knows, last month I opposed the exemption for the People's Republic of China because I felt that it should rest with the President to grant that exemption, or to recommend it to Congress, when he felt that there was improvement in human rights. But if there is improvement, some encouragement would certainly be in order.

However, I strongly associate myself with the remarks of my colleague in the well, the gentleman from Alabama (Mr. BUCHANAN), that nothing should be done at the expense of other people's rights.

Mr. BUCHANAN. I thank the distinguished gentlewoman from New Jersey for her comments.

Mr. BONKER. Mr. Speaker, I yield 6 minutes to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Speaker, I would like to commend my colleagues, the gentleman from Washington (Mr. BONKER), the gentleman from Michigan (Mr. DIGGS), and other members of the Committee on International Relations, who have worked so hard to make it possible for this resolution to be on the floor today.

Mr. Speaker, Albert Einstein once observed that—

> The problems of this world are not so much attributable to those who would do evil as much as those who do nothing about them.

This observation bears upon my efforts to terminate U.S. commercial support for Idi Amin's government in Uganda. I have been troubled by the failure of the International community to come to grips with Idi Amin's genocidal policies. Moreover, I am appalled by the role a few American coffee companies have been playing in keeping Amin in power.

But this kind of cowardice among nations and corporate irresponsibility has historical precedent. In 1938, 32 nations sent representatives to a conference at Evian, France, to explore ways in which to help the Jews trapped inside Nazi Germany and Austria. It was already clear that Hitler intended to do whatever was necessary to rid these countries of the "Jewish scourge."

After much fanfare, pomp, and ceremony, the representatives of the 32 nations of Asylum finally got around to considering the grave matter before them. Much attention was focused upon the American representative, F.D.R.'s personal emissary, Robert Taylor, who was expected to announce what the United States was prepared to do to help the hundreds of thousands of Jews in jeopardy. It was understood that most of the other countries represented would follow the American lead.

Our response was shameful. The American representative announced that in 1938 the United States would allow entry of the full quota of 25,000 Jews. In practical terms, this meant that we would allow about 8,000 more Jews than in 1937. Clearly, if the Jews were to be saved, more was needed than this symbolic gesture.

Quickly, most of the other nations followed suit and offered token assistance. Only three countries, the Netherlands, Denmark, and the Dominican Republic, extended real assistance to the many Jews needing refuge. In retrospect, if only half of the countries represented at Evian had been willing to accept a full 25,000 Jews above their usual quota, all of the Jews wanting to leave Germany and Austria could have been saved from Hitler's holocaust.

I mention this bit of history to draw certain parallels to the way in which our Government has responded to the Ugandan tragedy—a tragedy on the scale of the holocaust when one takes into account the number of Ugandans who have perished or fled because of Amin.

For 7 years, the world has essentially ignored the slaughter in Uganda without taking action.

No effective action has been taken by the OAU or the United Nations.

Our State Department has chosen to look the other way with regard to the vital support provided to Amin through American purchases of Ugandan coffee.

There is much more I could say about the consequences of our past mistakes. However, I will keep my remarks brief since I have spoken to the substance of United States-Ugandan relations on several previous occasions.

Mr. Speaker, for more than 7 years, many Americans have unwittingly contributed to the perpetuation of Amin's reign of terror when buying coffee at the grocery store. Until recently, very few of us realized that several American coffee companies have been, are still to some degree, providing direct support to Amin's genocidal regime. Recently, we have come to grips with the fact that the drift of United States-Ugandan relations has allowed our country, through corporate neutrality and official neglect, to become an accessory to the merciless slaughter of thousands of Ugandans.

In the past few weeks, there have been signs of improvement. Responding to committee approval of House Concurrent Resolution 612, three of the largest American coffee roasters announced last month that they would no longer buy or import Ugandan coffee. Procter & Gamble, General Foods, and Nestle's are to be commended for changing their purchasing policies. It remains to be seen whether the remainder of the 32 American coffee companies which have been providing financial support to Amin will follow the example set by the major roasters. It is conceivable that some of these companies will try to take advantage of circumstances by buying up the Ugandan coffee refused by others. This underscores the importance of the Congress pressing ahead to end U.S. commercial support for Amin. Passage of this resolution would send a clear signal to President Carter and to the American corporate community that the American people are opposed to any commercial support for Amin and are in favor or dissociating ourselves from Amin's policies in every way possible. I strongly urge my colleagues to approve it.

The SPEAKER pro tempore (Mr. SISK). The time of the gentleman from Ohio (Mr. PEASE) has expired.

Mr. BONKER. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio (Mr. PEASE).

Mr. LUKEN. Mr. Speaker, will the gentleman yield?

Mr. PEASE. I yield to my colleague, the gentleman from Ohio.

Mr. LUKEN. Mr. Speaker, I simply would like to commend the gentleman in the well, the gentleman from Ohio (Mr. PEASE), for the leadership he has shown in sponsoring this kind of legislation and this kind of resolution. I commend the committee also for its support of this resolution.

Mr. Speaker, I rise in support of House Concurrent Resolution 612 which condemns the human rights violations by the Government of Uganda. I urge my colleagues to join me in voting favorably on this important resolution.

I am a cosponsor of this bill because I believe that time has come when the Congress of the United States must take the lead in condemning countries that are guilty of gross violations of the international standards of human rights. I believe that it is also time that the Congress joined together in urging the President to discontinue even the most indirect aid and assistance to Uganda. This is necessary in light of the well-verified human rights violations and Uganda's mistreatment of U.S. citizens dwelling within its borders.

Since Idi Amin's takeover of Uganda in 1971, it has been estimated that between 30,000 and 300,000 people have disappeared or have been murdered. The Ugandan people have been subjected to systematic purges of various ethnic and religious groups. Concentration camps have been set up, and opponents of the regime have been imprisoned, tortured, or have disappeared without any trace.

Many religious leaders have been murdered because of their opposition to Amin's policies. One of the most prominent and respected of Uganda's leaders, Archbishop Janani Luwum, was murdered last February when he spoke out in behalf of Uganda's people. We must not support the government of the man who is responsible for these atrocities.

The U.S. Congress is not alone in its condemnation of the situation in Uganda. The United Nations Human Rights Commission recently decided to investigate conditions in Uganda due to the revelations of human rights violations.

I would like also to call special attention to the initiative that several American private companies have taken in cutting their relations with the government of Idi Amin. On May 16, the Folger Coffee Co., a subsidiary of the Procter & Gamble Co., decided to suspend all purchases of Ugandan coffee immediately due to human rights violations in that country. Other firms have followed the lead of this company.

Again, I strongly urge Congress to support this resolution and encourage the administration to take prompt action to carry it out.

Mr. PEASE. Mr. Speaker, I thank my colleague, the gentleman from Ohio (Mr. LUKEN).

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I, too, want to commend and congratulate the gentleman from Ohio (Mr. PEASE) for the magnificent leadership he has given in this area. Likewise, I commend the gentleman from Washington (Mr. BONKER) and the committee for the leadership they have demonstrated.

Mr. Speaker, the historical parallels that have been drawn by the gentleman from Ohio (Mr. PEASE) are very, very real and very exact. I want to associate myself fully with his remarks.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. PEASE. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding.

I wanted to tell my colleague, the gentleman from Ohio (Mr. PEASE), how proud I am of his leadership and the leadership of the committee chairman and members of the committee for initiating this resolution.

Mr. Speaker, I think this is a very important piece of legislation in terms of truly demonstrating our quest for human rights throughout the world! I urge the adoption of the legislation.

Mr. PEASE. Mr. Speaker, I thank the gentlewoman.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in support of this resolution condemning human rights violations in Uganda.

As a member of the International Relations Committee, I participated in a series of hearings focusing upon the Ugandan human rights situation. Testimony emerging from the inquiry indicates that as many as 300,000 people have been slaughtered by General Amin and his savage henchmen.

What we are witnessing in Uganda is genocide on a massive scale. To ignore this barbarism as we ignored the tribal genocide in Burundi in 1972 calls into question our own morality and concern for the most basic of human rights—the right to life.

Many Members seem to feel that there is nothing—besides issuing statements of disapproval of General Amin's behavior—that this country can realistically do to stop the wanton carnage in Uganda. I think we can do something that may have a positive impact on the situation in Uganda. Consequently, I associated myself with this legislative proposal which would urge establishment of a trade ban against Uganda.

While this resolution does not specifically mandate an embargo against Uganda, it does urge the President to consider implementing such a measure as a means of effectively removing U.S. support of the Government of Uganda.

Coffee is the bulwark of the Uganda economy. Approximately 90 percent of Uganda's export earnings come from that product. About a third of those earnings stem from U.S. coffee purchases. The United States, therefore, is in a position to exert economic leverage on the Amin regime.

Some contend that a U.S. trade embargo of Uganda would not have the desired effect because Amin can find alternative markets for his coffee. Maybe so, but I would like to think that if the United States took the lead, others would follow. Congressman PEASE points out that approximately 40 percent of Uganda's coffee export earnings are the result of trade with France, West Germany, Japan, the Netherlands, and the United Kingdom. If they joined the boycott, Amin's economy would be disrupted so severely that he would be forced to face up to the harsh reality that his con-

tinuance in power and Uganda's economic vitality are directly linked to a marked improvement of the human rights picture.

Opponents of trade sanctions have indicated that such action would set a bad precedent and would be in violation of the free trade principles we have recognized as a signatory to the General Agreement on Trades and Tariffs (GATT). To them, I respond that the precedent has already been established. Special cases sometimes require special exceptions, and I remind my colleagues that only last year Congress voted to ban the importation of chrome from Rhodesia into the United States.

I could go on and discuss other reasons given for not banning trade with Uganda. Suffice it to say, however, that although they are good rationalizations for not doing anything, they all have a hollow ring because they fail to take into account the moral considerations that now transcend all others in our current relationship with Uganda.

Mr. Speaker, this resolution is a timely and much needed step in the right direction. I urge its immediate adoption. To do otherwise would seriously question the depth of Congress and the President's commitment to human rights.

Mr. Speaker, I point out to the Members that our colleague, the gentleman from Ohio (Mr. PEASE) very appropriately recorded the historical situation that existed just before World War II.

I would like to remind the Members of the same indifference on the part of the world to an act of genocide which permitted the Turks to persecute and almost wipe out the Armenians during World War I.

We have in this case, in Uganda, a religious and tribal genocide in which a minority tribe attempts to impose control over a majority tribe. There is also an element of religious persecution here.

Mr. Speaker, I commend the Members who worked to produce this resolution. I think it is a practical act that we take. I urge its adoption.

Mr. BUCHANAN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I rise in strong support of this resolution, and I certainly want to add my compliments to those who have already complimented the sponsors of the resolution.

I would like to call to the attention of the Members of the House language in the committee report on page 4, which says:

> With these exceptions, the committee expects that the President and the Department of State will review and explore on a continuing basis all remaining options to discourage and decrease even the most indirect assistance to the Ugandan Government, and will implement those likely to be effective.

I am glad to see that language in the report although that language, while it is exceptionally well done, does not have a lot of teeth. It is good as far as it goes, but it does not really get to the heart of the problem. American tax dollars are going to go to Uganda even with the adoption of this resolution.

With respect to the United Nations Development Program, to which we are the major contributor, it has a $30 million program for Uganda. UNICEF last year sent $339,000 to Uganda. The International Atomic Energy Agency has a $60,000 project approved for Uganda. Again, we are the major contributors to these organizations. So I say that I am happy to see the language in the report calling official attention to indirect aid.

I hope the Congress, when the time comes, will be willing to really stop that indirect aid, because I believe it is important, if we really mean what we are saying and if we really intend to put people like Idi Amin out of business, or at least not support his government with American dollars, then we cannot just hit him with a powder puff or a marshmallow; we have got to hit where it hurts.

That is with the pocketbook; that is stopping all American aid to Uganda, whether direct or indirect—direct through our aid programs or indirect through the World Bank or United Nations Development Programs.

Mr. BUCHANAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Speaker, several months ago when we voted to condemn the Government of South Africa for closing down a couple of newspapers and apparent callousness in the death of Steve Biko, it was suggested that the Government of Uganda should also be condemned. The problem is, where does it all end and who should decide what nations should be condemned?

Are we not setting a bad precedent here by selecting certain countries for condemnation and ignoring others? If we condemn Amin for putting the innocent to the sword, shouldn't we also condemn mainland China? We all know the answer. Uganda is not as important in the scheme of things as the People's Republic of China. Besides, we are going all out to cultivate the Communist government in China, and it would be in poor taste to blast them for human rights violations. But who among the hierarchy of nations has a worse record for slaughtering people than Communist China? In the past 30 years up to 100 million Chinese have met doomsday; yet, I have not seen us condemn China since so-called normalization began 6 years ago. Does this not seem like a double standard?

I do not like Amin. I think he is a vicious person—a real Jack the Ripper. But he is no worse than the crowd in Red China. He is more open about his methods of silencing people as opposed to the boys in the Kremlin who have more "indirect" means to convince people, especially Soviet Jews, that are not conformists.

Sure, I am going to vote to condemn Amin. But, while we are at it, let us vote to condemn the People's Republic of China. Let us vote to condemn Cuba, a nation that perpetrates the wholesale killing of Africans. Let us vote to condemn the Soviet Union and the slave labor camps in Siberia. Let us vote to condemn Vietnam and its so-called re-education programs for the alleged "stooges" who wanted their country free of Communist tyranny.

There is a lot of condemning to go around. As long as we will set the precedent, let us get busy on some more resolutions. If not, let us quit this silly business, because selective morality is making us the laughing stock of the free world—nay, the laughing stock of the Communist world.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from California.

Mr. ASHBROOK. Mr. Speaker, I certainly want to congratulate my colleague, the gentleman from California. The gentleman from Ohio has been endeavoring to make statements of that kind over the years. Selective morality bothers me, but I do want to respond on the gentleman's time to our friend and colleague, the gentlewoman from New Jersey, who indicated some time ago in debate that China has changed. About the only thing Red China has changed on is that they have not killed a million people in the last year, but there has been a continuation of the government. There has been no removal of government like in a democracy or other places where they systematically become tyrannical. It is the same government, the same successors that are doing it. And to say that they have changed and that they will change for the better if this Government holds out normal relations is a very substantial contrast to the facts. It is selective morality at its worst and I do not think we should approve of that double standard.

Mr. GOLDWATER. I thank the gentleman from Ohio.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I would like to respond. I never said there was freedom in China. I said there was change, and there has, indeed, been change when we find the head of the government accusing the previous government there of having imprisoned 140,000 people who are now going to be released. And nothing more is heard of the so-called Gang of Four, who according to the present government were perverting the true aims of China. This is a change.

Mr. ASHBROOK. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. No, I am sorry. I would like to answer, if I may.

And to say that I said there was freedom—I did not.

Mr. ASHBROOK. I did not say the gentlewoman said there was freedom. I said she said there was change.

Mrs. FENWICK. I said there was change and there is. And certainly one can hope that the 140,000 will prove it.

Mr. BUCHANAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I would like to associate myself with all of the remarks of my distinguished colleague, the gentleman from Ohio (Mr. PEASE) and also all of the remarks of my distinguished colleague, the gentleman from California (Mr. GOLDWATER). This may seem inconsistent, but I do not believe it is. I think we have to look at the wholesale murder in each nation one at a time and understand that some of us here in this Chamber will be hypocrites and accept the murder of 60 million in China, the torture and murder of many, many thousands in Cuba, and even accept the 50,000 killed in Hungary—which after a passage of x number of years we forget. In Hungary's case we reward the Communist murderers with the sacred Christian symbol of political and religious liberty—the 900-year-old "Crown of Stephen."

There is going to be in exactly 50 minutes on the west steps of this Capitol a demonstration against the genocide in Cambodia. I will venture a guess that there will probably be only two or three of us Congressmen and Congresswomen present. Sad, but true. I would like to see everyone in this Chamber right now, 50 or so, roll out of here at 2 o'clock and go to the west steps and make some appropriate statement about the 1½ million to 2 million people slaughtered in Cambodia—6 or 7 times more than the nightmarish slaughter in Uganda.

The gentleman from Ohio (Mr. PEASE) and I have received letters from Procter & Gamble and General Foods and Nestle's asking us now for guidance because of their embargo of Amin. They are afraid that our Justice Department will hit them hard for restraint of trade. They better not be harassed by our Government for this courageous act. These companies tell me that the coffee trade will be picked up by other countries immediately * * * by other countries which will pick out their own particular bete noire and posture hypocritically at the U.N. about human rights. I can hear it now—"Down with Rhodesia but let us trade with the Hitler of Africa." Friday at the U.N., Amin was described by his Ambassador Khalid Kinene as "Dr. Amin, the conqueror of the British Empire." Applause followed. What ugly phoniness we see in the world today. All the more reason I want to add my enthusiastic congratulations again to the heads of Procter & Gamble, the Nestle Co., and General Foods for their morally courageous decision to voluntarily end their importation of Ugandan coffee.

Their self-imposed ban on all Ugandan coffee imports is an act of pure moral commitment. I firmly believe that we, as a Nation, and as individuals, have an overriding moral obligation to withhold support from this diabolical, totalitarian regime. Of all the letters I have written since coming to Congress, and I mean all the letters, my "thank you" letters to these coffee companies gave me the most pleasure. They have bitten the bullet and stood up for international decency and an entire nation's right to be free of torture and wholesale murder. The decision by Procter & Gamble, General Foods, and the Nestle Co., while long in coming, flies in the face of those corporate hypocrites who believe profit is the only motivation of American business. Although I pounded away at these companies for several months, I have long had faith that once they realized the horror of Idi Amin's reign of terror they would act courageously and they have.

Let this bold humanitarian initiative by American businessmen be a message loud and clear to President Carter and those other "human rights" Government officials who were content to stand on the sidelines while 400,000 innocent Ugandans were, and are, being brutally tortured and murdered by the "Adolph Hitler" of Africa.

At a 4-hour meeting with 10 high ranking exiled Ugandans in Nairobi, Kenya, last January while on a privately paid factfinding tour through Africa, I was told that the genocide of Bugandan, Langi, and Acoli citizens may now be over 350,000.

By ending our trade with Uganda these coffee companies will inflict serious financial damage on that satanic government and hopefully bring it to its knees.

As the President was prepared to evacuate Americans in Zambia, so too must he now prepare to protect those servants of God, our American missionaries, who courageously refuse to leave their beloved surviving Christian communities in Uganda. The tough decision made by these American coffee traders brings under threat the lives of 240 or more missionaries. Immediately, President Carter should inform Amin in very strong terms that if one American life is taken there will be, this time, more than one American-made C–130 landing at Entebbe Airport. He should tell Amin our 82nd Airborne will be on standby status. The President should also seize upon the momentum started by these firms and order the immediate ouster of the Ugandan Chargé d'Affaires in Washington as a persona non grata. The continued presence of dictator Amin's envoy represents, at the very least, tacit recognition of his barbarous regime. The American public and American business have made it clear they want no part of Amin. President Carter must close that office now. Would we have allowed Joseph Goebbels to move freely about Capitol Hill lobbying for the "final solution," the Nazi slaughter of 6 million Jews? We want to see dynamic protection of human rights now before another innocent life is lost.

One of our national television networks—NBC—recently broadcast a brilliantly written and produced screenplay, "Holocaust." It depicted one of the greatest, one of the most horrifying defilements of the human spirit in all of history. It reminded all of us that only a few decades ago, the death camps, the repressions, and mass exterminations of fellow human beings were all too real.

A program like "Holocaust" is important, and is useful in teaching the next generation what must never happen again. But tragically, that very horror is happening again—now. It is happening in Cambodia, it is happening in Uganda, a systematic extermination of thousands of people taking place against a backdrop of silence and inaction by most nations.

In my opinion, the Carter administration is correct in criticizing and attempting to see reformed instances of human rights violation in several Latin American and African countries.

But I would like to see similar demontrations of outrage or at least a semblance of similar enthusiasm by the White House and its State Department in attacking the holocaust currently plaguing Cambodia and Uganda. The relative silence by influential opinion leaders, and especially the top executives in our news media, is deadening.

Thank you, Mr. Chairman.

● Mr. DIGGS. Mr. Speaker, on April 6, 1978, the Subcommittees on Africa, International Organizations, and International Economic Policy and Trade held their sixth and final hearing on Uganda. These three subcommittees voted to adopt House Concurrent Resolution 612 which the House International Relations Committee will consider today.

Mr. Speaker, this bill represents the considered opinion of members of our subcommittees that the Government of Idi Amin Dada of Uganda has committed gross violations of human rights. Evidence before our three subcommittees has confirmed reports of such violations in the following areas:

Systematic purges of specific ethnic and religious groups;

The existence of concentration camps;

The imprisonment, torture, killing, and/or disappearance of opponents of the regime; and

The existence of a reign of terror promoted, supported, and implemented by various arms of the Amin Government.

Mr. Speaker, I am personally appalled at the events which have engulfed Uganda since Idi Amin's takeover in 1971. I have visited Uganda many times and have in the past been impressed with the prospects for economic development and stability which lay at Uganda's doorstep given proper leadership.

If our purpose is to seek an evenhanded and judicious approach to the implementation of our human rights policy, then I urge my colleagues to support House Concurrent Resolution 612 which condemns gross violations of human rights by the Government of the Republic of Uganda and by which the Congress urges the President of the United States to support and implement measures which would discourage U.S. support for the government of that nation.●

● Mr. GARCIA. Mr. Speaker, I rise in support of this resolution to condemn a continuing, and in fact increasing, pattern of human rights violations in Uganda. Although this resolution only formalizes a strong and forthright position by our administraton in completely cutting itself off from Uganda, it is certainly more than a pro forma statement by the Congress about the outrageous and consistent abuses that both citizens of Uganda and foreigners suffer alike

at the hands of the Ugandan Government.

This Congress must continue to speak out against these violations, to continue to urge their end, and until that time, to continue to search out ways that will enable such organizations as the United Nations Human Rights Commission, the International Red Cross, and Amnesty International to enter the country to investigate what appear to be horrendous abuses of individual liberties.

I am pleased to note, included in the committee report, the letter from the Folger Coffee Corp., stating that it will suspend its coffee purchases from Uganda. Other companies must do the same. The United States, in this instance, has certainly taken the lead, as there have been few actions taken by other countries to limit trade with that totalitarian regime. We must continue to do everything within our power to promote an end to the Amin regime. Our action today is a beginning. But I hope the administration will consider taking such steps as a formal trade embargo against Ugandans. For it is only then that our good words will have teeth.●

● Mr. HOLLENBECK. Mr. Speaker, I am pleased to support House Concurrent Resolution 612, which condemns violations of human rights by Idi Amin and the Government of Uganda.

The actions we are condemning by passage of this resolution today cannot be ignored by any nation dedicated to the principles of human dignity and freedom. Unfortunately, however, the atrocities which have been committed against the people of Uganda have not received the proper amount of attention and concern from the democracies.

Indeed, as House Concurrent Resolution 612 correctly notes, the current Ugandan dictatorship has continued to receive a substantial portion of its income from the sale of coffee to the United States and other Western nations. Some American coffee companies have announced their intentions to stop importing Uganda coffee.

Mr. Speaker, one of the excuses which we made for our failure to respond to the Nazi holocaust was that we did not know its true scope and scale. We know what is occurring in Uganda—we must respond. We can no longer avoid confronting this situation by hoping that it will dissipate or disappear through benign neglect.

House Concurrent Resolution 612 strikes the appropriate balance between expressing our outrage and concern and leaving the President with the flexibility necessary to insure the protection of the people of Uganda and the missionaries and other American citizens who could be endangered by the madness of Idi Amin. History has taught us the painful lesson that madmen cannot be placated through neglect. It is my hope that the overwhelming endorsement of this resolution by the House will be seconded by the Senate, and that it will receive the full support of the President.●

Mr. BUCHANAN. Mr. Speaker, I yield back the balance of my time.

Mr. BONKER. Mr. Speaker, I yield myself the remaining 2 minutes.

Mr. Speaker, I think it is obvious that this is truly a bipartisan effort. It has been so on the several subcommittees that discussed it as well as on the full committee. At this time I wish to commend the distinguished gentleman from Alabama (Mr. BUCHANAN) for his foresight and his consistent leadership in these efforts.

Also I think it should be noted that the administration has instructed its officials in the multilateral banking institutions to vote against the issuance of loans to countries involved in violations of human rights, including the Government of Uganda.

Finally, Mr. Speaker, I think we ought to commend and proudly applaud the decision of at least three major coffee producers who have decided to end the purchasing and importing of coffee from Uganda. This certainly is a demonstration of their sensitivity and of their leadership which, ironically, is far beyond that of the administration. This administration has been on record in support of human rights, yet it is unable to bring itself to even support a rather mild resolution that is directed against the greatest perpetrator of human rights violations in modern history.

Mr. Speaker, I again ask for the adoption of this concurrent resolution and have no further requests for time.

The SPEAKER pro tempore (Mr. SISK). The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 612.

The question was taken.

Mr. PEASE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZATION FOR TOXIC SUBSTANCES CONTROL ACT

Mr. ECKHARDT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12441) to amend the Toxic Substances Control Act to increase the authorization of appropriations contained in such act.

The Clerk read as follows:

H.R. 12441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 29 of the Toxic Substances Control Act (15 U.S.C. 2628) is amended by striking out "$16,200,000" and inserting in lieu thereof "$50,000,000".

The SPEAKER pro tempore. Is a second demanded?

Mr. BROYHILL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ECKHARDT) and the gentleman from North Carolina (Mr. BROYHILL) will be recognized for 20 minutes each.

The Chair now recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I yield myself such time as I may require.

The legislation before us today is extremely important to the American people. It provides increased authorization for appropriations to implement the Toxic Substances Control Act. The bill was reported unanimously by the Interstate and Foreign Commerce Committee on May 12, 1978.

H.R. 12441 authorizes appropriations of $50 million for fiscal year 1979 for implementation of the Toxic Substances Control Act. Present law authorizes $16.2 million for fiscal year 1979. However, the administration's 1979 budget calls for $46.5 million for this very important program, and the legislation today is necessary to provide the authorization.

The Toxic Substances Control Act is one of our most important health and environmental laws. It provides authority to protect the American people from harmful chemicals.

Within the last few years, we have begun to recognize that many of our health problems are caused by chemicals in our environment. And we have also learned that if substantial human suffering and loss is to be avoided, we must prevent or minimize our exposure to these harmful chemicals.

Chemicals with exotic names have become household words because the public is now all too familiar with the harm they can cause. We have all heard of PCB's, and we know about the commercial fishermen who have lost their livelihoods because this highly poisonous chemical has contaminated some of our most important waterways. The plight of the Michigan farmers who have had to kill thousands of head of cattle because of contamination by PBB's is another tragic and well-known story. And, of course, the human suffering and economic losses caused by Kepone is another familiar example of the kinds of problems caused by harmful chemicals in our environment.

The money we are authorizing today will be used to help us prevent these kinds of health and environmental problems. When this Congress passed

the Toxic Substances Control Act 2 years ago, it was hailed as landmark legislation. While the law holds much promise, it can only achieve its purpose if we provide adequate authorizations to carry out the act. The money authorized will be used in the development of testing regulations for chemicals which may be harmful. It will also be used to set up a program to evaluate whether new chemicals coming onto the market are dangerous, as well as to analyze and control the hazards presented by existing chemicals. It will also be used in compiling for the first time an information system on what chemicals are presently out in the environment. There are also important statutory deadlines for which funding is important.

There are approximately 70,000 chemicals in commercial use in the United States today. And more than 1,000 new chemicals come onto the market each year. The job of evaluating and regulating those which may be harmful is a massive one. The authorizations contained in H.R. 12441 are essential to effectively protect the American public from those chemicals which are harmful.

Mr. BROYHILL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill, H.R. 12441, amends section 29 of the Toxic Substances Control Act to increase the authorization for fiscal year 1979 which begins on October 1 of this year, from $16.2 million to $50 million. This is without question a dramatic increase in the authorizations for fiscal year 1979.

At the time that the Subcommittee on Consumer Protection and Finance was considering this legislation, I expressed concern whether or not the program for the control of toxic substances could be expanded so dramatically in such a short time period without a good deal of waste. Also there is a high risk of inconsistent and also inequitable enforcement of the program if it is expanded almost threefold without adequate time for planning. There were further suggestions made during the committee hearings that the authorizations by fiscal year 1981 be increased by another $50 million, making a total authorization of $100 million by fiscal year 1981. This would have meant an $84 million increase in authorizations by fiscal year 1981 over what the law now authorizes. I felt that this was a totally irresponsible action and strongly opposed this suggestion. However, wisdom prevailed, and it was not included as a part of this bill. I continue to have some concerns over the immediate increase of $36 million in fiscal year 1979 authorizations. I did not actively oppose this bill. The reason is that the program to monitor and to control unreasonably harmful chemical substances, no doubt, is going to be costly, and we must proceed with adequate planning, and we have got to have some meaningful data prior to taking massive new governmental actions. Otherwise, we are going to have an inefficient and ineffective program, and we will experience unnecessary costly disruptions to the affected industries.

Mr. Speaker, I understand that the House Committee on Appropriations has taken a very careful look at EPA's justification for its budget request under this act and has approved most of the $46.5 million that is contained in the President's budget for this program. Obviously, the Committee on Appropriations agrees that additional funds are needed to start up this new program. However, I am sure that the members of that committee agree with me that a careful look must be taken at this program to monitor not only how they expend these funds, but also a justification for future expansion of the program.

I support this 1 year authorization; however, I do not intend to support further increases in the authorizations for this program until we have had some experience with the agency's implementation of the act and a detailed explanation from the agency as to how the increased funds will be used.

I also have another concern that I would like to express at this time, Mr. Speaker; that is, in the past fiscal year, even though the agency's authorization was only $16 million, they did obtain funds that were authorized and appropriated for other programs. In other words, these funds were appropriated under authorizations contained in other laws that are administered by the EPA on the premises that the Toxic Substances Office provides support work for administering these other laws. This is true and, of course, I have no objection if work is being done on other laws; but I am concerned that if they are going to be getting money, large amounts of money, that have been authorized by other laws and mixing them up, we do not know how these moneys will be spent.

My suggestion would be that if the authorizations that are contained in this act are not adequate, I think EPA ought to inform the committee and inform the Congress and express the authorization levels that are needed, rather than taking money from other programs.

The SPEAKER pro tempore. The time of the gentleman from North Carolina (Mr. BROYHILL) has expired.

Mr. BROYHILL. Mr. Speaker, I yield myself 2 additional minutes.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I thank the distinguished gentleman from North Carolina for bringing up these points, which the gentleman did very well in the subcommittee. As a response to that, we did provide in the report that the committee feels that EPA activities implementing the Toxic Substances Control Act should be funded by money authorized to be appropriated under the Toxic Substances Control Act. If the authorizations contained in the act are not adequate, the committee expects EPA to inform this committee and request that authorization levels be increased.

That language was a direct response to the criticism of the gentleman from North Carolina. I think the gentleman from North Carolina knows that the gentleman from Texas will work very closely with the gentleman to see that the language of the report is implemented in each case. I want to assure the gentleman that there will be no exceptions in this case.

I should like also to say that I think the gentleman's points are very well taken, that it is our duty as a subcommittee to very carefully monitor the operations of an extremely large program dealing with, as I pointed out in my original statement, some 70,000 chemicals already in the environment and in the general flow of commerce. We are talking about 1,000 per year. If we are not most careful to see that the policies of the act are followed, we would be remiss in our duties.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has again expired.

Mr. BROYHILL. Mr. Speaker, I yield myself 1 additional minute.

Mr. ECKHARDT. Mr. Speaker, if the gentleman will yield further, the gentleman will recall that the entire theory of this act is not to inhibit the flow of progressive new substances on the market; but, rather, to be assured that such substances are tested and are safe. If the Government takes no action against a chemical, it can go onto the market. It is only when the Government takes affirmative action will chemicals be stopped in their normal flow to the marketplace.

Mr. Speaker, I thank the gentleman for yielding and for the gentleman's contribution.

Mr. BROYHILL. Mr. Speaker, I yield 10 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, I rise in asking congressional action to stop the growth of the Federal bureaucracy. Just this past week the people of California said in a loud voice that they wanted to put a limit on taxes.

Today we have before us in Congress an opportunity to limit the rapidly expanding bureaucracy. When the Toxic Substance bill was passed 2 years ago, a budget of $12 million was provided; also authorized was $14 million the next year and $16 million for 1979. Before the $16 million authorized appropriation is used, the bureaucracy comes to Congress asking to increase the appropriation from $16 million to $50 million and that is the bill you have before you.

We already have agencies to provide for FDA, clean air, clean water, and water pollution control. We have agencies to test for flammability and occupational safety and health as it regards chemicals. Working closely with all of these we have the Environmental Protection Agency. Then to provide for duplication of effort we have added the Toxic Substance Act. When this act was introduced, the sponsors stated there were 30,000 chemical substances. Today, the studies show there are probably around 100,000 chemical substances. They stated that there would be about 1,000 new chemical substances introduced each year, but, with that threat of regulations, we now find there are

only about 200 introduced each year. Innovation and development of new ideas is being seriously curtailed with a burdensome bureaucratic system of regulations.

It was hoped that a business could complete the paperwork hurdle with an expenditure of about $50,000. Ten days ago I was talking to an expert in the chemical business and I asked him what his estimate was of total Government processing requirement costs for establishment of new chemicals on the market. He said $1 million. This is a major reason why we should further evaluate the Toxic Substance Act instead of encouraging its bureaucratic expansion. This means that a small business in America will no longer have an opportunity to introduce new products on the market. Only big companies, only the giant industries, can exist under the bureaucratic costs and requirements.

The chemical industry is an important industry producing over $100 billion in annual sales. But we must remember that one third of the firms in the chemical industry employ five or less people and have less than $100,000 sales. This bill has far reaching implications as there are 225,000 different firms engaged in the manufacturing and processing of chemical substances. One third of these firms, which are the very smallest with five or less, will be limited from introducing new chemicals. Everything is subject to challenge as creating a toxic substance. How would America have the aspirin today if we had to wait on the bureaucracy for approval? The other day we were worried about the Federal Drug Administration banning saccharin.

All of the concern we have in America today about environment is largely caused by the increasing concentration of people in the cities. If one wants more fresh air, more clean water, and less noise, one can move back to the farm. But there is no need to impose all of the bureaucratic standards on all of America.

Let me give you an example of how fast this agency wants to grow. The first year Toxic had 112 people on the staff. The second year they moved to 314, and now Toxic proposes to take it up next year to 613.

This bill has an overbearing thrust. It has a civil penalty of $25,000 a day for violations, plus a criminal penalty of $25,000 plus one year in prison. This certainly makes industry hesitant to introduce new and improved chemicals.

One of the most worrisome features of this bill is section 23 which says,

> No employer may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act; 2) testified or is about to testify in any such proceeding; or 3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

This paragraph has the effect of encouraging any incompetent employee who has reason to believe he is about to be fired to take some action that could give him permanent employment. This not only protects him but it seems that it would almost encourage lawyers to represent him. Anybody who is a deadhead on the job, lazy, gets drunk during a morning break, can now file some complaint on the grounds that something may be wrong with the company's product and from then on he has guaranteed job tenure. And what is more, if the company fired him they can be responsible for full compensation plus compensatory damages and exemplary damages.

We also have a provision in the bill to provide that any interested individual or civic group may intervene. The interesting part is that the lawyer of this civic group is paid by the court on a full fee scale which is above his regular salary level. This would encourage civic groups to have their salaried people enter into legal proceedings because they can thereby increase lawyer's compensation.

Today we hear from so many people at home that believe inflation is the Nation's major problem. Much of inflation is caused by the excessive cost of Government. Not only does Congress create deficit financing, but Congress regulations make it much more expensive for industry to operate. And all of the costs mean higher prices for America.

To sum it up, we should turn down this triple increase in Toxic appropriations because it is not needed. It will mean that a small company will never have an opportunity to grow or to introduce new products. It will discourage inventiveness and creativity in America. It will mean that the inefficient employee will be encouraged to stir up unrest with his industry. It will mean three times as many bureaucrats in this agency as are needed in the first place.

This country today has too much government. America has more government that it needs, America has more government than it wants, and as the people speak up on taxes, they are saying that America has more taxes than they can afford.

I call on you to hear the Voice of America today and let us turn down this increase in appropriations for the Toxic Substance Act, which is an increase of threefold in an unneeded agency that duplicates other agency functions. Nothing supervised by Toxic Substance but duplications. America has too much duplicated, money spending, paperwork agencies.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Speaker, when the gentleman commenced his address, I had rather agreed with much that he said; but I thought his speech had been prepared for another occasion, and that he would tie into a number of the issues here.

I would like to ask the gentleman if he understands that, in the preparation of this act, there was large consultation with the businesses affected, that we eliminated from general reporting requirements small business, and that as a response of testimony and arguments before the committee we eliminated mixtures from specific coverage of the premanufacture notification section, and most small businesses generally engaged in manufacturing mixtures.

Mr. COLLINS of Texas. If the gentleman will withhold for just a moment, I would say that the only bill I saw said it was increasing the appropriation from $16 million to $50 million, and there is nothing in the bill which was submitted to the House which said anything about relief to small business or being eliminated from any type of regulation.

Where is that in the bill?

Mr. ECKHARDT. That is in the act the gentleman is addressing. It is the larger provision of the act.

Mr. COLLINS of Texas. The toxic substance bill itself?

Mr. ECKHARDT. The toxic substance act itself.

Mr. COLLINS of Texas. And that is what I object to. The bill still operates. We just give them $50 million to do what they had $16 million to do before.

Mr. ECKHARDT. But the gentleman does recognize that the industry actually supported the bill creating the Toxic Substances Act, as well as environmentalists, when it was finally passed out of the committee, does he not?

The Manufacturing Chemists Association supported the bill largely because we changed the basis of the bill that existed in previous conferences and permitted chemicals to flow to the market unless it was shown that they were dangerous or had not been adequately tested.

Mr. BROYHILL. Mr. Speaker, I yield myself 3 minutes at this time to respond to the gentleman from Texas (Mr. COLLINS).

I think he brings up some very good points, and I know he is expressing concerns that many Members feel.

However, the gentleman from Texas (Mr. ECKHARDT) has pointed out that the Toxic Substances Control Act was first written, and the gentleman from Texas and I had a great deal to do with the amendments that were adopted at that time, that amendments were adopted in response to legitimate concerns of people in the industry that were to be regulated under this program. The gentleman also knows of the grave concern that many have expressed and of the many examples that we can cite over the potential danger that these thousands and thousands of potentially dangerous chemicals can have on the environment.

Mr. Speaker ,over 1,000 new chemicals are entering interstate commerce each year; and up until the time that TSCA was adopted, there was no authority for the EPA to examine the relative safety of these particular chemicals to determine whether they would have impact on the health and safety of the American people or whether they would have an adverse effect on the environment. Therefore, one of the primary purposes of the Toxic Substances Control Act is to give the chance to the Administrator to evaluate these new chemicals before they go into the marketplace.

Mr. Speaker, I do agree with the gentleman. We do have these other programs such as the Water Pollution Control Act, the Clean Air Act, and other acts; but these acts, of course, give the Administrator authority only after the fact. In other words, when these chemicals are about to be emitted into the environment or about to do some harm, then he has some authority. More attention should be given to examining the relative safety of these chemicals which should be examined before they are marketed. This type of regulatory theme can be done far easier at that stage rather than regulating emissions into the environment.

The SPEAKER pro tempore. All of the time of the gentleman from North Carolina (Mr. BROYHILL) has expired.

Mr. ECKHARDT. Mr. Speaker, I yield 2 additional minutes to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Speaker, I thank the gentleman for yielding.

The point I wanted to make is that the statute does authorize the Administrator to take action against those chemicals which do show unreasonable risks to health and the environment.

As the gentleman from Texas (Mr. ECKHARDT) has already pointed out, we very carefully constructed the language in the act when it was before us a couple of years ago to make sure that the burden would be on the Government to take a potentially dangerous chemical off the market. We felt that that was where the burden properly lay.

Of course, this part of the act has not even been implemented yet. All we are doing here with this authorization is permitting the authorization of funds for the staffing up of this agency with researchers, toxicologists, chemists, and others who have some expertise for the purpose of being able to evaluate potentially dangerous chemicals.

Therefore, Mr. Speaker, I would urge that we support this authorization since it is, as I say, to permit the staffing up at the beginning stages of this new program. The program has not even been implemented insofar as the enforcement aspects are concerned.

Mr. ECKHARDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from North Carolina (Mr. BROYHILL) for his remarks. The gentleman has correctly said that this act has not yet been implemented.

Therefore, the example I am about to give is really under another act. However, but for the fact that the chemical was an insecticide, it is an exact example of the problem involved here.

The gentleman may remember that in my area of the country, a company making a chemical called phosgel, an insecticide, endangered the health of many persons working in the plant. The workplace was later discovered to be a dangerous one, and the danger was related to that chemical. However, by the time OSHA found it out, many people had been subjected to the danger.

In like manner, the Consumer Product Safety Commission may find that consumers are endangered when they buy chemicals, but does not the gentleman feel that in many instances where the chemical itself is at the very source of danger and would be dangerous under all circumstances, that it is better to catch that before the harm is done?

Mr. BROYHILL. Of course, this is the underlying philosophy of the bill, which is to try to catch these dangerous chemicals before they enter the environment and before they cause undue harm to the health and safety of people or to the environment.

Mr. ECKHARDT. I thank the gentleman.

Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, I thank the distinguished chairman of the subcommittee for yielding this time to me.

I might say to my friend from Texas (Mr. COLLINS) that he cannot be accused of jumping on the proposition 13 bandwagon; that his credentials in that area were well established long before that vote. But, I think he makes a very serious mistake in so vigorously opposing this legislation. I think that one of the things we have to do—and I think my friend would agree with this—it is one thing to talk about too much Government, but we also have to look at where the Government can be utilized where no one else is going to do the job. We might agree that there is too much Government. There is also too much cancer, too many birth defects. I see the gentlewoman from New Jersey nodding agreement. I think she knows, as I know, from our committee examination with PCB's, that we desperately need some Government action in this area.

I will relate two stories that are rather close to me. First, I want to talk about a stream in my district called the Housatonic River. I think the gentleman might recall this discussion in our committee. This is one of the most beautiful trout fishing streams in America, and it is one of the most beautiful rivers to look at in America. In the last year or so it was discovered that this stream was seriously polluted by a factory upstream with PCB's. We have seen almost a panic come over the population of the northwest corner of the State with regard to the use of the river. Three PCB's are in the river and everyone is in a quandry as to what we can do about it.

We have found that these PCB's go down 10 feet into the river bottom. We cannot dredge, or else we might spread them more seriously. The Government tells us that 5 parts per million in fish is very serious. In our stream there are 38 parts per million. It is a tragic situation.

It is not going to be addressed without this program. We need a tremendous commitment here, not just a small commitment, but a real commitment. I want to see this problem addressed officially just as the gentleman does, but I can tell him that we have to have something done. And it must be done by Government.

Second, I had the rare occasion to go out on Chesapeake Bay with a charter captain yesterday. Some Members may know about problems with the striped bass, that when they do spawn now, it is not taking hold, and the fish are dying at a very small size. That has been attributed to chemicals in the Bay.

Again, the emphasis that the Carter administration is putting on prevention and control is absolutely critical. We cannot solve this problem without addressing the fact that half the PCB's that have been produced are still in the appliances, which will probably find their way into landfills and be seeping into streams. We have to figure not only what the impact is, but how we can reclaim those precious resources. And this bill represents an important part of that effort.

Mr. KOSTMAYER. Mr. Speaker, will the gentleman yield?

Mr. MOFFETT. I yield to the gentlewoman from Pennsylvania.

Mr. KOSTMAYER. Mr. Speaker, I wonder if the gentleman could answer a question. I understand and recognize the need for this measure, but I wonder if it is not excessive. They are adding 572 employees, and increasing funding from $16 million to $50 million when the President has requested $46 million. I recognize the merit of this program and I think it is very important, but I wonder if we are being somewhat excessive.

Mr. MOFFETT. Knowing the gentleman's concern for the protection of wild and scenic rivers, he knows that many of our streams, including the one I mentioned in my part of the country, are jeopardized and are now in danger of dying because of these chemicals. We are only now in recent months finding out how deadly these chemicals are, and with that discovery we are realizing how much work is going to have to be done.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I think we need to recognize that other bills really do not stretch as far as this one, and how much money is authorized there.

The authorization, therefore, in 1979 of the Water Quality Act is $617 million, compared to this $50 million; for the clean air, $200 million; and even safe drinking water, a very narrow program, is at $81 million; so this program is really within very close confines, considering the great magnitude of the problem.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ECKHARDT. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. MAGUIRE), a member of the committee.

Mr. MAGUIRE. Mr. Speaker, actually the Toxic Substances Control Act is a new act. That is the reason that increases in staff are required at this juncture. We started from zero just a little over a year ago, and the Agency has been moving as quickly as it can, not as quickly as the

Congress had intended but as quickly as it can, to absorb the additional staff in a coherent framework so that we can get along with this very important job.

Why are we doing this? Why is it so important? The fact of the matter is that we introduce a thousand new chemicals a year into the marketplace. The fact of the matter is that up until this legislation there was no systematic way of asking the question or answering the question as to whether these chemicals might not in fact be harmful to our citizens.

We also have projections which indicate something of the cost of not acting. Fifteen billion dollars a year is the figure that has been estimated for direct medical costs and indirect costs from loss of productivity and earning power as a result of cancer alone, never mind the many other diseases which are also potentially the result of exposures to toxic substances of one sort or another.

What I think this legislation indicates is that we have got to the point where it is no longer acceptable to deal on a crisis by crisis basis with each event. We have had Kepone, we have had leptophos, and we have had the PCB's and the PBB's. The list is very long. What we need now surely is a systematic program of gathering information and a rational approach to identifying those substances which may be harmful, and then taking appropriate steps with respect to those.

Perhaps you say it is an impossible task but in fact we know that there are relatively few of these substances that actually do cause cancer.

What we have now, fortunately, is a series of short test techniques, the in vitro test as opposed to the more detailed in vivo test or animal test. These short tests given in an overlapping battery of similar but different tests can give us a good indication of what may be hazardous and then they can be followed up as necessary with the in vivo test with animals.

And so we really are scientifically capable now of taking a rational step-by-step approach, which is not overly costly, to identify those substances which may in fact be harmful to us.

Therefore this additional staff and this additional money are needed so that we can do that job in the most careful possible way, so that we have quality control of the test data themselves, so that we can set priorities and move in a deliberate way from one set of priorities to the next.

We are not asking that we do something that cannot be done. All we are asking is that we take the precautions that really can be taken both in the private sector and in the public sector in order not to expose our public to the threat of cancer and other serious diseases unnecessarily.

So this is a sensible approach.

Mr. Speaker, I do agree with the gentleman from Connecticut (Mr. MOFFETT) when he says that we have got to look not just at whether this is "another example of regulation" but at whether it addresses a problem, whether it addresses that problem in a sensible way, and whether, in fact, the benefits of addressing it in this way far outweigh the cost of doing it. In this case I think we know the answer. I urge support of the legislation.

Mr. ECKHARDT. Mr. Speaker, I yield myself the remainder of the time, and I yield to the gentleman from Washington (Mr. MCCORMACK).

Mr. MCCORMACK. Mr. Speaker, I thank the gentleman from Texas (Mr. ECKHARDT) for yielding to me. I do not rise to comment on the merits of the bill, although I have some question as to the approach and whether we are indeed in danger because of certain chemicals and certain mediums, and what I am really concerned with is the use of the word "toxic." I think that most Americans know what the word "toxic" means and I believe that this will lead to extraneous litigation which will serve no useful purpose.

I realize that this is not the time to attempt to clarify the bill in order to use some other word, but I do take this opportunity in order to engage in a brief colloquy with the chairman of the subcommittee, the gentleman from Texas (Mr. ECKHARDT).

Mr. Speaker, I think we all realize that many substances can be dangerous and, indeed even fatal under certain conditions. One example is getting too much oxygen, which can be very dangerous to us. Medical history has examples showing that drinking too much water can be dangerous, they have had instances of individuals literally drowning because of drinking too much water. So we do have substances that we normally view as beneficial to us but which can well be dangerous to us.

Mr. ECKHARDT. I think those cases are rare.

Mr. MCCORMACK. But I think that it is better to exercise an allowable maximum concentration of any kind of substance in any given medium, rather than merely defining as toxic some substances and not all others.

We know, for instance, that chlorine and fluorine are dangerous halogens, yet they are also beneficial and are deliberately added to our drinking water in low concentrations, and they are therefore a benefit. But they are a toxic substance.

I wonder if the gentleman from Texas (Mr. ECKHARDT) the distinguished chairman of the subcommittee, would care to comment on this problem and what his thoughts might be about the future of this issue?

Mr. ECKHARDT. We have not actually used the word "toxic" in defining the regulatory authorities of the EPA. I think the gentleman is correct when he says that some toxic chemicals may be beneficial and that various chemicals and elements are toxic when they are abused or used unreasonably. It is for that reason that the language of the act grants authority to take action against chemicals that present "unreasonable risks."

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from Texas (Mr. ECKHARDT) that the House suspend the rules and pass the bill, H.R. 12441.

The question was taken.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on both motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

House Concurrent Resolution 612, by the yeas and nays, and H.R. 12441, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

CONDEMNING VIOLATIONS OF HUMAN RIGHTS BY THE GOVERNMENT OF UGANDA

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 612.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER), that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 612, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 377, nays 0, not voting 57, as follows:

[Roll No. 437]

YEAS—377

Abdnor	Blouin	Cederberg
Addabbo	Boggs	Chappell
Akaka	Boland	Chisholm
Alexander	Bolling	Clausen,
Ambro	Bonker	Don H.
Ammerman	Bowen	Clay
Anderson,	Brademas	Cleveland
Calif.	Breaux	Cochran
Andrews, N.C.	Breckinridge	Cohen
Andrews,	Brinkley	Coleman
N. Dak.	Brodhead	Collins, Ill.
Applegate	Brooks	Collins, Tex.
Archer	Broomfield	Conable
Ashbrook	Brown, Calif.	Conte
Ashley	Brown, Mich.	Corcoran
Aspin	Brown, Ohio	Corman
Badham	Broyhill	Cornell
Bafalis	Buchanan	Cornwell
Baldus	Burgener	Cotter
Barnard	Burke, Fla.	Coughlin
Baucus	Burke, Mass.	Crane
Bauman	Burleson, Tex.	Cunningham
Beard, R.I.	Burlison, Mo.	D'Amours
Bedell	Burton, John	Daniel, Dan
Benjamin	Burton, Phillip	Daniel, R. W.
Bennett	Butler	Danielson
Bevill	Byron	Delaney
Biaggi	Carney	Dellums
Bingham	Carr	Derrick
Blanchard	Carter	Derwinski

Devine	Kastenmeier	Railsback
Dickinson	Kazen	Regula
Dicks	Kemp	Reuss
Diggs	Ketchum	Richmond
Dingell	Keys	Rinaldo
Dodd	Kildee	Risenhoover
Dornan	Kindness	Roberts
Downey	Kostmayer	Robinson
Drinan	Krebs	Roe
Duncan, Oreg.	Krueger	Rogers
Duncan, Tenn.	LaFalce	Rooney
Early	Lagomarsino	Rose
Eckhardt	Latta	Rosenthal
Edgar	Leach	Rostenkowski
Edwards, Ala.	Lederer	Rousselot
Edwards, Calif.	Leggett	Roybal
Edwards, Okla.	Lehman	Rudd
Eilberg	Lent	Ruppe
Emery	Levitas	Russo
English	Livingston	Ryan
Erlenborn	Lloyd, Calif.	Santini
Ertel	Lloyd, Tenn.	Satterfield
Evans, Del.	Long, La.	Sawyer
Evans, Ga.	Long, Md.	Scheuer
Evans, Ind.	Lott	Schroeder
Fary	Lujan	Schulze
Fascell	Luken	Sebelius
Fenwick	Lundine	Seiberling
Findley	McClory	Sharp
Fish	McCloskey	Shipley
Fisher	McCormack	Shuster
Fithian	McDade	Sikes
Flippo	McDonald	Simon
Flood	McEwen	Sisk
Florio	McFall	Skelton
Flynt	McHugh	Skubitz
Foley	McKay	Slack
Ford, Mich.	McKinney	Smith, Iowa
Forsythe	Madigan	Smith, Nebr.
Fountain	Maguire	Snyder
Fowler	Mahon	Spellman
Fraser	Markey	Spence
Frenzel	Marks	Staggers
Fuqua	Marlenee	Stangeland
Gammage	Marriott	Stanton
Garcia	Martin	Stark
Gaydos	Mathis	Steed
Gephardt	Mattox	Steers
Giaimo	Mazzoli	Steiger
Gibbons	Meeds	Stockman
Gilman	Michel	Stokes
Ginn	Mikulski	Stratton
Glickman	Mikva	Studds
Goldwater	Miller, Calif.	Symms
Gonzalez	Mineta	Taylor
Gradison	Minish	Thompson
Grassley	Mitchell, Md.	Thone
Green	Mitchell, N.Y.	Thornton
Gudger	Moakley	Traxler
Guyer	Moffett	Treen
Hagedorn	Mollohan	Trible
Hall	Montgomery	Udall
Hamilton	Moore	Ullman
Hammer-schmidt	Moorhead, Calif.	Vander Jagt
Hanley	Moorhead, Pa.	Vanik
Hannaford	Moss	Vento
Hansen	Mottl	Volkmer
Harkin	Murphy, N.Y.	Waggonner
Harrington	Murphy, Pa.	Walgren
Harris	Murtha	Walker
Harsha	Myers, Gary	Walsh
Hawkins	Myers, John	Wampler
Heckler	Myers, Michael	Watkins
Hefner	Natcher	Weaver
Heftel	Neal	Weiss
Hightower	Nichols	White
Hillis	Nowak	Whitehurst
Hollenbeck	O'Brien	Whitley
Holt	Oakar	Whitten
Holtzman	Oberstar	Wiggins
Horton	Obey	Wilson, Bob
Howard	Ottinger	Wilson, C. H.
Hubbard	Patten	Wilson, Tex.
Hughes	Patterson	Winn
Hyde	Pattison	Wirth
Ichord	Pease	Wright
Ireland	Perkins	Wydler
Jacobs	Pettis	Wylie
Jeffords	Pickle	Yates
Jenkins	Pike	Yatron
Johnson, Calif.	Poage	Young, Alaska
Johnson, Colo.	Pressler	Young, Fla.
Jones, N.C.	Preyer	Young, Mo.
Jones, Okla.	Price	Young, Tex.
Jones, Tenn.	Pursell	Zablocki
Jordan	Quayle	Zeferetti
Kasten	Rahall	

NAYS—0

NOT VOTING—57

Allen	Frey	Pritchard
Anderson, Ill.	Goodling	Quie
Annunzio	Gore	Quillen
Armstrong	Holland	Rangel
AuCoin	Huckaby	Rhodes
Beard, Tenn.	Jenrette	Rodino
Beilenson	Kelly	Roncalio
Bonior	Le Fante	Runnels
Burke, Calif.	Mann	Sarasin
Caputo	Metcalfe	Solarz
Cavanaugh	Meyner	St Germain
Clawson, Del	Milford	Stump
Conyers	Miller, Ohio	Teague
Davis	Murphy, Ill.	Tsongas
de la Garza	Nedzi	Tucker
Dent	Nix	Van Deerlin
Evans, Colo.	Nolan	Waxman
Flowers	Panetta	Whalen
Ford, Tenn.	Pepper	Wolff

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Allen.
Mr. Ford of Tennessee with Mr. Caputo.
Mr. St Germain with Mr. Del Clawson.
Mr. Waxman with Mr. Dent.
Mr. Wolff with Mr. Anderson of Illinois.
Mr. Panetta with Mr. Kelly.
Mr. Pepper with Mr. Frey.
Mrs. Meyner with Mr. Cavanaugh.
Mr. Jenrette with Mr. Armstrong.
Mr. Gore with Mr. Quie.
Mr. AuCoin with Mr. Sarasin.
Mr. Annunzio with Mr. Stump.
Mrs. Burke of California with Mr. Quillen.
Mr. Conyers with Mr. Beard of Tennessee.
Mr. Davis with Mr. Tucker.
Mr. Beilenson with Mr. Whalen.
Mr. Bonior with Mr. Nix.
Mr. de la Garza with Mr. Evans of Colorado.
Mr. Flowers with Mr. Goodling.
Mr. Huckaby with Mr. Holland.
Mr. Mann with Mr. Metcalfe.
Mr. Murphy of Illinois with Mr. Miller of Ohio.
Mr. Nolan with Mr. Milford.
Mr. Van Deerlin with Mr. Nedzi.
Mr. Rangel with Mr. Teague.
Mr. Solarz with Mr. Tsongas.
Mr. Roncalio with Mr. Runnels.

Mr. STOCKMAN changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

AUTHORIZATION FOR TOXIC SUBSTANCES CONTROL ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill,

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ECKHARDT) that the House suspend the rules and pass the bill, H.R. 12441, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 190, nays 188, not voting 56, as follows:

[Roll No. 438]

YEAS—190

Addabbo	Foley	Moss
Akaka	Ford, Mich.	Murphy, N.Y.
Alexander	Fowler	Murphy, Pa.
Ambro	Fraser	Myers, Gary
Aspin	Fuqua	Myers, Michael
Baldus	Garcia	Neal
Bedell	Gibbons	Oakar
Biaggi	Gilman	Oberstar
Bingham	Ginn	Obey
Blanchard	Gradison	Ottinger
Blouin	Green	Patten
Boggs	Hamilton	Patterson
Boland	Hanley	Pattison
Bolling	Hannaford	Perkins
Bonker	Harkin	Pickle
Brademas	Harrington	Preyer
Brodhead	Harris	Price
Brooks	Hawkins	Pritchard
Brown, Calif.	Heckler	Pursell
Broyhill	Hefner	Rahall
Buchanan	Heftel	Rangel
Burke, Mass.	Hightower	Reuss
Burlison, Mo.	Hollenbeck	Richmond
Burton, John	Holtzman	Rinaldo
Burton, Phillip	Horton	Roe
Carney	Howard	Rogers
Carr	Hughes	Rooney
Carter	Jeffords	Rosenthal
Cederberg	Kasten	Rostenkowski
Chisholm	Kastenmeier	Roybal
Clausen, Don H.	Keys	Russo
Clay	Kildee	Ryan
Cohen	Kostmayer	Scheuer
Collins, Ill.	Krueger	Schroeder
Conte	LaFalce	Seiberling
Corcoran	Lederer	Sharp
Corman	Leggett	Shipley
Cornell	Lehman	Simon
Cornwell	Lent	Skubitz
Coughlin	Levitas	Smith, Iowa
Danielson	Lloyd, Calif.	Spellman
Delaney	Long, La.	Staggers
Dellums	Long, Md.	Stark
Derrick	Luken	Steers
Dicks	Lundine	Steiger
Diggs	McCormack	Stokes
Dingell	McDade	Studds
Dodd	McFall	Thompson
Downey	McHugh	Thornton
Drinan	Maguire	Traxler
Duncan, Oreg.	Markey	Treen
Early	Marks	Udall
Eckhardt	Mattox	Vanik
Edgar	Meeds	Vento
Edwards, Calif.	Mikulski	Weaver
Eilberg	Mikva	Weiss
Fary	Miller, Calif.	White
Fascell	Mineta	Wirth
Fenwick	Minish	Wright
Fish	Mitchell, Md.	Wydler
Fisher	Mitchell, N.Y.	Wylie
Flood	Moakley	Yates
Florio	Moffett	Zablocki
	Moorhead, Pa.	

NAYS—188

Abdnor	Breaux	Daniel, Dan
Ammerman	Breckinridge	Daniel, R. W.
Anderson, Calif.	Brinkley	Derwinski
Andrews, N.C.	Broomfield	Devine
Andrews, N. Dak.	Brown, Mich.	Dickinson
Applegate	Brown, Ohio	Dornan
Archer	Burgener	Duncan, Tenn.
Ashbrook	Burke, Fla.	Edwards, Ala.
Ashley	Burleson, Tex.	Edwards, Okla.
Badham	Butler	English
Bafalis	Byron	Erlenborn
Barnard	Chappell	Ertel
Baucus	Cleveland	Evans, Del.
Bauman	Cochran	Evans, Ga.
Beard, R.I.	Coleman	Evans, Ind.
Benjamin	Collins, Tex.	Findley
Bennett	Conable	Fithian
Bevill	Cotter	Flippo
Bowen	Crane	Flynt
	Cunningham	Forsythe
	D'Amours	Fountain

Frenzel	McClory	Sawyer
Gammage	McCloskey	Schulze
Gaydos	McDonald	Sebelius
Gephardt	McEwen	Shuster
Giaimo	McKay	Sikes
Glickman	McKinney	Sisk
Goldwater	Madigan	Skelton
Gonzalez	Mahon	Slack
Grassley	Marlenee	Smith, Nebr.
Gudger	Marriott	Snyder
Guyer	Martin	Spence
Hagedorn	Mathis	Stangeland
Hall	Mazzoli	Stanton
Hammer-schmidt	Michel	Steed
	Mollohan	Stockman
Hansen	Montgomery	Stratton
Harsha	Moore	Symms
Hillis	Moorhead, Calif.	Taylor
Holt		Thone
Hubbard	Mottl	Trible
Hyde	Murtha	Ullman
Ichord	Myers, John	Vander Jagt
Ireland	Natcher	Volkmer
Jacobs	Nichols	Waggonner
Jenkins	Nowak	Walgren
Johnson, Calif.	O'Brien	Walker
Johnson, Colo.	Pease	Walsh
Jones, N.C.	Pettis	Wampler
Jones, Okla.	Pike	Watkins
Jones, Tenn.	Poage	Whitehurst
Jordan	Pressler	Whitley
Kazen	Quayle	Whitten
Kemp	Railsback	Wiggins
Ketchum	Regula	Wilson, Bob
Kindness	Risenhoover	Wilson, C. H.
Krebs	Roberts	Wilson, Tex.
Lagomarsino	Robinson	Winn
Latta	Rose	Yatron
Leach	Rousselot	Young, Alaska
Livingston	Rudd	Young, Fla.
Lloyd, Tenn.	Ruppe	Young, Mo.
Lott	Santini	Young, Tex.
Lujan	Satterfield	Zeferetti

NOT VOTING—56

Allen	Ford, Tenn.	Pepper
Anderson, Ill.	Frey	Quie
Annunzio	Goodling	Quillen
Armstrong	Gore	Rhodes
AuCoin	Holland	Rodino
Beard, Tenn.	Huckaby	Roncalio
Bellenson	Jenrette	Runnels
Bonior	Kelly	Sarasin
Burke, Calif.	Le Fante	Solarz
Caputo	Mann	St Germain
Cavanaugh	Metcalfe	Stump
Clawson, Del	Meyner	Teague
Conyers	Milford	Tsongas
Davis	Miller, Ohio	Tucker
de la Garza	Murphy, Ill.	Van Deerlin
Dent	Nedzi	Waxman
Emery	Nix	Whalen
Evans, Colo.	Nolan	Wolff
Flowers	Panetta	

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio and Mr. Murphy of Illinois for, with Mr. Teague against.

Mrs. Meyner and Mr. Jenrette for, with Mr. Runnels against.

Mr. Le Fante and Mr. Ford of Tennessee for, with Mr. Kelly against.

Mr. Bonior and Mr. Nedzi for, with Mr. Frey against.

Mr. Wolff and Mr. Pepper for, with Mr. Beard of Tennessee against.

Mrs. Burke of California and Mr. Conyers for, with Mr. Miller of Ohio against.

Mr. Whalen and Mr. Caputo for, with Mr. Sarasin against.

Mr. Van Deerlin and Mr. Waxman for, with Mr. Del Clawson against.

Mr. Solarz and Mr. Metcalfe for, with Mr. St Germain against.

Until further notice:

Mr. AuCoin with Mr. Allen.
Mr. Davis with Mr. Cavanaugh.
Mr. de la Garza with Mr. Dent.
Mr. Emery with Mr. Evans of Colorado.
Mr. Gore with Mr. Goodling.
Mr. Huckaby with Mr. Anderson of Illinois.
Mr. Mann with Mr. Holland.
Mr. Nolan with Mr. Milford.
Mr. Nix with Mr. Tucker.
Mr. Tsongas with Mr. Armstrong.
Mr. Flowers with Mr. Quie.
Mr. Quillen with Mr. Stump.

Mr. HILLIS and Mr. DUNCAN of Tennessee changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

TRANSPORTATION APPROPRIATION, FISCAL YEAR 1979

Mr. McFALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. McFALL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12933, with Miss JORDAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Friday, June 9, 1978, all time for general debate had expired. The Clerk had read through line 5, page 33, and pending was an amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The Chair recognizes the gentleman from Pennsylvania (Mr. SHUSTER) for 5 minutes in support of his amendment.

Mr. SHUSTER. Madam Chairman, since I came to this House 6 years ago and served on the Surface Transportation Subcommittee, I have been deeply committed to highway safety; and indeed, I am the author of portions of the present highway safety law. If the hard evidence showed that airbags would do the job, I would be vigorously supporting airbags. However, the hard evidence simply does not show that.

One hundred sixty Members cosponsored the resolution of disapproval. However, they were denied the opportunity for the House to express its will on the airbag issue. The resolution was bottled up in committee by a 16-to-14 vote, and indeed I would remind the House that 16 members of the Interstate and Foreign Commerce Committee is not even a majority of that 43-member committee.

So this appropriation bill, while not the best vehicle, is the only vehicle left for Members to express themselves on an issue affecting the lives and pocketbooks of millions of Americans. There are five reasons why the mandatory airbag passive restraint regulation should be opposed.

Airbags are unproven. Just one statistic, for example, shows that on 12,000 airbag-equipped cars in real world use, thus far there have been 287 towaway crashes. Of these 287 towaway crashes, the airbag did not inflate in 122 of those crashes. This is not a Bud Shuster statistic. This statistic was provided and confirmed by NHTSA, the agency downtown, and 122 noninflations out of 287 towaway crashes means that the airbag did not inflate in 42 percent of the crashes.

Those who support the airbag say: "But it was not supposed to." They say a seatbelt is needed along with the airbag, but if seatbelts are needed, why not use the existing belt systems rather than laying a new regulation on the American people?

The next reason this mandatory regulation should be opposed at this time is because of the added cost to consumers. Depending on whom you want to listen to, the cost of an airbag ranges anywhere from $100 to $300, but that is not all. There is an additional cost to replace the airbag once deployed, and that's 2½ to 3 times the factory installation charge.

The unproven character of the airbag is not the only reason for opposing this mandate. Another reason is the added cost to consumers, which could amount to between $1 billion and $2 billion per year for the American consumers.

Another reason for opposing this mandate is because there is indeed a proven alternative, and that proven alternative is the seat belt system which is already in 95 percent of the cars. Mandating a less safe system, the airbag, is indeed a mandate of a less safe system for the 43 million Americans who do wear the seat belts.

Another reason for opposing this mandate is because of the chemical used in the airbag, sodium azide, which is the leading chemical for use in the inflation of the bags. The chemical sodium azide legally is defined as a hazardous material which is a proven mutagenic and probably a carcinogenic as well. It is ironic that just a few minutes ago the supporters of the airbags were in this House supporting the Toxic Substances Act and a great increase in the amount of that appropriation, but then they turn their backs on this very substance which has been demonstrated to be a danger, sodium azide.

Another reason for opposing this airbag mandate is the record of the agency NHTSA downtown, and that record is deplorable. I would remind this House this is the same agency that is mandating this airbag passive restraint system that gave the people the mandatory buzzer interlock system.

That is a brake standard which has been linked to 18 deaths on the highway thus far. Indeed, a Federal Court in San Francisco, just several weeks ago, ruled against it and said it was an illegal abuse of discretionary power of the agency.

For these reasons, Madam Chairman, this airbag mandate should be opposed in the only way we can oppose it by supporting my amendment.

Mr. McFALL. Madam Chairman, I rise in opposition to the amendment offered

by the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. McFALL. Madam Chairman, this is, I believe, the only amendment remaining on this appropriation bill. I would hope that we could deal with it with some dispatch so we could vote on final passage and get on with the rest of the legislation for today.

Madam Chairman, I rise in opposition to this amendment. The amendment, as I understand it, would prohibit activities relating to a standard or regulation which would require any motor vehicle to be equipped with an occupant restraint system other than a belt system.

In June 1977, Secretary Adams promulgated a standard that requires the phased introduction of passive restraints, either automatic belt systems or airbags, into production by 1982. The auto industry and the potential airbag suppliers have committed themselves to meeting the requirements of the standard and have already assigned substantial personnel and committed millions of dollars to airbag development programs.

This amendment would not affect the standard itself, but would create substantial uncertainty among the manufacturers. Manufacturers would have to continue to work toward the implementation of the standard, but without any assurance that the standard would or would not ultimately be enforced.

The airbag issue has been carefully considered by the responsible legislative committee. That committee voted late last year against a resolution that would have overturned the passive restraint standard promulgated by Secretary Adams. I believe that the airbag issue is an appropriate one for the legislative committee. The legislative committee heard a considerable amount of testimony and I am sure made its decision on the basis of that testimony. I believe that the issue raised by the amendment has been decided in the appropriate forum and therefore, I oppose its adoption on the appropriations bill.

I wonder, Madam Chairman, if we could get some understanding of how many Members want to speak on this amendment, and then perhaps we could get a limitation of time.

Well, perhaps there are too many at this point to indicate any kind of reasonable time limit.

Madam Chairman, I oppose the amendment.

Mr. CLEVELAND. Madam Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Madam Chairman, I take this time to speak in support of the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

I do not know what legislative committee the gentleman was referring to but I can tell the Members this that the committee of oversight, the Subcommittee on Investigations and Reviews of the Committee on Public Works, just last week concluded 3 days of hearings on the subject of seatbelt safety which is closely interrelated with the airbag issue. The expert testimony that we received in that committee was very much in support of the remarks made by the gentleman from Pennsylvania (Mr. SHUSTER). I wish to associate myself with that gentleman's remarks because the evidence we received was that, by supporting the airbags, NHTSA is sort of giving up on seatbelts. The evidence is that seatbelts and shoulder belts are far superior than the airbags.

Most of the evidence we have is that even with the air bag you will still need the seatbelt but if you have the proper seatbelt and shoulder harness you would not need the air bag. That is the testimony that we received in the Committee on Public Works Subcommittee on Investigation and Review. The chairman of that subcommittee is on the floor now. I am sure that when the time comes the gentleman from Georgia (Mr. GINN) himself will substantiate the evidence I am giving you.

As I say, they had 3 days of hearings just last week on this issue.

Mr. McFALL. The committee that I was referring to, the committee that has jurisdiction of this, is the Interstate and Commerce Committee, and, of course, the members of that commitee are here to participate in the debate. We will have, I would think, an extensive debate.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McFALL was allowed to proceed for 1 additional minute.)

Mr. McFALL. The real problem is, it seems to me, that we cannot get the people of this country to put on seatbelts. If everybody would wear their seatbelts, I agree with the gentleman, the seatbelt is far preferable. But only 25 percent of the people of this country will wear a seatbelt, so something else has to be done. It seems to me that this passive restraint standard is a way to accomplish that.

Mr. CONTE. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Madam Chairman, at the outset I believe it was myself and the gentleman from Oklahoma (Mr. STEED) who stopped the interlock system in our committee when it was up a few years ago. I have mixed feelings about this airbag, as the Chairman knows. I asked a lot of questions in committee and expressed my disappointment with the airbag. But I begged the gentleman from Pennsylvania—I begged him, and he knows it—not to offer this amendment in this bill. First of all, let us not kid anyone. The airbag does not go into effect until 1982. He is putting in an amendment to an appropriations bill that only affects the fiscal year 1979, so he is doing nothing—absolutely nothing. Let the people in this country know it.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding.

I would be quick to say that this is not the ideal vehicle to which this should be offered. However, because it was bottled up in the legislative committee, it is the only vehicle, and this is a first step to send a message to the bureaucrats downtown that the Members of this Congress do not want this kind of further regulation over the lives of the American people without solid evidence.

Mr. CONTE. Let me tell the gentleman from Pennsylvania that his vehicle does not even have wheels on it. It does nothing—zilch. Zilch. If you want to vote for zilch, vote with the gentleman from Pennsylvania today, because this affects fiscal year 1979, and airbags do not go into effect until 1982. Whom are we kidding?

Madam Chairman, as I said, I oppose the gentleman's amendment which in effect would cut off the funding for the implementation or enforcement of any standard which requires airbags to be installed. The gentleman does correctly point out at this time that there are serious problems with the airbag technology, but, as I have said, the airbag amendment offered does nothing to encourage improvements in this system which promises safety benefits in the future. I could find no immediate need for the language suggested, and I am going to repeat: Airbags are not required until 1982 and then only in the large cars. Moreover, automakers have a choice. They may use the belt passive restraints rather than the airbags, if they feel this system is superior.

Mr. SHUSTER. Madam Chairman, will the gentleman yield on that point?

Mr. CONTE. I will be glad to yield to the gentleman.

Mr. SHUSTER. I thank the gentleman for yielding.

Perhaps the gentleman is aware of the fact that the passive belt system, indeed, does hold great promise, but can only be used in cars with bucket seats.

Mr. CONTE. In the Volkswagen.

Mr. SHUSTER. It only has been used in the Volkswagen Rabbit.

Mr. CONTE. I know that.

Mr. SHUSTER. Therefore, it is a bit misleading, and I am sure the gentleman does not want to do that, to suggest that there is an alternative to the airbag, because there really is not except in a certain kind of car.

Mr. CONTE. I say the automakers will have a choice, though, and they can do that.

Now, the authorizing committees is the place to do it, have time to investigate the wisdom of whether or not airbags are technologically sound enough to be one of the two mandated systems. This issue belongs more properly within the jurisdiction of that particular committee. This is the Appropriations Committee.

The committee report, on page 33 states that the Ninth Circuit Court of Appeals in the 121 Brakes Case chided NHTSA for failure to conduct compliance testing when critical problems developed with the mass production of vehicles designed to meet that standard. The committee directed NHTSA to carefully re-

view its procedures for development of all standards which require the mass production of safety equipment, including airbags and other passive restraints.

I put that language in the report.

In other words, the committee has sent NHTSA a message along the lines favored by the gentleman from Pennsylvania. We expect them to insure that airbags are shown to be effective in the real world before they are foisted upon the public. I believe that the language is the most reasonable course of action at this time.

Therefore, I urge this amendment be defeated.

Mr. LEDERER. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the amendment of the gentleman from Pennsylvania (Mr. SHUSTER) to appropriate "No funds in this bill for implementation or enforcement of standards or regulations requiring any motor vehicle to be equipped with a occupant restraint system, other than the belt system."

There are a number of excellent reasons why we should support this amendment:

First, safety belts are better and are already on some 95 percent of all cars. It is a fact that if seat belts are worn, they prevent fatalities by some 4.7 times greater effectiveness than airbags. Additional, safety belts reduce injuries by some 2.6 times more than airbags. Thus, for Americans who used them, safety belts are much more effective at reducing death or injury than proposed airbags.

Second, reports I have seen indicated that the chemical propellant used in airbags is extremely dangerous. In view of the most recent charges by the Federal Government on possible cancer causing substances in food and food preparation, I feel it inconceivable that this House would allow the use of a chemical which has been classified as a "hazardous materal" and which has possible mutagenic qualities. Sufficient doubt does exist to make me very skeptical about the use of this chemical in the cars of Americans. We have been legislating the reduction of potential cancer causing substances in the environment and now we are asking Americans to endure such a substance in the front seat of their automobiles. For this reason alone I urge Members to support this amendment.

Third, airbags are estimated to cost an additional $200 per automobile. In terms of the entire economy, this could add some $20 billion more in costs to consumers. Americans have indicated their desire to reduce the costs of goods they purchase. We are proposing to add a major cost incurred by some 100 million Americans. Simply, by not passing the Shuster amendment we have effectively offset any proposed tax reduction; since this House has indicated its desire to give $19 billion in tax relief. The cost of this program is 1 billion over that proposed tax cut. This is hardly the type of reasonable legislating we are capable of.

Fourth, I am supporting the Shuster amendment because of the deplorable track record of the National Highway Transportation Safety Administration in requiring such safety standards.

Can any Member forget the famous seatbelt buzzer interlock of a few years ago? This Congress was forced by public opinion to overturn that infamous decision.

Madam Chairman, I for one am not prepared to rubberstamp the actions of another Federal bureau until they can prove to my satisfaction that these regulations are really in the best interests of the consuming public. Too many times, Washington arrogantly tells Americans how to live their lives. I would hate to give NHTSA the opportunity once again.

Madam Chairman, the airbag/passive restraint mandate should be rejected until a better case is made.

Thus, I strongly urge my colleagues to support the Shuster amendment.

Mr. MOSS. Madam Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from California.

Mr. MOSS. Madam Chairman, is the gentleman aware that NHTSA did not bring about the buzzer? The interlock was arranged at a meeting at the White House attended by Mr. Henry Ford and the then President of the United States. It was directed by the President that the agency adopt the standard. They opposed that standard all the way.

Mr. LEDERER. Madam Chairman, I thank the gentleman.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Then, Madam Chairman, if the agency opposed the interlock, let me ask the gentleman from California (Mr. Moss), why did the agency not withdraw it once they had all the information that was brought forward?

The fact remains that it was NHTSA which promulgated the regulation. That is a fact. Now, whether they did it kicking and screaming is another thing, but it is a matter of public record that this agency promulgated the regulation and refused to withdraw it.

Mr. LEDERER. Madam Chairman, I thank the gentleman.

Mr. MOSS. Madam Chairman, will the gentleman yield briefly once again?

Mr. LEDERER. I yield to the gentleman from California.

Mr. MOSS. Madam Chairman, I doubt very much that when the President ordered the agency to adopt it, they were about to withdraw it. They merely complied with the directive of the President.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Madam Chairman, I thank the gentleman for yielding.

The gentleman mentioned that the cost of this particular regulation would be about $200.

Mr. LEDERER. Per car.

Mr. EDGAR. Madam Chairman, I have information from estimates by NHTSA that it would cost about $112 to the consumer. But the more pressing point that needs to be made is that a whopping $40 billion per year is lost through auto insurance claims. If we do not move to a positive program of saving lives through the airbag or through passive restraints we will continue to push large economic burdens on the American public.

I am very much opposed to the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER) and would indicate that it occurs to me that the cost of medical expenses ought to be calculated into the cost of the airbag issue.

The cost could be offset by reduced insurance rates, medical care costs, and so forth. The passive restraint will reduce the health care cost by upward of $5 billion. This savings will percolate through the economy, and the net cost of passive restraint should be marginal.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, I thank the gentleman for yielding.

With specific reference to the cost of the airbag being around $100, the General Accounting Office has informed me as of last week that its investigation thus far has revealed that a more realistic figure is close to $227, and, further, that NHTSA arrived at its $100 estimate by a gerrymandering technique.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. LEDERER) has expired.

(On request of Mr. SHUSTER, and by unanimous consent, Mr. LEDERER was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. Madam Chairman, if the gentleman will yield further and if I may continue, NHTSA arrived at its $100 estimate by using a gerrymandering technique whereby it used the lowest available cost of each component, even though all the components could not be purchased and assembled at that price. This tells us a little about that agency downtown.

Mr. DICKS. Madam Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from Washington.

Mr. DICKS. Madam Chairman, since we are talking about gerrymandering, I notice that the gentleman quotes from some statistics that were put into the "Dear Colleague" letter that the gentleman from Pennsylvania (Mr. SHUSTER) sent around. That "Dear Colleague" letter suggests it would be safer to run into a wall at 30 miles an hour with no restraints than it would be with an airbag.

Now, commonsense simply defies those figures. It has got to be safer to have an airbag than to have no restraint at all. Yet those same kinds of gerrymandering figures have been put into this "Dear Colleague" letter, and I would suggest to my colleagues that they take a look at that.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, I thank the gentleman for yielding, and I also thank the gentleman from Washington (Mr. DICKS) for bringing up this point. It is a very significant point.

The statistics in my letter were not created by BUD SHUSTER; these statistics were provided by NHTSA and are supposed to be fully accurate.

Mr. DICKS. But they defy commonsense, and I am sure the gentleman will admit it.

Will the gentleman take my challenge that we both go out and run into a wall at 30 miles an hour, he with no restraint and me with an airbag?

Mr. SHUSTER. I would not defend the statistics of NHTSA, and when the gentleman from Washington does so, he makes my case for me. If there is something funny about those statistics, then NHTSA should go back and do a further study, but they bring forward statistics which cannot be justified. I thank the gentleman for making my case.

Mr. DICKS. The gentleman's case defies commonsense.

Mr. SHUSTER. Would the gentleman want me to defend the numbers?

Mr. DICKS. The gentleman's position defies commonsense.

Mr. ROBERT W. DANIEL, JR. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the amendment offered by the distinguished gentleman from Pennsylvania (Mr. SHUSTER).

When seatbelts were made generally available to auto buyers, auto safety took an important step forward. Seatbelts are effective and relatively inexpensive devices that the driver and passengers may choose to use for their own protection. I have used seatbelts in my car for over 22 years. My 1955 Oldsmobile had seatbelts when most people thought about speed and power rather than safety.

A few years ago, the National Highway Traffic Safety Administration (NHTSA) decided that not enough people were using their car's seatbelts. It mandated passive restraints, generally airbags, for our automobiles. Its action is an extreme example of the "people-are-sheep" mentality Government often displays. We are, it reasons, too dull to make routine decisions for ourselves, so Government must be the shepherd and make decisions for us. In this case the Government shepherd is pulling the wool over our eyes.

Airbags will not do the job NHTSA wants us to believe they will. First of all, airbags are ineffective. Test data indicates that they have not inflated in 42 percent of the most serious accidents. They will, perhaps, instill a false sense of security in people who believe they are reliable.

Airbags are not true passive restraints. A lapbelt is needed for complete protection. As you recall, the airbag was conceived because people supposedly will not wear their seatbelts.

Airbags, like so many Government-mandated programs, are expensive. We cry about inflation in one breath, then in the next we talk about the need to add $200 to an automobile's cost.

Finally, I resent the NHTSA's "big brother" attitude. I use my seatbelts and urge my friends, family, and acquaintances to do the same, but I do so as a result of my own decision, not Government order.

Former President Ford's Secretary at Transportation, William Coleman, had proposed a massive but voluntary airbag test program to see if they truly provide protection. Instead NHTSA has initiated a universal program for a device that is perhaps, at best, ineffective.

I urge a vote to overturn NHTSA, just as we overturned the onerous seatbelt interlock. If we do not, NHTSA will continue to press for the airbag with all the enthusiasm and candor of a snake oil salesman.

Mr. BROOMFIELD. Madam Chairman, will the gentleman yield?

Mr. ROBERT W. DANIEL, JR. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Madam Chairman, I wholeheartedly support this amendment to prevent the National Highway Traffic Safety Administration from using any appropriated funds to implement or enforce the mandatory airbag regulation.

The mandatory airbag regulation would qualify as the classic consumer ripoff because airbags are both costly and ineffective.

It is estimated that the airbag will cost the consumer an additional $200 initially to pay for it, and $600 to reinstall it after firing. This cost, of course, will be reflected in increased insurance rates as well.

Yet, for this additional cost, the consumer will get very little. The National Highway Traffic Safety Administration itself admits that airbags are not as effective as the lap and shoulder harness system which is already in 95 percent of the cars on the road. The airbags offer protection in frontal crashes, but they are ineffective in rollovers, side impacts, rear-end collisions, and multiple-impact crashes.

Further, in 287 tow-away accidents involving airbag-equipped cars studied by NHTSA, the airbag did not deploy in 42 percent of the cases.

The effectiveness of airbags by themselves is so questionable that NHTSA has had to amend its original regulation to require lap belts with the airbags. So, if we must buckle up to be safe anyway, why not save the people the cost of the airbag and keep the three-point harness system which provides greater protection.

Madam Chairman, there is an additional issue involved in the question of mandatory airbags which goes beyond the cost and effectiveness. That issue involves the question of the proper role of government in a free society.

Granted, the effectiveness of the seat belt-shoulder harness system is diminished because everyone does not use it. However, when the Government feels it must act like the great shepherd protecting the flock from its own folly, I believe Government has exceeded its rightful role.

The Government certainly should encourage the use of safety features but, in the end, a free people should be left to make their own decision.

Madam Chairman, I am pleased that we in the House will finally have an opportunity to vote of this important issue. Last year, even though 160 Members, including myself, cosponsored a resolution of disapproval of the NHTSA order, we were never permitted to debate or vote on this matter.

Finally, through this amendment, we are able to work the will of Congress and the people on the question of mandatory airbags. I encourage my colleagues to join me in supporting this worthy amendment to stop NHTSA's needless and costly regulation.

Mr. ECKHARDT. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Madam Chairman, there are really two reasons why I believe the House should vote against this amendment, and they are related reasons.

The first reason is that if we continue to operate on this floor by virtue of limitations on appropriations bills, we will have to rely on what one person says on one side of the House or on one side of the question and what one says on the other side, without sufficient consideration of the facts.

For instance, in this case is has been said that in 44 percent of the cases airbags did not deploy, did not work. But those cases are the cases which are called tow-away collisions. How many of us have had a fender bender that was a tow-away collision? If a wheel scrapes on the fender or if, for instance, the fan is driven into the radiator, it is a tow-away collision, but it may have been at a very slow speed.

Our committee has, for instance, found that a collision at 5 miles per hour may occasion the damages to the average car to cost around $200 or $300. The time when airbags are supposed to deploy is when the collision is one which would otherwise result in death.

We are talking here about life and death, and we are talking about saving 9,000 lives per year with airbags.

It has been said, "It would be just as good if people would use their seat belts and their shoulder harness." It would not be quite as good; but, indeed, it would save some 5,000 to 7,000 lives more today if they did so at a rate of 60 percent usage. They are used at 20 percent usage today.

In this instance we are not compelling anybody to do anything other than the manufacturer to supply a safe vehicle.

Madam Chairman, if we were asking for a law that would require people to fasten their seat belts or be arrested, I would be against it. I would be against it immediately on the grounds that have been raised here. That is not what we are doing. We are saying to the manufacturer, "Put something in that car which may cost, in accordance with the Gov-

ernment's estimates, $112. According to some of the industry's estimates, it would cost $230."

Take either figure. Are not 9,000 lives worth it?

Besides that, is there any real cost? The estimates that have been made by responsible insurance companies show that when airbags are fully deployed the savings per year in insurance will be $30. Divide that into either $112 or $230 and decide whether that little difference amounts to anything. Actually, there is no difference. If one keeps a car 3 or 4 years, he should decide whether that little additional cost is worth the nameless and unlimited miseries that mean 9,000 lives today. Divide that into—what was it?—45,000 lives during the first years of the Vietnam war.

Madam Chairman, how many years will we continue to lose lives needlessly by not deploying means by which lives can be saved?

I know everybody today is concerned about bureaucracy and how it injects itself into persons' lives. If it costs money, all right, let us consider that; but when the question is whether or not a reasonable provision for saving 9,000 lives will be given a chance, let us not reverse what has been decided and what has been decided in the other body by a vote in rejecting something like the Shuster amendment, an amendment which our subcommittee found was a very, very bad proposal. We recommended against it, and the full committee recommended against it.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has expired.

(On request of Mr. SHUSTER and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, I thank the gentleman for yielding.

I would like to ask the gentleman this question: Is the estimate of 9,000 lives saved an estimate based on real-world experience with the airbag, or is it based on laboratory tests and extrapolations therefrom?

Mr. ECKHARDT. It is based on all available statistics that we could get hold of.

Mr. SHUSTER. Does that include real-world experiences?

Mr. ECKHARDT. Yes, it does. It includes that, but it is not exclusively based upon it.

Mr. SHUSTER. The gentleman knows that real-world experience is something different.

Mr. WIRTH. Madam Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Colorado.

Mr. WIRTH. Madam Chairman, I thank the gentleman for yielding.

In answer to the question of the gentleman from Pennsylvania (Mr. SHUSTER) there were 600 million miles of road tests of automobiles with airbags.

Ordinarily, without that kind of protection, one would expect 20 fatalities.

However, in that 600 million miles driven by cars with airbags in them, there were only three fatalities, as opposed to what would be an anticipated 20 fatalities.

It seems to me that that is pretty good evidence of the fact that a great deal of the road testing indicates that the airbags would save a number of lives.

Mr. DINGELL. Madam Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. Madam Chairman, the answer was that there was no road testing which amounted to a row of beans. They put 200 cars in a bunch, drove them, and there was a number of accidents with them. There was no lengthy testing.

Mr. ECKHARDT. Madam Chairman, I disagree with the gentleman.

We heard this matter for days. We had as much as 3,000 committee hours in looking into these statistics, and there is no question but that the use of airbags is the best lifesaver that has been devised.

Had that not been the case, we would not have recommended it. The Senate agreed with the same proposition, and both the subcommittee and the committee of the House agreed with it.

Mr. WIRTH. Madam Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Colorado.

Mr. WIRTH. Madam Chairman, I thank the gentleman for yielding to me.

The allegation was also made that a number of devices had gone off unexpectedly. That is not true. The head of General Motors pointed out that only one had gone off unexpectedly.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(At the request of Mr. GARY A. MYERS and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, the discussion continually gets back to the mandated airbag situation, about which there is controversy. I had supported Mr. SHUSTER in that position before. However, the thing that concerns me is that they ignore the fact that passive seatbelts are much cheaper. As I understand it, they are somewhere in the neighborhood of $25 per car. In my opinion, if it is designed correctly it appears to give the protection of the current lap and shoulder harness technology, which endorses the position of Mr. SHUSTER in that there is a safer technology than the airbag because most of us assume that if people do not buckle up now, they are not going to buckle up the belt that goes with the airbag if that continues to be a part of the regulation.

While the amendment offered by the gentleman from Pennsylvania states there are only a few car designs right now, I think perhaps we did not expect it at this point and perhaps it will be more readily available in other models.

Mr. ECKHARDT. The Shuster amendment is not at all clear. It accepts seatbelts, but the definition of seatbelts in the bill is a definition of nonpassive seatbelts. As I read the amendment, it is most ambiguous on that point. It may deny the use of any funds for research on passive seatbelts and on airbags. At any rate, we are quite sure that it denies research on both of them. It denies even a determination of whether or not these proposals are feasible.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(At the request of Mr. SHUSTER and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. ECKHARDT. Yes; will the gentleman clarify what his amendment intends?

Mr. SHUSTER. I think the amendment speaks for itself. It says, "other than a belt system." Therefore, this amendment does not touch the passive belt or the regular belt, and is not an amendment I previously had introduced, which was, indeed, somewhat ambiguous on this point, and which counsel and the parliamentarian suggested the amendment be changed. So, it is very clear that the passive belt is not included.

Mr. ECKHARDT. If I may retrieve a moment of my time, the original amendment, it is true, was not ambiguous because it referred to the definition in the act. This uses the same language as the act, in which seatbelt is defined as a nonpassive seatbelt. That is, the active seatbelt, so it is impossible to determine, since the gentleman changed his amendment, what really is intended. That is all.

Mr. DICKS. Madam Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Washington.

Mr. DICKS. Is it not true that the manufacturers in this situation have a choice between these two systems? There is no mandate for airbags. They can use the passive belt system if they so choose.

Mr. ECKHARDT. That is true if the amendment is not placed in the bill. If the amendment is placed in the bill we make some type of prejudgment. I think that the judgment we have taken is that we may not even explore the worth. What is considered a belt system under the definition of the act? A belt system as defined under the act is an active belt system.

Mr. STAGGERS. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I just want to speak briefly about the facts in this case. I have in my hand a report on the passive restraint rule by the subcommittee and the minority views on this proposition. The subcommittee held hearings, extensive hearings, and took plenty of time

in considering the resolution to disapprove the rule. This proposition was proposed before the subcommittee and it was voted down by voice vote. Then, the subcommittee recommended that the disapproval resolution be defeated by the full committee.

Mr. SHUSTER. Will the gentleman yield on that point?

Mr. STAGGERS. Not at this time.

Mr. SHUSTER. Will the gentleman yield?

Mr. STAGGERS. In just a moment.

It came to the full committee. We debated it and talked about this proposition for 1 full day. Then we came back on another day and debated it, and the gentleman from Michigan made a motion to bring it to the floor, and the gentleman from Texas (Mr. ECKHARDT) made a motion to table that motion, and that motion was tabled by a vote of 16 to 14. If proxies had been called, the vote would have been 22 to 18.

Mr. DINGELL. Madam Chairman, will the gentleman yield to me on that point?

Mr. STAGGERS. Not at this point.

Mr. DINGELL. The gentleman does not want to tell us a motion to table is not debatable and takes priority over any other motion? That is the fact.

Mr. STAGGERS. It always does. The gentleman knows that, and the House knows that, that a motion to table is not debatable.

And the motion was voted upon and it was tabled. The full committee had the responsibility to address this subject and made the decision not to forward to the House a measure it disapproved.

Mr. DICKS. Madam Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Washington.

Mr. DICKS. Is it not true they had, by a vote of 2 to 1, voted to reject this?

Mr. STAGGERS. They did.

Mr. DICKS. Under this act we have created, is it not true that the agency does not have a free hand? We have a chance to look at the regulations they have promulgated.

Mr. STAGGERS. That is correct.

Mr. DICKS. Once the Senate rejected it, there was no purpose to bring it to the floor, because it takes both Houses to approve that.

Mr. STAGGERS. That is true.

Mr. DICKS. So the point of the gentleman from Pennsylvania is superfluous.

Mr. STAGGERS. Moreover, this is only an appropriation for 1 year, during fiscal year 1979, and we are not even talking about putting these passive restraints into effect until 1982.

All we have to do is just reason a little bit. We do not specifically say what the agency should do. They might do some research and come up with some kind of device that would save the gentleman's life or the life of his child.

I want to save lives in this country, and that is what the agency will be doing with the passive restraint rule and we are sure you want to do that.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. DEVINE. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I am amazed at the amount of emotion that has suddenly been evoked on a simple amendment to address a problem that we were not permitted to vote on directly in the Committee on Interstate and Foreign Commerce.

I repeat, I am surprised at the emotions that have developed as a result of our failure to be able to bring this out of the Committee on Interstate and Foreign Commerce so that we could have a vote on it. And I would hasten to add that it was perfectly legal and within the rules as to what happened, but it was engineered in such a way that after Secretary of Transportation Adams had promulgated rules and regulations that, unless the House acted within a certain period of time, why, we would not have that opportunity, and as I say, it was manipulated to the point where we did not have that opportunity.

Mr. ECKHARDT. Madam Chairman, will the gentleman yield?

Mr. DEVINE. I will not yield at this time.

Madam Chairman, I agree with our colleague the gentleman from Massachusetts (Mr. CONTE) that this really is not the proper way to approach the problem, that this is an appropriation bill for the coming fiscal year, and does not have to do with the problems that will necessarily develop as a result of this action that is to be effective in 1982. But, as my good friend the gentleman from Pennsylvania (Mr. SHUSTER) has said—and I do want to commend him for his valiant battle on this matter, and his tireless efforts—this is the only shot we will have at it. This is a message to the great bureaucracy downtown who are promulgating these rules and regulations that we are not acting upon here in this legislative body which is the body that is supposed to enact the laws. It is another example of bureaucratic mandate which people deplore.

I think the whole issue is a philosophical confrontation on the question of whether we are going to enjoy a free America or are we going to keep loading the American people down with rules and regulations and restrictions, put them in automobiles loaded up with cotton, to save them from themselves? Why do we not approach the real problem that causes automobile death? In a report by the National Traffic Council, it pointed out among other statistics, that 45,000 people were killed on the highways of this country. And what was the cause of 50 percent of those deaths? They resulted in one way and that was from the use of alcohol. Over half of them. I ask you, are we addressing that problem? No; we put belts with sirens, horns, whistles, and everything else to force people to fasten up their seatbelts, and now we put a $200 item under their dashboards just in case they should have a head-on collision with the hope that the thing will instantly inflate to the point where no one will go up against the dashboard.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, I thank the gentleman from Ohio (Mr. DEVINE) for yielding to me, and I commend the gentleman for drawing the attention of the House to a very significant point and that is that this issue goes beyond airbags. This is not simply an airbag issue, it is rather a fundamental issue as to whether we are going to let the bureaucrats downtown continue to mandate rules and regulations on the American people, or are we really serious about saying no more, unless you have got solid information.

Mr. DEVINE. Let me make one other point against this type of legislation, and that is there has been a lot of legislation to force motorcyclists to wear helmets in order to save people from themselves. But now a number of the States have repealed those regulations because the people are opposed to those of us in Washington and in their own legislatures telling them every breath to take in their lives. So, as I say, some of the States have now repealed those regulations so that you do not have to wear a headgear when you are riding a motorcycle unless you are under 18 years of age and are assumed not to be able to make that kind of a decision by yourself.

Maybe the California vote on Proposition 13, has relayed a message to our Members that the public is fast becoming fed-up with bureaucracy, restrictions, rules, regulations, and loss of their freedoms at the whim of those on the public payroll.

Mr. MARRIOTT. Madam Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Utah.

Mr. MARRIOTT. Madam Chairman, I appreciate the gentleman from Ohio (Mr. DEVINE) for yielding to me. I would like to say that it was not too long ago that the Government mandated the 121 brake system, because it would save all these lives, and so forth, and now the national court decisions and we have determined that the 121 brake system is not what it was expected to be. I think the same thing will occur with what we are talking about here, and I do not believe we should have any mandated system. I might add that these air bags are manufactured in my district, and, personally, it makes it very difficult for me to be against them, but I think any type of mandated system is against the free enterprise system, and against Americanism as we know it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOSS. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I move to strike the requisite number of words.

In response to the gentleman from New Jersey, I will stay in order that there be clarity at the beginning that I am opposed vigorously to this amendment. It is unfortunate, but I never recall a time in

this House when we have not had to fight hard to create a little more safety, to give the inducement for more safety. Long before the gentleman from Pennsylvania, the proposer of this amendment, ever came to the House, there were a lot of us battling to get the seatbelts in automobiles. They have saved a great many lives, but, unfortunately, there are those who will not use them, so we need some form of passive restraint. I do not care whether it is the airbag or whether it is a belt system similar to the one proposed by Volkswagen, I think by the time they become a part of the automobile we ought to have the best system in place that can be designed.

We need safety. Regarding this talk of so-called freedom of choice, remember, the seatbelt is not there because you want it there; it is there because it is mandated to be there. I remember when there were not any of them. We started by requiring under legislation sponsored by a former Member of this House, the gentleman from Alabama, Mr. Roberts, that the Federal fleet have the floors of the automobiles drilled so that they could install seatbelts, and one went around to a dealer and had a heck of a time getting a dealer to sell one a seatbelt. This has not been a case where the industry rushed out to embrace safety; but we have had a reversal in the pattern of death, because of improvements mandated as a result of congressional action. And it has been done with careful consideration.

Today a meat-ax approach is being offered. We hear without adequate background a proposal to block the use of funds to further one of the passive restraint systems. It makes no rhyme or reason to take that course of action, none whatsoever. We should continue the all-out effort to perfect both the passive belt system and the passive airbag system.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. MOSS. Of course I yield to the gentleman.

Mr. SHUSTER. I thank the gentleman for yielding.

Is he suggesting from his last comment that the passive belt or the airbag is not yet perfected?

Mr. MOSS. I say to the gentleman there is nothing that is perfected to the ultimate at this point, including the automobile. Even the brakes on it are not perfected to the ultimate. As I have been learning recently, neither is its tires. I might add over the weekend we had 1½ million recalls, because you could not rear-end impact them without fires.

I have been in this safety game for a long time, and I am saying to the Members this is not the way to go. The way to go here is let the orderly procedures of this House work and not have them in here on an appropriations bill, trying to play up on emotions. The interjection here earlier in this debate of the old interlock was as phony as it could be, because anyone who followed that knows the crass political nature of the deal that was cooked up down at the White House between Henry Ford and the then President of the United States.

Mr. ECKHARDT. Madam Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I am pointing out what the procedure was in the subcommittee. As chairman of the subcommittee, some urged that we drag out the debate. We did not do that.

Mr. MOSS. Let me say to my good friend, the gentleman from Texas, every Member who has criticized the actions in committee knows that they were trying to use the same emotions to achieve their ends whenever it would suit them. That is the oldest phony cry that one can raise in the House of Representatives, which is that somehow one did not get a hearing. They had a good hearing, and the votes went against them. That happens every day in the process of legislating, and they should not cry about it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLINS of Texas. Madam Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Madam Chairman, there are so many points in behalf of what the gentleman from Pennsylvania is advocating, I just want to summarize some of them. One of them is that Congress with energy conservation is demanding more and more compact automobiles. Yet they have not found a way to make airbags as safety devices fit into compacts. Airbags are not practical for compacts. The statistics I saw are just overwhelming when we start talking about airbags and that airbags are not a safety solution.

Today the House of Representatives has an opportunity to stand up for the right of the American people to make their own decisions in life. Late in the session of the 93d Congress, this body determined that the American people were to be given automobile safety options, but that the Government would not, through mechanical devices and electric sensors force any citizen to employ such devices. While the question of whether or not to allow the Department of Transportation to require mandatory airbags is subtly different, the issue is the same—Should the U.S. Government impose its bureaucratic judgment upon all Americans regardless of cost, effectiveness, and public reaction.

Scientists both in and out of the automobile industry agree that the most effective safety restraint system yet to be developed is the lap/shoulder belt system. Figures taken from documents issued by the very agency that is trying to force us to buy airbags clearly show that airbags are not as safe as the seatbelts already installed in 95 percent of the cars on the road.

The National Highway Traffic Safety Administration (NHTSA) compared field experience with airbags and seatbelts. In 230 towaway crashes with airbag-equipped cars, fatalities occurred in 1.7 percent of the accidents as compared to a 0.3-percent fatality rate in 4,032 crashes where seatbelts were worn. The same data indicated that injuries occurred in 13.9 percent of the airbag cars and only in 5 percent of the cars where seatbelts were worn.

In terms of fatalities alone, these figures indicate that seatbelts are 5.5 times more effective than airbags as lifesavers. These statistics, which have also been documented by the Highway Safety Research Center and the University of Michigan prove that safety belts when used would reduce auto fatalities by 70 percent. And, as the following figures demonstrate, this U.S. percentage is supported by the experience in other countries:

Fatality reduction

	Percent
New Zealand	70
France	67
Sweden	78
United Kingdom	80

In practical terms, increasing the use of safety belts to 70 percent will save 40,000 to 50,000 more lives by 1990 than would mandatory airbags on new cars.

The facts also work against airbags when one considers the comparative effects on injuries. The same NHTSA study I referred to earlier showed that seatbelts are 2.4 times more effective than airbags in preventing injuries; 1976 Department of Transportation estimates show that at 70 percent use, seatbelts would reduce injuries by 162,000 a year while airbags would reduce them by only 104,000. The airbag is less effective in reducing injuries partly because it does not deploy in impacts of less than 12 miles per hour.

Airbags are also less effective, because they are designed to provide only the same protection in a frontal collision that a fastened seatbelt provides. Many motorists will stop wearing seatbelts with the false belief that airbags will protect them in case of an accident. A recent GM study showed that only 9 percent of the people with airbag cars used the belts as well. The truth is that airbags work only in frontal or near frontal collisions. Airbags do not work in accidents that are side impacts, rollovers, multiple impact collisions, or rear collisions—accidents that account for 45 percent of all accidents are better than half of all fatalities. Seatbelts work in all of those situations. Even with 100 percent use of lap belts, which means the system is no longer passive, Department of Transportation estimates the airbag/lap belt combination to be only 60 percent effective—still less effective than the safety belt systems already installed in 95 percent of all automobiles.

In this same NHTSA study, the airbags did not even inflate in 42 percent of the accidents, and while many airbags did not inflate when they were supposed to, some airbags inflate when they are not supposed to. Estimates from these airbag tests show that if all cars in this country had airbags, there would be 30,000 accidental inflations every year. Consider what would happen should an airbag inflate from an electrical short,

"restraining" the driver of a car going 55 miles per hour down the highway. Consider also the dangers to other drivers from head-on and rear-end collisions caused by these accidental inflations.

I remember a short I had when cars had the buzzer. I had a rented car in Miami and was 35 miles out of the city when the buzzer snapped on. It was like a Chinese torture chamber. But suppose I was driving down a highway 50 miles per hour and hit a bump in the road which shorted my airbag. I could have a a head-on collision with an innocent vehicle, and there will be 30,000 airbags short out while driving.

Madam Chairman, I feel it is also important that we look at the cost aspect of this issue.

The U.S. Government and its departments want to hold down costs to consumers whenever possible. We are currently feeling the impact which Federal regulations have had on consumer costs and spiraling inflation in this country. When we already possess an available, effective safety restraint system which costs an average of $225, it is unreasonable to force down the throat of the American consumer another system which has been proven less effective and which will bring the total cost of safety systems to a minimum of $335 per car and probably $400 a car.

The important point to remember about this figure, however, is that it represents only the tip of the iceberg. Once the airbag inflates, and 7.3 percent of the inflations to date have been accidental, it must be replaced at approximately two to three times as much as the original cost. Specifically, Ford estimates this replacement cost to be $700 per vehicle. After all cars are installed with airbags, it is estimated that there will be 2.5 million inflations per year costing over $1 billion. When it is all added up, the airbag will cost about $2,000 (DOT estimate) to $4,000 (American Safety Belt Council estimate) over the average life of an automobile.

Airbag proponents claims this extra cost can be made up by lower insurance premiums. However, an independent survey of 60 insurance agents in three States and the District of Columbia showed an average discount of less than 1 percent of the total annual premium. Further, the Michigan AAA has announced that total auto insurance costs would be increased by mandatory air safety bags, despite reductions in personal injury premiums. While personal injury premiums would go down by 30 percent, collision coverage would go up 39 percent, since the cost of replacing the deployed airbag system is $700, in addition to the cost of fixing the accident damage itself. Claims of reduced premiums simply are not supported by fact.

It is difficult, of course, with any new system to accurately gage public reaction and acceptance, but let us consider the results of the General Motors experience with airbags. For 3 years, GM has marketed the airbag on some of its models. GM initially prepared for a capacity of 100,000 airbag equipped cars at a cost of $60 million in research and development funds. So far, the public has bought only 7,000 of these vehicles which proves the public does not want airbags.

This public rejection of mandatory airbags is also borne out by the results of polls conducted by both the Detroit News and Research Service, Inc. In the Research Service study 70 percent of the people polled indicated a desire for a choice rather than having to buy a car with congressionally mandated forms of restraints.

The airbag question is plagued by substantial doubt about its safety effectiveness, reasonable expectation of public disapproval, and Government-mandated price increases at the time consumers can least afford them. However, I feel that it is the issue of freedom of choice for the automobile consumer that is the most crucial in this debate. No one asked the individual citizens or car owners if they wanted airbags, nor could they be given the right to exercise their own judgment. It is one thing for Secretary Adams to recommend that automobile companies provide an opportunity for people to have airbags. It is quite another thing for the Government to mandate their use. There is no justification for one more Federal regulation to be shoved down the throats of the American public. If individual car owners want to pay for airbags, it should be their decision—not an order from bureaucrats attempting to shape our lives from sunup to sunset.

The American people are tired of Big Government and Big Brother. I urge my colleagues to support the Shuster amendment blocking DOT from implementing these airbag regulations.

The fact is that seatbelts are five and a half times more effective than airbags as lifesavers. When we see something like that we ask, "Why do you have anything to do with this stupid airbag mandates?"

Another fact that gets me, airbags did not even inflate in 42 percent of the accidents. Why put them in if they do not inflate?

But the thing that gets me the most is that airbags do not help half the time. They do not work in accidents when you get hit on the side, in rollovers, multiple-impact collisions, or rear collisions. Half the time airbags are no good at all.

Another thing that disturbs me. General Motors worked hard on airbags. They made a very sincere effort. General Motors had 100,000 cars prepared ready for airbags and only 7,000 people bought them.

When we talk about the mandated buzzer, let me tell you an experience I had. Those buzzers were easily triggered and you may have 30,000 inadvertently blow out inside the car as persons are driving down the road. According to statistics I have seen, 30,000 a year will blast loose each year. What makes you think this will not happen? It happened to me on the old seat buzzer one day when I was 35 miles out in the country and I hit a bump in the road and this buzzer went off. It will not take even that much to start 30,000 airbags and 30,000 innocent people may get killed and the guy coming head-on approaching may get killed, too.

Mr. WIRTH. Madam Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Colorado.

Mr. WIRTH. Madam Chairman, it would be helpful if the gentleman would document the figure of 30,000. Only this morning I spoke to General Motors, the man in charge of development, and out of 12,000 automobiles that had this device, only one had gone off accidentally and that had nothing to do with jiggling. That had something to do with electronic interference and that was taken care of; so I think it would be helpful for the record to demonstrate where that estimate came from.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, the data provided by NHTSA, not General Motors, is that up through May 30, 1977, that is a year ago, there had been 12 inadvertent inflations and if you extrapolate the 12 inadvertent inflations up through the number of total cars used, it comes out to 30,000. That is simple arithmetic. The inadvertent inflations annually, based on 12 inadvertent inflations in 34,000 car-years, as reported by NHTSA, when extrapolated to 100 million car-years, works out to 30,000 inadvertent inflations annually.

Mr. WIRTH. Madam Chairman, if the gentleman will yield further, my information is based on a conversation just 2 hours ago with the head man at General Motors in charge of this program. His reaction to this question in which I asked about inadvertent inflation of airbags was this was not a problem that existed any more.

Mr. COLLINS of Texas. Madam Chairman, I want to say that in listening today to all these statistics, I know there are many ways of trying to derive the basic facts. The gentleman from Pennsylvania (Mr. SHUSTER) has done the best job of evaluating facts and research on airbags. I have found everything that the gentleman said about this airbag to be the most comprehensive and factual statements made on the floor.

Mr. SHUSTER. Madam Chairman, if the gentleman will yield further, there is one statement that I made about a year ago that proved not to be accurate. I said that while sodium azide may be dangerous and is mutagenic, carcinogenic, and real explosive, that it would not be dangerous when driving a car when the airbag went off purposely in the car.

Subsequently I have been corrected by some chemists who tell me that I could not make that statement with any degree of comfort, because when the airbag does properly inflate in a car, nevertheless there is some seepage of that sodium azide, and it may or may not be harmful.

Mr. DINGELL. Madam Chairman, I move to strike the requisite number of

words, and I rise in support of the amendment.

Madam Chairman, this airbag situation might be called "Son of Seatbelt Interlock." In just a few years we are going to be called upon by the outrage of our constituents to remove these obnoxious devices, because they do not work and they accomplish almost nothing in terms of public safety. They are unproven devices.

As a matter of fact, the statistical information put out by the people at NHTSA, besides indicating that the people down there are not very bright, do seem to prove one thing: That these devices are as useful as side pockets on a cow. They do not inflate unless you have a head-on or offset frontal collision. If you hit more than 30 degrees off to the side, if you have a rear-end or a side collison, there is one thing sure, and that is your airbag is not going to inflate. If you have a multiple collision, they are not going to save you, because they will immediately deflate assuming you have been involved in a frontal collision in the initial impact.

The testing that was supposed to have been completed before this order was put forward goes on right now. Interestingly enough, some of the tests run by NHTSA, the agency that is sponsoring these abominations, show that you are safer in an automobile which is equipped with lap and shoulder belts. In addition, the sodium azide that is used to detonate these things is toxic.

These devices are going to cost the consumers of this Nation an incredible amount of money. The cost of these is going to run between $197 and $250 per new car. And how much are they going to cost to replace after they are activated? They are going to cost somewhere between $400 and $600. That is $400 to $600 per car to replace the bag system.

I think my colleagues should know what we are mandating upon the American people.

Madam Chairman, this amendment is a simple one. All it does is say that we can go forward with passive restraints which are rated or based upon the use of belts. The passive belt system will be allowed under this amendment.

Admittedly, this is an imperfect way to attack an obnoxious problem, but the hard fact of the matter is that we have no choice. There was no opportunity for the House to have this matter debated. It was killed on a motion to table in the Commerce Committee last year, and as all the Members here know, a motion to table is not debatable.

Mr. ECKHARDT. Madam Chairman, will the gentleman yield?

Mr. DINGELL. I have made my point, and I will yield to the gentleman only if he wishes to refute the fact that we were denied an opportunity to debate the issue on a motion to table. Does he?

Mr. ECKHARDT. No, but I want to answer another point made by the gentleman.

Mr. DINGELL. Then I do not yield to the gentleman.

Mr. ECKHARDT. Madam Chairman, I have asked the gentleman to yield.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) controls the time, and the gentleman refuses to yield.

Mr. DINGELL. Madam Chairman, these devices are not going to save lives. As a matter of fact, they are going to require, if they are to work, the installation of two additional devices, the first of which is a knee holster under the dashboard to prevent one from submarining under the dash. And the second one is what? Good old-fashioned lap belts.

Otherwise you do not have the protection, and as a matter of fact, if you are really smart and you are going to be driving in a car equipped with these air bags, at $250 a copy and with a $600 cost for replacement, you are going to have to have lap and shoulder belts, because if you are hit from the side, hit from the rear, involved in a rollover crash, or hit at an angle of more than 30 degrees from the front on the long axis of the automobile, these devices are not going to do any good. And they will not work at all if you have a rollover crash.

Mr. ECKHARDT. Madam Chairman, will the gentleman yield?

Mr. DINGELL. I yield briefly to the gentleman from Texas.

Mr. ECKHARDT. Madam Chairman, let me tell the gentleman what happened; I am sure he recalls.

Mr. DINGELL. I recall it well.

Mr. ECKHARDT. What happened is that the subcommittee brought in a report adverse to the resolution.

Mr. DINGELL. That is right, and we were never given a vote in the full committee.

MR. ECKHARDT. Madam Chairman, will the gentleman yield?

Mr. DINGELL. I decline to yield.

We were not given an adequate chance to debate this in the full committee, and we were not given a chance in the House to debate it.

Mr. ECKHARDT. Madam Chairman, I ask the gentleman again to yield to me.

Mr. DINGELL. Madam Chairman, I will not yield, and I appeal to the Chair.

The CHAIRMAN. The gentleman from Michigan refuses to yield further, and he controls the time.

Mr. DINGELL. Madam Chairman, the further fact of the matter is that in about 3 years we are going to be faced with the fact that the House has done nothing to prevent this, and unless we do something to prevent it now, and unless we use this kind of an amendment next year and the following year, these things are going to be put in place.

I hope my colleagues who have spoken in favor of these abominations have spoken clearly, because I am going to want to read their remarks back to them. We must remember that this testing program at NHTSA still goes on, and the results of those tests are that seatbelts, lap and shoulder devices, are better by far than the airbags.

NHTSA is the same good-hearted Agency that came forward with nonpassenger automobile, the truck and van fuel mileage standards that would have shut down light duty truck and van plants all across this country, especially the West Jefferson plant.

Madam Chairman, I rise in support of the amendment offered by our colleague, Congressman BUD SHUSTER, to prohibit any funds appropriated under the Department of Transportation appropriations bill to be used to implement or enforce any standard or regulation which requires any motor vehicle to be equipped with an occupant restraint system—other than a safety belt system.

What this amendment does is eliminate funding for the National Highway Traffic Safety Administration, NHTSA, to continue its drive to implement and force airbags onto motor vehicles. What it allows for is that the Government agency and the motor vehicle manufacturers and others can more actively pursue improvements in the common, well-known, and consumer-accepted lap and shoulder safety belts. And, educate motorists to use them.

The airbag—now mandated in the NHTSA regulations as the result of the House not having an opportunity heretofore to vote on this issue last year—is an unproven device that is extremely costly and is highly questionable as to its cost-benefits in terms of reducing injuries and saving lives when compared to the current lap and shoulder belt safety devices.

The airbag will cost as much as from $197 to $250 more on each new car when the occupant passive restraint performance standard, motor vehicle safety standard 208, is scheduled to go into effect on 1982 model year large size automobiles, unless the Congress overturns the airbag mandate. By our wise actions today to adopt the Shuster amendment, the House can take the first step toward elimination of the threat of an unproven airbag device.

The cost of replacement of the airbag to the consumer, should the bag accidentally deploy or deploy in an actual vehicle crash, would be an estimated $500 to $600, according to 1977 industry and Government estimates. That does not necessarily include the factor of rising inflation and costs of auto repair.

Once again, the Congress prepares to act on auto safety rules and/or legislation. I do not need to take my colleagues back too many years to remind them of the disaster that befell the occupant seatbelt ignition interlock system that was designed to force drivers and right front seat passengers to buckle up before the vehicle could be started. That system was mandated by the Department of Transportation in August of 1973.

Approximately 1 year and 2 months later, following massive public outrage to the system, Congress eliminated interlock upon passage of the Motor Vehicle and Schoolbus Safety Amendments of 1974.

It took several years to get the active interlock system mandated. It took but 1 year of use before the motoring public had had it and so notified Congress. I believe, if the airbag mandate is not eliminated that the public outcry in 1982 and thereafter model years will demand Congress to repeal the airbag.

What we are dealing with now, as the subject of today's DOT bill and the correct Shuster amendment, is another restraint system, which also has been around for several years, but one which is automatic or passive in that the right and left front seatbelt auto occupants do not have to do anything supposedly to be sure they are reasonably safe in the event of a frontal collision while driving and riding in cars. I refer to the final rule on occupant restraint systems as sent to the Congress last summer by the Secretary of Transportation, and which the full House never had an opportunity upon which to vote. We should vote to stop the funding for the airbag portion of the DOT and NHTSA performance standard that takes effect in model year 1982 on large cars, 1983 on intermediate cars, and 1984 on small cars.

I do not believe we should mandate airbags in automobiles. It definitely was a premature rule last summer on airbags, but I do not disagree with the utilization of the passive belt system in the standard so long as all vehicles affected contain the sufficient number of lap belts. The lap belt has a long history of proven benefits when worn.

I do not believe the demonstration crash evidence to date merits the at least $200 plus extra expense to the consumer nor even the added weight of the airbag device to the car which will reduce fuel efficiency. DOT reports the airbag system weight 40 to 50 pounds and, I quote from DOT's final rule of 1977,

The additional weight of inflatable passive restraints was judged to increase the annual consumption of fuel by automobiles by 0.71 percent (about 521 million gallons annually).

While it can be argued that we must be expected to pay more for safety on the highway and reduce vehicle crash deaths and injuries, and that we must expect to pay more for fuel used for the convenience or necessity or luxury of owning, driving or riding in a car, I believe the additional costs of airbags in new cars unnecessary with no real discernible benefit for safety compared to the safety benefits derived from the use of lap and shoulder belts. Further, as I have said, the replacement costs are horrendous on airbag systems.

Replacement cost estimates are not certain and vary, based upon what I have read, ranging from up to $600. Since airbags will be still innovative by the time they are required in the first model year, 1982, on the larger cars, I believe that it is too early to determine not only their acceptance but their reliability and their occupant safety crash worthiness. I just do not believe airbags have been tried and proven to a great enough degree to be mandated.

It costs about $85 to equip new cars with seatbelts to accommodate five passengers, three persons in the rear seat with lap belts and two front-seat occupants with the current and most safe, in my opinion, three-point safety lap and shoulder belt harness. The Secretary's final rule states at one point the airbag cost in new cars would be an additional $112 and at another point he states between $100 and $200. Assuming $112 cost figure and the $85 current cost figure, that totals $197 for the system in a new car. DOT and others report the replacement cost of the complete airbag device would be 2½ times or more the original cost or, at 2½ times, it would be a consumer cost of at least $500.

This automatic or passive airbag system is dangerous. It will lull the front-seat driver and passengers into thinking that they are fully protected. Driving or even riding in a car is not a passive activity and the hooking up of seatbelts, the lap belt, and the obvious knowledge of the automatic or passive belt across the occupant's chest is a constant reminder of the need to drive and ride with caution. The airbag affords no such reminder and is highly questionable regarding its security value.

I will now address the issue of crash tests conducted for NHTSA comparing the worthiness and safety quotient of airbags and the three-point shoulder and lap belt harnesses.

These tests, five in all, conducted in late June, during July, and the latest one in August 1977, raise extremely serious questions and concerns about the safety of airbag devices. The crash tests were conducted by Calspan Corp. using NHTSA dummies and cadavers in offset head-on collisions with each vehicle running about 30 miles per hour or a 60-mile-per-hour closing speed. The cars were 1973 Chevrolet sedans, former police cars I am informed, with about 50,000 miles on them. Some were equipped with the airbag system available on those cars that model year and some were equipped with seatbelt harnesses of that model year.

But, judging from the test reports themselves, I believe these observations are in order:

COMMENTS ON CALSPAN TESTS

These tests were run to compare the effectiveness of air bags compared to seatbelts for both drivers and right front seat passengers. Dummies and cadavers were used. These offset front end collisions are more like the real world auto crash accidents that occur than the DOT, NHTSA required tests that auto manufacturers must pass before their occupant restraint systems can be marketed. The CALSPAN tests were offset, essentially right front to right front and left front to left front. The DOT tests that auto manufacturers must pass have the vehicle crashing head on into an immovable wall. The DOT test therefore, does not seem to be as representative of the real world crashes as does the type of crashes conducted by CALSPAN for DOT.

In all of the tests, with both dummies and cadavers seated as drivers and passengers, the seatbelt restraint systems did a better job in protecting the test subjects than did the air bag.

Out of the five offset crash tests, two of the cadavers and one of the dummies, all in air bag equipped cars, exceeded the injury criteria of Motor Vehicle Safety Standard 208, the final rule for air bags.

In one test, Number 344, on July 1, 1977, a cadaver seated in the driver position of an air bag equipped vehicle experienced a "g" force chest load of 74 g's, which is above the limit of 60 "g's" deemed permissible by NHTSA in its injury criteria. The cadaver experienced an Abbreviated Injury Scale (AIS) rating of three with an X-ray finding three broken ribs following the test. The AIS used by NHTSA is an injury range of from one to six with six termed fatal. The cadaver in this test, assigned an injury rating of three, was termed as experiencing severe, but not life threatening, injuries.

The belted driver, a dummy, of the opposing test car experienced roughly half of the accelerative "g" force as did the air bag protected driver in the other car.

In another test, number 346, on July 13, 1977, utilizing an air bag protected cadaver in the right front passenger seat, the cadaver experienced "g" forces on the chest in excss of the Motor Vehicle standard. This test subject experienced 70 g's, ten higher than the permissible standard. The cadaver received a broken rib, three severe leg fractures and an AIS rating of three.

As a comparison of right front seat passengers, in another test, number 347, a belted cadaver experienced only a "g" force rating of 39, almost half the "g" force experienced by the air bag protected cadaver. In comparing these two tests of cadavers in right front passenger seat positions, the belted cadaver experienced less impact. The belted cadaver experienced an AIS of only 1, or minor injury with a bruise on the knee and collar bone—no break or fracture.

Because of the severe injuries to the lower extremities of the cadaver in test number 346, an air bag equipped vehicle, CALSPAN was directed by DOT to repeat the test. On August 11, 1977, test number 353 was conducted using a cadaver and an air bag system in the right front passenger seat. Again, the cadaver received a broken leg and an AIS (injury) rating of two.

Based on these tests it is clear that both air bags and seatbelts can save lives and reduce injuries but the degree of potential safety on the test subjects in seat belts in these CALSPAN tests seem to lean in favor of seatbelts and shoulder belts.

In addition to the revelation of the existence of the CALSPAN tests, and given the controversy that surrounds the rule and those tests, I do not believe Congress should take the chance of letting the airbag be forced upon motorists and consumers.

IMPORTANT

Airbags are designed only to protect occupants in frontal, headon, and offset frontal collisions. Bags alone offer no protection in side-impact collisions, rear-end collisions, or rollover crashes. Lap and shoulder belts protect in all crash modes plus belts keep the occupants, and especially the driver, in the proper position. The driver has a much better chance to control the car if he or she is belted into place. Airbag deflates almost immediately so in any multiple crash the front seat occupants are extremely vulnerable in the event of collisions with other objects after the initial crash impact.

Since the Congress last fall did not disapprove the DOT and NHTSA airbag rule, although many of us support the passive safety belt portion of the rule, the Department has already amended the new standard to say that if a motor vehicle is to be equipped with an airbag to meet the performance standard, the vehicle must be equipped with lapbelt. The lapbelt, which is a major argument for belts over bags, is that the lapbelt prevents the front seat occupants from "submarining" under the bags which explode from the dashboard into the occupant's upper torso while the lower torso "submarines" or slips under the bag and the lower extremities

collide with the lower part of the dash or floor boards if the occupant does not wear the lapbelt.

Also, DOT has announced that, again due to this "submarining" effect of the lower torso in an auto impact, that the auto manufacturers ought to include knee bolsters under the dashboard.

What is important here is that since the DOT and NHTSA rule was sent to Congress—and subsequently not disapproved by Congress last fall—the Government agency is adding to the performance standard in order to save the airbag by adding yet further safety devices to the very expensive airbag system.

The DOT and NHTSA rule was faulty in the first place and they rushed it to the Congress knowing that full well. Now the DOT and NHTSA are realizing their errors and will require, we understand, the lapbelt after all, which means that the DOT standard is no longer passive.

Meanwhile, the passive or automatic belt system seems to remain an orphan at DOT with all of that Department's emphasis on airbags. The passive belt system automatically wraps the shoulder belt across the upper torso of the occupant when one opens and closes the door. No matter what has been done to date in research and testing, and no matter whether the vehicle is equipped with the passive shoulder belt or the airbag, the occupant still must actively engage the lapbelt. And, the lapbelt, we all must agree, is absolutely essential on motor vehicles.

Belts are proven devices and should not be replaced by the airbag. The current three-point belt system and the coming passive shoulder belt system and the lapbelt are convenient and easy to use and they are much less expensive than the controversial airbag system.

Another striking advantage of shoulder and lapbelts is that when the occupant is "buckled up" he or she is in the correct seating position for better protection. This is especially important for the driver of the vehicle who must retain full control of the vehicle at all times. The airbag does nothing to keep the driver in place so he or she can have full control of the vehicle in the event of the driver taking emergency evasive action to avoid a crash or even sliding in the seat in the event of the car going out of control on wet or icy pavement. Seatbelts and the shoulder belt hold the driver in place for full control.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

Mr. SHUSTER. Madam Chairman, I ask unanimous consent that the gentleman from Michigan (Mr. DINGELL) be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CONTE. Madam Chairman, I reserve the right to object.

Mr. ECKHARDT. Madam Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. McFALL. Madam Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SHUSTER, Madam Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. McFALL. Madam Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for approximately 45 seconds each.

(By unanimous consent, Messrs. CUNNINGHAM, COHEN, COLLINS of Texas, and EMERY yielded their time to Mr. GINN.)

(By unanimous consent, Mr. PATTEN yielded his time to Mr. SCHEUER.)

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. GINN).

Mr. GINN. Madam Chairman, what this matter is all about is highway safety, how to save lives.

I think the gentleman from Texas and all of us are in complete agreement on that.

What is the best way to save lives?

As chairman of the Subcommittee on Investigations and Review, along with the gentleman from New Hampshire (Mr. CLEVELAND), the ranking minority member on the subcommittee, we have just concluded 3 days of extensive hearings on automobile seatbelt safety. The hearings were not on the subject of airbags, but, of course, they came up because it is only natural that the two be compared.

Expert after expert, movies, filmstrip after filmstrip have convinced me beyond a shadow of a doubt that the safest mechanism to save lives in automobiles is seatbelts with a harness configuration.

I am not opposed to airbags. If this mandate goes through, I will be delighted to have a car with airbags in it. But as the gentleman from Michigan (Mr. DINGELL) so appropriately pointed out, airbags are no guarantee of saving lives.

After hearing numerous expert witnesses, and after seeing all the filmstrips, I am convinced that what we need in this country is a massive educational campaign to inform people that they ought to wear seatbelts. Also, we need some incentive legislation to urge State legislatures to move forward with legislation in the area of seatbelts.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. GINN. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, I thank the gentleman for yielding.

I would like to point out that Dr. S. Harry Robertson, director of the Crash Research Institute and research professor at Arizona State University, was before the committee.

As the gentleman knows, he was asked this question:

> Is it true that because the air bag/passive restraint mandate will replace the 3 point safety belt, the effect is that it mandates a less safe system for those people who wear their safety belts?

His answer was:

> You bet. It is absolutely right.

Mr. GINN. Madam Chairman, I would vouch for that statement, and I would urge support for the Shuster amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Madam Chairman, as the ranking minority member of the Subcommittte on Investigations and Review of the Committee on Public Works and Transportation which the gentleman from Georgia (Mr. GINN) has just reported on, I want to associate myself with his remarks, I rise again in support of the Shuster amendment.

Madam Chairman, we had another witness, an expert witness, who was asked the same question that has just been referred to. This other expert said that the airbags, in effect, are just a very expensive form of a shoulder harness.

Again, it is not that we object to airbags particularly if people want them, but the fact of the matter is that the experts have all told us, and they told us this for 3 days of hearings, that the seatbelt and the shoulder harness are the best way to save lives and prevent dents.

Ironically the National Highway Safety Needs report dated April 1976 lists mandatory safety belt usage as by far the most effective countermeasure to forestall fatalities and injuries. Yet NHSTA has virtually given up promoting them.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Madam Chairman, I rise in opposition to the amendment.

I want to make one point clear very quickly. The costs to replace the airbag which the gentleman from Michigan (Mr. DINGELL) mentioned will be picked up by the insurance companies. They will pay for putting these airbags back into the car, because it will cost them far less if peoples lives are saved.

The other thing I want to point out is that this is an appropriation bill. This is not the right bill in which to take this kind of action. The Senate, by a 2-to-1 vote, rejected a veto resolution. The House committee also acted in the same way after extensive hearings.

Madam Chairman, I think that that is the process we should be following. We are now saying that we are not responsible and that we are not able to use this review process, the so-called two-House veto; and I think it would be wrong for us to take this step.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Madam Chairman, I would like to ask the sponsor of

the amendment, the gentleman from Pennsylvania (Mr. SHUSTER) this question: Is it true that the gentleman's amendment will allow the mandate of a passive seatbelt harness strap?

Mr. SHUSTER. If the gentleman will yield, Madam Chairman, that is correct, because my amendment does not touch the passive seatbelt. Indeed, I redrafted my amendment, based on counsel's recommendation, so that it would be limited only to airbags. The gentleman is correct.

Mr. GARY A. MYERS. Is it true that evidence has been presented which shows that that is a safer system than the airbag system?

Mr. SHUSTER. The evidence on passive belts is very promising. I think it is premature at this point to draw any final conclusions, but it is very promising. Buckle up.

Mr. GARY A. MYERS. Madam Chairman, I thank the gentleman for clarifying his amendment, and I yield back the balance of my time.

(By unanimous consent, Mr. ROBERT W. DANIEL, JR., yielded his time to Mr. SHUSTER).

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Madam Chairman, several months ago we had an issue before the Interstate and Foreign Commerce Committee with respect to whether or not to approve the regulation on airbags that was issued by the agency.

At that time the committee chose to table the resolution. That would have brought this issue to the floor so that we could have had a full debate of all aspects and all sides of this issue. I was in support of that resolution at the time, and I am still in support of it.

I think it would have been far better to have brought that resolution to the floor so as to decide the issue at that time rather than having to deal with it now as a limitation on an appropriation bill.

Madam Chairman, I am going to support this amendment. This is the only way I see that the House can express itself on this issue.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Madam Chairman, I would not have risen again but for the fact that I was not able to clarify what happened in committee, what we actually did. The subcommittee issued a very extensive report in which the chairman of the subcommittee agreed that Mr. BROYHILL, who took the other position, should include minority views. We carried that before the full committee, submitted the report, had debate, considered the facts, and the full committee adopted the report. It was at that time that, procedurally, it was attempted by the gentleman from Michigan to move that this be sent to the floor with the recommendation that it do not pass. I thought that to be a rather silly resolution, and moved to table it. The motion carried by the vote that has been described here.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Madam Chairman, one of the previous speakers made the point that airbags are about as useful as side pockets on a cow. Not only is that a gross oversimplification of the issue and of the problem of automobile crashes, but it is about like saying that we should not give anybody the Salk vaccine because it does not cure cancer.

It is very clear. The evidence is in, and the airbag can be very helpful in saving a great number of lives in this country.

Right here in this body, if one were to extrapolate out in terms of percentages of individuals with children in this House, installation of airbags will save the lives of, or serious injury to, two children of Members of this very body over a given 2-year session. I think that indicates the kind of investment we can afford to make.

When the airbag decision came before the Commerce Committee last year, I had little information about the proposed system. I did have fears that it might be another unworkable regulatory scheme, like the seatbelt interconnect fiasco.

To gain information on airbags, I called the chief engineer for General Motors, in charge of their passive restraint program. Though this information, I have become a strong supporter of the passive restraint system. Let me share a summary of this discussion with my colleagues:

I asked if airbags would work; the answer was yes, and the data are well known. In 600 million miles driven by airbag equipped autos, we would expect 20 deaths. But there were only three.

Would he buy an airbag car? "You bet I would," and more than that, he has kept his 1973 experimental airbag car for his children to drive.

What would be the impact of the Shuster amendment? It would serve to further complicate the situation, and add uncertainty to the present course of developing airbags. When we get to mass production, the cost of airbags should decline from the present $300 to about half that amount. With uncertainty, money for research and development to bring costs down will not be invested.

Are you currently on schedule, to meet the requirement of passive restraints on 1982 models? "Yes, and we are prepared to offer airbags as options for 1981 models for Impala size models and up."

What of the allegations of danger coming from sodium azide—the chemical that makes the bag inflate? Of course, it is dangerous, but only if you can get at it. It is in a box with lots of steel around it.

Will the airbag be effective in all crashes? The airbag is effective in head-on crashes, and when you are hit from the side in front of the dashboard. When you are hit from the side (nondriver's side) it will certainly cushion the driver; when hit on the driver's side, the seat belt is more effective. When hit from the rear, the best protection is the head rest and seat. And in rollover accidents, the airbag with lap belt will be helpful; only 3 to 4 percent of accidents are rollovers, but 70 to 75 percent of fatalities occur in these accidents. People are thrown out of their autos, and we must work to keep this from happening.

What about the passive belt system? They will be the best sales tool for airbags; people will not like all the belts and appearance of the belt system, and that will sell people on airbags.

Finally, will the airbags go off by mistake? I do not think so; of the more than 11,000-airbag equipped autos in the experimental fleet, only one inflated by mistake. That inflation was caused by electronic interference, and we have since then corrected this potential problem.

Madam Chairman, I think the airbag decision is a good one; they are proven; they will save lives, pain, and money. I hope we continue to support the DOT position.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MINETA).

Mr. MINETA. Madam Chairman, I rise in strong opposition to the amendment offered by my colleague from Pennsylvania. I think what we have to do is to recall that we are not talking about mandated airbags, but the standard which was issued by the Secretary of Transportation, which requires that automobiles automatically protect front seat occupants in 30-mile-per-hour front-end collisions.

The standard issued by DOT Secretary Adams requires that automobiles automatically protect front-seat occupants in 30-mile-per-hour frontal crashes, which account for more than half of all fatal crashes. I believe it is important to emphasize that this standard requires only that automobiles meet minimum injury reduction crash performance requirements. Auto makers may choose any means, including airbags or passive belts, to provide the required protection. Let me also point out that this standard will be phased in over a 3-year period beginning with the 1982 model full-sized cars; in 1983 intermediate size cars; and in 1984 all model cars will be required to comply.

According to DOT estimates, once passive restraints are in all cars they will save more than 9,000 lives annually and will prevent, or reduce the severity of, hundreds of thousands of injuries each year. If the gentleman's amendment is accepted, it will deny the public the choice of being protected by either airbags or passive restraints. I do not believe the Members of Congress can, in good conscience, deny that choice to our citizens.

I would like to comment specifically on

a few of the points which the gentleman has raised in opposing this rule.

The gentleman claims that airbags are unproven. The statistics show that that is untrue. Twelve thousand airbag-equipped cars, in government and industry fleets and those owned by private individuals, have been driven approximately 558 million miles. One hundred eighty-five airbag deployments, involving 267 front-seat occupants, had been reported as of June 1, 1978. According to DOT investigations, the airbags functioned properly in each crash.

The gentleman claims airbags are expensive. DOT estimates show that airbags provide $2.10 in benefits for each $1 spent. Furthermore, if we assume an average cost of $200 per car, what we are really talking about is a cost comparable to a vinyl roof or an AM/FM radio.

The gentleman from Pennsylvania claims that the chemical propellant used in airbags is highly poisonous, explosive, mutagenic, and suspected of causing cancer. In response to these assertions DOT has worked with both EPA and OSHA in a cooperative effort to resolve any potential health damage from sodium azide.

My colleague from Pennsylvania claims that NHTSA's track record in safety standards is deplorable. Yet, since NHTSA has been in existence, the fatality rate has dropped from 5.5 deaths per 100 million miles of travel to 3.2 deaths per 100 million miles of travel.

The gentleman claims that safety belts are better and are already on 95 percent of the cars on the road. Certainly no one would argue that safety belts are an effective means of preventing death and injury but, like some methods of birth control, they are only effective if they are used.

As a fire and casualty insurance agent and broker for 22 years, and my father for 36 years before me, I know that automobile crashes are a major public health problem. More than 25,000 people lose their lives each year in automobile accidents. Automobile accidents are the leading cause of death to people from 15 to 24 years of age, and are a major cause of paraplegia and epilepsy. Fewer than one person in five currently wear the safety belts provided in nearly all cars on the roads in the United States.

I urge my colleagues to seriously and thoughtfully consider these facts and to vote against the Shuster amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Madam Chairman, I am impressed that a Member can object to the cost of reinflating the airbag at $400 to $600 after it has been used, and presumably has saved lives. We are talking about the value of a human life, valued by the Department of Transportation at about $300,000. Assuming that we have 25,000 front seat deaths in this country annually, we are talking about $7 or $8 billion.

We are talking about human lives—thousands of them and billions of dollars.

We have gone on an emotional binge in this House, talking about compulsion. We are reacting, indeed, overreacting, to what the voters did a week ago tomorrow in California. They sent us a signal that is an important signal. We ought to listen and understand what it means. They are talking about less Government where it does not help, and more action, more productivity—more basic human courtesy from the civil service, and less unnecessary intrusion in their lives. But, I do not think they mean for us to repeal Government itself.

Should we eliminate the requirement in cars for safety glass, eliminate the requirement for soft dashboards—does any Member urge that? Should we eliminate the requirement for directional signals and the collapsible steering wheel, does any Member urge that? Should we wipe out the Food and Drug Administration and let everybody buy the drugs they want to buy at the cheaper prices to be sure, because they would save the millions it costs to process a new drug through the time consuming and expensive FDA testing procedures. Should we wipe out OSHA?

I think we are really engaging in overkill.

Mr. Speaker, following this statement is the text of a position paper I wrote for the American Legion magazine in June 1977 in favor of a mandatory airbag rule:

SHOULD CONGRESS MAKE AIRBAGS MANDATORY

(By Representative JAMES SCHEUER)

Congress must act to make lifesaving airbags and automotive seat belt systems standard equipment in all new cars at the earliest possible date.

The evidence that airbags and other passive restraint systems save lives is overwhelming. A former General Motors vice-president, Mr. John DeLorean, stated recently that delaying the installation of front seat airbags over a three-year period would result in over 36,000 deaths.

By 1980, cars with airbags will be available. Manufacturers have agreed to aggressively and affirmatively promote them to dealers and the public.

The three major insurance trade associations have long endorsed the mandatory inclusion of airbags in all new cars. Some major insurance companies have even slashed medical coverage rates in premiums by 30 percent for owners of cars equipped with full-front airbag systems.

"Yet," airbag opponents claim, "to require such an additional expenditure is to curtail freedom of choice." This argument is patently absurd.

Over the past decade, the government has required automobile manufacturers to install, and consumers to pay for, a wide variety of safety equipment. Such requirements clearly restrict consumer "freedom of choice" and demonstrate recognition of the basic principal that the voice of the marketplace doesn't necessarily represent the ultimate best interests either of the individual consumer or of society at large. The consumer must pay for these safety features, a combination of which probably prevents fewer deaths and injuries and costs more than airbags or passive belts. And we now require the consumer to pay $60 for safety belts which are not used by 80 percent of the people.

To discuss freedom of choice given this background is pious sanctimony laced with hypocrisy.

We all share the cost of accidents through higher taxes and insurance premiums; the diversion of police; for ambulance, medical and other resources urgently needed elsewhere. We all pay for medicaid, medicare and other forms of public health care. We all pay the Social Security disability and survivor benefits, welfare benefits, pensions and unemployment insurance which traffic victims and/or their families may require. It is estimated that the cost to society—to the taxpayer—of needless injuries and fatalities is more than $3.5 billion annually. The cost in human terms is incalculable.

We must make passive restraints systems mandatory. Despite the extreme cost-effectiveness of safety belt and airbag systems in preventing us from being killed or seriously injured, Americans have not voluntarily buckled up; states have not required their citizens to do so; automobile manufacturers have not voluntarily incorporated these safety measures into equipment that comes with each car, and Congress has not taken action to save lives. It should.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Madam Chairman, I support the Shuster amendment to restrict the Transportation Department's ability to mandate airbags on new cars in the early 1980's.

Any representative who survived the interlock fiasco should not have to be reminded of how the public feels about being forced to add costly, unproved devices to automobiles. Clearly an overwhelming percentage of Americans do not favor the airbag any more than the seatbelt interlock.

The costs of the airbag are estimated by everyone but DOT, to be about $300 per car. At 10 million cars per year, or more, the minimum extra, unnecessary burden we are loading on the consumer will be $3 billion per year. That is a load our consumers should not have to bear.

The airbag is not completely tested. In fact, there is no airbag at all for small cars. And, of course, it is the small cars that we want to sell. The airbag does not work in a large percentage of accidents. Unfortunately, it works sometimes when there is no accident.

Overall, the airbag is a loser. It is not the best safety device, but it is the most expensive. We should not miss this chance to keep the Secretary of Transportation from inflicting it on our constituents.

The amendment is alleged to be worthless because it can only direct how appropriations may not be spent. It would be better, of course, to forbid the Secretary of Transportation from mandating airbags. But this amendment is the best we can do. The committee of jurisdiction gives us no other opportunity. We should pass the Shuster amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Madam Chairman, all of us care about saving lives. I think it is instructive to look at what the Eaton Corp., the pioneer in the airbag business,

is doing. I have before me a newspaper article saying the Eaton Corp. is dropping the business. Let me share with the Members what a GAO investigator said on this:

When a company spends $25 million developing a product and then decides not to produce it, that tells you something.

Madam Chairman, I suggest we, the elected Members of the people of the United States, should tell something to the bureaucrats downtown. Let us tell them we do not want these kinds of mandatory regulations and costs laid on the American people when indeed the hard evidence from the real world does not justify such mandatory regulations.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

(Mr. CONTE asked and was given permision to revise and extend his remarks.)

Mr. CONTE. Madam Chairman, in order to bag some of the hot air that is going on here today, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. McFALL).

Mr. McFALL. I oppose the amendment, Madam Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 29, noes 16.

RECORDED VOTE

Mr. McFALL. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 237, noes 143, answered "present" 1, not voting 53, as follows:

[Roll No. 439]

AYES—237

Abdnor	Carter	Findley
Akaka	Cavanaugh	Fish
Alexander	Cederberg	Fithian
Ambro	Chappell	Flippo
Anderson, Ill.	Clausen,	Flynt
Andrews, N.C.	Don H.	Ford, Mich.
Andrews,	Cleveland	Forsythe
N. Dak.	Cohen	Fountain
Annunzio	Coleman	Frenzel
Applegate	Collins, Tex.	Fuqua
Archer	Conable	Gammage
Ashbrook	Corcoran	Gaydos
Badham	Cotter	Giaimo
Bafalis	Coughlin	Ginn
Barnard	Crane	Glickman
Bauman	Cunningham	Goldwater
Beard, R.I.	D'Amours	Gradison
Beard, Tenn.	Daniel, Dan	Grassley
Bennett	Daniel, R. W.	Gudger
Blanchard	Delaney	Guyer
Boland	Derrick	Hagedorn
Bowen	Derwinski	Hall
Breaux	Devine	Hammer-
Breckinridge	Dickinson	schmidt
Brinkley	Diggs	Hanley
Brooks	Dingell	Hannaford
Broomfield	Dornan	Hansen
Brown, Mich.	Duncan, Oreg.	Harsha
Brown, Ohio	Duncan, Tenn.	Heckler
Broyhill	Early	Hefner
Buchanan	Edwards, Ala.	Hightower
Burgener	Edwards, Okla.	Hillis
Burke, Fla.	Emery	Holt
Burke, Mass.	English	Horton
Burleson, Tex.	Erlenborn	Hubbard
Burlison, Mo.	Ertel	Hughes
Butler	Evans, Del.	Hyde
Byron	Evans, Ga.	Ichord
Carney	Evans, Ind.	Ireland
Carr	Fenwick	Jacobs
Jenkins	Mollohan	Skelton
Johnson, Colo.	Moore	Skubitz
Jones, N.C.	Moorhead,	Slack
Jones, Okla.	Calif.	Smith, Nebr.
Jones, Tenn.	Murphy, Pa.	Snyder
Kasten	Murtha	Spellman
Kazen	Myers, Gary	Spence
Kemp	Myers, John	Stangeland
Ketchum	Myers, Michael	Stanton
Keys	Natcher	Steed
Kildee	Neal	Stockman
Kindness	Nichols	Symms
Krebs	Nowak	Taylor
Krueger	O'Brien	Thone
Lagomarsino	Pettis	Thornton
Latta	Pickle	Traxler
Leach	Pike	Treen
Lederer	Poage	Vander Jagt
Leggett	Pressler	Volkmer
Levitas	Pursell	Waggonner
Livingston	Quayle	Walker
Lloyd, Calif.	Railsback	Walsh
Lloyd, Tenn.	Regula	Wampler
Long, La.	Reuss	Watkins
Long, Md.	Rinaldo	Weaver
Lott	Risenhoover	White
Lujan	Roberts	Whitehurst
Luken	Robinson	Whitley
McClory	Rooney	Whitten
McCloskey	Rostenkowski	Wiggins
McDonald	Rousselot	Wilson, Bob
McEwen	Rudd	Wilson, C. H.
Mahon	Ruppe	Wilson, Tex.
Marlenee	Russo	Winn
Marriott	Satterfield	Yatron
Martin	Sawyer	Young, Alaska
Mathis	Schulze	Young, Fla.
Mattox	Sebelius	Zablocki
Michel	Shuster	Zeferetti
Milford	Sikes	
Mitchell, N.Y.	Sisk	

NOES—143

Addabbo	Garcia	Oberstar
Ammerman	Gephardt	Obey
Anderson,	Gibbons	Ottinger
Calif.	Gilman	Patten
Ashley	Gonzalez	Patterson
Aspin	Green	Pattison
Baldus	Hamilton	Pease
Baucus	Harkin	Perkins
Bedell	Harrington	Preyer
Benjamin	Harris	Price
Bevill	Hawkins	Pritchard
Biaggi	Heftel	Rahall
Bingham	Hollenbeck	Rangel
Blouin	Holtzman	Richmond
Boggs	Howard	Roe
Bolling	Jeffords	Rogers
Bonior	Johnson, Calif.	Rose
Bonker	Jordan	Rosenthal
Brademas	Kastenmeier	Roybal
Brodhead	Kostmayer	Ryan
Brown, Calif.	LaFalce	Scheuer
Burton, John	Lent	Schroeder
Burton, Phillip	Lundine	Seiberling
Chisholm	McCormack	Sharp
Clay	McDade	Simon
Cochran	McFall	Smith, Iowa
Collins, Ill.	McHugh	Staggers
Conte	McKay	Stark
Conyers	McKinney	Steers
Corman	Madigan	Stokes
Cornell	Maguire	Stratton
Cornwell	Markey	Studds
Danielson	Marks	Thompson
Dellums	Mazzoli	Trible
Dicks	Meeds	Udall
Dodd	Mikulski	Ullman
Downey	Mikva	Vanik
Drinan	Miller, Calif.	Vento
Eckhardt	Mineta	Walgren
Edgar	Minish	Weiss
Edwards, Calif.	Mitchell, Md.	Wirth
Eilberg	Moakley	Wright
Evans, Colo.	Moffett	Wydler
Fary	Montgomery	Wylie
Fascell	Moorhead, Pa.	Yates
Fisher	Moss	Young, Mo.
Flood	Mottl	
Florio	Murphy, N.Y.	
Fowler	Oakar	

ANSWERED "PRESENT"—1

Lehman

NOT VOTING—53

Allen	Beilenson	Clawson, Del
Armstrong	Burke, Calif.	Davis
AuCoin	Caputo	de la Garza
Dent	Meyner	Sarasin
Flowers	Miller, Ohio	Shipley
Foley	Murphy, Ill.	Solarz
Ford, Tenn.	Nedzi	St Germain
Fraser	Nix	Steiger
Frey	Nolan	Stump
Goodling	Panetta	Teague
Gore	Pepper	Tsongas
Holland	Quie	Tucker
Huckaby	Quillen	Van Deerlin
Jenrette	Rhodes	Waxman
Kelly	Rodino	Whalen
Le Fante	Roncalio	Wolff
Mann	Runnels	Young, Tex.
Metcalfe	Santini	

The Clerk announced the following pairs:

On this vote:

Mr. Jenrette for, with Mr. Le Fante against.

Mr. Runnels for, with Mrs. Burke of California against.

Mr. Murphy of Illinois for, with Mr. Panetta against.

Mr. Teague for, with Mr. Foley against.

Mr. Nedzi for, with Mrs. Meyner against.

Mr. St Germain for, with Mr. Solarz against.

Mr. Dent for, with Mr. Ford of Tennessee against.

Mr. Nix for, with Mr. Wolff against.

Mr. Del Clawson for, with Mr. Whalen against.

Mr. Frey for, with Mr. Waxman against.

Mr. Kelly for, with Mr. Pepper against.

Mr. Miller of Ohio for, with Mr. Van Deerlin against.

Mr. Quillen for, with Mr. Metcalfe against.

Mr. Steiger for, with Mr. Shipley against.

Messrs. WHITTEN, GLICKMAN, and HUGHES changed their vote from "no" to "aye."

Mr. LEHMAN changed his vote from "no" to "present."

Mr. HOLLENBECK and Mr. JOHN L. BURTON changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. GONZALEZ. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, last Friday I would have liked very much to have had an opportunity to present an amendment, but because of the objection by the chairman of the subcommittee I was not able to do that.

Madam Chairman, my amendment would have added $500,000—the amount cut by the Committee—to the railroad safety program.

There are close to 8,000 railroad derailments in any given year. That reflects more than a maintenance problem. It reflects an inadequate Federal inspection system and a wholesale disregard by the railroads of safety needs.

We have seen in the past year spectacular and tragic accidents in which dozens of people have been killed and whole communities terrorized by railroad accidents—accidents in which there have been tremendous explosions and fires, and accidents in which deadly gases have covered areas for miles around with toxic fumes.

We know that some of these accidents could have been prevented by good maintenance. We also know that some of them could have been prevented if the railroads had not been permitted to cut corners on their equipment—for example, by failing to install head shields

to protect high-pressure tank cars, and by failing to install coupling systems that will prevent overrides. And we know that the railroads have been slow to take off dangerous high-carbon wheels that have been directly responsible for a number of accidents.

I realize that some of the trouble lies in the Department of Transportation itself, which enjoys more than a cozy relationship with the railroads it is supposed to be regulating.

But at the same time, not even the most efficient and dedicated of departments could enforce an adequate safety effort with the resources that are now available.

We ought to insist that DOT do a better job with rail safety—and I am among those who do. But let us not give them an excuse to say that we in Congress are not giving them enough money to do the job. Let us restore the appropriation to the full amount requested, and then demand action.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: Page 33, immediately after line 5, insert the following new section:

SEC. 318. Nothing in section 317 of this title shall be construed to prohibit the use of funds (1) for any research and development activity relating to occupant restraint systems, or (2) in connection with any court action with respect to any standard or regulation referred to in such section 317.

Mr. SHUSTER. Madam Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. SHUSTER) reserves a point of order against the amendment.

Mr. ECKHARDT. Madam Chairman, I do not consider this amendment as a very controversial one, because in my discussion with Members coming in, the gentleman from Pennsylvania (Mr. SHUSTER) said that he did not intend to restrict research and development by his amendment but only putting into effect airbag standards.

Certainly, we need to permit DOT to look at the question of effectiveness respecting various restraint systems. All this amendment says is that nothing in section 317 of this title shall be construed to prohibit the use of funds, first, for any research and development activity relating to occupant restraint systems—still, of course, no funds could be used to deploy the airbag under the Shuster amendment—or second, in connection with any court action with respect to any standard or regulation referred to in such section 317.

This does not change the Shuster amendment making it not permissible to use the funds for putting into effect the airbag standard, but it merely lets DOT continue to consider the whole question of passive restraint.

Madam Chairman, as I said in argument against the original amendment, the original amendment is very ambiguous with respect to whether or not it affects passive seatbelts, because it says not including seatbelts; but seatbelts are defined in the act as only those restraints which are active and not passive.

Madam Chairman, I urge an aye vote on the amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. SHUSTER) insist upon his point of order?

Mr. SHUSTER. Yes, Madam Chairman, I do.

The CHAIRMAN. The gentleman will state it.

Mr. SHUSTER. Madam Chairman, first, I make the point of order that this is legislation on an appropriation bill.

I would say, further, that I have no objection to the first part of this amendment, which provides that nothing in this title shall be construed to prohibit the use of funds for any research and development activity.

Indeed, I support the research and development activity for airbags, as well as other restraints. This goes beyond that, however.

And the second point, that this does not touch in any way in connection with any court action in respect to any standard regulation, it would seem to me that we should have the bureaucrats in and out of court trying to define what this means.

So because of the second part of this amendment, I would make the statement that this is legislation on an appropriation bill and it seeks to undo what the House has already done.

The CHAIRMAN. Does the gentleman from Texas (Mr. ECKHARDT) desire to be heard on the point of order?

Mr. ECKHARDT. Yes, Madam Chairman, I do.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. ECKHARDT. Madam Chairman, briefly, I refer to the argument made by the gentleman from Pennsylvania (Mr. SHUSTER) on page 16995 of the CONGRESSIONAL RECORD of June 9, 1978, and the ruling by the chairman on page 16996.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from Texas (Mr. ECKHARDT) does not change existing law, does not mandate any affirmative new duties, but constitutes an exception to a limitation placed on an appropriation bill, which is certainly in order. It does not mandate a new course of action or additional duties on the part of any party concerned with the thrust of this legislation.

Therefore, the Chair overrules the point of order.

The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ECKHARDT. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 180, noes 194, answered "present" 1, not voting 59, as follows:

[Roll No. 440]

AYES—180

Akaka	Garcia	Moorhead, Pa.
Ambro	Gephardt	Moss
Ammerman	Giaimo	Mottl
Anderson, Calif.	Gibbons	Murphy, N.Y.
Applegate	Gilman	Murphy, Pa.
Ashley	Glickman	Myers, Michael
Aspin	Gonzalez	Neal
Baldus	Green	Nowak
Baucus	Hamilton	Oakar
Beard, R.I.	Hanley	Oberstar
Bedell	Hannaford	Obey
Benjamin	Harkin	Ottinger
Bennett	Harrington	Patten
Bevill	Harris	Pattison
Biaggi	Hawkins	Pease
Bingham	Heftel	Perkins
Blanchard	Hightower	Pettis
Blouin	Hollenbeck	Pickle
Boland	Holtzman	Pike
Bolling	Howard	Preyer
Bonior	Hughes	Price
Bonker	Ireland	Pritchard
Brademas	Jeffords	Rahall
Brinkley	Jenkins	Rangel
Brodhead	Johnson, Calif.	Reuss
Brown, Calif.	Jordan	Richmond
Burke, Mass.	Kastenmeier	Roe
Burton, John	Kazen	Rogers
Burton, Phillip	Keys	Rose
Carr	Kildee	Rosenthal
Cavanaugh	Kostmayer	Roybal
Chisholm	LaFalce	Scheuer
Clay	Lederer	Schroeder
Cochran	Lehman	Seiberling
Collins, Ill.	Levitas	Sharp
Conte	Long, La.	Simon
Conyers	Long, Md.	Smith, Iowa
Corman	Lundine	Spellman
Cornell	McCormack	Staggers
Cornwell	McDade	Stark
Danielson	McFall	Steers
Dellums	McHugh	Stokes
Dicks	McKay	Stratton
Dodd	McKinney	Studds
Downey	Madigan	Thompson
Drinan	Maguire	Trible
Early	Mahon	Udall
Eckhardt	Markey	Vanik
Edgar	Marks	Vento
Ertel	Mattox	Volkmer
Evans, Colo.	Mazzoli	Walgren
Evans, Ind.	Meeds	Weiss
Fary	Mikulski	White
Fascell	Mikva	Wirth
Fisher	Miller, Calif.	Wright
Flippo	Mineta	Wydler
Flood	Minish	Wylie
Florio	Mitchell, Md.	Yates
Fowler	Moakley	Young, Mo.
Fuqua	Moffett	
	Montgomery	

NOES—194

Abdnor	Cohen	Ford, Mich.
Alexander	Coleman	Forsythe
Anderson, Ill.	Collins, Tex.	Fountain
Andrews, N.C.	Conable	Frenzel
Andrews, N. Dak.	Corcoran	Gammage
Annunzio	Cotter	Ginn
Archer	Coughlin	Goldwater
Ashbrook	Crane	Gradison
Badham	Cunningham	Grassley
Bafalis	D'Amours	Gudger
Barnard	Daniel, Dan	Guyer
Bauman	Daniel, R. W.	Hagedorn
Beard, Tenn.	Delaney	Hall
Bowen	Derrick	Hammer-schmidt
Breaux	Derwinski	Hansen
Breckinridge	Devine	Harsha
Brooks	Dickinson	Heckler
Broomfield	Diggs	Hefner
Brown, Mich.	Dingell	Hillis
Brown, Ohio	Dornan	Holt
Broyhill	Duncan, Oreg.	Horton
Buchanan	Duncan, Tenn.	Hubbard
Burgener	Edwards, Ala.	Hyde
Burke, Fla.	Edwards, Okla.	Ichord
Burleson, Tex.	Eilberg	Jacobs
Burlison, Mo.	Emery	Johnson, Colo.
Butler	English	Jones, N.C.
Byron	Erlenborn	Jones, Okla.
Carney	Evans, Del.	Jones, Tenn.
Cederberg	Evans, Ga.	Kasten
Chappell	Fenwick	Kemp
Clausen, Don H.	Findley	Ketchum
Cleveland	Fish	Kindness
	Fithian	Krebs
	Flynt	

Krueger	O'Brien	Stangeland
Lagomarsino	Patterson	Stanton
Latta	Poage	Steed
Leach	Pressler	Symms
Leggett	Pursell	Taylor
Lent	Quayle	Thone
Livingston	Railsback	Thornton
Lloyd, Calif.	Regula	Traxler
Lloyd, Tenn.	Rinaldo	Treen
Lott	Risenhoover	Ullman
Lujan	Roberts	Vander Jagt
Luken	Robinson	Waggonner
McClory	Rooney	Walker
McCloskey	Rostenkowski	Walsh
McDonald	Rousselot	Wampler
McEwen	Rudd	Watkins
Marlenee	Ruppe	Weaver
Marriott	Russo	Whitehurst
Martin	Ryan	Whitley
Mathis	Satterfield	Whitten
Michel	Sawyer	Wiggins
Milford	Schulze	Wilson, Bob
Mitchell, N.Y.	Sebelius	Wilson, C. H.
Mollohan	Shuster	Winn
Moore	Sikes	Yatron
Moorhead, Calif.	Sisk	Young, Alaska
	Skelton	Young, Fla.
Murtha	Skubitz	Zablocki
Myers, Gary	Slack	Zeferetti
Myers, John	Smith, Nebr.	
Natcher	Snyder	
Nichols	Spence	

ANSWERED "PRESENT"—1

Carter

NOT VOTING—59

Addabbo	Gore	Roncalio
Allen	Holland	Runnels
Armstrong	Huckaby	Santini
AuCoin	Jenrette	Sarasin
Bellenson	Kelly	Shipley
Boggs	Le Fante	Solarz
Burke, Calif.	Mann	St Germain
Caputo	Metcalfe	Steiger
Clawson, Del	Meyner	Stockman
Davis	Miller, Ohio	Stump
de la Garza	Murphy, Ill.	Teague
Dent	Nedzi	Tsongas
Edwards, Calif.	Nix	Tucker
Flowers	Nolan	Van Deerlin
Foley	Panetta	Waxman
Ford, Tenn.	Pepper	Whalen
Fraser	Quie	Wilson, Tex.
Frey	Quillen	Wolff
Gaydos	Rhodes	Young, Tex.
Goodling	Rodino	

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Teague against.

Mr. Sarasin for, with Mr. Del Clawson against.

Mr. Steiger for, with Mr. Frey against.

Mr. Whalen for, with Mr. Kelly against.

Mr. St Germain for, with Mr. Miller of Ohio against.

Mr. Le Fante for, with Mr. Quillen against.

Mr. Wolff for, with Mr. Nedzi against.

Mr. ABDNOR and Mr. DUNCAN of Tennessee changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 33, immediately after line 5, insert the following new section:

SEC. 318. Nothing in section 317 of this title shall be construed to prohibit the use of funds for any research and development activity relating to occupant restraint systems.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, I have no problem with this amendment and I accept it.

Mr. McFALL. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. McFALL. Madam Chairman, this side is willing to accept the amendment and I think most of the Members are.

Mr. CONTE. Madam Chairman, I find it necessary to offer this amendment to clarify our intentions with respect to the last two amendments we have acted upon. I fear that we have inadvertently established a legislative intent to prohibit research and development into effective occupant restraint systems.

Earlier, we adopted the amendment of the gentleman from Pennsylvania (Mr. SHUSTER) to prohibit funding for implementing or enforcing standards requiring other than a belt system. This amendment was obviously aimed exclusively at preventing implementation at this time of a mandatory airbag system.

Unfortunately, Madam Chairman, we just voted to defeat the amendment of the gentleman from Texas (Mr. ECKHARDT). That amendment attempted, not only to protect the department's ability to conduct research and development, but also to insure a vaguely worded right to participate in court actions involving restraint systems.

I am confident that this amendment was rejected solely because the Members were unclear as to what was envisioned by the exception regarding court actions.

I am equally confident that the Members did not intend to prohibit vital research and development activities so important to the future safety of automobile passengers. Yet, that is exactly the legislative intent we established.

Despite the differences that have been expressed in this Chamber over the merits of the Shuster amendments, I know that both its supporters and its opponents—and its author—have no intention of cutting off funding for R. & D. activity relating to any feasible occupant restraint system.

I do not believe there is one Member of this body who would take such an anti-consumer and antisafety stand; and I am certain that the gentleman from Pennsylvania (Mr. SHUSTER) will agree with me.

My amendment is needed to restore sanity by restoring the correct interpretation to what we have done. I urge its immediate and unanimous adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. McFALL. Madam Chairman, I move to strike the last word.

Mr. CUNNINGHAM. Madam Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Washington.

Mr. CUNNINGHAM. Madam Chairman, I thank the gentleman from California (Mr. McFALL) for yielding to me. I wonder, having shared with the gentleman earlier a concern we have on some major bridge work that needs to be done in Seattle in order to afford residents of West Seattle the opportunity to get to Seattle, if he would respond?

Mr. McFALL. I understand there was an accident, is that correct?

Mr. CUNNINGHAM. Yes, finally one of the oceangoing freighters has literally taken the main corridor bridge out. We now have the second largest corridor in the State crippled for what looks like 60 to 90 days. I appreciate the understanding of the chairman concerning this problem. I hope when this bill gets to conference that there will be an opportunity to address ourselves to it in seeking a permanent solution—not patchwork.

Mr. McFALL. I appreciate the gentleman's calling the attention of the House to this very serious matter, and since it happened, I know the matter will come before the Senate. We certainly will be very sympathetic to anything the Senate does with reference to this very, very serious situation in the State of Washington.

Mr. PRITCHARD. Madam Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Washington.

Mr. PRITCHARD. I thank the gentleman for yielding.

I want to put emphasis on what the gentleman from Washington said regarding the disaster in our town. I am sure the Senators will be discussing it in conference, and we will appreciate any consideration the gentleman can give.

Mr. CONTE. Madam Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

The gentleman from Washington spoke to me, and after discussing it with the chairman of the committee, who has always been fair with all Members of the House and also with myself, we told him we would give him every sympathy when we go to conference.

Mr. McFALL. I am sure the gentleman from Massachusetts will be at the conference, and he certainly will be working right with us in order to find a solution to this very difficult problem.

Mr. PRITCHARD. I thank the gentleman.

● Mr. LENT. Mr. Chairman, I commend the Appropriations Committee for its work on the Department of Transportation and Related Agencies Appropriation bill (H.R. 12933). In particular, I am gratified that the committee has responded to the Merchant Marine and Fisheries Committee's recommendations by appropriating $1.1 million for survey and design of future vessels by the U.S. Coast Guard.

As a member of the Merchant Marine and Fisheries Committee, I am well aware of new seagoing platform developments which will help the Coast Guard carry out its many and varied missions. Our report on the authorization bill ex-

pressed great interest in the promise of new hull designs, both nondisplacement and nonconventional.

As the original sponsor of the 200-mile economic zone around our coasts, I know what increased enforcement responsibilities face the Coast Guard in carrying out this law.

The House action today reemphasizes our commitment to improving the Coast Guard's effectiveness and I hope the Coast Guard will move ahead in examining new hull designs with serious consideration given to hydrofoil vessels during this evaluation and design process.●

Mr. McFALL. Madam Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Miss JORDAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12933) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes, had directed her to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment adopted by the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 347, nays 25, not voting 62, as follows:

[Roll No. 441]

YEAS—347

Abdnor	Badham	Bolling
Akaka	Bafalis	Bonior
Alexander	Baldus	Bonker
Ambro	Barnard	Bowen
Ammerman	Baucus	Brademas
Anderson, Calif.	Bauman	Breaux
	Beard, R.I.	Breckinridge
Anderson, Ill.	Beard, Tenn.	Brinkley
Andrews, N.C.	Benjamin	Brooks
Andrews, N. Dak.	Bennett	Broomfield
	Bevill	Brown, Calif.
Annunzio	Biaggi	Brown, Ohio
Applegate	Bingham	Buchanan
Ashbrook	Blanchard	Burgener
Ashley	Boggs	Burke, Fla.
Aspin	Boland	Burke, Mass.
Burleson, Tex.	Harsha	Patterson
Burlison, Mo.	Hawkins	Pease
Burton, Phillip	Hefner	Perkins
Butler	Heftel	Pettis
Byron	Hightower	Pickle
Carney	Hollenbeck	Pike
Carr	Holt	Poage
Carter	Holtzman	Pressler
Cavanaugh	Horton	Preyer
Cederberg	Howard	Price
Chappell	Hubbard	Pritchard
Chisholm	Hughes	Pursell
Clausen, Don H.	Hyde	Quayle
	Ichord	Rahall
Clay	Ireland	Railsback
Cleveland	Jeffords	Rangel
Cochran	Jenkins	Regula
Cohen	Johnson, Calif.	Reuss
Coleman	Johnson, Colo.	Richmond
Collins, Ill.	Jones, N.C.	Rinaldo
Conable	Jones, Tenn.	Risenhoover
Conte	Jordan	Roberts
Conyers	Kasten	Robinson
Corcoran	Kastenmeier	Roe
Corman	Kazen	Rogers
Cornell	Kemp	Rooney
Cornwell	Ketchum	Rose
Cotter	Keys	Rosenthal
Coughlin	Kildee	Rostenkowski
Cunningham	Kindness	Rousselot
D'Amours	Kostmayer	Roybal
Daniel, Dan	Krebs	Rudd
Daniel, R. W.	Krueger	Ruppe
Danielson	LaFalce	Russo
De.aney	Lagomarsino	Ryan
Dellums	Leach	Sawyer
Derrick	Lederer	Scheuer
Dickinson	Leggett	Schroeder
Dicks	Lehman	Sebelius
Diggs	Lent	Seiberling
Dingell	Levitas	Sharp
Dodd	Livingston	Shuster
Dornan	Lloyd, Calif.	Sikes
Drinan	Lloyd, Tenn.	Simon
Duncan, Oreg.	Long, La.	Sisk
Duncan, Tenn.	Long, Md.	Skelton
Early	Lott	Skubitz
Eckhardt	Lujan	Slack
Edgar	Luken	Smith, Iowa
Edwards, Ala.	Lundine	Smith, Nebr.
Edwards, Okla.	McClory	Snyder
Eilberg	McCloskey	Spence
Emery	McCormack	Staggers
English	McDade	Stangeland
Erlenborn	McEwen	Stanton
Ertel	McFall	Stark
Evans, Colo.	McHugh	Steed
Evans, Del.	McKay	Steers
Evans, Ga.	McKinney	Steiger
Fary	Madigan	Stokes
Fascell	Mahon	Stratton
Fenwick	Markey	Studds
Findley	Marks	Taylor
Fish	Marlenee	Thompson
Fisher	Marriott	Thone
Fithian	Martin	Thornton
Flippo	Mathis	Traxler
Flood	Mattox	Treen
Florio	Mazzoli	Trible
Flynt	Meeds	Udall
Ford, Mich.	Michel	Ullman
Forsythe	Mikulski	Vander Jagt
Fountain	Milford	Vanik
Fowler	Miller, Calif.	Vento
Frenzel	Mineta	Volkmer
Fuqua	Minish	Waggonner
Gammage	Mitchell, Md.	Walgren
Garcia	Mitchell, N.Y.	Walker
Gaydos	Moakley	Walsh
Giaimo	Mollohan	Wampler
Gibbons	Montgomery	Watkins
Gilman	Moore	Weiss
Ginn	Moorhead, Calif.	White
Glickman		Whitehurst
Goldwater	Moorhead, Pa.	Whitley
Gonzalez	Moss	Whitten
Gradison	Murphy, N.Y.	Wiggins
Grassley	Murphy, Pa.	Wilson, Bob
Green	Murtha	Wilson, C. H.
Gudger	Myers, Gary	Winn
Guyer	Myers, John	Wright
Hagedorn	Myers, Michael	Wydler
Hall	Natcher	Wylie
Hamilton	Neal	Yates
Hammer-schmidt	Nichols	Yatron
	Nowak	Young, Alaska
Hanley	O'Brien	Young, Fla.
Hannaford	Oakar	Young, Mo.
Hansen	Oberstar	Zablocki
Harkin	Obey	Zeferetti
Harrington	Ottinger	
Harris	Patten	

NAYS—25

Archer	Devine	Mikva
Bedell	Downey	Moffett
Brodhead	Evans, Ind.	Mottl
Brown, Mich.	Gephardt	Satterfield
Broyhill	Jacobs	Symms
Burton, John	Jones, Okla.	Weaver
Collins, Tex.	Latta	Wirth
Crane	McDonald	
Derwinski	Maguire	

NOT VOTING—62

Addabbo	Hillis	Roncalio
Allen	Holland	Runnels
Armstrong	Huckaby	Santini
AuCoin	Jenrette	Sarasin
Beilenson	Kelly	Schulze
Blouin	Le Fante	Shipley
Burke, Calif.	Mann	Solarz
Caputo	Metcalfe	Spellman
Clawson, Del	Meyner	St Germain
Davis	Miller, Ohio	Stockman
de la Garza	Murphy, Ill.	Stump
Dent	Nedzi	Teague
Edwards, Calif.	Nix	Tsongas
Flowers	Nolan	Tucker
Foley	Panetta	Van Deerlin
Ford, Tenn.	Pattison	Waxman
Fraser	Pepper	Whalen
Frey	Quie	Wilson, Tex.
Goodling	Quillen	Wolff
Gore	Rhodes	Young, Tex.
Heckler	Rodino	

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Panetta against.

Mr. Quillen for, with Mr. Kelly against.

Until further notice:

Mr. Wolff with Mr. Allen.

Mr. Pepper with Mr. Tsongas.

Mr. Waxman with Mr. Teague.

Mr. Van Deerlin with Mr. Holland.

Mr. St Germain with Mr. Roncalio.

Mr. Nedzi with Mr. Armstrong.

Mrs. Meyner with Mr. Mann.

Mrs. Burke of California with Mr. Caputo.

Mr. Nix with Mr. Miller of Ohio.

Mr. Le Fante with Mr. Tucker.

Mr. AuCoin with Mr. Frey.

Mr. de la Garza with Mr. Stockman.

Mr. Foley with Mr. Goodling.

Mr. Nolan with Mr. Flowers.

Mr. Metcalfe with Mr. Stump.

Mr. Huckaby with Mr. Runnels.

Mr. Santini with Mr. Davis.

Mr. Solarz with Mr. Whalen.

Mr. Murphy of Illinois with Mr. Dent.

Mr. Jenrette with Mr. Edwards of California.

Mr. Beilenson with Mr. Del Clawson.

Mr. Blouin with Mrs. Hechler.

Mr. Ford of Tennessee with Mr. Charles Wilson of Texas.

Mr. Fraser with Mr. Gore.

Mr. Pattison with Mr. Quie.

Mrs. Spellman with Mr. Schulze.

Mr. Shipley with Mr. Sarasin.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McFALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

STATE-JUSTICE-COMMERCE APPROPRIATIONS FOR 1979

Mr. SLACK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12934) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the distinguished gentleman from Michigan (Mr. CEDERBERG) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from West Virginia (Mr. SLACK).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12934, with Mr. BROWN of California in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Pursuant to the unanimous-consent agreement, the gentleman from West Virginia (Mr. SLACK) will be recognized for 30 minutes; and the gentleman from Michigan (Mr. CEDERBERG) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and members of the committee, we had originally planned to bring this bill up with a rule which would have waived points of order due to lack of authorization. However, because of the intense controversy over proceeding without the required authorization of many programs contained in this bill, including the FTC, we have decided to proceed without any rule.

Mr. Chairman, it is essential that something be done to provide timely authorizations if the appropriation bills are to proceed in accordance with the schedule of the Budget Act.

Mr. Chairman, the total amount of new budget authority recommended in this bill for fiscal year 1979 is $8,554,311,600. This amount is a net decrease of $84,202,000 from the total amount requested and is a net decrease of $1,318,299,400 from appropriations enacted to date for fiscal year 1978. This decrease below current funding is due largely to the enactment in fiscal year 1978 of two supplemental oppropriations totaling $2,150,000,000 for the Disaster Loan Fund of the Small Business Administration.

The following table summarizes by department and agency the recommendations of the Committee and shows comparisons with the appropriations for fiscal year 1978 and the budget estimates for fiscal year 1979:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1978 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1979

Agency	New budget (obligational) authority fiscal year 1978[1]	Budget estimates of new (obligational) authority fiscal year 1979	New budget (obligational) authority recommended in bill	Bill compared with—	
				New budget (obligational) authority, fiscal year 1978	Budget estimates of new (obligational) authority, fiscal year 1979
(1)	(2)	(3)	(4)	(5)	(6)
Department of State	$1,151,847,000	$1,262,897,000	$1,260,291,000	+$108,444,000	−$2,606,000
Department of Justice	2,300,619,000	2,464,302,000	2,455,894,000	+155,275,000	−8,408,000
Department of Commerce	1,934,454,000	2,422,607,000	2,123,152,000	+188,698,000	−299,455,000
The Judiciary	444,318,000	486,481,600	481,316,600	+36,993,600	−5,165,000
Related agencies:					
Arms Control and Disarmament Agency	13,600,000	16,395,000	16,395,000	+2,795,000	
Board for International Broadcasting	65,900,000	85,180,000	85,000,000	+19,100,000	−180,000
Commission on Civil Rights	10,480,000	10,752,000	10,752,000	+272,000	
Commission on Security and Cooperation in Europe	347,000	350,000	350,000	+3,000	
Equal Employment Opportunity Commission	77,050,000	110,000,000	110,000,000	+32,950,000	
Federal Communications Commission	61,400,000	67,035,000	68,535,000	+7,135,000	+1,503,000
Federal Maritime Commission	9,424,000	10,530,000	10,500,000	+1,076,000	−30,000
Federal Trade Commission	59,500,000	66,485,000	63,600,000	+4,100,000	−2,885,000
Foreign Claims Settlement Commission	920,000	1,015,000		−920,000	−1,015,000
International Communication Agency	364,572,000	413,327,000	407,709,000	+43,137,000	−5,618,000
International Trade Commission	11,500,000	13,113,000	12,800,000	+1,300,000	−313,000
Japan-United States Friendship Commission	1,000,000	1,500,000	1,500,000	+500,000	
Legal Services Corporation	205,000,000	304,000,000	285,000,000	+80,000,000	−19,000,000
Marine Mammal Commission	900,000	702,000	702,000	−198,000	
Office of the Special Representative for Trade Negotiations	2,680,000	2,665,000	2,665,000	−15,000	
Renegotiation Board	6,000,000	7,277,000	3,000,000	−3,000,000	−4,277,000
Securities and Exchange Commission	58,100,000	64,800,000	64,650,000	+6,550,000	−150,000
Small Business Administration	3,093,000,000	827,100,000	1,090,500,000	−2,002,500,000	+263,400,000
Grand total	9,872,611,000	8,638,513,600	8,554,311,600	−1,318,299,400	−84,202,000

[1] Includes amounts in Supplemental Appropriations Act, 1978 (Public Law 95-240) and Small Business Administration Disaster Loan Supplemental (Public Law 95-284).

Mr. Chairman, I would like to highlight the contents of the bill, after which I will be pleased to yield to other Members to discuss various aspects of the bill.

TITLE I—DEPARTMENT OF STATE

The total amount recommended for the Department of State for fiscal year 1979 is $1,260,291,000. This amount is a decrease of $2,606,000 from the total amount requested, but is an increase of $108,444,000 over the 1978 appropriations made to date. The increase is due largely to wage and price increases abroad and to increased assessments by international organizations.

TITLE II—DEPARTMENT OF JUSTICE

The total amount recommended for the Department of Justice for fiscal year 1979 is $2,455,894,000. This amount is $155,275,000 more than the total appropriated to date for the current fiscal year, but is $8,408,000 less than the amount requested for fiscal year 1979.

The committee recommends the appropriation of $563,500,000 for expenses of the Federal Bureau of Investigation. This amount is an increase of $6,750,000 over the budget request for fiscal year 1979. The increase reflects restoration in two areas where program reductions were proposed. One of these is in domestic security and terrorism investigations. The amount recommended by the committee includes funds to maintain that program at the current level with no reduction. In addition, the committee recommendation includes funds to partially restore a reduction proposed in coordination of investigations.

For the Immigration and Naturalization Service, the committee recommends the appropriation of $294,500,000, representing an increase of $28,050,000 over the appropriation for the current fiscal year. The committee has expressed concern about the apparent inability of the Immigration and Naturalization Service to fill authorized positions. We are hopeful that recent efforts of the Immigration and Naturalization Service will result in the filling of most of the existing vacancies. The committee's recommendation includes funds for the 903 additional positions requested in the budget, but reflects funding for those positions for a 6-month period rather than the

9-month period proposed in the budget. In addition, the committee has expressed concern about the workload backlog in a number of district and regional offices and has urged the INS to endeavor to bring its workload current and to transfer positions and resources as necessary to accomplish this objective.

Under the Federal Prison System, the committee recommends funds for construction of a combination Federal correctional institution and Federal detention center to be located near Phoenix, Ariz. This facility is needed in order to alleviate a critical shortage of detention facilities in that area.

The committee has expressed concern about the excessive costs of construction for the housing of prisoners. We expect the Department to explore and report on new directions for dealing with the issue of prison population. In addition, we have urged the Department of Justice and the Department of Defense to continue to look into the matter of utilizing military installations for meeting the housing needs of the Bureau of Prisons.

TITLE III—DEPARTMENT OF COMMERCE

The bill includes $2,123,152,000 in new budget authority for the Department of Commerce. This amount is $188,698,000 more than appropriations for the current fical year, but is $299,455,000 less than the budget estimate for fiscal year 1979.

The budget for the National Oceanic and Atmospheric Administration included a proposal to close 19 weather stations in various sections of the country. The committee has not approved this proposal and has designated $1,713,000 and the necessary positions within the total amount provided for NOAA in order to keep these stations open and operative with no reduction in the quality of service.

TITLE IV—THE JUDICIARY

Title IV of this bill includes a total of $481,316,600 for operation of the Federal courts. This amount is $5,165,000 less than the total amount requested.

TITLE V—RELATED AGENCIES

Title V of the pending bill includes funds for 18 related agencies. The total recommended for these agencies is $2,233,658,000, which is an increase of $231,432,000 over the budget request for fiscal year 1979, but is $1,807,715,000 less than the total appropriated for these agencies for the current fiscal year. The increase above the budget request for fiscal 1979 is due to additional funds recommended for the Small Business Administration.

There are a couple of areas in this title which I believe deserve the attention of all Members In the paragraph on page 42 of the bill which provides funds for the Federal Trade Commission, language is included which would prohibit the FTC from limiting through trade regulation rules the advertising of food products which contain ingredients included on the Food and Drug Administration's list of ingredients "generally recognized as safe" I am sure other Members will have remarks concerning this matter.

Finally, Mr. Chairman, I would like to mention the Renegotiation Board. The committee recommends the appropriation of $3 million for expenses of the Board to be available only until March 31, 1979. In view of the failure of the Congress to extend the termination date in the Renegotiation Act, which applies to contracts subject to renegotiation, the committee feels it is appropriate to consider termination of the Board itself. The 6 month funding recommended by the committee will give the Board an opportunity to deal with cases having the most potential for recovery of excess profits, and will also give the appropriate authorizing committees of the Congress an opportunity to deal with the question of the continued existence of the Board.

The committee is aware that the existing Board has sent considerable time rewriting regulations and practices. It is the committee's intention that the $3 million provided in the pending bill be used only to deal with the backlog of cases. If it is determined that the Board should be terminated, it may be necessary to consider termination costs at a later date.

SUMMARY

Mr. Chairman, hearings were held on this bill from January 23 until April 12, and involved some 7,500 pages of testimony. Every member of the subcommittee has assumed his or her share of the workload in connection with the hearings, the markup and the reporting of this bill. I would like to express my personal appreciation for their excellent cooperation. As you know, we will not have JACK FLINT and YVONNE BURKE with us next year. I want to take this opportunity to thank them both for their outstanding contributions to the work of the subcommittee. We shall certainly miss them and we wish them well.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I commend the gentleman for his statement. I agree with it.

I want to supplement what the gentleman said and ask him if he agrees. The programs that this bill covers should have been authorized prior to October 1977. If they had been authorized in a timely manner, then the departments would have considered the programs during the winter months, and the programs would have been included in the President's budget recommendations which were submitted to the Congress in January. We could have held hearings based upon those authorizations if they had been completed.

And so any authorization that is not completed by now may be about 1 year off target. As the gentleman mentioned, without these authorizations these items are subject to a point of order.

It is not really fair to these programs that the authorizations are so far behind, but we cannot hold up appropriations because of the authorization problem.

I would just point out that none of the programs for the Department of State have been authorized; in the Department of Justice, none of the authorizations except the LEAA and the DEA have been completed. In the Department of Commerce, the fishery conservation and management, the endangered species, the ocean dumping research, the coastal zone management—marine sanctuaries, the sea grant, the NACOA, the marine mammal protection, the National Fire Prevention and Control Administration, the standard reference data, and the Maritime Administration programs are not authorized. Under title V—related agencies, the Arms Control and Disarmament Agency, the Board for International Broadcasting, the Commission on Civil Rights, the Federal Trade Commission, the International Communication Agency, the International Trade Commission, and the Securities and Exchange Commission all lack authorization.

None of these items have been authorized and they should have been authorized prior to last October. The failure of the authorizing committees to get these authorizations completed in time just simply makes it impossible for the budget process to work the way it should work. I commend the gentleman for his understanding and his statement in pointing out that we are going ahead with this bill, as the Appropriations Committee did with the Labor-HEW bill, without the programs being authorized.

Mr. SLACK. I thank the gentleman from Iowa (Mr. SMITH). He states the case precisely as it is.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield, among those items in which the authorization bill has not been completed, the distinguished gentleman from Iowa (Mr. SMITH) mentioned the Federal Trade Commission. I think a little explanation is needed on that point. I am the chairman of the subcommittee that deals with that agency. The authorization was recommended through that subcommittee and through the full committee and action was taken in the House in timely fashion. During that period of time a very controversial amendment, one which has been in dispute between the House and the Senate for a long time, was placed in that bill, the so-called Levitas amendment, which would call for a congressional veto of any rule in the Federal Trade Commission which came out.

This Member went to the conference committee and supported the position of the House fully. I am not in favor of the Levitas amendment on principle, but I felt I was, in effect, as I said here in the House, somewhat like a lawyer with the House on that particular point, and made, as the gentleman from Georgia (Mr. LEVITAS) recognized, as strong a plea to the Senate conferees to accept it as was possible. They did not accept it.

The conference report came back to the House and it was refused because of the rider, and that covers about 10 or 12 percent of the total program yet, of course, that can hold up the proceeding in this bill.

I just wanted the House to know that as far as the authorizing committee is

concerned, we have done everything possible to move that legislation through the authorizing process. I would hope that the House would permit it to go through on this bill, although I have little hope that there will not be a single person that would raise an objection. I just wanted to make it clear, though, that if the FTC is ground to a halt it may be because of the insistence of a specific, small, narrow requirement that is being considered in the Committee on Rules at the present time and I would hope we do not ultimately make the Federal Trade Commission's total operations halt over such a dispute between the House and the Senate.

Mr. SLACK. I thank the gentleman from Texas (Mr. ECKHARDT) for his contribution.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I will be pleased to yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, in view of the discussion on the Federal Trade Commission, I would like to ask the chairman of the subcommittee specifically about the Renegotiation Board because with the Renegotiation Board there has been a bill to renew its authorization reported out of the Committee on Banking, Finance and Urban Affairs.

A rule was granted last July to bring it to the floor, and a number of us, a majority of the House, had been prepared to offer an amendment to that authorization bill when it reached the floor that would abolish the Board until the next war or national emergency.

So in the some 9 months since there has been opportunity to bring the bill to the floor and its sponsors have chosen not to bring it to the floor. I note with interest that the Committee on Appropriations is recommending that the funding for the Renegotiation Board be terminated as of March 31 of next year.

I wanted to verify with the chairman of the subcommittee, the gentleman from West Virginia (Mr. SLACK) that in the language of the bill, on page 48 there is a statement that says that there is $3 million to be available only until March 31, 1979, that that means that the Board will have to cease operations as of that date unless the pending bill or some bill to renew the Renegotiation Board's authority is brought to the floor, is that correct?

Mr. SLACK. That is the intent of the subcommittee and the full committee.

Mr. McCLOSKEY. I commend the committee and I thank the gentleman for yielding.

Mr. CEDERBERG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and Members of the House, the gentleman from West Virginia (Mr. SLACK) has gone into the details of the bill and it is not my desire to repeat what he has said. I want to reemphasize something that has been said, however, and that is the problem that we on the Committee on Appropriations have.

I realize we do not have very many Members here on the floor now, but maybe they will read this in the RECORD. We are in an intolerable position as far as trying to meet our schedule of work down in the Committee on Appropriations.

The chairman, the gentleman from Texas (Mr. MAHON) and I have been before the Committee on Rules discussing this matter, and we received a rule, in fact, on this bill.

But it was decided not to bring the bill up under the rule, and I am not really sure what the basic reason is. I understand there is still a little problem within the Committee on Rules on some of the other bills that are coming up. However, unless this House is going to require advanced authorizations we are not going to be able to get our work done. It is just that simple. When we look at the restraints that we are under, the Budget Act says this Congress must complete action on appropriation bill by the seventh day after Labor Day. Here we are almost in the middle of June. We have not gone to conference with the other body on any fiscal 1979 bills yet. As a matter of fact, the other body has not yet considered the appropriation bills. Our committee is not scheduled to complete our work here until late June and probably will not have all of our appropriations bills through then. We will still have defense coming along, I know.

It seems to me that the authorization committees ought to understand the problem that the Committee on Appropriations is in. It is not only our problem, but it is the problem of the entire House of Representatives. So I would think and hope that the leadership of the House will try to do something to change the rules so that we can have some advance authorization.

On the bill we have before us today—and we will be facing this on other appropriation bills where there are points of order that lie—points of order will be made. Then we go to conference with the other body at their figures because we do not have anything in our bill. Then we have to bring it all back to the House in technical disagreement, and then we will fight on the floor of the House those amendments in technical disagreement, when we ought to make some of those decisions as each bill comes up. Can the Members see the built-in delay that we have here? I do not know what we can do about it now.

I personally would have preferred to bring this bill out under a rule so that we could at least have the figures. We go and hold hearings for months, and then we come to the floor with a bill, and somebody raises a point of order and it all goes out. That just is not the way to legislate. The sooner the Members of this body understand that, the better off we are all going to be, and the better it will be for some orderly procedures around here.

There is nothing that the Committee on Appropriations can do about this. We do not like going to the Committee on Rules and ask for rules, but we are forced to go, because of the lack of action by the authorizing committees.

There are many things in this bill, and, as a matter of fact, as far as the bill itself is concerned, that I agree with. I think it is a good bill. Some of the things in it are underestimated. The small business disaster loans are obviously underestimated, as the gentleman from Iowa knows. Unless we have a very, very fortunate year it is substantially underestimated.

I agree with the FBI increase. I think the gentleman from Massachusetts (Mr. EARLY) pointed out very clearly in the hearings—and they are worth reading—about the problems we could face such as unrest here at home, bank robberies, and so forth. I think we have an excellent Director of the Federal Bureau of Investigation in Mr. Webster.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. I thank the gentleman for yielding.

I wanted to bring to the attention of the gentleman and to the chairman and the Members of the House a problem that we have with respect to authorization on this point, that is, the domestic security and terrorism program. As the gentleman may know, this year is the first year the FBI program has been subject to authorization. This is the first year, as the gentleman also knows, for the work of the Intelligence Committee. The Intelligence Committee—the House Permanent Select Committee on Intelligence—has concurrent jurisdiction with the Committee on the Judiciary on the authorization of some portions of the FBI budget. One of those portions is the domestic security and terrorism programs. It appears that the Select Committee on Intelligence has chosen in its act to adopt the President's budget, concluding that there was not justification to support an increase.

On the other hand, the Committee on the Judiciary has adopted that additional amount and has added it to the President's budget in the amount of $3.5 million.

Incidentally, I understand that the amount added by the Committee on Appropriations is $3.601 million, the difference being accounted for by inflation, the authorizing committee not adding an inflationary factor, the Appropriations Committee doing so.

I wanted to point out to the House the difference between the two committees who hold authorization jurisdiction on this point. For this reason, I expect to make a point of order against that part of the money that appears for the Federal Bureau of Investigation for the domestic security and terrorism program.

Mr. CEDERBERG. Mr. Chairman, the gentleman from Missouri raises a very interesting point and one we ought to talk about a little bit. We are going to have to do away with these interauthorizing jurisdictional disputes if we are to

ever get authorizations bills taken care of. The gentleman is going to have to get sole jurisdiction in the gentleman's committee or the Committee on the Judiciary will have get it. We have this problem in energy in spades. We have about three committees that cannot agree on anything on energy. How can we appropriate the money for the agency's work?

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield.

Mr. CEDERBERG. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I agree with every word the gentleman from Michigan has said. Our subcommittee and our Committee on Intelligence took our action, made our recommendations on this bill some weeks ago. I thoroughly agree with the gentleman that some method has got to be found for advance authorizations, more rapid authorizations, closer coordination between the committees that share jurisdiction, having concurrent jurisdiction.

I will not quarrel with a word the gentleman has said.

Mr. CEDERBERG. Mr. Chairman, we are just having too many disputes around here. I am sorry but we in the Appropriations Committee just cannot wait for you. We may have to under the rule, but when we get toward the end of the session and the deadlines under the Budget Act come up, then something has to give.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, with respect to the terrorism item, I would like to point out, as the gentleman will agree, it became obvious during the course of the hearings that it was not really the agency's decision not to ask for the money. It was somebody in OMB that decided that this was a good place to make a reduction. It was obvious they made a mistake and within a few days the administration was making public statements that they wanted to increase the activities against terrorism. They went over to the Senate and justified the higher figure. In the end all that will happen is that the Senate will probably put the additional funds in the bill.

Mr. CEDERBERG. Mr. Chairman, an unforeseen event could occur in this country involving terrorism, and it is not impossible that this would happen. We have seen it happen around the world. We in the subcommittee felt we would protect ourselves and give the Federal Bureau of Investigation the tools needed to do its work. It just seems to me the authorizing committees ought to err, if they are going to err, on the side of protection of the citizens of the United States.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield further?

Mr. CEDERBERG. I do not have much time left, but I will yield briefly.

Mr. BURLISON of Missouri. Mr. Chairman, I just want to take sharp issue with what the gentleman from Iowa has said and what the gentleman from Michigan has said. It was the conclusion of our committee, after hearing testimony from the Federal Bureau of Investigation and the Department of Justice that there was a total lack of justification for additional funds above the President's budget.

It is my understanding that the President has personally endorsed his position on this budget, and that the Attorney General and the Federal Bureau of Investigation have affirmed that they support the President's budget. They would like to have more money.

Is there one bureaucrat in the Government that would not like to be given more money?

Mr. CEDERBERG. Mr. Chairman, I cannot yield to the gentleman any longer, because my time is running out, but just let me say this:

I think the gentleman who is head of the Federal Bureau of Investigation, who, incidentally is from the State of the gentleman from Missouri (Mr. BURLISON), is one of the finest gentlemen I have ever met. I think he wants to do, and will only do, what is right with the FBI.

As far as our hearings are concerned, I think we have found enough justification from them that we should make sure that the Bureau has the tools to do what it needs to do.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. Yes, I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, this bill was reported out of the full committee on May 24. The same day, the Justice Department here in Washington was bombed and in the city of New York two bombs exploded.

Mr. CEDERBERG. I thank the gentleman for his comments.

Mr. SLACK. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, during consideration of the appropriation for State, justice, and commerce, the judiciary and related agencies in the Appropriations Committee, there was considerable debate of the proviso that would prohibit the FTC from issuing a trade regulation limiting the advertising of any foods determined safe by the Food and Drug Administration.

As approved by the subcommittee, the proviso could have been interpreted to cancel in midstream the Commission's pending nutrition disclosure and protein supplement proceedings, prevented the FTC from holding hearings on the television advertising directed toward young children, and in general, affected the continuation of the investigatory, comment, and hearing processes of the FTC.

During debate by the Full Appropriations Committee, however, our colleague, Mr. ANDREWS, offered additional language to the proviso which states: "nothing herein shall be construed as prohibiting or restricting the Federal Trade Commission's authority with respect to false and deceptive advertising." This proviso was adopted unanimously.

At this point, I would like to make the intention of the committee in adopting the proviso with this added language very clear. I would like to inquire of one of the authors of this proviso, the gentleman from Iowa (Mr. SMITH), is it the intention of the proviso to allow the Federal Trade Commission to continue its inquiry into the children's television advertising question, including the ability to investigate, conduct hearings, and solicit comments so long as no final regulation is issued in fiscal year 1979?

Mr. SMITH of Iowa. Mr. Chairman, if the gentleman will yield, that would be an accurate statement. They can continue their inquiry, but no final regulation will be issued.

Mr. DICKS. Mr. Chairman, let me ask the gentleman this question:

Will the restriction on making a rule on the children's television question also apply to other pending Commission actions such as those on nutrition disclosure and protein supplements?

Mr. SMITH of Iowa. Only so far as they are affected by the safe food provision included here.

Mr. DICKS. But as I understood the gentleman, it was not the intention of the committee to stop them from going ahead?

Mr. SMITH of Iowa. It was not the committee's intention to prohibit the inquiry, no.

Mr. DICKS. It was not the committee's intention to prohibit them from going forward on those two inquiries?

Mr. SMITH of Iowa. The gentleman is correct.

Mr. DICKS. In the final analysis, what this proviso is intended to do is to preclude the issuance of a final rule in the children's advertising proceeding in fiscal year 1979, to allow time for the appropriate congressional committees to explore the subject matter; is that correct?

Mr. SMITH of Iowa. That is correct. It could not issue the final order in 1979.

Mr. DICKS. Mr. Chairman, I wish to thank the gentleman from Iowa (Mr. SMITH) for his clarification.

At this time, I'd like to underscore the point, Mr. Chairman, that this proviso will allow the FTC to go ahead with its investigation of the children's advertising question. It will also allow the FTC to continue with its planned action on nutrition disclosure and protein supplements. The FTC's regulatory authority will not be curtailed. The Chairman of the FTC, Mike Pertschuk, did indicate to the Appropriations Committee that no rule on this subject would be issued in the coming fiscal year in any event.

Mr. CEDERBERG. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I appreciate what my colleague, the gentleman from Washington (Mr. DICKS), has just poined out, but I think we ought to get into this whole discussion what took place in the subcommittee and what the intention was, because there are a dozen different theories moving around the House and in the public press. The subcommittee

was concerned about duplication in Government, duplication at high cost.

Mr. Chairman, the language of the subcommittee and the committee had a dual purpose, which I believe it adequately achieves: to withhold funding for rulemaking proceedings concerning food products containing only safe ingredients, while, at the same time, not limit the FTC's general investigatory and adjudicatory powers under section 5 of the FTC Act or its power to proceed with rulemaking with respect to food products which do not contain safe ingredients. A brief review of the progress of the amendment through the subcommittee and committee will demonstrate how language was evolved to assure that achieving the former objective did not inadvertently subvert the latter.

You will recall that the amendment which I originally proposed in subcommittee stated:

Provided, that none of these funds may be used to pay the salary or expenses of any person who seeks to limit through trade regulation rules the advertising of any food product that contains ingredients that have been determined to be safe for human consumption by the Food and Drug Administration and included on its list of ingredients which are 'generally recognized as safe' (GRAS) and does not contain ingredients that have been determined to be unsafe for human consumption by the Food and Drug Administration.

At subcommittee discussion, Mrs. BURKE expressed concern that this language might limit the FTC's general investigatory powers and could hamper the FTC's ability to prevent false and deceptive advertising. The first of these concerns was addressed by Mr. SMITH's motion, which carried, to delete the words "who seeks." This amendment was intended to assure the FTC's general ad hoc investigatory and adjudicative powers under section 5 and 6 of the FTC Act, while preserving the basic intent of the amendment to prohibit "the promulgation of trade regulation rules" in the designated area and to terminate any rulemaking proceedings which are part of the process of promulgating such rules.

Mrs. BURKE's other concern—possible restriction of the FTC general authority to prohibit false and deceptive advertising on a case-by-case basis—was addressed in the subcommittee's draft report language, adopted by the committee.

Despite these two attempts to assure that the elimination of rulemaking proceedings against safe foods would not undercut the FTC's general authority, the same concerns that had been expressed in subcommittee were again raised in the full committee. To finally allay these concerns, I proposed the following further language, adopted by the committee:

Provided further, That nothing herein shall be construed as prohibiting or restricting the Federal Trade Commission's authority with respect to false and deceptive advertising.

Again, the committee was distinguishing between "the promulgation of trade regulation rules" in the area of safe foods and the FTC's authority to proceed against false and deceptive advertising on a case-by-case basis under its general powers.

The principal excess of the children's advertising rulemaking is its proposed censorship of the free flow of truthful information about products on the ground that it is "unfair." In terminating the rulemaking, the subcommittee's amendment prevents the promulgation of such an unwise rule. There was no desire, in offering the clarifying language in committee, to qualify the subcommittee's condemnation of such a rule. The language of committee's amendment, together with the language approved by the subcommittee is a restriction on the FTC's authority.

The committee's amendment, then prohibits the expenditure of funds on any rulemaking proceedings with respect to safe foods. The language of qualification does not negate this basic purpose and effect. Rather, it tailors the remedy to the problem. leaving unaffected the FTC's general investigative and adjudicative authority.

I would like to point out that this is certainly duplication. The FCC, in 1974, considered a petition from Act, the same group that is now trying to get in by going around the end of the FTC, on the ban on children's advertising for food—breakfast preparations, mainly. The FCC conducted hearings. It received 63 docket volumes, 1,252 pages of testimony. and dismissed the petition.

I think that dismissal was in order and should not be reinvented by another agency which could better—if it really wanted to do something—go out and label the boxes of cereal. so that the parents actually buying the cereal could tell what percent of sugar was in it so that they could use their own good judgment. We do not need, as the Washington Post pointed out, a Federal nanny looking over our shoulders.

I would hope we can achieve that by this type of language. A motion to strike this language was defeated in the full Appropriations Committee by a 13 to 34 vote.

Under the unusual way in which this bill has been brought up. without a rule, the FTC section may well be stricken on a point of order. I intend to offer an amendment and add toys under the provision, so the House's position can. in effect, be protected and we will not be solely dependent upon the Senate.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, if that is the case. I shall support the gentleman's amendment.

Mr. ANDREWS of North Dakota. I appreciate that very much, and I appreciate the chairman's statement that this is. in essence, the way that this whole process moved through the subcommittee and the committee, is it not?

Mr. SLACK. That is correct.

Mr. ANDREWS of North Dakota. Mr. Chairman, I would also like to yield to my colleague, the gentleman from Iowa (Mr. SMITH), who helped us draft this language.

Mr. SMITH of Iowa. Mr. Chairman, I thank the gentleman for yielding.

What the gentleman says is correct. Again, the intent was to prohibit the final rulemaking authority during fiscal year 1979.

Mr. ANDREWS of North Dakota. That is correct.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Michigan, a member of the subcommittee.

Mr. CEDERBERG. Mr. Chairman, the gentleman from North Dakota (Mr. ANDREWS) states the intent of the subcommittee and the full committee, as I see it, very accurately.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Georgia, who is a member of the subcommittee. I think this also expresses his desired objective through this procedure.

Mr. FLYNT. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman from North Dakota (Mr. ANDREWS) has accurately stated the position of both the subcommittee and the full committee.

Mr. ANDREWS of North Dakota. Mr. Chairman, I hope we have pretty well nailed this down and also the reason for it.

Our distinguished colleague, the gentleman from Massachusetts (Mr. BOLAND), called my attention to the fact that this same excessive, shall we say, jurisdictional approach by the FTC extended to the toy industry and so forth. We included this in the amendment I intend to offer if the language in the bill is striken on a point of order. That is why we are going to include toys.

The language on tovs will state "any toy not declared hazardous and unsafe by the Consumer Product Safety Commission." The amendment will also cover anv food that contains onlv ingredients that have been declared safe by the Food and Drug Administration and are, therefore, on the GRAS list.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to go to one point and get the attention of the gentleman from Iowa (Mr. SMITH) at the same time.

As I understood it, when the gentleman presented his amendment to the committee, it was stated there at that time that the ban on the gentleman's amendment would not affect the nutrition disclosure on protein supplements; is that correct?

Mr. ANDREWS of North Dakota. In no way; as a matter of fact, the subcommittee and I, under my own questioning of the FTC over a number of years, have urged them to proceed in these directions. Protein supplements are not included on any safe list. They are not on the GRAS list. They have not been de-

clared safe by the Food and Drug Administration and certainly would not be protected by this type of language.

I hope we can make crystal clear that the committee had no idea of protecting protein supplements and a host of other fad foods that may or may not be injurious to an individual's health.

Mr. DICKS. The same thing is true of the nutrition disclosure too; is that correct? The gentleman is not attempting to stop the FTC in its efforts in that direction, is he?

Mr. ANDREWS of North Dakota. It would be our hope that the FTC would move on proper labeling so that the consumers' right to know can be protected.

I do not think anyone intended the FTC to be a censor which says we can or cannot have advertising, per se. They are there and they are designed and structured to give the consumer the ability to use his own God-given good judgment in making a choice on an informed and an accurate basis, and that, I would hope, would be the thrust of the Congress at this time.

Mr. DICKS. I would like to make certain that the gentleman from Iowa (Mr. SMITH) concurs in that because I think there was some confusion. At least, the way I understood the comment of the gentleman from Iowa, it was to the effect that there might be some relationship here between this amendment and the nutrition disclosure in the protein supplement process, which is ongoing, as was clearly brought forth in the subcommittee.

I say this to the gentleman from North Dakota: I thought this amendment was not aimed at those two onoing rulemaking procedures in the Federal Trade Commission.

I just want to make certain that I understand this.

Mr. ANDREWS of North Dakota. It is not aimed at protein supplement investigations, whatsoever.

Mr. DICKS. Is that also the understanding of the gentleman from Iowa (Mr. SMITH)?

Mr. SMITH of Iowa. If the gentleman will yield, Mr. Chairman, yes, that is true because they have not been found to be safe even though some parts of the ingredients might be unsafe.

Mr. DICKS. Mr. Chairman, I think the gentleman also thought that the FTC was overreacting, did he not?

Mr. ANDREWS of North Dakota. I think the FTC was proceeding with the matter. The FDA investigated it. They wanted to see how much mileage they could get out of it. I think they are investigating products that are safe. There are plenty of other things they ought to be doing with the money we are appropriating for them.

Mr. DICKS. As I understand it, this basically says that there shall be no final rulemaking or regulation handed down in fiscal year 1979; is that correct?

Mr. ANDREWS of North Dakota. No final rulemaking or regulation handed down in 1979. I think they would be awfully silly if they go ahead and cannot adopt a rule.

Mr. SLACK. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from California (Mr. HANNAFORD).

THE WARTIME RENEGOTIATION BOARD DESERVES TO DIE

Mr. HANNAFORD. Mr. Chairman, I thank the gentleman from West Virginia for yielding and I commend the gentleman for his outstanding work in H.R. 12934.

Mr. Chairman, the clear message carried on lines 22 through 25 on page 48 of H.R. 12934 is that the Renegotiation Board must go and many of my colleagues and I will today vote "aye" on this decision and celebrate the passing of what some would refer to as a bureaucratic anchronism and what many of us acknowledge as an inflationary impediment to efficiency.

The Renegotiation Board was the focus of some renewed attention in the last year. The Renegotiation Reform Act, H.R. 5959, was reported by the House Banking, Finance and Urban Affairs Committee on May 9, 1977, and having been granted a rule last June, was withdrawn from the floor on September 21 due to lack of support.

On the Senate side, a companion measure was defeated in committee. Instead, the Senate Banking Committee reported legislation—S. 2790 and S. 2791—to mothball the Board. The decisions of the House Appropriations Committee and the Senate Appropriations Subcommittee to date, therefore, are further proof that this Congress does not want to breathe new life into a wartime agency whose performance in recent years has been marked by ineptness, and a deliberate attempt to discredit one defense contracting firm in order to preserve its own life. In that instance, it cost the firm at least $50,000 to prove that the Board issued misleading information.

Mr. Chairman, the administrative and compliance costs of regulation affect all of us. Only last Tuesday, June 6, the voters in the State of California registered a resounding "no" to more bureaucracy by voting "yes" on Proposition 13.

Nationwide, the people are telling legislators to cut unnecessary bureaucracy. After considerable study of the Renegotiation Board, it is apparent that this wartime agency must die now. To continue its existence beyond the provisions of this bill would be to render the taxpayers of this country a slap in the face.

In fiscal year 1977, Board operating costs were about $6 million. Actual cash recoveries were about $600,000. More than $6 million of the Board's $9 million net excess profit determinations went into litigation. What is seldom pointed out is that the costs of going to court cost the U.S. taxpayers millions of dollars. Litigating one renegotiation case costs the Court of Claims at least $100,000. This does not include costs incurred by the Justice Department and other DOD agencies which may assist in information gathering for Justice.

Compliance costs to industry range from $100 to $200 million annually. And what does the Board have to show for this cost? In the 5-year period from 1973–77, the Board screened more than 15,000 filings. Of that total, almost 90 percent, or more than 12,000 filings, were cleared.

From 1972 through 1977, 158 cases appealed to the Court of Claims received court dispositions. The court's dispositions reduced Board excess profit determinations from $84 to $33 million—a reduction of more than $50 million.

H.R. 12934 deals responsibly with the need to terminate the Renegotiation Board and deserves the full support of this body. The Board deserves no further funding and any extension of its life beyond March 31, 1979, would be unjustifiable. The Congress must not yield to any compromise to keep the Renegotiation Board alive for doing so would be tantamount to telling taxpayers in every district that the preservation of inefficient bureaucracies is more important than the sound use of public funds.

WHY THE RENEGOTIATION BOARD SHOULD BE ABOLISHED

The Renegotiation Board was originally created in 1942 as the Wartime Contract Price Adjustment Board. It was terminated at the end of World War II. Later, in 1951, it was reinstituted as the Renegotiation Board at the beginning of the Korean war.

The procurement environment today, however, is markedly different. Contracts are thoroughly negotiated and contractors are subject to stringent oversight by the Defense Department. Indeed, the procurement process for defense contracts has been so perfected that it is much more refined than for other Government contractors not under the jurisdiction of the Renegotiation Board. Let me briefly outline this refined process which makes the Renegotiation Board's work unnecessary.

There are three Defense Department agencies, the DCAA (Defense Contract Audit Agency), the DSA (Defense Supply Agency), and the DCAS (Defense Contract Administration Service) involved in DOD procurement and which employ over 54,000 people, including 9,000 auditors at a cost of about $1 billion.

Last year alone, the DCAA was able to negotiate away from contract costs $1.032 billion in precontract award audits. Moreover, DCAA last year recovered $565 million in operational and postcontract award audits. By effectively doing its job, the DCAA's 2,900 auditors have removed over $1 billion in potential excess profits, and DCAA estimates that it recovers $20 for every $1 paid in salaries to its auditors. A review of the functions of the DCAA demonstrates the degree to which DOD auditors, pricing and technical specialists monitor every phase of defense-related contracts.

When a bid is submitted, there is an extensive cost analysis by DCAA and DCAS with technical experts, usually engineers, who review contractor proposals.

Precontract award audits carefully examine prices, costs for materials, labor, general administration, and the contractor's history of profit levels on Government contracts. In addition,

DCAA auditors review actual quotations for materials submitted by the contractor's subcontractors to insure that the Government is not being overcharged. In effect, every significant document is studied by DCAA from past contract performance to actual expenses.

The provisions of the Truth in Pricing Act of 1962, in addition, stipulates that a contractor must reveal to the DCAA every bit of evidence relating to its proposal.

After a contract is granted, post-award audits are conducted by DCAA and the authority to perform such audits exists up to three years after the date of final payment on the contract.

In addition, DSA conducts complete audits of a contractor's procurement system. This examination involves insurance, facilities management, and quality audits and an audit of the contractor's subcontracting system.

On large contracts, DOD auditors work in contractor plants. In some cases, 30 to 40 DOD auditors are assigned to plants for 1 to 4 years.

The cost accounting standards which have been implemented since 1971 require contractor compliance with accounting practices encompassing allocation of costs, operating expenses, direct material and labor costs, depreciation, and pension costs. Furthermore, a CAS (cost accounting standards) audit is conducted on an annual basis to assure that contractor accounting systems are consistent with Cost Accounting Board standards.

Another existing safeguard takes the form of "should-cost" audits. Under such audits for major contracts ($20 million or more), the Secretary of Defense sends experts into a contractor's plant to review operations and accounting methods. This audit may require DOD auditors to work in the plant for 2 to 3 years. Upon completion of a should-cost audit, DOD gives the contractor its assessment of contract cost and then DOD and the contractor negotiate toward that cost.

Mr. Chairman, it is clear that DOD practices are thorough and that the extent of information on both costs and prices available to the Department are sufficient to enable responsible contractor oversight.

The Renegotiation Board is unneeded in this procurement environment and should be abolished during peacetime.

BOARD DISREGARDS INTENT OF CONGRESS

While neither the Renegotiation Board's life nor powers have been expanded by authorizing legislation since September 1976, the Board attempted to make significant policy changes by administrative rulemaking, thus, defying congressional intent. Specifically, I refer to the Board's actions with respect to foreign military sales and segmentation.

When the House approved funding for the Renegotiation Board on June 10, 1977, it was expressly stated in a colloquy at pages 18387–18388 of the CONGRESSIONAL RECORD that the Board engage itself in processing its backlog of filings. Unfortunately, since that time it has become apparent that the Board was not being faithful to that instruction. Committee report (95–1253) language to H.R. 12934 addresses the dissatisfaction with the Board's operations and that language in pertinent part follows:

RENEGOTIATION BOARD

The Committee recommends an appropriation of $3,000,000 for expenses of the Renegotiation Board to be available only until March 31, 1979. The appropriation to the Board for the current fiscal year was $6,000,000 and the request for fiscal year 1979 was $7,277,000.

In view of the failure of the Congress to extend the Renegotiation Act, which expired September 30, 1976, the Committee feels it is appropriate to consider termination of the Renegotiation Board itself. The Committee recommends the appropriation of funds for 6 months in order to give the Board an opportunity to deal with cases having the most potential for recovery of excess profits and in order to give the appropriate authorizing committees of the Congress an opportunity to deal with the question of the continued existence of the Board.

The Committee feels that the Board should be concentrating on the disposition of backlog, yet the record would indicate that they have spent time re-writing regulations and practices even though the Renegotiation Act has not been extended.

The Committee is concerned about actions of the Board dealing with foreign military sales and segmentation. Several years ago the Board exempted foreign military sales from the renegotiation process, so that sales by American contractors were not subject to renegotiation. The present Board members have recently reversed that decision and such sales from contracts on or prior to September 30, 1976 are now being subjected to the renegotiation process. The Board is also rewriting regulations dealing with segmentation and product line data. These recent actions of the Board seem highly inappropriate in view of the fact that no extension of the Renegotiation Act has been granted.

Mr. Chairman, also for the review of my colleagues, I submit the colloquy on pages 18387–18388 of the June 10, 1977, RECORD referenced earlier:

Mr. MCCLOSKEY. Mr. Chairman, on page 46 of this bill, $6 million is appropriated for operations of the Renegotiation Board, an agency whose statutory authorization terminated last September 30. A bill to extend the Board, H.R. 5959, is presently pending in the Committee on Rules. I am concerned that our vote today not be construed in any way as an implied consent to either the continuation of the Board's existence or to the proposed expansion of the Board's authority and operations as proposed in H.R. 5959.

Many of us feel that the Renegotiation Board's operations should be terminated until such future time that the President declares the type of national emergency which justified the establishment of the Board in 1942, and its reestablishment in 1951.

Further, Mr. Chairman, if there were ever a time to abolish part of the bureaucracy that time is now and in this instance.

Before voting for this appropriation a number of the Members would like to have a question answered by the chairman of the subcommittee of the Committee on Appropriations, the gentleman from West Virginia (Mr. SLACK) and I would be glad to yield to my colleague, the gentleman from California (Mr. HANNAFORD) to present and frame that question.

Mr. HANNAFORD. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I yield to my colleague, the gentleman from California (Mr. HANNAFORD).

Mr. HANNAFORD. Mr. Chairman, I thank my friend the gentleman from California for yielding to me and for pointing out this very important fact regarding the sort of legal half life in which this Renegotiation Board now operates.

The report does state that this $6 million appropriation is to be used only for receipts and accruals of the Board prior to the time that the Board's authority ended, September 30, 1976.

I would like to ask the gentleman from West Virginia (Mr. SLACK) this question:

Is it the purpose of the committee in providing for this appropriation, which represents a reduction from both the current appropriation and the budget request for fiscal year 1978 of the Renegotiation Board, that the funds be used for the sole purpose of processing the backlog of work on receipts and accruals made prior to September of 1976, and that further expenditures for anything subsequent to that time received by the Board would not be authorized?

Would the gentleman from West Virginia respond to that question, please?

Mr. SLACK. Mr. Chairman, if the gentleman from California will yield, the gentleman from California (Mr. HANNAFORD) is correct. I have a statement regarding the Renegotiation Board which I would like to present at this time. I believe that statement will answer adequately the question raised by the gentleman.

Mr. HANNAFORD. I thank the gentleman.

Mr. SLACK. Will the gentleman from California yield for that purpose?

Mr. MCCLOSKEY. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, under the Renegotiation Act of 1951, as amended, receipts and accruals under contracts with certain departments and related subcontracts are subject to renegotiation until September 30, 1976. Consequently, all filings presently processed by the Renegotiation Board, reflecting as they do, receipts and accruals prior to the present termination date, remain subject to the Renegotiation Act, even if the termination date is not further extended, and thus must be processed in accordance with the law.

The amount included in the pending bill is to enable the Board to process such filings.

As of April 30, 1977, the last date for which complete data are available, there were more than 6,000 filings pending before the Board involving renegotiable sales totaling $152 billion.

In addition to the Board estimates that, in the absence of any further extension of the termination date, the Board would receive approximately 1,500 more filings in fiscal 1977 and an additional 1,700 filings in fiscal year 1978 and later fiscal years. All of these, of course, would still be subject to the provisions of the Renegotiation Act and would have to be processed according to the terms of the Act.

All of these filings have to be processed and the appropriation of $6 million recommended by the committee is to enable the Renegotiation Board to accomplish just that.

Mr. HANNAFORD. Mr. Chairman, I thank the gentleman from West Virginia for that precise response.

I thank the gentleman for yielding.

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I yield to the gentleman from Georgia.

Mr. BARNARD. Mr. Chairman, I want to thank the gentleman from California asking the question, and to say that it is important that this matter is now clarified. I think it is very important in the appropriation process that the expending of public moneys, such as this, is well known, and that we understand where the money is going and for what purpose. In this instance we know that the appropriation for the Renegotiation Board in this bill is only going to go to clear up those cases which were filed

before September 30, of 1976, at which time the Renegotiation Board expired. It does not presume at all that this Renegotiation Board will continue to be in existence. Of course, it is understood that in the event legislation is passed which does renew the Renegotiation Board, it would require new authority and new supplemental appropriations to fund it in its future activities.

EXCERPTS OF HEARINGS BEFORE THE SENATE APPROPRIATIONS SUBCOMMITTEE ON STATE, JUSTICE, COMMERCE, AND JUDICIARY, APRIL 27, 1978

Mr. Chairman, on April 27, Senator HOLLINGS, chairman of the Senate Appropriations Subcommittee on State, Justice, Commerce and Judiciary conducted hearings on the fiscal year 1979 budget request of the Renegotiation Board. The discussion before the committee at that time highlights several pertinent issues with respect to the current need for the wartime Renegotiation Board and the following excerpts may be useful to my colleagues:

Senator HOLLINGS. Let me just say this. I understand your heartening remembrance of Harry Truman. I have a feeling if he were here he would get rid of it (Renegotiation Board). I can see the rationale in the early fifties when that was a problem. We were jumping into the Korean War. You certainly didn't want to have excess profits, people taking advantage of the war.

But since that time with auditing agencies, Truth in Negotiations, cost accounting standards boards, all of these things, they are looking at the fund, mainly the cost and adequacy of the contract.

The best renegotiation board is the marketplace. Any time you butt in in a government policy that stultifies productivity and says don't cut back your cost, don't economize, don't be productive, because if you do, that board is going to grab you anyway, so there is no incentive there, and then why should I compete once the fellow has a contract? If I go in and save money and everything else, then they are going to come and take what I saved away from me. So it is just the wrong influence with a governmental policy as I see it right now.

It is not the board and the members and whether you got into the foreign military sales or anything else like that. It is just a governmental policy with which, if you have got a private, free enterprise system, competition ought to be the best renegotiation board. Instead of allowing competition, you are awarding unproductivity and the lack of competition, because nobody wants to cut any costs.

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Senator HOLLINGS. The problem of American industry isn't excess profits. Anybody who knows anything about business knows that. It is productivity. We have a government policy that stultifies it.

Mr. MCCLOSKEY. Particularly at this time in history when we are trying to stimulate pittence investment. It would not seem we are slapping the world in the face to allow pants companies and others to retain those profits, pay their 50 percent income tax on it, and stay in business.

Mr. HANNAFORD. Mr. Chairman, the defense procurement process aims at cutting costs instead of being concerned about profits. I think that is what we are to do. This board is causing costs to increase in untold amounts because of the dilatory effect on competition and efficiency.

Senator HOLLINGS. Yes. The board to create inflation.

Mr. HANNAFORD. That is right.

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Senator MATHIAS. Mr. Chairman, I have a statement which I am prepared to submit for the record. I would just make a suggestion as I do it.

As you know, our distinguished colleague who is a member of this committee, Senator Proxmire from Wisconsin, has created a new art form in Washington which is called the Golden Fleece of the Month Award. Each month he singles out some flagrant or scandalous or ridiculous and sometimes salacious misuse of the taxpayers' money.

He makes the Golden Fleece Award to the government agency that is responsible. The very existence of the award I think is to Senator Proxmire's credit. It puts the Washington bureaucrats on notice that they if they squander the taxpayers' money and peril the public's exposure, that pointing the golden finger acts as a very powerful deterrent to thoughtless government spending.

I congratulate Senator Proxmire because of his Jasonian tenacity of tracking down these Golden Fleece recipients which I think is an example to every one of us.

Since any new movement thrives on proselytes, Mr. Chairman, I can't resist the impulse as it were to jump on the Argo. Imitation is, after all, the sincerest form of flattery. I hope that Senator Proxmire will view in that light my decision to make a nomination for the Golden Fleece Award.

I should explain that I would have not moved so boldly to volunteer to participate in Senator Proxmire's Golden Fleece Selection had I had any hope that he might finger the recipient himself. But I fear that that is not to be.

Senator Proxmire scours the wide, dark seas like Jason before him but has never found my nominee for the Golden Fleece.

My nomination for Senator Proxmire's consideration for the Golden Fleece Award for the month of April is none other than the Renegotiation Board.

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Mr. PACKARD (former Secretary of Defense). There are two problems you have in defense procurement. I have seen this in operation.

Procurement officials, knowing that a contract may be negotiated, are less likely to be as careful as they should be in the initial negotiation of a contract. In other words, it is a little disincentive in the negotiation process.

The other matter is really very simple. When you are talking about renegotiating profits, there is no incentive for a contractor to keep his costs down and actually do a better job.

So these are both really negative management incentives.

Senator HOLLINGS. The watchdog becomes then in a sense the hound-dog. He is watching to keep costs. It doesn't keep the costs down. You know, someone would criticize the action of the Congress and write one of these articles to the effect we put the watchdog to sleep or gave him strychnine or whatever it is, but it is not a watchdog.

I mean all the other things at the cost level, the audit level, and procurement level, that you had with your school there, and the offices themselves involved, those are the things that are the watchdogs for the Congress. But this has proved the opposite here.

Mr. PACKARD. I have often put it this way. It is much better to do the job right in the first place than trying to go back and patch it up or cover it up afterwards.

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INDIVIDUAL VIEWS ON RENEGOTIATION BOARD'S PEACETIME OPERATIONS

Mr. Chairman, my colleagues and I, who have long questioned the need for the Renegotiation Board during peacetime, have sufficiently stated our views and our arguments. The views of those who are directly affected by the Board's actions, however, deserve recognition. I have received numerous communications from such individuals all over the country and insert the following excerpted comments for review by my colleagues:

I think anyone critically examining the federal government's policies in procurement will find that they are all based on a policy of hire and fire. In our view and in the view of most suppliers in the electronics industry, this is an obsolete and archaic philosophy. It is time the federal government got with it and recognized that hire and fire costs us all more in the end. If you add up all the costs in the way the federal government does business, including particularly the unemployment costs, the taxpayers are paying more.

There seems to be an assumption that simply because the defense budget is large, renegotiation is necessary. From my knowledge and understanding of the Renegotiation Act from its earliest beginning, the size of the defense budget has nothing to do with it. The purpose of renegotiation to recoup excessive profits when there is inadequate time to properly and thoroughly compete for reasonable prices, when there is inadequate production capacity, or when the volume of products being purchased is abnormally large. None of these conditions exists in peacetime, particularly at the present time.

For the large major weapons systems contractors, the bill is redundant. It simply repeats everything that has already been done when going into a contract. For the major commercial suppliers selling commercial products to the government, the bill is devastating and makes the government market incompatible with the commercial market.

In listening to Admiral Rickover, who frankly was eloquent in his pitch in support of the bill, it was evident that he has no appreciation for the business manager's responsibility for stability of employment. Admiral Rickover has always lived in the environment of the Navy and the civil service. When the sailors don't have enough to do they can scrub decks, and when the civil service doesn't have enough to do there is no layoff, merely a shuffling of personnel. Not so in the commercial business world. . .

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The cost of additional accounting procedures and reports required under the Renegotiation Act is unfair and a hardship on small businesses. In fact, it discourages them from seeking government contracts and will eventually eliminate the cost reducing advantage the government has in competitive bidding on contracts.

The Renegotiation Act was a war time measure no longer needed and its abolishment affords a great opportunity to help reduce the terrific cost of government burdened upon the taxpayers. In fact, just the thought of a possibility of reducing some of the voluminous government reports and bureaucratic red tape is like a breath of fresh air.

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In our experience, the Board's purpose is redundant to half dozen different government agencies. The Defense Contract Audit Agency checks the accuracy of our costs, the GAO guards against the possibility of fraud, and the official competitive procurement process functions to keep profits at a very competitive level. In fact, most of our companies that deal primarily with the government turn in profit margins that are substantially lower than the margins we encounter with private sector business.

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The act, as applied, is a gross inversion of the principle of public interest. I am sure that your staff can provide you with a legal mem-

orandum on the cases recently decided by the Court of Claims or settled by the Justice Department. In every instance the contractor has been the small, very efficient, low overhead, quality producer who has been extorted by his government.

The act penalizes the good and encourages the bad. It is almost like announcing a homestead policy in Alaska that you can farm all the land you can clear, then five or ten years later, when demand for land lessens, announcing that you have changed your policy because you and your four sons should only be entitled to fifty acres of cleared land because all the other families only cleared twenty-five acres and your work and two mules made your profit on your one hundred acres excessive and refundable to the government.

The renegotiation act does not:

(1) Compensate initiative.

(2) Reward industry.

(3) Recognize bona fide competition.

(4) Appreciate risk of bankruptcy.

It does:

(1) Encourage excess cost incurrence.

(2) Penalize profit arrived solely from hard work.

(3) Lump all "profiteers" together, thus establishing guilt by association

(4) Encourage duplicity and dishonesty.

(5) Add confusion to the solemn contractual undertakings of the United States.

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Our company, which is now the largest security service in the State of California, and privately owned, has not had a prime U.S. Government contract since June 30, 1972. Since that time we have had virtually a running battle with the bureaucrats of the Renegotiation Board who insist that, irrespective of the fact that we do not have a single prime or sub-contract with the U.S. Government, we still have the responsibility of reporting revenues and profitability. Although we do service some DOD contractors, the price structure is fiercely competitive. On one occasion, the Renegotiaton Board, even though we claimed that our service was completely commercially orientated, required us to circulate our clients to determine what percentage of renegotiable business our clients conducted, factor this data by client, so that a determination could be made as to the "renegotiable" operation of our business.

As related to our operations, the function of this Board is so farcical that it defies description. Compiling the data, completing the reports, and engaging in extensive conversations with the representatives of the Board were a complete waste of management time. The question was raised as to the guide lines for renegotiable profits and no answers could be obtained.

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There is one fact that has not been considered by the Renegotiation Board. A manufacturer obtains a contract from the Government through competitive bidding. During the course of manufacture it is possible through industrial engineering practices and ingenuity to discover better methods of manufacture which would reduce the manufacturers costs resulting in greater profit to him. Under the present practices of the Renegotiation Board if this manufacturer does in fact use his ingenuity and reduces his costs to result in larger profit the Renegotiation Board wants to recover this extra profit. It is obvious, therefore, that the incentive is taken away from the manufacturer. We experienced this exact situation. The cost to us in presenting our side of this issue was substantial.

The reverse of the above situation is not true. If a manufacturer finds that his costs increase and the resulting profit decreases there is no provision through the Renegotiation Board to recover those lost profits.

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The existing defense contract monitoring system has been the subject of numerous Congressional enactments since 1970—none of which have been significantly reflected in Renegotiation Board actions because the Board's contract reviews are years behind schedule. Outdated data has been cited in support of H.R. 5959.

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In the conduct of our business, the opportunity for "excess" (whatever that means) profit is precluded by the competitive environment in which we operate. Here is where, I believe, the Minish Bill and its author do not understand the facts of government procurement. Even in those instances where we have offered a product which represents innovative or unique design, there has always been one or more competitors eager to provide similar equipment.

As a taxpayer, I am as adverse as anyone else to see a contractor enrich himself unreasonably by doing business with the government. However, it seems to me that abuses of this type can generally originate only in a wartime atmosphere, which is when the Renegotiation Act originated, when due to a national emergency, procurement must proceed regardless of cost. This is no way, as outlined above, describes procurement activity today. There is no urgency, and government agencies and government prime contractors have ample opportunity, which in my opinion they fully utilize, to obtain competitive bidding. Our experience, as noted, indicates that when there is a situation of competitive bidding, opportunity for "excess" profit virtually disappears. When for particular reasons competitive quoting does not apply, and negotiated sole-source procurement obtains, the Armed Services Procurement regulations and related statutes, such as Truth in Negotiation Act, Defense Production Act, Section 719, U.S. Code Title 10, etc. provide a whole series of protective steps (including pre-contract audits by Defense Contract Audit Agency, Contract Administration by Defense Contract Administration Service, etc.) which are designed to prevent improper or unfair negotiation or pricing adverse to the government's interest. Moreover, there has been no lack of awareness by government agencies and government prime contractors in knowledge and application of these statutes to assure that the government pays no more than is fair and equitable. The concept that government contractors reap large, unjustified profits, is, I believe, a stereotype, and a myth.

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We do assure you that costs and valuable time are involved, and that the reporting procedure is regarded as just one more layer of bureaucratic paperwork with which we have to put up with. We agree with you that the government is more than adequately protected by current procurement laws and personnel and that the Renegotiation Act is now obsolete. Each contractor usually has a variety of contracts—some "winners" and some "losers", and his net profit (if any) is dependent on the mix. The Renegotiation Act only considers the winners and ignores the losers.

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Our ability to earn a profit or affect the amount of profit that we may earn, is dependent on our ability to keep our expenses within the amount of income that is generated by this predetermined and fixed commission rate. We cannot and do not establish pricing policies. The industry average is about 1 percent profit on sales, a very low figure indeed. How that could ever be construed as excess profits is unfathomable, and yet hundreds of firms like ourselves are required to spend valuable and expensive man hours complying with the filing requirements.

Further, the procedures to determine renegotiable business are not well established, are time consuming, and provide spurious answers and conclusions. In short, they are currently, a waste of time.

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A study made by the Financial Executives Institute of the annual reports of the Renegotiation Board from 1971–75, using valid assumptions concerning industry administrative costs, determined that the taxpayer would have been better off without renegotiation. The costs to industry of collecting, analyzing, and reporting renegotiation data are often overlooked in discussions concerning renegotiation but these costs are included in the prices of goods and services procured by the Federal Government. If future legislation requires greater administrative costs both to government and industry, the taxpayer will be even worse off.

Another consideration often overlooked is that the Renegotiation Board determinations of excess profits are on a pre-tax basis. Because of the 50 per cent tax rate, the government would share half of these profits if they remained with the contractor.

We also believe the question of excess profits is rapidly becoming an irrelevant issue because of dramatic improvements in government procurement procedures. Currently, Defense Contract Administrative Services, the Defense Contract Audit Agency, and the newly-established Cost Accounting Standards Board all serve to make all procurement procedures more effective and to ensure reasonable costs to the government. The point is that the taxpayer is already paying for these effective procurment procedures.

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Our firm designs, engineers and manufactures filteration equipment of a fairly technical nature. One hundred percent of our military business is obtained by competitive bid under the firm fixed price provision of the Procurement Act. We have some pretty tough competition and every bid we submitted in 1976 hit head on with an average of 5 other bidders. Since each bid was made on the basis of a firm fixed price you can be assured that our pencil was mighty sharp. We were only successful on about ⅓ of the responses. A sharp pencil also meant that we didn't have any room for error. With a firm fixed price contract any slip would mean a loss on the job with no possible recourse from the government. Now on the other hand only because we were smarter than our competitors and only because we were able to run a tight ship were we able to earn a profit on the contract. Now the government comes along and says, "You guys made too much money on your government work and we want some of it back." At no time do they mention that the risk fell 100% on our shoulders. At no time have they offered to reimburse us should we run into difficulties and have a cost over run, and at no time do they take into consideration that perhaps we were 10–15% lower than the next bidder.

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Congress has provided the procurement system with a great number of effective deterrents to the possibility of excess profits, recognizing that an ounce of prevention is worth a pound of cure. I refer of course to the Truth in Negotiations Law, the DCAA, the DCAS, CASB, OFPP and other before-the-fact actions. The elements in the existing procurement system make for a tight system. If it does not seem to perform with the desired degree of efficiency, the problem is one of human failure rather than system inadequacy. Renegotiation should not be superimposed upon the present procurement system to correct for a human failure.

Further, in this area of peace time procurement, renegotiation is counter-productive. It aggravates the serious problem of

capital shortfall. It discourages contractors from seeking improved productivity or other cost reducing features. It keeps new or additional contractors away from the market, thus stifling competition and increasing cost to the government.

To conclude that the renegotiation process does anything other than add to the burden of the American taxpayer requires a steadfast persistent refusal to recognize the facts for what they are.

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We are certainly not a household word in defense contracting, but for the last three years we have been contending with the Board's efforts to deprive us of a substantial portion of our net worth in the guise of recapturing excess profits. This effort has cost us more than $250,000 in legal fees and the time of our key employees, who are thus prevented from devoting their full time to our current business and to the development of new business, and the end is nowhere in sight, despite our best efforts to settle the matter. I do not feel that negotiation can be justified economically.

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The Renegotiation Act was enacted in 1942 and re-enacted in 1951 for the purpose of protecting the Government's interests in the procurement of vast quantities of materiel on a crash basis with no time to evaluate proposals from suppliers, and no time to properly train personnel in procurement skills and functions.

Today no emergency exists. Government procurement officials are highly skilled and well trained, and a whole series of new laws has been enacted calculated to protect the Government against fraud and deception in contract negotiations.

In addition the GAO and the Defense Contract Audit Agency have become very well experienced in detecting any questionable practices on the part of suppliers to the Government.

The fact that in the past few years the Board's determinations of excessive profits have dwindled to a net amount hardly sufficient to cover the cost of maintaining itself is in itself a persuasive argument that it is no longer serving a useful purpose. If we add to this the terrible cost burden to industry in complying with all the rules, regulations and reporting requirements under the act, it seems abundantly clear that the American economy is bound to be suffering from the load and hence the American people are the losers in the final analysis.

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Our cost of doing business has certainly increased by the multiplicity of these Government Agencies. Renegotiation is unnecessary in peacetime when other procurement regulations and audit activities, such as Armed Forces Procurement Regulations (ASPR), Truth in Negotiation, Cost Accounting Standards, Defense Contract Audit Agency (DCAA) audits, General Accounting Office (GAO) audits and Internal Revenue Service (IRS) audits, guard against excessive profits.

I cannot overemphasize the increase in cost of our doing business with our commercial customers by having to staff to comply with the multiple agencies listed above. Our company exports 40 to 50% of our products and we must compete with Japanese, Scandinavian, European and other manufacturers for worldwide commercial business. Anything that adds, unnecessarily, to our costs is detrimental to the economy of the United States. I am sure that this comment is applicable to literally hundreds of U.S. manufacturers who do business with the U.S. Government.

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As an independent manufacturers' representative, we have discussed the requirements of the Renegotiation Act many times with others in our type of business, and there are hundreds of us in this limited field of endeavor who are among the many thousands required each year to keep records and submit reports. None of those with whom I have talked (including ourselves) have ever made "excessive profits" or have ever been required to reimburse the government; but all of us have been burdened with hundreds of hours of extra detailed work over the years to prepare reports which are of no use or value either to our industry or to the government.

The ever-increasing size and costs of government, together with the burdensome requirements imposed upon business and the citizens, coupled with ever-increasing taxes, form the largest discernible factors in the ever-increasing spiral of expenses. In other words, in my judgment our government is the chief cause of inflation.

* * * * *

Every year I spend approximately 40 hours preparing the report for the Renegotiation Board and inevitably the report will come back as rejected for some ridiculous reason such as "one paragraph was worded wrong, not in conformance with most recent regulations," etc., etc.

Further, the thing which really irritates me is that after going to all this work and hassle back and forth, the Board doesn't respond. I am still waiting for clearance for Fiscal Years 1973, 1974 and 1975. I have written letters inquiring about the status of these long past due reports and I don't even get a reply. I have even telephoned long distance and I get a nebulous answer like "oh, we are converting over to a new computer program and everything is in a state of confusion" or "So and So is no longer here, but I will look into the status of your reports," etc., etc.

* * * * *

After reviewing H.R. 5959, which I understand replaced H.R. 4082, I am completely convinced that the cost of the renegotiation process would far exceed any excessive profit recoveries if such bill was passed. The requirement that every filing be audited, in itself, seems to bear out this fact. In addition, the provision requiring contractors and the Board to renegotiate profits by division and by major product line within a division would be extremely costly. Other provisions of the bill are equally troublesome. I believe the letter from the General Counsel's Office of DOD which was sent to OMB on April 1, 1977, aptly describes most of the dangers in the proposed legislation.

With President Carter's expressed determination to simplify Government, eliminate unnecessary red tape and to reduce Government's role in private business, we agree with you that a perfect starting point is with the Renegotiation Board.

* * * * *

In our view the greatest crisis affecting this country today is the lack of capital formation. There is insufficient capital being formed to solve our energy problems and to create the jobs which would permit us to have full employment. As manager of a corporation which is involved in both renegotiable and commercial sales, I must determine where to invest the corporation's resources. It is obvious that any business manager must invest his corporation's assets where the greatest return on those assets can be achieved. If H.R. 5959 passes in its current form and we are forced to produce line renegotiation where we give up our profits on the winners and are left with the losers, then I will have no choice and must place my corporation's assets into commercial ventures.

If the Minish Bill passes, a fixed price contract—probably the greatest tool for reducing costs—will become a thing of the past. We are a company whose renegotiable sales are essentially all firm fixed price. Our greatest incentive to reduce costs is our ability to retain a portion of those reduced costs as increased profits. As you know, we already share our profits with the United States Government through corporate income tax.

We are currently before the United States Court of Claims in a dispute over our fiscal year 1969. Essentially we are attempting to retain the profits we achieved through efficiency caused by greater productivity. During the years succeeding fiscal year 1969 the Government got the benefit through reduced prices of the increased efficiency we achieved during fiscal year 1969. If we lose this case then we in effect will have lost the incentive to reduce costs through greater efficiency since we will be denied any part of our success even for the short one year period where the success occurred.

* * * * *

We are a small manufacturer of aircraft fasteners, and are in business to make a profit and provide a good professional life for our employees. We do not desire to provide income for 1000 clerks in Washington, D.C., if we can possibly help it.

Recently we were subjected to a Renegotiation Review for 1967 revenues.

1. In August 1971, we were told that we owed $290,000 in excessive revenues pertaining to the six months ended June 30, 1967.

2. We put up a bond for this amount, and claimed that this should have been about $210,000. We then demonstrated our rationale for this contention. We were told that certain paperwork was required to substantiate this contention. (Note: as I understand the situation, the excessive profits were caused by an Inventory re-evalution required by the Securities & Exchange Commission).

3. We spent thousands of dollars and hours of our time and our legal counsel's time on this issue, and we were ready to go to the review board. We were delayed from going before the Review Board three or four times, over a period of several years, by our adversaries asking for an extension.

4. A meeting was finally held on April 23, 1975, and as a result of this meeting, the government recommended that our initial finding be accepted.

5. On February 13, 1976, the above recommendation was accepted by the Renegotiation Review Board.

6. On September 10, 1976, we received notification that a judgment was concluded upon that was similar to our contention made back in August, 1971. However, during this time, interest had accrued that came to over $80,000.00, so we were no better off than if we had accepted the initial settlement, excepting the operational costs we had invested to prove our point.

In conclusion, we found that we had spent considerable time, energy, and dollars to prove that a Renegotiation Board's initial conclusion was erroneous, only to find that the Renegotiation Board could delay long enough to make the whole effort pointless. I would now like to tell you of recent experiencies with the Renegotiation Board. Each year, we stop the work flow of our entire finance department for about one half month so that we can fill out the paper required by the Renegotiation Board. Minds that should be spent thinking about the profitability and health of our company are spending time in clerical functions so that the Renegotiation Board's returns can be filed In my opinion, increasing the power of this Board can only be suggested by someone interested in destroying the free enterprise system.

* * * * *

As you know, WEMA is an electronics trade association representing over 800 high-technology companies in all parts of the country. Our members are predominantly small companies employing fewer than 200 people.

We were shocked to read in the May 21, 1977 Washington Post that the chairman of

a significant House subcommittee was calling our members "morons" for opposing a bill he favors. We were equally distressed to have our motives impuned by the suggestion that we oppose H.R. 5959 out of "stupidity" or because some larger companies have somehow "put the arm on" our members.

It's true most of our members are small, but the thing they want most is the chance to grow and provide more jobs in the future. We certainly would be "stupid" if we failed to see that federal oppression of larger companies today will harm us tomorrow.

* * * * *

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. HANNAFORD. I yield to the gentleman from Georgia.

Mr. BARNARD. The chairman indicated in his opening statement that this bill contained a measure of some $3 million for the continued operation of the Renegotiation Board. Is it the gentleman's understanding that these funds will only be used to carry out the backlog of work of the Renegotiation Board, and they would in no wise be authorized to produce new programs, which they have sort of advertised that they were going to do?

Mr. HANNAFORD. That is my understanding, and some of those new programs are disturbing in light of the fact that they have no authorization to do anything but file backlogs. That was the same thing that happened to last year's appropriations. That was for filing backlogs alone, and I would ask the chairman to reaffirm that statement.

Mr. SLACK. The gentleman's response is correct. It is for backlog alone, and not to institute any additional rules and regulations.

Mr. BARNARD. Mr. Chairman, at this point I want to commend the committee, and certainly stand in support of the comments of my friend from California (Mr. HANNAFORD). I think it is time that we finally, with the effort put in, curtail an unnecessary board.

Mr. HANNAFORD. I thank the gentleman.

Mr. CEDERBERG. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. MCCLOSKEY).

Mr. MCCLOSKEY. Mr. Chairman, as Chairman SLACK stated a few minutes ago, there is no reason to continue funding the Renegotiation Board past March 31, 1979. By our vote today for this bill, we effectively end the Board until such time as a new war or national emergency may justify its services.

The Renegotiation Board's statutory authority ended September 30, 1976. Congress has refused to extend or expand its authority and a Senate committee voted to abolish the Board until the next war or national emergency.

The House committee of jurisdction has refused to bring to the floor a bill to renew the Board's authorization solely because a majority of Members of the House has indicated an intention to abolish the Board until the next war or emergency through adoption of the so-called Hannaford-McCloskey amendment. The Board is, nevertheless, asking for its largest appropriation in history, an unprecedented $7.3 million.

In 1977, despite a 14-percent decrease in the number of filings from the previous year, the Renegotiation Board's backlog before its regional boards increased 50 percent—from 1,176 cases pending tc 1,930 cases pending.

Despite the Board's claim that its backlog has been escalating due to "manpower constraints," the Board's regional offices in 1977, with 83 employees, completed only 253 cases as against 626 cases completed the previous year with 81 employees.

Five years ago, it took the headquarters office an average of 196 days to complete a case. Last year, it took an average of 718 days.

In 1977, although the Board spent more money than ever before in its history, it reached a 10-year low in excess profits determinations; only one-third of 1 percent of the total allowable profits were found to be excessive. The companies involved were not exactly America's largest. Of the 3,628 contractors forced to meet the Renegotiation Act's paperwork burden, only 22 companies were claimed to have made excess profits, and then only to the amount of $18 million.

Last year, one U.S. company, Hewlett-Packard, testified that its own costs of compliance with the Renegotiation Act were not less than $160,000 in 1976. Renegotiation Board member Harry Van Cleve charged that Hewlett-Packard in fact had had "no incremental cost of complying with renegotiation whatsoever." Hewlett-Packard responded by requesting a GAO audit. The GAO reported on September 10, 1977, condemning the Van Cleve statement and the Board's methods:

> The company's approach to developing the estimate appeared reasonable * * * we found the company does expend considerable effort and costs in filing with the Board.
>
> The Renegotiation Board developed the estimate of contractor costs of compliance by selecting three contracts that it believed were representative of the small, medium, and large contractors performing renegotiable business. None of the contractors was made aware of the fact that it was included in the study and none was asked by the Board what it estimated its individual costs of compliance to be. The estimate of contratcor costs were made *solely* on the knowledge casually picked up by Renegotiation Board personnel during their prior contacts with respect to the contractors filing. (Emphasis added.) *From GAO Report, September 10, 1977.*

In fact, H–P revised its estimate upward from $160,000 to $197,000. The company's total renegotiable sales totaled approximately $30 million, pegging this cost of compliance at about one-half of 1 percent of renegotiable sales. If the same percentages are applied to total national renegotiable sales, cost of compliance to industry could be roughly $255 million annually.

The original Renegotiation Act had its genesis in 1942, a time of grave national emergency—when contracts had to be negotiated under stress and in great haste—when the Government's immediate need for services and materials transcended all other considerations. Under these circumstances, renegotiation to recover excess profits was justified and necessary.

The same circumstances existed in 1951 when the present act was enacted. As in 1942, we were in the first year of a major war. Contracts were being executed under special emergency circumstances, and a special law to balance the equities between the parties was clearly in order.

Today, however, there is no such urgency. Government procurement officers are experienced, competent, and under few, if any, time pressures. The principles of contract law are rooted deep in our history, and are well understood by the most recent law school graduates. The need to renegotiate a contract is a concept which should have no place in a society where the contracting parties can meet in dispassionate and quiet negotiations, with neither party under pressure to make or accept an offer.

Since 1951, Congress has enacted a whole series of additional laws calculated to prevent fraud and deception against the Government in both the negotiation and performance of contracts.

The Truth in Negotiation Act (10 U.S.C. 2306(f)), section 719 of the Defense Production Act (50 U.S.C. App. 2168) and the host of requirements codified in title 10 of the United States Code all operate in favor of the Government to require fair negotiating and fair reporting by contractors.

Why, then, should there be a special law, in nonemergency circumstances to give the Government a special remedy?

And if the contractor has not complied with those laws, if he has not submitted accurate, complete and current cost or pricing data, if he has not disclosed and adhered to disclosed cost accounting practices, there are standard legal remedies for the Government just as in the case of any other person who has been injured by breach of contract or violation of law.

I submit, Mr. Speaker, that in peacetime the whole concept of contract renegotiation is fallacious. There is no emergency to justify it. In those cases of novel, complex, and experimental new weapons or scientific systems, the Government is free to enter into contracts on any basis it wishes, cost-plus-fixed price, fixed-price incentive, or otherwise. The Government can calculate precisely what kind of contract it wishes in order to obtain the best advantage for the people of the United States.

But having done so, why should the Government need additional advantages?

Fairness of negotiation and performance is not a problem when no emergency exists.

If no fairness problem arises, what economic benefits can be said to arise from the operation of the act?

The argument has been made that whatever the Board's faults, its funding should be continued in order to permit the Board to dispose of its substantial backlog of cases.

At the present time there is a backlog of approximately 6,272 cases, some going back as far as 1965.

And, the Board's advocates say, proc-

essing the backlog of cases resulted in a determination of $18 million in excess profits this past year, 1977, with costs of less than $6 million. So, why not keep the Board in operation, at a cost of $7.3 million in fiscal year 1979, in order to generate the profits to the Government that the process seems to be generating? In addition to the backlog of cases being processed, there are at least 150 court cases pending on appeal. At present some 80 percent of the Board's current determinations are being appealed, partly because in 1977, of 36 cases disposed by the Court of Claims, 27—three-fourths—resulted in the court's lowering or eliminating altogether the excess profits determined by the Board.

To test the results on appeal, I asked my staff to get all cases decided by the Court of Claims during the past 2⅓ years—since January 1, 1976.

There are 10 case decisions, and I will add them to the RECORD at the conclusion of this statement. They reflect that on Renegotiation Board determinations of roughly $7 million, the Court of Claims reduced the Board's determinations in each instance with a total reduction of approximately $3.3 million, or 46 percent of the Board's original findings.

In 2 of the 10 cases, the court reduced the Board's determinations to zero.

In one of the cases, the attorney for the company, A. C. Ball & Co., was a personal friend of mine who practices law in my original congressional district, San Mateo County, Calif. A. C. Ball & Co. is a manufacturer of small items such as wheels, screws, fittings, et cetera, and did less than 1 percent of its business with the Government in 1967, in this case, the Air Force.

The Renegotiation Board determined A. C. Ball to have made $250,000 in excess profits in 1967. The company appealed, and after a trial court reduced this figure, the Court of Claims decided 8 years later, on March 17, 1976, that the true excess profits were only $59,000, a 76-percent reduction.

The court's opinion, found at 531 F.2d 993, is 25 pages long, and reflects that the Government was represented by Robert N. Ford, a Washington lawyer, with whom appeared Assistant Attorney General Rex E. Lee, and for whom Robert E. Tressel of Washington, D.C., appeared as counsel.

A. C. Ball was represented by Travis M. Jackson, of San Carlos, Calif.

Since Mr. Jackson's services had saved his client $191,000, I thought he might be willing to disclose his fee for those services. It was roughly $25,000, plus $5,000 in expenses, but Mr. Jackson stated to me that his fee was extremely low for the case involved because he was assisted both during the month-long trial and on the brief by a very fine law student from Stanford University, who was a full-time employee of A. C. Ball.

Assuming that the three lawyers representing the Government did work comparable to Mr. Jackson's, the total legal fees alone on this one case were substantially higher than the $59,000 recovered by the Government, roughly half of which would have come to the Government in taxes anyway.

With 80 percent of the Renegotiation Board's determinations being appealed to the courts, it seems highly possible that the Renegotiation Board's continued operations will cost the Government and the contractors more in legal fees and costs than the Government will recover.

Under these circumstances, it would seem fair to finally lay this wartime agency to rest until the next war which might justify its reincarnation, hopefully under new and better management.

I commend the Appropriations Committee for its decision to abolish this agency as of March 31, 1979.

The 10 case decisions follow:

1. *Dynasciences* v. *U.S.*—Court of Claims #62–72, Dec./July 8, 1977.

Small R&D defense firm in Blue Bell, Pennsylvania. The Renegotiation Board, on November 23, 1971, determined that company had excessive profits of *$125,000* in FY 1967.

The Court cut award in half . . . to $67,000.

2. *Gilbraltar Mfg. Co.* v. *U.S.*—Court of Claims #597–71 & 364–72 Dec./December 15, 1976.

Michigan corporation making final drive sprockets for military vehicles.

Renegotiation Board determined that company had excessive profits totalling $600,000 in FY 1967 and 1968.

Court reduced to $440,000 (Reduction of $160,000).

3. *Page-River-Curran* v. *U.S.*—Court of Claims #566–71 Dec./Apr. 19, 1978.

Engineering consortium entered single contract to install a buried intersite cable system at IBM site in South Dakota.

Renegotiation Board determined excessive profits of $1.2 million for 1963.

Court reduced to $778,000 (down $422,000).

4. *Camel Mfg. Co.* v. *U.S.*—Court of Claims #608–71, 38–72–441–73 Dec./Feb. 22, 1978.

Tennessee company making tents, packs and mattress covers. Renegotiation Board determined excess profits in FY 1966–68 of $1,375,000.

Trial Court reduced to zero—Court of Claims returned to $889,600 (drop of $485,400).

5. *Mills Mfg. Co.* v. *U.S.*—Court of Claims #607–71, 655–71, 697–71, Dec./Feb. 22, 1978.

Company made parachutes.

Renegotiation Board determined excess profits of $1.2 million for FY 1967–1968–1969.

Trial Court reduced to zero—Court of Claims returned to $775,000 (drop of $425,000).

6. *Blue Bell, Inc.* v. *U.S.*—Court of Claims No. 603–71 Dec./Apr. 8, 1977.

Successor corporation of Hicks-Ponder, maker of pants Renegotiation Board determined $275,000 excess profits in FY 1967.

Court reduced to $150,000 (reduction of $125,000).

7. *Major Coat Co.* v. *U.S.*—Court of Claims No. 31–72 Dec./Oct. 20, 1976.

Renegotiation Board determined $740,760 in excess profits in FY 1968.

Court reduced to $560,000 (drop of $180,000).

8. *Aero Spacelines, Inc.* v. *U.S.*—Court of Claims No. 589–71 Dec./Jan. 28, 1976.

Supplier of "outsize" air cargo transportation for NASA–rocket stages.

Renegotiation Board determined excessive profits of $250,00 in FY 1966.

Court reduced to *zero*.

9. *Butkin Precision Mfg. Co.* v. *U.S.*—Court of Claims No. 641–71 and 484–73 Dec./Oct. 20, 1976.

Company made parts for gas turbine engines.

Renegotiation Board determined excess profits of $986,000 for FY '68 and '69.

Court reduced to *zero*.

10. *A.C. Ball Co.* v. *U.S.*—Court of Claims No. 588–71 Dec./Mar. 17, 1976.

Company made small parts and devices, wheels, screws, couplings, etc. for Air Force.

Renegotiation Board determined $250,000 for FY '67.

Trial Court said $50,000. Court reduced to $59,000 (drop of $191,000).

(Travis Jackson of Truce, Veal).

Summary of 10 cases appealed from Renegotiation Board findings

Renegotiation Board findings	ultimate Court of Claims decision
$125,000	$67,000
600,000	440,000
1,200,000	778,000
1,375,000	889,000
1,200,000	775,000
275,000	150,000
741,000	560,000
250,000	----------
986,000	----------
250,000	59,000
7,002,000	3,718,000

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I yield to my colleague, the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague, the gentleman from California (Mr. MCCLOSKEY), for yielding.

Also I thank this committee for mothballing this agency as of March of next year by making it clear that no funds appropriated under this bill shall extend beyond March of next year and, secondly, I appreciate the understanding of the chairman and of the committee that in appropriating $3 million under this bill we are doing so only to phase out and to complete the cases now pending and "not start any new actions."

I think the committee is to be complimented for mothballing an agency that should have been mothballed 2 years ago when the time of the agency actually expired.

I know my colleague, the gentleman from California, has been a main force in making sure that the members of the Banking and Currency Committee, on which I and the gentleman from Iowa serve—and that gentleman also wants to speak on this issue—can bring this thing to a conclusion.

I wish to thank my colleague for his consistent effort, along with others on both sides of the aisle, to bring this agency to a conclusion.

Mr. Chairman, I think it is appropriate that the Congress, only 1 week after the approval of proposition 13 in California, is mothballing the Renegotiation Board—an agency which recently was nominated for the coveted "Golden Fleece Award" by Senator MATHIAS.

By eliminating the Board during peacetime, we force procurement officials to be more careful in the original negotiations of a contract. Renegotiation acts as a disincentive for hard negotiating because procurement officers have a tendency to depend on the Renegotiation Board to catch the officers' mistakes. I

commend the Defense Department for its training programs for procurement officers. Improving the procurement process is the most efficient way to remove excess profits. The Renegotiation Board only serves to increase Government spending by adding another layer of bureaucracy.

The Board discourages contractors from keeping their costs down. A contractor who runs an efficient operation is penalized for the higher profits which are derived from doing a better job. Thus, the Renegotiation Board acts as a disincentive for effective contract management.

This is a perfect opportunity for my colleagues to answer the mandate of the American taxpayer for less Government by sunsetting an agency which cannot justify its existence during peacetime. I urge my colleagues to cast their vote for Chairman SLACK's proposal of $3 million to March 31, 1979. This will give the Board sufficient time and funds to responsibly close up shop.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I compliment the gentleman from California for his work in this area and associate myself with both his remarks and those of the gentleman from California (Mr. ROUSSELOT).

I feel a little bit of history is being made here today on this issue, so that even though we do not let old bureaucracies die, at least this one agency is going to have an opportunity to fade away.

Mr. Chairman, I would like to briefly point out to my colleagues how inefficient and ineffective the current Renegotiation Board is. Some of the Members may recall the blazing headlines with the current Chairman of the Board, Goodwin Chase, accusing Lockheed Corp. of defrauding the Government of millions only to conclude after a GAO audit that no fraud occurred.

The following data was tabulated in a recent study by the Renegotiation Subcommittee of the National Security Industrial Association from annual reports of the Board from 1972 to 1977.

In order for the Members to understand these statistics, it is necessary to give a brief explanation of the processing of cases within the Board. When cases are filed with the Board, they receive an initial screening to determine which companies are unlikely to realize excess profits. Those cases which are not cleared through the screening process are assigned to the western or eastern regional board for detailed consideration. The case is then returned to the statutory board for further consideration.

TABLE I

Year	Number of employees at headquarters	Average no. days in screening
1972	109	86
1973	106	121
1974	104	167
1975	109	204
1976	98	197
TQ	97	281
1977	93	372

In 1972, 86 days was the average number of days for headquarters to screen a filing. It now (1977) takes 372 days.

II.

Year	Filings	Assignments	Percent assigned
1972	4,874	433	9.4
1973	3,910	323	10.4
1974	3,665	783	21.4
1975	3,708	673	26.4
1976	3,067	552	20.3
TQ	812	164	24.8
1977	2,641	907	35.1

III.

Year	Employees	Assignments received: Number	Assignments received: Per employee	Assignments completed: Number	Assignments completed: Per employee	Backlog: Number	Backlog: Per employee
1972	114	433	3.5	677	5.4	925	7.4
1973	95	323	3.4	583	6.1	665	7.0
1974	79	783	9.9	407	5.2	1,041	13.2
1975	85	673	7.9	405	4.8	1,308	15.4
1976	81	552	6.8	624	7.7	1,236	15.3
TQ	85	164	1.9	124	1.5	1,276	15.0
1977	83	907	10.9	253	3.0	1,930	23.3

At the regional boards, the statistics show that more assignments are being received (907 cases in 1977 compared to only 433 in 1972). Fewer assignments are completed per year (253 cases in 1977 to 677 in 1972). Also the backlog of cases at the regional boards has jumped dramatically—an increase of over 700 cases from last year (1,236 cases in 1976 to 1,930 in 1977).

Perhaps an even more dramatic example of the Board's inefficiency is the increase in the number of days it takes for the headquarters to complete a case once the regional board has made a determination. In 1972 the average was 148 days while in 1977 the average was a startling 718 days.

Let me briefly summarize these statistics. The average case in 1977 required 62 months to complete. Five years is only the average. Many cases which were originally filed in 1969 are still unfinished. The Board's only comment in its annual report was that the manpower constraints will continue to escalate the backlog.

TABLE IV

Year	Assignments completed—headquarters	Average No. days to complete
1972	333	148
1973	192	196
1974	371	346
1975	201	359
1976	249	278
TQ	117	225
1977	156	718

V.

Year	Determinations	Amounts	Average determination
1972	178	$40,190,577	$225,790
1973	86	27,999,855	325,580
1974	153	70,207,586	458,873
1975	52	27,673,724	532,187
1976	46	40,086,556	871,447
TQ	12	3,276,124	273,010
1977	37	18,152,350	490,604

VI.

Year	Cases	Cost per case [1]	Average determination [2]	Profit
1972	178	$26,708	$112,895	$86,000
1973	86	55,581	162,790	107,000
1974	153	30,658	229,437	198,000
1975	52	101,077	266,094	165,000
1976	46	120,783	435,723	315,000
1977	37	160,432	245,302	35,000

[1] Budget divided by the number of determinations.
[2] A 50-percent Federal income tax credit has been assumed.

The statistics indicate that the average return of profit to the Treasury in 1977 after taxes was $85,000 for each of the 37 cases which were determined to have excess profits. However, the $85,000 figure does not include the cost of trying the case before the court of claims with de novo investigation by the FBI. While statistics are not available for the cost of the Government's case, private law firms estimate their average costs to be $81,000 per case. When the cost of compliance with the Renegotiation Act is passed on through higher bids (estimates vary from 100 to 200 million per year), it is easy to see why the Board does not save millions but actually costs the American taxpayers millions in higher procurement bids.

Mr. Chairman, the Renegotiation Board serves no useful purpose during

peacetime. Therefore, I support Chairman SLACK's proposal to cut off the funding for the Board after March 31, 1979, and urge my colleagues to vote for one less layer of bureaucracy. I think our research shows, as the gentleman's statistics indicate, that this agency is about as useless as mammary glands on a male hog.

Mr McCLOSKEY. Mr. Chairman, I thank the gentleman. It will be the first time in 22 years that we will have abolished a Government agency by an act of Congress. I hope it is only the first step.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLACK. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I rise to discuss one particular part of the Department of Justice appropriation, and I initiate the discussion by pointing out that the Federal prison bureaucracy has grown by more than 500 percent in 8 years—from a $70 million-a-year budget in 1970 to more than $360 million this year. It is far and away one of the leading growth industries around. Yet once constructed, prisons tend always to be filled. In those 15 States that have increased cell space by 56 percent since 1955, the crime rate rose by 167 percent, and in those 15 States that increased their prison capacity 4 percent or less, there was a decrease in the prison population and the crime rate rose by only 145 percent.

In this budget measure pending before this body, there is a proposal for a Phoenix institution, a combined Federal correctional as well as detention center for youth and young adults. The criticism around this proposal is growing not only in Arizona but outside as well, and the Bureau of Prisons is proposing in the measure before us today that will cost over $15 million, or approximately $32,000 per cell unit.

The Juvenile Justice and Delinquency Prevention Act of 1974, it seems to me, is being ignored, particularly in that provision where it is required that whenever possible, the Bureau shall place federally adjudicated juveniles in foster homes or community-based facilities near his or her home. According to a GAO report, only 1 percent of the Federal prison population is considered too violent for alternative community sanctions.

The head of the Bureau of Prisons himself has indicated that about one-third of all the people incarcerated could be secured safely in either a camp or a halfway house. We know already that if we were to merely grant prisoners parole an average of 20 days earlier, we would make available the equivalent of 1,000 beds or cells.

Ironically, the State for which this new building is proposed has the highest imprisonment rate in the Nation. Among all the Federal judicial districts the rate of imprisonment in Arizona is the highest in the Nation. It is nearly twice that of Texas which is No. 2, and among some States, it is 25 times higher in terms of their rate of incarceration.

So it seems to me, Mr. Chairman, that we ought to examine a very critical point here, namely that the best predicter of prison population is unemployment and in the State of Arizona unemployment is headed downward according to the Arizona Department of Economic Security.

At the same time, Mr. Chairman, and members of the committee, the military facilities not only in this State but across the country are generally going unused. We know that in Fort Dix we have under utilized prison facilities. The same is true for Fort Gardner, Fort Knox, Fort Leonard Wood, and Fort Riley. There are approximately 100 military institutions, and few of them are being used even to 25 percent of capacity. We also need to consider that the Davis-Mothan Air Force Base is 2 miles from the Tucson city limits and Luke Air Force Base is about 15 miles from Phoenix.

So, Mr. Chairman, I am going to ask my colleagues to remove this very unnecessary facility.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CEDERBERG. Mr. Chairman, if the gentleman would like me to yield him an additional minute, I will yield him another minute.

Mr. CONYERS. I thank the gentleman from Michigan.

Mr. Chairman, the problem it seems to me, is that we have gotten confused on a couple of very important premises. I, for one, as a member of the Committee on the Judiciary who has followed this matter, urge that we do not provide money for a prison facility that will not be completed for about approximately 3 to 5 years. I say that because in light of present prison populations are stabilizing or likely to decline downward, so we might have an even more unnecessary facility on our hands by the time it is constructed.

● Mr. ROSTENKOWSKI. Mr. Chairman, as is often the case, a seemingly innocent piece of legislation has implications not readily apparent at first glance. In this case, by passage of this appropriations bill, we sound the death knell to a popular and effective overseas export promotion program. When the Department of Commerce sent its budget to the Congress this year, it did not include in it sufficient resources to operate the U.S. Trade Center located in Stockholm, Sweden. This facility services not only Sweden but all of the Scandinavian countries. I did not learn of this action here in Washington, but through a recent trip to Stockholm where I was the chairman of a House leadership delegation which had responded to an invitation from the Swedish Parliament. During the course of my visit, U.S. Ambassador to Sweden Mr. Kennedy-Minott informed me how unhappy he was that the Commerce Department's Trade Center in Stockholm was scheduled to be closed this summer. The Ambassador and his staff were understandably distressed, but not nearly as distressed as the eight local representatives of various U.S. corporations who petitioned me at length on this same subject. When I returned to Washington, I found that over 200 letters and petitions had been received by the Department of Commerce and our own Appropriations Committee also asking that this decision be reversed.

The Department of Commerce maintains that the closure of this facility is necessary for "reasons of economy." Is it "economy" to attempt to save $300,000 in the face of a $27 billion trade deficit, particularly when the Stockholm Trade Center generates far more in the way of U.S. exports than it costs the American taxpayer? Is it "economy" to terminate a program that has demonstrated effectiveness at the same time that a national export policy task force seeks additional funds far new programs with no track record? I say not.

There are considerations even more important than the small amount of resources we are discussing here. Is a "closed" sign in the window the type of signal we want to be sending to our potential trading partners at a time when we are seeking an expansion of the world economy and promoting economic growth? To me, such an action signals retrenchment; it brings down the inevitable specter of protectionism.

Further, is this the time to set a new precedent—the first closure of a U.S. trade center for other than political reasons. Precedents have a nasty habit of becoming trends. I have recently learned that the Department of Commerce is considering closing several more of these facilities with no other justification than the old saw "for economy reasons." ●

● Mr. GIAIMO. Mr. Chairman, the purpose of my remarks is to provide a budget perspective for the House as it considers H.R. 12934, making appropriations for the Departments of State, Justice, Commerce, the Judiciary, and related agencies.

The bill is within the fiscal year 1979 spending target for budget authority. However, there is a technical problem with outlays. Enactment of this bill, together with outlays that result from budget authority enacted in 1978 and in prior years, would cause this subcommittee's outlay target to be exceeded by $287 million. This results from enactment of the $750 million SBA disaster loan supplemental earlier this session, which has a $450 million outlay impact on the next fiscal year. This SBA supplemental was enacted after the first budget resolution was considered by the House, and thus the 1979 outlay effect was not considered in the first budget resolution.

Certain other items that were included within the first budget resolution are not considered in this bill, principally funds for the new labor-intensive "soft" public works program that was proposed as one of the President's urban initiatives. The $1,079 million of budget authority remaining within the committee subdivision is sufficient to cover appropriations for soft public works, when authorizing legislation for the program is provided.●

Mr. SLACK. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BARNARD) having assumed the chair, Mr. BROWN of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the

bill (H.R. 12934) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. SLACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill, H.R. 12934, which the House has just had under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

THE CRUISE MISSILE AND CHANUTE

(Mr. CORCORAN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CORCORAN of Illinois. Mr. Speaker, over the past weekend I had the opportunity to tour the Chanute Air Force Base, which is very close to my district. My interest in visiting the base was the announcement by the Carter administration that it may be closed, along with similar cutbacks in other parts of Illinois and around the country. I went there to learn more about the impact of such a closing on the people in my district who work at Chanute and to find out more about the national defense consequences of closing Chanute.

Mr. Speaker, from the standpoint of both national defense and the socio-economic impact on Illinois, closing Chanute would be a disastrous decision. On both of these counts, my findings last Saturday corroborate the statements of opposition which my colleague Congressman ED MADIGAN, Illinois Senators PERCY and STEVENSON, and I have been making since the administration's announcement April 26 of this year on Chanute's future.

However, I take the floor today, Mr. Speaker, to address one other aspect of this controversy and to inform the House of Representatives that there is a lot more involved in this decision than just Illinois and what we had learned previously. What I found Saturday is that if Chanute is closed, we won't have any place to train people for the maintenance of the cruise missile. With the demise of the B–1 by the decision of President Carter, we are now putting a lot of strategic eggs in the cruise missile basket. I can only conclude that President Carter is completely unaware of the importance of Chanute to the cruise missile program. Therefore, this morning I sent him the following letter, which I also want to share with my colleagues here in the House:

WASHINGTON, D.C., *June 12, 1978.*

Hon. JIMMY CARTER,
The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Over the weekend I had the opportunity to tour Chanute Air Force Base near my District. My interest in visiting this base then was prompted by your recent announcement regarding its closing. I went there to learn more about the impact of the proposed closing on the people in my District who work at Chanute and to find out more about the national defense consequences of its closing.

First, let me report that my findings, both from the standpoint of the socio-economic impact and the national defense considerations, further convince me that closing Chanute would be a most serious mistake. In view of previous comments by my colleague Ed Madigan, Senators Percy and Stevenson, and me, this corroboration probably does not surprise you.

However, my purpose in writing this urgent letter is to inform you about the consequences to your cruise missile program should Chanute be closed. Considering what I saw and learned about the missile training programs at Chanute on Saturday, I am convinced that not only is Chanute uniquely qualified to be the training center for the cruise missile, but it is apparently the only Air Force base in the United States with the capacity to handle this important strategic mission for our country.

Mr. President, for many reasons I believe closing Chanute is wrong. However, considering its impact on your cruise missile program, its closing would undercut your plans to cancel the B–1 bomber in favor of the cruise missile.

I urge you to personally review the Chanute case in view of its strategic importance to your new program for the defense of our country.

Sincerely,

TOM CORCORAN,
Representative in Congress
15th District, Illinois.

CHINA POLICY REVISITED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 30 minutes.

● Mr. LEGGETT. Mr. Speaker, in recent weeks our attention has again focused on that seemingly distant part of the world, China. The visit to Peking last month by National Security Adviser Zbiginiew Brzezinski has sparked apprehension among many Americans about the administration's commitment to the Republic of China on Taiwan.

We have undoubtedly reached the fork in the road to normalizing relations with the People's Republic of China. At stake is the future of the Government in Taipei.

The American people have come to realize that the choices associated with normalization are onerous and potentially divisive for both China and the United States. At stake for our Nation is the integrity of our defense commitments and the welfare of a longtime ally.

This was most clearly demonstrated by a 1976 nationwide Gallup survey of American opinion which found that only 20 percent of the American people held a favorable view of what was still termed "Communist China." Another survey released in April 1977 by the Potomac Associates indicated that 56 percent of the American people held a positive view of "the Republic of China on Taiwan," whereas only 26 percent were favorably inclined toward "Mainland China."

The generally favorable view held by most Americans toward the Republic of China on Taiwan is further expressed by opposition to breaking diplomatic relations with Taiwan as a price for normalization with the People's Republic of China. In the Potomac Associates poll of 1977, 47 percent of a national sample expressed opposition to severing diplomatic relations with Taiwan as the basis for granting Peking de jure recognition and exchanging ambassadors, even if this were accompanied by a Presidential expression of U.S. interest in Taiwan's future security. Twenty-two percent of the sample was "very strongly" opposed to normalization of Peking's terms of a complete break in all official U.S. ties with Taiwan.

These poll results appear to me to provide a clear indication of American sentiment on the China issue. The first being that the people of Taiwan are not expendable in our search for better relations with the People's Republic of China. And, second, that we cannot and should not abandon an old friend and ally, the Republic of China.

As we carefully consider normalizing relations with the People's Republic of China, we must be careful not to clear the way for abrogation of our 1954 Mutual Defense Treaty with the Republic of China. American dealings with Taiwan are currently facilitated by a web of 59 treaties and executive agreements covering such diverse issues as defense and military assistance, commerce, air transport, civilian uses of atomic energy, and immigration. U.S. derecognition of the Republic of China on Taiwan, and the abrogation of the Mutual Defense Treaty, would have a disastrous effect on the existing balance of power in East Asia, while at the same time bringing no appreciable benefits to the United States.

We are all aware that U.S. abandonment of the Republic of China, a longtime friend and ally, would arouse apprehension and distrust in Japan and other countries, such as Israel, which look to the United States for their security. Whatever is left of U.S. credibility as a dependable ally will be challenged and questioned.

Furthermore, the U.S. abandonment of the Republic of China on Taiwan and abrogation of the Mutual Defense Treaty would create a gaping hole in the U.S. chain of defense stretching from the Aleutian Islands through South Korea, Japan, all the way down to the Philippines, Indonesia, and Australia, and New Zealand.

Mr. Speaker, for two decades the United States has waged a two-front cold war against Communist aggression in Europe and Asia. The hottest spots of this confrontation were in the Far East, where Americans fought and died in Korea and Vietnam. The 1954 American Mutual Defense Treaty with the Republic of China on Taiwan was established as part of a global strategy for containing the Soviet Union and their Chinese allies.

Since our first foray into the People's Republic of China in 1971, we have be-

come more realisitc about the limits of a bilateral economic relationship with the People's Republic of China. Trade with the People's Republic of China, near zero in 1971, soared to over a billion dollars by 1974, fell to a modest $462 million in 1975, and dropped off to $336 million in 1976 and is today nearly totally dependent on sporadic grain sales. Economically, the People's Republic of China is going nowhere. They can sell us little, nor can they make significant purchases as their primitive, labor-intensive economy produces little investment capital.

On the other hand, our trade with the Republic of China on Taiwan grows at a steady pace, currently 10 times that of our trade with the People's Republic of China.

Although the Republic of China has met with considerable adversity since the onset of our efforts to normalize relations with Peking and their expulsion from the United Nations, the dimunition in formal recognition has been replaced with a prospering foreign trade. While foreign investment in Taiwan declined slightly a year after President Nixon's 1972 visit to the People's Republic of China, it has since been sustained at a level well above $100 million per year. This remarkable island enjoys a total foreign trade of nearly $20 billion a year. The Republic of China is currently the world's 22nd largest trading nation and the 12th largest U.S. trading partner. It has the second highest standard of living in Asia, second only to Japan, with a per capita income three times that of the People's Republic of China.

The Republic of China on Taiwan on May 20 inaugurated Chiang Ching-kuo as president and Shieh Tung-min, a Taiwanese, was sworn in as vice president. President Chiang, worthy successor to his father, the late Generalissimo Chiang Kai-shek, is widely known for his 40 years of government experience and substantial efforts promoting the Republic of China's economic stability. The President's economic policy of "growth with stability and stability with growth" points to continued economic vitality on the island.

What was once considered a Chinese government in exile has now been eclipsed by a more visible prosperous independent nation on Taiwan. The Republic of China is without a doubt a nation on the move.

I am also quite concerned, as are all of us, with the political future of Taiwan. The Taiwanese population of 17 million, which is 80 percent indigenous, appears to be attaining a greater role in the political affairs of the island. Their constitutional process has brought to power a new administration. I applaud this trend as it will confer greater legitimacy on a government which I think should be focusing increasingly on the future of the island itself rather than upon the Nationalist's long-standing hope of returning to the mainland.

We must recognize the reality of two Chinese states. I have recommended for some time that we pursue what I call the German solution—recognizing one China—two governments—one in Taiwan and one on Mainland China. As is also the case with the German example, one government—the Federal Republic—has long insisted that it was the only government of Germany. But that boundary, like that comprised by the Taiwan Strait, cannot be erased, so the two governments deal civilly and carry on trade to the benefit of both.

We must work with the People's Republic of China and the Republic of China to promote this kind of solution. Our relationship with the People's Republic of China and the Republic of China are not mutually exclusive. We cannot and must not abandon our old friend and ally, the Republic of China on Taiwan.●

ANOTHER "SWEET" RIPOFF OF THE HARD-PRESSED AMERICAN CONSUMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 10 minutes.

● Mr. CONTE. Mr. Speaker, I rise to inform my colleagues of a proposal that is being considered in the House which is another sweet deal for a select few.

The Agriculture Committee has held hearings, and has failed to expose the outrageous facts surrounding this proposal. Now, this week the Trade Subcommittee of Ways and Means will have this opportunity. I hope they will avail themselves of this excellent opportunity to set the record straight. This proposal, by adding literally over a billion to the "fat-cat" sugar producer's pockets, is so outrageous that it actually rots away at the initial intent of the farm price-support legislation, that of protecting the marginal, small, struggling agriculture operations who are trying to compete with the powerful large domestic and international farming operators.

Mr. Speaker, the sweetest thing about the sugar industry today is the $1.2 billion artificial price-support system that sugar coats the big producers' pockets but leaves a bitter taste in the taxpayer's mouth. Now we are asked to consider seriously handing out another $1 billion sugarplum. I believe we should follow the American Dental Association's advice in this matter—too many sweets are bad for you—and we should deny further subsidy.

The world market price for sugar is now about 7 cents per pound. The bill before us would restrict the U.S. market from competition by raising the support price to 17 cents per pound of sugar. The supporters of this bill call this price stabilization. It has been my experience that stabilization always means higher prices. And higher prices spells inflation, hardly a sweet position. It may be that those who support this bill are more concerned with the gratitude of their constituents in this election year than with the menace of inflation, and offer this candy cane to sweeten their relationship. I submit the real "cane" in this proposal is the one being used to prop up the inefficient sugar industry.

The taste of inflation is never sweet, however, and the narrow interests of a select few should not be allowed to override the national interest. This giving of inflationary candy to an industry that makes up only 1 percent of all the nation's 2.7 million farms cannot continue. However, my colleagues should also recognize who will pay for this increase. The administration experts have stated that this sweetheart of a deal will cost the consumers of sugar over $1 billion annually. This is fattened by the addition of $160 million in direct Federal subsidies.

If there are some inefficient farms that have grown fat on this sweet diet of subsidies, then it would be a good thing to start a shakeout that will result in the shifting of less productive farms to other crops where they could compete fairly, thus spare the consumer and taxpayer the unnecessary cost of price propping.

It is clear that this proposal is not a sweet deal for the consumer. Is it good even for the sugar industry itself? As prices rise, more and more sugar substitutes, especially high priced fructose corn syrup, appears sweeter than sugar. Subsidies of an inefficient sugar cane and beet industry would only hasten such a substitution process.

The time is now to stand firmly in the interests of the consumer, to stop stealing their candy, and to force a lazy sugar industry to work off some of its fat.

Too many sweets cause decay. It is time to say "no" to the sugar industry's cry for more sweets. It may be a bitter pill, but believe me, it is all for the better.

In the interest of the American consumers, I urge my colleagues to acquaint themselves with this boondoggle. I think they will find it not to be a "quaint, noncontroversial, proposal."

Thank you, Mr. Speaker.●

ENERGY SUPPLY INITIATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 10 minutes.

● Mr. GOLDWATER. Mr. Speaker, last month the Secretary of Energy, Dr. Schlesinger, submitted to the Science and Technology Committee a series of options to improve the potential energy supply situation beyond the mid-1980's. These options were prepared as a result of criticism by the committee of the administration's energy budget for fiscal year 1979, which the committee, and in particular its ranking minority member, Congressman JOHN WYDLER, found to be grossly deficient in its support for research, development and demonstration of new energy technologies.

Now that the Department of Energy has completed its new package of energy supply initiatives, Congressman WYDLER has again taken a careful look at these plans, and again finds considerable cause for concern. In a letter last week to Secretary Schlesinger, Mr. WYDLER noted that the administration still fails to recognize the role that nuclear power can play in meeting our energy needs. He also cited the fact that the department's proposal essentially mirrors certain add-ons that had already been included by the Science and Technology Committee. Finally, Mr. WYDLER commented on a number of the specific proposals made by Secretary Schlesinger, and concluded that some sound, bold initiatives are still to be seen.

Mr. Speaker, I not only agree with the tone of my friend's remarks, but believe that they reflect the views of the Science and Technology Committee, and of the Congres as a whole. I commend these remarks to my colleagues, and congratulate JOHN WYDLER on his perceptive insight into the energy problem.

His letter follows:

COMMITTEE ON SCIENCE AND TECHNOLOGY,
Washington, D.C., June 1, 1978.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Energy, Washington, D.C.

DEAR MR. SECRETARY: I thought that some comments were in order on your program for Energy Supply Initiatives which I received on Monday, May 15. I have analyzed the package in the context of my Minority Supply Strategy which appeared in the Congressional Record on May 17. I hope this critique will prove useful to you in the sense of a particular congressional perspective on specific requirements for energy supply.

In this letter I have included a general discussion of the Supply Initiatives, a detailed critique of certain specific initiatives and finally, an analysis of one major reprogramming action planned and my perception of its impact.

As I pointed out emphatically in my Supply Strategy, it is puzzling why there is no recognition of the nuclear role by the Administration. There is mounting concern over our indecision on the nuclear option despite the overwhelming evidence that this is the safest, cleanest and most economical way to generate electrical power. It is a sad commentary that this nation's pre-eminence in the field is about to be sacrified on "the pyre" of a well intended but naive policy. This policy, unfortunately, recognizes neither the reality of available technology nor international politics in nuclear development.

I am, however, pleased to see that your 1979 Budget Amendment includes eight specific add-ons which mirror our Science and Technology Committee initiatives. My chief reservation here is, however, that R&D funding for unconventional natural gas has been scaled down by almost a factor of three. It appears to me that the Renewable and End-User technologies fared much better at OMB and I am not sure how to interpret that.

I prefer the DOE intervention with FERC to provide financial assurances for High-BTU Coal Gas Plants. I agree with your motives here but for cases where the first-generation technology has been demonstrated at significant scale it would seem that loan guarantees should receive secondary consideration. I am very interested in seeing the DOE criteria and procedures for case-by-case review. Why we can't simply exempt demonstration plants from normal regulatory measures still puzzles me. In view of the lamentable track record on this item, I hope it isn't wishful thinking to expect some regulatory restraint on demonstration at commercial scale. You mention "Expediting the Regulatory Process" in the Supply Initiative. If one looks at the case backlog before FERC and the regulatory tangle of the first four bills of the NEP, it is clear that you'll need a lot of help on this front.

I share your concern that oil shale technology has been "just around the corner" for many years. However, I have two problems with your Shale Oil proposal. (1) The Energy Tax Bill with the shale oil credit has a high probability of never being enacted, and (2) the credit and entitlements treatment are not as simple a mechanism as a guaranteed buy. It seems to me much cleaner to authorize a federal buy in a way that preserves competition, e.g., guaranteeing a purchase of a certain number of barrels from each plant with additional purchases from the most competitive source. I am sure you have seen the recent Congressional Research Service recommendations on Federal actions to stimulate shale oil production. They are consistent with my Supply Strategy.

The Synthetic Liquids initiative is an improvement over the proposal submitted to OMB in the sense it has been broadened. I have pushed for moving across a broad front with liquids to insure that we get some demo plant successes. However, I do have some problems with the separate conceptual design studies which I'd like to elaborate upon.

Jim, it's about time for a fresh and bold approach to the demonstration program but premature narrowing of the options to Solvent Refined Coal at this time would be unfortunate. I would prefer to see the 4 or 5 "process design" studies which you outlined complemented by systems design activity. In this manner there can be some comparable base from which to assess the relative risks of these technology demonstration plants. The days of "business as usual" are over for fossil energy development; the high stakes in getting off liquids demand both performance and improved accountability in moving this technology.

I have the impression that the so-called "process design" studies are separate conceptual design efforts and the real intention is to go ahead with SRC after these token gestures are made. The aerospace and nuclear communities have a lot to offer Fossil Energy, but it seems that you, Dale Myers and Bob Thorne have had some problems seeing that "real" systems trade-off studies are done. Integrated optimization studies including risk assessment for components and integrated systems should be done in a parametric fashion to scope the relative sensitivity on these various technologies to scale-up, i.e., something like the Breeder "systems study."

The list of reprogramming reductions includes a particularly unfortunate item in the case of "Light Water Reactor Technology." This is truly a strong program in Conservation R&D notwithstanding the myopic view of your own Deputy Secretary, Mr. O'Leary. The activity is directed at generic technology development to improve the performance of light water reactors operating today. There are significant related programs totaling roughly $100 million over the next few years initiated by both the nuclear component manufacturers and the utilities so that the Federal program serves a very useful complementary purpose. The DOE effort is directed toward accelerating and focusing the technology development and providing a base for advancing the technology for improved plant performance. It is not directed at improving performance of a particular plant; that is industry's job. This kind of reprogramming disturbs me very much and appears to be based on ignorance of the critical signalling priorities.

I hope this perspective is useful to you in your deliberations on the Phase II Energy Supply Package. I don't think it is any exaggeration to say the Congress is hungry to see some bold initiatives that make sense. All of us are concerned about inflation but a sound budget initiative will get a good hearing from the Congress.

With all best wishes,

JOHN W. WYDLER,
Ranking Minority Member.●

WHAT HAPPENED TO HUMAN RIGHTS?—20TH OBSERVANCE OF CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, this July 16–22, Americans and our allies will be observing the 20th annual Captive Nations Week. Congress passed in 1959 the Captive Nations Week resolution, which President Eisenhower signed into Pubic Law 86–90. Every year since then, our Presidents, as well as governors and mayors, have proclaimed the week. Because of its basic truths, the resolution has been consistently and vehemently assailed by Moscow. This fact alone suggests there is far more to the resolution than symbolism and necessary observance.

This is shown in the analytic article written by Dr. Lev E. Dobriansky of Georgetown University and published in the summer issue of the international journal the Ukrainian Quarterly. Titled "What Happened to Human Rights?" the article addresses itself to the usual questions raised about Captive Nations Week and, objectively, is in strong support of the President's declared human rights policy. The professor authored the resolution and is in the best position to explain its meaning and why Moscow attacks it so fiercely. On this 20th observance, I commend the article in highlighted excerpts to the reading of every American concerned with the threat of Soviet Russian imperialism to our national security and that of the non-totalitarian world:

WHAT HAPPENED TO HUMAN RIGHTS?

(By Lev E. Dobriansky)

In the spring of 1977, the first year of his term, President Carter advanced a dynamic and imaginative human rights thesis as the cornerstone of the new Administration's foreign policy. The idea was received with considerable elation across the country by a wide spectrum of our citizenry in view of a growing national disenchantment with the previous policy of "détente." The concept of human rights impinges on all spheres of human existence—the economic, political, cultural, religious, etc.—and if properly defined and applied can become a formidable centerpiece of our foreign policy. Unfortunately, the spontaneous growls of the Russian bear, in the voices of both Brezhnev and Gromyko, soon brought about a marked retreat in the Administration's advocacy, and despite a few reaffirming speeches by the President and the Secretary of State, in addition to Arthur Goldberg's ardent stand at the Belgrade Conference, the "crusade" has been a flagging one, with the concept still imprecisely defined and applications imprudently applied in Latin America and Asia.

"What happened to human rights?" is the question asked in almost all circles of our society. Especially is this true in conjunction with the captive nations, where human rights in all three of their generic categories apply most.[1] While on one level the growls of the Russian bear have frightened the Administration into a grand retreat on human rights, on another level Moscow chides and berates our Congressional leaders and national opinion-makers for their firm pursuit of the captive nations thesis and their unabated support of the annual observance of Captive Nations Week. Last December, for example, Georgi Arbatov, the director of the Institute of U.S.A. and Canada Studies, sharply lectured an American group on the incompatability of the captive nations idea and "the spirit of detente." In short, he was

Footnotes at end of article.

telling them if you want "detente" forget about the captive nations. Several months later, members of our House Armed Services Committee, some of whom contributed to an official publication, were confronted in Moscow by members of the Supreme Soviet for their support of Captive Nations Week. With a copy in hand, the latter read from the index the names of several of the Congressmen there and heatedly asked, "What do you want to do, break up our country?" [2] The country is supposed to be the USSR. In fact, the empire/state is made up of many different countries, with different languages, histories and traditions, most of whom were early victimized by the force of Soviet Russian imperialism—the ultimate force that today is on the rampage in the Mideast and Africa.

THE 20TH OBSERVANCE OF CAPTIVE NATIONS WEEK

The irony of the current situation, as exemplified above, is the deep, covert fear of Moscow for any constructive implementation on our part of the captive nations idea *in toto* and its seeming strength in protesting 20th Observance of Captive Nations Week overtly against a human rights policy. The this July 16–22 should center its concerns and resources on the irony and the further advancement of morality in our foreign policy, which after all was a fundamental issue in the '76 presidential campaign. The President's accurate stance on human rights was in reality a natural and well-calculated projection of the trends in Congress and, more basically, the revived values of our people for morality and principle in our foreign policy, as crystallized in part at the Republican national convention. The momentum of this national resurgence has lapsed this past year as, once again, we have allowed ourselves to be out-traded by Moscow on a Salt II agreement, an almost trained acquiescence to Soviet Russian play and penetrations in the Mideast and Africa—as before in Southeast Asia and the Caribbean, not to mention the numerous other "befores"—and a renewed confusion of purpose and action in areas of trade, intelligence, national security and global strategy. These were the hallmarks of the Nixon-Kissinger type of detente rejected by our people two years ago; their reappearance can only mean more of the same in our slippage in relative strength to the USSR.[3]

"What happened to human rights?" is not the only question to be raised on the "20th." The occasion is a most fitting one for basic questions and answers dealing with the captive nations, their crucial relationship to our national security, on the whole meaning of Congress' Captive Nations Week Resolution (Public Law 86–90) and some unknown facts about this traditional annual observance. It wasn't the first time, but when the President, on bad advice and by administrative ineptness, almost ignored the annual presidential proclamation of the 1977 Week, friends and skeptics from all corners of our nation—in government, the media, academia, etc.—bombarded me with questions of this nature.[4] You probably have entertained similar questions for which you sought answers.

THE CNL

Question (1) "Considering differences in time and areas, how could you maintain the validity of the Captive Nations List, which lumps a South Vietnam with an Armenia and omits a Russia"?

In answering this frequent question, let's first take a look at the standard CNL for 1978:

THE CAPTIVE NATIONS—WHO'S NEXT?

Country, people, and year of Communist Domination:

Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkestan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats, Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975
Laos	1975

Who's next? Angola? Ethiopia? Afghanistan? South Yemen? Rhodesia? Republic of China? South Korea? Zaire? Zambia?

This CNL is historically well-grounded and provides an evolutional and institutional vision that, regrettably, most of our Western leaders and their advisers have not fully grasped. Read any of Kissinger's works, and you'll find he hasn't the faintest conception of the nature of the USSR, the environment of the only real threat to our independent existence. The Red totalitarians detest the indicator because it refreshes people's memories and enables them to readily connect any new Soviet Russian penetration or takeover with the evolving pattern. All listed here are the victims of direct or indirect Soviet Russian aggression and support. The Western intellectual illusion of polycentrism in the Red area does not make any of the underlying populaces completely free from totalitarian control, regardless of momentary deviations from the Moscow center. Aside from commodity mix, the gross product of the USSR alone exceeds the aggregate of all the gross products of the other Red states put together.

With these background notes, the answer to the first question is simply that in the earliest period a wide diversity of countries, peoples, cultures, etc. was brought under Soviet Russian control to establish the ersatz state of the Soviet Union. Employing essentially the same techniques of a created "civil war," divide-and-conquer, infiltration and subversion, Moscow has extended and could easily establish its power, influence and control over any other nation or state on this earth, given the conditions. The recent Vietnam debacle would not have been possible without Soviet Russian support, from the 20's to the 70's. Many strategic and tactical parallels exist between Russia's conquest of Ukraine, for example, and the Russian-supported campaign of the North Vietnamese totalitarians.

Look at the CNL again, carefully. You will see that we are very cautious in not including many states that others opting for the list are prone to exaggerate at the moment. Angola, Ethiopia, etc. are objectively questioned for their circumstances and status are in a state of flux; and it is a question of what we'll do as to their final outcome. In any case, the CNL is a constant reminder.

CAPTIVE NATIONS AND THE FEAR OF NUCLEAR WAR

Q (2) "In pressing too hard on the captive nations, particularly in the Soviet Union, might it not lead to war, and at that a nuclear one with devastation to all?

No. This oft-raised question smacks more of nuclearitis and fearful appeasement than of any honest inquiry into the strategic importance of the captive nations to our security and that of the Free World. First, we have a long way to go yet in having our leaders and opinion-makers understand the idea of the captive nations *in toto*.[5] Many aren't even aware of the fact that most of the captive nations exist in the Soviet Union itself. Also, the existence of nuclear arms in no way deters Moscow from fomenting its psycho-political warfare campaigns in all quarters of the world, including our own country. A constant and imaginative focus on the captive nations could be established without provocation to the existing regimes—peaceably, in scholarly fashion, with keen interest, and in terms of a well-defined captive nations policy. One does not close one's eyes to objective reality and hope thereby to preserve freedom, not to speak of expanding it.

Q. (3) "How do you account for Moscow's acute sensitivity to Congress' Captive Nations Week Resolution?"

Literally, on record, in this whole post-World War II period no single event has been subjected to such vehement denunciation by the Kremlin totalitarians as much as has this resolution and the annual observances it authorizes. Khrushchev, Suslov, the Russian media and other sources have heaped considerable abuse on it. One of the outstanding aspects of this tirade was Khrushchev's encounter with Nixon in 1959, soon after the resolution was passed. The then Vice President didn't know what struck him and displayed his own lack of understanding the measure. He thought the resolution was only a call to prayer.[6] With such official explanations it's no wonder that in later years Moscow shifted its tactics to less publicized rantings against the resolution.

The Kremlin's acute sensitivity to the resolution is predicated on several keen perceptions into its meaning and significance. From my own experience it can be objectively stated that relatively few of our people have ever bothered to read the Congressional resolution, now Public Law 86–90. First, as indicated earlier, the resolution places the finger squarely on the real force of international unsettlement and conflict, namely Soviet Russian imperialism.

Another important point underlying Moscow's sensitivity is that the resolution for the first time in our history officially points to all the captive non-Russian nations in the USSR. It specifically enumerates Lithuania, Ukraine, Latvia, Estonia, White Ruthenia (Byelorussia), Armenia, Georgia and others. This certifies to the empire character of the USSR state. In his recent Annapolis speech the President erred badly to believe the USSR is a "nation."

AMERICAN BLINDERS RE CAPTIVE NATIONS

Q(4) "With the global impact made by this resolution, why is it that many of our people, meaning those in position to influence public opinion, have not advanced it as much as they should have?"

The condition stipulated in the question is well-known to the Kremlin's analysts of American behavior. In answer, over the years there have been numerous different factors and circumstances accounting for this. But briefly, covering several long-run forces, the first is the generational factor. What was generally well-known in the 50's about the USSR, Moscow's global design and techniques, etc. must be re-taught, and this is not being adequately done today. A few sharp experiences will demand it.

Footnotes at end of article.

There is, too, the persistence of several myths that our highest official and private institutions of learning continue to perpetuate. One is that the captive nations exist only in Central Europe, whereas the CNL shows this to be a minority and only a part of Moscow's extended empire and sphere of influence. This myth blinds one completely to the *imperium in imperio*, the USSR itself.

In activist terms, the notion in numerous circles that the captive nations are simply a concern of East European "ethnics" in our body politics also carries a heavy, mythical weight. This weight was well demonstrated in the last presidential campaign. Countless Americans of non-ethnical organized association have consistently upheld the captive nations *in toto* idea and all that it implies. At the rate events are developing today in Asia, the Mideast, Africa and Western Europe and, hypothetically, given a smooth progression and projection into the future, who in his rational frame of mind and without an iota of alarmism would deny the real possibility of the U.S. joining the CNL?

Finally, it should also be noted that some of our luminaries have been in opposition to the resolution. For instance, George Kennan sought to have President Kennedy omit his proclamation of the Week in July, 1961, but failed in a supposedly promised deal.[7] In the mid-60's, Senator Fulbright, chairman of the Foreign Relations Committee, sounded out colleagues on a possible rescission of Public Law 86-90, but he found little support for it. In 1975, former Secretary of State Dean Rusk urged the repeal of the law before that committee, but found little response to his urging.[8] These and other attempts have failed, but the fact remains that these and other opponents have influenced advisers to our Presidents in the name of a whole nominal succession of "policies." The effect has been a progressive dilution of the Capitive Nations Week presidential proclamations, with most of them scarcely based on Congress' resolution.

"U.S. IMPERIALISM" AND RUSSIAN "WHAT?"

Q(5) "We understand Congress' resolution and the CNL, but what we can't comprehend is the easy acceptance, both here and abroad, of the phrase "U.S. imperialism." What are the Russians to be typed as?

As alluded to earlier, Moscow is extremely sensitive to the resolution because it unequivocally centers on its traditional imperialism, as the CNL summarizes on the basis of a wealth of evidence. Rational definition is as important here as in the case of socialism, communism, etc. The conquest, domination, and/or control of one nation by the regime of another is clear-cut imperialism. Despite his operational deception, Lenin subscribed to this objective definition as all classical thinkers have. Multinational investments abroad, to cite one example, hardly smacks of imperialism where sovereign laws of other states prevail.

Relevant to this question, it should be emphasized that with reference to "Eurocommunism" and the myth of West European communist parties alas seeing the light of democracy, not one of the CP's in Italy, France, Spain and Portugal is on record denouncing Soviet Russian imperialism. How could they? Italy's Berlinguer has explicitly stated, "The Soviet Union's peace policy is in the general interest of mankind." All are agreed on the chief enemy, "U.S. imperialism." This, more than any other issue, should make clear the old united front and coalition government technique at work—once again.

Also of note, the crucial financing of these West European CP's would not be possible without the intensive exploitation by Moscow of the non-Russian resources within its inner and outer empires. This constitutes the economic base for its worldwide operations. It is not generally recognized that over half of the critical resources within the USSR itself exist in the captive non-Russian areas. Without these resources, Russia as such would be only a second-rate power. No one bothers to point this out, but another glaring irony of the current situation is the appeal made by the former colonies of Western empires for assistance from Moscow which prices such "aid" largely on the basis of the exploitation of its own colonialist preserve.

HUMAN RIGHTS AND CAPTIVE NATIONS

Q (6) "Your thesis in 1977 on human rights being 'old hat' for the captive nations is well taken, but why was the natural linkage officially muffed?"

The reasons for the muffing are many. One, then as now, no adequate conceptualization of human rights was achieved. Secretary of State Vance's attempt in a commencement address at the University of Georgia fell below the mark. At the Department of State those in command of the subject fantastically believe the subject is exhausted by experiences with civil rights in Mississippi. In short, national rights as an integral category of human rights have been completely ignored.

This unfortunate phenomenon was manifested also at the Belgrade conference on the Helsinki Accords. Despite the remarkable performances of Arthur Goldberg, the head of our delegation, the right questions were not raised; indeed, the captive nations idea was ignored completely. Here, too, an irony evolved with our delegation being hamstrung by an inordinate desire of the Administration to advance a highly disputable Salt II agreement, while Moscow, also chess-playing this, linked the chances of such an agreement with a de-emphasis on our part on human rights, in terms of personal, civil and national criteria. In short, the Russians are allowed a negative linkage while we deny ourselves a positive one, taking each subject on its own merits.

As was stressed in assemblies across the country during the 1977 Captive Nations Week, there is a vast difference in applying human rights to authoritarian governments beset by their peculiar problems, but who are our allies, and directing the policy toward the totalitarian world in which the captive nations and peoples exist.

FOOTNOTES

[1] See *Human Rights Are Old Hat For Captive Nations*. Congressional Record reprint, USGPO 1977.

[2] The publication is *The Bicentennial Salute to the Captive Nations*, USGPO, 1977, pp. 123.

[3] See *The Illusions of Détente*, Congressional Record reprint, USGPO 1974.

[4] For the best account of Carter's near-slip, read "Carter's Desperate Moves to Maintain Détente," *Human Events*, Washington, D.C., July 30, 1977.

[5] See writer's article "The Unforgettable Ford Gaffe," *The Ukrainian Quarterly*, Winter, 1977.

[6] Richard M. Nixon, *Six Crises*, 1962, p. 247.

[7] George F. Kennan, *Memoirs*, 1950-63, v. 2. 1972, pp. 292-93.

[8] *Détente*, 1975, p. 214.●

EPA APPROPRIATIONS AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, on June 15, the House is scheduled to debate the HUD-independent agencies appropriations bill for fiscal year 1979, H.R. 12936. At that time, I intend to offer two amendments which would restore certain cuts which the House Appropriations Committee has made in the EPA budget request for research and development by transferring funds from other appropriations. I hope that all Members will join with me in supporting this effort. In the following paragraphs I outline the effects which the cuts proposed by the Appropriations Committee will have on the Agency's ability to carry out its mission.

In February, the House Science and Technology Committee's Subcommittee on the Environment and the Atmosphere, which I chair, held hearings on EPA's R. & D. annual authorization bill for fiscal year 1979. At these hearings, we took extensive testimony from EPA witnesses, outside scientific experts and local and State officials. During this year's hearings it became clear that EPA needs additional resources to perform the kind of research which Congress has called upon it to do. Although EPA's 1979 Agency-wide budget provided a 12-percent increase over fiscal year 1978 levels, the Agency's Office of Research and Development received only a 1-percent increase—this, in a time when it becomes increasingly important that there be a scientifically valid basis for regulations promulgated under many new statutes, recently enacted. Thus, our committee unanimously recommended an authorization level of $431 million, some $13 million over last year's authorization level and $102 million over the President's request for EPA. On April 27, the House approved H.R. 11302, authorizing these appropriations for EPA's research and development, by a vote of 367 to 34.

In the House Appropriations Committee report (H. Rept. 95-1255), under the EPA section entitled "Research and Development," you will note that the House Appropriations Committee added $17.9 million for various items, while cutting $14 million from the Agency's request, leaving a net increase of $3.9 million for R. & D. In other words, the items added by the Appropriations Committee were not contained in the Agency's budget request to Congress, but $14 million is to be deleted from the programs described in its request. My amendments would not strike the committee's increases, but rather would restore the cuts of $14 million, as well as adding another $6 million for grants demonstrating the reuse of waste water.

Briefly, the cut of $1 million in EPA's air ecological effect program would strike at this program at a time when the Agency is switching from an in-house to an extramural activity in order to make the best use of its personnel. It is ironic that when the Agency takes drastic action to live with the stringent personnel ceilings set by OMB it sees its resources cut.

Air-ecology projects that will have to be cut includes, a field study of the effects of oxidants on forests in California and Virginia, and studies of the effects of air pollutants on crops and the entry

of toxic materials into the food chain, to be carried out in New York, Utah, California, Pennsylvania, and Washington.

The cut of $4 million in the Agency's monitoring and technical support program will have nationwide adverse impacts. Let me mention just a few of these. First, this will cut important efforts to improve our ability to measure contaminants in drinking water. It is interesting to note that the Appropriations Committee report (H. Rept. 95–1255) criticizes certain drinking water regulatory activities of the Agency (on page 25), and then they cut the resources that EPA needs to do a good job. Second, this cut would impair the Agency's ability to make water quality measurements in rivers and lakes. Again, the Appropriations Committee report is critical of EPA's water quality data, especially emphasizing the need for information to prove that sewage treatment will significantly improve water quality (pp. 29, 30, 31 of H. Rept. 95–1255)—and yet they cut the very program that would make good data available. Third, this cut would significantly slow the establishment of the air quality network—and especially the fine particle network—called for in sections 309 and 403 of the Clean Air Act Amendments of 1977. Finally, this cut would adversely impact the Agency's ability to measure toxic chemicals in the environment just as they are beginning to respond to the Toxic Substances Control Act.

I should point out that $1 million of the proposed monitoring cut is to be passthrough funds for work to be conducted at the National Bureau of Standards, one of the Nation's premier labs.

The cut of $8 million and 22 positions in the anticipatory research program, a program mandated in Public Law 95–155, the EPA R. & D. Authorization Act for fiscal year 1978, and proposed in response to concerns by EPA's Science Advisory Board, the National Academy of Science, and the Office of Technology Assessment, would seriously hamper the Agency's ability to deal with tough, basic scientific questions arising from its regulatory missions. EPA's independent Science Advisory Board was so concerned about this cut that its Chairman wrote to Administrator Costle on May 11, 1978, a portion from which I will quote:

"Obviously the program is just getting off the ground and increased funds for FY 1979 are important to assure that this program is appropriately initiated. . . . This action may cripple this important program before its value to the Agency is clearly demonstrated.

In addition, the Appropriations Committee suggested removing these 22 positions from R. & D. and, in essence, transferring them to two items under "Abatement and Control." This does not take into account the difficulties inherent in civil service procedures and in the proper function of research programs. On the one hand the Appropriations Committee is critical of EPA's contractual effort and on the other hand, it is forcing EPA to go to contracts even more by reducing its research staffing.

I should point out that in the last 2 years the Agency has been allocated by OMB some 600 new positions while the research office has received only these 22, which are now proposed to be taken away. Thus, once again, the Agency is being punished for responding to a congressional mandate that exists in law.

Let me now discuss some of the specific impacts of the $8 million cut on anticipatory research:

Acid rain: The acidity of rainfall in the Eastern United States has increased markedly and we now find that rainfall more acidic than vinegar is not uncommon. Many Adirondack lakes (51 percent of those above an elevation of 600 meters) are highly acidic and 90 percent of these have no fish. Forty years ago only 4 percent of these lakes were found to be acidic or without fish. Other studies in New Hampshire have found marked changes in the amount of sulfate in acid rain. The Appropriation Committee's recommended cut would delete a study of the characteristics and scope of acid rainfall; of how acid rain affects soils; and of how aquatic systems are impacted by acid rain.

Cancer: EPA had planned to conduct epidemiological studies of the incidence of cancer in Houston, New Jersey, and Detroit. This integrated program of health studies and exposure monitoring will not be carried out as planned if the $8 million cut is adopted.

Ground water: A planned program to study the contamination of groundwater, source of much of our drinking water, will not be carried out as planned at Ada, Okla.

Pollution control processes: EPA had planned to start a program in the basic chemistry and physics of pollution control. This would partly address some criticisms that EPA is quick to regulate, but offers industry little help in meeting regulations once they are promulgated. This would be cut.

Innovative control technology: EPA had also planned to start a program of innovative research, with emphasis on innovative control technology. This program would be designed to encourage the development of truly creative ideas proposed to EPA by either outside or in-house scientists and engineers. It is, indeed, sad to note that although the Appropriations Committee has criticized the Agency for not pursuing alternative control methods (p. 31 of H. Rept. 95–1255), yet, they cut a program intended to develop such methods.

On page 24 of House Report 95–1255, the Appropriations Committee notes that:

The purpose of EPA's research and development programs is to produce the scientific information and technical tools on which national policy is based . . . that in the past EPA has at times put greater emphasis on publishing a standard rather than on the compilation of the necessary scientific data on which to base it.

As reported, H.R. 12936 cuts the means to accomplish this. My amendment would restore some of the funds EPA needs for a solid research program.

It is interesting that the Appropriations Committee says that EPA's regulatory actions are often based on insufficient data. Despite that statement, as compared to fiscal year 1978 appropriations, they increased research $8 million (about 3 percent); abatement and control is increased $150 million (about 29 percent); and enforcement is increased $24 million (about $34 percent). It would seem from this that the Appropriations Committee feels that the Agency has plenty of data to move ahead vigorously in enforcement and control.

But a close reading of the committee's report, especially pages 29 through 31 will show that they really do not believe the Agency has done enough research in all areas. They cite several studies—one by the U.S. Geological Survey of the Willamette River Basin in Oregon, one by the Vertex Corp. on advanced wastewater treatment, and finally a GAO study—all of which say that we need more water quality data before we can be sure that building more sewage treatment plants will, indeed, help our Nation's water quality. This is the main point on which they justify cutting the construction grants program by $300 million.

I tend to agree with this cut. The hearings before our Environment and Atmosphere Subcommittee showed that non-point sources—those not subject to treatment—cause a major part of our water pollution. Clearly building more and more advanced treatment plants while leaving perhaps half of the pollution stream untreated makes no sense.

It is for this reason that I am proposing not one but two amendments. The first would increase the research funding by $20 million, the second would delete a modest $20 million from the construction grants program, which will still have $4.18 billion. In effect the two amendments taken together—and I will ask that they be considered en bloc—transfer $20 million from construction grants to research and development. This $20 million would be used to restore the $14 million cut from the President's request, and to add $6 million for grants demonstrating the reuse of wastewater.

The latter activity was authorized in Public Law 95–155, the fiscal year 1978 EPA Research and Development Authorization Act. Basically, it encourages alternative methods of dealing with wastewater, something the Appropriations Committee recommended on page 31 of their report. In fact these funds would be used to demonstrate methods that would make water available for reuse, either as irrigation water or as potable water. The Appropriations Committee recommended $8 million for this program, my addition would bring this total to $14 million for wastewater reuse.

Finally, I want to say that the Science Committee felt strongly that the EPA research budget was very lean. The approval of the authorization bill shows the position of the full House, in support of increased R. & D. We recognized that the Agency had gone through a rigorous ZBB process and that many tradeoffs had been made and programs trimmed. In addition EPA has instituted management procedures to insure that research efforts are responsive to Agency mission needs. Thus, the Agency seems to have turned a corner in its manage-

ment. Administrator Costle and Dr. Gage, head of the Office of Research and Development, are dealing with problems that have plagued the Agency in the past and I feel that we should give them the resources they need to have a strong program.

In conclusion, I ask for the support of all my colleagues on these amendments.●

MEDICARE AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI), is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, in the near future, the Ways and Means Health and Social Security Subcommittees will be considering amendments to the medicare and social security disability insurance programs, respectively. Because many of the changes that have been proposed are of a complex and somewhat technical nature, I have today introduced legislation incorporating a few of the proposed changes that heretofore have not been available in legislative language. The provisions included in the bill that I am introducing today are not in any way intended to reflect a complete list of issues which might be considered. This bill is simply an effort to make legislative language on some of the proposed amendments available for public review. In addition, two or three provisions in today's bill which have previously been introduced as separate pieces of legislation have been included since they have undergone some revisions in drafting since their original introduction. In particular, the provision relating to the elimination of the second and subsequent waiting periods for medicare reentitlement of disabled workers has been included so as to make available at this time one specific approach to this issue, since the Social Security Subcommittee's deliberations on disability insurance are scheduled to resume on Wednesday, June 14.●

COOPERATION COULD INSURE SUCCESS OF OUR OBJECTIVES IN RHODESIA

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SIKES. Mr. Speaker, the continued policy of the U.S. Government and its Mr. Andrew Young to defeat the efforts for a successful coalition government formed between the present government and major factions within Rhodesia are incomprehensible. Apparently we do nothing to show that we want to help in the successful operation of a black-dominated government, unless that government is subjected to a measure of control from the Marxist revolutionaries who are based outside of Rhodesia and whose terrorist activities are helping to defeat the objectives of a coalition government. I feel that our Government is destroying its own credibility by this amazing performance.

On the other hand, simple cooperation with the present Rhodesian Government in its efforts to achieve stability of a working coalition could resolve the problems with which our administration and Mr. Young have been concerned.

I note in a recent issue of the Christian Science Monitor, a letter to the editor by Mr. Ralph E. Burr of Salisbury, Rhodesia. He makes a clear case against the present policies of the United States. He simply says support is needed from the West now if the nation is to be spared a continuation of the war wanted only by communism. I hope the administration will give consideration to the points made. I submit his letter for reprinting in the RECORD.

RHODESIA: LIFT THE SANCTIONS

The Monitor has consistently published wise and thoughtful comment on Rhodesia, but sometimes fails to appreciate that the commitment now made to majority rule is genuine.

The type of settlement that has been negotiated internally seems to ensure continued economic progress of Rhodesia, but support is needed from the West now. Thirteen years of economic isolation and sanctions together with terrorist infiltration from covetous and jealous neighbors have taken a toll of the country.

There is no need to fear a second Vietnam and there is no need for American troops to enter the conflict. There is however an immediate need to lift sanctions. If this does not take place, there is a possibility that, at the end of the year, when black majority rule is complete, what was once one of the most economically independent and viable countries in Africa might be economically crippled and ripe for the only ideology that thrives in such conditions—communism.

Those of us who have our homes in this beautiful country are somewhat reluctant to agree to the presence of UN troops—a principle included in the Anglo-U.S. proposals. These troops have not a good track record in permanently solving world problems.

A settlement that includes all parties would of course be ideal. But one that includes the representatives of what certainly seems to be the majority of the population must surely be better than the continuation of a war wanted only by communism.

The motives of those opposing the internal agreement need very close examination.

SALISBURY, RHODESIA.

RALPH E. BURR.●

PERSONAL EXPLANATION

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. OTTINGER. Mr. Speaker, I was unable to participate in two rollcall votes on June 9, 1978, because of my son's graduation from high school. Had I been present, I would have voted as follows:

On rollcall No. 434, on passage of a supplemental appropriation for the black lung program, "yea."

On rollcall No. 435, on passage of H. Res. 1219, the rule waiving points of order during the consideration of appropriations for the Department of Transportation, Fiscal Year 1979, "yea." ●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 4030, A BILL RELATING TO PERMISSIBLE HOLDINGS OF CERTAIN PRIVATE FOUNDATIONS IN PUBLIC UTILITIES

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. ULLMAN. Mr. Speaker, H.R. 4030 has been favorably reported to the House and would increase the amount of stock which certain private foundations may hold in public utilities without being subject to the excise tax on excess business holdings.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 4030 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule for consideration of H.R. 4030 which would provide for:

First, committee amendments which would not be subject to amendment;

Second, 1 hour of general debate, to be equally divided;

Third, waiving all necessary points of order; and

Fourth, one motion to recommit with or without instructions.

It is our intention to request a hearing before the Committee on Rules as expeditiously as possible.●

PRIVACY AND PEOPLE

(Mr. LAFALCE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. LAFALCE. Mr. Speaker, on Friday, June 9, 1978, I introduced a bill to protect the financial records of individuals from unnecessary Government scrutiny while at the same time preserving the effectiveness of legitimate law enforcement investigations conducted by Government agencies. The bill requires that the bank customer be given prior notice of governmental review of his financial records except in cases of emergency or national security, and requires the Government to demonstrate its law enforcement interest if the individual files an objection to the review.

The issue of financial privacy is not new, and bills have been introduced in the past to deal with this situation. However, none of the previous bills has enjoyed the active support of both the Justice Department and the Treasury support as my bill does. Simply to get these two agencies to acknowledge the need for privacy legislation is a major accomplishment, and they are to be commended for this turnabout in opinion. They have also made some significant concessions in their willingness to support my bill, accepting some elements which they do not particularly espouse and deleting others which they had considered important.

This bill will be offered during the Banking Committee's consideration of the financial institutions supervisory amendments (commonly referred to as the Safe Banking Act) as a substitute to the present title on privacy. In a day when so much can be learned about an individual from reviewing his financial records, I believe it is particularly important that we enact legislation to limit Government access to those records unless it is for good cause shown.

What follows is a section-by-section analysis of this bill, and with the description of each section are some comments on the need for or the reason behind the particular approach used. I urge all of my colleagues to acquaint themselves with this title and the arguments supporting financial privacy legislation.

TITLE XI—RIGHT TO FINANCIAL PRIVACY

Section 100. This title may be cited as the "Right to Financial Privacy Act of 1978."

Section 101. Definitions. For purposes of the bill, the following terms are defined:

(1) A "financial institution" includes all types of depository institutions organized under the laws of or with their principle place of business located in the United States or any State. In contrast to H.R. 9600, credit card issuers are not covered because it was felt that the privacy interest in their records was not great enough, as compared to bank records, to warrant inclusion. This is particularly the case for cards issued by a retail store, oil company, etc.

(2) The "financial records" protected by the bill include all originals and copies of records held by financial institutions that (a) contain information pertaining to the customer's relationship with the institution and (b) individually identify the customer of such institution.

(3) The "government authorities" whose actions are restricted by the bill include any agency or department of the United States.

(4) A "person" is defined to include only human beings. Unlike H.R. 9600, privacy rights are not afforded to partnerships, corporations, associations, trusts, or other entities that are created by law, on the theory that privacy is a personal right.

(5) A "customer" in turn, is a person who uses a service of an office of a financial institution, or for whom the institution acts as a fiduciary, but only in relation to an account maintained in the person's name. The definitions of "financial records" and "customer", taken together, are intended to preclude application of the bill to anyone other than the person to whose account information the government seeks access. They would exclude, for example, the endorsers of checks and guarantors of loans.

(6) A "supervisory agency" is defined to include a list of federal agencies that have been given by law regulatory and supervisory responsibility over one or more types of financial institutions. It also includes any State banking or securities departments or similar agencies performing functions akin to those of the listed federal agencies. References to the Bank Secrecy Act and the Currency and Foreign Transactions Reporting Act make it clear that the Secretary of the Treasury is a "supervisory agency" only with respect to those statutes:

(7) The term "law enforcement" includes either administration or enforcement of any law, whether criminal, civil, or regulatory, as well as administration or enforcement of regulations, rules, or orders issued pursuant to statutory authority.

Section 102. Confidentiality of Records—Government Authorities. This section establishes the basic restriction on government access to records. It prohibits a government authority from obtaining copies of or access to any financial records, or any information contained in them, from a financial institution, unless a special exception to the Act is met, or unless the procedures spelled out for ordinary methods of access are followed. The special exceptions are provided in sections 103 (bank notification of criminal act), 112 (emergency access), 113 (foreign intelligence and Secret Service protective activities), or 115 (other exemptions). There are five normal methods of access: customer authorization (section 104), administrative subpoena or summons (section 105), court order, other than a search warrant or grand jury subpoena (section 106), search warrant (section 107), and a "formal written request" from a government authority (section 108). To obtain records using any of the five normal methods of access, the government authority must see that the records sought are reasonably described.

Section 103. Confidentiality of Records—Financial Institutions. This section imposes a duty on financial institutions to maintain confidentiality of customer records. It prohibits institutions, and their officers, employees and agents, from providing access to customer records, or to information contained in them, except as permitted by the Act. Like all other citizens, however, financial institutions are permitted to report information to appropriate governmental authorities contained in financial records that they believe may be relevant to possible violations of laws (section 103(c)). Thus, a bank could, and should, report to the appropriate officials information pertaining to the cashing of a forged check, the passing of counterfeit currency or bonds, or the use of its services to facilitate a fraudulent scheme. This section is intended to permit such reports only if the bank volunteers the information. Government authorities may not provoke such disclosures by making inquiries. Once information is received by government authorities, they must obtain any pertinent records that they seek in accordance with the procedures of the bill. Subsection (d) also permits a financial institution to provide copies of pertinent financial records to government officials where that is necessary to perfect a security interest, to prove a claim in bankruptcy, or otherwise to collect a debt owed to the bank itself or to the bank as fiduciary. Institutions are required to notify customers of their rights under the bill when they open accounts (section 103(c)).

Section 104. Customer Authorization. This section establishes the first means of government access to records—voluntary authorization by the customer. Presumably, many customers under investigation will wish to cooperate. Their authorization must be in writing, signed and dated. It must identify generally the records which are authorized to be disclosed (*i.e.*, cancelled checks, loan application, etc.) and the government agency to which disclosure is authorized. An authorization is valid for a specified period up to three months, and it may be revoked at any time, although not with respect to records that have already been disclosed. The bank is prohibited from making an authorization a condition of doing business with it. Subsection (c) requires the bank to keep a record of all instances where a customer record is disclosed pursuant to an authorization, and to record as well the recipient agency. The customer is entitled to a copy of that record unless the government has obtained a court order barring disclosure under section 109(b).

Section 105. Administrative Subpoena and Summons. The government may obtain financial records using an administrative subpoena or summons. Authority to issue such process must be granted by some other provision of existing law, and compliance is required with the customer notice (section 109) and challenge (section 110) provisions of the bill. The process may be issued only to obtain information which may be relevant to a legitimate law enforcement purpose. This standard is comparable to that in existing law for testing subpoenas. It is considerably less than and conceptually different from probable cause, as the process would often be used in the early stages of an investigation, long before sufficient facts had been developed to establish probable cause. "Law enforcement" is broadly defined in section 1101, but the requirement that the purpose be "legitimate" is an important safeguard. It is intended to prevent an agency from acting outside the scope of its statutory authority, (e.g., investigating a violation over which it has no jurisdiction), as well as from pursuing an investigation in bad faith to harass or intimidate its subject. In order to assure the financial institution that it is protected from liability in complying with a summons or subpoena, an official of the government authority seeking records must provide a sworn statement that all applicable provisions of this title have been complied with.

Section 106. Court Order Other than a Search Warrant or a Grand Jury Subpoena. This section permits access to financial records by means of orders of a court that are neither search warrants—which are covered by section 107 and are subject to different notice and challenge provisions—or federal grand jury subpoenas—which are excluded from the bill's coverage (section 115(a)). It would cover subpoenas for trial, orders to produce documents, etc. The order must be one that the court is authorized by statutory or common law to issue and must seek information which may be relevant to a legitimate law enforcement purpose. The customer notice and challenge provisions of sections 109 and 110 must be complied with before access is permitted, and a sworn statement of compliance with the bill must be provided.

Section 107. Search Warrants. Search warrants may be used to gain access to records if they are obtained pursuant to the Federal Rules of Criminal Procedure or applicable State law. A search warrant would, of course, require a showing of probable cause under the Fourth Amendment, a higher standard than the other forms of process necessitate. Because of the increased privacy protection provided by this high standard, and the traditional *ex parte* nature of proceedings to issue warrants the pre-notice and challenge provisions applicable to other forms of process do not cover search warrants. However, delayed notice under section 109(d) would be required.

Section 108. Formal Written Request. This method of access would be created for the first time by this bill. It is necessary because many agencies of the government with vital criminal and civil enforcement responsibilities do not now have administrative summons authority. These agencies include the Federal Bureau of Investigation, all of the Justice Department's litigating and law enforcement divisions except the Antitrust Division and the Drug Enforcement Administration; the Secret Service, and a number of other Treasury Department agencies. In order to provide these agencies with continued access to financial records for legitimate law enforcement purposes, three choices are possible: First, administrative summons authority could be granted to all those agencies now lacking it. While this course has a number of advantages, such as insuring careful regulation of access and giving the agencies new power to obtain compliance with requests through enforcement of the summonses, it has a major practical drawback—the Banking Committee seems to have

neither the jurisdiction nor the time in the context of the Safe Banking Act to study and create by law administrative summons authority for perhaps dozens of agencies. A second possible solution is the use of grand jury subpoenas. But while this might take care of most criminal law enforcement needs for records, it would be of no assistance to agencies with civil enforcement responsibilities. Moreover, use of grand jury subpoenas whenever financial records are required would needlessly increase the use of such process.

The third approach to the problem, and the one chosen in this bill and adopted in principle in H.R. 9600, is, in effect, to formalize informal access by creating the "formal written request". This is a document issued by a government agency to obtain information which may be relevant to a legitimate law enforcement purpose. This is the same standard applicable under the bill to other forms of process except search warrants. The formal written request is not intended to replace the administrative summons or subpoena; it may be used only where no administrative summons or subpoena authority reasonably appears to be available to the government agency to use in obtaining the records sought for the particular purpose for which they are sought. The "particular purpose" qualification is necessary because some agencies do have an administrative summons or subpoena authority limited to certain purposes. The formal written request must also be issued in accordance with regulations promulgated by the head of the government agency or department. These regulations can be expected to specify such limitations on the formal written request as the circumstances in which it may be used, the form it must take, the information it must contain, and the officials who may issue it. The formal written request is subject to the same notice and challenge provisions as the other forms of process except search warrants and a sworn statement of compliance with the bill's provisions must be provided.

While the formal written request appears in some ways to be similar to an administrative summons or subpoena, there is one key difference. Unlike those forms of process, the request is just that—a plea for cooperation from the record-keeper. A financial institution receiving such a request would be completely free, just as it is when an agency seeks informal access to records today, to refuse to disclose the records. In contrast to a summons or subpoena, the request is not enforceable. On the other hand, the formal written request does meet one of the major goals of privacy legislation—it provides a "paper trail" to record government access to records, and it affords the customer a vehicle through which to exercise his or her prenotice and standing rights. Giving a statutorily sactioned structure to current informal modes of access should promote voluntary cooperation with government agencies seeking records legitimately.

Section 109. Notice Provisions. This section specifies the requirements for notification of customers of government requests for records. It contains the notice requirements for all three types of process covered by the bill and for the formal written request. Since the notice requirements for each type, except search warrants, are substantially the same, it seemed preferable to place them together in one section, in contrast to H.R. 9600, which has somewhat different notice and challenge requirements for each type of process.

Subsection (a) establishes the basic notice requirement for the administrative summons or subpoena, the court order other than a search warrant or grand jury subpoena, and the formal written request. It requires the government agency seeking access to records to notify the customer of that fact by providing him or her with a copy of the process or request and a notice of rights under the bill and of the general purpose of the investigation. These materials may either be served upon the customer in conformity with the Federal Rules of Civil or Criminal Procedure, or sent by registered or certified mail to the customer's last known address. At the same time, the government must also serve the process or request and a notice of rights, obligations, and liabilities on the financial institution holding the records.

In those situations where notice to a customer that financial records are being sought might cause specified kinds of harm to a persons or to an investigation or other official proceeding, subsection (b) permits the agency to apply to a court for delay of notice. Such a delay may be granted only if the court finds from evidence before it that there is reason to believe that notifying the customer will result in endangering the life or physical safety of any person, flight from prosecution, destruction or tampering with evidence, or intimidation of witnesses. In addition, subsection (e) is a general harm provision designed to accommodate unanticipated needs for delay of notice. It is intended to be used only where the potential harm to an investigation is of a magnitude similar to the listed jeopardizing factors, or in the case of a trial or other ongoing official proceeding, where notice would unduly delay the proceeding. The last exception is a narrow one designed, for example, to permit the use of trial subpoenas for records immediately before or during a proceeding. A judge would be free in such a situation simply to shorten the time for customer response if service on the customer would otherwise not jeopardize the proceeding. Since the delayed notice provision would permit the agency to obtain records before the customer has an opportunity to challenge the legitimacy of the request, the court must also make two other findings based upon an affirmative government showing of evidence—(1) that the investigation is within the agency's lawful jurisdiction, and (2) that the bill's relevancy test is met.

Subsection (c)(1) specifies that if the requisite findings are made, the court shall enter an ex parte order granting a delay of notice for up to 90 days. In addition, the bank shall be ordered not to disclose the fact of the request or that records have been obtained. The government may apply for further extensions of the delay under subsection (c)(2), but in each such case, it must make the factual showing of need required by subsection (b). At the end of any period of delay, the customer must be served or mailed a copy of the process or request and a notice explaining the reason for the delay and purpose of the investigation.

A proviso is included in subsection (c)(1) to deal with a unique problem faced by the Office of Foreign Assets Control of the Department of the Treasury. This agency administers the Trading with the Enemy Act, the International Emergency Economic Powers Act, and the United Nations Participation Act. Under these statutes the Board may enter orders blocking transactions in American bank accounts owned or controlled by nationals of certain foreign nations, generally countries unfriendly to the United States. While there is usually no reason not to notify such customers of these actions, there may be situations where doing so would literally endanger the life or physical safety of the customer himself, his relatives or associates. Where the customer remains in contact with his native land, and the government there is an enemy of the United States or a totalitarian regime, that government may well learn of the existence of the account if notice is sent to the customer. Upon learning that the customer has assets in the United States, the foreign regime may threaten the customer with violence or death as a reprisal, or an inducement to turn the money over to the government. Only if a court finds that such a danger to a person somehow associated with the account exists, may it order an indefinite delay of notice to protect the customer.

Section 109(a) contains the notice provisions for search warrants. Under it, the customer must be notified of the warrant within ninety days after its service on the financial institution. Further delays may be secured from a court, but only upon the same showing of danger or need required under section 109(b) and (c) to delay notice for other forms of process.

Subsection (e) requires courts granting delays of notice under this section to report essential information concerning the delays to the Administrative Office of the United States Courts. The Administrative Office is required to compile an annual report for Congress summarizing and analyzing the use of the delay provisions. This reporting requirement is similar to one imposed by the federal wiretap laws, 18 U.S.C. §§ 2510 *et seq.*, and should assist in evaluation of the effectiveness of the bill.

Subsection (f) spells out the special notice procedures to be followed when the government obtains records using the Emergency Access provision (section 1112).

Finally, subsection (g) directs the court to which a delay application is made to preserve all materials pertaining to the application. The customer may petition the court for disclosure of the records, which should be granted unless there is reason to believe disclosure would cause one of the types of harm specified in section 109(b)(3).

Section 1110. Customer Challenge Provisions. This section establishes the customer's right to challenge government access to his or her financial records. It applies to all methods of access covered by the draft except search warrants, which retain their traditional ex parte character.

Subsection (a) gives the customer seven days from service or mailing of a notice to move to halt the government's access. The customer must file a motion to quash an administrative summons or subpoena or a court order. Since a formal written request is not technically a form of legal process that may be quashed, the customer must make an application to enjoin the agency from obtaining records pursuant to such a request. Procedurally, such an application should be treated no differently from a motion to quash. The motion or application could be filed in the United States District Court where the bank holding the records is located. Service must be made on the government agency and the financial institution.

By requiring the customer to make the first move in court to prevent government access, the bill imposes a somewhat greater burden than does H.R. 9600 as reported out to the Banking Committee. But the procedural structure of this bill strikes the appropriate balance between privacy and law enforcement needs. Accordingly, the bill applies the same procedure to all methods of access.

H.R. 9600 would permit a customer, merely by mailing a written objection to access, to halt government attempts to gain access to records by means of administrative summonses or subpoenas or formal written requests, and would then force the government to move in court to enforce its process or to obtain a declaration that a formal written request was not improper. The customer need not go to court in the first instance to halt an investigation under H.R. 9600. Experience to date under a provision of the Tax Reform Act of 1976, 26 U.S.C. § 7609, which imposes a similar procedural regime, suggests that this makes objections entirely too easy and encourages frivolous interference with wholly legitimate investigations.

When the Internal Revenue Service moves to enforce its administrative summonses under that Act, a substantial percentage of objecting customers default, indicating they had no tenable objection to access but merely sought to delay an investigation.

Moreover, since possible government abuses of access are likely to be very few in number, stopping many thousands of legitimate investigations and putting the burden on the government to go into court in the first instance and justify them appears to be an inefficient means of rooting out the small numbers of improper requests. Rather, customers should be required in the first instance to go forward in court and argue that something may be wrong.

Under this bill, when he brings a challenge proceeding in court, the customer must show by affidavit or sworn statement first, that he is a person having standing to contest access under the bill—a customer whose financial records are being sought; and second, that there is a factual basis for concluding that the records are not being sought to obtain information which may be relevant to a legitimate law enforcement purpose, or that the government is not in substantial compliance with the provisions of the bill. In making this very limited showing, the customer might allege, for example, that he has committed no offense over which the agency has jurisdiction, that the investigation is for some reason not a legitimate one for the agency to conduct, or that it is being conducted solely to harass or intimidate him, as by showing the existence of an "enemies list," or a political basis for the investigation, or frequent recent unsuccessful probes of his affairs.

If the customer's papers fail to make the *prima facie* showing required by subsection 110(a) (1) and (2), the court should deny the motion or application. If, however, the requisite showing is made, the court should order the government to file a sworn response that should set forth the reasons why the investigation is proper and why the records meet the relevancy test. The government would bear the burden of proving compliance with the bill's requirements for access.

In order to prevent abuse of the challenge procedure as a method of pretrial discovery by putative criminal defendants, the bill permits the government to file this response *in camera*. This should be done only if it is necessary to protect the investigation or to avoid improper discover practices. The court is empowered thereafter to conduct any additional proceedings that it deems appropriate, in such manner as it finds proper. In order to prevent delay of investigations, all proceedings must be completed and the motion or application decided within five days from the filing of the motion or application.

While this is a relatively short schedule for judicial proceedings, one should note that with seven days for notice added to five days in court, an investigation could be delayed nearly two weeks by any challenge. Since the issues raised by customer challenges should be relatively simple, and since prompt action is the rule in an analogous applications for search or wiretap warrents, a five-day period is sufficient. Finally, the bill contemplates that magistrates rather than district judges will hear many of the motions or applications. The use of magistrates for this purpose should be encouraged, and the proposed Magistrates Act of 1978, S. 1613, will further facilitate their use.

Subsection (c) spells out the results that follow when the court makes particular findings under the bill. These are straightforward. "Substantial compliance" with the provisions of the bill would entitle an agency to prevail. This language is intended only to ensure that minor technical violations of the bill are not the basis for denying access when there has been compliance with its spirit. Thus, failure to meet a time requirement by a day or two, a defect in service of process where actual notice was received, typographical or clerical errors on forms, and similar mistakes should not prevent access. This follows case law interpretations of the Wiretap Act.

Subsection (d) provides that if a motion or application to prevent access is denied, there is not a final order from which an interlocutory appeal might be taken. The intent is to treat such orders in the same manner as civil discovery motions or criminal warrants—as evidentiary matters which are part of the record for appeal purposes after judgment, but as to which there is no appeal before that time. If a legal proceeding using the records is commenced against the customer, he or she may appeal the issue as part of, and in accordance with the requirements for, any appeal from a final judgment in that proceeding. The phrase "arising out of or based upon the financial records" is intended to cover any proceeding in which records are used in any way, e.g., as evidence or for investigatory purposes.

Where no legal proceeding against the customer is to be commenced, an appeal may be taken within 30 days of a notification to that effect. Subsection (d) requires an agency obtaining records to give the customer such notification promptly after a determination not to proceed is made. If no such determination is made within 180 days, a certification to that effect must be filed in court, and at reasonable intervals thereafter further certifications may be required by the court until the investigation is completed.

A customer could also challenge the propriety of a procedure that allowed access to records by bringing an action for civil penalties under section 119, but section 110(e) provides that the challenge procedures are the sole judicial remedy available to a customer to oppose disclosure of records pursuant to this bill.

Finally, subsection (f) is intended to preserve current law with respect to the rights of a finacial institution to contest a summons or subpoena for its records. If, for example, an institution now has standing to claim a subpoena is vague, overbroad, or that compliance with it would be unduly burdensome, such claims remain open to it. Similarly, an institution remains free to refuse access based on the non-coercive formal written request. A customer, however, does not have standing under the bill to raise claims that are based solely on the rights of the institution, such as the burdensomeness of compliance. If an institution does intend to contest coercive process, it may intervene as a party in a customer challenge proceeding.

Section 111. Duty of Financial Institutions. This section is intended to insure that financial institutions continue to process government requests for records pending the giving of notice and duration of customer challenge proceedings under the bill. By the end of these time periods, the requested records must be assembled and ready for delivery or disclosure to the agency if the bill's provisions are complied with. In this way, unnecessary delays of investigations while banks assemble record will be avoided. If the bank is contesting the request as, *e.g.*, overbroad or burdensome, it is protected by the "unless otherwise provided by law" clause. H.R. 9600 includes a similar provision.

Section 112. Emergency Access. This provision is designed for use in those very rare situations where access to record is needed so quickly that there is not even time to apply to a court for a delay of notice. Indeed, in many such cases, giving notice *per se* is not the problem; the time it takes is. The cases are those in which a delay in obtaining records would create imminent danger of physical injury, serious property damage, or flight to avoid prosecution. The use of bank records to investigate an ongoing kidnapping is an example.

Records may be obtained in these cases if a sworn statement is presented to the bank by an agency that one of the enumerated dangers would occur if access is delayed. Within five days thereafter, a sworn statement justifying the need for emergency access must be filed in court by a supervisory level official designed by regulation by the head of the agency. Thereafter, notice to the customer must be given as provided in section 109(f). If a customer believes that access was improperly obtained, he or she may then request the government's justifying documents under section 109(g), and could seek civil penalties under section 119.

While emergency access does present some possibility for abuse, it is minimal. The Wiretap Act contains a similar exception that has not been subject to criticism in its use. The requirement of subsequent notice and threat of civil penalties under section 119 for unjustified use of emergency access will adequately deter abues. The need for access in a few emergency situations is so great that it outweighs the danger of abuse given the threat of penalties.

Section 113. Foreign Intelligence and Protective Activities Exemption. This section exempts entirely from all of the provisions of the bill, except the requirement of section 117 that financial institutions be paid for services rendered in searching for and copying records, two narrow government functions that are essential to the nation. The first such function is foreign intelligence, whether pursued to counter or track the efforts of enemy agents spying on this country or to collect positive intelligence about the actions of our enemies. H.R. 9600 includes an exemption for this purpose. The second function is the assignment given to the Secret Service by statute (18 U.S.C. § 3056; 3 U.S.C. § 202); P.L. 90-331, as amended to protect the President, Vice President, candidates for those offices, families of such persons, and certain foreign dignitaries.

Section 114(a) exempts from the bill requests for records from a government authority authorized to conduct intelligence activities and from the Secret Service for its protective functions, but only for the purposes of conducting those activities. In order to prevent abuse of this exemption, subsection (b) requires the agency requesting records to submit to the bank a sworn statement that the records are sought for an exempt purpose. Because of the need for absolute secrecy in investigations of these kinds, no further information must be disclosed. The use of a sworn statement and the prospect of civil penalties should provide deterrence to abuses of the section. In order to protect further the intelligence and protective functions from unauthorized disclosure, subsection (c) prohibits the bank from disclosing to any person that access has been sought or records obtained pursuant to this section.

Section 114. Use of Information. This section subjects any information obtained under the records access procedures of this bill or under any of its exemptions, to all of the prohibitions on use, transfer or disclosure of information contained in current law. It is intended to apply all of the protections of the Privacy Act of 1974, the Freedom of Information Act, Rule 6(e) of the Federal Rules of Criminal Procedures (restricting disclosure of information obtained by grand juries), and other laws protecting privacy.

In addition, this provision permits supervisory agencies to exchange financial records and examination reports with each other and to supply such information to law enforcement agencies if it reveals possible law vio-

lations. Such exchanges and disclosures are permitted under current law, which is incorporated by reference in this section.

Section 115. Exemptions. This section brings together a number of areas to which the bill, for one reason or another, does not apply.

(a) Grand juries. Nothing is the bill except the bank payment requirement applies to any aspect of the proceedings before a federal grand jury. This is, of course designed to exempt grand jury subpoenas from the bill. The grand jury is the single most important investigative tool of criminal law enforcement. In addition, grand jury procedures are already subject to judicial scrutiny. Furthermore, Supreme Court decisions indicate that the constitutional status of the grand jury protects it from burdensome delays. Finally, grand juries are protected by rules keeping their proceedings secret. Expanded notice and challenge rights might diminish grand jury secrecy and threaten the privacy of individuals being investigated.

(b) Financial institution is investigatory target. This exemption assures access to records where an investigation or examination is not directed at any individual customer per se. Where it is the financial institution itself that is the "target" of an investigation or examination, customer notice and standing is inappropriate, as the Privacy Protection Study Commission recognized. This principle applies equally whether the agency seeking access to records is the Federal Reserve Board auditing a bank's lending or accounting practices, the Civil Rights Division investigating a charge of redlining or credit discrimination against the bank, or the Securities and Exchange Commission investigating questionable stock dealings by the institution.

Accordingly, subsection (b) grants an exemption from customer notice and standing requirements to any request for records sought by a government authority in connection with an official proceeding, investigation, examination, or inspection directed at the financial institution.

There are two important safeguards against abuse of this exemption. First, the agency must give the bank a sworn statement that the records are sought for an exempt purpose (compare discussion of section 113). Second, except where current law allows transfer to another agency, records obtained in an investigation of a bank may not be given to another agency. However, if the inspecting agency does discover evidence of a potential violation of a civil, criminal or regulatory statute administered by another agency, it may notify that agency of the relevant information, such as the identity of the customer and the nature of the violation. The second agency may only obtain the records itself, however, by using the methods of access provided by the Act. For example, if the Civil Rights Division, while investigating a bank's credit practices, discovers in a customer account record evidence of a fraudulent scheme, the Division could notify the appropriate law enforcement officials, who could then seek the customer's records by, say, a formal written request, with notice to and an opportunity for challenge by the customer.

(c) Non-identifiable information. This is an exemption allowing dissemination of financial information that is not identified with, or identifiable as derived from, the financial records of a particular customer.

(d) Requiring reports. This exception is for financial information required to be reported by other laws, but instead of attempting to list all such provisions, it covers generally "any statute or regulation." This should guard against inadvertent omissions from the list.

This subsection is also intended to allow the making of any reports or returns required to be filed under the Internal Revenue Code, the Bank Secrecy Act, or the Currency and Foreign Transactions Reporting Act.

(e) Tax Reform Act. Internal Revenue Service administrative summonses are exempt from the provisions of this draft and are covered solely by section 1205 of the Tax Reform Act of 1976.

(f) Supervisory agencies. This section allows supervisory agencies access to and authority to disclose financial records solely in the exercise of their supervisory, regulatory, and monetary functions.

Subsections (c) through (f) above are in substance the same as provision now contained in H.R. 9600.

(g) Government litigation with a customer. Where the customer and the United States are already engaged in civil or criminal litigation, the right to notice before access to records is obtained, and to object to the relevancy of any request for records, is provided by rules of court and the ability to move to quash process or move for a protective order in the proceeding itself. The entire process is subject to direct judicial supervision. Thus, this exemption allows access to records through discovery pursuant to the Federal Rules of Civil and Criminal Procedure to replace access procedures under the Act.

(h) Identity of account used for suspicious transaction. This section is intended to allow the government to learn the identity of a customer whose account was involved in what appears to be a suspicious transaction. In this purpose, it is similar to a provision of the Tax Reform Act of 1976 abelled "John Doe summons," but it is drawn more narrowly to reflect the needs of the affected agencies. The provision would be used in situations where, for example, the agency knows only that a large sum of cash was deposited in the bank (see *United States* v. *Bisceglia*, 420 U.S. 141(1975)), or that the bank has been used to transmit funds to an enemy nation, or that the bank processed a forged check or other instrument. Such transactions would clearly appear to involve violations of law, but in order to investigate further the agency needs to know the name and address of the customer, and the account number and type of account involved. This section would allow that information to be obtained. This is basically the information contained on an account signature card; it is not the record of a series of financial transactions by a customer, which could only be obtained by following the other procedures of the bill. Moreover, only the notice and challenge provisions of the bill are made inapplicable by this subsection, so that the government must use some form of process to get even the limited information allowed.

Because of the special nature of Foreign Assets Control and certain other functions performed by the Department of the Treasury, subsection (h)(1) is written to allow disclosure of basic account information concerning one or all transactions through a bank connected with, e.g., a particular foreign country. Such transactions may be unlawful or subject to regulation under the Bank Secrecy Act, the Currency and Foreign Transactions Reporting Act, the Trading with the Enemy Act, the International Emergency Economic Powers Act, or the United Nations Participation Act. In addition, subsection (h)(2) permits identification of customers to the Office of Foreign Assets Control on the sole basis that they are associated with a particular foreign country. This is necessary because the blocking orders for accounts owned or controlled by nationals of nations unfriendly to the interests of the United States which must be issued under the last three acts mentioned above do not depend upon the occurrence or nature of any particular transactions in those accounts.

Section 116. Suspension of Statutes of Limitations. This section tolls the running of any applicable statute of limitations during the pendency of a customer's challenge to government access. It will insure that a challenge proceeding is not used to avoid criminal liability by delaying an investigation until a limitation period expires. The period of suspension is limited, however, to the time over which the customer has control—the period from the filing of a motion or application challenging access to the date of decision on the claim. The Tax Reform Act of 1976 contains a similar tolling provision.

Section 117. Cost Reimbursement. In order to reimburse financial institutions for the expense of complying with requests for financial records, this section requires a government authority obtaining records to pay such reasonably necessary costs that an institution has directly incurred in searching for, reproducing, or transporting books, papers, records, or other data required to be and actually produced. The rates and conditions for such repayment of costs will be established by Federal Reserve Board regulations.

Section 118. Jurisdiction. This section grants jurisdiction to the federal courts to hear any action arising under the bill and involving a federal government authority, or a financial institution covered by the bill.

The bill provides a two year statute of limitations for actions brought under it. The limitations period runs from the date on which the claim arises or the date of its discovery, whichever is later.

Section 119. Civil Penalties. In order to enforce the limitations on access and the procedures mandated by the bill, customers are granted a right of action for civil penalties. This right runs against any governmental authority, or financial institution or its agents or employees, which obtains or discloses financial records or information contained in them in violation of the bill. The right encompasses any violation of the bill, including improper use of an exemption from the bill's coverage.

Four elements of damages may be recovered: (1) An automatic $100 penalty for each collective or transactional violation. Thus, if a bank improperly discloses on two separate occasions a batch of fifty and then a batch of one hundred cancelled customer checks, the bank would be liable for $200—$100 for each collective improper disclosure. Similarly, if two government agencies separately obtain the same financial records, each in violation of the bill, each agency would be liable to the customer for $100, no matter what the volume of records involved. (2) The customer may recover any actual damages resulting from violation of the bill in conformity with traditional tort principles of causation. (3) If a violation is intentional or willful, the customer may recover such punitive damages as may be allowed. (4) If the customer proves liability under this section, he is also entitled to recover the costs of the action and his reasonable attorneys fees.

Subsection (b) provides a financial institution with a defense to any action for civil penalties if it can show good faith reliance on the representations of a government authority. Generally, a bank would be acting in good faith only if the government authority was in facial compliance with the requirements of the bill. Thus, a bank is protected, for example, if it receives the sworn statement indicating that access is sought for an exempt purpose under sections 1114 or 1116(b). If such statements prove to be inaccurate, the customer would have recourse only against the government authority. On the other hand, if a bank grants access to records based only on an oral request—which is nowhere permitted by the bill—it would not be acting in good faith

Subsection (c) provides that the remedies

and sanctions described in this section shall be the only authorized judicial remedies and sanctions for violations of the bill.●

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DEL CLAWSON (at the request of Mr. MICHEL) for today and June 13 and June 14, on account of official business.

To Mrs. MEYNER (at the request of Mr. WRIGHT) for today on account of a necessary absence.

To Mr. MILLER of Ohio (at the request of Mr. MICHEL) for today on account of illness in his family.

To Mr. PEPPER (at the request of Mr. WRIGHT) for today on account of official business.

To Mr. RODINO (at the request of Mr. WRIGHT) for today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EMERY) to revise and extend their remarks and include extraneous material:)

Mr. CONTE, for 10 minutes, today.

Mr. GOLDWATER, for 10 minutes, today.

(The following Members (at the request of Mr. BROWN of California to revise and extend their remarks and include extraneous material:

Mr. FLOOD, for 5 minutes today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. GORE, for 5 minutes, today.

Mr. BROWN, of California, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LAFALCE, and to include extraneous matter notwithstanding the fact that it exceeds 2 pages of the RECORD and is estimated by the Public Printer to cost $1,314.

(The following Members (at the request of Mr. EMERY) and to include extraneous matter:)

Mr. SAWYER.

Mr. FINDLEY.

Mr. MICHEL.

Mr. JOHNSON of Colorado.

Mr. LAGOMARSINO, in two instances.

Mr. DORNAN in two instances.

Mr. PRESSLER in two instances.

(The following Members (at the request of Mr. BROWN of California) and to include extraneous matter:)

Mr. LEDERER.

Mr. RAHALL.

Mr. YOUNG of Missouri.

Mr. MURTHA.

Mr. O'NEILL.

Mr. ASHLEY.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. MCDONALD in five instances.

Mr. SIMON.

Mr. MOORHEAD of Pennsylvania in 10 instances.

Mr. VENTO.

Mr. MOSS.

Mr. MURPHY of Pennsylvania.

Mr. GUDGER.

Mr. SKELTON in 10 instances.

Mr. JACOBS.

Mr. ZABLOCKI.

Mr. CORMAN.

Mr. MIKVA.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1909. An act for the relief of certain employees of the Charleston Naval Shipyard, Charleston, South Carolina, to the Committee on the Judiciary.

S. 2437. An act to amend the act of August 8, 1972 (Public Law 92-367) to provide Federal assistance to the States for the development and implementation of effective dam safety programs, in order to protect human life and property, to the Committee on Public Works and Transportation.

S. 2444. An act to amend the act of August 8, 1972 (Public Law 92-367) relating to a national program of inspection of dams, to the Committee of Public Works and Transportation.

ADJOURNMENT

Mr. BROWN of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p.m.), the House adjourned until Tuesday, June 13, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4356. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of June 1, 1978, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 95-350); to the Committee on Appropriations and ordered to be printed.

4357. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to sell various naval vessels to the Government of Indonesia, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

4358. A letter from the Director of Legislation, Department of the Navy, transmitting nctice of the Navy's intention to sell two fleet ocean tugs to the Government of Mexico, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

4359. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to sell a tank landing ship to the Government of Thailand, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

4360. A letter from the Chairman, Federal Home Loan Bank Board, transmitting the annual report on conversions by insured savings and loan associations from the mutual to the stock form of organization, pursuant to section 402(j)(5) of the National Housing Act, as amended (88 Stat. 1504); to the Committee on Banking, Finance and Urban Affairs.

4361. A letter from the Director, National Science Foundation, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4362. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a report on changes in market shares for refined petroleum products during February 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

4363. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committe on the Judiciary.

4364. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the Act; to the Committee on the Judiciary.

4365. A letter from the Secretary of the Army, transmitting the third annual report recommending deauthorization of various water resources projects, pursuant to section 12 of the Water Resources Development Act of 1974, as amended (H. Doc. No. 95-351); to the Committee on Public Works and Transportation and ordered to be printed.

4366. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied at Center Building II, 3700 East West Highway, Hyattsville, Md., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4367. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Customhouse, One Bowling Green, New York, N.Y., pursuant to section 7(a) of the Public Building Act of 1959, as amended; to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under cause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 12578. A bill to amend the Internal Revenue Code of 1954 to make certain technical changes; with amendment (Rept. No. 95-1286). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself, Mr. WYLIE, and Mr. LEACH):

H.R. 13079. A bill to amend the Consumer Credit Protection Act to establish rights, remedies, and responsibilities for all participants in the utilization of electronic fund transfer services; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BROWN of Michigan:

H.R. 13080. A bill to permit Federal savings and loan associations to raise additional capital through the issuance of mutual capital certificates, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JOHNSON of California (for himself and Mr. PRICE):

H.R. 13081. A bill to mend the Federal Aviation Act of 1958 relating to minimum rates, fares and charges for service provided by air carriers for contract services to the Department of Defense; to the Committee on Public Works and Transportation.

By Mr. KAZEN:

H.R. 13082. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

H.R. 13083. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. LIVINGSTON:

H.R. 13084. A bill to amend the Federal Pollution Control Act to provide a lower limit on penalties for the discharge of hazardous substances; to the Committee on Public Works and Transportation.

Mr. LUJAN:

H.R. 13085. A bill to amend title 5, United States Code, to include Department of Energy couriers and security inspectors within the same civil service retirement provisions as law enforcement officers and firefighters; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of Maryland (for himself and Mr. REUSS (by request):

H.R. 13086. A bill to increase the number of class C directors of Federal Reserve banks; to the Committee on Banking, Finance and Urban Affairs.

By Mr. REUSS (for himself, Mr. MITCHELL of Maryland, Mr. ANNUNZIO, Mr. LAFALCE, Mr. D'AMOURS, Mr. LUNDINE, Mr. VENTO, Mr. STANTON, Mr. BROWN of Michigan, Mr. WYLIE, Mr. HANSEN, Mr. HYDE, Mr. EVANS of Delaware, and Mr. HOLLENBECK):

H.R. 13087. A bill to authorize the issuance of substitute Treasury checks without undertakings of indemnity, except as the Secretary of the Treasury may require; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ST GERMAIN (for himself, Mr. ANNUNZIO, Mr. HANLEY, Mr. PATTERSON of California, Mr. LAFALCE, Mr. ALLEN, Mr. CAVANAUGH, Mr. WYLIE, and Mr. MITCHELL of Maryland):

H.R. 13088. A bill to strengthen the supervisory authority of Federal agencies which regulate depository institutions, to prohibit interlocking management and director relationships between financial institutions, to amend the Federal Deposit Insurance Act, to restrict conflicts of interest involving officials of financial supervisory agencies, to control the sale of insured financial institutions, to regulate the use of correspondent accounts, to establish a Federal Bank Examination Council, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SCHULZE:

H.R. 13089. A bill to provide for the construction of a project for flood control and other purposes for Pottstown and vicinity, Schuylkill River Basin, Pa.; to the Committee on Public Works and Transportation.

By Mr. SIMON (for himself and Mr. MITCHELL of Maryland):

H.R. 13090. A bill to provide for the issuance of a commemorative postage stamp in honor of Dr. Ralph J. Bunche; to the Committee on Post Office and Civil Service.

By Mr. STANGELAND:

H.R. 13091. A bill to direct the Secretary of Agriculture to establish a price support program for honey; to the Committee on Agriculture.

By Mr. ULLMAN (for himself and Mr. CONABLE):

H.R. 13092. A bill to amend the Internal Revenue Code of 1954 to extend the optional small tax case procedures to additional taxpayers, and to make certain changes relating to the authority of commissioners of the Tax Court; to the Committee on Ways and Means.

By Mr. WRIGHT (for himself, Mr. ROBERTS, Mr. MILFORD, and Mr. CHARLES WILSON of Texas):

H.R. 13093. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to include net regional income benefits on an equal basis with national economic development benefits in computing the economic justification for the project for Trinity River and tributaries, Tex., to the Committee on Public Works and Transportation.

By Mr. CEDERBERG:

H.R. 13094. A bill to amend the Tariff Schedules of the United States to provide duty-free treatment of certain alloy tool steels used for making chipper knives; to the Committee on Ways and Means.

By Mr. FOWLER (for himself, Mr. SOLARZ, Mr. ADDABBO, Mr. VENTO, Mr. RICHMOND, Mr. MAGUIRE, Ms. HOLTZMAN, Mr. UDALL, Mr. WOLFF, Mr. ROSENTHAL, Mr. ZEFERETTI, Mr. BINGHAM, Mr. GARCIA, Mr. BROWN of California, Mr. FORSYTHE, Mr. BARNARD, Mr BRINKLEY, Mr. GREEN, Mr. JENKINS, Mr. HARRINGTON, Mr. PATTISON of New York, Ms. MIKULSKI, Mr. EVANS of Georgia, Mr. EDGAR, and Mr. MURPHY of New York):

H.R. 13095. A bill to amend title 23 of the United States Code to provide additional exemptions to States from requirements to make refunds to the highway trust fund by reason of a withdrawal of approval of a route or portion thereof on the Interstate System; to the Committee on Public Works and Transportation.

By Mr. PRESSLER:

H.R. 13096. A bill to provide that members of the Sisseton-Wahpeton Sioux Tribe may request the Secretary of the Interior to acquire certain lands, and to provide that the tribe shall have a preference right to purchase certain lands held in trust by the United States for tribal members; to the Committee on Interior and Insular Affairs.

By Mr. ROSTENKOWSKI:

H.R. 13097. A bill to amend certain provisions of title XVIII of the Social Security Act as they relate to the medicare program established by part A of such title; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. ABDNOR, Mr. ADDABBO, Mr. AKAKA, Mr. AMBRO, Mr. ANNUNZIO, Mr. ARCHER, Mr. AUCOIN, Mr. BALDUS, Mr. BARNARD, Mr. BEARD of Tennessee, Mr. BEILENSON, Mr. BENNETT, Mr. BEVILL, Mr. BIAGGI, Mr. BLANCHARD, Mr. BOLAND, Mr. BONIOR, Mr. BRADEMAS, Mr. BRECKINRIDGE, Mr. BRODHEAD, Mr. BROWN of Michigan, Mr. BURGENER, Mrs. BURKE of California, and Mr. BURKE of Florida):

H.J. Res. 968. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. PHILLIP BURTON, Mr. CARNEY, Mr. BROWN of Ohio, Mr. CARTER, Mr. CHAPPELL, Ms. CHISHOLM, Mr. DON H. CLAUSEN, Mr. DEL CLAWSON, Mr. CLEVELAND, Mr. COHEN, Mr. COLEMAN, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. CORMAN, Mr. CORNELL, Mr. CORNWELL, Mr. CORRADA, Mr. COTTER, Mr. COUGHLIN, Mr. D'AMOURS, Mr. DANIELSON, Mr. DAVIS, Mr. DE LA GARZA, and Mr. DELLUMS):

H.J. Res. 969. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. DE LUGO, Mr. DEVINE, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. EILBERG, Mr. ERTEL, Mr. EVANS of Georgia, Mr. EVANS of Colorado, Mr. EVANS of Delaware, Mr. ENGLISH, Mr. FARY, Mr. FAUNTROY, Ms. FENWICK, Mr. FINDLEY, Mr. FISH, Mr. FLOOD, Mr. FLORIO, Mr. FLYNT, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FRENZEL, Mr. FREY, and Mr. FUQUA):

H.J. Res. 970. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. GAMMAGE, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GOODLING, Mr. GORE, Mr. GRADISON, Mr. GUYER, Mr. HALL, Mr. HAMMERSCHMIDT, Mr. HANLEY, Mr. HARSHA, Mr. HARRIS, Mr. HAWKINS, Mrs. HECKLER, Mr. HEFNER, Mr. HEFTEL, Mr. HILLIS, Mr. HOLLENBECK, Mr. HORTON, Mr. HOWARD, Mr. HUCKABY, Mr. HUGHES, Mr. HYDE):

H.J. Res. 971. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. IRELAND, Mr. JENKINS, Mr. JENRETTE, Mr. JOHNSON of California, Mr. JONES of Tennessee, Mr. JONES of Oklahoma, Mr. KAZEN, Mr. KEMP, Mr. KETCHUM, Ms. KEYS, Mr. KILDEE, Mr. KREBS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEACH, Mr. LEDERER, Mr. LE FANTE, Mr. LEGGETT, Mr. LEVITAS, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. MCDADE, and Mr. MCFALL):

H.J. Res. 972. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. MCHUGH, Mr. MCKINNEY, Mr. MAGUIRE, Mr. MARKS, Mr. MARTIN, Mr. MAZZOLI, Mr. METCALFE, Ms. MIKULSKI, Mr. MIKVA, Mr. MINISH, Mr. MICHEL, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MOORE, Mr. MOORHEAD of California, Mr. MOORHEAD of Pennsylvania, Mr. MONTGOMERY, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. MURPHY of Illinois, Mr. MICHAEL O. MYERS, Mr. NIX, and Mr. NOLAN):

H.J. Res. 973. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. NICHOLS, Ms. OAKAR, Mr. OBERSTAR, Mr. O'BRIEN, Mr. OTTINGER, Mr. PANETTA, Mr. PATTEN, Mr. PATTERSON of California, Mr. PEPPER, Mrs. PETTIS, Mr. POAGE, Mr. PRICE, Mr. QUIE, Mr. QUILLAN, Mr. RAHALL, Mr. RAILSBACK, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. RINALDO, Mr. ROBERTS, Mr. ROBINSON, Mr. RODINO, and Mr. ROE):

H.J. Res. 974. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. ROSE, Mr. ROYBAL, Mr. RUSSO, Mr. RYAN, Mr. SANTINI, Mr. SARASIN, Mr. SCHEUER, Mr. SEBELIUS, Mr. SIKES, Mr. SIMON, Mr. SISK, Mr. SKELTON, Mr. SOLARZ, Ms. SPELLMAN, Mr. ST GERMAIN, Mr. STANTON, Mr. STEED, Mr. STEERS, Mr. STEIGER, Mr. STOKES, Mr. STUMP, Mr. SYMMS, Mr. TAYLOR, and Mr. TRAXLER):

H.J. Res. 975. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. TREEN, Mr. UDALL, Mr. VAN DEERLIN, Mr. VANDER JAGT, Mr. VENTO, Mr. VOLKMER, Mr. WAGGONNER, Mr. WALGREN, Mr. WALSH, Mr. WAMPLER, Mr. WAXMAN, Mr. WEISS, Mr. WIGGINS, Mr. BOB WILSON, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, Mr. WINN, Mr. WOLFF, Mr. WON PAT, Mr. WRIGHT, Mr. YATES, Mr. YATRON, Mr. YOUNG of Alaska, and Mr. YOUNG of Missouri):

H. J. Res. 976. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. ZEFERETTI, and Mr. PATTISON of New York):

H.J. Res. 977. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. BAUCUS (for himself, Mr. AKAKA, Mr. EVANS of Georgia, Mr. FLORIO, Mr. GEPHARDT, Mr. JOHNSON of California, Mr. KEMP, Mr. LLOYD of California, Mr. MARLENEE, Mr. METCALF, Mr. MURPHY of New York, Mr. MICHAEL O. MYERS, Mr. PICKLE, Mr. RAHALL, Mr. RODINO, Mr. ROE, Mr. RONCALIO, Mr. RUSSO, Mr. ST GERMAIN, Mr. SIKES, Mr. SIMON, Mrs. SPELLMAN, Mr. SPENCE, Mr. STEIGER, and Mr. THONE):

H.J. Res. 978. Joint resolution to authorize and request the President to issue a proclamation designating Sunday, September 24, 1978, as "National Good Neighbor Day" to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. THOMPSON, Mr. FISH, Mr. HOWARD, and Mr. STEERS):

H.J. Res. 979. Joint resolution to authorize and direct the Franklin Delano Roosevelt Memorial Commission to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes; to the Committee on House Administration.

By Mr. TEAGUE (for himself, Mr. COLLINS of Texas, Mr. DOWNEY, Mr. GUYER, Mr. BRODHEAD, Mr. HORTON, Mr. MAHON, Mr. HARSHA, Mrs. LLOYD of Tennessee, Mr. YOUNG of Alaska, Mr. AUCOIN, Mr. SARASIN, Mr. KOSTMAYER, Mr. BURGENER, Mr. WOLFF, Mr. AKAKA, Mr. WALKER, Mr. MURPHY of Pennsylvania, Mr. WINN, Mr. PRICE, Mr. ENGLISH, Mr. ADDABBO, Mr. GINN, Mr. EILBERG, and Mr. FISHER):

H.J. Res. 980. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mr. BIAGGI, Mr. RODINO, Mr. WHITE, Mr. MIKVA, Ms. KEYS, Mr. KEMP, Mr. NEAL, Mr. GOLDWATER, Mr. YATRON, Mr. LEACH, Mr. HEFNER, Mr. FITHIAN, Mr. WALGREN, Mr. MATTOX, Mr. LLOYD of California, Mr. ALEXANDER, Mr. TRAXLER, Mr. REGULA, Mr. WAXMAN, Mr. WEISS, Mr. RICHMOND, Mr. SIKES, Mr. VENTO, Mr. ANDERSON of California):

H.J. Res. 981. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mrs. BURKE of California, Mr. CORNWELL, Mr. CEDERBERG, Mr. MAZZOLI, Mr. PURSELL, Mr. WYDLER, Mr. KETCHUM, Mr. RHODES, Mr. BALDUS, Mr. NOLAN, Mr. PATTERSON of California, Mr. RUSSO, Mr. MADIGAN, Mr. GONZALEZ, Mr. HYDE, Mr. REUSS, Mr. SIMON, Mr. CHARLES H. WILSON of California, Mr. CHARLES WILSON of Texas, Mr. WATKINS, Mr. WHITEHURST, Mr. HILLIS, Mr. BURKE of Massachusetts, and Mr. STEIGER):

H.J. Res. 982. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mr. JOHN T. MYERS, Mr. ANDERSON of Illinois, Mr. SKELTON, Mr. BOLAND, Mr. LEGGETT Mr. COCHRAN of Mississippi, Mr. DUNCAN of Tennessee, Mr. CRANE, Mr. ROGERS, Mr. MINISH, Mr. RUDD, Mr. MOORHEAD of California, Mr. LUNDINE, Mr. FINDLEY, Mr. BENJAMIN, Mr. JACOBS, Mr. HARKIN, Mr. HANSEN, Mr. YOUNG of Florida, Mr. ROE, Mr. DORNAN, Mr. PANETTA, Mr. ZABLOCKI, and Mr. BRADEMAS):

H.J. Res. 983. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mr. STOKES, Mr. MILFORD, Mr. PEPPER, Mr. ROYBAL, Mr. QUIE, Mr. STOCKMAN, Mr. CHAPPELL, Mr. MCCLOSKEY, Mr. STUMP, Mr. LUKEN, Mr. MINETA, Mr. MILLER of Ohio, Mr. RYAN, Mr. ROONEY, Mr. ZEFERETTI, Mr. LEDERER, Mr. DENT, Mr. GAYDOS, Mr. BROWN of California, Mr. CLAY, Mr. HOWARD, Mr. BINGHAM, Mr. HAWKINS, and Mr. METCALFE):

H.J. Res. 984. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. CRANE:

H.J. Res. 985. Joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII:

428. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the Santa Monica Mountains National Park and the Santa Monica Mountains Urban Park; jointly, to the Committees on Interior and Insular Affairs, and Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LIVINGSTON:

H.R. 13098. A bill to direct the Secretary of the department in which the U.S. Coast Guard is operating to cause the vessel *Alice* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. SIKES:

H.R. 13099. A bill for the relief of Buford L. Sword; to the Committee on the Judiciary.

By Mr. STEERS:

H.R. 13100. A bill for the relief of Martha Valdez-Barrios; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 13101. A bill for the relief of Josephine Graff; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 13102. A bill for the relief of Antonio Rivera Aristizabal; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 11983

By Mr. BADHAM:

(Amendment to the Amendment of Mr. ANDERSON of Illinois)

—In section 2, strike out the second sentence of proposed section 506(a) of the Federal Election Campaign Act of 1971 and insert in lieu thereof "The request referred to in the preceding sentence shall contain a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.".

H.R. 12934

By Mr. DANIELSON:

—Page 19, line 24, strike out "$34,480,000" and insert in lieu thereof "$55,480,000".

Page 19, line 25, insert after "expended" the following: ", of which $21,000,000 shall be available for a new detention center for Federal detainees in Los Angeles County, California'".

H.R. 12934

By Mr. EILBERG:

—Page 16, lines 16, 17, 18 strike "(not to exceed four hundred seven, of which two hundred ninety-eight shall be for replacement only)" and insert in lieu thereof "(not to exceed six hundred fifty-seven, of which two hundred ninety-eight shall be for replacement only)".

Page 17, line 8 strike "294,500,000" and insert in lieu thereof: "320,722,000".

EXTENSIONS OF REMARKS

A TRIBUTE TO THE GIRLS' LATIN SCHOOL AT BOSTON, MASS.

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. O'NEILL. Mr. Speaker, today, on the occasion of the annual meeting of the Alumnae Association of the Girls' Latin School, it seems appropriate for me to call to the attention of my colleagues the fact that 1978 marks the centenary of the founding of this prestigious school, the oldest public college preparatory school for women in the United States.

Founded in 1878 at the request of Bostonians who wished their daughters to receive the same classical, college preparatory education which was then available to their sons at Boston Latin School, the Girls' Latin School became the first public college preparatory school for girls in the United States.

The curriculum now, as it was in 1878, consists of a 6-year college preparatory course, and the graduates of the school have traditionally gone on to the finest colleges in the country. In fact, many colleges openly admit that much of their early success, upon which they have built their reputations, is owed largely to the fact that so many graduates of the Girls' Latin School were numbered among their students.

The school earned and has maintained a reputation for excellence, a task frequently made difficult by changing times. While the school offers courses which enable the students to be exposed to new fields of learning, the demands of rigor and excellence do not change, and the school has much of which to be proud in its 100-year history. Entrance to the school is by examination only, and any resident of the city of Boston is eligible to take the examination. In 1970, the school admitted boys for the first time, and the name was changed in 1975 to Boston Latin Academy.

On the occasion of the school's actual birthday, February 4, 1978, the mayor of Boston, Kevin White, stated in a letter to the teachers students, and alumnae:

Although it is not uncommon for a student body and alumni to be proud of their school, for an entire City to be able to point with unreserved pride to the accomplishments of one of its educational institutes is indeed a unique tribute. Yet the distinction is more than deserved.

Dedicated to the principles of total extension of both a student's physical and mental capabilities, Girls' Latin has expanded the horizons of every young woman who has ever walked its corridors and enriched this City with a wealth of talented, well-informed citizens.

The School is one of the City of Boston's most valued institutions.

It is a distinct privilege and honor for me to be able to represent in the U.S. House of Representatives part of the Latin School community of the Greater Boston area, and I salute the 100 years of excellence which the Girls' Latin School has contributed to the field of education in the United States.●

MAYOR COMER COMMENDS KELLEY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, on May 16, the former FBI Director, Clarence Kelley, received the fifth annual Harry S Truman Public Award at ceremonies at the Truman Library in Independence, Mo. The mayor of Independence, Lee Comer, Jr., made the award presentation to Mr. Kelley on that occasion. I enclose for the RECORD the remarks of Mayor Comer as he presented the Truman Award to Mr. Kelley:

REMARKS OF MAYOR E. LEE COMER

Honored Guests, Ladies and Gentlemen: It is my pleasure to welcome you to the Fifth Annual Harry S Truman Award for Public Service.

Permit me to recap for you the events of this week. On Monday, in this place, fifty three students were awraded college scholarships from the Harry S Truman Scholraship Foundation.

Tuesday, here at the Library we learned of the 2½ million dollar expansion planned for this already marvelous institution. Wednesday the new book "Independence, Missouri" was introduced. Published in Independence by Herald Publishing House-Independence Press, a truly magnificent edition was unveiled for the public. We want to recognize and salute Mr. Jack Ferguson, President of Herald Publishing House-Independence Press, Margaret Baldwin, Independence Press Division Director, Garry Hood, Art Director and Gilbert Gordon, Vice President-Production, for making this book a successful and delightful part of this week's celebration. Presentation copies of the book will be given to each of them. Our hope is this book will be the publishing sleeper of the year. At the very least I predict it will become a collector's item, and you will want to get a copy of the first edition for your library. Now we pause to reflect on the like of Harry S Truman. To honor his memory, recall the legacy he left for each of us and absorb from this very special place some of his energetic spirit, good humor, wit and wisdom.

Harry Truman became a giant of history. Each of us could recount, almost by rote his early Jackson County years, his campaign for the Senate, his election as Vice President and his subsequent elevation to the highest office in our land.

We remember, with fondness, his years of retirement. The erection of this library and, from time to time, the opportunity to share some part of his life.

Mr. Truman was a man of intellect, a scholar, a soldier, a statesman. His life was victorious; he was a supreme achiever. Above all, he loved people. He enjoyed sharing his knowledge of our wonderful country and it's history with all who would pause to listen to him. He was himself, a warm and loving person. If one were fortunate enough to walk beside him, he would place his hand through your arm, drawing you close to his side. Having secured you thus, you then marched in step with him to the beat of his drum. The cadence was accented by his stories, comments and general witticisms. What wonderful memories.

On January 8th, 1973, the Independence City Council passed a resolution creating the Harry S Truman Award for Public Service. One person from the entire nation was to be chosen who best typifies and possesses the qualities of dedication, industry, ability, honesty and integrity that distinguished Harry S Truman in his years of public service.

Our week honoring Mr. Truman will close this night. Before the final curtain falls we will present and honor that one person selected by the Harry S Truman Awards commission who meets the above criteria.

Clarence M. Kelley receives the Fifth Annual Harry S Truman Award for Public Service. Mr. Kelley has distinguished himself in the field of law enforcement in a career spanning almost 35 years, and includes service at both the local and Federal levels. For twelve years he was Chief of the Police Department at Kansas City, Missouri, before becoming Director of the Federal Bureau of Investigation in July, 1973. His appointment as Director was confirmed unanimously by the Senate. He had served previously in the FBI, beginning his career as a Special Agent in 1940 and subsequently serving in a number of executive posts at FBI Headquarters and in the field. These included assignments as Inspector at FBI Headquarters and as Special Agent in charge of the Birmingham and Memphis Offices. His FBI career was interrupted by Service in the U.S. Navy in World War II, including duty aboard an attack transport ship in the South Pacific.

Mr. Kelley has been active in many civic and law enforcement organizations, including the Executive Committee of the International Association of Chiefs of Police, and service as Chairman of the Major Cities Chiefs of Police Committee. He has received numerous awards and honors; among these, the J. Edgar Hoover Gold Medal for Outstanding Job Service, presented by Veterans of Foreign Wars, and honorary Doctor of Laws Degrees from Baker University, Baldwin City, Kansas, and Culver-Stockton College, Canton, Missouri. He is a Life Elder of his church.

As a leader in his field, Mr. Kelley served on the Presidential Advisory Committee, which was headed by former FBI Director Hoover, the National Advisory Commission on Criminal Justice Standards and Goals, and was appointed by the governor of Florida to be Chairman of the Governor's Task Force to Evaluate Public Safety and Related Support Services at the 1972 National Democratic and Republican Political Conventions.

His varied experience has brought a new type of leadership to the FBI. While retaining ultimate decision making and policy direction in the person of the Director, he bolstered these management processes by encouraging participation in them by associates at all levels.

We take pleasure in presenting to Mr. Kelley this certificate as the honoree of the Harry S. Truman award for public service. Also, I present a copy of the new book Independence, Missouri and, finally, this replica

of the walking statue of Harry Truman created for the City of Independence especially for this event.

Mr. Kelley, you honor us by being here this evening. You honor our city. You honor our country by your sacrifice, devotion, service and patriotism.

We are proud to honor you as the Harry S. Truman award recipient for 1978.●

LIFT THE EMBARGO

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. FINDLEY. Mr. Speaker, I submit for the record a very significant document. It is a letter from five former NATO commanders in support of lifting the U.S. arms embargo against Turkey. Their experience in defending the security interests of the West lends great weight to their concerns and counsel. As they have stated, ending the embargo is in the U.S. national interest and in the interests of all of NATO including Greece as well as Turkey. I hope that my colleagues will carefully consider the views expressed in this letter by these outstanding and dedicated men when deciding their vote on the embargo question:

WASHINGTON, D.C.,
June 1, 1978.

DEAR CONGRESSMAN: As former Supreme Commanders of the North Atlantic Alliance, we are deeply concerned by the damaging consequences of the U.S. arms embargo on Turkey for United States and NATO security. We view with alarm the deterioration in NATO's southern flank caused by the sharp decline in Turkish military capabilities and the increasing alienation of Turkey from the United States. Should Turkey, as a result of the embargo, turn away from this country and reduce or terminate its commitment to NATO, the whole of Southeastern Europe and the Middle East would become more vulnerable to Soviet military pressure.

Turkey is vitally important to our Western collective security in that it (1) controls the passage of Soviet war vessels from the Black Sea to the Mediterranean; (2) houses large numbers of strategically important U.S. and NATO facilities, some of which are uniquely situated for collecting intelligence on Soviet military activities; (3) provides an air defense warning critical to the operation of our Sixth Fleet in the Mediterranean; and (4) provides a major contribution of army forces to NATO. The continued adherence of Turkey to the West is particularly important to Greece. If Turkey were detached from NATO, Greece would be surrounded by neutral and Communist states and would be less able to deter or prevent Soviet political or military advances.

It is imperative, therefore, to stimulate a resolution of the differences between our two Eastern Mediterranean allies, Greece and Turkey, and to promote a just and humane Cyprus settlement in a way that does not undermine U.S. and NATO security. Our need for our Western defensive alliance is now greater than ever in light of the ominous Soviet military build-up in Europe of recent years. We, therefore, strongly support the lifting of the embargo on arms for Turkey.

Sincerely,

ANDREW J. GOODPASTER,
LYMAN L. LEMNITZER,
ALFRED M. GRUENTHER,
LAURIS NORSTAD,
MATTHEW B. RIDGWAY.●

SOME DAMS MORE EQUAL THAN OTHERS

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. JOHNSON of Colorado. Mr. Speaker, nothing better illustrates the bipartisan frustration felt by those of us from the reclamation West than the double standard that appears to develop when water resource development is proposed for some other part of the country. This is very ably and sharply pointed out in a recent column by the chief of the Washington bureau of the Denver Post, Mr. Leonard Larsen. I commend the article to my colleagues:

SOME DAMS MORE EQUAL THAN OTHERS

(By Leonard Larsen)

WASHINGTON.—When mistakes appear in print, they should be corrected in print—it's only fair—so the following, with an appropriate apology, is a correction.

It was printed here recently that the Eastern establishment of edict sayers and opinion molders and its accompanying environmental industry is flat out opposed to dams, any dams for whatever purpose.

That isn't quite right, it now turns out.

They are not opposed to dams to store water for the Washington area. And they are not opposed to the federal government picking up the tab, all of it.

The need to correct the earlier slander comes in the wake of a public notice published nearly two weeks ago in the Washington Post that the Potomac River will be dammed 180 miles northwest of Washington, a Corps of Engineers project which officials estimate will cost $153 million.

This dam, creating a 5½-mile-long storage reservoir with a capacity of 42 billion gallons of water, is intended to meet the "growth needs" of the Washington metropolitan area and to "increase the Potomac's flow during the dry summer months," Washingtonians were informed by their morning newspaper.

A reasonable person at this point might have expected a stern editorial lecture from the Washington Post and outcries from the environmentalist industry officials who headquarter in Washington.

The environmentalists for more than a year, since the inauguration of President Carter and his "hit list," have heightened the intensity of their attacks on water project construction.

And the Washington Post barely a month before publication of the report on the new Potomac dam had reaffirmed its editorial stand against water project "pork barrels," specifically denouncing issuance of federal permits for the Foothills project near Denver.

The Carter administration, the editorial complained, was showing its "accommodating spirit" with the dam builders "by approving Denver's huge Foothills water supply project without immediate efforts to reduce water use in that booming metropolis."

Ignoring—or ignorant of—the fact the Foothills project is to be funded by municipal bonds, the Washington Post then went on in rising anger.

"This is an easy path to trouble—budget troubles in the multi-billion dollar range, and the vexing prospect that another generation of big dams and water supply systems can be built under the same wasteful rules."

Whatever a reasonable person might have expected, not a peep of protest has been issued by the environmentalists, the Washington Post or, for that matter, by the Carter White House, at the news of this water storage project to benefit the Washington area.

Nothing about efforts to reduce water consumption in this "booming metropolis" downstream on the Potomac.

Nothing about the outraged and ravished countryside when this dam will be built.

And nothing, certainly nothing, about the implications of "budget troubles in the multibillion dollar range" with construction of a $153 million water storage project, built by the Corps of Engineers and financed entirely by the federal government.

Not even the Environmental Protection Agency, whose national and regional officials even now seek to impose one last barrier to the Foothills project in Colorado, has raised a public stir about this dam on the Potomac.

So the correction and the apology are in order.

There are water problems and then there are other water problems. And there are dams and there are other dams.

The water problems of Colorado and other states of the arid West, from the viewpoint of the environmentalists and editorialists camped along the Potomac, can be solved through conservation, certainly without the expenditure of federal money.

For Washington, though, the problems of water shortages are to be met with storage dams, paid for by all the taxpayers, with the blessings of the Eastern establishment which will benefit.

They aren't against all dams and it was boorish of me to suggest it.●

PRESIDENT CARTER'S MEAT IMPORT DECISION

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. PRESSLER. Mr. Speaker, I am dismayed by President Carter's decision to allow the importation of 200 million pounds of beef above our quotas for the rest of this year.

This decision will not aid our Nation's farmers, and in the long run, it will hurt our consumers. At the most, hamburger prices may decrease a penny per pound with additional imports. Yet, our U.S. cattle producers will suffer a severe market price depression in the wake of the President's decision. It appears to me that the price we are paying to reduce beef prices a penny a pound is far more inflationary than if we had left the quotas alone.

U.S. cattle producers are just gaining back the markets they lost in 1973–74. Then, as now, beef prices were increasing because supply could not keep up with demand. Herd levels throughout the United States are low right now. Cattle producers are making money for the first time in years. This money is being reinvested by our farmers in producing more cattle to build up their herds once again.

The President's announcement could not come at a worse time. Most of my South Dakota farmers were just getting ready to invest their money in building up their stocks. This cycle will repeat itself until we can get some stability into the industry.

The Meat Import Act does not set

quotas that are directly related to U.S. beef production. We need to update this law. Imports should be permitted when U.S. herd levels are low, and reduced when our domestic supply is high. This countercyclical formula would insure a steady supply of meat for our country without radical supply and price fluctuations. At present, our farmers have no assurance that imports will be restricted when their herd levels are high and ready for market. Quotas should also be extended to live cattle.

President Carter would serve the consumers and farmers well by supporting these amendments to the Meat Import Act. Inflation would be fought effectively if the President would endorse this legislation instead of making American agriculture his inflation scapegoat.●

THE NEED TO DEVELOP ALTERNATIVE FUELS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. FUQUA. Mr. Speaker, the Department of Energy should be commended for its recent decision to spur the development of synthetic fuels. I have long been an advocate of developing alternative sources of energy as the long-term solution to our energy crisis. The Department of Energy in making its decision to subsidize the development of synthetic fuels is recognizing the fact that energy conservation alone is not the answer to our energy crisis.

I would like to present to my colleagues in the Congress an editorial published recently in the Tallahassee Democrat which both commends and endorses the recent decision of the Department of Energy.

The article follows:

ALTERNATIVE FUELS

It has taken a long time for the message to get through, but the Carter administration finally has decided to promote the development of alternative fuels.

The Department of Energy is raising synthetic fuel from its status as a largely ignored stepchild of federal energy planning to that of a participant in a multimillion dollar subsidy program.

It's a good move which should help spur the development and use of alternatives to oil.

Virtually the entire thrust of the Carter administration, until now, has been toward energy conservation. The greatest criticism of the Carter energy program was of the president's failure to emphasize the development of new energy sources.

The apparent failure of his energy program in Congress—and with the public—may have done more than anything else to convince federal officials there are advantages in seeking oil alternatives.

You can't knock conservation, of course, because it makes too much sense. But you don't have to pull back to a point where your economy may be severely damaged—not when the technology for producing synthetic fuels is available.

Effective July 1, a $2 per barrel subsidy will be paid for alternative fuels such as oil from wood chips and alcohol from grain. The subsidy will help bring down the price of "gasohol," a mixture of gasoline and alcohol which can be used in cars without modifications.

The program will work just like one already used to balance the costs of foreign and domestic crude oil prices under which refiners with access to domestic oil pay a $2 per barrel subsidy to those who import oil.

The beauty of the subsidy plan, federal officials say, is that it won't cost the public any additional tax money. The subsidy will be paid by refiners using domestic crude oil to those using synthetic oil or mixing gasohol.

We hope it works as smoothly as the officials say it will and that thousands of barrels of synthetic fuels will be rolling from producers within a few years.

Any way that can be found to make synthetic fuels competitive in the marketplace will speed the changeover from oil. We can beat the energy crisis yet—if we try hard enough.●

VETO OF NAVIGATION ACT WOULD BE A MISTAKE

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. YOUNG of Missouri. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial that appeared recently in the St. Louis Post-Dispatch. The topic of this well-reasoned editorial is one that is on the minds of many persons in the St. Louis area and across the Nation: The threat of a Presidential veto of the Navigation Development Act (H.R. 8309).

I think that most of us will agree that the President's intentions in calling for a higher level of waterway user fees in this legislation are good. But I think it is extremely important for us to recognize that a thorough study of the levels and effects of waterway user charges is necessary before higher fees are considered. Both the House and Senate versions of the legislation provide for such studies.

It would be a wasteful error to brush aside the action of the House and the Senate on this legislation. It would be even more wasteful to again delay the authorization of a project that is vital to the economy of the St. Louis area and the entire Midwest—the replacement of locks and dam 26 on the Mississippi River at Alton, Ill.

For those reasons, and the reasons outlined in the following editorial, I call upon Congress to complete action on this legislation as soon as possible, and on the President to sign the bill into law. The editorial follows:

VETO THREAT

Previous administrations might well have thought it a major achievement to win the precedent of riverways user fees from Congress, especially in the form of fairly substantial fees. Not the Carter administration. President Carter said in Chicago that he would veto a user fee bill that the Senate attached to an authorization for a new Alton lock and dam. Mr. Carter thus backed Secretary of Transportation Adams, who had said he would resign if the president did not carry out an earlier veto threat.

What Mr. Carter and Mr. Adams find so objectionable in the Senate bill is the omission of a requirement that barge lines pay charges recovering 10 percent of the government's cost of new riverway construction. Otherwise, the Senate bill is rather similar to the administration-supported measure that was rejected. Both would phase in fuel taxes rising to 12 cents a gallon, though at different dates. Both would require federal studies of how to pay for future waterways expenditures.

By rejecting the Senate measure, Mr. Carter seems to have caught himself in a political bind occasioned by earlier demands to begin user fees at a far higher level. Winning the precedent, with the prospect of going on from there, is apparently not enough. Yet it ought to be. Congress is right to insist on knowing what the propcsed fees do to river commerce and the huge inland area it serves before imposing heavier charges. In view of that, Mr. Carter might still find some wisdom in further compromise.●

BEEF IMPORTS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, President Jimmy Carter has not received many kind words lately, but I would like to put on the record my approval of a tough decision he has just made—the decision to increase the level of beef imports that will be permitted this year. I recognize that the increase will have only a modest impact in curbing the upward movement of the price of hamburger. I recognize that the domestic cattle industry has had a tough time in the last 3 years and is understandably concerned about anything that might interfere with its long-awaited cycle of higher prices, though the upward movement of live beef cattle futures prices after the President's announcement suggests that the domestic industry will suffer no great disaster.

The main reason to applaud this action is not that it will have a major impact on beef prices—for either consumers or the domestic producers. The importance of the action is in its demonstration that the President means what he says when he calls inflation our No. 1 domestic problem and promises to act against it even when particular interests in this country object. One swallow does not a summer make, but I hope this particular swallow is succeeded by many others along the same line. There is only one convincing test of a meaningful Government anti-inflation program: That it makes somebody squeal. The next time, I must say in all honesty, I might be among the squealers.

One other aspect of this beef episode is worth noting. It reveals the great value of the provision in the present beef import control law, enacted in 1964, that gives the President some discretion to cope with changing conditions, particularly conditions of short supply at home. The various efforts to amend the law, including a Senate-passed bill now pending before the Ways and Means Committee, would reduce or virtually eliminate that discretion on the part of the Presi-

dent to permit more imports as conditions require. We should be wary of tampering with the existing law.●

TRANSPORTATION: THE NEED FOR GOVERNMENT REGULATION TO PROTECT THE PUBLIC

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. MOSS. Mr. Speaker, as the debate over deregulation has evolved, one question has frequently been raised: Why should the Government regulate the commercial activities of airlines, trucks, and ships? It is a fair question. It deserves a thoughtful response, something more than simply, "It is necessary to give investors confidence they will receive a 'fair return' on their investment." Especially since experience has repeatedly demonstrated such regulation cannot provide such earnings.

The economic and physical factors which lead to regulation have long been known. Most of these elements are set forth in the famous court case of *Smyth* v. *Ames*, 169 U.S. 466, 507 (1897), which is cited by regulators as the genesis of their fair return test.

In the first place, most forms of transportation are regarded as a capital intensive industry in terms of the investment in equipment required to render such service. However, because such equipment tends to have a relatively long life, a larger proportion of the operating expenses are out-of-pocket cash costs.

Second, the ratio of operating expenses to final selling price tends to be much greater for transportation firms than for other industries which produce a product. Since there are no middlemen, retailers, or transportation involved in distributing the service, as compared to most manufactured products, the markup on operating costs is much smaller. As a consequence, prices for transportation cannot be slashed as greatly as other industries without producing a cash loss.

In addition, transportation carriers, like other industries, frequently must expand their capacity and increase their capital investment during boom periods to meet the greater demand for their service. This unfortunately produces an anomaly: the revenue needed to cover noncash costs associated with depreciation and income on investment often is greater when traffic starts to decline than when traffic begins to increase.

Third, in most industries the level of operating expenses depend very largely upon the amount of business done, but in transportation these expenses go on for regular route carriers and cannot be greatly reduced when little business is transacted, particularly as regards to the terminals.

Fourth, the services produced by transportation firms cannot be stored away and kept for a better market like manufactured products. If the service is not sold at the time it is produced, it can never be sold, and yet the large percentage of its costs which has already been incurred and paid, must be lost.

The foregoing operating conditions constantly spur transportation executives to sell what they have on hand so as not to lose the expenses already incurred. Sellers of other goods always have the alternative, when the price is thought too low, of holding on to them with little additional expense for a better market.

Finally, the market for transportation is derived from the demand for other goods, services, and places, rather than the demand for transportation per se. Consequently, the demand for many transportation services has historically fluctuated with economic activity on an hour of day, day of week, seasonal, regional, and cyclical basis.

It is the combination of all these factors—the fluctuations in demand, the inability to inventory the service, the relatively constant or fixed nature of regular route carrier expenses, and the narrow margin between operating expenses and price—which create the need for Government regulation of the commercial activities of transportation . . . even where there is not a monopoly.

Since transportation costs do not vary with traffic or revenues, transportation is a very high leverage business with respect to earnings and losses. In addition, the same cost characteristics make it impossible to ascertain what the cost is for any particular service. It is feasible, using grade school mathematics, to derive the average cost. This precise figure, however, bears no relation to the value or demand for the service which determines the amount of service purchased, and hence is the cost causative factor.

As a consequence, absent Government regulation, transportation prices are established solely on the basis of short-run value and competition. As in other business, this is not unattended with possible mischief. However, because of the smaller markup on operating expenses, and the inability to ascertain what those costs are for any particular service, this mischief can be much greater and more destructive in transportation.

When times are good, and traffic is more than sufficient, rates may become unreasonably high and lead to the purchase of excess capacity. On the other hand, when traffic declines and the carriers have excess capacity, transportation executives are under extreme pressure to sell what they have on hand or to reduce capacity without losing their market share. This has led to predatory prices, rebates, pooling, special private contracts, and all sorts of discriminations between various members of the public . . . without any real benefit to investors.

Our distinguished colleague Congressman JOHN MURPHY, chairman of the Committee on Merchant Marine and Fisheries, articulated this fundamental problem in this Chamber on March 22, 1978, with respect to shipping:

> Rebating is simply a device to attract traffic away from competitors. Generally speaking, when times are good, the load factors experienced by carriers in U.S. liner trades are sufficiently high that the incentive for "cargo stealing" dimenishes even without the existence of other stabilizing mechanisms. Conversely, when times are bad, traffic is light and the incentive to "steal cargo" increases, since there are no effective stabilizing mechanisms in what is essentially a capital intensive industry. In other words, since there is no effective mechanism in a given U.S. trade to smooth out fluctuations in traffic and their economic impact on individual carriers, rebating goes hand-in-hand with the ratio between available cargo and the liner tonnage competing for that traffic. . . . (O)cean carriers incur substantially the same voyage costs for bunkers, insurance, and crews' wages, whether the vessel is empty or fully loaded. Therefore in periods of slack traffic, the demand for any cargo is progressively accelerated.

Thus, Mr. Speaker, the reason why the Government should regulate the commercial activities of airlines, trucks, and ships, rests not in the fact that they are "quasi-public utilities," which they are not, but rather because the demand for their services fluctuates; they are unable to store that service but must produce it when needed; the costs of the regular route carriers are relative constant and fixed; and the spread between those costs and the price is relatively narrow. These factors necessitate Government regulation to protect the public from excessively high fares when demand is high, and discrimination when demand is slow. ●

RALPH SOULE HONORED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, unselfishness and friendliness are two of the greatest attributes that any human being can have. A resident of the Fourth Congressional District, and a lifelong friend of mine, Ralph Soule, has these admirable characteristics.

Ralph Soule, as a young man, was a Boy Scout leader in Lexington. During the war years, he served his country in the jungles of New Guinea. He now continues to share his time, talents, and resources with the young and less fortunate. I feel honored to know such an exceptional person.

Thus, Mr. Speaker, it is certainly fitting that Ralph Soule is awarded the "Man of the Year" award by the Mo-Kan Fleet Reserve Association of the Kansas City area. Harry S Truman was the first recipient of this award. Other outstanding persons through the years have been similarly honored. I congratulate Ralph Soule on being named the recipient for this year, for he is truly an admirable person. I join his many friends in extending best wishes on this commendation.●

PERSONAL EXPLANATION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SIMON. Mr. Speaker, because I have been attending the United Nations Special Session on Disarmament, I have had to miss a number of votes in the House during the past week. I would like to insert in the RECORD my position on some of these votes:

Rollcall No. 380. Approval of the Journal of May 30. Yea.

Rollcall No. 383. H.R. 7041 Glenn Cunningham Lake and Standing Bear Lake. Yea.

Rollcall No. 384. H.R. 212 R. Shaefer Heard Park. Yea.

The following votes concerning the Foreign Relations Authorization Act, Fiscal Year 1979, H.R. 12598:

Rollcall No. 385. Approval of the rule, H. Res. 1204. Yea.

Rollcall No. 387. To strike language authorizing establishment of a Commission on Proposals for a Center for Conflict Resolution. No.

Rollcall No. 388. To strike language authorizing establishment of an Institute for International Human Rights. No.

Rollcall No. 389. To prohibit the use of authorized funds directly or indirectly to effect implementation of the Panama Canal Treaties of 1978 without a specific Act of Congress. No.

Rollcall No. 390. Passage of H.R. 12598. Yea.

Rollcall No. 415. H.R. 12637 North Pacific fisheries act amendments. Yea.

Rollcall No. 416. Polar Living Marine Resources Conservation Act. H.R. 12668. No.

The following votes concerning Intelligence Authorizations, H.R. 12240:

Rollcall No. 417. Approval of the rule, H. Res. 1205. Yea.

Rollcall No. 419. Passage of H.R. 12240. Yea.

Rollcall No. 420. H. Res. 1206, the rule for consideration of H.R. 12426 New York City Financial Assistance Act of 1978. Yea.

Rollcall No. 421. Approval of the Journal of June 6, 1978. Yea.

Rollcall No. 422. H. Con. Res. 561, providing for the printing of copies of the folder "The United States Capitol." Yea.

Rollcall No. 423. S. Con. Res. 89, authorizing the printing of additional copies of vol. II, Senate hearings, "Korean Influence Inquiry." Yea.

The following votes concerning the Treasury, Postal Service and General Government Appropriations, H.R. 12930:

Rollcall No. 424. Adoption of the rule, H. Res. 1218. Yea.

Rollcall No. 426. Passage of H.R. 12930. Yes.

The following four votes concerning H.R. 12426, New York City Financial Assistance Act of 1978:

Rollcall No. 429. Motion to resolve into the Committee of the Whole for consideration of said bill. Yea.

Rollcall No. 430. Establish an effective date of October 1, 1978, for authorization of appropriations for defaults. Yea.

Rollcall No. 431. Motion to recommit the bill. Nay.

Rollcall No. 432. Passage of H.R. 12426. Yea.

Rollcall No. 433. H.R. 12929 Labor-HEW Appropriations, fiscal year 1979, amendment to reduce HEW appropriations by $1 billion, limited to those areas in which fraud, abuse, and waste have been defined and cited in the Department. No.

Rollcall No. 434. H.J. Res. 945, urgent supplemental appropriations for black lung. Yes.

Rollcall No. 435. H. Res. 1219. Rule waiving points of order on H.R. 12933, Department of Transportation Appropriations. Yes.●

U.S. TANK CREWS PERFORM VERY POORLY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. McDONALD. Mr. Speaker, if I had my druthers, I would much rather be reporting good news about our Army. However, the news is not all good. Everyone is aware of the awesome odds our men in Germany will face if the Soviets march westward. And most of us in the Congress are quite concerned that the best equipment avaliable be gotten to our men in Germany as soon as possible. However, we cannot choose when a war will start. What bothers me now is the fact that our tank crews do not appear to be well trained on the M–60 tanks they now have, let alone the MX–1 tanks we are just authorizing. Last year, I wrote the Department of the Army about the matter, when I learned that the American tank team placed last in NATO competition. I was assured that steps would be taken to improve the situation. Evidently, nothing has changed. I do intend again to ask the Army why there has been no improvement. The article from the Atlanta Journal of June 5, 1978 follows:

U. S. TANK CREWS PERFORM VERY POORLY
SOVIETS HAVE BIG EDGE

(By Arthur T. Hadley)

NATO has as its No. 1 scientific priority a highly classified project to develop secure voice communication for commanders. All the scientists I talked to regard this project as a waste of time and money.

Voice communication is expensive, difficult to make secure, relatively easy to jam and there are many languages in NATO. Data is universal, it is transmitted in short burts that cut through jamming, is so quick that it can't be located by direction finding, and has no voice signature to tell the enemy who is talking to whom.

Yet the senior U.S. commanders both in NATO and the Joint Chiefs have insisted on voice. They claim they want to get the "feel" of their subordinates.

Our problems in electronic warfare extend to the smallest things. Sensors, for instance. Sensors are small tubes, about 3 inches in diameter and a foot long, that are inserted in the ground behind enemy lines by hand or from the air to measure movement, vibrations, sounds and changes in the electromagnetic field, and broadcast this information automatically so that intelligence officers can gain insight into troop movements they cannot see.

Owing to a painful bit of recent history, the air-dropped sensors are disguised as small palm shoots. Neither the Army nor the Air Force has found the money to change this camouflage. Yet surely a Soviet lieutenant attacking through the pines and snows of Germany will at least blink when his eye lights on a group of baby palm trees along his route.

Next the sensors broadcast over the same frequencies as German taxis and other private radios. This means no one gets a chance to practice with them. Yet emplacing sensors correctly and interpreting their data is a complex and demanding process. Do we really believe we can do these things right without constant practice?

In tanks, NATO is outnumbered, 3 to 1. Here again, the Warsaw Pact forces also have a qualitative edge. Here again, the American forces in NATO are not well enough trained to use effectively the weapons they do have.

In no other area is the rain dance—the technique of comparing drawing-board U.S. weapons to actively used Soviet weapons—as prevalent. The entire military and civilian high command of the Defense Department compares the Soviet T–72 tank, which is now in the field, to the U.S. XM–1 main battle tank, which will not arrive in NATO until 1982 at the earliest, and whose gun will not have the killing power of the Soviet tanks.

The tank now costs three times as much in constant dollars as the World War II fighter plane; it has more complex weapons systems and is harder to maintain. Yet that fighter was commanded by a lieutenant with two years of college education or the equivalent; today's tank is commanded by a sergeant who may well not be a high school graduate.

Or, to look at the problem another way, a tank and a helicopter cost about the same and are equally complex. Yet the helicopter is flown by two warrant officers and maintained by a crew headed by a senior sergeant. But the tank is still commanded by a sergeant and maintained by privates.

The results are predictable. In a recent NATO tank crew competition, the best American crews finished last in gunnery behind such minor powers as the Dutch and the Belgians. The Germans point out, and honest American commanders admit, that the level of tank-driving skill in the U.S. Army is so low that the tanks don't know how to maneuver individually and can only charge in massed formations. On the tank-firing qualification range—in the battalion I watched, at least half the tanks had major defects—the crew gets a passing score if they identify a pop-up target and shoot at it in 40 seconds. Actually they are allowed about a minute. In the real world you get 10 seconds.

All over NATO, commanders fudge their figures a bit in an effort to make the mating of today's personnel and modern weapons look better than it is. You can't help but recall those Hamlet Evaluation statistics out of Vietnam. For example, a division commander told me proudly, and his battalion commanders confirmed, that his men scored 95 percent hits with the hand-held anti-aircraft missile, the infrared-guided Redeye. I found that the reason for the good score was that the target had been slowed down to 60 miles an hour. At speeds closer to that of an attacking aircraft, most soldiers missed the target.

Another paramount lesson of the Yom Kippur war is the importance of precision-guided infantry anti-tank weapons, like the Soviet Saggers with which the Egyptian infantry destroyed charging Israeli tanks. The primary U.S. infantry weapon in this field is the wire-guided Dragon. The infantryman has to keep his Dragon in sight on the target and the missile will automatically correct its course to make a bull's-eye. I never found a single soldier in NATO who had fired a Dragon, though commandars were always assuring me that most of their men had qualified.

Furthermore, the Dragon has grave problems. It is too heavy to fire standing up, and if it is fired the best way, lying down, its blast burns off the firer's buttocks. It sight is so delicate that it must be sent to the rear for recalibration every seven days, and there is no device on the weapon to tell the soldier whether the sight needs adjustment.

I watched a test Dragon firing, in which an excellent electronic simulator is used for training. Even with the simulator, everyone has trouble hitting the target. I asked the sergeant training the recruits whether he has ever fired a Dragon. The sergeant, an old-timer, says he hasn't, but he once saw one fired. He was at a special Dragon school and the top man in his class, a Marine captain, got to fire the school's one Dragon.●

BITTER BATTLE OVER SWEETNESS

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. LEDERER. Mr. Speaker, on behalf of the food consumers of the United States, I would like to share with my colleagues an article contained in the June 12, 1978 edition of Time magazine:

BITTER BATTLE OVER SWEETNESS

Why on earth would Congress at a time when food prices are soaring rush to raise artificially the price of a basic supermarket staple? Yet that is just what is happening to sugar. Moreover, the congressional effort is designed to bail out far fewer than one-half of 1% of the nation's farmers, specifically 11,000 sugar-beet growers and 1,800 raisers of sugar cane.

These entrepreneurs are already supported by an amendment to last year's farm bill, which was designed to raise U.S. prices of sugar to 13.5c per lb. But that has not been enough for the growers, who contend that they cannot make a profit at that price. So last week the House wound up subcommittee public hearings on a bill that would use import quotas and fees to set a floor price for sugar of 17¢ per lb. The same bill has been put forward in the Senate by Idaho Democrat Frank Church, and it has 34 co-sponsors.

The Administration argues that the bill is highly inflationary, will hinder U.S. relations with exporting countries, notably the Philippines and the Dominican Republic, and will fan protectionism in the U.S. The White House estimates that the measure will cost consumers an extra $700 million a year, a figure that Church's supporters and Government sugar experts claim is exaggerated. In any case, the bill is opposed by the Consumer Federation of America as well as candy and soft-drink makers and other big users of sugar; it is supported by the farmers and most of Big Labor.

President Carter has threatened to veto the bill if it passes, but instead of fighting any price fixing, he has come forward with a halfway measure. It would pay subsidies to farmers and, in effect, boost sugar prices to 14.4c per lb. This proposal would cost the public an extra $120 million in direct payments, plus possibly millions more to underwrite federal support if sugar prices fail to rise high enough to enable farmers to redeem their Government loans. The Administration proposal has so little support on Capitol Hill that no Congressman has agreed to sponsor it. Because it would keep the price of sugar lower than the Church bill, the President's proposal does have the enthusiastic backing of big sugar users like the Coca-Cola Co., which is headed by Jimmy Carter's old friend, J. Paul Austin.

Why all the fuss now about sugar? U.S. growers say that they cannot survive in a market that is about as quiet, orderly and predictable as a sailors' bar on Saturday night. Crop failures sent world prices soaring to 65c per lb. in 1974, and overproduction has made them plunge to about 8¢. Late last year the Administration signed the International Sugar Agreement, which would use buffer stocks and export restraints to keep prices between 15¢ and 19¢ per lb. But the ISA deal must be ratified by the Senate; and Church, who represents a big beet-grower constituency, has kept the agreement bottled up in the Foreign Economic Policy Subcommittee, of which he is chairman. He plans to hold the treaty hostage until some legislation is adopted that will give sugar growers firmer price guarantees.

While the battle drags on, the only thing certain is that the consumer will pay more, and nobody in Washington is giving any thought to freeing up the market to bring down the price.

In formulating a viable American sugar policy, it is my hope that my colleagues will not sacrifice the interests of the American consumer for short sighted legislation which will benefit only certain special interests. The bill which I have introduced, H.R. 12492, represents an accommodation to the legitimate needs of both the grower and consumer of this Nation.●

NANCY WILSON—25 YEARS ENTERTAINING AMERICA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. DORNAN. Mr. Speaker, I wish to address myself on behalf of Miss Nancy Wilson on the occasion of her 25th anniversary as a professional entertainer during the month of June, specifically June 11 through June 17.

During the past 2½ decades, Miss Wilson has brought pleasure to millions of listeners, both in the United States and around the world. From this unique position of popularity, Miss Wilson has long championed the cause of racial dignity, hoping to unite all people, regardless of color, creed, and walk of life, under one common banner. Her music is one tool she has used to achieve this goal, but even when she is off the stage, she is an indefatigable agent forever seeking to better the human condition. She has devoted her time, her complete dedication, and her own personal funds to countless humanitarian and charitable interests.

Miss Wilson is extremely interested in the plight of today's youth. During the school dropout crisis of the midsixties, she took time to address high school students on the importance of education in each and every city in which she appeared professionally.

Despite her extensive concert and travel schedule, Miss Wilson has also found time to give of herself in other ways. For example, she served as a past cochairman with Lorne Greene of the TEACH Foundation, a support organization for the Dubnoff Center for Child Development and Educational Therapy which aids handicapped children from infants to adolescents. Recently, Miss Wilson was invited to speak before the special Senate Agricultural Committee hearing on nutrition which resulted in a nationwide campaign called, significantly, "To Your Baby's Health."

Miss Wilson's artistry, coupled with her unflagging dedication toward improving the quality of life on our planet, has made her a good will ambassador, without portfolio, for our country to all the nations she visits each year on her performance tours.

For our part, on this occasion, we wish to commend Miss Wilson for her 25 years of achievement, both as an entertainer and humanitarian.●

TURKEY'S INSENSITIVITY TO HUMAN RIGHTS

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SAWYER. Mr. Speaker, I feel compelled, at this time, to make my colleagues aware of the extreme lack of compassion and concern for human rights which now exists in Turkey, as evidenced by the case of JoAnn McDaniel and Katherine Zenz, who are under nonparolable sentences of 24 years and on which they have already served 5, for possession of hashish. The facts of this case are outlined in the letter which I am including here with my remarks. This is a copy of a letter which was sent to Vice President WALTER MONDALE, on September 2, 1977, by Mr. J. Brian Atwood, Acting Assistant Secretary for Congressional Relations. I intend for this letter and these remarks to become but the first of a continuing series of protests that I will offer for the consideration and information of the Members of this Congress. We cannot continue to tolerate the attitude of Turkey in dealing with U.S. citizens. Appeals to their Government for clemency have been ignored. It is, therefore, my objective to gain the support of the Members of this body to unify in opposition to all attempts to lift the arms embargo which is presently in effect on that country, until such time as this situation is satisfactorily resolved.

The letter follows:

SEPTEMBER 2, 1977.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: This is in reference to Mrs. Frank Wermes' letter to you of July 25, 1977 on behalf of Misses JoAnn McDaniel and Katherine Zenz who are imprisoned in Turkey. We share her concern for the plight of these young women who have been incarcerated since 1972 after having been found guilty by a Turkish court of narcotics smuggling.

Judicial procedures and penal conditions vary from country-to-country but as long as our citizens are treated in accordance with internationally accepted standards there is no basis for our Foreign Service officers to intervene in an individual case. Our efforts are not designed to secure the release of persons convicted under foreign law but rather to insure that they receive the rights guaranteed by local law and international practice. Foreign Service officers do appropriately guide and assist others who may wish to pursue legal relief for American citizens imprisoned abroad. It is in this respect that our Embassy has provided assistance to the attorney representing Misses McDaniel and Zenz. In addition the Embassy and the Department of State have worked closely with the offices of the Governors of Oregon and Wisconsin as well as the Congressional delegations from these two States.

What follows is a background resume of this case and of the efforts made thus far to assist these young Americans.

In December 1972, seven American citizens, including the two named above, were arrested by Turkish customs authorities on the Turkish-Syrian border. Their vehicles, three minibuses driven by Misses McDaniel and Zenz and another person, were found to contain 233 pounds of hashish. Subsequent searches of the vehicles uncovered yet more hashish.

According to their testimony in court, Misses McDaniel and Zenz, in conjunction with a male co-defendant, had rented the three vehicles in Germany and had driven to Lebanon. In Lebanon they were met by four American women who were accompanying them at the time of their arrest. After some eight months of detention, these four were released on bail. They were subsequently acquitted of all charges.

In the trial, their co-defendant pleaded guilty, stating that none of the girls knew about the drugs. Unfortunately, the Court did not fully accept his claim. On December 28, 1973, all three were convicted of narcotics smuggling and sentenced to death, commuted immediately to life imprisonment. In preparing their case before the Turkish Supreme Court of Appeals, their defense attorney was joined by the president of the federation of Turkish bar associations. On April 26, 1974, the Court of Appeals upheld the life sentences of the three young people.

In May 1974, the Turkish Parliament passed a General Amnesty which reduced the life sentences to twenty-four years each with a possibility of parole on good behavior after sixteen years. As they have been in prison for almost five years, this leaves eleven to serve.

Although the appeals process failed to reverse the sentences of Misses McDaniel and Zenz their attorney attempted to secure their early release through a petition for pardon to the Turkish Parliament. Despite approaches made by our Ambassador in behalf of the girls' attorney, the Turkish Government took the position that granting a parliamentary pardon to Misses McDaniel and Zenz would not have been equitable to other prisoners in Turkey.

Both the American Embassy in Ankara and the Department of State stand ready to provide appropriate assistance and guidance to these young Americans' attorney and the Governors of Oregon and Wisconsin who have been following the case very closely. In the meantime the American consular officers at Adana, where Misses McDaniel and Zenz are imprisoned, make regular visits, deliver mail and secure any needed medical or dental care. Many Members of Congress and the public have expressed interest in this tragic case and the Turkish authorities are well aware of this. While such a long sentence may be considered severe by American standards, it is not inconsistent with penalties imposed by the Turkish judicial system.

Please be assured that we shall continue to do whatever we can for Misses McDaniel and Zenz.

Respectfully,

J. BRIAN ATWOOD,
Acting Assistant Secretary for Congressional Relations.●

MRS. RUBY BARKER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, since my childhood days, I had the pleasure of knowing and having as a friend Mrs. Ruby Barker of Odessa, Mo. Mrs. Barker recently passed away, and I would be remiss if I did not mention it today. Mrs. Barker was an excellent example of a devoted person—devoted to her husband, her children, and her grandchildren. She was a good and kind lady. Ruby Barker inspired faith and encouragement to those who knew her. I extend my sincere sympathy to her husband, Alva Barker, to her children and grandchildren. We will all miss her.●

PRESIDENT'S ENERGY PROGRAM

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. ASHLEY. Mr. Speaker, the House and Senate conferees on the President's energy program have settled the major issues in the last of the bills involving regulatory initiatives needed to achieve significant reduction in our use of imported oil. There is much work still to do: to deal with the crude oil equalization tax and related tax matters, to fashion legislative language that will codify all the complex agreements we have reached, to have the conferees sign off on the conference reports, and finally to submit the reports to both bodies of Congress for their approval.

While this process is continuing, Mr. Speaker, we must not lose sight of the underlying fact of the argument about energy: despite the temporary presence of sufficient supplies of energy at fairly reasonable prices, we must continue to look down the road and take sensible precautions—because there is an energy crunch ahead. That is what the National Energy Act is all about. And despite the soothing reports from various quarters that seem to say we are OK now, why go to all the trouble of enacting a complicated law that will require some work and effort on the part of Government and industry, we do need a national energy policy that looks to the future.

In the New York Times magazine of Sunday, June 4, a lengthy article by Daniel Yergin, a member of the energy research project at the Harvard Business School, spells out in some detail the reasons why the United States—and the world—must not be lulled by today's temporary oil glut. Mr. Yergin agrees that we are running out of oil—but we may find ourselves, he says, without the oil we need at prices we can pay. And that could well bring on a world depression.

Mr. Yergin declares that energy conservation is the logical way to cope with the oil crunch of the 1980's:

Energy conservation is America's great untapped energy source, the secret weapon in the energy struggle. The single most effective way to avoid the energy crisis of the 1980's is through extensive oil conservation in the U.S.

And that, Mr. Speaker, is what the legislation we are bringing out of the conference on the National Energy Act is all about.

I believe that the concluding portion of Mr. Yergin's thoughtful article, though we may not be able to agree with every detail, will give my colleagues an excellent overall picture of why we desperately need to pass the National Energy Act in this Congress.

EXCERPTS FROM "THE REAL MEANING OF THE ENERGY CRUNCH"

The impact of American consumption on the international oil market is enormous. Not only do we use a third of all the oil used in the world every day, but the trends are all in the wrong direction. Our consumption has been rising—up by 18 percent since 1973. An increasing share of the oil we use is imported—36 percent in 1973, 47 percent in 1977. Of the imported oil, an overwhelming share comes from OPEC—70 percent in 1973, 86 percent in 1977. And imports from the Arab members of OPEC have increased even more dramatically—from 22 percent of our total imports in 1973 to 43 percent today.

We use energy less efficiently than other countries. The amount of energy used per person in Sweden is 60 percent of the amount used per person in the United States. In West Germany, the figure is 50 percent, in France less than 40 percent. This does not mean that we could instantly achieve the efficiency of those other countries in energy use. But these comparisons, and a number of other careful studies, suggest that we could use a good deal less energy—30 percent to 40 percent less—without cutting into our standard of living.

Such changes, of course, would call for new investment, as do oil exploration and development, and they also involve lead times. But they probably would involve a good deal less investment and much shorter lead times than do oil our nuclear reactors. In short, the single most effective way to avoid the worldwide energy crisis of the 1980's would be a thoroughgoing program of energy conservation in the United States.

But it is here that self-interest runs head on against a wall of skepticism. The American public and its elected servants and bureaucrats have long been in the habit of believing that salvation comes only from big technology. One day it is "another Manhattan Project," the next day "another man-in-space program." Always big technology and a hundred billion dollars. Energy conservation seems much too modest a method to take seriously for a problem like the energy gap. People scoff. "America," they say, "did not become great by conserving." The very idea seems un-American, fit for investigation by a Congressional committee.

Such a view is often reflected in the statements of the American oil companies. This contrasts markedly with the attitudes of European oil corporations. The managing director of British Petroleum, for instance, has suggested that growth of energy consumption in Western Europe should be brought down to zero. The major Italian company, E.N.I., has said that Western Europe should actually reduce its energy consumption after 1985. These companies operate in societies where the strains of the OPEC era are all too vivid. Most American-based companies, on the other hand, seem to be insulated from the political and economic costs of avoiding a realistic view of energy consumption, and continue, in the face of contrary evidence, to pin their faith on the traditional alternatives, while playing down the importance of conservation.

The failure to come to grips with the nature and extent of the energy crisis is hardly limited to the oil companies, however. It extends all the way across the political landscape. Most of the participants in this debate are having a great time attacking each other, trying to settle pre-1973 scores in a post-1973 world. Depending on who is speaking, the villains are either the Federal bureau-

crats or the oil companies or the environmentalists or the Naderites. But these are all actors in a far larger drama—the transformation of the international oil system.

To forestall the breach of the 1980's action—adequate action—should have been initiated four years ago. But a lot of lost time can still be made up. The Carter program is a start, but despite all the sound and fury, only a modest start. We are still drifting. A few guidelines for a national reassessment might be helpful:

(1) The gap—a devastatingly tight energy market—is the most reasonable scenario for the 1980's.

(2) We must see the problem in its international context.

(3) We must realize that the issues surrounding the various forms of energy are interrelated. Our efforts against nuclear proliferation lack credibility. If we ask the Europeans and the Japanese to slow down their nuclear programs, we must, at the same time, carry out an American domestic conservation program that reduces our take of the world's oil.

(4) We ought to strive for an adroit mixture of incentives, regulation, public education and energy-pricing policies that would promote energy conservation habits, programs and technology speedily and with a minimum of dislocation.

(5) We should seek mechanisms to encourage oil development in diverse parts of the world—as diverse as possible.

(6) Obviously, all alternatives to OPEC oil should be promoted. But we must remember that decision making on energy involves decision making on investment. More attention needs to be given to the evaluation of different kinds of investment. For instance, would an investment in conservation technology "produce" more energy more quickly and cheaply—by saving it—than would be produced by a comparable investment in nuclear plants? (It often will.)

Unhappily, complex and fragmented problems that stretch far ahead and involve foreign countries tend not to get the sustained attention they require. As Immo Strabreit of the International Energy Agency has pointed out, "Energy policies are politically risky, because the danger with which we are dealing is 8, 10 or 12 years away, whereas our governments face re-election every four years." In other words, the glory and reward for successful avoidance of disaster, or for providing a better way of life, cannot be attained during the politically relevant period—before the next election. "There is, therefore, a strong built-in urge to dodge the issue."

Dodge it now, and the United States and the other Western countries will pay later. That is the challenge before the West—and primarily before the United States, with its overwhelming impact on the world oil market. For here are posed, as one peers into the 1980's, issues of survival that, in their own way, are no less fundamental than those of the nuclear arms balance.●

IN MEMORY OF LEON BOLDRIDGE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, it is with sadness that I note the passing of Leon Boldridge of Lexington, Mo. Leon "Slick" Boldridge was a prominent barber of Lexington. He always had a kind word and a warm heart. Leon Boldridge was a respected and well-loved person who will not be forgotten by the many who knew him. He was a deacon and a devoted member of the 2d Baptist Church in Lexington. He is survived by his wife, two sons, five daughters, and 15 grandchildren. The people of Lexington and I join his family in their loss.●

THE CARTER RORSCHACH TEST

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. MICHEL. Mr. Speaker, the day after President Carter's foreign policy speech at Annapolis, I came across two headlines that sought to describe the essence of the speech. The first appeared in the Chicago Sun-Times. It read: "Carter Softens Line on Soviets."

The second appeared in the Washington Post: It read: "President Challenges Soviet Leaders."

It would appear that the President's speech was a political version of the famous Rorschach test in which ink blots are presented to the patient for his interpretation. Each person reads into the Carter speech precisely what he wants to and finds ample evidence from the text to confirm his interpretation, even though others may reach an opposite conclusion and point to ample evidence from the text backing their interpretation.

The Chicago Tribune was also puzzled. In an editorial, that newspaper stated: "We still do not know very clearly what the policy is."

I want to insert in the RECORD this editorial, "Strange, to Say the Least," from the Chicago Tribune, June 8, 1978:

STRANGE, TO SAY THE LEAST

President Carter's speech to the Naval Academy graduating class had been billed in advance as a "major policy address." It turned out to be a new effort to define the administration's foreign policy; and if that was the intention, it was an attempt that failed. We still do not know very clearly what the policy is.

The Carter statement featured in most news stories was the comment that the Soviet Union "can choose either confrontation or co-operation. The United States is prepared to meet either choice."

That the Soviet Union has those two options is hardly a novel revelation. That the U.S. is prepared to meet either choice is an assertion which we devoutly hope to be true. But a painful study of the world military balance and of U.S. ineffectiveness in dealing with the Soviet challenge in Africa makes us wonder if this country truly is prepared for the harsher of the two options.

This caveat aside, the principal problem with Mr. Carter's speech is that he left his own country and the world still wondering what the U.S. intends to do. He passed the buck to the Soviet Union and did a rather butterfingered job of it.

"Our long-term objective," he said, "must be to convince the Soviet Union of the advantages of co-operation and the costs of disruptive behavior."

Fine. What are the advantages of co-operation? What are the costs of disruptive behavior? These are not spelled out.

Some who read these words thought the President was approaching the idea of linkage—the tying together of Soviet mischief in Africa and the negotiations for a strategic arms limitation agreement: If the mischief gets worse, the negotiations get worse. But, no, that wasn't what he seemed to mean, for he said of the SALT talks: "We and the Soviet Union are negotiating in good faith because we both know that failure would precipitate a resumption of a massive nuclear arms race." In short, SALT must go through, no matter what.

It would have been helpful if Mr. Carter had at least explained where those negotiations stand at this time. What has been agreed to? Where are the sticking points? The Soviet leaders know the answers, Mr. Carter knows the answers, but we, the American public seem destined not to know until the deed is finally done.

All was vagueness to such a pronounced degree that Moscow, through the press agency Tass, in an uncharacteristically rapid reaction, called the speech "strange, to say the least." Pravda earlier had complained that it is difficult to tell "who in Washington expresses the true policy of the administration." Mr. Carter's remarks will not change matters. Pravda accused the President's national security adviser, Zbigniew Brzezinski, of wanting to move Soviet-American relations from "co-operation to confrontation." But the President's words suggested that Mr. Brzezinski, if he indeed has that goal, has not succeeded in getting his President off the fence.

Mr. Carter has a foreign policy problem because Mr. Brzezinski talks tough, Secretary of State Cyrus Vance talks nontough, Ambassador Andrew Young talks off the cuff, and Mr. Carter weaves about somewhere in the middle. We don't often agree with Tass, but the agency seems correct in suggesting the administration hasn't got it act together and that the speech was "strange." We wait with declining hope for Mr. Carter to explain to us, to our allies, and to the Soviet Union what to expect of the Carter administration.●

CARNEGIE HERO FUND COMMISSION HONORS JOHN R. BAZELLA

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. MURTHA. Mr. Speaker, the Carnegie Hero Fund Commission notified me recently of an honor accorded to Mr. John R. Bazella who resides in the area I represent in Congress. I certainly want to add my personal congratulations to his efforts.

Mr. Bazella was one of five men cited for their work during a coal mine cave-in in February 1977. Mr. Donald J. McCully was completely buried alongside a mining machine and the quick work of the men in removing rocks and tunneling to Mr. McCully allowed a successful rescue.

The other men involved in this rescue operation were Mr. Thomas V. Damico, Mr. Clayton R. Wall, Mr. Vincent J. Shilobod, and Mr. Lawrence P. Rankin.

I certainly want to congratulate them all on this award, which is certainly deserved, for their outstanding efforts to save Mr. McCully.●

WASTEFUL WATER

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. JACOBS. Mr. Speaker, at the request of the National Wildlife Federation I insert the following letter and would like to call your attention to the waste of water mentioned in paragraph 4.

SALT LAKE COUNTY ATTORNEY,
Salt Lake City, Utah, June 9, 1978.

Re Bonneville Unit of the Central Utah Project.

CECIL D. ANDRUS,
Secretary of the Interior, U.S. Department of the Interior, Washington, D.C.

DEAR SECRETARY ANDRUS: In the last few months, my staff completed a water resources and use pattern study for Salt Lake County. During my study, several unresolved issues developed. I would appreciate your response, in as much as the integrity of the Bonneville Unit is at issue and my Salt Lake County constituency comprises roughly 60% of the tax base for the repayment of the reimbursable portion of the project.

(1) The project data sheet for the Bonneville Unit on Page 4, Note 13, refers to the fact that the project will go over its authorized cost ceiling, to quote: "If actual bid amounts on future critical construction items substantiate the above total of estimated requirements, new legislation for additional appropriation ceiling will be recommended at an appropriate time."

Has Congress been advised that the project is "sinking" funds toward an excess of the authorized cost ceiling? What assurance can be offered that Congress will finish the project by raising the authorized cost ceiling?

(2) Bureau of Reclamation personnel have advised me that a very substantial amount of funds have been spent on an unauthorized investigation of a "pump back" feature at the Diamond Fork powerplant. The Bureau has been criticized in the past for such unauthorized expenditures and I am concerned that Congress may discover the unauthorized investigation to the detriment of the project. Can you assure me that the unauthorized investigation did not occur and/or that future unauthorized expenditures will not occur?

(3) Environmental impact statements are currently being prepared in a piecemeal fashion. While this piecemeal process may confuse the public successfully, and prevent an accurate assessment of the environmental damage, I am concerned that the piecemeal EIS process will make the project vulnerable to a lawsuit which will delay the project further. May I have your assurance that the piecemeal EIS process will not be allowed to continue in order that an accurate assessment of the environmental impact can be made?

(4) It is obvious now that our changing land use patterns in Salt Lake County will require less agricultural water here in the future. While I recognize that the State of Utah has intentionally avoided studies of land use and water use. I would hope that your office has made appropriate study of the conversion of agricultural to culinary water use in both Salt Lake and Utah counties to insure that the Bureau and Salt Lake County are not vulnerable to claims of waste of our water resources. (All the best data shows that we are currently wasting about 125,000 acre feet of water per year in Salt Lake County alone. No figures are available for Utah County.)

(5) Erosion in Diamond Fork and the resulting silt problem in Utah Lake are of concern to all of us. Can the pipeline down Diamond Fork be built within the 1979 FY appropriation you have requested from Congress?

(6) The classification of Uintah Mountain streams by the State of Utah pursuant to the 1972 amendments to the Federal Water Pollution Control Act has not been completed. Are these waters, which are the basic supply for the Bonneville Unit, outstanding national resource waters which are subject to nondegradation? May I have your assurance that a review has been conducted of the issue and may I have a copy of your review?

Your response to these issues would be very helpful to my understanding of the project and your cooperation is appreciated.

Very truly yours,

R. PAUL VAN DAM,
Salt Lake County Attorney.●

AN APOLOGY TO BILL STEIGER

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. MIKVA. Mr. Speaker, on June 6, 1978, I inserted in the CONGRESSIONAL RECORD a statement opposing the Steiger amendment to lower the capital gains tax rate and to remove the application of the minimum tax to the untaxed half of capital gains.

In my remarks I mistakenly stated that the Steiger amendment would also liberalize the treatment of capital losses. I want to apologize to my friend and colleague from Wisconsin for that error, and to say that his proposal is already generous enough to the top four-tenths of 1 percent of all taxpayers even without my help.

The redistribution of tax burdens represented by the Steiger amendment is really astounding. The amendment would give a tax break averaging close to $60,000 each to between 15,000 and 20,000 taxpayers earning over $200,000, and an average tax break of $214,000 to 3,000 taxpayers earning over $1 million. Moreover, the Steiger amendment would take 110 individuals with incomes exceeding $200,000 entirely off the tax rolls, and drop the effective tax rate for a person with $200,000 in capital gains income from an already low 19 percent down to 12 percent—roughly equivalent to the effective rate that a person earning $20,000 pays.

Mr. Speaker, I am not unsympathetic to the impact of inflation upon people earning more than $100,000 or $200,000 a year. Certainly, they, too, have been hard hit by rising costs, but I hardly think our concern for them justifies turning over 10 percent of the total tax cut which the Ways and Means Committee is considering. That kind of redistribution of wealth will be justifiably rejected by the 99.6 percent of taxpayers who will receive an average tax break of $1 under STEIGER.

Again, I ask Congressman STEIGER's pardon for attributing more to his amendment than it contained. My only excuse is that I was somewhat blinded by the dazzling substance of what it accomplishes.●

HEW'S WATERGATE: $7 BILLION DOWN THE TUBE; WHERE'S WOODWARD AND BERNSTEIN WHEN WE REALLY NEED THEM?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. McDONALD. Mr. Speaker, it was personally pleasing to me to see the Congress finally put HEW on notice by reducing its appropriations by $1 billion recently. At least the Congress is now recognizing that this vast sprawling bureaucracy is a prolific waster of the taxpayer's money. However, the American press did not exercise its responsibility by featuring the scandal, as announced by HEW itself, and putting some investigative reporters on the story for followups. John Lofton, the nationally syndicated columnist, wrote an article on the treatment of this story that appeared in Battle Line, the publication of the American Conservative Union for June 1978. The article follows:

HEW'S WATERGATE: $7 BILLION DOWN THE TUBE; WHERE'S WOODWARD AND BERNSTEIN WHEN WE REALLY NEED THEM?

(By John Lofton, Jr.)

("It is not enough to be busy. The question is: what are we busy about?"—Henry David Thoreau quote, framed and hanging on the wall of Secretary of Health, Education and Welfare, Joseph Califano)

WASHINGTON.—On April 3, Secretary of Health, Education and Welfare, Joe Califano, announced the Watergate of Washington waste stories—that his department had "misspent" between $6.3 billion and $7.4 billion in Fiscal 1977 due to waste, fraud and abuse. The report Mr. Califano was quoting from, which was given to him by HEW's Office of the Inspector General, stressed that these figures are "no more than an initial inventory" and they portray "a conservative measure of the extent of fraud, abuse and waste in key HEW programs, and their causes." Unfortunately, these HEW statistics cannot be compared to similar rip-offs in previous years because the Inspector General's report is the first of its kind.

Commenting critically on this massive amount of tax dollars that disappeared down the Federal rat-hole, the Washington Star editorialized that the HEW report "should have ignited outrage from Puget Sound to Cape Charles." And, indeed it should have. Even in this city, where hard-earned tax dollars are valued on a par with water, seven billion bucks is a lot of dough.

In order to waste $7 billion in a year, HEW had to misspend $19 million a day, everyday, for 365 days. Seven billion dollars is the total combined income taxes paid by 5,000,000 households with an income of $15,000 each. This figure is equal to the total amount of income taxes paid by the residents of: Alaska, Delaware, Hawaii, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

Seven billion dollars is equal to the Gross Domestic Product of Ireland; it is twice the GDP of Ethiopia and three times the GDP of Luxembourg; and it is four times the Net Domestic Product of Hungary, five times the NDP of Poland, and 12 times the NDP of Yugoslavia.

The Star says the HEW report "should" have ignited outrage from Puget Sound to Cape Charles, but it didn't. In fact, after one day this incredible story sank from sight

with only a "whimper," as the newspaper put it.

The New York Times noted the HEW report in a six-inch article at the bottom of page 18. The Washington Post, in a four-inch story, played it at the bottom of page 2.

The three networks showed even lousier news judgment. NBC reported the HEW scandal ninth among its 17 news items, giving the $7 billion rip-off one minute and 31 seconds. The fourth news report NBC carried this night, was a one minute and 37 second story about John Wayne's open-heart surgery. The network closed out its Nightly News with a two minute and nine second story about an American women who had begun a bull-fighting career in Mexico!

On CBS, among the 21 news stories reported on, the HEW revelation ranked number 13 and ran one minute and 42 seconds. In 10th, 11th and 12th place, CBS reported on: The L.A. police release of a "Hillside Strangler" suspect (1:51); Alabama Gov. Wallace's meeting with the Federal Election Commission (19 seconds); and a trip to Miami by Richard and Pat Nixon (27 seconds). The Evening News ended its program with a one minute, 47 second piece on the first broadcast session of the British parliament.

Last, and certainly least, among its 15 stories, the ABC Evening News played the HEW horror story eighth, giving it a whopping 27 seconds! In 10th place, the network gave six times as much air time—two minutes, 50 seconds—to a report on how women are now dominating the movies. And in 14th place ABC gave two minutes, 33 seconds to a story about the danger posed to marijuana smokers by the chemical poison paraquat.

In Congress, the reaction to HEW's wasting of $7 billion has been just as pathetic as that of the national news media. The only person who raised any real hell was Sen. Harry Byrd, Jr., of Virginia, who made a couple of speeches. Noting that HEW's current budget request is 13 percent higher than last year, Byrd introduced two amendments: one would have cut the Department's budget by $5.6 billion, the other would have cut it by $2.1 billion, one-third the amount HEW admits it wasted last year. Both amendments were voted down.

So, what does it all mean? Well, one thing it obviously means is that there is a double-standard in this town when it comes to waste in the military versus waste at HEW. Does anyone doubt the hue and cry that would have been raised had Defense Secretary Harold Brown announced that his Department had squandered $7 billion last year? Why, the networks would have reported this event live, interrupting regular programming with bulletin-like coverage, the papers would have launched a page-one 98-part series on this atrocity, Woodward and Bernstein would now be working on a book, and Dustin Hoffman and Robert Redford would be reading scripts for their new movies, "All the Pentagon's Profligates."

A taxpayer's dollar wasted is a taxpayer's dollar wasted. The fact that the news media has failed to react to the scandal at HEW the way it has, belies a bias which the press says it does not have. But, in this case, their lack of words and actions speak louder than anything they might say in their defense—which thus far, has been nothing.

The following are verbatim excerpts from the Department of HEW's Office of Inspector General, Annual Report, April 1, 1977—December 31, 1977:

MEDICAID

Expenditures under the Medicaid program approximated $9.8 billion in Federal funds during FY 1977. Of this amount we found estimates that as much as $2.3–$2.6 billion might be misdirected because of fraud waste and abuse.

General Description:	*Amount (millions)*
Payments to Ineligible Recipients	$330–660
Fraud and Abuse	468
Third Party Liability Losses	330
Erroneous Payments	110
Common Audit	50
Quarterly Expenditure Report Review	17
Audit Exceptions	18
Other Excessive Health Care Costs	987
Totals	2,310–2,640

1) Payments to Ineligible Recipients ($330–660 million)—Ineligible payments are based on a review of a sample of paid claims and information submitted by 47 States and jurisdictions for the period from April-September 1976 and projected to FY 1977 dollars.

2) Fraud and Abuse ($468 million)—The Subcommittee on Long-Term Care of the Senate Special Committee on Aging, reports that Medicaid fraud and abuse exists on a massive scale. This conclusion is based on their study of Medicaid providers in five States involving 100 "Medicaid Mills" (mostly in New York City), 60 physicians and $15 billion in Medicaid expenditures (55 percent of 1975 Medicaid expenditures in the U.S.). Also, involved, a separate subcommittee study of 21 medical labs, 50 medical clinics and 50 or more physicians in the State of Illinois. This latter review included information on fraud and abuse investigations of clinical labs in other States. They report that all parties in the programs, i.e., Providers, Clinical Laboratories, Pharmacies, Nursing Homes, and recipients have been affected.

$423 million of the $468 million applies to *providers*—The subcommittee staff report entitled "Fraud and Abuse Among Practitioners Participating in the Medicaid Program" states that, of the $2.2 billion that flows through Medicaid mills, roughly 35 percent ($770 million) is pocketed by entrepreneurs "who essentially provide no services." Of this amount, they estimate $220 million is involved in outright fraud. Another $550 million results from overutilization of services. The Federal portion of these payments in the States reviewed averages roughly 55 percent—thus our estimate of $423 million (55 percent x 770 million). There may be some duplication in the above figures in that certain fraud and abuse cases may also fall under the category of "payments to ineligibles." However, it is our feeling this would involve a small percentage of the totals. The fraud and abuse figures concern mainly overutilization of services to recipients in Medicaid Mills—their eligibility was not the main issue. We recognize, however, that some of these recipients may have been ineligible.

The abuses most frequently found in Medicaid Mills are referred to as: ping-ponging, ganging, upgrading, steering and billing for services not rendered. The following briefly describes these practices which were actually found during an investigation by the Special Committee Staff. (The study did not provide a breakdown of the $423 million by each of the following practices.)

"Ping-ponging" is the term applied to the most common mill abuse, the referral of patients from one practitioner to another within the facility, even though medically there is no reason for the referral.

"Ganging" refers to the practice of billing for multiple service to members of the same family on the same day when, in fact, only one person needs treatment.

"Upgrading" is the practice of billing for a service more extensive than that actually provided. A physician may treat a suspected cold, for example, and bill for treating acute bronchitis.

"Steering" involves direction of a patient to a particular pharmacy by a physician or anyone else in the medical center. It is a violation of the patients' freedom of choice.

"Billing for services not rendered" consists either of adding services not performed on to an invoice carrying legitimate billings, or submitting a totally fraudulent billing for a patient the doctor has never seen and/or an ailment he has not treated.

$45 million of the $468 million applies to *clinical* laboratories—The full dimensions of Medicare and Medicaid fraud and abuse with respect to clinical labs is *unknown*. However, the Special Committee on Aging estimated that $45 million in Medicare and Medicaid billings is either fraudulent or unnecessary.

MEDICARE

During FY 1977 an estimated $21.9 billion was spent providing medical services to the 26 million aged and disabled Americans eligible under Medicare. Our survey has identified $2.2 billion in estimated losses due to fraud, waste and abuse in this program.

General Description:	*Amount (Millions)*
Excessive Nursing Differential	185
Renal Dialysis	153
Provider Overpayments	141
Cost Report Reviews	16
Common Audit	8
Audit Exceptions	3
Other Excessive Health Care Costs	1,711
Total	$2,217

AFDC PROGRAMS

The program of aid to families with dependent children (AFDC) assists States and localities in providing public assistance benefits to the needy. Outlays for these grants are estimated at $6.3 billion in FY 1977. Our analysis indicated that an estimated $745 million of AFDC payments involve fraud, waste or abuse.

General Description	*Amount (Millions)*
Payments to Ineligibles and Overpayments to Eligibles	490
Fraud and Abuse	145
Quarterly Expenditure Report Reviews	13
Audit Exceptions	21
Total	$669

(1) Payments to Ineligibles and Overpayments to Eligibles ($490 million)—As in the Medicaid and SSI programs, a quality control review is performed to determine AFDC recipients eligibility. The State agencies administering the program are required to review a sample of approximately 45,000 recipients every six months. Results of the most current reviews (January-June 1977) indicate that $490 million of AFDC payments are made to ineligible recipients or as overpayments to eligible recipients.

(2) Fraud and Abuse ($145 million)—State agencies reported that there were 166,342 AFDC cases which involved questions of fraud and/or abuse disposed of by administrative action during FY 1976. It was determined that 40,271 of the cases had sufficient facts to support a question of fraud and were referred to law enforcement officials for action (18,475 actually prosecuted). Of the remaining 125,621 cases; 16,838 are still under review; reimbursement was arranged in 16,943; and for 91,840, although there is some question as to propriety, the facts were deemed insufficient to support the question of fraud. Based on these statistics, we estimate that $145 million is involved in fraud and abuse in the AFDC program. We arrived at this figure by multiplying the estimated average amount of AFDC cases ($2,000) by the 40,721 cases referred to law enforcement officials (fraud) and 91,840 cases not prosecuted but where there was an indication of impropriety

(abuse) and by 55 percent, the average Federal share of national AFDC payments.

SUPPLEMENTAL SECURITY INCOME

The supplemental security income (SSI) program, which replaced Federally aided State assistance programs for the aged, the blind and disabled, provided an estimated $5.4 billion in Federal benefit payments to 3.9 million recipients in FY 1977. Of this amount we could find estimates of approximately $334 million lost due to waste and abuse.

General Description:	Amount (Millions)
Overpayments and Payments to Ineligible Recipients	310
Overpayments to Medicaid Nursing Home Residents	23
Audit Exceptions	1
Total	$334

SOCIAL SERVICES

Under Title XX of the Social Security Act, assistance is provided to States and localities for the delivery of services to eligible individuals and families in order to promote their independence and overall well-being. States and localities, which are responsible for delivering the kinds and levels of services to be delivered within Federal regulations, provide a broad array of services ranging from family planning and child care to transportation and services to senior citizens. Federal outlays for this program were estimated to be $2.7 billion in FY 1977. Our current estimate is that at least $88 million of these funds were lost due to fraud, waste and abuse.

General Description:	Amount (Millions)
Quarterly Expenditure Report Reviews	82
Audit Exceptions	6
Total	$88

STUDENT FINANCIAL AID (SFA) PROGRAMS

The Office of Education sponsors five major student aid programs:

Basic Educational Opportunity Grants (BEOG)
Supplmental Educational Opportunity Grants (SEOG)
College Work Study (CWS)
National Direct Student Loan (NDSL)
Guaranteed Student Loans (GSL)

Federal contributions for these five programs amounted to approximately $3.6 billion during FY 1977. Funds are distributed on the basis of need to students enrolled in a wide range of postsecondary institutions including colleges; universities; community and junior colleges; vocational, technical and business schools; and hospital schools of nursing.

We found estimates of $356 million in losses due to fraud, waste and abuse in SFA programs.

Program:	Amount (Millions)
Basic Educational Opportunity Grants	109
Campus Based Programs	49
Guaranteed Student Loans	187
Audit Exceptions	11
Total	$356

INCOME SECURITY (SSA)

Included in this category are benefits of about $84 billion paid out under the Social Security trust funds for retirement and disability, and special benefits for disabled coal miners in fiscal year 1977. The largest part of the $160–$867 million in losses involve overpayments and payments to ineligible recipients. As noted in the footnotes to the following schedule, SSA officials caution that a part of this figure is estimated and not verifiable in SSA records.

General Description:	Amount (Millions)
Retirement and Survivors Benefits	85–723
Disability Insurance and Black Lung	74–143
Total	$160–$867

INDIRECT COSTS

To recover indirect costs incurred while administering Federal programs, colleges and universities, hospitals and other health providers, non-profit institutions and State/local governments establish indirect costs rates. The entities submit indirect cost proposals for review by the Divisions of Negotiation and Grantee Assistance (DNGA) of the Office of Principal Regional Officials. DNGA negotiates overhead rates after desk audits, field reviews and participation in HEW or other Federal agency audits of the indirect cost proposals. These reviews and negotiations resulted in approximately $102 million of indirect cost disallowances during FY 1977.

ESEA TITLE I

Title I of the Elementary Secondary Education Act (ESEA) authorizes Federal financial assistance through the States to local educational agencies (LEA) for programs designed to meet the special educational needs of educationally disadvantaged children. Federal outlays for this program were estimated at $2.1 billion in fiscal year 1977.

During fiscal year 1977, we performed 15 audits of State Title I programs and recommended financial adjustments totaling $22 million, or 4.6 percent of the $474 million we reviewed. Projecting the results of our 15 audits nationwide, we estimate that in FY 1977 about 4.6 percent or $97 million of Title I program funds may have been improperly expended because of the above discussed problems, i.e., supplanting, general aid, and comparability.●

EDUCATOR RETIRING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

Mr. LAGOMARSINO. Mr. Speaker, from part-time instructor in 1946 to president of Los Angeles City College in 1966, and on to superintendent-president of Santa Barbara City College, Santa Barbara, Calif., in 1970, Glenn G. Gooder, Ph. D., has served his profession with honor and dedication. Now this singular man is going to retire.

Men leave legacies mainly by their service to their fellow man. Dr. Gooder has surely done that. The hundreds upon hundreds of lives he has touched, the countless careers he has guided, are a testimonial to a man dedicated to the honorable profession of "teaching."

Teacher, administrator, author, visiting lecturer, friend and confident to young and old alike—all of these describe Glenn Gooder. And, yet, he has still found time to be a civic leader.

Remembering this long and distinguished career in education, I ask the Members of the House to join with me and Glenn's many, many friends throughout California in extending a heartfelt "thanks" from a grateful community, and in wishing my good friend Dr. Glenn G. Gooder and his wife, Virginia, a bright, long and happy future.

LETTER FROM CONGRESSMAN WILLIAM NATCHER

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. CARTER. Mr. Speaker, it has been my pleasure over the years to be associated with the distinguished gentleman from the Second District of Kentucky, Mr. WILLIAM NATCHER. I have observed that Mr. NATCHER is most knowledgeable about the history of our Capitol, and also about legislation which comes before this august body.

Each week he writes letters to his grandchildren, telling them of interesting events which occur here in the Nation's Capital, and at the same time he encloses an allowance for each youngster. The last letter which I was privileged to see was so interesting that I thought it should be included for the perusal of the Members.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 18, 1978.

Masters JEFFERY, PAUL, WILLIAM AND PETER JIRLES,
Cambridge, Ohio.

DEAR JEFFREY, PAUL, WILLIAM AND PETER: One of the major issues before the United States Congress today is the ratification by the Senate of the two treaties which turn over the Panama Canal to Panama in the year 2000. Before going any further, I want you to know that if the House, under the Constitution, had to ratify treaties, I would vote against the ratification of these two treaties and keep the Panama Canal.

In speaking of the Panama Canal, Kentucky played an unusual part in the construction of the Canal. Representative Maurice H. Thatcher, a Republican from Louisville, Kentucky, and Representative Joseph Swager Sherley, a Democrat, also of Louisville, Kentucky, played a very important part in the history of the Panama Canal.

Panama granted the Canal strip to the United States by treaty ratified February 26, 1904 with the compensation being $10 million. For a period of 9 years thereafter, payments of $250,000 a year were made. The Canal was open to traffic August 15, 1914 and payments were increased to Panama up to $430,000 per year. Later on payments were increased to $1,930,000, and, in addition, we gave to Panama $28 million worth of real estate and buildings no longer necessary to us in the Canal Zone.

Maurice Thatcher, the Congressman from Louisville from March 4, 1923 until March 3, 1933, served at one time as a Member of the Isthmian Canal Commission and was Civil Governor of the Canal Zone from 1910 to 1913. Mr. Thatcher was serving during the final days of the construction of the Canal and played a very important part in the completion of this Canal.

Swager Sherley served in the House of Representatives from Louisville, Kentucky, from 1903 until 1919. Mr. Sherley was Chairman of the Subcommittee on Appropriations that appropriated the money for the construction of the Panama Canal. Obtaining the money to construct this Canal was no small task and probably the greatest achievement of Swager Sherley during his tenure as a Member of Congress was being able

to put through the necessary bills that appropriated the money to build the Canal. Mr. Sherley died in 1941 and Mr. Thatcher died in 1973.

During the construction of the Canal, Mr. Thatcher was there taking care of the business of the United States of America and Mr. Sherley, while serving in the Congress, was in Washington seeing that the money was appropriated and used for the purpose of building the Panama Canal. We have invested in the Panama Canal and in the Panama Canal zone over $10 billion.

I hope this letter finds you well and happy and with lots of love, I am

Your Grandfather,

BILL.●

NOISY AIRCRAFT REVENUE AND CREDIT ACT

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. CORMAN. Mr. Speaker, I bring to the attention of my colleagues a most articulate speech presented by Lee Anderson on the worthiness of the Noisy Aircraft Revenue and Credit Act. This is a most sound proposal worked out by the House Public Works and Ways and Means Committees to promote noise abatement. Mrs. Anderson's remarks are particularly noteworthy due to her proximity to the importance of aircraft legislation. Lee is the devoted wife of my colleague from California and chairman of the Aviation Subcommittee, GLENN ANDERSON. I commend this article for your careful consideration:

REMARKS OF LEE ANDERSON

First, I want to apologize for Glenn's absence this morning. Unfortunately some things came up unexpectedly which have required his presence in Washington. I know he was looking forward to discussing his bill with such a group of experts in the field as is represented here this morning. I hope, though, that through his words, I can convey the message he would have left with you. I will begin by reading a brief passage from an interesting and significant report:

"The immediate problem is to find a way to protect present airports and the people residing near them by applying some means of control of ground use in approach zones. Local authorities should prevent further use of land for public and residential buildings near the ends of existing runways. If this is not done, new contingents of home owners will be added to the ranks of those who are now protesting against noise and hazard. In time, public pressure may threaten the continued existence of the airport and large investments of public and private funds will be jeopardized."

These words of warning and prophesy were not written in 1978, although, of course, they might have been. They are contained in the 1952 report of the President's Airport Commission entitled "The Airport and Its Neighbors." However, because the Commission's recommendations were not followed, aircraft noise has become the major constraint to the growth of this nation's air transportation system, and represents a substantial blight on areas near our airports.

Over 9 million Americans suffer intolerable noise levels through impact on their homes. Over 6 million Americans and nearly a million acres of valuable land are impacted by noise levels deemed normally unacceptable for new residential construction loan guarantees by the Department of Housing and Urban Development. Aircraft noise disturbs the normal activities of airport neighbors—their conversation, sleep and relaxation—and degrades their quality of life. Depending on the use of land contiguous to an airport, noise may also affect education, health services and other public activities.

Aircraft noise erodes local tax bases. The President's Council on Wage and Price Stability estimates that aircraft noise costs property owners near airports some $3¼ billion annually in decreased property value. Let me repeat this very important point: Aircraft noise costs property owners $3¼ billion a year in decreased property value.

Our nation's airports are spending millions of dollars to acquire noise-impacted land and have currently pending against them lawsuits which can be measured in billions of dollars. Citizen opposition to aircraft noise has delayed and, in many cases, prevented needed airport development and expansion and the facilities to improve safety and airport capacity. In short, aircraft noise has been, and continues to be, a national problem.

Over the past two years, the House Subcommittee on Aviation held 27 days of hearings in Washington and in the field on current and proposed federal policy on the abatement of aircraft noise. Some 2000 plus pages of printed transcript were amassed during the hearing process. From these hearings, it is clear that comprehensive legislation is required to deal with this problem effectively.

The federal effort to date has centered around reduction of noise at the source, the aircraft. However, source control has technological limits; and no amount of quieting existing aircraft will totally solve the problem. Although making aircraft quieter will shrink the areas of greatest impact significantly, incentives must be provided to airport operators and surrounding communities to get on with the long-delayed need to make land surrounding airports more compatible with airport operations. To continue placing sole emphasis on source noise control without making significant progress on the land use side has the effect, in my opinion, of unwisely raising the public's expectations for noise relief. Let's face it: normal airport operations involve noise and always will. We must deal with the problem by assuming that unacceptable noise will continue in areas immediately adjacent to airports.

During the hearing process, my husband, Glenn, authored H.R. 8729, which has now been favorably considered by the House Ways and Means Committee. The bill was reported favorably last December by the Public Works and Transportation Committee.

In a nutshell, the bill does the following:

First, it establishes a new voluntary program to assist airports and surrounding communities to develop and carry out programs to reduce existing non-compatible land uses.

Second, it increases existing authorized funding levels for the airport development program, including the purchase of noise buffer zones.

And finally, the bill establishes a program to provide assistance, through a series of excise taxes, to air carriers facing the recently-required obsolescence of nearly three-fourths of the currently active jet fleet by January 1, 1985.

With respect to the last part of the bill, 2200 jet aircraft are currently in the U.S. commercial carrier fleet. 1600 of those 2200 are too noisy, and will have to be either retrofitted or replaced, 25% by 1981, an additional 25% by 1983, and the remainder by 1985.

The first part of the bill, Title I, is the key section as far as Glenn is concerned. I would like now to give a full explanation of its provisions. But first some background:

The inherent variability in individual reaction to noise makes it impossible to predict accurately how any one individual will respond to a given noise. However, considering the community as a whole, trends emerge which relate to annoyance. In this way it is possible to correlate a noise index, cumulative or single event, with community annoyance. This index will represent the average annoyance response for the community.

There has been a confusing proliferation of approaches to measure the quantity and understand the effects of noise on people.

During the course of Committee hearings, one recurring theme was the need to establish a single system for measuring noise and its impact on individuals and communities.

The first thing that happens under Title I is that the Secretary of Transportation is given one year to do the following:

1. establish a single system to measure noise;

2. establish a single system to determine the impact of noise on individuals, and

3. identify land uses normally compatible with various impacts of noise on individuals.

Note that this provision does not in any way impose federal standards for land use control. The Committee report makes this clear. The bill preserves traditional local control over these issues.

Once these yardsticks are in place, the new noise compatibility planning and program development features of the bill are triggered. There are two limitations: these provisions apply with respect to air carrier airports only; and, the program is voluntary, not mandatory.

The planning program has two parts:

1. development of a noise impact map to show current and projected airport traffic and the area of noise impact (e.g., noise contours) and to show current and projected non-compatible land uses.

2. formulation of a noise compatibility program, having the goals of systematically reducing existing areas of non-compatible use as shown on the map, and preventing future non-compatible use in the areas of impact.

The airport operator does the planning and program development. But, he is required to consult with units of local government, representatives of the federal government, air carriers, and any regional planning authority.

The Title I approach is a carrot, not a stick.

Inducements are offered to air carrier airports to bring them into the "voluntary" category. Planning grants are available to air carrier airports ($15 million for fiscal years 1979 and 1980). The federal share is 75% for such grants.

Once the airport operator has completed the noise compatibility program, it must be submitted to the Secretary of Transportation for approval. The plan may include all the operator's proposals for meeting the goals of reducing existing non-compatible land uses and preventing future non-compatible uses—or, of course, reducing the present noise impact on existing non-compatible uses.

Examples of such action would be: preferential runway systems, restrictions on airport use, sound-proofing, land purchase, flight procedures.

The Secretary has 180 days to approve or disapprove the program. The bill gives the Secretary three tests:

1. the program must provide for the continuation of safe flight operations;

2. the program measures must not create an undue burden on interstate and foreign commerce;

3. the program measures must be reasonably consistent with the goals: reducing and preventing non-compatible land uses.

The approval process is not intended in any way to limit an airport operator's proprietary rights. Approval or disapproval of the program affects only an airport operator's eligibility for the new grant program. Approval or disapproval does not constitute the Secretary's judgment that noise levels around a particular airport are acceptable or unacceptable.

Once a program is approved, both the airport sponsor and communities identified in the noise impact map are eligible to apply for grants to assist the implementation of the program. These grants will be totally discretionary. No priorities or limitations are given to the Secretary. The federal share is fixed at 80%. $150 million are authorized out of the Trust Fund for fiscal year 1979; $250 million are authorized for fiscal year 1980.

Now a brief discussion of Title II and its importance.

For fiscal year 1979, Title II increases the current authorized funding level for airport development grants by $260 million; for fiscal year 1980, the currently authorized level is raised by $310 million. This total increase will go into the discretionary fund. So, the smaller airports, which depend on discretionary money, will benefit greatly.

Title II also extends for two more years the 90 percent federal share for ADAP grants for all except large and medium-HUB airports. Without this provision, the federal share will drop to 80 percent beginning with fiscal year 1979.

The Ways and Means Committee has considered two aspects of the bill:

1. since Title I contains an authorization for Trust Fund expenditures for a new purpose, Ways and Means approval was required;

2. since Title III was based on the premise that temporary passenger and shipper tax charges must be made, Ways and Means action was required.

Two weeks ago, Ways and Means reported a bill, H.R. 11956 concerning both issues.

As to Title III, the Ways and Means Committee changes the Public Works and Transportation Committee's surcharge concept to an excise tax concept with credits being allowed for qualified expenditures for retrofit and replacement. These credits, however, will be made part of a carrier's income for tax purposes. This is a major difference between H.R. 8729 and the Ways and Means Committee's approach.

While the Ways and Means Committee action will take away some of the front end money for the carriers, on balance, the excise tax idea is workable and has Glenn's full support.

Now that Ways and Means has acted, the path is clear for the two Committees to ask the Rules Committee for a rule so that we can get the bills on the House Floor—hopefully, within the next 30 days.

I know that the real reason Glenn had hoped to be here himself today was that you are the important technical experts in the aviation industry. He wanted to be able to point out, especially to you, that this bill is a long way from being signed by the President. There will be some resistance to this bill and attempts to change it in Congress. We have already heard loud protests about a "rip-off of taxpayer's money." You who are here today, the experts in the field, have contacts in Washington. Some Congressmen and Senators are solidly with us; some just need a little "down home advice." We need your help in the next few days and weeks.

Thanks again for the opportunity to "pinch-hit" for Glenn and good luck in your symposium.●

HALLIE Q. BROWN COMMUNITY CENTER—A SAINT PAUL INSTITUTION

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

Mr. VENTO. Mr. Speaker, Saint Paul, Minn., is indeed fortunate to have a community center like Hallie Q. Brown. The center is named after a gentle, small black woman who attained international renown as an educator and lecturer on racial justice. Hallie Q. Brown was a heroine and role model to the young black lad who suggested her name in a winning essay when the center was opened.

But there is another Saint Paul woman, Alverta Coram, who has been even closer to the community center. Although the center does not bear her name, it certainly reflects her spirit and contributions.

Mrs. Coram, now almost 80 years old, was there when the center opened in 1929 and when Hallie Q. Brown, at the age of 90, came there to speak in 1947.

Mrs. Coram worked at the center her entire life. And her family is carrying on the tradition. Her daughter is president of the center's board of directors and her grandchildren are active participants in center projects.

Mrs. Coram's life story is really a story about the struggle and dedication that brought about the establishment of the Hallie Q. Brown Community Center and why it played such an important role for generations of Saint Paul citizens. This article from the Saint Paul Dispatch reflects that history and those memories:

AT 79 MRS. CORAM BELIEVES IN EQUAL RIGHTS FOR PEOPLE

(By Ann Baker)

Alberta Coram looks back on the Depression as one of the "most formative" times of her life.

"It was hard," she said. "But everybody had it hard. We were all poor together, and somehow life was more interesting, more challenging. My work at Hallie made me feel part of the community."

Mrs. Coram vividly remembers when Hallie Q. Brown Community Center opened in 1929. She was one of several persons hired to work there in 1934 under the WPA. Her job was to organize discussion forums and charm clubs and to teach parliamentary procedure and Negro history.

Her family is one of many where three generations claim "Hallie" as their second home.

Today Mrs. Coram is active with the center's Golden Agers, and she regularly attends hot lunches for seniors.

Her daughter Kathryn Gagon started at Hallie in nursery school, later learned dance, music, basketball there, went to camp every year from age 10 and worked on the staff for six years. Now she is president of the board.

Kathryn's three children are continuing the tradition, singing in Hallie's glee club and eagerly waiting for this summer's camps to start.

Mrs. Coram was born in New Richmond, Ohio, in 1899. Her earliest memories are of that town and Columbus, Ohio.

"You know that you've gone through so very much," she said the other day, reminiscing about her life.

"I go back to a time that was elemental, when we were brought here by midwives. I came from a family where the fireplace and the kitchen stove provided all the heat. We had a small dark kitchen. I can't imagine anyone able to cook in it, but my great-grandmother was a good cook, a good gardener. She did all the nice things I liked."

Her great-grandparents, Marshall and Rebecca Jones, had crossed the Ohio River from Kentucky, she thinks probably after the Civil War.

Her mother, Ella, and aunt, Becky, were the first two in the family to get an education, Mrs. Coram said. Her mother attended high school and Aunt Becky went to Wilberforce University, Xenia, Ohio. Becky's husband, Seymour Moore, was a chef on the Soo Line, and after the Moores moved to St. Paul, most of the others came to join them. Alverta was 7. Her father, John Phillips, died in 1912.

"The family just took it for granted I would go to college," she said. "It was a sharing business . . . I was very spoiled and without realizing how spoiled I was."

She attended McKinley School, Central High and the University of Minnesota. Her tuition was paid by her aunt and uncle. At times she was the only black woman on campus.

"You were alone," she said "There were few of us. Other people simply didn't pay any attention to you. You managed to get through it. If you had a sense of humor you'd get through it better. I didn't, till I met my husband. He was the type who would go into a grocery store and kid the girls. They liked that."

Alverta Phillips met Ulysses "Duke" Coram in his hometown of White Plains, N.Y., where she had a job first in a community center, then in a library after she was graduated from the university.

They married in 1920, and moved back to St. Paul. Alverta went back to the university for graduate school. Duke tried to get a job as a mechanic and instead was hired as a "night man" or janitor at Gibbons car dealer, back in the days of electric cars.

"When they organized the union, they wouldn't take him because he was black," Mrs. Coram said. "He had to put up the chairs for their meetings, but they wouldn't take him in."

Two decades later, in 1945, Duke overheard union members say they planned to enroll a Japanese man as an apprentice "He proceeded to blow up." Then he was enrolled as a mechanic, and a few years later became union steward.

In the meantime, he volunteered at Hallie as a Cub Scout master and assistant Boy Scout master, belonged to the men's club there, played golf and was on the board at Phalen Golf Course. In later years, he taught golf to seniors at Hallie. He died two years ago on May 31.

Mrs. Coram looks back to the 1930s as the time when her outlook began to reach beyond her personal life to the wider world. She became concerned about rights and justice.

"When I started reading Negro history, I began to understand what other people and my parents had gone through."

In 1943, Mrs. Coram got a job as interviewer at the state Employment Service, which was then considered marvelously lucky, "and now it would be seen as a very ordinary job." She stayed there 21 years and loved it.

Nineteen years ago, the Corams moved to a large contemporary home on five acres in Lakeville. Their home in the Rondo neighborhood of St. Paul was deteriorating, "and

at that time you could not move out of that area, because you were black."

They quickly made lasting friends with their new neighbors. Mrs. Coram moved back to St. Paul after her husband died. Last week she moved in with her daughter Kathryn. She loves to read—Readers Digest condensed books, National Geographic, the National Audubon magazine, Ebony.

One thing that upsets her these days is a trend to limit some freedoms.

"Equal rights should be a constitutional guarantee for all people," she said. "I don't believe in taking people's rights away. I'm too old to have any babies and I'm not gay, but I am for abortions and for gay rights. I believe everybody should have the same rights I would want, the right for an education, preparation for a job. . . ."

One thing that encourages her is the senior program at Hallie.

"There are more white than black there," she said. "People are learning to play cards together, laugh together and go on trips together. Crowds come in to play bingo, some people from as far as White Bear Avenue."

Learning to have fun with one another is crucial, she said, "if people are going to live together."

AEROSPACE RESCUE AND RECOVERY SQUADRON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, earlier this year, I received a letter from T. Dick Fleming, the administrator of the Wetzel Clinic in Clinton, Mo. His letter refers to the excellent work that was done by the 37th Aerospace Rescue and Recovery Squadron at Whiteman Air Force Base. I offer this letter for the RECORD at this time:

WETZEL CLINIC INC.,
Clinton, Mo., February 27, 1978.

IKE SKELTON,
House of Representatives, Washington, D.C.

DEAR IKE: I would like to call your attention to the excellent support given to our Physicians' and a specific family in the Golden Valley area by the 9th Detachment, 37th Aerospace Rescue and Recovery Squadron, Whiteman Air Force Base.

On Monday, February 13, 1978, Nicholas Hampton, age-four (4) months, became severely ill with a serious respiratory infection. On that particular day we experienced a snow storm which virtually halted all traffic, even that traffic that was moving was terribly slow. The 37th was called upon to move the child as quickly as possible from Golden Valley Memorial Hospital to the University of Missouri Pediatric Care Unit in Columbia. Through the heroic efforts of Major Boortz and Captain Campbell, a helicopter was dispersed to the Hospital from Whiteman and delivered the child to Columbia with three (3) Physicians in the chopper attending the child while in flight.

This is the type of thing I have envisioned in earlier correspondence with you. Although we have not been able to establish any continuing type of relationship it is good to know that in a situation of unusual circumstances these facilities are made available to us.

I'm sure it would be of interest to you to know that the child is alive and well due to these efforts.

Respectfully,

T. DICK FLEMING.●

A TRIBUTE TO COL. DUKE E. JONES

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. ZABLOCKI. Mr. Speaker, I was saddened to learn of the recent death of the distinguished Col. Duke E. Jones of the U.S. Army, who served our country diligently and honorably for some 37 years and fought to defend this Nation and its allies in three wars overseas. I was privileged to know him personally and observe his service to our country since Colonel Jones was a member for many years of a committee to review candidates for appointment to the service academies. While I have already expressed my sympathy and condolences to his widow and family, I would like to pay tribute publicly to Colonel Jones' long career in the military and to his numerous contributions to the land he served so well.

As reported in a recent article in the Milwaukee Sentinel, retired Col. Wilbur Moore speculated that after World War I, "He [Colonel Jones] could have had any assignment he wanted. When he came back from France. . . he had row after row of medals on his chest."

Under leave granted, I insert the Milwaukee Sentinel article under the byline of Mike Plemmons which highlights some of Col. Duke Jones' career and service to his country and fellow man.

TAPS TO BE SOUNDED FOR SOLDIER'S SOLDIER DUKE E. JONES

(By Mike Plemmons)

This is the biography of a professional soldier who fought three wars for America and never gave it a second thought.

The man had "row after row of medals on his chest" and came up through the ranks from buck private to full bird colonel, retiring two decades ago after 37 years in uniform.

But that first Silver Star he won on a patrol action in the Argonne forest never turned his head.

"There's a saying in the military, one of the highest compliments: 'He wore the iron (of an officer's bars) lightly,'" a longtime friend said Sunday.

"Every day in the service was like Sunday on the farm," he once told a friend.

A pulp fiction writer could not have created a better name for him: Duke E. Jones.

Duke Jones got shot at in France, won a slew of medals and became a platoon sergeant by war's end. He was a provost marshal (chief of military police) in the South Pacific, and ran a Korean prison for captured Chinese soldiers. He was 81 when he died last week.

Since his retirement in 1954, Jones had lived in Milwaukee and immersed himself in a second military career, putting together veterans' groups.

An assiduous organizer, he had been highly prized as a logistics officer and administrator.

"He could have had any assignment he wanted," said retired Col. Wilbur Moore. "When he came back from France after the first war, he had row after row of medals on his chest."

"He's left piles and piles of papers and records and citations," said his daughter, Jeanne M. Jones.

But none of the numerous persons interviewed Sunday knew what act of bravery won Duke the Silver Star with oak leaf cluster.

"Duke would never talk about that kind of thing. He'd say, 'These (medals) are just bottle caps,'" said Howard Manske, a retired captain who knew Jones as a sergeant instructor between the two world wars.

Manske explained that it was good form in the "old military" not to discuss or inquire about medals for heroism.

But Jones got practically every medal available: the Legion of Merit, two Silver Stars, twelve Bronze Stars, Presidential Testimonial, Crossed Muskets, French Fouragere Green and Red with 1–16.

"I doubt if there's anyone in Wisconsin connected with the military in any way who never heard of Duke Jones," Manske said. "He was intensely liked."

Jones was a life member of the Reserve Officers Association, American Legion, World War I Last Man's Club, and WWI and WWII Retreads.

Funeral services will be at 10 a.m. Monday at the Veteran Chapel at Wood. Burial will be in Wood National Cemetery.

He is survived by his wife, Elsie; two daughters, Jeanne M. Jones of Milwaukee and Roberta A. Grams of Green Lake; a son, Duke R. Jones Jr. of Kodiak, Alaska; three brothers, John T. of Olustee, Okla.; Clifford C. of Trona, Calif., and Cecil E. of Whittier, Calif.; and a sister, Ruth Griffin of Olustee, Okla.●

SHEILA ANN SMITH

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. MURPHY of Pennsylvania. Mr. Speaker, as a cosponsor of Federal legislation which strives to exert all efforts to locate the 1984 summer olympic games in the United States, I commend those many young Americans who are training now to hopefully represent this country in the 1984 Olympic Games. One such dedicated young woman in my congressional district is Sheila Ann Smith from Upper St. Clair, Pa. Sheila is graduating from high school with honors this year, is a member of the National Honor Society, and has been offered a complete gymnastics scholarship to Southwestern Missouri State in Springfield, Mo.

With such prestigious credentials, Sheila has been selected by her local school and township officials to teach gymnastics to other young Americans during the Upper St. Clair summer recreation program. Her leadership abilities, academic excellence, and athletic talents are those precious qualities which when combined with dedication and ambition create gold medal olympians inherent to our American tradition. Sheila's parents, Mr. and Mrs. Peter J. Smith, Jr. can certainly be proud of their daughter's accomplishments as well as look forward to her bright and promising future.

Mr. Speaker, as a Nation we do little for our young olympic competitors therefore I believe that all of our potential American olympians should receive Congressional recognition for their accomplishments. Sheila Ann Smith is one of the top women gymnasts in the Nation having placed first in the 1976 USGS.

Therefore, I am happy to inform my colleagues in Congress of her background, and I hope that her example will inspire other young Americans who may be this country's future olympians.●

SEARCH FOR AMERICANS DEEMED MISSING IN THE U.S.S.R. CONTINUES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. McDONALD. Mr. Speaker, many times on these pages I have brought to the attention of the Congress the possibility that there are still Americans being held in the U.S.S.R. connected with many incidents since World War II. One person who has been carried on a one-man crusade in this respect is Mr. Ted Greevers of Grand Rapids, Mich., a private detective. Mr. Greevers feels that at last he has located the so-called "secret" forced labor camp where foreigners are held in the U.S.S.R. Stories concerning this camp have been alleged for years. He has learned of this camp via a Romanian national who through the freakish circumstances of a flood was able to escape and eventually return to his home village. In order to make contact with this man, Mr. Greevers is seeking the assistance of President Ceausescu of Romania to talk with this man in the name of humanity. Mr. Greevers' letter to President Ceausescu, copies to Mr. Brezhnev and President Carter, follows and I wish him well in his quest to settle this matter:

THE FATMAN, INTERNATIONAL
PRIVATE DETECTIVE SERVICE,
Grand Rapids, Mich., June 12, 1978.

President NICOLAE CEAUSESCU,
Central Committee Romanian Communist Party, Bucharest, Romania, Europe.

DEAR PRESIDENT CEAUSESCU: I am writing to you, President Ceausescu, after nearly three years of exhaustive private investigation and considerable financial sacrifice and many days and hours of time away from my family and profession.

This letter is about a Romanian National by the name of Georghe Risoiu, who was forced to fight with the German occupation army in World War II and was captured along with many of his Romanian countrymen in the Soviet Union.

He was presumed dead by his family and loved ones, not having been heard from for well over thirty years, but, HE WAS NOT DEAD, and with five of his countrymen he escaped from a special Soviet prison camp in the far eastern reaches of Russia, a result of the confusion of a flash flood that occurred at this prison camp in January of 1975. A most incredible journey resulted during which one of the escapees died.

Allowing their hair to grow and travelling by night they lived off the land. Through a miracle, they were able to avoid detainment and apprehension until Georghe Risoiu returned to the village of Pitesti in his homeland of Romania, an unbelievable six months later in June of 1975, after a journey of over 4,500 miles.

Avraham Shifrin, a former Soviet prisoner himself, for 14 years, who now resides in Israel, who is without doubt the world's foremost authority, outside the U.S.S.R., on the Soviet Prison Camp System, in his testimony before the ninety third United States Congress on February 1, 1973, gave the following description of a Special Russian Camp as follows:

Senator GURNEY. "How long is this railroad?"

Mr. SHIFRIN. "Sixty kilometers to Barashevo. From Potma to Barashevo, it is a very little district to concentration camps. I was there and I can show you this."

Senator GURNEY. "How many concentration camps are on this railroad line?"

Mr. SHIFRIN. "I do not know, because you see, maybe here I was in 10 or 15. But they have another here and also, I explained when we spoke before testimony that here we have in the side, in the wild forest, we have one place which no one except KGB in the U.S.S.R. can tell anything. We know that there is a big concentration camp with the name Sarovo. In this concentration camp, they have not only fences and earth and guards and so on, they have a special highway around this concentration camp, with more secret police which see that no one would come into this district. Because they have this concentration camp so secret that no one knows what it is in there. They bring cars with the prisoners only in the night and a special guard takes them from Baroshevo to this site."

When Georghe knocked on the front door of his home, a human tragedy unfolded that is generally known only in opera, theater or literature. By this time his hair was very long and his clothing extremely tattered, and after identifying the woman who answered the door by her first name, he told her that she was his wife. Of course, she denied it, so he then told her the names of their children and the church where they were married and the woman still denied it, claiming her husband had been forced to fight with the German Army and had died during World War II on the Russian front and had never been heard from again. He then told her the date of their marriage, her parent's names and the dates of birth of their children. She finally gasped, realizing that this was in fact her husband, even though she had remarried, believing her first husband to have perished.

I learned of this tragedy a short time after the return of Mr. Risoiu and understand he was cautioned by Romanian government officials not to speak to anyone of his prison experiences and in turn was given a government pension and a home in the city of Curtea de Arges. Mr. Risoiu, who was again re-united with his wife and family has since this time been moved to "the other side of the mountain".

My purpose in writing to you today, President Ceausescu, is one that concerns the deepest of all humanitarian endeavors, and that is that we have knowledge of the fact the secret prison camp that Mr. Risoiu and his fellow countrymen escaped from holds many foreign nationals, mostly German army officers from World War II, but also citizens from the Netherlands, Belgium, France, Spain, England, Italy, and Yugoslavia, also Austrians, Japanese and of course additional Romanians, but what concerns me most is this camp holds AMERICANS.

President Ceausescu, Mr. Georghe Risoiu and his fellow escapees, I am informed, have an extensive list of names available identifying and describing those persons being held in this camp.

Mr. John H. Noble, an American citizen, who was imprisoned in the Soviet Union for nearly 10 years before his release in 1955, reported speaking with other prisoners within the Soviet Gulag Archipelago of American GI's who were captured in the Korean War being moved about in the transit camps of the Soviet Penal System.

I have reason to believe this special prison camp houses American prisoners from the Korean War and World War II and American military personnel from isolated incidences of U.S. Patrol Planes shot down by the Soviets during the Cold War.

In all sincerity I ask I be allowed to interview the remaining Soviet escapees, who are now living in your country, prior to having them testify without delay before an appropriate U.S. Congressional Committee so the remaining Americans now illegally imprisoned in the Soviet Union and all other foreign nationals held there can immediately be brought home to their families and loved ones.

This request is so vitally urgent to our honor and many American families who have suffered an agonizing loss, far worse than the finality of death, but never really gave up hope their son, father or husband could still be alive. The identification of the brave Americans and others who suffer cannot be delayed, I am sure you will agree, for even one additional hour.

In the spirit of truth and honor and everything that has made our country great, I sincerely ask for your immediate personal intervention and assistance for those who survive everyday only by unquestionable faith, hope and prayers.

Sincerely,

THEO. R. GREEVERS.●

VETERANS GET SHORTCHANGED

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. RAHALL. Mr. Speaker, presently a terribly unfair law lets the Federal Government reach its hands into the veterans' pocket and take back some of the pension benefits they have earned.

Every time social security benefits increase, the Government gets to cut back on the veterans' benefits. As far as I am concerned, this is giving with one hand and taking away with the other, while the cost of living is skyrocketing.

Many veterans all over this great Nation have only a few means of support. In many cases it is their social security and veterans' benefits, and any decrease in either, in these inflationary times, results in great hardship.

As a cosponsor of similar legislation that has been incorporated into H.R. 10173, I urge my colleagues to support this measure, which is a major reform in legislation concerning those who fought so that we may remain free.

Two other measures of great concern to veterans are, H.R. 11886, a bill that increases disability compensation for spouses and dependents; and H.R. 11888, a bill that will provide additional monthly benefits to veterans with substantial disability.

Mr. Speaker, I believe we owe it to the men and women who gave a great deal of themselves to this Nation through our military.

I urge the support of my colleagues for this package of major veteran reform legislation.●

SOLZHENITSYN AT HARVARD

HON. ROBERT K. DORNAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. DORNAN. Mr. Speaker, once in a rare century a man will stand forth, and through the raw power of his moral and intellectual being, he will inspire the world. A prophet, he may take it upon himself to rise up from the depths of humble or adverse circumstances and defy the various kingdoms of this world.

In the case of Alexander Solzhenitsyn, we have been privileged to witness something that will inspire free men as long as they are free to read, and write, and remember. This solitary figure, widely acclaimed as the world's greatest single, living writer, courageously stood forth and defied the massive power of the world's most formidable totalitarian state.

The Soviet Leviathan had swallowed thousands of young scholars, writers, and artists in its spasmodic blood lusts. It had ground many into dehumanized, babbling automatons, confessing to crimes they had never committed, betraying their innermost ideals after the most frightful tortures, beatings, and threats to themselves and their loved ones. But Solzhenitsyn was indigestible. His power of thought and expression, his absolute, almost inhuman, defiance, and his world renown as a literary artist were simply too much for Leviathan. For the first time the Kremlin, the absolute master of the Soviet state, found itself helpless before the moral force of a single human being. Options were closed. Leviathan could not cower him, it could not resentence him, and it could not kill him. And so, like Jonah's whale, it spit him out.

For Solzhenitsyn, exile was the worst of punishments. He was cut off from his native land, and the people he loves so deeply, the men and women who embody the deep spiritual sentiments that, in spite of Communist materialism, will forever characterize the Russian people.

The solitary courage of this one man had broader significance beyond his own personal challenge to the Kremlin. Solzhenitsyn graphically demonstrated the truth of his own faith. Through it all, the threats, the foreboding power of Leviathan, the vicious capabilities of the Stalinist survivors and collaborators who rule Red Russia, we were witnessing the exercise of free will and the power of the spirit of a man. The failure to grasp this elementary fact is a failure to comprehend the mighty significance of that entire episode. Solzhenitsyn was a living, breathing refutation of the Communist doctrine of social and economic determinism. He was, rather, living proof of the Christian doctrine of free will. He was a pure product of Soviet society. He had known nothing else. He was raised in the Soviet state, according to the ideological canons of Soviet education. As a young man he was indoctrinated into the belief that communism embodied all truth. He served faithfully in the armed forces of the Soviet state. And yet his mind reached into other dimensions under pain and suffering to be sure. Like his countrymen, he had known pain and suffering intimately. He emerged reborn.

His speech at Harvard severely hurt a number of us. By a man who has displayed such bravery, we do not like being called cowardly. By a man who has made excellence a standard of life, we do not like being termed weak and mediocre. By a man who has displayed such amazing spiritual strength, we do not like being called materialistic. That Mr. Solzhenitsyn should have given his address at Harvard is yet even more significant; for he blames the intellectual community of the West for our many problems, most particularly, problems of the spirit. He recognizes, as so few of our political leaders do, that our malaise is metaphysical and religious.

Mr. Speaker, none of this should have surprised us. Did we ever expect a man who had defied the KGB to draw back from offending the liberal sensibilities of the Harvard faculty or their rich and comfortable students? Can we face him, with our high crime rates, our indecisive international policies, our burgeoning abortion rates, our premarital sexual license and divorce rates, and say to him, without turning beet red, Mr. Solzhenitsyn you are wrong. We are not materialistic? We are a strong religious people? We are self-restrained? We always strive for excellence at work, as businessmen, as laborers, as Government officials, as educators, and as clergymen? Can we stand before the world and say that we have not allowed ourselves to slip; that we have held firm to our traditions; that we have no need of a national examination of conscience?

Mr. Speaker, I do not think that anyone in this House can totally agree with Alexander Solzhenitsyn. We cannot be expected to totally agree with any man. And I would imagine that Mr. Solzhenitsyn himself would consider a slavish parroting of his own observations to be nothing more than intellectual weakness, the absence of independent thought, indeed, as the very kind of weakness that he abhors. But whatever criticisms we have of him, let them be of a caliber befitting him and ourselves. I was disturbed to hear Mr. Archibald MacLeish use the phrase "foreigner" in his recent dispute with Mr. Solzhenitsyn's Harvard speech. I took note of the fact that some liberal Members of this House previously referred to him pejoratively as "that Russian." To dismiss or downgrade the substance of the great Russian author's observations because he is a "foreigner" is a form of intellectual self-abuse. We dishonor our own critical powers of thought in resorting to such a counterattack.

Mr. Speaker, the truth is that some of the greatest critics, and indeed the friendliest critics of the United States, have been great men of different nations. For all of their deep and strong patriotism, the Founding Fathers of this Republic openly avowed inspiration across time and space: The wisdom of classical Greece, Cicero, and the Roman lawyers, the work of the English jurists, Blackstone and Coke. Political theorists such as John Locke, who inspired Thomas Jefferson, and James Harrington, who influenced John Adams enriched our tradition. We learned the wisdom of the separation of powers from the French scholar, Charles de Montesquieu.

Mr. Speaker, some of our most constructive critics were men of foreign nationality. The French essayist, Alexis de Tocqueville's "Democracy in America," stands even today as one of the most powerful and penetrating accounts of American life and culture. The workings of American Government have rarely been described in more impressive fashion than in "The American Commonwealth" by the English scholar, Lord Bryce. We are a cosmopolitan people, because our very roots are cosmopolitan. Our people have come to these shores from many nations, with the hope of living the good life of the Republic. It was not without reason that the Father of our Country, President Washington, wrote:

> Our cause is noble. It is the cause of mankind. And the danger to it is to be apprehended from ourselves.

Mr. Speaker, Mr. Solzhenitsyn is only telling us that, in our current condition, we are what President Washington feared—a danger to ourselves. Those who are shocked by his remarks, really have no right to be shocked. He has not told us anything we have not heard before from our best critics.

Consider the sensationalism of our press. There is no greater benefit to a free society, than a free and open press. But we often fail to realize that rights bear responsibilities, most especially a sense of self-restraint and prudence. But in 1840, the great French essayist, De Tocqueville, remarked:

> The characteristics of the American journalist consist in an open and course appeal to the passions of the populace; and he habitually abandons the principles of political science to assail the characters of individuals, to track them into private life, and disclose all their weaknesses and errors.

And so James Fenimore Cooper, one of our greatest American writers, warned:

> The press is equally capable of being made the instrument of elevating man to the highest point of which his faculties admit, or of depressing him to the lowest.

And yet the Washington Post of June 11, pompously declares that Solzhenitsyn betrays "a gross misunderstanding of Western society * * *"

Mr. Speaker, maybe the writers at the Post are hurt, because they realize that Mr. Solzhenitsyn speaks of ills which they suspect their own vision of society would perpetuate. If he is right, they are severely wrong. They claim that Mr. Solzhenitsyn speaks for "boundless cold war" in our dealings with the Kremlin. But for what does the Kremlin leadership speak, when year after year, they declare their intentions to destroy the West; when they declare "peaceful coexistence" to be only another form of the class struggle; when they continue an unprecedented military buildup far be-

yond their legitimate need for self-defense?

Mr. Speaker, the Book of Proverbs tells us.

Faithful are the wounds of a friend, but the kisses of an enemy are deceitful.

Let us heed the man's words. It is an honor for me to insert this speech into the CONGRESSIONAL RECORD:

SOLZHENITSYN'S INDICTMENT: "THE WEST HAS LOST ITS COURAGE"

(By Alexander Solzhenitsyn)

A loss of courage may be the most striking feature which an outside observer notices in the West in our days. The western world has lost its civil courage, both as a whole and separately, in each country, each government, each political party and of course in the United Nations.

Such a decline in courage is particularly noticeable among the ruling groups and the intellectual elite, causing an impression of loss of courage by the entire society. Of course there are many courageous individuals but they have no determining influence on public life. Political and intellectual bureaucrats show depression, passivity and perplexity in their actions and in their statements and even more so in theoretical reflections to explain how realistic, reasonable as well as intellectually and even morally warranted it is to base state policies on weakness and cowardice.

And decline in courage is ironically emphasized by occasional explosions of anger and inflexibility on the part of the same bureaucrats when dealing with weak governments and weak countries, not supported by anyone, or with currents which cannot offer any resistance. But they get tongue-tied and paralyzed when they deal with powerful governments and threatening forces, with aggressors and international terrorists.

Should one point out that from ancient times decline in courage has been considered the beginning of the end?

When the modern western states were created, the following principle was proclaimed: governments are meant to serve man, and man lives to be free and to pursue happiness. (See, for example, the American Declaration of Independence).

Now at last during past decades technical and social progress has permitted the realization of such aspirations: the welfare state. Every citizen has been granted the desired freedom and material goods in such quantity and of such quality as to guarantee in theory the achievement of happiness, in the morally inferior sense which has come into being during those same decades.

In the process, however, one psychological detail has been overlooked: The constant desire to have still more things and a still better life and the struggle to obtain them imprints many western faces with worry and even depression, though it is customary to conceal such feelings. Active and tense competition permeates all human thoughts without opening a way to free spiritual development.

The individual's independence from many types of state pressure has been guaranteed; the majority of people have been granted well-being to an extent their fathers and grandfathers could not even dream about; it has become possible to raise young people according to these ideals, leading them to physical splendor, happiness, possession of material goods, money and leisure, to an almost unlimited freedom of enjoyment. So who should now renounce all this, why and for what should one risk one's precious life in defense of common values, and particularly in such nebulous cases when the security of one's nation must be defended in a distant country?

Even biology knows that habitual extreme safety and well-being are not advantageous for a living organism. Today, well-being in the life of western society has begun to reveal its pernicious mask.

Western society has given itself the organization best suited to its purposes, based, I would say, on the letter of the law. The limits of human rights and righteousness are determined by a system of laws; such limits are very broad.

People in the West have acquired considerable skill in using, interpreting and manipulating law, even though laws tend to be too complicated for an average person to understand without the help of an expert. Any conflict is solved according to the letter of the law and this is considered to be the supreme solution. If one is right from a legal point of view, nothing more is required, nobody may mention that one could still not be entirely right, and urge self-restraint, a willingness to renounce such legal rights, sacrifice and selfless risk: it would sound simply absurd.

One almost never sees voluntary self-restraint. Everybody operates at the extreme limit of those legal frames. An oil company is legally blameless when it purchases an invention of a new type of energy in order to prevent its use. A food product manufacturer is legally blameless when he poisons his produce to make it last longer: after all, people are free not to buy it.

I have spent all my life under a communist regime and I will tell you that a society without any objective legal scale is a terrible one indeed. But a society with no other scale but the legal one is not quite worthy of man either. A society which is based on the letter of the law and never reaches any higher is taking very scarce advantage of the high level of human possibilities. The letter of the law is too cold and formal to have a beneficial influence on society. Whenever the tissue of life is woven of legalistic relations, there is an atmosphere of moral mediocrity, paralyzing man's noblest impulses.

And it will be simply impossible to stand through the trials of this threatening century with only the support of a legalistic structure.

In today's western society, the inequality has been revealed of freedom for good deeds and freedom for evil deeds. A statesman who wants to achieve something important and highly constructive for his country has to move cautiously and even timidly; there are thousands of hasty and irresponsible critics around him, parliament and the press keep rebuffing him. As he moves ahead, he has to prove that each single step of his is well-founded and absolutely flawless. Actually an outstanding and particularly gifted person who has unusual and unexpected initiatives in mind hardly gets a chance to assert himself; from the very beginning, dozens of traps will be set out for him. Thus mediocrity triumphs with the excuse of restrictions imposed by democracy.

It is feasible and easy everywhere to undermine administrative power and, in fact, it has been drastically weakened in all western countries. The defense of individual rights has reached such extremes as to make society as a whole defenseless against certain individuals. It is time, in the West, to defend not so much human rights as human obligation.

In spite of the abundance of information, or maybe because of it, the West has difficulties in understanding reality such as it is. There have been naive predictions by some American experts who believed that Angola would become the Soviet Union's Vietnam or that Cuban expeditions in Africa would best be stopped by special U.S. courtesy to Cuba.

Kennan's advice to his own country—to begin unilateral disarmament—belongs to the same category. If you only knew how the youngest of the Moscow Old Square officials laugh at your political wizards!

As to Fidel Castro, he frankly scorns the United States, sending his troops to distant adventures from his country right next to yours.

However, the most cruel mistake occurred with the failure to understand the Vietnam War. Some people sincerely wanted all wars to stop just as soon as possible; others believed that there should be room for national, or communist, self-determination in Vietnam, or in Cambodia, as we see today with particular clarity.

But members of the U.S. antiwar movement wound up being involved in the betrayal of Far Eastern nations, in a genocide and in the suffering today imposed on 30 million people there. Do those convinced pacifists hear the moans coming from there? Do they understand their responsibility today? Or do they prefer not to hear?

The American intelligentsia lost its nerve, and as a consequence thereof danger has come much closer to the United States. But there is no awareness of this.

Your shortsighted politicians who signed the hasty Vietnam capitulation seemingly gave America a carefree breathing pause; however, a hundredfold Vietnam now looms over you.

That small Vietnam had been a warning and an occasion to mobilize the nation's courage. But if a full-fledged America suffered a real defeat from a small communist half-country, how can the West hope to stand firm in the future?

I have had occasion already to say that in the 20th century western democracy has not won any major war without help and protection from a powerful continental ally whose philosophy and ideology it did not question.

In World War II against Hitler, instead of winning that war with its own forces, which would certainly have been sufficient, Western democracy grew and cultivated another enemy who would prove worse and more powerful yet, as Hitler never had so many resources and so many people, nor did he offer any attractive ideas, or have such a large number of supporters in the West—a potential fifth column—as the Soviet Union.

At present, some western voices already have spoken of obtaining protection from a third power against aggression in the next world conflict, if there is one; in this case the shield would be China. But I would not wish such an outcome to any country in the world.

First of all, it is again a doomed alliance with evil; also, it would grant the United States a respite, but when at a later date China with its billion people would turn around armed with America weapons, America itself would fall prey to a genocide similar to the one perpetrated in Cambodia in our days.

And yet—no weapons, no matter how powerful, can help the West until it overcomes its loss of willpower. In a state of psychological weakness, weapons become a burden for the capitulating side. To defend oneself, one must also be ready to die; there is little such readiness in a society raised in the cult of material well-being.

Nothing is left, then, but concessions, attempts to gain time and betrayal. Thus at the shameful Belgrade Conference free western diplomats in their weakness surrendered the line where enslaved members of Helsinki watchgroups are sacrificing their lives.

Western thinking has become conservative; the world situation should stay as it is at any cost, there should be no changes. This debilitating dream of a status quo is the symptom of a society which has come to the end of its development.

But one must be blind in order not to see that oceans no longer belong to the West, while land under its domination keeps shrinking. The two so-called world wars—they were by far not on a world scale, not yet—have meant internal self-destruction of

the small progressive West which has thus prepared its own end. The next war—which does not have to be an atomic one and I do not believe it will—may well bury western civilization forever.

Facing such a danger, with such historical values in your past, at such a high level of realization of freedom and apparently of devotion to freedom, how is it possible to lose to such an extent the will to defend oneself?

How has this unfavorable relation of forces come about? How did the West decline from its triumphal march to its present sickness? Have there been fatal turns and losses of direction in its development?

Destructive and irresponsible freedom has been granted boundless space. Society appears to have little defense against the abyss of human decadence, such as, for example, misuse of liberty for moral violence against young people, motion pictures full of pornography, crime and horror. It is considered to be part of freedom and theoretically counterbalanced by the young people's right not to look or not to accept. Life organized legalistically has thus shown its inability to defend itself against the corrosion of evil.

And what shall we say about the dark realm of criminality as such? Legal frames (especially in the United States) are broad enough to encourage not only individual freedom but also certain individual crimes. The culprit can go unpunished or obtain undeserved leniency with the support of thousands of public defenders. When a government starts an earnest fight against terrorism, public opinion immediately accuses it of violating the terrorists' civil rights. There are many such cases.

Such a tilt of freedom in the direction of evil has come about gradually but it was evidently born primarily out of a humanistic and benevolent concept according to which there is no evil inherent to human nature; the world belongs to mankind and all the defects of life are caused by wrong social systems which must be corrected. Strangely enough, though the best social conditions have been achieved in the West, there still is criminality and there even is considerably more of it than in the pauper and lawless Soviet society. (There is a huge number of prisoners in our camps who are termed criminals, but most of them never committed any crime; they merely tried to defend themselves against a lawless state resorting to means outside of a legal framework.)

The press too, of course, enjoys the widest freedom. (I shall be using the word press to include all media). But what sort of use does it make of this freedom?

Here again, the main concern is not to infringe the letter of the law. There is no moral responsibility for deformation or disproportion.

What sort of responsibility does a journalist have to his readers, or to history?

If they have misled public opinion or the government by inaccurate information or wrong conclusions, do we know of any cases of public recognition and rectification of such mistakes by the same journalist or the same newspaper?

No, it does not happen, because it would damage sales. A nation may be the victim of such a mistake, but the journalist always gets away with it. One may safely assume that he will start writing the opposite with renewed self-assurance.

Because instant and credible information has to be given, it becomes necessary to resort to guesswork, rumors and suppositions to fill in the voids, and none of them will ever be rectified, they will stay on in the readers' memory.

How many hasty, immature, superficial and misleading judgments are expressed every day, confusing readers, without any verification? The press can both simulate public opinion and miseducate it.

Thus we may see terrorists heroized, or secret matters, pertaining to one's nation's defense, publicly revealed, or we may witness shameless intrusion on the privacy of well-known people under the slogan: "Everyone is entitled to know everything."

But should someone ask me whether I would indicate the West such as it is today as a model to my country, frankly I would have to answer negatively. No, I could not recommend your society in its present state as an ideal for the transformation of ours.

Through intense suffering our country has now achieved a spiritual development of such intensity that the western system in its present state of spiritual exhaustion does not look attractive. Even those characteristics of your life which I have just mentioned are extremely saddening.

A fact which cannot be disputed is the weakening of human beings in the West while in the East they are becoming firmer and stronger. Six decades for our people and three decades for the people of Eastern Europe; during that time we have been through a spiritual training far in advance of western experience. Life's complexity and mortal weight have produced stronger, deeper and more interesting characters than those generated by standardized western well-being.

Therefore, if our society were to be transformed into yours, it would mean an improvement in certain aspects, but also a change for the worse on some particularly significant scores.

It is true, no doubt, that a society cannot remain in an abyss of lawlessness, as is the case in our country. But it is also demeaning for it to elect such mechanical legalistic smoothness as you have.

After the suffering of decades of violence and oppression, the human soul longs for things higher, warmer and purer than those offered by today's mass living habits, introduced by the revolting invasion of publicity, by TV stupor and by intolerable music.

All this is visible to observers from all the worlds of our planet. The western way of life is less and less likely to become the leading model.

There are meaningful warnings which history gives a threatened or perishing society. Such are, for instance, the decadence or art, or a lack of great statesmen.

There are open and evident warnings, too. The center of your democracy and of your culture is left without electric power for a few hours only, and all of a sudden crowds of American citizens start looting and creating havoc.

The smooth surface film must be very thin, then, the social system quite unstable and unhealthy.

But the fight for our planet, physical and spiritual, a fight of cosmic proportions, is not a vague matter of the future; it has already started.

The forces of evil have begun their decisive offensive, you can feel their pressure, and yet your screens and publications are full of prescribed smiles and raised glasses. What is the joy about?

Very well-known representatives of your society, such as George Kennan, say: We cannot apply moral criteria to politics. Thus we mix good and evil, right and wrong and make space for the absolute triumph of absolute evil in the world.

On the contrary, only moral criteria can help the West against communism's well-planned world strategy. There are no other criteria. Practical or occasional considerations of any kind will inevitably be swept away by strategy. After a certain level of the problem has been reached, legalistic thinking induces paralysis, it prevents one from seeing the size and meaning of events.

But this is a false slogan, characteristic of a false era: people also have the right not to know, and it is a much more valuable one. The right not to have their divine souls stuffed with gossip, nonsense, vain talk. A person who works and leads a meaningful life does not need this excessive, burdening flow of information.

Hastiness and superficiality are the psychic disease of the 20th century and more than anywhere else this disease is reflected in the press. In-depth analysis of a problem is anathema to the press. It stops at sensational formulas.

Such as it is, however, the press has become the greatest power within the western countries, more powerful than the legislature, the executive and the judiciary. One would then like to ask: By what law has it been elected and to whom is it responsible?

In the communist East, a journalist is frankly appointed as a state official. But who has granted western journalists their power, for how long a time and with what prerogatives?

There is yet another surprise for someone coming from the East where the press is rigorously unified: one gradually discovers a common trend of preferences within the western press as a whole. It is a fashion; there are generally accepted patterns of judgment and there may be common corporate interests, the sum effect being not competition but unification.

Enormous freedom exists for the press, but not for the readership, because newspapers mostly give enough stress and emphasis to those opinions which do not too openly contradict their own and the general trend.

Without any censorship, in the West fashionable trends of thought and ideas are carefully separated from those which are not fashionable; nothing is forbidden, but what is not fashionable will hardly ever find its way into periodicals or books or be heard in colleges.

Legally your researchers are free, but they are conditioned by the fashion of the day. There is no open violence such as in the East; however, a selection dictated by fashion and the need to match mass standards frequently prevent independent-minded people from giving their contribution to public life. There is a dangerous tendency to form a herd, shutting off successful development.

This gives birth to strong mass prejudices, to blindness, which is most dangerous in our dynamic era. There is, for instance, a self-deluding interpretation of the contemporary world situation. It works as a sort of a petrified armor around people's minds.

Human voices from 17 countries of Eastern Europe and Eastern Asia cannot pierce it. It will only be broken by the pitiless crowbar of events.

It is almost universally recognized that the West shows all the world a way to successful economic development, even though in the past years it has been strongly disturbed by chaotic inflation.

However, many people living in the West are dissatisfied with their own society. They despise it or accuse it of not being up to the level of maturity attained by mankind. A number of such critics turn to socialism, which is a false and dangerous current.

I hope that no one present will suspect me of offering my personal criticism of the western system to present socialism as an alternative. Having experienced applied socialism in a country where the alternative has been realized, I certainly will not speak for it.

It does not seem so. The West kept advancing socially in accordance with its proclaimed intentions, with the help of brilliant technological progress. And all of a sudden it found itself in its present state of weakness. This means that the mistake must be

at the root, at the very basis of human thinking in the past centuries.

I refer to the prevailing western view of the world which was first born during the Renaissance and found its political expression from the period of the Enlightenment. It became the basis for government and social science and could be defined as rationalistic humanism or humanistic autonomy the proclaimed and enforced autonomy of man from any higher force above him. It could also be called anthropocentricity, with man seen as the center of everything that exists.

The turn introduced by the Renaissance evidently was inevitable historically. The Middle Ages had come to a natural end by exhaustion, becoming an intolerable despotic reprehension of man's physical nature in favor of the spiritual one.

Then, however, we turned our backs upon the Spirit and embraced all that is material with excessive and unwarranted zeal. This new way of thinking, which had imposed on us its guidance, did not admit the existence of intrinsic evil in man nor did it see any higher task than the attainment of happiness on earth.

It based modern western civilization on the dangerous trend to worship man and his material needs. Everything beyond physical well-being and accumulation of material goods, all other human requirements and characteristics a subtler and higher nature, were left outside the area of attention of state and social systems, as if human life did not have any superior sense.

That provided access for evil, of which in our days there is a free and constant flow. Merely freedom does not in the least solve all the problems of human life and it even adds a number of new ones.

However, in early democracies, as in American democracy at the time of its birth, all individual human rights were granted because man is God's creature. That is, freedom was given to the individual conditionally, in the assumption of his constant religious responsibility.

Such was the heritage of the preceding thousand years. Two hundred or even 50 years ago, it would have seemed quite impossible, in America, that an individual could be granted boundless freedom simply for the satisfaction of his instincts or whims.

Subsequently, however, all such limitations were discarded everywhere in the West; a total liberation occurred from the moral heritage of Christian centuries with the great reserves of mercy and sacrifice.

As humanism in its development became more and more materialistic, it made itself increasingly accessible to speculation and manipulation at first by socialism and then by communism. So that Karl Marx was able to say in 1844 that "communism is naturalized humanism."

This statement turned out to be not entirely senseless. One does see the same stones in the foundations of a despiritualized humanism and of any type of socialism: endless materialism; freedom from religion and religious responsibility, which under communist regimes reach the stage of a religious dictatorship; concentration on social structure with a seemingly scientific approach.

This is typical of the Enlightenment in the 18th century and of Marxism. Not by coincidence all of communism's meaningless pledges and oaths are about Man, with a cap M, and his earthly happiness.

At first glance it seems an ugly parallel: common traits of the thinking and way of life of today's West and today's East? But such is the logic of materialistic development.

We are now experiencing the consequences of mistakes which had not been noticed at the beginning of the journey. We have placed too much hope in political and social forms, only to find out that we were being deprived of our most precious possession: our spiritual life.

In the East, it is destroyed by the dealings and machinations of the ruling party. In the West, commercial interests tend to suffocate it. This is the real crisis. The split in the world is less terrible than the similarity of the disease plaguing its main sections.●

CHARLES E. CATES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, recently, a pamphlet of the Community Services Administration, Region VII, tells about federally sponsored housing, particularly the low rent rural housing for the elderly. This publication refers to one individual, Charles E. Cates, CSA housing specialist, who works in the Kansas City Regional Office. To my knowledge, no other Federal publication has printed a pamphlet singling out the work of one individual. Many people in the 4th Congressional District are recipients of the good work of Charles Cates and I take this opportunity to include in the CONGRESSIONAL RECORD part of the pamphlet that refers to Mr. Cates and his work:

Many millions of dollars in low-rent rural housing for the elderly in Region VII have been mobilized through FmHA low-interest loans with CAAs serving as the catalyst at the local level.

Usually the efforts of one individual are not publicly singled out by the organization for which he works, unless the results are spectacular.

However, because of one man's ability to cause people to work together, his knowledge of the construction business and a lot of energy coupled with a keen desire to help elderly poor people, some 5,500 senior citizens in a very rural 4-state region now are paying from $65 to $90 monthly for new, attractive apartments.

The man is Charles E. Cates, CSA Housing Specialist, who works out of the Region VII Office at Kansas City. His energy belies his nearly threescore and ten years and close friends of "Charlie" Cates enjoy kidding him about the "senior citizens" his efforts have helped.

How does Charlie Cates move so many rural elderly into modern, comfortable very low-rental homes?

It's not exactly a simple process. Over the past seven years Charlie has had to go personally to dozens of small Midwesten towns in Missouri, Kansas, Iowa and Nebraska which have had a shortage of any kind of adequate housing and a superabundance of elderly persons who were ill-housed.

GETTING IT ALL TOGETHER

Charlie is a gregarious, persuasive individual who can go into a small community, round up its Mayor, Newspaper Editor-Publisher, Banker and usually other community leaders for the purpose of establishing a local, not-for-profit housing corporation to implement a low-rent housing project for the local elderly. He's a packager of programs which combine federal funds with local interest and effort. Charlie's efforts are always in close cooperation with the Community Action Agency in the area in which he's working.

Most of the hundreds of projects Charlie has worked on have utilized FmHA 515 low-interest loans. To obtain a FmHA loan a local committee, or "housing authority" must be formed, a site must be located (often Charlie has been successful in causing sites to be donated) and 2 per cent of the housing complex's total expected cost must be collected in cash. This usually is done through sale of stock to local groups and individuals.

In addition, for every proposed unit in the housing project, two prospective renters must be signed up by name to occupy each apartment after construction has been completed. Those whose names appear first on the list of prospective occupants are those who have been certified as most in need of low-rent housing by the CAA and the local housing committee or authority.

Occupants must be over age 62 and must meet poverty or near-poverty income guidelines to qualify.

Projects usually range from 12 units to 48 units. Projects with 12 units or more qualify for construction of a contiguous "community building" which includes meeting facilities, a kitchen and laundry facilities which are always available to residents of the projects.

Projects have to meet FmHA standards as to construction and safety criteria and Cates has worked closely with both FmHA and architects to assure quality, but with simple designs and at lower costs.

MODERN ATTRACTIVE HOUSING

Most of the modern structures are brick fourplexes with hip roofs and fire safety walls between each unit. Interiors are carpeted, have their own baths and kitchens with appliances. Residents furnish the apartments to suit themselves and many are handsomely decorated with what have become fine old antiques and heirlooms.

CSA Region VII's Charlie Cates has worked with CAAs, local leaders and a cooperative Farmers Home Administration on more than $30 million worth of low-rental rural housing for the elderly, but the bottom line is the $65 to $90 a month which thousands of elderly Americans who have been trapped on fixed incomes are paying for good housing where they want to live.

"These people want a really decent place to live at a rent they can afford," Charles Cates says, "And CSA, the CAAs, the Farmers Home Administration and I intend to help them get what they want."●

FRANCIS F. "PETE" JEWETT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, Bates County, Mo., recently lost a civic leader, and many of us in western Missouri have lost a good friend. Francis F. "Pete" Jewett of Butler recently passed away. Pete Jewett was a well known and highly respected citizen of Butler, having been the office manager for the Agriculture Stabilization and Conservation Service in that community for 12 years before he retired in 1973. Prior to that, Mr. Jewett operated the Passaic Elevator and Seed Corn Co., for many years. He was a member of the Butler First Christian Church and active in governmental and political affairs. He was a devoted husband and warm friend.

I wish to express sincere sympathy to

his wife, Mrs. Gleeta Jewett, and his sisters, who survive him. He will be greatly missed by all who knew him.●

SOLZHENITSYN SPEAKS

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. GUDGER. Mr. Speaker, too often, in the press of day-to-day challenges, we fail to look up long enough to take navigational bearings on the drift of our Nation.

At such times, it is sometimes necessary for a newcomer to remind us of our historic trust and of ways we may be departing from the path which our forefathers initially trod.

Nobel Prize winner Alexander Solzhenitsyn, exiled from his motherland since 1974, take a searching look at America and seeks unchecked materialism, timid leadership, legalism without moral values, an irresponsible press, a spiritual vacuum. Do these charges add up to a society which has lost the will to defend itself? This is a question we should ask ourselves.

In the Sunday, June 11, 1978, issue of the Washington Post, Mr. Solzhenitsyn raises these issues. I commend the following account to the attention of my colleagues:

[From the Washington Post, June 11, 1978]

SOLZHENITSYN'S INDICTMENT: THE WEST HAS LOST ITS COURAGE'

(By Alexander Solzhenitsyn)

A loss of courage may be the most striking feature which an outside observer notices in the West in our days. The western world has lost its civil courage, both as a whole and separately, in each country, each government, each political party and of course in the United Nations.

Such a decline in courage is particularly noticeable among the ruling groups and the intellectual elite, causing an impression of loss of courage by the entire society. Of course there are many courageous individuals but they have no determinining influence on public life. Political and intellectual bureaucrats show depression, passivity and perplexity in their actions and in their statements and even more so in theoretical reflections to explain how realistic, reasonable as well as intellectually and even morally warranted it is to base state policies on weakness and cowardice.

And decline in courage is ironically emphasized by occasional explosions of anger and inflexibility on the part of the same bureaucrats when dealing with weak governments and weak countries, not supported by anyone, or with currents which cannot offer any resistence. But they get tonguetied and paralyzed when they deal with powerful governments and threatening forces, with aggressors and international terrorists.

Should one point out that from ancient times decline in courage has been considered the beginning of the end?

When the modern western states were created, the following principle was proclaimed: governments are meant to serve man, and man lives to be free and to pursue happiness. (See, for example, the American Declaration of Independence).

Now at last during past decades technical and social progress has permitted the realization of such aspirations the welfare state. Every citizen has been granted the desired freedom and material goods in such quantity and of such quality as to guarantee in theory the achievement of happiness, in the morally inferior sense which has come into being during those same decades.

In the process, however, one psychological detail has been overlooked: The constant desire to have still more things and a still better life and the struggle to obtain them imprints many western faces with worry and even depression, though it is customary to conceal such feelings. Active and tense competition permeates all human thoughts without opening a way to free spiritual development.

The individual's independence from many types of state pressure has been guaranteed; the majority of people have been granted well-being to an extent their fathers and grandfathers could not even dream about; it has become possible to raise young people according to these ideals, leading them to physical splendor, happiness, possession of material goods, money and leisure, to an almost unlimited freedom of enjoyment. So who should now renounce all this, why and for what should one risk one's precious life in defense of common values, and particularly in such nebulous cases when the security of one's nation must be defended in a distant country?

Even biology knows that habitual extreme safety and well-being are not advantageous for a living organism. Today, well-being in the life of western society has begun to reveal its pernicious mask.

Western society has given itself the organization best suited to its purposes, based, I would say, on the letter of the law. The limits of human rights and righteousness are determined by a system of laws; such limits are very broad.

People in the West have acquired considerable skill in using, interpreting and manipulating law, even though laws tend to be too complicated for an average person to understand without the help of an expert. Any conflict is solved according to the letter of the law and this is considered to be the supreme solution. If one is right from a legal point of view, nothing more is required, nobody may mention that one could still not be entirely right, and urge self-restraint, a willingness to renounce such legal rights, sacrifice and selfless risk; it would sound simply absurd.

One almost never sees voluntary self-restraint. Everybody operates at the extreme limit of those legal frames. An oil company is legally blameless when it purchases an invention of a new type of energy in order to prevent its use. A food product manufacturer is legally blameless when he poisons his produce to make it last longer; after all, people are free not to buy it.

I have spent all my life under a communist regime and I will tell you that a society without any objective legal scale is a terrible one indeed. But a society with no other scale but the legal one is not quite worthy of man either. A society which is based on the letter of the law and never reaches any higher is taking very scarce advantage of the high level of human possibilities. The letter of the law is too cold and formal to have a beneficial influence on society. Whenever the tissue of life is women of legalistic relations, there is an atmosphere of moral mediocrity, paralyzing man's noblest impulses.

And it will be simply impossible to stand through the trials of this threatening century with only the support of a legalistic structure.

In today's western society, the inequality has been revealed of freedom for good deeds and freedom for evil deeds. A statesman who wants to achieve something important and highly constructive for his country has to move cautiously and even timidly; there are thousands of hasty and irresponsible critics around him, parliament and the press keep rebuffing him. As he moves ahead, he has to prove that each single step of his is well-founded and absolutely flawless. Actually an outstanding and particularly gifted person who has unusual and unexpected initiatives in mind hardly gets a chance to assert himself; from the very beginning, dozens of traps will be set out for him. Thus mediocrity triumphs with the excuse of restrictions imposed by democracy.

It is feasible and easy everywhere to undermine administrative power and, in fact, it has been drastically weakened in all western countries. The defense of individual rights has reached such extremes as to make society as a whole defenseless against certain individuals. It is time, in the West, to defend not so much human rights as human obligations.

Destructive and irresponsible freedom has been granted boundless space. Society appears to have little defense against the abyss of human decadence, such as, for example, misuse of liberty for moral violence against young people, motion pictures full of pornography, crime and horror. It is considered to be part of freedom and theoretically counter-balanced by the young people's right not to look or not to accept. Life organized legalistically has thus shown its inability to defend itself against the corrosion of evil.

And what shall we say about the dark realm of criminality as such? Legal frames (especially in the United States) are broad enough to encourage not only individual freedom but also certain individual crimes. The culprit can go unpunished or obtain undeserved leniency with the support of thousands of public defenders. When a government starts an earnest fight against terrorism, public opinion immediately accuses it of violating the terrorists' civil rights. There are many such cases.

Such a tilt of freedom in the direction of evil has come about gradually but it was evidently born primarily out of a humanistic and benevolent concept according to which there is no evil inherent to human nature; the world belongs to mankind and all the defects of life are caused by wrong social systems which must be corrected. Strangely enough, though the best social conditions have been achieved in the West, there still is criminality and there even is considerably more of it than in the pauper and lawless Soviet society. (There is a huge number of prisoners in our camps who are termed criminals, but most of them never commited any crime; they merely tried to defend themselves against a lawless state resorting to means outside of a legal framework.)

The press too, of course, enjoys the widest freedom. (I shall be using the word press to include all media). But what sort of use does it make of this freedom?

Here again, the main concern is not to infringe the letter of the law. There is no moral responsibility for deformation or disproportion.

What sort of responsibility does a journalist have to his readers, or to history?

If they have misled public opinion or the government by inaccurate information or wrong conclusions, do we know any cases of public recognition and rectification of such mistakes by the same journalist or the same newspaper?

No, it does not happen, because it would damage sales. A nation may be the victim of such a mistake, but the journalist always gets away with it. One may safely assume that he will start writing the opposite with renewed self-assurance.

Because instant and credible information has to be given, it becomes necessary to resort to guesswork, rumors and suppositions to fill in the voids, and none of them will ever

be rectified, they will stay on in the readers' memory.

How many hasty, immature, superficial and misleading judgments are expressed every day, confusing readers, without any verification? The press can both simulate public opinion and miseducate it.

Thus we may see terrorists heroized, or secret matters, pertaining to one's nation's defense, publicly revealed, or we may witness shameless intrusion on the privacy of well-known people under the slogan: "Everyone is entitled to know everything."

But this is a false slogan, characteristic of a false era: people also have the right not to know, and it is a much more valuable one. The right not to have their divine souls stuffed with gossip, nonsense, vain talk. A person who works and leads a meaningful life does not need this excessive, burdening flow of information.

Hastiness and superficiality are the psychic disease of the 20th century and more than anywhere else this disease is reflected in the press. In-depth analysis of a problem is anathema to the press. It stops at sensational formulas.

Such as it is, however, the press has become the greatest power within the western countries, more powerful than the legislature, the executive and the judiciary. One would then like to ask: By what law has it been elected and to whom is it responsible?

In the communist East, a journalist is frankly appointed as a state official. But who has granted western journalists their power, for how long a time and with what prerogatives.

There is yet another surprise for someone coming from the East where the press is rigorously unified: one gradually discovers a common trend of preferences within the western press as a whole. It is a fashion; there are generally accepted patterns of judgment and there may be common corporate interests, the sum effect being not competition but unification.

Enormous freedom exists for the press, but not for the readership, because newspapers mostly give enough stress and emphasis to those opinions which do not too openly contradict their own and the general trend.

Without any censorship, in the West fashionable trends of thought and ideas are carefully separated from those which are not fashionable; nothing is forbidden, but what is not fashionable will hardly ever find its way into periodicals or books or be heard in colleges.

Legally your researchers are free, but they are conditioned by the fashion of the day There is no open violence such as in the East; however, a selection dictated by fashion and the need to match mass standards frequently prevent independent-minded people from giving their contribution to public life. There is a dangerous tendency to form a herd, shutting off successful development.

This gives birth to strong mass prejudices, to blindness, which is most dangerous in our dynamic era. There is, for instance, a self-deluding interpretation of the contemporary world situation. It works as a sort of petrified armor around people's minds.

Human voices from 17 countries of Eastern Europe and Eastern Asia cannot pierce it. It will only be broken by the pitiless crowbar of events.

It is almost universally recognized that the West shows all the world a way to successful economic development, even though in the past years it has been strongly disturbed by chaotic inflation.

However, many people living in the West are dissatisfied with their own society. They despise it or accuse it of not being up to the level of maturity attained by mankind. A number of such critics turn to socialism which is a false and dangerous current.

I hope that no one present will suspect me of offering my personal criticism of the western system to present socialism as an alternative. Having experienced applied socialism in a country where the alternative has been realized, I certainly will not speak for it.

But should someone ask me whether I would indicate the West such as it is today as a model to my country, frankly I would have to answer negatively. No, I could not recommend your society in its present state as an ideal for the transformation of ours.

Through intense suffering our country has achieved a spiritual development of such intensity that the western system in its present state of spiritual exhaustion does not look attractive. Even those characteristics of your life which I have just mentioned are extremely saddening.

A fact which cannot be disputed is the weakening of human beings in the West while in the East they are becoming firmer and stronger. Six decades for our people and three decades for the people of Eastern Europe; during that time we have been through a spiritual training far in advance of western experience. Life's complexity and mortal weight have produced stronger, deeper and more interesting characters than those generated by standardized western well-being.

Therefore, if our society were to be transformed into yours, it would mean an improvement in certain aspects, but also a change for the worse on some particularly significant scores.

It is true, no doubt, that a society cannot remain in an abyss of lawlessness, as is the case in our country. But it is also demeaning for it to elect such mechanical legalistic smoothness as you have.

After the suffering of decades of violence and oppression, the human soul longs for things higher, warmer and purer than those offered by today's mass living habits, introduced by the revolting invasion of publicity, by TV stupor and by intolerable music.

All this is visible to observers from all the worlds of our planet. The western way of life is less and less likely to become the leading model.

There are meaningful warnings which history gives a threatened or perishing society. Such are, for instance, the decadence of art, or a lack of great statesmen.

They are open and evident warnings, too. The center of your democracy and your culture is left without electric power for a few hours only, and all of a sudden crowds of American citizens start looting and creating havoc.

The smooth surface film must be very thin, then, the social system quite unstable and unhealthy.

But the fight for our planet, physical and spiritual, a fight of cosmic proportions, is not a vague matter of the future; it has already started.

The forces of evil have begun their decisive offensive, you can feel their pressure, and yet your screens and publications are full of prescribed smiles and raised glasses. What is the joy about?

Very well-known representatives of your society, such as George Kennan, say: We cannot apply moral criteria to politics. Thus we mix good and evil, right and wrong and make space for the absolute triumph of absolute evil in the world.

On the contrary, only moral criteria can help the West against communism's well-planned world strategy. There are no other criteria. Practical or occasional considerations of any kind will inevitably be swept away by strategy. After a certain level of the problem has been reached, legalistic thinking induces paralysis, it prevents one from seeing the size and meaning of events.

In spite of the abundance of information, or maybe because of it, the West has difficulties in understanding reality such as it is. There have been naive predictions by some American experts who believe that Angola would become the Soviet Union's Vietnam or that Cuban expeditions in Africa would best be stopped by special U.S. courtesy to Cuba.

Kennan's advice to his own country—to begin unilateral disarmament—belongs to the same category. If you only knew how the youngest of the Moscow Old Square officials laugh at your political wizards!

As to Fidel Castro, he frankly scorns the United States, sending his troops to distant adventures from his country right next to yours.

However, the most cruel mistake occurred with the failure to understand the Vietnam War. Some people sincerely wanted all wars to stop just as soon as possible; others believed that there should be room for national, or communist, self-determination in Vietnam, or in Cambodia, as we see today with particular clarity.

But members of the U.S. antiwar movement wound up being involved in the betrayal of Far Eastern nations, in a genocide and in the suffering today imposed on 30 million people there. Do those convinced pacifists hear the moans coming from there? Do they understand their responsibility today? Or do they prefer not to hear?

The American intelligentsia lost its nerve, and as a consequence thereof danger has come much closer to the United States. But there is no awareness of this.

Your shortsighted politicians who signed the hasty Vietnam capitulation seemingly gave America a carefree breathing pause; however, a hundredfold Vietnam now looms over you.

That small Vietnam had been a warning and an occasion to mobilize the nation's courage. But if a full-fledged America suffered a real defeat from a small communist half-country, how can the West hope to stand firm in the future?

I have had occasion already to say that in the 20th century western democracy has not won any major war without help and protection from a powerful continental ally whose philosophy and ideology it did not question.

In World War II against Hitler, instead of winning that war with its own forces, which would certainly have been sufficient, Western democracy grew and cultivated another enemy who would prove worse and more powerful yet, as Hitler never had so many resources and so many people, nor did he offer any attractive ideas, or have such a large number of supporters in the West—a potential fifth column—as the Soviet Union.

At present, some western voices already have spoken of obtaining protection from a third power against aggression in the next world conflict, if there is one; in this case the shield would be China. But I would not wish such an outcome to any country in the world.

First of all, it is again a doomed alliance with evil; also, it would grant the United States a respite, but when at a later date China with its billion people would turn around armed with American weapons, America itself would fall prey to a genocide similar to the one perpetrated in Cambodia in our days.

And yet—no weapons, no matter how powerful, can help the West until it overcomes its loss of willpower. In a state of psychological weakness, weapons become a burden for the capitulating side. To defend oneself, one must also be ready to die; there is little such readiness in a society raised in the cult of material well-being.

Nothing is left, then, but concessions, attempts to gain time and betrayal. Thus at the shameful Belgrade Conference free western diplomats in their weakness surrendered the line where enslaved members of Helsinki watchgroups are sacrificing their lives.

Western thinking has become conservative;

the world situation should stay as it is at any cost, there should be no changes. This debilitating dream of a status quo is the symptom of a society which has come to the end of its development.

But one must be blind in order not to see that oceans no longer belong to the West, while land under its domination keeps shrinking. The two so-called world wars—they were by far not on a world scale, not yet—have meant internal self-destruction of the small progressive West which has thus prepared its own end. The next war—which does not have to be an atomic one and I do not believe it will—may well bury western civilization forever.

Facing such a danger, with such historical values in your past, at such a high level of realization of freedom and apparently of devotion to freedom, how is it possible to lose to such an extent the will to defend oneself?

How has this unfavorable relation of forces come about? How did the West decline from its triumphal march to its present sickness? Have there been fatal turns and losses of direction in its development?

It does not seem so. The West kept advancing socially in accordance with its proclaimed intentions, with the help of brilliant technological progress. And all of a sudden it found itself in its present state of weakness. This means that the mistake must be at the root, at the very basis of human thinking in the past centuries.

I refer to the prevailing western view of the world which was first born during the Renaissance and found its political expression from the period of the Enlightenment. It became the basis for government and social science and could be defined as rationalistic humanism or humanistic autonomy: the proclaimed and enforced autonomy of man from any higher force above him. It could also be called anthropocentricity, with man seen as the center of everything that exists.

The turn introduced by the Renaissance evidently was inevitable historically. The Middle Ages had come to a natural end by exhaustion, becoming an intolerable despotic repression of man's physical nature in favor of the spiritual one.

Then, however, we turned our backs upon the Spirit and embraced all that is material with excessive and unwarranted zeal. This new way of thinking, which had imposed on us its guidance, did not admit the existence of intrinsic evil in man nor did it see any higher task than the attainment of happiness on earth.

It base modern western civilization on the dangerous trend to worship man and his material needs. Everything beyond physical well-being and accumulation of material goods, all other human requirements and characteristics or a subtler and higher nature, were left outside the area of attention of state and social systems, as if human life did not have any superior sense.

That provided access for evil, of which in our days there is a free and constant flow. Merely freedom does not in the least solve all the problems of human life and it even adds a number of new ones.

However, in early democracies, as in American democracy at the time of its birth, all individual human rights were granted because man is God's creature. That is, freedom was given to the individual conditionally, in the assumption of his constant religious responsibility.

Such was the heritage of the preceding thousand years. Two hundred or even 50 years ago, it would have seemed quite impossible in America, that an individual could be granted boundless freedom simply for the satisfaction of his instincts or whims.

Subsequently, however, all such limitations were discarded everywhere in the West; a total liberation occurred from the moral heritage of Christian centuries with their great reserves of mercy and sacrifice.

As humanism in its development became more and more materialistic, it made itself increasingly accessible to speculation and manipulation at first by socialism and then by communism. So that Karl Marx was able to say in 1844 that "communism is naturalized humanism."

This statement turned out to be not entirely senseless. One does see the same stones in the foundations of a despiritualized humanism and of any type of socialism: endless materialism; freedom from religion and religious responsibility, which under communist regimes reach the stage of anti-religious dictatorship; concentration on social structures, with a seemingly scientific approach.

This is typical of the Enlightenment in the 18th century and of Marxism. Not by coincidence all of communism's meaningless pledges and oaths are about Man, with a capital M, and his earthly happiness.

At first glance it seems an ugly parallel: common traits in the thinking and way of life to today's West and today's East? But such is the logic of materialistic development.

We are now experiencing the consequences of mistakes which had not been noticed at the beginning of the journey. We have placed too much hope in political and social reforms, only to find out that we were being deprived of our most precious possession: our spiritual life.

In the East, it is destroyed by the dealings and machinations of the ruling party. In the West, commercial interests tend to suffocate it. This is the real crisis. The split in the world is less terrible than the similarity of the disease plaguing its main sections.●

LT. COL. JOSEPH BAKER—ARMY, RETIRED, CIVILIAN, ACTIVE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. LAGOMARSINO. Mr. Speaker, being a civil defense director in peacetime is not the most attractive position to hold in a community; oftentimes there appears to be nothing to civilly defend against. If the name is changed to coordinator of emergency services it does not help much when there is not an emergency around to coordinate. But by whatever title they call it, to be prepared for emergencies that are inevitable, is not only necessary, but imperative to survival. Lt. Col. Joseph A. Baker (U.S. Army, ret.) took these jobs on for the city of Santa Barbara, Calif., in 1963. It was not for the money; he was a volunteer.

Even when he became deputy director of civil defense for the city in 1966, and then coordinator of emergency services in 1968, it was because of the urge to community service, not the money.

After serving his country for 20 years with honor and distinction, Colonel Baker continued to serve his community for many, many more years until the work of the office of emergency services was absorbed by other departments on August 31, 1977.

Colonel Baker, long active in community and military organizations and affairs, is not through yet. He is now disaster chairman for Santa Barbara County, American Red Cross.

Because of this long and distinguished career of dedication to this country and the well-being of his fellow man, I ask the Members of the House to join with me in extending "thanks" to Colonel Baker and in wishing him and his wife, Harriet, a long and happy future.●

LEON TOLOCHKO

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I join his family and friends in mourning the passing of M. Leon Tolochko, a distinguished attorney and public servant, who spent his life working for the people of Pittsburgh and the Commonwealth of Pennsylvania.

Leon Tolochko, a member of the Allegheny County Bar Association for over 50 years, was a founder of the law firm of Tolochko and Baruth and worked until his retirement in 1973 as an assistant State attorney general. During his lengthy legal career, he served the Commonwealth in various other capacities. His activity in local politics in Pittsburgh centered around the Republican Party, but I know his support for the office holders of his city, his State, and his country extended beyond mere partisan polictics.

An active member of the Pittsburgh Jewish community, he served during the 1950's as president of the Beth Shalom Congregation in the Squirrel Hill area. Mr. Tolochko also served as a former board member of the Young Men's Hebrew Association and the Jewish Federation in Pittsburgh. His activity in the B'nai B'rith organization took him beyond Pittsburgh service to positions at the State level.

Community leaders like Leon Tolochko, who selflessly devote so much of their time to their religious community and to civic affairs, will not soon be forgotten. He was a good man of whom his wife, three children and the rest of his family could be rightfully proud. His loss is not only to his family but to the people of Pittsburgh and Pennsylvania.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 13, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 14

9:00 a.m.
Government Affairs
Federal Spending Practices and Open Government Subcommittee.
To hold joint hearings with Judiciary Subcommittee on Citizens and Shareholders Rights and Remedies on S. 2787, proposed Contract Disputes Act.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, S. 3064, and H.R. 8729, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 3146, S. 2761, and 2804, to expand the jurisdiction of the NRC over nuclear waste storage and disposal facilities.
4200 Dirksen Building
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on H.R. 8588, to establish offices of Inspector General in certain Federal departments and agencies.
6226 Dirksen Building
Human Resources
To hold hearings on S. 2910, proposed Adolescent Health, Services, and Pregnancy Prevention and Care Act.
4232 Dirksen Building
Commerce, Science, and Transportation
To hold hearings to examine negotiations by the Antarctic Treaty parties on the Antarctic living marine resource regime and the present U.S. posture in the negotiations.
318 Russell Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 864, to reduce the radio frequency interference with home entertainment products.
155 Russell Building
Energy and Natural Resources
To continue mark up of S. 2692, FY 79 authorizations for civilian programs for the Department of Energy, and on pending calendar business.
3110 Dirksen Building
Environment and Public Works
Environmental Pollution Subcommittee
To continue mark up of S. 2900, to provide compensation for damages and cleanup costs caused by discharges of oil and hazardous substances.
6202 Dirksen Building
Finance
Private Pension Plans Subcommittee
To hold hearings on pension plan bookkeeping methods.
2221 Dirksen Building
Joint Economic
To continue hearings on economic change, including demographic, employment, and inflation.
S-207, Capitol

10:30 a.m.
Governmental Affairs
To resume consideration of S. 2640, proposing reform of the Civil Service laws.
3302 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To mark up proposed appropriations for FY 79 for the Departments of Labor and HEW.
S-126, Capitol
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. 3110 Dirksen Building

4:00 p.m.
Conferees
On S. 2401, to establish consumer product safety rules governing standards for flammable and corrosive cellulose insulation.
Until 6:00 p.m. S-146, Capitol

JUNE 15

9:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings on the proposed Labor Intensive Public Works Act as set forth in the President's urban program.
4200 Dirksen Building
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To continue hearings on H.R. 8588, to establish offices of Inspector General in certain Federal departments and agencies.
3302 Dirksen Building
Veterans' Affairs
Housing, Insurance, and Cemeteries Subcommittee
To hold hearings on S. 1643 and H.R. 4341, to eliminate the requirement for inspections of the mobile home manufacturing process by the VA, and S. 1556, authorizing funds through FY 81 to assist States in establishing and maintaining VA cemeteries.
457 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on S. 3092, to require that meat subject to Federal Inspection be produced only from livestock that has been humanely slaughtered.
324 Russell Building
Banking, Housing, and Urban Affairs
To mark up proposed New York City financial aid legislation.
5302 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 2981, to provide for the expansion of the category of rail lines eligible for rehabilitation, deferred maintenance, and various alternative facilities.
1202 Dirksen Building
Foreign Relations
Foreign Economic Policy Subcommittee
To hold hearings on the human rights situation in Uganda with a view toward assessing U.S. policy.
4221 Dirksen Building
Judiciary
Citizens and Shareholders Rights and
To resume joint hearings on S. 2117, to Remedies and Administrative Practice and Procedures Subcommittees expand the basis upon which the U.S. can be held liable for the conduct of its employees under the Tort Claims Act.
5110 Dirksen Building
Joint Economic
To continue hearings on economic change, including demographic, employment, and inflation.
345 Cannon Building
Select Intelligence
To resume hearings on S. 2525, to improve the intelligence systems of the U.S. by establishing a statutory basis for U.S. intelligence activities.
1318 Dirksen Building

2:00 p.m.
Appropriations
To mark up H.J. Res. 945, making supplemental appropriations for FY 78 for the black lung program, Department of Labor, and H.R. 12930, making appropriations for FY 79 for the Department of the Treasury and U.S. Postal Service.
S-128, Capitol
Appropriations
Labor-HEW Subcommittee
To continue markup of proposed appropriations for FY 79 for the Departments of Labor and HEW.
S-126, Capitol
Select Ethics
Business meeting.
Room to be announced
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. 3110 Dirksen Building

JUNE 16

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings to examine the recent change of methodology used by the Bureau of Labor Statistics for computing unemployment figures and the effect of such change on the distribution of CETA funds.
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, S. 3064, and H.R. 8729, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building
Environment and Public Works
To mark up of S. 2900, proposed Oil Spill Liability Fund and Compensation Act.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs.
To resume hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by holding companies and other banks.
5302 Dirksen Building
Energy and Natural Resources
To hold oversight hearings on relations between the Department of Energy and segments of the energy industry.
3110 Dirksen Building
Foreign Relations
Arms Control, Oceans, and International Environment Subcommittee
To receive a report from Ambassador Richardson on the Seventh Session of the UN Law of the Sea Conference.
4221 Dirksen Building
Joint Economic
To resume hearings on economic change, including demographic, employment, and inflation.
S-207, Capitol

JUNE 19

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on pending proposed tax legislation.
2221 Dirksen Building
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 3107, to insure the bankruptcy offices shall be maintained separate and apart from the offices of the U.S. district court clerk.
2228 Dirksen Building
Select Small Business
To hold hearings on S. 836, to improve the surety bond program provided by the Small Business Investment Act.
424 Russell Building

9:30 a.m.

Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings on S. 1493, to provide financial and technical assistance to States, local governments, and Indian tribes to manage impacts caused by energy development.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold oversight hearings on the impact of solar energy on rural housing.
5302 Dirksen Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To resume hearings on S. 3046 and 707, granting the power of eminent domain to coal slurry pipelines in certain circumstances.
3110 Dirksen Building
Judiciary
Criminal Laws and Procedures Subcommittee
To hold hearings on S. 1766, proposed Federal Computer Systems Protection Act.
457 Russell Building

JUNE 20

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 3100, to provide greater discretion to the Supreme Court in selecting the cases it will review.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on the environmental impact aspects (section 5) of S. 3077, proposed Export-Import Bank Act Amendments.
4200 Dirksen Building
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on S. 3146, 2761, and 2804, to expand the jurisdiction of the NRC over nuclear waste storage and disposal facilities.
1114 Dirksen Building
Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To resume hearings on the Federal Government patent policy.
424 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To continue oversight hearings on the impact of solar energy on rural housing.
5302 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To resume markup of S. 2755, the Drug Regulation Reform Act and S. 3115, to establish a comprehensive disease prevention and health promotion program in the United States.
4232 Dirksen Building
Joint Economic
To resume hearings on economic change, including demographic, employment, and inflation.
1202 Dirksen Building
Judiciary
Criminal Laws and Procedures Subcommittee
To continue hearings on S. 1766, proposed Federal Computer Systems Protection Act.
1318 Dirksen Building

JUNE 21

9:30 a.m.
Environment and Public Works
To consider S. 1493, to provide financial and technical assistance to States, local governments, and Indian tribes to manage impacts caused by energy development.
4200 Dirksen Building
Human Resources
Alcoholism and Drug Abuse Subcommittee
To resume hearings jointly with the Judiciary Subcommittee on Juvenile Delinquency on S. 2778, and other proposals, to tighten controls on and to increase penalties for the manufacture and distribution of the drug PCP (angel dust).
2228 Dirksen Building
Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To continue hearings on the Federal Government patent policy.
424 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on H.R. 10899, the International banking Act.
5302 Dirksen Building
Energy and Natural Resources
To mark up S. 499, 1500, 1546, 1787, 2465, and 2944, to designate or add certain lands in Alaska to the National Parks, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building
Environment and Public Works
To hold hearings on the Federal acquisition and renovation of Union Station in Nashville, Tennessee.
1114 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To continue markup of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building
Rules and Administration
To mark up S. 2 and S. 1244, to require periodic reauthorization of Government programs, and to consider other committee business.
301 Russell Building
Joint Economic
To continue hearings on economic change, including demographic, employment, and inflation.
S-207, Capitol

JUNE 22

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 3162 and 3164, proposed Citizen's Privacy Protection Amendment.
2228 Dirksen Building
Veterans' Affairs
Compensation and Pension Subcommittee
To hold hearings on S. 879 and H.R. 6501 to provide increased awards of service-connected compensation to certain veterans who have suffered the loss or loss of use of paired extremities, and S 2828, the Veterans Disability Compensation and Survivor Benefits Act.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To resume hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building
Energy and National Resources
To continue markup of S. 499, 1500, 1546, 1787, 2465, and 2944, to designate or add certain lands in Alaska to the National Parks, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building
Joint Economic
To continue hearings on economic change, including demographic, employment, and inflation.
318 Russell Building
Select Small Business
To mark up H.R. 11318, to amend and extend through FY 1980 authorizations for the SBA; S. 836, to improve the surety bond program provided by the Small Business Investment Act; S. 2156, the Minority Enterprise Venture Capital Act; and S. 2259, to expand and revise procedures for insuring small business participation in Government procurement activities.
424 Russell Building

JUNE 23

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2857, proposed Customs Courts Act.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by holding companies and other banks.
5302 Dirksen Building
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 1592, to terminate further construction of the Cross-Florida Barge Canal project.
4200 Dirksen Building

JUNE 26

9:30 a.m.
Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To resume hearings on the Federal Government patent policy.
318 Russell Building

JUNE 27

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2857, proposed Customs Courts Acts.
4232 Dirksen Building

JUNE 28

9:00 a.m.
Commerce, Science, and Transportation
Consumers Subcommittee
To hold hearings on the procedures of EPA and the Consumer Product Safety Commission as relates to chronic hazards.
235 Russell Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
4200 Dirksen Building
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 3065, 2608, and 2428, proposals affecting taxation of capital gains.
2221 Dirksen Building

JUNE 29

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee

To hold oversight hearings on auto odometer requirements.
235 Russell Building

9:30 a.m.
Environmental and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
4200 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To continue hearings on S. 3065, 2608, and 2428, proposals affecting the taxation of capital gains.
2221 Dirksen Building

Special on Aging
To resume hearings on the degree to which older Americans are purchasing more private health insurance than needed to supplement gaps in the Medicare programs.
457 Russell Building

10:00 a.m.
Judiciary
Penitentiaries and Corrections Subcommittee
To hold oversight hearings on the Bureau of Prisons, with emphasis on west coast prison facilities.
2228 Dirksen Building

JULY 12

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
6226 Dirksen Building

JULY 13

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 2775, to improve the siting and licensing process for nuclear reactors.
6226 Dirksen Building

CANCELLATIONS

JUNE 14

10:00 a.m.
Foreign Relations
Foreign Economic Policy Subcommittee
To hold hearings on the depreciation of the dollar and its implication for domestic and international economic growth and price stability.
4221 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To mark up S. 2755, the Drug Regulation Reform Act and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

PERSONAL EXPLANATION

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. PRESSLER. Mr. Speaker, I was unable to be present for the June 5 session of the House. Therefore, I was not able to vote on H.R. 12250 to designate the Boundary Waters Canoe Area Wilderness. I was a cosponsor of Mr. FRASER'S BWCA legislation, and a supporter of the Burton-Vento compromise measure. Had I been present to vote on this issue June 5, I would have cast my vote as follows:

Rollcall 408, yea.
Rollcall 409, aye (Vento amendment).
Rollcall 410, yea (final passage).●

DR. HARRY LEROY BARROWS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, it is my sad duty to report the loss of a respected educator in western Missouri, who recently passed away. Dr. Harold Leroy Barrows, dean of the School of Education at Central Missouri State University, recently died in his home community of Warrensburg.

Dr. Barrows was a longtime and well-respected educator in the State of Missouri. Prior to being dean of Education at Central Missouri State University, he was a member of the staff there. Earlier, he served as superintendent of schools for the Center School district in Kansas City. He is survived by his wife, two sons, and a daughter.

Dr. Barrows was highly regarded by his community. He was active in civic work, the Boy Scouts, and his church. All who knew him will miss him greatly.●

IN MEMORY OF OTTO HENNING

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, along the path of life, certain friends make the journey a bit brighter. Such a person was Otto Henning of Concordia, Mo., who recently passed away.

Otto Henning served as a Lafayette County circuit clerk for many years. He was active in community affairs, and he was a devoted church member and family man. Most of all, Otto Henning will be remembered for his warm personality and devotion to his friends. I felt that I was a recipient of his special friendship, as I had the opportunity to work closely with him while I served as prosecuting attorney in the Lafayette County Courthouse and later as an attorney in Lexington. All who knew him will remember him warmly and with a feeling of gratitude for having known such as singularly kind and noble man.●

COACH BILL HAMANN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1978

● Mr. SKELTON. Mr. Speaker, as we go through life, there are certain special people who wield influence by their advice, encouragement, and friendship. Coach William Hamann of Lexington, Mo., who recently retired as a high school instructor, is one such person.

Coach Bill, as he is affectionately known in the community of Lexington, Mo., served the young people of Missouri for 38 years. His skill as an athletic coach is well remembered. As a matter of fact, he gave me encouragement in my early days of running track. His devotion to the subject of history is well known, and any of his students will benefit from his inspiration and teachings. I know all of us wish coach Bill Hamann all the best on his retirement from the Lexington school system.●

HOUSE OF REPRESENTATIVES—*Tuesday, June 13, 1978*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 13, 1978.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Timothy W. Dols, St. Peter's Episcopal Church, Arlington, Va., offered the following prayer:

Heavenly Father, we pray this day that You would be with the people of this Nation, and especially with those to whom the responsibility of government has been committed. Grant a vision of Your purpose in the midst of confusion and decisionmaking; grant hope when the way seems unclear; grant imagination when the choices seem limited; and grant strength in the lives of Your servants that all they think, plan, say, and do may be to the benefit of society, to the enhancement of human life, and to Your everlasting glory.

May all Your people be enlivened and enlightened by Your presence and come to know the joy of conscious integrity.

We remember the leaders of this Nation and the leaders in the nations of this world. Be with them, O Lord, and grant to all Your people that inner peace that passes understanding—that peace that comes from knowing You and responding honestly to Your love.

All our prayers and hopes are offered in the name of Jesus Christ, our Lord and Saviour. Amen.

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2553. An act to authorize appropriations for the fiscal year 1979 for certain maritime programs of the Department of Commerce, and for other purposes.

REV. TIMOTHY W. DOLS

(Mr. JOHN T. MYERS asked and was given permission to address the House for 1 minute.)

Mr. JOHN T. MYERS. Mr. Speaker, it is my pleasure today to welcome my own clergyman, the Reverend Timothy W. Dols, of St. Peter's Episcopal Church, Arlington, Va., as our guest chaplain.

The Reverend Mr. Dols was born in Baltimore, Md., received his education in the public schools of Baltimore, went on to graduate with a B.A. degree in fine arts from Washington & Lee University, and then received his degree in divinity from the Virginia Theological Seminary. Reverend Mr. Dols has served in a number of different capacities, both as a counselor in his community as well as a counselor in his church, and has been active in diocese work in Virginia and Maryland. He and his wife, Anne, have two sons, Christopher and Mathew, and they are with us today.

Mr. Speaker, I am most pleased to welcome Rev. Timothy W. Dols today.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON AGRICULTURE APPROPRIATIONS BILL, FISCAL YEAR 1979

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for the Department of Agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1979, and for other purposes.

Mr. ANDREWS of North Dakota reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 11877, PEACE CORPS ACT AMENDMENTS OF 1978

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11877) to authorize appropriations for the Peace Corps for fiscal year 1979, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and, without objection, appoints the following conferees: Messrs. ZABLOCKI, FASCELL, HARRINGTON, BONKER, STUDDS, PEASE, NIX, BROOMFIELD, WINN, and GILMAN.

NATION WOULD SAY NO TO BELLA ABZUG AS CODIRECTOR OF NATIONAL COMMITTEE ON WOMEN

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I saw and heard through the news media late last week that President Carter has accused Congress of refusing to cooperate with his battle against inflation, suggesting that Federal lawmakers take heed of the California taxpayer revolt and its repercussions elsewhere.

Indeed, the voters of California, Ohio, and New Jersey last Tuesday sent Congress and the White House a loud and clear message. The people of this country want less taxes, less Government spending, and less Government regulations.

I am hoping that the President believes that the people in all 50 States would send Washington the same message.

It is shocking to read in this morning's edition of the Washington Post that the Federal taxpayers of this country will now have to help fund with their tax dollars a new National Advisory Committee for Women which, according to White House sources with whom I have talked this morning, will be federally funded.

The Associated Press, the Washington Post, the Washington Star, and White House sources indicate that President Carter is expected to name Bella Abzug codirector of this federally funded advisory committee for women.

I can assure President Carter that 99 percent of the taxpayers in the Commonwealth of Kentucky are opposed to any new Federal agencies or committees, and 99.9 percent of Kentuckians are opposed to their Federal tax dollars being spent by Bella Abzug.

The voters in New York State said no to Bella Abzug in 1976 when she ran for the U.S. Senate. Twice since that time the voters of New York City have said no to her campaigns for mayor and the U.S. House of Representatives.

It is difficult to believe that President Carter interprets the taxpayer revolt in this country to indicate that what we need now in Washington is Bella Abzug giving advice.

CAPITOL PAGE SCHOOL CLASS OF 1978

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, I wish to announce to the House that the Capitol Page School class of 1978 held its commencement services last night.

I wish to pay tribute to these young men and women for their many academic accomplishments and to thank them—and I know I speak for all of my colleagues—for their loyal, dedicated, and effective service to the House of Representatives.

I hope, as they return to their own communities, that they are aware of the affection and esteem in which we hold them and I certainly wish them the best as they prepare to continue their education.

As chairman of the Democratic Personnel Committee, I would like to place in the RECORD a listing of the awards won by the pages we have appointed. But I also wish to note the outstanding accomplishments of the minority pages eloquently outlined by my minority counterpart, the gentleman from California (Mr. ROUSSELOT), in a 1-minute statement on June 8.

Mr. Speaker, I congratulate all the graduating pages and would like to call particular attention to the numerous awards won by the majority pages:

SCHOLASTIC AWARDS EARNED BY HOUSE DEMOCRATIC PAGES OF CLASS OF 1978

American Legion Citizenship Award: Laura Newman.

Civitan Citizenship Honor Key Award: Thomas Daniels.

Danforth Award: Kathleen O'Hara.

Bausch & Lomb Award: Duane Taylor.

Journalism Awards: Noreen Beatley, Muffet Daley, and Alexander Treadway.

American Mathematics Association Award: Thomas Daniels.

Women's Bar Association of the District of Columbia Award: Lora Lowe.

Scholastic Letters: Noreen Beatley, Muffet Daley, Thomas Daniels, Chere Dastugue, Steven Mills, Duane Taylor, Alexander Treadway.

School Star: Thomas Daniels.

Varsity Basketball Awards: James Miller, Thomas Murphy, Anthony Thompson, Robert White, Moses Winston, Andrew Shea, Roy Peebles.

Varsity Basketball Stars: Andrew Shea, Roy Peebles.

Most Valuable Player: Roy Peebles.

"It's Academic" team: Thomas Daniels, Peter Neil, James Miller.

Cheerleading Awards: Maria Keebler, Kathleen O'Hara, Michelle Root.

National Honor Society: Thomas Daniels, Dawn Ferguson, Lora Lowe, Rebecca Mansfield, Steven Mills, Laura Newman.

Procter & Gamble Scholarship: Dawn Ferguson.

Northwestern University Citizenship Scholarship: Anthony Thompson.

National Champion National Catholic Forensic League Student Congress Grand Tournament: Thomas Daniels.

House Democratic members of the Capitol Page School Class of 1978 are: Jeanine Almira Amid, Noreen Elizabeth Beatley, Timothy Elliot Crowe, Anis Margaret Daley, Thomas Tyler Daniels, Chere Dastugue, Dawn Camile Ferguson, Timothy Thomas Gibson, Donald Anton Hill, Clarence Eugene Jones, Lora Anne Lowe, Anna Rebecca Mansfield, Steven Lee Mills, Peter H. Neil, Laura Jane Newman, Kathleen Cecilia O'Hara, Roy D.

Peebles, Jr., Michael C. Popkey, Michael Root, Andrew Brendan Shea, Mark Stefan Sigurski, Duane Jon Taylor, Anthony Charles Thompson, Alexander McCarrol Treadway, Genaro Sierra Valverde.

EARTHQUAKE HAZARDS

(Mr. BROWN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, the tragic earthquake in Japan this week reminds us all of the major hazards posed by earthquakes. Much can be done to reduce the hazards of earthquakes, and a major Federal program to do this became law just last year. Unfortunately, the Appropriations Committee has cut $9 million from the earthquake hazards reduction program, which threatens to undermine our earthquake protection program, which has the potential of saving thousands of lives and billions of dollars. What happened in Japan will happen here, perhaps with far more serious consequences. I believe this program is simply too important to cut. I urge my colleagues to support my amendment to restore these funds. A more detailed explanation on this amendment will appear as a Special Order later today.

REINTRODUCTION OF HOUSE JOINT RESOLUTION 916, PROPOSING CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED FEDERAL BUDGET

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, it is now a full week since the voters of California captured the attention of the Nation by their revolt against high taxes, and, today, along with 85 of my colleagues, I am reintroducing House Joint Resolution 916, a proposal for a constitutional amendment to require a balanced Federal budget.

By our actions today we are telling the people of this Nation that we intend to do our part to see that the Federal Government stops promoting inflation. Our principal national economic enemy is indeed inflation. Inflation has corrupted the American dream — the dream of owning a home, providing our children the best education, and a comfortable retirement after a life of personal responsibility and work. Today, owning a home is not possible for millions of Americans, educational costs have escaped the realm of possibility for low- or middle-income Americans, and most senior citizens' expectation of a financially secure old age has disappeared. It is little wonder the taxpayers of the Nation now view Washington as the fountain of inflation.

Democrats and Republicans are among my cosponsors, and we represent all sections of the Nation, as well as the full range of political philosophies.

But we all have one thing in common. We are concerned that steps be taken immediately to reduce the Federal Government's role in promoting inflation. Huge Federal deficits during times of economic growth, coupled with expansion of the money supply, have resulted in Government-franchised inflation that causes the taxpayers' unrest, manifested in California.

The reintroduction of House Joint Resolution 916 today brings to 157 the number of Members of the House who have sponsored various resolutions to require a balanced Federal budget. The House leadership must now recognize the national support this concept has and schedule hearings as soon as possible. It is essential that this Congress adopt this legislation to allow the States the opportunity to ratify a constitutional amendment to require a balanced Federal budget.

TURKEY SHOULD PROMPTLY CONCLUDE PRISONER EXCHANGE TREATY IF CONGRESS IS EXPECTED TO LIFT ARMS EMBARGO

(Mr. SAWYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, in the coming days, the Congress will be considering the Carter administration's request to repeal the arms embargo against Turkey and resume military aid. At a time when the plea of human rights has become the cornerstone of U.S. foreign policy, this is the first of many statements I intend to make on behalf of the human rights of two young American girls, JoAnn McDaniel and Katherine Zenz, and other Americans serving long nonparolable prison sentences in deplorable Turkish jails. This Congress has passed implementing legislation to permit exchange of prisoners with foreign countries, yet, the Turkish Government has been insensitive to negotiating such a treaty with the United States.

The Government of Turkey should promptly conclude work on the prisoner exchange treaty if they expect Congress to lift the arms embargo. I urge the support of my colleagues in this critical human rights matter.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 12927, MILITARY CONSTRUCTION APPROPRIATION ACT, 1979

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95-1287) on the resolution (H. Res. 1229) waiving certain points of order against the bill (H.R. 12927) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in today's debate on section 209 of H.R. 12929, the Labor-HEW appropriation bill for fiscal year 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1979

Mr. FLOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12929) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. FLOOD).

The question was taken.

Mr. HAGEDORN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 5, not voting 46, as follows:

[Roll No. 442]

YEAS—383

Abdnor	Brown, Ohio	Dodd
Addabbo	Broyhill	Dornan
Akaka	Buchanan	Downey
Ammerman	Burgener	Drinan
Anderson, Calif.	Burke, Fla.	Duncan, Oreg.
	Burke, Mass.	Duncan, Tenn.
Andrews, N.C.	Burleson, Tex.	Early
Andrews, N. Dak.	Burlison, Mo.	Eckhardt
	Burton, John	Edgar
Annunzio	Burton, Phillip	Edwards, Ala.
Applegate	Butler	Edwards, Okla.
Archer	Byron	Eilberg
Armstrong	Caputo	Emery
Ashbrook	Carney	English
Ashley	Carr	Erlenborn
Aspin	Carter	Ertel
AuCoin	Cavanaugh	Evans, Colo.
Badham	Chappell	Evans, Del.
Bafalis	Chisholm	Evans, Ga.
Baldus	Clausen, Don H.	Evans, Ind.
Barnard		Fary
Baucus	Clay	Fascell
Bauman	Cleveland	Fenwick
Beard, R.I.	Cochran	Findley
Beard, Tenn.	Cohen	Fish
Bedell	Coleman	Fisher
Benjamin	Collins, Ill.	Fithian
Bennett	Conable	Flippo
Bevill	Conte	Flood
Biaggi	Corcoran	Florio
Bingham	Corman	Flowers
Blanchard	Cornell	Flynt
Blouin	Cotter	Foley
Boggs	Coughlin	Ford, Mich.
Boland	Crane	Forsythe
Bolling	Cunningham	Fountain
Bonior	D'Amours	Fowler
Bonker	Daniel, Dan	Frey
Brademas	Daniel, R. W.	Fuqua
Breaux	Danielson	Gammage
Breckinridge	Delaney	Garcia
Brinkley	Dellums	Gaydos
Brodhead	Derwinski	Gephardt
Brooks	Devine	Giaimo
Broomfield	Dickinson	Gibbons
Brown, Calif.	Dicks	Gilman
Brown, Mich.	Dingell	Ginn

Glickman	Madigan	Roybal
Goldwater	Maguire	Rudd
Gonzalez	Mahon	Russo
Goodling	Markey	Ryan
Gore	Marks	Santini
Gradison	Marlenee	Sarasin
Grassley	Marriott	Satterfield
Green	Martin	Sawyer
Gudger	Mattox	Scheuer
Guyer	Mazzoli	Schroeder
Hagedorn	Meeds	Sebelius
Hall	Metcalfe	Seiberling
Hamilton	Meyner	Sharp
Hammer-schmidt	Michel	Shipley
	Mikulski	Shuster
Hanley	Mikva	Sikes
Hannaford	Milford	Sisk
Hansen	Miller, Calif.	Skelton
Harkin	Miller, Ohio	Skubitz
Harrington	Mineta	Slack
Harris	Minish	Smith, Iowa
Hawkins	Mitchell, N.Y.	Smith, Nebr.
Heckler	Moakley	Snyder
Hefner	Moffett	Solarz
Heftel	Mollohan	Spellman
Hightower	Montgomery	Spence
Hollenbeck	Moore	St Germain
Holt	Moorhead, Calif.	Staggers
Holtzman		Stangeland
Horton	Moorhead, Pa.	Stanton
Howard	Moss	Stark
Hubbard	Mottl	Steed
Huckaby	Murphy, Ill.	Steers
Hughes	Murphy, N.Y.	Steiger
Hyde	Murphy, Pa.	Stockman
Ichord	Murtha	Stokes
Ireland	Myers, Gary	Stratton
Jacobs	Myers, John	Studds
Jeffords	Myers, Michael	Stump
Jenkins	Natcher	Symms
Johnson, Calif.	Neal	Taylor
Johnson, Colo.	Nichols	Thompson
Jones, N.C.	Nowak	Thone
Jones, Okla.	O'Brien	Traxler
Jones, Tenn.	Oakar	Trible
Jordan	Oberstar	Udall
Kasten	Obey	Ullman
Kastenmeier	Ottinger	Van Deerlin
Kazen	Panetta	Vander Jagt
Kelly	Patten	Vanik
Ketchum	Patterson	Vento
Keys	Pattison	Volkmer
Kildee	Pease	Waggonner
Kindness	Pepper	Walker
Kostmayer	Perkins	Walsh
Krebs	Pettis	Wampler
Krueger	Pickle	Watkins
LaFalce	Pike	Waxman
Lagomarsino	Poage	Weaver
Latta	Pressler	Weiss
Leach	Preyer	Whalen
Lederer	Price	White
Leggett	Pritchard	Whitehurst
Lehman	Pursell	Whitley
Lent	Quillen	Whitten
Levitas	Rahall	Wilson, Tex.
Livingston	Railsback	Winn
Lloyd, Calif.	Rangel	Wirth
Lloyd, Tenn.	Regula	Wolff
Long, La.	Reuss	Wright
Long, Md.	Rhodes	Wydler
Lott	Richmond	Wylie
Lujan	Risenhoover	Rinaldo
Luken	Roberts	Yates
Lundine	Robinson	Yatron
McClory	Rodino	Young, Alaska
McCloskey	Roe	Young, Fla.
McCormack	Rogers	Young, Mo.
McDade	Rooney	Young, Tex.
McFall	Rose	Zablocki
McHugh	Rosenthal	Zeferetti
McKay	Rostenkowski	
McKinney	Rousselot	

NAYS—5

Collins, Tex.	Mitchell, Md.	Wilson, Bob
McDonald	Quayle	

NOT VOTING—46

Alexander	Davis	Holland
Allen	de la Garza	Jenrette
Ambro	Dent	Kemp
Anderson, Ill.	Derrick	Le Fante
Bellenson	Diggs	McEwen
Bowen	Edwards, Calif.	Mann
Burke, Calif.	Ford, Tenn.	Mathis
Cederberg	Fraser	Nedzi
Clawson, Del	Frenzel	Nix
Conyers	Harsha	Nolan
Cornwell	Hillis	Quie
Roncalio	Teague	Walgren
Runnels	Thornton	Wiggins
Ruppe	Treen	Wilson, C. H.
Schulze	Tsongas	
Simon	Tucker	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12929, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, June 8, 1978, the Clerk had read through line 17 on page 39, and pending was the amendment offered by the gentleman from Ohio (Mr. STOKES).

The Chair recognizes the gentleman from Ohio (Mr. STOKES) in support of his amendment.

Mr. STOKES. Mr. Chairman, I was one of the House conferees who last year spent some 6 months working on language that came to be known as the Hyde amendment language in the Labor-HEW bill. As most of the Members will recall after 6 months of debate on this particular issue in the month of December the House and the Senate finally agreed upon what came to be known as the compromise language which was then a part of that Labor-HEW bill. I voted for the compromise language, and I did so reluctantly; but in voting for that language I did so with the realization that we had spent some 6 months of the taxpayers' time debating and arguing over the language which would finally appear in the bill. If the compromise language voted upon by the House and the Senate, which was made a part of that bill, had been included in this bill, I would not today be offering a motion to strike.

I offer a motion to strike because the section of the bill that now is under debate is only a part of the compromise language which was agreed upon after this House had worked its will. That language in the bill now reads:

"None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term," which is, of course, the old Hyde amendment language.

There are several reasons why we ought to strike this language from the bill. First, there have been no hearings and no testimony relating to this section of the bill. We have not had any discussion in either the subcommittee or the full committee with reference to the language which now appears in this bill. It would seem to me that if language is to appear in the bill it should at least be the compromise language which the House agreed upon and which was made a part of the last Labor-HEW bill. There is absolutely no authority for the committee having taken the first sentence of the compromise language and making it section 209 of this bill and thereby excluding all of the other language that the House included in last year's bill after having worked its will.

Therefore, there is no authority, no rhyme, no reason for the kind of restrictive language that now appears in this bill and which I am now asking this House to strike.

You will recall that last year we agreed upon the compromise language after having 11 votes in the House, 6 in the Senate and 6 months of debate, both in the House and in the Senate.

Let me now make reference to the compromise language, which does not appear in this bill. The compromise language provided that:

> Medical procedures necessary for the victims of rape or incest when such rape or incest has been reported promptly to a law enforcement agency or public health serivce.

It provided also that in those instances where severe or long-lasting physical health damage to the mother would result if the pregnancy were carried to term.

It further provided that payments were not prohibited for drugs or devices to prevent implantation of the fertilized ovum or for medical procedures for termination of an ectopic pregnancy.

The basic problem and the basic reason that this section ought to be stricken is well pointed up, it seems to me, in an editorial that appeared in the Washington Post a few days ago, entitled "The Abortion Question Again."

That editorial said this:

> There is another fundamental inequity here. Congress is not only imposing its own judgment of the worthiness or acceptability of abortions in various circumstances. It is also imposing that judgment on only one class of citizens: those who happen to be poor.

The editorial concluded by saying, and I quote again from that editorial:

> We think such federal discrimination is wrong and that Congress should refrain from legislating these curbs and allow individuals to make the decisions freely for themselves.

Now, Mr. Chairman, the Supreme Court of this Nation has made it clear that women have a constitutional right to make a choice of whether to have an abortion or not to have one.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STOKES) has expired.

(By unanimous consent, Mr. STOKES was allowed to proceed for an additional 3 minutes.)

Mr. STOKES. Mr. Chairman, the Supreme Court of this Nation has made it clear that women have a constitutional right to make a choice of whether to have an abortion or not to have one.

Last year on the floor of this House I said that as legislators we have a responsibility to legislate and not to play God. It seems to me that the choice that the Supreme Court of the United States speaks of is one that cannot be made a choice between a women and the United States Congress. What Congress should be doing it seems to me, is expanding upon last year's language to cover other distressing conditions under which women are forced to make a choice, conditions such as where the fetus is deformed or bears an incurable genetic disease or where women suffer health problems, such as diabetes, heart disease or hypertension.

How can we in good conscience explain this more restrictive language in this bill?

There is not a State in the United States, Mr. Chairman, where abortions are illegal. If we in the Congress are serious about doing something about abortions, which in America are legal, then what we ought to do is make abortions illegal. Let us penalize all the 1.2 million women who will have abortions this year. Let us not pick out the 250,000 poor women in America and say to them, "You are different, you are poor, you are a lower class American women. You cannot have an abortion, not because it is illegal or unconstitutional, but because you are poor."

Mr. Chairman, I urge my colleagues in this House to strike this restrictive, illegal, unconstitutional, unconscionable class legislation, which in my opinion is repugnant to everything this country stands for.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I wish to commend the gentleman from Ohio (Mr. STOKES), and I associate myself with his remarks. I think the gentleman has made an admirable statement.

Mr. STOKES. Mr. Chairman, I thank the gentleman.

Mr. BAUMAN. Mr. Chairman, would the gentleman from Ohio (Mr. STOKES) yield for a question?

Mr. STOKES. I would be delighted to yield to the distinguished gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman.

I know the gentleman feels very strongly on this matter, and he presented his case very ably. The gentleman, if I am correct in my hearing, stated that the language in the bill is unconstitutional.

I am sure the gentleman knows the Supreme Court addressed itself to this precise language and ruled it was constitutional. I believe the gentleman will admit that.

Mr. STOKES. Mr. Chairman, I am not sure the Court addressed itself to this particular language in that precise manner.

Mr. FLOOD. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment conclude in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Ms. HOLTZMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. FLOOD. Mr Chairman, I ask unanimous consent that all debate on the pending amendment conclude in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Members standing at the time of the unanimous-consent agreement will each be recognized for 3 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Our subcommittee has included in the bill the languague which prohibits the use of funds for abortion except where the life of the mother would be endangered if the fetus were carried to term.

This is identical to the language which was enacted into law for fiscal year 1977 and which was recommended by the subcommittee and the full committee for fiscal year 1978. My view is that this language is OK, and that it should have been included in the fiscal year 1978 bill in order to see what actual effect it would have had on the number of abortions paid for through Medicaid. The Members will recall that, though the language was adopted for fiscal year 1977, the courts did not permit it to go into effect until 2 months before the end of the fiscal year. This language was endorsed several times by the House during last year's debate over this issue.

After last year's experience, it seems to me that it ought to be clear to anyone that the House of Representatives is firm in its resolve to place restrictions on the use of public funds to pay for abortions.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio (Mr. STOKES) to strike the language in the legislation.

I think it is imperative that the committee do nothing more and the Congress do nothing more than they did last year in the so-called compromise language, which I think is clearly unacceptable to the women of this country. This imposition of a legislative mandate on how these women will treat their bodies and how these women will make decisions and choices with regard to their futures and their bodies is clearly unacceptable.

I would hope that, at a very minimum, the committee would stand on the language that we had last year. I strongly support the efforts and hope that the committee will support the efforts of the gentleman from Ohio (Mr. STOKES) to strike the more prohibitive language that currently exists in the bill as it is before us.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr Chairman, yesterday we began radio broadcasting the proceedings of this House nationwide which of course means worldwide so I begin by paraphrasing a well-used attention grabber, "The whole world is listening." I rise in opposition to this motion of the gentleman from Ohio. The word "unwanted" will probably not be as used during the proceedings today as it was last year. I think the message is getting through to the American people that it is extreme anti-God arrogance to refer to any human life as "unwanted"—either in the womb or out of the womb, young or elderly, crippled or strong.

Hearings in the Committee on the Judiciary last year, through one of the subcommittees established conclusively that there is a $10,000 going rate for underground adoption of white children. These high-priced negotiations, of course, take place while the much-wanted children are still in their mother's womb. It is impossible, therefore, to describe any white child as unwanted. So, we come down to the very ugly situation of using that word "unwanted" only in application to unborn children of color still in their mother's wombs.

This year I make the point again, vociferously, that there is no such thing as an unwanted child in any womb anywhere. God wants every child in every far corner of our delicate world whether the parents are rich or poor. "Unwanted" is a totally judgmental and subjective word. I think, since we are now heard on nationwide radio from this Chamber, that I will again at this point bring to the attention of all American citizens listening that in this august Chamber of the House of Representatives there is much religious symbolism to guide us in deliberation. The immortal words "In God We Trust" are boldly set in marble directly over the Speaker's chair and above our beautiful national flag.

Above us on the east side of our Chamber over the door is the wise visage of Pope Innocent III. Over the west doorway are the profiles of St. Louis and Pope Gregory IX. I have only to raise my eyes slightly and over the north portal to this august Chamber. I see the noble countenance of the greatest of lawmakers Moses. Only his face out of the 23 giants in the history of law portrayed on our walls looks directly at us, as if to say "thou shalt not kill." This rich symbolism reminds us that our beloved country was founded on Judeo-Christian standards of respect for life . . . all life, unborn or imperfect. No matter how much we want to flee from our roots and how badly we want to turn this Nation into a purely secular and materialistic society we cannot escape the fact that our American dream was not begun by pagan Phoenicians that burned their young in living sacrifice out of fear of poverty and famine. Just the opposite is true. We were founded as a Nation with a sacred, burning respect for life and liberty . . . for all . . . including the unborn. The rich always have opportunities to corrupt themselves beyond what is available to poorer citizens. The current chic Hollywood drug is cocaine, at $100 a pop not available to your average citizen except by crime—so what. The rich can afford rhinoplasty more easily, facelifts, and other plastic surgery. There are lots of things good and evil, that rich folks can afford that are not available to poor people, "spoiling their children" prominent among the tragic alternatives available to parents of means.

Rich or poor, no mother or mother-in-waiting has any right to take an innocent life in her womb or microseconds after birth. And how much worse

for a mother to terminate the God-given life in her womb based on the plea that her child is "unwanted" because she, the baby's mother, is poor. And poor by what standard? Asia's? Africa's? Canada's? Or the Standard of Beverly Hills? Every God-ordained creature on the face of this Earth, including, every innocent unborn child is wanted.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey, (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I think this very difficult question divides in two. One question is: Should Federal funds or tax money, public money, be used for a procedure of which a considerable number of people disapprove?

I think that we have to look at this in the light of the Quakers, who strongly disapprove of war, and have moral and religious convictions against it, and whose taxes are continually used, year after year, for the defense of this country, for arms and for warmaking mechanisms. I do not think any group can choose the particular purpose for which taxes will or will not be used.

Then we come to the second question, and we are talking here about a legal procedure. It is a legal procedure. We are not talking about an illegal procedure.

Mr. Chairman, if one could eliminate by a stroke of the pen here or anywhere else this whole tragic subject of abortion, it would be different; but there is no way of eliminating it. It does not make any difference what one does. We will either have legal clinics or we will have abortions in motels and back-street offices, if we can call them that. At any rates, in illegal places.

Mr. Chairman, abortion has now been made legal in Italy for the first time but one gynecologist in Naples told the press that he had been making a fortune by performing illegal abortions the whole time.

In Chile, if one traveled there as I did in 1939, 35 percent of all the hospital beds were occupied by women dying or recovering from self-induced abortions.

If one is too poor even to afford a back-door clinic or an abortionist in a motel, it is a self-induced abortion that one can die from.

Mr. Chairman, there is no way of eliminating abortions. Over all the centuries they have never been eliminated.

The question is, What are we going to do about it? Is it fair to have a legal procedure in the United States of America, open to those with money, and not open to the poor? I do not think it is.

We speak of wanted and unwanted. After all, we are not talking about a market item. We are not talking about something that the public may or may not want. We are talking about a woman, and it is her decision. I do not think any of those who take this stand have ever spoken to a desperate mother of four whose husband has suddenly been stricken with an illness. Is a fifth child wanted by that particular woman?

Maybe there is out in this world somewhere a place where that child could be adopted, but that is not what we are talking about.

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. FENWICK) has expired.

The Chair recognizes the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Chairman, I would like to rise and associate myself with the remarks of the gentleman from Ohio (Mr. STOKES), and to say that I rise in behalf of this amendment based really on my having worked for 20 years as a social worker in the Baltimore community, with the Baltimore community's poor.

When I am talking about poor people, I am talking about a very desperate family living on less than $3,000 a year, primarily concentrated in rotten, filthy slums, where the density of population per foot can be equated with that of many poor, backward countries. I am talking about families living within the shadow of the great Johns Hopkins Hospital.

As a social worker, Mr. Chairman, I had to face a family in which a 14-year-old retarded child had been raped by her 16-year-old deaf-mute brother. That is the kind of case I am talking about. I could cite horror story after horror story.

The question becomes whether the Congress of the United States, as it talks about a right to life, will actually commit itself and give the poor of this country a right to a future. I think that it is time that we really expand our horizons in this debate and talk about a right to a future, about someone who has been poor and who has been victimized, and whose only alternative is a back-alley, coathanger abortion. I think it is time that we decide whether we are really going to talk about a right to a future and whether we are going to offer the proper medical procedures so that people can then go an and try to find some better life.

Mr. Chairman, I have no other remarks in further elaboration, but I ask the Members, as they pursue their conscience, to think about how we can really provide this right to a future.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, throughout the prolonged debate on this issue of whether or not Federal taxpayers' money should be spent to finance abortions, on no occasion has the House of Representatives ever adopted a proposition similar to the one proposed today by the gentleman from Ohio (Mr. STOKES), that we have no restrictions whatever on Federal funding of abortions.

That, of course, is the only thing we will vote upon at the conclusion of this debate. Therefore, I would hope that we would overwhelmingly reject the gentleman's motion to strike out the committee language.

The committee language, after all, has been endorsed by the House on a number of occasions and was the law of the land, having been approved by the U.S. Supreme Court as constitutional.

A majority of this House repeatedly supported the language that Mr. STOKES' amendment would strike out. If, of course, we were imprudently to adopt this amendment, we would return to the situation that existed prior to the adoption of the original Hyde amendment in 1976. Then Federal taxpayers' money was being spent to perform 300,000 abortions annually at a cost of $50 million.

That only goes to the statistics. It certainly does not go to the fundamental principle that impels those of us who support the right to life to oppose an amendment such as this; that is, that these children have a right to live as much, indeed higher than, the rights claimed for those who want unlimited abortions. From January 1969, through August 1977, the Federal Government spent approximately $256 million for 1,340,000 medicaid abortions. That is an appalling figure when one considers the slaughter this entails.

Those of us supporting the right to life and who oppose the motion to strike this language are not in any way imposing upon the poor, the minorities, any sort of extra restrictions except to say that their children have a right to human dignity, a right to life, as much as any others. Certainly it violates the consciences of millions of Americans to see this money expended for the elimination of unborn children.

For all those reasons I strongly urge that this most extreme position, that we adopt no limitations on Federal funding of abortions, be rejected overwhelmingly when the rollcall occurs.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, would the gentleman agree with me that the inclusion of this language in the bill does not stop one single abortion in this country, but that it does stop abortions which are legal and which can be had under decent conditions and safe conditions, for poor women? Would the gentleman agree with that?

Mr. BAUMAN. No, I would not agree to that position, because I think without the availability of Federal funds there would definitely be a decrease in abortions. That is what we seek.

The CHAIRMAN. The Chair recognizes the gentlewoman from Tennessee (Mrs. LLOYD).

Mrs. LLOYD of Tennessee. Mr. Chairman, I rise in opposition to the motion and support the committee language restricting the availability of Federal funds for abortions. It has always been a fundamental premise of this Nation that human life is sacred, worthy of both respect and protection. It is wholly inconsistent that the Government of this Nation should seek to place itself in the position of encouraging the destruction

of life through the availability of abortions.

Proponents of abortion have made reference to the freedom of choice issue. The Supreme Court has guaranteed the availability of the abortion option by overturning laws restricting this procedure. However, in that same ruling it was the Court's position that the Government remain neutral. If Federal funds are available for abortions, then the Federal Government cannot be neutral on the issue. Furthermore, those citizens who are morally and ethically opposed to abortion have the right to insist that their tax dollars not be used in the furtherance of terminating the lives of unborn children. It is discrimination of the worst kind against any taxpayer who opposes abortion to force that individual to finance an act toward which he or she has a deep personal, moral aversion.

It is my personal belief that abortion, except in those cases where the life of the mother would be endangered is wrong. I would much prefer to see the Federal Government make a stronger commitment to family planning and counseling services.

Those who do not share my views on the issue of abortion have the opportunity to contribute privately to assure access to abortions to those who cannot afford them, without forcing those who object to abortion into paying for it. Congress has no business using its power to tax to collect funds for this purpose.

I would not deny that the problem of the unwanted child is one which is very serious and very real. Yet the violent act of abortion is not an answer to this problem but rather an admission that we have given up trying to find a humane solution. We are talking about a creation of God.

I urge my colleagues to support the committee's decision in this matter and to avoid the participation of the Government in the financing of abortion programs.

We have more individual wealth and more freedoms than any country known in the history of mankind, and I think that it is intolerable that we would think of using that freedom for destruction of the creation of God.

The CHAIRMAN. The Chair recognizes the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, our attitude toward life permeates whatever we do. It appears to me that we are on a collision course in terms of our action as Members of the Congress as they manifest our respect for life, especially as it relates to the poor. There are no funds for agencies who solely want to enable a poor woman to have counseling and assistance to carry the fetus to term. As a result, and I have seen this come in from our federally defined proverty areas myself, poor women usually are dealt with only in terms of having an abortion. It is truly discrimination in reverse.

However, those of us who wish to maintain the Hyde language must have a commitment to aid these poor children whose lives we save in terms of their human needs. We must support the Mitchell amendment which directs attention away from the military and toward the human needs. We must be interested in preserving life, not manufacturing the neutron bomb. We must be more concerned with aiding foreign countries not with bullets but with food, clothing, and shelter.

We must be concerned with the plight of our elderly.

We must love and respect life from the dawn of life (the fetus) to the evening of life (the elderly).

That is why I support the Hyde language.

It should reflect on all of our actions as Members of Congress.

I sincerely regret that I must reject the amendment put forth by my good friend and colleague, the gentleman from Ohio (Mr. STOKES), whose positions on most issues I usually support and respect.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, I rise in opposition to the amendment.

The issue we face in this debate is the right of defenseless human life to exist.

Abortion is not the solution to a problem, it is the failure of society to look for a solution.

The unborn life we seek to protect with the language of section 209 in the HEW appropriation bill, is, to be sure, inconvenient life, burdensome life. It came at the wrong time, maybe; or possibly in the wrong form—disabled, handicapped, retarded, the wrong sex—discovered through the scientific marvel of amniocentesis—or whatever other reasoned excuse. The point is, this is defenseless life; the most defenseless in our midst, life to which we owe the highest order of care and legal protection.

The issue is not whether we will provide funding for a service to one economic class of citizens and not to another—the Government does not fund abortions for the well to do so it has no obligation to provide them for the poor.

The issue is not the rights of the poor to a service, but, rather, the right of the unborn to live.

The language of the committee bill protects that right. It does two things: It protects the life of the unborn; it protects the life of the mother, if endangered by the pregnancy.

There are many other services we do provide for the poor—pre- and postnatal care, pregnancy counseling, child services, health care services, to mention a few. There are many more that we should provide—alternatives to abortion that are not now adequately provided, either through authorization or appropriation.

There can be no room in the heart of a compassionate government for funding of programs to terminate innocent life.

I urge the defeat of this amendment, which is no less than an open assault on human life.

I do not think we need extended debate—our minds have either been made up by ourselves or for us by our constituents.

I urge your vote for the voiceless and voteless of our society—the unborn.

Let us defeat this amendment and send a clear message to the other body, that we intend to stand firm for human life.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I am concerned about the debate that we have heard here because it is really irrelevant. Whether anybody here agrees or disagrees with the right to abortion, the fact is that it exists and is constitutionally guaranteed in this country. We have the right to disagree with the Supreme Court decision or disagree with the Constitution. That is a matter of personal preference. It seems to me the debate here is irrelevant to the sole issue before us which is whether or not women who cannot afford to have an abortion, who cannot afford to exercise their constitutional rights will be denied the opportunity to a safe abortion performed under medical safeguards.

I think that it is heartless, cruel and, in a way, sanctimonious for us to say that we will prevent young women and older women who cannot afford to have an abortion the right to decent health care with respect to their abortion.

I also think that it is inexcusable for this committee to come to the floor of the House with this restriction on the right of abortion without having presented to the Members of Congress the health effects of restrictions presently in the law. How many women who have been denied the right to a safe, legal abortion have had back-alley or self-induced abortions and, as a result, have died or have suffered infections, sterility, physical infirmities and the like? Why are we not presented with that information?

I think the amendment offered by the gentleman from Ohio (Mr. STOKES) ought to be supported.

Mr. WEISS. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to my colleague, the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I want to express my full support of the position taken by the gentlewoman from New York (Ms. HOLTZMAN). And I wish to thank her for yielding me this time.

Mr. Chairman, I support the motion to strike the Hyde amendment.

The bill we are considering today allocates funding for a variety of health and education programs designed to improve the quality of life for all Americans. However, as reported out of committee, it contains the original Hyde amendment—a total restriction on the use of medicaid money for abortion services, except when the life of the mother is endangered.

This is a clearly discriminatory measure which threatens the access of poor women to abortion services. Enactment of this restrictive measure will not end

abortions in this country, for the Supreme Court has stated that it is a woman's constitutional right to end a pregnancy in its early stages. What it will do is withhold from a certain segment of our population their constitutional right to equal protection of the law, and establish a dual system of access to needed medical care.

Mr. Chairman, I am deeply troubled by the consequences of this amendment. Approximately 20 years ago, one of my responsibilities as an assistant district attorney in New York was the investigation and prosecution of illegal abortionists. For the most part they were without training; the few who were trained had lost their license or capacity to practice medicine. I saw the results of their work; the maiming and killing of women who did not have the freedom to choose. I shudder to think of a law which will again send some women to those back alley abortionists that were in abundance before the Supreme Court decision.

In July of 1977, HEW Secretary Califano requested his staff to study and report to him on "Alternatives to Abortion." The following is the conclusion reached by Connie Downey, chairperson of the HEW task group:

> Abortion is an option, uniquely, which is exercised between conception and live birth. As such, the literal alternatives to it are suicide, motherhood, and, some would add, madness. Consequently, there is some confusion, discomfort, and cynicism greeting efforts to "find" or "emphasize" or "identify" alternatives to abortion.

Abortion is hardly a satisfactory or desirable means of birth control. Therefore, the question we should be asking is not whether Federal funds should be allowed for the purpose of abortions, but ultimately what we can be doing to prevent the problems caused by an unwanted pregnancy. Obviously, we should be working toward that goal. Enacting the Hyde amendment, however, will not accomplish this. What it will do is increase the risks of dangerous self-induced or nonmedical abortions for women as a result of systematically denying their access to legal and safe medical services.

The issue is not whether abortions will continue to be performed, for that decision has been made. The crucially important consideration is the manner in which they will be performed. Congress has an obligation to assure equality of health care to all our citizens, and thus I urge my colleagues to join me in opposing the Hyde amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentlewoman for yielding me this time, and I wish to closely associate myself with her remarks. I do not think it is right for the Right To Life Committee in this House to use poor women as pawns, and I think it is very cruel to do so.

Mr. Chairman, I rise not only in support of the motion to strike the language contained in Section 209 of H.R. 12929, but more importantly, I rise on behalf of the millions of poor women in this country who are being used by the Right to Life Committee and this House as pawns in a very cruel game which attempts to establish the moral codes for every American.

The Supreme Court in its 1973 Roe against Wade decision recognized a woman's right to decide whether or not to terminate a pregnancy. They articulated the guidelines and parameters by which an intelligent and legal determination could be made. That adjudication is the law of the land. However, section 209 of H.R. 12929 would effectively overrule that decision by denying poor and, oftentimes, destitute women the opportunity of receiving a therapeutically safe abortion, performed by a qualified physician. I submit to you, that it is a sad commentary on this body, when the majority of the Members vote to subject economically disadvantaged women to medically unsafe abortions just because they are too poor to afford qualified and professional treatment services.

I think it is repugnant, that the Members of the House are willing to force the very agency mandated to insure the highest quality of health care and services delivery to every American, to deny adequate health care and services to women who can least afford it.

We took an oath to uphold and defend the Constitution of the United States; and, I would submit that it is a breach of that oath for this body to chill or frustrate the constitutional right of economically disadvantaged women to choose a therapeutically safe abortion.

I appeal to you not to place a price tag on the enjoyment of a constitutional right in this country by allowing section 209 of H.R. 12929 to pass this House. However, if you insist on this course of action, then I give you fair warning that you will set a dangerous precedent, one that will surely return to haunt us all.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman and members of the Committee, I do not plan to take my full 3 allotted minutes. This issue has been extensively debated last year and I believe that most Members have their minds made up on this amendment and possibly the second amendment. But, Mr. Chairman, I oppose this amendment just as much as I oppose the next amendment, if it is to be made. Mr. Chairman, I do so because I feel strongly for life. I also feel strongly for the position of the House which was taken last year on the initial vote and that position was even more strongly worded than the language that is in the committee bill. However, I believe that the language existing in the committee bill does properly voice the opinion of the majority Members of this House and should be sustained.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Chairman, I thank the gentleman from Missouri, Mr. VOLKMER, for yielding me this time.

Mr. Chairman, I support the Hyde amendment prohibiting the use of Federal taxpayer dollars to perform abortions.

I oppose the motion to strike this section from the bill.

I also oppose the proposed amendment to this section, which replaces the Hyde language with the compromise conference committee language of last year.

In my view, and in the view of millions of Americans, no case can be made for the use of taxpayers' money to perform abortions.

The history of medicaid abortions in the city of Washington, D.C., alone is enough to make any person recoil in horror at the atrocities that have occurred.

Thousands of young women—most of them from circumstances of poverty and deprivation—have become the victims of abortion mills supported by family planning counselors who have shirked their responsibility to counsel moral values to teenagers and unmarried women.

Abortion mills thrive in the Nation's Capital, and in cities throughout the Nation, supported by taxpayer dollars.

Young girls have been allowed to die in these places, and have been permanently incapacitated. There are hundreds of such cases.

I do not believe that Congress can avoid the moral responsibility for these outrages unless we do everything in our power to stop the use of Federal dollars to perform abortions.

The Hyde language, which is part of this bill, gives us the opportunity to take this unequivocal stand, which the majority of the American people expect us to take.

I cannot support the proposed amendment to this language, which will open the door to all kinds of exceptions and abuses in the use of tax dollars to perform abortions.

The gentleman from Illinois (Mr. HYDE) has adequately shown how the Secretary of Health, Education, and Welfare has issued regulations under last year's language which for all practical purposes have allowed unlimited abortions, even though the clear intent of Congress was to prohibit them except in highly exceptional cases.

I hope that Congress will close the door to this kind of bureaucratic arrogance, which has underscored the impossibility of any abortion prohibition other than that which is currently in the bill—the Hyde language.

I urge the defeat of all efforts to strike or change this language.

We must retain section 209—the Hyde language—as it is currently written, and clearly require no Federal taxpayer dollars for abortion, except in the very rare case where the mother will lose her life if she gives birth to a child.

Ms. MIKULSKI. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Chairman, I understand that the gentleman from Missouri (Mr. VOLKMER) voted against the ERA extension in the subcommittee of the Committee on the Judiciary. I do not see how the gentleman reconciles his passion for life as he has so carefully articulated and yet denies the opportunity for women to be fully included in the Constitution of the United States. I would like an explanation of that.

Mr. VOLKMER. Mr. Chairman, I do not believe that one issue has any connection with the other.

Ms. MIKULSKI. The gentleman is saying that equal rights and this issue are not connected? He wants to protect alleged female life in the woman but does not want to include women in the Constitution of the United States. I do not understand his thinking: Would he explain it to me?

Mr. VOLKMER. No, I do not believe that abortion and equal rights are connected. I would like to say to the gentlewoman one further thing.

Ms. MIKULSKI. Mr. Chairman, will the gentleman yield at that point?

Mr. VOLKMER. No, I do not yield, permit me to finish.

I would like to answer the question and that is that the gentlewoman from Maryland (Ms. MIKULSKI) knows my statement before that committee was that on that amendment for an extension that that amendment extended it for 7 years and I said that I would not vote for a full 7 years.

The gentlewoman, if she looks back at the history of the ERA, will find that I have always supported the equal rights amendment and do so today and hope that the State of Illinois will ratify it.

I do not oppose the equal rights amendment, I have never opposed the equal rights amendment and will never do so.

Ms. MIKULSKI. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the motion to strike. One of the reasons I support the amendment is I care so much about human life. I think that the people who say only the antiabortionists care about human life are wrong.

Let us talk about human life, and let us talk about the biggest epidemic going on in this country right now—teenage pregnancy. Do the Members know that three-fourths of the teenagers who are now mothers have no health insurance, that 7 out of 10 of them get absolutely no prenatal care in the first trimester? This has serious implications for the development of the human brain. Many people have said, "Look, even teenagers babies, those babies are not unwanted; those babies will be adopted." That is probably true, but let me tell the Members that 9 out of 10 teenagers keep their babies because they are human, and have grown up in this country, a country that cares an awful lot about life. When a teenager spends 9 months of her life giving birth to a baby she is not anxious to just be a baby factory and then go back to doing things as usual. She wants to be the baby's mother in 9 out of 10 cases.

Let us talk about what happens to that young girl. This is a country that gets so worried about the measles epidemics in the elementary schools, so let us talk about the pregnancy epidemic among our teenagers. Its impact dwarfs the measles epidemic. What happens if a young girl, 16, has an illegitimate child? Ninety percent of her life script is immediately written for her. The major cause of dropping out of school today is teenage pregnancy. Even if she has someone to take care of the child for her, if she wants to keep the child, she is unable in most instances to find a permanent steady job because she does not have the employment skills. Taking care of a child is a very, very difficult task. It is shocking when over 25 percent of the mothers in this country are becoming mothers before they are becoming legal adults. We should think about that. We should think about the quality of life the mothers and the children are going to have. I certainly do not want laws forcing them to give up their babies. I think that is the wrong way to go, and yet what kind of parents are they going to be? What kind of future are they going to have?

We can all sit around here and make moral judgments that they should not have gotten themselves in that situation, but yet we as a society allow commercials to go on television telling young girls they must be popular; they must wear perfume; they must be sexy; they must do this; they must do that. But—aha—if they go too far, they will pay for it.

About one-tenth of the American girls in this country who are teenagers become pregnant in 1 year. We had better be worried, because the long-range future implications of that are serious. They are high-risk mothers. Their health and the baby's health are jeopardized by their age and social-economic status. Teenagers are a group that rely on medicaid abortions. Should we not as a society allow this as a choice?

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, in his next to last broadcast before he retired from the daily news grind, Eric Sevareid observed that one of the requirements for American citizens in the modern age is "to retain the courage of one's doubts as well as one's convictions in this world of dangerously passionate certainties."

These words describe my feelings on this terribly controversial issue.

I honestly do not know what the perfect set of legislative words would be that would put this question to rest in such a way that the many groups with conflicting views on it would be able to accept it.

This issue for me is not so clear as it is for some others. I envy the certainty with which some groups say, "There should be no limitation on Government funding for abortions. A woman has a right to control her own body and the Government should never get involved."

But I cannot agree with that for two reasons:

One—the idea of abortions for convenience appalls me. Abortions undeniably represent the end of opportunity for life and that constitutes a massive failure on the part of our society.

Two—I also deeply believe that society as a whole will not tolerate unlimited funding of abortions of convenience for a wide variety of complex reasons.

I also envy the ease with which some groups on the other side of the question say "the answer is simple. There should never, under any circumstances, be any funding for abortions. No exceptions are acceptable."

But I know society will not tolerate that judgment either. I know that the question is complicated by factors such as rape, questions relating to the health and life of the mother, questions such as the increase in illegal backroom abortions that such a legislative solution would cause.

So I am simply not sure what the exact language should be, but on balance I believe the best solution is to reject the amendment offered by Mr. STOKES, which would wipe out all limitations on abortion, reject the committee version, which would make no exceptions for rape, or serious health questions such as kidney diseases—an approach which we know the Senate will not accept—and accept the language of the Wright amendment.

That language prohibits Government payment of abortion except where the life of the mother would be in danger, in cases of rape incest, and except in instances where severe and long lasting physical health damage would occur and when that danger is attested to by two physicians.

That language is unacceptable to the American Civil Liberties Union and others who favor no limits on abortion and it is unacceptable to some in the right to life movement who favor no exceptions whatsoever to abortion.

It does have three things which recommend it.

One—It is a reasonable effort to balance the interests of the fetus and the interest of the mother.

Two—It has proven to be the one position that could gain a majority of support in both the House and the Senate, and

Three—It seems to be reasonably well accepted by a majority of Americans.

So I urge you to vote for the Wright amendment, but no matter how you vote, let me urge you to do one other thing when you cast your vote today. Do what the American public has a right to expect of you. Very simply—do what you think is right, whether you agree with me or not.

Do not allow the legislative process to be abused by lobby groups on any side of

the issue whose feelings are so strong on this question that they allow themselves to practice the theory that the end justifies the means.

Do not allow them to succeed in dealing with you by substituting political threat for rational and fair persuasion.

Mr. Chairman, yesterday I was shown a "bulletin" sent to my district by the National Committee for a Human Life Amendment Inc.

That bulletin said, among other things, that I have "consistently voted to support the unrestricted use of Federal tax dollars for abortion on demand for medicaid recipients."

Mr. Chairman, that is a lie and Members of this House know it is a lie. The record shows that last year in committee and on the floor I voted 22 times for limitations of one kind or another on Federal funding for abortions, perhaps not the exact limitations favored by Mr. Gallagher, the lobbyist for that organization, but limitations, nonetheless.

The record further shows that I voted against and spoke against the Stokes motion to remove all limitations.

So I called Mr. Gallagher and asked him how he could say what he had said about my record, given what the record shows. He made it quite clear to me that his allegations were based upon my refusal to support the Hyde amendment which provided no exceptions whatsoever, not for rape, not for incest, not for kidney disease, no exceptions at all.

In other words, he is using two or three out of the votes which occurred last year and is ignoring the rest.

Mr. Chairman, as every Member of this House knows, a vote against a specific amendment is just that, a vote against a wording of a specific amendment.

But, Mr. Gallagher, in his zeal, is apparently willing to twist the truth because of our disagreement on this question.

And Mr. Chairman, Mr. Gallagher is not alone. I have had nasty experiences with several groups on the other side of the question and they, too, have on one occasion or another chosen to be rather selective in their explanation of votes around here on this question.

I remember the "newsletter" put out by one womens rights group which began "we have a problem and his name is Dave Obey" and went on to suggest I was an enemy of women because I would not support their position of no limitation at all in Federal funding for abortion.

I raise that episode with Mr. Gallagher to illustrate the vicious distortion of fact being used by some lobby groups on this issue.

I am especially appalled when those distortions are engaged in by people who parade as representatives of religion and morality.

These groups have every right to lobby Congress. They have every right to publicly disagree with Congress and its individual Members.

They do not have the right to unfairly distort and lie about the nature of that disagreement and about what happens on this floor. Any person serving in this House knows that this kind of misinformation and outright lying is being peddled with increasing regularity not just on the abortion issue but on many others—labor law reform, consumer protection, Panama Canal, and many others.

So all I ask of each of you here today is that you vote your conscience and your judgment. Take this House back from those who would abuse the legislative process by distortion, those who try to convince you, not through persuasion but by intimidation. That is the only way this House can function again.

Vote for the one amendment that has been able to win majority support in both the Senate and the House—the Wright amendment.

You know in the end we will pass it or something close to it. Let us do it now rather than later and spare the public the charade.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, we are told there are only two things certain in life, death and taxes, and that is what we are really talking about here, death and taxes. We are talking about whether or not we shall supply tax dollars to kill prenatal life, and make no mistake about it, by definition and by intention every abortion kills someone that is living.

Now, we are told there are two main arguments against the prolife position. One of them is that the Supreme Court has legalized abortion and, therefore, we should accept that.

Second, there is no consensus on when human life begins and, hence, to impose one's theological beliefs on a constitutionally secular society is breaching the wall of separation between church and state and, hence, is wrong and un-American.

As to the Supreme Court, even a superficial study of their history ought to show how capable of error they are. The other day they legitimized ransacking newspaper offices for evidence in a crime. You could solve the energy crisis with all the flurry of responses around this chamber trying to correct that error of the U.S. Supreme Court.

So when the Supreme Court is with you, they are majestic and unassailable, and when they are against you, they are outrageous and neanderthal; but their decisions never foreclose an issue. If you do not believe that, ask Dred Scott.

As to the lack of consensus when life begins, whose word would you accept? Will you accept Planned Parenthood? Planned Parenthood is on the cutting edge of abortion; who told us in 1965, not so long ago, they had a brochure called, "Plan Your Child," and in it they said, "Is it an abortion? Definitely not. An abortion kills the life of a baby after it has begun."

Now, I asked them and I ask you, what medical, clinical, biological discoveries have occurred since 1965 to reverse this, to dehumanize, to depersonalize the unborn? You can take all the time you want, because you will not come up with any.

Do you know that a blade of grass has more protection than a human being under our laws, since the Supreme Court decision? "Do not walk on the grass, do not trespass," but you can exterminate your unborn child with perfect legality.

A bird, a crow, an eagle, a snail darter, has more legal protection than an unborn being, an unborn child. It is intolerable that this can exist in a society that calls itself caring and humane.

The art of euphemism reaches a high level in the area of abortion: Just as a sewer worker can be called an aquatic engineer, pro-abortionists may call themselves "pro-choice." That is some choice.

The "choice" they offer is this: Do we kill the unborn with a curette, or do we kill the unborn by a suction machine, or do we put a saline solution in and scald the unborn to death?

Mr. Chairman, that is the choice they offer—"Keep abortion safe and legal?" Safe for whom? Certainly not the unborn child, because in abortion the morbidity rate for the unborn is total.

Let us no longer be accessories in the carnage of abortion. Defeat this amendment resoundingly.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I rise in opposition to the amendment to strike section 209, the language in the bill.

So long as Members of this body have been denied the opportunity to debate the abortion issue by the legislative committee, we have had to cope with the issue by way of a limitation on an appropriation bill. It is a bad way to legislate.

The rule under which we are considering the legislation provided for only two amendments, the one offered and pending by the gentleman from Ohio (Mr. STOKES) to strike the language completely, and another amendment that will be offered, I suspect, by the majority leader that would retain the current language that exists in law. I oppose the pending amendment, but do want to include with my remarks the long history of writing and rewriting the language we had to deal with last year.

HOUSE VOTES ON ABORTION LANGUAGE, 1977

DATE, LANGUAGE, VOTE, AND MARGIN

6/17/77, House Passed Version: "None of the funds appropriated under this act shall be used to pay for abortions or to promote or encourage abortions." Passed 201–155, 46.

8/2/77, House Conference disagreeing amendment with Report: "None of the funds contained in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term." Passed 238–182, 56.

9/27/77, Senate Passed Version: "None of the funds in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term or where medically necessary or for the treatment of rape or incest victims. This section does not prohibit the use of drugs or devices to prevent implanta-

tion of the fertilized ovum." Defeated 164–252, 88.

10/12/77, House Conferees Proposal: "None of the funds contained in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term. This section does not prohibit payment for medical procedures, performed before the fact of pregnancy is established, necessary for the prompt treatment of the victims of forced rape or incest reported to a law enforcement agency. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy. Passed 263–142, 121.

10/13/77, Senate proposal: "None of the funds in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term, or in the case of rape or incest, or if the woman or fetus would suffer serious health damage. This section does not prohibit the use of drugs or devices to prevent implantation of the fertilized ovum." Defeated 163–234, 71.

11/3/77, Senate proposal: "None of the funds contained in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term. Or except for medical procedures necessary for the victims of rape or incest. Or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy. The secretary shall promptly issue regulations and establish procedures to insure that the provisions of this section are rigorously enforced." Rejected 172–193, 21.

11/29/77, Senate proposal: "None of the funds contained in this act shall be used to perform abortions: except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported to a law enforcement agency or public health service or its equivalent; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy. The secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced." Rejected, 183–205, 22.

12/6/77, House conferees proposal: "Provided that none of the funds provided for in this paragraph shall be used to perform abortions: except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of forced rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy. The Secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced." Rejected 170–200, 30.

12/7/77, Senate language: "Provided that none of the funds provided for in this paragraph shall be used to perform abortions: except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy. The Secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced." Rejected 171–178–1, 7.

12/7/77, Michel amendment: "Provided that none of the funds provided for in this paragraph shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy. The Secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced." Adopted 181–167–1, 14.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Chairman, I have sat here and carefully listened to the debate on this amendment. I have been struck by the fact that throughout the entire debate I find those who are in favor of the inclusion of this language in the bill have circuitously avoided any discussion concerning the main point as to why we have this amendment now before the House, and that is that there is no basis for the inclusion of this language in the bill.

Our committee, Mr. Chairman, conducted hearings on this bill for 3 months. During that 3-month period, we had over 60 days of hearings on this bill, and I say to the Members that not one single Member in this Chamber who is in favor of the inclusion of this language ever appeared before that committee to ask us to include that language in the bill. That is the reason for my motion before us, the fact that there is no basis for us to legislate on an appropriation bill.

If Members felt this language ought to be included, why did they not appear before our committee and substantiate the reasons why it ought to be included in this bill? Not a single Member in this Chamber now in favor of the inclusion of this language took the time to appear before our committee and testify in favor of the language they feel is so vitally necessary.

Mr. Chairman, it disturbs me when I hear Members of the House come down in the well and talk about birds and crows and eagles. We are talking about women. We are not talking about animals. We are talking about American women and, particularly, poor women, and whether or not those poor women ought to have the same thing that every other woman in America who can afford it can have, and that is the fact that every rich and affluent woman in America can have an abortion under safe, legal, constitutional provisions. What some Members are saying here today is that if you are poor, if you are one who is dependent upon medicaid, you are not entitled to that which every other American woman is entitled to.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

Mr. Chairman, I wish the gentleman could stand with me sometimes, as I wish I could stand with the gentleman sometimes, and hear people say to me, "Hyde, there are too many of those people. Why do you want to save them? Why do you want to put that burden on the taxpayers? Do you know what it costs to raise a poor kid in a poor neighborhood?"

I suggest to the gentleman that the way to get rid of poverty is not to eliminate poor people.

Mr. STOKES. I will say to the gentleman that under the law, under the American law, we know that poor women are entitled to certain types of medical aid under medicaid, and what the gentleman is doing is excepting out this particular provision and saying, "Because you are poor, you cannot have an abortion but you can be treated on medicaid if you have an illegal, back-alley abortion. Then it is okay, we will treat you for it." I am saying that that is wrong.

● Mr. YOUNG of Missouri. Mr. Chairman, I rise in opposition to the amendment offered by Congressman STOKES. I rise because I feel that section 209 can save hundreds of thousands of unborn children. I feel that our Government should not sanction the destruction of life, much less fund this destruction.

Many people might object to the fact that the present language is more restrictive than the language approved last December. I hope everyone who voted for the final compromise language last year has had a chance to study the regulations issued by HEW. These regulations define a "prompt" reporting of rape as 60 days after the crime. The regulations require no medical documentation to support the need for an abortion performed to save the life of the mother or because of physical health damage. These regulations simply do not reflect the intent of this body of Congress as expressed last year during 6 months of debate and voting.

I urge you to vote against this amendment to remove section 209.●

● Mr. FRENZEL. Mr. Chairman, I sup-

port the motion to strike what is in essence the old Hyde language from last year. This is my first choice for action on this part of the bill, but, if for some reason this motion fails, and hopefully it will not, I will support the motion to replace the language with last year's compromise language.

After our never-ending battle of last year, we still find the same Hyde language in the House version again this year. Last year we were forced to pass one continuing resolution after another, just because the conference committee took so long to find a suitable compromise. Many of our Federal employees and programs wondered whether they would get paid each month. Now, here we are again back at ground zero.

It seems to me that the best thing we can do at this point is to strike the present Hyde language, and if we have to have restrictions at all, to insert the compromise language of last year. This is an important issue, and we should give it all the attention it deserves. But we are debating the same questions in the same language as last year. If we were writing new law or doing something different from last year, our time will be well spent. We have a lot of work to do, and our time would be better spent getting to the business at hand rather than in getting bogged down in repetitious battles of this sort.

I urge my colleagues to support Congressman STOKES' motion to strike.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. STOKES).

RECORDED VOTE

Mr. STOKES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 122, noes 287, not voting 25, as follows:

[Roll No. 443]

AYES—122

Anderson, Calif.	Evans, Del.	McCloskey
Anderson, Ill.	Fascell	McCormack
Ashley	Fenwick	McFall
AuCoin	Fisher	McKinney
Baucus	Foley	Maguire
Bellenson	Ford, Mich.	Meeds
Bingham	Ford, Tenn.	Metcalfe
Bolling	Forsythe	Meyner
Brademas	Fraser	Mikulski
Breckinridge	Garcia	Mikva
Brodhead	Giaimo	Miller, Calif.
Brown, Calif.	Gilman	Mineta
Buchanan	Glickman	Mitchell, Md.
Burton, John	Gonzalez	Moffett
Burton, Phillip	Green	Mollohan
Butler	Hannaford	Moorhead, Pa.
Carr	Harrington	Moss
Chisholm	Harris	Ottinger
Clay	Hawkins	Patterson
Cleveland	Holtzman	Pettis
Cohen	Horton	Pickle
Collins, Ill.	Howard	Pritchard
Corman	Jeffords	Pursell
Danielson	Johnson, Colo.	Rangel
Davis	Jordan	Richmond
Dellums	Kastenmeier	Roncalio
Dicks	Keys	Rose
Diggs	Kostmayer	Rosenthal
Dingell	Krebs	Roybal
Downey	Krueger	Ryan
Drinan	Leggett	Scheuer
Eckhardt	Lehman	Schroeder
Edgar	Lloyd, Calif.	Seiberling
Evans, Colo.	Long, Md.	Sisk
	Lundine	Slack
Solarz	Studds	Whitley
Spellman	Thompson	Wilson, C. H.
Stark	Van Deerlin	Wilson, Tex.
Steed	Waxman	Wirth
Steers	Weaver	Wolff
Stokes	Weiss	Yates

NOES—287

Abdnor	Findley	Milford
Addabbo	Fish	Miller, Ohio
Akaka	Fithian	Minish
Alexander	Flippo	Mitchell, N.Y.
Ambro	Flood	Moakley
Ammerman	Florio	Montgomery
Andrews, N. Dak.	Flowers	Moore
	Flynt	Moorhead, Calif.
Annunzio	Fountain	
Applegate	Fowler	Mottl
Archer	Frey	Murphy, Ill.
Armstrong	Fuqua	Murphy, N.Y.
Ashbrook	Gammage	Murphy, Pa.
Aspin	Gaydos	Murtha
Badham	Gephardt	Myers, Gary
Bafalis	Gibbons	Myers, John
Baldus	Ginn	Myers, Michael
Barnard	Goldwater	Natcher
Bauman	Goodling	Neal
Beard, R.I.	Gore	Nichols
Beard, Tenn.	Gradison	Nowak
Bedell	Grassley	O'Brien
Benjamin	Gudger	Oakar
Bennett	Guyer	Oberstar
Bevill	Hagedorn	Obey
Biaggi	Hall	Panetta
Blanchard	Hamilton	Patten
Blouin	Hammer-schmidt	Pattison
Boggs		Pease
Boland	Hanley	Pepper
Bonior	Hansen	Perkins
Bonker	Harkin	Pike
Bowen	Harsha	Poage
Breaux	Heckler	Pressler
Brinkley	Hefner	Preyer
Brooks	Heftel	Price
Broomfield	Hightower	Quayle
Brown, Mich.	Hillis	Quillen
Brown, Ohio	Hollenbeck	Rahall
Broyhill	Holt	Railsback
Burgener	Hubbard	Regula
Burke, Fla.	Huckaby	Reuss
Burke, Mass.	Hughes	Rhodes
Burleson, Tex.	Hyde	Rinaldo
Burlison, Mo.	Ichord	Risenhoover
Byron	Ireland	Roberts
Caputo	Jacobs	Robinson
Carney	Jenkins	Roe
Carter	Johnson, Calif.	Rogers
Cavanaugh	Jones, N.C.	Rooney
Cederberg	Jones, Okla.	Rostenkowski
Chappell	Jones, Tenn.	Rousselot
Clausen, Don H.	Kasten	Rudd
	Kazen	Russo
Cochran	Kelly	Santini
Coleman	Kemp	Sarasin
Collins, Tex.	Ketchum	Satterfield
Conable	Kildee	Sawyer
Conte	Kindness	Schulze
Corcoran	LaFalce	Sebelius
Cornell	Lagomarsino	Sharp
Cornwell	Latta	Shipley
Cotter	Leach	Shuster
Coughlin	Lederer	Sikes
Crane	Lent	Skelton
Cunningham	Levitas	Skubitz
D'Amours	Livingston	Smith, Iowa
Daniel, Dan	Lloyd, Tenn.	Smith, Nebr.
Daniel, R. W.	Long, La.	Snyder
Delaney	Lott	Spence
Dent	Lujan	St Germain
Derrick	Luken	Staggers
Derwinski	McClory	Stangeland
Devine	McDade	Stanton
Dickinson	McDonald	Steiger
Dodd	McEwen	Stockman
Dornan	McHugh	Stratton
Duncan, Tenn.	McKay	Stump
Early	Madigan	Symms
Edwards, Ala.	Mahon	Taylor
Edwards, Okla.	Markey	Thone
Ellberg	Marks	Thornton
Emery	Marlenee	Traxler
English	Marriott	Treen
Erlenborn	Martin	Trible
Ertel	Mathis	Udall
Evans, Ga.	Mattox	Ullman
Evans, Ind.	Mazzoli	Vander Jagt
Fary	Michel	Vanik
Vento	White	Wylie
Volkmer	Whitehurst	Yatron
Waggonner	Whitten	Young, Alaska
Walker	Wiggins	Young, Fla.
Walsh	Wilson, Bob	Young, Mo.
Wampler	Winn	Young, Tex.
Watkins	Wright	Zablocki
Whalen	Wydler	Zeferetti

NOT VOTING—25

Allen	Holland	Runnels
Andrews, N.C.	Jenrette	Ruppe
Burke, Calif.	Le Fante	Simon
Clawson, Del	Mann	Teague
Conyers	Nedzi	Tsongas
de la Garza	Nix	Tucker
Duncan, Oreg.	Nolan	Walgren
Edwards, Calif.	Quie	
Frenzel	Rodino	

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Le Fante against.

Mr. Jenrette for, with Mr. Nedzi against.

Mrs. Burke of California for, with Mr. Del Clawson against.

Mr. Edwards of California for, with Mr. Quie against.

Mr. Frenzel for, with Mr. Teague against.

Mr. LEVITAS changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: Strike out section 209 on page 39 lines 14 through 17 and insert in lieu thereof the following:

"SEC. 209. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

"Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum or for medical procedures necessary for the termination of an ectopic pregnancy.

"The Secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced."

Mr. WRIGHT. Mr. Chairman, the amendment which I have offered is the same identical language, without any change whatever, that the House and Senate finally agreed to last year. I offer it with the suggestion that Members of the Congress may desire to save the country the 6 months of delay that was caused by this issue last year and to save the Congress the agony of prolonged debate and bitter discussion which ultimately would result in something either identical or very similar to this language. We are, after all, the same Members; it is the very same Congress.

Last year there were 28 separate votes on this single subject. There were 17 votes in the Senate and 11 in the House. It took 6 months of the time of the Con-

gress to resolve this particular issue. Because of that delay some $60 billion or more in Federal programs were delayed in reaching the public.

Because of that delay, while people tried to hammer out some compromise in antiabortion language, school districts did not know how much they would be able to budget for the then current year. They were at least 3 months into the school year before this matter was resolved. Because of this delay, jobs-producing programs in the Labor Department budget were delayed and not allowed to go into effect.

I know that many of the Members of the House feel very keenly on this subject. It is an emotional subject. I respect the feelings and the convictions of people on both sides. The language that finally was agreed to last year undoubtedly falls short in the view of many people. I do not know anybody whom it satisfies completely. It is not completely satisfactory to the women's liberation movement. It is not completely satisfactory to the right-to-life movement.

But I do not know any reason to expect that, if we were to delay and debate and consume precious prime time of this House in another 11 or 12 or 13 votes on this subject, we could come to anything basically different from this. The committee personnel in both House and Senate are the same. The people who will have to make the linguistic decisions are the same.

Therefore, I suggest to the Members that in the interest of expediting the business of this Congress, allowing us to have one vote and then getting on with the other important business of the Congress, the Members might want to accept this amendment now. Then our House conferees would be in a position to say to the Senate, "It is not a trading position that we come to you with. We are not here jockeying for position. We are not here trying to improve our situation over last year. We are not here trying to put you in an awkward position. We have adopted the very same language that you and we jointly agreed to last year, and we call upon you to do exactly the same thing." By that means we can avoid a lot of trouble, a lot of travail, a lot of heartache, and a lot of lost time on the House floor and on the Senate floor. For those reasons I suggest to the Members they may want to vote for this language today.

I do not think there is any special need for any persuasion on this matter. Heaven knows, we heard enough oratory last year on those 11 separate occasions when we debated rules, debated amendments, and debated conference reports. We consumed more than 26 hours of the time of the House in those debates. So without any further comment, I commend to the Members the language that was adopted ultimately last year.

Mr. FLOOD. Mr. Chairman, I ask unanimous consent that all debate conclude on this amendment in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MILLER of California. Mr. Chairman, reserving the right to object, I just wonder if perhaps, already noticing the number of Members who desire to speak on this issue who are on their feet, the Chairman would reconsider that to perhaps an hour and a half?

Mr. Chairman, further reserving the right to object, I appreciate that we can move on to other business, but I suggest for millions of women this is the business of the day and that we ought to consider spending perhaps maybe an hour and a half.

Further reserving the right to object on the unanimous-consent request, I think it is very clear that a half hour is insufficient.

Mr. FLOOD. Mr. Chairman, as we did before, I ask unanimous consent that all debate on this amendment conclude in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MILLER of California. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. FLOOD. Mr. Chairman, I move that all debate on this amendment conclude in 1 hour.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania (Mr. FLOOD).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for 2 minutes each.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, let us make this a significant day in the history of this session of the Congress. The Labor-HEW bill never did become the law as a bill out of the subcommittee of the gentleman from Pennsylvania (Mr. FLOOD) last year. It was handled by the gentleman from Texas (Mr. GEORGE MAHON) on a continuing resolution that did not become the law until December 9, 1977. If we handle this abortion matter, as we did last year, a session after the election will be inevitable and the issue will not be resolved prior to the beginning of the new fiscal year.

In the past I have voted for the Hyde amendment. I have done all I could do with respect to this issue of abortion. Many of you voted for the Hyde amendment originally; but finally we had to settle the matter and we settled it by a compromise on a continuing resolution.

The gentleman from Texas (Mr. WRIGHT) has offered an amendment which would adopt the language of last year and settle this issue, and it ought to be settled. It is not perfect. It is the best that could be worked out last year and it is the best that can be worked out this year. Whether we are right or left, whether we are pro-abortion or anti-abortion, as a practical matter compromise is necessary in a legislative body. It should accept the inevitable. It should seek to do the attainable. This is something we can do. We know how we voted last year. Let us get this issue behind us. It is an important issue. It has received a lot of attention and let us give it the attention it deserves today and let us pass the Wright amendment, regardless of our views otherwise, and settle the issue. Then without a doubt we will be able to prevail and get the matter to the White House and get this bill on the books in September or early October.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I would like to point out that the so-called compromise of last year was not much of a compromise. It was a last-minute adjustment that caught many of the Members away and it has not been properly administered by HEW in my judgment; I think if we are looking for the proper terminology, it should be the one the House consistently maintained last year, which supported the right to life.

I believe it indicates, among other things, the opinion of the public on this vital issue.

The charge has been made that Congress took a year to settle the issue. Any delay or ongoing complication is related to the Supreme Court ruling on abortion.

Mr. Chairman, I ask unanimous consent to yield the remainder of my time to the gentleman from Illinois (Mr. HYDE).

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois (Mr. DERWINSKI)?

There was no objection.

(By unanimous consent, Mr. DICKS yielded his time to Mr. OBEY.)

(By unanimous consent, Mrs. SCHROEDER yielded her time to Mr. WEISS.)

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I intend to vote for the Wright amendment because obviously it is better to provide the opportunity for poor women to be able to secure abortions under certain circumstances than it is to prohibit abortions altogether unless the mother's life is in danger.

But having said that, I think more needs to be said. I think that the House is doing far less than distinguishing itself when it attempts to create two separate laws, one to apply to women who are middle class or wealthier and another to apply to women who are poor. That is really what this issue is about.

The Supreme Court has made it very clear that abortions are legal. What we are trying to do is to say, "Yes, they are, but we are not going to let poor women have them, because we will not permit medicaid to pay for them."

The fact is, of course, that abortions will take place. I had occasion to serve as an assistant district attorney in New York City some 20 to 25 years ago when abortions were totally illegal, and I was in charge of what they then called the Abortion Bureau. We had abortions, and we had instance after instance of men being arrested and women being arrested who were performing abortions

without any kind of medical training whatsoever and under the filthiest, most unsanitary conditions, constantly endangering the life of any woman who entrusted herself to them.

We had occasion to see the victims who came through our doors in the district attorney's office, and we saw that many of those people ended up in hospitals struggling for very life itself.

So our saying that we will not have the Government paying for abortions for women who cannot otherwise afford them is not going to stop the abortions. What it will do is, first, write into law again that the Congress of the United States treats the poor differently than it treats everyone else, and then it will relegate those same poor into the hands of the butchers.

Mr. Chairman, it seems to me that this House ought to find a better way of demonstrating its capacity to legislate on behalf of the people of the United States.

Mr. MARKS. Mr. Chairman, the reason I have asked for this time is to ask the majority leader a question.

Mr. Majority Leader, I think one of the questions we have in our minds is whether or not, through any inquiry the majority leader has made, or which has been made, in his behalf, can we feel somewhat assured that the Senate will go along with this amendment should it pass here in the House? Can the gentleman give us some indication of his feelings about that?

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield, I can simply say that there will be strong representations made from the leadership of the House to the leadership of the Senate, imploring to do exactly that. Surely, the Members of the Senate are just as eager to get to the end of this as the House Members are.

I can simply hypothecate the reverse situation in which the House insists upon its own stringent language. The Senate then, in a trading posture, as it did last year, will insist upon its much more liberal language. Then months and months again will be consumed, before getting to the same point at which we arrived last year.

Last year, I am told, the money items in this huge bill were settled very quickly in the conference, maybe within 2 days. And then for 6 months the conferees went back and forth over the language on this secondary question. It is a repetition of that which I believe we would be wise to avoid.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I do not think the argument is well taken that the Wright amendment language was really the ultimate position of the House. It was written at the very last minute in conference and that that somehow makes it good for the country. The House stated very firmly many, many times by strong majority votes that it supported the Hyde amendment and the last minute action of the House the fact that many Members of the House did not really know the full impact of what they were voting for in the conference report made it difficult to be sure that the House intended to move away from the Hyde amendment. Additionally 60 Members were not present for the final passage of the conference report.

So I urge the Members to reject the Wright amendment. I do not think it is correct now or then. I think the House was right the 11 times it supported the Hyde concept.

(By unanimous consent, Mr. ROUSSELOT yielded the balance of his time to Mr. BAUMAN).

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I hope very much that we can adopt this amendment. We have struggled a long time in this House. We all know what our different arguments are. It is not a satisfactory amendment for those of us who believe that the choice is too far narrowed. But I do not know what else we can do in this House.

We are a widely representative body. All different religions and points of view are represented here on both sides of this question. I really think we will come to some commonsense, calm agreement with the language which we adopted after so much trouble and anguish and travail last year.

Mr. Chairman, I hope that this amendment will be indeed adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman, I rise in opposition to the Wright amendment.

(By unanimous consent, Mr. VOLKMER yielded the balance of his time to Mr. OBERSTAR.)

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, as one who is totally opposed to the Hyde amendment, I recognize the Wright amendment is really a very, very small step. It is a very narrow—very narrow—expansion of abortion rights. We are trying to legislate poor women away from legal abortion, and I think that is totally wrong.

Mr. Chairman, there are 417 men, if I count correctly, in this body; and they have consistently voted against women's rights to have legal abortions, against the right of poor women to have legal abortions.

With respect to the women in this body, I notice the majority have continually voted against the Hyde amendment. I think that we ought to realize that we here are legislating laws affecting the women of America. We 417 men are making a very grave mistake when we continue to pursue the Hyde amendment approach.

Mr. Chairman, I think we have no choice but to support the Wright amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Chairman, I stand here a woman who opposes abortion, but who would ask for poor women no less than I would ask for my own daughter.

I think that this language which we have here in the amendment, which allows an abortion if the life of a woman would be endangered if the fetus were carried to term, or except for such medical procedures necessary for the victims of rape or incest, is the language that we not only should adopt but must adopt.

Mr. Chairman, I am sure that those Members who are fathers would not want to condemn their daughters to death if death could possibly be avoided; and I am sure that they would not want to condemn any of their daughters to the devastating mental anguish that would come from carrying a pregnancy to term after rape or incest.

I, therefore, plead with the Members to do no less for poor women than they would do for members of their own family.

Mr. Chairman, we held the whole HEW appropriation bill together with its programs and its employees hostage last year for months on end while we debated this subject and went through this same catharsis last year. We know what we settled for then. Let us just, in good order, settle for the same amendment. It makes sense. Frankly this is the position I would select by choice. I voted for the previous amendment, which went too far, in order to clear the deck for the Wright amendment which is right down the middle, not too narrow and not too broad. It makes neither side happy, but it lets those of us who are in the middle on this question feel very comfortable.

Do vote for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, originally I had planned to speak at some length on this issue; but as the gentleman from Washington (Mr. PRITCHARD) pointed out, the men in this Chamber have made a decision that they only wanted to spend 1 hour in determining the fate of millions of women across this country. In fact, many of those people did not even desire to take on this issue, but only to cut off discussion among various Members on different sides of this issue in this Chamber. As a result, we are reduced to 2 minutes per speaker.

Mr. Chairman, I would just like to say that if we fail to adopt this amendment, which I still think is an unacceptable solution to the plight of poor women.

Mr. Chairman, the Members of this Chamber who will vote on the abortion issue today are overwhelmingly male and married. I address my remarks to the men; I do not wish to be so pious as to make recommendations to the women here. I fully support the right of all women to decide, without my pontification, on the issue of abortion.

Now, the married men here have certainly spoken to their wives about contraception. And, if they and their wives have chosen not to have children, the majority of these couples will depend upon their wives to provide the birth control method. Study after study reveals that most women who practice

birth control use the pill, with the second most popular form of birth control being the IUD. The Family Planning Association has estimated that 80 percent of couples for whom some form of contraception is prescribed are using the pill.

Just this past March, the House Select Committee on Population heard testimony by the National Women's Health Network to the effect that taxpayer dollars have not been used effectively to develop birth control methods which are safer than the pill and the IUD. We have seen no legislative proposal as a result of those hearings, to educate the population about safer birth control, such as the diaphragm, rythm, ovulation detection. And we have seen nothing to educate the population about safe male birth control methods. The select committee says their hearings are informational. What will we do with that information?

Let us think back to the early and mid-1950's. If we are too young for that, or if we were oblivious to the pregnancy process at that time, let us look to congressional hearings and see the evidence on DES—a drug widely prescribed to pregnant women to prevent miscarriages. We have found that women who took DES by and large experienced no side effects. Instead, the carcinogenic side effects of DES are manifested in their daughters! After learning of this hazard, most of us do not want our wives or daughters, or lovers or friends to be prescribed DES while pregnant.

But, how many of us are thinking about the situation our wives, daughters, lovers, or friends may be going through at this very moment—if they are using unsafe birth control methods? How many Members care that their wives or lovers may get cancer, liver tumors, gallstones, high blood pressure, or have a heart attack or a stroke because they are taking the pill? Doesn't anyone remember hearing that FDA warning in 1976?

I will repeat it again: In 1976, the FDA warned that pill-users may be subjecting themselves to cancer, liver tumors, gallstones, high blood pressure, heart attack, or stroke.

The Commissioner at the time, Dr. Alexander Schmidt, said the pill increases the tendency for blood clots.

Dr. Schmidt said that, if a woman becomes pregnant while taking the pill, great harm may come to the fetus.

Dr. Schmidt told us that birth control pills sometimes cause liver tumors, and that even if those tumors are benign, they can be fatal, due to hemorrhage.

We were not enlightened about DES when it was being most widely prescribed in the fifties. But, we are certainly enlightened about the pill.

Will we treat the pill like we treated DES? In other words, do we want to wait 10, 15, 20 years for the statistics to come in our wives, our daughters, our lovers, and friends?

How many Members of this body know that America ranks only eighth in the world in the life expectancy of its women?

How many Members of this body know that, among women aged 30 to 53, the leading causes of death are breast and cervical cancer? Do we care that the pill may be contributing substantially to that death toll?

If the Members do care about all of this, how many of them are outspoken enough to stand up and say to their wives or lovers, "I love you. Get off the pill"? And, if they have taken that step, how many Members love the women in their lives enough to stand up on the House floor and do something immediately about the very grave potential threat to the lives of these women, women who are obviously, clearly, absolutely defined as persons?

None of this is to say that abortion is that alternative to the pill—but what is the alternative? Is it the IUD?

How many of the male Members would not be totally grossed out to talk about the fact that their wives or their lovers bleed excessively from the IUD? Is that not a strange, curious side effect, worthy of investigating, to find yet another alternative? And, is that discussion any more gross than discussing fetal tissue extracted from the womb?

And, what about the woman who decides to go off the IUD, the woman who uses, say, a combination of other birth control methods, but because the IUD has so distorted her menstrual cycle, becomes pregnant anyway? What is the alternative for that conscientious woman? Chances are such distortions will cause miscarriages or further excessive bleeding. That is the woman's punishment for having used the IUD and then becoming enlightened enough to quit using it.

What gentleman in this House sees his wife having a migraine and is enlightened enough to realize that, if she is on the pill, this migraine may just be a warning of impending ill health, possibly a stroke? These things are warned about, by doctors and pharmacists.

The complexities, the side effects, the menstrual cycle distortions accompanying use of the pill or the IUD may be with a woman for the rest of her life, even if she goes off the contraception.

Why do we continue to allow these punishments to happen to American women?

Where is our support for their survival?

How do the men in this Chamber show their concern and their love for the living women in their lives?

And, by the way, gentlemen in this Chamber, how many of you know that 1 out of every 4 women in this country was the victim of incest as a youngster, was molested by her father or her brother or her uncle—usually the father. According to the testimony I received last year in the Select Education subcommittee, about 25 percent of all American women have been the victims of incest. That is 1 out of every 4 gentlemen. Give that some thought. Give some thought to the unwanted pregnancies in that situation. Do we care at all about our daughters, our nieces, our sisters, our friends or relatives who have been the victims of incest?

Do we care if they turn to prostitution, do we care if they commit suicide? How do we show our love for those one in four—think of it, 1 out of every 4 families related to the members of this House may be involved in the situation. One of every four women you know may have been the victims of such awful abuse.

We all know that President Carter has spoken many times about the fact that his administration will seek alternatives to abortion, because the President opposes the right of a woman to choose abortion. So, what about the Carter-appointed study group which had to disband because the conclusion was that the only real alternatives to abortion are, and I quote, "suicide, motherhood, and, some would add, madness." This says that abortion is used as a last resort, when the woman knows nothing else to do. The only alternatives to her do not include birth control: They are unwanted pregnancy, suicide, madness. This conclusion was not disputed by the President, to my knowledge. How do we show our love and concern for that woman, that "person" who finds herself in such a desperate circumstance, perhaps because she was the victim of incest—chances are one in four that she was—perhaps, because she was the victime of rape; perhaps because she was a teenager with no guidance, but a big possibility of suicide facing her; perhaps because she was an enlightened woman trying to get off the sick merry-go-round of unsafe contraception. What about this desperate uniquivocable "person"?

What about the issue of rape, a most abusive attack, a total violation, an absolutely horrendous, gory crime? Is there one Member in this Chamber who would not give even passing thought to allowing his daughter the option of abortion after being raped? Where do we show the love for this person who was not involved at all in the natural process of producing a child, but who was the victim, rather, of a brutal crime?

How many of the Members here know that in 1976, according to testimony we received in the Education and Labor Committee, perhaps one in six couples was involved in domestic violence? That is one in six, gentlemen. How many women who receive beatings from their husbands would find it easy to tell those husbands they are pregnant, and with what consequences? Time and time again, as I spoke to battered women, I heard them tell horrible stories of rape—not by some stranger, but by their own husbands. And, time and time again, battered women told me that they had been further beaten when they informed their husbands of the fact that they were pregnant. The Women's Rights Law Reporter studied the battered women syndrome in 1977 and found that 35 percent of the cases they studied involved women who received blows to the stomach during pregnancy. Do you understand, gentlemen, that a woman in that situation may face two alternatives: abortion or continued beatings resulting in injury to the woman—perhaps death to the woman—and also a possible miscarriage or deformed child. The vote last month defeating the domestic violence

bill, which would provide counseling and treatment for such women, indicates that a majority of the Members do not understand the gravity of the situation. Surely, the bill did not fail because you do not care, did it?

We can quote all kind of statistics all day long. Obviously, we will not be quoting one type of statistic: The number of relatives or friends of the Members of this body who have had abortions. And, I do believe that is a matter of utmost privacy. But, when it comes down to it, do we really believe this is an issue which very rarely hits home? I do not think so. If people have told us they have had abortions, and we have accepted that privately, and understood the particular set of unique circumstances, why then do we not understand the circumstances of the people we represent? Where is the reality of the situation? Is a private decision different than a public one, on an issue which is basically personal to us all? If that is so, we have no business legislating against abortion. If we know women who have had abortions, are they immune to the public proclamations against abortion, simply because they may be friends of people in this Chamber? Indeed, many men in this House Chamber have probably agonized over a loved one having an abortion and have tried to see her through it the best they could. They probably had reached the end of the road in terms of alternatives. Well, lovers on medicaid are no less "persons" than lovers on Aetna.

How many workingwomen are treated fairly by their employers when they become pregnant, and what do we in the House of Representatives do about it? The bill to provide pregnancy disability earned benefits cannot even muster enough support to be brought to the floor for a vote. Some incentive that is to remain pregnant. I think most Members know that a mother must have income to support her child. Where is the love for these persons who may want very much to bring children into the world, but who must work for a living?

Surely there are Members whose property taxes help pay for capital punishment, and these Members may be against capital punishment. But, they pay their property taxes and make a decision on whether or not to make a public statement about capital punishment. Where do the people who are opposed to the right to choose an abortion stand on capital punishment? Where do they stand on gun control? Where is the love for people? Were the people, who are against the right of a woman to choose an abortion, equally incensed about the cold-blooded murders of blacks on American streets, which occurred because some whites thought they were superior? What on earth could be more gory, more horrendous than that?

Sex between lovers is supposed to represent an act of love. Often, sex between lovers results in wanted pregnancy and loved children. I have been talking about the exceptions to that situation, and to the way we allow American women to face possible horrible consequences if they use unsafe birth control. I am talking about men legislators. Let us show that we are capable of compassion for the women in the many complicated circumstances which I have described. Let us not discriminate against persons on medicaid, just because we can afford Aetna. Let us not be so pious as to say we are the omniscient group of human beings who have the right to tell a woman she cannot decide to deal with a private, unwanted situation in legal, rational, medical, personal terms. Let us stop our war against American women. They go through enough as it is.

Do the Members know that in Los Angeles, for example, the suicide rate among teenagers has increased by 100 percent—that is 100 percent—and that three of the five main causes for those suicides are poverty, pregnancy, and broken love affairs?

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, it is not unusual in this Chamber to have Members making assumptions for all of us or some grouping of us. An example today would be the remarks of the distinguished gentleman from Washington (Mr. PRITCHARD) a few moments earlier to the effect that most of us vote the way we do on abortion because we are male. The inference being that all Congresswomen are for abortion and/or taxpayer funding of abortion. Wrong. This discussion revolves around life, not around gender.

I would not advise either of my two sons to pay for or otherwise encourage an abortion any more than I would advise or assist in any way one of my three daughters to have an abortion. It is not the fault of the male Members of the House that we have only 17 Congresswomen or to the credit of the other body that for the first time in 11 years they have once again two women, both as a result of deaths.

Rather than female unanimity, Mr. PRITCHARD should have noted something very historical today—two Congresswomen taking the well—and I believe another yet to stand—speaking forcefully—in opposition to abortion with or without the encouragement of the funding of Federal tax dollars. As a result we do not see several Congresswomen standing in the House of Representatives claiming as usual to speak for all the women of America. Finally, we have balance. This never was and never will be just a gender issue; this is a critical life and death issue—probably even the life and death of our Republic as we know it.

There are millions of us in this country with the firm belief—with or without religious training and faith—that what we have here in America today is another holocaust. We have watched the holocaust of 6 million innocent human beings killed in the warmth of their mothers' wombs since that fateful Supreme Court decision of January 22, 1973. To millions of us, we are deeply passionate because this is every bit as scarring and ghastly as the extinction of 6 million Jews and an additional, oft-forgotten, 6 million Christians during the Nazi nightmare of Hitler's Europe. That is why we refuse to have our tax dollars going toward the support of another holocaust. I believe all this carnage will end up in God not being mocked any longer. A just God will not tolerate this madness much longer. Members may draw their own conclusions from that statement.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, the majority leader has done the job which is his, the responsible job of providing leadership and attempting to resolve conflict and expedite the business of the House. But, I think it is the right job of leadership in the wrong cause.

It has been said many times through out this debate that the House has devoted 6 months to this issue. The real issue is not how much time we are spending on whether or not to fund abortions; the issue really is human life. If it takes 6 months to protect unborn human life, then I think—and most of my constituents think—that would be a good investment of our time and of my time. If it takes 6 months to save 300,000 lives, we will have spent that time well. I am willing to spend as much time as it takes to save unborn human life.

We voted 2 to 1 against the motion to strike just a few moments ago. It seems to me that it would be very inconsistent for a Member who voted no on rollcall 443 to vote aye on rollcall 444. I think he would have a hard time explaining that inconsistency to his or her constituents.

The arguments in favor of the pending amendment assume that the other body is going to stand firm, and that we are going to crumble.

But change is in the air. This is an election year. The other body has its ear a little closer to the ground this year than they had last year. I think if we stand firm with as substantial a vote on this amendment as we did on the previous amendment, the other body might just get the message that we mean business and maybe they will be ready to settle early on our terms in favor of the unborn.

I urge a "no" vote on this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, one thing that has not been alluded to in this debate is the already established effect of the language before us. It has been the law for 6 months. The gentleman from Texas offers us the existing law and says that it should be renewed in this appropriation bill. But the language before us has been in effect since last December, when the President signed the appropriation bill, and was the subject on January 26, 1978, of the issuance of HEW regulations, just as the amendment before us indicates, that the Secretary had the duty to issue.

Those of us who have fought so hard in this House, and a majority has agreed with that position repeatedly, seeking to save the lives of the unborn, were totally disappointed with the HEW regulations. These regulations allowed abortions on

demand and permitted many more abortions than otherwise would have been permitted.

So what the majority leader is asking us to do is to put our stamp of approval on language which has been used to expand and increase abortions.

I do not know how many have read the statements of Secretary Califano before the subcommittee, but he made it plain he did not approve of the language now in the Wright amendment nor of the broad interpretations of the regulations. He told the subcommittee that he was bound by the debate in both the House and in the other body and by the language before him to issue these liberalized regulations. He even suggested in a letter dated February 21, 1978, a change in the language reducing the time for reporting to a shorter period of time so that prompt reporting would occur.

So in adopting the language before us the House will start from the weakest position and hope the other body will accept that. This amendment was born on one of the last days of the last session, with many Members absent. It was drafted in the last hours, and Members approved it by the slimmest of margins with more than 60 Members absent.

We are going to have a vote on whether the Federal taxpayers should be required to finance the death of hundreds of thousands of unborn children each year. We should vote to save the lives of these unborn which are as important as those of their mothers.

I urge the Members to reject this amendment and permit the language of the committee to go forward. The language in the bill has the approval of the gentleman from Illinois (Mr. MICHEL) and the chairman, the gentleman from Pennsylvania (Mr. FLOOD).

Even the gentleman from Illinois (Mr. MICHEL) and those who originally drafted this language have now turned against it and will vote against it because of the effect which it has had.

The issue is much different now than it was last December. We know the devastation this amendment has caused. I urge my colleagues to oppose the Wright amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Chairman, I happen to be totally opposed to the Hyde language which appears in the present bill.

I also happen to feel that the compromise language offered by the gentleman from Texas (Mr. WRIGHT) does not go far enough.

But I was one of the House conferees last year, and when we went to conference, in 2 days we had settled $61 billion worth of money items, and we then sat there for 6 continuous months arguing over the question of whether or not a woman dependent upon medicaid was entitled to an abortion on Federal funds.

Subsequently in December we arrived at the compromise language which this House voted upon and accepted. I was one of those who voted for the compromise language at that time.

Now we are talking about some $57 billion in the legislation which is now before this House and we have deferred $17 billion worth of money items in this bill because of the lack of authorization which means that, ultimately, we will have a $75 billion bill that could once again be tied up for an additional 6 months and thereby deprive the American people of the largest social action program that they are entitled to and which is passed by this Congress.

It seems to me that the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT), has demonstrated leadership and that he is performing a real service to this House by offering us an opportunity to vote upon the compromise language which was accepted by this House after 6 months of debate this past year.

I intend, therefore, to vote for this compromise on the theory that it seems to me that we owe no less to the American people than just sitting around and arguing over this particular issue and I, therefore, intend to vote for the compromise amendment offered by the gentleman from Texas (Mr. WRIGHT).

The CHAIRMAN. The Chair now recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman and Members of the House, the fact is that it was the other body that held this bill hostage last year because in 1976 they had accepted the language that is in the bill now, section 209, they accepted it and it became the law. Then later, of course, the Supreme Court did not find it unconstitutional, much to their chagrin, so they became intransigent.

The problem with the Wright amendment, which is the old Michel amendment of last year, and is the law now, in addition to its intrinsic flaws, in my humble opinion, is that the regulations drawn by HEW absolutely torpedoed any sense of compromise that we might have found in that legislation.

The Washington Star headline said:

HEW sets abortion guidelines in line with liberal Senate view.

And quoting from the article:

Pro-abortior. forces said they were pleased with the regulations.

That is what is wrong with the Wright amendment because the position of the House was torpedoed and sabotaged by the people who really run the country, the regulators, the bureaucrats. That is what is wrong with this.

The rape and incest reporting requirements are almost meaningless. Sixty days after the event occurred, only the name of the victim was required, and it could be done after the abortion had been performed and the name could be sent in by a secretary of the abortion clinic.

On health, there was no serious requirement for any documentation or medical records, just abortion. It was abortion on demand; in my opinion, the House legislative intent has been abused, and prevents any support.

I am not guilty and I do not feel guilty about the delay we had in this House in resolving this because I ask: How many lives were saved during this delay?

You know what I wish? I wish both sides of this controversy, even though we feel passionately about it, could respect the sincerity of the other side.

As I stand here I believe there is no more sincere or honorable person than the gentleman from Ohio and the gentleman from Wisconsin and all of those who oppose my position, but we have all felt so strongly about this that sometimes we do get emotional. But as far as I am concerned, this is one issue where there is no self-interest on either side. No one is going to make a dollar or lose a dollar on this issue. We are arguing philosophy and principle and I think that is significant. But if the gentleman from Wisconsin wants to trade horror stories, then I will be happy to do so. I can tell you how the ACLU followed me into church and sat behind me taking notes on what pages in the Bible I was referring to.

This was in an affidavit they offered in a lawsuit and the court said during the proceedings, "Who is the defendant here, God?"

By the way, I wish there really was an ACLU; it would sure help on this issue.

We are told we are being cruel to poor women. I say this, let us make a list of all the things that poor women want. Let us make such a list.

They want education and they want decent housing, they want clothing and they want job opportunities.

Let us make a list and see where they rank the money to abort their unborn child.

No; we make it easy for them to kill their preborn children, but we make it difficult for all the other things that they need.

Rev. Jesse Jackson is no conservative and yet he supports my position. So I think it is important to know that he and Dick Gregory and a few other people who speak for minorities understand that the way to solve poverty is not to kill poor people. You do not eliminate the problem by eliminating their young. Oh, the inhumanity of the humane, the things we do in the name of compassion and love for poor people!

I am reminded of Robespierre running through the streets of Paris yelling, "Liberty, equality, fraternity," while the guillotine was slicing head, after head, after head.

Yes, there is a double standard. It is the unborn of the rich who are not protected. If the mother of the well-to-do fetus wants to dispose of it, there is no one going to raise a hand to protect that one. We are here fighting for the unborn of the poor. We would love to protect the unborn of the rich, if we can ever get a human life amendment from the committee.

But why surrender to pessimism? Do you think that every kid born in the ghetto has got to stay there all his life? Is it not our business to try to provide opportunities for those youngsters instead of saying "eliminate the problem by executing the poor?"

One of our worthy speakers from New York has said he has seen the victims. I

have seen the victims, too. I have seen films of buckets full of them from hospitals—little crushed bodies. They are the real victims.

Why do we always think of the pregnant woman as the only victim, when the unborn child is a victim. Give the poor a right to a future? What future is there in being exterminated? Do not talk to me about a fifth unwanted child. Enrico Caruso was an 18th unwanted pregnancy, so why be so pessimistic?

I say it is the ultimate in child abuse—abortion.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

(By unanimous consent, Mr. CONTE yielded his time to Mr. MICHEL).

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, the majority leader said that Members might save themselves considerable prolonged agony and debate by simply adopting the finally agreed-upon language of last year's bill. As much as I would like to spare myself that agony, I have to oppose the amendment of the distinguished majority leader.

I do not think we have to review all of the versions of this amendment that have been voted on within the last several years. Suffice it to say we have labored over phrases, words, and semantics for months. As we finalized the language last year, Members in both this body and the other were getting more and more intransigent, and I must confess that in struggling with those last few words that resulted in our finally getting a bill, I placed a great deal of faith in the public statements of the President and the Secretary of HEW to see to it that we would be backed up in our approach to an agreement with strong and tightly drawn regulations.

What did we end up with? In almost every instance the regulations came down on the side of the Senate and rejected the view of the House. Let me cite some specifics.

The regulations do not define the words "severe," "longlasting," and "physical health damage." By not doing so, they leave the way open for unscrupulous doctors to claim payment for almost any abortion.

The regulations require no documentation from physicians as to the basis for their judgment that severe and longlasting physical health damage to the mother would result.

The regulations contain no requirement that the two physicians not be associated with each other in the same clinic or practice. It was the inclusion of two doctors at the suggestion of one of our medical doctors, the gentleman from Kentucky (Mr. CARTER), that brought us a final agreement. I would have to say, however, that in any regulations, we would not countenance two doctors associated in the same clinic or practice making the decision. Otherwise why have two? And under medicaid we pay two fees for the same result. Ridiculous.

The regulations establish no limitation as to who can report a rape or incest. This is leaving it totally open-ended.

No effective standards have been established to determine the legitimacy of rape or incest reports. Then those regulations define "prompt" reporting as being within a 60-day period, when we in the House had in mind something along the line of 30 days. I remember specifically in the hearings asking the Secretary of HEW, "How could you arrive at 60 days?"

He said, "Well, you know, one House said 90 days and the other said 30, so we compromised and cut down the middle."

I said, "That is what we do with figures, money figures; but not on the issue we are talking about here, the prompt reporting of a case of rape or incest."

In all these regulations, the Department came down on the side of maximum flexibility; in other words, the Senate position.

Secretary Califano tried to defend his action before our committee by stating that the legislative history was vague and contradictory. The fact is, however, that the Attorney General told him in a letter that he had "broad discretion in formulating regulations consistent with the intent of Congress."

The Attorney General added that the intent in this case was not very clear and that "Congress intended to leave many matters of interpretation concerning section 101 to the sound discretion of the Secretary rather than attempt a more detailed statutory scheme."

I will have to say again that we obviously placed an undue amount of faith and confidence in the Secretary's ability to use his leadership to force the bureaucrats to write the kind of regulation that he was publicly wedded to, but such was not the case. If we adopt this language again today, do not think for one moment that those regulations will be changed. They will be the very same ones that cause me today to argue against the adoption of the amendment and I urge Members to reject it.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, first of all, let me say this. Two Members have referred to the fast way last year's language was drawn. I think it ought to be said in defense of the gentleman from Texas (Mr. MAHON) and others who participated in this process that every newspaper in the country knew that we were trying to find, almost on an hourly basis, compromise language and certainly no one was surprised by the effort, unless they wanted to be and unless they wanted to miss the vote. I suspect there were some people who did.

Let me say this. In his next to the last broadcast before retiring, Eric Sevareid observed that one of the requirements of American citizens in this modern age ought to be to retain the courage of one's doubts as well as one's convictions in this world of dangerously passionate certainties.

I can think of no advice that applies more strongly to this issue today.

I honestly do not know what amendment can be drafted that would put this question to rest for all time, for all of the groups in society who have diverging viewpoints on the subject.

I envy the certainty with which some groups say there can be no limitations on Government funding for abortions, that a woman has an absolute right to control her own body. I do not happen to agree with that and I do not think society does, either.

I also envy the certainty with which the other groups say that the answer is very simple, there should never be any abortions under any circumstances whatsoever, never. I do not think most reasonable people in society take that view, either. Most reasonable human beings do not want to say to a woman who has been raped, "Tough luck, lady; you are on your own," but that is what this committee language does.

Most reasonable people do not want to condemn a woman who has had kidney disease to being bedridden the rest of her life; but that in many cases is what this committee language does.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. No, I will not.

Mr. Chairman, most reasonable people do not want to increase the back-room back-alley abortions, that the committee language will lead to, and the committee language does all these things.

Many right-to-life groups will not be satisfied with this language. The Civil Liberties Union referred to certainly will not be satisfied with this language.

I can remember one Wisconsin women's group that produced a newsletter last year and began the newsletter with the following sentence: "We have a problem, and his name is Dave Obey." That was because I would not oppose all prohibitions against abortions.

So I know what kind of unfair pressure Members have from certain women's groups on one side, and I certainly know of the lies and selective truths peddled by Mr. Gallagher and some other people who agree with him.

But this is a reasonable compromise. This is supposed to be a reasonable place. I would urge all the Members to vote, when that voting machine goes on, the same way they talk when the machine is off. I think every Member here knows that this language would pass if Members voted the same way, when the lights go on, as they talk in the privacy of their offices and in the cloakrooms before the machine is turned on.

There are no decent figures at this point on abortions. We do not really know what the effect of last year's amendment has been; it has been too soon. But we do have some preliminary results that came from a telephone survey done by HEW, and they show a sub-

stantial drop in the number of abortions since this language was adopted last year.

Mr. Chairman, I invite the Members to see those figures at the committee table.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I think there is very little to be said in addition to what has already been said, and I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. FLOOD), the last speaker on the list.

Mr. FLOOD. Mr. Chairman, there are many of us who simply cannot vote for the antiabortion language which was finally adopted in the House last December. We believe that it is just too loose, and that it opens the door too wide to abuses. We are joined in this idea by Secretary Califano, who told us he is speaking for the President on this issue. I asked Secretary Califano in our hearings what language he would recommend, and he gave us a proposal that would tighten up the language we are talking about here considerably.

If we were to include the fiscal year 1978 language in our bill, or anything similar to it, we know what the Senate would do. The Senate would add further loopholes—we went through that for months last year—and we would find ourselves in an utterly untenable position in conference.

Mr. Chairman, I know that many Members who voted for this language in December have changed their minds about it, and I hope that it is decisively defeated by the House so we can go to conference with the solid support on this issue which we are going to need.

So, Mr. Chairman, I urge the Members to vote against the amendment.

● Mr. KASTENMEIER. Mr. Chairman, as legislators attempting to set policy on an issue which is highly personal for those directly affected and highly emotional for those who feel strongly on one side of the issue or the other, we bear a great responsibility.

I am certain that each and every one of us has devoted a great deal of time and consideration to the question of what responsibility the Federal Government has to provide access to abortions for those who otherwise would not be able to afford them. Each of us has given considerable thought to this issue in an attempt to legislate in a manner which we believe is in the best interests of those affected. Certainly I have deliberated long and hard over this controversial matter.

Since the 1973 Supreme Court decision, I have polled my constituents on four separate occasions on the abortion issue. I have attempted to cover all aspects of the issue over the years. In each case, a majority of the respondents indicated support for abortion under some circumstances. This year I asked my constituents specifically whether the Federal and State governments should provide medicaid funds to help cover the costs of an abortion for women who otherwise would not be able to afford one. A minority of 37 percent opposed such assistance, while 34 percent support such aid without restrictions, and 29 percent supported funding with certain restrictions.

I have opposed unreasonable restrictions on the availability of abortions. My opposition to legislative restrictions does not mean that I advocate indiscriminate abortions, nor does it mean that I support the use of abortions as a standard form of birth control. It does mean that I strongly believe this should be a woman's personal decision and I do not believe that any of us has the right to impose our values on the many women whose lives are affected by any legislative restrictions we enact.

I supported the language finally adopted last year which provided that funds could only be used for abortions when the mother's life is endangered, "where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term, when so determined by two physicians," and for "medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service."

It was clear that this was the best we could do after 5 months of heated debate over the issue. It was also clearly preferable to the original restriction proposed which would have allowed medicaid funding only when the life of the mother would be endangered if the fetus were carried to term. Yet, today we are faced once again with that highly restrictive language in the bill currently under consideration.

Despite the Supreme Court decision in 1973 granting women the right to an abortion, the restrictions proposed by the committee bill essentially would mean that we would be promoting a dual system of "equal protection" under the law—one for those who can afford the right and another for those who cannot. The Court has granted women the "right" but the committee language would have the effect of severely restricting access to that right for some.

Middle class and wealthy women would have access to abortions in the case of rape or incest. Poor women who must rely on medicaid funds would not.

Middle class and wealthy women would have access to abortions where the mother's life would be forever marred, where a woman would be maimed or crippled if she had to give birth. Poor women who need financial assistance would not.

We must recognize the fact that, even if we presumed to enact legislation to ban abortions outright, they would still take place. The difference is that those who could afford to would go where they are legal, as they did before the Supreme Court decision. And, those who could not afford to, would resort to back-alley abortions and increased risks of death or severe physical harm. At least by providing financial assistance, women have access to safe medical treatment and face far less of a risk to life and health.

It is because I respect and revere life and cannot justify the double standard which I have just outlined that I have opposed and will continue to oppose the severe limitations on Government funding which would cause thousands of women to face life-threatening illegal abortions. I hope, at the very least, we will retain the language which is current law.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 31, noes 40.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 212, not voting 24, as follows:

[Roll No. 444]

AYES—198

Addabbo	Fraser	Obey
Akaka	Garcia	Ottinger
Alexander	Giaimo	Panetta
Anderson, Calif.	Gilman	Patterson
	Ginn	Pattison
Anderson, Ill.	Glickman	Pease
Andrews, N.C.	Gonzalez	Pepper
Ashley	Green	Pickle
AuCoin	Gudger	Pike
Barnard	Hannaford	Poage
Baucus	Harkin	Preyer
Bedell	Harrington	Pritchard
Bellenson	Harris	Pursell
Bingham	Hawkins	Rahall
Blanchard	Hefner	Railsback
Bolling	Heftel	Rangel
Bonker	Hightower	Reuss
Brademas	Hollenbeck	Richmond
Breckinridge	Holtzman	Roberts
Brinkley	Horton	Rogers
Brodhead	Howard	Roncalio
Brooks	Hughes	Rose
Brown, Calif.	Jacobs	Rosenthal
Brown, Mich.	Jeffords	Roybal
Broyhill	Jenkins	Ryan
Buchanan	Johnson, Calif.	Santini
Burton, John	Johnson, Colo.	Sarasin
Burton, Phillip	Jones, N.C.	Scheuer
Butler	Jones, Okla.	Schroeder
Carr	Jones, Tenn.	Seiberling
Chisholm	Jordan	Shipley
Clay	Kastenmeier	Sisk
Cleveland	Ketchum	Slack
Cohen	Keys	Smith, Iowa
Collins, Ill.	Kostmayer	Solarz
Conable	Krebs	Spellman
Corman	Krueger	Staggers
Cornwell	Leach	Stark
Coughlin	Lehman	Steed
Danielson	Levitas	Steers
Davis	Lloyd, Calif.	Stockman
Dellums	Long, Md.	Stokes
Dent	Lundine	Studds
Derrick	McCloskey	Teague
Dicks	McCormack	Thompson
Diggs	McFall	Thornton
Dingell	McKinney	Tsongas
Dodd	Maguire	Udall
Downey	Mahon	Ullman
Drinan	Martin	Van Deerlin
Duncan, Oreg.	Mathis	Vanik
Eckhardt	Mattox	Wa:gren
Edgar	Meeds	Waxman
Evans, Colo.	Metcalfe	Weaver
Evans, Del.	Meyner	Weiss
Fascell	Mikulski	White
Fenwick	Mikva	Whitley
Findley	Milford	Whitten
Fisher	Miller, Calif.	Wiggins
Flippo	Mineta	Wilson, C. H.
Florio	Mitchell, Md.	Wilson, Tex.
Foley	Moffett	Wirth
Ford, Mich.	Mollohan	Wolff
Ford, Tenn.	Moorhead, Pa.	Wright
Forsythe	Moss	Yates
Fountain	Neal	
Fowler	Nix	

NOES—212

Abdnor	Flood	Murphy, Pa.
Ambro	Flowers	Murtha
Ammerman	Flynt	Myers, Gary
Andrews, N. Dak.	Frey	Myers, John
	Fuqua	Myers, Michael
Annunzio	Gammage	Natcher
Applegate	Gaydos	Nichols
Archer	Gephardt	Nowak
Armstrong	Gibbons	O'Brien
Ashbrook	Goldwater	Oakar
Aspin	Goodling	Oberstar
Badham	Gore	Patten
Bafalis	Gradison	Perkins
Baldus	Grassley	Pressler
Bauman	Guyer	Price
Beard, Tenn.	Hagedorn	Quayle
Benjamin	Hall	Quillen
Bennett	Hamilton	Regula
Bevill	Hammer-schmidt	Rhodes
Biaggi		Rinaldo
Blouin	Hanley	Risenhoover
Boggs	Hansen	Robinson
Boland	Harsha	Roe
Bonior	Heckler	Rooney
Bowen	Hillis	Rostenkowski
Breaux	Holt	Rousselot
Broomfield	Hubbard	Rudd
Brown, Ohio	Huckaby	Ruppe
Burgener	Hyde	Russo
Burke, Fla.	Ichord	Satterfield
Burke, Mass.	Ireland	Sawyer
Burleson, Tex.	Kasten	Schulze
Burlison, Mo.	Kazen	Sebelius
Byron	Kelly	Sharp
Carney	Kemp	Shuster
Carter	Kildee	Sikes
Cavanaugh	Kindness	Skelton
Cederberg	LaFalce	Skubitz
Chappell	Lagomarsino	Snyder
Clausen, Don H.	Latta	Spence
	Lederer	St Germain
Cochran	Lent	Stangeland
Coleman	Livingston	Stanton
Collins, Tex.	Lloyd, Tenn.	Steiger
Conte	Long, La.	Stratton
Corcoran	Lott	Stump
Cornell	Lujan	Symms
Cotter	Luken	Taylor
Crane	McClory	Thone
Cunningham	McDade	Traxler
D'Amours	McDonald	Treen
Daniel, Dan	McEwen	Trible
Daniel, R. W.	McHugh	Vander Jagt
Delaney	McKay	Vento
Derwinski	Madigan	Volkmer
Devine	Markey	Waggonner
Dickinson	Marks	Walker
Dornan	Marlenee	Walsh
Duncan, Tenn.	Marriott	Wampler
Early	Mazzoli	Watkins
Edwards, Ala.	Michel	Whalen
Edwards, Okla.	Miller, Ohio	Whitehurst
Eilberg	Minish	Wilson, Bob
Emery	Mitchell, N.Y.	Winn
English	Moakley	Wydler
Erlenborn	Montgomery	Wylie
Ertel	Moore	Yatron
Evans, Ga.	Moorhead, Calif.	Young, Alaska
Evans, Ind.		Young, Fla.
Fary	Mottl	Young, Mo.
Fish	Murphy, Ill.	Zablocki
Fithian	Murphy, N.Y.	Zeferetti

NOT VOTING—24

Allen	Frenzel	Pettis
Beard, R.I.	Holland	Quie
Burke, Calif.	Jenrette	Rodino
Caputo	Le Fante	Runnels
Clawson, Del	Leggett	Simon
Conyers	Mann	Smith, Nebr.
de la Garza	Nedzi	Tucker
Edwards, Calif.	Nolan	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Jenrette for, with Mr. Le Fante against.

Mr. Nedzi for, with Mrs. Smith of Nebraska against.

Mr. Frenzel for, with Mr. Conyers against.

Mr. Edwards of California for, with Mr. Runnels against.

Mrs. Burke of California for, with Mr. Beard of Rhode Island against.

Messrs. HILLIS, SAWYER, PRICE, and RISENHOOVER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk continued to read the bill.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: Page 46, immediately after line 12, insert the following new section:

"SEC. 410. No part of any appropriation contained in this Act may be obligated or expended in connection with the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order which includes any ratio, quota, or other numerical requirement related to race, creed, color, national origin, or sex, and which requires any individual or entity to take any action with respect to (1) the hiring or promotion policies or practices of such individual or entity, or (2) the admissions policies or practices of such individual or entity."

Mr. WALKER. Mr. Chairman, the purpose of this amendment is to prohibit funding for any quota system within the Department of Health, Education, and Welfare and the Department of Labor so that practices of reverse discrimination can be stopped. I am a supporter of the affirmative action concept when practiced in a nondiscriminatory fashion. This amendment in no way strikes out affirmative action programs. It is an attempt to take quotas out of the affirmative action concept.

Affirmative action should expand opportunities. Qualified minorities must be considered as an integral part of the hiring process and educational process. The Departments of Health, Education, and Welfare and Labor have an obligation of assuring minorities an equal opportunity in our schools, colleges, and the workplaces. However, quotas do not have to be used because any quota regardless of the purpose is discriminatory. The crudest form of discrimination is a quota system or an arbitrary numerical qualification that excludes people. Therefore, this amendment is antidiscriminatory in nature. It is an effort to assure continuance of those things we have always regarded as best within our society, namely: treatment of individuals as equal under law, not as nameless, faceless members of a group to be arbitrarily disadvantaged.

Presently, our Government is in a difficult situation as a result of quota usage. Programs within the Federal Government are now responsible for classifying people according to their ethnic background and race. This imposes a great burden upon such programs since they often must classify people in clear-cut categories where no clear-cut individual standing exists. The melting pot characteristic of our country has made it absurd in many instances to attempt to classify individuals. We have people with ethnic surnames with no real heritage in that ethnic background. Yet, quota policies now used could and would classify such persons based upon their names. Such policies bring us to the point of determining what percentage of one's bloodline must be used to qualify under quota guidelines. And when sexual quotas are included, you find that the policies can make real majorities into policy minorities for exclusionary purposes.

Granted there are people who definitely fall under one racial or ethnic category. However, in a pluralistic society what possible justification for quotas can there be for individuals who do not neatly fit into a particular classification? Should they be penalized by the quota system? To my way of thinking, their equality under law should not be challenged by a quota system. And what of those who can be neatly classified? Should we permit their abilities to be depreciated by the idea that their only qualification for advancement is based upon an artificial quota? I think not and I think the history of civil rights in our Nation agrees.

Back in 1964 when the Civil Rights Act of that year was passed, the late Senator Hubert Humphrey spoke to the quota issue. He said that he did not think the act required any employer to achieve racial balance in his work force by giving any kind of preferential treatment to any individual or group.

The American people have regularly had their say on this matter, too. Not long ago in a Gallup poll they said that 83 percent of them oppose the idea of preferential treatment through quotas including 64 percent of all nonwhites who oppose the quota concept.

The Supreme Court has spoken clearly over a long period. Justice Harlan in the Plessy against Ferguson decision wrote in this famous dissent, a dissent which became fundamental to Brown against the Board:

Our Constitution is color blind and neither knows nor tolerates classes among citizens.

Justice Douglas wrote a half century later:

There is no constitutional right for any race to be preferred.

Our amendment would wipe out quota systems now being employed. Quotas are a bureaucratic convenience. They are not a part of affirmative action. They are a way by which bureaucrats measure affirmative action, and in so doing, in making that kind of measurement, the bureaucrats have created a new form of discrimination no less insidious than the quotas in the past.

Mr. Chairman, this amendment gives us a chance to stop that kind of bureaucratic nonsense. It gives us a chance to stop calling discriminatory tools by other names. It seems that now is the time to put an end to quotas. I hope it deserves the support of my colleagues in the House.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I would like to commend the gentleman on his amendment and state that the gentleman from Pennsylvania and I have worked on this amendment to-

gether, and it is my understanding that it is being offered on behalf of both of us.

Mr. WALKER. That is right.

Mr. LEVITAS. I would like to clarify one very crucial, important point on this amendment. Is it quite clear that this amendment would not abolish the opportunity for affirmative action programs which do not use numerical requirements?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LEVITAS, and by unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Yes; I will be glad to yield to the gentleman.

Mr. LEVITAS. I thank the gentleman for yielding.

My question is, Is it quite clear that this amendment would not prohibit the use of affirmative action programs that do not rely upon or utilize numerical quotas, numerical ratios, or other numerical requirements, but could use such things as goals or timetables?

Mr. WALKER. I think that is very clear in this amendment. As a matter of fact, through this amendment we affirm affirmative action programs, because what we have had before this is primarily the executive orders that have created the programs. Through this approach we are now saying that the affirmative action programs could be employed, but they would not be able to use quota systems. I think that is a positive element to introduce into the affirmative action concept.

Mr. LEVITAS. I thank the gentleman. If the gentleman will yield further, in order to emphasize this point, is it not true, by way of legislative history, that this is substantially the amendment adopted by the House on this bill last year, and at that time an amendment was offered to strike out prohibition against goals and timetables; so it is quite clear that affirmative action has not been eliminated altogether but just the use of quotas, ratios, and other numerical requirements?

Mr. WALKER. The gentleman is absolutely right. As the gentleman well knows, it was he who offered it last year. We clarified the language, and came back with this amendment this year. It is in the same form in large part that passed the House last year by an overwhelming vote of the House.

Mr. LEVITAS. I thank the gentleman. I would like to commend the gentleman for offering this amendment which strikes the discrimination and does the very thing we want.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, I would like to ask the sponsor of the amendment what impact does the amendment have on universities within the context of those already having affirmative action programs in place and they are working very well and some that are not?

Mr. WALKER. The impact of this amendment would be felt only if such programs have an arbitrary quota as a part of the plan.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I am fearful that the 195th Congress will still be wrestling with this kind of problem. I want to take some time, as I oppose this amendment, to offer some options so that the 195th Congress will still not be wrestling with this issue of quotas and goals and timetables.

It seems to me there are some options and I am going to lay them out and we can pick and choose among them.

Any number of groups benefit through affirmative action; blacks, Hispanics, women, and so forth; but I am just going to deal with the blacks today in terms of some options that might be offered, so that the 195th Congress will not have to debate with this issue. There is one option that is open to us. We can initiate legislative action to repeal the 13th amendment to the Constitution. That solves our problem. Repeal that amendment which ended slavery and banned involuntary servitude and the 195th Congress will not have to wrestle with this problem. That is one option.

Another option is that we can initiate legislative action to repeal the 14th amendment. If we do that, that takes away equal protection under the law. Solve that and we will not be debating the problem in the 195th Congress.

We can go on with the 13th, 14th, and 15th amendments. That is another option open to us. Take the right to vote away from us and we will not have this problem in the 195th Congress. I am certain there are other options. I am certain those I have suggested to this House are repugnant.

Another option might be some sort of ultimate solution to the "black problem" in America. Then the 195th Congress would not have to debate affirmative action. I do not think those options are attractive and I hope this House and this country have not yet reached the point where we would elect to pursue any of those options.

Rather than push for any of those repugnant, repulsive options, I would like to take the time to spell out why we have got to have affirmative action in terms of some sort of specific goals and timetables that involve numbers. I am not going to deal with education and labor for a start, because I want to treat the whole panoramic sweep of this Government in terms of what it does with regard to minorities and affirmative action, despite existing law.

I want to look at, first of all, a part of the whole picture. Let us take the National Endowment for the Arts, funded by us for the 1976 fiscal year. Under their program, they had architectural and environmental arts: $3.7 million given out in grants, and $159,000 given out to blacks.

If we deal with the educational programs under the National Endowment for the Arts, $5 million was given out in grants; $243,000 went to blacks.

In music, and those who hold to the old racial stereotypes that blacks are musically inclined should listen; in music a total of $32.5 million was given out in grants; $289,000 went to blacks.

They gave grants in the dance also. There are those who have the old racial stereotype that black folks are supposed to have this facility, but the National Endowment of the Arts does not think so, because they gave a total of $5.3 million in grants, and only $166,000 went to black groups.

The public media is the most disgraceful one; $11.7 million was given out in grants, and only $24,000 went to blacks. That is just one part of it.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I will yield to the gentleman in just a minute, after I have gone through my little scenario.

Mr. Chairman, what I am attempting to do is show that even this Government discriminates—and I am using the word deliberately—in the allocation of its resources, and unless we have some affirmative action programs targeted in terms of numerical goals, we will not end that discrimination.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 5 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, our Federal Government, in its procurement and contracting activities, contributes significantly to the economy of this Nation. I had a chance to examine the procurement and contractng records for every single agency of Government last year. I looked at every single one. Literally billions of dollars were spent, and there is not a single agency of Government that gives as much as 2 percent of its contracts to minorities.

I know we are dealing with education and labor, but this problem that we are specifically focusing on must be seen in the context of the whole exclusionary pattern that continues on the part of our Federal Government.

Let us leave the Federal Government for a moment and let us go to the private sector.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield very briefly to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, the gentleman is using an illustration of the amounts of particular programs, including amounts for the arts, as an illustration of what he apparently feels is unfair.

Is the gentleman suggesting that the awards that are made in the arts, no matter what program it is, be given on the basis of numerical quotas? Is that what the gentleman would like the Federal Government to do?

Mr. MITCHELL of Maryland. Mr.

Chairman, I will answer the question by saying that I am suggesting there has been a specific, ongoing, systematic pattern of exclusion of black grantees from this program, and the only way that is going to be undone or stopped is through some kind of affirmative action, and I am suggesting targeting.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I will not yield further at this point.

Mr. Chairman, let us go from the Government and look at the private sector. I had an opportunity to examine the procurement records of the top 100 defense contractors in this country, those companies that got the largest defense contracts. Of those top 100 companies, including Rockwell, Boeing and the rest of them, not a single one of them last year did as much as 1 percent of its contracting with minorities.

Mr. Chairman, I have laid all this out because I want to show that this is the climate in which we blacks and others operate, and it is the climate for education and labor. I suggest to my colleagues that it is not by accident that 45 percent of the black kids in Washington, in the District of Columbia, are unemployed. That is not by accident.

Do you mean to tell me that the majority of white kids in this city can get a job and 45 percent of the blacks cannot? It is not by accident that we rate twice as high in our unemployment rates, blacks as opposed to whites. That is not by accident.

I said in this House a few short weeks ago that we are abandoning the fight against unemployment for blacks because we have put white America back to work. We have put white America back to work because there is a tendency, a willingness, and a desire on the part of white employees to hire white people, despite title 7. We are not going to break that up unless we have some specific goals.

Mr. Chairman, I wish to make one or two other comments. I respectfully sugguest to the Members that we may go ahead, as we probably will, and approve this pernicious amendment even before the Supreme Court acts on it, but we must remember that when we do, we will be giving some more thrust to those literally hundreds of educational institutions around the country that have already begun to retreat on affirmative action even before the Supreme Court has acted. That retreat means for me that there is no gut commitment to affirmative action, and, therefore, we find an absence of blacks in engineering and on absence of black doctors, an absence of blacks in the professional schools.

Let me tell the Members that two black institutions, Meharry Medical College and Howard Medical School, produced, between them, 90 percent of the black doctors practicing in America today.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

Mr. Chairman, may I say to my friend, the gentleman from Maryland, that I am not in disagreement with anything he said. I intend to support his position on this amendment. But the fact that the gentleman mentioned the name of Rockwell just a moment ago, I want to say that earlier this year, insofar as Rockwell is concerned, the black director of OMBE was in my district to present an award to Rockwell for the outstanding affirmative action they had. I do not remember what the percentages were that were involved, but I do know that in the case of just one company, as long as they were mentioned, I think that should be noted.

Mr. MITCHELL of Maryland. I think that is fair to make that statement.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, what the award was for in affirmative action, I do not know. It may have been in employment. But the record will show that Rockwell did not do even 1 percent of its subcontracting work with minorities last year. That record is indisputable. We blacks are not present in physics. We are not found in engineering. We are insufficient numbers in medicine. We have had a kind of closed system working that has excluded us.

Mr. Chairman, earlier on I indicated that already the colleges and universities that I know of are beginning to retreat on their affirmative action programs, even before the Court acts. That suggests, to me, that there is no desire, that there is no will, that there is no real sympathetic understanding that we have to be moved into these professional positions.

What else can I say to the Members? How can I make it any clearer, that this amendment—and I do not question the motivation of the two gentlemen offering it—merely becomes another step by means of which the anti-action, the subtle, more sophisticated anti-action against blacks, will be accelerated? Do not the Members see that this amendment plays right into the hands of those who are arguing in terms of tax revolt and everything else, arguing "that we have done too much for those people"? Do not the Members see that, even though the amendment may be well motivated, the net result will be that they are going to suggest to a greater part of white America, "Write them off," as was done for 50 years?

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

Mr. Chairman, I have the greatest respect for the gentleman and for the point he is making. Of course, I understand the problem that he is discussing. I know that he must feel, as a member of the black race, that the black people in our country are a deprived minority, not only in numbers but in jobs, advantages, and in opportunities. But I am going to suggest to the gentleman that, as alluring as a quick quota fix might be, the idea of setting racial quotas and the idea that that might help his people at this time in history, as alluring as that might be, it is the wrong concept, and in the long run it is going to hurt his people. I suggest that he think it through before he presents it to the House of Representatives.

Mr. MITCHELL of Maryland. Mr. Chairman, I will retrieve my time, and I thank the gentleman for his comments and his sage guidance that he is offering.

In conclusion, Mr. Chairman, I submit again what I think is a completely understandable argument. I am suggesting to the Members that they are not going to move blacks or Hispanics, other minorities, and women, they are not going to move us from our present holding plateau level unless we have some affirmative action that has some targets, some timetables. It has to have a basis in numbers.

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Walker-Levitas amendment. I do so with great respect for the gentleman who just spoke. I understand the way he sees the problem. He is willing to accept any solution to try to see that the people of his race advance in our country.

However, I am going to suggest to the House that the gentleman's view is wrong. It is just wrong on the merits, and it is shortsighted because, in the long run, this type of program is going to hurt the people of his race as it is going to hurt the people of most races in this country. That will happen if we allow this kind of quota system to start to generate itself in our Federal Government.

Mr. Chairman, we are letting it happen. We can hear it in this debate. They are already talking about letting out awards for the arts, for example, on a quota basis. They wonder why there is not enough money for one group or another in the arts. Where will it end? They are bringing it into every type of activity of the Federal Government. It is going to run through the Federal Government, and the day is going to come when there will be a righteous rise of indignation among people against this procedure.

Mr. Chairman, I will suggest to the gentleman something which I have seen, for example, in the city of New York. I would suggest to him that they are going to start fighting over the quotas between the blacks and the people of Puerto Rican extraction. Each one is going to demand a greater quota for his group. Then perhaps the oriental group will come in and they will demand a greater quota for their group.

Where is that kind of system going to lead? Where is that kind of system ever going to end? How can it, in the long run, do any of us in this country any good?

I am going to suggest to the gentleman the answer to the question he posed at the outset of his talk to this committee.

It was a good point he made, but I think he offered us all the wrong alternatives. He offered us the alternatives of doing away with various amendments of the Constitution or killing all the black people in the country. Those are not the solutions to the problem, and I do not think he is seriously suggesting to the members of this committee that that is the solution to those questions. I do not know why he puts the problem in those terms.

The solution is, of course, to give the people of every race in our country a chance, an opportunity. That is what they are entitled to have.

Mr. Chairman, I will agree with the gentleman that, yes, there has been plenty of past discrimination in our Nation. We know it was there. We know it still exists in many places today, but the way to get around that is not to say that we are going to hire so many of this race and so many of that race or that we are going to have so many contracts for this group or so many contracts for that group. The way to do it is to try to help those who have been discriminated against. We can do that.

Mr. Chairman, I am just going to give an illustration. In my own community of Nassau County, HEW came in and said they wanted an affirmative action program—that is what they called it—in the police department. Fine. They went ahead, and they tried to do it. They set up special programs for people so that they could take special courses to train for the police examinations. They did things of that nature, which were helpful. However, do the Members know that they have held up all the police tests or the promotions in that county until they set an actual quota to hire specific numbers of people of different races?

I say that is wrong. I say it will come back to haunt everybody.

Mr. Chairman, when they start counting the black faces in the room and they start counting the white faces in the room, it is going to hurt everyone, in the long run, despite the fact that some might think it might help.

Mr. Chairman, I suggest to the gentleman very sincerely because I know how he feels; I know the ache he must have in his heart that when he sees the conditions of some of the people of his race, but I suggest to him that in the long run he is doing the people of his race and all Americans, for that matter, a disservice by insisting on any kind of quota system in our country.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I would make two observations, if I may.

First, it is not a problem of counting the black faces in the room; it is the problem of counting the black faces not in the room, but in our professional schools.

The other observation I would like to make is that the gentleman is suggesting that if this approach is used, perhaps we might have to pay a price down at the end of the line.

Let us take a chance. I, for one, am willing to run the risk of paying that price rather than seeing this inequity continue to exist as it is today.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I would just like to point out that there are some black civil rights leaders who agree with the point the gentleman is making.

The CHAIRMAN. The time of the gentleman from New York (Mr. WYDLER) has expired.

(On request of Mr. WALKER and by unanimous consent, Mr. WYDLER was allowed to proceed for 1 additional minute.)

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. WYDLER. Yes, I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, Bayard Rustin said not too long ago, at the University of Delaware, that he was "unalterably opposed" to quota systems. He said further that "power for religious and ethnic groups * * * relies on their ability to convince the majority that their cause is just and what they are asking for is sane."

Mr. Chairman, I think this is the kind of affirmative approach the gentleman and I were talking about.

I thank the gentleman for yielding.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield further?

Mr. WYDLER. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Again I urge my colleagues, do not go through this business of selectivity in quoting black leaders. One can always get somebody to say what one wants. Someone brought up CORE the other day. That is a dead organization.

The question is, I do not know whether this gentleman is viable or not, but for as many people the gentleman can cite, there are 100 others who will take my position. So, do not do the selectivity question. I think it deceives the House.

Mr. WYDLER. I cannot agree with the gentleman. I think Mr. Rustin is a well-known black leader, and his voice carries some weight in this country.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment. What we are talking about is discrimination, pure and simple. For those of us who have fought discrimination in all of its forms, it is somewhat disturbing and it is somewhat heart-rendering to find that there are people who believe that discrimination can only affect or afflict certain people. But, let me state without a shadow of a doubt that the moment you have a quota, the moment you have a ratio, the moment you have a numerical requirement, you are not just including somebody—you are excluding somebody because of that person's race, because of that person's sex, or some other characteristic.

There are no two ways about it. We cannot let a quota exist that lets somebody in, which does not thereby rule somebody out. And, discrimination is discrimination. It is wrong in any form, whether we call it reverse discrimination or direct discrimination or what have you.

When a person, because of his or her sex or race, or religion or national origin, is eliminated and not even considered because of that factor, then our Government and our Constitution is no longer colorblind. Total equality of opportunity is what we have sought in many ways from the very earliest days of this Nation. It has not always been attainable. There have been times of indifference; there have been times when just the reverse occurred, and now in the modern time we clearly have a national commitment to eliminate all forms of discrimination.

But, in that process should we discriminate on the basis of race or on the basis of sex? Let me make it quite clear that there are no two ways about it—you set up a quota that puts somebody in, and you have set up a quota that, because of race or some other factor, keeps somebody out.

There is a necessity to do something about past injustices, and it should be done. There has been a period of our history, to our shame, in which every American did not have equal opportunity. For that reason, we should have programs that take this history into account in the sense that we may provide compensatory education, in the sense that we have specific efforts to look for those people who have not been searched for, and bring them into the work force and bring them into the schools. There are many ways in which affirmative action can be brought about without a discriminatory quota, and this amendment does not prohibit affirmative action which does not discriminate through quotas.

It does not prohibit trying to make up, but it says that—for example—the Vietnam veteran who never owned slaves, who never practiced Jim Crow, who comes back and because he happens to be a white male, because of a quota, is being discriminated against—it says, he cannot be made an innocent victim of discrimination.

In the long run the person who thinks that he is going to benefit from a quota ultimately becomes its victim, because that quota is not just inclusionary, it ultimately becomes exclusionary. It also becomes the maximum, not just the minimum.

In addition to that, the utilization of the quota places those people who get the job or get the admission on the basis of that quota in a position to feel that they have not been able to make it on their own but they are being given something for nothing. And I think that is destructive to them.

Let us see what the position of the administration is on the issue of numerical quotas. I have here a letter from the Assistant to the President for Domestic Affairs and Policies, Mr. Stuart E. Eizenstat, dated February 6, 1978. I will quote

a portion of this letter from Mr. Eizenstat which says:

The President has stated that he favors affirmative action programs some of which may use goals and timetables to measure their effectiveness but opposes rigid exclusionary racial quotas. This remains his position.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent, Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. LEVITAS. Mr. Chairman, I think that letter states a position which speaks to the question, the fundamental question of discrimination. If we are, indeed, opposed to discrimination—and I hope almost everyone is today—then we cannot countenance some discrimination. There are ways to rectify the past injustices through appropriate affirmative action but, my friends, to create two evils is wrong. Discrimination must be obliterated at every opportunity, and for us not to eliminate the pernicious practice of discriminatory quotas puts us on record as favoring some type of discrimination. I am opposed to that and I hope the Members of this House will join me in supporting the Walker-Levitas amendment.

(By unanimous consent, Mr. DON H. CLAUSEN was allowed to speak out of order.)

FUNDS AVAILABLE FOR THOSE PUT OUT OF WORK BY EXPANDING OF REDWOOD NATIONAL PARK

Mr. DON H. CLAUSEN. Mr. Chairman, I have taken this time to ask a question of the gentleman from California (Mr. PHILLIP BURTON) regarding funds available for those people who have been put out of work by the Government's action in expanding the Redwood National Park.

In the authorizing bill approved by the Interior and Insular Affairs Committee, it was the committee's intention to minimize, to the greatest extent possible, the adverse impacts of park expansion. In doing so, the committee recognized and made provision for protecting the nonwage benefits of the affected workers—such as pension plans, health insurance, and so on.

Is it true that it was not our intention to disqualify a worker just because he worked for a company which did not have a pension plan.

Mr. PHILLIP BURTON. The gentleman is correct.

Mr. DON H. CLAUSEN. Is it true that the committee's intention in enacting section 209 of the expansion bill was that section 209 would apply to those who were younger than 54 years of age and who had worked for fewer than 5 years in the industry, whether or not they had a pension plan.

Mr. PHILLIP BURTON. The gentleman also is correct on that count.

Mr. DON H. CLAUSEN. Is it true, conversely, that the intention of the committee was that sections 207 and 208 are the governing sections for those affected employees who are over 54 years of age or who have 5 or more years of creditable service in the industry, whether or not they have 5 years of pension credits. Is it also correct that it was not the intention of the committee to remove any benefits from these long-term employees by subjecting them to coverage under section 209.

Mr. PHILLIP BURTON. The gentleman is correct. As the author of the bill and the one who drafted these sections personally, I assure the gentleman I am in full agreement with his statement.

Mr. DON H. CLAUSEN. I thank the gentleman and want to state once again for the record, the gentleman's diligence in fulfilling the commitments he made at the time the Redwood Park legislation was moving through the legislative process.

I thank the House for yielding me this time.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

Mr. Chairman, I believe that there can be no question as to the principle that is at the heart of the amendment introduced by the gentleman from Pennsylvania and cosponsored by the gentleman from Georgia. It is the old American principle of fair play.

I will not burden you with the long and lamentable history of the "goals and time tables" system, except to say, Congress has never authorized such a system. There has never been 1 minute of hearings looking into the desireability of such a system. Bureaucrats in HEW and the Labor Department created the goals and timetables system in direct contravention of the intentions of the Civil Rights Act. Debate during the passage of the first Civil Rights Act shows without question that the drafters of the act did not wish to see such a system imposed. Goals and timetables are an open scandal; they do not improve the life of those for whom they are intended and they are racially discriminatory against their victims.

This amendment would allow true affirmative action. Those who say that affirmative action programs must have goals or timetables or numerical equivalents are confusing equality of opportunity with equality of results. The Government can and should guarantee equality of opportunity. No one, especially the Government, can or should even try to guarantee equality of results.

Recently I read an article written by the distinguished scholar Thomas Sowell, of the University of California at Los Angeles. In part, this is what he said about goals and timetables and quotas and the whole idea of "compensatory" hiring and school placement:

The past is a great unchangeable fact. Nothing is going to undo its sufferings and injustices, whatever their magnitude. Statistical categories and historic labels may seem real to those inspired by words, but only living flesh-and-blood people can feel joy or pain. Neither the sins nor the sufferings of those now dead are within our power to change. Being honest and honorable with the people living in our own time is more than enough moral challenge, without indulging in illusions about rewriting moral history with numbers and categories.

Thomas Sowell is not only a distinguished professor—he is a black American. There is not a single person who has read or studied more about goals and timetables than Dr. Sowell has. He is against goals and timetables but he is for equal opportunity. He is against discrimination. So is the Walker-Levitas amendment and I urge my colleagues to join with those of us who are ready, now, to put an end to discrimination and go on to seeing that real equality of opportunity becomes a fact for all Americans.

HEW has long been stating that it does not apply "quotas." However, it does appear to like "ratios." Now, what the difference is between "quotas" and "ratios" is anybody's guess. They both involve racial or sexual percentages.

I suspect what HEW is doing is playing a semantical game with us. They feel free in opposing the use of "quotas," because they can apply "ratios," which in effect enables them to accomplish the same thing.

Let me read what Secretary Califano stated during our hearings:

To take an example, to correct past discrimination an employer may be required to adopt a corrective plant that speaks in terms of a "ratio", even though the remedy is stated as a goal to employ women and minorities. A "ratio" may also be a useful tool or index by which to determine an appropriate employment goal and measure progress toward meeting that goal. . . .

Further he said:

A ratio may also be a useful tool or index in determining what a useful "goal" might be. Any projection of "goals" or any assessment of progress toward compliance must, of necessity, assume a "numerical" or qualitative cost of evaluations of progress by HEW or indeed any other agency are to be meaningful.

The fact is that HEW is imposing quotas under other guises. If we thus feel that action against discrimination should take place without the imposition of quotas, we should support this amendment to really insure that such is the case.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. I do not think that anybody would say, "I believe in rigid and absolutely determined quotas, and we will have them, whether for women or for blacks or for Indians or for orientals, or for any one of a number of groups." But neither do I feel that to vote for this amendment is a wise and prudent and proper thing to do. We are sending a signal which we should not be sending. We are saying something we should not be saying, which is that wherever there has been some flexibility, some interest, some concern for our fellow citizens, we are going to say, "Stop." What we have been trying to do is to make sure that our

fellow citizens are given for once a fair chance.

The quotas we have have not been adhered to. We do not see that many black faces in every single one of the areas of life. We have had targets or goals or hopes, and we have got to keep them. We cannot turn our backs now and say that we are going to adopt something that is going to remove any kind of numerical target or goal. They may not always be met. I am sorry to say I do not think they will be, but we have an ideal in mind. We have a vision of a more just society, and this is what we are turning our backs on.

We have conceived of a place on Earth where people will not be so hurt and so damaged. With this amendment we are moving away and backward, and turning our backs on that vision. It is not right. It is not that time of day. We have got to realize what time of day it is in the world, not just in America, but everywhere.

Mr. Chairman, I yield back the remainder of my time.

Mr. PANETTA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, there is obviously a great deal of confusion regarding this amendment. One just has to listen to the last few moments of debate to know that there are those who think this amendment means the end of affirmative action, or those who think it means the end of goals and timetables, and there are those who think it does not mean the end of goals and timetables but the end of quotas. The fact is that this amendment is not necessary. It is not necessary for several reasons. The first is with regard to the present law dealing with affirmative action itself. Affirmative action did not fall from the sky, nor was it developed in the bowels of the bureaucracy. It was developed essentially by the courts in response to discrimination. Where discrimination was found in a school system, in higher education, wherever it was found, a remedy had to be provided to break down the barriers of discrimination, of segregation. One way to remedy discrimination is through affirmative action. That was the remedy. We do not have a right in our process of government, we do not have a right under our Constitution unless we have a remedy, and if discrimination is found within a system, the remedy is affirmative action. That is what the courts have applied. It is essentially what HEW has had to apply under the law.

What kind of affirmative action are we talking about? We are not talking about set quotas. Let us understand that. Courts have made very clear that we cannot implement specific quotas, but we can implement goals and timetables. What is the difference? A quota is a specific goal. If you do not reach it, you are in violation of your affirmative action plan. If you have a broad goal or timetable, if you do not reach that particular goal, you may not necessarily be in violation of your affirmative action plan, but you are moving toward a particular goal. That is the essence of affirmative action. So do not stand here and say you are against discrimination if you are not for affirmative action, or for goals and timetables to implement affirmative action.

This amendment is not necessary. The present law is quite clear. Quotas are not required. If you are against discrimination you have to be for affirmative action, and you have to be against this amendment.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, the gentleman raises an interesting point, but I am not sure the gentleman is correct in saying the courts have ultimately ruled against quotas. I think, of course, that is the issue in the Bakke case; but as I understand, the courts, the governmental agencies in this country, particularly HEW, have repeatedly in defining goals specifically pointed to specific ratios, specific numerical numbers.

Now, I agree with the gentleman, there has got to be a remedy: but I am not sure I totally agree with what the courts have said.

Mr. PANETTA. Well, with regard to the Philadelphia plan, which was one of the original affirmative action plans designed, the court made clear they do not accept numerical quotas, but they do affirm broad goals and timetables. HEW says the same thing. Mr. Califano says the same thing. Everyone is against quotas, but that does not mean you are against goals and timetables, or you undermine any kind of affirmative action.

Mr. GLICKMAN. Mr. Chairman, if the gentleman will yield further, as I understand the gentleman's amendment does not eliminate numbers or timetables, at least in the legislative history. The gentleman wants to proceed with affirmative goals and timetables or with quotas, but not with specific numerical ratios.

Mr. PANETTA. That is the question that arises because of the use of the term "ratio." I am not sure whether the use of the term "ratio" is eliminating any kind of figure that can be achieved through affirmative action.

Mr. GLICKMAN. Mr. Chairman, if the gentleman will yield further, does the gentleman believe a party would have a legal right of action against say a company or some particular group in our society who did not comply with the affirmative action program if there was a prohibition against the use of quotas; that is, if I were a company that had an affirmative action plan and HEW told me to develop it and I did not do anything with it, but there were no quotas on the books, could I be sued?

Mr. PANETTA. You do not have an affirmative action plan unless you have a plan to hire in a particular year. The sole purpose is to try to remedy the obvious discrimination that has taken place.

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

Mr. LEVITAS. Mr. Chairman, I ask unanimous consent that the gentleman from California (Mr. PANETTA) may proceed for an additional 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. CONTE. Mr. Chairman, reserving the right to object, I have noticed that everyone who spoke on this amendment spoke on it last year and nothing has changed.

I ask that after I remove my reservation that the Chairman will put a time limit on the rest of this debate.

Mr. ASHBROOK. Mr. Chairman, further reserving the right to object to this quota system, I did not object when the gentleman from Maryland extended his time to 13 minutes.

I have an amendment. I do not want to be taken off my feet.

Mr. CONTE. Mr. Chairman, I think the gentleman should be given 5 minutes.

Mr. Chairman, I withdraw my reservation of objection.

Mr. ASHBROOK. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia (Mr. LEVITAS) that the gentleman from California (Mr. PANETTA) be recognized for an additional 2 minutes?

There was no objection.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for yielding.

I realize this is an emotional question and perhaps should be an emotional question, but I fear it is also quite important to make it crystal clear that the amendment offered by the gentleman from Pennsylvania and myself, both in terms of its legislative history last year and in terms of the legislative history this year, does not prohibit affirmative action. In fact, an amendment will soon be offered that will prohibit affirmative action, nor does it eliminate the opportunity to use goals and timetables in accomplishing affirmative action.

All the gentleman from Pennsylvania and I are trying to do is to eliminate the inherently discriminatory practice of numerical quotas, numerical ratios and other numerical requirements.

I think it is important that the record be quite clear on this, so that it is not interpreted to do what the gentleman suggests it might do and cause some confusion on the part of some of us.

Mr. PANETTA. Mr. Chairman, I appreciate the gentleman making the record clear, because it is very important on the issue of goals and timetables. Again, if that is the case, I do not think this amendment is necessary, because the present law in effect carries out the stated intent of the authors of this amendment.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I understand the gentleman to say it is not necessary, but it cannot do any harm. The gentleman says he thinks it is right, so why not pass it and make sure that what he thinks is right is right.

AMENDMENT OFFERED BY MR. ASHBROOK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. WALKER

Mr. ASHBROOK. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK as a substitute for the amendment offered by Mr. WALKER: On page 46, immediately after line 122, add the following new section:

"SEC. 410. None of the funds appropriated in this Act may be used to initiate, carry out or enforce any program of affirmative action or any other system of quotas or goals in regard to admission policies or employment practices which encourage or require any discrimination on the basis of race, creed, religion, sex or age."

Mr. ASHBROOK. Mr. Chairman, following up on the statement made by my colleague and friend, the gentleman from Massachusetts, let me say that he is right. This is the same amendment that was offered on June 17, 1977, and it appears on page 19715 of the RECORD.

The gentleman is also right in this: Many of us are making the same statements pro and con as before.

I would particularly like to direct my remarks to the gentleman from Pennsylvania (Mr. FLOOD) who opposed my amendment the last time because, as he said, it was very complicated and far-reaching and he did not fully understand it. The gentleman has had a year since that time to examine it, and I am sure he has read the amendment and understands it by now. The difference between my amendment and the Walker amendment, as the sponsor indicates, is that his amendment would allow affirmative action but somehow or other cut out numerical goals. If anyone can figure out how to accomplish that, I would like to know that.

My amendment flatly prohibits affirmative action programs or any system of quotas and goals.

In the real world we know what we are dealing with, but as legislators these facts may not be apparent. I will give the Members an example. I have had dozens of these examples I could recite.

A small businessman in Ohio had a contract. The contract was bounced. He had four categories of employees. He has a total of 127 employees. Companywide, he is more than in compliance. He has 19 percent minority workers, he has 127 employees, and he has 7 jobs going at the same time. On this one job he had 40 hours of supervisory help, with 18 percent minority; cement masons, 120 hours, 20 percent minority; laborers, 70 hours, with 14 percent minority, the lowest number; and truck drivers, 30 hours, zero minority. So they bounced him.

Why? He has four truckdrivers; two are white, and two are black. He has seven jobs going at the same time. One does not have to be a Phi Beta Kappa to figure out that if he has 100 percent black employees on one job, he may have 100 percent white employees on another job. Yet our bureaucrats said he is not in compliance, that he does not meet the numerical goals.

What we are talking about is what happens in the real world. The bureaucracy has imposed impossible standards, standards that are impossible to follow by the average businessman. This was a man who really tried to comply. Overall he had almost 20 percent minority employees.

Let us look at what has happened. I think my colleague, the gentleman from Illinois, successfully indicated the history. The Congress has not authorized affirmative action. Title 7 had one specific goal, and that was to say that an employer could not discriminate. You have categories A, B, C, and D, and when men come in, white or black, you are supposed to treat them equally. That is fine. But after that happened, the bureaucrats went one step further.

Now they said, "Oh, no, now it isn't a question of somebody coming to you. You not only are not allowed to discriminate against them, but you have to leave your office and go out and find these people." That is where affirmative action started.

The next step is this: They say, "Wait a second. You not only have to be fair to the people who come through your door but you have to go out and seek minorities, and also you have to go out and seek a specific number of minorities that we are setting out as far as the numerical quota is concerned. So you not only have to treat people fairly but you have to go out and find them."

There are many horror stories. I heard one in Rittman, Ohio. One man had to hire three people who did no work just so he could meet a quota. That contractor said, "I'm tired of trying to find these people. I will just hire three in order to be in compliance, put them down on the list and pay them. I will get the people even if they don't do any work."

That is what happens in the real world with affirmative action, all the statements to the contrary notwithstanding.

Now we are talking about quotas and ratios. We are talking about an additional plateau, numerical timetables and goals.

Let me read to the Members what the Secretary of HEW has said. If this is not a distinction without a difference, I do not know what is. I quote directly from Secretary Califano, as follows:

. . . If we are serious about doing that—

"That" being full participation—

we must have a way to measure our progress. I know the danger and potential for injustice that are inherent in any system of rigid arbitrary long term quotas . . . arbitrary quotas will not be a part of our enforcement program, we want to rely on the good faith and special effort of all who join in the final march against discrimination.

But we will also rely—because we must rely—on numerical goals as benchmarks of progress . . . Employment goals provide objective benchmarks to measure the progress of affirmative action programs.

Flat out, he is telling us that we can say all we want, but if we are going to affirmative action, one way or another it is a question of semantics and we are going to have quotas.

Mr. Chairman, that is why I think my amendment is a necessary amendment to address this evil. Yes, it is an evil of discrimination. We are addressing the evil of discrimination, because reverse discrimination is just that.

Mr. FLOOD. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 1 minute each.

(By unanimous consent, Mr. OBEY and Mr. CONTE yielded their time to Mr. FLOOD.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Chairman, the reason I made my unanimous-consent request to limit discussion about these amendments is that we went through this last year, and with just about the same Members. The amendment is similar to that offered last year. The one last year was rewritten on the floor several times. It was passed by a voice vote. Of course, it went out of the final bill. The problem I had then, with an amendment like this, is the same problem I have now. We simply cannot resolve a complex civil rights problem by attaching some language to an appropriation bill. That cannot be done. I am sure that the sponsor of the amendment knows what is intended by the language of this amendment.

But the effect of the language may be quite different. For example, the amendment refers to compliance with any ratio, quota, or other numerical requirement related to race, creed, color, or national origin or sex. It is just not clear what specific civil rights enforcement activities are intended to be prohibited. It could have the effect of preventing HEW from complying with court-ordered desegregation plans.

If the gentleman is trying to prevent the use of quota systems, then the amendment is really not necessary. Labor and HEW do not impose quotas or anything like quotas. Two years ago Congress passed a law which effectively prohibits HEW from imposing quotas in higher education programs. If you want to pass another law concerning quotas, then it should be done in a legislative bill—not by a floor amendment to an appropriation bill.

Mr. Chairman, I can understand the gentleman's concern about quota systems. But this a complex subject. This is not the time nor the place to deal with that

kind of a subject. This substitute amendment will not solve the problem of quotas. If anything, as has been proved here today, it will add to the confusion, confusion, confusion that already exists.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, I find what the chair, the gentleman from Pennsylvania (Mr. FLOOD) said a little strange, to say the least. Although I would agree with him that it is not the best way to do it, it seems to me that it may be one of the only ways to do it.

The Chairman did not seem to take this attitude at all just a half an hour or an hour ago on the floor of this House when we were debating and determining the abortion issue.

Certainly there is no more involved emotional, complex issue than that. However, he seemed to feel that this was a good place in which to deal with that issue. I agree that this is not the best place in which to deal with it, but we do not have any other forum, Mr. Chairman; and I suggest that this committee deal with both of those complex issues by using the best method we have in which to do it and supporting the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, I urge the adoption of the Walker-Levitas amendments, and I urge the defeat of the Ashbrook substitute. The Walker-Levitas amendment provides for the elimination of discrimination, including the elimination of reverse discrimination. It also permits the opportunity to correct past injustices through the use of proper affirmative action programs that don't use quotas.

Mr. Chairman, as the President of the United States has said, he favors appropriate affirmative action programs; but he is opposed to rigid numerical requirements.

Therefore, Mr. Chairman, I ask that we defeat the Ashbrook amendment and adopt the Walker-Levitas amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. MCKINNEY).

Mr. MCKINNEY. Mr. Chairman, I would just suggest to my colleagues that all of us are aware of the abuses of the bureaucracy in this country. Over the last 2 weeks, for example. I have been trying to get a reasonable answer for my cities of Norwalk and Stamford, but I would also suggest that if either one of these amendments passes, we are turning around to the United States any saying. "It is all over. We are not going to try."

Mr. Chairman, I think in this country we are trying to do something. We are fumbling. We are making mistakes, but we are trying to show that we really believe that people are people, regardless of race, color, or creed.

Mr. Chairman, to pass either one of these amendments would be to go against everything we have tried to build over the last 20 years, and I strongly support their defeat.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, I strongly urge my colleagues to reject the Ashbrook amendment to my amendment and adopt the Walker-Levitas amendment as a way of ending reverse discrimination, as practiced by the Departments of Health, Education, and Welfare and of Labor.

The chairman of the committee, the gentleman from Pennsylvania (Mr. FLOOD), made mention of the fact that a quota amendment was passed to a higher education bill a couple of years ago. He is absolutely right; and so far, HEW has shown that it will absolutely do nothing about that quota amendment. There are not even regulations for it.

Mr. Chairman, I think it is high time that this House does adopt some kind of language to show the bureaucrats we mean business in terms of quotas. This is the place in which we can do that. This is the forum we have, and it seems to me that the opposition to this amendment has made it clear that they think this is an important thrust.

Therefore, Mr. Chairman, I would ask my colleagues to join with me and do something in this House to show that we will not permit quotas to continue to be practiced.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I think our chairman, the gentleman from Pennsylvania (Mr. FLOOD), has pretty well set it out when he said it will not solve the problems of quotas. Perhaps it will not. It certainly will start moving us in the right direction.

Our colleague, the gentleman from Connecticut (Mr. MCKINNEY), said that what we have done over the last 20 years we can be reasonably proud of.

I would just like to have us vote on that basis. If the Members are reasonably proud of what has been accomplished by bureaucracy in the last 20 years, I would say vote down my amendment.

There is a very clear distinction. My colleague and friend, the gentleman from Pennsylvania (Mr. WALKER), believes in affirmative action, but does not want quotas in America or numerical goals. I suggest that that is a distinction without a difference. We cannot have affirmative action without numerical goals unless we are engaging in some kind of semantics.

Mr. Chairman, my amendment, pure and simple, is opposed to affirmative action.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. MITCHELL) to close debate.

Mr. MITCHELL of Maryland. Mr. Chairman. I would, of course, oppose both amendments.

However, I say to the Members who plan to vote for either one, vote for the Ashbrook amendment. It is more honest. It simply comes out and says, "This is where we stand. We are going to turn back the clock, and if you do not like it, that is too bad."

Mr. Chairman, that is open and honest, as opposed to the kind of more deceptive amendment offered by my colleagues, the gentleman from Pennsylvania (Mr. WALKER) and the gentleman from Georgia (Mr. LEVITAS). That is the more dangerous amendment because it perpetuates the illusion that something is being done when, in fact, the amendment is stopping affirmative action.

Therefore, Mr. Chairman, I say to the Members who are going to vote for either amendment, vote "yea" on the Ashbook amendment. Vote his amendment up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 8; noes 54.

So the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a record vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 232, noes 177, not voting 25, as follows:

[Roll No. 445]

AYES—232

Abdnor	Cleveland	Forsythe
Alexander	Cochran	Fountain
Ambro	Cohen	Frey
Andrews, N.C.	Coleman	Fuqua
Andrews, N. Dak.	Collins, Tex.	Gammage
Annunzio	Conable	Gaydos
Applegate	Corcoran	Gephardt
Archer	Coughlin	Ginn
Armstrong	Crane	Glickman
Ashbrook	Cunningham	Goldwater
AuCoin	D'Amours	Goodling
Badham	Daniel, Dan	Gradison
Bafalis	Daniel, R. W.	Grassley
Barnard	Davis	Gudger
Baucus	Delaney	Guyer
Bauman	Derrick	Hagedorn
Beard, Tenn.	Derwinski	Hall
Benjamin	Devine	Hammer-schmidt
Bennett	Dickinson	Hanley
Bevill	Dicks	Hannaford
Biaggi	Dingell	Hansen
Blanchard	Dornan	Harsha
Bonker	Duncan, Oreg.	Hefner
Bowen	Duncan, Tenn.	Hightower
Breaux	Edwards, Ala.	Holt
Brinkley	Edwards, Okla.	Horton
Brooks	Emery	Howard
Broomfield	English	Hubbard
Broyhill	Erlenborn	Huckaby
Burgener	Ertel	Hyde
Burke, Fla.	Evans, Del.	Ichord
Burleson, Tex.	Evans, Ga.	Ireland
Butler	Evans, Ind.	Jacobs
Byron	Fithian	Jenkins
Carter	Flippo	Jones, N.C.
Cederberg	Florio	Jones, Okla.
Chappell	Flowers	Jones, Tenn.
Clausen, Don H.	Flynt	Kelly
	Foley	Kemp
	Ford, Mich.	

Ketchum	Mottl	Snyder
Kindness	Murphy, Pa.	Solarz
Kostmayer	Murtha	Spence
Krebs	Myers, Gary	Stangeland
Lagomarsino	Myers, John	Stockman
Latta	Myers, Michael	Stump
Leach	Neal	Symms
Lehman	Nichols	Taylor
Lent	Nowak	Thone
Levitas	Patterson	Traxler
Livingston	Pettis	Treen
Lloyd, Calif.	Pickle	Trible
Lloyd, Tenn.	Poage	Udall
Long, Md.	Pursell	Ullman
Lott	Quayle	Vander Jagt
Lujan	Quillen	Waggonner
Luken	Rhodes	Walgren
McCormack	Rinaldo	Walker
McDade	Risenhoover	Walsh
McDonald	Roberts	Wampler
McEwen	Robinson	Watkins
McKay	Rogers	Waxman
Madigan	Rousselot	White
Mahon	Rudd	Whitehurst
Marlenee	Russo	Whitley
Marriott	Santini	Whitten
Martin	Sarasin	Wiggins
Mathis	Satterfield	Wilson, Bob
Mazzoli	Sawyer	Wilson, Tex.
Michel	Scheuer	Winn
Milford	Schulze	Wolff
Miller, Ohio	Sebelius	Wright
Minish	Shipley	Wydler
Mitchell, N.Y.	Shuster	Yatron
Mollohan	Sikes	Young, Alaska
Montgomery	Sisk	Young, Fla.
Moore	Skubitz	Zablocki
Moorhead, Calif.	Slack	Zeferetti
	Smith, Nebr.	

NOES—177

Addabbo	Fish	Moorhead, Pa.
Akaka	Fisher	Moss
Ammerman	Flood	Murphy, Ill.
Anderson, Calif.	Ford, Tenn.	Murphy, N.Y.
	Fowler	Natcher
Anderson, Ill.	Fraser	Nix
Ashley	Garcia	O'Brien
Aspin	Giaimo	Oakar
Baldus	Gilman	Oberstar
Beard, R.I.	Gonzalez	Obey
Bedell	Gore	Ottinger
Beilenson	Green	Panetta
Bingham	Hamilton	Patten
Blouin	Harkin	Pattison
Boggs	Harrington	Pease
Boland	Harris	Pepper
Bolling	Hawkins	Perkins
Bonior	Heckler	Pike
Brademas	Heftel	Pressler
Breckinridge	Hillis	Preyer
Brodhead	Hollenbeck	Price
Brown, Calif.	Holtzman	Pritchard
Brown, Mich.	Jeffords	Rahall
Brown, Ohio	Johnson, Calif.	Railsback
Buchanan	Johnson, Colo.	Rangel
Burke, Mass.	Jordan	Regula
Burlison, Mo.	Kasten	Reuss
Burton, John	Kastenmeier	Richmond
Burton, Phillip	Kazen	Roe
Carney	Keys	Roncalio
Carr	Kildee	Rooney
Cavanaugh	Krueger	Rose
Chisholm	LaFalce	Rosenthal
Clay	Lederer	Rostenkowski
Collins, Ill.	Leggett	Roybal
Conte	Long, La.	Ruppe
Corman	Lundine	Ryan
Cornell	McClory	Schroeder
Cornwell	McCloskey	Seiberling
Cotter	McFall	Sharp
Danielson	McHugh	Smith, Iowa
Dellums	McKinney	Spellman
Diggs	Maguire	St Germain
Dodd	Markey	Staggers
Downey	Marks	Stanton
Drinan	Mattox	Stark
Early	Meeds	Steed
Eckhardt	Metcalfe	Steers
Edgar	Meyner	Steiger
Eilberg	Mikulski	Stokes
Evans, Colo.	Miller, Calif.	Stratton
Fary	Mineta	Studds
Fascell	Mitchell, Md.	Teague
Fenwick	Moakley	Thompson
Findley	Moffett	Thornton
Tsongas	Weaver	Wylie
Van Deerlin	Weiss	Yates
Vanik	Whalen	Young, Mo.
Vento	Wilson, C. H.	
Volkmer	Wirth	

NOT VOTING—25

Allen	Gibbons	Quie
Burke, Calif.	Holland	Rodino
Caputo	Hughes	Runnels
Clawson, Del	Jenrette	Simon
Conyers	Le Fante	Skelton
de la Garza	Mann	Tucker
Dent	Mikva	Young, Tex.
Edwards, Calif.	Nedzi	
Frenzel	Nolan	

The Clerk announced the following pairs:

On this vote:

Mr. Hughes for, with Mr. Conyers against.

Mr. Le Fante for, with Mr. Jenrette against.

Mr. Nedzi for, with Mrs. Burke of California against.

Mr. Dent for, with Mr. Edwards of California against.

Messrs. HOWARD, QUILLEN, GUDGER, JONES of Tennessee, FOLEY, McCORMACK, NOWAK, DICKS, and WAXMAN changed their votes from "no" to "aye."

Mr. KASTEN and Mr. FISH changed their votes from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. WRIGHT. Mr. Speaker, last week when the Symms amendment was offered to cut OSHA appropriations back to last year's level, I voted for that amendment, as did many of the rest of us.

In my case, the vote to curb the appropriation was an instinctive reaction to the enormous number of complaints which have attended the needlessly complex and sometimes arrogant manner in which the enforcement activities of that agency have been administered in the past.

Now, ironically, it develops that the funds which that amendment would deny were earmarked for activities expressly designed to correct those very inequities.

Since the time of that vote, I have had careful conversations with Dr. Eula Bingham, Assistant Secretary of Labor who now administers the OSHA program and with Members of the House familiar with its current administration. I am advised that the extra funds requested by the administration this year are for two express purposes.

First, those funds would be used to train inspectors in the gentler arts of treating the small businessmen of our country with the respect which is their rightful due as citizens. Second, they would be used for individual consultation services available to small businessmen upon their request.

Specifically, I am told that most of the additional amount requested is for the purpose of an informational campaign aimed at helping businessmen to comply with the provisions of the law, not entrapping them into situations of noncompliance.

One of the most salutary developments in government has been the work of Dr. Bingham, carried out at the insistence of the President, which has resulted in reducing the redtape and eliminating 1,100 needless regulations—picayune regulations which had confused and frustrated many small businessmen in their well-intentioned efforts to comply with this law.

The elimination of these ridiculously detailed regulatory guidelines is an example which needs to be followed by many other arms of administrative government.

In addition to this, we all recall, of course, that Congress enacted a special law to require OSHA inspectors to give small businessmen ample opportunity to come into voluntary compliance, and prohibiting the imposition of citations or penalties upon the initial discovery of noncomplying conditions, and this bill contains language reinforcing that provision.

That, too, ought to be a guide for every agency which enforces regulations upon the law-abiding citizens of this country. It is much more harmonious with the principles of a free society.

In view of these circumstances, I am told that a separate vote will be demanded in the House on that amendment, adopted in the Committee of the Whole, by which we voted to reduce funds which now turn out to have been earmarked for improved administration.

In recognition of what appears to be an earnest effort to reform the offensive practices of the past, and the recognition of the genuine importance of this activity aimed at protecting American workmen from genuinely unsafe conditions, I intend now to oppose the amendment for which I and others earlier voted.

I call upon my colleagues to take another, more careful look at the sincere attempts of our present administrators to carry out congressional intent, and to join me in voting to restore these particular funds in order that this may be done.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the committee last week made a wise choice. I compliment the committee for its vote. The issue was decided correctly.

The distinguished majority leader, the gentleman from Fort Worth, Tex. (Mr. WRIGHT), makes an articulate argument, but those arguments were all made in committee, and the vote has been taken. Now we are in a position where, if we reverse our votes, we are adding some $28 million to $30 million back in the bill, going against the wishes, I think, of the taxpayers of this country to eliminate excessive regulation and taxation. What we are doing here today, if we have another vote on this amendment and if the Members do change their votes, is reversing what I think was a wise decision.

Most of the Members were here on the floor and heard the debate. They have already made up their minds, and I would encourage the Members to stay with their position. Many of those who

now would like to have been in the column shown as voting for an amendment which would restrain OSHA somewhat—and this is not going to leave OSHA without money, incidentally—may want to take another look at the amendment. We would like to invite those Members onto the winning bandwagon so they can be on the side of cutting money out of OSHA.

There is going to be $139 million in this bill to run this agency. That is a fairly good sum of money, and there is no reason why Dr. Eula Bingham cannot carry out her intentions with that $139 million. She does not need, in my opinion and in the opinion of the committee, this $28.5 million that would be put back into the bill, if my amendment is defeated.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I would like to respond to our colleague, the gentleman from Texas (Mr. WRIGHT), who, I think, voted properly the other day when he voted for the Symms amendment.

The argument is now made by Mr. WRIGHT that there is a need for new inspection officers in OSHA.

The argument is wrong and not proven to be so even by the record. Presently OSHA has unfilled positions in the compliance officer category. The gentleman from Texas said that part of the reason for the increase in the 1979 appropriation was for new inspection officers. Congress has given OSHA an authorized level of 1,650 compliance officers. But OSHA has only hired 1,531. So this argument that they suddenly need to expand the number of inspection officers is not true. I urge my colleagues not to be persuaded by that argument.

Let me make a second point. When we passed this law originally—and I remember the arguments very well, as many of the Members do—we were told that OSHA would help to persuade the several States to do a better job of implementing safety and health regulations. Most States have done that. The reason we do not need to increase the amount of money spent for OSHA over the 1978 appropriation is because most States have done the job in complying with the original request of the Congress to implement good State laws. They have done that. We do not need to expand the Federal bureaucracy in this area. So do not be persuaded that there is a desperate need to expand OSHA's expenditures. I urge my colleagues to stay with the Symms amendment.

Mr. SYMMS. I thank the gentleman for his remarks.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know the House wants to vote. I do too. I will take 1 minute. I simply want to make three statements.

No. 1, there is no amount in the amendment being talked about by the majority leader for additional inspectors. There are no additional inspectors above last year's amount in that amendment.

No. 2, the State programs that the gentleman just referred to, which he is so strongly in favor of, are funded to the tune of $8.4 billion in the amendment that the gentleman from Texas, the majority leader, has supported. I urge the Members to support the position of the majority leader when a separate vote is voted on in the House.

Mr. RISENHOOVER. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. RISENHOOVER was allowed to speak out of order.)

ANNUAL FLAG DAY CEREMONY

Mr. RISENHOOVER. Mr. Chairman, I take this time very briefly here to advise the Members that tomorrow, at 12 o'clock, the House will conduct its annual Flag Day ceremony. Members may bring their families on the floor. Dr. Oral Roberts will be our guest speaker. We will be honoring the Nation's astronauts and the gentleman from Texas (TIGER TEAGUE), chairman of the Committee on Science and Technology, on the 20th anniversary of NASA.

I would like to inform all of the Members that there will be a whip call about 10 minutes before the ceremony starts. If the gallery and the Chamber are not full, we will allow the staff members to come in and fill up the gallery space and the space on the floor.

AMENDMENT OFFERED BY MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 46 after line 12, insert the following paragraph:

SEC. 411. "Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure; *provided*, that of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum."

Mr. MILLER of Ohio. Mr. Chairman and members of the Committee, as many Members are aware, I have over the last several years offered 5 percent cuts in appropriations bills.

This is a 2-percent cut. We had approximately a 3-percent cut when the Michel amendment reduction of $1 billion was made. In the nonmandatory spending items we would have a 5-percent reduction amounting to $1.8 billion. Therefore, with the Michel amendment of $1 billion removed from the bill, the 2-percent cut would allow the $800 million reduction, which comes out to a total reduction of 5 percent. That is the purpose of changing this amendment from 5 to 2 percent.

Mr. Chairman, almost everyone is concerned today about the explosive cost of government. The vote in California Tuesday on proposition 13 underscores what the public thinks.

Mr. Chairman, this is the 25th anniversary of the Department of Health, Education, and Welfare. What has happened to this particular Federal department should give us concern about the alarming growth of the Federal Government.

Mr. Chairman, the Department of Health, Education, and Welfare started out in 1954 with an annual budget of $1.9 billion. The budget today for HEW is the third largest budget in the world, surpassed only by the budgets of the U.S. Government and the Soviet Government. It is even larger than the combined budgets of all 50 States by some $50 billion. Mr. Chairman, $1 out of every $3 spent by the Federal Government goes to this bureaucracy.

Twenty-five years ago HEW employed 37,000 persons, but today it employs 157,000 people.

Today we are paying interest on our national debt to nations that have loaned us money; and I think it is important that we at least attempt to reduce one of the largest budgets that we have in the Federal bureaucracy, the HEW budget.

Mr. Chairman, I would urge the Members to support the 2-percent reduction.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio to cut 2 percent of the controllable costs of this Labor-HEW bill. This ladies and gentleman is again attempting to lower the meat-axe into but another appropriations bill. This time he would strike at programs directly designed to improve the employment, health, education and welfare of millions of Americans. As has been pointed out many times with respect to Mr. MILLER's amendments, this approach gives control of the budget-cutting process to the less-than-sage budget cutters downtown. Moreover, it would appear that this action is in addition to the more sensible budget cut of $1 billion offered by my friend from Illinois (Mr. MICHEL) which attacks fraud and abuse. The amendment of the gentleman from Ohio does not require concentration on fraud and abuse. It can be directed against innovation and against programs which the subcommittee, after months of deliberation, found deserving of additional support.

It should be made clear that although this amendment is directed against controllable cost only, no small piece of change is involved. His amendment amounts to roughly $800 million.

Just where would this cut come? Would it be in the basic opportunity grants program, the title I elementary and secondary education account, or perhaps health resource funding but research in cancer, heart, lung, arthritis child beating? Would other programs be impacted? Would it be a little bit of each?

This body does not know and I have a feeling it would not like to find out. It is much easier to make anonymous cuts.

While I fully agree that this body should respect the message sent by the voters of California that they would like to see less Government intrusion in their

lives, we should not misinterpret that message. It is not a bugle call to tear down fresh attempts and proven programs dealing with problems involving the blight of illness, poverty and lack of educational benefits.

Our burden as legislators is to make Government work for the people, rather than against them. I believe this bill accomplishes the latter goal.

Perhaps the time has come for us to run a tighter ship with regard to expenditures, but the slash-the-cash approach suggested by the gentleman from Ohio is not the way to go.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition, of course, to the amendment. Here is act II, scene I. This, Mr. Chairman, is the classic meat-ax.

You have heard the gentleman say sometimes a 2-, sometimes a 5-, sometimes a 10-percent cut in appropriated funds. Just cut everybody across the board, no matter how important. That is no problem. Never mind about the program, just make the cut.

Now, here are programs which affect every man, woman, and child in the Nation. So you want to "Cut NIH medical research; or cut programs for the handicapped?" Ai-yi-yi.

Cut, if you are not busy, mental health programs. I have two opinions about that.

Cut—here we break down and cry—maternal and child health. All right, if we do not want to do that, then cut the whole National Health Service Corps. What is the matter with that? Cut the whole thing. All right, let us cut vocational education—ever hear about that? As I look around the room, I see Members representing certain towns and certain cities and certain areas—wait until you hear this one; hold your hat. Cut Impact aid.

Now Mr. Chairman, I know whereof I speak. This committee has been working on this bill since January, and the committee has examined each program comma by comma, item by item. Some programs were increased—what is the matter with that? Some were decreased—sure. We listened to most Members of the House anyhow.

The amendment now proposed will undo all the work put into this very, very large and very complicated Labor–HEW appropriation bill, the one you hear about all the time. The bill already has arbitrarily been cut $1 billion.

I urge the defeat of this amendment.

The CHAIRMAN pro tempore (Mr. PATTISON of New York). The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 220, noes 181, not voting 33, as follows:

[Roll No. 446]

AYES—220

Abdnor	Fithian	Miller, Ohio
Ambro	Flippo	Montgomery
Andrews, N.C.	Flowers	Moore
Andrews, N. Dak.	Flynt	Moorhead, Calif.
Applegate	Foley	Mottl
Archer	Forsythe	Murtha
Armstrong	Fountain	Myers, Gary
Ashbrook	Fowler	Myers, John
Aspin	Frey	Neal
AuCoin	Fuqua	Nichols
Badham	Gammage	Panetta
Bafalis	Gephardt	Pettis
Barnard	Giaimo	Pike
Baucus	Gibbons	Pressler
Bauman	Ginn	Pritchard
Beard, Tenn.	Goldwater	Quayle
Bennett	Goodling	Quillen
Bevill	Gradison	Railsback
Bowen	Grassley	Regula
Breaux	Gudger	Rhodes
Breckinridge	Guyer	Risenhoover
Brinkley	Hagedorn	Roberts
Broomfield	Hall	Robinson
Brown, Mich.	Hamilton	Rousselot
Brown, Ohio	Hammer-schmidt	Rudd
Broyhill	Hansen	Ruppe
Buchanan	Harkin	Russo
Burgener	Harsha	Ryan
Burke, Fla.	Heckler	Santini
Burleson, Tex.	Hefner	Sarasin
Butler	Heftel	Satterfield
Byron	Hillis	Sawyer
Cavanaugh	Holt	Schroeder
Cederberg	Hubbard	Schulze
Chappell	Huckaby	Sebelius
Clausen, Don H.	Hyde	Sharp
Cleveland	Ichord	Shipley
Cochran	Ireland	Shuster
Cohen	Jacobs	Sikes
Coleman	Jenkins	Sisk
Collins, Tex.	Johnson, Colo.	Skubitz
Conable	Jones, Okla.	Smith, Nebr.
Corcoran	Kasten	Snyder
Cornwell	Kelly	Spence
Cotter	Kemp	Stangeland
Coughlin	Ketchum	Stanton
Crane	Kindness	Steiger
Cunningham	Kostmayer	Stockman
Daniel, Dan	Krebs	Stratton
Daniel, R. W.	Krueger	Stump
Davis	Lagomarsino	Symms
Delaney	Latta	Taylor
Derrick	Leach	Thone
Derwinski	Levitas	Treen
Devine	Livingston	Trible
Dickinson	Lloyd, Tenn.	Vander Jagt
Dornan	Long, Md.	Volkmer
Downey	Lott	Waggonner
Duncan, Tenn.	Lujan	Walker
Edwards, Ala.	Luken	Wampler
Edwards, Okla.	McClory	Watkins
Emery	McCormack	Weaver
English	McDonald	Whitehurst
Erlenborn	McEwen	Whitley
Ertel	McKay	Wilson, Bob
Evans, Colo.	Marks	Winn
Evans, Del.	Marlenee	Wirth
Evans, Ga.	Marriott	Wydler
Evans, Ind.	Martin	Wylie
Fenwick	Mathis	Yatron
Findley	Mattox	Young, Alaska
Fish	Mazzoli	Young, Fla.
Fisher	Michel	Young, Mo.
	Milford	

NOES—181

Addabbo	Bolling	Cornell
Akaka	Bonior	D'Amours
Alexander	Bonker	Danielson
Ammerman	Brademas	Dellums
Anderson, Calif.	Brodhead	Dicks
Anderson, Ill.	Brooks	Diggs
Annunzio	Brown, Calif.	Dingell
Ashley	Burke, Mass.	Dodd
Baldus	Burlison, Mo.	Drinan
Beard, R.I.	Burton, John	Duncan, Oreg.
Bedell	Burton, Phillip	Early
Bellenson	Carney	Eckhardt
Benjamin	Carr	Edgar
Bingham	Carter	Eilberg
Blanchard	Chisholm	Fary
Blouin	Clay	Fascell
Boggs	Collins, Ill.	Flood
Boland	Conte	Florio
	Corman	Ford, Mich.
Ford, Tenn.	Markey	Roe
Fraser	Meeds	Rogers
Garcia	Metcalfe	Roncalio
Gaydos	Meyner	Rooney
Gilman	Mikulski	Rose
Glickman	Miller, Calif.	Rosenthal
Gonzalez	Mineta	Rostenkowski
Gore	Minish	Roybal
Green	Mitchell, Md.	Scheuer
Hanley	Mitchell, N.Y.	Seiberling
Hannaford	Moakley	Slack
Harrington	Moffett	Smith, Iowa
Harris	Mollohan	Solarz
Hawkins	Moorhead, Pa.	St Germain
Hightower	Murphy, Ill.	Staggers
Hollenbeck	Murphy, N.Y.	Stark
Holtzman	Murphy, Pa.	Steed
Horton	Myers, Michael	Steers
Howard	Natcher	Stokes
Jeffords	Nix	Studds
Johnson, Calif.	Nowak	Thompson
Jones, N.C.	O'Brien	Traxler
Jones, Tenn.	Oakar	Tsongas
Jordan	Oberstar	Udall
Kastenmeier	Obey	Van Deerlin
Kazen	Ottinger	Vanik
Keys	Patten	Vento
Kildee	Patterson	Walgren
LaFalce	Pattison	Walsh
Lederer	Pease	Waxman
Leggett	Pepper	Weiss
Lehman	Perkins	Whalen
Lloyd, Calif.	Pickle	White
Long, La.	Poage	Whitten
Lundine	Preyer	Wilson, C. H.
McCloskey	Price	Wilson, Tex.
McDade	Pursell	Wolff
McFall	Rahall	Wright
McHugh	Rangel	Yates
McKinney	Reuss	Zablocki
Maguire	Richmond	Zeferetti
Mahon	Rinaldo	

NOT VOTING—33

Allen	Hughes	Rodino
Biaggi	Jenrette	Runnels
Burke, Calif.	Le Fante	Simon
Caputo	Lent	Skelton
Clawson, Del	Madigan	Spellman
Conyers	Mann	Teague
de la Garza	Mikva	Thornton
Dent	Moss	Tucker
Edwards, Calif.	Nedzi	Ullman
Frenzel	Nolan	Wiggins
Holland	Quie	Young, Tex.

Mr. CARTER changed his vote from "aye" to "no."

Mr. WYDLER, Mrs. LLOYD of Tennessee and Mr. KREBS changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

● Mr. GIAIMO. Mr. Chairman, I would like to inform my colleagues how this bill making appropriations for Labor-HEW compares to the first budget resolution for fiscal year 1979.

This bill includes budget authority of approximately $58 billion, with estimated outlays of $43.4 billion. The bill is thus below the targets established by the Appropriations Committee for the Labor-HEW Subcommittee by $24.3 billion in budget authority and $41.4 billion in outlays. When we add to the amounts in this bill amounts previously enacted or having passed the House, the bill is still below the targets by $24.2 billion in budget authority and $20.5 billion in outlays.

A substantial portion of the budget for Labor and HEW was not considered by the Appropriations Committee and is not contained in this bill because it is either unauthorized or is a new initiative requiring legislation. For example, exist-

ing programs requiring reauthorization include CETA—the Comprehensive Employment and Training Act, vocational rehabilitation, older Americans, programs in the Action Agency and in the Community Services Administration, Head Start, and a large number of health service and training programs. Similarly, several new initiatives are very likely, including improved child health benefits under medicaid, expansion of the title I elementary and secondary education program, reimbursement to States for pre-1975 social service claims, expansion of title XX social services, child welfare programs, and fiscal relief to States for welfare costs. Additionally, the first budget resolution assumed that there would be a general fund payment to the medicare trust fund because of a rollback in social security taxes.

A conclusive projection of how total and final Labor-HEW appropriations will compare with the amounts assumed in the resolution is thus very difficult because of the substantial share of legislation yet to be considered. However, if the legislation requiring reauthorization and legislation authorizing new initiatives are funded at the levels assumed in the first budget resolution, the targets will be exceeded by $304 million in budget authority and $125 million in outlays. The potential budget authority overage consists of $155 million in function 500—education, training, employment, and social services; $27 million in function 550—health; and $122 million in function 600—income security. I must emphasize, however, the very tentative nature of this projection, given the huge amount of legislation yet to be considered. Also, to put the possible overage in perspective, I note that the possible overage is only $304 million, whereas the amounts assumed in the resolution but not yet considered sum to $25.3 billion. It is certainly quite possible that the appropriations committee will find $304 million in reductions out of a total of $25.3 billion. Moreover, $100 million of this possible $304 million overage is simply due to differing estimates of requirements for the black lung program, and has no impact whatsoever on the deficit.

Several adjustments had to be made to the subcommittee targets in making this projection in order to assure comparability with assumptions in the budget resolution.

First, an adjustment of $96 million was made with respect to the unemployment compensation trust fund to reflect this amount of offsetting receipts which do not show up in the bill.

Second, an adjustment of $677 million was made to show amounts required to fully fund the Middle-Income Student Assistance Act. While the conference version of the resolution includes only one-half of the amounts to fully fund tuition tax credits or the Middle-Income Student Assistance Act, the conference report indicated neutrality on this issue and assured that full funding would be provided in the second resolution to whichever approach was finally adopted. In order to continue this neutrality and to leave all options open until the Congress has resolved this issue, we make this adjustment in the targets.●

Mr. GARCIA. Mr. Chairman, I rise in opposition to the amendment proposed by the Congressman from Pennsylvania (Mr. WALKER).

Others with greater expertise than my own can address the legal ramifications of this amendment. I would like to speak of its effect upon my people.

For years we have had to struggle against overt discrimination in every aspect of our lives: education, housing, employment. It took the lives of many innocent people and the tumultuous riots of the 1960's to raise consciousness of many Americans as to the unjustices suffered by blacks, Hispanics and our own American Indian.

Now we are facing a problem that may revert our lives to those past experiences. We all know that minorities are underrepresented in institutions of higher education, as well as in Government. Colleges as well as the Government put great emphasis on the results of standard tests in their evaluation of potential students or candidates. Yet it is a well known fact that minorities score lower on standard tests than the average nonminority person, not necessarily due to lower motivation or qualifications, but only as a result of the quality of education that they have been exposed to. (As a matter of fact, questions are being raised as to the validity of the results of these tests as applied to minorities.) This situation clearly places minorities at a disadvantage.

I therefore believe that special admissions and hiring practices are the only way to insure a true participation of minorities in the educational system as well as in the work force. Thus, Mr. Chairmen, this amendment must be defeated.

● Mrs. COLLINS of Illinois. Mr. Chairman, I opposed the Walker amendment which was designed to prohibit the funds in this bill from being used to implement affirmative action programs based on quota systems for the purpose of the admission, hiring, and promotion of minorities by institutions of higher education.

Not only does this amendment violate the spirit and intent of affirmative action as interpreted by both Congress and the courts since the passage of the 14th amendment to our Constitution in 1866 it is also an ill-timed attempt to preempt the Supreme Court's forthcoming decision in the case of Bakke against Regents of the University of California. Adoption of this amendment would represent a landmark setback for the civil rights of black Americans since it would jeopardize the most important vehicle of equal opportunity for blacks and other minorities in the history of this country: higher education.

Everyone knows that jobs and income are both closely related to education, and it is in the field of education that blacks have made their biggest strides. The number of black college students has more than doubled in the last 10 years and today blacks make up 10.7 percent of the total college enrollment, only one point below their portion of the college-age population. This progress has been made possibly only through a nationwide commitment to the concept of equal opportunity and to the practice of affirmative action. However, without continued commitment to the practice of affirmative action, lipservice on behalf of equal opportunity will be nothing but empty rhetoric.

Whether you call them "goals" or "quotas," statistical measurements are necessary if institutions of higher learning are to be held accountable for the enforcement of the equal protection clause of our Constitution. How else are we to determine whether or not efforts are indeed being made to ameliorate the centuries-old conditions of inequality that black Americans have had to bear?●

● Mr. FRENZEL. Mr. Chairman, despite the passage last week of the Michel amendment, this bill contains spending increases over last year which are about twice as great as cost-of-living increases.

Worse, it is anticipated that supplemental appropriations will be required which will raise spending even higher.

There are many items in this bill that are necessary. But, overall, it is just too expensive. When we are running a huge deficit in the 4th year of an economic recovery, it is not possible to justify increases of 10 to 20 percent, especially when there are few new programs.

With reluctance, I shall have to vote against H.R. 12929.●

Mr. FLOOD. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments adopted by the Committee of the Whole, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12929) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment adopted by the Committee of the Whole?

Mr. FLOOD. Mr. Speaker, I demand a separate vote on the so-called Symms amendment relating to the Occupational Safety and Health Administration regulation.

The SPEAKER. Is a separate vote de-

manded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 7, line 6, strike the figure "$167,474,000" and insert in lieu thereof the figure "$139,070,000".

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 184, nays 216, not voting 34, as follows:

[Roll No. 447]

YEAS—184

Abdnor	Fuqua	Moore
Andrews, N. Dak.	Gammage	Moorhead, Calif.
Archer	Giaimo	Murphy, Ill.
Badham	Ginn	Myers, John
Bafalis	Glickman	Neal
Barnard	Goldwater	Nichols
Bauman	Grassley	O'Brien
Beard, Tenn.	Gudger	Pettis
Bedell	Guyer	Pickle
Bennett	Hagedorn	Pike
Bevill	Hall	Poage
Bowen	Hammer-schmidt	Pressler
Breaux	Hanley	Quayle
Brinkley	Hansen	Quillen
Brooks	Harsha	Rhodes
Broomfield	Hefner	Risenhoover
Brown, Ohio	Heftel	Roberts
Broyhill	Hightower	Robinson
Burgener	Holt	Rostenkowski
Burke, Fla.	Hubbard	Rousselot
Burleson, Tex.	Huckaby	Rudd
Butler	Hyde	Santini
Carter	Ichord	Satterfield
Cavanaugh	Ireland	Sawyer
Chappell	Jacobs	Schulze
Clausen, Don H.	Jenkins	Sebelius
Cleveland	Johnson, Colo.	Shuster
Cochran	Jones, N.C.	Sikes
Cohen	Jones, Okla.	Sisk
Coleman	Jones, Tenn.	Skubitz
Collins, Tex.	Kasten	Slack
Corcoran	Kazen	Smith, Nebr.
Cornwell	Kelly	Snyder
Cotter	Kemp	Spence
Crane	Ketchum	Stangeland
Cunningham	Kindness	Steed
Daniel, Dan	Krueger	Stockman
Daniel, R. W.	Lagomarsino	Stratton
Delaney	Latta	Stump
Derrick	Leach	Symms
Derwinski	Lent	Taylor
Devine	Livingston	Thone
Dickinson	Lloyd, Tenn.	Thornton
Dornan	Long, La.	Trible
Duncan, Tenn.	Lott	Vander Jagt
Edwards, Ala.	Lujan	Volkmer
Edwards, Okla.	McClory	Waggonner
Emery	McDonald	Walgren
English	McEwen	Walker
Ertel	McKay	Walsh
Evans, Del.	Madigan	Wampler
Evans, Ga.	Mahon	Watkins
Evans, Ind.	Marlenee	White
Fenwick	Marriott	Whitehurst
Findley	Martin	Whitley
Fisher	Mathis	Whitten
Fithian	Michel	Wilson, Bob
Flynt	Milford	Winn
Forsythe	Miller, Ohio	Yatron
Fountain	Mitchell, N.Y.	Young, Alaska
Frey	Montgomery	Young, Fla.

NAYS—216

Addabbo	Anderson, Calif.	Applegate
Akaka	Anderson, Ill.	Ashley
Alexander	Andrews, N.C.	Aspin
Ambro	Annunzio	AuCoin
Ammerman	Baucus	Baldus
Beard, R.I.	Gonzalez	Ottinger
Beilenson	Gore	Panetta
Benjamin	Gradison	Patten
Biaggi	Green	Patterson
Bingham	Hamilton	Pattison
Blanchard	Hannaford	Pease
Blouin	Harkin	Pepper
Boggs	Harrington	Perkins
Boland	Harris	Preyer
Bolling	Hawkins	Price
Bonior	Heckler	Pritchard
Bonker	Hillis	Pursell
Brademas	Hollenbeck	Rahall
Breckinridge	Holtzman	Railsback
Brodhead	Horton	Rangel
Brown, Calif.	Howard	Regula
Brown, Mich.	Jeffords	Reuss
Buchanan	Johnson, Calif.	Richmond
Burke, Mass.	Jordan	Rinaldo
Burlison, Mo.	Kastenmeier	Roe
Burton, John	Keys	Rogers
Burton, Phillip	Kildee	Roncalio
Byron	Kostmayer	Rooney
Carney	Krebs	Rose
Carr	LaFalce	Rosenthal
Cederberg	Lederer	Roybal
Chisholm	Leggett	Ruppe
Clay	Lehman	Russo
Collins, Ill.	Levitas	Ryan
Conable	Lloyd, Calif.	Sarasin
Conte	Long, Md.	Scheuer
Corman	Luken	Schroeder
Cornell	Lundine	Seiberling
Coughlin	McCloskey	Sharp
D'Amours	McCormack	Smith, Iowa
Danielson	McDade	Solarz
Davis	McFall	Spellman
Dellums	McHugh	St Germain
Dent	McKinney	Staggers
Dicks	Maguire	Stanton
Diggs	Markey	Stark
Dingell	Marks	Steers
Dodd	Mattox	Steiger
Downey	Mazzoli	Stokes
Drinan	Meeds	Studds
Duncan, Oreg.	Metcalfe	Thompson
Early	Meyner	Traxler
Eckhardt	Mikulski	Tsongas
Edgar	Miller, Calif.	Udall
Eilberg	Mineta	Van Deerlin
Erlenborn	Minish	Vento
Evans, Colo.	Mitchell, Md.	Waxman
Fary	Moakley	Weaver
Fascell	Moffett	Weiss
Fish	Mollohan	Whalen
Flood	Moorhead, Pa.	Wilson, C. H.
Florio	Motti	Wilson, Tex.
Flowers	Murphy, N.Y.	Wirth
Foley	Murphy, Pa.	Wolff
Ford, Mich.	Murtha	Wright
Ford, Tenn.	Myers, Gary	Wydler
Fowler	Myers, Michael	Wylie
Fraser	Natcher	Yates
Garcia	Nix	Young, Mo.
Gaydos	Nowak	Zablocki
Gibbons	Oakar	Zeferetti
Gilman	Oberstar	
	Obey	

NOT VOTING—34

Allen	Holland	Shipley
Armstrong	Hughes	Simon
Ashbrook	Jenrette	Skelton
Burke, Calif.	Le Fante	Teague
Caputo	Mann	Treen
Clawson, Del	Mikva	Tucker
Conyers	Moss	Ullman
de la Garza	Nedzi	Vanik
Edwards, Calif.	Nolan	Wiggins
Flippo	Quie	Young, Tex.
Frenzel	Rodino	
Goodling	Runnels	

The Clerk announced the following pairs:

On this vote:

Mr. Hughes for, with Mr. Frenzel against.
Mr. Runnels for, with Mr. Caputo against.
Mr. Teague for, with Mr. Le Fante against.
Mr. Goodling for, with Mr. Jenrette against.
Mr. Ashbrook for, with Mr. Conyers against.
Mr. Treen for, with Mrs. Burke of California against.

Until further notice:

Mr. Allen with Mr. Edwards of California.
Mr. de la Garza with Mr. Mann.
Mr. Flippo with Mr. Quie.
Mr. Mikva with Mr. Shipley.
Mr. Nedzi with Mr. Tucker.
Mr. Nolan with Mr. Vanik.
Mr. Simon with Mr. Wiggins.
Mr. Moss with Mr. Young of Texas.
Mr. Holland with Mr. Del Clawson.
Mr. Skelton with Mr. Armstrong.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device; and there were—yeas 338, nays 61, not voting 35, as follows:

[Roll No. 448]

YEAS—338

Abdnor	Conte	Hanley
Addabbo	Corcoran	Hannaford
Akaka	Cornell	Harkin
Alexander	Cornwell	Harrington
Ambro	Cotter	Harris
Ammerman	Cunningham	Harsha
Anderson, Calif.	D'Amours	Hawkins
Anderson, Ill.	Danielson	Heckler
Andrews, N.C.	Davis	Hefner
Andrews, N. Dak.	Delaney	Heftel
Annunzio	Dent	Hightower
Applegate	Derrick	Hillis
Ashley	Dickinson	Hollenbeck
Aspin	Dicks	Holtzman
Baldus	Diggs	Horton
Barnard	Dingell	Howard
Baucus	Dodd	Hubbard
Beard, R.I.	Downey	Huckaby
Beard, Tenn.	Drinan	Hyde
Bedell	Duncan, Oreg.	Ichord
Beilenson	Duncan, Tenn.	Ireland
Benjamin	Early	Jacobs
Bevill	Eckhardt	Jeffords
Biaggi	Edgar	Johnson, Calif.
Bingham	Edwards, Ala.	Johnson, Colo.
Blanchard	Eilberg	Jones, N.C.
Blouin	Emery	Jones, Tenn.
Boggs	Erlenborn	Jordan
Boland	Ertel	Kasten
Bolling	Evans, Colo.	Kastenmeier
Bonior	Evans, Del.	Kazen
Bonker	Fary	Kemp
Bowen	Fascell	Ketchum
Brademas	Fenwick	Keys
Breaux	Findley	Kildee
Breckinridge	Fish	Kindness
Brinkley	Fisher	Kostmayer
Brooks	Fithian	Krebs
Broomfield	Flood	Krueger
Brown, Calif.	Flowers	LaFalce
Brown, Mich.	Foley	Lagomarsino
Brown, Ohio	Ford, Mich.	Leach
Buchanan	Ford, Tenn.	Lederer
Burgener	Fountain	Leggett
Burke, Fla.	Fowler	Lehman
Burke, Mass.	Fraser	Lent
Burlison, Mo.	Frey	Levitas
Burton, Phillip	Fuqua	Livingston
Byron	Gammage	Lloyd, Calif.
Carney	Garcia	Lloyd, Tenn.
Carr	Gaydos	Long, La.
Carter	Giaimo	Long, Md.
Cavanaugh	Gibbons	Lott
Cederberg	Gilman	Lujan
Chappell	Ginn	Luken
Chisholm	Glickman	Lundine
Clausen, Don H.	Goldwater	McClory
Cleveland	Gonzalez	McCloskey
Cochran	Goodling	McCormack
Cohen	Gore	McDade
Coleman	Grassley	McEwen
Collins, Ill.	Green	McFall
Conable	Gudger	McHugh
	Guyer	McKay
	Hamilton	McKinney
	Hammer-schmidt	Madigan
		Maguire

Mahon	Pickle	Steed
Marks	Pike	Steers
Marlenee	Pressler	Steiger
Martin	Preyer	Stokes
Mattox	Price	Stratton
Mazzoli	Pritchard	Studds
Meeds	Pursell	Taylor
Metcalfe	Quayle	Thompson
Meyner	Quillen	Thone
Michel	Rahall	Thornton
Mikulski	Railsback	Traxler
Mineta	Regula	Treen
Minish	Reuss	Trible
Mitchell, Md.	Rhodes	Tsongas
Mitchell, N.Y.	Richmond	Udall
Moakley	Rinaldo	Van Deerlin
Moffett	Risenhoover	Vander Jagt
Mollohan	Roe	Vento
Montgomery	Rogers	Volkmer
Moore	Roncalio	Waggonner
Moorhead, Calif.	Rooney	Walgren
	Rose	Walsh
Moorhead, Pa.	Rosenthal	Wampler
Murphy, Ill.	Rostenkowski	Watkins
Murphy, N.Y.	Roybal	Waxman
Murphy, Pa.	Ruppe	Whalen
Murtha	Russo	White
Myers, Gary	Ryan	Whitehurst
Myers, John	Santini	Whitley
Myers, Michael	Sarasin	Whitten
Natcher	Sawyer	Wilson, Bob
Neal	Scheuer	Wilson, C. H.
Nichols	Sebelius	Wilson, Tex.
Nix	Seiberling	Winn
Nowak	Sharp	Wirth
O'Brien	Shipley	Wolff
Oakar	Sikes	Wright
Oberstar	Sisk	Wydler
Obey	Skubitz	Wylie
Ottinger	Slack	Yates
Panetta	Smith, Iowa	Yatron
Patten	Smith, Nebr.	Young, Alaska
Patterson	Solarz	Young, Fla.
Pattison	Spellman	Young, Mo.
Pease	Spence	Zablocki
Pepper	St Germain	Zeferetti
Perkins	Staggers	
Pettis	Stanton	

NAYS—61

Archer	English	Mottl
Armstrong	Evans, Ga.	Poage
AuCoin	Evans, Ind.	Roberts
Badham	Flynt	Robinson
Bafalis	Forsythe	Rousselot
Bauman	Gephardt	Rudd
Bennett	Gradison	Satterfield
Brodhead	Hagedorn	Schroeder
Broyhill	Hall	Schulze
Burleson, Tex.	Hansen	Shuster
Burton, John	Holt	Snyder
Butler	Jenkins	Stangeland
Collins, Tex.	Jones, Okla.	Stark
Crane	Kelly	Stockman
Daniel, Dan	Latta	Stump
Daniel, R. W.	McDonald	Symms
Dellums	Marriott	Walker
Derwinski	Mathis	Weaver
Devine	Milford	Weiss
Dornan	Miller, Calif.	
Edwards, Okla.	Miller, Ohio	

NOT VOTING—35

Allen	Frenzel	Rangel
Ashbrook	Holland	Rodino
Burke, Calif.	Hughes	Runnels
Caputo	Jenrette	Simon
Clawson, Del	Le Fante	Skelton
Conyers	Mann	Teague
Corman	Markey	Tucker
Coughlin	Mikva	Ullman
de la Garza	Moss	Vanik
Edwards, Calif.	Nedzi	Wiggins
Flippo	Nolan	Young, Tex.
Florio	Quie	

The Clerk announced the following pairs:

On this vote:

Mr. Jenrette for, with Mr. Hughes against.

Mr. Caputo for, with Mr. Del Clawson against.

Mr. Coughlin for, with Mr. Ashbrook against.

Mr. Quie for, with Mr. Frenzel against.

Mr. Rangel for, with Mr. Teague against.

Until further notice:

Mr. Le Fante with Mr. Allen.
Mr. Conyers with Mr. de la Garza.
Mrs. Burke of California with Mr. Holland.
Mr. Edwards of California with Mr. Mann.
Mr. Flippo with Mr. Skelton.
Mr. Florio with Mr. Runnels.
Mr. Corman with Mr. Simon.
Mr. Vanik with Mr. Wiggins.
Mr. Ullman with Mr. Moakley.
Mr. Mikva with Mr. Moss.
Mr. Nedzi with Mr. Nolan.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 12929, the bill just passed, and to include extraneous matter along with tables and charts.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

PERSONAL EXPLANATION

Mrs. FENWICK. Mr. Speaker, by inadvertence I voted "yes" when I intended to vote "no" on the Symms amendment, rollcall No. 447, during consideration of H.R. 12929.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AND PROVIDING CERTAIN PROCEDURES DURING CONSIDERATION OF H.R. 12932, DEPARTMENT OF THE INTERIOR APPROPRIATIONS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1292), on the resolution (H. Res. 1230) waiving certain points of order and providing certain procedures during consideration of the bill (H.R. 12932) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF CONFEREES ON H.R. 11302, AUTHORIZING APPROPRIATIONS FOR ENVIRONMENTAL RESEARCH, DEVELOPMENT, AND DEMONSTRATIONS

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11302) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1979, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. BROWN of California, AMBRO, WIRTH, WALGREN, WATKINS, WALKER, and FORSYTHE.

BROADCAST COVERAGE OF THE HOUSE

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, I have only the most genuine respect, admiration and, yes, affection, for the Speaker of this House; but I feel that I must protest the decision that became effective on Monday of this week. This decision permit media access and coverage of House proceedings, but only by means of audio coverage.

I think that in contrast to what was said on this floor on Monday, this does not represent an historic breakthrough, but rather an historic breakdown. It represents a very serious misreading and misinterpretation of the provisions of House Resolution 866, which clearly provided for the simultaneous availability of audio and visual coverage of all proceedings by the broadcast media.

At no point last on October 27 of last year when that resolution was overwhelmingly adopted was there any suggestion, nor was there any suggestion in the deliberations that took place in the Committee on Rules before that resolution came to the floor of the House, that audio and visual coverage should be decoupled and that audio coverage should be made available to the media before visual coverage occurred.

TRIBUTE TO SENATOR JAMES BROWNING ALLEN

The SPEAKER pro tempore. (Mr. MCKAY) under a previous order of the House, the gentleman from Alabama (Mr. BEVILL) is recognized for 60 minutes.

GENERAL LEAVE

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the life, character, and public service of the late Honorable JAMES BROWNING ALLEN, Senator from Alabama.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BEVILL. Mr. Speaker, during this special order, Members of the House will have the opportunity to pay tribute to one of this country's most dynamic public servants—the late Senator JAMES BROWNING ALLEN of Alabama.

Since the shocking death of Senator JIM ALLEN a few days ago, much has been written and said in the form of tribute to this great American.

In my letter announcing this period of tribute, I noted that if the term statesman ever applied to anyone, it applied to JIM ALLEN in every good sense of the word.

In the short and sad time we have now had to reflect on the life of JIM ALLEN,

one thing seems certain—history will look upon the accomplishments of JIM ALLEN with numerous adjectives of praise.

Tributes to JIM ALLEN have poured in from people of all walks of life—from the President of the United States to the everyday American citizen, whose causes and ideals JIM ALLEN so espoused.

Those tributes have alluded to JIM ALLEN'S untiring efforts in behalf of his constituency, whatever the public office—his knowledge of parliamentary procedures, probably the most astute of this century, perhaps ever—his zeal for a cause in which he believed, such as the Panama Canal issue—his kind and polite, but at the same time firm mannerism—his availability to anyone, no matter what their persuasion—and maybe most of all, knowledge of the fact that whenever JIM ALLEN spoke, his pronouncement would be well thought out, from the heart, and based on a commonsense approach.

Perhaps a newspaper in the Senator's hometown of Gadsden, Ala., most appropriately summed up the feeling and respect held for JIM ALLEN in an editorial tribute.

Senator Allen led the pleasant smalltown life common to children of his generation. There seemed nothing spectacular about it.

But what he made of his life was spectacular.

And all of us are the better for the nobility of his spirit and of his choices.

Eight years in the Alabama Legislature, 8 years as Alabama's Lieutenant Governor and 10 years as a U.S. Senator from Alabama made JIM ALLEN a public servant for all but a few years of his adult life.

His list of accomplishments during that 26-year span of public service will never be forgotten.

The only thing that will ever overshadow JIM ALLEN'S numerous accomplishments will be the courteous and distinguished manner that characterized a brilliant career of public service.

Mr. Speaker, I am submitting two editorials from the Gadsden, Ala., Times which pay splendid tribute to Alabama's late Senator JAMES BROWNING ALLEN:

EARLY TRIBUTE FOLLOWED ALLEN ALL THROUGH LIFE

"Common sense in an uncommon degree is what the world calls wisdom."

At any moment during his many years in public life, the quotation would have been an appropriate tribute to U.S. Sen. James B. Allen, whose death yesterday of a heart attack leaves his hometown, his state and indeed the nation, stunned and grieved.

The tribute was given him, however, long before he entered public life. It appears beside his picture in the Gadsden High School annual of 1928, the year he graduated as valedictorian.

James was 15 when he received his diploma.

His classmates never had reason to change their minds about him.

Common sense was the solid bedrock on which his brilliant career was based. Of course, as he matured, other qualities surfaced: an astute understanding of the ever-changing political scene, a quiet good humor which nobody could ruffle, a willingness to work harder and longer than most of the rest of us.

Political allies and opponents alike agreed that he was one of the two most brilliant parliamentarians of our century in the U.S. Senate. The other was Richard Russell of Georgia.

He used his talents to superb advantage in giving expression to the Alabama point of view. This he achieved so successfully that he received as large a proportion of the Alabama Republican vote as of his own Democratic party. This simply means that Alabama as a whole felt that Senator Allen belonged to all of us and worked for all of us.

His last great fight was his valiant effort to save the Panama Canal for his country. That he lost did not diminish his stature at all in the eyes of Alabama. What Southerners want in their leaders is a man who will fight to the last ditch against all odds. Senator Allen never let us down on this score.

One of the Senator's last concerns, expressed only last week, was "the contradiction, irresolution and doubt which appear to be the forces dictating the military and foreign policies of the United States." Events of this week will be heard on the national scene and the state scene.

The Times speaks largely for his hometown—for his many friends and neighbors, for those who went to school with him here and at the University of Alabama, for men he served beside in World War II, for professional and political associates who never had reason to question his loyalty or his conscientious devotion to the career he chose early in life.

Son of highly respected parents, who placed religious practice and teaching high in their everyday family life, Senator Allen led the pleasant smalltown life common to children of his generation. There seems nothing spectacular about it.

But what he made of his life was spectacular.

And all of us are the better for the nobility of his spirit and of his choices.

UNSPOILED HERITAGE PROVIDED ABSOLUTES FOR SEN. JIM ALLEN

Colleagues in the Senate and others in the nation's highest political circles spoke yesterday of the qualities they admired in Sen. James B. Allen. In their funeral eulogies they praised his integrity, his fairness, his courtesy, his understanding, as strongly as they praised his brilliance as a statesman.

All seemed to find in Jim Allen something that set him apart from most others who enjoy the power and prestige of Washington's upper echelons.

They are quite right. Jim Allen was different. And a bit of old fashioned.

Nor was he without honor in his own country.

Senator Allen was born in Gadsden, grew up here, went to our public schools. He swam in our creeks and river. He played in our quiet shady, unpaved village streets. Sometimes he played out after supper, when the sun has set and lightning bugs flashed in the shrubbery around his parents' home.

It was a pleasant childhood, secure and protected, hedged in by love and rounded out by the usual pleasures of friendships and fun.

But it was not a spoiled childhood. The Allens expected a great deal of their children. Religious training and religious practice were a part of everyday family life. Jim Allen and his two brothers went to Sunday school and church on Sunday, and no nonsense about it.

Furthermore, the boys were expected to work, and they did. Jim often recalled his days as carrier for The Gadsden Times. He also joined his contemporaries in selling The Literary Digest. His father was a respected and successful lawyer, who knew the value of work for a young person.

The Allen boys were expected also to take school seriously. Jim certainly did, graduating from Gadsden High School at 15 as valedictorian. He found more at school, though, than just books. In later years he liked to talk about the emphasis teachers in those days placed on citizenship. They themselves believed that ours is the best system man has ever evolved for governing himself, and they stirred in Jim the first vague feeling that he would someday like to serve the country he viewed with unabashed patriotism.

This kind of boyhood, rooted in church and home and school, gave the serious young student a firm foundation on which to build his future life.

Furthermore, it established his permanent values. All his thinking and all his actions fell into a framework that recognized God and family, church and home as the clear waters from which we derive our national well-being. Every stand he took was at bottom an effort to preserve our institutions and our freedoms.

True, almost all American children a half century ago grew up in pretty much the same environment that shaped Jim Allen. And certainly they did not all make it to the U.S. Senate.

The point is that those who did make it to the top had some absolutes to guide them in the tough decision that face all our leaders.

Mr. Speaker, I yield to the distinguished gentleman from Alabama (Mr. JACK EDWARDS).

Mr. EDWARDS of Alabama. Mr. Speaker, I thank the gentleman from Alabama (Mr. BEVILL) for yielding, and I also thank the gentleman for taking this special order so that we might for a few minutes here reflect on the life of our good friend, JIM ALLEN.

Mr. Speaker, I rise today to pay tribute to one of Alabama's greatest leaders, JIM ALLEN. His passing on June 1, 1978, was a profound loss to the State of Alabama and to the entire Nation.

In the 10 years he represented Alabama in Washington, Senator ALLEN became a master of the Senate rules and used them with ease to promote or defeat legislation he felt was or was not in the best interest of the country. He spent more time on the Senate floor than many Members of the Senate leadership.

JIM ALLEN did not merely learn Jefferson's parliamentary manual; he absorbed it, and used it with more knowledge than many of the distinguished names that have served in that body before him.

In the era in which the all-night Senate filibuster became less effective, JIM ALLEN substituted tactical skill for oratorical stamina. He was constantly devising new ways of sustaining debate and defending the conservative positions that he advocated.

He was effective—far more effective than some in the Senate wanted him to be. At various times in his career, he managed to block or delay Federal campaign financing legislation, the so-called consumer protection bill, unwise tax changes, and much, much more.

He was a factor to be reckoned with on the Senate Judiciary and Rules Committees. On the Senate floor, he was a formidable, independent force. In fact, Senator ALLEN seemed more at home on the Senate floor than in committee. He

was present during almost every debate, and he took part in hours of extended debate without a note, without a prepared statement, and without an aide whispering instructions into his ear. And the content of his debate was always germane to the issue—he did not read telephone books, recipes or any other unusual material. His debate was always centered on the issue at hand.

JIM ALLEN was not successful in blocking passage of the Panama Canal Treaties in this Congress, and he told me that this concerned him greatly. The fact that the United States relinquished control of the canal, he said, seemed to be the first step toward our country's becoming a lesser influence in the world than it presently is. Even though he lost in that debate, many will remember his arguments and how hard he struggled to prevent the passage of those treaties.

Senator ALLEN's general maneuvering on the Senate floor imposed a sort of discipline on his colleagues. Every sponsor of a bill knew what he might have to contend with on the floor. Therefore, outrageous measures were called up less often and fewer corners were cut, because JIM ALLEN was always there.

A mild-mannered man who stood well over 6 feet tall, Senator ALLEN was known for his calm demeanor and unfailing courtesy. Opponents found him a determined—but fair—adversary. JIM ALLEN was a giant among Alabama public servants who left a record that all of us could be proud of.

I attended JIM's funeral in Gadsden, Ala., on Tuesday, June 6. The church was overflowing; people lined the streets. The great and near great came from all over the country to pay their last respects—the Vice President, Senators TED KENNEDY, and GEORGE MCGOVERN on the liberal side; Senators HARRY BYRD and JOHN STENNIS on the conservative side—some 50 Senators all told. Whether they agreed with him or not, they respected him.

Former Senator Sam Ervin spoke at the funeral, and perhaps summed it up best when he said:

> If I had to stand with one man at Armageddon and battle for the Lord, I hope that man would be Senator JIM ALLEN of Alabama.

Senator JIM ALLEN was a great leader, and we shall miss him. I extend my deepest sympathy to his wife, MARYON, and the Allen family. MARYON took the oath of office June 12 to fill her husband's vacant chair for an interim period. I also would like to extend best wishes to MARYON and say to her that I stand ready to be of service and I look forward to working with her in the days ahead.

Mr. Speaker, the city council of Foley, Ala., has adopted a resolution honoring Senator ALLEN and asked that I bring it to the attention of the House. The resolution reads as follows:

RESOLUTION

Whereas, certain individuals have outstanding talent which can be put to use for the betterment of their State and Nation, and

Whereas, Senator James Allen was a person with a very particular talent, this being having the knowledge and ability to represent his State in the United States Senate in a courteous and gentlemanly manner, but with an effectiveness unmatched by any other of his colleagues, and

Whereas, the State and Nation have suffered a great loss through the sudden and untimely death of Senator Allen, and

Whereas, his death will result in a void in the United States Senate which will never be effectively filled as no individual has his knowledge, training and unique talents, and

Whereas, it is just and proper that his services to the people of this City, area, State and Nation should be recognized and acknowledged,

Now, therefore, be it resolved by the Mayor and Council of the City of Foley, Baldwin County, Alabama, as follows:

That the untiring efforts of Senator James Allen toward better government for the United States of America and in representing so ably the people of the State of Alabama, is hereby recognized and acknowledged in behalf of the citizens of the City of Foley, Alabama.

Be it further resolved that the Mayor and Council express to the widow and family of the said Senator James Allen the sincere gratitude and appreciation of the citizens by transmittal of a copy of this Resolution.

Done this 5th day of June, 1978.

ARTHUR A. HOLK, *Mayor*.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, I would like to take this opportunity, first, to thank my colleague, the gentleman from Alabama (Mr. BEVILL), for making this special order available in order to give those of us who knew and loved JIM ALLEN the opportunity to make a record here of our sentiments and to note with sorrow the passing of a great friend, a great Alabamian and, above all, a great American.

Mr. Speaker, the sad duty fell to me on that Thursday evening, June 1, of informing this body of the untimely death of our Senate colleague and my beloved fellow Alabamian, JIM ALLEN.

Although many wonderful things have already been said about the impeccable character, outstanding legislative ability, true patriotism, and the wonderful human being that was JIM ALLEN, I cannot help but add to the testimony about the life, character, and service of this, one-of-a-kind, unique man produced by the State of Alabama for service to our Nation.

JIM ALLEN was a leader, truly born and prepared for the duties of a U.S. Senator. His long, outstanding, and fruitful service in the Alabama House and Senate prepared him for service in the U.S. Senate where he earned the reputation as perhaps the greatest parliamentarian to ever serve in that august body.

His strong identification with the views of his constituents provided him with the moral justification and direction to many times swim against the easy, popular desires of the majority. He properly viewed himself and his duty—his constitutional role—to be the representative of the people of Alabama in the U.S. Senate. One only had to observe the respect in which he was held by his colleagues and his solid base of support at home, to realize that JIM ALLEN knew his proper role in Washington. What I am really trying to illustrate about JIM ALLEN, is that he was an original copy of what a Member of Congress should be like. He showed us how representative democracy should work. His work in the Senate demonstrated that he owed no allegience to anyone except to those he represented and to the good of this Nation.

Knowing that Alabama produced JIM ALLEN makes me proud of being from that great State. I know that JIM ALLEN would be pleased at knowing that he was a composite of the people he represented—he was Alabama.

His moral character was so absolutely impeccable as to be worthy of emulation. He had a great love for the common man and powerful convictions and insight about what was best for this Nation. He was an example of the solid, old-fashioned, and unchanging virtues of self-reliance, self-discipline, and restraint.

He championed the principles of fiscal responsibility—that any entity, regardless of whether it is a family, a business or even a government, must pay its bills and not spend valuable resources foolishly. He voted against those measures that represented the squandering of our wealth.

In the important area of national security JIM ALLEN had a strong conviction that the Nation should not compromise its vital security interests for artificial, transparent, or short ranged public relations purposes. His personal efforts on the Panama Canal treaties issue—the hard work and long hours he invested during that long debate—is an example of his dedication to what he viewed as a key national security matter. I suspect that the hard work and long hours on the canal issue—far above and beyond the call of duty—shortened his life. He accepted his duty on that issue as a soldier on the battlefield. I believe that history will prove JIM ALLEN's stand on this issue as the correct one.

Mr. Speaker, in Senator ALLEN's passing, I have personally lost a source of inspiration. I found in him a philosophical reassurance that I could identify with—a warm personal friend whose cooperation, advice, and council I will surely miss in the days to come.

Of the 535 Members of Congress he was truly a giant, a unique Member who is irreplaceable. We will all miss him.

The following editorial in the Sunday, June 4, 1978, edition of the Montgomery Advertiser and Alabama Journal provides a fresh perception of the character of JIM ALLEN:

JIM ALLEN REMEMBERED

By now the politicians and other spokesmen of the people have pretty well used up all the rhetorical encomiums about Jim Allen, so we will not belabor the obvious. Rather, on the sad occasion of his death after 40 years in the public life of Alabama, we choose to simply share a few memories, some serious, some humorous, but which, altogether, we hope will give a glimpse of the character of the man.

A couple of years after Allen got to Washington in 1968, the Senate pages gave him a

little award for the extraordinary number of hours he had spent presiding over the Senate. Obviously pleased, Allen sent pictures of the presentation back home to share the honor with his constituents.

In truth, presiding over the Senate isn't all that much of an honor. In fact, it is regarded an onerous burden imposed on unsuspecting freshmen, a bit akin to hazing in college fraternity initiation. Not even the Vice President, in all his impotence, suffers his constitutional duty to preside over the Senate very often, for it is an excruciatingly boring and unrewarding job.

While most freshmen catch onto the ruse quickly, Allen seemed to have relished in the assignment, and some Senators may have felt they had stumbled upon something of a political Gomer Pyle, willing to take KP duty on a permanent basis. Jim Allen just sat there, his hair slicked down and parted in the middle as if he had just stepped out of an old magazine advertisement for Wildroot Cream Oil, looking like an amiable bumpkin who would never catch on.

But if it was a joke, the last laugh turned out to be on the Senate. While other Senators practiced power politics, even ran for President, Allen quietly labored to master the Senate's complex parliamentary procedure. So when he fulfilled the traditional obligations of freshman quietude, he suddenly burst forth as a peerless practitioner of Senate procedure. With bewildering dexterity, he even breathed new life into that old mainstay of the Southern bloc of yesteryear, the filibuster, and confounded his colleagues by blocking, delaying, and forcing compromise on just about every major piece of legislation on the liberal agenda.

By the time he died, even though he had served for only 10 years, he was regarded by one and all as one of the most powerful Senators to be reckoned with.

Rarely on the same side of an issue with Allen, Sen. Alan Cranston of California summed up the respect held for Allen in the Senate:

"He knows the rules upside down and backwards. He can catch other people napping, but he's not sneaky. He just plays hardball within the rules."

It is safe to say that Allen did not arrive in Washington in 1968 a popular man. He had, after all, run his successful race against "the Washington Crowd."

Thus one suspects there was a measure of scornful contempt when the powers-that-be in the Senate gave him the grubbiest of committee assignments. Among them was the chairmanship of the subcommittee in charge of Capitol cafeterias—an assignment which led this newspaper to observe at the time, "a year ago he was smearing the Washington Crowd . . . Now he is in charge of its care and feeding."

But again, Allen's capacity for patience, for laboring like an ox under the deadliest drudgery, prevailed, and before he died, he had taken a seat on one of the most influential components of the Senate, the Judiciary Committee.

In winning, he learned his own lesson well—that a Senator from Alabama became isolated from his homestate at his peril. So he became the first Alabama Senator to open an office at the state Capital, and he made it a point to visit every county at least once a year, where he would sponsor "dutch treat" breakfasts at which the proud and the humble would mingle to discuss their problems over grits-and-gravy at the town cafe.

And when a constituent wrote to Jim Allen with, let us say, a problem about his grandmother's social security, he did not get the traditional Senatorial thank-you-for-your-interest response; he got action. Although Allen may have been no Lister Hill, capable of shaping public policy in profound ways, he got things done, people's problems solved, and there's great value in a Senator who will cattle-prod the bureaucracy.

He called himself a conservative, and certainly his voting record bore this out. Yet, it was spotted with a few odd twists, throwbacks to Alabama populism, perhaps. For example, he was among the few Southern Senators who opposed the government's role in the development of the supersonic transport aircraft. It turned out to be a prescient position, since the SST was to be our version of the ill-starred Concorde which the British and the French were then producing in a fitful folly of national pride.

Allen said he just "couldn't see spending all that money so rich folks could get to Paris two hours quicker."

When a conservative industrialist backer berated him for his stand on the SST, he replied with deadpan sarcasm that if the industrialist felt so strongly that the SST were really needed and profitable, free enterprise could be entrusted to handle the matter quite well without socialistic assistance from the government.

The man was heard to complain no more.

"The reason people like me don't get mad with Jim Allen," once remarked Bill Garner, an ardent homestate environmentalist, consumerist, and general opponent of the Allen political philosophy, "is that he is honest and sincere. If he disagrees with us, we know that he is acting either out of lack of information or out of sincerity. But mostly, he is a man whose word is good, among politicians, among lawyers, among businessmen. He has integrity."

His scrupulous honesty, in fact, turned out to be a painful cockleburr under the Senatorial saddle. When he went to the Senate, he divested himself of all his business holdings, modest as they were. He became the first Senator to make complete financial disclosure—and each year, it showed that his wealth was diminishing; he was serving in the Senate at his own personal cost.

Once, out of the blue, he offered a bill to make it illegal for a Senator to take an honorarium for a speech, claiming some of his colleagues were knocking down as much as $600,000 on the road while they should be attending Senate business. In a burst of astonished indignation, the Senate voted down his proposal 63 to 31. But Allen, to the end, refused to accept even expenses for his speeches.

We were reading a story the other day about a certain powerful Senator in transit. As he boarded the plane, the airline attendants treated him as if he were the Sultan of some oil-rich Arab sheikdom. The common herd was held back until the Great Man boarded, settled in his First Class seat, and had a drink in hand.

This Senator was not Jim Allen. In fact, the very last time we saw Jim Allen was on Sunday, April 9, of this year while changing planes in the Atlanta airport. We happened to wind up on the same flight to Washington.

Only a few people even recognized him as he lined up with all the other passengers. He took a middle seat in the tourist class section of the plane and settled down with a magazine.

When we arrived in Washington, he stood in line once again to claim his luggage. No chauffeur or black limousine was there to meet him. He took his modest bag in hand, and the last we saw of Jim Allen was a slightly stooped figure, trudging slowly, alone, toward the parking lot of the National Airport as the long shadows fell over Washington.

It is only fitting to close this memory of Senator James Browning Allen with a remark made by his colleague, Sen. Sam Ervin, whose rhetorical flourish matched Allen's doggedness of purpose.

"If I have to stand with one man at Armageddon and battle for the Lord," said Senator Sam, "I would hope that man would be Sen. James Allen of Alabama."

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the distinguished gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding.

It is significant that so many Members are here today, not only to pay tribute to Senator JIM ALLEN, but to say thank you for a job well done. I am sure the Senator can somehow know what we are saying, even though we have not been able to express our direct appreciation because he left us so suddenly.

Senator ALLEN provided the same spirit and legislative action in the Senate that gave motion and direction to Proposition 13—the Jarvis-Gann initiative—in California this past week. Senator ALLEN fought for those same ideals every day in the U.S. Senate.

I think it should be said that Senator ALLEN was well known across the entire country, not only for his great legislative skill and parliamentary capability, but because, especially in California, he was known for his care and watchfulness in making sure that Federal dollars were properly and correctly spent. That is especially important at this time in California because, as we all know, Proposition 13, the Jarvis initiative, passed with an overwhelming mandate from the people; and Senator ALLEN could take part of the credit for the kind of attention that he gave to try to safeguard the expenditure of Federal dollars in the same way.

We were especially appreciative of his continuing vigilant effort to make sure that the average taxpayer's dollar was appropriately spent. As my colleagues have already referred to the fact, many, many people in California were very appreciative of the extra effort he gave to try to preserve the Panama Canal for America.

Senator ALLEN was also a great defender of the Constitution. He would not sacrifice constitutional principles in order to carry out public policy. He used all of his skills when constitutional questions were at issue and more often than not was successful.

He was an excellent and well respected Senator. The Nation will miss him.

Mr. BEVILL. I thank the gentleman from California.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the distinguished gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, to say only that Senator JAMES BROWNING ALLEN of Alabama was a great parliamentarian would be to underestimate his profound influence on the U.S. Senate. In his 10 years of dedicated service in that body, Senator ALLEN firmly established a reputation as an articulate, aggressive, and intelligent man who fought with every fiber of his being for those issues he knew

in his heart to be right. And, he used facts, not fantasy, in opposing those issues he knew to be wrong.

Born December 28, 1912, in Gadsden, Ala., Senator ALLEN attended Gadsden public schools, the University of Alabama, and the University of Alabama School of Law. He served in the Alabama State House of Representatives from 1938–42 and was reelected in 1942. But he resigned to enter the U.S. Navy, serving in the Pacific theater and participating in the Leyte and Okinawa campaigns. He served as a member of the Alabama Senate from 1946–50 and was elected twice as his home State's Lieutenant Governor. He was elected to the 91st Congress in 1968 with 70 percent of the popular vote and reelected in 1974 with 95 percent of the popular vote.

Senator ALLEN drew strength through the years from his wife, the former MARYON PITTMAN of Birmingham, Ala. The sense of loss felt by the people of Alabama is shared by the people of this Nation. Senator ALLEN was a great American because of his statesman characteristics and the U.S. Senate will long feel his influence. Indeed, the Senate should take a lesson from his service and strive to reach the high standards that Senator JAMES B. ALLEN set for himself.

Mr. BEVILL. I thank the gentleman from Mississippi (Mr. WHITTEN).

Mr. Speaker, I yield to the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, I join my colleagues today as they pay tribute to our late friend, Senator JIM ALLEN, of Alabama, truly an able, honest, and courageous Member of this Congress, and in their expressions of sorrow in his passing.

Admired by both those who agreed with him and equally admired and respected by those who differed.

A man of character, of firm beliefs, completely candid, and sincere in his dealings with his constituents, his colleagues, and with the issues to which he applied his fine mind and great energy, JIM ALLEN represented the best in a public servant.

To his beloved wife, MARYON, Senator MARYON ALLEN, we extend our deepest sympathy. She succeeds her husband, a man who leaves a splendid record among all those who have served in the Congress. His record both in his service in his beloved State of Alabama, and as its Senator for many years.

We shall miss JIM ALLEN, but we all shall profit from the great example he set in his application to his duties, to his treatment of his fellow man, the contributions he made as the Senator from Alabama and, yes, for the life he lived.

Mr. BEVILL. Mr. Speaker, I now yield to the distinguished gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, during the last conference of the House and Senate prayer breakfast groups making arrangements for this year's National Prayer Breakfast, I was struck by the unusual qualities of JIM ALLEN. He was a fundamental man—one who was easy to be with and easy to talk to. He knew your name.

JIM ALLEN might be compared to Gideon, for whom huge armies were not necessary. Rather, his troops were exceedingly sparing. But, like Gideon, JIM knew the taste of success and victory, understanding that success and victory are never counted by majority votes, but, rather, by how well you do with what you have. With what he had, JIM ALLEN did very well, indeed.

I will always remember him at the dedication of West Point Lake on the Georgia/Alabama State line and his feeling of having come home. Home held no alarms for JIM ALLEN. Here he served his fellow man with distinction, and, in so doing, he served his maker.

In recalling JIM ALLEN's fine contributions to this Congress, I am reminded of John Kennedy's criteria for measuring public servants:

> When at some future date the high court of history sits in judgment on each of us, recording whether in our brief span of service we fulfilled our responsibilities to the state, our success or failure, in whatever office we hold, will be measured by the answers to four questions: First, were we truly men of courage? Second, were we truly men of judgment? Third, were we truly men of integrity? Finally, were we truly men of dedication?

Using even these highest of standards, JIM ALLEN would have fared splendidly. He was not his brother's keeper; he was his brother's brother.

Mr. BEVILL. I yield to the distinguished gentleman from Georgia, Congressman FLYNT.

Mr. FLYNT. Mr. Speaker, I join with my colleague, Mr. BEVILL, and his Alabama colleagues in paying tribute to the memory of the Honorable JAMES B. ALLEN, late a Senator from the State of Alabama.

I first knew JIM ALLEN during the period of his service in the Alabama Legislature when I served in the General Assembly of Georgia. I remember his first election as Lieutenant Governor of Alabama after serving in both the house of representatives and in the State senate. From 1955 to 1963 he did not serve in public office. In 1963 he again became Lieutenant Governor, which office he held until 1967, following which he was elected in 1968 to the U.S. Senate to succeed Senator Lester Hill.

Senator JAMES B. ALLEN, during 27 years of public service including 10 years in the U.S. Senate, served his State and his country well. He not only represented the State of Alabama and reflected credit on the highest traditions of that State and its citizens but he also represented people from all parts of the country who believe in fiscal responsibility and the basic conservative philosophy of government.

When he spoke, he spoke for the people of his State, a fact made manifest in 1974 when he was reelected by a vote of 94 percent of the votes cast in that election.

He was a man of honor, integrity, strong character, and great ability. He mastered the rules of parliamentary procedure in the U.S. Senate in a manner not excelled and seldom equaled in the history of that body.

As we say down home—JIM ALLEN was a good man to have on your side.

Several years ago, Mrs. Flynt and I were both injured in a motor vehicle accident and we were hospitalized in West Georgia Medical Center, La Grange, Ga. Senator and Mrs. ALLEN both came to our hospital rooms to let us know that they were thinking of us and wished for both of us a speedy recovery. I have never forgotten looking up and seeing JIM ALLEN standing beside my bed, holding my hand and saying get well and come back to work.

Because of the nature of his visit, naturally I have remembered it but did not expect that he would. On last Tuesday, when I went to Gadsden, Ala., to attend the funeral service of my friend JIM ALLEN, Mrs. ALLEN in her gracious and charming way reminded me that it was 3 years to the day since she and JIM had visited us in the hospital on that occasion.

On the occasion of JIM ALLEN's funeral, I have never seen such an outpouring of affection, love, and sorrow when a close friend, a favorite son, and a stalwart leader was being honored in death has he had been honored by his friends and neighbors during his lifetime. His home city of Gadsden, Etowah County, and the State of Alabama mourned the death of Senator JAMES BROWNING ALLEN.

I would like to associate myself with one of the statements made by one of those who participated in the funeral service of JIM ALLEN:

> If I could choose one man to stand with me at Armageddon and help fight the battle for the Lord, that man would be Jim Allen of Alabama.

We who knew, admired, and respected him feel the same way.

Mrs. Flynt joins me in extending our condolences and heartfelt sympathy to his widow, now the junior Senator from Alabama, MARYON PITTMAN ALLEN, and their family.

Our country has lost a magnificent public official, Alabama has lost a stalwart son, and I have lost a good friend.

Requiescat in pace.

Mr. BEVILL. Mr. Speaker, I yield to our distinguished colleague, the gentleman from Alabama, Mr. BILL NICHOLS.

Mr. NICHOLS. Mr. Speaker, I thank our colleague, the gentleman from Alabama, Congressman BEVILL, for yielding.

Mr. Speaker, this is a sad occasion for me as I join with other Members of the Alabama delegation and respected colleagues to mourn the passing of Alabama's junior Senator, JAMES B. ALLEN.

His nearly 27 years of outstanding and dedicated service to his State and his Nation is recognized and appreciated by Alabamians who granted JIM ALLEN the privilege of speaking for them in the U.S. Senate.

JIM ALLEN loved Alabama and he loved his people and this affection was demonstrated by the numerous trips which he made to his State each year. He took considerable pride in visiting at least once during the year each of Alabama's 67 counties.

Although he received his law degree

from the University of Alabama, JIM ALLEN was nonpartisan and he always attended Auburn University's homecoming game. He was never too busy to come to the Senate Gallery to visit with a constituent, and he was always available to be photographed with every Alabama group who requested a picture with him on the Senate steps.

It was my great privilege to serve with my respected friend, JIM ALLEN, for 4 years in the Alabama Senate where he presided as Lieutenant Governor for the State of Alabama with a great deal of dignity, fairness, and was respected by all factions of that legislative body.

JIM ALLEN's life was marked by personal tragedies, losing his wife and child in a fire which destroyed his home. Later he lost a daughter and I recall the tremendous grief which I witnessed at the funeral services for this child in Gadsden, Ala.

But there was another quality in the life of JIM ALLEN which added to the stature of this great American and that quality was his love for his God. He was an active member of the Church of Christ and he was most active in the Senate Prayer Breakfasts, which he attended with regularity each Wednesday morning and was the presiding officer of this group at the time of his death.

Some weeks ago I ran across the Senator in the Atlanta airport returning to Washington after a busy weekend with constituents back home. We were able to get adjoining seats in the coach section of the plane where he always rode as a mark of his prudence with the taxpayers' money. We discussed a number of legislative issues and I noticed that he seemed tired which I attributed to the heavy workload that he carried both in his State and on the floor of the U.S. Senate.

The likes of JIM ALLEN are not likely to pass my way again. Surely a mighty oak for conservative government has fallen and the Nation is indeed the poorer for it. With all his ability as a parliamentarian and with all of the many honors which had been bestowed upon him, JIM ALLEN was a man of much humility. He was an early riser, arriving in his office around 7 a.m. each morning. I cannot recall attending a dinner meeting in Washington, whether it was the American Legion or the gathering of Alabama bankers or a meeting of Alabama's farmers—where Senator ALLEN was absent. If Alabamians were in town the Senator felt that he had a responsibility to be with his people whom he loved and who loved him.

"Lives of great men all remind us—we too can make our lives sublime and departing leave behind us footprints on the sands of time."

His untimely passing is a personal loss to me for I had much confidence in his judgment. He was a statesman in every sense of the word. I express my deepest sympathy to his widow, Senator MARYON PITTMAN ALLEN, and wish her well in her new responsibilities as a successor to her late husband. I extend also my deepest sympathy to his son, James B. Allen, Jr., and other members of his immediate family.

Mr. Speaker, I would further like to ask for unanimous consent to submit for the RECORD written copy of the funeral services held for our late Senator at the First United Methodist Church of Gadsden and two editorials paying tribute to Alabama's junior Senator, one from the Opelika-Auburn Daily News and one from the Talladega Daily Home.

FUNERAL SERVICES FOR SENATOR JAMES B. ALLEN

OPENING SENTENCES

(Dr. Edward L. R. Elson, Chaplain, U.S. Senate)

God is a Spirit and they that worship Him must worship Him in spirit and in truth.

The souls of the righteous are in the hand of God, and there shall no evil touch them. They are in peace.

Blessed are the pure in heart, for they shall see God.

They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; and they shall walk, and not faint.

INVOCATION AND LORD'S PRAYER

(Dr. O. B. Sansbury, Pastor, First United Methodist Church of Gadsden)

O God, our help in ages past, our hope for years to come, our shelter from the stormy past and our eternal home, land of the free and home of the brave, we invoke Thy blessings. Our Father, from whom we come and to whom we return, and in whom we live and move and have our being, we praise Thee for Thy good gift of life, for its wonder and mystery, its interests and joys, its friendships and fellowships. We thank Thee for the ties that bind us one to another. We bless Thee for Thy loving and patient dealings with us, whereby Thou dost ever teach us Thy truth and Thy way by the varied experiences through which we pass. We thank Thee for the meanings that lie hidden even in the very heart of sorrow, pain, disappointment, loss, and grief. And we bless Thee for Thy guiding hand along the way of our pilgrimage.

Be Thou with Senator Allen's family. Thou hast said though we sorrow, we sorrow not as those that have no hope. Our hope is in Jesus Christ who taught us when we pray to say Our Father, who art in heaven; Hallowed be Thy name. Thy kingdom come. Thy will be done; On earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation; But deliver us from evil; For Thine is the kingdom, and the power, and the glory, for ever. Amen.

EULOGY FOR SENATOR JAMES B. ALLEN

(By Senator Harry F. Byrd, Jr.)

In reflecting on the Senate career of James B. Allen of Alabama, several words instinctively come to mind: integrity, determination, ability, dedication.

During his years in the United States Senate, Senator Allen not only represented the people of Alabama with great skill and great dedication—but he became, indeed, a Senator of the United States. His service to our nation has been acclaimed far beyond the borders of the great state in which we are assembled today.

I speak for my colleagues in the United States Senate when I express deep and heartfelt distress at the untimely death of Senator Allen.

All of us in the Senate disagree with one another from time to time. Jim Allen, more often than not, was on the minority side of an issue, presenting his viewpoint with eloquence and with patient perseverance.

But even those who opposed him the most, admired his tenaciousness and his skill as much as did those of us who customarily followed his brilliant parliamentary leadership.

Through the years, just as it does now—the Senate of the United States has had within its membership so many splendid and outstanding individuals. But never have I known a finer man than James B. Allen, nor one in whom I had greater confidence.

What a combination of qualities did the Alabama Senator possess—strong convictions, great courage and a fierce determination to protect the principles of government in which he deeply believed.

Yet, with it all, he was kind and thoughtful and humble.

The government of our great nation is established on the principle of majority rule.

It is a sound principle—indeed, a foundation stone of democracy.

But Jim Allen once said this:

"I don't feel the majority is always right. There are times when the majority can run rough-shod over the minority."

The Alabama Senator recognized that majorities are transient—and from time to time vanish.

But he knew, too, that when a majority is alive and strong, it has awesome power.

If what Jefferson called the "inalienable rights" of the minority are to be safeguarded, there must be sentinels of democracy, vigorous champions of those who may hold views contrary to the passing but powerful majorities of the day.

Such a sentinel, such a champion, was Senator James B. Allen of Alabama.

Often he carried out his lonely battles against great numbers, and against immense pressures.

Yet, he never flagged in his efforts.

Some of his battles ended in victory, some in defeat.

Jim Allen, like any individual, would prefer that his cause prevail; unlike most, however, he believed that there is something more important than being on the prevailing side.

An important measure of the man to whom we say farewell today was that his fairness and integrity became a legend in the Senate—a legend based on the unassailable fact that James Allen was a man whose dedication and courage were matched only by his honesty and sense of justice.

If one is to be accurate and candid, perhaps it needs to be said that too many persons in public life seek or use public office for personal advantage.

With Jim Allen, however, precisely the reverse was true.

He gave to the people of Alabama—and to the Senate of the United States—far more than he received.

His service was unselfish. His Senate hours were long and difficult. And when the Senate was not in session, he was out amongst the people of Alabama.

He was, indeed, a servant of the people, giving without limit his time and talent—and sacrificing his health.

But his sacrifices were not without reward. In my many conversations with him, I am convinced that what meant the most to him—aside from his wonderful wife, Maryon—was the feeling in his heart that he had the confidence and the support and the admiration of the people of Alabama. What more could a person ask?

Such a treasure did Jim Allen possess, a treasure beyond price.

In his death, the people of Alabama have lost an unselfish and dedicated champion; the Senate of the United States has lost a courageous—and, perhaps, irreplaceable leader; and I have lost a dear friend.

SENATOR JAMES BROWNING ALLEN

(By Sam J. Ervin, Jr.)

A giant oak has fallen in the forest and left a vacant place against the sky.

I knew James Browning Allen well, loved him much, and was privileged to call him friend.

Born in Gadsden, Alabama, on December

28, 1912, and educated in the humanities and the law at the University of Alabama, James B. Allen began the practice of law at Gadsden in 1935, and excelled in that calling until 1968, when he was elected a United States Senator from Alabama and retired from the practice to devote full time to his senatorial duties.

His life was rich in service to Alabama and America. He represented his neighbors in the Alabama House of Representatives for four years and in the Alabama State Senate for four years, and served all the people of Alabama as Lieutenant Governor of the State during two separate terms totaling eight years. He resigned his seat in the Alabama Legislature during the Second World War, and served as a Lieutenant in the United States Navy in the Pacific theatre, participating with distinction in the engagements at Leyte and Okinawa.

He was a United States Senator from Alabama from January 3, 1969, until his death near Gulf Shores, Alabama, on June 1, 1978. His arduous work in the Senate probably contributed to his demise.

No public official ever merited and enjoyed more completely the esteem and confidence of his constituents. This is attested by the fact that he carried all of Alabama's counties and received about 95 percent of the popular vote when he ran for reelection to the United States Senate in 1974.

Senator Allen was twice married: First, to Marjorie Jo Stephens, who mothered his three children and preceded him in death; and second, to Maryon Pittman Mullins, who had three children by a previous marriage. He loved his step-children as his own.

My wife and I deeply sorrow with our dear friend, Mrs. Maryon Allen, and our country is their irreparable loss. She was the inspiring and loving helpmate to Senator Allen during the years of their happy marriage.

Jim Allen was a big man—physically, intellectually, and spiritually.

As a United States Senator, he was distinguished for his independent and intellectually honest mind, his untiring industry, his understanding of legislative proposals and their implications, his mastery of parliamentary procedures, his eloquence and repartee in debate, his courtly courtesy to his colleagues, his steadfast loyalty to his convictions, and his undaunted moral and political courage.

Like William Ewart Gladstone, he knew that the Constitution of the United States is the most wonderful work ever struck off at a given time by the brain and purpose of man; and like George Washington, he knew that it is just as important to preserve the Constitution as a law for rulers and people alike as it was to create it.

He desired above all things for America to endure as the land of the free and the home of the brave.

For this reason, he supported free enterprise rather than bureaucratic regimentation, fiscal integrity rather than deficit financing, military might rather than international appeasement, and freedom rather than tyranny over the minds and affairs of our people.

He never sold eternal truth to serve the transitory needs of the political hour, or bowed the pregnant hinges of the knees that political thrift might follow political fawning.

Since he carried his own sovereignty in his own mind and heart and was never willing to follow a great multitude to do what he believed to be ill for his country, he stood with the minority and suffered defeat in some legislative battles. But the eloquence he exhibited and the valor he displayed on these occasions illustrated this subline truth: Defeat may serve as well as victory to shake the soul and let the glory out.

In this moment of sorrow I rejoice to remember I revealed my appraisal of Jim Allen as a man and Senator while he was still with us.

He and I fought side by side on the Senate floor on many occasions for causes we held dear. After one of these events he honored me by asking me for an autographed picture. I gave him a picture bearing this inscription in my handwriting.

"If I ever have to stand with one man at Armageddon and battle for the Lord, I want that man to be Senator Jim Allen of Alabama."

Josiah Gilbert Holland prayed God to bless America with public servants like Jim Allen when he composed his poem "God Give Us Men." I quote his words:

God, give us men! A time like this demands
Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor; men who will not lie;
Men who can stand before a demagogue,
And damn his treacherous flatteries without winking!
Tall men, sun-crowned, who live above the fog
In public duty and in private thinking.

(By Dr. Edward L. R. Elson, Chaplain, U.S. Senate)

MEMORIAL TRIBUTE

"Senator James Allen, The Christian Layman in Public Service"

Senator Allen often quoted some lines called "Builders" which the family desires to share with all of us.

"I watched them tearing a building down—
A group of men in a busy town
With a ho-heave-ho and a lusty yell—
They swung a beam and a side wall fell
I asked the foreman, 'Are these men skilled,
The men you would hire if you had to build'?
He gave a laugh and said, 'No, indeed,
Unskilled labor is all I need.
I can easily wreck in a day or two—
What builders have taken years to do'.
So I thought to myself as I went my way—
Which of these roles do I try to play?
Am I builder who works with care
Measuring life with the rule and square?
Or am I a wrecker who walks the town
Content with the rule of tearing down?' "

Senator James Allen answered his quotation with a life of building.

The James Allen we knew is described in an excerpt from a letter by a constituent—

"When I was down and out James Allen offered assistance, when I was discouraged James Allen gave encouragement, when I was disappointed James Allen offered sympathy. He was truly representative of the people and the state that he served so honorably and well. He will be missed as he was loved, by all of us."

This is the James Allen we knew.

In I Corinthians 2:15 St. Paul wrote: "The spiritual man judgeth all things". Goodspeed's translation makes it more relevant, "The spiritual man is alive to all true values".

James Allen was a spiritual man. His inner spirit and outward action were unified and synchronized. There was nothing synthetic, artificial or counterfeit about him. He was genuine to the very core of his being. In every fibre of his being he was unified in commitment to the Lordship of Jesus Christ.

James Allen never allowed ill-will or vindictiveness to accumulate and fester within him. He was free from rancor, recrimination and resentment.

He had pertinacity and infinite patience. He knew how to measure instant panacea and cheap political gain against the ultimate right and good.

He knew how to bear suffering for he suffered and he knew how to turn it into a testimony and let is fashion a better character. He could sing in the depths of his being.

"Let sorrow do its work,
Send grief or pain;
Sweet are Thy messengers,
Sweet their refrain
When they can sing with me
More love, O Christ, to Thee.
More love to Thee,
More love to Thee.

—Prentiss, 1818–1878

The word "honor" was incarnate in him.

The word "courtesy" was defined by his daily conduct.

The word "humility" was a demonstrated virtue to all who could see.

He lived under the authority of two books:

(1) The King James Version of the Holy Bible which he regarded as God's self-communication to man.

(2) The Book of Rules and Manual of the United States Senate which he mastered.

James Allen was a lawyer, a Senator, a superb parliamentarian, a legislative tactician, a dedicated public servant.

There are many skills and varied professions, but James Allen's life had a single vocation. It was to love the Lord God with all his heart and soul and mind and his neighbor as himself—to walk and work in obedience to the first two commandments, under the Lordship of Jesus Christ. It was growth in grace, perfection in love, discipline in prayer and ethical rectitude which marked his single vocation. He kept his priorities straight.

Christian perfection and fullness of grace do not mean flawless political judgment, perfect legislative action or errorless administrative direction. It does mean a better man at work bringing the mind and spirit of Jesus Christ to bear upon all of life. It does mean refinement in making the highest moral decision in each existential situation. It does mean doing one's best under God's judgment and leaving the consequences to providence.

Such a man was James Allen. He lived and worked and prayed and died with a single vocation.

He missed only one prayer breakfast during his Senate career which spanned almost ten years. Last February he presided at the National Prayer Breakfast and to the vast audience he said in part:

"It was Alexis de Tocqueville, 140 years ago, who wrote that America is great because America is good, but that if America ceases to be good, it will cease to be great. . . .

". . . Has America lost some of its greatness because it may have lost some of its goodness? We need God's help and guidance if we are to retain the goodness that makes for greatness.

"To this end this Prayer Breakfast is held. The Prayer Breakfast puts us in communion with our heavenly Father, and in touch with that great reservoir of spiritual strength that is available to all those who call on God in prayer. . . .

"I am sure that all of us present this morning are convinced that without God's help we will never have world peace. We will never solve our many problems as a nation and as a world. Will prayer help? James says that 'the effectual fervent prayer of a righteous man availeth much'. If that be true, and we know that it is, how much more would the prayers of all those present today avail?

"Suppose all Americans—suppose all peoples everywhere lifted their minds and hearts in prayer to God for help and guidance. Would that help? Surely it would. You know, it is an element of God's omnipotence that millions can pray to God simultaneously and all have direct, personal communion with Him. No busy signals, no overcrowded circuits or switchboards. No, rather a straight line to God Who could ask for more?

"But God is not going to do it all. We've

got to do our part. God uses our hands, our minds, our hearts, our planning and our efforts." . . .

"He being dead, yet speaketh"

PRAYER

Our Father God, we thank Thee for all the sacred memories which cluster about this hour—for periods of prayer, for hours of debate, for times of fun and fellowship, for conferences and committee meetings, for hard study and careful preparation, for precious moments at home and on holiday.

We thank Thee for the life of James Allen, eloquent with love and wisdom and selfless service. We thank Thee for his love of country, his fidelity to his state and its people, his compassion for all who suffer, his courtesy and magnaminity, for his devotion to human rights and universal justice, for his innate spirituality and the depth of his commitment to the Lordship of Jesus Christ.

Suffer us not to miss the meaning of this day. Give us eyes to see and hearts to feel something of his spirit among us and though his chair is vacant and his voice silenced, may we be true as he was true, loyal as he was loyal, strong as he was strong.

And now, O Father who doest all things well, with thankful hearts that Thou hast given him to us for a season, we give Thy servant James back to Thy tender care until the shadows flee away and the brighter day dawns when the visible and the invisible are one in Thy higher kindom.

Through Jesus Christ our Lord. Amen.

Hymn, "Eternal Father Strong to Save"

Benediction—Dr. Sansbury

The grace of our Lord Jesus Christ, and the love of God, and the communion of the Holy Spirit, be with you all. Amen

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[From the Talladega Daily-Home, June 3, 1978]

JIM ALLEN

Sen. Jim Allen's unexpected death from a heart attack while vacationing at Gulf Shores leaves a state shocked, friends mourning, a majority of Alabamians saddened and the politicians scrambling.

Allen would understand the reaction. He did not rival and perhaps even surpass Gov. George C. Wallace's popularity in Alabama without a thorough understanding of human nature.

He was a master politician who received his training for the U.S. Congress in the Alabama Legislature. No man serves two terms as lieutenant governor in this state without learning the ability to maneuver.

Allen learned his lesson well. He perfected his parliamentary skills when he went to Washington in 1968 and used them to tie in knots the liberal majority. Barry Goldwater and Ronald Reagan tried to awaken a conservative conscience in this nation through bids for the presidency. Allen stayed on the Senate floor and had a greater impact for the conservative cause.

The zenith of his career came just this year when he almost singlehandedly forced the U.S. Congress to read the Panama Canal treaties paragraph by paragraph before rushing into the agreements. He would have preferred us to keep the Canal but through his parliamentary skills helped win delay and change.

He was a rare find. He was one of the few we have known who voted in Congress liked he talked back home. He never tired of his fiscally conservative cause. In one of his recent weekly newspaper columns he aggressively attacked the federal underwriting of New York City. "There just seems to be no end to the city's fiscal problems and I feel that it would be imprudent for the Congress to approve any extension of the New York City Seasonal Financing Act . . .," he said.

In another recent column the late senator voiced concern over the nation's military preparedness and criticized the president for his "on-again off-again" decisions on defense.

He was infected with less Potomac Fever than anyone this state has sent to Washington in many years. He ignored most of the perks that go with the office and concentrated on the nation's and not his personal business.

The state has lost a real asset in Jim Allen but the nation has lost one of its really true conservatives.

[From the Opelika-Auburn Daily News, June 3, 1978]

A VOICE SILENCED

To be considered totally honest, a person of principle and one skilled at his or her profession is the goal of most individuals.

Few especially in the political field, achieve their goals. Alabama junior senator Jim Allen, who passed away Thursday night, reached his goals.

Although he spent only 10 years in the U.S. Senate after holding various state offices since 1938, Allen will go down as one of the oustanding "fighters" in Senate history.

"Perhaps he was the greatest parliamentarian ever to sit in the United States Senate," said Sen. Ted Kennedy, who because of his liberal posture and Allen's conservative stance, were often at odds on the Senate floor.

"He was a skillful and unfailingly courteous statesman whose dedication to the Senate was surpassed by his dedication to the people of Alabama. They have lost a kind and extremely able public servant, and the Senate has lost one of its best-known modern institutions," added Kennedy.

Senate Democratic leader Robert Byrd of West Virginia said, "He was respected on both sides of the aisle, whether one agreed with him or not on an issue. He commanded respect through his mastery of the rules and his courtesy on the floor. He was truly a great senator who will be missed by all who had the opportunity and privilege to know him."

Allen was a fighter and a man of principal when it came to the issues. His conservative stand at times put him in the limelight, especially with his adept use of the filibuster. Panama Canal treaties proponents found an able adversary in Allen whose skilled use of the Sentae rule book displayed all of his talents in nearly convincing fellow senators to vote down the treaties.

Allen was not a colorful or strong speaker who could raise the emotions of his audience. However, he was the skilled politician who often said "serving the people" gave him the most pleasure from his job.

At the outset of his U.S. Senate career Allen sold all of his interests in private business and began a practice of issuing a public record of his financial status. Allen's investments during his Senate career were in government bonds. He refused to accept fees for speaking engagements and might have been the only U.S. Senator who personally signed all of his correspondence and was virtually always available to his constituents.

As Rept. Ronnie Flippo of Florence said upon learning of Allen's death, "His epitaph is already written. He was a man of the people, by the people and for the people."

Mr. BUCHANAN. I thank my colleague for yielding and for taking this time.

Mr. Speaker, I have listened to each of my colleagues, and they have spoken well. Yet as we are gathered to attempt with our words to pay tribute to this great son and leader of Alabama, I am reminded of an experience when I was a child and my father, then the pastor of Maryon Pittman—who has become our Senator MARYON ALLEN—and her family, took us to the Grand Canyon. There is my boyish words I began to try to describe something of the magnificence and the beauty of the Grand Canyon. Finally my dad said,

Hush, Son. In the presence of the Grand Canyon only silence will do.

Somehow, as I would seek to describe the life of JIM ALLEN, I am reminded of that experience. I think a merchant in Gadsden came close. As we gathered there for the funeral service, he had a sign in his store that said simply,

Jim Allen: A leader difficult to find, impossible to replace.

As I was walking with a Member of the other body, a Republican Senator, the day after the funeral, without knowing the sign had been there, he echoed these words. He said,

I know no one is supposed to be irreplaceable. Yet Jim Allen was as close to being irreplaceable in the United States Senate as any person could be.

He was nothing less than a hero in our State of Alabama, and we choose our heroes well. For, as our colleague, the gentleman from Montgomery (Mr. DICKINSON), has said,

Jim Allen was Alabama standing at its tallest, an Alabamian at his best.

I listened like other Americans on public radio, as I went about my duties in Washington and Birmingham, to the Panama Canal debates with growing respect and growing appreciation for Senator JIM ALLEN and his leadership. There is no one in this Capitol, I think, who has failed to notice his high ability, his skill as a parliamentarian. The just-retired Parliamentarian of the U.S. Senate said to me that JIM ALLEN was a fine parliamentarian as had ever served in that body, and used those skills for the things in which he believed. He was no mean historian. I loved to hear him tell the history of the Senate or of Alabama, and he knew it well.

I think it was as a Christian statesman that he stood the tallest of all. As our colleague, the gentleman from Alabama (Mr. NICHOLS) has said, he was chairman of the Senate prayer breakfast group, and all of us watched with pride as he led and presided over the last national prayer breakfast. But his religion was not primarily a matter of words but of the life he lived and the person he became—a man of bedrock integrity, a man of true character, a man whose faith lived in his everyday life. He was at least one Member of the other body who was in fact a man of the people, a representative of the people of Alabama, who loved and served them well.

I have lost count of the occasions either here in Washington or back home in Alabama when even a small group of Alabamians would be present somewhere and Senator JIM ALLEN would express after a long time together his honest and sincere appreciation for having that time together with a group of people from our State. He was a man who loved the people he served and represented.

As we sat together at his funeral service, someone quoted the poem about the fallen oak that left a lonely place against the sky. I think we all realize that JIM ALLEN of Alabama was an oak that stood tall, an oak that was sturdy, an oak upon whom we could rely. I think until his passing we did not realize how large

would be the lonely place against the sky. There was never an occasion when any person or any entity in Alabama turned to JIM ALLEN for help that the help was not forthcoming, and immediately.

We relied upon him. Those of us in this delegation relied upon him. Every citizen of Alabama from the humblest to the greatest relied upon him. In our Bible Belt State we have great reason to thank God for the life, for the example, for the leadership of our beloved JIM. We wish his widow and our new Senator God's blessing and his strength to continue the great tradition that has been set up by her husband.

Mr. BEVILL. Mr. Speaker, I yield to our distinguished colleague, the gentleman from Alabama (Mr. FLOWERS).

Mr. FLOWERS. Mr. Speaker, I thank my distinguished friend for yielding.

Mr. Speaker, Senator JIM ALLEN's death is a tremendous loss for our State and our Nation. Rarely do we have benefit of the service of a person of his genius and dedication, and his place of distinction in the Senate will be hard to fill.

The Senator was one of the most popular public officials in the history of Alabama. He dedicated his life to public service—and the people of our State loved him for it. In a most unusual way, I never felt sadder nor prouder than I did last week when we laid him to rest in his hometown of Gadsden.

On the national scene, he will long be remembered as a skillful and effective legislator and a tireless guardian of individual rights—a man of courage, wisdom, and humanity.

JIM ALLEN worked as hard as any public official I have ever known. He seemed always to be traveling throughout our State, visiting the people in their own communities, and his rigorous schedule both in his office and on the Senate floor has already become a legend.

All of the adjectives and descriptions of greatness come to mind when reflecting on JIM ALLEN and his life of public service—dedication, perseverance, intellect, leadership, integrity, courage, and on and on. Perhaps above all other qualities, he brought to my mind a definition of a true gentleman which I learned long ago. It goes in part like this: "The true gentleman is the man whose conduct proceeds from goodwill and an acute sense of propriety; whose self-control is equal to all emergencies, who does not make the poor man conscious of his poverty; the obscure man of his obscurity or any man of his inferiority or deformity; who is himself humble if necessity compels him to humble another; who does not flatter wealth, cringe before power, or boast of his own possessions or achievements; who speaks with frankness but always with sincerity and sympathy; whose deed follows his word; who thinks of the rights and feelings of others rather than his own; a man with whom honor is sacred."

To me personally he was a source of inspiration, a coworker, and a great friend. We both came to Congress at the same time—in January 1969—and we developed a particularly close relationship.

My family and I extend our deepest sympathy to MARYON, Jim, Jr., and the rest of the Allen family—and we offer our best wishes to MARYON as she carries on JIM's work in the Senate.

● Mr. MICHEL. Mr. Speaker, the death of Senator JAMES ALLEN of Alabama was reported in the national media as the loss of one of the Senate's great parliamentarians. I agree with that assessment. Although, I did not know Senator ALLEN very well, I was, of course, aware of his great parliamentary skills and I am glad to see that they were duly noted by the press.

Yet it was not for his skills alone that JAMES ALLEN will be remembered. He was a gentleman of innate courtesy, fairness, and integrity. As a veteran of some heated debates in the House I can tell you that after the debate is over, and the years pass, you do not always remember the arguments, you do not always remember the points raised, you sometimes do not even remember the specific issue. What you do remember is the civility, the integrity, and the intelligence that lie beneath the arguments of those who take the opposing view. A gentleman in debate achieves lasting victory even if he loses now and then. JAMES ALLEN achieved such victory.●

● Mr. ASHBROOK. Mr. Speaker, many of the qualities of Senator JIM ALLEN were to be seen on the television screen and from reading his most-quoted statements. He was a man of ready wit and high intelligence, and those qualities were visible to all who knew him or knew of him. He was also a parliamentarian of the first order. The qualities have been given considerable and deserved attention.

But, in looking at Senator ALLEN's talents, we should not overlook the abiding devotion to principle and the deep-rooted loyalty to his people which motivated those talents in such a constructive direction. Here was a southerner of the old school, whose courtesy was more than an exercise. He was a man who not only asked how you felt today, he cared how you felt today.

JIM ALLEN's devotion to his people and his country drove the political cynics crazy. His was one of the safest seats in the Senate, assured by a devoted electorate. Yet he worked harder than many a person facing reelection in a doubtful State. This was because the relationship was two-way: JIM ALLEN had a devoted electorate and that electorate had a dedicated representative here in Washington.

While we are praising Senator ALLEN as a brilliant parliamentary strategist, let us not forget that he was also a hard-working, thoroughly knowledgeable legislator in the day-to-day business of the Congress. In conference committees, I always found JIM ALLEN had done his homework, and led the way toward constructive solutions acceptable to both sides. The job of effective legislation depends on those steady, hard-working Members of both Houses who knew their business and keep at it. Over the years, such devotion requires more than a fear of pressure groups or electoral challenges. It requires an intelligent mind and a dedicated spirit. JIM ALLEN had both.●

● Mr. FLIPPO. Mr. Speaker, I join with my colleagues and the Alabama congressional delegation to rise in tribute to the memory of Senator JAMES BROWNING ALLEN of Alabama. He will be missed. The quality of his service to the State of Alabama and to the Nation will be missed. JIM ALLEN was a man of quality. The way he lived his life and conducted himself in public and in private gives us all strength to know he lived his life to full measure.

It is the quality, not the quantity of life that makes the difference—or so wise men have always said. One wise man of my acquaintance had both. JIM ALLEN's life lacked the quantity of years we would have desired, but it was a life filled with experiences both agonizing and joyous, with defeats and triumphs. Each experience was savored by this man who was never short of labor and action to meet the tests of life.

JIM ALLEN knew how to get things done, without sacrificing a close attention to detail or close personal involvement that has become an everdiminishing quality of some busy men. In truth, he was a very personal man with a set of rules he must have made for himself at some point and from which he never varied.

JIM ALLEN was a tough fighter for what he believed was right. JIM always played by the rules and he knew the rules better than anyone else. He made sure his viewpoint was heard on the issues of our country. His knowledge of the rules, combined with his unwillingness to bend them, earned him the early respect of the U.S. Senate. He would sometimes encounter the wrath of colleagues he opposed but he never found disrespect. Another wise man once said that we are sometimes loved for ourselves and sometimes in spite of ourselves. JIM ALLEN had the love of both those who admired him for his stands and from those who respected his abilities. JIM ALLEN reciprocated this love to his home State of Alabama, to his country and to the U.S. Senate in which he served.

JIM ALLEN was a man who spoke for himself and for the people. There was seldom any doubt about his opinions. He shared his views and carried them home to the people of all 67 counties in Alabama. There he made himself available to all of his constituents. Any person who did not have the chance to make his feelings or problems known to JIM ALLEN simply was not trying as hard as the Senator.

JIM ALLEN had a lot to offer the people in his senatorial service. He worked for them. He could spread himself out without spreading himself thin. He was indeed a man who could combine quantity with quality. He had both combined with perseverance and a genuine belief in what he was doing. He brought to the people of Alabama a sense of pride in knowing that they were represented by a man of the caliber of JAMES B. ALLEN in the U.S. Senate.

We mourn him, in the personal way that he knew us. We extend our deepest

sympathies to his family. We knew him as a friend and as an honorable man. JIM ALLEN was the kind of man that Alexander Pope must have had in mind when he wrote in 1720:

Statesman, yet friend to truth; of soul sincere
In action faithful, and in honour clear;
Who broke no promise, served no private end,
Who gain'd no title, and who lost no friend;
Ennobled by himself, by all approv'd
And prais'd, unenvied by the Muse he lov'd.●

● Mr. MURPHY of Illinois. Mr. Speaker, I would like to pay tribute to the late Senator JAMES B. ALLEN of Alabama, perhaps the greatest parliamentarian to have ever served in the U.S. Senate. Senator ALLEN's mastery of Senate rules and procedures made him a formidable power in that House, where his skill and sense of timing enabled him to block or delay passage of bills that he felt were not in the national interest.

Despite the tremendous power he wielded, Senator ALLEN was considered by his colleagues to be fair, calm, and courteous at all times.

JIM ALLEN's integrity and forcefulness in fighting for his convictions once prompted Senator Sam Ervin to say that if he had "to stand with one man at Armageddon and battle for the Lord, I hope that man would be Senator ALLEN of Alabama."

Mr. Speaker, it is doubtful that Senator ALLEN's exceptional parliamentary skill can ever be replaced. The absence of his outstanding personal qualities will be deeply felt as well.

I would like to extend my sincere condolences to Senator ALLEN's widow and family, and I wish the very best to MARYON ALLEN as she assumes her legislative responsibilities in the Senate.●

● Mr. MONTGOMERY. Mr. Speaker, I wish it were not necessary to have this special order this afternoon to pay heartfelt tribute to the late Senator JIM ALLEN of Alabama, but God in his infinite wisdom has seen fit to call his humble servant JIM ALLEN to Heaven. We who remain know we must carry on as Senator ALLEN would want us to, but at the same time we feel a great loss and realize the void which has been created and which we can never again fill.

Senator ALLEN without question was one of the finest, ablest, and most dedicated men to ever serve in the U.S. Senate. When he came to the Senate in 1969 he pledged to operate on the Jeffersonian principle that "government is best which governs least." He lived up to that pledge by consistently supporting limited government, free enterprise, and individual responsibility. And, I might emphasize, the people of America benefited greatly from the fact that Senator ALLEN stuck to his principles and helped to improve government and the manner in which it is administered on the Federal level.

JIM ALLEN was a public servant in the truest sense of the word. He never lost sight of the fact that he was elected by the people of Alabama and that his first and foremost responsibility was to them and their needs and beliefs. What he did as a Member of the U.S. Senate and what he was able to accomplish, he always did on behalf of the people of Alabama and America. He was a man of great humility who always strictly adhered to the principle that to be a public servant means to be a servant of the people and JIM ALLEN was certainly a man of the people.

Mr. Speaker, I am pleased that Mrs. MARYON ALLEN, the new Senator from Alabama, is able to be with us today. We want her to know that our thoughts and prayers are with her and other members of the Allen family and that we all share their grief over the untimely passing of their husband and father.

In closing, I would like to express my appreciation to the Allen family and the people of Alabama for sharing JIM ALLEN with us. It was a pleasure and personal reward to have known and loved him as a colleague and personal friend.●

● Mr. BOWEN. Mr. Speaker, it was with a great deal of sadness and sorrow that I learned of the tragic and untimely death of Senator JAMES B. ALLEN of Alabama, and I join the House and the Senate in mourning him.

His passing was a great loss to the Congress of the United States, to the people of Alabama, and to the people of this Nation. In his almost 10 years in the Senate, he had become recognized as one of the great bulwarks for freedom and constitutional government in the Nation.

During my 6 years in the House I worked closely with Senator ALLEN, as a member of the House Committee on Agriculture, since JIM ALLEN often participated in conferences with the House on agricultural matters of great importance to the economy of this Nation. I found Senator ALLEN to be an invaluable ally and a close friend in these conferences. He was unfailingly courteous and exactingly fair in these conferences as in every other undertaking in which he participated.

His name is associated with many laws designed to improve the lot of the American farmer. He was instrumental in securing improvements in the Rural Electrification program; he was one of the main forces in securing enactment of major forestry legislation which will help family farmers increase their income from their forest lands; and he was a major factor in passage of legislation to insure the safe usage of pesticides in our Nation.

Much has been written about Senator ALLEN's prodigious parliamentary skills. He mastered the rules of the Senate and, by so doing, insured that legislation met the rigorous demands of the Constitution and of the people of the United States. The rules of any legislative body have as their main purpose to refine the product of legislative effort. Senator ALLEN was the Senate's foremost safeguard that legislation did not pass hurriedly and without sufficient review. He demanded, and by his parliamentary skills secured, that major legislation be able to clear all important procedural and constitutional hurdles before enactment.

Senator ALLEN unfailingly used his parliamentary gifts in a civil, kind, and gentlemanly manner, and even his consistent opponents praised his fairness and his evenhandedness.

JIM ALLEN's dedication and love for the Senate is legend. In the decade he spent there, he became one of the towering legislative giants of our age. He was dedicated to aiding the people of Alabama and the South, the farmers of this Nation, and the course of freedom and democracy.

He was a southern patriot and a national patriot. His loss will be long and deeply felt. He will be missed by his colleagues in the Senate and by his many friends in the House.●

● Mr. FUQUA. Mr. Speaker, I rise to express my deep sorrow over the untimely death of Senator JAMES B. ALLEN of Alabama.

Not only has the State of Alabama, and indeed, the entire Nation, lost one of its greatest public servants, I feel a deep personal loss of a dear and close friend. And I know my colleagues here today share with me this feeling of a great loss.

His wisdom and guidance will be sorely missed. Beloved by his constituents, he earned the respect of his colleagues, regardless of their political leanings.

An unswerving dedication to the responsibilities of his office marked his distinguished career and service to the people of his home State and Nation.

A valued legislator of exceptional ability, he was a strong and forthright advocate of fiscal responsibility and was the financial guardian of the interests of the American taxpayers in foreign aid programs.

The void left by JAMES BROWNING ALLEN will not be easy to fill. He was a great man, an outstanding public servant, and a dear friend.●

● Mr. ICHORD. Mr. Speaker, Senator JAMES ALLEN was recognized nationally for his encyclopedic knowledge of parliamentary rules, procedures, and etiquette. His devotion to parliamentary discipline reflected a genuine conservatism—a classical appreciation for the elegance that resonates in tradition.

Yet his allegiance to protocol was more than esthetic nicety or social refinement. It was deeply pragmatic. He recognized that adherence to parliamentary discipline averts occasionally muddled thinking. His classical conservatism impelled him to cherish orderliness, not for its own sake, but for the interest and importance of clear, deliberate thinking.

For JAMES ALLEN, creativity was unthinkable apart from self-discipline.

Justifiably, these qualities and values earned Senator ALLEN the profound respect of his colleagues, including my own. It was his kind of dedication to civility and tradition that makes our lives livable in the truest sense.

He openly professed his judgment that we should conduct ourselves with dignity—not a popular conviction in an age that zealously cultivates the mediocre.

He championed fiscal rectitude all his life—another manifestation of his at-

tachment to restraint and self-discipline for society as well as the individual.

Mr. Speaker, all who cherish the memory of Senator JAMES B. ALLEN sincerely hope that his devotion to the best in American tradition will continue to inform the thought and spirit of those who carry on after him. I hope that this sad time for his family will be eased by the knowledge of the high places he holds in our history and our hearts.●

● Mr. YOUNG of Florida. Mr. Speaker, with the untimely passing away of Senator JAMES ALLEN, the citizens of Alabama have lost a trusted Senator; the citizens of America have lost a true statesman who worked hard for what he believed in; the Congress has lost a respected and conscientious Member; and I have lost a friend who was always willing to help.

Those who knew JIM personally had the pleasure of knowing a gentleman who believed in and fought for principles that have made the Congress a respected institution, and our Nation the hope of the world. He treated his colleagues with respect and even those who disagreed with his philosophy respected his actions and his personal abilities.

Much has been said in the Senate and in the House about JIM ALLEN's parliamentary prowess and his ability to play an important part in controversial debates to insure that all sides were heard. I never had the opportunity to participate in any of these debates because we were Members of different legislative bodies, but I did have the fortunate opportunity to work with him on several matters of mutual interest, including attempts to reform some of our foreign aid programs. JIM ALLEN was always willing to help me get my causes presented to the Senate. On one particular occasion, he stayed on the floor of the Senate during consideration of an appropriations bill to insure that funding was retained for the Bay Pines Veterans Hospital in my district. This facility will provide needed medical care for deserving veterans in the St. Petersburg area, and although the facility was just a dream several years ago, actual construction will begin soon.

JIM ALLEN was always there—on the Senate floor, in committee, in his office, or with the people of Alabama—whenever he was needed. In these trying times in our Nation's history, we will need JIM ALLEN more than ever, and although he has left us, his spirit will remain as an inspiration to every Member of Congress.

On behalf of the citizens of the Sixth Congressional District of Florida, I extend my personal condolences to his wife and family.●

● Mr. DON H. CLAUSEN. Mr. Speaker, we honor today a departed colleague whose contributions to our constitutional traditions and way of life are well known to all of us. Senator JAMES ALLEN was a master of parliamentary procedures, and was also one of the most concerned and conscientious Members of the Senate. Recognizing that Members of the Senate have a tremendous demand upon their time, Senator ALLEN was unbelievably approachable. I can recall numerous occasions, sometimes on the Senate floor, or at social functions, or at official activities when I would approach him on a matter of mutual interest. He always took the time to listen carefully and respond in a concise and constructive manner. While most of our discussions centered around transportation and water resources matters, I did have an in-depth discussion with him on the Panama Canal treaties. He did so much to be sure that his colleagues in the Senate and the American people fully understood the many disadvantages of those treaties.

Mr. Speaker, the people of Alabama and the United States have lost a clear, convincing and eloquent voice in the Congress. We are all richer for having known and worked with him.●

● Mr. ADDABBO. Mr. Speaker, I would like to take this opportunity to pay tribute to Senator JAMES ALLEN, a man who spent almost his entire life in public service. First elected to the Alabama State House of Representatives in 1938, JAMES ALLEN resigned during World War II because he thought that he could better serve his country on the battlefield, rather than in the State legislature. After the war, JAMES ALLEN served in the Alabama State Senate and, later, as Lieutenant Governor of Alabama. The last 10 years of this public servant's life were spent in the Senate of the United States.

I am grateful to have had the honor of knowing JIM ALLEN. He represented what was always to me the best of southern tradition. His courtly manner and gentlemanly bearing had the effect of adding dignity to his surroundings. In his personal affairs, he always seemed to put the needs of others before those of himself. JIM ALLEN always respected the dignity of everyone, even his most ardent opponent. To me, that is the true mark of a gentleman.

In Congress, Senator JAMES ALLEN's courtly manner and thorough knowledge of parliamentary procedure made him a formidable advocate of his position. His mastery of the rules of the Senate equalled that of the greatest who ever walked upon the floor of that august body. He was truly a powerful force in the Senate of the United States who skillfully and determinedly represented the interests of the State of Alabama.

Today, we are honoring one of the true greats of the Senate. The force of his personality and the integrity of his actions made an everlasting imprint upon the laws of the land and the direction toward which the Nation is moving, although he served in the Senate for a comparably short time. To that office, as well as to all of the other offices which he held, he imbued a sense of dignity and fairness which I will never forget.●

● Mr. McDONALD. Mr. Speaker, we shall all miss Senator ALLEN, because he was a wonderful person to know. People all across the Nation will miss him, because he stood up for constitutional principles and was not afraid to fight for them. People from the South will especially miss him, because he was a giant in the Senate, which is a southern tradition.

Senator ALLEN fought on many fronts to oppose what he considered to be bad legislation. He saw his constitutional duty clearly and placed our national defense first, feeling as I do, that without a strong national defense, representative government is not possible and other programs are not relevant if we are unable to defend ourselves.

Senator ALLEN will also be sorely missed in the fight to restore sanity to the discussion of the energy problem in the United States. Senator ALLEN was in the ranks of those who believe we need each and every energy source available and that we should develop more of our resources and not just attempt to regulate and conserve a dwindling supply. In particular, he fought against the ill informed arguments of the radicals and the confused idealists who feel we should not utilize nuclear energy for our Nation's needs.

Perhaps one of his finest hours was his battle on behalf of the American people against the Panama Canal treaties. He was outstanding in the debates and the Nation owes him a debt of gratitude on that score also, although we narrowly lost that battle.

I can only express the fervent hope that a new Senator ALLEN will emerge and become another "giant" in the U.S. Senate. Our Nation truly is in need of one. A gaping hole of immense proportions has now been left in the ranks of the Senate. I did not know the Senator on an intimate basis, but, in the few things we did together in the Congress, I was tremendously impressed by his efforts, energy, and devotion to the Constitution and the country he served.●

Mr. BEVILL. Mr. Speaker, the gentleman from Alabama, Mr. RONNIE FLIPPO, is in Alabama and could not be here. The statement of the gentleman from Alabama (Mr. FLIPPO) and others have been entered into the RECORD.

● Mr. WYDLER. Mr. Speaker, although I met JIM ALLEN only a few times in my life, I found him to be a gentleman I was glad to know and proud to be associated with.

His strong conservative feelings and deep convictions impressed his colleagues and his countrymen. He was, as we now know, ahead of his time in many ways. We will surely miss him here in the Congress.●

● Mr. SISK. Mr. Speaker, during the last 10 or 15 years, America has come through an age in which it was fashionable to denigrate American institutions. Regretfully, many Members of even the Congress of the United States seemed willing to stand by and let this happen without coming to their defense.

The record will show that Senator JAMES ALLEN was one of those who struggled to preserve and defend our Nation's institutions when they were under attack. He did this not because he felt that

the institutions were always right, but because he knew that the institutions—even with their imperfections—were the only things which gave our Nation a steadfastness of purpose and a sense of direction. Without these, we would be a nation adrift.

I join with the other Members in expressing my personal regrets, and those of Mrs. Sisk, to Mrs. ALLEN and the other members of the family. We will miss him as a hard worker in the other body, as a friend, and as a fellow churchman. And the Nation will miss him as a fervent worker for causes he believed in.●

● Mr. SIKES. Mr. Speaker, I wish to join my colleagues in paying special tribute to the late Senator JAMES B. ALLEN. Our States adjoin and he was my good friend for many years. I was proud to work closely with him as a highly appreciated colleague during his tenure of office as U.S. Senator. He was a statesman in every sense of the word and he will long be remembered for his outstanding and dedicated service to the State of Alabama and to our Nation.

Senator ALLEN has been described as one of the ablest parliamentarians ever to sit in the U.S. Senate. Although he may not have been as widely known outside the Senate as some of his colleagues with longer tenure, his knowledge of Senate rules and his influence within the Chamber far exceeded his public reputation. The Senate did a better job because JIM ALLEN was there.

Senator ALLEN spent much time on the Senate floor as watchdog for legislation that did not meet with his conserative philosophy. He vigorously opposed the Panama Canal treaties and he was the recognized leader in that epochal battle. He led filibusters which blocked or delayed bills creating a Federal Consumer Protection Agency, reforming the Federal Tax Code, extending the Voter Rights Act, giving the vote to 18-year-olds, providing for postcard voter registration, and providing public financing for congressional elections. Few individuals have accomplished as much through constructive opposition to legislation which the public neither needs nor wants.

It must be stated with regret that Senator ALLEN's death surely diminishes the power of the Senate's conservatives. It can also be said that the liberals will miss him for he imposed a needed discipline on the Senate's actions. His parliamentary maneuvering posed a constant threat to liberal legislation of the type with which our Nation already is overburdened.

JIM ALLEN was born in Gadsden, Ala., where he attended public schools. He was graduated from the University of Alabama and later earned a law degree from that school. His career in Alabama politics dated from the late 1930's. He served in both houses of the Alabama Legislature and was twice elected Lieutenant Governor of the State. In 1968, he was elected to succeed Senator Lister Hill and ably served in that body until the time of his death.

My sincere sympathy is extended to Mrs. ALLEN and their family. They can be very proud of his achievements and service to this country. His work has strengthened our Nation. His passing is truly our loss. He was a great American.●

● Mrs. HOLT. Mr. Speaker, the Congress and the Nation will sorely miss his great integrity, his strength of character, and his commitment to principle. I refer to Senator JAMES B. ALLEN, who died June 1.

The news media has made much of his unrivaled mastery of parliamentary procedure. He had a wonderful talent of using the rules of the Senate to weave a web that impeded or even strangled legislation that he conceived as harmful to his State, his region, or the Republic. Even his adversaries marveled at his great art.

But there was much more to Senator ALLEN than his parliamentary skill. He was a man of deep religious faith. There was grace and courtesy in his manner in his dealings with all people. He respected his colleagues and their responsibility to represent their constituencies according to their best judgment, even when their judgment differed from his. He was a gentleman.

At many points during Senator ALLEN'S career, his performance reminded us of something we often forget: The purpose of this legislative process is not just to enact proposals into law, but to defeat proposals which should not become law. Freedom in these United States is much safer if we remember this lesson from Senator ALLEN. I hope we all reflect on this at appropriate times in congressional sessions.

The news media has said much about Senator ALLEN'S use of the filibuster, the final tool of a minority to prevent enactment of legislation which it regards as intolerable. Not enough has been said of Senator ALLEN'S skill in the art of accommodation, of seeking concensus. This is as important to the legislative process as any other quality. On many occasions Senator ALLEN succeeded in changing dangerous legislation into acceptable legislation.

Many are intelligent, but Senator ALLEN had something more: wisdom. He understood people and motivation. He had an acute sense of timing. He comprehended not only what a piece of legislation would do immediately, but what its impact would be after decades.

Mr. Speaker, the State of Alabama and the Nation have lost a great Senator.●

● Mr. ROYBAL. Mr. Speaker, I join with my colleagues today in paying tribute to the memory of the late Senator from Alabama, JAMES ALLEN. His many friends here in Congress will certainly miss this dedicated public servant who achieved such a respected stature in the U.S. Senate.

JAMES ALLEN has clearly earned his place in our Nation's history. He will be remembered as possibly the greatest parliamentarian to sit in the U.S. Senate, as well as a champion of the filibuster. His understanding of the rules and his ability to apply them, made him a master at controlling the flow of legislation on the floor of the Senate.

The death of this distinguished statesman is a loss to us all. The people of Alabama and the Nation are left with the memories of a great human being who contributed so richly to the field of American politics. It is, indeed, with sadness that we now mark the passing of the fine legislator, colleague, and friend.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

● Mr. SARASIN. Mr. Speaker, on June 8, 1978, I was absent for part of the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 433. H.R. 12929: Labor-HEW Appropriations—The House agreed to an amendment that reduces appropriations for HEW by $1 billion, limited to those areas in which fraud, abuse, and waste have been defined and cited, "Yes."

Mr. Speaker, on June 9, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 434. H.J. Res. 945: Black Lung Program—The House passed the joint resolution making an urgent supplemental appropriation for the black lung program of the Department of Labor for the fiscal year ending September 30, 1978, "No"; and

Rollcall No. 435. H.R. 12933: Transportation Appropriations—The House agreed to the rule (H. Res. 1219) waiving certain points of order against the bill, "Yes."

Mr. Speaker, on June 12, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 437. H. Con. Res. 612: Human Rights Violations in Uganda—The House voted to suspend the rules and agree to the concurrent resolution condemning violations of rights by the Government of the Republic of Uganda and urging the President to take certain actions with respect to those violations, "Yes";

Rollcall No. 438. H.R. 12441: Toxic Substances Control Act—The House failed to suspend the rules and pass the measure to amend the Toxic Substances Control Act to increase the authorization of appropriations contained in such act, "No";

Rollcall No. 439. H.R. 12933: Transportation Appropriations—The House agreed to an amendment that prohibits the use of funds to implement or enforce any standard or regulation which requires vehicles to be equipped with occupant restraint systems, other than belt systems, "Yes";

Rollcall No. 440. H.R. 12933: Transportation Appropriations—The House rejected an amendment that sought to insure that funds could be used for research and development of occupant restraint systems, and that funds could be used in connection with any court action with respect to any standard

or regulation concerning such systems, "No"; and

Rollcall No. 441. H.R. 12933: Transportation Appropriations—The House passed the measure making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, "Yes." ●

AN INSULT TO MY CONSTITUENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, the Federal Government has done it again. The 1,500 residents of Hidden Hills, Calif., whom I am proud to represent here in Congress, have been designated as living in a "distressed" area by the U.S. Department of the Treasury.

The fine people of Hidden Hills, Mr. Speaker, are not accustomed to being characterized as such. You see, Hidden Hills is a very respectable residential community which prides itself on its very special homes, built on large plots of land to assure privacy; the many horses raised on these estates, and the much-treasured spirit of peaceful relaxation one must have from the hectic pace of the city.

Not long ago, however, the bureaucracy here in town did a computer run on several thousand localities in the United States, to target certain pockets of economic blight. Hidden Hills was just one of a number of other communities of considerable affluence to receive a "distressed" classification.

I made several inquiries into this matter, Mr. Speaker, and was informed that this action was based on the Government's finding that Hidden Hills had no industrial growth in recent years. That is certainly interesting news, considering the fact that Hidden Hills has absolutely no industry whatsoever.

Needless to say, Hidden Hills can now qualify for a Government guarantee should the community decide to float a bond issue. Thank you, Uncle Sam, but I do not think Mrs. Hartman, the mayor of Hidden Hills, or her clerk, Mrs. Henry, want to be bothered filling out all of those Government forms.

Mr. Speaker, I have not seen the people of Hidden Hills in such a state of humiliation ever before. When their neighbors in other communities have to offer them "a few dollars here and there" because the Government classifies them as "distressed," you know they have been insulted. ●

EXPLANATION OF VOTES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 5 minutes.

● Mr. GREEN. Mr. Speaker, I rise to explain my votes today on the Stokes and Wright amendments regarding medicaid payments for abortions.

Abortion is an issue which divides this country on religious and moral grounds. I recognize that many oppose abortions on this basis, and I respect their views although I do not share them. Other religious groups believe that abortion is morally correct. Where religious groups differ, it is my belief that members of each should be able to act in accordance with their own consciences.

Under these circumstances, I believe that any program of general medical aid to the poor should permit poor women the same choice on the abortion question as is permitted other women who can afford to pay.

I recognize that those who oppose abortions may consider that some of their tax dollars are financing something they find morally wrong. This situation, however, is not unique. When we vote a defense appropriation, pacifists may point out that their taxes are then going for something they believe to be wrong.

Because of my beliefs about the right of women—rich or poor—to choose, I voted for the Stokes amendment, and I regret that amendment failed to pass. While I preferred the Stokes amendment to the Wright amendment, I voted for the Wright amendment because it contained the same language the Congress passed last year and I saw no prospect that Congress this year would come out any nearer to my views on the issue. The failure of the Wright amendment to pass is of great concern to me because the language in the House bill is now extremely restrictive. I would hope that fewer restrictions would be included in the final language worked out in conference, and that this issue be resolved as soon as possible. ●

WILL REGULATION GET WORSE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 15 minutes.

● Mr. CRANE. Mr. Speaker, Government regulatory activities generate costs that are incurred by Government and by economic units in order to comply with regulation. From 1887 to the present, the character of Government regulation of business in the United States has undergone significant change. The industry-specific nature of much of our early regulation (for example, the ICC established in 1887) has been augmented by a new functional type of regulation in areas ranging from product hazards to job discrimination.

To show the impact in one area, I insert at this point an excerpt from the American Enterprise Institute's study "The Cost of Federal Regulation of Economic Activity."

PRIVATE SECTOR COSTS OF REDUCING POLLUTION

The most common strategy currently employed to deal with environmental problems is to set and enforce standards of environmental quality. The two central federal laws are the Clean Air Act and the Federal Water Pollution Control Act; subsequent laws have widened the scope of these initial statutes.

In general, the quality standards are implemented by setting approximate limits to the amount of pollution from each source. Typically, these limits require uniform or proportionate reductions by all discharges; that is, each source is required to reduce its discharges by an amount proportional to its contribution to the total.

The cost and relative ease of pollution reduction is contingent upon several variables—the industry in question, its product mix, its technology, the age of the existing capital, and the operational controls of the industry. The estimates given in the summary section relate to incremental compliance costs for pollution abatement. Specifically, they represent outlays by both the public and private sectors for federally required plant and equipment. A summary of these costs is shown in Table. Because estimates of incremental outlays by the public sector were not available for 1976, the 1973 figures were used after adjustment for inflation during that period. Again, these were treated as a one-time resource use in order to remain consistent with their treatment in the gross expenditure accounts of the federal government. The total compliance cost is estimated at $8.6 billion for 1976.

Public and Private Incremental Compliance Costs of Pollution Abatement, 1976

[billions of dollars]

Pollutant/Source	Air	Water	Solid Waste	Total
Private	3.8	2.4	0.4	6.6
Public	0.3	1.4	0.3	2.0
Total	4.1	3.8	0.7	8.6

SOURCES: Figures for the private sector are from *The Seventh Annual Report of the Council on Environmental Quality*, p. 166; and for the public sector, from *The Fifth Annual Report of the Council on Environmental Quality*, p. 175. These estimates have been adjusted for inflation during the 1973–76 period.

Mr. Speaker, the ominous note in all this is that the Federal agencies obviously feel they have new worlds to conquer. This tendency is succinctly reported in the following article by James J. Kilpatrick in the June issue of Nation's Business, titled "Why Regulation Is Bound To Get Worse."

For the past year or so, a little current of optimism has been flowing through the American business community. There has been reason to believe—or at least there has seemed to be reason to believe—that perhaps the worst convulsions of federal regulation were behind us. Things were just bound to be better.

Forgive me my pessimism. I hope I am wrong. My own gloomy conclusion is that things are bound to get worse. The whole business of federal control has become a growth industry. Within the agencies of government, thousands of persons are now engaged in the interminable process of drafting, publishing, adopting, enforcing, amending, rewriting, and further revising regulations.

Within the private sector, other thousands of persons have found gainful employment in reporting, interpreting, resisting, or complying with these same regulations. The bureaucracy, in this regard, takes on the character of a breeder reactor that produces more fuel that it consumes.

Perhaps it was President Carter's oratory that set the current of optimism in motion. Early in his administration, Mr. Carter proclaimed his war upon needless regulation. He ordered rules drafted in plain English. He demanded that every new proposal bear the name and telephone number of the bureaucrat responsible. He instituted some desperately needed reforms at the Occupational Safety and Health Administration. He abolished several hundred advisory committees. He directed his cabinet to take a fresh look at their reporting requirements to see if the paperwork burden might be reduced.

Other events contributed to the hopeful notion that a new day might be dawning. The word deregulation suddenly came into vogue. There was talk of deregulating natural gas, of deregulating the airlines. On Capitol Hill, resistance appeared to be stiffening to further expansion of the federal role. The House rejected the administration's Office of Consumer Representation. Some modest tax relief for business still seems to be in sight.

There is less here than meets the eye. A few weeks ago, the Institute for Contemporary Studies, in cooperation with Northwestern University's Graduate School of Management, brought forth a book of essays under the forthright title of "Regulating Business." The 11 contributors are not precisely of one mind, but they are generally agreed on this much: The talk of deregulation is mostly talk. "Significant decontrol," says the institute's executive director, "has not occurred and is not in prospect."

In an introduction to the volume, Dean Donald P. Jacobs makes the same point. "Anyone not familiar with the facts, but exposed to the rhetoric of politicians and regulatory officials, the media, or studies produced by some academics, might well conclude that the United States is moving toward a dramatic reduction of its massive regulatory apparatus. The reality is quite different. While deregulation may be taking place on a modest scale in a few areas, new regulations and regulatory agencies are coming into being."

Two profound changes have taken place. Federal controls have moved from the specific to the general, and we have gone from economic regulation to social regulation. The implications of these shifts have not been wholly grasped.

A tendency persists to think of government regulation in the old patterns. We began with specific controls directed at specific industries. The Interstate Commerce Commission was limited in its jurisdiction to land-based carriers, the Maritime Commission to the high seas, and the Civil Aeronautics Board to the wild blue yonder. The Federal Power Commission looked after utilities, the Federal Communications Commission had radio and television for its domain, and various agencies of the Department of Agriculture laid down rules for the marketing of crops. In every case, the aim was economic; controls were manifested through certificates, licenses, and permits.

Old-line economic regulators are still in business, of course, but new agencies with new purposes have achieved a larger importance. OSHA offers one example. The Consumer Product Safety Commission provides another. The Equal Employment Opportunities Commission, the Environmental Protection Agency, and the proliferating bureaus of the Department of Health, Education, and Welfare now exert a pervasive influence upon business decisions. The writs of these agencies run to industries everywhere, and the regulations are intended to achieve largely social aims—the employment of more minorities, for example, or the improvement of air and water.

The trend is exemplified in the Federal Trade Commission's pending proposal to limit or forbid certain television commercials aimed at children. The proposal is based upon a massive staff report that develops this remarkable theory—that because many parents are too weak or spineless to control their own children's television watching, or to say no when a child nags his mother for a sugary cereal, the advertising of sugared products is unfair and deceptive, and should be banned.

A synopsis of the FTC staff report makes these points: Television advertisers of food to children are caught in a competitive "sugar derby," in which no single company can afford to be "out-sugared" lest it lose its market position. This sugar derby, according to many experts, "undermines parents' ability to assure sound nutrition for their children by leading children to demand sugared products in preference to more nutritious and safer alternatives, exacerbates parent-child conflicts, and negates what little nutrition education takes places in the schools."

The synopsis goes on to quote the testimony of a clinical psychologist who says that parents do not intervene to protect their children from televised advertising "because of intense feeling of helplessness" and because parents are afraid of enforcing rules that they fear "might help to make their children social outcasts or social isolates."

Now it is a novel idea—novel to some of us, in any event—that the awesome powers of the federal government, through the rulemaking authority, should be concerned with relieving parent-child conflicts. A federal responsibility for the prevention of tooth decay never entered the minds of the authors of the Commerce Clause. But "we have to draw lines," says FTC Chairman Michael Pertschuk. "The only alternative is to acknowledge that we are powerless to cope with a problem that parents, teachers, nutritionists, doctors, pediatricians, dentists, the commissioner of food and drugs, and now the surgeon general tell us promotes serious social and medical disorder."

Mr. Pertschuk's view of the federal role is widely shared. In this view, government is the shepherd and the people are the sheep. Shepherds are loving, and tender, and solicitous, but they are also firm. Shepherds know best what is good for their sheep. If the sheep will not buckle up in their automobiles, they must be protected by air bags. If the sheep smoke too many cigarettes, or eat too much sugar, or take too many pills, the coercive powers of government must be brought to bear.

This benevolent attitude is not likely to diminish. The well-intentioned ambition of the reformers and reshapers is much more likely to expand into new fields. Over the past two years the number of employees in federal regulatory agencies has increased more than four times the rate of increase in federal employment as a whole. We now have 215,000 persons working in the 30 largest regulatory outfits.

A professor of economics at Yale, Paul W. MacAvoy, has undertaken to measure the effects of these trends upon American industry. Direct price controls, in such fields as transportation and communications, now apply to about ten percent of the gross national product. The newer controls inherent in health and safety regulation, Prof. MacAvoy finds, "cover another 20 percent of industry so significantly that for all intents and purposes that sector is also regulated." In other words, he concludes, "the control sector of the American economy has probably grown from something like seven percent to close to 30 percent in the past decade."

The various controls, in his view, "have substantially increased prices in and of themselves." But there apparently are no commensurate benefits resulting from this activity. Indeed, Prof. MacAvoy writes, the effects are negative because of the impact of the regulations upon economic growth. Prof. MacAvoy observes that our rivers are not significantly cleaner, nor our air significantly purer, nor our factories demonstrably safer and healthier. We have higher prices, less managerial freedom, and more forms to fill out.

Like any other growth industry, the regulatory industry has spawned its own service industries. At least two periodicals have sprung up whose sole purpose is to keep track of federal regulations. The bimonthly "Regulation" was launched last year by the American Enterprise Institute; publisher William J. Baroody, Jr., says its circulation is picking up with every issue. "The Weekly Regulatory Monitor" covers 18 federal agencies intensively and keeps a general eye on many others.

Some of my own pessimism may stem from a casual glance at a sample copy of "The Weekly Regulatory Monitor" that recently arrived in the mail. In just one week in March, federal agencies were acting—at random—on sliding glass doors, pesticides containing ethylene oxide, lead pollution in the atmosphere, subscription television, the labeling of tranquilizers, crude oil in Alaska, ear drops, zinc imports, railroad derailments, and proposed changes in the grading of cattle and sheep. Our government was concerned with health planning, surface mining, aviation fuel, checking accounts, medicated animal feeds, stock options, unvented gas space heaters, quadraphonic FM radios, the inflation of automobile tires, and a proposed Treasury rule "requiring labels on alcoholic beverage containers warning pregnant women about possible fetal hazards resulting from drinking."

In three areas alone—health care, education, and the prevention of discrimination—the agencies of our federal government have new worlds to conquer. The allocation of energy resources has barely been touched. My own crystal ball is often clouded and unreliable, but it yields a clear view—and a dismal one—of what lies ahead in the field of regulation. As Al Jolson used to say, you ain't seen nothin' yet.

Mr. Speaker, in order to overcome the regulatory trend, stimulate the economy, and create jobs, Congressman MICKEY EDWARDS of Oklahoma and I introduced our American job investment package on March 21, 1970. The following outline includes the highlights of the package:

HIGHLIGHTS OF THE JOB STABILITY PACKAGE

I. URBAN GROWTH ACT

Reduce the corporate tax rate.

Increase the surtax exemption.

Eliminate the double taxation of dividends.

A 10% investment credit for investments in high unemployment areas.

Jobs tax credit.

II. TRUTH IN REGULATION ACT

Require all federal agencies to prepare environmental impact statements and cost-benefit analyses prior to the issuance of new regulations.

Obligate both houses to vote on any regulation which is found to cause unemployment in an area.

Establish a local task force to assess economic and employment impacts of proposed regulation.

III. ANTI-DUMPING ENFORCEMENT ACT

Cut the time frame approximately in half for dumping investigations

Establish a mediating board composed of business and labor to monitor dumping investigations and act as a liaison for both industry and union parties affected.

Mr. Speaker, Congressman EDWARDS of Oklahoma and I now have 48 cosponsors and we have reintroduced the package today. We invite our colleagues on both sides of the aisle to join us as cosponsors for future insertion in the RECORD. Those that are now included are listed below:

LIST OF COSPONSORS

Abdnor, Armstrong, Badham, Bafalis, Bauman, Burgener, Burke, J. Herbert, Cleveland, Cunningham, Collins, James, Crane, Devine.

Dornan, Duncan, John, Edwards, Jack, Edwards, Mickey, Erlenborn, Goodling, Grassley, Guyer, Hammerschmidt, Hansen, Harsha, Hillis.

Hyde, Kasten, Ketchum, Kindness, Lagomarsino, Latta, Livingston, Lott, Lujan, Marriott, Martin, Miller, Clarence.

Moorhead, Carlos, Quillen, Sebelius, Spence, Stangeland, Symms, Thone, Treen, Walker, Walsh, Winn, Young, Don.●

HOUSE RADIO COVERAGE: AN HISTORIC BREAKDOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 30 minutes.

● Mr. ANDERSON of Illinois. Mr. Speaker, I must protest your decision of last week to permit media access only to the audio coverage of House proceedings beginning this week. This does not represent an historic breakthrough, but rather an historic breakdown. It is a breakdown in relations with the broadcast media covering the House. And it is a breakdown in trust with the House itself which voted 342 to 44 last October 27 for House Resolution 866, which authorized the "complete and unedited audio and visual broadcasting and recording of the proceedings of the House of Representatives" and access to such coverage by "all television and radio broadcasting stations, networks, services, and systems—including cable systems—which are accredited to the House Radio and Television Correspondents' Galleries."

Mr. Speaker, in your announcement in this Chamber on Thursday, June 8, you indicated that:

Under the provisions of that resolution, all accredited news media will be allowed beginning on Monday, June 12, to plug into the House microphone system and to distribute full audio coverage of House proceedings for an indefinite trial period.

This is a serious misreading and violation of the provisions of House Resolution 866 which clearly provided for the simultaneous availability of the audio and visual coverage of our proceedings to the broadcast media. Under the terms of that resolution you were granted the immediate authority to "devise and implement a system * * * for closed circuit viewing of floor proceedings of the House of Representatives in the offices of all Members and committees * * *." The resolution further provided that the "Committee on Rules shall conduct a study of all alternative methods of providing complete and unedited audio and visual broadcasting of the proceedings of the House of Representatives" and "report its findings and recommendations as soon as practicable, but not later than February 15, 1978." That report, "Broadcasting the Proceedings of the House" (H. Rept. 95–881), was issued on February 15, 1978.

Finally, House Resolution 866 provided that, "As soon as practicable after receipt of the report of the committee, the Speaker shall devise and implement a system subject to his direction and control for complete and unedited audio and visual broadcasting and recording of the proceedings of the House of Representatives," and "for the distribution of such broadcasts and recordings thereof to news media and the storage of audio and video recordings of the proceedings."

At no point in the report on House Resolution 866, during the debate thereon, or in the subsequent deliberations of the Committee on Rules or its report of February 15 was it ever suggested that the audio and visual coverage should be decoupled and that the audio coverage should be made available to the media before the video coverage. As one who served on the Ad Hoc Subcommittee on Broadcasting of the Rules Committee in the last Congress, and on the Subcommittee on the Rules and Organization of the House in this Congress, I think I can state with some authority that the only remaining obstacle to going public has been the question of who should control the cameras—the House itself or a network pool. That was the main reason House Resolution 866 called for an additional study by the Rules Committee before the Speaker made a final decision on this matter. It was clearly our intent that the Speaker have the full benefit of such a study of alternative systems before devising and implementing a complete system for audio and visual coverage of our proceedings. The Rules Committee was closely divided on the question of who should control the cameras, with a narrow majority favoring a House-controlled system. But even the majority report strongly recommended that:

The Speaker should authorize broadcasting to begin only after he and the committee he selects, on the basis of tests conducted with the actual equipment and under the actual lighting and camera conditions to be used, are satisfied that the coverage produces an acceptable level of picture, sound, and production quality without undue discomfort, distraction or inconvenience for Members on the floor of the House.

That February 15 report went on to recommend that:

The Speaker should seek, and the House should provide, funds sufficient to obtain expert advise, quality equipment, and professionally competent staff required to achieve and maintain these conditions.

Moreover, the report recommended that:

Broadcasting should not begin until appropriate legal and administrative arrangements connected with the use of broadcast coverage are completed or close to completion.

In other words, the Rules Committee felt strongly that before any broadcasting should begin, appropriate preparations should be made—that if we were going to do this in a creditable manner, it should be done right.

Interestingly enough, the Speaker latched onto those recommendations as an excuse to delay public access to our broadcast coverage until next year. And yet now, he has authorized public access to our audio coverage, even though none of the technical or legal preparations have been made. Granted, visual coverage involves more technical problems than audio coverage. But the fact is there is no evidence that the Speaker is complying with the "soon as practicable" clause of House Resolution 866 to overcome those problems and devise and implement a system "for complete and unedited audio and visual broadcasting and recording of the proceedings of the House of Representatives."

Admittedly, House Resolution 866 gives the Speaker the unilateral authority to decide on the type of system to be utilized—whether House-controlled or professional broadcaster controlled. But, the Speaker has also publicly pledged on at least two occasions—on Meet the Press, December 11, 1977; and Face the Nation, January 22, 1978—to give the House the final vote on the decision of who should control the cameras. On the former occasion the Speaker said:

I think it would be ultimately something to be voted on by the House . . . this is a democracy and whatever the will of the members are, I will follow . . . It is going to be the will of the Congress themselves how they decide.

On the latter occasion the Speaker was asked: "Will every Member have a vote in this?" to which the Speaker responded, "I would have to say yes."

And yet, despite this pledge, the Speaker has made no movement toward giving the House that vote. It should have been presented to the House as soon as possible after the Rules Committee issued its February 15 report this year. Had that been done, the Speaker could have proceeded immediately to either purchase House cameras and related equipment or make arrangements with professional broadcasters to provide the coverage. But things still hang in limbo over that fundamental decision—four months after the February 15 decision point.

One can only conclude from all this that the Speaker is less than anxious to move forward "as soon as practicable" on implementing a broadcast system as the House mandated him to do by the adoption of House Resolution 866 last October. It will hardly do to claim that various technical problems prevent this when the House has not even been given a chance to vote on a system—a mere

parliamentary procedure which presents no technical problem. Even the most inept legislative draftsman could devise a simple House resolution providing for a House broadcast vote in less than 4 months time. Had the House voted on such a resolution shortly after February 15 a complete audio and visual broadcast system could have been purchased, installed and operable by now. There may well be some political considerations involved here such as the uncertainty over the effect of broadcast coverage on the upcoming elections, but I doubt if the House intended for that to be a factor in determining when its "practicable" to go public with the coverage.

I think it should be noted that on at least two occasions the Architect has received orders from the Speaker to purchase new color TV cameras and related equipment, presumably only to improve on the quality of the present closed-circuit coverage. On both occasions I have reminded the Speaker that such an action goes beyond what the House had in mind in authorizing him to complete the closed-circuit system. The legislative history makes clear that that authorization was only for completing the cabling of the House Office buildings, and not for purchasing an expensive new color camera system. On both occasions the Speaker reversed his order to the Architect. On the most recent attempt, the argument was made to me that, even if the House should vote for coverage by a professional broadcast pool, the pool would purchase the new color cameras from the House. But in response to my inquiry, a representative of the pool indicated that, "there is potentially great difficulty in a scheme wherein the industry would be asked to purchase used equipment to implement coverage of House proceedings." Moreover, the pool had not even been consulted about such a possibility.

Mr. Speaker, when I opened my remarks I indicated that going ahead only with making audio coverage available to the media now represented an historic breakdown in House relations with the broadcast media which cover the Hill. Apparently the Speaker's decision and the details of it were only discussed with one representative of the media—AP radio. There was no consultation with the executive committee of the Radio and Television Correspondents' Gallery on this, and my information is that a substantial number of representatives of both the radio and television media are outraged by this agreement. The radio people are justifiably outraged at not being allowed to have any commentators in the gallery overlooking the floor, as was done with the Panama Canal debates in the other body. Instead, they will be forced to try to figure out what is happening by watching TV coverage on closed-circut monitors in the studios off the floor. As Frank Mankiewicz, president of National Public Radio put it, this would be like trying to cover a basketball game from closed circuit monitors with only a view of both backboards and nothing more. In his words, "You can tell when a basket is scored, but not by whom or how. Serious journalists cannot broadcast under these restraints."

The television people also have cause for complaint since they will be denied the use of their primary tools—visual pictures—to report on our proceedings. This is a blatant case of favoritism towards one broadcast media over another, and even the favored few are not happy with the shackled conditions under which they will be forced to operate. The House should not act in this cavalier, take-it-or-leave-it fashion towards the media, without even the slightest attempt at consultation and accommodation with the elected representatives of the radio and TV galleries. As I mentioned earlier, it was clearly the intent of the Rules Committee that if we were to broadcast our proceedings, it should be done right, and that means careful preparation and consultation with those who will be using this coverage.

Had the Speaker bothered to consult with the Rules Committee, for instance, he might have discovered that the British House of Commons experiment with only radio coverage, under similar severe restraints, was a complete disaster because the broadcast journalists could not adequately explain to their listeners what was happening during debate. This produced a negative reaction from the listening audience—they were confused and frustrated in trying to figure out what was going on. In short, the experiment had the opposite effect than intended: instead of informing the public and stimulating their interest in the debates in the House of Commons, it only turned them off.

In conclusion, Mr. Speaker, this audio experiment you have initiated is contrary to what the House intended when it adopted House Resolution 866 last fall. The House clearly intended for you to move forward simultaneously in implementing an audio and visual system for broadcasting our proceedings, and not a hear today, see tomorrow approach. Moreover, the haphazard and secretive manner in which this agreement was struck outside normal broadcast channels, has only poisoned the relations of this body with the broadcast media and made more difficult the prospect for an acceptable visual broadcast system in the House in the future.

To repair this damage, I would strongly urge you to renegotiate the conditions for audio broadcasting with the elected representatives of the Radio and TV Correspondents' Galleries. Moreover, I would urge you to bring a resolution to the House floor as soon as possible which will permit the House an opportunity to decide who should control the television coverage of our proceedings. That will enable you to move forward with deliberate speed in complying with the mandate of House Resolution 866 to provide media access to the audio and visual coverage of our proceedings. The authority of that resolution expires at the end of this Congress. Obviously, therefore, it was the intent of the House that the provisions of the resolution be implemented this year, not next. Even if you should decide that it is not practicable to provide public access to the televised coverage of our debates this year, the system should at least be installed, tested and ready for public viewing by the opening day of the next Congress, and not 6 months later.

At this point in the RECORD, Mr. Speaker, I include an article from last Friday's Washington Star on this matter, a series of unanswered letters to you, and my correspondence with the Architect and Sanford Socolow, a representative of the network pool.

[From the Washington Star, June 9, 1978]

"LIVE FROM HOUSE"—STILL SOME PROBLEMS

(By Dennis John Lewis)

Don't hold your breath waiting to hear many radio broadcasts live from the House of Representatives, even though Speaker Thomas P. O'Neill said yesterday such broadcasts will now be allowed.

You might hear occasional "actualities" on radio newscasts, with snippets of congressional speeches, but what O'Neill said broadcasters could do for continuous coverage—pick up an open feed from the microphones the House has installed for its own use—isn't enough for most broadcasters at this point.

Frank Mankiewicz, president of National Public Radio, called for continued negotiations on the subject, comparing the O'Neill proposal to the idea of broadcasting about a basketball game from closed circuit pictures, with a view of only both backboards and nothing more: "You can tell when a basket has been scored, but not by whom or how. Serious journalists cannot broadcast under these restraints."

The House and broadcasters have been debating who can control what is aired from the chamber; where commentators might be situated; whether network equipment and union technicans will be used.

Representatives of the Radio-TV News Directors Association were meeting today to discuss the O'Neill proposal and the broadcasters' response.

The lone cheer for the O'Neill announcement came from Associated Press Radio, which had suggested such a feed from the House floor in a letter to the speaker two weeks ago. Bill McCloskey, AP Radio's assistant managing editor, said if a plug-in experiment works as expected, his network will offer its first live coverage from the House at 12:06 p.m. Monday. AP Radio news is carried locally by WASH-FM, WGMS AM/FM, WTOP-AM, WRC-AM, WEEL-AM and WPRW-AM.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 16, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: It is my understanding that you reiterated to the press in your office last week your intention to give the House a vote on the alternative means of providing broadcast coverage of House proceedings. I commend you on your continuing commitment in public to permitting a House vote on this matter.

It is my further understanding that you indicated the vote would come on a resolution creating a select committee to supervise the House broadcast operation, and that such a resolution would be open to amend-

ments. I think this could be an appropriate vehicle for a House vote on the broadcast alternatives, provided the resolution is not sent to the House as privileged and provided any amendment offering an alternative method of broadcast coverage would be germane to the resolution. In this regard, I think it might be helpful if section 1 of the resolution simply stated that, "It is the sense of the House that the audio and visual broadcast coverage of the proceedings of the House should be provided by the House." This would embody the principal recommendation of the Rules Committee and give the House a chance to consider substitutes for this section. Section 2 would establish the select committee, and could be amended to reflect any change made by amendments adopted to section 1.

It is also my hope that such a resolution can be brought up in the House at the earliest practicable date so that work can go forward on installing the new system. I realize that funds have already been reprogrammed in the Architect's budget to cover the purchase of new color cameras and related equipment. But as I wrote to you earlier, and as you agreed, it would not be proper for the House to make such an investment before it is finally determined who will be providing the coverage. I therefore assume that you will not give the Architect the final go-ahead to buy new color cameras until after the House votes on the matter.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 1, 1978.

Hon. THOMAS P. O'NEILL, JR.,
Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As a member of the Rules Committee's Subcommittee on the Rules and Organization of the House, I am writing to inquire into the status of the House broadcast system authorized by H. Res. 866 adopted by the House on October 27, 1977.

As you will recall, that resolution instructed the Rules Committee to report on alternative broadcast systems by February 15, 1978, and the Speaker to devise and implement a system for broadcasting House proceedings "as soon as practicable after receipt of the report of the committee."

It has now been two and one-half months since the Rules Committee issued its report. You have publicly indicated on at least three occasions that you would give the House a chance to vote on the broadcast alternatives—namely, whether the House should own and operate its own broadcast system or whether professional broadcasters should provide the coverage.

I appreciate the fact that the Rules Committee raised some technical concerns about what must be done before such a system can be fully operational, and that you have indicated that these concerns preclude going public before next year. But I hope you realize that many of these concerns cannot be dealt with until the new cameras and equipment have been purchased, installed and tested, and that considerable time will be needed for these steps. It is therefore vital that a decision be made by the House as soon as possible so whoever is charged with the responsibility can begin to gear up for next year.

I would appreciate your response to this letter at your earliest convenience.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 5, 1978

Hon. THOMAS P. O'NEILL, JR.,
Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: This is to inform you of my reaction to Jack Brooks' suggestion that you purchase new color cameras to televise House proceedings before the House can vote on who should control those cameras.

In my opinion such a move would not only prejudge the House vote but would violate the spirit if not the letter of H. Res. 866 which inextricably links the implementation of a broadcast system (including the purchase and installation of cameras) to the decision on who should operate that system.

There can be no question that you are now legally entitled to unilaterally decide who should own and operate the cameras—whether the House or a professional broadcast pool. Under the terms of H. Res. 866 that decision may be made after receipt of the February 15th Rules Committee report on alternative methods of providing coverage. But, you have promised on several occasions that the House would have a vote on that important question, and I have no reason to doubt your word. It therefore seems clear to me that the implementation of the House broadcast system, including the puchase of new color cameras, cannot take place until the question of control has been resolved by a House vote. To take this in reverse order would be ludicrous since we have no assurance the pool would want our new cameras should the House choose the pool. In fact, I have good reason to believe the pool would not buy our camera for certain technical reasons.

In conclusion, I would strongly urge you to bring this matter to a vote in the House as soon as possible so whoever is chosen to operate the system can proceed to purchase the necessary cameras and related equipment.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 8, 1978.

Mr. SANFORD SOCOLOW,
Vice President, CBS News,
Washington, D.C.

DEAR SANDY: I am writing to you in your capacity as the present representative of the networks on matters of mutual concern, the so-called "network pool." The question has been raised with me about the attitude of the pool toward purchasing colored television cameras from the House if, after purchasing such cameras for in-House use and testing, the House should subsequently vote to have the pool provide the coverage.

I was informed by one Member who is very knowledgeable about the House broadcast system that it would be no problem for the pool to acquire such cameras to provide continued coverage of House proceedings, and moreover, that the pool would most likely go along with such an arrangement.

I would greatly appreciate your reaction and that of your pool colleagues to such a proposal, particularly whether this would present any technical problems and, if so, what they might be.

Thanking you in advance for your prompt response to this inquiry, I am

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

CBS NEWS,
Washington, D.C., May 10, 1978.

Hon. JOHN B. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: On behalf of the informal network pool, I am responding to your letter of May 8, 1978.

Having carefuly considered the questions you raised, we feel there is potentially great difficulty in a scheme wherein the industry would be asked to purchase used equipment to implement coverage of House proceedings. Technical requirements differ from one network to another, and odds are that equipment purchased by the House would fall somewhere between the varying technical requirements which now exist. In this connection I note that we have not been consulted by the House on technical details. Nor have our technical experts drawn up any current industry specifications for such equipment. There is also the question of cost, about which there is no agreement, either between the House and the industry or between various members of the pool.

So, to sum up: the informal network pool, I think it is fair to say, looks askance at such a scheme, because of potential technical and cost problems. And, as you know, it has always been our conviction that proper coverage of House proceedings requires independent control of the machinery. An intervening period of House control is unnecessary.

On behalf of ABC, CBS, NBC and PBS, I am

Very truly yours,

SANFORD SOCOLOW.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 10, 1978.

Mr. GEORGE M. WHITE,
Architect of the Capitol,
Washington, D.C.

DEAR MR. WHITE: I have received unofficial word that you have reached official authorization from the Speaker of the House to proceed to prepare the papers for the purchase of new color cameras for the House broadcasting system.

As a member of the Subcommittee on the Rules and Organizations of the House of the House Rules Committee, which has jurisdiction over this subject, I am writing to inquire the following:

(1) Have you received authorization from the Speaker to proceed in any manner toward the eventual purchase of new color TV cameras for the House broadcasting system?

(2) If so, what is the exact nature of the authorization, and, if in written form could you please supply me with a copy?

(3) What is the estimated total cost of the cameras, and any related equipment, which you have been authorized to purchase?

(4) By what authority of the House have you been authorized to make such purchases?

Because there may be some question as to the appropriateness of such a purchase at this time, I would appreciate your prompt response to these inquiries at the earliest practicable date.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

THE ARCHITECT OF THE CAPITOL,
Washington, D.C., May 18, 1978.

Hon. JOHN B. ANDERSON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I am pleased to respond to your inquiry of May 10 regarding the status of the proposal to

purchase color TV cameras for the House closed circuit system. The response is arranged in accordance with your numbered questions, ad seriatim:

(a) Yes, I was directed to begin the preparation of initial specifications and whatever other documentation was necessary preparatory to the possible purchase of color cameras. My office has, further, been in contact with several manufacturers in order to obtain technical information, performance data and price information for future discussion, if such should be desired.

(b) The direction was not in written form, but in substance was as described above.

(c) I have not been authorized to actually purchase any cameras or related equipment; the cost, if such an authorization is given, is estimated at approximately $125,000 per unit, i.e., cameras, lenses, and related equipment.

(d) If such an authorization is given, I presume it would be under the authority given to the Speaker by H. Res. 866.

I shall be pleased, of course, to furnish any additional information that you may deem desirable.

Cordially,

GEORGE M. WHITE, FAIA,
Architect of the Capitol.●

MEAT-AX POLITICS SHOULD BE VIEWED WITH CAUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, since the passage of proposition 13 and the beginning of a much publicized "taxpayer's revolt" across the Nation, the political bandwagon has loaded down with budget and tax-cutting legislation.

Surely last week's vote in California and the public's positive attitude toward such a measure are signals to our Nation's law and regulation makers that taxpayers are fed up with escalating taxes and an increasingly inefficient Government bureaucracy. But a sudden turn to meat-ax politics should be viewed with alarm and caution.

A case in point is the legislation before us to cut the Federal Trade Commission's power to regulate false and deceptive advertising of children's food products through the appropriations process.

This provision to H.R. 12934, as reported by the Appropriations Committee, specifically places a moratorium on the issuance of any trade rules restricting the advertisement of foods on the Federal Food and Drug Administration's generally recognized as safe list. As amended by the committee, the provision allows the FTC to continue hearings and investigations of such rules but prohibits any rules to be issued during fiscal year 1979.

Mr. Speaker, this provision will kill an FTC rulemaking initiative begun in 1974 to halt deceptive nutritional claims aimed at children, and through unintended interpretations of the committee's action, may severely cripple the Commission's rulemaking authority in other food areas.

Many persons have confused the issues of safe foods and responsible advertising. For a food to be recognized as safe does not guarantee it is being advertised in a truthful or responsible manner. Even a perfectly safe food can be advertised in an unfair, deceptive, and misleading manner, particularly in the area of nutritional claims made on children's food products.

It is clearly the legislated power of the Commission to halt such false claims through the rulemaking process. In 1938, Congress gave the FTC exclusive rights over advertising of foods, drugs, and cosmetic products. The chairmen of the Food and Drug Administration and the Federal Communications Commission have repeatedly testified that rulemaking powers belong to the FTC in the area of food advertising. The provision offered by the Appropriations Committee effectively negates this mandate throughout fiscal year 1979.

For these reasons, I oppose any attempts to undermine the Commission's authority over food advertising. The lines of jurisdiction are clear. It is expressedly wrong for this power to be stripped from the FTC through the appropriations process and certainly not in the best interest of consumers.●

HEARINGS ON UNITED STATES PRIVATE INVESTMENT IN SOUTH AFRICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, on behalf of myself and Mr. DIGGS, I wish to announce a series of joint hearings by the Subcommittees on Africa and on International Economic Policy and Trade on United States private investment in South Africa.

The Specific focus of the hearings will be H.R. 12463, a bill introduced by Mr. SOLARZ which would amend the Export Administration Act of 1969 to prohibit any new investment in South Africa by U.S. persons, and impose sanctions on U.S. persons with existing investments in businesses in South Africa that engage in unfair employment practices.

A hearing has been scheduled on June 27 to hear experts from the public. It will take place at 2 p.m. in room 2255 of the Rayburn House Office Building. Further hearings will be announced. Oral testimony will be accepted, at the discretion of the staff, only from persons prepared to comment specifically on H.R. 12463. In some cases written statements may have to be accepted in lieu of oral testimony.

Persons wishing to testify should contact either Jennifer Ward, staff director, Subcommittee on Africa (225-3157), or Victor C. Johnson, staff associate, Subcommittee on International Economic Policy and Trade (225–3246). Both can be reached by mail in care of the Committee on International Relations, House of Representatives, Washington, D.C. 20515.●

HEARING TO EXPLORE NEWS MEDIA SEARCH WARRANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, 2 weeks ago the Supreme Court handed down a decision in Zurcher against The Stanford Daily which has important first amendment and fourth amendment impact. The court held in this case that it was legal for the police to obtain a search warrant to go through a newspaper office looking for pictures taken by a news photographer. The police believed the pictures would depict the commission of a crime though neither the newspaper nor its staff members were suspected of the crime.

My Subcommittee on Government Information and Individual Rights, which has long had an interest in both Department of Justice operations and news media legal questions, is concerned about the impact of this decision on news organizations. It also may have serious effects on other third parties holding materials which police believe are evidence of crime.

In order to assess this impact we have scheduled a hearing for Monday, June 26 at 10 a.m. We will hear from the Department of Justice, from a panel of news organization representatives, and from a group of law enforcement officials at the State and local level.

A number of bills aimed at restricting the effect of this decision have been introduced and referred to the Committee on Judiciary. Our hearing will not consider legislation, but will examine the law enforcement and news organization policies which are evolving in light of this decision.

The record for this hearing will also remain open for a time in order to receive the written submissions of persons or organizations addressing themselves to the subject of our concern.●

ZURCHER AGAINST STANFORD DAILY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker, probably 99 percent of all Washingtonians read Art Buchwald's column in the Washington Post. And if my guess is right, an

even higher percentage of the Members of Congress read him.

Yet this morning, in his inimitably humorous way, Mr. Buchwald has made a devastating case against the erosion of first amendment rights of the American press in his hypothetical description of how police agencies, in conjunction with irresponsible judges, might well use the Supreme Court's recent decision for fishing expeditions or worse, threatening the liberty of us all.

Most police agencies are, of course, highly ethical. Most judges are hard-working and diligently carry out the law as best they can. But any society must remember that, after all, laws have no meaning unto themselves; they require implementation by men and women. And despite our best efforts, those on whom we rely to implement the law are not infallible.

It is this point which, in my view, highlights the basic weakness of the Supreme Court's decision in the Zurcher against Stanford Daily case, where the Court determined that a police agency could search the premises of a news gathering organization after issuance of a warrant permitting such a search. Warrants are dangerous weapons; they are almost impossible to limit in terms of the things to be sought, and they are obtained on an ex parte basis where the rigors of an adversary proceeding are totally absent.

The Founders of our country enacted the first amendment for a very good reason. They recognized the importance of a free press as an integral part of our "experiment in democracy," and they also recognized the fragility of the press unless it was specially protected from governments which, for good reasons or bad, might tread on its freedom to perform its essential functions.

I commend Mr. Buchwald's column to your attention, Mr. Speaker, and to that of all our colleagues. Its message is clear; the need for action on our part is equally clear. The column follows:

UNWARRANTED INTRUSION? NOPE, WE GOT A WARRANT

(By Art Buchwald)

"Knock, knock."

"Who's there?"

"The police."

"The police who?"

"The police with a warrant to go through your files and notes and photos to see if you have any evidence that might help us catch a criminal."

"I dont believe it."

"Oh, you don't, huh? Well, just read the Supreme Court ruling written by Justice Byron White in a 5-to-3 decision. It says you newspaper people have no more protection than anyone else."

"What are you looking for?"

"A little of this, a little of that. You never know what you can find in a newspaper office."

"But if you can go through our files and notes, nobody will be willing to blow the whistle on crooked politicians, waste in government and violations of the Constitution."

"That's right. So open the door before we break it down.

"Wait. It goes deeper than that. Many of our sources are willing to talk to us about crimes that have been committed. If they realize their identities can be revealed they'll clam up, and then you people will never be able to arrest the guilty parties."

"Maybe so. But you guys have been getting a free ride on the First Amendment for too long. This will stop you meddling in the government's business, once and for all."

"What are you throwing all those photos on the floor for?"

"We want to see if you have any pictures of cops beating up demonstrators."

"Why?"

"Because we want the pictures of the demonstrators. A lot of them got away when we were beating up the ones who didn't."

"But people are allowed to demonstrate. It's in the Constitution."

"Tell that to the Supreme Court. After we get through these photos we want every reporter to turn over his notebook. We want to know who he or she talked to and when."

"But that's a fishing expedition. Tell us what you're looking for."

"We must know who told you people that the judge was taking bribes from the mob."

"What judge?"

"The judge who issued this warrant, dummy. Once we find the guy who was singing he'll be held in contempt of court."

"But that judge is part of the political machine in this town."

"That's right, and we want to see everything you have on the machine, and addresses, too."

"What else do you want?"

"You know the bridge that collapsed last week? Somebody told your paper that the contractor had put in cheap cement which made it collapse."

"You want the name of the contractor?"

"No, we want the name of the guy who ratted on the company that built the bridge."

"Why don't you find out for yourselves?"

"We don't have to, when we can come here."

"Knock, knock."

"Who's there?"

"The FBI."

"What do *you* guys want?"

"What have you got?"●

EARTHQUAKE RESEARCH APPROPRIATIONS AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, it is certain that we in the U.S. Congress must carefully weigh our appropriation decisions, and recent events have only reinforced that responsibility. Of course, we are also almost daily reminded of another grave responsibility we, as lawmakers, have assumed—the protection of the national health and welfare. At times the appropriation of Federal dollars for the benefit of one of these responsibilities taxes the other. The recommendation of the Committee on Appropriations to limit earthquake hazard investigation research in the NSF is just such an appropriation. It would save $9 million but leave 185 million people and untold billions of dollars of property throughout the entire country exposed to the death and destruction caused by earthquakes.

Presently these natural disasters cause a yearly average of over 8,000 deaths and many millions of dollars in damage. And, as more and more capital and people are being exposed to the threats of earthquakes these figures will dramatically rise. For example, U.S. Geological Survey scientists and consulting engineers reported in the August 22, 1975, issue of Science:

> Recognizing that the exposed population in San Francisco Bay area has increased sixfold since 1906, that the investment in structures has increased tenfold, and that the fire loss in 1906 is not expected to occur again, $10 billion to $20 billion of damage is estimated for a repetition of the 1906 earthquake. The loss of life, if the occurrence were again during nonbusiness hours, is estimated at approximately 3,000 to 5,000. However, if the earthquake occurred during business hours, the loss of life could be many times greater, up to 10,000 or 20,000.

Very few scientists, if any, refute that a devastating earthquake will sooner or later hit a major metropolitan area—whether Los Angeles, San Francisco, Boston, or Memphis.

Yet, it is also the consensus among seismologists, geologists, and other Earth scientists that within a decade or so the state of the science will permit the development of a practical early warning system. Not only did the Chinese earthquake program successfully predict the major Haicheng earthquake, saving tens of thousands of lives, and three other major earthquakes—magnitude = 7—but also U.S. researchers predicted the Thanksgiving Day earthquake of 1974 that struck near Hollister, Calif. While such successes are not routine, a continued modest effort is realistically expected to yield such successes.

Certainly the Appropriations Committee has a difficult task, and judging from its report, I do not think it has any quarrels with the program. In fact, the program has been through extensive review—by the Congress when it considers legislation and by eminent physical and social scientists, Federal agency officials, State and local government representatives, citizen groups, professional societies and several congressional offices, including the OTA as the President's Office of Science and Technology Policy drafted the program's implementation plan. The result of all this work and review is a well framed program that responds very well to the public law. Its chances for success are good, provided a critical level of research is supported.

Again, however, my reading of the report indicates that the committee's recommendation is based upon misinformation. The report contends that as the design and policy activities of the NSF earthquake program overlap the existing programs of other Federal agencies, the NSF should decrease its funding of these activities. This simply is not the case.

While some Federal agencies, such as the Center for Building Technology within the National Bureau of Standards, the Federal Disaster Assistance Administration and the U.S. Geological Survey are very much intended and active in studies or programs related to earthquake prediction or hazard investigation, there is no evidence of wasteful overlap. Furthermore, the work performed by most of these agencies tends not to be research. For example, the Administrator of the FDAA, William H. Wilcox, has informed me:

Your perception that the NSF research efforts do not duplicate FDAA's research endeavors is correct.

We are also interested in the full spectrum of policy questions of earthquake mitigation, including the development of basic scientific and engineering information; the identification of socioeconomic, political, and legal problems and possible solutions; and the timely dissemination of this information in usable form to the private and public sectors. For this kind of research, however, we have neither the required staff nor the needed funds. Instead we have relied and will continue to rely on the research efforts of other Federal agencies, for example, the research element of HUD, the United States Geological Survey and the NSF. Our relationship with the NSF is one of long standing (since 1971) and is particularly close. From time to time, FDAA informs them in writing of our research needs in specific program terms. We participate actively in the review process of relevant grant proposals that they receive. And in the course of this review process, we help to shape their grant efforts toward the satisfaction of our own research needs in earthquake and other mitigation fields. Further, we are members of Advisory Boards to their grantees (for six to eight grants at any one time), providing frequent guidance as to the direction of the research effort and contributing the users' point of view. Most importantly of all, however, is the very close professional relationship of the FDAA and NSF personnel that ensures continuing communication and mutually beneficial activites between the two agencies. . . . Furthermore our dependence on the NSF's continuing performance of research in this area is very strong; hence a serious cut in this portion of the NSF's budget would deprive FDAA of our almost sole source of research results in earthquake policy matters.

This is pretty much the case for the Center for Building Technology. The Appropriations Committee report states that the Center is performing the same tasks as the NSF design subelement and claims that, therefore, the NSF program is expendable. However, like the FDAA the Center is inadequately staffed to assume the research responsibilities of the NSF. In fact, the Center presently depends on outside contractors for much of its research; and I have been told that it receives approximately 80 percent of its funds from other Federal agencies, including the NSF.

Mr. Speaker, this whole issue of proper funding levels for the NSF earthquake program was very well and fully addressed in 1976 at the President's request and is contained in the report, "Earthquake Prediction and Hazard Mitigation Options for USGS and NSF Programs." It was prepared by an external advisory group and reviewed by those other departments and agencies:

Department of Interior: Bureau of Reclamation.

Department of Housing and Urban Development: Federal Disaster Assistance Administration, Federal Insurance Administration.

Department of Commerce: National Oceanic and Atmospheric Administration, National Bureau of Standards.

Department of Defense: Advanced Research Projects Agency, Defense Civil Preparedness Administration, Corps of Engineers.

Department of Transportation: Federal Highway Administration.

General Services Administration: Federal Preparedness Agency.

National Aeronautics and Space Administration.

Energy Research and Development Administration.

Veterans' Administration.

Nuclear Regulatory Commission.

The report presents options for future development of a combined NSF/USGS research program. Option A represents a level which is barely adequate to accomplish the objectives of the plan and would require the postponement of many important aspects of the plan. Option C is the highest level. Option B, a compromise, was chosen for fiscal year 1979 and is consistent with the Earthquake Hazard Reduction Act of 1977, now public law.

If the amounts recommended by the Appropriation Committee were to become law the design subelement would be limited to $6.8 million for fiscal year 1979 and the policy subelement to $0.8 million for the same period. These funding levels are well below the option A of the USGS–NSF report mentioned earlier. This means that these activities would not be supported by NSF at a level adequate to accomplish the program's goals. And, since the other Federal agencies are not now, nor prepared to soon, actively and efficiently conduct or support the research for which the NSF is responsible, it is most likely that these tasks will not be done. More specifically, the FDAA reports that it may not be able to get funds from other sources, the CBT reported that it will be similarly affected, and other agencies, offices or programs which either receive NSF supports or coordinate their interests in earthquake prediction or hazards with the NSF, such as the FDAA does, may be encountered with program gaps or inefficiences.

Additionally, the latest draft of the implementation plan for the Earthquake Hazard Reduction Act is based upon a network of agencies. The network's and hence the national program's, success depends upon each agency conducting and coordinating its specific assignments. The NSF is to serve as an important node, or connecting point, in this network. In fact, the NSF and USGS provide the basis for actions for over 20 agencies under this implementation plan.

For all these reasons, and more with which I won't burden you, I will offer an amendment to the NSF appropriations bill that would restore the $9 million. Specifically, it would increase appropriations for the NSF to $817.4 million for research and related activities; which gives $57.1 million for applied science and research applications; of which $26.4 million is for earthquake hazards mitigation. The earthquake hazards mitigation program is to be divided as follows: $9.8 million for the siting subelement activities, $11.8 million for the design subelement and $4.8 million for the policy subelement.

These funds meet the dual responsibilities I mentioned at the outset, allowing in a very cost efficient and practical manner to mitigate the billions of dollars of damage and thousands of lost lives that U.S. earthquakes would otherwise eventually cause.

I, therefore, earnestly urge my colleagues to restore these needed funds.

Mr. Speaker, I insert the following fact sheet in the RECORD at this time.

FACT SHEET: NATIONAL EARTHQUAKE HAZARD REDUCTION PROGRAM IN JEOPARDY

Signed into law on October 7, 1977, the Earthquake Hazard Reduction Act of 1977 assigned major responsibility for its enactment to the U.S. Geological Survey and the National Science Foundation. Since then the Office of Science & Technology Policy has been hard at work writing an implementation plan for the Act so that the President could submit it to the Congress.

The latest draft states that the many agencies that will be involved in the national program are prepared to actively pursue the goals and objectives of the law. As drafted, the success of a national earthquake hazard reduction effort is directly linked to a properly designed and coordinated networking of these multi-agency inputs Recent recommendations of the House Committee on Appropriations, however, if passed by the House when it votes on the National Science Foundation FY '79 budget could severely impair the program.

The Appropriations' Committee, in consideration of the FY '79 NSF budget, has recommended a $9 million cut from the President's request of $26.4 million. More specifically, this cut is targeted for two of the three NSF sub-elements and is actually below the current FY '78 plan. See table below:

NSF EARTHQUAKE HAZARD MITIGATION PROGRAM

	Current plan, fiscal year 1978	Administration request, fiscal year 1979	Appropriation recommendation, fiscal year 1979	Difference, appropriation request
Program subelement:				
Siting	6, 856, 600	9, 800, 000	9, 800, 000	0
Design	8, 750, 000	11, 800, 000	6, 800, 000	−5, 000, 000
Policy	2, 500, 000	4, 800, 000	800, 000	−4, 000, 000
Total	18, 106, 600	26, 400, 000	17, 400, 000	−9, 000, 000

BASIS FOR ADMINISTRATION REQUEST

Continued research and investigation by geologists, seismologists and other earth scientists have determined:

That within a decade or so scientists may be able to successfully predict the time, magnitude, location and probability of occurrence of potentially damaging earthquakes.

That damaging earthquakes are likely to strike not just a few restricted areas in the West but are possible in wide regions where at least 70 million people in 39 states live at major or moderate earthquake risk.

At the President's request, a report on *Earthquake Prediction and Hazard Mitigation Options for USGS and NSF Programs* was developed. The report presents options for future development of a combined NSF and USGS research program. Option A represents a level which is barely adequate to accomplish the objectives of the plan and would require postponement of implementation of many important aspects of the plan. Option C is the preferred and most effective option. Option B, a compromise A and C, was chosen for FY '79, and is consistent with the Earthquake Hazard Reduction Act of 1977.

NSF EARTHQUAKE HAZARD MITIGATION PROGRAM

The goal of the joint NSF–USGS program is to reduce casualties, damage, and social and economic disruption from earthquakes. The social, economic, and political actions that must be taken to attain this goal are based on technological capabilities that require development through research. The primary objectives of this research are:

Earthquake Prediction—Develop the capability to predict the time, place, and magnitude and effects of earthquakes so that more effective preparedness actions can be undertaken.

Earthquake Modification and Control—Develop techniques that allow the control or alteration of seismic phenomena;

Land Use—Develop procedures for assessing seismic risk and evaluating earthquake hazards so that appropriate construction and land use plans can be implemented.

Design Improvement—Develop improved, economically feasible design and construction methods for building earthquake-resistant structures of all types and for upgrading existing structures; and,

Social and Behavioral Response—Develop an understanding of the factors that influence public utilization of earthquake mitigation methods.

The Geophysics program sub-element of NSF and the USGS are responsible for fundamental earthquake studies to help meet the goal of this program. Earthquake prediction, induced seismicity and hazards assessment are the responsibility of USGS; earthquake engineering and research for utilization are the responsibility of NSF's Earthquake Hazards Mitigation program element.

This program is composed of three subelements.

The siting sub-element is concerned with the impact of earthquake ground motion on structures and the development of criteria and guidelines for its mitigation. This subelement is to provide support for increased understandng of the physical basis of earthquake energy generation and the transmission of this energy as shock waves through various geologic and soil conditions.

The design sub-element is basically interested in the analysis and design of buildings, dams, pipelines and other civil structures, and is concerned with the functional, economic and performance requirements necessary to maintain the integrity of the structure throughout its intended life.

The policy sub-element supports research designed to:

Expand the base of knowledge on alternative social adjustments to earthquakes;

Identify the social, economic, political, legal and related factors which facilitate or hinder the adoption of both social and technological solutions to earthquake hazards;

Facilitate the beneficial use of earthquake hazard mitigation measures by devising effective techniques for disseminating information to the public and to decisionmakers at the local, State and national levels; and,

Investigate measures which will reduce possible negative social, economic and political consequences of earthquake predictions and warnings.

It was the conclusion of the National Academy of Sciences report *Earthquake Prediction and Public Policy* that—

"Many of the measures that seem most promising as parts of the hazard-reduction program in response to an earthquake prediction may prove difficult to implement or ineffective because of various social, political, economic, psychological, and legal considerations."

Similarly, it was the sense of many who participated in the drafting of the implementation plan that the social, legal and economic considerations of earthquake prediction and hazard mitigation are enormous both in their scope and implications for the nation, and are certainly equally as important as the physical science research needs.

Similarly, the case can be made that if we are to reduce the damage to lives and property caused by catastrophic seismic events it is essential that we improve our ability to economically construct, and re-fit, structures capable of withstanding strong earthquake forces. A report on the *Assessment of Research on Natural Hazards* states, "of great immediate significance in terms of damage reduction and lives saved are acceleration of studies of suitable building codes in hazard zones, methods of earthquake-resistant construction for old buildings, and understanding the processes by which codes are implemented and enforced and new designs adopted."

APPROPRIATION COMMITTEE JUSTIFICATION FOR CUTS

The report which accompanies the NSF appropriation bill explains "clearly, the siting activities of the earthquake hazards mitigation program are properly a matter for NSF support. However, the activities supported under the design and the policy subelements involve subjects that are closely related to ongoing activities at several other agencies of the government. Those agencies not only have competence in the appropriate fields, but also have established working relationships with the engineers, scientists and public officials who must be involved in the work. The Committee notes, for example, that there are comprehensive programs on construction standards in the National Bureau of Standards, Center for Building Technology. This thrust involves cooperative efforts by the scientific community, engineering societies and appropriate State offices.

"Similarly, the Federal Preparedness Agency of the General Services Administration and the Defense Civil Preparedness Agency in the Department of Defense are deeply involved in the policy aspects of the same types of problems as are posed by earthquakes. The Committee does not find merit, either from the standpoint of the efficient use of Federal funds, or from the standpoint of effective intergovernmental relations, to add a new and relatively inexperienced agency to agencies which are already performing effectively in these areas and which could, under proper coordination, assume the responsibilities of the design and policy subelement at minimal cost."

FALLACY OF APPROPRIATION COMMITTEE ARGUMENT

The contention that because some existing Federal agencies are involved in earthquake or related work they are able to assume the responsibilities of NSF design and policy sub-elements is, at best, very misleading. With only a few exceptions, these Federal agencies have small staffs and limited budgets for earthquake hazard reduction programs and usually these programs do not involved research—the purpose of NSF funds. And, again with only a few exceptions, such work is not perceived to be a major mission responsibility for these agencies.

More specifically, for two of the three agencies given as examples in the Appropriation Committee's report this argument is simply not true. The Center for Building Technology is interested and is engaged in activities in the earthquake resistant design of structures. However, the Center's earthquake staff is quite small and mostly engaged in policy rather than research. Moreover, the Center has been receiving about 80% of its research funds from the NSF and other agencies and in turn having the research done by outside contractors. Similarly, the Federal Disaster Assistance Administration is interested and involved in policy considerations of earthquake prediction and hazard mitigation. Again, however, the FDAA is unable to do research and heavily relies on NSF, USGS and HUD to conduct the research component of the issues in which it is interested. At least for the NSF, the FDAA does this by close coordination, including the review of NSF proposals. Neither the Center for Building Technology nor the FDAA adversely overlap the NSF program. Neither are the CBT or NSF engaged in the full range of research activities that the NSF's design and policy sub-elements have been supporting. And, for these offices to assume the full responsibilities of the NSF would entail some reorganization of the CBT and FDAA as well as greatly increasing the size of their staffs and budgets—not changes which could be made at "minimal cost".

IMPACTS OF APPROPRIATION REDUCTION

If the amounts recommended by the Appropriation Committee were to become law the design sub-element would be limited to $6.8 million for FY '79 and the policy subelement to $0.8 million for the same period. These funding levels are well below the Option A of the USGS–NSF report mentioned earlier. This means that these activities would not be supported by NSF at a level adequate to accomplish the program's goals. And, since the other Federal agencies are not now, nor prepared to soon, actively and efficiently conduct or support the research for which the NSF is responsible, it is most likely that these tasks will not be done. More specifically, the FDAA reports that it may not be able to get funds from other sources, the CBT reported that it will be similarly affected, and other agencies, offices or programs which either receive NSF supports or coordinate their interests in earthquake prediction or hazards with the NSF, such as the FDAA does, may be encountered with program gaps or inefficiences.

Additionally, the latest draft of the Implementation Plan for the Earthquake Hazard Reduction Act is based upon a network of agencies. The network's and hence the national program's, success depends upon each agency conducting and coordinating its specific assignments. The NSF is to serve as an important node, or connecting point, in this network. It is extremely doubtful that it can function well with a 54% cut in design and policy research funds.●

UINTAH AND UPALCO

(Mr. McKAY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. McKAY. Mr. Speaker, when the fiscal year 1979 Public Works Appropriation bill comes to the floor, I understand that an amendment will be offered to strike construction funds for the Uintah and Upalco units of the central Utah project from the bill. This would be a tragic mistake.

Let me begin by referring to the testimony of the Secretary of the Interior before the Appropriations Committee:

Mr. McKAY. Does the Department agree with the Ute tribal council that the Uintah and Upalco units must proceed to construction immediately to honor the commitment that the Federal Government made in the 1965 deferral agreement?

Mr. ANDRUS. Yes; the deferral agreement states: "All phases of the Central Utah Project will in good faith be diligently pursued to satisfy all Indian rights at the earliest possible date." In 1973 in response to the Ute Indian delegation, then Secretary of the Interior Rogers C. B. Morton reaffirmed that the Department is committed to finding a practical way to deliver the water to which the tribe is entitled. The Ute Tribe has continually supported the Central Utah Project but in recent years have become dissatisfied with construction progress. In 1975 the tribe requested that the Department pursue funding and necessary studies and programs to accomplish commencement of construction of the Uintah and Upalco units in fiscal year 1978.

UINTAH AND UPALCO UNITS CONSTRUCTION STARTS

Mr. McKAY. Is there any reason, aside from fiscal constraints, why the Uintah and Upalco Units could not begin construction in fiscal year 1979?

Mr. ANDRUS. No; we expect to complete the construction prerequisites. Assuming that no major problem develops, construction could be initiated in fiscal year 1979.

What we are dealing with here is a simple agreement entered into by the Ute tribe, the State of Utah, and the Federal Government. Congress has two choices: it can honor the commitment of the Federal Government, or it can turn its back on that commitment.

Today there are delicate negotiations underway in the Utah State Capital between the State and the Ute Tribe over civil and criminal jurisdiction, hunting and fishing rights, and water rights. All of the pending agreements that would insure tranquility between Indians and non-Indians in the Uintah Basin rest on one assumption: that the Uintah and Upalco units will be under construction in fiscal year 1979. Without construction, there is no hope of settlement of any issue.

Much has been made of the status of EIS's for these units. The draft EIS for the Uintah unit was filed with the Commissioner of Reclamation on May 18, 1978, and will go to EPA within 2 weeks. A final EIS is expected before the end of the calendar year. The draft EIS for the Upalco unit will be filed with EPA by September, and a final EIS should be completed early in calendar year 1979. As the Secretary of the Interior testified before this committee, there is nothing that would prevent construction in fiscal year 1979.

Mr. Speaker, I would like to submit a brief statement that I made before the Public Works Appropriation Subcommittee that details the requirement for construction funds for the Uintah and Upalco units:

STATEMENT OF HON. GUNN MCKAY OF UTAH

Mr. Chairman, as you know, I have appealed to this committee for funds to expedite construction of the Central Utah Project for several years. In keeping with my past position, I urge this committee to seriously consider funding the Central Utah Project to the full extent of the Bureau of Reclamation's capability in Fiscal Year 1979. The Secretary of Interior testified before this committee that $52,534,000 could be obligated in Fiscal Year 1979 to accomplish the task.

Today I would like to limit my remarks to two units of the project and to the crucial need to recognize Indian water rights in the Uintah and Upalco Units is the only way that the United States can honor the promises that it made to the Ute tribe in 1965.

Under the terms of the Deferral Agreement, the tribe permitted an inter-basin transfer of 136,000 acre feet of water per year to the Bonneville Basin. Work is now underway on the collection system that will divert this water to the population centers on the Wasatch Front, but this year's budget does not include funds to begin construction of the Uintah and Upalco Units. The 1965 Deferral Agreement bound the United States to construct the needed storage facilities in the Uintah Basin as soon as possible. Thirteen years later the patience of Uintah Basin residents is wearing thin.

The Ute tribe reiterated its support for the Central Utah Project in resolution 77-185, dated December 1, 1977. However, the tribe put the Federal Government on notice that in order to continue its support, the tribe "is rightfully entitled to receive immediate positive benefits from the Central Utah Project." In addition, a March 10, 1978, resolution of the Uintah Basin Water Alliance, composed of both Indian and non-Indian water users, called for immediate construction of the Uintah and Upalco Units, and warned that the Alliance would vigorously oppose, by whatever action is necessary, the diversion of any water to the Bonneville Basin "unless and until the Uintah and Upalco Units . . . are funded and under construction so as to assure their timely completion."

In testimony before this committee this year, the Secretary of Interior testified that the Central Utah Project is the best method for developing Ute Indian water rights, and he agreed that the Federal Government "must proceed to construction immediately" on the Uintah and Upalco Units to honor its 1965 commitment to the Ute Tribe. The Secretary testified that the only constraint on these units was a fiscal constraint.

I urge my colleagues on this committee to honor the commitment of the Federal Government to the Ute tribe by providing construction money for the Uintah and Upalco Units in Fiscal Year 1979. The Secretary of Interior has testified that $2,300,000 could be spent on the Uintah and $1,800,000 could be spent on the Upalco to bring both units under construction in Fiscal Year 1979. The Uintah Unit will increase useable irrigation water supplies by an average of 52,000 acre feet annually servicing 41,970 acres of Indian water right land. The Upalco Unit will benefit approximately 43,000 acres of agricultural land.

Construction on the Uintah and Upalco Units will provide concrete evidence to Indians and non-Indians alike that the Federal Government can be trusted to honor its promises and provide adequate water to the Uintah Basin, water that is the life blood of that community.●

BONNEVILLE UNIT

(Mr. McKAY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. McKAY. Mr. Speaker, we have heard a great deal about water projects over the last 2 years, but it appears that the facts concerning the Bonneville unit have not been thoroughly understood by all parties. Therefore, I am compelled to review once again the benefits of the Bonneville unit of the Central Utah project.

First, let me make clear that the administration does not oppose this project. The Bonneville unit passed the most careful scrutiny of the White House in last year's water projects review. The administration requested $28,536,000 to continue construction in fiscal year 1979. In answer to my question in the Public Works Appropriation Subcommittee's hearings on the fiscal year 1979 budget request, Secretary of Interior Andrus testified that the Central Utah project is the best method for developing Indian water rights for the Utes and that the department could spend $52.5 million on the Central Utah project in fiscal year 1979. The Public Works Subcommittee has made that amount available in this bill. (Public Works hearings, fiscal year 1979, pt. 3, pp. 28–33.)

In the past questions have been raised about the cost benefit ratio of this project. Under the discount rate in the recent water policy statement, the project will have a favorable benefit to cost ratio of 1.3 to 1. A return of $1.30 for a dollar invested sounds like a good investment to me.

To date, the Federal Government has invested over $200 million in the Bonneville unit. Furthermore, the Government expects to be reimbursed a total of $739 million or 86 percent of the cost of the entire Bonneville unit. This repayment to the Government is from receipts derived from sale of project water made available upon completion. These factors should weigh heavily in favor of completion of the Bonneville unit.

Environmental issues have been widely discussed in connection with the Bonneville unit, but I want to point out that the project has a valid EIS which has withstood repeated court tests. The Bonneville unit has been attacked and defended in the Federal District Court of Utah and in the 10th Circuit Court of Appeals, *Sierra Club* v. *Stamm*, 507 F. 2d 788 (1974). In both instances the courts declined to kill the project on environmental grounds and supported the environmental impact statement.

In order to clarify the environmental issues that relate to the Bonneville Unit, I would like to place in the RECORD at this point a statement which I made at the Central Utah project, Bonneville Unit hearing on March 23, 1977, in Salt Lake City:

ENVIRONMENTAL ASPECTS

The Federal Government has established through the National Environmental Policy Act of 1969 (Public Law 91-190) a procedural device known as the environmental impact

statement which purpose is to present factual data necessary to define and evaluate the environmental impact of proposed or existing Federal construction projects. Such an environmental impact statement was completed for the Bonneville unit on August 2, 1973. I am confident that the members of the panel from the Interior Department will give full recognition to the EIS as the authoritative source on environmental issues, in that it was prepared under the Department's direction and established guidelines.

SALINITY

The Bonneville unit is now opposed because the diversion of over 136,000 acre-feet of water out of the Colorado River Basin would increase the salinity concentration in the Colorado River. It must be pointed out that the water diverted by the Bonneville unit does not reenter the Colorado downstream thereby directly adding to the river's salinity content. The environmental impact statement estimates that the amount of increase attributable to the Bonneville unit would be about 4 percent of the total estimated increase and concluded, therefore, that "the Bonneville unit, separately, would have only a minor effect on the salinity increase"—final EIS page 658.

FISHERY IMPACTS

The Bonneville unit is now considered to significantly deteriorate fishery populations. The EIS states however that:

The Bonneville unit would not be expected to significantly * * * deteriorate * * * existing populations of either game fish species or nongame fish species in either the Upper Bonneville Basin or the Sevier River Basin (EIS p. 349).

Furthermore, the Bonneville unit will produe 20,000 surface acres of reservoir area into which an estimated 3.6 million fish will be planted each year—EIS page 484. Lastly, completion of the Bonneville unit assures minimum flows in certain streams that otherwise periodically dry up during late summer months or periods of drought.

With respect to the allegation that the project would significantly effect the availability of wildlife habitat areas, the Bonneville unit plan calls for the establishment of three wildlife management areas which would be made available to the Utah Division of Wildlife Resources for administration. The cost of developing these areas would be covered by section 8 of the Colorado River Storage Project Act (70 Stat. 105).

In addition, tribal authorities of the Uintah and Ouray Indian Reservation have selected six areas, totaling 6,600 acres, along the Duchesne River for development as wildlife management areas under the project plan. While it is expected that the principle loss of wildlife habitat would occur as a result of reservoir inundation, the "broader impact on wildlife habitat on a statewide level is expected to be less severe" (EIS p. 478).

WETLAND REDUCTION

Yet another environmental objection results from the diking of Utah Lake to reduce its size by one-third. It is estimated that the diking of Provo Bay will result in a loss of 25,000 acres of wetland. The plan partially compensates for this loss, however, by the development of 14,500 acres of replacement habitat within the Goshen Bay wildlife management area along the western shores of the lake. In addition, the diking of the lake will significantly improve the water quality within the lake. Quoting directly from the definite plan report:

POPULATION CONCENTRATION

The water quality of Utah Lake is presently unsuitable for general municipal use and for many industrial uses. Under occasional conditions of low lake levels resulting from drought (such as the one currently beseeching us), the water has deteriorated to the point of unsuitability for irrigation use * * * Studies show that with the diking * * * and the importation of good quality water from Strawberry Reservoir under the Central Utah Project, the lake water will be considerably improved in chemical quality over that which has occurred historically. (Central Utah Project, Bonneville Unit, Definite Plan Report, August 1964, Appendix B Water Supply, Volume 2, p. 273).

The Bonneville unit has ultimately been objected to on the ground that it will further concentrate population along the already congested and polluted Wasatch Front area, thus degrading the quality of life for residents of the area. In direct contrast, however, is the conclusion of the EIS which states:

Without the Bonneville Unit development, growth within the Bonneville Basin area would be expected to continue, with the expansion of urbanization into the rural areas and the accompanying loss of green belt areas. Migration from the rural areas to the cities would continue. (EIS p. 163)

It is my judgment that this review panel should also be apprised of the environmental impacts which are expected to result if the Bonneville unit is not constructed. The EIS projects that:

If the proposed Bonneville Unit were not constructed, many environmental changes would still occur within the Unit area. Many of these changes would alter the esthetic composition of the area . . . If left uncontrolled the problem of haphazard and inadequate development of the land around Strawberry Reservoir would likely become worse. The erosion problems in the Diamond Fork area can be expected to continue and worsen as long as the present Strawberry Reservoir irrigation system is in operation. The level of Utah Lake will continue its historic pattern of fluctuation and esthetically undesirable conditions will . . . occur. (EIS pp. 157 and 158).

To date gentlemen, I have seen no report, study, or investigation of the magnitude of this environmental impact statement of 702 pages, which would justify the Department of Interior's position that the Bonneville unit fails for environmental reasons. The environmental impact statement is the accepted and approved vehicle for environmental impacts study and its decision on the Bonneville unit should stand uncontroverted.

Critics of the Bonneville unit claim that there are important alternative sources of water available to the citizens of Salt Lake County, one of the counties served by the Bonneville unit. They claim that a combination of ground water development, Wasatch Mountain range frontal stream dams, a scaled down Jordanelle reservoir, conversation from agricultural to M and I uses, and desalting of brackish water will solve Utah's water problems. Let me address these issues one at a time.

I. Availability of local water resources

The assumption that water requirements in the Bonneville Basin can be adequately supplied from local sources without assistance from Utah's share of Colorado River water and with less adverse impact on the total environment is erroneous. The Great Basin Comprehensive Framework Study[1] states that certain water supplies are available only at the expense of other uses. For example, further development of principal stream flows would reduce inflow to terminal lakes for wildlife propagation.

From the same study the projected water uses in the three subregions of the Great Basin show an increase over the 1965 withdrawals of 1,670,000 acre-feet by the year 2020. The estimated residual water supply of 1,170,000 acre-feet to meet projected uses is 500,000 acre-feet less than the projected uses. The study estimates that for the development and utilization of local Great Basin water supplies in the three subregions would require 2,362,000 acre-feet storage, 617 miles of conveyance facilites, 16 major pumping plants, water and wastewater treatment facilities for nearly 1,200,000 acre-feet, and extensive facilities for irrigation and drainage. Costs related to these facilities would likely exceed $2 billion.

In the Great Salt Lake Subregion where the greatest municipal and industrial water requirement is projected, appendix X1 page 10 of the study states that local sources will not be sufficient to meet the needs. Importation of high quality water from the Upper Colorado Region will be required.

II. Groundwater resources

Total dependence on groundwater as an alternative to Bonneville unit water imports for municipal and industrial use is not possible without long-term groundwater yield exceeding the recharge to the groundwater aquifer. This would result in mining water, disrupting pressure zones which would affect water qualities, interfere with existing water rights, and eventually create a greater water supply problem.

U.S. Geological Reports show that the firm available high quality groundwater from the aquifers of Salt Lake County would average approximately 150,000 acre feet per year. The withdrawals over the past few years have been as follows:

	Acre feet
1973	128,800
1974	130,000
1975	125,000
1976	135,000

It is estimated that during 1977 the withdrawals will exceed 150,000 acre feet. These are the groundwater supplies available until the arrival of Bonneville Unit water. It must be recognized that as these waters are withdrawn there is a corresponding decrease in water from flowing wells and groundwater inflow into stream development of additional large quantities. Development of additional large quantities of groundwater supplies in Utah County and other areas within the District has been closed by presently over-development by the Utah State Engineer.

Opponents of the Bonneville Unit transmountain diversion have contended that an additional 74,000 acre-feet of groundwater can be developed in Salt Lake County without serious adverse effects. They are ignoring the environmental impacts demonstrated by the United States Geological Service analog model studies. These adverse effects would include:

1. Depletion of base flows and the consequent effect on existing rights of the Jordan River in the order of 50,000 acre-feet per year.
2. Reduction in groundwater supplies to phreatophyte (wildlife) areas of 40,000 acre-feet per year.
3. Reduction in present flowing well discharge of 15,000 acre-feet per year.
4. A deterioration of quality of water in some existing wells due to increased mineral content inflow by reducing aquifer zone pressures.

III. Wasatch front dams

Wasatch frontal stream canyons are steep in grade, heights of dams to control flows would be high, and storage capacities would be low. Such sites are not economical and are not without environmental and safety problems. Little Dell Reservoir in Parleys Canyon has been proposed as an alternative source of water, but based on an expected firm yield of about 8,400 acre-feet, Little Dell

[1] Prepared under the Direction of the Pacific Southwest Inter-Agency Committee, Water Resource Council, a State-Federal Inter-Agency Group.

would meet the growing municipal and industrial water needs of Salt Lake County for only about two years.

IV. Scaled-down Jordanelle reservoir

Construction of Jordanelle Reservoir as a single purpose municipal and industrial water project separate from the transmountain diversion would only develop 35,000 acre-feet of high quality M & I water for use in Salt Lake County. A series of drought years could reduce and eliminate this quantity as an assured firm supply. Under the current Bonneville Unit plan including the transmountain diversion and Strawberry Aqueduct in excess of 99,000 acre-feet of high quality municipal and industrial water would be developed for uses in Salt Lake, Utah, Wasatch and Juab counties, and at a substantial lower cost per acre foot. This would meet these projected county needs until about the year 2000.

V. Conversion

Water conversion in Salt Lake County from present irrigation to municipal and industrial use has been urged by the opponents of the Bonneville Unit. Irrigation water sources cannot be converted directly to municipal and industrial uses on a one-for-one basis because irrigation supplies usually include high shortages, often a lower quality of water, differences in time and place of use and required return flow downstream rights. Usually great expenses in storage and conveyance facilities are involved in converting irrigation supplies to M & I supplies. Most of the irrigation water supply in Salt Lake County that might be available for conversion comes from Utah Lake. Of the approximate 52,000 acres of irrigated land in Salt Lake County, 40,000 acres are served from Utah Lake. Utah Lake water is too saline and too high in bacterial and organic nutrients to be used for municipal water. Furthermore, there are far more water right claims for Utah Lake and Jordan River water than the available supply.

VI. Desalting

Desalting brackish water may be a potential source of municipal water but at extreme cost. The Bear, Weber, and Jordan Rivers are brackish entering the Great Salt Lake and represent a source of water but would require a desalting plant to make it suitable for municipal use. An extensive collection, pumping, and distribution system and desalting plants would be required to deliver desalted water into the existing distribution lines. The cost of producing fresh water from brackish water in large quantities has been reduced with improved technology, but the technology developed has been energy dependent which has increased the costs at an alarming rate. This water would have to have complete treatment which would include screening, flocculation, sedimentation, filtration, ozonation, carbon filtration, desalinzation, and chlorination. It would also involve large consumptive uses of energy which use is already exceeding the capability of production to meet existing needs within the United States. The estimated cost could exceed $300 per acre foot and is not yet competitive with the cost of water from surface or groundwater sources. The loss in inflow to the Great Salt Lake by diverting water to the desalting plants would accelerate the reduction in size of the lake. This would result in esthetic damage to a unique attraction as well as a reduction in waterfowl nesting areas around the lake.

Finally, let me point out that the Bonneville Unit is an integral part of the Central Utah Project that will develop substantial water resources for Indians and non-Indians in the State of Utah. The project is the result of generations of delicate negotiations. If Congress were to back out of the agreement made with the Ute Tribe in 1965 to build the Central Utah Project, I don't believe we would have any hope of peace and harmony between Indians and non-Indians in the Uintah Basin again during my lifetime.●

MEMORIAL DAY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PEPPER. Mr. Speaker, on Memorial Day the very progressive and patriotic city of Surfside had its usual stirring ceremony honoring America's dead who have given their lives that this Nation might live. Speaking as he has often done in the past on this occasion was former Mayor Sam E. Brenner, who stirred the hearts of all who heard him with his able address. Former Mayor Brenner touchingly pointed out how we were failing as a nation to live up to those eloquent and inspiring sentiments which appear on the Statue of Liberty in New York Harbor. Mayor Brenner challenges us to rise to an observance of the high principles upon which this Nation was founded and to rededicate ourselves to the noble ideals which are the foundation of this great Nation. I am sure that all my colleagues will benefit by reading Mayor Brenner's eloquent address and I include it in the RECORD immediately following my remarks:

LETTERS TO THE EDITORS

TO THE EDITOR:

Once again we have come together for Memorial Day Services and another year has passed since last we stood upon this sacred ground, but a few feet from the sea. As great as is the depth of that sea, greater is the depth of yearning in all of us for permanent peace. We return to pay our respects to the dead. Once again I must ask in true conscience, how much respect can they pay us?

Each year we come here and bare our weeping hearts before them. Yet each year we come here as greater messengers of death! Where is our message of peace? Each year "The Darkness Deepens, Oh! Lord with (us) abide!"

I say to you:

Blindfold the Statue of Liberty lest she see the ships that pass in the night, underneath her lamp of light, laden with weapons of death all over the world; lest she see the armaments in the arsenals of the world ready to kill all of us sixteen times over!

Blindfold the Statue of Liberty lest she see the $120,000,000,000 we propose to spend on death and destruction—billions more than ever before in one year and going shortly to $183,000,000,000.

Blindfold the Statue of Liberty lest she see the $350,000,000,000 spent for death around the world last year, sixty times more money to equip each soldier than to educate each child!

Blindfold the Statue of Liberty lest she see the equivalent of 30,000 tons of dynamite allocated for every man, woman and child around the globe. What a rendezvous of death for all of us!

Blindfold the Statue of Liberty lest she see that one billion dollars creates 72,000 defense jobs whereas if diverted to peaceful uses more than 100,000 jobs would be created and if diverted to education through revenue sharing that same one billion dollars creates more than 200,000 jobs for education.

Blindfold the Statue of Liberty lest she see the 12,500 nuclear warheads Russia and America possess and lest she see the estimates of 25,500 they will have by 1985.

Blindfold the Statue of Liberty lest she see that one Poseidon submarine equipped with Polaris missiles could completely destroy 160 cities.

Blindfold the Statue of Liberty lest she see the statistics that in the first day of a nuclear war 140,000,000 Americans and 113,000,000 Russians would be killed without considering the after effects of genetic radiation for the next 250,000 years! What kind of madness is this? What a legacy for us to leave behind for our children! No generation ever found itself in so dreadful a situation.

Blindfold the Statue of Liberty lest she see all the slavery with which the people have become over-burdened. Is this the Liberty for which our mourned dead fought and died?

Let us raise our voices loud and clear so they may hear our cries of anguish and protest all over the world, particularly at the U.N. Disarmament Conference which is in session at this time. Disarmament is a must but disarmament is not enough. Let us not lose sight of the fact that wars can also begin with smaller armies and accelerate to greater proportions in a short period of time.

This is why I have often clamoured for our country to come to the fore and propose the creation of a true world order wherein all member nations offer some adequate agreed upon percentage of their existing fighting forces into a heterogeneous world peacekeeping force, readied in advance and substantial enough to keep the peace, for an experimental five year period, subject to the restructuring of the U.N. voting procedure having a system of checks and balances and governed by an impartial world constitution which protects all nations regardless of their race, color, creed or form of government.

This is a dream which must become a reality if we are to survive and overcome the terrible statistics I have mentioned. Only from World Order can we approach any semblance of the ideal out of which can evolve innumerable benefits through the world. The ideal must overtake the real when the real cannot cope with the problems of today. We must approach new ideas in the spirit of the ideal and remember Andre Gide's words "Man cannot discover new oceans unless he has the courage to lose sight of the shore." We must take action towards the ideal as those we mourn today took action for what they regarded as their ideal. We must reshape the world into what it should have been when we were born into it.

We are the people; we are our own eternity. We are like one lost among the seedlings of a thousand eras. We cannot take hold, we cannot take root because we are nurtured by all the shortcomings of the past. Only if we will nurture ourselves with courage and affirmation, for the brotherhood we seek for all mankind, will we be able to reshape the world into what it should have been. And then we will take the blindfold off our Statue of Liberty and feel proud of her inscription:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free
The wretched refuse of your teeming shore
Send these, the homeless, tempest tossed to me
I lift my lamp beside the Golden Door."

And as that was our heritage and the lofty purpose for which those we mourn today laid down their lives bleeding for Old Glory, so can they respect us again, for we will have brought new glory upon the world. And our Lady of Liberty can cast her eyes upon a land that glistens in the sun, where her Statue can stand with stature in her own glory.

SAM BRENNER.

SURFSIDE, FLA.●

A TRIBUTE TO DR. GRACIELA OLIVAREZ

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PEPPER. Mr. Speaker, I would like to pay tribute today to a very devoted and loyal person who has donated much of her life to helping the perplexed and poor people of our great Nation. Dr. Graciela Olivarez, Director of the Community Services Administration, Washington, D.C., is the first female graduate of the law school of Notre Dame University. Dr. Olivarez's alma mater, in token of its appreciation, honored her by conferring the doctor of laws, honoris causa, and by asking her to deliver the law school's graduating address. In her address, she stated:

I am here—one woman alone—heading one beleaguered and abused agency—to tell you very simply: The poor are still with us; poverty is a form of injustice, perpetuated and fostered in many ways by the legal system; you have a moral and professional responsibility to avoid use of the law as an instrumentality of institutionalized injustice.

Being a little more than nostalgic, Ms. Olivarez stated that 12 years ago she never dreamed of attending law school. One year later Ms. Olivarez enrolled in the University of Notre Dame's law school. She is recognized today as one of the first Hispanics and the first woman to attend and graduate from the University of Notre Dame's law school.

I take pleasure in commending the unselfish efforts of a "champion of the poor." Daily, she is proving that one who has suffered discrimination and poverty can enthusiastically and effectively dissipate both of them simultaneously. I appreciate Dr. Olivarez's civic contribution and include a copy of the tribute paid her by the University of Notre Dame in May now in the RECORD.

UNIVERSITY OF NOTRE DAME DU LAR

At the 133rd Commencement, the May Exercises, the University of Notre Dame confers the degree of

DOCTOR OF LAWS, HONORIS CAUSA

on a champion of those who have not made it in America. She grew up in the Depression, in a poor, Southwestern, Mexican-American family. She came in her late thirties to Notre Dame's Law School with an education gleaned mostly from hardship and hope. When she left the University three years later, she was the first woman, and one of the first Mexican-Americans, to become a Notre Dame lawyer. Since then, she has made us unusually proud of her. She has devoted herself, in less than a decade since she left our Law School, to reform in government—first in local programs as the second highest officer in the government of New Mexico and then, at the President's request, as the third-ranking woman in the federal government reviving our debilitated Poverty Program. Herself a child of poverty, she is now the champion of all of America's poor. She is proving daily that only one who has suffered poverty and discrimination can enthusiastically and effectively understand and dispel both of them at once. On the Director of the Federal Community Services Administration. On

GRACIELA OLIVAREZ, *Washington, D.C.*●

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. RODINO (at the request of Mr. WRIGHT) for today, on account of illness in the family.

Mr. FRENZEL (at the request of Mr. RHODES) for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STEERS) to revise and extend their remarks and include extraneous matter:)

Mr. SARASIN, for 5 minutes, today.
Mr. GOLDWATER, for 5 minutes, today.
Mr. GREEN, for 5 minutes, today.
Mr. CRANE, for 15 minutes, today.
Mr. ASHBROOK, for 30 minutes, today.
Mr. WHALEN, for 10 minutes, tomorrow, June 14.
Mr. ANDERSON of Illinois, for 30 minutes, today.

(The following Members (at the request of Mr. HALL) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. BINGHAM, for 5 minutes, today.
Mr. PREYER, for 5 minutes, today.
Mr. MATTOX, for 5 minutes, today.
Mr. LAFALCE, for 10 minutes, today.
Mr. BROWN of California, for 5 minutes.
Mr. ADDABBO, for 30 minutes, on June 14.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. YOUNG of Missouri to revise and extend his remarks immediately prior to the vote on the Stokes amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. STEERS) and to include extraneous matter:)

Mr. CONTE in two instances.
Mr. DERWINSKI in two instances.
Mr. COLLINS of Texas in two instances.
Mr. LEACH.
Mr. DORNAN.
Mr. GRASSLEY.
Mr. STEERS.
Mr. GREEN.
Mr. ASHBROOK in two instances.
Mr. BOB WILSON in two instances.
Mr. ROUSSELOT in two instances.
Mr. GILMAN.
Mr. HOLLENBECK.
Mr. DUNCAN of Tennessee.
Mr. SNYDER.

(The following Members (at the request of Mr. HALL), and to include extraneous matter:)

Mr. CARR.
Mr. MAZZOLI.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. SOLARZ in two instances.
Mr. BRINKLEY.
Mr. RANGEL.
Mr. LAFALCE in two instances.
Mr. CAVANAUGH in two instances.
Mr. MOORHEAD of Pennsylvania.
Mrs. MEYNER.
Mr. JACOBS.
Mr. BRECKINRIDGE in two instances.
Mr. TSONGAS.
Mr. AMBRO.
Mr. CHARLES H. WILSON of California.
Mr. MINISH.
Mr. MOAKLEY.
Mr. HAMILTON.
Mr. MCDONALD in five instances.
Mr. JONES of Oklahoma.
Mr. WAXMAN.
Mr. STARK.
Mr. FRASER.
Mr. RONCALIO.

ENROLLED BILLS SIGNED

Mr. Thompson, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1436. An act for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Texas.

H.R. 5493. An act to extend until October 1, 1980, the appropriation authorizations for the Great Dismal Swamp and San Francisco Bay National Wildlife Refuges.

H.R. 10884. An act to authorize appropriations to the Council on Environmental Quality for fiscal years 1979, 1980, and 1981.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The Speaker announced his signature to an enrolled bill and a Joint Resolution of the Senate of the following titles:

S. 2553. An act to authorize appropriations for the fiscal year 1979 for certain martime programs of the Department of Commerce, and for other purposes.

Senate Joint Resolution 140. Joint resolution to authorize and request the President to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

ADJOURNMENT

Mr. BRINKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 14, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4368. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Plant Quarantine Act of August 20, 1912, as amended, to eliminate certain unnecessary regulatory requirements; to the Committee on Agriculture.

4369. A letter from the Deputy Under Secretary of State for Management, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4370. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4371. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of two proposed new systems of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4372. A letter from the Secretary of Transportation, transmitting the fourth annual report on the Department's gas and liquid pipeline safety activities, pursuant to section 28(w)(4) of the Mineral Leasing Act of 1920, as amended (87 Stat. 583); to the Committee on Interior and Insular Affairs.

4373. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

4374. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Interstate Commerce Act to continue to allow railroad rate flexibility; to the Committee on Interstate and Foreign Commerce.

4375. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to exempt the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DODD: Committee on Rules House Resolution 1229. Resolution waiving certain points of order against H.R. 12927. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95–1287). Referred to the House Calendar.

Mrs. SPELLMAN: Committee on Post Office and Civil Service. S. 666. An act to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes; with amendment (Rept. No. 95–1288, Pt. I). Ordered to be printed.

Mr. ULLMAN: Committee on Ways and Means. H.R. 10848. A bill to amend title XVI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; with amendment (Rept. No. 95–1289). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 13125. A bill making appropriations for Agriculture, Rural Development and Related Agencies programs for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95–1290). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 2033. An act to provide for conveyance of certain lands in the Wenatchee National Forest, Wash., by the Secretary of Agriculture; with amendment (Rept. No. 95–1291). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 1230. Resolution waiving certain points of order against H.R. 12932. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1979, and for other purposes; (Rept. No. 95–1292). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRANE (for himself, Mr. EDWARDS of Oklahoma, Mr. ABDNOR, Mr. ARMSTRONG, Mr. BAUMAN, Mr. BURGENER, Mr. BURKE of Florida, Mr. CLEVELAND, Mr. DEVINE, Mr. EDWARDS of Alabama, Mr. ERLENBORN, Mr. GOODLING, Mr. GUYER, Mr. HANSEN, and Mr. HYDE):

H.R. 13103. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaluate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Government Operations.

By Mr. CRANE (for himself, Mr. EDWARDS of Oklahoma, Mr. LATTA, Mr. LIVINGSTON, Mr. LUJAN, Mr. MARRIOTT, Mr. MARTIN, Mr. MILLER of Ohio, Mr. MOORHEAD of California, Mr. QUILLEN, Mr. STANGELAND, Mr. THONE, Mr. TREEN, Mr. WINN, and Mr. YOUNG of Alaska):

H.R. 13104. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaluate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Covernment Operations.

By Mr. CRANE (for himself, Mr. EDWARDS of Oklahoma, Mr. ABDNOR, Mr. ARMSTRONG, Mr. BAUMAN, Mr. BURGENER, Mr. BURKE of Florida, Mr. CLEVELAND, Mr. DEVINE, Mr. EDWARDS of Alabama, Mr. ERLENBORN, Mr. GOODLING, Mr. GUYER, Mr. HANSEN, and Mr. HYDE):

H.R. 13105. A bill to amend the Internal Revenue Code of 1954 to reduce income taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. EDWARDS of Oklahoma, Mr. LATTA, Mr. LIVINGSTON, Mr. LUJAN, Mr. MARRIOTT, Mr. MARTIN, Mr. MILLER of Ohio, Mr. MOORHEAD of California, Mr. QUILLEN, Mr. STANGELAND, Mr. THONE, Mr. TREEN, Mr. WINN, and Mr. YOUNG of Alaska):

H.R. 13106. A bill to amend the Internal Revenue Code of 1954 to reduce income taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. EDWARDS of Oklahoma, Mr. ABDNOR, Mr. ARMSTRONG, Mr. BAUMAN, Mr. BURGENER, Mr. BURKE of Florida, Mr. CLEVELAND, Mr. DEVINE, Mr. EDWARDS of Alabama, Mr. ERLENBORN, Mr. GOODLING, Mr. GUYER, Mr. HANSEN, and Mr. HYDE):

H.R. 13107. A bill to amend the Antidumping Act of 1921; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. EDWARDS of Oklahoma, Mr. LATTA, Mr. LIVINGSTON, Mr. LUJAN, Mr. MARRIOTT, Mr. MARTIN, Mr. MILLER of Ohio, Mr. MOORHEAD of California, Mr. QUILLEN, Mr. STANGELAND, Mr. THONE, Mr. TREEN, Mr. WINN, and Mr. YOUNG of Alaska):

H.R. 13108. A bill to amend the Antidumping Act of 1921; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 13109. A bill to amend the Social Security Act; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 13110. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

H.R. 13111. A bill to promote public health and welfare by preventing unwanted conceptions and reducing the need for abortions among all women, especially teenagers, through improved and expanded family planning services and population research activities by the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 13112. A bill to amend the Social Security Act to increase Federal payments to States under the AFDC and medicaid programs by an amount equal (in the case of any State) to 50 percent of the non-Federal share of the expenditures involved, and to require that the amount of any such increase be used to reduce the local share of such expenditures; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. JACOBS (for himself and Ms. KEYS):

H.R. 13113. A bill to protect individuals from unreasonable searches and seizures; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 13114. A bill to provide mortgage credit assistance to middle-income families purchasing conventionally financed new and substantially rehabilitated homes and to facilitate the preservation and renewal of urban neighborhoods; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McDADE:

H.R. 13115. A bill to amend title I of the Higher Education Act of 1965 to establish a system of grants for urban universities; to the Committee on Education and Labor.

By Mr. McKINNEY (for himself, Mr. BLANCHARD, Mr. PATTERSON of California, Mr. MITCHELL of Maryland, and Mr. VENTO):

H.R. 13116. A bill to require the Federal Trade Commission to monitor the industries which produce supplies from, and hold reserves of, energy sources and, under certain circumstances, to take action to prevent noncompetitive market situation from evolving or continuing, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STARK:

H.R. 13117. A bill to acquire certain lands so as to assure the preservation and protection of the Potomac River shoreline; to the Committee on the District of Columbia.

By Mr. BRECKINRIDGE:

H.R. 13118. A bill to establish a Federal Translation Coordinating Council to improve the quality of foreign language translations available for use by the Federal Government; to the Committee on Government Operations.

By Mr. DEVINE:

H.R. 13119. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mrs. LLOYD of Tennessee (for herself, Mr. ALLEN, Mr. BEARD of Tennessee, Mr. CARTER, Mr. FLIPPO, Mr. FORD of Tennessee, Mr. GORE, and Mr. JONES of Tennessee):

H.R. 13120. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments; to the Committee on Public Works and Transportation.

By Mrs. LLOYD of Tennessee:

H.R. 13121. A bill to provide increased benefits under part B of the medicare program with respect to the treatment of mental, psychoneurotic, and personality disorders of outpatients; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. REUSS (for himself, Mr. MITCHELL of Maryland, Mr. ST GERMAIN, and Mr. MCKINNEY):

H.R. 13122. A bill to authorize the issuance of substitute Treasury checks without undertakings of indemnity, except as the Secretary of the Treasury may require; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RONCALIO:

H.R. 13123. A bill authorizing title to certain reservation land to be taken in trust; to the Committee on Interior and Insular Affairs.

By Mr. WHITEHURST (for himself and Mr. EILBERG):

H.R. 13124. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

By Mr. WHITTEN:

H.R. 13125. A bill making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1979, and for other purposes.

By Mr. ANDERSON of California (for himself, Mr. GREEN, Mr. GAYDOS, Mr. BOWEN, and Mr. BROWN of California):

H.J. Res. 986. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. COLEMAN (for himself, Mr. ABDNOR, Mr. ARCHER, Mr. ASHBROOK, Mr. BADHAM, Mr. BEARD of Tennessee, Mr. BROYHILL, Mr. BUCHANAN, Mr. BURGENER, Mr. DEL CLAWSON, Mr. COCHRAN of Mississippi, Mr. COLLINS of Texas, Mr. CORCORAN of Illinois, Mr. CUNNINGHAM, Mr. DERWINSKI, Mr. DORNAN, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. EMERY, Mr. EVANS of Georgia, Mr. EVANS of Delaware, Mr. FINDLEY, Mr. GEPHARDT, Mr. GLICKMAN, and Mr. GOODLING):

H.J. Res. 987. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. COLEMAN (for himself, Mr. GRASSLEY, Mr. GUYER, Mr. HAGEDORN, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HILLIS, Mr. HUCKABY, Mr. HYDE, Mr. ICHORD, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. KASTEN, Mr. KELLY, Mr. KEMP, Mr. KETCHUM, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LEACH, Mr. LOTT, Mr. MCCLORY, Mr. MADIGAN, Mr. MARLENEE, Mr. MARTIN, and Mr. MATHIS):

H.J. Res. 988. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenue, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. COLEMAN (for himself, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD of California, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. JOHN T. MYERS, Mr. O'BRIEN, Mr. PURSELL, Mr. QUAYLE, Mr. RISENHOOVER, Mr. ROE, Mr. ROUSSELOT, Mr. RUDD, Mr. SCHULZE, Mr. SEBELIUS, Mr. SHUSTER, Mr. SKUBITZ, Mrs. SMITH of Nebraska, Mr. SNYDER, Mr. SPENCE, Mr. STANGELAND, Mr. SYMMS, Mr. TAYLOR, and Mr. THONE):

H.J. Res. 989. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. COLEMAN (for himself, Mr. TREEN, Mr. TRIBLE, Mr. VANDER JAGT, Mr. VOLKMER, Mr. WALKER, Mr. WAMPLER, Mr. WHITLEY, Mr. BOB WILSON, Mr. WINN, Mr. YATRON, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, and Mr. YOUNG of Missouri):

H.J. Res. 990. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. FLYNT (for himself and Mr. DUNCAN of Tennessee):

H.J. Res. 991. Joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September after Labor Day of each year as "National Grandparents Day"; to the Committee on Post Office and Civil Service.

By Mr. FORSYTHE:

H.J. Res. 992. Joint resolution to establish a Presidential Commission to develop plans for a memorial to the victims of the Holocaust; to the Committee on House Administration.

By Mr. JACOBS (for himself and Mr. BENJAMIN):

H.J. Res. 993. Joint resolution providing that additional revenues accruing to the Federal Government as a result of State property tax reduction be applied only to retirement of the national debt; to the Committee on Ways and Means.

By Mr. HANSEN (for himself, Mr. MURPHY of New York, and Mr. LONG of Louisiana):

H. Con. Res. 642. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. HANSEN (for himself, Mr. GUYER, Mr. BEVILL, Mr. REGULA, Mr. NICHOLS, Mr. BADHAM, Mr. FRENZEL, Mr. YOUNG of Alaska, Mr. FREY, Mr. COLLINS of Texas, Mr. MOTTL, Mr. JEFFORDS, Mr. STOCKMAN, Mr. HUCKABY, Mr. BAUMAN, Mr. LENT, Mr. KEMP, and Mr. ROBINSON):

H. Res. 1231. Resolution expressing the sense of the House of Representatives with respect to an exchange of instruments of ratification of the Panama Canal Treaties and with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; jointly to the Committees on International Relations, and Merchant Marine and Fisheries.

By Mr. STUDDS (for himself, Mr. COHEN, Mr. D'AMOURS, Mr. EMERY, Mr. HARRINGTON, and Mr. TSONGAS):

H. Res. 1232. Resolution to disapprove the waiver of countervailing duty on certain items of Government-subsidized fish imported from Canada; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

429. By the SPEAKER: A memorial of the Senate of the Commonwealth of Massachusetts, relative to the United Nations Special Session on Disarmament; to the Committee on International Relations.

430. Also, a memorial of the Legislature of the State of New York, relative to funding for the Veterans' Administration's hospital program in the State of New York; to the Committee on Veterans' Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

476. The SPEAKER presented a petition of the Democrats Abroad Central Committee, London, England, relative to continued U.S. support for the integrity and security of the State of Israel, which was referred to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12928

By Mr. BEDELL:

—Page 11, line 8, strike out "$244,391,000" and insert in lieu thereof "$240,633,000".

Page 12, line 9, strike out the period and insert in lieu thereof ": *Provided further*, That no part of this appropriation shall be used for the O'Neill Unit."

H.R. 12928

By Mr. BEVILL:

—On page 6, line 7, strike out $139,844,000 and insert $140,014,000

—On page 6, line 16, strike out $1,367,226,000 and insert $1,392,515,000

—On page 14, line 11, strike out $37,745,000 and insert $38,745,000

H.R. 12928

By Mr. EDGAR:
—Page 6, lines 16 and 17, strike out "$1,367,226,000", and insert in lieu thereof, "$1,347,876,000".

Page 6, line 22, strike out the period and insert the following:

": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition or construction for the following projects: Bayou Bodcau and Tributaries; Yatesville Lake; Meramec Park Lake; Lukfata Lake; and LaFarge Lake and Channel Improvements."

Page 11, line 8, strike out "$244,391,000" and insert in lieu thereof "$242,891,000".

Page 12, line 9, strike out the period and insert the following:

": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition or construction of the Narrows Unit."

Page 12, lines 13 and 14, strike out "$87,399,000" and "$76,799,000" and insert in lieu thereof, respectively, "$87,249,000" and "$76,649,000".

Page 12, line 24, strike out the period and insert the following:

": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for planning the following projects: Savery-Pot Hook and Fruitland Mesa."

Page 6, lines 16 and 17, strike out "$1,367,226,000", and insert in lieu thereof, "$1,347,876,000".
—Page 6, line 22, strike out the period and insert the following:

": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition or construction for the following projects: Bayou Bodcau and Tributaries; Yatesville Lake; Meramec Park Lake; Lukfata Lake; and LeFarge Lake and Channel Improvements."
—Page 11, line 8, strike out "$244,391,000" and insert in lieu thereof "$242,891,000".

Page 12, line 9, strike out the period and insert the following:

": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition or construction of the Narrows Unit."
—Page 12, lines 13 and 14, strike out "$87,399,000" and "$76,799,000" and insert in lieu thereof, respectively, "$87,249,000" and "$76,649,000".

Page 12, line 24, strike out the period and insert the following:

": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for planning the following projects: Savery-Pot Hook and Fruitland Mesa."

H.R. 12928

By Mr. JACOBS:
—On page 6, line 22, strike out the period and insert the following:

": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition or construction for the following project: Richard B. Russell Dam and Lake."

On page 6, lines 16 and 17 strike out the figure $1,367,226,000 and insert the following: "$1,318,226,000."

On page 11, line 8, strike out the figure $263,251,000 and insert the following: $259,493,000."

On page 12, line 9, strike out the period and insert the following:

": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition or construction for the following project: O'Neill Unit."

On page 12, lines 13 and 14, strike out the figure "87,399,000" and insert the figure, "54,358,000".

On page 12, line 14, strike out the figure "$76,799,000" and insert the figure "$43,758,000".

On page 12, line 24, strike out the period and insert the following:

": *Provided further*, That funds appropriated or otherwise made available for the Central Utah Project, Bonneville Unit, shall be limited to work on the rehabilitation of the Strawberry Tunnel and Provo Reservoir Canal: *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition or construction for the following projects: Central Utah Project, Uintah Unit and Upalco Unit.

H.R. 12928

By Mr. LUNDINE:
(Amendment to the Amendment of Mr. MILLER of Calif.)
—In lieu of the matter proposed to be inserted by the amendment on page 6, lines 16 and 17, insert the following: "$1,364,736,000".

H.R. 12928

By Mr. MILLER of California:
—On page 6, lines 16 and 17, strike out "$1,367,266,000" and insert in lieu thereof "$1,364,086,000".

On Page 11, line 8, strike out "$244,391,000" and insert in lieu thereof "$241,291,000".

On Page 12, lines 13 and 14, strike out "$87,399,000" and insert in lieu thereof "$83,699,000".

On page 12, line 14, strike out "$76,799,000" and insert in lieu thereof "$73,099,000".

On page 14, line 11, strike out "$37,745,000" and insert in lieu thereof "$42,612,000".
—On page 6, lines 16 and 17, strike out "$1,367,266,000" and insert in lieu thereof "$1,388,757,000".

On page 11, line 8, strike out "$244,391,000" and insert in lieu thereof "$241,291,000".

On page 12, lines 13 and 14, strike out "$87,399,000" and insert in lieu thereof "$83,699,000".

On page 12, line 14, strike out "$76,799,000" and insert in lieu thereof "$73,099,000".

H.R. 12928

By Mr. WEISS:
—Page 5, after line 17, insert the following new section:

PRODUCTION OF ENHANCED RADIATION WEAPONS

SEC. 101. None of the funds provided under this title shall be available for the production of enhanced radiation weapons.

H.R. 12935

By Mr. COUGHLIN:
—On page 5, line 10, strike "$59,967,000" and insert in lieu thereof "$53,209,850"; on line 11, strike "$38,367,989" and insert in lieu thereof "$31,610,839".
—On page 6, after line 23, insert the following new section:

SEC. 102. (a) None of the funds appropriated by any provision described in subsection (b) shall be expended or obligated for any purpose specified in such provision unless such funds so expended or obligated are subject to audit by the Comptroller General of the United States.

(b) For purposes of subsection (a), any provision in Title I of this Act following the provision relating to "COMPENSATION OF MEMBERS" and preceding the heading "JOINT ITEMS" is a provision described in this subsection.

H.R. 12935

By Mr. ERTEL:
—Page 32, after line 7, insert the following new section:

SEC. 306. Effective December 1, 1978, none of the funds appropriated by this Act may be used to provide or maintain any utility or custodial service for any office premises of the House of Representatives if such premises is occupied by any organization which was, during 1977, requested by the Speaker of the House of Representatives to vacate such premises.

H.R. 12935

By Mr. KOSTMAYER:
—page 5, line 12, delete "$2,578,511" and insert in lieu thereof "$2,164,511"
—page 18, line 25, delete "$73,961,000" and insert in lieu thereof "$73,800,000"
—page 32, after line 7 insert the following new section:

"None of the funds appropriated in this act shall be used for the printing or purchase of either House wall calendars or U.S. Capitol Historical Society calendars to be distributed gratuitously from, or under the name of, offices of Members of the House of Representatives."

H.R. 12935

By GARY A. MYERS:
—On page 32, after line 7, add the following new section:

SEC. 306. No part of the funds appropriated by this Act shall be used to pay for the purchase of any flag of the United States for the purpose of donation by any Representative, Resident Commissioner in the House of Representatives, or Delegate to the House of Representatives.

H.R. 12936

By Mr. BROWN of California:
—On page 12, line 14, strike "$328,028,000" and insert in place thereof "$348,028,000"
—On page 13, line 4, strike "$4,200,000,000" and insert in place thereof "$4,180,000,000"

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the third calendar quarter 1978:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____ ◀

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◀

AFFIDAVIT

[Omitted in printing]

PAGE 1◀

A. Robert J. Aagre, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. The Adherence Group, Inc., 21 West Street, 29th Floor, New York, N.Y. 10006.

A. Alan P. Agle, Box 946, Buckingham, Pa., 18912.
B. Buckingham Township Supervisors, Township Building, Buckingham, Pa. 18912.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Beacon Oil Co., P.O. Box 466, Hanford, Calif. 93230.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Sun Pipe Line Co., P.O. Box 2039, Tulsa, Okla. 74102.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. United Refining Co., P.O. Box 780 Warren, Pa. 16365.

A. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Alaskan Movers Association, 10777 Main Street, Suite 205, Bellevue, Wash. 98004.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Associated Industries of Florida, 203 South Adams Street, P.O. Box 784, Tallahassee, Fla. 32302.

A. The American Radio Relay League, Inc., 225 Main Street, Newington, Conn. 06111.

A. Americans for Alaska, Inc., P.O. Box 50, Riderwood, Md. 21139.

A. Jane K. Anderson, The Carborundum Co., Kennecott Copper Corp., 1022 15th Street NW., Washington, D.C. 20005.
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A. Anderson, Pendleton, McMahon, Peet & Donovan, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.
B. First Federal Savings and Loan Association of Puerto Rico, P.O. Box 9146, Santurce, P.R. 00908.

A. Robert Angel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue, NW., Washington, 20036.

A. Linda M. Anzalone, Chamber of Commerce of the United States, 1615 H Street, NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Co. of America, 5050 North Broadway, Chicago, Ill. 60640.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. Constructora Nacional de Carros de Ferrocarril, S.A., Paseo de la Reforma, 369, Mexico 5, D.F.

A. Arent, Fox, Kinter, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C 20036.
B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.

A. Maureen Aspin, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

A. Donald Baldwin, Donald Baldwin Associates, Suite 906, 1625 I Street NW., Washington, D.C.
B. Concerned Citizens Against the Panama Canal Give-Away, Suite 906, 1625 I Street NW., Washington, D.C. 20006.

A. Richard L. Baldwin, 225 Main Street, Newington, Conn. 06111.
B. The American Radio Relay League, Inc., 225 Main Street, Newington, Conn. 06111.

A. Jacqueline Balk-Tusa, 1625 I Street NW., Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Washington, D.C. 20006.

A. Will G. Barber, 1300 American Bank Tower, Austin, Tex. 78701.
B. The Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.

A. Benjamin E. Barcklow, the Commodore, 529 North Capitol Street NW., Washington, D.C. 20001.

A. Robert O. Barker, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Suite 600, Washington, D.C. 20006.
B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10016.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

A. Frank V. Battle, Jr., Lawrence H. Hunt, Jr., and George E. Crapple, Sidley & Austin, One First National Plaza, Chicago, Ill. 60603.
B. ContiCommodity Services, Inc., Board of Trade Building, 141 West Jackson, Chicago, Ill. 60604; Heinold Commodities, Inc., 220 South Riverside Plaza, Chicago, Ill. 60606; Paine, Webber, Jackson & Curtis, Inc., 140 Broadway, New York, N.Y. 10005.

A. James R. Baxter, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Marvella Bayh, American Cancer Society, 1875 Connecticut Avenue, Suite 1018, Washington, D.C. 20009.
B. American Cancer Society, 777 Third Avenue, New York, N.Y. 10017.

A. Michael K. Beard, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.

A. Robert M. Beers, National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
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A. James M. Bennett, Jos. Schlitz Brewing Co., P.O. Box 614, Milwaukee, Wis. 53201.
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B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

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B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. H. Radford Bishop, American Investment Co., 8251 Maryland Avenue, St. Louis, Mo. 63105.
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A. Robert W. Blanchette, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Agri-Businessmen, Inc., 141 West Jackson Boulevard, Suite 1245, Chicago, Ill.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Michael K. Blevins, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

A. Seth M. Bodner, 1101 15th Street NW., Suite 803, Washington, D.C. 20005.
B. Lead-Zinc Producers Committee, 1101 15th Street NW., Suite 803, Washington, D.C. 20005.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Bonsib, Inc., Box 1807, Washington, D.C. 20013.

A. T. L. Bowes, Route 2, Box 183AB, Leesburg, Va. 22075.
B. Intellectual Property Owners, Inc., 1800 K Street NW., Washington, D.C. 20006.

A. Edward Bowman, c/o Tom B. Cunningham, Sr., Rural Route 5, Darlington, S.C. 29532.
B. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., Rural Route 5, Darlington, S.C. 29532.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Sheryl Brinson, 2021 K Street NW., Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.

A. Richard A. Brown, 2030 Alan Place NW., Washington, D.C. 20009.
B. Committee of Americans for the Canal Treaties, Inc. (COACT) 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.

A. Vincent D. Brown, Nebraska Petroleum Council, 334 South 13th Street, Lincoln, Nebr.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Leo M. Bryant, 1811 Monroe Street NE., Washington, D.C. 20018.

A. Nicholas J. Bush, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Cadwalader, Wickersham & Taft, 11 Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Amex Commodities Exchange, Inc., 86 Trinity Place, New York, N.Y. 10006.

A. Cadwalader, Wickersham & Taft, 11 Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Mocatta Metals Corp., 25 Broad Street, New York, N.Y. 10004.

A. C. Wickliffe Caldwell, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, No. 405, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

A. Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.

A. Charles E. Capron, 2401 Calvert Street NW., Suite 905, Washington, D.C. 20008.

A. Carella Bain, Gilfillan & Rhodes, Suite 2404, Gateway I, Newark, N.J. 07102.
B. Wagner Electric Corp., 100 Misty Lane, Parsippany, N.J. 07054.

A. John L. Carr, 815 15th Street NW., Washington, D.C. 20005.
B. Full Employment Action Council, 815 15th Street NW., Washington, D.C. 20005.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C 20006.
B. Wabanex Energy Corp., Ltd., 759 Victoria Square, Montreal, Quebec, H2Y 2K4, Canada.

A. Robert J. Casey, 330 Madison Avenue, New Pork, N.Y., 10017.
B. Estate of Sol Atlas, c/o Reavis & McGrath, 345 Park Avenue, New York, N.Y. 10022.

A. R. S. Chamberlin, Dow Chemical U.S.A., 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.

A. Seymour M. Chase, 1250 Connecticut Avenue, Washington, D.C. 20036.
B. The AST Cos., viz.; American Subscription Television, Inc.; American Subscription Television of California, Inc.; American Subscription Television of District of Columbia, Inc., et al.

A. Leslie Cheek III, Crum & Forster Corp., 1120 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
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A. Jane Cheever, The First National Bank of Boston, 100 Federal Street, Boston Mass. 02110.
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A. Chester, Saxbe, Hoffman and Willcox, Eight East Broad Street, Columbus, Ohio 43215.
B. Cox, Langford & Brown (for National Collegiate Athletic Association), 21 DuPont Circle NW., Washington, D.C. 20036.

A. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

A. Citizens for Management of Alaska Lands, Inc., P.O. Box 3256, Anchorage, Alaska 99510.

A. William F. Clarken, 8709 Parliament Drive, Springfield, Va. 22151.
B. International Council of Airshows, 5225 Wisconsin Avenue NW., Washington, D.C. 20015.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Australian Meat and Live-Stock Corp., One World Trade Center, New York N.Y. 10048.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.

A. Coalition for New York, Inc. (Coalition to Save New York, Inc.), 230 Park Avenue, New York, N.Y. 10017.

A. Lynn Coddington, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Cohen and Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., Post Office Box 2440, Miami, Fla. 33128.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Committee Concerned With Safe Banking Act), 1200 17th Street NW., Washington, D.C. 20036.

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B. Patton, Boggs & Blow for Mars, Inc., 1200 17th Street NW., Washington, D.C. 20036.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
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A. Committee for a Uniform Investment Tax Credit, 1050 17th Street NW., Suite 1112, Washington, D.C. 20036.

A. Committee for 806.30 and 807, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

A. Community Nutrition Institute, 1146 19th Street NW., Room 300, Washington, D.C. 20036.

A. Stephen N. Conner, The Willows, Route 1, Box 165, Easton, Md. 21601.
B. The Foreign Ministry of the Kingdom of Saudi Arabia, c/o The Royal Embassy of Saudi Arabia, 1520 18th Street NW., Washington, D.C.

A. Donald L. Connors, Tyler & Reynolds & Craig, One Boston Place, Boston, Mass. 02108.
B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Cook & Henderson, 1735 K Street NW., Tenth Floor, Washington, D.C. 20006.
B. Aleutian/Pribilof Islands Association, Inc., 430 C Street, Suite 303, Anchorage, Alaska 99501.

A. Cook & Henderson, 1735 K Street NW., 10th Floor, Washington, D.C. 20006.
B. Consolidated Natural Gas Co., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. Food Distributors Task Force, c/o National Wholesale Grocers Association, 51 Madison Avenue, New York, N.Y. 10010.

A. J. Crawford Cook, J. Crawford Cook, Inc., 2218 Terrace Way, Columbia, S.C. 29250.
B. J. Crawford Cook, Inc. (for The Royal Embassy of Saudi Arabia).

A. Paul Corbin, 1028 Connecticut Avenue, Suite 576, Washington, D.C. 20036.
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A. Patrick H. Corcoran, Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.
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B. New York Coffee and Sugar Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Cosmetic, Toiletry, and Fragrance Association, Inc., 1133 15th Street NW., No. 1200, Washington, D.C. 20005.

A. Daniel T. Coughlin, Jos. Schlitz Brewing Co., P.O. Box 614, Milwaukee, Wis. 53201.
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A. James Cousins, 1730 Rhode Island Avenue NW., No. 810, Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1730 Rhode Island Avenue NW., No. 810, Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Interbank Card Association, 110 East 59th Street, New York, N.Y. 10022.

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B. National League of Postmasters, 1745 Jefferson Davis Highway, Suite 501, Arlington, Va. 22202.

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B. Associacao Brasileira de Produtores de Ferro Ligas, "ABRAFE", Grupo 1305, Rio de Jeniero, Brazil.

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B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

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A. Milton A. Dauber, 329 Benj. Fox Pavilion, Jenkintown, Pa. 19046.
B. New Foundations For Tax Justice, Inc. 329 Benj. Fox Pavilion, Jenkintown, Pa. 19046.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Virgin Islands Gift and Fashion Shop Association, St. Thomas, V.I.

A. DeLaney & Patrick, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Dynamic Instrument Corp., 933 Long Island Parkway, Hauppauge, N.Y. 11787.

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B. Environmental Defense Fund, 1525 18th Street NW., Washington, D.C. 20036.

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B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.

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B. Cherokee Nation, P.O. Box 119, Tahlequah, Okla. 74464.

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B. Ocean Mining Associates, Gloucester Point, Va.

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B. Vietnam Veteran Coalition, Suite 925, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

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B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.

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A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Richard L. Fischer, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. T. E. Fitzgerald, 18913 Quail Valley Boulevard, Gaithersburg, Md. 20760.
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A. Aaron I. Fleischman, Fleischman & Walsh, 1150 Connecticut Avenue NW., Suite 1100, Washington, D.C. 20036.
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A. Food Policy Center, 538 Seventh Street SE., Washington, D.C. 20003.

A. J. Dee Frankfourth, 620 C Street SE., Washington, D.C. 20003.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Frank C. Frantz, 3917 Livingston Street NW., Washington, D.C. 20015.
B. Greater Southeast Community Hospital, 1310 Southern Avenue SE., Washington, D.C. 20032.

A. Fraser/Associates, Inc., 1800 K Street NW., Suite 1006, Washington, D.C. 20006.
B. Chamber of Commerce of the United States; National Association of Manufacturers; Associated General Contractors.

A. Fraser/Associates, Inc., 1800 K Street NW., Suite 1006, Washington, D.C. 20006.
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A. Furniture Rental Association of America, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. G-4 Children's Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015.

A. Patricia Gallagher, National Newspaper Association, 1627 K Street NW., Washington, D.C. 20006.
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B. Committee for Ratification of the Panama Canal Treaties, Inc., 2021 L Street NW., No. 402, Washington, D.C. 20036.

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B. New York Coffee and Sugar Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

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B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. James E. Gental, 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.
B. Dow Chemical, U.S.A., Midland, Mich., 48640.

A. Joseph G. Gerard, Ford Motor Co., 815 Connecticut Avenue NW., Suite 900, Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.

A. Jonathan Carl Gibson, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Joseph L. Gibson, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

A. William M. Goldstein, Morgan, Lewis & Bockius, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.

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B. American Consulting Engineers Council, 1155 15th Street NW., Washington, D.C. 20005.

A. Wayne Green, 73 Magazine, Peterborough, N.H. 03458.
B. 73 Inc., Peterborough, N.H. 03458.

A. Guayule Rubber Growers Association, 840 Sierra Madre, San Marino, Calif. 91108.

A. Ellen Haas, Community Nutrition Institute, 1146 19th Street NW., Room 300, Washington, D.C. 20036.
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B. National Restaurant Association, One IBM Plaza, Suite 2600, Chicago, Ill. 60611.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.

A. David A. Hartquist, Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. United States Fastener Manufacturing Group.

A. Lewis B. Hastings, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, Inc., 1303 East Algonquin Road, Schaumburg, Ill. 60196.

A. Harry V. Helton, 1800 Southwest First, Suite 520, Portland, Oreg. 97201.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

A. C. Dayle Henington, Chicago Mercantile Exchange, 1629 K Street NW., Suite 801, Washington, D.C. 20006.
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A. Herrick, Allen & Davis, 1701 K Street NW., No. 706, Washington, D.C. 20006.
B. Amusement and Music Operators Association, 35 East Wacker Drive, Suite 1940, Chicago, Ill. 60601.

A. Ted Allen Heydinger, Chamber of Commerce of the Unitel States, 1615 H Street NW., Washington, D.C. 20062.
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A. Frederic W. Hickman, One First National Plaza, 5200, Chicago, Ill. 60603.
B. Commonwealth Edison Co., One First National Plaza, No. 5200, Chicago, Ill. 60603.

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B. JMB Realty Corp., 875 North Michigan Avenue, Chicago, Ill. 60611.

A. Catherine J. Hill, 119 Constitution Avenue NE., Washington, D.C. 20002.
B. India Cyclone Information Center, 119 Constitution Avenue NE., Washington, D.C. 20002.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.
B. Investment Council Association of America, % John L. Casey, Scudder, Stevens & Clark, 345 Park Avenue, New York, N.Y. 10012.

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B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Schrader Stoves, Inc., Energy Alternatives, Inc., J N J Enterprises, Inc., c/o Fisher Stoves International, Inc., P.O. Box 10605, Eugene, Oreg. 97440.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue NW., Suite 900, Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.

A. J. K. Holman, Consolidation Coal Co., 1130 17th Street NW., Washington, D.C. 20036.
B. Consolidation Coal Co., 3300 One Oliver Plaza, Pittsburgh, Pa. 15222.

A. Royston C. Hughes, 1711 Venetian Way, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Independent Local Newspaper Association, 1620 I Street NW., Suite 613, Washington, D.C. 20006.

A. G. Conley Ingram, Citizens and Southern National Bank Building, 35 Broad Street, Atlanta, Ga. 30303.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Intellectual Property Owners, Inc., 1800 K Street NW., Washington, D.C. 20006.

A. International Management Consultants, Ltd., 1155 15th Street NW., Washington, D.C. 20005.
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A. International Management Consultants, Ltd., 1155 15th Street NW., Washington, D.C. 20005.
B. Public Employees Benefit Service Corp., 3035 Northwest 63d Street, Oklahoma City, Okla.

A. International Services Corp., 1776 K Street NW., Suite 605, Washington, D.C. 20006.
B. United States Merchant Marine Alumni Association, Inc. (Kings Point Fund, Inc.), Kings Point, N.Y. 11024.

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A. David M. Jenkins, 1775 K Street NW., Suite 315, Washington, D.C. 20006.
B. Miles Laboratories, Inc., 1127 Myrtle Street, Elkhart, Ind. 46514.

A. Johnson, Hoar & Co., Inc., 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
B. Committee for Consumers No-Fault, c/o Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

A. Spencer A. Johnson, Spencer & Associates, 1025 Vermont Avenue NW., No. 1002, Washington, D.C. 20005.
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A. Joint Council on International Children's Services From North America, 2562 36th Street NW., Washington, D.C. 20009; 8140 Honeytree Boulevard, Canton, Mich. 48187.

A. Jones, Day, Reavis and Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
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A. Kikkoman Foods, Inc., P.O. Box 69, Walworth, Wis. 53184.

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A. Mark Kleinman, 1710 Q Street NW., No. 2, Washington, D.C. 20009.

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A. Kutak Rock & Huie, 1156 15th Street NW., Suite 701, Washington, D.C. 20005.
B. Citibank, N.A., 399 Park Avenue, N.Y. 10043.

A. Kutak Rock & Huie, Omaha Building, 1650 Farnam Street, Omaha, Nebr. 68102.
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A. J. Stephen Larkin, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
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B. Fireman's Fund American Life Insurance Co., 1600 Los Gamos Drive, San Rafael, Calif. 94911.

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A. Tanaka Walders & Ritger, 1819 H Street NW., Washington, D.C. 20006.
B. The Fasteners Institute of Japan, Kikai Shinko Building, 3–5–8, Shiba Koen, Minato-ku, Tokyo, Japan.

A. Tanaka Walders & Ritger, 1819 H Street NW., Washington, D.C. 20006.
B. The Japan Machinery Exporters Association, Kikai Shinko Building, 21–15, Shiba Koen, Minato-ku, Tokyo 105, Japan.

A. Clayton C. Taylor, 1 McDonald's Plaza, Oak Brook, Ill. 60521.
B. McDonald's Systems, Inc., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

A. Tax Equity For Americans Abroad, Suite 750 South, 1800 M Street NW., Washington, D.C. 20036.

A. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.

A. Craig G. Thibaudeau, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., Suite 501, 3251 Old Lee Highway, Fairfax, Va. 22030.

A. 30th Pro-Life Congressional District Action Committee, 6210 Corona Avenue, Bell, Calif. 90201.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. H. J. Heinz Co., P.O. Box 57, Pittsburgh, Pa. 15230.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.

A. David G. Todd, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. R. S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

A. Twelfth Congressional District Action Committee (Pro-Life), 2372 Linda Drive, Mountainview, Calif. 94043.

A. Twenty-sixth Pro-Life Congressional District Action Committee, 1424 South Fifth Street, Alhambra, Calif. 91803.

A. United Egg Producers, 3951 Snapfinger Parkway, Suite 580, Decatur, Ga., 30035.

A. United States Fastener Manufacturing Group, 1505 East Ohio Building, Cleveland, Ohio 44114.

A. Howard S. Useem, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

A. Francis R. Valeo, 818 18th Street NW., Washington, D.C. 20006.
B. United Nations University, D.C. 1180 United Nations, New York, N.Y.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allstate Insurance, Allstate Plaza, Northbrook, Ill. 60062.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Basin, Inc., P.O. Box 2297, Midland, Tex. 79702.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Palm Beach-Broward Farmers Committee for Legislative Action, P.O. Box 396, Boynton Beach, Fla., 33425.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. South Florida Tomato & Vegetable Growers Association, P.O. Drawer B.B., Homestead, Fla. 33030.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. South West Winter Vegetable Growers Association, P.O. Box 1670, Immokalee, Fla. 33934.

A. Verner, Liipfert, Bernhard and McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Hellenic Republic of Greece, 2221 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Pan American World Airways, Inc., Pan American Building, New York, N.Y. 10017.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Texas International Airlines, P.O. Box 12788, Houston, Tex. 77017.

A. Vietnam Veteran Coalition, Inc., Suite 925, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. Ingrid A. Voorhees, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Betty Vorhies, United Egg Producers, 705 National Press Building, Washington, D.C. 20045.
B. United Egg Producers, 3951 Snapfinger Parkway, Suite 580, Decatur, Ga. 30035.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.
B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston (for First National Boston Corp., 100 Federal Street, Boston, Mass. 02110), 100 Federal Street, Boston, Mass. 02110.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Airlines, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hughes Airwest, San Francisco International Airport, San Francisco, Calif. 94128.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Piedmont Airlines, Smith Reynolds Airport, Winston-Salem, N.C. 27102.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

A. Charles S. Walsh, Fleischman and Walsh, 1150 Connecticut Avenue NW., Suite 1100, Washington, D.C. 20036.
B. National Cable Television Association, 918 16th Street NW., Washington, D.C. 20006.

A. William L. Warfield, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; and 925 15th Street NW., Washington, D.C. 20005.

A. Michael G. Wasserman, 1200 Citizens and Southern National Bank Building, 35 Broad Street, Atlanta, Ga. 30303.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Club Association, 1129 20th Street NW., Washington, D.C. 20036.

A. Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
B. National Conference of Bankruptcy Judges, c/o Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.

A. Fred W. Wegner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Congaree Limited Partnership, 222 West Adams Street, Suite 1354, Chicago, Ill. 60606.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Allegheny Airlines, National Airport, Washington, D.C. 20001.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Washington, D.C. 20036.

B. American Airlines, 633 Third Avenue, New York, N.Y. 10017.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Washington, D.C. 20036.

B. Committee for a Uniform Investment Tax Credit, 1050 17th Street NW., Suite 1112, Washington, D.C. 20036.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Washington, D.C. 20036.

B. Eastern Air Lines, Miami International Airport, Miami, Fla. 33148.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Hughes Air West, San Francisco International Airport, San Francisco, Calif. 44128.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Washington, D.C. 20036.

B. Pan American World Airways, Pan Am Building, New York, N.Y. 10017.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Piedmont Airlines, Smith Reynolds Airport, Winston-Salem, N.C. 27102.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Washington, D.C. 20036.

B. Ryder Systems, Inc., 3600 Northwest 82d Avenue, Miami, Fla. 33166.

A. Wickham, Craft & Cihlar, 1050 17th. Street NW., Washington, D.C. 20036.

B. Trans World Airlines, 605 Third Avenue, New York, N.Y. 10016.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Washington, D.C. 20036.

B. United Airlines, Inc., Post Office Box 66100, Chicago, Ill. 60666.

A. Wickwire, Lewis, Goldmark, Dystel & Schorr, 500 Maynard Building, Seattle, Wash. 98104.

B. Arctic Slope Regional Corp., Arctic Slope Native Association, Inupiat Community of the Arctic Slope, P.O. Box 129, Barrow. Alaska 99723.

A. Jerry C. Wilkerson, 7315 Wisconsin Avenue, Washington, D.C. 20014.

B. International Franchise Association, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.

B. Business Roundtable, 405 Lexington Avenue, New York, N.Y. 10017.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Nationwide Insurance Co., One Nationwide Plaza, Columbus, Ohio 43216.

A. George S. Wills, 7914 Sherwood Road, Ruxton, Md. 21204.

B. Americans for Alaska, P.O. Box 50, Riderwood, Md. 21139.

A. Albert Winchester, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Wilbur S. Wood, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washinton, D.C.

A. Edward E. Wright, Muir & Stolper, 1819 H Street NW., Washington, D.C. 20006.

B. G-4 Childrens' Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015.

A. Wyman, Bautzer, Rothman & Kuchel, Suite 1140, The Watergate, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Eklutna, Inc., 604 K Street, Anchorage, Alaska 99501.

A. Stanley Zimmerman, Conset, 1820 Jefferson Place NW., Washington, D.C. 20036.

B. Conset, 1820 Jefferson Place NW., Washington, D.C. 20036.

A. John L. Zorack, 1122 Connecticut Avenue NW., Washington, D.C. 20036.

B. Allegheny Airlines, Washington National Airport, Washington, D.C. 20001.

A. John L. Zorack, 1122 Connecticut Avenue NW., Washington, D.C. 20036.

B. Frontier Airlines, 8250 Smith Road, Denver, Colo. 80207.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1977:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $_____Dues and assessments
2. $_____Gifts of money or anything of value
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter
5. $_____Received for services (e.g., salary, fee, etc.)
6. $_____TOTAL for this Quarter (Add items "1" through "5")
7. $_____Received during previous Quarters of calendar year
8. $_____TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $_____TOTAL now owed to others on account of loans
10. $_____Borrowed from others during this Quarter
11. $_____Repaid to others during this Quarter
12. $_____"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

    Please answer "yes" or "no": _____

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through _____, 19____)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures
9. $_____TOTAL for this Quarter (Add "1" through "8")
10. $_____Expended during previous Quarters of calendar year
11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $_____TOTAL now owed to person filing
13. $_____Lent to others during this Quarter
14. $_____Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Robert J. Aagre, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $141.70.

A. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $2,500.

A. Bruce Adams, Common Cause, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,849.97.

A. Thomas L. Adams, Jr., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Adherence Group, Inc., 21 West Street, 29th Floor, New York, N.Y. 10006.
D. (6) $1,275. E. (9) $1,275.

A. Advisors Inc., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Electronic Data Systems Corp., 7171 Forest Lane, Dallas, Tex. 75230.
D. (6) $500. E. (9) $40.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $11,773.34. E. (9) $11,773.34.

A. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,100. E. (9) $5,334.85.

A. Donald G. Agger, DGA International, 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France).

A. W. Eugene Ainsworth, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $920. E. (9) $279.96.

A. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
E. (9) $417.10.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $16,130.44. E. (9) $16,130.44.

A. Aircraft Owners & Pilots Association, P.O. Box 5800, Washington, D.C. 20014.
E. (9) $4,636.24.

A. Randolf H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $650. E. (9) $194.18.

A. G. Colburn Aker, Hill & Knowlton, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Alcan Pipeline Co., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $22,000.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. American Collectors Association, Inc., 4040 West 70th Street, Minneapolis, Minn. 55435.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. American Polygraphs Association, 3701 West Alabama, Suite 330, Houston, Tex. 77027.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Beacon Oil Co., P.O. Box 466, Hanford, Calif. 93230.
E. (9) $102.75.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Coastal States Gas Producing Co., 5 Greenway Plaza East, Houston, Tex. 77046.
D. (6) $5,300. E. (9) $169.56.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. E & J Gallo Winery, P.O. Box 1130, Modesto, Calif. 95353.
D. (6) $4,900. E. (9) $1,680.71.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Haskins & Sells, 1114 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $1,200.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Northwest Pipeline Corp., 315 East Second South, Salt Lake City, Utah 84111.
D. (6) $250.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Sun Co., Inc., 1608 Walnut Street, Philadelphia, Pa. 19103.
D. (6) $9,200.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Sun Pipe Line Co., P.O. Box 2039, Tulsa, Okla. 74102.
D. (6) $1,300.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. United Refining Co., P.O. Box 780, Warren, Pa. 16365.
E. (9) $127.25.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Vickers Petroleum Corp., P.O. Box 2240, Wichita, Kans. 67201.
D. (6) $1,500. E. (9) $159.84.

A. Alaska Fund, Inc., 810 18th Street NW., Washington, D.C. 20006.
E. (9) $33,529.93.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Associated Industries of Florida, 203 South Adams Street, Tallahassee, Fla. 32302.
D. (6) $200.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Association of Local Transport Airlines, 1801 K Street NW., Suite 803, Washington, D.C. 20006.
D. (6) $6,912.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Computer Sciences Corp., 1616 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, No. 1207, Rosslyn, Va. 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.
D. (6) $1,500.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.
D. (6) $3,600.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Arlington, Va. 22209.
B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.
D. (6) $3,000.

A. Barbara Ann Alderson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Alderson, Ondov, Leonard & Sween, 105 East Oakland Avenue, Austin, Minn. 55912.
B. Hormel Foundation, Austin, Minn. 55912.

A. G. Kenneth Aldrich, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,875. E. (9) $36.

A. Roger D. Allan, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Maxton M. Allcox, 400 First Street NW., Room 801, Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $3,750.

A. Robert D. Allen, 2845 Summit Drive, Hillsborough, Calif. 94010.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $12,625.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.
B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.
D. (6) $2,000. E. (9) $550.

A. Robert Alvarez, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,350.

A. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20210.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $1,409.56. E. (9) $1,409.56.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $460.85. E. (9) $58.09.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $29,629.55. E. (9) $29,629.55.

A. American Council for Capital Formation, 1425 K Street NW. Suite 1007, Washington, D.C. 20005.
D. (6) $4,781. E. (9) $845.16.

A. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $2,343. E. (9) $570.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $4,573.22. E. (9) $4,573.22.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; Washington offices, 425 13th Street NW., Washington, D.C. 20004.
D. (6) $54,183. E. (9) $54,183.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $109,000.46.

A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $300. E. (9) $300.

A. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $242,949.17. E. (9) $550.

A. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $1,429.78. E. (9) $19,279.78.

A. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
E. (9) $1,500.

A. American Hellenic Institute Public Affairs Committee, Inc., 1730 K Street NW., Washington, D.C. 20006.
D. (6) $575.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.
D. (6) $9,768. E. (9) $5,338.11.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $75,478.18. E. (9) $25,590.40.

A. American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
E. (9) $1,800.

A. American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
E. (9) $2,253.36.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $57,815.25. E. (9) $57,815.25.

A. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
E. (9) $4,385.

A. American League for International Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $5,825.64. E. (9) $5,825.64.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $1,019.10. E. (9) $2,838.04.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,981.25. E. (9) $38,013.35.

A. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $5,733.07. E. (9) $33,030.45.

A. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $6,268.59. E. (9) $6,268.59.

A. American Optometric Association, % Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $1,047.81. E. (9) $1,047.81.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $7.25.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $172,860. E. (9) $156,661.

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $7,099.58. E. (9) $7,099.58.

A. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
E. (9) $15,942.73.

A. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $2,517,953.61. E. (9) $122,800.61.

A. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $3,210. E. (9) $2,624.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C 20036.

A. American Radio Relay League, Inc., 225 Main Street, Newington, Conn. 06111.
D. (6) $3,320,123.

A. American Seed Trade Association, 1030 15th Street NW.. Suite 964, Washington, D.C. 20005.
E. (9) $3,400.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $901.31. E. (9) $901.31.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers & Forwarders Association of America, Inc., One World Trade Center, Suite 1109, New York, N.Y. 10048.
D. (6) $244.69. E. (9) $163.03.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $607.80.

A. American Textile Manufacturers Institute, Inc., Wachovia Center, 400 South Tryon Street, Charlotte, N.C. 28285.
D. (6) $27,421.97. E. (9) $27,421.97.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $65,041.74.

A. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $450. E. (9) $37.

A. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $1,894.86. E. (9) $1,802.70.

A. Americans for Alaska, Inc., P.O. Box 50, Reiderwood, Md. 21139.
D. (6) $20,311. E. (9) $16,459.29.

A. Anthony L. Anderson, Sun Company, Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $6,500. E. (9) $1,450.

A. Gwen A. Anderson, American Sign & Indicator Corp., 1721 De Sales Street NW., Washington, D.C. 20036.
B. American Sign & Indicator Corp., 2310 Fancher Way, P.O. Drawer 2727, Spokane, Wash. 99220.
D. (6) $1,800. E. (9) $1,058.24.

A. Anderson, Pendleton, McMahon, Peet & Donovan, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.
B. Embassy of Chile, 1732 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $81.06.

A. Robert L. Anderson, Deere & Co., John Deere Road, Moline, Ill. 61265.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Scott G. Anderson, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.
B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $1,900. E. (9) $764.

A. William C. Anderson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $11.25.

A. Emmet Andrews, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $7,348.90.

A. Robert C. Angel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. U.S.-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. Scott P. Anger, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $200. E. (9) $50.

A. C. Stephen Angle, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $278.43.

A. Fred Armstrong, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,750.01.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Realty Committee, 2033 M Street NW., Washington, D.C. 20036.
D. (6) $1,083. E. (9) $26.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
E. (9) $117.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refining Co., P.O. Box 3331, Houston, Tex. 77001.
E. (9) $117.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.
D. (6) $20,450. E. (9) $399.93.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.
D. (6) $1,500. E. (9) $59.10.

A. Joseph Ashooh, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Maureen Aspin, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,166.60.

A. Associated Employers, Inc., 6009 Rittiman Plaza, San Antonio, Tex. 78218.

A. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $300.

A. Association for the Improvement of the Mississippi River, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $721.85.

A. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $5,002.60. E. (9) $5,002.60.

A. Association of American Railroads, American Railroads Building (211), 1920 L Street NW., Washington, D.C. 20036.
D. (6) $31,847.34. E. (9) $31,847.34.

A. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $100. E. (9) $103.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
E. (9) $46.

A. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $7,975.

A. Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $7,050. E. (9) $7,050.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $250.

A. George J. Aste, United Airlines, 1825 K Street NW., No. 607, Washington, DC., 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,500. E. (9) $249.62.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $105. E. (9) $106.97.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $5,617.65.

A. John D. Austin, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. John S. Autry, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $1,000. E. (9) $1,000.

A. Richard W. Averill, American Optometric Association, 7000 Chippewa Street, St. Louis, Mo. 63119.
B. American Optometric Association, c/o Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $920. E. (9) $175.

A. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
E. (9) $520.

A. David G. Axtmann, 5700 Baltimore Drive, No. 48, La Mesa, Calif. 92041.
B. San Diego Committee for a Human Life Amendment, Inc., 256 Witherspoon Way, Suite J, El Cajon, Calif. 92020.
D. (6) $1,200. E. (9) $125.

A. Walter C. Ayers, Virginia Petroleum Industries, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $600. E. (9) $100.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $1,900. E. (9) $2,744.72.

A. George F. Bailey, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. William W. Bailey, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $6,000. E. (9) $148.60.

A. David L. Baird, Jr., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $637.13.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Houston Lighting and Power Co., P.O. Box 1700, Houston, Tex. 77001
D. (6) $750.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77002.

A. Baker & Daniels, 1800 M Street NW., Washington, D.C. 20036.
B. Independent Refiners Association of America, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $7,942. E. (9) $19.10.

A. Baker, Hostetler, Frost & Towers, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $1,000.

A. Donald Baldwin, Donald Baldwin Associates, Suite 906, 1625 I Street NW., Washington, D.C. 20006.
B. American Electric Power Co., 2 Broadway, New York, N.Y. 10004.

A. Donald Baldwin, Donald Baldwin Associates, Suite 906, 1625 I Street NW., Washington, D.C. 20006.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,600.

A. Richard L. Baldwin, 225 Main Street, Newington, Conn. 06111.
B. The American Radio Relay League, Inc., 225 Main Street, Newington, Conn. 06111.
D. (6) $35,000.

A. Michael Baly III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $2,800. E. (9) $480.63.

A. Robert D. Bannister, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005; 430 North Michigan Avenue, Chicago, Ill. 60601.
D. (6) $2,406.25. E. (9) $360.47.

A. Will G. Barber, 1300 American Bank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $50.

A. Wayne B. Bardsley, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $34.

A. Thomas H. Barksdale, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $4,200. E. (9) $685.

A. Roger H. Barnard, National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.
D. (6) $200.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Suite 600, Washington, D.C. 20006.
B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10016.
E. (9) $166.52.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,875.

A. Sydney S. Baron & Co., Inc., 540 Madison Avenue, New York, N.Y. 10022.
E. (9) $4,000.

A. Richard L. Barr, Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. New York Cocoa Exchange, Inc., and New York Cocoa Clearing Association, Inc., 127 John Street, New York, N.Y. 10038.
E. (9) $100.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. New York Coffee and Sugar Exchange, Inc., and New York Coffee and Sugar C'earing Association, Inc., Four World Trade Center, New York, N.Y. 10048.
E. (9) $500.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $2,000. E. (9) $500.

A. David S. Barrows, 1201 Southwest 12th, Portland, Oreg. 97205.
B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. James P. Bass, 1101 17th Street NW., Washington, D.C. 20036.
B. American Airlines, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $975. E. (9) $145.

A. Robert E. Bates, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Laurie C. Batt'e, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,031.25.

A. John F. Battles, Massachusetts Petroleum Council, 11 Beacon Street, Boston, Mass. 02108.
B. American Petroleum Institute, 2101 S Street NW., Washington, D.C. 20037.
D. (6) $350. E. (9) $428.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,376.50.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. JOC Oil, Inc., Olympic Tower, 645 Fifth Avenue, New York, N.Y. 10022.
D. (6) $2,336.25.

A. Gary Lee Bauer, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. DMMA, 1730 K Street NW., Suite 905, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $500.

A. Richard H. Bauer, 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $567.03.

A. John N. Bauman, 312 Barr Building, 910 17th Street NW., Washington, D.C. 20006.
B. White Consolidated Industries, Inc., 11770 Berea Road, Cleveland, Ohio 44111.
D. (6) $5,000. E. (9) $802.10.

A. Marvella Bayh, American Cancer Society, Inc., 1875 Connecticut Avenue, Suite 1018, Washington, D.C. 20009.
B. American Cancer Society, 777 Third Avenue, New York, N.Y. 10017.
D. (6) $1,769. E. (9) $1,083.24.

A. Bruce A. Beam, Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24011.
B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24011.
D. (6) $269.28. E. (9) $198.20.

A. John E. Bearer, 1001 Broad Street, Johnstown, Pa. 15907.
B. GPU Service Corp., 260 Cherry Hill Road, Parsippany, N.J. 07054.
D. (6) $2,652.18. E. (9) $2,382.45.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $2,490.31.

A. Christine T. Beatty, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $2,410. E. (9) $38.72.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 20903.
B. United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington 20001.
D. (6) $3,750. E. (9) $80.70.

A. James F. Bell, Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Winston Everett Bell, P.O. Box 5463, Las Vegas, Nev. 89102.

A. C. Thomas Bendorf, 1620 I Street NW., Washington, D.C. 20006.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,000. E. (9) $100.

A. C. Robert Benedict, 603 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Osteopathic Hospital Association, 930 Bussee Highway Park Ridge, Ill. 60068.
D. (6) $1,250. E. (9) $461.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., No. 800, Washington, D.C. 20036.
B. TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Kenneth U. Benjamin, Jr., 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $563.

A. Douglas P. Bennett, 1776 F Street NW., Washington, D.C. 20006.
B. Association of Executive Recruiting Consultants, Inc., 30 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $600. E. (9) $320.37.

A. Douglas P. Bennett, 1776 F Street NW., Washington, D.C. 20006.
B. Eugene C. Cashman, 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Douglas P. Bennett, 1776 F Street NW., Washington, D.C. 20006.
B. National Restaurant Association, Suite 850, 1850 K Street NW., Washington, D.C. 20006.
D. (6) $1,466.29. E. (9) $693.95.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., Suite 915, Washington, D.C. 20036.
B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.
E. (9) $250.

A. William C. Bennett, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $1,080. E. (9) $69.

A. Nancy C. Benson, 1625 I Street NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $142. E. (9) $82.05.

A. Kenneth W. Bergen, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $100. E. (9) $27.75.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Sydney S. Baron & Co., Inc., 540 Madison Avenue, New York, N.Y. 10022.
D. (6) $4,000.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. CNA Financial Corp., CNA Plaza, Chicago, Ill. 60685.
D. (6) $2,500.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Dutcher Industries, 7617 Convoy Court, San Diego, Calif. 92111.
D. (6) $3,000.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.
D. (6) $3,000.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.

B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $12,000.

A. Ellen Berman, Energy Policy Task Force of Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.
B. Energy Policy Task Force of Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $1,350. E. (9) $75.

A. Arthur S. Berner, Inexco Oil Co., Suite 1900, 1100 Milam Building, Houston, Tex. 77002.
B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Centre National Interprofessional de l'Economie Laitiere, 10 Avenue de Messine, 75008 Paris, France.
D. (6) $2,400.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washintgon, D.C. 20006.
B. East-West Trade Council, 1700 Pennsylvania Avenue NW, Washington, D.C. 20006.
D. (6) $4,800.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Energy Consumers and Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.
D. (6) $2,502. E. (9) $21.51.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.
E. (9) $921.20.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Pest Control Association, 8150 Leesburg Pike, Vienna, Va.
E. (9) $117.90.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washintgon, D.C. 20006.
B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.

A. Robert A. Best, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. American League for International Security Assistance, Inc. (ALISA), 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
D. (6) $1,500. E. (9) $943.89.

A. Robert A. Best, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. TADCO Enterprises, Inc., 1625 I Street NW., Washington, D.C. 20006; and Archer-Daniels-Midland Co., Decatur, Ill. 62525.
D. (6) $600. E. (9) $25.24.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $475. E. (9) $284.80.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. Alaska Movers Association, 10777 Main Street, Suite 205, Bellevue, Wash. 98004.
D. (6) $1,500.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. International Paper Inc., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. Moving & Storage Association of Hawaii, P.O. Box 17865, Honolulu, Hawaii 96817.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. New England Power Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $2,000.

A. Beveridge, Fairbanks & Diamond, 1 Farragut Square South, Washington, D.C. 20006.
B. Society of Plastics, Inc., 1150 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Beveridge, Fairbanks & Diamond, 1 Farragut Square South, Washington, D.C. 20006.
B. SoGen Swiss International Corp., 20 Broad Street, New York, N.Y. 10005.
D. (6) $2,350.

A. Beveridge, Fairbanks & Diamond, 1 Farragut Square South, Washington, D.C. 20006.
B. Union Seas, Corporation Trust, Inc., 25 South Charles Street, Baltimore, Md. 21201.

A. Eileen M. Biermann, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $550.

A. Andrew J. Biermiller, 815 16th Street NW., Washington, D.C. 20006.
B. AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $14,454.70.

A. Walter J. Bierwagen, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Thomas E. Biery, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $18.

A. Billig, Sher & Jones, 2033 K Street NW., Washington, D.C. 20006.
B. Adherence Group, Inc., 21 West Street, 29th Floor, New York, N.Y. 10006.
D. (6) $1,250. E. (9) $25.

A. Linda M. Billings, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $5,922. E. (9) $162.30.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Coastal States Gas Corp., 5 Greenway Plaza East, Houston, Tex. 77046.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. General Teamsters Local 959, State of Alaska, 1200 Airport Heights Road, Anchorage, Alaska 99504.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Steering Council for Alaska Lands, 1016 West Sixth Avenue, Suite B., Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20008.

A. John L. Birkinbine, Jr., 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. C. Thomason Bishop III, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Robert B. Bizal, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $305. E. (9) $9.

A. Neal R. Bjornson, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,000. E. (9) $90.16.

A. Tom G. Black, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue, Washington, D.C. 20003.
D. (6) $2,799.99.

A. Donna C. Blair, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $715. E. (9) $139.15.

A. Richard W. Blake, 1776 K Street NW., No. 900, Washington, D.C. 20006.
B. American Sugarbeet Growers Association, 1776 K Street NW., No. 900, Washington, D.C. 20006.
D. (6) $150.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Agri-Businessmen, Inc., 141 West Jackson Boulevard, Suite 1245, Chicago, Ill.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Board of Trade Cleaning Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $250. E. (9) $5.

A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $14,511. E. (9) $2,200.17.

A. Michael K. Blevins, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Richard W. Bliss, National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Co., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $1,200. E. (9) $398.

A. Jerald Blizin, Hill & Knowlton, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. L. Thomas Block, Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
B. Irving Trust Co., Commercial Banking, 1 Wall Street, New York, N.Y. 10015.
D. (6) $400. E. (9) $260.

A. Mark Bloomfield, American Council for Capital Formation, 1425 K Street NW., Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Washington, D.C. 20005.
D. (6) $200.

A. Mark Andrew Bloomfield, 2475 Virginia Avenue NW., No. 108, Washington, D.C. 20037.
B. American Electronics Association, 2600 El Camino Real, Palo Alto, Calif., 94306.
D. (6) $3,000. E. (9) $160.60.

A. Jack A. Blum, 1015 18th Street NW., Washington, D.C. 20036.
B. Independent Gasoline Marketers Council, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $10,000. E. (9) $1,648.76.

A. Jared O. Blum, 1730 M Street NW., Suite 610, Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Suite 610, Washington, D.C. 20036.
D. (6) $900. E. (9) $104.80.

A. Blum, Parker & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Association of Independent Corrugated Converters, 2530 Crawford Avenue, Evanston, Ill., 60201.
D. (6) $7,500. E. (9) $37.

A. Blum, Parker & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $400. E. (9) $127.90.

A. Blum, Parker & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Mt. Airy Refining Co., One Allen Center, Suite 1000, Houston, Tex. 77002.
D. (6) $3,121.25. E. (9) $47.55.

A. Blum, Parker & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.
D. (6) $500.

A. Blum, Parker & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.
D. (6) $350.

A. Wayne F. Boan, National Association of Manufacturers, 8320 Gulf Freeway, Suite 243, Houston, Tex. 77017.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. Seth M. Bodner, 1101 15th Street NW., Suite No. 803, Washington, D.C. 20005.
B. Lead-Zinc Producers Committee, 1101 15th Street NW., Suite No. 803, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $145.92.

A. Becky Bogard, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $192.

A. Theodore D. Bogue, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $300.

A. Patricia M. Boinski, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $45. E. (9) $22.

A. Robert J. Bolger, 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.
B. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway Suite 504, Arlington, Va. 22202.
D. (6) $1,650.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.
D. (6) $160.

A. L. H. Bonin, Jr., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., Pittsburgh, Pa. 15230.
D. (6) $2,400. E. (9) $350.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.
B. Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $600. E. (9) $35.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Thomas C. Borzilleri, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $290.77.

A. Charles G. Botsford, 1730 M Street NW., Suite 609, Washington, D.C. 20036.

A. A. D. Bourland, Industry Government Relations, 1660 L Street NW., Suite 804, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $2,736.52.

A. Frank J. Bowden, Jr., Associated Petroleum Industries of Pa., P.O. 925, Harrisburg, Pa. 17108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $528.75. E. (9) $375.39.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. J. Wiley Bowers, Tennessee Valley Public Power Association, 415 Pioneer Building, Chattanooga, Tenn. 37402.
B. Tennessee Valley Public Power Association, 415 Pioneer Building, Chattanooga, Tenn. 37402.

A. Robert R. Bowers, West Virginia Petroleum Council, Suite 714, Atlas Building, Charleston, W. Va. 25301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $272. E. (9) $278.

A. Edward L. Bowley, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $10,584.60. E.(9) $3,181.89.

A. Randal Bowman, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $511.14.

A. Francis J. Boyd, Jr., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., Suite 501, 3251 Old Lee Highway, Fairfax, Va. 22030.
E. (9) $31.24.

A. John G. Boyd, 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $278.40. E. (9) $33.56.

A. Robert E. Bradford, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. Frank W. Bradley, Chevron U.S.A. Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A. Inc., Subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.
E. (9) $100.

A. Wayne W. Bradley, American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $750. E. (9) $300.

A. Joseph E. Brady, 5018 East Summer Moon Lane, Phoenix, Ariz. 85044.
B. National Coordinating Committee of the Beverage Industry, 5018 East Summer Moon Lane, Phoenix, Ariz. 85044.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,055.38. E. (9) $200.85.

A. David C. Branand, American Mining Congress, 1100 Ring Building, Washington, D.C.

B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. Robert M. Brandon, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,062.50.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $772. E. (9) $5.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.
D. (6) $95.

A. Jerome J. Breiter, 1800 K Street NW., Washington, D.C. 20006.
B. Hercules Inc., 910 Market Street, Wilmingtcn, Del. 19899.
D. (6) $578. E. (9) $54.

A. Miles H. Bresee, Jr., 170 Altura Way, Greenbrae, Calif. 94904.
B. Bechtel Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.
D. (6) $50.

A. Jeffrey Bricker, 460 Park Avenue, 7th floor, New York, N.Y. 10022.
B. Fallek Chemical Corp., 460 Park Avenue, New York, N.Y. 10022.

A. Claude S. Brinegar, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $600. E. (9) $166.05.

A. Sheryl Brinson, 2021 K Street NW., Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $300. E. (9) $150.

A. Wally Briscoe, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street, NW., Washington, D.C. 20006.
D. (6) $1,031.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y. 10016.
D. (6) $950.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $4,500.

A. Phillip W. Brooks, Volunteer State Oil Committee, 19th floor, Third National Bank Building, Nashville, Tenn. 37219.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $300. E. (9) $160.53.

A. Donald G. Brotzman, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $8,000. E. (9) $23.05.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $350. E. (9) $57.30.

A. Charles T. Brown, Cities Service Co., Box 100, Miami, Ariz. 85539.
B. Cities Service Co., Box 100, Miami, Ariz. 85539.
E. (9) $24.80.

A. David S. J. Brown, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $450. E. (9) $114.02.

A. Dennis E. Brown, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Diane V. Brown, 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $250. E. (9) $100.

A. Donald K. Brown, 1127 11th Street, Suite 618, Sacramento, Calif. 95814.
B. Summa Corp., P.O. Box 14000, Las Vegas, Nev. 89156.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. Centar Associates, 369 Passiac Avenue, Fairfield, N.J. 07006.
D. (6) $500. E. (9) $190.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. National Association of Life Sciences, 9200 Leesburg Turnpike, Vienna, Va. 22180.
D. (6) $200.

A. J. D. Brown, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C.
D. (6) $200.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.
B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $400.

A. Karen H. Brown, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Michael F. Brown, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Richard A. Brown, 2030 Alan Place NW., Washington, D.C. 20009.
B. Committee of Americans for the Canal Treaties, Inc., 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $4,500. E. (9) $139.36.

A. Vincent D. Brown, Nebraska Petroleum Council, 334 South 13th Street, P.O. Box 95063, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $972. E. (9) $435.

A. Stanley R. Browne, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $400. E. (9) $12.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Foodservice Manufacturers Association, 875 North Michigan Avenue, Chicago, Ill. 60611.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Franchise Association, 7315 Wisconsin Avenue, Bethesda, Md. 20014.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mortgage Guaranty Insurance Corp., MGIC Plaza, Milwaukee, Wis. 53201.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. New York State Urban Development Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. John R. Bruch, P.O. Box 5000, Cleveland, Ohio 44101.
B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.
D. (6) $1,800. E. (9) $673.88.

A. Jacqueline Brunell, American Nurses Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Nurses Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,132. E. (9) $45.50.

A. Fred J. Bruner, Indiana & Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.
B. Indiana & Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.
D. (6) $1,605.75. E. (9) $2,292.03.

A. Paul A. Brunkow, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Companies, Allstate Plaza, Northbrook, Ill. 60062.

A. Harvey F. Brush, 2006 Washington Street, San Francisco, Calif. 94109.
B. Bechtel Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Margaret H. Byrant, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Natural Service Co., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $25.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $2,000. E. (9) 35.

A. Robert D. Buehler, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $400.

A. David J. Burch, 1101 15th Street NW., Washington, D.C. 20005.
B. National Constructors Association, 1101 15 Street NW., Washington, D.C. 20005.

A. Norman D. Burch, 1775 K Street NW., Washington, D.C. 20006.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076
D. (6) $3,375. E. (9) $68.45.

A. David G. Burden, 200 East Randolph Drive, Chicago, Ill. 60601.
B. Standard Oil Co., 200 East Randolph Drive, Chicago, Ill. 60601.

A. William J. Burhop, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,875. E. (9) $195.60.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $20.71.

A. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Washington, D.C.
D. (6) $25,470.73. E. (9) $901.02.

A. Phillip C. Burnett, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,125.

A. Charles S. Burns, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $1,200. E. (9) $399.45.

A. Gerrie Bjornson Burns, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $100.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 10036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $613.98.

A. Burwell, Hansen & Manley, 1815 H Street NW., Suite 550, Washington, D.C. 20006.
B. Trans International Airlines, Inc., P.O. Box 2504, Airport Station, Oakland, Calif. 94614.
D. (6) $135.

A. John M. Burzio, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Magazine Publishers Association, Inc., Magazine Center, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,964.25. E. (9) $262.

A. Nicholas J. Bush, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $216.98.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.
D. (6) $5,417.74. E. (9) $934.48.

A. James J. Butera, National Association of Mutual Savings Banks, 1709 New York Avenue NW., Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,250. E. (9) $217.16.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for American Family Mutual Insurance Co.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Cabot Corp.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Insurance Association of Connecticut), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.
B. Crown Central Petroleum Corp., 1 North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cadwalader, Wickersham & Taft, 11 Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Associated Metals & Minerals Corp., 30 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $58.75. E. (9) $5.

A. Cadwalader, Wickersham & Taft, 11 Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Mocatta Metals Corp., 25 Broad Street, New York, N.Y. 10004.
D. (6) $1,890. E. (9) $30.

A. Alan Caldwell, 1825 K Street NW., Washington, D.C. 20006.
B. Del Monte Corp., 1 Market Plaza, San Francisco, Calif. 94119.
D. (6) $1,000. E. (9) $50.

A. C. Richard Calkins, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. F. Patricia Callahan, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $240. E. (9) $40.40.

A. Peter E. Callanan, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Honeywell, Inc., Honeywell Plaza, Minneapolis, Minn. 55408.
D. (6) $600. E. (9) $250.

A. Gordon L. Calvert, Box 34–531, Washington, D.C. 20034.
B. Commercial Collection Agency Section, Commercial Law League of America, 222 West Adams Street, Chicago, Ill. 60606.
D. (6) $1,000. E. (9) $45.16.

A. Victoria R. Calvert, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $50.

A. Donald L. Calvin, New York Stock Exchange, Inc., 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, Inc., 11 Wall Street, New York, N.Y. 10005.

A. C. R. Campbell, Jr., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. General Telephone & Electronics Corp., 1 Stamford Forum, Stamford, Conn. 06904.
D. (6) $500. E. (9) $190.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $238.27.

A. Jerry L. Campbell, 415 Pioneer Building, Chattanooga, Tenn. 37402.
B. Tennessee Valley Public Power Association, 415 Pioneer Building, Chattanooga, Tenn. 37402.

A. Alyce D. Canaday, Pacific Power & Light Co., 918 16th Street NW., Washington, D.C. 20006.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $400. E. (9) $476.14.

A. David A. Caney, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,337.50. E. (9) $1,342.

A. W. Dean Cannon, Jr., 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.
B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.
D. (6) $2,000. E. (9) $2,155.33.

A. David L. Cantor, 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.
D. (6) $500. E. (9) $126.

A. Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.

A. Marvin H. Caplan, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $4,875. E. (9) $101.90.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Council on Foundations, Inc., 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $2,795.27. E. (9) $19.07.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Salomon Brothers, One New York Plaza, New York, N.Y. 10004.
D. (6) $10,004.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.

B. Council of European and Japanese National Shipowners' Association, 17-18 Bury Street, London, EC3A 5AH England.
D. (6) $7,000. E. (9) $412.59.

A. Charles E. Capron, 2401 Calvert Street NW., Washington, D.C. 20008.
E. (9) $20.

A. Isaac R. Caraco, 4532 Park Monaco, Calabasas Park, Calif. 91302.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Norval E. Carey, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $1,000. E. (9) $675.

A. Charles R. Carlisle, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $9,360. E. (9) $565.12.

A. Peter Carlson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Enviromental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,200.

A. Chapin Carpenter, Jr., Magazine Publishers Association, Inc., 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, Inc., 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,500. E. (9) $262.79.

A. Jack Carpenter, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $159.65. E. (9) $59.19.

A. L. C. Carpenter, Midcontinent Farmers Association, 201 South Seventh Street, Columbia, Mo. 65201.
B. Midcontinent Farmers Association, 201 South Seventh Street, Columbia, Mo. 65201.
D. (6) $5,299.32. E. (9) $2,410.29.

A. Charles T. Carroll, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. John R. Carson, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $8,000.

A. Charles S. Carter, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $260. E. (9) $6.

A. Joseph L. Carter, Jr., Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $318.75. E. (9) $46.95.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $385.

A. Ann M. Case, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $300. E. (9) $42.

A. John L. Casey, 345 Park Avenue, New York, N.Y. 10022.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. John S. Casey, 207 Duke Drive, Heflin, Ala. 36264.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Columbia Gas Transmission Corp., 20 Montchanin Road, Wilmington, Del. 19807.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue, Suite 805, Washington, D.C. 20006.
B. Independent Gas Producers Committee, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Kansas Delaware Tribe of Indians, Inc., 1909 Aladdin, Norman, Okla. 73609.
E. (9) $26.86.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Slurry Transport Association, 490 L'Enfant Plaza East, Suite 320, Washington, D.C. 20024.
D. (6) $1,492.50. E. (9) $75.50.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Texas Oil and Gas Corp., 2700 Union Fidelity Tower, Dallas, Tex. 75201.
E. (9) $20.70.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Estate of Sol Atlas, c/o Reavis & McGrath, 345 Park Avenue, New York, N.Y. 10022.
E. (9) $296.50.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.

A. James B. Cash, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $159.

A. Allen R. Caskie, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. John J. Castellani, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $272. E. (9) $8.60.

A. Rita L. Castle, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

A. Philip T. Cavanaugh, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $180.

A. Frank R. Cawley, Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22042.
B. Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22040.
D. (6) $150. E. (9) $99.81.

A. Dorothy D. Cecelski, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,312.50. E. (9) $373.95.

A. Chain Saw Manufacturers Association, 1015 18th Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $250. E. (9) $250.

A. Jerry L. Chambers, 2322 Casswell Drive, Bethel Park, Pa. 15102.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1101 17th Street NW., Washington, D.C. 20036.
B. York Division, Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.
E. (9) $46.50.

A. William C. Chapman, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $4,370.13.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex., 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002).
E. (9) $181.02.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Lone Star Steel Co., P.O. Box 35888, Dallas, Tex. 75235).
E. (9) $101.37.

A. John E. Capoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Petroleum Equipment Suppliers Association, 1703 First City National Building, Houston, Tex. 77002).
E. (9) $19.78.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Quintana Petroleum Corp., 500 Jefferson, Houston, Tex. 77002).
D. (6) $1,530.

A. Leslie Cheek III, Crum & Forester Corp., 1120 Connecticut Avenue NW., Suite 1142, Washington, D.C. 20036.

B. Crum & Forster Corp., Madison Avenue at Canfield Road, PO Box 2387, Morristown, N.J. 07960.
D. (6) $12.500. E. (9) $1,200.

A. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $140.74. E. (9) $140.74.

A. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Howard P. Chester, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Stone, Glass & Clay Coordinating Committee, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $6,870. E. (9) $450.83.

A. Chester, Saxbe, Hoffman & Wilcox, Eight East Broad, Columbus, Ohio 43215.
B. Cox, Langford & Brown, 21 Dupont Circle, Washington, D.C. (for National Collegiate Athletic Association, U.S. Highway 50 and Null Avenue, P.O. Box 1902, Shawnee Mission, Kans. 66222).
E. (9) $530.75.

A. Chevron Employees of Contra Costa, P.O. Box M, Concord, Calif. 94924.

A. Children's Rights, Inc., 3443 17th Street, NW., Washington, D.C. 20010.
D. (6) $33.20. E. (9) $33.92.

A. Phillip R. Chisholm, National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
B. National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $6,125. E. (9) $209.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. James M. Christian, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
D. (6) $3.16.

A. James Ciarrocchi, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $862.51. E. (9) $327.69.

A. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
E. (9) $102.

A. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th SE., No. 151, Bellevue Wash. 98004.
D. (6) $244,968.70. E. (9) $150,050.18.

A. Citizens for Government Fairness, P.O Box 1336, Brawley, Calif. 92227.
D. (6) $42,383.07. E. (9) $197,587.28.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky. 41101.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Crown Central Petroleum Corp., One North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., 2055 West 190th Street, Torrance, Calif. 90504.

A. Bob Clark & Associates, Suite 1908, 400 Madison Street, Alexandria, Va. 22314.
B. Ryder System, Inc., P.O. Box 520816, Miami, Fla.
D. (6) $990. E. (9) $75.

A. Carlton S. Clark, Baltimore Gas & Electric Co, 1100 Gas Electric Building, P.O. Box 1475, Baltimore, Md. 21203.
B. Baltimore Gas & Electric Co., Gas & Electric Building, P.O. Box 1475, Baltimore, Md. 21203.
D. (6) $16.29. E. (9) $3.50.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,039. E. (9) $13.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $350.80. E. (9) $466.41.

A. Kimball Clerk, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $258.12. E. (9) $171.75.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,750.01.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $243.60.

A. Vernon A. Clark, 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.
D. (6) $550. E. (9) $399.

A. Donald M. Clarke, Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300. E. (9) $150.

A. Wade P. Clarke, Jr., Deere and Co., John Deere Road, Moline, Ill. 61265.
B. Deere and Co., John Deere Road, Moline, Ill. 61265.

A. Clay Pipe Industry Depletion Committee, P.O. Box 6, Pittsburg, Kans. 66762.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,375.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10533.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $40. E. (9) $40.

A. Frank Clements, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,524.69.

A. Ronald D. Clements, 1140 Connecticut Avenue NW., Suite 1010. Washington, D.C. 20036.
B. National Association of Electric Co.'s, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $390. E. (9) $82.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004.
D. (6) $525. E. (9) $263.70.

A. Clifford Glass, McIlwain & Finney, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn., 06830.
D. (6) $900. E. (9) $270.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. New York Cocoa Exchange, Inc., and New York Cocoa Clearing Association Inc., 127 John Street, New York, N.Y.; New York Coffee and Sugar Exchange, Inc., 79 Pine Street, New York, N.Y.; Commodity Exchange, Inc., 81 Broad Street, New York, N.Y.
D. (6) $2,920. E. (9) $802.20.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Warner-Lambert Co., 201 Tabor Road, Morris Plains, N.J. 07950.

A. Coalition for New York, Inc., 230 Park Avenue, New York, N.Y. 10017.

A. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. Coalition of Concerned Charities, c/o Annette Gnospelius, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,752.

A. Thomas B. Coates, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C.
D. (6) $450. E. (9) $450.

A. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
E. (9) $1,575.07.

A. Lynn Coddington, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $5,499.99.

A. John J. Coffey, Suite 638, 2101 L Street NW., Washington, D.C. 20037.
B. Western Oil and Gas Association, 609 South Grand Avenue, Suite 910, Los Angeles, Calif. 90017.
D. (6) $825.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $10,500. E. (9) $480.75.

A. Thomas Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,600.

A. Cohen and Uretz, 1775 K Street NW., Fouth Floor, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, P.O. Box 2440, Miami, Fla. 33128.
D. (6) $6,612.50. E. (9) $3,096.29.

A. Marcus Cohn, Cohn and Marks, 1920 L Street NW., Washington, D.C. 20036.
B. Wometco Enterprises, Inc., Post Office Box 2440, Miami, Fla. 33128.
D. (6) $500.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.
D. (6) $736.11 E. (9) $34.20.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. Chase Manhattan Bank, One Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $651.08. E. (9) $204.86.

A. E. William Cole, Jr., 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $800.

A. Eleanor Cole, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street, NW., 460 South Washington, D.C. 20036.
D. (6) $1,000. E. (9) $1,000.

A. Ken Cole, Security Life Building, Denver, Colo. 80202.
B. Standard Oil (Indiana) 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $361.64. E. (9) $624.32.

A. Michael P. Cole, 424 Vassar Avenue, Berkeley, Calif. 94708.
B. Bechtel Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $7,750.02. E. (9) $327.06.

A. Stacey W. Cole, New Hampshire Petroleum Council, 23 School Street, Concord, N.H. 03301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Crown Central Petroleum Corp., One North Charles Street, Baltimore, Md. 21203.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Cardio Pulmonary Contractors Association, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $6,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.
D. (6) $4,500.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. National Pharmaceutical Alliance, P.O. Box 13547, St. Petersburg, Fla. 33733.
D. (6) $7,500.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Ad Hoc 602 Committee), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street, NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Air Products and Chemical Co.), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for American Guild of Authors and Composers), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for American Imported Automobile Dealers Association), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for American Maritime Association), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for American Society of Association Executives), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $200.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Boating Industry Association), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, (for Business Roundable), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow (for Chicago Board Options Exchange), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Computer Sciences Corp.), 1200 17th Street N.W., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow (for Council of State Chambers of Commerce), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Energy Advances), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Independent U.S. Tanker Owners), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $200.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow (for Machinery Dealers National Association), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Marathon Oil), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for National Association of Engine and Boat Manufacturing), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow (for Reading Co.), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Redwood Industry Park Committee), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $2,600.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for State of Louisiana), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Uncle Ben's Foods), 1200 17th Street N.W., Washington, D.C. 20036.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Ad Hoc Committee For A Fair Natural Gas Policy, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
E. (9) $110.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. American Cylinder Manufacturers Committee, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
D. (6) $35.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $100.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $500. E. (9) $475.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Bicycle Manufacturers Association of America, Inc., 1101 15th Street NW., Washington, D.C. 20005.
D. (6) $500. E. (9) $100.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $450.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., No. 308, Washington, D.C. 20007.
B. Tool and Stainless Steel Industry Committee, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
D. (6) $1,250. E. (9) $525.

A. Bruce Collins, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,562.

A. Paul G. Collins, 1 Jackson Walkway, Providence, R.I. 02903.
B. New England Commercial Banking Caucus, 1 Jackson Walkway, Providence, R.I. 02903.

A. Robert B. Collyer, UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
B. UBA. Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
D. (6) $1,000. E. (9) $1,000.

A. Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.
E. (9) $2,886.

A. Committee for Consumers No-Fault, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $29,251.90. E. (9) $10,535.98.

A. Committee for Do-It-Yourself Household Moving, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Committee for a Uniform Investment Tax Credit, 1050 17th Street NW., Suite 1112, Washington, D.C. 20036.
D. (6) $66,000. E. (9) $4.

A. Committee of Americans for the Canal Treaties, Inc., 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $166,636.75. E. (9) $197,354.95.

A. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $28,500. E. (9) $8,925.72.

A. Committee to Save the Panama Canal, P.O. Box 2549, Reston, Va. 22090.
D. (6) $154,489. E. (9) $129,900.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,379,275.58. E. (9) $369,779.99.

A. Lance Compa. 917 15th Street NW., Washington, D.C. 20005.
B. United Electrical, Radio & Machine Workers of America, 11 East 51st Street, New York, N.Y. 10022.
D. (6) $3,744. E. (9) $390.

A. Stephen R. Conafay, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $300. E. (9) $290.

A. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $29,871.72. E. (9) $29,891.72.

A. Congressional District Action Committee, District No. 7, 2735 Ivy Street, Tampa, Fla. 33607.
D. (6) $65.

A. Raymond F. Conkling, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $100. E. (9) $10.25.

A. Ross Conlin, Chessie System, 840 Washington Building, 15th and New York Avenue NW., Washington, D.C. 20005.
B. Chessie System, Terminal Tower, Cleveland, Ohio 44101.
D. (6) $3,000. E. (9) $1,550.

A. Robert J. Conner, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $500. E. (9) $734.24.

A. Albert J. Conners, Air Force Sergeants Association, Inc.. 1608 Pittsfield Lane, Bowie, Md. 20715.
B. Air Force Sergeants Association, Inc., 4235 28th Avenue, Marlow Heights, Md. 20031.

A. John J. Connolly, American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $1,200.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
E. (9) $14,525.

A. Contract Carrier Conference of American Trucking Associations, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $5,500.

A. Dana Contratto, Suite 700, 1800 M Street NW., Washington, D.C. 20036.
B. Associated Gas Distributors, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $33.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.
B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $2,600.

A. Charles F. Cook, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.
D. (6) $102.21. E. (9) $12.20.

A. Cook & Franke, 660 East Mason Street, Milwaukee, Wis. 53202.
B. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. Frederick N. Cook, Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $450.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. Aleutian/Pribilof Islands Association, 430 C Street, Suite 303, Anchorage, Alaska 99501.
D. (6) $4,000. E. (9) $54.30.

A. Cook & Henderson, 1735 K Street NW., 10th Floor, Washington, D.C. 20006.
B. Consolidated Natural Gas Co., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $1,250. E. (9) $250.

A. Cook & Henderson, 1735 K Street NW., 10th Floor, Washington, D.C. 20006.
B. Food Distributors Task Force, 1750 K Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $19.45.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.
D. (6) $3,600. E. (9) $340.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $2,800. E. (9) $43.

A. J. Crawford Cook, P.O. Box 5845, Columbia, S.C.
B. J. Crawford Cook, Inc., 503 Seward Square SE., Washington, D.C. 20003 (for Royal Embassy of Saudi Arabia).
D. (6) $1,000.

A. Charles E. Cooke, 1801 K Street NW., Suite No. 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $175. E. (9) $75.

A. Eileen D. Cooke, 110 Maryland Avenue NE., Suite 101, Box 54, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $849.

A. E. Keith Cooper, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash.
D. (6) $665. E. (9) $490.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C 20006.

A. Janet R. Cooper. 1016 16th Street NW. Washington. D C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington D.C. 20036.

A. Jesse D. Cooper, North Dakota Petroleum Council, P.O. Box 1395, Bismarck, N. Dak. 58501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.
D (6) $2,500. E. (9) $646.84.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $10,500.

A. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $5,500. E. (9) $785.

A. Darrell Coover, Suite 1001, 1625 I Street NW., Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill.
D. (6) $2,000. E. (9) $277.

A. Allan D. Cors, 1800 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.
D. (6) $350.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.
B. Penthouse International Ltd., 1707 H Street NW., Washington, D.C.
D. (6) $8,750. E. (9) $6,505.

A. R. H. Cory, 1510 American Bank Tower, Austin, Tex. 78701.
B. Central & South West Services, Inc., 1510 American Bank Tower, Austin, Tex. 78701.
D. (6) $875.60. E. (9) $3,958.48.

A. John E. Cosgrove, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $9,346.35.

A. David Cosson, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $112.

A. Michael E. Costello, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.
E. (9) $209.24.

A. Cotton Warehouse Association of America, 1707 L Street NW., Suite 540, Washington, D.C. 20036.
D. (6) $148.41. E. (9) $148.41.

A. Council for Inter-American Security, 1721 De Sales Street NW., Washington, D.C. 20036.
D. (6) $72,629. E. (9) $72,870.

A. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $28,896.96. E. (9) $25,804.33.

A. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,365.50. E. 874.72.

A. Douglas Couttee, Active Ballot Club Department, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $8,706.16. E. (9) $746.93.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Association of Oral & Maxillofacial Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $9,000. E. (9) $87.38.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Delmarva Poultry Industry, Inc., R.D. No. 2, Box 47, Georgetown, Del. 19947.
E. (9) $4.70.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Interbank Card Association, 888 Seventh Avenue, New York, N.Y. 10019.
E. (9) $11.50.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $3.20.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Irving Trust Co., One Wall Street, New York, N.Y. 10015.
D. (6) $6,500. E. (9) $50.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Committee for Limited Profit Housing, c/o HHH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Federation of Independent Business, 921 Washington Building, Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Hugo Neu (for Hugo Neu & Sons, Inc., 380 Madison Avenue, New York, N.Y. 10017), 380 Madison Avenue, New York N.Y. 10017
D. (6) $30,000. E. (9) $9.94.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Perdue Inc., P.O. Box 1537, Salisbury, Md. 21801.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Pyramid Ventures Group, Inc., P.O. Box 1671, Morgan City, La. 70381.

A. Eugene S. Cowen, 9024 Willow Valley Drive, Potomac, Md. 20854.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $54. E. (9) $54.

A. Carol A. Cowgill, American Academy of Family Physicians, 475 L'Enfant Plaza West SW., Suite 2970, Washington, D.C. 20024.
B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $757.35 E. (9) $44.

A. C. Bryan Cox, P.O. Box 139, Kansas City, Mo. 64141.
B. Kansas City Life Insurance Co., P.O. Box 139, Kansas City, Mo. 64141.
D. (6) $120. E. (9) $513.63.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, 515 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $2,267.25.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.
D. (6) $922.50. E. (9) $65.65.

A. William J. Cox, 1707 L Street NW., Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Washington, D.C. 20036.
D. (6) $7,658.52. E. (9) $3,842.30.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo. 64112.
D. (6) $1,470.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. William P. Crewe, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $550.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,149.99.

A. Donald A. Crosier, Nebraska Petroleum Council, 334 South 13th Street, P.O. Box 95063, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. H. C. Crotty, Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.

A. Bobby E. Crow, P.O. Box 683, Houston, Tex. 77001.
B. Columbia Gulf Transmission Co., P.O. 683, Houston, Tex. 77001.
D. (6) $525. E. (9) $785.66.

A. Jack A. Crowder, American Textile Manufacturers Institute, Inc., Suit 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 400 South Tryon Street, Suite 2124, Charlotte, N.C. 28285.
D. (6) $2,000. E. (9) $83.25.

A. George D. Crowley, Jr., Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Marlene C. McGuirl, 3416 P Street NW., Washington, D.C. 20007.
D. (6) $960. E. (9) $100.

A. Richard D. Cudahy, Suite 701, 1050 17th Street NW., Washington, D.C. 20036.
B. Central & South West Services, Inc., P.O. Box 1631, Wilmington, Del.
D. (6) $1,000. E. (9) $30.

A. John T. Curran, Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $10,977.27. E. (9) $3,398.75.

A. Curtis, Mallet-Provost, Colt & Mosle, 100 Wall Street, New York, N.Y. 10005.
B. United States Trust Co. of New York, 45 Wall Street, New York, N.Y. 10005.
D. (6) $4,152. E. (9) $917.65.

A. Everett E. Cutter, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

A. William K. Dabaghi, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.
D. (6) $1,050. E. (9) $83.

A. William Kay Daines, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $450. E. (9) $65.

A. Thomas A. Daly, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. Damon Corp., 115 Fourth Avenue, Needham Heights, Mass. 02194.

A. Tracy Danese, P.O. Box 529100, Miami, Fla. 33152.
B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.
D. (6) $264.61. E. (9) $1,915.84.

A. John E. Daniel, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. David S. Danielson, American Optometric Association, 1730 M Street, NW., Washington, D.C. 20036.
B. American Optometric Association, in care of Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.

A. Joan E. Dannenbaum, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
B Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $250.

A. William H. Darden, 1620 I Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $750. E. (9) $30.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $5,625. E. (9) $74.

A. Philip J. Daugherty, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C., 20006.
D. (6) $4,875. E. (9) $112.55.

A. Joseph Dauksys, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,600.

A. John B. Davenport, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $165.30.

A. Daniel I. Davidson, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency (Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah and Associate Member, Plumas-Sierra Rural Electric Cooperative).

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. The First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,325.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $2,350.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $3,000.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis, Ind. 46204.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $859.60. E. (9) $553.57.

A. Dennis N. Davis, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Edward M. Davis, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $2,070. E. (9) $27.64.

A. George R. Davis, Amalgamated Transit Union, Local Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.
B. Amalgamated Transit Union, National Capital Local Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.

A. Ovid R. Davis, The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $910. E. (9) $135.

A. R. Hilton Davis, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20062.

A. Robert W. Davis, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $200. E. (9) $290.

A. Thomas A. Davis, 1776 F Street NW., No. 108, Washington, D.C. 20006.
B. American Horse Council, Inc., 1700 K Street NW., No. 400, Washington, D.C. 20006.
D. (6) $2,083.25. E. (9) $299.48.

A. Thomas A. Davis, 1776 F Street NW., No. 108, Washington, D.C. 20006.
B. Eugene C. Cashman, 141 West Jackson Boulevard, Chicago, Ill. 60604.
E. (9) $9.60.

A. Thomas A. Davis, 1776 F Street NW., No. 106, Washington, D.C. 20006.
B. Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.
D. (6) $2,500. E. (9) $1,109.18.

A. Thomas A. Davis, 1776 F Street NW., No. 108, Washington, D.C. 20006.
B. Florida Power & Light Co., P.O. Box 013100, Miami, Fla. 33101.
D. (6) $2,155.31. E. (9) $82.41.

A. Thomas A. Davis, 1776 F Street NW., No. 108, Washington, D.C. 20006.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80201.
D. (6) $1,125. E. (9) $515.32.

A. Thomas A. Davis, 1776 F Street NW., No. 108, Washington, D.C. 20006.
B. National Corporation for Housing Partnerships, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $494. E. (9) $9.98.

A. Walter L. Davis, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. William Lee Davis, 299 Park Avenue, New York, N.Y. 10017.
B. Westvaco, 299 Park Avenue, New York, N.Y. 10017.
D. (6) $187.56. E. (9) $432.78.

A. P. M. Davison, Jr., North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.
B. North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.
E. (9) $1,034.02.

A. Charles W. Day, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $334.08. E. (9) $185.76.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Associated Third Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.

A. J. Edward Day, 21 Dupont Circle NW. Washington, D.C. 20036.
B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW. Washington, D.C. 20006.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.
B. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.
B. Specialty Equipment Manufacturers Association, 11001 East Valley Mall, Suite 204, El Monte, Calif. 91731.

A. Gaston de Bearn, Hoffmann-La Roche Inc., 1775 K Street NW., Suite 300, Washington, D.C. 20006.
B. Hoffmann-La Roche Inc., 340 Kingsland Street, Nutley, N.J. 07110.

A. Debevoise & Liberman, Suite 700, 806 15th Street NW., Washington, D.C. 20005.
B. Aetna Life & Casualty, 151 Farmington Avenue, Hartford, Conn. 06156.
D. (6) $3,000.

A. Tony T. Dechant, Farmers' Educational and Cooperative Union of America, Denver, Colo., 80251.
B. The Farmers' Educational and Cooperative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $5,000. E. (9) $308.22.

A. Winston M. Decker, American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. American Veterinary Medical Association, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $37.

A. W. M. Decker, Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $83.

A. Catharine B. Deely, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $729.58.

A. DeHart and Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Council on Foundations, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $120. E. (9) $3.50.

A. DeHart and Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Kansas City Southern Industries, Inc., 114 West 11th Street, Kansas City, Mo. 64105.
D. (6) $640. E. (9) $107.75.

A. DeHart and Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $1,040. E. (9) $69.54.

A. DeLaney & Patrick, 1801 K Street NW., Suite 1104, Washington, D.C. 20005.
B. Cargill Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $3,523.33. E. (9) $1,000.

A. DeLaney & Patrick, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Continental Grain Co., 277 Park Avenue, New York, N.Y. 10017.
D. (6) $789.63. E. (9) $1,000.

A. DeLaney & Patrick, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Dynamic Instrument Corp., 933 Long Island Parkway, Jauppauge, N.Y. 11787.
D. (6) $628.55. E. (9) $1,000.

A. DeLaney & Patrick, 1801 K Street NW., Washington, D.C.
B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $625.60. E. (9) $200.

A. DeLaney & Patrick, Suite 1104, 1801 K Street NW., Washington, D.C.
B. Trade Adjustment Assistance Coordinating Committee.
D. (6) $5,250. E. (9) $1,000.

A. John L. Delano, Box 1172, Helena, Mont. 59601.
B. Montana Railroad Association, Box 1172, Helena, Mont. 59601.
E. (9) $1,490.15

A. John H. Denman, Missouri Oil Council, 208 Madison Street, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,007. E. (9) $358.

A. Daniel B. Denning, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $700. E. (9) $300.

A. Wells Denyes, Eastman Chemical Products, Inc., 500 12th Street SW., Washington,
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $50. E. (9) $10.

A. Department for Professional Employees, AFL–CIO, 8155 16th Street NW., Washington, D.C. 20006.
D. (6) $1,250. E (9) $1,250.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Flavor & Extract Manufacturers Association of the United States, 900 17th Street NW., Washington, D.C. 20006.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Merrill Lynch, Pierce, Fenner & Smith, Inc., 1 Liberty Plaza, New York, N.Y. 10006.

A. Dennis Devaney, Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. John Devaney, American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $4,143.75.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $280.

A. Ralph B. Dewey, 1050 17th Street NW., No. 1180, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $2,452.50. E. (9) $1,643.97.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Airbus Industries, Avenue Lucien Servanty, 31700 Blagnac (Toulouse) France.
D. (6) $45. E. (9) $20,629.90.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Munich, Federal Republic of Germany.
D. (6) $273.35. E. (9) $836.28.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Societe Nationale Industrielle Aerospatiale, 37, Boulevard de Montmorency, 75016 Paris, France.
E. (9) $7,413.78.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Thomson-CSF, Division Equipements Avnioniques, 178, Bd. Gabriel Péri, 92240 Malakoff, France.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John M. Dickerman, John Dickerman & Associates, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Lumber and Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $6,000. E. (9) $299.70.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Agtek International Inc., 189 Elm Street, New Canaan, Conn. 06840.
A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Holstein-Fresion Association of America; Holstein-Fresion Services Inc., S.2500, 1500 Main Street, Springfield, Mass. 01115.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y.
D. (6) $7,310.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Marine Engineers Beneficial Association, 444 North Capitol Street, Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. National Federation of Societies for Clinical Social Work, 698 West End Avenue, New York, N.Y. 10025.
D. (6) $1,000.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. United States Tour Operators Association, 1671 Wilshire Boulevard, Los Angeles, Calif. 90017.

A. John R. Dierker, 1150 17th Street NW., Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $300. E. (9) $150.

A. Paula A. Dilley, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Timothy V. A. Dillon, 1850 K Street NW., Suite 380, Washington, D.C. 20006.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $4231.19. E. (9) $481.49.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $1,800.

A. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $18,431.04. E. (9) $8,489.91.

A. Harley M. Dirks, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $742.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $41,776.28. E. (9) $41,776.28.

A. District of Columbia Bankers Association, 1709 New York Avenue NW., Washington, D.C. 20036.

A. Norman L. Dobyns, Cutler-Hammer, Inc., 1660 L Street NW., Suite 912, Washington, D.C. 20036.
B. Cutler-Hammer, Inc., 4201 North 27th Street, Milwaukee, Wis. 53216.
E. (9) $125.

A. Robert C. Dolan, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Companies, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $140. E. (9) $40.

A. Hollis M. Dole, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $950. E. (9) $435.

A. David P. Dolgen, Seafarers International Union, AGLIW District, 815 16th Street NW., Washington, D.C. 20006.
B. Seafarers International Union, AGLIW District, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,500.00 E. (9) $770.62.

A. Dana Dolloff, 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $400. E. (9) $300.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Richard M. Donaldson, 1700 Guildhall Building, Cleveland, Ohio 44115.
B. The Standard Oil Co., Ohio, Guildhall Building, Cleveland, Ohio 44115.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C. 20024.
B. American Road & Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
D. (6) $2,500. E. (9) $39.50.

A. James A. Dorsch, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 S. Michigan Avenue, Chicago, Ill.
D. (6) $104.50. E. (9) $32.09.

A. Charlene Dougherty, Environmental Defense Fund, 1525 18th Street NW., Washington, D.C. 20036.
B. Environmental Defense Fund, 1525 18th Street NW., Washington, D.C. 20036.
D. (6) $12.50. E. (9) $5,344.43.

A. Dow Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chicago Metropolitan Higher Education Council, et al, c/o Douglas Library, Chicago State University, 95th Street at King Drive, Chicago, Ill. 60628.
E. (9) $23,157.72.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Univest Corp., 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.
D. (6) $249. E. (9) $231.50

A. Richard Morgan Downey, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,946.50.

A. John C. Doyle, Jr., Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $900.00

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
D. (6) $250.

A. Nancy Drabble, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,750.

A. James E. Drake, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,984.85. E. (9) $678.

A. R. Larry Drake, Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

A. Andrew Drance, Room 402, 2020 North 14th Street, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.
D. (6) $174.99. E. (9) $10.80.

A. Deborah Drudge, Healthy America, 1015 18th Street NW., Washington, D.C. 20036.
B. Healthy America, 1015 18th Street NW., Washington, D.C. 20036.

A. Franklin B. Dryden, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $300.

A. Evelyn Dubrow, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $5,904.60. E. (9) $3,460.76.

A. Morgan D. Dubrow, 2000 Florida Avenue, NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. C. Ann Anderson Duff, NL Industries, Inc., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $1,000.

A. William E. Duke, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $800. E. (9) $420.

A. M. L. DuMars, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $60.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. East Bay Regional Park District, 11500 Skyline Boulevard, Oakland, Calif. 94169.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Number 1200, Washington, D.C. 20006.
B. Kenai Native Association, Inc., P.O. Box 1210, Wildwood, Kenai, Alaska 99611.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue, Suite 1200, Washington, D.C. 20006.
B. Koniag, Inc., P.O. Box 746, Kodiak, Alaska.
E. (9) $338.85.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Mid West Electric Consumers' Association, Inc., P.O. Box 5089, Evergreen, Colo.
E. (9) $152.70.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Shee Atika, Inc., Box 578, Edgecombe, Alaska 99835.
E. (9) $40.20.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Western Railroad Association, 222 South Riverside Plaza, Room 1200, Chicago, Ill. 60606.
E. (9) $375.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $250.

A. Douglas G. Dunn, Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $1,500.

A. Mari Lee Dunn, American Council for Capital Formation, 1425 K Street NW., Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Washington, D.C. 20005.
D. (6) $100.

A. Dunnells, Duvall & Porter, 1220 19th Street NW., Washington, D.C.
B. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y.
D. (6) $500. E. (9) $5.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $3,000. E. (9) $1,151.

A. Dutcher Industries, 7617 Convoy Court, San Diego, Calif. 92111.
E. (9) $3,000.

A. L. L. Duxbury, Burlington Northern Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.
B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $2,000. E. (9) $1,134.19.

A. Henry I. Dworshak, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. Jean F. Dye, 12700 Lake Avenue, Lakewood, Ohio 44107.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $4,986.33.

A. Jack D. Early, Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.
B. National Agricultural Chemicals Association, Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) $75. E. (9) $13.70.

A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 De Sales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 De Sales Street NW., Washington, D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $17,560. E. (9) $1,800.

A. George H. Eatman, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $2,800. E. (9) $206.79.

A. Donald R. Ebe, 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,500.

A. Robert E. Ebel, ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $1,450. E. (9) $828.

A. N. Boyd Ecker, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $43.65.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Seat Belt Council, 271 North Avenue, New Rochelle, N.Y. 10801.
D. (6) $14,000. E. (9) $207.46.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. EMI Medical, Inc., 3605 Woodhead Drive, Northbrook, Ill. 60062.
D. (6) $500. E. (9) $392.30.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
D. (6) $1,250. E. (9) $36.83.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. National Insulation Contractors Association, 1120 19th Street NW., Suite 405, Washington, D.C. 20036.
D. (6) $500.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.
D. (6) $500. E. (9) $2.50.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW. No. 460, Washington, D.C. 20006.
B. Aerospatiale, c/o DGA International, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $815.53.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460 Washington, D.C.
B. DGA International (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac (Toulouse), France) 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $19,800. E. (9) $674.64.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. Republic of Turkey/Embassy of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $15,300. E. (9) $8,904.59.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
D. (6) $1,638.46.

A. Arthur B. Edgeworth, Jr., 1709 New York Avenue NW., Suite 801 Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,750.

A. Ed Edmondson, Box 11, Muskogee, Okla. 74401.
B. Oklahoma Association of Electric Cooperatives, P.O. Box 11047, Oklahoma City, Okla. 73111.
D. (6) $2,250. E. (9) $1,337.87.

A. Clifford E. Edwards, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $280. E. (9) $27.80.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Blue Ribbon Sports, 8285 Southwest Nimbus Avenue, Suite 115, Beaverton, Oreg. 97005.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Navajo Nation, Window Rock, Ariz. 86515.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Portland General Electric Co., 121 Southwest Salmon Street, Portland, Oreg. 97204.

A. Macon T. Edwards, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn., 38112.
D. (6) $1,800. E. (9) $44.10.

A. H. Brent Edbert, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $703.68. E. (9) $624.06.

A. J. C. B. Ehringhaus, Jr., 1776 K Street NW., Washington, D.C. 20006.
B. Tobacco Institute, 1776 K Street NW., Washington, D.C.
D. (6) $175.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, 1401 Wilson Boulevard, Suite 205, Arlington, Va 22209.
D. (6) $320. E. (9) $680.

A. J. Burton Eller, Jr., 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,000.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md.

A. Ruth Bowdey Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
D. (6) $1,501.82. E. (9) $1,513.45.

A. John Ellis, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,057.50. E. (9) $528.55.

A. Thomas Elwood, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $234.23.

A. Law Offices of Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.
B. Ocean Mining Associates, Gloucester Point, Va.
D. (6) $6,000.

A. Emerson Electric Co., c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $1,033.75.

A. William Emerson, Suite 800, 2030 M Street NW., Washington, D.C. 20036.
B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
E. (9) $625.

A. Lowell J. Endahl, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $235.

A. Energy Consumers & Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.
D. (6) $10,000.

A. Gertrude Engel, 2450 Virginia Avenue NE., Washington, D.C. 20037.
B. York Barbell Co., York, Pa. 17405.
D. (6) $1,950. E. (9) $356.02.

A. Ralph Engel, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Robert J. Englehart, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. M. Dale Ensign, Husky Oil Co., 1800 M Street NW., Suite 295, Washington, D.C. 20036.
B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.
E. (9) $760.11.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $44,466.88. E. (9) $49,782.93.

A. James R. Enyart, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $84.50.

A. John M. Erskine, Jr., P.O. Box 3092, Houston, Tex. 77001.
B. Standard Oil Co. (Indiana), P.O. Box 3092, Houston, Tex. 77001.

A. George T. Esherick, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $35. E. (9) $71.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $594.02.

A. John T. Estes, 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $1,250. E. (9) $1,926.05.

A. David C. Evans, 1150 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22101.

A. Joseph O. Evans, 4401 Lee Highway, Suite 21, Arlington, Va. 22207.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. William J. Evans, 1800 K Street NW., Suite 900, Washington, D.C. 20006.
B. Pan American World Airways, Inc., Suite 900, 1800 K Street NW., Washington, D.C. 20006.
E. (9) $45.25.

A. Fawn K. Evenson, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $375. E. (9) $6.40.

A. Robbie G. Exley, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $7.89. E. (9) $3.50.

A. Robert R. Fahs, Cargill, Inc., 1050 17th Street NW., 12th Floor, Washington, D.C. 20036.
B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $2,500. E. (9) $37.60.

A. Robert J. Falasca, American Seed Trade Association, 15th Street NW., Suite 964, Washington, D.C. 20005.
B. American Seed Trade Association, 15th Street NW., Suite 964, Washington, D.C. 20005.

A. Thomas B. Farley II, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $3,622.50. E. (9) $898.20.

A. Farmers' Educational & Cooperative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $136,643.61. E. (9) $47,564.19.

A. John W. Farquhar, Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Dolores L. Farr, American Nurses' Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,503. E. (9) $87.45.

A. R. Roy Fausset, 1050 17th Street NW., No. 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.
D. (6) $300.

A. Clinton B. Fawcett, Coastal States Gas Corp., Five Greenway Plaza East, Houston, Tex. 77046.
B. Coastal States Gas Corp., Five Greenway Plaza East, Houston, Tex. 77046.
D. (6) $1,375. E. (9) $75.

A. Peter J. Fearey, 215 Market Street, No. 930, San Francisco, Calif. 94105.
B. California Council for Environmental and Economic Balance, 215 Market Street, No. 930, San Francisco, Calif. 94105.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $1,025.08. E. (9) $1,025.08.

A. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $7,650. E. (9) $7,650.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $2,371.14.

A. Arthur S. Fefferman, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Andrew Feinstein, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,250.

A. Stuart F. Feldstein, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $2,250.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. James H. Ferguson, 1625 I Street NW., Suite 926, Washington, D.C. 20006.
B. American Society for Personnel Administration, 19 Church Street, Berea, Ohio 44017.
D. (6) $5,000. E. (9) $5,800.

A. Benjamin R. Fern, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,125. E. (9) $1,168.58.

A. John L. Festa, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,841. E. (9) $66.

A. Manuel D. Fierro, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Herbert A. Fierst, 610 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.
B. Council of Forest Industries of British Columbia, 1500–1055 West Hastings Street, Vancouver, V6E 2H1, British Columbia, Canada.
D. (6) $9,999.99. E. (9) $525.

A. Matthew P. Fink, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $174. E. (9) $16.50.

A. Frederick Finn, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Thomas D. Finnigan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $138.50.

A. Laurie A. Fiori, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049
D. (6) $289.42.

A. Firearms Lobby of America, 325 Pennsylvania Avenue SE., Washington, D.C. 20003
D. (6) $14,873.38. E. (9) $8,583.82.

A. First Investment Annuity Co. of America, P.O. Box 831, Valley Forge, Pa. 19482.
E. (9) $1,738.50.

A. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
E. (9) $2,140.14.

A. Richard L. Fischer, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $204. E. (9) $9.

A. Mary Clare Fitzgerald, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corporation, Bank of America Center, San Francisco, Calif.
D. (6) $204.34. E. (9) 332.19.

A. Margaret Fitzgerald-Bare, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,843.78.

A. Hilliard J. Fjord, 602 Main Street, Room No. 312, Cincinnati, Ohio 45202.
B. Ohio River Co., 580 Walnut Street, Cincinnati, Ohio 45202.
D. (6) $3,000. E. (9) 769.65.

A. Susan G. Flack, American Retail Federation, 1616 H. Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $80.

A. James J. Flanagan, 20 Turnpike Road, Westborough, Mass. 01581.
B. New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $1,769.46. E. (9) $1,045.92.

A. Charles D. Fleishman, 20 North Wacker Drive, Chicago, Ill. 60606.
B. American Fishing Tackle Manufacturers Association, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $1,725. E. (9) $14,835.31.

A. James F. Fleming, United Egg Producers, 705 National Press Building, Washington, D.C. 20045.
B. United Egg Producers, 3951 Snapfinger Parkway, Suite 580, Decatur, Ga. 30035.
D. (6) $1,200.

A. Ronald L. Floor, American Textile Manufacturers Institute, Inc., 1150 17th Street NW., Suite 1001, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Suite 400 South Tyron Street, Charlotte, N.C. 28285.
D. (6) $650. E. (9) $68.53.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,139.74.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Mutual Insurance Co., 3099 East Washington Avenue, Box 7430, Madison, Wisconsin 53707.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. and Subsidiaries, 125 High Street, Boston, Mass. 02110.
D. (6) $3,500.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.
D. (6) $1,500.

A. Food & Beverage Trades Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $6,916.56. E. (9) $6,919.56.

A. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20005.
D. (6) $7,000. E. (9) $7,000.

A. Food Policy Center, 538 7th Street SE., Washington, D.C. 20003.
D. (6) $99,990. E. (9) $72,586.26.

A. John S. Forsythe, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $400. E. (9) $200.

A. David H. Foster, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,775.01. E. (9) $500.85.

A. Ebert E. Fournace, Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.
B. Ohio Power Co., (a subsidiary of American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004), 301 Cleveland Avenue SW., Canton, Ohio 44702.

A. Albert A. Fox, Jr., Suite 700, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $321.75. E. (9) $33.

A. John G. Fox, American Telephone & Telegraph Co., 2000 L Street NW., Washington, D.C. 20036; 195 Broadway, New York, N.Y. 10007.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Joe H. Foy, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $2,000. E. (9) $1,975.32.

A. Harley Frankel, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Children's Defense Fund of the Washington Research Project, Inc.
D. (6) $279.17.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.
B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $1,537.50. E. (9) $118.10.

A. Fraser Associates, Inc., 1800 K Street NW., Suite 1006, Washington, D.C. 20006.
B. Chamber of Commerce of the United States; National Association of Manufacturers; Associated General Contractors.
D. (6) $2,328.38. E. (9) $405.68.

A. James O. Freeman, U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,840. E. (9) $36.50.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $3,750.11. E. (9) $367.82.

A. David T. French, 2020 K Street NW., Suite 850, Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $250. E. (9) $10.

A. Annette P. Fribourg, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. George L. Frick, Delaware Oil Men's Association, 437 North DuPont Highway, Dover, Del. 19901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Susan Fridy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,000. E. (9) $15.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Cheyenne River Sioux Tribe, Box 100, Eagle Butte, S. Dak. 57625.
D. (6) $203.25. E. (9) $15.70.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.
E. (9) $13.10.

A. Fried, Frank, Harris, Shriver & Kempelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Nez Perce Tribe, Lapwai, Idaho.
D. (6) $300. E. (9) $22.20.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak. 57770.
E. (9) $321.60.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Pueblo of Laguna, Laguna, N. Mex.
D. (6) $1,360. E. (9) $25.95.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Rosebud Sioux Tribe, Rosebud, S. Dak.
D. (6) $780. E. (9) $6.30.

A. Fried, Frank, Harris, Shriver & Kampelman, Suite 1,000, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Seneca Nation of Indians, Box 231, Salamanca, N.Y. 14779.
D. (6) $2,395. E. (9) $19.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $1,000. E. (9) $20.

A. Gay H. Friedman, 1150 Connecticut Avenue NW., Suite 717, Washington, D.C. 20036.
B. Southern California Gas Co., 720 West 8th Street M.L. 1208, Los Angeles, Calif. 90017.
D. (6) $2,187.50. E. (9) 595.03.

A. Owen V. Frisby, 900 17th Street NW., Washington, D.C. 20006.
B. Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $936. E. (9) $4,031.26.

A. Charles H. Fritzel, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,500. E. (9) $190.

A. Cornelius F. Froeb, Cities Services Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $330.

A. Rosann Fuhrman, Retail Store Employees Union, Local No. 400, 7801 Old Branch Avenue, Clinton, Md. 20735.
B. Retail Store Employees Union, Local No. 400, 7801 Old Branch Avenue, Clinton, Md. 20735.
D. (6) $5,200. E. (9) $781.90.

A. David C. Fullarton, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $375.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $1,635.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. San Diego Gas & Electric, 101 Ash Street, San Diego, Calif. 92112.
D. (6) $2,800. E. (9) $573.

A. Robert Furniss, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $600.

A. Furniture Rental Association of America, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $440.

A. Terry Gabrielson, 480 L'Enfant Plaza, No. 11209, Washington, D.C. 20024.
B. Transcontinental Gas Pipeline Corp., 2700 South Post Oak Road, Houston, Tex. 77001.
D. (6) $450. E. $21.55.

A. James E. Gaffigan, American Hotel and Motel Association, 777 14th Street NW., Washington, D.C. 20005.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $630. E. (9) $149.76.

A. Mark J. Gallagher, 1707 L Street NW., Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Washington, D.C. 20036.
D. (6) $6,676.02. E. (9) $941.87.

A. Robert M. Gants, National Constructors Association, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $3,829.69. E. (9) $829.69.

A. M. D. Garber, Jr., Phillips Petroleum Co., 2101 L Street NW., Sixth Floor, Washington, D.C. 20037.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. William B. Gardiner, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $12,500 E. (9) $26.20.

A. John W. Gardner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,000.02. E. (9) $488.71.

A. Wendell P. Gardner, Jr., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $400. E (9) $40.

A. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $75.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $600. E. (9) $100.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $600. E. (9) $100.

A. Philip Gasteyer, 1709 New York Avenue merce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $70.

A. Irving Geller, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employes, 1016 16th Street NW., Washington, D.C. 20036.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
E. (9) $1,638.46.

A. John Gentille, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Joseph G. Gerard, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn Mich.
D. (6) $69. E. (9) $100.

A. Donald H. Gerrish, 2020 K Street, NW., Suite 850, Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $207.50. E. (9) $7.30.

A. Llewellyn H. Gerson, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $5,500. E. (9) $461.25.

A. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
E. (9) $16,563.48.

A. William T. Gibb III, American Council of Life Insurance, Inc., 1850 K Street N.W., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Wayne Gibbens, Mid-Continent Oil and Gas Association, 1800 K Street NW., Washington, D.C. 20006.
B. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $1,920. E. (9) $155.87.

A. Anne Marie Gibbons, American Public Power Association, 2600 Virginia NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
D. (6) $400.

A. William L. Gifford, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Fairfield, Conn. 06431.

A. Norma J. Gilbert, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,200. E. (9) $80.

A. Mark W. Gillaspie, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. James T. Gillice, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $950. E. (9) $205.

A. Michael J. Giuffrida, 1469 Quail Hollow Road, Harrisburg, Pa. 17112.
B. National Frozen Food Association, Inc., One Chocolate Avenue, P.O. Box 398, Hershey, Pa. 17033.
D. (6) $82.40 E. (9) $105.70.

A. Dave Givens, Tennessee Railroad Association, 916 Nashville Trust Building, Nashville, Tenn. 37201.
B. Class I Railroads in Tennessee, 916 Nashville Trust Building, Nashville, Tenn. 37201.

A. Vernie R. Glasson, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,875. E. (9) $27.

A. George L. Gleason, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $1,500. E. (9) $232.19.

A. John J. Gleason, Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.
D. (6) $1,873.45. E. (9) $1,873.45.

A. Elmer G. Gleske, 1629 K Street NW., Suite 400. Washington, D.C. 20006.
B. Flight Safety International, Inc., Marine Air Terminal, LaGuardia Airport, Flushing, N.Y. 11371.
D. (6) $100. E. (9) $36.75.

A. George T. Glover, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $57. E. (9) $35.

A. Godfrey Associates, Inc., 918 16th Street NW., Suite 500, Washington, D.C. 20006.
E. (9) $141.68.

A. Horace D. Godfrey, 918 16th Street NW., Suite 500, Washington, D.C. 20006.

B. Godfrey Associates, Inc., 918 16th Street NW., Suite 500, Washington, D.C. 20006.
D. (6) $1,250. E. (9) $141.68.

A. Patrick L. Godfrey, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,400.

A. Harvey S. Gold, Velsicol Chemical Corp., 910 17th Street NW., Suite 1000, Washington, D.C. 20006.
B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France).

A. Carl Goldfield, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
D. (6) $1,500. E. (9) $12.

A. William M. Goldstein, Morgan, Lewis & Bockius, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.
D. (6) $100.

A. Jack Golodner, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $310.

A. Jack Golodner, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Department for Professional Employees, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Ruth Gonze, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $600.

A. Don A. Goodall, 1625 I Street NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $224. E. (9) $54.04.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris France).

A. Charles Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Munich, Federal Republic of Germany).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
B. Crop Quality Council, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
E. (9) $495.41.

A. Vivian Goodier, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $425.

A. Bruce G. Goodman, 115 Fourth Avenue, Needham, Mass. 02194.
B. Damon Corp., 115 Fourth Avenue, Needham Heights, Mass. 02194.

A. Robert F. Goodwin, Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.
B. Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.
E. (9) $51.20.

A. Sara A. Gordon, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $75.

A. Brenda J. Gore, 1155 15th Street NW., Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $500.

A. Frederick D. Goss, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $1,270.

A. Edward Gottlieb and Associates, 633 Third Avenue, New York, N.Y. 10017.
B. Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48037.

A. Edward Gottlieb and Associates, 633 Third Avenue, New York, N.Y. 10017.
B. Hecon Corp., Flexitime Division, 31 Park Road, Tinton Falls, N.J. 07724.

A. Gould, Reichert & Strauss, 2613 Carew Tower, Cincinnati, Ohio 45202.
B. Francis J. Rorke, et al., Box 1336, Cristobal, C.Z.

A. Carl F. Graham, Amway Corp., 7575 East Fulton Road, Ada, Mich. 49355.
B. Amway Corp., 7575 East Fulton Road, Ada, Mich. 49355.

A. Lawrence T. Graham, American Hotel and Motel Association, 777 14th Street NW., Washington, D.C. 20005.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $630. E. (9) $70.83.

A. John Gram, Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
B. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
D. (6) $483.56. E. (9) $483.56.

A. Allan Grant, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $1,500.

A. Wm. W. Grant, Utah International, Inc., 1150 Connecticut Avenue NW., Suite 710, Washington, D.C. 20036.
B. Utah International, Inc., 550 California Street, San Francisco, Calif. 94104.
E. (9) $175.70.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $1,131. E. (9) $25.

A. Martha W. Gray, Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. $13.05.

A. Robert Keith Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $820.

A. Samuel A. Grayson, Union Pacific Railroad, 611 Idaho Building, 216 North Eighth Street, Boise, Idaho 83702.
B. Union Pacific Railroad, 1416 Dodge Street, Omaha, Neb. 68179.
E. (9) $855.64.

A. The Great Atlantic and Pacific Tea Co., Inc., 2 Paragon Drive, Montvale, N.J. 07645.
E. (9) $2,900.

A. Donald R. Greeley, 1101 17th Street NW., Suite 603, Washington, D.C. 20036.
B. Celanese Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $625. E. (9) $181.42.

A. Edward M. Green, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. Mark Green, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,750.

A. Michael B. Green, Montgomery Ward and Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward and Co., Inc., 535 West Chicago Avenue, Chicago, Ill.
D. (6) $23. E. (9) $150.

A. Howard Greenberg, 7426 Arrowood Road, Bethesda, Md. 20034.
B. National Small Business Association, 1604 K Street NW., Washington, D.C.

A. Howard Greenberg, 7426 Arrowood Road, Bethesda, Md. 20034.
B. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
D. (6) $4,500.

A. Margit S. Greenspon, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $1,940.

A. Dale W. Greenwood, Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98104.
B. Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98104.
E. (9) $761.61.

A. Gregg, Saunders, Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.
B. Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.
D. (6) $3,500. E. (9) $2,650.

A. William G. Greif, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $9,000.

A. Roger F. Griffin, 1620 I Street NW., Suite 703, Washington, D.C. 20006
B. Bechtel Corp., 1620 I Street NW., Suite 703, Washington, D.C. 20006.
D. (6) $20. E. (9) $22.80.

A. Robert J. Grimm, 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, NY. 10019.

A. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. Frank N. Grossman, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
D. (6) $1,500. E. (9) $300.

A. Kenneth J. Guido, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $800.01.

A. Gun Owners of America, Inc., 455 Capitol Mall, Suite 315, Sacramento, Calif. 95814.
D. (6) $26,615.63. E. (9) $39,872.74.

A. Thomas M. Gunn, P.O. Box 516, St. Louis, Mo. 63166.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $215. E. (9) $120.

A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $430.77. E. (9) $388.42.

A. Craig Hackler, Rural Route 1, Box 177–5, Kearneysville, W. Va. 25430.
B Independent Consultants, Inc., 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
D. (6) $100.

A. Loyd Hackler, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $265.

A. Harriett Perkins Hackney, 1801 K Street NW., Suite 811, Washington, D.C. 20006.
B. Business Roundtable, 405 Lexington Avenue, New York, NY. 10017 and 1801 K Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $30.

A. Paul R. Haerle, Thelen, Marrin, Johnson & Bridges, Two Embarcadero Center, Room 2200, San Francisco, Calif. 94111.
B. Energy Transportation Systems, Inc., P.O. Box 3965, San Francisco, Calif. 94119.

A. Hageman, Prout, Kirkland & Coughlin, 5600 14th Avenue NW., Seattle, Wash. 98107.
B. Loren Bergh, 9517 8th NW., Seattle, Wash. 98117.
E. (9) $10.

A. Thomas F. Hairston, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $34.

A. Haley, Bader & Potts, 1730 M Street NW., Suite 700, Washington, D.C. 20036.
B. Age 60 Injunction Fund, 15801 Royal Meadow Place, Sherman Oaks, Calif. 91403.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylvania Avenue NW., Suite 404, Washington, D.C. 20006.
B. Williams Companies, One Williams Center, Tulsa, Okla. 74101.
D. (6) $120.

A. Floyd D. Hall, International Air Transport Association, 277 Park Avenue, New York, N.Y. 10017.
B. International Air Transport Association, 1000 Sherbrooke Street West, Montreal, Quebec, Canada H3A 2R4.

A. Norman S. Halliday, 600 Pennsylvania Avenue SE., No. 300, Washington, D.C. 20003.
D. (6) $400.

A. Norman S. Halliday, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. National Association of Greeting Card Publishers, 600 Pennsylvania Avenue SE., No. 300, Washington, D.C. 20003.
D. (6) $1,300. E. (9) $300.

A. Joseph Halow, North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C.
B. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
D. (6) $17,125.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron & Co., Inc. (for American Can Co., American Lane, Greenwich, Conn.), 540 Madison Avenue, New York, N.Y. 10022.
D. (6) $1,000. E. (9) $225.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron & Co., Inc. (for Electronic Industry Association of Japan, Chiyoda Ku, Tokyo), 540 Madison Avenue, New York, N.Y. 10022.
D. (6) $1,000. E. (9) $225.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron & Co., Inc. (for Republic of China, Embassy of the Republic of China, 2311 Massachusetts Avenue NW., Washington, D.C.), 540 Madison Avenue, New York, N.Y. 10022.
D. (6) $1,000. E. (9) $225.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron & Co., Inc. (for Republic of South Africa, Department of Information, Private Bag X152, Pretoria 001), 540 Madison Avenue, New York, N.Y. 10022.
D. (6) $1,000. E. (9) $225.

A. Melinda Halpert, National Citizens Communications Lobby, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Citizens Communications Lobby, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,749.98.

A. Jerald V. Halvorsen, Allied-General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Suite 400, Washington, D.C. 20006.
B. Central Bank for Cooperatives & Associated District Banks, P.O. Box 17389, Denver, Colo. 80217.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. Philip W. Hamilton, 2000 L Street NW., Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc. (for the National Labor-Management Foundation, Louisville, Ky.), 2000 L Street NW., Washington, D.C. 20036.
E. (9) $14.35.

A. Thomas A. Hammer, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,750. E. (9) $65.

A. Patricia L. Hanahan, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $350.

A. Christopher G. Hankin, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $25.61.

A. George J. Hanks, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $92.06.

A. Arthur Harding, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. Chester L. Harding, Jr., NAM 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die, & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $21.20.

A. Bryce L. Harlow, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, 1425 K Street NW., Suite 900 Washington, D.C. 20005.
D. (6) $56.

A. Bryce N. Harlow, 1801 K Street NW., Washington, D.C. 20006.
B. Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $50.

A. Donald L. Harlow, Air Force Sergeants Association, Inc., 310 Riley Street, Falls Church, Va. 22046.
B. Air Force Sergeants Association Inc., 4235 28th Avenue, Marlow Heights, Md. 20031.

A William B. Harman, Jr., American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $70. E. (9) $15.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $550. E. (9) $275.

A. Rutherford C. Harris, Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Saul J. Harris, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $380. E. (9) $3.

A. Jim Harrison, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $5,000. E. (9) $446.77.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.
E. (9) $7,100.

A. Rita M. Hartz, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $1,064.16.

A. Walter A. Hasty, Jr., Business Roundtable, 1801 K Street NW., Suite 811, Washington, D.C. 20006.
B. Business Roundtable, 405 Lexington Avenue, New York, N.Y., and 1801 K Street NW., Suite 811, Washington, D.C.
D. (6) $1,000. E. (9) $180.

A. Charles W. Havens III, Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
E. (9) $25.

A. Sidney G. Hawkes, Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mead Corp., Mead World Headquarters, Courthouse Plaza NE., Dayton, Ohio 45463.
D. (6) $650.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
D. (6) $8,814. E. (9) $6,919.49.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.
D. (6) $31. E. (9) $5.90.

A. Bruce R. Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004:
B. American Farm Bureau Federation. 225 Touhy Avenue. Park Ridge, Ill.
D. (6) $3,500. E. (9) $51.

A. Robert T. Hayden, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,717.72. E. (9) $1,253.11.

A. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.
D. (6) $10,896.28. E. (9) $10,896.28.

A. Healthy America, 1015 18th Street NW., Washington, D.C. 20036.

A. Patrick B. Healy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $450.

A. William H. Hecht, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
B. Tobacco Institute, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
D. (6) $1,570. E. (9) $620.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $8,000.

A. Spencer H. Heine, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60671.
D. (6) $80. E. (9) $150.

A. Steven B. Hellem, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., Suite 501, 3251 Old Lee Highway, Fairfax, Va. 22030.
E. (9) $20.56.

A. Ross E. Heller, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. John Helm, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Phil D. Helmig, 410 East College Street, Roswell, N. Mex. 88201.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Douglas F. Henderson, Rocky Mountain Oil & Gas Association, 345 Petroleum Club Building, Denver, Colo. 80202.
B. Rocky Mountain Oil & Gas Association, 345 Petroleum Club Building, Denver, Colo. 80202.
E. (9) $1,240.40.

A. Richard Dean Henderson, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $353.10.

A. Thomas M. Hennessy, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $6,381. E. (9) $988.32.

A. George F. Hennrikus, Jr., Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
B. Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $3,578.

A. Donald A. Henriksen, 515 South Flower Street, Los Angeles, Calif. 90071.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
E. (9) $2,537.

A. Jack E. Herington, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $500.

A. Carolyn Herr, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $100.

A. Herrick, Allen & Davis, 1701 K Street NW., Suite 706, Washington, D.C. 20006.
B. Amusement & Music Operators Association, 35 East Wacker Drive, Suite 1940, Chicago, Ill. 60601.
D. (6) $300. E. (9) $741.64.

A. Esther Herst, 510 C Street NE., Washington, D.C. 20002.
B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $2,730. E. (9) $1,791.21.

A. Elena Hess, 3705 Porter Street NW., Washington, D.C. 20016.
B. Self-Determination for District of Columbia, Room 300, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $60.78.

A. Ted A. Heydinger, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $102.67.

A. Andrew I. Hickey, Jr., Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C 20005.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $13,575. E. (9) $1,500.76.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. First National Bank of Chicago, One First National Plaza, Chicago, Ill. 60670

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,325.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $2,350.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Paul T. Hicks, Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $150. E. (9) $75.

A. J. Thomas Higginbotham, Mellon Bank, Pittsburgh, Pa. 15230.
B. Mellon Bank, and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.
D. (6) $2,000. E. (9) $2,111.55.

A. Gerald "Jerry" Hill, 6 Executive Park Drive, Atlanta, Ga. 30329.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $241.52. E. (9) $448.

A. J. Eldred Hill, Jr., UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $2,000.

A. Kathryn Hilton, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,687.

A. Arthur Hintze, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E. Street NW., Washington, D.C. 20006.

A. Bertram E. Hirsch, 76–17 250 Street, Bellerose, N.Y. 11426.
B. Fallon Paiute and Shoshone Tribes, Fallon, Nev.
E. (9) $158.

A. Robert Hitzhusen, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,500. E. (9) $45.

A. Lawrence S. Hobart, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C.
D. (6) $1,200.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $900. E. (9) $195.

A. Howard E. Hoelter, Illinois Petroleum Council, P.O. Box 5034, Springfield, Ill. 62705.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $380. E. (9) $407.37.

A. Lawrence S. Hoffheimer, 6845 Elm Street, Suite 511, McLean, Va. 22101.
B. American Group Practice Association, 20 South Quaker Lane, Alexandria, Va. 22314.
D. (6) $5,000. E. (9) $750.

A. Lawrence S. Hoffheimer, National Multiple Sclerosis Society, 6845 Elm Street, Suite 511, McLean, Va. 22101.
B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,750. E. (9) $1,100.

A. Ellen S. Hoffman, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Children's Defense Fund of the Washington Research Project, Inc.
D. (6) $300. E. (9) $4.46.

A. Herbert E. Hoffman, American Bar Association, 1800 M. Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Association, 17/18 Bury Street, London EC3A 5AH, England.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. The El Paso Co., 2727 Allen Parkway, Houston, Tex. 77001, holding company for operating subsidiaries; El Paso Products Co., Odessa, Tex. 79760.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Schrader Stoves, Inc., Energy Alternatives, Inc., J. N. J. Enterprises, Inc., c/o Fisher Stoves International, Inc., P.O. Box 10605, Eugene, Oreg. 97440.
D. (6) $5,000.

A. Robert L. Holding, Association of Home Appliance Manufacturers, 2033 K Street NW., Washington, D.C. 20006.
B. Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Ill.

A. Henry W. Holling, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $175. E. (9) $74.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $166.66. E. (9) $85.49.

A. J. K. Holman, Consolidation Coal Co., 1130 17th Street NW., Washington, D.C. 20036.
B. Consolidation Coal Co., 3300 One Oliver Plaza, Pittsburgh, Pa. 15222.
D. (6) $1,250.

A. Thomas D. Holman, Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $520. E. (9) $120.

A. Eric Holmes, Jr., Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.
B. American Petroleum Institute, 21012 L Street NW., Washington, D.C. 20037.
D. (6) $216.67. E. (9) $278.22.

A. Lee B. Holmes, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,175.

A. Peter E. Holmes, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $500.

A. Richard C. Holmquist, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. John W. Holton, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E (9) $16.50.

A. The Hormel Foundation, Austin, Minn. 55912.

A. Michael E. Horrell, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $975. E. (9) $41.82.

A. John F. Horty, National Council of Community Hospitals, 815 Connecticut Avenue, Suite 206, Washington, D.C. 20006.
B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Suite 206, Washington, D.C. 20006.
E. (9) $5,469.12.

A. Houger, Garvey & Schubert, 1725 K Street NW., Suite 303, Washington, D.C. 20006.
B. American Pyrotechnics Association, 407 Campus Avenue, Chestertown, Md. 21620.
D. (6) $619.50. E. (9) $191.04.

A. Thomas B. House, American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Mary Greer Houston, 2000 L Street NW., Suite 520, Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 2000 L Street NW., Washington, D.C.
D. (6) $250.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
E. (9) $17,055.37.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Companies, Allstate Plaza, Northbrook, Ill. 60062.

A. Paul N. Howell, Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. John B. Howerton, ASARCO Inc., 1730 Rhode Island Avenue NW., Suite 206, Washington, D.C. 20036.
B. ASARCO Inc., 120 Broadway, New York, N.Y. 10005.
D. (6) $1,500. E. (9) $546.99.

A. Karl T. Hoyle, National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.
D. (6) $300. E. (9) $72.96.

A. Tony R. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,174.65.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $782.11. E. (9) $132.13.

A. William G. Hughes, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $52.52.

A. David C. Hull, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $452.50. E. (9) $0.95.

A. Keith R. Hundley, 1625 I Street NW., Suite 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $200. E. (9) $59.32.

A. Burt H. Hunley, Chevron U.S.A. Inc., 1700 K Street NW., No. 1204, Washington, D.C. 20006.
B. Chevron U.S.A. Inc., 1700 K Street NW., No. 1204, Washington, D.C. 20006.
D. (6) $150. E. (9) $75.

A. Acacia Graham Hunt, American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $45. E. (9) $3.25.

A. Richard M. Hunt, NL Industries, Inc., Suite 1009, Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $2,000.

A. Robert C. Hunt, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $23.61.

A. Milton F. Huntington, Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,024. E. (9) $264.66.

A. James L. Huntley, Active Ballot Club Department, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $8,890.09. E. (9) $2,406.64.

A. Joan L. Huntley, 955 L'Enfant Plaza North, SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $150.75. E. (9) $12.60.

A. Raymond D. Hurley, Suite 405, 1828 L Street NW., Washington, D.C. 20036.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Benjamin Melvin Hurwitz, Coastal States Gas Corp., 1015 18th Street NW., Suite 610, Washington, D.C. 20036.
B. Coastal State Gas Corp., Five Greenway Plaza East, Houston, Tex. 77046.
D. (6) $1,200. E. (9) $55.

A. John F. Hussey, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $103.25.

A. Dewey M. Hutchins, Eastman Kodak Co., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $375. E. (9) $165.

A. Lee M. Hydeman, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Continental Airlines, Inc., Los Angeles International Airport, Los Angeles, Calif. 90009.
D. (6) $120,805.25. B. (9) $1,154.79.

A. Hydeman, Mason & Goodell, 1220 19th Street NW., Suite 700, Washington, D.C. 20036.
B. Atlantic Container Line, GIE, Overline House, Southampton, England.
D. (6) $4,725. E. (9) $34.08.

A. David C. Hyer, Ohio Petroleum Council, 88 East Broad Street, Columbus, Ohio 43215.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Frank N. Ikard, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $3,750. E. (9) $1,954.

A. Atilla S. Ilkson, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $2,000. E. (9) $238.65.

A. Bernard J. Imming, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $1,375.

A. Independent Consultants, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
D. (6) $3,300. E. (9) $3,300.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $674.50. E. (9) $674.50.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $16,909.18.

A. Independent Local Newspaper Association, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $7,500.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $13,293.16. E. (9) $13,293.16.

A. G. Conley Ingram, Citizens and Southern National Bank Building, 35 Broad Street, Atlanta, Ga. 30303.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,400.

A. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $13,650.77.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $21,943.08.

A. International Services Corp., 1776 K Street NW., Suite 605, Washington, D.C. 20006.
B. U.S. Merchant Marine Academy Alumni Association, Inc. (Kings Point Fund, Inc.), Kings Point, N.Y. 11024.
D. (6) $1,250. E. (9) $1,250.

A. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
E. (9) $4,550.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $1,417.50.

A. Investment Counsel Association of America, Inc., c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $470.45.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $20,855.23. E. (9) $7,680.01.

A. William A. Irvine, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $300.

A. John D. Issacs, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $3,497.83. E. (9) $709.75.

A. Joseph S. Ives, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce; Gainsville-Alachua County Regional Electric Water and Sewer Utilities; Sebring Utilities Commission; Cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Fla.

A. Mary Jo Jacobi, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $258.

A. E. A. Jaenke, 1735 I Street NW., Washington, D.C. 20006.
B. E. A. Jaenke and Associates, 1735 I Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. E. A. Jaenke and Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. The Cooperative League of the U.S.A., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $500.

A. E. A. Jaenke and Associates, 1735 I Street NW., Suite 610, Washington, D.C. 20006.
B. Land O'Lakes, Inc., 614 McKinley Place, Minneapolis, Minn. 55413.
D. (6) $500.

A. E. A. Jaenke and Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Midcontinent Farmers Association, Columbia, Mo. 65201.
D. (6) $500.

A. Robert L. James, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $150.42. E. (9) $87.22.

A. Joseph A. Jeffrey, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $274.70.

A. Joseph S. Jenckes, Abbott Laboratories, 1730 M Street NW., No. 808, Washington, D.C. 20036.
B. Abbott Laboratories, Abbott Park, North Chicago, Ill., 60064.

A. Linda Jenckes, 1730 Pennsylvania Avenue NW., No. 220, Washington, D.C. 20006.
B. Blue Shield Association, 211 East Chicago Avenue, Chicago, Ill. 60611.

A. James Courtney Jennings, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Jennings, Strouss & Salmon, 111 West Monroe, Phoenix, Ariz. 85003.
B. Shamrock Foods Co., 2228 North Black Canyon, Phoenix, Ariz. 85009.
D. (6) $75.

A. W. Pat Jennings, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $3,600.

A. Chris L. Jensen, Florida Petroleum Council, 111 North Gadsden Street, Tallahassee, Fla. 32301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $945. E. (9) $884.90.

A. A. W. Jessup, 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $89.50.

A. Guy E. Jester, 2150 Kienlen Avenue, St. Louis, Mo. 63102.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $4,500.

A. Calvin P. Johnson, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.
D. (6) $90. E. (9) $77.98.

A. H. Bradley Johnson, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $66.48.

A. Johnson, Hoar & Co., Inc., 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
B. Committee for Consumers No-Fault, c/o Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $46.07. E. (9) $304.20.

A. Jess Johnson, Jr., Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John B. Johnson, Alabama Petroleum Council, 660 Adams Avenue, Suite 188, Montgomery, Ala. 36104.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $457.50. E. (9) $417.29.

A. John Paul Johnson, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $10,091.28. E. (9) $498.93.

A. Rady A. Johnson, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $1,924. E. (9) $159.

A. Reuben L. Johnson, the Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $6,646.18. E. (9) $214.57.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non Commissioned Officers Association of the U.S.A. (NCOA), P.O. Box 2068, San Antonio, Tex. 78298.
D. (6) $1,385.67. E. (9) $292.81.

A. Robert Johnson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $2,234.

A. Spencer A. Johnson, Spencer & Associates, 1025 Vermont Avenue NW., No. 1002, Washington, D.C. 20005.
B. Furniture Rental Association of America, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $425. E. (9) $8.28.

A. Spencer A. Johnson, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $2,075.

A. Stanley L. Johnson, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. William Johnson, Consumers Power Co., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $600. E. (9) $102.10.

A. David Johnston, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James D. Johnston, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $2,563.67.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $899.62.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
D. (6) $500. E. (9) $20.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Kollmorgen Corp., 60 Washington Street, Hartford, Conn. 06106.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.
D. (6) $500.

A. Ernest W. Jones, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James E. Jones, Jr., Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $2,310. E. (9) $215.

A. L. Dan Jones, Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $17.42.

A. Randall T. Jones, 1030 15th Street NW., Suite 700, Washington, D.C.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $500. E. (9) $90.27.

A. Donald L. Jordan, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $2,110. E. (9) $90.

A. James V. Jordan III, P.O. Box 2563, Birmingham, Ala. 35202.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Jeffrey H. Joseph, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Thomas M. Joyce, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $4,697.24. E. (9) $200.

A. Ardon B. Judd, Jr., 1100 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

A. James N. Juliana, 1750 New York Avenue NW., Suite 340, Washington, D.C. 20006.
B. Braniff International, Exchange Park, Dallas, Tex. 75235.
D. (6) $137.50.

A. Stephen Junkunc III, 1416 Northeast Fourth Avenue, Fort Lauderdale, Fla. 33304.
E. (9) $559.85.

A. Ann P. Kahn, 9202 Ponce Place, Fairfax, Va. 22030.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $52.29.

A. Donald J. Kaniewski, Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $4,583.33. E. (9) $1,498.67.

A. Charles W. Karcher, 1780 Guildhall, Cleveland, Ohio 44115.
B. The Standard Oil Co., Ohio, Midland Building, Cleveland, Ohio. 44115.

A. Gene Karpinski, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,000.

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. American League for International Security Assistance, Inc. (ALISA), 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
D. (6) $2,500. E. (9) $881.75.

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005
D. (6) $2,400. E. (9) $1,342.50

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. Special Committee for U.S. Exports, 1666 K Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $550.

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. TADCO Enterprises, Inc., 1625 I Street NW., Washington, D.C. 20006; Archer-Daniels-Midland, Decatur, Ill. 62525.
D. (6) $600. E. (9) $280.

A. Linda Eileen Katb, 3350 Huntley Square Drive, No. T. 2, Temple Hills Md. 20031.
B. Chicago, Rock Island & Pacific Railroad Co., Chicago, Ill. 60604.
D. (6) $5,000. E. (9) $431.11.

A. Kathryn Kavanagh, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Everett E. Kavanaugh, The Cosmetic, Toiletry & Fragrance Assoc., Inc., 1133 15th Street NW., Washington, D.C. 20005.
B. The Cosmetic, Toiletry & Fragrance Association, Inc., 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000. E. (9) $50.

A. William J. Keating, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain and Feed Association, P.O. Box 28328, Washington, D.C. 20005.
D. (6) $15. E. (9) $27.14.

A. Howard B. Keck, The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
B. The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.
E. (9) $275.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,200.01. E. (9) $630.24.

A. David C. Keehn, Air Products & Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
D. (6) $29.50.

A. Robert C. Keeney, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $243.75. E. (9) $3.84.

A. Jefferson D. Keith, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $100. E. (9) $58.60.

A. John B. Kelly, 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Avco Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $1,500.

A. Paul J. Kelly, U-Haul International, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.
B. U-Haul International, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.
D. (6) $2,000. E. (9) $680.

A. Ty Kelley, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.
B. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.
D. (6) $750.

A. Stephen S. Kellner, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Suite 1120. Washington, D.C. 20036.
D. (6) $80.15. E. (9) $60.59.

A. Carol A. Kelly, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 400 South Tryon Street, Suite 2124, Charlotte, N.C. 28285.
D. (6) $2,440. E. (9) $255.74.

A. Harold V. Kelly, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. John T. Kelly, Pharmaceutical Manufacturers Association 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Robert F. Kelly, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.

A. Thomas J. Kenan, 1000 Fidelity Plaza, Oklahoma City, Okla. 73102.
B. Cocquina Oil Corp., P.O. Box 2690, Midland, Tex.
E. (9) $48.06.

A. William J. Kendrick, Air Products & Chemicals, Inc. 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
D. (6) $387.60.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennslyvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Robert T. Kenney, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. Robert M. Ketchel, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Carl F. Kettler, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Aevnue NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $631.97.

A. Gilbert W. Keys, P.O. Box 3999, Seattle, Wash. 98124.
B. The Boeing Co., P.O Box 3707, Seattle, Wash. 98124.
D. (6) $248.36. E. (9) $237.52.

A. Richard F. Kibben, 405 Lexington Avenue, New York, N.Y. 10017.
B. The Business Roundtable, 405 Lexington Avenue, New York, N.Y. 10017.

A. William S. Kies, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Daniel L. Kiley, 8 North Jefferson Street, Roanoke, Va. 24042.
B. Norfolk and Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $319.50. E. (9) $471.99.

A. Richard H. Kimberly, Kimberly-Clark Corps., 3390 Peachtree Road NE., Executive Suite, Atlanta, Ga. 30326.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $107.16. E. (9) $601.13.

A. Timothy J. Kincaid, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Charles L. King, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $120.

A. Dean King, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $280. E. (9) $18.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street, Washington, D.C. 20036.
D. (6) $7,500. E. (9) $5,259.26.

A. Irvin M. Kipnes-Kipnes & Associates, 7909 Old Falls Road, McLean, Va. 22101.
B. John L. Harmer, 10880 Wilshire Boulevard, Los Angeles, Calif. 90024.
D. (6) $30,000. E. (9) $890.16.

A. Alan G. Kirk, II, Potomac Electric Power Co., 1900 Pennsylvania Ave NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. John R. Kirk, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass., 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $1,200. E. (9) $46.50.

A. Kirkland & Ellis, 1776 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. Ralph W. Kittle, International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
B. International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $2,800. E. (9) $2,450.

A. Saul B. Klaman, National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
B. National Association of Mutual Savings Banks, 200 Park Aevnue, New York, N.Y. 10017.
D. (6) $1,015.39.

A. Richard P. Kleeman, Association of American Publishers, Inc., 1707 L Street NW., No. 480, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., No. 480, Washington, D.C. 20036.

A. Mark Kleinman, 1710 Q Street, NW., No. 2, Washington, D.C. 20009.
E. (9) $1.

A. Richard A. Kline, Council of Active Independent Oil & Gas Producers, 1150 17th Street NW., Suite 609, Washington, D.C. 20036.
B. Council of Active Independent Oil & Gas Producers, 1150 17th Street NW., Suite 609, Washington, D.C. 20036.
D. (6) $3,437.

A. S. Lee Kling, 811 Bluespring Lane, St. Louis, Mo. 63131.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120 Washington, D.C. 20036.
E. (9) $92.66.

A. Gary D. Knight, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Jeffrey W. Knight, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,640.

A. Keith R. Knoblock, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.
D. (6) $159.90. E. (9) $12.30.

A. John C. Knott, Burlington Northern Inc., Burlington Northern Station, Casper, Wyo. 82601.
B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $986.28. E. (9) $1,498.22.

A. C. Neal Knox, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,125.

A. Philip M. Knox, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $500. E. (9) $538.52.

A. Ruth E. Kobell, The Farmers' Educational and Cooperative Union of America, Denver, Colo. 80251, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Cooperative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $3,323.12. E. (9) $205.18.

A. Bradley R. Koch, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $128.25.

A. George W. Koch, 1425 K Street NW., Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.
D. (6) $50.02.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute. Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $57.76.

A. Horace R. Kornegay, Suite 1200, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $150.

A. Kenneth S. Kovack, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C., 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,417.72. E. (9) $665.67.

A. Michael J. Kowalsky, Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
B. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
D. (6) $10,746.17.

A. Mylio S. Kraja, National Legislative Commission, 1608 K Street NW., Washiington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $6,795. E. (9) $1,367.02.

A. Amos Kramer, Ks. Petroleum Council, 8th and Jackson Streets, Suite 1414, Topeka, Kans. 66612.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Edward DeW. Kratovil, American Can Co., American Lane, Greenwich, Conn. 06830.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $580.78.

A. Stephen W. Kraus, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Raymond Roger Krause, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $100.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1015 18th Street N.W., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Anthony L. Kucera, The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $300.

A. M. J. Kuehne, American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.
B. American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.

A. Philip Kugler, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $8,188.50. E. (9) $677.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street NW., Washington, D.C. 20036.
B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $10,240. E. (9) $1,149.37.

A. Thomas R. Kuhn, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
E. (9) $142.97.

A. Daniel M. Kush, 1627 K Street NW., Suite 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.
E. (9) $27.52.

A. Kutak Rock & Huie, 1156 15th St. NW., Suite 701, Washington, D.C. 20005.
B. Citibank, 399 Park Avenue, New York, N.Y. 10043.
D. (6) $1,500. E. (9) $165.75.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 20005; 11 South LaSalle Street, Chicago Ill. 60603.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $12,304. E. (9) $6,054.

A. Laborers' International Union of North America, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $23,763.13.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $360. E. (9) $12.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $916.80. E. (9) $5,244.35.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. A. M. Lampley, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $125.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.
B. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.
D. (6) $750.

A. David W. Landsidle, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Lane & Edson, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
B. National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450.

A. James J. LaPenta, Jr., Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $1,430.11.

A. J. Stephen Larkin, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $300. E. (9) $50.

A. Lucille Larkin, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $82.50.

A. Glenn T. Lashley, American Automobile Association, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Theodore A. Lattanzio, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Louis F. Laun, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Dennis Lavallee, American Footwear Industries Association, Suite 900, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Suite 900, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $180.25. E. (9) $40.30.

A. George H. Lawrence, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $200.

A. Kenneth L. Lay, Florida Gas Transmission Co., 783 Granville Drive, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Lead-Zinc Producers Committee, 1101 15th Street NW., Suite 803, Washington, D.C. 20005.
D. (6) $3,901. E. (9) $2,279.15.

A. Alice V. Leaderman, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $21.

A. John I. Le Berre, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $300.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, Inc., 230 Southern Building, Washington, D.C. 20005.

A. Michael L. Lehrman, 3012 Cortland Place NW., Washington, D.C. 20008.
B. Plessey Co., Ltd., Ilford, Essex, England.
D. (6) $59,277. E. (9) $6,239.

A. Robert J. Leigh, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.
B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.
D. (6) $3,047. E. (9) $3,476.54.

A. Gilbert LeKander, 1629 K Street NW., No. 801, Washington, D.C. 20006.
B. Montana Power Co., 40 East Broadway, Butte, Mont. 59701; Washington Water Power Co., Box 3727, Spokane, Wash. 99220.
D. (6) $450.

A. Lynette B. Lenard, Suite 700S, 1800 M Street NW., Washington, D.C. 20036.
B. Dow Chemical Co., Midland, Mich. 48640.
D. (6) $1,000. E. (9) $236.25.

A. Earl T. Leonard, Jr., Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $350. E. (9) $180.07.

A. Lloyd Leonard, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $672.

A. Will E. Leonard, 900 17th Street NW., Suite 714, Washington, D.C. 20006.
B. Karth-Best Associates, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.

A. Steven H. Lesnik, Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $300.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Suite 1001, Washington, D.C. 20006.
B. Commerzbank Aktiengesellschaft, 4 Dusseldorf 1, Postfach 1137, West Germany.
D. (6) $12,445. E. (9) $9,996.24.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.
D. (6) $45.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Suite 1001, Washington, D.C. 20006.
B. General Cable Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.
D. (6) $157.50.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Gas Turbine Division, One River Road, Building 500, Room 228, Schenectady, N.Y. 12345.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Beer Wholesalers' Association of America, 5205 Leesburg Pike, Falls Church, Va. 22401.
D. (6) $11,851.25. E. (9) $1,000.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Council of Community Hospitals (NCCH), 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $4,422.50.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Northeast Utilities, P.O. Box 270, Hartford, Conn. 06101.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Suite 1001, Washington, D.C.
B. Union Investment GmbH, 6 Frankfurt 16, Postfach 16767, 6 Frankfurt/Main, West Germany.

A. Morris J. Levin, 1620 I Street NW., Washington, D.C. 20006.
B. Association of American Railroads, American Railroad Building, Washington, D.C.
D. (6) $1,000.

A. Morris J. Levin, 1620 I Street NW., Washington, D.C. 20006.
B. Independent Local Newspaper Association, Suite 613, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $7,500.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $65.

A. Roger N. Levy, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $4,697.24. E. (9) $200.

A. Tamar Lewin, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,800.01.

A. Robert G. Lewis, Farmers' Educational & Cooperative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
B. Farmers' Educational & Cooperative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $1,828.85. E. (9) $154.77.

A. Susan Paris Lewis, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,450.

A. Walter R. Lewis, Jr., National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $212.50.

A. Ronald L. Leymeister, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. $159.40.

A. James B. Liberman, Berlack, Israels & Liberman, 26 Broadway, New York, N.Y. 10004.
B. Public Service Electric & Gas Corp. (subsidiaries, Eascogas LNG Inc., Energy Terminal Services Corp., and Energy Pipeline Corp.), 80 Park Place, Newark, N.J. 07101.
D. (6) $100. E. (9) $110.

A. Herbert Liebenson, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $4,500. E. (9) $1,200.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Russell B. Light, 955 L'Enfant Plaza, North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $330. E. (9) $399.

A. Charles W. Linderman, Slurry Transport Association, 409 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $300.

A. Lester W. Lindow, Association of Maximum Service Telecasters, Inc., 1735 De Sales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 De Sales Street NW., Washington, D.C. 20036.

A. John E. Linster, Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
B. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
D. (6) $500.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. County of Baltimore, 111 West Chesapeake Avenue, Towson, Md. 21204.
D. (6) $1,200. E. (9) $118.33.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.
D. (6) $500.86. E. (9) $105.90.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Madison Gas & Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.
D. (6) $1,111.39. E. (9) $234.99.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Northern States Power Co., 100 North Barstow Street, Eau Claire, Wis. 54701.
D. (6) $1,502.29. E. (9) $317.63.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Oregon, Department of Transportation, Transportation Building, Salem, Oreg. 97310.
D. (6) $6,000.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Superior Water, Light & Power Co., 1230 Tower Avenue, Superior, Wis. 54880.
D. (6) $301.08. E. (9) $63.66.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wayne County Board of Commissioners, 706 City County Building, Detroit, Mich. 48226.
D. (6) $7,500. E. (9) $497.85.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wisconsin 53201.
D. (6) $4,872.99. (9) $1039.32.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Michigan Power Co., 231 West Michigan, Milwaukee, Wis.
D. (6) $1,068.85. (9) $165.02.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Power & Light Co., Madison, Wis. 53701.
D. (6) $2,085.55. E. (9) $440.97.

A. Linton, Mields, Reisler & Cotton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.
D. (6) $2,015.86. E. (9) $426.22.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chcago Ill. 60611.
D. (6) $8,532.16. E. (9) $428.91.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, 2300 South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $10,845. E. (9) $1,414.55.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, Division of Water Resources, 2300 South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $3,075. E. (9) $398.45.

A. Pamela Lippe, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street, SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Robert G. Litschert, 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.
D. (6) $700. E. (9) $134.

A. Andrew Litsky, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,169.

A. E. F. Livaudais, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $400. (9) $67.50.

A. H. Richard Lloyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. James T. Lloyd, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Continental Air Lines, Inc., Los Angeles International Airport, Los Angeles Calif. 90009.
D. (6) $900. (9) $0.80.

A. Harold D. Loden, American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
D. (6) $2,000.

A. Robert H. Loeffler, Suite 701, 1050 17th Street NW., Washington, D.C. 20036.
B. State of Alaska, Attorney General's Office, Department of Law, Pouch K, State Capitol Building, Juneau, Alaska 99811.
D. (6) $1,425. (9) $30.

A. Loews Corp., 666 Fifth Avenue, New York, N.Y.
E. (9) $3,000.

A. London & Goldberg, Suite 401, 1725 De Sales Street NW., Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,500.

A. Robert W. Long, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $171.42.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Classroom Publishers Associations, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Industrial Diamond Association, 59 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Linen Supply Association of America, 1250 East Hallandale Beach Boulevard, Hallandale, Fla. 33009.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Christopher LoPiano, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $924.69. E. (9) $65.95.

A. Edward J. Lord, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $4,242. E. (9) $366.74.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Judith A. Lorenson, 7386 Kingsbury, St. Louis, Mo. 63130.
B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.
D. (6) $7,500. E. (9) $180.25.

A. Herschel C. Loveless, 918 16th Street NW., No. 501, Washington, D.C. 20006.
B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.
D. (6) $1,800. E. (9) $1,432.

A. James F. Lovett, 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $1,000. E. (9) $200.

A. James P. Low, American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. Gerald M. Lowrie, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connnecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $308.04.

A. Ralph Lubeck, c/o Tom B. Cunningham, Sr., Rural Route No. 5, Darlington, S.C. 29532.
B. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., Rural Route No. 5, Darlington, S.C. 29532.
E. (9) $58.23.

A. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $323.39.

A. John S. Lucas, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $335. E. (9) $50.

A. Charles Emmet Lucey, 1701 Pennsylvania Avenue NW., Suite 500, Washington, D.C. 20006.
B. Catholic Press Association, 119 North Park Avenue, Rockville Centre, N.Y. 11570.
E. (9) $150.

A. Charles Emmet Lucey, 1701 Pennsylvania Avenue NW., Suite 500, Washington, D.C. 20006.
B. Massachusetts Cooperative Bank League, 225 Franklin Street, Boston, Mass. 02110.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $2,750.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund, United Technologies Corp., United Technologies Building, Hartford, Conn. 06101; 1125 15th Street NW., Washington, D.C. 20005.
B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101; 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $9,139. E. (9) $1,218.11.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $300. E. (9) $9.26.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. First Investment Annuity Co., of America, P.O. Box 831, No. 7 Valley Forge Executive Mall, Valley Forge, Pa. 19482.
D. (6) $456.25. E. (9) $1.48.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. National Product Liability Council, Box 11111, Cincinnati, Ohio 45211.
E. (9) $9.69.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., Two North 9th Street, Allentown, Pa. 18101.
D. (6) $750. E. (9) $122.96.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $120.

A. James H. Lynch, Jr., American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $7,807.80. E. (9) $14,078.20.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, Va. 22101.
D. (6) $822. E. (9) $500.

A. Duncan A. MacKenzie, 3019 Goat Hill Road, Bel Air, Md. 21014.
D. (6) $210. E. (9) $209.57.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 East 35th Street, New York, N.Y. 10016.
D. (6) $4,327.50. E. (9) $8,010.91.

A. W. Thomas H. MacNew, P.O. Box 16858, Philadelphia, Pa. 19142.
B. Boeing Vertol Co., P.O. Box 16858, Philadelphia, Pa. 19142.
E. (9) $1,600.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,650. E. (9) $323.41.

A. R. J. Maglione, 1911 North Fort Myer Drive, No. 907, Arlington, Va. 22209.
B. AVCO Systems Division, 201 Lowell Street, Wilmington, Mass. 01887.
D. (6) $200. E. (9) $85.

A. R. J. Maglione, 1911 North Fort Myer Drive, No. 907, Arlington, Va. 22209.
B. Vought Corp., 1745 Jefferson Davis Highway, No. 612, Arlington, Va. 22202.
D. (6) $100. E. (9) $55.

A. John F. Mahoney, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,610.44. E. (9) $884.

A. Michael C. Maibach, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $480. E. (9) $12.

A. Andre Maisonpierre, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill.
D. (6) $835. E. (9) $220.

A. Leonard Mall, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, 1425 K Street NW., Washington, D.C. 20005.
D. (6) $40.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $625. E. (9) $26.50.

A. The Management Group, 1211 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. United States Industrial Council, P.O. Box 2686, Nashville, Tenn. 37219.
D. (6) $1,500.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $9,000. E. (9) $68.35.

A. Mike Manatos, 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $32.02.

A. Forbes Mann, 1155 15th Street NW., No. 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $2,000. E. (9) $550.

A. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,000.

A. Dallace E. Marable, NAM, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,050. E. (9) $49.65.

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.
B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. March For Life, Inc., P.O. Box 2950, Washington, D.C. 20013.
D. (6) $73,892.52. E. (9) $72,149.70.

A. Charles T. Marck, 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $1,000. E. (9) $250.

A. Ronald M. Marcus, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $100.

A. Ralph J. Marlatt, Professional Insurance Agents, 1511 K Street NW., Washington, D.C. 20005.
B. Professional Insurance Agents, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $850.

A. Dan V. Maroney, Jr., 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Jack D. Maroney, 1300 American Bank Tower, Austin, Tex. 78701.
B. The Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $50.

A. John O. Marsh, Jr., Barr Building, Washington, D.C. 20006.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
E. (9) $2,495.77.

A. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. J. Paull Marshall, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $531. E. (9) $294.65.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
E. (9) $345.

A. John B. Martin, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $676.31.

A. Katherine E. Martin, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L. Street NW., Washington, D.C. 20036.
D. (6) $100. E. (9) $145.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $500. E. (9) $200.

A. Tina Marts, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $25.

A. Joseph J. Martyak, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $2,800. E. (9) $468.19.

A. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $41.50.

A. Mike M. Masaoka, Suite 520, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. American Japanese Trade Committee, Suite 520, 900 17th Street NW., Washington, D.C. 20006.

A. Mike M. Masaoka, Association on Japanese Textile Imports, Inc., Suite 520, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
D. (6) $250.

A. Mike M. Masaoka, Suite 520, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Nisei Lobby, Suite 520, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.

A. Mike M. Masaoka, Masaoka-Ishikawa and Associates, Inc., Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
D. (6) $500.

A. Paul J. Mason, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Jon G. Massey, P.O. Box 8293, Washington, D.C. 20024.
B. Oil Investment Institute, P.O. Box 8293, Washington, D.C. 20024.

A. Charles D. Matthews, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.
B. National Ocean Industries Association, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.
D. (6) $1,177.48. E. (9) $167.35.

A. Robert A. Matthews, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $476.44.

A. Joanne E. Mattiace, 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $225. E. (9) $30.

A. Robert R. Mattson, Standard Oil Co. (Indiana), 200 East Randolph Drive, Mail Code 6402, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. Anthony F. Mauriello, N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $957.85. E. (9) $522.52.

A. Thomas H. Maxedon, Kentucky Petroleum Council, 4010 Dupont Circle, Suite 469, Louisville, Ky. 40207.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Albert E. May, Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $520. E. (9) $15.95.

A. Arnold Mayer, Amalgamated Meat Cutters and Butcher Workmen of North America (AFL–CIO), 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.
B. Amalgamated Meat Cutters and Butcher Workmen of North America (AFL–CIO), 2800 North Sheridan Road, Chicago, Ill. 60657.
D. (6) $9,425. E. (9) $380.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washington, D.C. 20036.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. The ERISA Industry Committee, Suite 1201, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,683. E. (9) $5.

A. Mays, Valentine, Davenport & Moore, 910 17th Street NW., Washington, D.C. 20006.
B. SEDCO, Inc., 1901 North Akard Street, Dallas, Tex. 75201.

A. Mays, Valentine, Davenport & Moore, 910 17th Street NW., Washington, D.C. 20006.
B. Trans Union Corp., Inc., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. William J. McAuliffe, Jr., American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

A. Ann McBride, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $379.09.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Robert C. McCandless, 1707 H Street NW., Washington, D.C. 20006.
B. Transamerica Insurance Corp. of California (Occidental Life), Occidental Center, Hill and Olive at 12th Street, Los Angeles, Calif. 90015.
D. (6) $2,445.94. E. (9) $204.65.

A. John A. McCart, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,248.74.

A. McCarty & Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.
D. (6) $540. E. (9) $64.78.

A. Alfred R. McCauley, 1629 K Street NW., Washington, D.C. 20006.
B. Lonza, Inc., 22–10 Route 208, Fair Lawn, N.J. 07410.
D. (6) $200. E. (9) $13.84.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Avon Products, Inc., Nine West 57th Street, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Cities Service Co., Box 300, Tulsa, Okla. 74102.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga., 30301.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Gulf & Western Industries, Inc., One Gulf & Western Plaza, New York, N.Y., 10023.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Tidewater Marine Service, Inc., 3308 Tulane Avenue, New Orleans, La.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. United Artists Corp., 729 Seventh Avenue, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. United States Fastener Manufacturing Group, 1505 East Ohio Building, Cleveland, Ohio 44114.

A. Joel C. McConnell, Jr., Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main, Sauk Centre, Minn. 56378.
E. (9) $1,000.

A. Linda A. McCorkle, Blum, Parker & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Independent Gasoline Marketers Council, 1015 18th Street NW., Washington, D.C. 20036.

A. John L. McCormick, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. William T. McCormick, Jr., American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $500.

A. Bruce A. McCrodden, Suite 650, 1050 17th Street NW., Washington, D.C. 20036
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $50.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 819 Railway Labor Building, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.
D. (6) $284.60. E. (9) $81.50.

A. D. McCurrach, 1500 Wilson Boulevard, No. 609, Arlington, Va. 22209.
B. National School Supply and Equipment Association, 1500 Wilson Boulevard, No. 609, Arlington, Va. 22209.

A. Albert L. McDermott, American Hotel and Motel Association, 777 14th Street NW., Washington, D.C. 20005.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019
D. (6) $1,192.21. E. (9) $1,197.20.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Big Prairie Farms, Inc., c/o J. J. White, 100 State Street, Beardstown, Ill. 62618.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. The First National Bank of Chicago, One First National Plaza, Chicago, Ill. 60670.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Iowa Beef Processors, Inc., Dakota City, Nebr. 68731.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,325.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $2,350.

A. Francis O. McDermott, 1750 K Street, Suite 1110, Washington, D.C. 20006.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $3,000.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Trustees under will of Warren Wright, c/o the First National Bank of Chicago, One First National Plaza, Chicago, Ill. 60603.

A. Jack McDonald, 6845 Elm Street, No. 512, McLean, Va. 22101.
B Jack McDonald Associates, 6845 Elm Street, No. 512, McLean, Va. 22101 (for Union Oil Co., P.O. Box 7600, Los Angeles, Calif. 90015).
D. (6) $6,000.

A. Jack McDonald, 6845 Elm Street, No. 512, McLean, Va. 22101.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.
D. (6) $4,500. E. (9) $2,450.

A. Jack McDonald, 6845 Elm Street, No. 512, McLean, Va. 22101.
B. Union Oil Co., P.O. Box 7600, Los Angeles, Calif. 90051.
D. (6) $15,000. E. (9) $9,750.

A. James McDonald, 6845 Elm Street, No. 512, McLean, Va. 22101.
B. Jack McDonald Associates, 6845 Elm Street, No. 512, McLean, Va. 22101 (for Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067).
D. (6) $2,250.

A. James McDonald, 6845 Elm Street, No. 512, McLean, Va. 22101.
B. Jack McDonald Associates, 6845 Elm Street, No. 512, McLean, Va. 22101 (for Union Oil Co., P.O. Box 7600, Los Angeles, Calif. 90051).
D. (6) $3,000.

A. Michael D. McDonald, Maryland Petroleum Association, 60 West Street, Annapolis, Md., 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $450. E. (9) $22.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butler, Mont. 59701.
E. (9) $160.87.

A. Thomas H. McGannon, Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.
B. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. J. Raymond McGlaughlin, 400 First Street NW., Room 801, Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $9,674.10.

A. John J. McHale, Jr., Conrail, 1318 North George Mason Drive, Arlington, Va. 22205.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $1,500.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $1,058.91.

A. Lyn R. McIntosh, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $1,650. E. (9) $148.71.

A. Robert McIntyre, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $937.50.

A. William F. McKenna, 1800 M Steet NW., Washington, D.C. 20036.
B. Silver, Freedman, Housley & Taff, 1800 M Street NW., Washington, D.C. 20036.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. National Headquarters, Marine Corps League, 933 North Monroe Street, Suite 321, Arlington, Va. 22201.
E. (9) $23.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non Commissioned Officers Association of the U.S.A. (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $4,975.74. E. (9) $5,783.39.

A. John S. McLees, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $350.

A. William F. McManus, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $305. E. (9) $155.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,500

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. American Dredging Co., 12 South 12th Street, Philadelphia, Pa., 19107; et al.
D. (6) $21,000. E. (9) $3,904.93.

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $6,300.

A. George G. Mead, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,648.22.

A. Joseph J. Meder, Interlake, Inc., 1050 17th Street NW., No. 1160, Washington, D.C. 20036.
B. Interlake, Inc., Commerce Plaza, 2015 Spring Road, Oak Brook, Ill. 60521.
D. (6) $6,840. E. (9) $587.74.

A. William H. Megonnell, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $105. E. (9) $1.

A. Louis L. Meier, Jr., American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.
B. American Society of Civil Engineers, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $870. E. (9) $990.

A. Frederick A. Meister, Jr., 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $375. E. (9) $25.

A. R. Otto Meletzke, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $515. E. (9) $175.

A. Marilee Menard, National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $600.

A. Faye L. Mench, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $181.73. E. (9) $89.12.

A. Ralph J. Merigliano, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,388.76.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.
D. (6) $3,125. E. (9) $161.38.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Dirilyte Co. of America, Inc., 320 West Jefferson Road, Kokomo, Ind.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Holly Corp., 3327–2001 Bryan Tower, Dallas, Tex. 75201.
D. (6) $3,000. E. (9) $44.45.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Klineman Associates, Inc., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $5,000. E. (9) $2,013.91.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20006.
D. (6) $1,100. E. (9) $11.

A. Harold E. Mesirow, Hydeman Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Stencel Aero Engineering Corp., P.O. Box 5836, Asheville, N.C. 28803.
D. (6) $997. E. (9) $54.70.

A. Marc Messing, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,660.

A. Tanya K. Metaksa, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20035.
D. (6) $500. E. (9) $11.80.

A. Nancy S. Metler, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $516.25. E. (9) $26.67.

A. Metzger, Shadyac & Schwarz, One Farragut Square South, Washington, D.C. 20006.
B. Melex U.S.A., Inc., 1201 Front Street, Raleigh, N.C. 27609.
D. (6) $150. E. (9) $.80

A. M. Barry Meyer, Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $50.

A. James G. Michaux, 1801 K Street NW., Suite 903, Washington, D.C. 20006.
B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Ronald A. Michieli, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,000.

A. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $5,271.66. E. (9) $2,888.34.

A. Roy H. Millenson, Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
D. (6) $1,850. E. (9) $121.

A. A. Stanley Miller, 910 16th Street, Room 302, Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Miller, Cassidy, Larroca & Lewin, 2555 M Street NW., Suite 500, Washington, D.C. 20037.
B. American Motors Corp., 14250 Plymouth Road, Detroit, Mich. 48232.

A. Clinton R. Miller, National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Gulf Intracoastal Canal Association, Houston, Tex.
D. (6) $262.50. E. (9) $27.55.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Texasgulf, Inc., Stamford, Conn.
D. (6) $450. E. (9) $436.42.

A. Joe D. Miller, American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $875.

A. Kirk Miller, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,375. E. (9) $97.

A. Luman G. Miller, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

A. William P. Miller, Jr., American Society of Mechanical Engineers, 2029 K Street NW., Washington, D.C. 20007.
B. American Society of Mechanical Engineers, 345 East 47th Street, New York, N.Y. 10017.
E. (9) $247.50.

A. Millman and Broder, 1730 M Street NW., Suite 908, Washington, D.C. 20036.
B. National Council of Senior Citizens, Inc., 1511 K Street NW., Second Floor, Washington, D.C. 20005.
D. (6) $4,500. E. (9) $307.81.

A. John F. Mills, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $150.

A. Linda F. Mills, 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
D. (6) $300. E. (9) $450.

A. Charles W. Mitchell, 7915 Sherwood Road, Ruxton, Md. 21204.
B. Americans for Alaska, P.O. Box 50, Riderwood, Md. 21139.
D. (6) $720.27. E. (9) $211.69.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1735 I Street NW., Washington, D.C. 20006.
B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.
E. (9) $285.

A. Richard Mizrack, 270 Madison Avenue, New York, N.Y. 10016.
B. Wolf, Haldenstein, Adler, Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016, (for Fallek-Lankro Corp., Tuscaloosa, Ala.).
D. (6) $50.

A. Stacey J. Mobley, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.

A. George Moffett, 1606 34th Street NW., Washington, D.C. 20007.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $3,543.12. E. (9) $686.45.

A. Robert M. Moliter, General Electric Co., 7777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

A. Christopher Monek, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John O. Mongoven, 6934 Stoneybrooke Lane, Alexandria, Va. 22306.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $4,567.50. E. (9) $277.34.

A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60671.
D. (6) $103. E. (9) $150.

A. G. Merrill Moody, Association of American Railroads, 10 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $368.33. E. (9) $225.58.

A. O. William Moody, Jr., Maritime Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Maritime Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,115. E. (9) $514.56.

A. John M. Mooney, Suite 2200, Two Embarcadero Center, San Francisco, Calif. 94111.
B. Bechtel Corp., 50 Beale Street, San Francisco, Calif. 94105.
D. (6) $200.

A. Alan J. Moore, The Atchison, Topeka, and Santa Fe Railway Co., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Atchison, Topeka, and Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,000. E. (9) $150.

A. Clarence Moore, 407 Lincoln Road, Miami Beach, Fla. 33139; Barr Building, No. 912, 910 17th Street NW., Washington, D.C. 20006.
B. National Barrel and Drum Association, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,250.

A. Powell A. Moore, 1155 15th Street NW., Suite 424, Washington, D.C. 20005.
B. Mondakota Gas Co., P.O. Box 224, Billings, Mont. 59103.

A. Powell A. Moore, 1155 15th Street NW., Suite 424, Washington, D.C. 20005
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $1,300.

A. E. Joyce Morgan, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Earl J. Morgan, 1150 17th Street NW., Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $320. E. (9) $84.

A. Jo V. Morgan, Jr., 1050 17th Street NW., Washington, D.C. 20036.
B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
D. (6) $1,800.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.
E. (9) $100.

A. Morison, Murphy, Abrams & Haddock, 1776 K. Street NW., Suite 900, Washington, D.C. 20006.
B. The Sperry and Hutchinson Co., 330 Madison Avenue, New York, N.Y. 10017.

A. Stephen C. Morrisette, N. C. Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $200. E. (9) $95.65.

A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 915, Washington, D.C. 20036.
B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.
E. (9) $250.

A. Lynn E. Mote, Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,000.

A. Walter L. Mote, Rocky Mountain Oil and Gas Association, 1155 15th Street NW., Suite 314, Washington, D.C. 20005.
B. Rocky Mountain Oil and Gas Association, 345 Petroleum Club Building, Denver, Colo. 80202.

A. Nicholas Mottern, R.F.D. Millwood, Va. 22646.
B. Food Policy Center, 538 Seventh Street, SE., Washington, D.C. 20003.
D. (6) $8,750.03.

A. David Moulton, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,000.

A. Roger L. Mozingo, The Tobacco Institute, 1776 K Street, NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $130.

A. Karen Mulhauser, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

A. Michael S. Mulkey, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. William G. Mullen, National Newspaper Association, 1627 K Street NW., Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $11,250. E. (9) $16,033.

A. Robert M. Mulligan, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Mullin, Conner and Rhyne, 1000 Connecticut Avenue, Washington D.C. 20036.
B. Alberto de la Vega-Ripol, 804 Garching, Konigsbergerstr, 2, West Germany.
E. (9) $212.13.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $200. E. (9) $10.

A. Robert J. Mullins, Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street, NW., Washington, D.C. 20005.
D. (6) $3,323.12. E. (9) $35.07.

A. Beverly Murphy, National Cable Television Association, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $237.

A. Richard E. Murphy, 2020 K Street NW., Washington, D.C. 20006.
B. Service Employees International Union, AFL–CIO. 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Richard W. Murphy, 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
B. Merck & Co., Inc., Rahway, N.J. 07065.
D. (6) $1,000.

A. William T. Murphy, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Natural Service Co., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $1,200.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. Chicago, Milwaukee, St. Paul, and Pacific RR., 516 West Jackson Boulevard, Chicago, Ill. 60606.
D. (6) $300. E. (9) $58.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. The Cleveland Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.
D. (6) $100. E. (9) $35.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $125. E. (9) $32.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $150.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. LTV Corp., P.O. Box 5003, Dallas, Tex. 75222.
D. (6) $200.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. National Association of Industrial and Office Parks, 1901 North Fort Myer Drive, No. 1100, Arlington, Va. 22209.
D. (6) $250.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. National Council of Coal Lessors, 1130 17th Street NW., Washington, D.C. 20035.
D. (6) $150.

A. William E. Murray, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C 20009.
D. (6) $169.

A. Thomas H. Mutchler, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $300. E. (9) $50.

A. Harold D. Muth, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc. (AWO), 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $300. E. (9) $2.70.

A. Fred J. Mutz, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $196.10.

A. Paul J. Myer, 2409 Red Maple Lane, Reston, Va., 22091.
B. American Broadcasting Co, 1150 17th Street NW., Washington, D.C. 20036.

A. Gary D. Myers, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $166.53.

A. Daniel Nachtigal, Morgan, Lewis & Bockius, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 700 North, Washington, D.C. 20036.

A. Law Offices, Timothy D. Naegele, Suite 1280, 1850 K Street NW., Washington, D.C. 20006.
B. PruLease, Inc., 1255 Boylston Street, Boston, Mass. 02215.
E. (9) $209.60.

A. Gerald P. Nagy, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $500.

A. John J. Nangle, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $250.

A. Bernard Nash, 1015 18th Street NW., Washington, D.C. 20036.
B Association of Independent Corrugated Converters, 2530 Crawford Avenue, Evanston, Ill 60201.
D. (6) $7,500. E. (9) $37.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va 22209.
D. (6) $400. E. (9) $127.90.

A. Bernard Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.
D. (6) $500.

A. Bernard Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.
D. (6) $350.

A. Raymond Nathan, 5025 Garfield Street NW., Washington, D.C. 20016.
B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.
D. (6) $750. E. (9) $184.39.

A. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $259,546.50. E. (9) $12,922.65.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $88.70. E. (9) $88.70.

A. National Air Carrier Association, 1730 M Street NW., Suite 710, Washington, D.C. 20036.

A. National Association for Humane Legislation, Inc., 675 Pinellas Point Drive South, St. Petersburg, Fla. 33705.
D. (6) $329.10.

A. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.
E. (9) $6,228.15.

A. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $62,425. E. (9) $14,689.

A. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $111.64.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $1,750. E. (9) $1,230.

A. National Association of Independent Lumbermen, Suite 903, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $34,679.29. E. (9) $43,790.71.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,379,323.48. E. (9) $11,101.60.

A. National Association of Manufacturers, 1776 F Street NW., Washington, D.C.
D. (6) $65,771.88. E. (9) $65,771.88.

A. National Association of Mutual Insurance Cos., 7931 Castleway Drive, Indianapolis, Ind. 46250.

A. National Association of Mutual Savings Banks, 200 Park Avenue New York, N.Y. 10017.
D. (6) $9,582.70. E. (9) $9,582.70.

A. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $9,933.77. E. (9) $6,956.49.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $265,066.93 E. (9) $8,061.13.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $1,650. E. (9) $1,650.

A. National Business Aircraft Association, One Farragut Square South, Washington, D.C. 20006.
E. (9) $16.

A. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
E. (9) $4,911.

A. National Citizens Communications, Lobby, P.O. Box 19101, Washington, D.C. 20036.
D. (6) $2,848. E. (9) $4,291.61.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $151,615.76. E. (9) $12,852.

A. National Committee for Research in Neurological and Communicative Disorders, 927 National Press Building, Washington, D.C. 20045.
D. (6) $11,950. E. (9) $9,765.33.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $1,085,795.68. E. (9) $5,789.37.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $16,573.60. E. (9) $16,573.60.

A. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,604.48. E. (9) $130.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.
D. (6) $12,815.37. E. (9) $11,317.88.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $931.45. E. (9) $931.45.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $7,055.67. E. (9) $7,055.67.

A. National Federation of Licensed Practical Nurses, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,650. E. (9) $1,650.

A. National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.
E. (9) $113.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $23,620. E. (9) $2,235.57.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $3,497.18.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $92,817.60. E. (9) $92,326.84.

A. National Leased Housing Association, Suite 400 South 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
D. (6) $6,795.44. E. (9) $6,795.44.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $5,625.39. E. (9) $5,625.39.

A. National Mortorsports Committee of ACCUS, Suite 302, 1735 K Street NW., Washington, D.C. 20006.
E. (9) $76.59.

A. National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $118,405.24. E. (9) $66,192.64.

A. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $6,300. E. (9) $1,613.60.

A. National Product Liability Council, Box 11111, Cincinnati, Ohio 45211.

A. National Rehabilitation Association, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
D. (6) $14,467. E. (9) $1,123.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $450. E. (9) $2,630.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
E. (9) $4,611.51.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $4,598. E. (9) $6,222.

A. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $305,121. E. (9) $1,660.32.

A. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.
E. (9) $1,924.10.

A. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $2,562.52.

A. National Small Business Index, Rural Route 1, Aitkin, Minn. 56431.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $12,200.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $500.93.

A. National Solid Wastes Management Association, 1120 Connecticut Avenue NW., No. 930, Washington, D.C. 20036.

A. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
E. (9) $3,697.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
E. (9) $1,395.

A. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $264,300. E. (9) $18,637.46.

A. Nazario & Ortiz-Daliot, 1522 K Street NW, Suite 410, Washington, D.C. 20005.
B. Puerto Rico Mayors Association, Ponce de Leon Avenue 1510, Santurce, P.R. 00909
E. (9) $43.31.

A. Alexander W. Neale, Jr., Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $4,420. E. (9) $7,446.50.

A. Alan M. Nedry, 1801 K Street NW., Suite No. 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $258. E. (9) $135.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $750. E. (9) $500.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. International Leather Goods, Plastics & Novelty Workers' Union, 265 West 14th Street, New York, N.Y. 10011.
D. (6) $250. E. (9) $225.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. National Handbag Association, 350 Fifth Avenue, New York, N.Y. 10016.
D. (6) $250. E. (9) $225.

A. Louis James Nelson III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $925.

A. Robert W. Nelson, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $160.

A. Michael A. Nemeroff, Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Michigan University, Ypsilanti, Mich. 48197.

A. Michael A. Nemeroff, Sidney & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ravenswood Hospital Medical Center, 4550 North Winchester, Chicago, Ill. 60640.

A. Michael A. Nemeroff, Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. St. Joseph Mercy Hospital, P.O. Box 995, Ann Arbor, Mich. 48106.

A. Michael A. Nemeroff, Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. University of Michigan, Student Activities Building, Rm. 3552, 515 East Jefferson, Ann Arbor, Mich. 48109.

A. A. S. Nemir Associates, Suite 1230, Pennsylvania Building, Washington, D.C. 20004.
B. Brazilian Sugar and Alcohol Institute, Rio de Janeiro, Brazil.
E. (9) $445.

A. Network, 1029 Vermont Avenue NW., No. 650, Washington, D.C. 20005.
D. (6) $8,379.76 E. (9) $8,634.61.

A. Robert B. Neville, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington D.C.; One IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $9,600. E. (9) $12,079.04.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $3,250. E. (9) $593.82.

A. John A. Nevius, Whiteford, Hart, Carmody & Wilson, 1050 17th Street NW., Washington, D.C. 20036.
B. District of Columbia Bankers Association, 1709 New York Avenue NW., Washington, D.C. 20006.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $21,000. E. (9) $19,595.

A. Frank Newham, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Kathryn L. Newman, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Thomas E. Newman, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street, Washington, D.C. 20006.
D. (6) $250.

A. Charles E. Nichols, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $2,307.91. E. (9) $354.31.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,275. E. (9) $578.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $600. E. (9) $511.90.

A. Patrick J. Nilan, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20006.
D. (6) $11,409.97. E. (9) $4,897.71.

A. Nan Fielding Nixon, 309 Fourth Street SE., Apt. 7, Washington, D.C. 20003.
B. Office of Government and Community Affairs, et al., Grays Hall 16, Harvard University, Cambridge, Mass.
D. (6) $4,800. E. (9) $1,095.53.

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $3,000.

A. H. Christopher Nolde, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $28.85. E. (9) $25.85.

A. Charles M. Noone, 490 L'Enfant Plaza East, No. 3306, Washington, D.C. 20024.
B. National Association of Small Business Investment Co., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $241.50.

A. Andrea K. Nordell, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $875. E. (9) $62.84.

A. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
E. (9) $1,887.82.

A. Richard B. Norment IV, NAM, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $475.

A. North American Export Grain Association, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $17,125.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn.
E. (9) $1,956.91.

A. N.O.S.I. (Not One Square Inch), 4082 Howard Street, Los Alamitos, Calif. 90720.
D. (6) $149.05. E. (9) $119.

A. Victor L. Nutt, 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.

B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.
D. (6) $200.

A. Seward P. Nyman, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $850.

A. Mary E. Oakes, 1800 K Street NW., Washington, D.C. 20006.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $700. E. (9) $175.

A. Hubert K. O'Bannon, 1532 34th Street NW., Washington, D.C. 20067.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $1,200.

A. Coleman C. O'Brien, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,875. E. (9) $36.60.

A. John F. O'Brien, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Raymond V. O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $65. E. (9) $15.

A. W. Brice O'Brien, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.
D. (6) $87.24. E. (9) $25.

A. G. H. Ochenrider, Grumman Aerospace Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. Grumman Aerospace Corp., Bethpage, Long Island, N.Y. 11714.
D. (6) $2,500. E. (9) $1,100.

A. R. Dennis O'Connell, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
D. (6) $3,500. E. (9) $228.35.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $800. E. (9) $94.50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $158.91.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,208.33. E. (9) $255.96.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, 1625 I Street NW., Suite 1022, Washington, D.C. 20006.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Automotive Parts and Accessories Association, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hennepin County, 2300 Government Center, Minneapolis, Minn. 55487.
D. (6) $8,178.75. E. (9) $607.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.
D. (6) $1,250. E. (9) $229.02.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investors Diversified Services, Inc., Suite 2900, IDS Tower, Minneapolis, Minn. 55402.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Minneapolis City Council, 307 City Hall, Minneapolis, Minn. 55415.
D. (6) $8,298.75. E. (9) $898.75.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Association of Personnel Consultants, 1835 K Street NW., Washington D.C. 20006.
D. (6) $500.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Committee for Quality Health Care New York, N.Y.
D. (6) $1,700. E. (9) $200.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Retail Merchants Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. John Nuveen & Co., Inc., 209 South LaSalle Street, Chicago, Ill., 60604.
D. (6) $687.50. E. (9) $80.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $1,666.67 E. (9) $119.79.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill., 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill., 60606.

A. Leonard F. O'Connor, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Robert C. Odle, Jr., International Paper Co., 1620 I Street NW., Suite 700, Washington D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $400. E. (9) $100.

A. Ashton J. O'Donnell, 89 Fair Oaks Lane, Atherton, Ca 94025.
B. Bechtel Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Ca. 94119.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., No. 716, Washington, D.C. 20036.

B. Philippine Sugar Commission.
D. (6) $3,000. E. (9) $250.

A. Patrick E. O'Donnell, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney, Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $75.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $3,400. E. (9) $604.83.

A. Kathleen L. O'Flaherty, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $200. E. (9) $1,879.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $8,025.

A. James G. O'Hara, Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $62.50.

A. James G. O'Hara, Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $1,125.

A. Oil Investment Institute, P.O. Box 8293, Washington, D.C.

A. Robert Spencer O'Leary, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,075.

A. Alvin E. Oliver, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain & Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Nancy J. Olson, Johns-Manville Corp., 1025 Connecticut Avenue N.W., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $400. E. (9) $500.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. George C. P. Olsson, 25 Clifford Road, Plymouth, Mass. 02360.
B. Ocean Spray Cranberries, Inc., Plymouth, Mass. 02360.
D. (6) $337.50.

A. Olwine, Connelly, Chase, O'Donnell & Weyher, 299 Park Avenue, New York, N.Y., 10017.
B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $7,980.70. E. (9) $274.39.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $38.79.

A. R. E. Omohundro, National Assn. of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $59.12.

A. Hugh L. O'Neill, 324 North Pitt Street, Alexandria, Va. 22314.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $4,500. E. (9) $153.94.

A. David E. Ortman, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $750.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa., 15222.
D. (6) $6,870.67. E. (9) $1,736.27.

A. Roland A. Ouellette, 1660 L Street NW., Suite 501, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $3,779.49.

A. Outdoor Power Equipment Institute, Inc., 1725 K Street NW., Suite 903, Washington, D.C. 20006.

A. J. Allen Overton, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $810.51. E. (9) $36.50.

A. William H. Owens, Jr., 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.
B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Henry S. Palau, 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $547.

A. Fred Panzer, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
D. (6) $510. E. (9) $320.

A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $192. E. (9) $17.60.

A. Herschell E. Parent, Arkansas Petroleum Council, 302 Commercial National Bank Building, Little Rock, Ark. 72201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Joel B. Paris III, P.O. Box 28031, Atlanta, Ga. 30328.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

A. Paul Parkhurst, Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
B. Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $50. E. (9) $25.

A. Tom E. Paro, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
D. (6) $40. E. (9) $6.

A. Robert D. Partridge, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $723.43.

A. Nicholas D. Pasco, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
D. (6) $500. E. (9) $200.

A. Howard G. Paster, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 Fifteenth Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $12,719.36. E. (9) $816.44.

A. Richard M. Patterson, 1800 M Street NW., Suite 700S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $500. E. (9) $239.50.

A. Kenton Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc, 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $2,153.35.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $7,625.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Ad Hoc Committee of Zonal Electric Heating Manufacturers, 150 Avenue L, Newark, N.J. 07101.
D. (6) $87.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Ad Hoc Committee on Section 602, 1101 16th Street NW., Suit 300, Washington, D.C. 20006.
D. (6) $600. E. (9) $34.17.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
D. (6) $230. E. (9) $25.60.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Alyeska Pipeline Service Corp., P.O. Box 576, Bellevue, Wash. 98004.
D. (6) $150.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. American Guild of Authors and Composers, 50 West 57th Street, New York, N.Y. 10019.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Maritime Association, 17 Battery Place, New York, N.Y. 10004.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,640.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20006.
D. (6) $1,475. E. (9) $292.18.

A. Patton, Boggs & Blow, 1200 17th Street Washington, D.C. 20036.
B. AMFAC, Inc., 700 Bishop Street, Honolulu, Hawaii 96801.

A. Patton, Boggs & Blow, 1200 17th Street Washington, D.C. 20036.
B. Armco Steel Corp., General Offices, Middleton, Ohio 45042.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Association of General Merchandise Chains, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $450.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $1,050.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Assoication of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass. 02138.
D. (6) $3,550. E. (9) $211.95.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Bath Iron Works Corp., 700 Washington Street, Bath, Maine 04530.
D. (6) $870.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; National Association of Engine & Boat Manufacturers, P.O. Box 5555, Grand Central Station, New York, N.Y. 10017.
D. (6) $3,274. E. (9) $62.26.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Chicago Board Options Exchange, LaSalle at Jackson, Chicago, Ill. 60604.
D. (6) $1,650. E. (9) $50.85.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. City of Birmingham, City Hall, Birmingham, Ala. 35203.
D. (6) $281.25. E. (9) $2.35.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Committee Concerned with the Safe Banking Act, 5500 Veterans Memorial Boulevard, Metairie, La. 70003.
D. (6) $600. E. (9) $1,275.15.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Computer Sciences Corp., 6565 Arlington Boulevard, Falls Church, Va. 22046.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Donaldson, Lufkin & Jenrett, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Federal Pacific Electric Co., 150 Avenue L, Newark, N.J. 07101.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Frontier Spar Corp., P.O. Box 235, Salem, Ky. 42078.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Hobby Industry of America, 200 Fifth Avenue, New York, N.Y. 10010.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Independent U.S. Tanker Owners Committee, 1612 K Street NW, Suite 510, Washington, D.C. 20006.
E. (9) $250.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Institute of Electrical and Electronics Engineers, 2029 K Street NW., Washington, D.C. 20036.
D. (6) $750.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Institute of Scrap Iron and Steel, Inc., 1729 H Street NW., Washington, D.C. 20006.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Landmark Services, Inc., 900 Ohio Drive SW., Washington, D.C. 20024.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Lane, Powell, Moss & Miller, 1700 Washington Building, Seattle, Wash. 98101.
E. (9) $500.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Lehman Brothers, 1 William Street, New York, N.Y. 10000.

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. LOOP, Inc., 1010 Common Street, 350 Bank of New Orleans Building, New Orleans, La. 70112.
D. (6) $1,265. E. (9) $37.57.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Louisiana-Pacific Corp., 1300 South West Fifth Avenue, Portland, Oreg. 97201.
D. (6) $2,250.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Machinery Dealers National Association, 1400 20th Street NW., Washington, D.C. 20036.
D. (6) $530. E. (9) $17.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., 539 South Main Street, Findlay, Ohio 45840.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Mars, Inc., 1651 Old Meadow Road, McLean, Va. 22101.
D. (6) $670. E. (9) $750.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Mocatto Metals Corp., 35 Broad Street, New York, N.Y. 10004.
D. (6) $900.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $375.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. National Medical Care, Inc., 560 Sylvan Avenue, Englewood Cliffs, N.J. 07632.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. National Retail Merchants Association, 1000 Connecticut Avenue NW., Room 700, Washington, D.C. 20036.
D. (6) $450.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. New Process Co., 220 Hickory Street, Warren, Pa. 17365.
D. (6) $2,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Northwest Pipeline Corp., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $9,625. E. (9) $211.60.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Ocean Minerals Co., 465 North Bernardo, Mountain View, Calif. 94040.
D. $3,362.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Pepsico, Inc., Purchase, N.Y. 10577.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Jack Philip & Son, Inc., 724 Dupont Plaza Center, Miami, Fla. 33131.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Pyrotechnic Signal Manufacturers Association, Inc., 1730 K Street NW., Suite 1300, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Ralston-Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $3,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Reading Company, Reading Terminal, 12th and Market Streets, Philadelphia, Pa. 19107.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Redwood Industry Park Committee, 2750 Sand Hill Road, Menlo Park, Calif. 94025.
D. (6) $16,118.75. E. (9) $3,645.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. State of Louisiana, Department of Conservations, P.O. Box 44275, Baton Rouge, La. 70804.
D. (6) $450. E. (9) $557.70.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Tax Corporation of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.
D. (6) $800.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Todd Shipyards Corp., 1 State Street Plaza, New York, N.Y. 10004.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. United Plant Guard Workers of America, 25510 Kelly Road, Roseville, Mich. 48066.
D. (6) $812.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Virgin Islands Manufacturers and Importers Association, Inc., 1290 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $2,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $440.

A. Barbara Jo Pease, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. James M. Peirce, Jr., 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $1,468.80.

A. Paul E. Pendergast, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Easton Turnpike, Fairfield, Conn. 06431.

A. Pennsylvania Power & Light Co., 2 North 9th Street, Allentown, Pa. 18101.
E. (9) $872.96.

A. Pennzoil Co., P.O. Box 2967, Houston, Tex.
E. (9) $10,010.

A. Dominic V. Pensabene, Chevron U.S.A. Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A. Inc. (a subsidiary of Standard Oil Company of California), Washington, D.C. 20006.
D. (6) $50. E. (9) $25.

A. Victor J. Perini, Jr., 1776 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Highway Users Federation for Safety & Mobility, 1776 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $150. E. (9) $5.45.

A. J. Carter Perkins, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. Susan Perry, American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $2,100. E. (9) $1,284.50

A. Tom E. Persky, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $250.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $3,333.33. E. (9) $2,339.85.

A. Mary B. Peterson, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $2,021.85.

A. Paul F. Petrus, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. John P. Philbin, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. Barbara F. Phillips, 1620 I Street NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., P.O. Box 3965, San Francisco, Calif. 94119.
D. (6) $536.32. E. (9) $228.36.

A. Scott H. Phillips, Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Sam Pickard, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Mansanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $31.20.

A. Ace Pickens, 1300 American Bank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $101.80.

A. Wilhelm Pickens, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $540.14.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. Satellite Business Systems, 8003 Westpath Drive, McLean, Va. 22101.
D. (6) $2,500.

A. Pierson Semmes Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,735. E. (9) $148.51.

A. Pierson Semmes Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Edgington Oil Co., 2400 East Artesia Boulevard, Long Beach, Calif. 90805.
D. (6) $160. E. (9) $28.

A. Plains Cotton Growers, Inc., P.O. Box 3640, Lubbock, Tex. 79452.
D. (6) $156,200.20. E. (9) $1,350.

A. Richard A. Plata, 195 Montague Street, Brooklyn, N.Y. 11201.
B. The Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.

A. E. Rogers Pleasants, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $90. E. (9) $14.05.

A. James L. Pledger, National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $64.32.

A. Michael M. Pocost, N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Frances A. Pollak, 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron Ohio 44316.
D. (6) $1,000.

A. Frederick T. Poole, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,462. E. (9) $79.

A. S. J. Poray-Tucholski, 15257 E. Cedarsprings Drive, Whittier, Calif. 90603.
B. Bermejo River Project Development Association.

A. Everett O. Post, National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
B. National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $14.05.

A. John Post, 1801 K Street NW., Suite 811, Washington, D.C. 20006.
B. The Business Roundtable, 405 Lexington Avenue, New York, N.Y.; 1801 K Street NW., No. 811, Washington, D.C. 20006.
D. (6) $200. E. (9) $40.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,250.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.

B. Rockwell International, Inc., 600 Grant Street, Pittsburgh, Pa. 15219.
D. (6) $5,000.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.
D. (6) $3,000.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $1,125.

A. Robert D. Powell, Suite 401, 734 15th Street NW., Washington, D.C. 20005.
B. National Business Aircraft Association, 1 Farragut Square South, Washington, D.C. 20006.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $693.75. E. (9) $45.61.

A. John J. Power, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $4,017.83. E. (9) $387.13.

A. Graydon R. Powers, Jr., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

A. William C. Prather, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $678. E. (9) $100.

A. James T. Prendergast, 250 East 87th Street, New York, N.Y. 10028.
B. Staff Builders, Inc., 122 East 42d Street, New York, N.Y. 10017.
D. (6) $250. E. (9) $255.56.

A. William B. Prendergast, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
D. (6) $750.

A. Dan Prescott, Mid-Continent Oil & Gas Association, 1800 K Street NW., Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $425. E. (9) $110.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris France), 1225 19th Street NW., Washington, D.C. 20036.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France), 1225 19th Street NW., Washington, D.C. 20036.

A. Michael W. Press, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.
B. The Standard Oil Co., (Ohio) Midland Building, Cleveland, Ohio 44115.
D. (6) $25.00.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. Seafarers International Union of North America, 675 Fourth Avenue, Brooklyn, N.Y.
D. (6) $2,582.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $87.50.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005.
D. (6) $625.

A. Arnold J. Prima, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,200.

A. Jerry C. Pritchett, Mechanical Contractors Association of America, 5530 Wisconsin Avenue, Suite 750, Washington, D.C. 20015.
B. Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue, Suite 750, Washington, D.C. 20015.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $6,000.

A. Jerry Z. Pruzan, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $300. E. (9) $175.

A. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,619.46. E. $3,619.46.

A. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $25,274.16. E. (9) $28,498.94.

A. David E. Pullen, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $600. E. (9) $700.

A. Earle W. Putnam, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. Independent Bakers Association, P.O. Box 3731, Washington, D.C. 20007.
D. (6) $3,000.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $520.92.

A. Richard W. Rahn, American Council for Capital Formation, 1425 K Street NW., Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K. Street NW., Washington, D.C. 20005.
D. (6) $200.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $27,300. E. (9) $27,300.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Donald A. Randall, 1625 K. Street NW., Suite 1205, Washington, D.C. 20006.
B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 112, Elmhurst, Ill. 60126.
D. $18,375. E. (9) $2,950.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. National Association for Milk Marketing Reform, 1000 Connecticut Avenue NW., Suite 1111, Washington, D.C. 20036.
D. (6) $7,500. E. (9) $650.

A. R. Ray Randlett, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 300–R, Morristown, N.J. 07960.
D. (6) $117.

A. Arthur G. Randol, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $2,843.74. E. (9) $50.06.

A. Jerry F. Rapp, 1155 15th Street NW., Suite 606, Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $750.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $2,405.15. E. (9) $2,419.58.

A. Magda Ratajski, P.O. Box 23652, L'Enfant Plaza Station, Washington, D.C. 20024.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $603.20. E. (9) $493.13.

A. G. J. Rauschenbach, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $1,500. E. (9) $935.

A. J. Gene Raymond, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $900.72.

A. Susan E. Recce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $505. E. (9) $538.02.

A. Gladys Reckley, G. G. Reckley Associates, 2737 Devonshire Place, No. 9, NW., Washington, D.C. 20008.
B. Kootznoowoo, Inc., P.O. Box 116, Angoon, Alaska 99820.
D. (6) $3,500. E. (9) $1,169.93.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dwight C. Reed, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $216.36. E. (9) $126.

A. Jerry Rees, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $1,682.67. E. (9) $25.

A. Thomas M. Rees, 1025 Connecticut Avenue NW., Suite 914, Washington, D.C. 20036.
B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.

A. Thomas M. Rees, 1025 Connecticut Avenue NW., Suite 914, Washington, D.C. 20036.
B. CAUSIITA (Committee for the Abolition of U.S. Individual Income Taxes Abroad), George E. Fischer Associates, 2152 duPont Drive, Irvine, Calif. 92715.

A. Thomas M. Rees, 1025 Connecticut Avenue NW., Suite 914, Washington, D.C. 20036.
B. Fluor Corp., Suite 1209, L'Enfant Plaza SW., Washington, D.C. 20024.

A. Thomas M. Rees, 1025 Connecticut Avenue NW., Suite 914, Washington, D.C. 20036.
B. Imperial Resources Association, P.O. Box 119, Brawley, Calif. 92227.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,561.93.

A. Frank D. Register, National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
B. National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
D. (6) $275. E. (9) $37.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $31. E. (9) $3.80.

A. J. E. Reinke, Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.
B. Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.
E. (9) $1,285.

A. Harry O. Reinsch, 1310 Jones Street, Apt. 902, San Francisco, Calif. 94109.
B. Bechtel Power Corp., 50 Beale Street, P.O. 3965, San Francisco, Calif. 94119.

A. W. W. Renfroe, 69 Fountain Place, Frankfort, Ky. 40601.
B. Kentucky Railroad Association, 69 Fountain Place, Frankfort, Ky. 40601.

A. Diane Rennert, 1707 L Street NW., Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $950. E. (9) $524.04.

A. Jamie Replogle, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

A. Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $5,268.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $9,375. E. (9) $875.

A. James J. Reynolds, American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $1,875. E. (9) $378.36.

A. Nancy C. Reynolds, 300 Maryland Avenue NE., Washington, D.C . 20002.
B. Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $1,200. E. (9) $110.

A. William L. Reynolds, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $1,400. E. (9) $196.

A. Austin T. Rhoads, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $270.85.

A. C. Brewster Rhoads, Jr., Bell Telephone Co. of Pennsylvania, One Parkway, 15th Floor, Philadelphia, Pa. 19102.
B. Bell Telephone Co. of Pennsylvania, One Parkway, Philadelphia, Pa. 19102.
D. (6) $130. E. (9) $546.36.

A. Kent Rhodes, c/o Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $2,500.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C. 20044; 3046 Roosevelt Street, Detroit, Mich. 48216.
E. (9) $120.75.

A. Ronald C. Rice, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Theron J. Rice, Continental Oil Co., 1130 17th Street NW., No. 400, Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Alan H. Richardson, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $1,000.

A. Sheffield C. Richey, Jr., 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $375. E. (9) $250.

A. E. Phillip Riggin, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $3,747. E. (9) $1,155.57.

A. Morris A. Riley, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,025. E. (9) $84.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $562.50. E. (9) $30.05.

A. Carol A. Risher, Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $550.

A. Nancy J. Risque, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.
B. Standard Oil Co., (an Ohio Corporation), Midland Building, Cleveland, Ohio 44115.

A. James E. Ritchie, 1776 F Street NW., No. 1, Washington, D.C. 20006.
B. Gaming Industry Association of Nevada, Inc., 1 East First Street, No. 1001, Reno, Nev. 89501.
D. (6) $1,667. E. (9) $806.30.

A. James E. Ritchie, 1776 F. Street NW., No. 1, Washington, D.C. 20006.
B. National Association of Off-Track Betting, P.O. Box 446, Batavia, N.Y. 14020.
D. (6) $3,500. E. (9) $2,621.03.

A. James E. Ritchie, 1776 F Street NW., No. 1, Washington, D.C. 20006.
B. Nevada Resort Association, 932 East Sahara Avenue, Las Vegas, Nev. 89104.
D. (6) $3,333. E. (9) $1,579.28.

A. Stark Ritchie, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. George W. Ritter, 3914 King Arthur Road, Annandale, Va. 22003.
B. Alton Box Board Co., Alton, Ill. 62002.
D. (6) $6,250. E. (9) $1,833.

A. Paul H. Robbins, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Roberts & Holland, 1301 Avenue of the Americas, New York, N.Y. 10019.
B. Estate of Bernice P. Bishop/Kamehameha Schools, 519 Halekauwila Street, Honolulu, Hawaii.
D. (6) $34,020.

A. Perry A. Roberts, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20037.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $257.73.

A. William S. Roberts, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $25.

A. Hope E. Robertson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,000.

A. Robert Robertson, Suite 903, 1901 North Fort Myer Drive, Arlington, Va. 22209.

B. National Association of Independent Lumbermen, Suite 903, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $12,561.49.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $245.90.

A. John K. Robinson, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $25.

A. Katherine Robinson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Howard W. Robison, 3903 Frankling Street, Kensington, Md. 20795.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $2,250.

A. Antoinette K. Roche, 2021 K Street, NW., Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $500. E. (9) $25.

A. Thomas G. Roderick, 1101 16th Street NW., No. 400, Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. John F. Rodgers, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $77.

A. Robert Rodriguez, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,399.99.

A. Mitch Rofsky, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,330.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $1,187.50.

A. Frank W. Rogers, 2101 L Street NW., Suite 635, Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,160.

A. Frank W. Rogers, 313 Cambridge Road, Alexandria, Va. 22314.
B. VETCO Offshore Industries, Inc., 7808 Telephone Road, Suite 201, Ventura, Calif. 93003.
D. (6) $100.

A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $5,048.40 E. (9) $100.94.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. A. Johnson & Co., Inc., 110 East 59 Street, New York, N.Y. 10022.
D. (6) $430. E. (9) $430.

A. Martin Rogol, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street S.E., Washington, D.C. 20003.
D. (6) $25.

A. Richard A. Rohrbach, 1625 I Street NW., Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $4,000.

A. John F. Rolph III, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,500.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Nicholas Roomy, Jr., P.O. Box 1986, Charleston, W. Va. 25327; Appalachian Power Co., a subsidiary of the American Electric Power Co., Inc.
B. Appalachian Power Co., P.O. Box 1986, Charleston, W. Va., 25327; 2 Broadway, New York, N.Y. 10004.
D. (6) $230.76. E. (9) $348.02.

A. Kevin M. Rooney, Long Island Lighting Co., 250 Old Country Road, Mineola, N.Y. 11501.
B. Long Island Lighting Co., 250 Old Country Road, Mineola, N.Y. 11501.
D. (6) $1,125. E. (9) $3,596.

A. Larry M. Rosenstein, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $50.

A. Seymour N. Ross, 1704 Stonebridge Road, Alexandria, Va. 22304.
B. DGA International, Inc., for Thomson-CSF (AVS) 178, Bd. Gabriel Péri 92240 Malakoff, France), 1225 19th Street NW., Washington, D.C. 20036.

A. William F. Ross, South Carolina Petroleum Council, 716 Keenan Building, Columbia, S.C. 29201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $397.50. E. (9) $340.47.

A. Edwin Rothschild, 1696 Westwind Way, McLean, Va. 22101.
B. Energy Action Educational Foundation, 1523 L Street, NW., Washington, D.C. 20005.
D. (6) $93.91.

A. Donald D. Rounds, South Dakota Petroleum Council, Division of API, P.O. Box 669, Pierre, S. Dak. 57501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William C. Rountree, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (an Ohio Corporation), Midland Building, Cleveland, Ohio 44115.
D. (6) $335. E. (9) $1,509.

A. Rouse & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C.V. (known as UNPASA), Balderas 36, Mexico, D.F., Mexico.
D (6) $3,900. E. (9) $2,856.22.

A. Eugene F. Rowan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $183. E. (9) $98.

A. John W. Rowland, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. James S. Rubin, Suite 700, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $1,172. E. (9) $20.

A. Leonard H. Ruppert, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $240. E. (9) $45.

A. Perry A. Russ, Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.
B. Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis Tenn. 38112.
D. (6) $2,035.60. E. (9) $319.95.

A. Wally Rustad, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $100.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Association of Bioanalysts International Society of Clinical Laboratory Technicians, 800 Ambassador Building, St. Louis, Mo.
D. (6) $250. E. (9) $1,187.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $500. E. (9) $1,439.19.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $1,895.54.

A. Ella Marice Ryan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $25. E. (9) $3.50.

A. John F. Ryan, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.

B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $177. E. (9) $21.

A. William H. Ryan, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,463.25. E. (9) $154.07.

A. Fred J. Sacco, N.J. Petroleum Council, (a Division of API), 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $530. E. (9) $112.97.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.; The Signal Co., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.
B. The Signal Co., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.
D. (6) $200.

A. Frank P. Sanders, The Flying Tiger Line Inc., 815 Connecticut Avenue NW., Washington, D.C.
B. The Flying Tiger Line Inc., Los Angeles International Airport, Los Angeles, Calif.
D. (6) $300.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,000.

A. Sandler & Travis, Rivergate Plaza, Suite 905, 444 Brickell Avenue, Miami, Fla. 33131.
B. Virgin Islands Manufacturers and Importers Association, P.O. Box Q, Kings Hills Station, Christiansted, VI. 00850.

A. Peter G. Sandlund, Room 400, 919 18th Street NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Associations, 17–18 Bury Street, London EC3A 5AH, England.
D. (6) $300.

A. George Saunders, 8223 Dr. Craik Court, Alexandria, Va. 22306.
B. PRN, Inc., 158 East Altamonte Drive, Altamonte Springs, Fla. 32701.
D. (6) $2,500. E. (9) $1,231.81.

A. Harold B. Say, 916 Prince Street, Alexandria, Va. 22314.
B. Veterans of World War I of the U.S.A., Inc., 916 Prince Street, Alexandria, Va. 22314.
D. (6) $885.

A. Thomas T. Scambos, DGA International Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Munich, Federal Republic of Germany), 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $136.53. E. (9) $27.53.

A. Thomas T. Scambos, 3304 Idaho Avenue NW., Washington, D.C. 20016.
B. DGA International, Inc. (for Thomson-CSF (AVS), 178 Bd Gabried Péri 92240 Malakoff, France), 1225 19th Street NW., Washington, D.C. 20036.

A. Lois M. Schell, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $170.

A. L. Charles Scherer, Jr., 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Allan D. Schimmel, Conrail, 639 South Carolina Avenue SW., Washington, D.C. 20024.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $3,628.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, Two Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $41.50.

A. Stephen I. Schlossberg, 1125 15th Street NW., Suite 600, Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich.
D. (6) $12,719.36. E. (9) $1,734.89.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $400.

A. Richard M. Schmidt, Jr., 1920 L Street NW., Suite 700, Washington, D.C.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $500.

A. Mahlon C. Schneider, Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
B. Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
D. (6) $250.

A. Frank Schneller, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Michael M. Schoor, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Anthony Schopp, Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.
B. Machinery Dealers National Association, 1110 Spring Street, Silver Spring Md., 20910.

A. Stanley Schroder, 1901 North Fort Myer Drive, Arlington, Va.
B. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $75.

A. N. Donald Schroeder, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washiington, D.C. 20037.
D. (6) $240. E. (9) $10.

A. Kathy J. Schroeher, 2030 M Street NW. Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,275.03.

A. Lauren Kim Schryver, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Robert L. Schulz, Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa. 50309.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $360. E. (9) $488.14.

A. Donald H. Schwab, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $3,750. E. (9) $251.15.

A. Evi Schwartz, P.O. Box H, Tuscaloosa, Ala. 35401.
B. Fallek-Lankro Corp., P.O. Box H, Tuscaloosa, Ala. 35401.

A. Carl Schwensen, 1030 15th Street, NW., Suite 1030, Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street, NW., Suite 1030, Washington, D.C. 20005.
D. (6) $1,402.52. E. (9) $25.

A. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $230. E. (9) $230.

A. Harold B. Scoggins, Jr., 1101 16th Street NW., Washington D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $27.50.

A. David A. Scott, Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $843.45. E. (9) $467.66.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn., 38112.
D. (6) $378.61 E. (9) $66.74.

A. Pamela Sederholm, 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.
B. Brown & Root, Inc., 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.
D. (6) $1,200. E. (9) $250.

A. Self-Determination for DC, Room 300, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $14,561. E. (9) $8,480.37.

A. Stanton P. Sender, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $400. E. (9) $10.

A. J. Richard Sewell, 1701 K Street NW., Suite 503, Washington, D.C. 20006.
B. Florida Power and Light Co., P.O. Box 529100, Miami, Fla. 33152.
D. (6) $1,100. E. (9) $200.48.

A. Leo Seybold, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,700. E. (9) $69.87.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1800 M Street NW., Washington, D.C. 20036.
B. Dresser Industries, Inc., P.O. Box 718, Dallas, Tex. 75221.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1800 M Street NW., Washington, D.C. 20036.
B. Trans-Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $500. E. (9) $500.

A. Barbara J. Shallor, 2621 Garfield Street NW., Washington, D.C.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $61.81.

A. James M. Shamberger, Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
E. (9) $25.

A. Shamrock Foods Co., 2228 North Black Canyon, Phoenix, Ariz. 85009.
E. (9) $78.52.

A. Lloyd D. Shand, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindberg Boulevard, St. Louis, Mo. 63166.
D. (6) $700. E. (9) $300.

A. Harry D. Shapiro, 1900 Merchantile Bank and Trust Building, Two Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md., 21201.
E. (9) $41.50.

A. Rebecca D. Shapiro & Associates, 101 Second Street NE., Washington, D.C. 20002.
B. Ak Chin Indian Community, Route 1, P.O. Box 12, Mericopa, Ariz. 85239.
D. (6) $1,250. E. (9) $75.

A. Rebecca D. Shapiro & Associates, 101 Second Street NE., Washington, D.C. 20002.
B. All Indian Pueblo Council, Inc., 907 Indian School Road NW., Albuquerque, N. Mex. 87107.
D. (6) $1,250. E. (9) $65.

A. Rebecca D. Shapiro & Associates, 101 Second Street NE., Washington, D.C. 20002.
B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $500. E. $25.

A. Rebecca D. Shapiro & Associates, 101 Second Street NE., Washington, D.C. 20002.
B. Quinault Indian Nation, P.O. Box 1118, Taholah, Wash. 98587.
D. (6) $625. E. (9) $35.

A. Rebecca D. Shapiro & Associates, 101 Second Street NE., Washington, D.C. 20002.
B. Yakima Indian Nation, P.O. Box 632, Toppenish, Wash. 98948.
D. (6) $835. E. (9) $65.

A. John J. Sharkey, 1629 K Street NW., Room 204, Washington, D.C. 20006.
B. Delta Airlines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga., 30320.
D. (6) $922.50. E. (9) $141.75.

A. Luther W. Shaw, 1625 I Street NW., Suite 827, Washington, D.C. 20006.
B. Paluszek & Leslie Associates, 1500 Broadway, New York, N.Y. 10036.

A. Shaw Pittman. Potts & Trowbridge, c/o Ramsey D. Potts, 1800 M Street NW., Washington, D.C. 20036.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.
D. (6) $718. E. (9) $3.85.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
D. (6) $478.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C.
B. Institute of Foreign Bankers, 489 Fifth Avenue, New York, N.Y.
D. (6) $15,833.33. E. (9) $280.45.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.
D. (6) $461.50. E. (9) $8.95.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street N.W., Washington, D.C. 20036.
B. National Committee on Locks and Dam 26, 1129 20th Street NW., Washington, D.C. 20036.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $6,932.92. E. (9) $16,247.70.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Teleprompter Corp., 50 West 44th Street, New York, N.Y.
D. (6) $3,200. E. (9) $164.25.

A. Shearman & Sterling, 53 Wall Street, New York, N.Y. 10005.
B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10022; White, Weld & Co., Inc., 1 Liberty Place, New York, N.Y 10004.
D. (6) $2,000.

A. John J. Sheehan, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $8,790.43. E. (9) $7,464.16.

A. Spencer C. Sheldon, Suite 700, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $375. E. (9) $304.71.

A. Morris Shipley, 1629 K Street NW., Room 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $800. E. (9) $15.75.

A. Harvey A. Shipman, 2021 K Street NW., Suite 700, Washington, D.C. 20006.
B. Penn Central Transportation Co., 1700 Market Street, Philadelphia, Pa. 19103.

A. James K. Shiver, 1629 K Street NW., Washington, D.C.
B. Diamond Shamrock Corp., Cleveland, Ohio.

A. W. Ray Shockley, American Textile Manufacturers Institute, Inc., 1150 17th Street NW., Suite 1001, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 400 South Tryon Street, No. 2124, Charlotte, N.C. 28285.
D. (6) $2,500. E. (9) $95.88.

A. Lawrence E. Siegel, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $256.21.

A. Richard H. Siemsen, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $298.02.

A. Bernard H. Sieracki, Illinois Petroleum Council, 200 East Randolph Drive, Suite 7209, Chicago, Ill. 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $175. E. (9) $381.37.

A. David Silver, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $4,563. E. (9) $2,853.92.

A. Talmadge E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $240. E. (9) $360.19.

A. Talmadge E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,039. E. (9) 37.13.

A. Robert C. Singer, The Soap and Detergent Association. 475 Park Avenue South at 32d Street, New York, N.Y. 10016.
B. The Soap and Detergent Association, 475 Park Avenue South at 32d Street, New York, N.Y. 10016.

A. Roma D. Skeen, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $45.

A. Barney J. Skladany, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street NW., Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. F. Slatinshek and Association, Inc., 218 North Lee Street, Alexandria, Va. 22314.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714; United Technologies Corp., 1125 15th Street NW. Washington, D.C. 20005; General Dynamics Corp., Pierre LacLede Center, St. Louis, Mo. 63105.
D. (6) $550.

A. G. Bernard Slebos, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $2,000. E. (9) $124.85.

A. William Jay Slosberg, 7205 Brennon Lane, Chevy Chase, Md. 20015.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $4,009.44. E. (9) $611.47.

A. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $75,000. E. (9) $6,903.97.

A. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.
D. (6) $75,216.92. E. (9) $9,124.97.

A. Stephan K. Small, Suite 3212, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $237. E. (9) $25.

A. Milton E. Smedsrud, Law Office Building, Pergus Falls, Minn. 56537.
B. Communicating for Agriculture, Inc., Law Office Building, Fergus Falls, Minn. 56537.
D. (6) $9,396.21. E. (9) $8,536.80.

A. Donald E. Smiley, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.,
E. (9) $362.30.

A. Arthur J. Smith, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $1,624.

A. Gordon L. Smith, 1725 K Street NW., Suite 602, Washington, D.C. 20006.
B. Edward Gottlieb and Associates, 633 Third Avenue, New York., N.Y., 10017 (for Florists' Transworld Delivery Association).

A. Gordon L. Smith, 1725 K Street NW., Suite 602, Washington, D.C. 20006.
B. Edward Gottlieb and Associates, 633 Third Avenue, New York, N.Y. 10017 (for Hecon Corp., Flextime Division).

A. J. Kenneth Smith. Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $6,500. E. (9) $1,450.

A. Michael P. Smith, The New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
D. (6) $625. E. (9) $825.

A. Robert Bland Smith, Jr., American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $450. E. (9) $95.

A. Robert Wm. Smith, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. William H. Smith, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $2,500. E. (9) $876.80.

A. Arthur V. Smyth, 1625 I Street NW., Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma Wash. 98401.
D. (6) $3,000. E. (9) $519.29.

A. Frank B. Snodgrass, Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
B. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $797.05. E. (9) $103.97.

A. John M. Snow, National Association of Furniture Manufacturers, 8401 Connecticut Avenue, No. 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. J. R. Snyder, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $150.

A. John M. Snyder, 600 Pennsylvania Avenue SE., Suite 205, Washington, D.C. 20003.
B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SE.,—Suite 151, Bellevue, Wash. 98004.
D. (6) $4,700.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.
D. (6) $8,349.26. E (9) $7,103.68.

A. Carl A. Soderblom, Nevada Railroad Association, 1 East First Street, Suite 905, Reno, Nev. 89501.
B. Nevada Railroad Association, 1 East First Street, Suite 905, Reno, Nev. 89501, Southern Pacific Transportation Co., Western Pacific Railroad Co.

A. Edmund T. Sommer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $660. E. (9) $7.50.

A. Charles B. Sonneborn, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006
B. Blue Shield Association, 211 East Chicago Avenue, Chicago, Ill. 60611.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Seminole Indian Tribe of Florida, 6073 Stiring Road, Hollywood, Fla. 33024.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Sioux Nation, c/o Crow Creek Sioux Tribe, Fort Thompson, S. Dak. 57339.
E. (9) 74.96.

A. Leland R. Sorteberg, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $280 E. (9) $4.60.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $5,500. E. (9) $785.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C.
D. (6) $17,400. E. (9) $5240.57.

A. Girardeau A. Spann, Public Citizen, Inc., 2000 P Street NW., Suite 700, Washington, D.C. 20036.
B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.
D. (6) $360. E. (9) $10.

A. Larry M. Speakes, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Philip J. Spear, Ph.D., 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $250.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Speciality Equipment Manufacturers Association, 11001 East Valley Mall, Suite 204, El Monte, Calf. 91731.

A. John F. Speer, Jr., 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.
E. (9) $279.52.

A. William C. Spence, P.O. Box 683, Houston, Tex. 77001.
B. Columbia Gulf Transmission Co., P.O. Box 683, Houston, Tex. 77001.
D. (6) $300. E. (9) $388.83.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency (Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, and Associate Member, Plumas-Sierra Rural Electric Cooperative).

A. Law Firm of Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, et al., 1400 Coleman Avenue, Santa Clara, Calif. 95050.

A. Larry N. Sjiller, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,850. E. (9) $75.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $483. E. (9) $100.

A. James M. Sprouse, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Earl C. Spurrier, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.
E. (9) $315.

A. Squire, Sanders & Dempsey, 1800 Union Commerce Building, Cleveland, Ohio 44115; Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Public Securities Association, 1 World Trade Center, New York, N.Y. 10048.

A. John W. Sroka, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street, NW., Washington, D.C. 20006.

A. Staff Builders, Inc., 122 East 42d Street, New York, N.Y. 10017.
E. (9) $505.56.

A. Lynn E. Stalbaum, National Milk Producers, Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,906.25. E. (9) $163.98.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
E. (9) $2,135.

A. David P. Stang, Suite 601, 1629 Street NW., Washington, D.C. 20006.
B. J. Ray McDermott and Co., Inc., 1010 Common Street, New Orleans, La.
D. (6) $128.30. E. (9) $42.00

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. National Ocean Industries Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $406.50. E. (9) $184.95.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. Ocean Minerals Co., P.O. Box 4531, Mountain View, Calif. 94040.
D. (6) $33.81.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. Fred J. Russell, P.O. Box 54228, Los Angeles, Calif. 90054.

A. M. B. Stanley, Room 900, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $665. E. (9) $223.40.

A. Melvin L. Stark, 1707 L Street NW., Suite 321, Washington, D.C. 20036.
B. Hartford Insurance Group, Hartford Plaza, Hartford, Conn. 06115.
D. (6) $6,000.

A. Walter M. Starke, P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $201.04. E. (9) $889.80.

A. State & Federal Associates, Inc., 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
B. National Association of Convenience Stores, 5205 Leesburg Pike, Suite 305, Falls Church, Va. 22041.
D. (6) $1,180.

A. State & Federal Associates, Inc., 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
B. Potato Chip/Snack Food Association, 915 Euclid Office Plaza, 26250 Euclid Avenue, Euclid, Ohio 44132.

A. State & Federal Associates, Inc., 1101 15th Street NW., Washington, D.C. 20005.
B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
D. (6) $3,600. E. (9) $172.

A. Charles D. Statton, 11517 Cushman Road, Rockville, Md. 20852.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Randolph J. Stayin, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001.

A. Randolph J. Stayin, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Special Committee for Workplace Product Liability Reform, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

A. Eugene H. Stearns, American Petroleum Institute, 200 East Randolph Drive, Chicago, Ill.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Theodore P. Stein, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,375.

A. David J. Steinberg, National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $600.

A. Karen L. Stevens, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Companies, 512 Washington Building, Washington, D.C. 20005.
D. (6) $500.

A. Margaret Stewart, RFD 5, Box 109, Piedmont, Ala. 36272.

A. Robert B. Stewart, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $4,011. E. (9) $407.52.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

A. Kenneth F. Stinger, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $594.84.

A. Stephen A. Stitle, 1030 15th Street NW., Washington, D.C. 20005.
B. Eli Lilly and Co., 307 East McCarty Street, Indianapolis, Ind. 46206.
D. (6) $3,000. E. (9) $150.

A. George Stockton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. B. R. Stokes, American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $750. E. (9) $709.50.

A. William M. Stover, Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $1,000. E. (9) $100.

A. John D. Stringer, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $2,375. E. (9) $250.

A. Roger J. Stroh, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $318.75. E. (9) $27.00.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $1,896.05. E. (9) $1,657.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. J. Aron & Co., Inc., 160 Water Street, New York, N.Y.

A. Stroock & Stroock & Lavan, 61 Broadway, New York, N.Y. 10006; and 1150 17th Street NW., Suite 600, Washington, D.C. 20036.
B. Bank Hapoalim B.M., 50 Rothschild Boulevard, Tel Aviv, Israel.
E. (9) $65.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $3,374. E. (9) $886.07.

A. Walter B. Stults, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Companies, 512 Washington Building, Washington, D.C. 20005.
D. (6) $4,000.

A. Eugene F. Sturgeon, 182 Crater Lane, Kensington, Conn.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.
D. (6) $921.60. E. (9) $1,035.31.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004.
B. Financial Accounting Foundation, High Ridge Park, Stamford, Conn.; and Financial Accounting Standards Board, High Ridge Park, Stamford, Conn.
D. (6) $7,500.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004.
B. General Electric Credit Corp., 260 Long Ridge Road, Stamford, Conn. 06902.

A. Harold R. Sullivan, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Roger H. Sullivan, Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Aiea, Hawaii 96701.
E. (9) $35.60.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105; and 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Midland Enterprises, Inc., 1400 580 Building, Cincinnati, Ohio 45202.
D. (6) $3,750.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105; and 1025 Connecticut Avenue NW., Suit 900, Washington, D.C. 20036.
B. The Valley Line Co., 120 S. Central, Clayton, Mo. 63105.
D. (6) $3,750.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Carnegie Corporation of New York, 437 Madison Avenue, New York, N.Y. 10022.
D. (6) $200. E. (9) $2.50.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01111.
D. (6) $250. E. (9) $2.50.

A. Irving W. Swanson, 11212 Farmland Drive, Rockville, Md. 20852.
B. Consultant, Harris Corp., 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $12,187.50. E. (9) $1,027.98.

A. Noble J. Swearingen, American Lung Association, 101 Second Street NE., Washington, D.C. 20002.
B. American Lung Association, 1740 Broadway, New York, N.Y. 10019.
D. (6) $1,000.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $10,031.25.

A. John L. Sweeney, Conrail, 13931 Esworthy Road, Germantown, Md. 20767.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $6,000.

A. Sam Swerdloff, 18 West 10th Street, New York, N.Y. 10011.
B. Coalition for New York, Inc. (Coalition to Save New York, Inc.), 230 Park Avenue, New York, N.Y. 10017.

A. Richard Preston Swigart, Suite 201, 1660 L Street NW., Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $418.22.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.
B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.
D. (6) $341.91. E. (9) 362.39.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $8,000. E. (9) $73.02.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Family Leisure Centers, Inc., 1906 Highland Avenue, Cincinnati, Ohio 45219.
D. (6) $400.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Sisters of Charity of Cincinnati, Ohio.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Special Committee for Workplace Product Liability Reform, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $12,000. E. (9) $286.73.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Taft Broadcasting Co., 1906 Highland Avenue, Cincinnati, Ohio 45219.
D. (6) $7,500.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Werner Von Clemm, New York, N.Y.

A. Burt L. Talcott, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $2,000. E. (9) $100.

A. Susan Tannenbaum, 2030 M Street NW., Washington. D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington. D.C. 20036.
D. (6) $5,500.02. E. (9) $198.23.

A. Norman Wilson Tanner, Jr., 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.
D. (6) $112. E. (9) $13.

A. William M. Tartikoff, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $68.

A. Darold W. Taylor, 1130 17th Street NW., Washington, D.C. 20036.
B. National Clay Pipe Institute, P.O. Box 310, 350 Terra Cotta Avenue, Crystal Lake, Ill. 60014.
D. (6) $150.

A. David K. Taylor, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., No. 620, Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y., 10017.
D. (6) $375.

A. Frank A. Taylor, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Sid Taylor, National Taxpayers Union (NTU), 325 Pennslyvania Avenue SE., Washington, D.C. 20003.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $950. E. (9) $349.

A. William K. Tell, Jr., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $450.

A. Paul Tendler, 2020 K Street NW., Suite 420, Washington, D.C. 20006.
B. Paul Tendler Associates (for the National Federation of Licensed Practical Nurses), 2020 K Street NW., Suite 420, Washington, D.C. 20006.
D. (6) $1,500. E. (9) $1,650.

A. 10th Pro-Life Congressional District Action Committee, 1338 Lafayette Street, Cape Coral, Fla. 33904.
D. (6) $2.

A. L. D. Tharp, Jr., Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. E. Wayne Thevenot, Thevenot, Murray and Scheer, 1120 Connecticut Avenue, No. 1128, Washington, D.C. 20036.
B. First Investment Annuity Co. of America, No. 7 Valley Forge Executive Mall, Box 831,Valley Forge, Pa. 19482.
D. (6) $1,050. E. (9) $230.60.

A. Thevenot, Murray and Scheer, 1120 Connecticut Avenue, No. 1128, Washington, D.C. 20036.
B. National Association of Stevedores, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $135.

A. John T. Thielke, Economics Laboratory, Inc., 4 Corporate Park Drive, White Plains, N.Y. 10604.
B. Economics Laboratory, Inc., Osborn Building, Saint Paul, Minn. 55102.
D. (6) $2,500. E. (9) $614.38.

A. 30th Pro-Life Congressional District Action Committee, 6210 Corona Avenue, Bell, Calif. 90201.

A. 38th Pro-Life Congressional District Action Committee, 83 Thistle Lea, Williamsville, N.Y. 14221.
D. (6) $50. E. (9) $26.

A. 35th Congressional District Action Committee, Box 1, Chaffee, N.Y. 14030.

A. 39th Congressional District Action Committee, R.D. 2, Allegany, N.Y. 14706.
E. (9) $44.72.

A. Gregory A. Thomas, Sierra Cub, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $5,625. E. (9) $107.80.

A. John W. Thomas, American Veterinary Medical Association, 1522 K Street NW., No. 828. Washington, D.C. 20005.
B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. John W. Thomas, Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $20.

A. Stephen M. Thomas. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $4,840.50.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,057.50. E. (9) $389.90.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Roger G. Thompson, 15th Street and Carter Avenue, Ashland, Ky. 41101.
B. Kentucky Power Co., 15th Street and Carter Avenue, Ashland, Ky 41101.
D. (6) $75. E. (9) $205.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90460.
D. (6) $3,000. E. (9) $168.38.

A. Terence Hastings Thorn, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $525. E. (9) $274.17.

A. Robert T. Thornburg, Minnesota Petroleum Council, 1020 Northern Federal Building, St. Paul, Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Gil Thurm, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $247.81.

A. Cyrus C. Tichenor III, 1050 17th Street NW., Suite 1104, Washington, D.C. 20036.
B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.
D. (6) $6,000. E. (9) $8,076.94.

A. Paul J. Tierney, Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.
B. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

A. Wallace Tillman, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $175.25.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Allison Technical Services, 1520 Arizona Avenue, Santa Monica, Calif. 90404.
D. (6) $175.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.
D. (6) $175.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $156.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20036.
B. Baxter Travenol Laboratories, Inc., One Baxter Parkway, Deerfield, Ill. 60015.
D. (6) $105.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. GENESCO, Inc., 111 Seventh Avenue North, Nashville, Tenn. 37202.
D. (6) $70.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. H. J. Heinz Co., P.O. Box 57, Pittsburgh, Pa. 15230.
D. (6) $105.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.
D. (6) $105.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $140.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. G. D. Searle and Co., P.O. Box 1045, Skokie, Ill. 60076.
D. (6) $70.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $140.

A. Michael L. Tiner, Active Ballot Club Department, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $6,454.72. E. (9) $1,101.58.

A. E. Linwood Tipton, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Tobacco Associates, Inc., 1101 17th Street NW., Suite 912, Washington, D.C. 20036.
E. (9) $2,526.

A. James R. Tobin, Becton, Dickinson and Co., Rutherford, N.J. 07070.
B. Becton Dickinson and Co., Rutherford, N.J. 07070.
D. (6) $2,000. E. (9) $200.

A. H. Willis Tobler, 1735 I Street NW., Washington, D.C. 20006.
B. E. A. Jaenke and Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
D. (6) $750.

A. Warren D. Toburen, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $274.

A. David R. Toll, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., No. 1010, Washington, D.C. 20036.
D. (6) $728. E. (9) $417.

A. William R. Tolley, Jr., 2600 Virginia Avenue NW., Eighth Floor, Washington, D.C. 20037.
B. Harris Corp., 55 Public Square, Cleveland, Ohio 44113.
E. (9) $302.55.

A. Howard A. Topel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mullin, Connor and Rhyne, (for Alberto de la Vega-Ripol, 804 Garching, Konigsbergerstr. 2, West Germany), 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $155.80. E. (9) $3.80.

A. John M. Torbet, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $32.25. E. (9) $219.85.

A. Thomas J. Trabucco, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $3,586.56.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

A. R. S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $204.

A. Paul E. Trimble, Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.
B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. Glenwood S. Troop, Jr., 1709 New York Avenue, NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $4,250. E. (9) $51.

A. George G. Troutman, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $400.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $449.92.

A. Ronald R. Tullos, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $250. E. (9) $24.

A. Bruce H. Turnbull, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, DD.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $200. E. (9) $10.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washiington, D.C. 20006.
D. (6) $300.

A. Shela C. Turpin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Banker Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,200. E. (9) $330.

A. Margaret D. Tutwiler, National Association of Manufacturers, 1421 Peachtree Street NE., Suite 201, Atlanta, Ga. 30307.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $739.50.

A. 12th Congressional District Pro-Life Action Committee, 2372 Lida Drive, Mountain View, Calif. 94043.
D. (6) $480.50. E. (9) $340.67.

A. Joan E. Twiggs, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $570.87.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue, Suite 1200, Washington, D.C. 20006.
B. Alaska Federation of Natives, Inc., 550 West Eighth Street, Anchorage, Alaska 99503.
E. (9) $1,100.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, Suite 1200, Washington, D.C. 20006.
B. Aloha Association, Inc., Suite 572, Alex Young Building, Honolulu, Hawaii 96813.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Foothills Pipe Lines (Yukon), Ltd., Suite 2121, Tower A, 320 Queen Street, Ottawa, Ontario, Canada, KIRSA 3.

A. Jerry G. Udell, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $150.

A. Joseph Uehlein, Industrial Union Department, AFL–CIO.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,385.80 E. (9) $42.91,

A. Wayne R. Underwood, American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $500. E. (9) $500.

A. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
E. (9) $7,067.18.

A. United Egg Producers, 3951 Snapfinger Parkway, Suite 580, Decatur, Ga. 30035.
E. (9) $1,950.

A. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $8,783.72. E. (9) $8,783.72.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $3,646.29.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.
E. (9) $472.18.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $820. E. (9) $820.

A. United States League of Savings Association, 111 East Wacker Drive, Chicago, Ill.
E. (9) $83,284.53.

A. U.S. Maritime Committee, Inc., 600 New Hampshire Avenue NW., Washington, D.C.
D. (6) $4,968.75. E. (9) $36,212.28

A. U.S. Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $64,100. E. (9) $30,400.42.

A. Lloyd N. Unsell, Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $47.12.

A. Lynn Kay Utzinger, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C 20036.
B. Cities Service Co., 1660 L Street NW., Washington. D.C. 20036.
D. (6) $33.

A. J. Joseph Vacca, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,849.64.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Francis R. Valeo, 818 18th Street NW., No. 820, Washington, D.C. 20006.
B. United Nations University, D.C., 1180 United Nations, New York, N.Y.
E. (9) $475.

A. Lois W. Van Balkenburgh, 1673 Preston Road, Alexandria, Va. 22032.
B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Room 36, Washington, D.C. 20002.
D. (6) $231. E. (9) $59.39.

A. Nicholas L. Van Nelson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allstate Insurance, Allstate Plaza, Northbrook, Ill. 60062.
D. (6) $125.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Bakers Association, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $70.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Institute for Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW, Suite 500, Washington, D.C. 20036.
B. Arctic Slope Regional Corp., Barrow, Alaska.
D. (6) $418. E. (9) $179.65.

A. Van Ness, Fe'dman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Association of Local Transport Airlines, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $87.20.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Basin, Inc., P.O. Box 2297, Midland, Tex. 79702.
D. (6) $350. E. (9) $52.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Car and Truck Renting & Leasing Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $1,650. E. (9) $249.33.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Central & South West Corp., P.O. Box 1631, Wilmington, Del. 19899.
D. (6) $660. E. (9) $133.33.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Northern Tier Pipeline Co., P.O. Box 5568, 1776 Lincoln Street, Denver, Colo. 80217.
D. (6) $570. E. (9) $200.48.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Suite One, Santa Fe Springs, Calif. 90670.
D. (6) $100. E. (9) $9.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. TOSCO Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Wheelabrator-Frye Inc., Liberty Lane, Hampton, N.H. 03842.
D. (6) $490. E. (9) $151.35.

A. H. Stewart Van Scoyoc, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $130. E. (9) $24.

A. John A. Vance, 1050 17th Street NW., No. 1180, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $2,380. E. (9) $2,875.97.

A. Richard F. Vander Veen, 950 28th Street SE., Grand Rapids, Mich. 49508.
B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10022.

A. Richard F. Vander Veen, 950 28th Street SE., Grand Rapids, Mich. 49508.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Jerry T. Verkler, P.O. Box 2521, Houston, Tex. 77001.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.
E. (9) $218.03.

A. C. John Vermilye, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $51.10. E. (9) $2.40.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Pan American World Airways, Inc., Pan American Building, New York, N.Y. 10017.
D. (6) $5,155.63. E. (9) $125.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.
D. (6) $5,437.97. E. (9) $150.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Texas International Airlines, P.O. Box 12788, Houston, Tex. 77017.
D. (6) $7,744.49. E. (9) $100.

A. Richard E. Vernor, American Counsel of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $88. E. (9) $35.

A. Larry R. Veselka, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Vinson & Elkins, (for Houston Natural Gas), 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $9,210. E. (9) $317.27.

A. Larry R. Veselka, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Vinson & Elkins, (for Texas Eastern Transmission Corp.), 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $2,850.

A. Linda Vickers, 1735 I Street NW., Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
D. (6) $1,000.

A. R. Eric Vigé, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

A. Rudolph A. Vignone, 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $2,500.

A. Walter D. Vinyard, Jr., American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Virgin Islands Manufacturers & Importers Association, P.O. Box Q, Kings Hill Stations, Christiansted, Virgin Islands 00850.

A. Andrew Vitali, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,000. E. (9) $700.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.
B. International Agricultural Development Services, 1133 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $97.32.

A. Joseph S. Wager, Sellers, Conner & Cuneo, 1625 K Street NW., Washington, D.C. 20006.
B. Zantop International Airlines, Willow Run Airport, Ypsilanti, Mich. 48197.
D. (6) $3,040. E. (9) $125.

A. Robert J. Wager, Suite 850, 2020 K Street NW., Washington, D.C.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,315.90. E. (9) $5.60.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $1,125. E. (9) $2,140.14.

A. Wald, Harkrader & Ross, 1320 19th Street NW., Washington, D.C. 20036.
B. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Robert E. Waldron, c/o Associated Petroleum Industries of Michigan, 930 Michigan National Tower, P.O. Box 10070, Lansing, Mich. 48901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $451.25. E. (9) $434.48.

A. E. F. Waldrop, Jr., Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $1,165.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allen Products Co., Inc., P.O. Box 2187, R.D. No. 3, Allentown, Pa. 18001.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B Aluminum Co. of America, Washington, D.C. 20006.
D. $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. AMAX, Inc., et al., AMAX Center, Greenwich, Conn. 06830.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Airlines, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $2000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Room 310, Washington D.C. 20036.
D (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours and Co., Wilmington, Del. 19898.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $200.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Encyclopaedia Britannica Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $833.33.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Fluor Engineers & Constructors, Inc., 3333 Michelson Drive, Irvine, Calif. 92730.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Washington, D.C. 20005.
D (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire and Rubber Co., 1800 K Street NW., Washington D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lone Star Steel Co., 2200 West Mockingbird Lane, Dallas, Tex. 75235.
D. (6) $3,333.33.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Magma Power Co., 631 South Witmer Street, Los Angeles, Calif. 90017.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. McCulloch Oil Corp., 10880 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Bankers Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., Owens-Illinois Building, P.O. Box 1035, Toledo, Ohio 43666.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.
D. (6) $200.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Procter & Gamble, Cincinnati, Ohio 45201.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pullman-Kellogg, Division of Pullman Inc., 1300 Three Greenway Plaza East, Houston, Tex. 77046.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, N.Y. 10016.
D. (6) $200.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Oil Company of California, 461 South Boylston, Los Angeles, Calif. 90017.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $200.

A. Warren W. Walkley, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. R. Duffy Wall, 1050 17th Street NW., No. 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N..Y 10017.
D. (6) $300.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.
D. (6) $80.22.

A. Don Wallace Associates, Inc., 1707 L Street NW., Suite 540, Washington, D.C. 20036.
B. Cotton Warehouse Association of America.
D. (6) $1,125. E. (9) $2,706.54.

A. Raymond C. Wallace, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. J. W. Walsh, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.
D. (6) $350.

A. John F. Wanamaker, 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $1,143.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,700.12. E. (9) $492.50.

A. Michael O. Ware, Continental Oil Co., 1130 17th Street NW., Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.
D. (6) $800.

A. Peter F. Warker, TRW Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $450. E. (9) $30.

A. Leonard Warner, P.O. Box 100, Ashburn, Va. 22011.
B. Len Warner Inc., P.O. Box 100, Ashburn, Va. 22011.
D. (6) $1,000. E. (9) $1,630.

A. The Washington Group, Inc., 1020 Independence Avenue SE., Washington, D.C. 20003.
B. SEDCO, Inc., Cumberland Hill, 1901 North Akard, Dallas, Tex. 75201.
D. (6) $6,000. E. (9) $3,015.59.

A. Michael G. Wasserman, 1200 Citizens and Southern National Bank Building, 35 Broad Street, Atlanta, Ga. 30303.

B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Nan Waterman, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,250. E. (9) $1,205.35.

A. Ralph J. Watson, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $495. E. (9) $272.62.

A. George B. Watts, National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $600.

A. James L. Watts, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $3,400.

A. Ray Wax, c/o Tom B. Cunningham, Sr., R.R. No. 5, Darlington, S.C. 29532.
B. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., R.R. No. 5, Darlington, S.C. 29532.
E. (9) $109.65.

A. William H. Weatherspoon, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $700. E. (9) $385.64.

A. Douglas M. Webb, 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $800.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Associated Credit Bureaus, 6767 Southwest Freeway, Houston, Tex.
D. (6) $50.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washigton, D.C. 20006.
B. National Club Association, 1129 20th Street NW., Washington, D.C. 20006.
D. (6) $1,820.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Sporting Goods Association, 717 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $300.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Springs Home, c/o E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.
D. (6) $250.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Truck Body and Equipment Association, Inc., Suite 1220, 5530 Wisconsin Avenue NW., Washington, D.C.

A. Webster & Sheffield, 1 Rockfeller Plaza, New York, N.Y. 10020.

B. Smith, Barney Real Estate Corp., subsidiary of Smith Barney, Harris Upham & Co., Inc., 1345 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $1,624. E. (9) $603.

A. Fred W. Wegner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $412.50. E. (9) $58.75.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $456.50. E. (9) $406.40.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 317, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Morton N. Weiss, National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.
B. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.
D. (6) $1,875. E. (9) $49.10.

A. William Weitzen, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France).

A. William Weitzen, DGA International, Inc., 1225 19th Street NW., Washington D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei AG, Krauss-maffei-Strasse 2, 8000 Munich Federal Republic of Germany).

A. L. H. Wells, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Wenchel, Schulman & Manning, 1625 K Street NW., Washington, D.C. 20006.
B. Newspaper Management Production Co., Inc., P.O. Box No. 1657, Spartanburg, S.C. 29301.
D. (6) $135,000.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $9,250.02. E. (9) $80.54.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Harry H. Westbay, III, 1625 I Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200. E. (9) $600.

A. Harvey J. Wexler, Continental Airlines, Inc., 1050 17th Street NW., No. 1060, Washington, D.C. 20036.
B. Continental Airlines, Inc., International Airport, Los Angeles, Calif. 90009.
D. (6) $2,000. E. (9) $1,000.

A. Brian B. Whalen, International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $2,500. E. (9) $2,703.05.

A. Clyde A. Wheeler, Jr., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $14,000. E. (9) $2,575.

A. Edwin M. Wheeler, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. Thomas E. Wheeler, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $995. E. (9) $76.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C.
B. The Presbyterian Hospital in the City of New York, 622 West 168th Street, New York, N.Y. 10032.

A. Donald F. White, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,250. E. (9) $165.

A. John C. White, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $1,732.56.

A. Donald W. Whitehead, Suite 816, 1620 I Street NW., Washington, D.C. 20006.
B. Alternative Wastewater Management Association, Suite 816, 1620 I Street NW., Washington, D.C. 20006.

A. Alton W. Whitehouse, Jr., 1750 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $216.

A. Louis M. Whitlock, P.O. Box 396, Carlsbad, N. Mex. 88220.
B. Beker Industries Corp., 124 West Putnam Avenue, Greenwich, Conn. 06830.

A. Wickham & Craft, c/o Frank P. Cihlar, 1050 17th Street, Suite 1100, Washington, D.C. 20036.
B. Congaree Limited Partnership, 222 West Adams Street, Suite 821, Chicago, Ill. 60606.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. American Airlines, 633 3d Avenue, New York, N.Y. 10017.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Washington, D.C.
B. Committee for a Uniform Investment Tax Credit, 1050 17th Street NW., Suite 1112, Washington, D.C. 20036.

A. Wickham, Craft & Cihlar, c/o Frank P. Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Congaree Limited Partnership, 222 West Adams Street, Suite 821, Chicago, Ill. 60606.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Eastern Air Lines, Miami International Airport, Miami, Fla. 33148.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $80.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Pan American World Airways, Pan Am Building, New York, N.Y. 10017.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Ryder System, Inc., 3600 Northwest 82d Avenue, Miami, Fla. 33166.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Trans World Airlines, 605 Third Avenue, New York, N.Y. 10016.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. United Airlines, Inc., P.O. Box 66100, Chicago, Ill. 60666.

A. Leonard M. Wickliffe, 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. California Railroad Association, 1127 11th Street, Suite 242, Sacramento, Calif. 95814.
D. (6) $10,999.97. E. (9) $4,113.24.

A. Richard J. Wiechmann, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Jerry C. Wilkerson, 7315 Wisconsin Avenue, Washington, D.C. 20014.
B. International Franchise Association, 7315 Wisconsin Avenue, Washington, D.C. 20014.
D. (6) $6,803.81. E. (9) $2,216.72.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 711 5th Avenue, New York, N.Y. 10022.
E. (9) $2,399.92.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo
E. (9) $123.17.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J. 07645.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.
E. (9) $776.57.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Church of Jesus Christ of Latter-Day Saints, 10 East North Temple, Salt Lake City, Utah.
E. (9) $59.40.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, Inc., 65 Elizabeth Street, Bethlehem, Pa.
E. (9) $18.83.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish and Kootenai Tribes of Flathead Reservation, Mont.
E. (9) $178.17.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $122.32.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $637.50. E. (9) $37.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, 85 John Street, New York, N.Y. 10038.
D. (6) $4,841. E. (9) $140.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Nana Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.
E. (9) $21.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. State of Hawaii, Department of Regulatory Agencies, P.O. Box 531, Honolulu, Hawaii.
D. (6) $2,733. E. (9) $35.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $125.60.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Arthur Andersen & Co., 1666 K Street NW., Washington, D.C. 20006.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Williams & Connolly, Hill Building, Washington, D.C. 20006.
B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02122.
E. (9) $18.50.

A. Harding deC. Williams, National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Harry D. Williams, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Lucinda L. Williams, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $3,150.

A. Williams, Myers and Quiggle, 888 17th Street NW., Washington, D.C. 20006.
B. Church Alliance for Clarification of ERISA, c/o Mr. Gary S. Nash, 511 North Akard Building, Suite 311, Dallas, Tex. 75201.
D. (6) $13,742.50. E. (9) 237.75.

A. Robert E. Williams, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,500. E. (9) $478.29.

A. Bertram C. Willis, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $85. E. (9) $13.

A. George S. Wills, 7914 Sherwood Road, Ruxton, Md. 21204.
B. Americans for Alaska, P.O. Box 50, Riderwood, Md. 21139.
D. (6) $3,200. E. (9) $805.21.

A. Charles D. Wilson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $7.25.

A. Albert Winchester, 2030 M Street NW., Washington, D.C. 20036.
B. Common Couse, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,156.24.

A. R. J. Winchester, Pennzoil Co., P.O. Box 2967, Houston, Tex. 77001.
B. Pennzoil Co., P.O. Box 2967, Houston, Tex. 77001.
D. (6) $7,300. E. (9) $2,710.

A. Joseph B. Winkelmann, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $528.39.

A. Curtin Winsor, Jr., 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, National Association, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $67.50. E. (9) $15.87.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. Atlanta/LaSalle Corp., 150 South Wacker Street, Chicago, Ill. 60600.
D. (6) $110. E. (9) $3.20.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. Building Owners and Managers Association International, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $180. E. (9) $5.40.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. Gould, Inc., 8550 Bryn Mawr Avenue, Chicago, Ill. 60631.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. International Council of Shopping Centers, 665 Fifth Avenue, New York, N.Y. 10022.
D. (6) $505. E. (9) $15.30.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.
D. (6) $200. E. (9) $4.

A. Mark E. Winter, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Richard F. Witherall, Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.
B. Colorado Railroad Association, 420 Denver Club Building, Denver, Colo.
D. (6) $1,206. E. (9) $1,680.

A. Glenn P. Witte, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Erving Wolf, Inexco Oil Co., Suite 1900, 1100 Milam Building, Houston, Tex. 77002.
B. Inexco Oil Co., Suite 1900, 1100 Milam Building, Houston, Tex. 77002.

A. Wolf Haldenstein Adler Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016.
B. Fallek-Lankro Corp., P.O. Box H, Tuscaloosa, Ala.
D. (6) $1,600. E. (9) $10.

A. Don Womack, 1150 Connecticut Avenue NW., Suite 1013, Washington, D.C. 20036.
B. Texas Utilities Services Inc., 2001 Bryan Tower, Dallas, Tex. 75201.
D. (6) $1,687. E. (9) $170.10.

A. Wilbur S. Wood, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $280. E. (9) $4.60.

A. Diane Woodruff, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $1,850.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucie Servanty, 31700 Blagnac, France).
D. (6) $11.90.

A. M. Alan Woods, 517 Oronocco Street, Alexandria, Va. 22314.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for: Thomson-CSF (AVS) 92240 Makakoff, France).

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,000. E. (9) $185.

A. Melanie Woolston, 20 A Seventh Street SE., Washington, D.C. 20003.
B. Self-Determination For D.C., Room 300. 2030 M Street NW., Washington, D.C. 20036
D. (6) $975.40.

A. Ronald L. Wooten, American Mining Congress, 1100 Ring Building, Washington, D.C.

B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. George M. Worden, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. W. Robert Worley, Georgia Power Co., 1080 Mason Woods Drive NE., Atlanta, Ga. 30329.

B. Georgia Power Co., 270 Peachtree Street NW., Atlanta, Ga. 30302.

D. (6) $2,780. E. (9) $2,326.53.

A. Franklin L. Wright, Jr., 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $1,937.50. E. (9) $93.07.

A. John Yarmola, Seafarers International Union of North America, 815 16th Street NW., Washington, D.C. 20006.

B. Seafarers International Union of North America, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $2,500. E. (9) $265.

A. Edward R. Yawn, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $3,500.

A. A. Steven Young, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $1,500. E. (9) $200.

A. Reynolds Young, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,100. E. (9) $280.

A. Eugene A. Yourch, 17 Battery Place North, New York, N.Y. 10004.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $200.

A. Robert Zacharias, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Lynn Zakupowsky, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $250.

A. John S. Zapp, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $3,870. E. (9) $247.

A. Thomas K. Zaucha, 1800 M Street NW., Suite 645–S, Washington, D.C. 20036.

B. Great Atlantic & Pacific Tea Co., Inc., 2 Paragon Drive, Montvale, N.J. 07645.

D. (6) $2,000.

A. Stanley Zimmerman, Conset, 1820 Jefferson Place NW., Washington, D.C. 20036.

B. Conset, 1820 Jefferson Place NW., Washington, D.C. 20036.

D. (6) $1,200. E. (9) $60.

A. Charles O. Zuver, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,500. E. (9) $87.71.

A. Frances Zwenig, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $2,750.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the fourth calendar quarter of 1977 were received too late to be included in the published reports for that quarter:

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____ ◀

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

	QUARTER			
P	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◀

AFFIDAVIT

[Omitted in printing]

PAGE 1◀

A. ACLI International, Inc., 110 Wall Street, New York, N.Y. 10005.
E. (9) $1,128.85.

A. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $2,500.

A. John J. Adams, Suite 1060, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ethyl Corp., 330 South Fourth Street, Richmond, Va.

A. John J. Adams, Suite 1060, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. VEPCO, Seventh and Franklin Streets, Richmond, Va.
D. (6) $1,680.

A. Ad Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.

A. Advisors, Inc., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Electronic Data Systems Corp. (EDS), 7171 Forest Lane, Dallas, Tex. 75230.
D. (6) $500. E. (9) $40.

A. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,900. E. (9) $5,032.85.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $9,573.60. E. (9) $9,573.60.

A. Alaska Fund, Inc., 810 18th Street NW., No. 802, Washington, D.C. 20006.
D. (6) $55,000.

A. Barbara Ann Alderson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C.
E. (9) $929.30.

A. Anne Genevieve Allen, Rockwell International Airport, Los Angeles, Calif. 90009.
B. Rockwell International, International Airport, Los Angeles, Calif. 90009.
D. (6) $335.94. E. (9) $847.90.

A. Robert D. Allen, 2845 Summit Drive, Hillsborough, Calif. 94010.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C.
E. (9) $41,427.90.

A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $300. E. (9) $300.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $12,699.48. E. (9) $12,699.48.

A. American Institute of Homeopathy, 6231 Leesburg Pike, Falls Church, Va. 22044.
E. (9) $731.56.

A. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $43,485. E. (9) $43,255.74.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $4,001.29. E. (9) $2,894.60.

A. American Maritime Association, 17 Battery Place North, New York, N.Y. 10004.

A. American-Nicaraguan Council, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.

A. American Parents Committee, Inc. 1346 Connecticut Avenue NW., Washington D.C. 200036.
D. (6) $4,457.20. E. (9) $14,602.30.

A. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $6,824.72. E. (9) $7,821.45.

A. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,056.52. E. (9) $1,056.52.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $3.30.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $69,192.08.

A. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $2,585.65. E. (9) $2,600.

A. Morris J. Amitay, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $6,458.32.

A. J. L. Anderson, Time Inc., 888 16th Street NW., Washington, D.C. 20006.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y.
D. (6) $2,555. E. (9) $935.

A. Jack R. Angell, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C. 20036.
B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
D. (6) $1,056. E. (9) $27.50.

A. John Christian Archer, 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.
B. Brown & Root, Inc., 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.
D. (6) $1,300. E. (9) $550.

A. Roy A. Archibald, National Education Association, 1705 Murchison Drive, Burlingame, Calif. 94010.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,282.42. E. (9) $100.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,750.01.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Realty Committee, 2033 M Street NW., Washington, D.C. 20036.
D. (6) $500.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $625. E. (9) $5.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refining Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $625. E. (9) $5.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Commissioner of Baseball, 15 West 51st Street, New York, N.Y. 10019.
E. (9) $100.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Price Waterhouse & Co., 1259 Avenue of the Americas, New York, N.Y. 10020.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $170. E. (9) $25.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. State Farm Mutual Automobile Insurance Co., 1 State Farm Plaza, Bloomington, Ill. 61701.
D. (6) $3,600. E. (9) $229.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz.
D. (6) $10,225. E. (9) $2,368.94.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77074.
E. (9) $135.40.

A. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J., 07645.
D. (6) $32,128.

A. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.
E. (9) $535.

A. Richard W. Averill, American Optometric Association, 7000 Chippewa Street, St. Louis, Mo. 63119.
B. American Optometric Association, c/o Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $920. E. (9) $175.

A. Aviation Consumer Action Project, P.O. Box 19029, Washington, D.C. 20036.
E. (9) $60.

A. Carl E. Bagge, National Coal Association, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $1,900. E. (9) $2,128.60.

A. Charles W. Bailey, National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

A. Emil F. Baker, Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Donald Baldwin, Donald Baldwin Associates, Suite 906, 1625 I Street NW., Washington, D.C. 20006.

B. American Electric Power Co., 2 Broadway, New York, N.Y. 10004.

A. Donald Baldwin, Donald Baldwin Associates, Suite 906, 1625 I Street NW., Washington, D.C. 20006.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,000.

A. James Taylor Banks, Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C.
D. (6) $617.40.

A. Robert D. Bannister, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005; 430 North Michigan Avenue, Chicago, Ill. 60601.
D. (6) $2,406.25. E. (9) $298.30.

A. John H. Barnard, Jr., 803 Ironbark Place, Orinda, Calif. 94563.
B. Bechtel Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Roger H. Barnard, National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.

A. James C. Barr, National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.
D. (6) $300. E. (9) $55.43.

A. T. Michael Barry, National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $368.49.

A. James P. Bass, American Airlines, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. American Airlines, Inc., 1101 17th Street NW., Washington, D.C.
D. (6) $825. E. (9) $75.

A. Davis M. Batson, Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
D. (6) $600.

A. Richard H. Bauer, Exxon Corp., 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $989.87.

A. Frances G. Beinecke, Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
D. (6) $300.63. E. (9) $1.60.

A. Winston Everett Bell, P.O. Box 5463, Las Vegas, Nev. 89102.

A. C. Robert Benedict, 603 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Osteopathic Hospital Association, 930 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $300.

A. Walter L. Benning, Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $2,500. E. (9) $1,000.

A. Nancy C. Benson, 1625 I Street NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $37.75. E. (9) $30.10.

A. Randolph C. Berkeley, National Association for Uniformed Services, 6200 Lakeview Drive, Falls Church, Va. 22041.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $781.25.

A. Ellen Berman, 1012 14th Street NW., Washington, D.C. 20005.
B. Energy Policy Task Force of Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $3,375. E. (9) $200.

A. Linda M. Billings, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $5,922. E. (9) $85.60.

A. Charles L. Binsted, National Congress for Petroleum Retailers, Inc., No. 201 2021 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, 2021 K Street NW., No. 201, Washington, D.C. 20006.
D. (6) $1,554. E. (9) $1,575.

A. Judith Lynn Campbell Bird, Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
D. (6) $199.39.

A. H. Redford Bishop, Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co. (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346), 64 Perimeter Center East, Atlanta, Ga. 30346
D. (6) $300.

A. Helen Blank, American Parents Committee, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B American Parents Committee, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,750.

A. Betty Blouin, American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
B. American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $2,700. E. (9) $1,479.81.

A. Becky Bogard, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $190.50.

A. William H. Bonde, National Wool Growers Association, 1776 F Street NW., No. 5, Washington, D.C. 20006.
B. National Wool Growers Association, 1776 F Street NW., No. 5, Washington, D.C. 20006.
D. (6) $9,999. E. (9) $397.12.

A. Thomas C. Borzilleri, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $221.54.

A. Mary M. Bourdette, Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $940.88. E. (9) $66.95.

A. A. D. Bourland, General Motors Corp., 1660 L Street NW., Suite 804, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $3,000. E. (9) $2,339.81.

A. Rodney A. Bower, International Federation of Professional & Technical Engineers, AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
B. International Federation of Professional & Technical Engineers, AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $625. E. (9) $100.

A. S. Gail Bramblett, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,610.95. E. (9) $151.30.

A. Robert Brandon, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,062.50.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20036.

A. Bregman, Abell, Solter & Kay, 1900 I Street NW., Suite 610, Washington, D.C. 20036.
B. Car and Truck Renting & Leasing Association, 1725 K Street NW., Suite 408, Washington, D.C. 20006.
D. (6) $400. E. (9) $125.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,000. E. (9) $75.

A. Miles H. Bresee, Jr., 170 Altura Way, Greenbrae, Calif. 94904.
B. Bechtel Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Bill Brier, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $3,800. E. (9) $365.

A. Belva B. Brissett, National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,406.25. E. (9) $324.82.

A. John B. Brock, Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $4,580.64. E. (9) $1,669.87.

A. Brotherhood of Railway, Airline & Steamship Clerks Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $30,856.74. E. (9) $30,856.74

A. Charles T. Brown, Cities Service Co., Box 100, Miami, Ariz. 85539.
B. Cities Service Co., Box 100, Miami, Ariz. 85539.

A. Diane V. Brown, International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW, No. 700, Washington, D.C. 20006.
D. (6) $500. E. (9) $100.

A. Howard Brown, American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,268.76.

A. Richard A. Brown, 2030 Alan Place NW., Washington, D.C. 20009.
B. Committee of Americans for the Canal Treaties, Inc., 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $4,500. E. (9) $294.86.

A. Harvey F. Brush, 2006 Washington Street, San Francisco, Calif. 94109.
B. Bechtel, Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. A. T. Brust, Cromwell Street, Luke, Md. 21540.
B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $100.

A. William J. Burhop, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,875. E. (9) $169.80.

A. David G. Burney, United States Tuna Foundation, 525 B Street, Suite 2290, San Diego, Calif. 92101.
B. United States Tuna Foundation, 525 B Street, Suite 2290, San Diego, Calif. 92101.
D. (6) $6,000. E. (9) $3,000.

A. Burson-Marsteller, Suite 750 South, 1800 M Street NW., Washington, D.C. 20036.
B. Tax Equity for Americans Abroad, Suite 750 South, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $8,328.68.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $576.07.

A. C. Richard Calkins, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $1,500. E. (9) $118,572.07.

A. Faith Thompson Campbell, Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
D. (6) $109.20. E. (9) $0.80.

A. John E. Campbell, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Isaac R. Caraco, 4532 Park Monaco, Calabasas Park, Calif. 91302.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. John L. Carr, 815 15th Street NW., Washington, D.C. 20005.
B. Full Employment Action Council, 815 15th Street NW., Washington, D.C. 20005.
D. (6) $5,000. E. (9) $1,155.49.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,953.30. E. (9) $295.79.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th NW., Washington D.C. 20005.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $6,248.20. E. (9) $348.99.

A. Robert J. Casey, 330 Madison Avenue, New York, N Y. 10017.
B. Estate of Sol Atlas, c/o Reavis & McGrath, 345 Park Avenue, New York, N.Y. 10022.
D. (6) $3,800. E. (9) $1,104.10.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Union Pacific Corp., 345 Park Avenue, New York, NY. 10022.
D. (6) $3,540. E. (9) $441.56.

A. Catholics for a Free Choice, 201 Massachusetts Avenue, NE., No. 105, Washington, D.C. 20002.
D. (6) $929.20. E. (9) $8,082.96.

A. Center for the Study of Congress, 505 C Street NE., Washington, D.C. 20002.
E. (9) $920.

A. Owen Chaffee, 203 Yoakum Parkway, No. 1012, Alexandria, Va. 22304.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $3,500. E. (9) $600.

A. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Chevron Employees of Contra Costa, P.O. Box M, Concord, Calif. 94524.
E. (9) $4.61.

A. Citizens for Class Action Lawsuits, 4914 Belt Road NW., Washington, D.C. 20016.
D. (6) $3,625. E. (9) $3,822.81.

A. Anne Harrison Clark, 10564 Jason Lane, Columbia, Md. 21044.
B. National Consumers League, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $372.50.

A. Coalition of Independent College and University Student (COPUS), 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,750. E. (9) $1,608.11.

A. Coalition on American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.
D. (6) $9,078. E. (9) $8,290.10.

A. Coca-Cola Bottlers' Association, 166 16th Street, NW., Atlanta, Ga. 30318.

A. Jeffery Cohelan, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $4,549.99.

A. Jerry S. Cohen, Esq., Suite 708, 1776 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Suite 301, 2021 K Street NW., Washington, D.C.
D. (6) $3,000.

A. Timothy A. Colcord, 1620 I Street NW., Washington, D.C. 20006.
B. Visa U.S.A. Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $6,875. E. (9) $9,058.08.

A. Michael P. Cole, 424 Vassar Avenue, Berkeley, Calif. 94708.
B. Bechtel Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. E. William Cole, Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $400.

A. Ken W. Cole, Security Life Building, Denver, Colo. 80202.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
E. (9) $531.39.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Ad Hoc Committee For A Fair Natural Gas Policy, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
D. (6) $600. E. (9) $149.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $100.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $500. E. (9) $475.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Department of Information, Republic of South Africa, Private Bag X152, Pretoria, 0001.
D. (6) $1,234.13. E. (9) $2,060.33.

A. Committee for Do-It-Yourself Household Moving, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Committee for 806.30 and 807, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
D. (6) $2,100. E. (9) $10,224.78.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037; 11 West 60th Street, New York, N.Y. 10023.
D. (6) $39,821.69. E. (9) $62,239.48.

A. Committee of Americans for the Canal Treaties, Inc., 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $180,515.25. E. (9) $117,952.01.

A. Committee of Publicly Owned Companies, 22 Thames Street, New York, N.Y. 10006.
D. (6) $132. E. (9) $2,671.

A. Computer & Communication Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $98,159. E. (9) $55,678.

A. John J. Connolly, American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $2,000.

A. David R. Conrad, American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,268.76.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
E. (9) $14,525.

A. Consumer Action Now, Inc., 355 Lexington Avenue, New York, N.Y. 10017.
D. (6) $6,146.22. E. (9) $3,012.61.

A. Charles E. Cooke, 1801 K Street NW., Suite No. 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $100. E. (9) $50.

A. Glen S. Corso, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $4,593.74. E. (9) $345.17.

A. Harris L. Coulter, 5104 Wehawken Road, Washington, D.C. 20016.
B. American Institute of Homeopathy, 6231 Leesburg Pike, Falls Church, Va.
D. (6) $657. E. (9) $74.56.

A. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $20,767.75. E. (9) $14,843.80.

A. Council for the Preservation of Worldwide Meetings, 1101 16th Street NW., Third Floor, Washington, D.C. 20036.
E. (9) $2,460.06.

A. Council of AFL–CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,250. E. (9) $1,250.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Can Co., Greenwich, Conn.
D. (6) $1,218.62. E. (9) $641.

A. Eric Cox, 3133 Connecticut Avenue NW., Washington, D.C. 20008.
B. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $1,866.69.

A. Kenneth A. Cox, MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $1,512. E. (9) $56.73.

A. Cox, Smith, Smith, Hale & Guenther Inc., 500 National Bank of Commerce Building, San Antonio, Tex. 78205.
B. Sanchez-O'Brien Petroleum Group and the National Association of Independent Gas Producers, 500 National Bank of Commerce Building, San Antonio, Tex. 78205.
D. (6) $4,050. E. (9) $42.99.

A. Judith Lynne Crain, Manufactured Housing Institute, 1754 Jefferson Davis Highway, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $825.

A. William D. Crawford, Brotherhood Railway Carmen of the United States and Canada, 400 First Street NW., Washington, D.C. 20001
B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo. 64112.
D. (6) $1,470.

A. William P. Crewe, National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $550.

A. Richard E. Cristol, Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., (for Calorie Control Council), 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $300.

A. P. H. Croft, American Short Line Railroad Association, 200 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Short Line Railroad Association, 200 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,102.50.

A. James M. Cubie, New Directions, 2021 L Street NW., No. 405, Washington, D.C. 20036.
B. New Directions, 2021 L Street NW., No. 405, Washington, D.C. 20036.
D. (6) $4,113.12.

A. William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $488. E. (9) $1,150.

A. Tom B. Cunningham, Sr., Rural Route No. 5, Darlington, S.C. 29532.
B. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., Rural Route No. 5, Darlington, S.C. 29532.
E. (9) $94.33.

A. Thomas B. Curtis, Curtis, Crossen, Hensley, Allen & Curtis, 7912 Bonhomme, Suite 304, Clayton, Mo. 63105.
B. Encyclopedia Britannica, 425 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $2,200.

A. Robert J. Cushman, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Street NW., Washington, D.C. 20005.
D. (6) $2,800. E. (9) $737.48.

A. Mimi Cutler, Aviation Consumer Action Project, 1346 Connecticut Avenue, N.W., Washington, D.C. 20036.
B. Aviation Consumer Action Project, P.O. Box 19029, Washington, D.C. 20036.
D. (6) $50.

A. John M. Damgard, ACLI International, Inc., 888 17th Street NW., Suite 902, Washington, D.C.
B. ACLI International, Inc., 110 Wall Street, New York, N.Y. 10005.
D. (6) $1,000. E. (9) $38.85.

A. Alice Daniel, Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $853.96.

A. John E. Daniel, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $5,375. E. (9) $101.

A. John B. Davenport, Jr., National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $190.

A. P. M. Davison, Jr., North Dakota Railway Lines, 418 East Rosser Avenue, P. O. Box 938, Bismarck, N. Dak. 58501.
B. North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.
E. (9) $699.43.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. Opticians Association of America, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. The Hormel Foundation, Austin, Minn. 55912.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Legislature of the Virgin Islands, Charlotte Amalie, St. Thomas, V.I. 00801.

A. Debevoise & Liberman, Suite 700, 806 15th Street NW., Washington, D.C. 20005.
B. Aetna Life and Casualty, 151 Farmington Avenue, Hartford, Conn. 06156.
D. (6) $3,000.

A. DeLaney & Patrick, Suite 1104, 1801 K Street NW., Washington, D.C.
B. Trade Adjustment Assistance Coordinating Committee.
D. (6) $8,000. E. (9) $1,000.

A. William J. Dennis, Jr., National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $270.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Agtek International, Inc., 189 Elm Street, New Canaan, Conn. 06840.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Holstein-Fresion Association of America; Holstein-Fresion Services, Inc., S–2500, 1500 Main Street, Springfield, Mass. 01115.
D. (6) $800.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y.
D. (6) $15,560.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Marine Engineers Beneficial Association, 444 North Capitol Street, Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. National Federation of Societies for Clinical Social Work, 698 West End Avenue, New York, N.Y. 10025.
D. (6) $1,000.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Tennessee Gas Transmission Co., P.O. Box 251, Houston, Tex. 77001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. United States Tour Operators Association, 1671 Wilshire Boulevard, Los Angeles, Calif. 90017.

A. Timothy V. A. Dillon, 1850 K Street NW., Suite 380, Washington, D.C. 20006.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $3,198.29. E. (9) $73.59.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Aberrant Behavior Center, 1250 Dallas Federal Savings Tower, Dallas, Tex. 74225.
D. (6) $1,044. E. (9) $1,044.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Houston Atlas, Inc., 9441 Baythorne Drive, Houston, Tex. 77041.
D. (6) $1,683.62. E. (9) $1,683.62.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. National Association of Property Owners, 5353 First International Building, Dallas, Tex. 75270.
D. (6) $1,950. E. (9) $1,950.

A. James F. Doherty, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $9,374.99.

A. Dana Doloff, International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., 700, Washington, D.C. 20006.
D. (6) $500. E. (9) $500.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $37,500. E. (9) $35,539.52.

A. Leo J. Donahue, American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Francis X. Dooley, American Road and Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
B. American Road and Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
D. (6) $2,000. E. (9) $56.

A. Morgan D. Dubrow, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $130.50.

A. C. Ann Anderson Duff, NL Industries, Inc., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $1,000.

A. M. L. DuMars, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $60.

A. John H. Dunne, International Federation of Professional and Technical Engineers, AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
B. International Federation of Professional and Technical Engineers, AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $600. E. (9) $100.

A. Dunnels, Duvall & Porter, 1220 19th Street NW., Washington, D.C.
B. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y.

A. David F. Dunning, Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen, 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $4,500.

A. J. D. Durand, Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.
B. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.
E. (9) $535.

A. Dutcher Industries, 7617 Convoy Court, San Diego, Calif. 92111.
E. (9) $2,000.

A. William E. Dutcher, Independent Gas Producers' Committee, 2601 NW. Expressway, Suite 300, Oklahoma City, Okla. 73112.
B. Independent Gas Producers Committee, Suite 300, 2601 NW. Expressway, Oklahoma City, Okla. 73112.
D. (6) $4,000. E. (9) $4,329.59.

A. Jean F. Dye, 12700 Lake Avenue, Lakewood, Ohio 44107.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $1,099.38.

A. Ed Edmondson, 444 Court Street, Box 11, Muskoge, Okla. 74401.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.
D. (6) $5,050. E. (9) $1,502.59.

A. Ed Edmondson, 444 Court Street, Box 11, Muskogee, Okla. 74401.
B. U.S. Maritime Committee, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
D. (6) $8,550. E. (9) $2,040.27.

A. Clifford E. Edwards, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue N.W., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $2,321. E. (9) $257.

A. Thomas Ehrlich, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $682.08.

A. Adelaide K. Eisenmann, 607 G Street SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights.

A. Richard Eisenmann, 607 G Street, SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights.
E. (9) $834.22.

A. Nancy K. Ellis, Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $825.

A. Roy Elson, National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $587.50.

A. Thomas Elwood, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/ American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $186.92

A. John W. Emeigh, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue, NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $13,315.13.

A. Emerson Electric Co., c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $504.39.

A. Lowell J. Endahl, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $235.

A. Steven L. Engelberg, Suite 404, 2033 M Street NW., Washington, D.C. 20036.
B. American Association of Marriage and Family Counselors, 225 Yale Avenue, Claremont, Calif. 91711.
D. (6) $3,600. E. (9) $112.78.

A. John R. Englehorn, P.O. Box 375, St. Michaels, Md. 21663.
B. Texasgulf, Inc., High Ridge Park, Stamford, Conn. 06904.
D. (6) $1,354.17. E. (9) $394.85.

A. Jerry N. Ervin, Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $701.34.

A. Donald H. Estey, Jr., 15 Computer Drive West, Albany, N.Y. 12205.
B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
D. (6) $1,069. E. (9) $663.06.

A. Ethyl Corp., 1155 15th Street NW., Washington, D.C. 20005.
E. (9) $600.

A. Robert B. Evans, National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $200. E. (9) $20.

A. Vernon L. Evans, National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $200. E. (9) $20.

A. William J. Evans, 1800 K Street NW., Suite 900, Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., Suite 900, Washington, D.C. 20006.
E. (9) $139.94.

A. Fawn K. Evenson, American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $7,500. E. (9) $18.80.

A. Robert J. FaLasca, American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. Clinton B. Fawcett, Coastal States Gas Corp., Five Greenway Plaza East, Houston, Tex. 77046.
B. Coastal States Gas Corp., Five Greenway Plaza East, Houston, Tex. 77046.
D. (6) $1,375. E. (9) $75.

A. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.
E. (9) $80,288.20.

A. Joseph D. Feeney, Western Railroad Association, 222 South Riverside Plaza, Chicago, Ill. 60606.
B. Western Railroad Association, 222 South Riverside Plaza, Suite 1200, Chicago, Ill. 60606.
D. (6) $2,291.63.

A. Leon Felix, Jr., National Education Association, 1419 Joan Drive, Palatine, Ill. 60067.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,282.42. E. (9) $75.

A. James H. Ferguson, 1625 I Street NW., Suite 926, Washington, D.C. 20006.
B. American Society for Personnel Administration, 19 Church Street, Berea, Ohio 44017.
D. (6) $5,000. E. (9) $5,800.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,672. E. (9) $58.

A. Susan Kudla Finn, 1150 Connecticut Avenue NW., Suite 805, Washington, D.C. 20036.
B. RJR Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27102.
D. (6) $48.86. E. (9) $2.55.

A. Laurie A. Fiori, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/ American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $229.62. E. (9) $129.20.

A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
E. (9) $2,354.90.

A. First Pro-Life Congressional District Action Committee, 10 North 77th Avenue, Pensacola, Fla. 32506.
E. (9) $166.81.

A. James H. Fitzpatrick, 15 Computer Drive West, Albany, N.Y. 12205.
B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
D. (6) $200. E. (9) $29.

A. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

A. James F. Fort, United Parcel Service, 1101 15th Street, Suite 302, Washington, D.C. 20005.
B. United Parcel Service, 1101 15th Street, Suite 302, Washington, D.C. 20005.
D.(6) $645. E. (9) $1,398.

A. Fraser/Associates, Inc., 1800 K Street NW., Suite 1006, Washington, D.C. 20006.
B. Chamber of Commerce of the United States, National Association of Manufacturers, Associated General Contractors.
D. (6) $3,076. E. (9) $15.35.

A. Fraser/Associates, Inc., 1800 K Street NW., Suite 1006, Washington, D.C. 20006.
B. Committee of Americans for the Canal Treaties, Inc., 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
E. (9) $3,084.

A. Donald A. Frederick, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington D.C. 20036.
D. (6) $139. E. (9) $3.

A. Robert M. Frederick, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H. Street NW., Washington, D.C. 20006.
D. (6) $6,750.

A. Harry L. Freeman, Sr., American Express Co., 1700 K Street NW., Washington, D.C 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Burton D. Fretz, Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
B. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
D. (6) $2,871.47. E. (9) $28.

A. Greg Friberg, DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Hualapai Tribe of Arizona, Box 168, Peach Springs, Ariz.
D. (6) $15.65.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Salt River Pima-Maricopa Indian Community, Route 1, Box 120, Scottsdale, Ariz.
D. (6) $25.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Seneca Nation of Indians, Box 231, Salamanca, N.Y. 14779.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
E. (9) $5,173.41.

A. Robert D. Fritz, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 815 16th Street NW., Washington D.C. 20006.
B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 6300 North River Road, Rosemont, Ill. 60018.
D. (6) $1,800. E. (9) $2,100.

A. The Gadsden Times, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20006.
E. (9) $29.68.

A. Gadsden Times Publishing Corp., Post Office Box 188, Gadsden, Ala. 35901.
E. (9) $101,300.

A. Norman S. Gaines, 1150 Connecticut Avenue NW., Suite 805, Washington, D.C. 20036.
B. RJR Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27102.
D. (6) $505.49. E. (9) $24.39.

A. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $1,414.25.

A. Leo J. Gehrig, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,107.18. E. (9) $182.25.

A. Robert C. Gelardi, Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $2,200.

A. Irving I. Geller, National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Claire M. Geoghegan, Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
D. (6) $4,384.62.

A. Norman V. Germany, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $270. E. (9) $250.

A. Donald H. Gerrish, American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $2.85.

A. Llewellyn H. Gerson, United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $396.62.

A. Jonathan Carl Gibson, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $2,712.50.

A. Norma J. Gilbert, Motorola, Inc., 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,200.

A. Vernie R. Glasson, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,667. E. (9) $67.

A. Martin J. Gleason, American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $8,918. E. (9) $100.

A. Elmer G. Gleske, 1629 K Street NW., Suite 400, Washington, D.C. 20006.
B. Flight Safety International, Inc., Marine Air Terminal, LaGuardia Airport, Flushing, N.Y. 11371.
D. (6) $75. E. (9) $67.45.

A. Michael E. Goldman, National Treasury Employees Union, Suite 1101, 1730 K Street NW., Washington, D.C. 20006.
B. National Treasury Employees Union, Suite 1101, 1730 K Street NW., Washington, D.C. 20006.
D. (6) $1,691.20. E. (9) $940.69.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $636.45. E. (9) $908.11.

A. Jack Golodner, 1140 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $310.

A. Jack Golodner, Council of AFL–CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C. 20006.
B. Council of AFL–CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Alfonso J. Gonzalez, National Association of Social Workers (NASW), 1425 H Street NW., Suite 600, Washington, D.C. 20005.
B. NASW, 1425 H Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $7,140. E. (9) $7,540.

A. Sara A. Gordon, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $50.

A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $323.08. E. (9) $364.30.

A. Brenda J. Gore, 1155 15th Street NW., Washington, D.C. 20005.
B. LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $500.

A. Frank D. Gorham III, 1150 Connecticut Avenue NW., Suite 805, Washington, D.C. 20036.
B. RJR Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27102.
D. (6) $463.74. E. (9) $93.86.

A. Donald E. Graham, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $55

A. John K. Gram, Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
B. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
D. (6) $1,350. E. (9) $427.

A. James A. Gray, National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $1,131. E. (9) $25.

A. James W. Green, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,572.20. E. (9) $455.91.

A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $569.40. E. (9) $238.68.

A. Dale Greenwood, Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98104.
B. Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98104.
E. (9) $723.02.

A. Harold H. Griffin, 1050 17th Street NW., No. 320, Washington, D.C. 20036.
B. Family Health Program, Inc., 2925 North Palo Verde Avenue, Long Beach, Calif. 90815.
D. (6) $2,437. E. (9) $89.39.

A. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $33,529.73. E. (9) $33,529.73.

A. J. Randall Groves, Bryant, Groves & Essex, 1490 Southern National Center, Charlotte, N.C. 28202.
B. Mastrom, Inc., Asheville, N.C.

A. Gun Owners of America, Legislative Action Fund, 455 Capitol Mall, Suite 315, Sacramento, Calif. 95814.
D. (6) $21,101.15. E. (9) $28,418.68.

A. Jerry Guth, Armco Steel Corp., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Armco Steel Corp., 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Harriett Perkins Hackney, Business Roundtable, 1801 K Street NW., Washington, D.C.
B. Business Roundtable, offices located at 405 Lexington Avenue, New York, N.Y. 10017; and 1801 K Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $30.

A. Charles T. Hagel, Firestone Tire & Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.
B. Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.
D. (6) $3,750. E. (9) $360.

A. Richard Halberstein, 625 North Carolina Avenue SE., Washington, D.C. 20003.
B. Center for the Study of Congress, 505 C Street NE., Washington, D.C. 20002.
D. (6) $500.

A. Isabelle Hallahan, American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
B. American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $5,570. E. (9) $18.

A. Norman S. Halliday, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $400.

A. Norman S. Halliday, National Association of Greeting Card Publishers, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. National Association of Greeting Card Publishers, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,300. E. (9) $300.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Belize Sugar Industries, Ltd., Belize City,, Belize, Central America.
E. (9) $335.20

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Suite 400, Washington, D.C. 20006.
B. Central Bank for Cooperatives and Associated District Banks, P.O. Box 17389, Denver, Colo. 80217.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.
E. (9) $126.30.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $3,000. E. (9) $439.31.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sociedad Agricola e Industrial San Carlos, S.A., Compania Azucarera Valdez, S.A., Azucarera Tropical Americana, S.A., Tababuela Industrial Azucarera, C.A., Ecuador.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sugar Association of the Caribbean, Port of Spain, Trinidad.
D. (6) $8,787.22. E. (9) $308.92.

A. Thomas A. Hammer, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,333. E. (9) $94.

A. Robert N. Hampton, National Council of Farmer Cooperatives, 1129 20th Street, NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street, NW., Washington, D.C. 20036.
D. (6) $1,598. E. (9) $26.

A. Donald K. Hanes, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street, NW., Washington, D.C. 20036.
D. (6) $183. E. (9) $15.

A. George J. Hanks, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $131.51.

A. Erling Hansen, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $3,749.99.

A. Bryce L. Harlow, Grocery Manufacturers of America, Inc., Suite 900, 1425 K Street NW., Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. Robert E. Harman, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,922.20. E. (9) $75.

A. Kay Harrold, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $2,076.87.

A. William C. Hart, 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $300. E. (9) $165.50.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn.
E. (9) $7,010.

A. Michael M. Hash, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,097.11. E. (9) $271.05.

A. Walter A. Hasty, Jr., Business Roundtable, 1801 K Street, Suite 811, Washington, D.C. 20006.
B. Business Roundtable, 405 Lexington Avenue, New York, N.Y.; and 1801 K Street, No. 811, Washington, D.C.
D. (6) $1,000. E. (9) $171.79.

A. Bruce R. Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,292. E. (9) $41.

A. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $324.23. E. (9) $324.23.

A. Robert A. Hefner III, c/o GHK, Suite 300, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.
B. Independent Gas Producers' Committee, Suite 300, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.
E. (9) $5,815.42.

A. Robert E. Heggestad, 5151 North 14th Street, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.

A. Daniel R. Helmick, 1625 I Street NW., Room 301, Washington, D.C. 20006.
B. Columbia Gas Distribution Co., 99 North Front Street, Columbus, Ohio 43215.
D. (6) $3,162. E. (9) $170.13.

A. E. Joseph Hillings, National Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Airlines, Inc., P.O. Box 592055, AMF, Miami, Fla. 33159.
D. (6) $1,100. E. (9) $50.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
D. (6) $4,500. E. (9) $673.41.

A. Robert Hitzhusen, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,167. E. (9) $43.

A. Ralph W. Hoar, Jr., 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
D. (6) $30,055.35. E. (9) $22,700.69.

A. Glen D. Hofer, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $584. E. (9) $39.

A. Austin B. Hogan, Jr., American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,344.85. E. (9) $137.62.

A. Robert L. Holding, Association of Home Appliance Manufacturers, 2033 K Street NW., Washington, D.C. 20006.
B. Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Ill.
D. (6) $1,000. E. (9) $150.

A. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.
E. (9) $700.

A. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
D. (6) $374.19. E. (9) $859.56.

A. Arthur L. Howard, 6801 Industrial Road, Springfield, Va. 22151.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $128.33.

A. Thomas J. Howarth, American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $4,300. E. (9) $147.25.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
E. (9) $463.32.

A. Paul N. Howell, Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Karl T. Hoyle, National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 329, Washington, D.C. 20005.
D. (6) $300. E. (9) $75.35.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $474.92. E. (9) $157.40.

A. Edward L. Huie, National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
B. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
D. (6) $6,625.76. E. (9) $257.47.

A. Gregory A. Humphrey, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $7,725. E. (9) $723.98.

A. David J. Humphreys, Paulson & Humphreys, 5272 River Road, Suite 400, Washington, D.C. 20016.
B. Recreation Vehicle Industry Association, P.O. Box 204, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $24,180.

A. Richard M. Hunt, NL Industries, Inc., Suite 1009, Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $2,000.

A. Robert C. Hunt, Grocery Manufacturers of America, Inc., Suite 900, 1425 K Street NW., Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. Gerard F. Hurley, National Club Association, Suite 602, 1129 20th Street NW., Washington, D.C. 20036.
B. National Club Association, Suite 606, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $1,650.

A. Benjamin Melvin Hurwitz, Coastal States Gas Corp., 1015 18th Street NW., Suite 610, Washington, D.C. 20036.
B. Coastal States Gas Corp., Five Greenway Plaza East, Houston, Tex. 77046.
D. (6) $1,200. E. (9) $55.

A. Bernard J. Imming, United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $1,175.

A. Independent Gas Producers' Committee, Suite 300, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.
E. (9) $25,789.61.

A. Institute of Foreign Bankers, 489 Fifth Avenue, New York, N.Y.
D. (6) $1,581.47. E. (9) $3,928.30.

A. Interlake, Inc., 2015 Spring Road, Oak Brook, Ill. 60521.
E. (9) $10,619.35.

A. International Brotherhood of Painters and Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
E. (9) $1,421.78.

A. International Union, United Automobile Aerospace & Agricultural Implement Workers of America UAW, 8000 East Jefferson, Detroit, Mich. 48214.
D. (6) $163,098. E. (9) $163,098.

A. Joseph S. Ives, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D C. 20009.
D. (6) $131.25.

A. Herbert N. Jasper, Adhoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
B. Adhoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
D. (6) $14,403.87.

A. Philip F. Jehle, 1150 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. SmithKline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.
D. (6) $1,400. E. (9) $1,757.

A. Walter W. John, Organization of Professional Employees of the U.S. Department of Agriculture, Room 1247, South Building, Washington, D.C. 20250.
B. Organization of Professional Employees of USDA, Room 1247, South Building, Washington, D.C. 20250.
D. (6) $300.

A. Ronald P. Johnsen, Columbia Gas System Service Corp., 1625 I Street NW., Suite 301, Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $175. E. (9) $159.79.

A. Bruce T. Johnson, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $3,750. E. (9) $3,962.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $2,350. E. (9) $900.

A. Bruce O. Jolly, Jr., Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main, Sauk Centre, Minn. 56378.
E. (9) $50.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,317.22.

A. Charlie W. Jones, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite No. 310, Washington, D.C. 20036.
D. (6) $300. E. (9) $90.

A. Robert E. Juliano, Hotel & Restaurant Employees & Bartenders International Union, AFL–CIO, 1666 K Street NW., Washington, D.C. 20006
B. Hotel & Restaurant Employees & Bartenders International Union, 120 East Fourth Street, 13th Floor, Cincinnati, Ohio 45202.
D. (6) $8,749.98. E. (9) $7,048.94.

A. Gene Karpinski, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,000.

A. Everett E. Kavanaugh, The Cosmetic, Toiletry & Fragrance Association, Inc., 1133 15th Street NW., Washintgon, D.C. 20005.
B. Cosmetic, Toiletry & Fragrance Association, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $100.

A. Robert C. Keeney, United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $237.50. E. (9) $10.98.

A. Robert H. Kellen, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co. (for Calorie Control Council), 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $2,100.

A. Paul J. Kelley, 2727 North Central Avenue, Phoenix, Ariz. 85004.
B. U-Haul International, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.
D. (6) $2,000. E. (9) $672.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $7,000. E. (9) $1,646.78.

A. T. Michael Kerr, American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $5,375. E. (9) $67.

A. Carl F. Kettler, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $1,264.26.

A. Gilbert W. Keyes, P.O. Box 3999, Seattle, Wash. 98124.
B. Boeing Co., P.O. Box 3707, Seattle, Wash-98124.
D. (6) $1,153.10. E. (9) $1,684.

A. G. Jack King, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $1,000. E. (9) $38.

A. John M. Kinn, 934 Jaysmith Street, Great Falls, Va. 22066.
B. Institute of Electrical & Electronics Engineers, Inc., 2029 K Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $280.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations., Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E (9) $4,050.09.

A. Ralph W. Kittle, International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
B. International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $4,000. E. (9) $4,420.

A. Roger Klein, Public Securities Association, One World Trade Center, New York, N.Y. 10048.
B. Public Securities Association, One World Trade Center, New York, N.Y. 10048.
D. (6) $1,344.

A. S. Lee Kling, 812 Bluespring Lane, St. Louis, Mo.
B. Committee of Americans for the Canal Treaties, Inc., 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
E. (9) $733.92.

A. Jeffrey W. Knight, Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,640.

A. John S. Knox, Jr., 166 16th Street NW., Atlanta, Ga. 30318.
B. Coca-Cola Bottler's Association, 166 16th Street NW., Atlanta, Ga. 30318.

A. Bradley R. Koch, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $127.45.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.
B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.
D. (6) $700. E. (9) $700.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.
B. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.

A. James S. Krzyminski, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $461. E. (9) $56.

A. Anthony L. Kucera, American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $300.

A. Joseph A. Kuchler, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill.
D. (6) $833.18. E. (9) $20.15.

A. Philip Kugler, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $7,725. E. (9) $1,496.18.

A. Robert J. Kukla, National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,125.

A. Dan Kuykendall, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.

A. Dan Kuykendall, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C. 27261.
D. (6) $21,181.23. E. (9) $21,181.23.

A. Ralph D. B. Laime, National Education Association, 3140 Valley Lane, Falls Church, Va. 22044.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,282.42. E. (9) $75.

A. David R. Lambert, National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $3,500.

A. Lane & Edson, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
B. National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450.

A. R. Josh Lanier, Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $1,600. E. (9) $600.

A. Clifford LaPlante, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $950. E. (9) $142.05.

A. Robert B. Laurents, 7205 Reservoir Road, Springfield, Va. 22150.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $1,443.75.

A. Susannah C. Lawrence, 4452 Farraday Place NW., Washington, D.C.
B. Consumer Action Now, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,800.

A. Robert F. Lederer, American Association of Nurserymen, Inc., 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, Inc., 230 Southern Building, Washington, D.C. 20005.

A. Charles W. Lee, Committee for Full Funding of Education Programs, 148 Duddington Place SE., Washington, D.C. 20003.
B. Committee for Full Funding of Education Programs, 148 Duddington Place SE., Washington, D.C. 20003.
D. (6) $15.

A. Leighton & Conklin, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Clorox Co., 1221 Broadway, Oakland, Calif. 44612.

A. Leighton & Conklin, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. Michael Lemov, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $14.40.

A. Kaye Conniff Leonard, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C. 27261.
D. (6) $4,500. E. (9) $724.65.

A. Dale Lestina, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,876.50. E. (9) $135.

A. Joseph A. Letorney, National Education Association, 112 Union Street, South Weymouth, Mass. 02190.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,336.90. E. (9) $75.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Suite 1001, Washington, D.C. 20006.
B. Commerzbank Aktiengesellschaft, 4 Dusseldorf 1, Postfach 1137, West Germany.
D. (6) $17,276.25. E. (9) $5,423.25.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.
D. (6) $506.25.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.
D. (6) $444.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Gas Turbine Division, One River Road, Building 500, Room 228, Schenectady, N.Y. 12345.
D. (6) $125.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Northeast Utilities, P.O. 270, Hartford, Conn. 06101.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Union-Investment GmbH, 6 Frankfurt 16, Postfach 16767, 6 Frankfurt/Main, West Germany.

A. S. R. Levering, U.S. Committee for the Oceans. 245 Second Street NE., Washington, D.C. 20002.
B. U.S. Committee for the Oceans, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $434.72.

A. Liberty Lobby, Inc., 130 Third Street SE., Washington, D.C. 20003.
D. (6) $59,341.74. E (9) $56,183.72.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Russell B. Light, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $300. E. (9) $130.

A. Law Office of John F. Lillard III, 910 17th Street NW., No. 928, Washington, D.C. 20006.
B. American Solar Energy Association, 910 17th Street NW., No. 928, Washington, D.C. 20006.
E. (9) $95.97.

A. Pamela Lippe, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,980.

A. Charles B. Lipsen, Cramer, Visser, Lipsen & Smith, Suite 475, L'Enfant Plaza SW., Washington, D.C. 20024.
B. U.S. & Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1001, Washington, D.C. 20005.
D. (6) $15,885.85.

A. Harold D. Loden, American Seed Trade Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. Nils Lofgren, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. J. Patrick Logue, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $779.73. E. (9) $70.36.

A. Nellie L. Longsworth, Preservation Action, 2101 L Street NW., Suite 906, Washington, D.C. 20037.
B. Preservation Action, 2101 L Street NW., Suite 906, Washington, D.C. 20037.
D. (6) $8,801.49. E. (9) $8,195.09.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Classroom Periodical Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owens, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Industrial Diamond Association, 59 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owens, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Linen Supply Association of America, 1250 East Hallandale Beach Boulevard, Hallandale, Fla. 33009.

A. Loomis, Owens, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Loomis, Owens, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Loomis, Owens, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Lucas, Friedman & Mann, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. Coushatta Tribes of Louisiana, c/o Ernest Sickey, Tribal Chairman, Elton, La. 70532.

A. William F. Ludlam, Sr., P.O. Box 5282, Virginia Beach, Va. 23455.
B. American Revolution Bicentennial Administration Licensees Association, P.O. Box 10, Cocoa Beach, Fla. 32931.
D. (6) $650 E. (9) $665.50.

A. C. Lance Lujan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,676.50. E. (9) $141.71.

A. James E. Lyons, International Federation of Professional & Technical Engineers, AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
B. International Federation of Professional & Technical Engineers, AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $435. E. (9) $200.

A. Timothy MacCarthy, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the U.S., Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. James H. Mack, National Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $822. E. (9) $500.

A. John R. Maguire, 10612 Runaway Lane, Great Falls, Va. 22066.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $500.

A. Leonard W. Mall, Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K. Street NW., Suite 900, Washington, D.C. 20005.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
E. (9) $650.

A. Forbes Mann, The LTV Corp., 1155 15th Street NW., No. 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $2,000. E. (9) $550.

A. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $35,871.70. E. (9) $35,671.80.

A. John V. Maraney, National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.
B. National Star Route Mail Carrier's Association, 324 East Capitol Street, Washington, D.C. 20003.

A. March For Life, Inc., P.O. Box 2950, Washington, D.C. 20013.
D. (6) $9,859.20. E. (9) $23,509.72.

A. Ronald M. Marcus, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $220.

A. R. V. Mariani, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 6300 N. River Road, Rosemont, Il. 60018.
D. (6) $1,200. E. (9) $1,400.

A. Phillip M. Marinovich, 15th and M Streets N.W., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets, NW., Washington, D.C. 20005.
D. (6) $3,068.24. E. (9) $473.31.

A. David J. Markey, National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $800. E. (9) $335.07.

A. John Marlin, Coalition on American Rivers, P.O. Box 2667, St. A, Champaign, Ill. 61820.
B. Coalition on American Rivers, P.O. Box 2667, St. A, Champaign, Ill. 61820.
D. (6) $2,505. E. (9) $468.24.

A. John O. Marsh, Jr., Barr Building, Washington, D.C. 20006.
B. Committee of Americans for the Canal Treaties, Inc. ("COACT"), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
E. (9) 2,800.35.

A. C. Travis Marshall, Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $700. E. (9) $190.

A. John B. Martin, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $380.31. E. (9) $13.30.

A. Reynaldo L. Martinez, National Education Association, 1330 Gaylord Street, Suite 707, Denver, Colo. 80206.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,282.42. E. (9) $100.

A. Jon G. Massey, Oil Investment Institute, P.O. Box 8293, Washington, D.C. 20024.
B. Oil Investment Institute, P.O. Box 8293, Washington, D.C. 20024.

A. Charles H. Mauzy, National Education Association, 3951 Snapfinger Parkway, Decatur, Ga. 30032.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,282.42. E. (9) $75.

A. James C. May, Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. F. Stephen McArthur, American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $4,350.

A. William C. McGamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. McCollister, McCleary, Fazio, Mixon, Holliday & Jones, 2506 Virginia Avenue NW., Washington, D.C. 20037.
B. Insurance Association of Connecticut, Suite 1304, 60 Washington Street, Hartford, Conn. 06106.

A. Joel C. McConnel, Jr., Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main, Sauk Centre, Minn. 56378.
E. (9) $500.

A. E. T. McDonald, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airlines & Steamship Clerks, Freight Handlers, Express & Station Employes, 6300 North River Road, Rosemont, Ill., 60018.
D. (6) $600. E. (9) $4,200.

A. Stanley J. McFarland, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D (6) $6,250. E. (9) $469.59.

A. Thomas H. McGannon, Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

B. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Peter E. McGuire, National Association of Retired and Veteran Railway Employees, Inc., 400 First Street NW., Washington, D.C. 20001.
B. National Association of Retired and Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106, H&RE&BIU, AFL–CIO, 1666 K Street NW., Washington, D.C. 20006. International Conference of Police Association, 1239 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $850. E. (9) $850.

A. John J. McHale, Jr., 1318 North George Mason Drive, Arlington, Va. 22205.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $1,500.

A. Robert McIntyre; Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $937.50.

A. Phil A. McKeaney, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $5,500.02. E. (9) $285.

A. Bernard McMonigle, Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Ronald E. McWilliams, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $77.80. E. 2.20.

A. George G. Mead, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $933.14.

A. Joseph J. Meder, Interlake, Inc., 1050 17th Street NW., No. 1160, Washington, D.C. 20036.
B. Interlake, Inc., Commerce Plaza, 2015 Spring Road, Oak Brook, Ill. 60521.
D. (6) $6,840. E. (9) $687.85.

A. Carl J. Megel, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $7,725. E. (9) $926.

A. Nanine Meiklejohn, American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $6,418. E. (9) $105.

A. Faye L. Mench, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $142.62. E. (9) $26.90.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. James G. Michaux, 1801 K Street NW., Washington, D.C. 20006.
B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
D. (6) $2,871.47. E. (9) $7,121.87.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Medical Area Service Corp., c/o Michael Brewer, Holyoke Center, Cambridge, Mass. 02138.
D. (6) $5,200. E. (9) $1,300.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $637.50.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
D. (6) $475.

A. Clinton R. Miller, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.

A. Deborah Imle Miller, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $1,625. E. (9) $115.08.

A. Joseph S. Miller, 19 3d Street NE., Washington, D.C. 20002.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20035.
D. (6) $4,500. E. (9) $635.

A. Joseph S. Miller, 19 3d Street NE., Washington, D.C. 20002.
B. MEBA Political Action Fund, 444 North Capitol Street, Washington, D.C. 20002.
E. (9) $965.

A. Joseph S. Miller, 19 3d Street NE., Washington, D.C. 20002.
B. O&C Counties Association, Box 1530, Route 3, Roseburg, Oreg. 97470.

A. Joseph S. Miller, 19 3d Street NE., Washington, D.C. 20002.
B. Port of Portland, Box 3529, Portland, Oreg. 97208.
D. (6) $1,200.

A. Joseph S. Miller, 19 3d Street NE., Washington, D.C. 20002.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $1,000.

A. Joseph S. Miller, 19 3d Street NE., Washington, D.C. 20002.
B. Western Forest Industries Association, 1500 Southwest Taylor Street, Portland, Oreg. 97205.
D. (6) $3,000. E. (9) $355.50.

A. Kirk Miller, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,208. E. (9) $58.

A. Stacey J. Mobley, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.

A. George Moffett, 1606 34th Street NW., Washington, D.C. 20007.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $750. E. (9) $36.47.

A. John S. Monagan, Suite 1010, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $7,950. E. (9) $279.69.

A. John O. Mongoven, 6934 Stoneybrooke Lane, Alexandria, Va. 22306.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $750.

A. John M. Mooney, Suite 2200, 2 Embarcadero Center, San Francisco, Calif. 94111.
B. Bechtel Corp., 50 Beale Street, San Francisco, Calif. 94105.
D. (6) $200.

A. April D. Moore, 1867 California Street NW., Washington, D.C. 20009.
B. National Consumers League, 1028 Connecticut Avenue NW., Suite 522, Washington, D.C. 20026.

A. Beverly C. Moore, Jr., 4914 Belt Road NW., Washington, D.C. 20016.
B. Citizens for Class Action Lawsuits, 4914 Belt Road NW., Washington, D.C. 20016.
D. (6) $1,975.

A. John Morgan, Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $588. E. (9) $38.57.

A. Richard E. Murphy, 2020 K Street NW., Washington, D.C. 20006.
B. Service Employees International Union AFL–CIO, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Rosemary G. Murray, 1800 K Street NW., No. 900, Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., No. 900, Washington, D.C. 20006.
E. (9) $639.75.

A. William E. Murray, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $167.50.

A. Harold D. Muth, American Waterways, Operators, Inc. (AWO), 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc. (AWO), 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $300.

A. J. Walter Myers, Jr., Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
B. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

A. Kenneth D. Naden, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $1,750. E. (9) $75.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $830.34. E. (9) $975.48.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $27,658. E. (9) $27,901.

A. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $44,632.90. E. (9) $6,510.82.

A. National Association of Air Traffic Specialists, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
D. (6) $96,565.65. E. (9) $6,883.20.

A. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., Rural Route 5, Darlington, S.C. 29532.
D. (6) $1,552.11. E. (9) $1,552.11.

A. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $81,992.16. E. (9) $66,419.74.

A. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $1,062,978.78. E. (9) $6,165.18.

A. National Coalition for Marine Conservation, Inc., P.O. Box 23298, Savannah, Ga. 31403.
D. (6) $18,905.32. E. (9) $20,519.71.

A. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $1,284.42. E. (9) $3,729.53.

A. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $22,299.51. E. (9) $12,779.70.

A. National Committee on Locks and Dam 26, 1129 20th Street NW., No. 512, Washington, D.C. 20036.
D. (6) $34,800. E. (9) $35,471.31.

A. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
E. (9) $440.

A. National Council of Agricultural Employers, 1425 H Street NW., 237 Southern Building, Washington, D.C.
D. (6) $70. E. (9) $1,815.

A. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $57,861. E. (9) $70,138.

A. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $161,039.32. E. (9) $10,608.90.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $66,918.54. E. (9) $16,004.99.

A. The National Federation of Business & Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $80,320.40. E. (9) $4,424.39.

A. National Federation of Independent Business, 490 L'Enfant Plaza SW., Washington, D.C. 20024.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.
D. (6) $39,657. E. (9) $39,657.

A. National Federation of Licensed Practical Nurses, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,910. E. (9) $1,910.

A. National Government & Legislative Relations Service, 1625 I Street NW., Suite 324–A, Washington, D.C. 20006.
D. (6) $10,000. E. (9) $10,151.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $97,152.05. E. (9) $16,500.

A. National Hairdressers and Cosmetologists Association, 3510 Olive Street, St. Louis, Mo. 63103.
D. (6) $1,542.76.

A. National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Organization for the Reform of Marijuana Laws (NORML), 2317 M Street NW., D.C. 20037.
D. (6) $50,453. E. (9) $103,989.

A. National Pest Control Association, 8150 Leesburg Pike, No. 1100, Vienna, Va. 22180.
D. (6) $6,300. E. (9) $3,731.05.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $3,920. E. (9) $44,710.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
E. (9) $6,108.05.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., D.C.
D. (6) $10,646. E. (9) $6,503.

A. National School Transportation Association, 9001 West Braddock Road, Room 110, Springfield, Va. 22151.
D. (6) $1,794.09. E. (9) $1,794.09.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,622.50. E. (9) $4,594.38.

A. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $25,407. E. (9) $14,311.

A. National Wool Growers Association, 1776 F Street NW., No. 5, Washington, D.C. 20006.
D. (6) $38,194. E. (9) $15,600.10.

A. Alan M. Nedry, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $125. E. (9) $95.

A. Robert W. Nelson, National Rural Electric Cooperative Association, 200 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $160.

A. A. S. Nemir Associates, Suite 1230, Pennsylvania Building, Washington, D.C. 20004.
B. Brazilian Sugar and Alcohol Institute, Rio de Janeiro, Brazil.
D. (6) $3,000. E. (9) $379.

A. Network, 1029 Vermont Avenue NW., No. 650, Washington, D.C. 20005.
D. (6) $30,406.35. E. (9) $7,261.92.

A. New Directions, 2021 L Street NW., Washington, D.C. 20036.
D. (6) $187,201.54 E. (9) $23,969. 33.

A. Bill Newbold, 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Bill Newbold & Associates, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $4,800.

A. Frank Newham, National Rural Letter Carriers Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Harold Frank Newman, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $7,509.61. E. (9) $1,500.

A. The Newspaper Guild, AFL–CIO, 1125 15th Street NW., Suite 835, Washington, D.C. 20005.
E. (9) $4,655.63.

A. Newspaper Management-Production Co., Inc., P.O. Box 1657, Spartanburg, S.C. 29301.
E. (9) $135,169.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $35,000. E. (9) $19,802.

A. Nicholson & Carter, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Chamber of Commerce in Italy, Inc., Suite 200, 21 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $500.

A. Nicholson & Carter, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Association of American Chambers of Commerce, Europe and Mediterranean, Inc., Suite 200, 21 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $500.

A. Nan Fielding Nixon, 309 4th Street SE., Apt. 7, Washington, D.C. 20003.
B. Office of Government and Community Affairs, *et. al.*, Grays Hall 16, Harvard University, Cambridge, Mass. 02138.
D. (6) $4,800. E. (9) $1,074.89.

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $3,000.

A. Robert W. Nolan, Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association of the Navy, Marine Corps and Coast Guard, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Julia J. Norrell, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Associaton of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $5,062.49. E. (9) $575.39.

A. Hubert K. O'Bannon, 1532 34th Street NW., Washington, D.C. 20067.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $1,200.

A. William B. O'Connell, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $1,450. E. (9) $223.21.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aircraft Engine Business Group, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $1,000. E. (9) $25.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investors Diversified Services, Inc., Suite 2900, IDS Tower, Minneapolis, Minn. 55402.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lehigh Coal & Navigation Co., Minneapolis, Minn. 55402.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Ashton J. O'Donnell, 89 Fair Oaks Lane, Atherton, Calif. 94025.
B. Bechtel Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Oil Investment Institute, P.O. Box 8293, Washington, D.C. 20024.

A. George C. P. Olsson, 25 Clifford Road, Plymouth, Mass. 02360.
B. Ocean Spray Cranberries, Inc., Plymouth, Mass. 02360.
D. (6) $337.50.

A. Charles T. O'Neill, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $189.90.

A. Hugh O'Neill, 324 North Pitt Street, Alexandria, Va. 22314.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $263.44.

A. Charles J. Orasin, 810 18th Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $3,784.62.

A. Organization of Professional Employees of the Department of Agriculture (OPEDA), Room 1247–S, Department of Agriculture, South Building, Washington, D.C. 20250.
D. (6) $648.27. E. (9) $563.46.

A. F. J. O'Rourke, 75 Federal Street, Suite 600, Boston, Mass. 02110.

B. Ad Hoc Committee of Concerned Parents, P.O. Box 343, Lexington, Mass. 02173.
D. (6) $3,637.99. E. (9) $637.99.

A. J. Denis O'Toole, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,762.75. E. (9) $1,431.67.

A. William H. Owens, Jr., American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Lew M. Paramore, Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,335.87. E. (9) $258.67.

A. Robert D. Partridge, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $437.31.

A. Peabody, Rivlin, Lambert & Myers, 1150 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $385.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
B. Coalition of Concerned Charities, c/o Annette J. Gnospelius, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $750.

A. John Joseph Pesch, Northrop Corp., 1701 North Fort Myer Drive, No. 1208, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, No. 1208, Arlington, Va. 22209.
D. (6) $6,250. E. (9) $3,046.64.

A. Harold Peterson, National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $3,333.33. E. (9) $2,155.32.

A. C. B. Peterson, Newspaper Guild, AFL–CIO, 1125 15th Street NW., Suite 835, Washington, D.C. 20005.
B. Newspaper Guild, AFL–CIO, 1125 15th Street NW., Suite 835, Washington, D.C. 20005.
D. (6) $1,008.58. E. (9) $1,338.68.

A. John Pflieger, Time Inc., 888 16th Street NW., Washington, D.C. 20006.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, New York.
D. (6) $1,750. E. (9) $600.

A. Scott H. Phillips, Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
D. (6) $269.75. E. (9) $193.57.

A. Don Pierce, Coalition on American Rivers, P.O. Box 2667, St. A, Champaign, Ill. 61820.

B. Coalition on American Rivers, P.O. Box 2667, St. A., Champaign, Ill. 61820.
D. (6) $1,050. E. (9) $1,100.60.

A. Grant C. Pinney, 730 North Balsam Street, Ridgecrest, Calif. 93555.
B. Sierra Sands Unified School District, 730 North Balsam Street, Ridgecrest, Calif., 93555.

A. Frederick T. Poole, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,296. E. (9) $101.

A. Population Resource Center, Inc., 622 Third Avenue, New York, N.Y. 10017.
D. (6) $163. E. (9) $3,128.

A. Joan Porte, 705 Totowa Road, Totowa, N.J.
B. Consumer Action Now, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. John Post, Business Roundtable, 1801 K Street, Suite 811, Washington, D.C. 20006.
B. Business Roundtable, 405 Lexington Avenue, New York, N.Y. and 1801 K Street, No. 811, Washington, D.C.
D. (6) $200. E. (9) $40.

A. Janet Power, 1620 I Street NW., Washington, D.C. 20006.
B. VISA–U.S.A., Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $3,000.

A. Preservation Action, Suite 906, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,801.49. E. (9) $8,195.09.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. Seafarers International Union of North America, 675 Fourth Avenue, Brooklyn, N.Y.
D. (6) $3,013.

A. Prod, Inc., 2000 P Street NW., Washington, D.C. 20036.
D. (6) $30. E. (9) $26.25.

A. Pro-Life Congressional District Action Committee IN–2, 926 South 10th Street, Lafayette, Ind. 47905.
D. (6) $58. E. (9) $21.15.

A. Gerald R. Prout, Burson-Marsteller, 1800 M Street NW., 750S, Washington, D.C. 20036.
B. Burson-Marsteller, 1800 NW., 750S, Washington, D.C. 20036 (for American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209).

A. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,474.72. E. (9) $3,474.72.

A. Public Securities Association, One World Trade Center, New York, N.Y. 10048.
D. (6) $443,250. E. (9) $32,208.

A. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
D. (6) $8,689. E. (9) $5,579.

A. Public Welfare Foundation, 2600 Virginia Avenue NW., Washington, D.C. 20037.
E. (9) $9.

A. Howard Pyle III, 1150 Connecticut Avenue NW., Suite 805, Washington, D.C. 20036.
B. R. J. Reynolds Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27102.
D. (6) $280.22. E. (9) $9.56.

A. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
E. (9) $6,250.51.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. American Guaranty Life Insurance Co., 1430 SW Broadway, Portland, Oreg.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. American Ship Building Co., Bond Court Building, Room 911, 1300 East Ninth Street, Cleveland, Ohio.
D. (6) $1,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Bemuda Department of Tourism, Hamilton, Bermuda.
D. (6) $1,666.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. First Colony Farms, Route 1, Box 130, Creswell, N.C.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Glass Packaging Institute, 1800 K Steet NW., Washington, D.C.
D. (6) $7,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Greater Cleveland Growth Association, 690 Union Commerce Building, Cleveland, Ohio.
D. (6) $5,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa.
D. (6) $2,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Harris Corp., 55 Public Square, Cleveland, Ohio.
D. (6) $2,500.

A. Ragan & Mason, 900 17th Street NW., Farrabut Building, Washington, D.C.
B. National Bulk Carriers, Inc., 1345 Avenue of the Americas, New York, N.Y.
D. (6) $4,500.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. National Ski Areas Association, 61 South Main Street, West Hartford, Conn.
D. (6) $1,500.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. New York Yankees, Flushing Meadows, Corona Park, Flushing, N.Y.
D. (6) $2,000.

A. Ragan & Mason, 900 17th Street, NW., Farragut Building, Washington, D.C.
B. Ohio Board of Regents, 30 East Broad Street, Columbus, Ohio.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Princess Hotels International, 1345 Avenue of the Americas, New York N.Y.
D. (6) $3,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. R. J. Reynolds Industries, Inc., 401 North Main Street, Winston-Salem, N.C.
D. (6) $1,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Seacoast Products, Inc., Box D, Port Monmouth, N.J.
D. (6) $3,050.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.

B. Sea-Land Service, Inc., P.O. Box 900, Edison, N.J.
D. (6) $5,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Security Pacific Leasing Corp., 333 South Hope Street, Los Angeles, Calif.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif.
D. (6) $3,375.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Stimson Lumber Co. and Miller Redwood Co., 315 Pacific Building, Portland, Ore.
D. (6) $125.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Sunriver Properties, Inc., Sunriver, Ore.

A. Gretchen P. Ralph, 303 Kimry Moor, Fayetteville, N.Y. 13203.
B. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
D. (6) $10,500. E. (9) $515.12.

A. D. Michael Rappoport, Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $2,230.80. E. (9) $2,465.32.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150.

A. Gladys Reckley, 2737 Devonshire Place NW., Washington, D.C. 20008.
B. Kootznoowoo, Inc., Angoon, Alaska.
D. (6) $13,828.50. E. (9) $1,825.85.

A. Patricia S. Record, Midwest Office, Sierra Club, 444 West Main, Madison, Wis. 53703.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $2,700. E. (9) $752.53.

A. Recording Industry Association of America, Inc., One East 57th Street, New York, N.Y. 10022.
D. (6) $282,850. E. (9) $75,818.05.

A. Recreation Vehicle Industry Association, P.O. Box 204, 14650 Lee Road, Chantilly, Va. 22021.
E. (9) $24,180.

A. Robert S. Reese, Jr., American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,759.23.

A. J. Ronald Reeves, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $2,000. E. (9) $99.46.

A. Harry O. Reinsch, 1310 Jones Street, Apt. 902, San Francisco, Calif. 94109.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Mark Reis, Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,980.

A. Reproductive Freedom League, P.O. Box 11921, Lexington, Ky. 40579.
D. (6) $330. E. (9) $256.44.

A. Reserve Officers Association of the United States, 1 Constitution Avenue NE., Washington, D.C. 20002.
D. (6) $1,492.10. E. (9) $2,729.48.

A. John H. Reurs, New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $9,375. E. (9) $805.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,200.05.

A. M. Lee Rice, Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.
B. Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.

A. K. O. Richardson, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 6300 North River Road, Rosemont, Ill. 60018.
D. (6) $900. E. (9) $1,200.

A. Russell W. Richardson, Lear Siegler, Inc., Suite 1002, 1911 Jefferson Davis Highway, Arlington, Va. 22202
B. Lear Siegler, Inc., Aerospace/Electronics Group, 3171 South Bundy Drive, Santa Monica, Calif. 90406.

A. Sheffield C. Richey, Jr., National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $125. E. (9) $50.

A. Siert F. Reipma, National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. Judith Assmus Riggs, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $1,326.87.

A. John R. Rivers, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $325.40. E. (9) $88.14.

A. RJR Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27101.
E. (9) $2,015.25.

A. William Neale Roach, American Trucking Associates, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $244.02.

A. Kenneth Roberson, 193 Stuart Road, Valley Stream, N.Y. 11581.
B. Meat Importers Council of America, Inc., One Penn Plaza, New York, N.Y. 10001.

A. Perry A. Roberts, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.

B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $355.39.

A. William S. Roberts, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $75.

A. Reuben B. Robertson III, 2000 P Street NW., Washington, D.C. 20036.
B. Public Citizen, Inc., P.O. Box 19104, Washington, D.C. 20036.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $245.90.

A. Ronn Robinson, National Education Association, P.O. Box 558, Mercer Island, Wash. 98040.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,282.42. E. (9) $100.

Howard W. Robison, 3903 Franklin Street, Kensington, Md. 20795.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $2,250.

A. William H. Rockwell, American National Standards Institute, Suite 1600, 1430 Broadway, New York, N.Y. 10018.
B. American National Standards Institute, 1430 Broadway, New York, N.Y. 10018.

A. Thomas G. Roderick, 1101 16th Street NW., No. 400, Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Ted V. Rodgers, Suite 304, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Nationwide Insurance Companies & Affiliates, 246 North High Street, Columbus, Ohio 43216.
D. (6) $2,500. E. (9) $704.85.

A. Bruce N. Rogers, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $2,875.11. E. (9) $214.93.

A. Anthony Z. Roisman, Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
D. (6) $357. E. (9) $2.40.

A. James C. Rosapepe, 101 North Columbus Street, No. 400, Alexandria, Va. 22314.
B. Rosapepe & Associates, 101 North Columbus Street, No. 400, Alexandria, Va. 22314. (for: Interfaith Center on Corporate Responsibilities, 475 Riverside Drive, Room 566, New York, N.Y. 10027).
D. (6) $940. E. (9) $49.06

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C.V., Baldoras 36, Mexico, D.F., Mexico.
D. (6) $4,800. E. (9) $3,395.88.

A. Wally Rustad, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington. D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C 20009.
D. (6) $100.

A. Sheryl P. Rutledge, 6801 Industrial Road, Springfield, Va. 22151.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
D. (6) $3,230.09. E. (9) $201.95.

A. Jennifer Sauve, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $5,390.63. E. (9) $401.73.

A. Harold A. Schaitberger, International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $7,787.58.

A. S. Jacob Scherr, Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
D. (6) $75.

A. Allan D. Schimmel, 639 South Carolina Avenue SW., Washington, D.C. 20024.
B. Consolidated Rail Corp., P.O. Box 33451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $3,625.

A. Allan D. Schlosser, United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $400.

A. Ronald F. Schrader, National Committee on Locks and Dam 26, 1129 20th Street NW., No. 512, Washington, D.C. 20036.
B. National Committee on Locks and Dam 26, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $12,498. E. (9) $100.

A. Stanley W. Schroeder, Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $1,300. E. (9) $114.25.

A. John W. Scott, National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,250.

A. Seafarers International Union of North America, 675 Fourth Avenue, Brooklyn, N.Y.
E. (9) $3,013.

A. Durward Seals, United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $266.67. E. (9) $43.84.

A. Leo Seybold, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,575. E. (9) $230.77.

A. Yvonne L. Shafer, National Education Association, c/o Classroom Teachers of Dallas, 3816 San Jacinto Street, Dallas, Tex. 75204.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,932.10. E. (9) $100.

A. Rebecca D. Shapiro and Associates, 101 Second Street NE., Washington, D.C. 20002.
B. Ak Chin Indian Community, Route 1, P.O. Box 12, Mericopa, Ariz. 85239.
D. (6) $500. E. (9) $80.

A. Rebecca D. Shapiro and Associates, 101 Second Street NE., Washington, D.C. 20002.
B. All Indian Pueblo Council, Inc., 907 Indian School Road NW., Albuquerque, N. Mex. 87107.
D. (6) $700. E. (9) $55.

A. Rebecca D. Shapiro and Associates, 101 Second Street NE., Washington, D.C. 20002.
B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $100. E. (9) $30.

A. Rebecca D. Shapiro and Associates, 101 Second Street NE., Washington, D.C. 20002.
B. Yakima Tribal Council, P.O. Box 632, Toppenish Wash. 98948.
D. (6) $300. E. (9) $70.

A. David C. Sharman, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.
B. U-Haul International, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.
D. (6) $170.54. E. (9) $46.45.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
D. (6) $149.

A. Shearman & Sterling, 53 Wall Street, New York, N.Y. 10005.
B. Citibank, 399 Park Avenue, New York, N.Y. 10022; and White, Weld & Co., 1 Liberty Place, New York, N.Y. 10006.
D. (6) $5,700. E. (9) $330.85.

A. John P. Sheffey, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $1,125.

A. Jowanda Shelton, 2101 L Street NW., Washington, D.C. 20037.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $4,500.

A. Norman R. Sherlock, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

A. Nelson T. Shields, National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $2,825. E. (9) $1,859.

A. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $8,229.69.

A. Fred B. Shippee, American Apparel Manufacturers Association, 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

A. James K. Shiver, 1629 K Street NW., Washington, D.C. 20006.
B. Diamond Shamrock Corp., Cleveland, Ohio.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10002.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Champion International Corp., One Landmark Square, Stamford, Conn. 06921.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. General American Transportation Co., 120 South Riverside Plaza, Chicago, Ill. 60606.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Government of the Netherlands Antilles, Fort Amsterdam, Willemstad, Curacao, Netherlands Antilles.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Music Corp. of America, Inc., 100 Universal City Plaza, Universal City, Calif. 91608.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Savings and Loan League, 1200 17th Street NW., Washington, D.C. 20036.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Ogden Transportation Corp. 277 Park Avenue, New York, N.Y. 10017.

A. Silverstein and Mullens, 1776 K Street, NW., Washington, D.C. 20006.
B. Venezuelan-American Chamber of Commerce and Industry, Apartado 5181, Caracas 101, Venezuela.

A. Talmadge E. Simpkins, AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
E. (9) $282.94.

A. Robert C. Singer, The Soap and Detergent Association, 475 Park Avenue South, New York, N.Y. 10016.
B. The Soap and Detergent Association, 475 Park Avenue South, New York, N.Y. 10016.

A. Thomas K. Singer, Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $904.38. E. (9) $46.50.

A. Richard L. Sinnott and Co., 888 17th Street NW., Suite 212, Washington, D.C. 20006.
B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.
D. (6) $1,500.

A. Richard L. Sinnott and Co., 888 17th Street NW., Suite 212, Washington, D.C. 20006.
B. Port of Oakland, Oakland, Calif.
D. (6) $1,250.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Washington, D.C. 20006.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
D. (6) $3,100. E. (9) $89.66.

A. F. Slatinshek and Associates, Inc., 218 North Lee Street, Alexandria, Va. 22314.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714; United Technologies Corp., 1125 15th Street NW., Washington, D.C. 20005; General Dynamics Corp., Pierre LacLede Center, St. Louis, Mo. 63105.
D. (6) $550.

A. Phyllis K. Slesinger, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $313. E. (9) $344.

A. Jonathan W. Sloat, Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washingington, D.C. 20005.

A. William Jay Slosberg, 7205 Brennon Avenue, Chevy Chase, Md.
B. Committee of Americans for the Canal Treaties, Inc. (COACT), 1019 19th Street NW., Suite 1120, Washington, D.C. 20036.
D. (6) $3,902.36. E. (9) $92.33.

A. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.
D. (6) $82,522.65. E. (9) $17,757.

A. Smathers, Symington & Herlong, 1700 K Street NW., Washington, D.C. 20006
B. American Horse Council, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $5,500. E. (9) $972.57.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D. C. 20006.
B. American Inland Waterway Committee, 7733 Forsyth Boulevard, St. Louis, Mo. 63105.
D. (6) $3,750. E. (9) $46.58.

A. Smathers, Symington & Herlong, 1700 K Street NW., Washington, D.C. 20006.
B. Pennzoil Co., Houston, Tex. 77001.
D. (6) $6,000. E. (9) $27.73.

A. Milton E. Smedsrud, Law Office Building, Fergus Falls, Minn. 56537.
B. Communicating for Agriculture, Inc., Law Office Building, Fergus Falls, Minn. 56537.
D. (6) $4,616.52. E. (9) $5,813.75.

A. John Graham Smillie, 900 17th Street NW., Washington, D.C. 20006.
B. The Permanente Medical Group, 900 17th Street NW., Washington, D.C. 20006.
D. (6) $19,800. E. (9) $97.20.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $4,035.

A. Hugh H. Smith, 1925 North Lynn Street, Rosslyn, Va. 22209.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.
D. (6) $100.

A. S. L. Sommer and Associates, Inc., 1800 North Kent Street, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va.
D. (6) $12,000. E. (9) $9,228.79.

A. Leland R. Sorteberg, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $2,321. E. (9) $257.

A. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150. E. (9) $150.

A. The Spartanburg Herald and Journal, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20037.
E. (9) $27.95.

A. Philip J. Spear, National Pest Control Association, 8150 Leesburg Pike, No. 1100, Vienna, Va. 22180.
B. National Pest Control Association, 8150 Leesburg Pike, No. 1100, Vienna, Va. 22180.
D. (6) $250.

A. Larry N. Spiller, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,850. E. (9) $75.

A. Spradling, Stagner, Alpern, Friot & Jones, Suite 700, Continental Savings Building, Oklahoma City, Okla. 73102.
B. Kansas Delaware Tribe of Indians, Inc., 1909 Aladdin, Norman, Okla. 73069.

A. David Stahl, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $2,442.60. E. (9) $66.17.

A. Melvin L. Stark, 1707 L Street NW., Suite 321, Washington, D.C. 20036.
B. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.
D. (6) $6,000.

A. Gloria Starks, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,610.95. E. (9) $204.33.

A. Charles D. Statton, 11517 Cushman Road, Rockville, Md. 20852.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Sarah Jane Stewart, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $3,000.

A. Kenneth F. Stinger, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $501.02.

A. Richard B. Straus, American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $6,600.

A. Roger J. Stroh, United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $284.37. E. (9) $6.40.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Suite 600, Washington, D.C.
B. J. Aron and Co., Inc., 160 Water Street, New York, N.Y. 10030.

A. R. Keith Stroup, National Organization for the Reform of Marijuana Laws (NORML), 2317 M Street NW., Washington, D.C. 20037.
B. The National Organization for the Reform of Marijuana Laws (NORML), 2317 M Street NW., Washington, D.C. 20037.
(D) (6) $3,679.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.
D. (6) $2,500. E. (9) $300.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Mutual of Omaha Insurance Co., Dodge at 33d Street, Omaha, Nebr. 68131.
D. (6) $500. E. (9) $100.

A. Glenn A. Swanson, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
D. (6) $59,763.58. E. (9) $19,697.71.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $6,000.

A. Robert D. Swezey, Jr., 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $1,672. E. (9) $61.70.

A. Richard Preston Swigart, American Can Co., 1660 L Street NW., Suite 201, Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $692.23.

A. Burt L. Talcott, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No 713, Washington, D.C. 20005.
D. (6) $1,850. E. (9) $100.

A. Tax Equity For Americans Abroad, Suite 750 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $17,184.15.

A. Paul Tendler, Paul Tendler Associates, 2020 K Street NW., Suite 420, Washington, D.C. 20006.
B. Paul Tendler Associates (for The National Federation of Licensed Practical Nurses), 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $1,910.

A. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.
E. (9) $3,373.85.

A. 13th Congressional District Action Committee, 22273 Bahl Street, Cupertino, Calif. 95014.
D. (6) $400. E. (9) $251.03.

A. 38th Pro-Life Congressional District Action Committee, 83 Thistle Lea, Williamsville, N.Y. 14221.
D. (6) $125. E. (9) $89.

A. 39th Congressional District Action Committee, R.D. 2, Allegany, N.Y. 14706.
D. (6) $172. E. (9) $113.34.

A. Gregory A. Thomas, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 91408.
D. (6) $4,750. E. (9) $75.

A. Stephen M. Thomas, Council for a Livable World, 100 Maryland Avenue N.E., Washington, D.C.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $2,572.95.

A. Fred D. Thompson, Thompson, Crawford & Rodgers, First American Center, 15th Floor, Nashville, Tenn. 37238.
B. Aircraft Engine Business Group, General Electric Co., 777 14th Street NW., Washington D.C. 20005.

A. Fred D. Thompson, Thompson, Crawford & Rodgers, First American Center, 15th Floor, Nashville, Tenn. 32738.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $6,708. E. (9) $1,750.66.

A. Melissa A. Thompson, Population Resource Center, Inc., 110 Maryland Avenue NE., Washington, D.C. 20002.
B. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.
D. (6) $2,585. E. (9) $543.

A. Roger G. Thompson, Kentucky Power Co., 15th Street and Carter Avenue, Ashland, Ky. 41101.
B. Kentucky Power Co., 15th Street and Carter Avenue, Ashland, Ky. 41101.
D. (6) $400. E. (9) $874.42.

A. Samuel Thurm, 1725 K Street NW., Washington, D.C. 20006.
B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.

A. Drew V. Tidwell, Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
B. Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
D. (6) $2,000. E. (9) $6,155.33

A. Wallace Tillman, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $120.45.

A. Patrick Tobin, International Longshoremen's and Warehousemen's Union, 417 Fourth Street SW., Washington, D.C. 20001.
B. International Longshoremen's and Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $4,680.

A. H. Willis Tobler, E. A. Jaenke and Associates, Inc., 1735 I Street NW., Washington, D.C 20006.
B. E. A. Jaenke and Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C.
D. (6) $750.

A. Joseph P. Trainor, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Emp.oyes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 6300 River Road, Rosemont, Ill. 60016.
D. (6) $6,750. E. (9) $1,609.96.

A. Jerry R. Tucker, United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. $6,248.20. E. $1,081.98.

A. The Tuscaloosa News, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20006.
E. (9) $29.67.

A. Tuscaloosa Newspapers, Inc., P.O. Drawer 1, Tuscaloosa, Ala. 35401.
E. (9) $65,000.

A. 25th Pro-Life Congressional District Action Committee, 26 Helena Avenue, Mohegan Lake, N.Y. 10547.

A. 26th Pro-Life Congressional District Action Committee, 45 Magic Circle Drive, Goshen, N.Y. 10924.
D. (6) $50. E. (9) $300.

A. Wayne Underwood, American Seed Trade Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $9,133.38. E. (9) $9,133.38.

A. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
E. (9) $1,720.12.

A. United States Committee for the Oceans, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $764.24. E. (9) $849.25.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $520. E. (9) $520.

A. U.S. Maritime Committee, Inc., Suite 420, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $288,200.19. E. (9) $129,963.67.

A. Nicholas L. Van Nelson, American Paper Institute, Inc., 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. H. Stewart Van Scoyoc, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $210. E. (9) $38.

A. R. Dick Vander Woude, National Education Association, 1718 Yahara Place, Madison, Wisc. 53704.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,282.42. E. (9) $75.

A. Marcos von Goihman, Guyana Airways Corp., 6700 Belcrest Road, Hyattsville, Md. 20782.

B. Guyana Airways Corp., 6700 Belcrest Road, Hyattsville, Md. 20782.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 500, 1705 DeSales Street NW., Washington, D.C. 20036.
D. (6) $1,800. E. (9) $825.

A. Herbert R. Waite, First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $875. E. (9) $1,479.90.

A. Wald, Harkrader & Ross, 1320 19th Street NW., Washington, D.C. 20036.
B. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Jerome R. Waldie, 100 Indiana Avenue, NW., Washington, D.C. 20001.
B. Alameda Naval Employees' Association, Alameda Naval Air Station, Alameda, Calif. 94501.
D. (6) $1,875. E. (9) $194.50.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. American Association of Independent News Distributors, 25 Kearney Street, No. 300, San Francisco, Calif.
D. (6) $500. E. (9) $125.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. American League of Anglers, 75 Rockefeller Plaza, No. 1705, New York, N.Y. 10019.
D. (6) $1,500. E. (9) $275.97.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Contra Costa County Water Agency, Administration Building, Martinez, Calif. 94553
D. (6) $2,000. E. (9) $178.38.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Friends of the Earth, 529 Commercial, San Francisco, Calif.
D. (6) $150. E. (9) $115.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $8,840.04. E. (9) $321.65.

A. Jerome R. Waldie, 100 Indiana Avenue, Washington, D.C. 20001.
B. National Council of Bureau of Indian Affairs and Indian Health Service Locals, 540 N Street NW., Washington, D.C. 20024.

A. Jerome R. Waldie, 100 Indiana Avenue, Washington, D.C. 20001.
B. National Franchise Association Coalition, P.O. Box 366, Fox Lake, Ill. 60020.
D. (6) $1,000. E. (9) $132.56.

A. Jerome R. Waldie, 100 Indiana Avenue, Washington, D.C. 20001.
B. Task Force One, Federal Employees' Organization, Point Mugu, Calif.
D. (6) $700. E. (9) $101.82.

A. Leonard F. Walentynowicz, 4970 Sentinel Drive, Apt. 301, Sumner, Md. 20016.
B. Polish American Congress, 1200 North Ashland Avenue, Chicago, Ill. 60622.
D. (6) $3,750. E. (9) $155.70.

A. Elaine Nogay Walker, Can Manufacturers Institute, 1625 Massachusetts Avenue, NW., Washington, D.C. 20036.
B. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Alan S. Ward, Baker Hostetler Frost & Towers, 818 Connecticut Avenue NW., Washington, D.C. 20006, and the Soap & Detergent Association, 475 Park Avenue South at 32d Street, New York, N.Y. 10016.

A. Leonard Warner, Len Warner, Inc., P.O. Box 100, Ashburn, Va. 22011.
B. Len Warner, Inc., P.O. Box 100, Ashburn, Va. 22011.
D. (6) $1,000. E. (9) $1,630.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $4,132.85.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $688.21. E. (9) $512.19.

A. Ray Wax, c/o Tom B. Cunningham, Sr., Rural Route No. 5, Darlington, S.C. 29532.
B. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., Rural Route No. 5, Darlington, N.C. 29532.
E. (9) $87.60.

A. Raymond J. Weatherly, Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $1,500. E. (9) $750.

A. Douglas M. Webb, Exxon Corp., 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 838, Chicago, Ill. 60611.
D. (6) $1,500.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77036.
D. (6) $400.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Sporting Goods Association, 717 North Michigan, Chicago, Ill. 60611.
D. (6) $300.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Springs Home, c/o E. J. Doener, 1200 Atlas Life Building, Tulsa, Okla.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Truck Body & Equipment Association, Inc., Suite 1220, 5530 Wisconsin Avenue NW., Washington, D.C. 20015.

A. Paul S. Weller, Jr., National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $3,631. E. (9) $264.

A. Frances E. Welles, National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $1,180. E. (9) $194.22.

A. Willam B. Welsh, American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $12,663. E. (9) $100.

A. Carol Werner, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $3,852.

A. Western Railroad Association, 222 South Riverside Plaza, Room 1200, Chicago, Ill. 60606.
D. (6) $7,477.35. E. (9) $7,477.35.

A. Evelyn J. White, Philadelphia Electric Co., 2301 Market Street, Philadephia, Pa. 19101.
B. Philadelphia Electric Co., 2301 Market Street, Phi'adelphia, Pa. 19101.
E. (9) $26.25.

A. Wickwire, Lewis, Goldmark, Dystel & Schorr, 500 Maynard Building, Seattle, Wash. 98104.
B. Arctic Slope Regional Corp., Arctic Slope Native Association, Inupiat Community of the Arctic Slope, P.O. Box 129, Barrow, Alaska 99723.
D. (6) $390. E. (9) $669.74.

A. Richard J. Wiechmann, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Rebecca Wilcox, Kaiser Foundation Health Plan, Inc., 900 17th Street NW., Washington, D.C.
B. Kaiser Foundation Health Plan, Inc., 900 17th Street NW., Washington, D.C.
D. (6) $8,000.

A. Thomas D. Wilcox, National Association of Stevedores, 919 18th Street NW., Washington, D.C. 20006.
B. National Association of Stevedores, 919 18th Street NW., Washington, D.C. 20006.

A. Sandra L. Willett, 3023 Dumbarton Avenue NW., Washington, D.C. 20007.
B. National Consumers League, 1028 Connecticut Avenue NW., Suite 522, Washington, D.C. 20036.
D. (6) $1,000.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. American Medicorp, Inc., 111 Presidential Boulevard, Bala Cynwyd, Pa.
D. (6) $25.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. The Association of Family Farmers, 1130 17th Street NW., Washington, D.C. 20036.
E. (9) $10.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Bangor Punta Operations, Inc., 1 Greenwich Plaza, Greenwich, Conn. 06830.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Blyth Eastman Dillion & Co., Inc., McGraw-Hill Building, 1221 Avenue of the Americas, New York, N.Y. 10020.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. C. Brewer & Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Brown & Root, Inc., Box 3, Houston, Tex. 77001.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Domestic Petroleum Council, 1130 17th Street NW., Suite 600, Washington, D.C. 20036.
D. (6) $4,100. E. (9) $150.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Estee Lauder, Inc., 767 Fifth Avenue, New York, N.Y. 10022.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38180.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Institute for Due Process for Financial Institutions, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
D. (6) $1,700. E. (9) $170.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Krause Milling Co., P.O. Box 1156, Milwaukee, Wis. 53201.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. The Louisiana Land & Exploration Co., P.O. Box 60350, New Orleans, La. 70160.
D. (6) $1,500. E. (9) $150.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Martin Ryan Haley & Associates, Inc., 40 Central Park South, New York, N.Y. 10019.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Matilda Grey Trust, P.O. Box 20001, Lake Charles, La. 70601.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. National Association of Water Companies, Box 387, Washington, D.C. 20044.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.
D. (6) $650. E. (9) $15.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. The Superior Oil Co., First City National Bank Building, Houston, Tex. 77002.
E. (9) $15.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Texas County Irrigation and Water Resources Association, 118 West 6th Street, Guymon, Okla. 73942.
D. (6) $75. E. (9) $10.

A. Thomas C. Williams, 1776 K Street NW., Washington, D.C. 20006.
B. National Football League, 410 Park Avenue, New York, N.Y. 10022.
D. (6) $300. E. (9) $5.50.

A. Wade S. Williams, 1620 I Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $175.

A. Charles D. Wilson, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $70.35.

A. Henry T. Wilson, International Brotherhood of Painters and Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Brotherhood of Painters and Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $857.76.

A. Winston P. Wilson, 523 North Forrest Street, Forrest City, Ark. 72335.
B. Northrop Corp., 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $8,900. E. (9) $2,640.

A. Karen T. J. Winterbottom, Distilled Spirits Council of the U.S. Inc., 1300 Pennsylvania Building NW., Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

A. Frank R. Wolf, 1901 North Moore Street, Suite 804, Arlington, Va. 22209.
B. Gerber Products Co., 445 State Street, Freemont, Mich. 49412.
D. (6) $600.

A. Frank R. Wolf, 1901 North Moore Street, Suite 804, Arlington, Va. 22209.
B. National Farm and Power Equipment Dealers Association, 10877 Watson Road, St. Louis, Mo. 63127.
D. (6) $500.

A. Frank R. Wolf, 1901 North Moore Street, Suite 804, Arlington, Va. 22209.
B. Northwest Pipeline Corp., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $4,000.

A. James E. Wolf, The Trane Co., 2020 14th Street North, Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
D. (6) $800. E. (9) $46.90.

A. Sidney M. Wolfe, Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Irwin Wolkstein, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $615.83. E. (9) $80.65.

A. Kenneth Wollack, American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $6,999.96.

A. Burton C. Wood, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $5,885. E. (9) $15,811.

A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750. E. (9) $150.

A. Dee Workman, Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $625.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $4,431.43. E. (9) $7,489.20.

A. Wyatt and Saltzstein, 1300 Wyatt Building, Washington, D.C. 20005.
B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $2,687.50. E. (9) $125.

A. Donald Yarborough, Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $165.

A. Edward R. Yawn, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,333. E. (9) $63.

A. Jack Yelverton, Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash., 98104.
B. Northern Cheyenne Indian Tribe, P.O. Box 128, Lame Deer, Mont. 59043.
E. (9) $3.77.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Quileute Indian Tribe, P.O. Box 279, La-Push, Wash. 98350.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash. 98392.

A. Laurence W. Zoeller, Burson-Marsteller, 1800 M Street NW., No. 750S, Washington, D.C. 20036.
B. Burson-Marsteller, 1800 M Street NW., No. 750S, Washington, D.C. 20036 (for: American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209).

A. John L. Zorack, 1122 Connecticut Avenue NW., Washington, D.C. 20036.
B. Federal Express, Memphis International Airport, AMF Box 30167, Memphis, Tenn. 38130.
D. (6) $9,999. E. (9) $2,009.55.

A. John L. Zorack, 1122 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pan American World Airways, 1800 K Street NW., Suite 900, Washington, D.C. 20006.
D. (6) $9,000. E. (9) $1,572.76.

A. Barry Zorthian, Time Inc., 888 16th Street NW., Washington, D.C.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y.
D. (6) $3,000. E. (9) $950.

A. Paul G. Zurkowski, 4720 Montgomery Lane, Bethesda, Md. 20014.
B. Information Industry Association, 4720 Montgomery Lane, Bethesda, Md. 20014.
D. (6) $500.

SENATE—*Tuesday, June 13, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, we thank Thee for all that is old but precious:

The freedom of man,
The Holy Scriptures,
The moral law,
The ancient values that endure all change.

We thank Thee too for all that is new and helpful:

The new inventions,
The new explorations,
The new institutions,
The new spiritual insights.

Help us to preserve all that is holiest in heritage and to welcome all that is healthiest in innovation that we may have continuity amid all change.

O Thou who changest not, abide with us now and always. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 13, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. LEAHY thereupon assumed the Chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 2 minutes.

Mr. ROBERT C. BYRD. Mr. President, I have no further need for my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized for not to exceed 2 minutes.

Mr. BAKER. Mr. President, I have no requirement for my time, and no request for it, and I yield it back.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kansas (Mr. DOLE) is recognized for not to exceed 15 minutes.

MEAT IMPORTS AND THE CATTLE INDUSTRY

Mr. DOLE. Mr. President, during the next 1 hour and 30 minutes, or some such time, a number of Senators from both sides of the aisle will be participating in a colloquy on meat imports. In addition, other Senators will be submitting statements.

The Senator from Kansas is not quite certain what spurred the President to increase import quotas. I assume that it was probably well intentioned. I assume that there was some evidence that by increasing meat imports the price of meat would be reduced in the supermarkets. But I believe the record will show in the next 2 or 3 months the only impact will be to damage further the American farmer. This administration's record for damaging the American farmer is extremely good.

Candidate Carter campaigned to the farmer. He told farmers in my State and States all over this country, "Vote for me and your worries will be over."

There is good reason for many farmers, Republicans and Democrats, and some who really do not care about politics, to wonder what happened to all the promises made. I know the administration, of course, is concerned about agriculture. They have said as recently as several months ago, "Give us the chance to let it work."

Well, it is working. Farmers are losing money, whether they be wheat producers or livestock producers, because of actions by this administration.

On Saturday I attended a livestock auction at the Ottawa Sale Barn in Ottawa, Kans.

There was no doubt about it, prices are down to the farmers. Meat prices have not gone down to consumers, but cattle prices are down for farmers. Once again our farmers are bearing the brunt of President Carter's action against inflation.

In his own statement he does not make any prediction of a drop in hamburger prices, just that it might slow down the increase while the farmer absorbs all the loss. It is fair to say, based on my own observation last Saturday, that farm prices of cattle are down about $10 per hundredweight right across the board.

I do not know how we can expect the American cattleman to continue to produce or to expand his production as long as they are forced to accept this type action from any administration. Every time the farmer starts to make a profit the Government interferes. We talk about the free enterprise system, we talk about letting farmers make it on their own, and then when the cattle producers, for the first time in a number of years, start to make a profit, the Government increases meat imports.

Mr. President, the cattlemen of this Nation are being confronted by economic disaster as a result of the action taken by President Carter last Thursday to increase meat import quotas by 200 million pounds. Nationwide, cattlemen have lost money on their cattle operations for 7 of the last 11 years. The last 3 years have been particularly bad and resulted in the liquidation of investments in feeder cattle and the selling off of cow herds since it costs the cattleman more to raise the animal than he can sell it for in the market.

At this time, the cattlemen of this Nation are trying to decide whether or not to expand their production, and some are trying to decide whether or not to stay in business. I am concerned with the future of this industry and for the ample supply of high protein food they furnish for our consumers. As I have indicated, I am not alone in this concern, for I am joined by many of my fellow Senators in this colloquy to discuss the importance of this matter. Twenty-three Senators have indicated they will join me in this colloquy and several others expressed their interest, but prior commitments made it impossible for them to be here this morning. I am sure they will make separate, supportive statements individually, as many already have, because of their great concern. Some have spoken as recently as last evening.

This is not a partisan concern, but a concern about cattle producers and their families who are trying to make a living.

Several of my colleagues on the Committee on Agriculture, Nutrition, and Forestry have joined me in requesting this special time to emphasize the critical impact that the President's action of increasing imports will have on the cattle industry. They are Senator YOUNG, Senator CURTIS, Senator MCGOVERN, Senator CLARK, and Senator ZORINSKY.

We want to urge all our colleagues to join us either in this colloquy or some expression of concern and support for the American cattle producer, yes, and for the American consumer.

Mr. President, some of my consumer friends have asked me why the supply of beef takes so long to change—longer than the supply of pork, for example, and a lot longer than poultry.

The answer, of course, is simply one of biology. From the time a producer decides to increase the size of his basic cow herd until extra beef resulting from that decision reaches the supermarket may take as long as 4 years.

For example, if a rancher decides that a female calf born today should become part of his basic cow herd, it will take a year and a half to 2 years before that calf can grow up and be mature enough to breed. Once bred, there is a 9-month period before the calf is born. After that, figure at least another year and a half for the calf to grow and be fed out and "finished" for the market.

This long beef cycle is a major reason beef prices are now at a record high and still climbing.

For the past 4 years, the U.S. cattleman has been in desperate circumstances. We have had severe winters that took a heavy toll of cattle on the range, and cut heavily into the birth rate at normal calving time.

We have experienced a couple of years of back-to-back drought conditions in the West and South that have forced producers to liquidate entire herds, because there was no grazing and too little water.

We have seen producers go deeply into debt trying to refinance their livestock operations. Feed costs are higher; farm machinery costs are up; interest rates have increased, and in some areas producers report they are unable to find adequate credit at any cost.

This liquidation of breeding stock temporarily builds up an oversupply of beef in the market, causing additional problems for the producer forced to sell at low prices, but the consumer has benefited with low hamburger prices.

Eventually, the cattle numbers are reduced—the oversupply is worked through the market—and prices start to rise again. That is what is happening now—the beef cattle industry is just emerging from the liquidation phase of the latest cattle cycle. In this case, it has been a 4-year period, and most cattlemen have been losing money during those 4 years. They are just now deciding whether or not to expand their production by selecting more females to breed, or to feed them out for slaughter.

If we expect these cattlemen to make the necessary investment over the next 2 or 3 years to expand their herds, they must have confidence that the market will continue stable. In fact, their bankers will insist the future prospects are good before they will finance such expansion.

Pork and poultry, on the other hand, can respond to demand and increase production at least 10 times as fast as cattle. This is because hogs have litters of six to eight pigs, and they can have two litters a year. Poultry expands even faster. Cattle production, therefore, takes far more future planning.

Mr. President, there is nothing wrong with the cattle industry that commonsense, and a little faith in supply-demand economics will not cure.

The worst thing we possibly could do would be to disrupt the cattle cyle, as the administration did last week, by bringing into this country an additional 200 million pounds of foreign produced beef. It will destroy the cattlemen's incentive for expanded future production.

Our U.S. beef producer deserves our support, not our competition. He is willing to compete in his own market against other producers and other commodities. But it is asking too much of him to ask the cattleman to compete with the White House, with the President of the United States, and with this administration.

Mr. President, the Nation is more aware of the economic stress all our farmers are facing this year more than any year in recent history. Members of Congress are particularly aware due to the efforts of many farmers earlier this year to assist in passing new legislation to restore some economic soundness to agriculture. Agriculture is still the economic foundation of this Nation and further jeopardy to its well-being could signal another general depression far worse than we have ever seen.

We are concerned with the present administrations position on all agricultural matters indicated by the Senate's passage of the flexible parity concept. But this measure was defeated in the House, due to the administration's lobbying efforts and a threat of a veto.

Administration officials have been making a similar effort applying pressure to increase meat imports. Evidence of these officials' efforts were reported on March 14 in the Washington Post, quoting a memorandum from Barry Bosworth, Director of the President's Council on Wage and Price Stability, indicating:

> Carter could expand meat imports in order to hold down meat and livestock prices which have risen at an annual rate of 19 percent retail in the last 3 months and 33 percent at the wholesale level.

Mr. President, Mr. Bosworth's reference to increasing cattle prices at this time is accurate, but he neglects to point out that the 19-percent increase was up from market prices far below the cost of production.

Average farm production costs have continued to increase, while cattle prices have fluctuated down as well as up. The average price of choice steers in the first 4 months of 1978 was up 33 percent from 1972. The average of prices paid by farmers was up 79 percent.

Choice steer prices more recently have been $50 to $60 per hundredweight, but prices still were lagging behind the production cost increases.

Mr. President, I ask unanimous consent to have printed in the RECORD a table reflecting these figures.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FED CATTLE PRICES AND INDEX OF PRICES PAID BY FARMERS, 1972-78

Year	Choice steers, Omaha [1] (dollars per hundredweight)	Index of prices paid [2] (1967=100)
1972	35.78	125
1973	44.54	149
1974	41.89	170
1975	44.61	187
1976	39.11	199
1977	40.38	208
1978	47.60	224

[1] Annual averages, except 1st 4 mo, 1978.
[2] Annual averages, except Apr. 15, 1978—Prices paid by farmers for production items, interest, taxes, and wage rates.

Source: USDA and Cattle-Fax

Mr. DOLE. Mr. President, it is important to note that inflation continued in 1976 when cattle were bringing only $39.11 per cwt. inflation continued at a rate of 5.8 percent. In 1977 when cattle were bringing only $40.38 inflation continued at a rate of 6.9 percent. Since 1972, cattle prices have remained at relatively low prices, but the administration did not take steps to reduce import quotas to bring prices up. Cattlemen did not expect that, nor did they want it. Cattlemen do not want Government interference in their business. They ask only to let the system work, and they will take their chances.

When cattle prices commenced to increase due to their reduction in beef production, the Government started talking about increasing meat imports in order to reduce cattle and beef prices.

Further, administration officials' pressure for increased meat imports is evidenced in an April 19 letter from G. William Miller, newly appointed chairman on the Federal Reserve System, indicating that recent price increases are not in the long-run interests of either the consumers or producers. He makes that statement after just admitting in the prior paragraph that cattlemen have liquidated their cattle numbers due to a lack of profit.

Therefore, this administration feels that when cattle prices increase 33 percent in 4 months. that is too much increase. When, at the same time, the costs the cattlemen paid for their stock, supplies and equipment increased 79 percent since 1972. Consistent low prices indicate these increases are necessary and justified if we expect these cattlemen to continue producing beef.

Mr. President, I ask unanimous consent to have printed in the RECORD figures on the prices received by cattlemen for calves and fed steers compared to their production costs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AVERAGE PRICES AND AVERAGE COSTS—STEER CALVES, 1ST QUARTER, 1972-78

[In dollars per hundredweight]

Year	Average price, choice 400-lb steer calves [1]	Average production costs [2]
1972	46.79	43.75
1973	60.36	45.00
1974	40.85	46.25
1975	32.55	47.50
1976	41.56	50.00
1977	43.60	52.50
1978	58.00	55.00

[1] Average prices received in 1st quarter each year, choice steer calves.
[2] Average cost of producing calf—including feed, interest, labor, overhead, management, supplies, other costs.

Source: USDA and Cattle-Fax.

Mr. DOLE. The average cow-calf operator showed a profit in the first quarter of 1972, 1973, and 1978, but a loss in the first quarter of 1974, 1975, 1976, and 1977.

The data on both average prices and costs are conservative. For example, the average prices shown in the chart and table are for steers only; heifer prices are lower. Similarly, actual costs in many instances would be considerably higher than shown, depending on land and other costs. I ask unanimous consent that the table reflecting this be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AVERAGE PRICES AND AVERAGE COSTS—CHOICE STEERS 1ST QUARTER, 1972-78

[In dollars per hundredweight]

Year	Average price choice steers Omaha [1]	Average production costs [2]
1972	35.69	31.50
1973	43.28	39.60
1974	45.46	50.20
1975	35.72	39.50
1976	38.71	41.00
1977	37.88	38.65
1978	45.92	42.00

[1] Average prices received in 1st quarter each year.
[2] Average breakeven prices or costs—including feed, labor, interest, feeder cattle, other costs.

Source: USDA and Cattle-Fax.

Mr. DOLE The average feeder showed profits in the first quarter of 1972, 1973, and 1978, but a loss in the first quarter of 1974, 1975, 1976, and 1977. The data on both average prices and costs are conservative. For example, overall prices of cattle marketed—including heifers as well as steers—average less than for choice steers alone.

I ask unanimous consent to have those figures printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FOOD EXPENDITURE COMPONENTS, 1974-77

[In billions of dollars]

	1974	1975	1976	1977
Consumer food: Expenditures	149.2	161.4	172.3	180.0
Farm value	56.0	54.9	56.3	56.0
Marketing bill	93.2	106.5	116.0	124.0
Labor	44.8	49.1	54.3	58.8
Packaging	12.1	13.4	15.0	16.0
Transportation	7.2	8.3	9.5	10.4
Other items	29.1	35.7	37.2	38.8

Source: USDA.

Mr. DOLE. Mr. President, from 1974 to 1977, the farm value of U.S. food expenditures showed little change, while the total marketing bill rose 38 percent (see table). Labor costs alone, which have risen along with or ahead of the inflation rate, accounted for 40 percent of the increase in food expenditures in the 1973–77 period.

Last year, for the first time, the cost of labor involved in processing and marketing food exceeded the basic farm value of the food. In other words, a bigger share of the average food dollar now goes to workers in the food industries than goes to farmers and ranchers.

Rising marketing costs are the major reason for the uptrend in food prices. The components of the marketing bill are shown in the table.

Labor's share of the food dollar is now 33 cents; the farmer receives only 31 cents. I do not fault labor for their share of this dollar. As long as the consumer is willing to pay for more food processing and marketing services, labor's share of the food dollar will continue to grow. What it amounts to is that consumers no longer prepare their own food. They buy the services of others in processing, marketing and distribution instead of performing those services themselves. They have to pay for them in convenience foods, and that means more labor input to the product the consumer buys. Of course, a major factor in these costs is the growing amount of meals eaten away from home.

Mr. President, I should now like to comment on President Carter's justification for his action in increasing meat imports at this time.

In his official announcement he listed five items as the current situation:

The U.S. cattle industry is subject to cycles of about 10 years in duration. The cattle herd reached a record high 132 million head at the beginning of 1975. It has fallen to 116 million head as of January 1, 1978, and will decline further this year. The rebuilding phase of the cattle cycle will soon begin but several years are required for increased domestic beef supplies to reach consumers.

Since 1974, many livestock producers have experienced losses. For 15 for the past 23 quarters feeders have suffered net losses. However, returns to producers are now above cost and prospects for the next 2 to 3 years are for a continuation of this situation.

Retail meat prices, stable for the past 3 years with record meat supplies, have increased about 10 percent during the first 4 months of 1978. This price increase is in response to the reduced cattle inventory and adverse winter weather, combined with strong demand stemming from record employment levels and increased earnings.

Retail beef prices declined in 1976 and remained about the same in 1977 due to record beef supplies. However, choice beef prices have risen about 14 percent during the first 4 months of this year alone. These higher prices have contributed to the 5.9-percent increase in the Consumer Price Index for food during the first 4 months of 1978.

Meat production for 1978 will total approximately 51.1 billion pounds. About 1 percent below year earlier levels. Although beef production is expected to be down 4 percent, pork production will be up 2 percent and poultry output will expand about 7 percent.

His comments concerning the rebuilding phase taking several years to accomplish are very true, since a cow can have only one calf in a little over a year. Other livestock have multibirths and a far shorter gestation period. Cattlemen, therefore, have to plan ahead for long term investments in facilities, feed and supplies until they can sell their cattle. At this present time, cattlemen are assessing whether or not to increase the number of cows, or to sell off their females as beef. This is the breeding season and President Carter's announcement, at this time, will have a negative effect on their decision to expand their cow herds. We will have to wait until next year for any meaningful expansion.

His second point that cattlemen have been losing money for 15 out of the past 23 quarters is true. How many other segments of American business would accept such losses and continue to produce? Now, as we see a change from loss to profit in cattle prices, the President announces he is taking action to control those profits. All the time during those 23 quarters, cattlemen have had to absorb continuing increased costs of doing business.

His third point, that meat prices have been stable the past 3 years, is typical of this administration. In Kansas, we find when Washington Government officials talk about stable prices, they mean low prices, and these "stable" prices the past 3 years have been "loss" prices as indicated by prior statistics. The President now wants to continue "stable" prices and that means a continuation of "loss" prices to our cattlemen.

His fourth point, that increased cattle prices of 14 percent the past 4 months have contributed to inflation during that period, may well be valid.

But so were the recent increases in steel prices. So were the recent increases in union wage negotiation. So was the increase in minimum wage. So were the increases in fuel costs. We have had general increases in everything we buy. They all contribute to inflation, but his action to increase meat imports will reflect on one of the few ingredients to inflation that dropped and remained lower in 7 of the past 11 years. The announcements on inflation each month last year did not indicate the drops in meat prices during the period, and how the lower prices were regularly offset by inflation in other segments of the economy.

His final point that meat production is down and expected to continue through this year, is also true. But his action to increase meat imports will not stop that anticipated decline. If anything it will increase it.

Earlier last week, before the President's announcement, his economic advisers and counselors had indicated to interested groups that the increased imports would lower the price of hamburger from 2 cents to 7 cents per pound. There was considerable disagreement among his

staff on this matter. The result was that when the announcement was made, he conceded that the economic impact would be that "hamburger prices could be held to 5 to 6 cents per pound below what they otherwise would be." I guess that means it will not lower prices. They will continue to increase and they can claim it would have increased more. Needless to say, we will not be able to notice any difference in the stores. But cattlemen have reported to me that during the week prior to the announcement, the price of Australian beef went up 8 to 9 cents per pound in anticipation of the announcement and the prospect of selling an additional 200 million pounds. It is obvious that this announcement not only did not help to control inflation, but may have contributed to expediting it.

Mr. President, the economic impacts as outlined in the President's announcement are as follows:

The economic impacts of increasing the supply of meat by 200 million pounds during the second half of the year (July–December) will not be large for either retail meat prices or cattle prices.

The retail price impacts will be reflected primarily for convenience meats and the less expensive cuts such as hamburger. Hamburger prices could be held 5 to 6 cents per pound below what they would otherwise be.

The net savings to consumers could be $500 million or more—income that can be directed to other goods and services.

Domestic cattle prices are not expected to be materially affected. Impacts will be largely on utility cow price which could decrease $2 to $3 per hundredweight.

I ask unanimous consent that a table of average monthly prices be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AVERAGE MONTHLY PRICES, RETAIL BEEF AND CHOICE STEERS, 1973–78

Year/month	USDA Choice beef average (per pound)	Choice steers Omaha (per hundredweight)
1973:		
January	$1.22	$40.65
February	1.30	43.54
March	1.35	45.65
April	1.36	45.03
May	1.36	45.74
June	1.36	46.76
July	1.36	47.66
August	1.44	52.94
September	1.45	45.12
October	1.36	41.92
November	1.35	40.14
December	1.34	39.36
Average	1.36	44.54
1974:		
January	1.43	47.14
February	1.50	46.38
March	1.42	42.85
April	1.36	41.53
May	1.35	40.52
June	1.32	37.98
July	1.38	43.72
August	1.43	46.62
September	1.42	41.38
October	1.37	39.64
November	1.34	37.72
December	1.32	37.20
Average	1.39	41.89
1975:		
January	1.33	36.34
February	1.29	37.74
March	1.27	36.08
April	1.34	42.80
May	1.48	49.48
June	1.58	51.82
July	1.61	50.21
August	1.56	46.80
September	1.53	48.91
October	1.52	47.90
November	1.51	45.23
December	1.51	45.01
Average	1.46	44.61
1976:		
January	1.49	41.18
February	1.43	38.80
March	1.35	36.14
April	1.42	43.12
May	1.42	40.62
June	1.41	40.52
July	1.41	37.92
August	1.38	37.02
September	1.36	36.97
October	1.34	37.88
November	1.34	39.15
December	1.36	39.96
Average	1.39	39.11
1977:		
January	1.38	38.38
February	1.35	37.98
March	1.33	37.28
April	1.34	40.08
May	1.38	41.98
June	1.37	40.24
July	1.38	40.94
August	1.39	40.11
September	1.39	40.35
October	1.42	42.29
November	1.42	41.83
December	1.45	43.13
Average	1.38	40.58
1978:		
January	1.48	43.62
February	1.51	45.02
March	1.55	48.66
April	1.61	52.41

Source: U.S. Department of Agriculture.

Mr. DOLE. Mr. President, last Thursday, I released a statement commenting on the anticipated action by the President to increase meat imports, since it was general knowledge at that time. I ask that that statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RAISING MEAT IMPORTS COULD BOOST MEAT PRICES

WASHINGTON, D.C.—"The expected announcement by President Carter to re-negotiate higher import quotas to allow an additional 200 million pounds of beef into the United States could trigger a new round of higher meat prices and inflation throughout the world," Senator Bob Dole said today.

Responding to reports that President Carter will announce that he will allow more meat imports as a means to fight inflation, Dole indicated that there is not sufficient meat available to import to accomplish any real reduction in meat prices.

"Australia is reported to have about 250 million pounds of beef available, half of which they have been trying to sell to Russia. It is possible that following the expected announcement Russia may buy this beef, setting off more worldwide inflation."

"Meanwhile, our cattlemen will not increase their production as long as this Administration takes such actions against them. Cattlemen have lost money 7 out of the past 11 years and are just now beginning to recover from disastrously low prices the past four years. They have been selling their cows due to low prices the past three years. The present time is the cow breeding season and cattlemen are considering whether or not to start rebuilding their herds as prices rise. Since this rebuilding takes from 24 to 30 months to realize any additional production of beef, they are hesitant to invest more money when the government takes actions designed to lower increased prices. Cattlemen need positive action by the Administration that will give them confidence in the future of the beef market. Then they will expand their beef production.

Long range, overall beef prices will continue to climb until we can expand production or until consumers slow down their purchases.

Two long range problems such action could cause:

Australia would expand production in hopes that they can further expand their sales into this market the next time we have a similar situation.

Our farmers could continue to hesitate to invest in expanded herds.

Consumers are justifiably concerned about higher beef prices, but that concern has not been seen as yet in the grocery store. Consumers can and should determine the price of beef and all foods at the grocery store by what they purchase. They have a wide range of protein foods to purchase at competitive prices if they feel they cannot afford beef steak. Government intervention to lower or control prices does not work. Consumer preference through their purchases is the proper way to determine prices.

If we allow this preference to be effective without government intervention, then farmers can make plans and expand production of the agricultural commodities the consumer wants. They can expand their cattle herds according to the demand, and the current climbing beef prices will respond, higher or lower.

This expected action is just another band aid approach in accordance with the cheap food policy we have seen demonstrated by this Administration against farmers. This "quick fix" approach the President is expected to take will inhibit expansion of beef production, and if Russia should buy Australian beef it could result in higher beef prices.

Regardless of what the Council of Economic Advisors tells us, higher meat prices are not the major reason for inflation. It seems inflation has continued at a pretty good pace the past three years when farmers were getting a third to a half less than they are getting for their cattle today (1975: $37.00/cwt; 1978: $60.00/cwt choice Omaha steers).

Several other Senators will join me in a discussion of this problem next Tuesday on the floor of the Senate.

Mr. DOLE. Mr. President, it was known that Australia was negotiating to sell Russia 50,000 tons of beef (110 million pounds). They were reported to have 250 million pounds available, and some rumors indicated they had already had in transit to the United States, amounts in excess of their present voluntary quota, in anticipation of the pending increase. I predicted at that time, and repeat here, that if Russia does buy Australian beef, it can trigger additional inflation worldwide. If reports are true that Australian beef prices increased 8 to 9 cents per pound last Monday and Tuesday, any predicted benefit from this action was wiped out before the announcement and increased prices will

stimulate increased inflation at the same time.

Mr. President, such increased costs to consumers cannot be justified, but even worse are the factors that it can delay increased beef production for as much as a year and prolong the increase in cattle prices until sufficient production can be generated to level off prices due to availability of beef.

Meanwhile, our cattle producers are being forced to bear the brunt of President Carter's fight on inflation after 4 years of continued backbreaking prices. We must have renewed support for the cattlemen to give them the confidence to stay in business and expand production.

We have the same story in a different way so far as sugar legislation is concerned; another group of farmers who are having difficulty making it and getting no cooperation from this administration.

I do not suggest that this is the only administration that has ever caused the American farmer difficulties. I remember the previous administration's embargo policy, which, in effect, cut the farmer's prices. It seems to this Senator, and I am certain to several others, whether they be Republicans or Democrats, that when they ask the farmers to produce, the farmers have some right to expect that the Government will not interfere when the prices start to rise.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter I referred to earlier from G. William Miller at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM,
Washington, D.C., April 19, 1978.

Mr. ORVILLE K. SWEET,
President, American Polled Hereford Association, Kansas City Mo.

DEAR MR. SWEET: Thank you for your recent letter regarding meat imports and the Nation's cattle industry. I recognize that profits in the industry have been quite low for a number of years. Droughts, rising costs, and low prices resulting from abundant meat supplies have all contributed to the profit squeeze on producers. However, profits in the industry are now improving. Cattle producers have been reducing their herds, and the U.S. cattle inventory is now lower than in any year since 1971. As a result, cattle prices have been rising for several months and many agricultural analysts feel that the long-run profit outlook for cattlemen is relatively favorable.

Unfortunately, the trend toward lower domestic beef production has also been pushing consumer meat prices higher. In recent months these price increases have been especially sharp and are currently adding considerably to inflationary pressures in the economy. While higher beef prices appear necessary in order to restore profitability to the industry, I believe that abrupt price increases are not in the long-run interests of either consumers or producers. Since increases in meat imports might help in moderating inflationary pressures, I feel that we should consider revising our current import policies.

Of course, this is only one of the many actions which must be taken in our battle against inflation. We must also act to moderate the upward spiral of wages and prices in both the farm and nonfarm sectors of our economy. You may rest assured that the Federal Reserve will conduct its policy in a way which will help restrain inflationary pressures.

Thank you again for your letter. I appreciate having your views.

Sincerely,

G. WILLIAM MILLER.

Mr. DOLE. Mr. President, since March 14 when administration officials first started threatening to raise meat import quotas I have received thousands of telephone calls, telegrams, letters, and personal visits in my office protesting the proposal of this action at such a critical time to the cattle industry.

I have selected a few samples of these comments and ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Governor Robert Bennett Thursday sent the following telegram to President Carter:

TELEGRAM

TOPEKA, KANS.,
June 8, 1978.

DEAR MR. PRESIDENT: I am appalled at your administration's decision to increase meat import quotas. This action is a kick below the belt for our nation's cattlemen and once again indicates your administration's callous disregard for farmers and ranchers and the agricultural sector of the economy.

This action comes at a time when cattlemen were just ending an extended period of severely depressed prices and true financial hardship.

Mr. President, I am quite frankly amazed that the defense of this decision is based on the false notion that higher import quotas will somehow lower prices for consumers. Higher import quotas could very well have the opposite effect. American cattlemen at this moment are making decisions that will affect cattle—and meat—supplies in the 1980s. They are in the expansion phase of the production and economic cycle. The message they are receiving from this action, however, is that your administration intends to play cheap food politics with meat imports in a vain attempt to convince consumers that meat prices will fall. Thus, a reduction of livestock numbers is likely to occur, meaning the law of supply and demand will trigger higher and higher prices at the meat counter in the future.

On behalf of the Kansas livestock industry, I strongly protest. Mr. President, this mauling of the American farmer has got to stop. You and your administration must face up to the economic realities that face American farmers and ranchers and ultimately the American consumer.

Please, Mr. President, tell your misguided bureaucrats to wash the peanuts out of their ears and listen to reason.

ROBERT F. BENNETT,
Governor of Kansas.

DAVID LARGENT,
Wilsall, Mont., June 2, 1978.

Hon. BOB DOLE,
Senate Agriculture Committee, Washington, D.C.

DEAR MR. DOLE: Here we go again! Good ole beef is the scapegoat for all our country's woes.

No more furor could have been created by our invasion of Russia, or the beginning of a third world war, than was the inflation index reported by radio and TV media on May 31st. Everything was discussed from price freezes to unrestricted imports.

Why doesn't someone report the truth? Why doesn't someone tell it like it really is? Please, Bob, at the first opportunity you have, tell your fellow Senators and Representatives, tell the news media, tell the consuming public the real facts.

Tell them only 20 percent of America's producers have realized any benefit from higher beef prices. Our production business, for the most part, is a once a year marketing situation that only happens in the fall and as yet, the majority haven't had the opportunity to realize one thin dime's benefit from the stronger markets.

Tell them that beef was one of the very, very few items that didn't increase but decreased in price from the year 1973 and 1974 until the end of 1977.

Tell them that the 5 cent candy bar is now 20 cents; that the cost of housing has doubled, that medical care has tripled, that the 6 cent postage stamp of a few years ago now is 15 cents.

Tell them that the cattlemen's indebtedness has reached the ultimate limit. That if we, as producers, are not allowed a profit, not only for this year, but for several proceeding years, that large corporations, foreign investments or possibly the government itself, will be producing our food. No question, then food would triple in price overnight.

Tell them the beef industry has to have a chance to pay off some of this indebtedness created over the past several years of financial losses, or at least hold the line. And, due to drastic increases in cost of expenses, the price of beef simply has to rise in order to survive.

Tell them that based on income, most families are spending a smaller percentage for food than 90 percent of the countries of the world and today a smaller percent than at anytime in the past. Also, tell them that hundreds and thousands of small businesses in towns and cities of our nation depend on the livestock industry for its existence, and in many instances, the town itself depends on agriculture and beef production in particular for its survival.

Tell them the cattle business is one of the few that have never asked for nor received government help or support prices. Even the wheat people have to have consumer tax dollars to survive.

Tell them the administration and news media are creating the most problems. No one is forcing people to buy beef. At such time, when and if the price is absolutely prohibitive, the price situation will stabilize in line with demand.

Tell them that the government, with its increased payrolls, its wage scale increases, red tape and regulations imposed upon people, are the worst offenders of our inflation problems.

Please tell them that only a few short weeks ago, the beef industry had a firm committal from high administration officials and Agriculture Department officials alike, stating nothing would be done, at least for the remainder of this year, to depressed beef prices. If we cannot believe these people, who have been placed in high authoritative positions to represent our nation's people, is there any hope left for you and me?

Yes, please tell them.

Sincerely,

DAVID S. LARGENT.

Hon. JIMMY CARTER,
President of the United States, The White House, Washington, D.C.

DEAR PRESIDENT CARTER: The Board of Directors of the American Farm Bureau Federation in session today at Point Clear, Alabama, went on record as opposing any attempt by the federal government to control domestic beef prices by allowing an increase in meat imports.

Such action would be counterproductive. It would lead to lower production and higher prices to consumers in the future.

Renegotiation of the existing voluntary quotas on foreign beef or a complete suspension of the Meat Import Act would be very costly to U.S. cattle producers and feeders who have sustained tremendous financial losses. Hundreds of millions of dollars of debt have been incurred by cattlemen due to the loss position of the cattle industry over the past four years. They are just beginning to recover some of these losses. This recovery is necessary if cattlemen are to continue to operate.

Prices of almost all goods and services have been increasing and are continuing to do so. Increases in beef prices are long overdue.

The beef industry is rebuilding. It has the ability to meet the needs of consumers and will do so if given an opportunity to recover from the adverse conditions of recent years.

We will appreciate your favorable consideration of our views on this matter.

Signed:
Allan Grant, President.
Robert B. Delano, Vice-President.
Hugh M. Arant, Ruleville, Miss.
Harry S. Bell, Wade, S.C.
Carrol Chaloupka, Waco, Tex.
James Graugnard, St. James, La.
J. D. Hays, Huntsville, Ala.
Walter J. Kautz, Gainesville, Fla.
James Putman, Columbia, Tenn.
H. Emmett Reynolds, Arabi, Ga.
John Sledge, Raleigh, N.C.
J. Robert Wade, Franklin, Ky.
John Junior Armstrong, Manhattan, Kans.
Donald Haldeman, Madison, Wis.
Dean Kleckner, Rudd, Iowa.
Elton R. Smith, Caledonia, Mich.
Harold B. Steele, Princeton, Ill.
Marion Stackhouse, Indianapolis, Ind.
Dave Flitner, Greybull, Wyo.
Bernard Harkness, Dell, Mont.
Cecil Miller, Jr., Phoenix, Ariz.
Richard McGuire, Cambridge, N.Y.
Arthur H. West, Trenton, N.J.
Mrs. Chester Smith, Chairman, Farm Bureau Women's Committee.
Tom Buck, Chairman, Young Farmers and Ranchers Advisory Committee.

TELEGRAMS

ROBINSON, KANS.,
June 3, 1978.

Senator ROBERT DOLE,
U.S. Senate,
Washington, D.C.:

Urge President Carter to let the beef situation level itself out in the next 60-90 days as Secretary Bergland has suggested.

MAX E. OLTJEN.

UNIONTOWN, KANS.,
June 4, 1978.

Senator ROBERT DOLE,
U.S. Senate,
Washington, D.C.:

Respectfully asking you to urge President Carter to follow Secretary Bergland's plan to delay beef imports. It's important to me.

Mr. and Mrs. JOSEPH G. O'BRYAN, Jr.

BAXTER SPRINGS, KANS.,
June 2, 1978.

Senator ROBERT DOLE,
U.S. Senate,
Washington, D.C.:

This is to notify you of the approaching death of the American livestock industry due to ill-advised, misguided efforts of the administration to fix meat prices.

L. B. MOCK.

QUINCY, KANS.,
June 3, 1978.

Please urge President Carter not to lift beef import. Listen to Agricultural Secretary Bergland.

Mr. and Mrs. JACK LINDAMOOD.

CUBA, KANS.,
June 7, 1978.

Senator ROBERT DOLE,
Dirksen Senate Office Building,
Washington, D.C.

The following is a copy of message sent to President Carter, Washington, D.C.:

We of the cattle industry are shocked at your consideration of allowing more imports of beef at this time. Cattle prices must move even higher during the next year to make the entire business profitable. Surely, Mr. President, you understand inflation has taken its toll while cattle people have suffered catastrophic losses during the last 4 years. We have waited for improved prices to repay loans incurred by these losses. The industry has tried to make it on its own. Please, Mr. President, let us try.

GLEN MATOUSEK,
Director, Kansas Livestock Association.

Mr. McGOVERN. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. Yes, I yield.

Mr. McGOVERN. First, I want to say I share the concern of the Senator from Kansas expressed here today. I do not know of any Senator or Representative from a beef-producing State that can accept this relaxation of the quotas on beef imports with any happiness. The Senator understands that the cattle cycle is one that can be grievously disrupted by arbitrary actions of this kind.

I want to ask the Senator, is it not a fact that beef producers, who, over the last few years, have been faced with drought, faced with severe winters, faced with drought, faced with severe winters, faced with low prices that have forced them to liquidate their herds, are going to have to go through a period over the next several years of rebuilding those herds, and it may require as much time as 3 or 4 years? In order to do that, they are going to have to have some assurance of a firm market. In other words, beef prices are good today, but is that not a necessary compensation to offset the losses that beef producers have taken in recent years?

Is it not also essential to give them the assurance they need to make the investment to rebuild these herds?

Mr. DOLE. The answer is yes. As the Senator from South Dakota knows, it takes a while to build up a beef herd and it takes a while because of the cycle I have just explained. I think that, sometimes, maybe there is a misunderstanding. Maybe there is a feeling that we just turn it off and on; that when prices level off, farmers will expand, in any event. I do not find that to be the case.

I was in my State on Saturday visiting a sales barn and talked to a couple of irate producers, except for one who would not talk to me. He thought I was just as bad as everyone else because he had lost some money. He was frustrated.

There is no doubt that the Senator from South Dakota has put his finger on the problem. We cannot ask the people to expand if they do not have some confidence that they are going to have a chance to make some profit.

Mr. McGOVERN. The Senator and I represent consumers as well as beef producers. Does the Senator from Kansas see any basis to believe that this lifting of the import quota restrictions is going to be to the long-term benefit, or even the short-term benefit, of the American consumer?

The ACTING PRESIDENT pro tempore. The time of the Senator from Kansas has expired. Does the Senator from Kansas ask unanimous consent that the time of the Senator from South Dakota begin at this point?

Mr. DOLE. Yes.

Mr. McGOVERN. I so request, without prejudice, Mr. President.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from South Dakota now has 15 minutes under the previous order.

Mr. DOLE. Let me say, in response to that question, that I do not believe there is going to be any benefit to the consumer. There may be a cent a pound; I am not certain. It has had very deep psychological impact on the market, on the production side. Saturday, cattle prices were off about $10 a hundred across the board, on the average, in my State of Kansas. That is a big loss for farmers to take.

If there were some compensating benefits to consumers, there might be some way to rationalize it, but I have not been able to determine that there is going to be any benefit to consumers in the first place. In the second place, I do not think that is the right way to proceed.

Mr. McGOVERN. Is it not true that if the beef producer, who is now in the process of rebuilding his herds on the hope that prices are going to remain firm for a time, offsets profits and decides that he is the victim of arbitrary changes in the level of imports and decides that it is not in his interest to go ahead with the rebuilding of herds—if that decision is made by a sizable number of producers, that can very well mean a long-term threat to the beef supply of this country and, therefore, to the consumer, could it not?

Mr. DOLE. Mr. President, again, I agree with the Senator from South Dakota, that is just what could happen.

Now, I do not know what farmers or cattle producers will do, but it would seem to me if they are in a position now, after having 7 bad years out of the last 11, of being asked to make a decision in concert, I might add, of whether or not they should expand their herd, and there is not much assurance of any profit, or no confidence they will be left alone, then they could make the decision the Senator refers to and there could be a loss of production down the road.

Mr. McGOVERN. I thank the Senator for yielding to me.

I have some remarks of my own that I want to develop at this point, but I am grateful to the Senator from Kansas, not only for what he said, but for responding to the inquiries.

Mr. DOLE. Will the Senator yield me just 1 minute?

Mr. McGOVERN. Yes.

Mr. DOLE. Mr. President, I ask unanimous consent that the statements of the distinguished Senator from South Carolina (Mr. THURMOND), the distinguished Senator from South Dakota (Mr. ABOUREZK), and the distinguished Senator from Wyoming (Mr. HANSEN) be

made part of the RECORD following the colloquy this morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. I thank the Senator.

CATTLEMEN BELIEVE IN FREE MARKETS

● Mr. THURMOND. Mr. President, instead of stirring housewives and consumers up unnecessarily over the current price of beef in the supermarket, a more proper role for the Secretary of Agriculture and other administration spokesmen would be to help consumers understand the economics involved.

Consumers and cattlemen ought to be together on the beef price issue—and would, I am sure, if they had access to and understood the facts.

Some people in my own State of South Carolina do not realize that cattlemen advocate, believe in, and want to operate under free market conditions. When I discuss the beef price issue with them, they say: "Haven't the cattlemen been asking the Government for guaranteed prices and other assistance?"

The answer is a flat "No."

It is true that the Congress authorized drought assistance to the livestock industry last year, along with other farmers and rural communities suffering water-related problems. But that assistance was in the form of loans, with payback to the Government as a condition of each individual loan.

Cattlemen have always believed in the market regulating supply and demand with price being a function of the marketplace.

My hat is off to the U.S. cattlemen who were caught between escalating costs and declining prices for the past 4 years. Most of them lost money. Many went bankrupt. The rest tightened their belts, borrowed more money, and looked ahead to the time when their business would once again offer opportunity for profit.

During those 4 years beef prices were low and consumers reaped the benefits at the supermarket checkout counter. This year, all of us are acutely conscious of beef price increases. However, we conveniently overlook the fact that beef prices go down as well as up. During the past 4 years there have been as many downs as ups.

The real story of beef prices that every consumer should know is that beef prices have gone up less than the prices of other products. The Consumer Price Index report for selected beef cuts in April was 188.0, yet the all-food index was 205.6. The overall CPI was 191.3.

Consumers use less of their take-home pay to buy the same amount of beef than they did 4 years ago. The average price of choice beef in April of this year was $1.61 per pound. That is only 20 percent higher than the cost of the same cut in April 1974. The take-home pay of American workers increased 41 percent in those same 4 years.

Now, at long last, cattlemen are seeing a bit of light at the end of their economic tunnel. The market forces are working. Cattle that went to slaughter because of bad weather, poor range, high production costs, inadequate credit and other forced liquidation conditions have moved through the market.

Consumer demand is still strong. This signals cattlemen to rebuild their herds because there is a chance for profit. Increased beef supplies in the future are assured and with them will come a leveling off of beef prices for consumers.

This is the story we must help farmers and ranchers tell consumers.

Now is the time for plain, unvarnished facts—not a time for so-called panaceas, such as opening the floodgates to let in huge amounts of imported beef, as President Carter has proposed. Such a short-term benefit to consumers would quickly turn into a nightmare as livestock producers, seeing no chance for profit, once again cut back their herds. This would only set in motion the market forces that would lead to another round of shortages in the supermarket and higher prices at the checkout counter.●

PRESIDENT'S MEAT IMPORT DECISION WILL HURT FARMERS

● Mr. ABOUREZK. Mr. President, the decision of President Carter to increase beef imports is another sign of the Government's continuing insensitivity to farmers. Naturally, we are all concerned with stopping inflation, but the President's decision will have only the most negligible impact on prices, while having a potentially serious impact on ranchers and future consumers.

The relaxation allowed by the President will, at best, cause hamburger prices to go down a few cents. The hamburger will mostly be purchased by fast-food chains, according to news reports, and it is, I believe, very unlikely that fast food chains will lower their prices—or would have raised their prices—if the decision were not made in response to this decision. The cost of beef is not the major part of the chain's cost calculation for a hamburger. The consumer, therefore, will not notice any difference at all.

The rancher raising beef cattle will not be so fortunate. He must now wonder whether the President's strategy is to keep imports up to keep prices down. For the last few years, prices have been very low—for many ranchers below the cost of production. Serious droughts forced many cattle producers to thin their herds just to keep their heads above water. Finally, after these very difficult years on the brink of failure, ranchers are facing reasonable prices, and, in response, are building their herds once again. If they believe, however, that the administration is going to try to force prices back down, their incentive to increase their herds will be gone. In a few years, when the Nation would have had an ample supply of beef, we will instead have a reduced supply. That, of course, means higher prices again. The increase in prices from a herd reduction or even a failure to build herds now would be much greater than the minimal savings the President's recent decision on quotas could possibly provide.

In essence, the decision will trade a trivial reduction in beef prices for the very real risk of a substantial rise later. That may sound like a good political bargain, since politics is concerned only with the present and the immediate future, but it makes no economic sense.

We cannot continue to blame inflation on the farmer. The farmer has provided us with remarkably cheap food, and even if prices for farm products do rise significantly, we still would pay much less for food than people anywhere else. The farmer deserves a good price for his efforts, and if we do not give it to him, he cannot stay in business. Failure to assure a reasonable price will only force continued farm consolidation and eventual control of the food producing industry by large factory farms.

The real problem in inflation is energy costs. It is indeed a sad commentary that the administration considers cutting inflation at the expense of the farmer, or at the expense of the environment, as has been proposed, while supporting energy policies that will only accelerate most serious inflationary problems.

Mr. President, I join with my colleagues from both parties in urging the President to reconsider his unsound decision.●

A HOAX ON THE CONSUMER

● Mr. HANSEN. Mr. President, when he was running for President of the United States in 1976, then-candidate Jimmy Carter issued a news release in which he promised American cattlemen that he would, if elected, "enforce vigorously" the meat import quota law and work to "tighten quotas to provide greater protection against foreign imports."

Candidate Carter's pledges were, at the time, encouraging to an industry caught in the middle of the worst economic crisis since the Great Depression.

But President Jimmy Carter did not keep his promise to protect the domestic cattle industry from foreign imports. Instead, he acted last week not to tighten import quotas, as he had said he would do, but to increase by some 200 million pounds the amount of foreign meat that will be allowed into this country during 1978. In so doing, the President singled out an industry which is itself beleaguered by inflation to serve as the scapegoat in his symbolic war against inflation.

It is an unfortunate thing when the highest elected official of the land reneges on a promise, but what is equally unfortunate in this particular case is the cruel hoax being played on the American consumer, who is allegedly the beneficiary of the President's action.

The administration has portrayed its action to import more foreign beef as having the effect of lowering meat prices, and, hence, inflation. But the whole thing is a smokescreen, Mr. President, because if meat prices are lowered at all, it will be only by a couple of cents for a brief period of time. And the action has nothing whatsoever to do with the fight against inflation. That problem is far deeper and wider and more troublesome than any increase in meat prices, and I think most consumers know that.

As for the cattlemen, the President's action has served to confirm their belief that the Federal Government is their enemy, and that the Carter administra-

tion has no qualms about using them as pawns in a scheme to try to make people think something is being done about inflation when in fact it is not.

The current higher prices being received by domestic cattlemen follow 4 years of the worst prices in decades. For example, net income per farm family in my State of Wyoming plummeted from over $14,000 in 1973 to a miserable $241 in 1976, with depressed livestock prices accounting for most of the decline.

American cattlemen have more than earned every cent of any higher return they are now getting. During the tough years when they were losing money, they did not ask for or get any subsidy from the Government, and now that they are starting to get a better return, the last thing they deserve is for their own Government to deliberately try to depress their prices again by inviting in more foreign competition.

The livestock industry is a victim of inflation, not the cause of it. The cause, as consumers well know, and as the administration may soon discover they know, is too much Government spending.

The citizens of California demonstrated dramatically last week their understanding of the root cause of inflation when they voted overwhelmingly for Proposition 13. It will do the President no good to point the finger of blame at the cattlemen or at any other segment of the economy, because the people know excessive Government spending is the real culprit. As Pogo might say if he were in the White House, "We has found the enemy and he is us!"●

Mr. McGOVERN. Mr. President, the Senator from Nebraska (Mr. CURTIS) was actually slated to speak ahead of me this morning. If the Senator is on a tight schedule and would like me to yield at this time, I would be more than happy to do it.

Mr. CURTIS. I thank my distinguished friend, but it is not necessary. As a matter of fact, it will suit my convenience a little bit better.

Mr. McGOVERN. All right.

UNDERSTANDING THE BEEF CYCLE

Mr. McGOVERN. Mr. President, most consumers have no idea why the supply of beef takes so long to adjust—longer than the supply of pork, for example, and a lot longer than poultry.

The answer is simply one of biology. From the time a producer decides to increase the size of his basic cow herd until extra beef resulting from that decision reaches the supermarket may take as long as 4 years.

I think this is something that a great many people who are not familiar with livestock production are not aware of. They think these decisions on the level of beef supply income can be turned on and off overnight.

But we are actually talking about a cycle that could run for as much as 10 years, in any event, 3 to 4 years, in changing the overall supply of beef in the country.

If a rancher decides that a female calf born today should become part of his basic cow herd, it will take 1½ to 2 years before that calf can grow up and be mature enough to breed. Once bred, there is a 9-month period before the calf is born. After that, figure at least another 1½ years for the calf to grow and be fed out and finished for the market.

This long beef cycle is a major reason beef prices at the moment are high in relation to what consumers have become accustomed to over the last several years.

For the past 4 years, the U.S. cattleman has been in desperate circumstances. We have had severe winters that took a heavy toll of cattle on the range, and cut heavily into the birth rate at normal calving time.

We have experienced a couple of years of back-to-back drought conditions in the West and South that have forced producers to liquidate entire herds because there was no grazing and too little water. During the drought of 1976, many cattle counties in South Dakota were forced to reduce basic breeding herds by 60 to 70 percent.

We have seen producers go deeply into debt trying to refinance livestock operations. Feed costs are higher; farm machinery costs are up; interest rates have increased and in some areas producers report they are unable to find adequate credit at any cost. Many have simply gone out of business.

This liquidation of breeding stock temporarily builds up an oversupply of beef in the market.

In other words, just at the time when the beef producer might be forced to liquidate his herd, we get a great rush of beef into the market. It tends to depress the price at the same time that that producer is under the most difficult financial circumstances.

Producers are forced to sell cow herds at low prices, below the cost of production, but the consumers may benefit temporarily from low hamburger prices.

Eventually, the cattle numbers are reduced—the oversupply is worked through the market over a long, painful period of adjustment—and prices start to rise again. U.S. cattle numbers have been reduced from 142 million to 116 million. That is what is happening now—the beef cattle industry is just emerging from the liquidation phase of the latest cattle cycle. Cattlemen are just now deciding whether or not to expand their production by selecting more females to breed, or to feed them out for slaughter.

The basic beef cycle is a 10-year economic phenomenon. Low cattle prices have bottomed out. Both ranchers and feeders are now beginning to make money and recouping losses that have run into billions of dollars over the last 4 years. Recent Omaha prices for 1,000-pound, fed steers were $61 a hundredweight against disastrous prices of $37 several years ago.

During the low side of the beef cycle, producers complained bitterly about foreign imports allowed to enter this country under the 1964 Beef Import Act. Extensive hearings were held before the International Trade Commission. Under the 1964 act, which allowed imports to rise in proportion to domestic production, imports of fresh, chilled, and frozen meat reached 1.3 billion pounds.

Earlier this year the Senate reacted by passing legislation which was generally accepted in the cattle country imposing a countercyclical formula on imports. Very simply, this proposition would allow more imports when domestic production was low and limit imports when domestic production rose. The House is now working on its version of this bill.

Mr. President, with this legislative situation in mind, the recent announcement of the President to renegotiate voluntary agreements to allow an additional 200 million pounds of imported meat was a disaster. In the first place, it will do the consumer no good at all because it will not lower beef prices; it is less than 1 pound for every man, woman, and child in this Nation.

More importantly, it has had a bad psychological effect on live cattle prices as well as the futures market. Some might claim this to benefit consumers. Those who know more about the meat trade know that cattle prices will go right back up and continue to rise. For a short-range publicity hit, the administration has played a cruel hoax on consumers and slapped the producer in the face just at a time when he was starting to make money and become a taxpayer for the first time in 4 years.

Secretary of Agriculture Bob Bergland is a farmer. He understands the nature of the cattle cycle. He advised the President to do nothing because he knew that the available world beef supply was low—other countries follow our own beef cycle—and there is little beef available for import from either of the traditional sources, Australia and New Zealand. Unfortunately, the advice of the Secretary of Agriculture was tossed aside in favor of advice from less informed sources.

Mr. President, the cattle industry needs the support of this administration and it needs it now. President Carter should reverse his position on additional imports and lend his support to the legislation pending in the House of Representatives. The beef cycle will work its will in its historical tradition and hopefully a new and better import law will level off the highs and lows of meat prices. Both producers and consumers will be better off.

Mr. President, in connection with the remarks I have made here, I ask unanimous consent that an article from the New York Times, June 2, 1978, edition, entitled "Cattle Futures Slump Amid Beef Import Fears," along with a table from the respected Washington Farmletter, June 9, 1978, entitled "Price Boosts Everywhere," indicating that sirloin steak in Washington, D.C., is still not a bad buy in terms of prices elsewhere in the world, and an article in the Sioux Falls Argus-Leader of June 1, 1978 by Kim Ode be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 2, 1978]

CATTLE FUTURES SLUMP AMID BEEF IMPORT FEARS

CHICAGO, June 1.—Cattle futures plummeted the daily allowable limit today as

speculators reacted to the threat of increased beef imports and fears of consumer antagonism to high prices.

All live cattle contracts lost 1.5 cents, while feeder cattle on the Chicago Mercantile Exchange toppled the same amount for most months.

Although wholesale beef and cash steers continued to fetch top dollar at some terminals, one broker said, "Everybody wanted out. The warehouses were lining up to sell. Even the roaring bulls, who were still talking about higher prices, tried to sneak out when nobody was looking."

Aside from widespread anxiety about consumer resistance to expensive beef, a livestock analyst said the massive liquidation stemmed from "real worries that the government is fixing to open the door on imports."

DIVISION ON BEEF IMPORTS

He said Agriculture Department economists and the Carter Administration "seem to have divided opinions on the import issue. The administration appears to want to do it now. But the economists are saying that more imports won't be a big deal in hauling down prices, except psychologically."

"They think the market will pull back by itself, and it doesn't need the overhanging threat of increased imports," the analyst continued. "They want to wait until the end of summer, when supplies are traditionally tighter. So the biggest question is timing."

The fact that surging beef prices contributed greatly to a sharp rise in consumer prices also proved a psychological depressant, analysts said.

And recent gains in corn prices, culminating in life-of-contract highs earlier this week in those futures, had an especially negative impact on feeder cattle. An analyst explained that as corn prices increase, it becomes less profitable to place cattle in feedlots. Consequently, the demand for feeder cattle diminishes.

CATTLE FUTURES SLUMP

Feeder cattle futures slumped to three-week lows. The August delivery closed at 62.32 cents a pound, more than 5 cents under the record high posted last week.

Live cattle futures, which also set contract highs last week, hit two-week lows and finished at 59.47 cents in the spot contract.

Despite the heavy selling in cattle futures, live hog contracts ended mixed and pork belly deliveries were higher.

The relative strength in the pork complex was influenced by better cash markets, as well as the belief that shoppers might buy more pork if they cut back on beef purchases.

June-delivery hogs rose 0.69 cents a pound to 53.55 cents, although other months posted moderate losses. Pork bellies climbed 0.6 to 1.47 cents, mostly due to profit-taking after recent sharp declines.

Grain and soybean futures prices receded on the Chicago Board of Trade. Clear skies and warm temperatures that enabled good planting progress in the Midwest contributed to selling in the corn and soybean pits.

Analysts said that traders who felt that sizable price increases which took place earlier this week were overdone, had liquidated contracts.

The Agriculture Department reported a relatively small increase in the number of farmers signed up to participate in Federal programs to take cropland out of production.

Although land to be idled totaled 22.3 million acres, the amount was only slightly larger than a week earlier.

Weaker cash market prices also contributed to the downturn.

Final soybean quotes were 2¼ to 11¼ cents lower, with July contracts quoted at $7.32½ a bushel. Wheat was 4 to 5¼ cents lower, July $3.26¼; corn was 3¼ to 5 cents lower, July $2.65½; and oats were 1 to 2¼ cents lower, July $1.47.

[From Washington Farmletter, June 9, 1978]

PRICE BOOSTS EVERYWHERE

If you don't like food prices here it won't do much good to get out of the country. The outlays for putting food on the table have been going up all over the world—but at a decelerating pace in most places. Only five of the 15 countries recently surveyed by the Foreign Agricultural Service still measure inflation in double digits. Between February and March retail food prices increased in 14 of the world capitals surveyed and dropped in two—Belgium and Sweden.

Here are prices consumers were paying in grocery stores for some items as of early May (in U.S. dollar per kilogram or units as indicated. A kilogram=2.2046 pounds; a liter=1.0567 quarts):

City	Sirloin steak	Pork chops	Dozen eggs	Liter milk	Bread	Potatoes
Bonn	12.43	4.56	1.29	0.49	0.76	0.16
Brasilia	2.02	2.90	.83	.28	1.27	.49
Brussels	11.22	5.26	1.33	.56	.94	.15
Buenos Aires	1.17	1.70	.89	.25	.46	.24
Canberra	4.58	4.53	1.10	.45	.86	.41
Copenhagen	14.08	7.73	1.85	.52	1.86	.81
London	8.53	4.06	1.15	.39	.65	.30
Mexico City	2.60	2.60	.71	.29	.51	.41
Ottawa	5.43	4.59	.82	.54	.76	.17
Paris	8.11	5.75	1.34	.44	1.93	.12
Pretoria	3.70	2.68	.68	.35	.31	.35
Rome	8.65	4.61	1.41	.45	.79	.29
Stockholm	12.32	6.01	1.68	.42	1.89	.51
The Hague	10.77	5.85	10.8	.46	.85	.14
Tokyo	35.09	9.31	1.01	.89	1.38	1.21
Washington	4.81	3.90	.73	.54	1.17	.53
Median	8.32	4.58	1.09	.45	.86	.33

[From the Sioux Falls, S. Dak., Leader, June 1, 1978]

EEEF IMPORT DOWNPLAYED

(By Kim Ode)

The loosening of beef import restrictions that is being considered by the Carter Administration would lower beef prices "only by about 1 or 2 cents," an official of the National Cattlemen's Association said today.

Lauren Carlson, first vice president of the association, said there are only about 250 million pounds of beef in the world market not already committed for 1978. And in the face of an estimated import of 1.3 billion pounds into the U.S. this year, the effect of that extra tonnage "becomes negligible," Carlson said.

Chief Carter inflation fighter Robert Strauss said today that the country "can't live" with the 6.6 percent increase in beef prices recorded in April, and that raising import quotas on less expensive foreign beef would bring prices down.

Carlson is in Sioux Falls for the state Stockgrower's Convention, substituting for President Dick McDougal who had to remain in Washington, D.C., to fight against greater imports.

McDougal is meeting with Strauss and Secretary of Agriculture Bob Bergland this afternoon to convince the administration that raising import quotas is not the answer to inflation.

"We don't deny that beef prices are up, very precipitously, in fact," Carlson said. "However, when you compare the Consumer Price Index of beef with the CPI of all food, beef still is lagging behind."

Prices for fresh vegetables, which declined in March, rose 9.7 percent in April, according to figures released by the Labor Department Wednesday.

"I think the administration is grasping at straws to fight inflation and it's utterly ridiculous for the beef industry to be used as a scapegoat," Carlson said. "We're not the cause of inflation; we're victims, too. Our costs have risen over 50 percent, too."

Acknowledging the possibility that Carter may increase beef import quotas to appease consumers on the homefront and thus build up a sagging domestic image, Carlson said such action would only be a short-term solution at best, and may make the long-term situation even worse.

"Cattlemen are just starting to build up their herds up now after the drought and the incentive to increase lies in prices they can get," Carlson said. "How can a man justify starting to increase if the government starts to meddle and drive prices down?"

Carlson said his organization has been holding press conferences with economists and editors to get the story in front of the people, an action he says has been successful.

"I think consumers understand what's going on behind food prices—more than they did back in 1973 when prices rose," Carlson said, explaining that those "rabble-rousers" now are in government positions and understand the situation.

"I've talked to consumer leaders and they said they're not talking boycott like back then," Carlson said.

Strauss, too, said he would not urge consumers to boycott beef. "I would say this though," he told reporters in Washington, "I would urge that when the consumer goes to the grocery store, instead of looking at T-bone steaks . . . that they look at those cheaper cuts."

Jim Webster, acting director of the office of governmental and public affairs with the U.S. Department of Agriculture, warned consumers not to be taken in by the face value of the price tag alone.

"Sure the average retail price of choice beef is about $1.51 a pound and that looks a lot higher than the $1.41 in 1973," Webster said, referring to the year of consumer boycotts of beef. "But taking inflation into account, the consumer is only paying about 82 cents in 1967 dollars compared to $1.05 in the third quarter of 1973. We're still about 20 cents behind where we were then."

Carlson said the National Cattlemen's Association will continue to campaign against increased imports, "but that the cattlemen out in the country have to get involved. Write your congressman, anyone. Let them know you're finally getting the prices you deserve."

Whether they can prevent an opening up of imports remains to be seen, but Carlson said the organization's drive to eliminate a President's executive authority to lift import

restrictions from the Meat Import Act of 1964 may be a start.

"It's ridiculous that a President can sit down with a yellow legal pad and lift import quotas," Carlson said. "That power should be restricted."

He added that should increases be granted for imports, consumers won't notice any reaction in prices for at least 60 to 90 days since the price indexes reflect prices of a month ago.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Nebraska (Mr. CURTIS) is recognized for not to exceed 10 minutes.

Mr. CURTIS. Mr. President, it is important that the people of the country, particularly the consumers, understand a little more about agriculture. Farmers are risk takers. There is moisture, wind storms, hail storms, drought, and floods of all manner. And then some years that are free from disaster just are not good crop years.

This means that farmers go through periods of very low prices and take losses. Then when the cycle turns a little and prices start to move up so they can pay their debts and stay in business it is absolutely wrong for the Government to step in and take action to hold down that price. It is wrong. It is sheer political demagoguery.

Out of every 100 people in the country, only four have anything to do with producing food, and it is wrong for politicians and office holders to cater to the other 96 if it means an injustice to the four.

Mr. President, it was my privilege to author the Meat Import Act known as the 1964 act. It originated in the Committee on Finance. I say I authored it; it was my privilege to introduce it. It was written by the American National Cattlemen's Association. It was a good proposal. It passed the Senate overwhelmingly.

We got to conference. At that point the State Department interfered. Some compromises that were made in conference were bad.

The original bill provided that as our country grew and the market for meat grew the importers could have some share in it. But it carried a provision that imports could not increase in any year when the beef prices were less than 90 percent parity. In the conference they took out that provision. Had it been left in there would have been no increase in meat imports in any year since 1964 except two. But it was taken out and so we have had a situation where meat imports increase at the very time that we have a surplus here.

The Finance Committee again this year has reported out a Meat Import Act of 1978. It changes that. Instead of increasing meat imports at the time of low prices and plenty of meat, it reverses it. It tightens up on imports at the time of low prices here and loosens up a bit at the time of very high prices. That will stabilize the market. It will tighten up certain other loopholes in the 1964 act, and it should be passed. The Senate has already passed it. The matter is now in the House of Representatives. It is before the Committee on Ways and Means. I am satisfied, and it is a fact that if the Carter administration would back this proposal that the Senate has already passed it would pass the House of Representatives quickly. But they are opposing it just as it was the Carter administration that loosened up the import quotas now.

In this effort to try to fool the 96 out of every 100 who have nothing to do with production of food, it was claimed to the people when they said, "We have to do this to prevent inflation." The farmers of the country have never caused inflation. The greater share of the time they sold at prices far too low. Inflation is caused in the halls of this Senate and in the House of Representatives.

One of the biggest causes of inflation is deficit financing. We spend, spend, and spend far beyond what we take in. We have deficits of $50 or $60 billion. That is the cause of inflation. That is why people who could be spending money in our own country have serious doubts about our economy. That is why the countries of the world look upon the United States and say "What about Uncle Sam?" Is he ever going to pay his bills? Or are we just going to add $50 to $60 billion to the debt year after year?

That is what is causing our money to become cheap and almost worthless and the so-called experts around the White House ought to know that. I am inclined to think they do. But it is easier to pick out a tiny minority as a whipping boy and say they are the cause of inflation rather than cut this Government down to size where it could be painful.

Mr. President, this Government has grown to such a point that it is in a critical state of obesity. And the medical world tells us that that is one of the principal causes of death.

We have too much at stake in this great country of opportunity, liberty, and freedom, where we have the highest standard of living of any place in the world, to let this country die because it is weighted down with huge expenditures, deficits, and inflation. So I beg the Carter administration to direct attention to the real cause of inflation and not pick out a scapegoat, a great portion of whom live west of the Mississippi River.

I am afraid they have been reading the election results of 2 years ago rather than bringing their own budget into order.

Mr. President, instead of increasing meat imports we should be closing the loopholes in our present law. We should be changing the operation of the cycle so that at the time of depressed prices of cattle and other livestock in this country we have fewer imports. That will help the consumer. What helps the consumer? A healthy production. If farmers make money, pay their debts, and are able to buy their machinery, paint their buildings, buy new equipment and new automobiles, and now and then build a house, it causes our whole economy to grow.

It is so elementary in economics that we do not create wealth by shuffling papers on Wall Street or LaSalle Street. Wealth is created from our forests, our mines, and the soil. When the farmers of America produce something it is something that did not exist a year ago or a few months ago. It is something that has wealth that puts people to work to transport it, care for it, process it, advertise it, wholesale it, and retail it, and our economy grows and we have jobs in this country when new wealth is produced.

Mr. President, since taking office nearly 18 months ago the Carter administration has shown nothing but ineptness in being able to handle or understand the plight and problems of farmers and rural America.

From the very first the President seemed to have no regard for farmers and cattlemen in his nominations of top level Agriculture Department officials who had little or no background in or knowledge of agriculture. The result of the Carter appointments has been the reorganization of a department that was established to represent farm and rural interest, into one which has actually taken on the posture of opposing most farm and rural interests and concerns.

The President and his administration lobbied long and hard against measures before the Senate that would help the American farmer by providing the opportunity for the farmer to have a voice in the marketplace. That was under the guise that the bill which originated in the Senate was too inflationary.

Now we have the President acting to lift the import restrictions on foreign meat under the Meat Import Quota Act. Why? Because, the President says, beef prices in the United States are too inflationary.

Mr. President, not only do these actions by the administration show utter disregard for farmers and ranchers, but they also indicate total lack of understanding of the American economy and market system.

In each action taken by the administration which has been contrary to the interests of American agriculture, the administration has cried "inflation!" The President and the administration have said that American agriculture is inflationary; that agriculture and farm prices are fueling inflation; indeed, that American agriculture is the root cause of inflation. That is the impression that anyone must get from the actions and statements of this administration to date.

I simply cannot buy the administration's charges. How are record low prices for corn and wheat and sugar and so many other farm commodities inflationary? How is it inflationary that American farmers are going broke, and that the family farm continues to be eroded by the policies of the Federal Government? How is it inflationary that livestock producers can begin to recover from devastating losses of 2 to 3 years that resulted in diminishing supplies of cattle in the United States?

What amazes me the most about the actions by the administration is that it has not said a thing about the impacts of inflation on the farmer and livestock producer. Where is Mr. Carter when it comes time to talk about the skyrocket-

ing cost of production which our farmers have incurred?

Equipment, fuel, seed, fertilizer, chemicals, repairs, maintenance, and other costs have all risen drastically in recent years, to say nothing of taxes, insurance, and other costs of operation.

Surely somewhere, someone was making profit in all of these increases in costs. Where then is the farmer and cattleman to receive his profit if not in the marketplace? Is it inflationary for the producer to recover at least his cost of production? I think not.

Mr. President, the action by the administration to raise imports of foreign meat further shows a lack of understanding of the market and the livestock industry.

Because of the severe losses of recent years, American beef herds now have 16 million fewer head than a few years ago. The reason is because many producers incurred severe losses, some went bankrupt and others went out of business. Most reduced their herds to cut their losses. So now we have a shortage of meat that has caused the market to recover.

But, it will take 2 to 3 years for a good market to result in increased production that will show up in the marketplace. And, that will only be achieved if producers have confidence in the market to encourage them to rebuild their herds.

I suggest that the actions of the administration to increase imports of foreign meat will not instill that confidence in the market that is needed. Instead it will dampen the market and only further compound the shortage.

What this shows us is that the administration does not understand the basic economics of the market system. If American meat remains in short supply and more foreign meat is allowed into the country, the domestic production will only be further depressed. Further shortages will probably lead to still more imports. The end result will be a growing share of the market by foreign meat.

If this situation is allowed to continue for too many years we may find ourselves in the not too distant future with a minimal domestic production of meat, and total dependence on foreign countries for meat. What will happen when that occurs? I can tell you.

We will be at the mercy of the foreign producers who will be able to demand and get whatever price they want for meat. They will get it because we in the United States would not have any choice but to pay it if we want the meat.

Mr. President, consider the recent astronomical price increase for coffee. The United States is not a producing country of coffee, but we are consumers. We are paying upward of $5 per pound for coffee in the supermarket when just 2 years ago we were paying only $2 per pound. But, we are paying it, because we do not have a choice if we want the coffee.

The purpose of these examples here is to point out the long-run inflationary impact that Federal actions will have on the American economy when they are contrary to the continued production of agricultural commodities within and by our own country.

And, that is where I fault this administration above all.

It is time, Mr. President, that this administration take a hard look at what it is doing to hurt American agriculture. Each blow to American agriculture is a blow to the housewife, to all consumers, and to all Americans in the future.

Mr. President, the response in the market to the President's lifting of the import restrictions should be convincing.

Mr. Carter made his announcement last Thursday. By week's end, all trading ended sharply lower. The markets reported a wait and see attitude by producers. Receipts in the country were reported down 5,000 head at Omaha. Buyers are holding back. Futures are down.

The response by the markets since the President's announcement were predictable. While the result may be a lowering of 5 to 6 cents per pound for hamburger in the supermarket, as the White House has said, it will also diminish the chances of rebuilding at the domestic industry for future supplies.

I am chagrined at this action and attitude of the Carter administration. If American agriculture is to survive, and if Americans are to be guaranteed an adequate supply of food at a reasonable cost in the future, we had better have more responsible actions by the Federal Government.

The ACTING PRESIDENT pro tempore. The time of the Senator from Nebraska has expired.

Under the previous order, the Senator from North Dakota (Mr. YOUNG) is recognized for not to exceed 15 minutes. The Senator from North Dakota.

Mr. YOUNG. Mr. President, I share the deep concern of cattle producers over the President's action last week to permit increased beef imports by 200 million pounds over the already large import quotas in effect.

This action was a severe blow to cattle producers, who have suffered huge financial losses over the past 3 or 4 years due to very low cattle prices. Most have borrowed to the limit and others have gone broke and had to quit.

The cattlemen of this Nation have been providing ample supplies of beef, at far below their cost of production and, in effect, have been subsidizing the consumers in recent years. They are entitled to the present better prices to recover at least some of their heavy losses.

It is just recently that cattle prices have increased and have now become the subject of considerable publicity. For the past 3 years, or more, the only fluctuation in cattle prices was usually downward. Even then the beef prices over the counter did not always reflect the low cattle prices. Consumers benefited from these large beef supplies and resultant very low prices as cattle producers sold off their herds. Due to the liquidation of entire herds of beef cattle, and severe culling in other cases, beef production has declined sharply.

The President's action to increase beef imports may help consumers temporarily, but over the long run, will result in decreased domestic production and higher consumer prices.

Cattlemen are only now beginning to make the profits which would repay them for heavy losses sustained in recent years and make it possible for them to expand their herds, which will result in more adequate beef supplies.

During the past 4 years beef prices were exceptionally low, when compared to other items. According to the National Cattlemen's Association, recent beef price increases are not the cause of inflation, and cattle producers do not consider themselves as causing inflation but rather are victims.

I ask unanimous consent to have included as a part of my remarks a letter to the editor of the Minot Daily News, Minot, N. Dak., written by Mr. Brooks J. Keogh of Keene, N. Dak., a former president of the American National Cattlemen's Association; an editorial from the Forum, Fargo, N. Dak.; and an editorial which appeared in the Bismarck Tribune, Bismarck, N. Dak., yesterday. All are critical of President Carter's action in increasing beef imports.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CARTER VERSUS CATTLEMEN

Editor, the News:

The decision of the Carter administration to lift import quotas on beef, as provided in the 1964 import law, is just one more "slap in the face" of the citizens of North Dakota and the Western states.

It is difficult to understand the reasoning back of this move. The current price is hardly sufficient to provide a cost of production to the cattle producer. The farmer and the rancher now receive only 37 cents of the food dollar.

This move will further demoralize the cattle industry and will certainly not encourage additional production. The cattle industry since 1973 has suffered one of its worst depressions. During this time the industry never asked for any federal help, but preferred to allow the free enterprise system to function and live by one of its basic rules—supply and demand. It seems to me this administration needs an education in how this system functions.

It would be my recommendation to President Carter, Bob Strauss and the rest of the administration advisers that they become prepared to tell the consumer why retail prices of meal have not gone down as a result of their action and why the only result has been the chaos caused within this important industry.

As Governor Wallace has said so often, "Send them a message." I can hardly wait for November to do just that; and 1980 will especially be important to me, when I can send a message to the top man.—Brooks J. Keogh, Keone.

CARTER'S ACTION TO LOWER BEEF PRICES UNJUSTIFIED

Just as President Carter was at least holding his own among the farm families of this nation in their opinion as to how well he is doing his job, he dealt them another rap across the knuckles.

Cattle prices, after taking a severe drubbing in the last four years, had just returned to the level they reached five years ago. As a result, the price of beef on the retail counters and in restaurants began to rise.

In the last few months the cost of beef went up about 35 percent. So President Carter proclaimed that the consumers were being hit

in the pocketbooks. He hurriedly lifted the restrictions on beef imported from abroad. The president has opened the American market to the import of 200 million pounds of beef. He claims most of it will go for hamburger and reduce the price to consumers by about 5 cents a pound, saving them collectively $500 million. The savings, if there are any, of course, will apply to every pound of beef sold, not just to the imported variety.

Cattle raisers feel the president is putting all the blame for inflation on this one segment of the farm community.

Some facts to remember:

At the urging of the president Congress raised the minimum wage in all affected industries by 44 percent. The administration said not a word about inflation then.

The coal miners negotiated a contract for a 38 percent wage increase over three years. Only after that contract was safely signed did the president become concerned about inflation, but he didn't ask the coal miners to give back any of their new benefits.

Among others, Rep. Mark Andrews, R.N.D., criticized the president for his quick action to boost imports. In a speech in the House Thursday, the North Dakotan asked:

"Why does the American farmer always have to expect that the administration will insist on opening our markets to all comers, but give no assistance to opening markets in Western Europe, Japan, and other parts of the world for our farm producers.

"Another factor that needs to be considered is that we in Congress have just enacted a farm program designed to bring fair prices to our grain farmers. It takes 13 pounds of grain to make a pound of beef. So, what the president is doing, in effect, is authorizing the import of 64 million bushels of grain."

We agree with the congressman. That doesn't make much sense when the Department of Agriculture is asking the grain farmers to reduce planted acreage by 10 percent or more.

The critical fact is that farmers get only 37 percent of the food dollar, but are asked to bear 100 percent of the costs of the program which the administration jumps into in order to gain political standing with the consumers.

Every nickel that is saved on a pound of hamburger will come out of the cattle raisers' share of the food dollar. The transportation agencies, the processors and the retailers won't contribute a fraction of a cent to the cost holddown.

MEAT IMPORTS NO REAL HELP

Cattlemen are up in arms at President Carter's decision to try to push the price of beef down by allowing more beef to be imported into the country.

If consumers knew what would be good for them, they should be upset, too.

Those who raise cattle, which includes farmers who produce calves for feedlot operators and then those operators who fatten them for the butcher, have a right to be disturbed at the President's action.

There was woeful little concern for them when beef on the hoof brought a poor price; indeed, there may have been joy in Washington inasmuch as poor live beef prices helped keep the cost of steak on the platter from rising more than it did.

Now that prices have risen sharply—though perhaps not as much as they might have risen had they escalated regularly at the same rate as other prices have inflated—the President wants to erase the benefits.

The free market is allowed to work when it works against the producer; when he starts getting some benefit from it, its wheels are jammed by government action.

There is no guarantee, of course, that a change in political control in Washington would make the slightest difference; quite the contrary. When wheat prices rose during the Ford Administration, and Big Labor embargoed wheat exports to "keep bread prices down," President Ford caved in just like President Carter today. Ever since then, wheat growers have paid a price for the Ford capitulation to George Meany—the same George Meany, incidentally, who now wants to make his grip upon the nation tighter by making it easier to force workers to join unions.

Wheat, however, is quite a different economic story from cattle. Given favorable world-wide production conditions, we can easily go from a shortage of wheat one year to a glut the next—and back to a shortage just as quickly when conditions cut production.

Beef doesn't respond as quickly. It takes 2½ to 3 or more years to start a calf and get him to the consumer. It takes double that, and more, when it comes to increasing the number of calves brought to market, because the calf started in the spring of 1978 won't become a mother for at least two years—and until she does there's no way to boost the pounds of beef produced.

Americans can't be sure there will be enough meat on their tables unless they can be sure that American farmers can produce it. They can't rely on Australian or South American growers, whose herds (and production) go up and down, too. If we hold meat prices down by importing more meat, we force domestic producers to keep their herds smaller, which in turn leads to lower production and higher prices. This is why consumers may regret, over the long haul, the President's action.

Mr. YOUNG. I yield the remainder of my time to the distinguished Senator from Montana, who represents one of the big cattle States.

Mr. MELCHER. Mr. President, I thank my friend from North Dakota, Senator YOUNG, for yielding to me.

I would like to make some comments on where the 200 million pounds of increased beef imports will be coming from. We should be looking at their source.

The greatest nation in beef production in the world, the United States of America, with average consumption of beef that far outstrips 90 percent of the rest of the population of the world, producing the largest amount of beef, is going to be looking at all sorts of other countries to send us some more beef. I do not know why that makes any sense. I do not think it does.

But let us look at the plants where that beef might be coming from. Let us ask pertinent questions. Have these plants been inspected by our veterinarians to ascertain and to assure our consumers that those slaughterhouses meet U.S. standards for wholesomeness and sanitation?

Have they even been looked at by U.S. inspectors in the last 3 months to ascertain that? Have they even been looked at in the last year to make sure that American consumers will have sanitary and wholesome beef products when that imported beef reaches here?

Of the 12 nations that have sent us beef in 1978. Australia and New Zealand shipped us the largest amounts, with Canada the third largest amount. There will be little, if any, additional beef coming from there, because Canada had higher beef prices than ours when I last checked a couple of weeks ago and they are likely still higher.

So then we have to look at the Dominican Republic, Guatemala, Honduras, Panama, Costa Rica, El Salvador, Belize, Haiti, Mexico, and Nicaragua for much of that extra 200 million pounds. There are supposed to be 200 million pounds more, over and above almost 1.3 billion pounds slated to come into the United States from these countries. They are supposed to dig up an additional 200 million pounds to send us.

There are other countries that sell small amounts of beef to the United States, other than those I have named, and we will be looking to them to send some more. We will be scraping the bottom of the beef barrel. Exporters will be literally picking up the beef off of their slaughterhouse floors to make up that extra 200 million pounds to be sent to this country.

We are taking that beef away from people in most of those countries who need it far more than do the consumers here in the United States, who consume four, five, six and seven times more meat yearly than the people of those countries. We will be sending food for peace foods for the poor and malnourished in some of those countries while we are buying away from them protein and calories their own people need.

It is a power play by beef exporters from those countries, in cahoots with meat importers in this country, manipulating to make profits for themselves. It may be good for some soup and sausage and TV dinner company profits, but it is no favor to U.S. consumers, particularly with many of those plants not having been inspected recently. Little of it gets on retail meat counters where our consumers can buy it at bargain prices, or inspect it themselves for cleanliness and wholesomeness.

We have a bill in a subcommittee of the Senate Agriculture Committee, S. 2343, in the subcommittee chaired by the distinguished Senator from Vermont (Mr. LEAHY), the present occupant of the chair, and he has agreed that we will hold hearings on the bill to ascertain just what is the current status of inspection of foreign slaughterhouses. The bill is intended to insure that foreign plants shipping to the United States are inspected by a U.S. inspector at least every 3 months.

The foreign plants are licensed to slaughter beef and send it to our country but we are not even sure they have been inspected for U.S. standards during the past year. There was a period last fall when our foreign review officers—inspectors of foreign packing plants—were not allowed to travel abroad to do their work. Obviously our foreign plant inspection is behind on its normal schedule.

We are deeply indebted to Senator LEAHY for his agreeing to schedule hearings on S. 343, because it is most timely and most significant for consumers so they will know whether the beef that is going to be coming in from some of these countries actually has had the benefit of inspection by our veterinarians to make sure it meets our standards.

The same week that proposition 13 passed in California, the beef import tonnage was increased. It probably has some relevance and relationship to what the Californians told us in that vote. They are tired of State and local governments taking too much in higher taxes. If there is anything we need throughout all America, for all of our people, it is some control over taxes. The California message comes through to us here in Washington, too, and we are going to have a Federal tax reduction, as we should this year, for individual income taxpayers.

This country needs a sound economy that requires less imports to establish a stronger dollar that is part and parcel of what the American people are tired of enduring—a constant erosion of their dollars. They are tired of taxes that are too high; they are tired of too much importing into this country of all the goods and commodities that we import unnecessarily, and they are anxious—they are demanding—that we pay more attention to our domestic industries here in the United States. Helping U.S. industries and U.S. business helps U.S. people and U.S. taxpayers. The people are demanding that we cease being an Uncle Sugar to foreign countries.

I think the increase in beef imports is another indication of our lack of concern about the strength of our own industries and, in the case of more meat imports, a lack of concern about our American beef industry and the welfare—both short term and long term—of our consumers.

There is already a movement toward cow selloffs developing in the Middle West and West among discouraged cattlemen. They have reduced our cattle herd from 132 million head to 116 million as a result of bankruptcy prices the last 3 years. They were just starting to rebuild herds a little when they were slapped with this 200-million-pound increase in meat imports. Now the talk is of cow selloffs again.

The increase in beef import quotas was a mistake from every point of view—cattle industry, national economy, and consumers themselves. I sincerely hope that hearings and consideration of S. 2343 will help avert lowering our meat quality standards.

I thank the Senator from North Dakota for yielding to me.

Mr. YOUNG. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from North Dakota has 5 minutes remaining.

Mr. YOUNG. I yield the remainder of my time to the Senator from Utah (Mr. HATCH).

BEEF IMPORT QUOTAS—ANOTHER ADMINISTRATIVE ANOMALY

Mr. HATCH. Mr. President, the American cattle industry has been in a loss position for the last 4 years. Literally hundreds of millions of dollars of debt have been incurred by cattlemen across the western United States. Many of them are just now beginning to recover some of the losses they have had to bear over the past few years. The beef industry is in a rebuilding stage. It is a crucial time, because cattlemen across the West must decide, in the next few weeks, whether to sell their cattle for slaughter or expand their herds. It is unfortunate that at such a critical decisionmaking time for cattlemen, the Carter administration should interfere.

The President's decision to increase beef import quotas by 200 million pounds is just another example of the administration's total disregard for the Western States. It is further proof that the President it literally writing off the livestock industry of the West, including the cattlemen themselves. The President has succumbed to short term pseudo consumer pressures at the expense of the cattlemen of this country. They have the ability to meet the needs of consumers and will do so if the Federal Government will discontinue its efforts to manipulate the beef market by adjusting quotas. At a time when the price of beef would normally decline anyway due to consumer use and market demands, the President by his quota juggling actions will appease many consumer groups and take full credit for any drop in beef prices.

Mr. President, the beef industry is recovering from a near disastrous situation. When cattlemen were hurting from low prices, they did not ask for Federal assistance. Now that prices are getting in line with inflation they do not want Government interference. I am worried, not so much from what may happen as a result of the additional 200 million pounds of imported meat but rather from the psychological effect that it has produced on the cattlemen in Utah and across the West. Cattle producers are under very heavy pressure to liquidate their loans. When they see a total disregard for their industry by the President's actions and feel that Washington no longer cares about them, many of them will give up. Rather than increase their herds, they will sell out. Secretary of Agriculture, Bob Bergland, has said that renegotiations of existing import quotas or suspension of the import restrictions would be a "tragic mistake." He also apparently agrees with my thinking that cattlemen will be forced to liquidate large portions of their herds in order to pay off their notes and, further, has said that this could cause the supply of beef to be held down even longer. Consumers would then pay higher prices for meat over a longer period of time.

Mr. President, the long-term impact of this decision will be monumental. Indeed, due to the psychological repercussions I have discussed it could reduce beef production in the United States drastically. I strongly urge the President to reconsider this decision and ask that beef imports be continued under the present policy.

Mr. President, how much time do we have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 1½ minutes remaining.

Mr. HATCH. I yield the remainder of my time to the Senator from Wyoming.

Mr. WALLOP. Mr. President, in view of the time situation, I ask unanimous consent that I might be yielded 2 or 3 minutes off the other side's time.

The PRESIDING OFFICER (Mr. MELCHER). Neither of the other two Senators who have time allotted to them appear to be on the floor at this time.

Mr. BENTSEN. Mr. President, if the Senator will yield, would he advise how much time the Senator has requested?

Mr. WALLOP. Approximately 3 minutes.

Mr. BENTSEN. I seek recognition also.

Mr. BELLMON. Mr. President, will the Senator from Texas yield the Senator from Oklahoma 3 minutes also?

The PRESIDING OFFICER. The time has been charged to Senator CLARK and Senator ZORINSKY. Neither are on the floor at the present time. A unanimous-consent request, however, is always appropriate.

Mr. BENTSEN. Mr. President, I ask unanimous consent that I be yielded 5 minutes, if the other two Senators have not arrived by the time the Senator from Wyoming has finished, to use a part of their time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. Does the Senator from Wyoming seek unanimous consent?

Mr. WALLOP. Yes. Should either of the other Senators appear, I will reinitiate the request for time.

The PRESIDING OFFICER. How long is the Senator asking for?

Mr. WALLOP. The Senator asks for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. I thank the Chair, and I thank the Senator from Texas.

Mr. BENTSEN. Mr. President, I ask unanimous consent that I may follow the Senator from Wyoming.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I join with other Senators in expressing outrage at the administration's action in allowing this additional 200 million pounds of beef to be imported. They build a straw man call it a cow-calf man, call it a feeder, call it America's beef producer, and then they stand back and throw darts at him, stick swords in him, and everything else, posturing in front of the American public, trying to make the consumers think this administration has courage when it attacks less than 4 percent of this country's producing men and women.

The result of what they have done in my State has been to cut approximately $4 a hundred off the real price of cattle, right now. To translate that for those who do not know what this business is all about, it means the feeder is going to have to feed for 30 days free, to satisfy the Carter administration's desire to have a public media campaign that will not do anything for the cost of living.

It means the grass man will graze 40 days without a profit, and the cow-calf man will graze for 50 days. The result will be, guess what? More inflation, not less.

That 200 million pounds was afloat on the world market. That is all there is left in the world market, and it was the one thing that kept the world market competitive. I think we will see that the world meat price rises directly to meet the demand here. It will do nothing for the American consumer; but they have put us, the cow and calf men, the beef producers of America, in a position of confrontation with our customers. They make us look like the bad guy in the situation, when we are trying to supply a customer who has been satisfied with the product we have produced.

Mr. President, it is absurd, it is cruel, it is undignified, and it is unworthy of the President of the United States to take an action which does only harm. There is no compensating good. There will not be a drop in price except momentarily, but there will be discouragement and a long-term desire on the part of the people in the producing end of this business to get out of it.

The President might well take a look at the people who produce his own product, the peanuts. They have a tariff and an import quota. Why was that not included? If we are going to whip people in this country, why not whip everybody who produces in America?

It is like saying we are going to awaken from the great American dream and find too few Japanese alarm clocks to get us up. Maybe we ought to have an increase in Japanese alarm clocks, Japanese television sets, Japanese automobiles, Italian shoes, and every other kind of import.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BENTSEN. Mr. President, I share the disappointment of my colleagues at the recent administration decision to raise the beef import quotas. This is the same shortsighted policy which has been followed by past administrations. The results of such policies are remembered to this day—meat prices so high that a consumer boycott was organized, followed by cattle prices so low that the last 3 years were the worst in the history of the American cattle industry. And now we are once again seeing consumer meat prices whipped rapidly upward by this exaggerated boom-and-bust cycle which the current meat import law and administration decisions have fostered.

Mr. President, I have just returned from some of the negotiations on GATT. I am a member of the Finance Committee, and our committee will have jurisdiction concerning those negotiations. In Geneva, I met with our negotiators to talk about our being able to resist some of these beef imports.

Ours is the only major beef producing nation in the world that does not have sharp restrictions on the importation of beef. Year after year, the Meat Import Act of 1964 has been violated. The quota has been lifted year after year. It has been a political decision and a Presidential decision.

While I was in Geneva speaking with people negotiating on GATT, I had the opportunity to meet with the Australian and New Zealand negotiators. They are very upset with any kind of quotas in this country. I can understand that from their viewpoint. They want to take care of whatever increase there is in this country in the consumption of beef. They want to sell New Zealand beef and Australian beef in the American market, because it is one of the major markets in this world. And they are being allowed to do that at the expense of our producers and our consumers.

What we ought to be doing is saying to the Japanese, as I said in Geneva to their negotiators, "You are either going to buy more from us or we are going to buy less from you. This idea that you are going to import some 10,000 metric tons of beef is a mere pittance indeed when you have about a $9 billion surplus in trade to us." The Japanese today do not import as much as one thin hamburger pattie per person per year.

When they talk to us in this country, they say, "The kind of beef you are going to be receiving today, this extra 200 million pounds, is lean beef or is hamburger meat." The idea that we do not produce hamburger meat in this country makes no sense at all. Any time you are liquidating herds, what are you selling off? You are selling off bulls. You are selling off old cows. That is lean meat and much is used to make hamburger meat.

The decision to allow in an extra 200 million pounds of beef will have little impact on prices in a 25-billion pound consumption market, but it is a tremendous psychological blow to the cattlemen. The small cattle producer has been hanging on by his fingernails for the last 3 years, and many have slipped away into bankruptcy. During this period of low prices and forced herd liquidation he has had no help from the Government and asked no help from the Government. In fact, his Government has actually hurt him by using a meat import formula which allows more price-depressing imports in response to this same forced liquidation.

At a time when consumer beef prices are once again increasing, at a time when demand is again outstripping supply, we are now telling the American cattleman to use extreme caution in rebuilding his herd, because the Government is once again ready in an instant to suspend the quotas set by law, to change the rules in the middle of the game.

Mr. President, the United States now has no real policy on beef imports. In the last 7 years quotas were called for under the law, despite the administration's "voluntary restraint agreements," six times, and in each case the administration immediately suspended the quotas. Do you wonder that our cattlemen are nervous about increasing their production in the face of competition from foreign beef? We must limit the arbitrary suspension of quotas, reassuring the American cattleman that he will not be victimized by a political decision whenever he tries to meet the demands of the American consumer for a dependable supply of high-quality meat.

Mr. President, our current policy is wrong. I have stated this point before, both here on the floor and directly to President Carter, and I will continue to state it until the message is heard. We are not being honest with either the cattlemen or the consumers in continuing the present policy. I have introduced legislation to put our policies back on a fair and honest course which is beneficial to both consumers and producers. This legislation, now designated H.R. 5052, easily passed the Senate, but is now bottled up in the House by administration opposition.

The Bentsen bill will help stabilize the price of beef in this country. It helps people stay in the business of producing beef, and lets them make the long-term investments which have to be made to bring about economies in the production of beef which can be passed on to the housewife. It allows some of the modernization which has to be accomplished.

This bill would get rid of the boom-and-bust cycles we have seen in cattle production in this country. The large rancher can often carry himself, with credit, through the bottom of that cycle; but the small rancher is wiped out of business.

Each time we see this roller-coaster effect, when the price starts back down again for the cattleman, it never goes quite that far down for the housewife at the meat market. That is about the time the retailer decides he is going to make up some of his profits on beef. The next time the cycle starts up again, you find the price for the consumer starts at a much higher level. The retail price continues to rise and the housewife and the rancher are the losers in this process.

Those opposing my bill have said that it is inflationary and that it restricts imports.

Mr. President, those people have not done their homework. I have in my hand a detailed study done by the Library of Congress which concludes that the countercyclical formula I introduced would result in a reduction in consumer meat prices over the short term, and that over the long term it would provide benefits to both cattle producers and consumers. This study is based on USDA figures and USDA estimates. The USDA analysis indicates slightly lower prices for choice beef in 1979 and 1980 with the Bentsen bill than with the current law.

Mr. President, is this inflationary? No, it is not, and the USDA itself says it is not.

Again, I quote:

> Through 1984 the Department model projects that, compared to current policy, the countercyclical formula of the Bentsen bill would result in greater total beef and veal imports.

Again, Mr. President, USDA itself denies that my bill is more restrictive than current law. Over the current 10-year cattle cycle, this bill woud actually allow more imports than does the existing law.

This bill will help cattle producers as well as consumers. Again, I quote the USDA conclusion:

> Through 1984 the Bentsen bill would have a slight moderating effect on rising prices for cattle and choice beef. For the years 1985 through 1987 the countercyclical formula, compared to the present law, would result in slightly higher cattle and retail choice beef prices.

This will stay the whip that has lashed out at cattle producers for the last 3 years. These extreme price cycles are ruining our small farmers, because in many years only large producers have the financial resources to withstand a siege of very low prices.

Mr. President, when these small farmers disappear there is no one to take their place. The large farms merely get a little larger.

We can no longer tolerate the vicious extremes of these price cycles which are amplified by our current law. The small farmer is being driven out of business, but what of the consumer? How can anyone prepare a budget to meet long-term payments on a house mortgage, a car, a life or health insurance policy, savings for a child's college education when they do not know within 75 cents per pound what hamburger meat will cost next year? The American consumer needs this stability in prices just as much as the American cattleman does.

Mr. President, there is an overwhelming preponderance of hard evidence from all sources that the Beef Import Act of 1978 will vastly improve the current meat import law, with significant benefits to both producers and consumers.

At this time I ask unanimous consent to insert into the RECORD a copy of my letter of June 9, 1978, to President Carter on the beef import decision. I also ask unanimous consent to insert and commend to the House and to the administration a copy of the Congressional Research Service Study dated June 9, 1978 and entitled, "An Economic Impact Analysis of the Beef Import Act of 1978."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 9, 1978.

Hon. JIMMY CARTER,
President of the United States, The White House, Washington, D.C.

DEAR MR. PRESIDENT: I want to express my disappointment with your announcement that an additional 200 million pounds of beef will be allowed to be imported into the United States this year. I understand and appreciate your concern about the current price of beef in retail outlets across the country. However, I must point out that the American cattleman has had to cope with extremely low prices for his product the past several years, forcing a severe herd liquidation. For the first time, the cattleman is able to receive a price in the marketplace which will allow him to continue his operation, and begin a buildup of cattle which will benefit the American consumer.

I believe the additional meat to be imported by renegotiating voluntary agreements with exporting countries will not benefit the consumer in either the short or long run. The delay in herd rebuilding caused by additional imports will only add to the problems which consumers are currently encountering at the supermarket.

The American people consume 25 billion pounds of beef every year and the idea that increasing beef imports by 200 million pounds—less than one percent of consumption—will have any appreciable effect on the price of beef at the supermarket is wrong. This action will, however, have a serious psychological impact on the ranchers who provide the vast bulk of the beef that the American people enjoy each year. These ranchers have struggled through some lean times in recent years, years when it cost them more to raise cattle than they could sell them for. During those years when rock bottom prices were forcing many ranchers out of business government didn't step in with an offer to help. Now, though, their government has made a symbolic gesture these cattlemen view as hostile to their interests and they are rightfully disturbed. The only result from increasing the beef import quota will be to increase the belief among cattlemen that their government is against them and I would urge you to reverse this action.

Mr. President, I have been working to resolve this serious problem which affects all Americans. My legislation, known as the "Beef Import Act of 1978" (H.R. 5052), which passed the Senate on May 5, will correct this problem.

My bill will add a countercyclical formula to the Meat Import Act of 1964, which will have a stabilizing effect on the market for both consumers and cattlemen. It would automatically allow more imports into the United States when our domestic supplies are low, and it will decrease imports when domestic supplies are high. This bill would reduce the roller-coaster effect at the market, and assure the American consumer that sufficient quantities of red meat will be available at reasonable prices. With the enactment of my legislation, it would not be necessary for the President to raise the import limits because sufficient beef will always be available.

I believe we must add stability to our beef supply. I hope you will seriously consider my legislation which will accomplish your desire to help the American consumer.

Sincerely,

LLOYD BENTSEN.

AN ECONOMIC IMPACT ANALYSIS OF THE BEEF IMPORT ACT OF 1978 (H.R. 5052)

H.R. 5052: SUMMARY OF PROVISIONS

The Beef Import Act of 1978, H.R. 5052, passed the Senate May 5, 1978, with the following provisions:*

1. A formula to adjust the annual quota for U.S. imports of fresh, chilled and frozen beef established by the Meat Import Act of 1964 (P.L. 88-482). Under current law import quotas automatically rise with increased domestic production of fresh, chilled and frozen beef ("unprocessed beef"). When domestic production of this beef declines, the import quota is lowered. The proposed adjustment would increase the import quota as domestic supplies of beef decline, and lower quotas in periods of abundant domestic supplies. "Domestic supplies of beef" are defined in H.R. 5052 as domestic commercial cow slaughter. The exact formula is given in Appendix 1.

2. Establishment of a quota for processed beef and veal. Corned beef, beef sausages, cured and pickled beef and veal, and certain other prepared or preserved beef and veal items are not subject to the import quotas of P.L. 88-482. Under the formula of H.R. 5052 average imports of these items during a base period (1973 through 1977) would be adjusted to reflect domestic commercial production of beef and veal and commercial cow slaughter. (See Appendix 1 for the exact formula). With this formula the quota for processed beef and veal items would increase as domestic supplies of beef decline. The quota would be lowered in periods of higher domestic supplies.

3. Quarterly estimates of quota items. The bill requires the Secretary of Agriculture to estimate and publish the yearly quotas set forth for unprocessed and processed beef prior to the start of each calendar quarter. Estimates of processed beef imports are not required by current law.

*The Senate Finance Committee substituted the Beef Import Act of 1978 for an unrelated bill which had previously been passed by the House.

4. Quarterly imposition or removal of quotas. If, based on the quarterly estimates, the Secretary establishes that the yearly imports of unprocessed beef will be 110 percent or more of the quota, then the President is required to impose the quota. The additional 10 percent "trigger" is the same as current law, but the use of the quarterly estimates is not presently mandated. The same mechanism is applied to processed beef items. Quotas are removed if the quarterly estimate shows the yearly quota (plus 10 percent) will not be reached, except if this happens for fourth quarter estimates when the quota has been imposed during the third quarter. In that event the quota is continued. Another section adds a new requirement that no more than 54 percent of the established yearly quota may be imported during each of the six month periods following January 1 or July 1 of that year.

5. Modified restrictions on Presidential action. Under current law the President may suspend proclamation of a quota or increase the quota quantity if he determines that:

"(1) such action is required by overriding economic or national security interests of the United States, given special weight to the importance to the Nation of the economic well-being of the domestic livestock industry;

(2) the supply of articles of the kind described will be inadequate to meet domestic demand at reasonable prices; or

(3) trade agreements entered into insure that the policy set forth in the act will be carried out."

By contrast, H.R. 5052 authorizes such Presidential action if:

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices."

In addition, under current law the President may suspend or increase quotas for such a period as he determines may be necessary to carry out the purposes of the Act. Under H.R. 5052, the effective period of any such suspension or increase "may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, notwithstanding the provisions of section 202(a) of that Act."

6. Quota shares for supplying countries. The shares of the quota for unprocessed beef are allocated to supplying nations under the present law on the basis of their respective shares of unprocessed beef imports. This procedure is continued under H.R. 5052 and is applied to processed beef and veal items as well.

7. Study of regional impacts. A new feature is a requirement that the Secretary of Agriculture shall study the regional economic impact of meat imports. The Secretary must report his findings and any recommendations he may have to the Senate Finance Committee and the House Ways and Means Committee by December 31, 1979.

BEEF IMPORTS

According to the Department of Agriculture, between 1969 and 1977 the United States imported on average 2.4 billion pounds of meat, including beef and veal, pork, lamb and mutton (not including live animals). This averaged 6.3 percent of U.S. meat consumption. A large portion (75 percent) of this meat has been beef and veal, about 85 percent of which is generally fresh, chilled or frozen and subject to import quota restrictions under Public Law 88-482. Beef and veal

imports averaged 7 percent of beef and veal consumption in the U.S. between 1968 and 1977. (See Appendix 2).

COUNTERCYCLICAL IMPORT FORMULAS AND THE CATTLE CYCLE

The features of the bill with greatest economic significance are the new formulas for determining import quotas and the establishment of a quota for processed beef and veal items. The term "countercyclical" has been used to describe the new formulas because of the relationship they would establish between U.S. beef imports and the domestic cattle cycle. Higher feed prices beginning in 1973 and lower cattle prices in 1974 and 1975 precipitated a decline in the nation's beef herd between 1975 and 1976. One result of the increased marketings resulting from this herd liquidation has been relatively low beef prices for consumers. It now appears that this liquidation phase of the cattle cycle is over. Farm prices for cattle are on the upswing, which will encourage producers to hold back cattle for fattening or breeding. As prices are expected to increase continuously for the next year or so, more cattle are expected to be retained. This will mean significantly higher beef prices for consumers until supplies become so large as to trigger larger marketings. As slaughter picks up, prices will decline, encouraging further liquidation, and so on.

The formula of existing law moves import quotas with the cattle cycle. With commercial production of beef and veal declining in the next few years, the import quotas will likewise decline if current law is unchanged. Barring suspension of the quota by the President, the result will be further restrictions in the total supply of fresh, chilled or frozen beef. If domestic commercial production begins to increase in the mid 1980's as expected, the import quotas would be raised.

By contrast, the likely affect of the countercyclical adjustment of H.R. 5052 to the current quota formula for fresh, chilled and frozen beef would be higher quotas for these items during periods of rebuilding (low commercial production) in the cattle cycle. The adjustment uses the slaughter of domestic commercial cow beef as an indicator of the phase of the cattle cycle. Cow slaughter increases during periods of liquidation in the cycle, and declines when producers retain cows for breeding purposes. The adjustment is as follows:

Average annual per capita supply of domestic commercial cow beef during the 10 calendar years preceding the year under consideration

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Average annual per capita supply of domestic commercial cow beef in the calendar year under consideration and in the preceding year

The ratio for any given period will be most strongly influenced by the two year cow beef supply average in the denominator. If these supplies decline rapidly because of herd rebuilding the denominator gets smaller and the adjustment ratio increases. Import quotas are in turn increased. This is the likely situation for the next few years in the livestock industry: retention of cows, higher farm and retail prices. On the other hand, as cows are slaughtered in larger numbers the denominator gets larger, the overall adjustment ratio gets smaller and the import quotas are lessened. This would correspond to the situation of the last few years and the expected conditions three or four years hence. It is expected that downward swings in import levels would be more abrupt and briefer under this formula. This is because slaughter (increased supply) increases more rapidly than the decline in marketing which occurs during rebuilding in most cattle cycles. Because unprocessed beef imports are generally mixed with domestic beef and then used as hamburger, the countercyclical impact would be felt most strongly with this beef product. Rebuilding removes an important source of hamburger meat from the market, namely cows. The countercyclical formula would increase imports during rebuilding periods when hamburger grade beef is in relatively shorter supply, and decrease imports when cow slaughter increases.

The effect of a new quota on processed beef items is uncertain mainly because of the fluctuation in their import levels. Processed beef has never comprised more than 19 percent of total beef imports, although it may be trending upward. Processed beef imports average, at most, 1–2 percent of current meat consumption in the United States, so a sizeable increase would be necessary before quota restrictions would significantly affect either farm or retail prices. Political difficulties with exporting nations are perhaps a more relevant consideration than domestic economic impacts.

As for the structure of this quota, the base period used in the calculation is 1973 through 1977, during which imports of processed beef were only slightly lower than for the period 1965 through 1976. The base is modified first by an adjustment reflecting commercial beef and veal production as follows:

Average annual domestic commercial production of beef and veal in that calendar year and 2 previous calendar years

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Average annnual domestic commercial production of beef and veal during the years 1973 through 1977

The average used in the denominator of this ratio is rather high by historic standards, which would have the effect of keeping the overall ratio relatively low and stable. A second (countercyclical) adjustment is identical to the mechanism used for fresh, chilled and frozen beef and veal.

ECONOMIC ANALYSIS

Long term

Because the cattle cycle may span as many as 7 to 10 years, it is especially important to look at the long term effects of policies linked to it. Using a mathematical model of the cattle industry, the Department of Agriculture projected beef imports through 1987 under the assumption that current law would be continued. This "base" solution was then compared to one incorporating the countercyclical adjustment of H.R. 5052. (See Table 1) Other long term analyses were not available for study. It is important to note that long term projections of the type used for this analysis become less reliable as the interval expands. Given the state of flux in the cattle industry at present even short term projections may be highly inaccurate. The results of the USDA analysis listed in Table 1 should be considered "best guesses."

TABLE 1.—VALUES OF SELECTED VARIABLES UNDER 2 BEEF IMPORT ALTERNATIVES, PROJECTED 1978–79

BEEF IMPORTS

[Million pounds, carcass weight]

Year	Base	Bentsen bill	Difference
1978	2,119	2,250	131
1979	2,040	2,175	135
1980	1,953	2,325	372
1981	1,918	2,443	525
1982	1,954	2,457	503
1983	2,004	2,434	430
1984	2,053	2,343	290
1985	2,134	2,030	−104
1986	2,259	1,680	−579
1987	2,363	1,560	−803

RETAIL PRICE, CHOICE BEEF

[Cents per pound]

Year	Base	Bentsen bill	Difference
1978	157.0	157.0	0
1979	166.7	166.6	−.1
1980	173.3	172.8	−.5
1981	176.6	176.0	−.6
1982	183.3	182.8	−.5
1983	189.3	189.0	−.3
1984	194.0	193.8	−.2
1985	198.4	198.7	+.3
1986	204.2	205.1	+.9
1987	216.0	217.2	+1.2

FARM PRICE, ALL CATTLE

[Dollars per hundredweight]

Year	Base	Bentsen bill	Difference
1978	42.40	42.40	0
1979	45.85	45.80	−.05
1980	48.20	48.00	−.20
1981	48.60	48.50	−.10
1982	50.30	50.20	−.10
1983	51.60	51.50	−.10
1984	51.75	51.70	−.05
1985	50.40	50.50	+.10
1986	49.80	50.10	+.30
1987	53.45	53.90	+.45

Source: U.S. Department of Agriculture.

Through 1894 the Department model projects that, compared to current policy, the countercyclical formula of the Bentsen bill would result in greater total beef and veal imports, including processed and unprocessed items.* For individual years the increases would be 7 to 27 percent above the base projection, an average of 376 million additional pounds (c.w.e.) per year. The analysis shows that after 1984 the rebuilt cattle inventories trigger increased slaughter, and the cycle swings in the other direction. Relative to the base solution, imports under the Bentsen formula are then more restricted. By 1987, the last year analyzed, the countercyclical adjustment results in import levels about one third lower than in the base solution. Because slaughter proceeds at a faster rate than rebuilding in the cycle, the countercycle adjuster in H.R. 5052 moves more abruptly on the downward side (reduced imports).

USDA also examined the effects of these alternative import levels on farm and retail prices. Through 1984 the Bentsen bill would have a slight moderating effect on rising prices for cattle and choice beef. For the years 1985 through 1987 the countercyclical formula, compared to the present law, would result in slightly higher cattle and retail choice beef prices. The Bentsen formula had no significant effect on cattle inventories over the period, but per capita beef consumption was boosted slightly through 1984 relative to the base solution.

Based on the USDA analysis and the general concept of a countercyclical formula for imports, it would appear that H.R. 5052 would mollify some of the effects of the cattle cycle, providing some long term benefits to both cattle producers and consumers.

SHORT TERM

In the next few years the countercyclical formula of H.R. 5052 for unprocessed beef and veal imports would result in higher im-

* In the study total beef imports were arrived at by increasing the projected unprocessed beef amounts by 20 percent to account for processed beef items in both scenarios. Processed beef items have made up only 10 to 15 percent of total beef imports in recent years, but USDA analysts assumed an upward trend. The ten product "trigger" levels were not used in either the base or the Bentsen solutions.

port quotas than would exist with the current law. However, since the bill would probably not take effect until 1979, and since cow slaughter data for 1978 and estimates for 1979 would be necessary to compute the new quota, it is uncertain as to how much higher the quota would be. The National Cattleman's Association estimates the quota for unprocessed beef and veal would be 2 percent higher in 1979 and 9 percent higher in 1980 with the Bentsen bill. Professor Donald E. Farris of Texas A&M estimates that the existing quota could be adjusted upward by as much as 28 percent in 1979 and 45 percent in 1980 under the Bentsen proposal. Referring again to the USDA study, total beef imports would be 7 percent higher with H.R. 5052 than with current law, and 19 percent higher in 1980.

Given these varying estimates of the exact adjustment that would take place, and the rapidly changing developments in the cattle industry, it is very difficult to make reliable estimates of even short term inmpacts of enacting H.R. 5052. The USDA analysis indicates slightly lower prices for choice beef in 1979 (— .1 cent per pound) with the Bentsen bill than with current law; the estimate for 1980 is a 0.5 cent reduction. Use of the USDA import estimate under the Bentsen bill in the Chase Econometrics, Inc. agricultural model showed the consumer price index for beef and veal would be perhaps 0.8 percent lower than with current law in 1979, and about 2 percent lower in 1980. The Chase model showed no impact on the overall CPI with the USDA import projections for H.R. 5052.

With respect to cattle prices, the USDA study showed a very slight decline in 1979 and 1980 with the Bentsen alternative, compared to current law (less than half of one percent). The Chase model indicated somewhat larger impacts. In 1979, the higher beef import levels would lower the farm price of all beef by about 1.45 percent, and by almost 3.3 percent in 1980, relative to existing law.

Overall, it would appear the bill would not have a large impact on either retail beef prices or on the farm price of cattle in the short term.

APPENDIX I

QUOTA FORMULAS UNDER H.R. 5052—FRESH, CHILLED AND FROZEN BEEF

$$\text{Annual quota for imports of fresh, chilled and frozen beef} = (725.4 \text{ million}) \left(\frac{\text{Average domestic commercial production of fresh, chilled and frozen beef in the calendar year and 2 previous years}}{\text{Average domestic commercial production during 1959–63}}\right) \left(\frac{\text{Average annual per capita supply of domestic commercial cow beef during the 10 calendar years preceding such calendar year}}{\text{Average annual per capita supply of domestic commercial cow beef in that calendar year (as estimated) and the preceding calendar year}}\right)$$

Quota computed under existing law — Countercyclical adjustment added by H.R. 5052

NEW FORMULA—PROCESSED BEEF AND VEAL

$$\text{Annual quota for processed beef and veal} = \left(\text{Average annual imports of processed beef and veal during 1973 through 1977}\right) \left(\frac{\text{Average annual domestic commercial production of beef and veal in that calendar year and 2 previous years}}{\text{Average annual domestic commercial production of beef and veal during the years 1973 through 1977}}\right) \left(\frac{\text{Average annual per capita supply of domestic commercial cow beef during the 10 calendar years preceding such calendar year}}{\text{Average annual per capita supply of domestic commercial cow beef in that calendar year (as estimated) and the preceding year}}\right)$$

Base — Regular adjustment — Countercyclical adjustment

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, last Thursday President Carter directed Secretary Bergland to renegotiate our voluntary agreements with beef-exporting nations to allow an additional 200 million pounds of beef to be imported into the United States. This action is a breach of trust by the Government. It is unfair to farmers. It will not significantly reduce prices consumers pay for beef. And, it may very well cost consumers millions of dollars in higher beef prices over the long run.

In short, I believe this is an ill-advised and ineffective action, and one that will hurt both consumers and producers.

On May 5, the Senate passed S. 2895, a beef-import bill that would limit the President's arbitrary authority to lift quotas on beef imports. I am a cosponsor of that bill. It would allow the President to suspend or increase quotas only if he declares a national emergency under the National Emergency Act of 1976 and determines the suspension or increase is necessary for national security, or if he determines the quota amount is inadequate to meet domestic demand at reasonable prices as a result of a natural disaster.

I urge the House of Representatives to act promptly to consider and pass this bill so that it can be sent to the President very soon. I believe that the President and his advisors need to receive a strong signal from the Congress that frenzied overreactions each time farm prices reflect a change in supply are not good policy and are not in the best interest of the Nation. We saw the damage embargoes did to our overseas markets in 1973, 1974, and 1975. I find it astonishing that the President has not learned from those experiences and that he is using his authority in this way at this time. I am convinced that we must reduce the President's authority to change the rules.

The current beef import decision is clearly an overreaction on the President's part. The livestock industry is still reeling from a long, long series of economic shocks that began in 1972 and 1973. By the summer of 1974, feed prices were as much as 3 times the levels of 1971, and other prices were up as well.

Cattle prices did not follow costs, but stayed around $45 through 1973. Then, profits went through the floor as prices fell to around $36 by the third quarter of 1974 when producers began to sell off their herds.

The dimensions of this disaster for livestock feeders are staggering. A cattle feeder in the cornbelt who sold cattle in each quarter since January 1973 made $45 on those sold in the first quarter, but lost increasing amounts on each succeeding sale that year—$81 on those sold in the second quarter; $91 in the third; and $96 in the fourth. He lost on sales in 3 of the 4 quarters of 1974; 2 quarters of 1975; and all 4 quarters of 1976 and at least 2 quarters of 1977. He lost money on cattle sold in 15 of the 20 quarters between 1972 and 1978, and for 2 of those quarters the average per head loss was more than $104.

This has been a nightmare for many Iowa farmers and their families. Many dropped out of the business.

It is to these cattle feeders that the President is turning now for higher beef production. And, producers will undoubtedly increase production once they have confidence that cattle feeding will be profitable again. But confidence in the market is often an elusive thing that takes time to build. Cattle feeders I have talked to in recent weeks had considerable confidence in future consumer demand for beef. But, they were concerned about Government intervention. Last Thursday's action has changed the mood in my own State of Iowa from one of growing confidence to bitterness and uncertainty, at least temporarily. It may well take several months of favorable prices to restore that confidence. Cattlemen tell me that the President's action cost them about $5 per hundred for cattle sold during the past several days. That amounts to $50 per head—probably more than half their profit.

I have no doubt that the combined psychological and economic impact of the President's Thursday decision will slow the long process of herd rebuilding and increasing the supply of beef. If that is so, the decision to import more beef in 1978 will end up by actually increasing prices consumers pay for beef in future years.

Cattle producers are very seriously concerned about the Government's policy toward their industry. They remember very well the restrictions that were placed on beef prices in 1972 and 1973—restrictions that were not placed across the board on all commodities. And, now they are concerned because the Government is taking action to hold beef prices down when no such actions have been taken to hold down prices of other agricultural commodities or other consumer commodities even following sharp price

increases. The cattle industry is very proud of its role in the American diet, and the preference consumers have for beef. But, they are increasingly concerned that this important role makes them too prominent a target for government action following each adjustment in prices.

I share these concerns. I see by the most recent USDA release on meat imports that the retail price of hamburger was 88 cents in 1975 and 88 cents in 1976 and 85 cents in 1977 and that it was between $1.03 and $1.13 on June 6. USDA says the increase in imports will knock 3 cents off of that price.

It is only fair to point out that had hamburger that was 88 cents per pound in 1975 increased only as fast as the Consumer Price Index for all items, it would be expected to be $1.06 right now—about what it is. That means the administration's import decision is in fact an effort to hold hamburger price increases below the rate of increases expected—and allowed—all consumer items. It appears to me that the President is setting a different standard for hamburger and for beef than for other consumer items—a standard that is unfair and inequitable.

I have also heard the argument that more imported beef is needed because cattle prices are increasing too rapidly, and that will over-expand cattle numbers and beef supply—and, over expansion could lead to overproduction and eventually to price breaks that would cause producers even greater grief.

It is true that cattle numbers and prices follow cycles, and that these are more or less extreme depending on the economic setting. But current cattle prices are not extremely high considering other prices and costs of production. Steer prices at Omaha are around $55, or a little more. USDA says cost of production of this steer is $49. A return of $6 per hundred is 12 percent—not exactly outrageous, or a level that would be expected to cause the industry to expand too rapidly, even if expansion could be achieved in a short period of time. If cattle producers had been turning a 20 percent or 30 percent profit for some time, I would have been a lot more sympathetic with the administration's action. But frankly, Mr. President, I simply do not understand how the administration expects the industry to sustain a healthy expansion on a gross return of any less than the 12 percent figure they intend to push down.

In this connection, I want to quote briefly from the most recent USDA publication on this subject that I have seen—it is ESCS publication No. 23 by James Nix and it was released just last month. Nix says:

> At this phase of the cattle cycle, it is important that prices remain attractive to producers to signal them that it is time to rebuild herds. Given the prospects for higher beef prices it may be tempting to take steps to bring them down. However, with the extended period of losses that cow-calf producers have been through a sharp break in prices might cause them to think that the period of prosperity has not yet arrived and they might continue to liquidate the cattle herd. If that happens, even smaller supplies and higher prices are in store.

Under the present meat import law, beef imports for 1978 can rise a little above the 1977 level, but they will drop substantially in 1979 and remain at a relatively low level through 1981 unless quotas are suspended by the President, in some years when beef prices rose sharply, meat import quotas were suspended to allow more meat to be imported. Such a suspension at this time might alleviate some of the pressure on retail meat prices, but it could also discourage the rebuilding of the cattle herd.

Mr. Nix concludes:

> Although beef prices have been rising for only a few months, they are attracting much attention because of their importance in the consumer's food budget. Just when prices are beginning to signal producers to start rebuilding their herds, proposals are being put forth to thwart further price increases.
>
> Any such government actions should be carefully examined for their potential in stimulating continued herd sell-offs, because, if herd reduction does not stop soon, the annual per capita consumption of beef during one of the next three years could drop below the lowest level of the past decade. Since consumers have demonstrated strong preference for beef, anything that further reduces supplies will exert even more upward pressure on beef prices and total food costs.

Mr. President, I believe there is clear evidence that the administration has overreacted to the increases we have seen in cattle and beef prices. And, I believe these pose very serious questions that need to be answered—questions that are important to both procedures and consumers. I intend to raise these with the President at the first opportunity.

Let me just list four:

First, what actions are intended to help producers hold down costs?

Second, what actions are intended to prevent middlemen's margins from increasing retail prices even if farm prices hold steady or fall?

Third, what actions are intended concerning imports in 1979? Are the quotas to be expanded again? and

Fourth, what actions are intended if farm prices for beef fall in 1978?

Mr. President, a healthy cattle and beef industry is essential for an adequate future supply of beef. The cattle industry is recovering, but the process has been interrupted, whether it resumes, and how rapidly it resumes, depends on whether or not the Government permits the market to provcide adequate incentives. I hope the Government will support adequate incentives and that we have seen the last of these ill advised attempts to curry consumer favor by knocking down farm prices.

Mr. President, I ask unanimous consent that I be allowed to yield the remainder of my time to the Senator from Missouri.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I thank the Senator from Iowa.

Mr. President, I am distressed with the administration's decision to allow increased beef imports into the United States. I can understand President Carter's desire to moderate the price of beef, but I question whether it is either wise or fair to single out livestock producers to fight rising food prices.

Beef prices are approximately 15 percent higher than they were in 1977. They are forecast to go up another 7 or 8 percent in 1979. That is not a very rosy picture for consumers. The question is whether there is anything that the Government should do to hold down these price increases.

As Robert J. Samuelson recently observed in the National Journal, "there is lost in today's inflation anxiety an understanding that not all price increases are bad. Often price increases tell producers to produce more or consumers to consume less. A market economy needs these signals in order to make the necessary adjustments.

This is particularly true, Mr. President, in the beef industry where prices are very sensitive to fluctuations in supply and demand. Responding to a rise in consumer demand in the early 1970's, cattlemen sharply increased the size of the Nation's cattle herd. As ranchers held back their cows and calves for herd-building purposes, less beef went to market and higher consumer prices resulted. In the mid-1970's, the high grain prices brought about by worldwide scarcity and the ballooning price of petroleum products wiped out profit margins on beef cattle. Producers then liquidated their herds, flooded the market, and retail beef prices stabilized and even retreated.

The price increases of recent months confirm reports that the herd liquidation stage of the cycle is over and that producers, encouraged by a more favorable cost-price picture, are now starting to rebuild their herds and to recoup some of the losses they suffered during the last 3 to 4 years of depressed prices. As cows and calves are held back, higher beef prices will result in the supermarket during the next 2 years—the time it takes from breeding to slaughter. With all of our genius, we have not yet reached the point where we can coax a cow into giving birth to a 500 pound steer fattened and ready for market. Cattle production cannot be manipulated like turning a spigot on and off to obtain immediate results. One simply must sit out the periods of scarcity and wait for them to run their courses.

President Carter's decision to increase beef imports has come at an extremely inopportune time. Not only will Mr. Carter force down the price of beef just as Missouri feeder cattle producers are preparing to market this year's production, but he has also infected the industry with a "defeatist" attitude that may result in a premature herd reduction and thus even higher than expected consumer prices in 1979 and 1980.

The President's actions display an unfortunate lack of understanding of the beef industry and surprising insensitivity to the financial woes that cattle producers are experiencing. I oppose these measures which the President has instituted and I encourage the House to complete action on amendments to the Meat Import Quota Act of 1964 by passing a companion bill to the Senate's Beef Import Act of 1978.

Mr. President, I yield to the Senator from Oklahoma.

(Mr. DECONCINI assumed the chair.)

Mr. BELLMON. Mr. President, I thank my friend, the Senator from Missouri.

Mr. President, among all the economic groups in our country, beef producers probably get the rawest deal from our Government. When beef prices are low and times are bad for beef producers, Government turns a deaf ear. The reaction is usually that nothing can be done, let the law of supply and demand work. That is the attitude Government takes when things are tough.

Then when, after years of economic hardship and bankruptcy for many beef producers, prices begin to improve, Government is quick to use all the weapons at its disposal to keep cattlemen from receiving the prices set in a free market. The result is that beef producers lose money heavily during one-half of the cattle cycle, then are prevented by Government from receiving prices needed to recover their losses during the other half of the cycle.

Mr. President, there are many Members of the Senate who have firsthand knowledge of the beef business, but there are some who do not. For those, it might be helpful to explain how the beef cycle works. The cycle is based on the biology of the cattle species, upon the psychology of the cattle raiser, and the fact that Americans, as well as most other people, prefer beef to other types of meat in their diet.

First, consider the biology of beef production. A female heifer calf born in the spring of 1978 will be mature enough to breed in the summer of 1979. With good fortune, a large percentage—perhaps 50 to 75 percent—of these heifers will give birth to live, healthy calves in the spring of 1980. By the fall of 1980, these calves will be old enough to wean from their mothers and will be wintered on roughage or supplement and then summered on pasture so that, by the fall of 1981, they will be ready to be placed on full feed for fattening.

After 5 or more months on feed, these cattle will then be ready, in the spring of 1982, to be slaughtered and processed into meat for consumption.

So a cattleman who gets a signal from a higher market in 1978 that there is a demand for an increased supply of beef cannot actually increase production for the meat market until 1982, 4 years later. That is simply how long it takes for this whole process to work.

If the signal that the cattleman gets is distorted by ill-advised or politically motivated Government interference, the increase in beef production is simply delayed. That means that the ensuing years will see an aggravated beef shortage and even higher prices in the marketplace.

During these 4 years, while beef cattlemen are tending to increase production, there is actually less beef available for consumption, since the females which would normally have gone to market have been kept in the breeding herd.

So here we have a situation, Mr. President, where, after years of farmers having suffered losses and then liquidated declining herds, now the market is trying to signal increased production. The President comes along, opens the gate for a flood of imports and the result is a shortage of beef production that the country is going to face in future years.

Mr. President, there is also a downside to the cattle cycle. This occurs some 6 or more years after the buildup of numbers begins. At this time, the supply of beef begins to equal or exceed the demand and and prices which have been strong begin to turn down. This signals producers to cut back on the production of beef. At this point, cattle growers stop retaining heifers in their breeding herds and send their entire calf crop to market. This further increases the supply of beef and the market prices go down further. This lowers prices over time, triggering liquidation of the cow herd, further increases the beef supply, and causes disastrously low prices for all classes of cattle.

The liquidation process lasts 3 to 5 years, then the cycle begins again.

Mr. President, we should know, I believe, that American beef producers have the capacity to produce all the beef that all the consumers in this country could possibly need and, additionally, have the capacity to produce a vast amount for export abroad. We could and should become a major beef exporter and not an importer of beef under most conditions. The action that the President should take now is to leave the beef business alone and, at the same time, help us to develop exports of our beef so that when supply is abundant, as it has been in recent years, we should have a place for this beef to go outside the country and, in this way, help to avoid the boom-and-bust cattle cycles that have plagued the beef industry ever since this country was founded.

There are also things that consumers and producers can and will do to help moderate the effect of the cattle cycle. During times when beef supplies are low, consumers can turn to other types of meat to a larger extent. They can consume more poultry, more pork, and more fish.

Cattle on feed can and will be fed longer to heavier weights so that the product from each animal slaughtered will be increased. Countercyclical beef import policies can be followed if we have to import at all.

The problem with the action taken by President Carter is that it is ill timed; it is going to send the wrong signal to cattle growers; it is certain to cause them mental anguish as well as financial pain; and it it is likely to mean that this country will not now see the rapid increase in the building of our beef herds that is indicated by the free market and which is needed to provide supplies for the future.

In addition, what is so unfair about the action the President has taken is that, even though beef prices have gotten stronger in recent months, the cow-calf operator has not yet had the opportunity to benefit from these higher prices, since they have not been able to sell a crop of calves since prices improved.

The normal beef-cow-calf operator will not have cattle to sell until September, October, or November of this year, and the President's action now, which has caused the beef price to drop $5 to $7 a hundred, is going to punish those producers.

The cow-calf operator is the foundation of the beef business and unless they are encouraged to go ahead and increase the size of their cowherd, the beef shortage the country is facing will simply get worse. I am concerned that President Carter, who is an agriculturist but whose experience is primarily in the peanut business, where Government guarantees producers a good price every year, simply does not understand the way the beef business operates.

I believe he has done something here that is totally unjustified by the facts that is going to be damaging both to the producer and the consumer over the long haul and that he has acted in an inconsistent way in using one of the tools at his disposal at a time when it is going to hurt rather than help the very people he is trying to benefit.

The administration also, I believe, made a serious mistake when they blamed the price of beef for the rise in the Consumer Price Index.

Attempts by the administration to blame the rise in the Consumer Price Index on beef are inaccurate and politically inspired. The price of beef accounts for less than 2 percent of the total Consumer Price Index. To blame the inflation problems encountered by the administration on the price of beef is unrealistic. A small group of producers have been chosen to blame the Carter administration's lack of ability to cope with inflationary problems. This is grossly unfair and should not be believed by consumers nor tolerated by Congress.

If the administration had been on its toes, it could have seen that the shortage of beef was building and the price of beef was certain to rise. They could have given the producer a signal to increase production several months ago and this would have moderated the impact on the marketplace that the present reduction in supplies has caused.

Mr. President, I believe sincerely the American beef producers will respond to the higher market price, that they will produce the beef the American consumers need. The President's action is only going to make this job harder for producers and work a great hardship on the consumers in the long run.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Oklahoma (Mr. BARTLETT) relating to this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF DEWEY F. BARTLETT ON THE PRESIDENT'S DECISION TO INCREASE THE BEEF IMPORT QUOTA

During the past 4 years, I have advocated changes to the Meat Import Laws including formula changes, and more specific definitions. I have testified before the Senate Finance Committee both during the 94th Congress and, again recently, during the Second Session of this Congress. Initially, I had little support for these much needed changes, but by the beginning of the Second Session of this Congress, other Senators had taken an interest, an interest which led to legislation being reported by the Fi-

nance Committee and passage by the full Senate on May 5, 1978.

There were specific reasons for this increased interest on the part of Congress in the plight of the American cattlemen. This interest grew out of the continuing depressed market, and the fact that cattlemen were being forced to liquidate their herds to such an extent that without changes in the formula, a critical situation as to total numbers of cattle and breeding stock would soon have been reached.

Obviously, the ulimate effect of these reductions would have been a serious shortage which would have drastically affected consumer prices. This type of price increase would have also collaterally affected the supplies and prices of beef substitutes such as poultry and pork.

Recently cattle prices have started to increase, in part, because of the effect of herd liquidation, and because of speculation over actions being taken by Congress.

Until this past week, it seemed that with the changes being made by Congress, and the natural price increases occurring as the result of reduced herds, would bring a reasonable profit to cattlemen, and allow them to start paying off debts incurred over the past 3 years. The President's action to stifle these price increases by increasing foreign imports is a "low blow" at a time when the cattle industry was just raising off of the "mats".

Farming in general has felt the insensitivity of the President's agriculture programs, and the cattleman now is feeling what can only be termed a specific attack which will insure the failure of some, and a much longer and harder recovery period for others.

This irresponsible action comes at a time when breeding stocks are being restored. The impact of the imported beef will be felt immediately by the rancher, and could well provoke another downward spiral and a return to herd liquidation.

The President's actions are ill-advised and ill-timed. Simply because consumer prices are rising does not mean that the rancher is out of his dilemma. I strongly object to the President's action, and urge a reversal of his decision to increase imports.

(The following proceedings occurred earlier:)

Mr. CURTIS. Mr. President, I ask unanimous consent that of the time allotted to me 5 minutes may be used by the distinguished Senator from New Mexico (Mr. SCHMITT) after the Senator finishes, and I ask unanimous consent that this interruption go at the end of the other remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I yield whatever time I have left to the Senator from New Mexico (Mr. SCHMITT).

The Acting President pro tempore. The Senator from New Mexico is recognized for a total of 9 minutes.

Mr. SCHMITT. Mr. President, I thank the distinguished Senator from South Dakota and the distinguished Senator from Nebraska for their courtesy.

Mr. President, a few days ago I made a plenary statement relative to the Carter administration's threatened action to increase the beef import quotas, and today, in the face of the clear intention to carry out that action, I should like to continue that discussion.

I have tried diligently to understand President Carter and his administration's policy and their posture on issues related to agriculture. So far, that policy and posture still add up to a great big question mark. What candidate Carter said during the campaign and what President Carter has done since he moved into the White House are entirely different courses of action in almost every respect, as it relates to agriculture and, unfortunately, to many other areas of public policy.

The latest example of how the administration dilly-dallies around and then comes up with the wrong solution is seen in the beef issue.

The President wants to import 200 million pounds of foreign-produced beef, so as to drive down the price of beef to consumers—certainly a worthwhile aim—and, in so doing, maintain his posture with consumers as a champion of cheap food.

Mr. President, I think everyone in this body—and most people in this country, I hope—realize that food is cheap in the United States. It is cheaper than in any other major industrialized nation in the world. As a matter of fact, only 16 percent of our disposable income, after taxes, is spent to feed the average American, compared to a worldwide average of 53 percent.

This particular action would be disastrous—a surrender to the policy of the quick fix, and a total rejection of long-term economic realities relative to commodities.

It is similar to the administration's position—and as is the administration's position—on the price of natural gas. The only way you decrease the price of a commodity over the long term, in a free enterprise economy, without spreading that burden to other sectors of the economy, is to increase supply and increase domestic supply. Once this economy becomes dependent on imports of foreign commodities to keep its price down, eventually that price is going to rise because of foreign pressures over which we have no control. If we need any more examples than the petroleum crisis we are now in, we have become a nation that cannot understand being hit across the nose with a 2 by 4.

No one doubts that the Consumer Price Index will continue to show beef price index increases in its next report. The next Consumer Price Index report will reflect current increases in wholesale prices of beef which already have taken place. But further reaction to situations already past is a poor substitute for leadership when it comes to the economy.

The time for effective leadership was during the past 2 years, when cattlemen were losing their shirts. Thanks to the leadership of Congress, some reasonably effective steps have been taken in the past couple of years to help farmers and ranchers hang onto their farms and ranches, to ride out the natural disasters of two serious droughts back to back and two terrible winters, also back to back; to be able to survive, albeit temporarily, the increasing pressures from a Government-fueled inflation—not an inflation brought on by the farmers, ranchers, and other workers and business people of our economy, but one to which they have to react relative to wages and prices.

With those disastrous years behind, the agricultural community and the surviving cattlemen are now striving to rebuild their herds and are gearing up to expand the production of beef to meet consumer demand, which now is driving up the price of a limited amount of domestic beef.

What the President should do is to state publicly that, regardless of what action the administration or Congress takes at this time, beef prices will continue to rise for another month or so, due to the irreversible market forces which already are in place.

What the President should do is to place the blame for inflation where it rightfully belongs—on the cost of unnecessary Government and Government regulations, on the drop in overall manufacturing and service productivity, on the high cost of money for business expansion due to competition of Government agencies bidding for capital. Such action would demonstrate far greater leadership than the shortsighted attempt to blame inflation on the price of beef.

I see nothing wrong with the President calling attention of consumers to the fact that all cuts of beef are nutritious, that there are many cuts that are relatively inexpensive, and that consumers who want cheaper cuts can find them and base their menus on these less expensive beef cuts. But to take on a cattle industry that is just beginning to show signs of survival—not of excessive profits, just survival—is, once again, entirely the wrong direction in which to head.

Mr. President, there is no doubt that a healthy cattle industry is in the best interests of the American consumer. Likewise, there is no doubt that the lifting of beef import restraints at this time will adversely affect the recovery of the U.S. beef industry, and it is not in the best interests of the American consumer.

I am not sure what it is going to take to educate the Carter administration as to just what basic economic principles apply within our modern free enterprise economy. I have not seen one significant indication that either Mr. Carter, Bob Strauss, or any of their advisers truly understand the causes of inflation and the causes for the rise in the price of any particular commodity—not just beef, but any commodity. Until there is that kind of understanding, until there is an awareness of what it takes to drive this great American Nation in the marketplace, I am afraid we are going to be subjected, again and again, to these kinds of shortsighted, completely ineffective policies.

Again taking an example from the natural gas issue, it is absolutely clear to anybody who spends any time at all on this subject that if we continue to regulate the price of natural gas, or if we continue to attempt to regulate the price of beef by imports, that price never will decrease. One way or another, the American people will continue to pay higher and higher prices for those commodities.

The only way that price ever will decrease is to have abundant production

domestically, and every incentive should be created so that the marketplace can provide the supply—and eventually the oversupply—that will give the consumer the permanent decrease in price that is necessary for the consumer's survival.

(Conclusion of earlier proceedings.)

● Mr. STONE. Mr. President, last Thursday the President of the United States announced that an additional 200 million pounds of fresh chilled or frozen lean foreign beef will be allowed into this country. This action comes at a time when consumers are faced with rising food costs and when the overall U.S. economy is experiencing a spiraling rate of inflation. The President's announcement will not reduce substantially the American consumers' costs for beef, for the 200 million pounds represents less than 1 percent of the total U.S. beef supply. The administration says hamburger prices will drop by 4 to 5 cents per pound, but other beef prices will not go down.

I realize the crushing problem of inflation and I recognize the need for national efforts to curtail the upward spiral of consumer prices. However, I am most fearful that the harm that will be done to our domestic cattle producers will not be balanced by consumer savings—for the consumers too will suffer in the long term.

The past few years have been difficult ones for the American cattlemen. Drought, high production costs, and low prices resulted in a liquidation of cattle which is just now coming to an end.

It is this forced liquidation that has resulted in lower beef supplies and the recent rise in cattle prices. Our producers are responding to the higher prices by rebuilding herds as well as putting more cattle on feed. Import quota reductions during this rebuilding period could very well offset the natural adjustments that are now being made. After all, a shortsighted policy could hurt consumers in the long run if it discourages U.S. cattle producers from rebuilding their herds in order to produce a stable, adequate supply for the years ahead.

For the reasons I have mentioned, I wrote the Secretary of Agriculture last Friday to express my concerns over the President's announcement and to urge him to monitor the consumer demand and the additional imports on a weekly basis. It is most important that the Secretary make sure that these additional imports do what they are intended to do, which is to keep consumer prices at a reasonable level and also to enable our domestic cattle producers to recover the losses they have incurred these past 4 years.

I am most hopeful that the Secretary of Agriculture will agree with me that careful monitoring of these imports, retail prices, and consumer demand are a must in order to protect the domestic cattle producers and the American consumer in years ahead.●

● Mr. ZORINSKY. Mr. President, last week when President Carter announced a 15-percent increase in the level of meat imports, he cited the recent upward surge of consumer prices, particularly of retail meat prices as a justification. Only a few days later Secretary of Agriculture Robert Bergland said the additional 200 million pounds of imported meat would have a negligible effect on prices. In fact, the increase of supply would hardly be noticed in the retail market. President Carter himself admitted that the economic impact of the increased imports would be limited for both consumer and producer.

The short-run economic effects are not likely to be great. The administration's symbolic foray will neither reduce inflation nor cripple the cattle industry. What concerns me more is the gross insensitivity and lack of concern demonstrated for the American cattleman and livestock feeder. What was aimed as a symbolic stab at consumer price inflation, has delivered a severe blow to the morale of the livestock industry.

For the past 4 years American cattlemen have lost money. Drought, high input costs and low product prices have taken their toll, and livestock feeders have shown a net loss in 15 of the past 23 quarters. The cattlemen is heavily in debt; over $500 million of Farmers Home Administration loans are still outstanding in the emergency livestock program. More than 5,200 loans remained unpaid this spring.

The American livestock producers' loss has been the American consumers' gain. Record high cattle numbers and the slaughter of 16 million head since 1975 have given the consumer cheap fed-beef and cheaper hamburger. Now the long liquidation phase of the cattle cycle is coming to an end. Cattle and beef prices have turned the corner and barely have begun to recover from a prolonged depressed period. The American cattleman—for the first time in 4 years—can see the light at the end of a very long tunnel.

The increase of meat imports at this time would place another obstacle in the path of the American livestock industry's recovery. Some operators may be driven back into the red and may not survive. But perhaps most important is the renewal of the pessimism and frustration of the past 4 years. American cattlemen recently have started planning to rebuild their herds, assuring adequate beef supplies to consumers in future years. The callous disregard of this administration for the struggling livestock producer has all but destroyed that optimism, on which sufficient beef supplies in the next few years depends.

During the past 4 years the law of supply and demand has prevailed in the livestock industry, and cattlemen have, for the most part, borne the burden of high supplies and low prices in silence. But this same fundamental tenet of the free market economy is not to be allowed to turn the balance in favor of the producer. The administration has decreed that beef prices are the villain causing consumer price inflation. Though producer's losses subsidized the consumers low meat prices, the cattleman is once again asked to shoulder the burden of inflation. His own production costs continue to rise, but increased imports of foreign meats are used to force down the prices he receives for his products.

Higher domestic beef prices are not the principal cause of consumer price inflation. Indeed, livestock and beef producers themselves are victims to ever-increasing costs of production. There are other greater inflationary sources—higher energy and labor costs, increased Government spending—but perhaps none so visible to the average consumer as meat bought at the local grocery store.

A few days before President Carter announced his decision to increase meat imports, I joined 23 of my colleagues in sending the President a letter expressing our concern with the proposal to suspend import quotas. We urged him to consider the precarious state of the livestock industry and to reject any such proposal. Our pleas were ignored. Today, we repeat our complaint and ask to be heard.

I wholeheartedly concur with the distinguished Senator from Kansas, the ranking Republican of the Senate Agriculture Committee, in condemning this insensitive and unjust treatment of the American cattleman. And I urge the President to reconsider his plan before further damage is inflicted on the American livestock industry.●

Mr. LUGAR. Mr. President, earlier this morning a colloquy ensued in which a number of our colleagues addressed the problem of beef imports into this country. On an earlier occasion I made a comment on this situation, and I should like to join my colleagues with a brief thought this morning.

The White House press secretary, at the time the beef import question came to the fore, presented certain statistics that were important both in making a case for the White House as well as a discussion of this situation with regard to farmers.

Essentially, the White House press secretary pointed out that the cattle cycle is about 10 years in duration and that since 1974 most livestock producers have experienced losses. Indeed, for 15 of the past 23 quarters, cattle feeders have experienced losses.

The White House also pointed out that meat production for 1978 will total 51.1 billion pounds, about 1 percent below earlier year levels, with beef production expected to be down 4 percent.

From this analysis, one could make a case that the country needed more beef and that beef should be imported—and, indeed, the White House made that judgment. But I concur with my colleagues this morning who pointed out that this judgment shows a profound misunderstanding of the cattle industry and of decisions that may be made adversely with regard to breeding stock in the next 90 days.

Clearly, the decision, as a psychological tool, is likely to have an adverse impact upon the availability of beef in this country, and thus may set in place a continuation of substantial inflation.

● Mr. McCLURE. Mr. President, William

Jennings Bryan once characterized the importance of agriculture in this Nation by saying:

Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets or every city in the country.

His words reflect precisely the situation today. All industries contribute to the state of the economy's health. But if agriculture or ranching coughs, the whole economy catches cold.

American agriculture and ranching produce enough food to feed our Nation, as well as much of the world, on a level unprecedented in history. And how do we reward the people responsible? Too often, the rancher must pay more than his fair share of this Nation's economic burdens.

Latest figures indicate we are once again in a period of double-digit inflation. While this troubles all of us, the beef producer views those figures with even more concern. Beef producers as a matter of rule, are among the first to be saddled with new anti-inflationary methods.

For the meat producer, this means increased meat import quotas.

Reducing the price ranchers now receive for their products would be disastrous at this time. After 4 years of near depression in that industry, ranchers are beginning to recover.

Increasing quotas is the easy way to bring down beef prices. But this usually begins a vicious cycle with the consumer's patience and his pocketbook. Once the producer's price rises, the consumer begins to feel the pinch.

Unfortunately, the administration is making overtures in that direction. Imported beef does lower the price. But the result is only temporary. Both the consumer and the producer eventually suffer.

The problem lies in the current method of increasing imports when production is high and subsequently reducing imports when domestic production is low.

This results in a series of boom-bust cycles. It hurts the consumer who must face fluctuating prices. It hurts the producer who must make his way in an uncertain market.

Interestingly enough, the International Trade Commission has found imports of live cattle and meat to be "neither causing nor threatening serious injury to the U.S. industry producing cattle and beef." This is contrary to the opinion of the beef producer who is dealing with the influx of live foreign cattle from Canada and Mexico into his local market. These cattle are not considered in the national average when they enter the United States. They become part of our statistics and are no longer considered foreign imported beef.

In addition, imported beef is not under the same health requirements as domestic beef.

We can and we must find a better way. The beef market can be stabilized.

H.R. 5052 would go a long way toward that goal. This measure would create a countercyclical beef import cycle. Imports would increase as production lowers and vice versa.

This is a more natural working of the marketplace, and a concept I can support wholeheartedly. Mr. President, we should ask ourselves how we arrived at this point. We should ask ourselves several questions before accepting the administration's actions quietly. Retail prices for beef have risen rapidly, but why? Income to the rancher is rising as the price paid for cattle increases; but is he receiving a price so unfair as to justify Government intervention? Will driving the price down again benefit the consumer, the producer, or the Nation in the long run?

The cattle rancher has already taken it on the chin—he has paid the price of Government intervention. Are we to require him to extend his burden? On July 18, 1973, controls on ceiling prices of all food items—except beef—were lifted. The result was both dramatic and predictable. Deprived of their right to sell on a market in which they could gain at least a small return, cattlemen held their animals for an anticipated improvement at the end of price controls. Cattle numbers rose to levels substantially above demand. Prices fell. Those who favored consumer protection pointed with gratification at the "good" results of the action—lower prices. The market would in all likelihood have adjusted last year if drought conditions had not forced ranchers to move cattle to market in spite of market conditions. Now we are at the inevitable end of the cycle—Government controls depress prices, low prices depress supply, decreased supply drives prices upward—and the consumer is hit in the pocketbook. Then, as always, the Government cannot resist the temptation to interfere again.

The rancher, over the last several years, has been able to survive, if at all, only by increasing debt. They not only must have "normal" profits, but slightly "better-than-normal" profits, so they can pay the banker as well as making a living. Many have not survived and many more were forced to rely on income produced off the ranch. Now that they have a chance to pay their bills, they are told it is unjust to get as much as they are getting. As a matter of fact, prices have just gotten back to the precontrol levels and it needs no proof to say that costs have risen dramatically. When will the Government stop this cruel cynical hoax?

I am totally opposed to the action by President Carter in allowing increased imports at this time. It is unfair. It is unjust. It is unwise.●

● Mr. PEARSON. Mr. President, the recent decision by President Carter to suspend meat import quotas is not in our Nation's best interest. Although this is intended to be an anti-inflationary move, there is little evidence that it will have any appreciable effect on retail beef prices. Under current voluntary restraint agreements, the U.S. is allowed to import 1.2 billion pounds of meat. Pursuant to the lifting of import quotas, an additional 200 million pounds of meat would be allowed for importation. Mr. President, considering the fact that Americans consume about 26 billion pounds of meat every year, the additional 200 million pounds will not have a dramatic impact on the marketplace.

But it is likely, Mr. President, that this decision will have an adverse effect on our beef producing industry, which only recently has begun to recover from a prolonged recession. This action sends a disturbing message to cattle producers. They are now forced to reevaluate the decisions as to whether or not to continue to sell off their brood stock. It necessarily weakens producer confidence in the future; if 200 million pounds can be allowed today, why not additional millions tomorrow. Thus, this action could well result in a further liquidation of the cow herd at the very time a rebuilding is in the interest of both producers and consumers.

The responsibility for curbing inflation does not rest solely on the shoulders of only one segment of our economy. I regret the President has taken an action which, in the first place, is unfair to the livestock industry and which, in the second place, will not effectively serve consumers in their battle against higher prices. Indeed, Mr. President, the ironic aspect of this decision is that if it does serve to weaken producer confidence, it will further delay the rebuilding of our cow herd and this means a further delay in expanding the supply of meat available to the consumer.●

Mr. TOWER. Mr. President, since the 93d Congress I have been involved in efforts to revise the statutes relating to the importation of meat and meat products from foreign countries into the United States. In my view, the current system, which focuses on allowing more beef products into this country when domestic production is high, adversely affects the cattle markets in this country.

The recent decision by the administration to increase the ceiling on the amount of beef which can enter this country from foreign sources will have a detrimental, if not drastic, impact on the prices received by U.S. cattle producers. At the same time, the prices paid by American consumers in retail markets will be relieved very little, if at all.

This administrative decision makes the beef producer in the United States the scapegoat for the public outcry over rising meat prices, yet it leaves the larger problems of inflation in food costs fundamentally untouched. One of the true culprits is labor unions, particularly when we consider the fact that the cost of labor alone involved in moving food from the farm or ranch to the supermarket is now greater than the total value of farm production in this country. And, we are now in the midst of conducting an extended, educated dialog concerning whether these unions will gain even more power. Perhaps our discussions on labor reform should focus on the impact that labor unions have on retail food prices.

In terms of food marketing dollars, what the consumer pays for food, exclusive of the returns received by farmers, contributes to labor's 51-percent share. Earlier this year, an ad hoc Senate Republican Agriculture Policy Subcommittee determined that—

At numerous points in the food chain, self-serving labor rules and regulations jack up

prices without returning an extra penny to the farmer of an extra benefit to the consumer. In many localities, union work rules prevent supermarkets from using meat cut up and boxed at its point of origin, even though that would result in a savings to the buyer. Instead, "swinging" meat must be shipped long distances to be cut up at the point of supermarket sale, with consequent higher prices for the public.

It is disheartening, and even discouraging, to see the farmers and stockmen of this country being used. When retail prices begin to rise, American farmers and stockmen are the direct recipients of the wrath of our citizenry. Both the farmer and the consumer are victimized. Instead consumer unrest and militancy should be directed against the labor abuses which impose higher prices upon the American people while not improving the goods or services being provided.

American beef producers have shown that they are capable of providing this country with an adequate supply of beef products. Yet, the disincentives levied by the administration will almost assuredly precipitate herd liquidation which will result in smaller supplies of domestic beef, greater dependence on foreign beef sources, lower quality beef products, and higher prices in the Nation's supermarkets.

A recent publication by the Economics, Statistics and Cooperatives Service of the U.S. Department of Agriculture supports the theory that opening the floodgates for foreign beef will artificially depress cattle prices, just as these farmers are beginning to recover from a prolonged price depression. The May 1978 publication states that—

Although beef prices have been rising for only a few months, they are attracting much attention because of their importance in the consumer's food budget. Just when prices are beginning to signal producers to start rebuilding their herds, proposals are being put forth to thwart further price increases.

It is imperative that the Congress take the necessary steps to insure the continued health of the agricultural economy of this country. I commend my colleagues in the Senate for approving the meat import revision legislation which was introduced by my distinguished colleague from Texas (Mr. BENTSEN) and cosponsored by many of the Members of this body.

In my view, we should muster the necessary resources to encourage the approval of this legislation by the House of Representatives. If revisions such as those we supported are enacted into law, situations such as those created last week by the President's decision would not become prevalent.

These trends cannot and must not continue. We cannot afford to see our agricultural economy artificially stifled and depressed in every instance when returns on investment begin to increase. We must not allow imports of foreign beef to increase when our producers are capable and willing to provide us with the beef products we require. We must not allow the Nation's agricultural producers, nor its consumers, to be continually victimized and used in this manner.

Mr. DOMENICI. Mr. President, the Senate has considered the meat import question and passed a countercyclical beef import bill on May 5. This bill provided for automatic increases in beef imports during periods of domestic shortages, and decreases during periods of domestic overproduction. The measure will correct inequities harmful to consumers, to cattlemen and to importers.

The Meat Import Act of 1964 provides for beef imports to increase as domestic cattle production increases, and beef imports to decline as domestic production declines. This brought about an extremely unstable market with consumers periodically paying high beef prices.

Mr. President, it seems to me that the Senate-passed bill will provide for more stability in the cattle industry. It will provide lower prices to the consumer because of the greater stability it brings to the beef market. It will also provide reasonable markets for imports.

I believe the recent actions taken by the administration to increase imports of meat will make apparent that provisions contained in H.R. 5052 are both needed and desirable to help ease sharp fluctuation in beef prices.

COMMITTEE MEETINGS

Mr. MELCHER. Mr. President, I ask unanimous consent that the Environmental Pollution Subcommittee of the Environment and Public Works Committee be authorized to meet during the session of the Senate today to mark up S. 2900, the oil spill liability bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to consider executive nominations, H.R. 12571, the Fishery Conservation Zone Transition Act; H.R. 7819, a bill to complement the Vienna Convention of Diplomatic Relations; and other treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider S. 2692, the Department of Energy authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to consider S. 3064, S. 747, and H.R. 8729, aircraft noise reduction legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

LABOR LAW REFORM ACT OF 1978

The PRESIDING OFFICER. The Senate will now resume consideration of the unfinished business, H.R. 8410, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 8410) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

The Senate resumed the consideration of the bill.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NEED FOR LABOR LAW REFORM

Mr. WILLIAMS. Mr. President, as the debate on the labor law reform bill continues, we sometimes lose sight of the people whom this revision of our Nation's labor laws is intended to help.

It is all too easy to think of this bill as legislation for the benefit of the large international labor unions. It is too easy to forget that there are millions of American workers who want and need the protections of our laws.

When all the rhetoric is put aside, we come back time and time again to the fact that this bill is intended to protect not the mighty, but the weak; not the labor leaders or the big corporations, but the workers of our Nation.

Ethel Smith and Lula Hurry are two such workers; and their fight for justice, which took more than 5 years, is evidence of the need for labor law reform.

WHY AMERICA'S WORKERS NEED LABOR LAW REFORM CHAPTER THIRTEEN

In early August of 1971, the nonprofessional nursing employees of the Gerrard Convalescent Home in Covington, Ky., requested a wage increase.

When the employer did not respond to their request, they contacted local 1199H of the National Union of Hospital and Nursing Home Employees. On August 13, 1971, Hurry met with a representative of that union, and signed a union authorization card. The next day, Smith signed a card. Two days later, on August 16, 1971, the supervisors held a captive audience meeting with the employees, and after the meeting, Ethel Smith and Lula Hurry were fired.

The union filed unfair labor practice charges on their behalf, and after a hearing, the administrative law judge found that by discharging the two, and engaging in other coercive conduct, the employer had violated the National Labor Relations Act. On October 12, 1972, the Board affirmed the administrative law judge's decision, and ordered the company to reinstate the two and give them backpay.

In fact, the company had offered Hurry and Smith their jobs back on June 2, 1972, 4 months before the Board's decision, but refused to comply with the Board's backpay order. The Board went to the U.S. Court of Appeals for the Sixth Circuit, which on January 23, 1974, enforced the Board's order. By this time, 3 years and 5 months had elapsed since the illegal discharges.

It took another 15 months before the

Board held a hearing on the issue of how much backpay was due to Smith and Hurry. That hearing was held on April 17, 1975, and on June 26, 1975, the administrative law judge issued his decision.

On December 18, 1975, the Board affirmed that decision, ordering the company to pay Lula Hurry the sum of $1,400.65, and Ethel Smith the sum of $1,397.74.

The company still contested the validity of the Board's order and forced the Board to seek enforcement in the court of appeals. The case went back again to the sixth circuit, and after another year of delay, the sixth circuit, in a five-paragraph decision, enforced the Board's order.

After 5 years and 4 months, Lula Hurry and Ethel Smith had their backpay order.

Mr. President, our current law encourages employers to string out these cases for years, while innocent employees wait and suffer.

Under H.R. 8410, this would not have happened. The temporary reinstatement provision of the pending bill would have insured Smith's and Hurry's prompt reinstatement. The backpay provisions of the pending bill would have provided a sure and efficient and fair measure of the damages suffered by these employees, and there would have been no need to litigate the backpay question for 3 years.

Mr. President, it is cases like that of Lula Hurry and Ethel Smith that labor law reform is all about.

NEW YORK CITY'S FINANCIAL SITUATION

Mr. LUGAR. Mr. President, I should like to comment this morning, prior to launching into the debate on labor law reform again, on developments in one other area of responsibility for us.

Currently—at this hour, as a matter of fact—the Committee on Banking, Housing, and Urban Affairs is conducting the fourth day of hearings on New York City and its finances. This is of considerable interest to me and to the distinguished floor manager of the bill.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUGAR. I yield for a question.

Mr. WILLIAMS. The question is this: This is not germane to the matter that is now before the Senate. Under the rule, this is not permitted.

The PRESIDING OFFICER. Does the Senator from New Jersey have a parliamentary inquiry?

Mr. WILLIAMS. Yes, is this germane and permitted—this discussion of other matters at this point?

The PRESIDING OFFICER. The rule requires that the subject of debate must be germane up to 1:07 p.m. today.

Mr. WILLIAMS. In view of the fact that the Senator has entered into this matter, I have no objection to his continuing. I just wanted it to be understood, and I wanted to understand whether or not this required unanimous consent. Am I correct that it does?

The PRESIDING OFFICER. The Senator from New Jersey is correct.

Mr. WILLIAMS. I have no objection.

Mr. LUGAR. Mr. President, I ask unanimous consent that I may proceed for a moment on a subject that is not germane.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I thank the distinguished Senator from New Jersey.

Mr. President, the Committee on Banking, Housing, and Urban Affairs is meeting at present. This is a hearing that normally would invove the distinguished floor manager of the bill, Senator WILLIAMS, as well as myself.

We are obviously here debating labor law reform, although it is of great interest to the country how the hearings in the Banking Committee turn out. I was disappointed to learn yesterday that a markup of the New York City financial legislation is scheduled for Thursday. This appeared to me to be peculiarly inappropriate and I have so written to the chairman of the committee, the distinguished Senator from Wisconsin, Senator PROXMIRE, with hopes that he might at least delay for a few days the markup so that the benefits of hearings and likewise the full attention of Senators who are members of that committee might be given to this important matter.

I have indicated to Senator PROXMIRE that I am preparing legislation on my own that might offer at least one course, and I wish for that legislation to be considered at the time that the committee considers the administration bill or the consequence of no action, and I simply point out that my understanding is that Senator PROXMIRE was hoping to move that legislation to the floor very rapidly and to ask a unanimous consent request for a time limit on debate. And I simply say that I have no intent of attempting to entwine the New York legislation with what we are about, but it simply is very difficult to devote the time and attention to that that might be required, and I am not in favor, therefore, of moving on to a unanimous-consent request for a limit on that debate until we are able to untangle some matters. I am hopeful that I may have the cooperation of colleagues in making certain we do not proceed to a hasty markup and a decision in the Banking Committee on Thursday in the midst of our concern with this bill.

LABOR LAW REFORM ACT OF 1978

The Senate continued with the consideration of the bill.

Mr. LUGAR. Mr. President, I suggest today that much of the impetus for the labor law reform legislation came earlier on from the commentaries on J. P. Stevens Co., and I bring the J. P. Stevens situation into some perspective this morning through the benefit of an article which appears in Fortune magazine on June 19, 1978, entitled "How the Union Got the Upper Hand on J. P. Stevens," by Walter Guzzardi, Jr. I mention this article and I shall quote from passages of it because it seems to me that it offers an account which is neither very complimentary to J. P. Stevens nor necessarily supportive of the individual cases of employee action that are cited there. But it does offer a rather good background as to what we are talking about in labor law reform. So frequently as we get bound up in the legalisms and to the meanings of various words we lose sight as the distinguished floor manager has pointed out this morning of individual cases, and this article I think is helpful.

Therefore, Mr. President, I quote, and I commence at the beginning of the article:

Joseph Williams, a worker at a J. P. Stevens textile mill in Roanoke Rapids, North Carolina, was given this warning one day in April, 1973: "Joseph, on Monday morning you called Jasper Daniels, a fixer, over to the frame where you were. You then stopped your work and handed him some literature and tried to talk him into signing up with the union. You must not neglect your work nor interfere with the work of other employees in this or any other way. If you do, we cannot keep you in our employment."

That was the end of the quote of the warning that he received.

When Williams ignored the warning and continued to pass out leaflets, his supervisor sent him home. After a discussion with other superiors, Williams was reinstated. Then one night Williams was told to clean the spindles on his loom. While he admitted later that cleaning spindles was part of his job, he also claimed—and his supervisor denied—that his work load was being unfairly increased. Williams told the supervisor, "I'm not going to clean those spindles." He was fired.

The union complained to the National Labor Relations Board. After Stevens appealed the NLRB ruling, the Court of Appeals found that Williams had been illegally fired because of his union activities. The court required the company to let Williams return to his job, and to give him back pay with interest. Since Stevens had been previously enjoined to "cease and desist" from unfair labor practices, the court also cited the company for contempt.

Another case:

Crystal Lee Jordan was a worker in a Stevens fabricating plant and an active union organizer. One day in May, 1973, her supervisor protested when she started to copy from a plant bulletin board an anti-union letter written by the management, and used a pay phone during work time to call her union representative. (When she argued about the phone call, one supervisor said to another, "Let it go, Melvin, let it go.") After the union had advised Jordan of her rights, she insisted on copying the letter.

That night some supervisors called her into an office. First she refused to go; then she went; then she would not talk to them unless each identified himself and spelled his name. She clapped her hands over her ears, and became shrill and defiant. She was fired.

Ruled the Court of Appeals: "The possibility that the company had legitimate cause for the discharge does not end the inquiry, for a discharge partially motivated by antiunion discrimination is also illegal. Jordan's outburst was used as a pretext for the dismissal of an active union organizer." Contempt again.

Those incidents—snippets from records running to millions of pages—are full of the hated taste of defeat for J. P. Stevens, the nation's second-largest textile company. Fifteen year ago when the company' battle with labor began, contempt of court judgments such as those—and all the complicated, highly damaging consequences for Stevens that flow

from them—seemed impossible. But now, in an incredible turn of events, court rulings in hundreds of such episodes have given the Amalgamated Clothing and Textile Workers Union tremendous leverage over the company.

In the corporate management, the only executive who refuses to acknowledge the realities of the present situation is the chief executive officer, James D. Finley, a sixty-one-year-old Georgian of iron character and rigid bearing. "I wouldn't change anything if I could do it all over again," he says, and such is the man's quality that one has to believe him.

But in his resolve he stands alone, a man isolated in an isolated corporation. The deeply worried executives around him are eagerly looking for ways to repeal the old decision to fight to the death, and are anxious to find a compromise. For the company stands today beleaguered in the courts, besmirched in public, an embarrassment to the business community. Even Finley, after asserting stubbornly that "we don't have any problem, the union has a problem," contradicts himself a moment later. "The next move is up to them," he says. "The union holds all the cards."

Back in 1963, the old Textile Workers Union seemed hardly important enough to be in the game with J. P. Stevens. The union's former president, Sol Stetin, sixty-eight, whose unamplified voice can still fill a union hall, admits that "we saw our organization dwindling." A fading brotherhood with aging leadership, the T.W.U. could only helplessly watch textile companies flee the union's New England turf to the congenial, non-union South.

But that fading brotherhood suddenly changed its character two years ago when it joined hands with the Amalgamated Clothing Workers of America. The merged union, the A.C.T.W.U., is hardly the most potent force in trade unionism, but it has its strengths—located exactly where they count, in the capacity for skillful lawyering. The A.C.T.W.U.'s president, Murray H. Finley, fifty-six—no kin to the boss of J. P. Stevens—is a lawyer, knowledgeable in both the courtrooms and the court of public opinion. And the A.C.T.W.U.'s general counsel, Arthur M. Goldberg, is a recognized authority on labor law. It would be hard to find an adversary better equipped for just the kind of battle that the union has waged against Stevens.

When it was looking around for a textile company to unionize in the South, the T.W.U. made one of the most felicitous mistakes in labor's history. The T.W.U. had lost a big battle with that old buccaneer, Roger Milliken, then head of Deering Milliken, who had closed a plant in South Carolina rather than negotiate. The union had also been busted after a long strike at Harriet & Henderson Mills, and been beaten off by Cannon Mills and Burlington Industries.

So the union's eye fell on J. P. Stevens. It looked like a soft adversary. The company's chief executive, Robert T. Stevens, was a former Secretary of the Army best known for having been browbeaten on national television by Senator Joe McCarthy. "Very truthfully," Stetin admits today, "I never imagined that the company would carry on the way it has." Unexpectedly, the thought of union organizers at the company gates turned mild-mannered Robert Stevens into Fighting Bob, and management decided to do battle.

Looking back at that critical moment today, James Finley insists that "We've always done everything we could to abide by the law." Even if that is true—and the courts have held otherwise—Bob Stevens and Finley must have decided to carry on the battle at the law's outer limits, to push and probe out where the boundaries between legal and illegal behavior are vague. Labor laws are primarily remedial, and there is not usually a heavy penalty for a misstep—so the decision did not look nearly as risky as it turned out to be.

So in 1963 when union organizers arrived at Roanoke Rapids, where Stevens has a seven-plant manufacturing complex, they found that war had already been declared. "Our positive intention," announced a company notice to employees, "is to oppose this union and by every proper means to keep it from coming in here. It is our sincere belief that if this union gets in here, it would operate to your serious disadvantage." In a foreshadowing of what was to come, that notice, the company's first thrust, made trouble—it was later declared to be illegal. What was worse, that declaration and other mistakable signs led the supervisors on the plant floor to conclude that they were expected to get tough, which probably suited their inclinations anyway. Then out of stupidity, obtuseness, perversity, or laxity—or a mingling of these failings—the company's executives took years to get those supervisors under control. So began all those little dramas, each in several acts, that look so tragic to Stevens today.

Supervisors accosted employees over the size of the union button that an employee was wearing (the supervisor said it was too big, and might get caught in plant machinery); over where employees could distribute leaflets and whether it was dangerous to distribute them in doorways and hallways; over which cafeteria a worker was supposed to use and whether the rules were really clear; over whether Avon ladies were allowed to make sales on company property; over exactly what were the duties of blow boys and tenders and doffers and carders and fixers, and when they could go to the toilet and when they could smoke and how long they ought to take about it. Did supervisors really say, "People get hurt when they fool around with unions" and "I guess you know about your brother Theodore" and "Go home and take that T-shirt off," and were those threats, and were they followed by firings?

All those dramas were recalled very differently by witnesses and participants. But by the judgments of law just about all of them that went to trial were held to be violations of the National Labor Relations Act. There were gross incidents: within two days after their names were posted as new union members, three employees were fired. And there were trivial ones: a supervisor asked two employees walking through a plant drumming up attendance at a speech by a union organizer, "Can I help you?" and was held to have made a "gratuitous, condescending, and unjustified remark." But they were all ruled coercive acts, and therefor illegal. Stevens was like a man flipping a coin for high stakes, hearing his opponent forever cry, "Heads," and with unbelieving eyes seeing the coin come up heads every time.

Before it entered the game, Stevens ought to have taken a closer look at the rules. The central institution in labor-law litigation is the National Labor Relations Board: charges are filed with NLRB regional offices, cases are prosecuted by lawyers from the NLRB, decisions are handed down by administrative-law judges from the NLRB, and the place of first appeal is the full board of the NLRB. Over the years, NLRB boards have been pretty much the same: larded with career bureaucrats, sympathetic to labor, and blind to the realities of business. Today's board seems typical: it is, in the words of Edward Miller, a former chairman of the NLRB, "an ivory-towered board." Only two out of its five members have had any extensive experience outside of government; John Fanning, the chairman, has served on the board for twenty years.

Decisions of the NLRB can be appealed to the federal circuit courts. But what becomes critical then are "findings of fact," meaning, in labor cases, determination about the credibility of witnesses, a matter of whom to believe in a dispute about who said what to whom and in what tone of voice. And there, circuit-court judges are very reluctant to reverse the courts below: last year they upheld the NLRB 80 percent of the time. Time and again Stevens came to the courthouse to hear a judge intone, "The NLRB's findings of fact are of great weight in this court . . . the conclusions are upheld." Concludes James Finley: "The law is pro-union." But Stevens should have known about its chances in that legal environment before it began appealing every case to its bitter end.

What Stevens probably could not have anticipated was the A.C.T.W.U.'s acumen in capitalizing on all those proved, triply certified, bound-in-iron illegal acts. The union has used them to conceal from public awareness the most arresting, least noticed, most crucially important fact in the whole arresting history of the Stevens affair: time after time, at plant after plant, in southern town after southern town, the union lost election after election. From 1965 to 1975, twelve elections were held at Stevens facilities. The union lost all but one. But by persuading the courts that the company was guilty of those unfair practices, the union was able to have many election results set aside. From there, it went on to turn the defeats into victories of rather special kinds.

Nothing illustrates the union's feats of magic better than the experiences to Roanoke Rapids (population: 14,000) one of those renewed southern towns where there seem to be more cars than inhabitants. There Stevens now employs about 2,800 of the company's 44,000 people. The T.W.U. lost an election there years ago by a big margin. Then it brought massive cases against the company, consolidating allegations of more than 100 illegal practices. Stevens challenged the cases, but the union was upheld, and the election results were set aside.

Then the union showed how to build on the foundation of that courtroom triumph. By bringing a stream of new charges, the union managed to put off a rerun election at Roanoke Rapids for something over nine years. It finally made its move in 1974, when the stock market was scraping bottom, employees' profit-sharing plans were down in value, and union organizers had long been hard at work in Roanoke Rapids. So there, for the first and only time in the history of its efforts to organize Stevens, the union finally won an election—by 237 votes out of 3,205 cast.

Mr. President, at this point I want to yield the floor for a moment. But the purpose of this recitation has been to simply establish—and I have taken the J. P. Stevens case because it has been a celebrated one, I have cited instances of charges of unfair labor practices, and at least the Fortune magazine journalist's contention that Stevens should have known the law, but also I have tried to recite in a practical manner of the ways of the world the way this law appears to work, and the decisive facts—that due to all of the unfair labor practice charges and all of the lawyering involved, essentially 12 elections have been held. 11 have been lost, and I cited the one which has been won and, at a later time, I would like to continue to recite the story from the practical role of J. P. Stevens because I think it is illustrative of how the law works and likewise who has really come out on the short end of this particular stick.

At this time, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I have taken the opportunity this weekend to explore and review the amendments to S. 2467 proposed by the supporters of this bill. I would like to comment briefly on them.

First, I wish to compliment the proponents of S. 2467 for their willingness to listen to the concerns of Senators such as myself who have a genuine interest in the preservation of our system of effective labor-management regulation. I believe that the distinguished Senators from New Jersey and New York along with the majority leader have sought to accommodate some of the fears I have had about the effect of S. 2467.

Let me give an example of compromise which I believe is essential to any legislative act.

In the area of equal access, the supporters of the bill have attempted to work out a compromise. In an important effort, they have tried to clarify the point that an employer should not pay an employee to listen to an outside labor organizer. I expressed some reservations about this approach as a constitutional issue. While I remain opposed to the so-called equal access rule, I did want to state my appreciation for the spirit in which these changes were made and I wanted to thank the Senators for their reasonableness.

While I am glad to see some move on the part of the supporters of this bill, I must confess that I remain concerned about the approach of this bill and about its specifics.

Before addressing the individual provisions, I would like to reaffirm my concern that the labor law reform bill represents a major alteration in the thrust of our labor laws, in spite of the changes set forth by the new amendments. I must reaffirm my view that this bill will have a major impact on small business and will affect the spirit in which labor and management conduct their relations and will affect their attitudes toward employees. I must reaffirm my view that the need for this bill has yet to be demonstrated; I have not seen the failings of the present system which mandate such a reform effort. My fear is that it will be the employees who suffer from most of the reforms proposed in S. 2467.

ELECTION CHANGES

The first proposal for change deals with amending the election provisions of S. 2467. The amendment provides that the maximum time for setting elections shall be 35 days after an employer receives notice of a union organizing effort—and I emphasize the word "effort."

Mr. President, I must confess that I am concerned that there is no rationality involved in this amendment. To what is a 35-day time limit related? One Senator stated in the markup of S. 2467 in the Human Resources Committee that this is pretty much a numbers game. Personally, I do not see it that way. We are dealing with a lot of employees and a lot of employers, and to them there is no game at all in this bill.

At present, the National Labor Relations Board has been acting so as to produce elections in between 12 and 45 days. The figure of 45 days seems a reasonable one. On the whole, however, I must return to my earlier position—this matter should be left to the NLRB. The fact that we have a bill in the House of Representatives which calls for a 15-day election and a bill in the Senate which has changed from 21 to 35 days reinforces my point that the Congress is invading the province of the National Labor Relations Board. My personal view is that if the Congress wishes to direct the Board to set time limits, then we might wish to state our feelings that time limits should be formalized by the Board. We should not make arbitrary and unsupported determinations about appropriate time limits. This issue is too important to too many people for us to do so. I have no quarrel with the notification and time computation provisions, but I remain opposed to the imposition of time limits by the Congress. The Board is the expert in these matters and its discretion should be maintained.

In fact, as I read it, this substitute may be worse than the committee version or that of the House of Representatives. As I understand it, a union would file a notice of an intent to organize. This notice of intent could not be acted upon for 35 days, at which time a petition would be filed. If the union has a majority of the cards and is an appropriate bargaining unit under Board rules, then the Board, under this substitute, would have to give the petition priority and hold the election as soon as possible. The result is that there would be no hearing to insure that the whole affair was correct and elections could be held at any time, perhaps within 5 days, after a petition is filed. I am particularly disturbed by the elimination of the hearing. This is a major change in the law.

If there were stronger evidence, and none has been brought forth, that there were substantial problems with the election process, then I think we should reform the law. At present the major issue in an election is designating the appropriate units and resolving election issues. The actual holding of an election after the Board has clarified the technical details is really no problem. I do not believe that eliminating case-by-case determinations is possible, so I think that we will continue to have some time period needed to sort out issues, many of which are raised by unions, such as which employees they may represent. The holding of an election, once the issues are resolved, is of a lesser consequence, and I am confident that if we direct the Board to come up with rules, they will take these considerations into account.

EQUAL ACCESS CHANGES

The second major change proposed in the substitute bill is alteration of the so-called equal access rule. Under the modifications set forth, organizers could come onto company property but they could not address employees during working hours or in working areas. They would be limited to areas such as cafeterias, parking lots, and areas where workers congregate during changes of shifts. There could be only two organizers on the property at any time except that four could gather in parking lots. Finally, the change suggests that a labor organization must provide written notice 1 day in advance of a request to address employees, stating the areas and times for the talks. There is an important provision to exclude from the operation of the equal access rule, employers of 10 or less employees.

I must say that supporters of the bill have come a long way toward limiting the rule which they have fought to create. There is so much change I am surprised that they still want to pursue it. The parking lot or cafeteria rule still has certain infirmities to my mind.

First, there is still the problem of setting up a straw man and asking your opponent to compromise and move halfway. Someone has argued that equal access was needed, and said, "We'll compromise if you'll come halfway." My problem, Mr. President, is that I still do not see the need with which I should compromise. The statement I made earlier is that we have equal access today. We have remedial access where physical problems or law violations make information gathering difficult; this may be ordered by the courts. There is still, implicit in this rule, an assumption that every employer in the country is denying his employees information such that the Congress should make a rule of opening up company property to organizing efforts with a few safeguards. I must restate my question—where was the need for this provision and where is the real compromise?

Second, and I am certainly mindful of Senator JAVITS' point that one should not fear creating a remedy because it will be used, I can only foresee delay and endless court cases to define exactly what is a nonworking area and which employees may be addressed in these areas. I will not go into specifics, but I can see that this section will generate much delay, the same delay that other portions of the bill seek to remove.

Finally, I remain concerned about what "addresses employees" means. Is this limited to captive audience speeches or is it more broad so as to include posters, informal talks by supervisors, and a myriad of other communications that go on between employer and employee? How many court cases will be necessary and how many different rules will develop to manage this very difficult area which has already been handled most effectively by the NLRB under current practice?

MAKE-WHOLE CHANGES

The third major area of change is in the make-whole provision. Here several changes have been made in S. 2467. In response to the concern that the Bureau of Labor Statistics figures to be used covered units of 5,000 employees, which was unrelated to the majority of cases, the substitute proposes to use the Employment Cost Index (ECI) of the Department of Labor. This index is based on a sample of collective bargaining agreements from units of all sizes and is a weighted measure. It attempts to meas-

ure, as Senator BYRD stated, the average changes in collective bargaining wage rates in the country. As the distinguished Senator from West Virginia said:

It comes as close as possible to accurately stating, within the limits of the Government's resources and manpower, the average change in collective bargaining.

There, Mr. President, is exactly the problem. We are still speculating and attempting to find the best measure for collective bargaining. As I stated earlier, make whole for race discrimination is simple enough; you look to what the employee would have made but for the discrimination as reflected, for example, in a refusal to promote an employee. How can we measure what an employer would have given but for his refusal to bargain? It is simply too speculative and we are dealing with a situation where no two employers are alike. If we need remedies for refusals to bargain, I am afraid that we are going to have to look for inducements to bargain or punishments for refusals to bargain. We cannot, as evidenced by the search of the supporters of this bill for an appropriate measure, impose a contract.

As I have stated many times earlier, we should not attempt to do this. I retain strong reservations about imposing contracts as destructive of our collective bargaining system. While a refusal to bargain is a serious matter, I fear that imposing a contract is more serious. We are dealing with human beings and quantitative data and measures of bargaining results simply do not do very well in this area. Imposing contracts does not do very well either.

I might add that the notification of the employer that he has a last clear chance to engage in true bargaining seems a rather hollow assistance. It simply serves to have the Board say to an employer, "This is it, bargain the rate of the employment cost index or we impose it." To a labor organization, it will be a notice that they have secured the rate increase they wanted with Government assistance regardless of their bargaining posture.

Again, the spirit of the law is dramatically altered by S. 2467 and I am afraid that is not going to be for the better.

I hope that I have stated my position in as fair a manner as possible. I believe that I have read the changes proposed by the majority leader accurately. I did want to state my pleasure with the attempts at compromise but I am afraid that the compromises here have not assured me that this bill will be any better than the original version was.

Mr. President, on another matter, let me say that I am cognizant of the great good that has come to the economy of this country through the labor union movement. Throughout the years, as I have had occasion to speak in public forums, I have alluded to and paid tribute to this fact. I think responsible labor union movements complement our free society today. But I have become more and more disturbed at the reckless lawlessness that sometimes gets involved with the labor movement.

Last fall I had a representative from the National Education Association come into my office to talk with me about a proposed bill pending which would, in effect, mandate that every school board in the country enter into a collective bargaining agreement with the teachers in that school administrative unit regardless of whether the teachers or the board wanted it.

Of course, in North Carolina that would be in violation of our State law because we have no mechanism for collective bargaining. But the representative of the NEA was quick to assure me that this did not mean, of course, that they, the teachers or the employees, would be allowed to strike. Strikes, he said, by public employees were specifically forbidden.

At that very time, teachers were out on strike in several areas of the Northeast and Northern part of our country.

I asked him if he supported those strikes, which were clearly illegal. His answer was, "Well, we support our members." I pursued it a little further. I said, "Well, now, these strikes are illegal. Do you support them in their illegal acts?"

"Well, yes, we do."

I said, "How many illegal strikes has the National Education Association supported in recent years, to your knowledge?" My recollection is about 50, was his answer.

I said, "How can you sit here and ask me to vote for a bill to mandate collective bargaining all over the country, regardless of whether teachers or school boards want it or not, saying that in one breath under the bill strikes would be illegal but your organization supports them?"

Mr. President, there is no satisfactory answer.

A young man who went to work for NEA was from my home State. He taught school in Forsyth County. I remember what happened there. I said to him, "Is there a better way? How about the democratic process? If you are not happy with the elected officials, those who administer the schools, why not vote them out of office, as you did in Winston-Salem?" pointing to the young man from Winston-Salem who was sitting in the office. I happened to know that they did vote in some new members.

He said, "Oh, that is too slow, the process is too slow."

Well, the wheels of democracy sometimes move slowly.

Last week, Mr. President, I had an engagement in Raleigh, which all public officials have to carry out from time to time in order to keep contact with their constituents. No man can truly and fairly represent his constituents' interests in this great deliberative body without going home to converse with the people from time to time.

We had some votes of the Senate, and I had my airline schedule reservations so that I could leave this Chamber about 6 p.m. and take a 6:30 flight to Raleigh. But I was told that I would have to leave earlier because the Air Controllers Association were engaging in an illegal slowdown because they could not get free rides on airplanes to Europe while they are paid Federal employees. They had no concern at all for the inconveniences caused to the traveling public. This is the sort of irresponsibility that I think has brought on a tidal wave of antiunion feeling in my State.

(Mrs. HUMPHREY assumed the chair).

Mr. MORGAN. Madam President, this weekend, I was in North Carolina again, as I am every weekend. I was in the extreme western part of the State, which put me nearly 400 miles farther from my home then than I am today. Some of my constituents were saying to me, "What are you going to do about shoring up New York City?"

I said, "I do not know what I am going to do. I do not know how I am going to vote."

I voted 3 years ago to shore the city up for about 3 years because I did not think we could allow the greatest city in our Nation to go bankrupt, even though retired garbage collectors there are earning more money at age 40 and will for the rest of their lives than the highest paid schoolteacher in my county. I realize that those were sins and errors of the past.

I spoke those sentiments this weekend, and I said, "I raise the other question, without saying how I am going to vote"—and I do not know how I am going to vote—"what would it do to international finance, what would it do to the value of the American dollar abroad if we allow New York City to go bankrupt?"

Those are some of the many questions that I have to answer before I cast my vote as 1 of the 15 or 16 members of the Banking Committee of the Senate. But I must confess again that I have reservations when I hear my colleagues before the Banking Committee and I hear the mayor of the city of New York and I hear the Governor of the State of New York sit before our committee and say that many of these problems that were brought on were brought on either by employees' strikes or exorbitant labor contracts. Then I come to the floor of the Senate and I hear the two Senators from New York arguing for a labor reform bill which I think is punitive toward the South.

There are a great many contradictions that Members of the Senate have to deal with, Madam President, and I do not know how I am going to deal with it. I do know that it has been spoken on the floor of the House when this bill was considered, that Congressmen should not worry too much about this bill, it is primarily going to affect the Southern and some of the Midwestern States, which are not heavily unionized. There was a sort of whispering campaign around the House, "Just don't worry about it; we are going to keep some of the industries from moving from the Northeast down to the South."

I suggest it has not been a lack of unionization in the South that has brought industries there; it is the work ethic of the people in the rural areas in which I live. The president of one of the great pharmaceutical corporations of

the world has a number of plants in our State. He told me that his productivity in North Carolina was among the highest in the Nation, and he came to see me one day to tell me that he was going to expand their industry in North Carolina. I was just being somewhat facetious and I said, "I am not so sure that pleases me."

He said, "Why?"

I said, "I do not know, we have about as many people as we want now."

He said, "We are not bringing in people; we are exporting people from North Carolina. We are taking people from our plants in North Carolina to other areas of the world where they are used as supervisors because of their high productivity."

That is what makes industries move to the South.

The laws are adequate. I grant you there are some violators of the laws and, while I have not read the Supreme Court decisions and NLRB decisions on the Stevens case for the last 15 years, I will grant that somewhere along the way there has been some tough bargaining and maybe unfair bargaining going on. But I read an interview in the Washington Star, in which Mr. Marshall, Secretary of Labor, was asked if it were not a fact that there were not more than six of these recalcitrant employers in the country that this bill was aimed at. He did not repudiate that.

So, Madam President, I feel that the needs that are alleged to be remedied by this so-called reform bill simply do not exist. I say that I hope, of course, that the bill will be modified. I hope that it will be defeated. I would be much more willing to modify it. In fact, I think I have some 12 amendments which I have filed and will refile to meet the new procedural requirements. I believe I could live with all of them. But, Madam President, I am reluctant to offer them, because my friends in the labor movement say to me, "Do not offer any amendments; we have the votes to pass it. If the Senate adopts any amendments, we have the votes to bring it back from conference the way it was passed in the House."

My employer friends say the same thing. So, apparently, there is very little that the rest of us can do except vote up or down on either the bill itself or the question of cutting off the debate.

I yield the floor, Madam President.

Mr. SCOTT. Madam President, the Senate is obviously divided as to the wisdom of the present proposals to amend the National Labor Relations Act and this probably includes the pending amendment or substitute offered by the distinguished majority leader (Mr. ROBERT C. BYRD). It is a matter on which labor and management have differences of opinion. In my judgment, the proposed bill is not as much a threat to the business community as some opponents allege, nor are the present faults of the National Labor Relations Board as serious as labor organizations appear to indicate. I personally doubt the wisdom of authorizing the National Labor Relations Board to set wages for newly unionized workers under specified conditions. This appears contrary to the free enterprise concept. The same is true of giving employees who have been improperly fired for union activities back pay at time and a half, but perhaps it would be well to briefly review the National Labor Relations Act as amended and as it operates at the present time.

The National Labor Relations Act, as amended, is the basic Federal law governing collective bargaining between employers and their employees in the private sector. The act is designed in part to lessen industrial disputes by establishing protected rights of employees to join or not join labor unions and to bargain with their employers over issues such as wages and working conditions. The act also defines various unlawful actions of employers or unions which are "unfair labor practices" and provides for the prevention of these practices or remedial actions.

The quasi-judicial National Labor Relations Board, composed of five members appointed by the President for 5-year terms, was established to administer, implement, and enforce the provisions of the NLRA. It does not initiate action, but responds to requests for elections or to charges of unfair labor practices. The General Counsel and his staff investigate and prosecute unfair labor practice cases and conduct secret ballot representation elections to determine what union, if any, a majority of workers in a unit want to represent them. Unfair labor practice hearings are conducted by NLRB administrative law judges—these are the people we used to call hearing examiners, hearing officers, and now they have a more dignified title of administrative law judge—who use the rules of evidence and procedure that apply in U.S. district courts. Based on the hearing record the judges make findings and recommendations to the Board. The five-member Board settles representation questions and decides unfair labor practice cases. If the Board finds that an unfair labor practice has or is being committed, it may order the violator to cease and desist the practice or other appropriate affirmative action, such as reinstating an employee with backpay, refunds of illegally collected dues, or the posting of notices of cessation of a practice.

The Board may ask for a court injunction in some unfair labor practice cases, and is required by law to seek injunctions preventing certain types of union picketing or work stoppages.

If an employer or union does not voluntarily comply with a Board order the Board may ask for a court order requiring compliance with the original order. Any person may appeal a final Board order to a U.S. Court of Appeals.

In the fiscal year ending June 1977, the NLRB had its busiest year on record. A total of 52,943 cases were filed with the Board. Most of these cases were processed in the NLRB field offices. However, a record 1,848 contested decisions were made by the Board itself.

A total of 37,828 unfair labor practice charges were filed with the Board in fiscal year 1977. Most of these, 26,105, were for alleged employer violations—the most prominent being employer discrimination or illegal discharge of employees for union activity. Unfair labor practice charges against unions totaled 11,723, the majority of these being alleged illegal restraint or coercion of employees. The Board and its field staff found that 32.8 percent of all charges had merit.

The NLRB received a total of 14,358 representation petitions in fiscal year 1977. The NLRB field staff conducted a total of 9,484 conclusive elections involving 570,716 employees in fiscal year 1977.

The problems the Board has experienced in case handling stem not only from the increase in the number of cases, but also from various requirements of the NLRA which create delays and invite litigation. The review by the Board of routine unfair labor practice cases is time consuming. Further, the procedure of court enforcement of Board orders causes delays in compliance and often leads to further litigation. The hearing requirement in election cases—when either party requests one—is, at times, burdensome and delays election procedures.

The primary argument made by organized labor and its supporters in favor of reforming the NLRA is that the current law and the way that it is administered are so defective that the statutory right of employees to form labor organizations and collectively bargain is a hollow promise. These critics believe that the Board does not have the necessary power to effect the policy of the act. They have found that the major problems in the application of the law are delays and inadequate remedies for those whose rights have been violated.

Labor supporters feel that currently employers who wish to keep a union out of their firm can do so with virtual impunity and that employers find it more profitable to break the law (the NLRA) than to comply with it. Organized labor complains that the company "stool pigeon" or "goon" commonly used to thwart union organizing campaigns in the 1930's has been replaced by the sophisticated "labor relations consultant" who shows management how to remain nonunion through the exploitation of the law or through outright illegal activity. The end result, they claim, is the same: The denial of workers' rights to join unions and better their wages and working conditions.

Union supporters believe that the often cited phrase "justice delayed is justice denied" is all too true in the application of the labor relations law. Specifically, they cite the following problems of delays:

First. Delays in representation elections.—In cases in which a hearing is held it took a median of 79 days from the petition to the election in fiscal year 1976, and 287 days from petition to election in casse where a Board decision was required. At times it takes a year to decide postelection objections. These delays are counter to the purpose of the act.

Second. Delays in unfair labor prac-

tice cases.—The median time from filing of a charge to a Board decision for unfair labor practice cases was 358 days in fiscal year 1976, while many take years to be fully litigated. It does workers who have been illegally discharged for protected union activities little good to be reinstated 2 or 3 years later. The firing of union supporters can be extremely damaging to a union organizing drive, and is illegal. The intent of the act is denied when it takes months or years for workers to be reinstated.

Third. A third major delay is in enforcing orders and findings of the Board. Currently the guilty party can put off compliance with a Board order for several months or years through court litigation. An order of the Board if it is not voluntarily complied with must be further litigated in the courts and enforced by a court order. Clearly, it is claimed, law breakers should not be allowed to frustrate and defy the law by long and complicated legal maneuvers.

Labor supporters also believe that the law provides inadequate remedies which not only fail to secure the rights of workers but also encourage employers to break the law. These persons believe that it is necessary to reform the labor laws, particularly to force the "rogue" employer to obey the law. They cite numerous examples of employers who, they claim, intentionally frustrate and deny the rights guaranteed by the National Labor Relations Act.

Labor supporters offer many cases in which national labor policy has been subverted by companies who use the law and the Board's own procedures to intentionally delay the process. Finally, it is argued, it is obvious that the Board's current remedies of cease and desist orders, reinstatement with back pay and the necessity of court enforcement with litigation are not adequate to enforce Federal labor-management relations policy. Union supporters conclude that significant labor law reform is needed.

An entirely different point of view is expressed by business organizations.

Business oriented groups and some Members of Congress have also been concerned with the operations of the NLRB and with what they believe are inadequacies in the NLRA. These advocates have argued that it is necessary for Congress to amend the law to restore balance in Federal labor policy and to protect working people and the public from union abuses. They argue that decisions by the Board have been predominantly pro-labor and have undermined two previous congressional amendments to the NLRA which they believe were designed to create a fair national labor relations policy which would not be tilted to the side of unions.

The principal problems and suggested changes cited by business groups include the following:

First. The Board and the act still have a decided pro-union bias. The preamble of the act should be amended to stress the right of employees not to join a union. Currently, the preamble concentrates on the reasons for collective bargaining, rather than presenting a balanced introduction.

Second. There have been many cases in which the Board has found that an unfair labor practice has prejudiced a representation election and the Board has then ordered an employer to bargain without an election. The law should be amended to require a vote by employees in all cases before a union is certified as the bargaining representative.

Third. Once a union wins an election, it is virtually assured continued certification while new employees never get the opportunity to vote for or against the union. The law should be changed to make it easier for employers to test a union majority through decertification procedures in which employees who wish to have a different union or no union representation may, within time limits, request a Board election. A majority vote determines the outcome.

Fourth. One purpose of the NLRA is to reduce strikes and lost production. It is claimed that this has not been a noticeable result of the act. The NLRA should be amended to require secret ballot strike votes before and during any strike. Strikes not so authorized should be illegal.

Fifth. The NLRB is an administrative agency, not a court of law. Its powers in unfair labor practice cases are remedial, not punitive. It should not be allowed to reinstate strikers who have committed violent acts in the course of labor disputes. Its powers should be curbed to include selective reinstatement with backpay, the posting of notices, and requiring the parties to meet and bargain.

Sixth. When a firm buys out another firm it should not be held liable for the previous owners' misconduct under the NLRA. Further, it should have a choice to accept or reject a previously negotiated collective-bargaining contract.

Seventh. Workers should be protected against union fines, especially fines for exceeding production quotas or crossing picket lines.

In essence business and management groups argue that the Board has been far too prounion and that labor law reform is needed to change many of the decisions of the Board and to make its policies evenhanded. Some of these organizations argue that the final answer may be to remove adjudication of unfair labor practice cases from the Board and give those duties to district courts, while allowing the Board to continue its representational functions. Another suggestion is to abolish the NLRB altogether and establish a labor court, similar to any Federal court, which would decide questions arising under the Federal labor laws.

In an effort to update and streamline the operations and procedures of the NLRB the chairman's task force on the NLRB was created by the then NLRB Chairman Betty Murphy in late 1975. This group was made up of 27 labor law experts with backgrounds in organized labor management, the academic community, the American Bar Association, and the NLRB. It was established for a 2-year period with the objectives of:

First. Reviewing and evaluation existing rules and procedures used in investigation, prosecution, and enforcement of cases,

Second. Suggesting ways of improving the agency's processes,

Third. Making recommendations on recruitment and productivity of administrative law judges, and

Fourth. Serving as a forum for ideas and opinions on the NLRB.

In late 1976 the task force issued its interim report and recommendations. This report made 69 recommendations to streamline the Board's procedures. The more significant and controversial findings and recommendations include:

First. The task force found that 80 percent of the representation elections were conducted by agreement between the parties with no delays. However, in order to prevent undue delays and intentional frustration of the election process the task force recommended that all elections be held on the designated date and that the ballots be impounded pending decision on any issues raised concerning the election process.

Second. The task force recommended that the hearing officer in representation cases be encouraged to terminate a hearing when it is clear that no evidence is being presented to support the allegations being made, or that the hearing process is being abused.

Third. The task force found that a major problem was postelection delays brought about primarily by challenges and objections and the resulting Board procedures. The task force recommended (a) that the postelection proceeding should be accelerated, including specific time limits for each step, and (b) the objecting party should supply more supporting evidence then currently required when the objection is made, and if found insufficient the objection should be promptly dismissed.

Fourth. In unfair labor practice cases the charging party should be required to present more evidence, especially affidavits and witnesses; charges defective on their face should be quickly dismissed.

Fifth. The task force recommended increasing the number and productivity of the administrative law judges and expediting civil service proceedings for faster selection.

Sixth. The task force urged the Board to ask Congress for a modernization of the pay structure to upgrade many staff positions. Further it urged increased funding for staff training.

Seventh. The task force recommended that its second year be spent on studying formal rulemaking by the Board. It believes that rules by the Board can greatly contribute to reduced litigation in preelection and postelection proceedings.

It is interesting to note that the task force in its 1976 interim report made recommendations of which 2 were adopted by the Board and 10 were rejected. Later, however, the task force gave further consideration to changes and filed its final report in December 1977, but I am not aware that the Board has taken action on the updated recommendations of the task force.

Mr. President, it seemed reasonable to review the basic purpose of the National Labor Relations Act as I have attempted to do and to summarize the arguments for and against amending the law. Of course, over the past 2 weeks, various Senators have covered much of the same material, but my statement to a large extent was based on a research memorandum prepared by the Library of Congress and may be helpful in providing basic information.

It would seem that all of us desire to improve the climate between labor and management and we would be hesitant to aggravate existing differences or to do anything that would stimulate further conflict to the detriment of labor, management and the Nation as a whole. Actually with few exceptions we have had less friction in recent years between management and labor; both seem to recognize the need for collective bargaining and I would hope that differences can continue to be solved to a large extent at the bargaining table, recognizing, that there will continue to be differences of opinion and some conflicts.

Of course, we will continue to need the National Labor Relations Board, the Department of Labor, its negotiating assistance and other assistance from Government agencies in resolving differences from time to time. But, in my judgment, the Government should be impartial, should not take sides, should recognize the desirability of labor and management settling their own differences rather than aggravate conflicts that develop from time to time. This does not appear to be the time, Mr. President, to change the present law and to invest labor with more power to the detriment of management. In fact, the business community has suffered greatly in recent years by increased paperwork, increased Government regulations, environmental constraints, by additional foreign competition and it appears to me that it is in the public interest, including that of both labor and management, to find ways in which we can increase our industrial capacity, our productivity, where we can provide more of the material things for all of the people of the country. This would, of course, result in a higher standard of living for labor as it would provide a higher standard of living for all Americans.

Our primary concern should be directed toward the general public interest with basic fairness and equity to both sides in conflicts between labor and management.

It would appear that we have an arrangement under present law for the Government to take an attitude that it is neither prolabor nor antiunion, that it is neither probusiness nor antibusiness, but one that serves the general public interest.

Therefore, I would hope that the leadership of the Senate would reflect upon the desirability of any change in the present law at this time. I would hope after we have another cloture vote, that I understand is scheduled for later today, certainly after a few more cloture votes, that this bill will be withdrawn from further consideration by the Senate. In my judgment, it just is not a timely bill, and interfering at this time by the Government in the labor-management field does not appear to be warranted.

I believe that the people of California, on an entirely different matter, gave us an indication of the feeling of the American people when they voted on proposition 13. They do not want any more taxes. If we are going to reduce taxes we are either going to have less Government or we are going to have a greater deficit and more inflation.

The American people, in my judgment, do not want either of these alternatives. I believe the American people want less government not more government.

Let labor and management at the bargaining table settle their own disputes. I intend to vote in opposition to the proposed amendment in the nature of a subsbitute by the distinguished majority leader.

I intend to vote against the bill. But until we come to the place where we have an up-and-down vote, if that should occur, I hope we will continue this debate and discussion of the matter and that cloture will not be invoked.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. I thank the chair.

Madam President, each time the Senator from North Carolina has addressed the Senate on this bill I have, like so many others, emphasized that the paramount concern of the Senate should be the protection of employee rights.

In this regard I received in the mail last week a letter from one of the best friends I have ever had. He is an outstanding citizen of our State. His name is Dr. Lenox D. Baker of Durham. This man has had an incredible career. He has long been recognized by his fellow North Carolinians for his remarkable contributions to the field of business, athletics, and medicine.

He founded the North Carolina Cerebral Palsy Hospital in Durham, which now bears his name. In any event, Madam President, Dr. Baker was writing to me to express his concern about a story that he had read in one of his local newspapers, the afternoon paper named the Durham Sun, and he enclosed the newspaper clipping in his letter.

The article described the tragic story of a handicapped man who lost his job recently, a job this man had held for 32 years.

Why did he lose it? He lost it because of a rule imposed by a labor union.

I want to share this information with my colleagues in the Senate. Certainly it ought to be made a matter of record. It was published in the Durham Sun on Wednesday, May 24. The headline read, "Handicapped Man Loses Job Held for 32 Years." It is an Associated Press story written by a Mr. Richard T. Pienciak. It is datelined New York:

HANDICAPPED MAN LOSES JOB HELD FOR 32 YEARS

(By Richard T. Pienciak)

NEW YORK.—Freddie Kerbel lost his family to the Nazis in World War II. In 1974 he lost his left leg, two years later his right one, both to diabetes.

Now the man who visited Veterans' Administration hospitals to boost the spirit of other cripples has lost the job he held for 32 years—to a union regulation barring prolonged sick leave.

Hotel management had fought a union rule that removes job protection from anyone absent from work for 22 consecutive weeks.

But the hotel was unable to find two jobs—one for the 63-year-old Kerbel and one for the man who replaced him while he was away for a year and a half. So an arbiter was called in, who after two months ruled in favor of the younger man.

"I though I was entitled to the job," said Kerbel. "I belonged to the union for 30 years. I helped organize the local here. I served as a delegate. I took care of the grievances."

Kerbel said his replacement had filled in for him "with the understanding that I could have the job back if I returned."

Kerbel, who stayed off his job until March 13, said: "This was my only chance to go back to a normal life. I guess I might have to go back to the hospital and let them take care of me. What else can I do?

"This isn't just a blow to me, but to all handicapped people around the world. If you knock a handicapped person down, what's the use of rehabilitation?" he asked.

He recalled visits he made to VA hospitals where he would show other disabled persons "that if I could do it, so could they. I can't go see them now, though."

Kerbel lost his family in German concentration camps in World War II. He fled the Nazis and came here from Austria in 1938.

Kerbel, who lives in a basement apartment in an otherwise vacant building owned by the hotel, started out as a waiter at the hotel in 1945 after getting out of the Army. He transferred to the $175-a-week cashier's post, after his first amputation.

He returned to work three months later. But he stayed away for 19 months after his second operation in August 1976.

"One leg you can manage easy. Two legs, it's kind of tough," he said.

Dr. Baker—being the compassionate and Christian gentleman that he is—called the hotel management in New York to express his concern with this situation and to offer his help. The hotel management informed Dr. Baker that they very much wanted to have Mr. Kerbel back but was simply prohibited from hiring him because of the union rule.

Dr. Baker also called the National Office of Disabled Veterans where he spoke with someone who said the matter would be investigated. The person with whom Dr. Baker talked expressed profound shock that such a thing could happen.

Dr. Baker further took it upon himself to place a call to the office of the President's Committee for the Employment of the Handicapped. The people with whom he spoke there seemed incredulous that such treatment would be given to any human, especially a bilateral amputee veteran. Both of these organizations promised Dr. Baker that they would look into this matter.

I do not know, Madam President,

whether either of these organizations can do anything to help Mr. Kerbel. I hope that they will at least make an attempt to find this man some suitable type of employment. In writing to me, Dr. Lenox Baker said, "I pray I am not off on a Don Quixote, but, dear God, are we to allow the forces of organized labor to further abuse our great laboring people, and especially our handicapped veterans?"

It is difficult to answer my dear and distinguished friend, Dr. Baker. I think it is fair to say that we will allow such abuses to continue if we enact into law the bill that is now being considered by the Senate. As I have tried to state repeatedly on this floor, this is not a bill for the working man, Madam President. This is a bill for those who manipulate the working people of this country; and the Freddie Kerbel story is just one episode of unfair union power, not to mention the frustrations to just one man caught in a typical "Catch 22" situation.

Madam President, it is not surprising to this Senator that the bosses of the big labor unions are in trouble in terms of trying to sell their product around this country. The percentage of workers today belonging to unions is decreasing, because more and more working people in America are coming to realize that the unions just do not do anything for them. The unions collect dues; they pay enormous salaries to union leaders in Washington, D.C., New York, and Chicago; and they use the union dues to promote legislation with which the average working man and woman do not agree.

I recall one instance that comes to mind, Madam President, when the Senator from North Carolina was trying to put an end to forced busing of schoolchildren. I submitted an amendment to an appropriations bill to forbid the waste of the taxpayers' money for the ridiculous purpose of hauling innocent little schoolchildren across cities and counties just to satisfy the whim and caprice of some Federal bureaucrat or Federal judge.

What happened? The union lobbyists were all over this place, saying, "Defeat the Helms amendment," and they did—by three votes. But I dare say that if a poll could have been taken among the union workers anywhere in this country, it would have paralleled the polls taken among the American people. Between 75 and 80 percent of the American people are opposed to the forced busing of their schoolchildren.

But this shows you how the enormous political power has grown and grown and grown, just like Topsy, and here we have a piece of legislation that is neither a labor bill nor a reform bill; it is simply a procedure to place even more inordinate power in the hands of a few union bosses. That is why this extended debate is going on in the Senate—because the majority of the American people, including members of labor unions, feel that we ought to be going in the other direction. Unions are now huge businesses—as this handicapped veteran, Mr. Kerbel, unfortunately discovered—that are often guilty of the very things they were created to combat. But through this bill, the union bosses now want to use the Government to force more workers to pay dues to labor unions. Money is what they are after. Power is what they are after. And this bill will deliver it to them on a silver platter. But why should Congress come to the rescue of big labor union bosses at the expense of the small businessmen and the working people of this country?

My response to that is that the Congress should not.

The majority of Americans think that the power and political influence of labor union bosses is already too great. They also believe that there is too much power concentrated in the hands of these union bosses. In fact, reputable public surveys indicate that the public favors the enactment of laws which would curb the power of union bosses and give better protection to the rights of employees.

It is interesting, is it not, Madam President, that the piece of legislation before us now is silent in seven languages on the question of violence, such as occurred in the recent coal strike? The legislation is silent in 47 languages as to corruption in labor unions. Scarcely a day passes that we do not pick up a newspaper and see where trust funds have been invaded or robbed, or otherwise violated.

Madam President, in recent weeks all of us have witnessed the orchestrated visits to Capitol Hill of the so-called "victims" of management.

They have come to my office and I am sure they have gone to the offices of all other Senators. These people have been transported to Washington by unions using union funds, the dues paid by that average working man back home who does not know a thing about this situation.

These people will come and they are given attractive red, white, and blue badges that denote their "victim" status. Then they come to our offices to lobby in favor of this bill. I am not, of course, in a position to pass judgment on the merits of their complaints and would not attempt to do so here.

But the question is, where is Freddie Kerbel, that New York hotel employee? How did his rights happen to fall through the crack? Why is there no sympathy for him? You can bet one thing safely, Madam President, the union bosses are not going to bring Freddie Kerbel to Washington, D.C., to lobby for this bill. He is a victim of the labor union rules. Had his employer been able to prevail, this handicapped veteran would still have his job today. It was the union, it was not management, which took away Freddie Kerbel's job and thereby shattered his life.

There is nothing in this legislation to prevent such abuses as this. The reason is simple: This is not a bill for the working man. This is not legislation to take care of the working people. This is legislation to confer upon labor union bosses even more inordinate power than they now have. When we strip away the veneer and look at the fine print, one has to marvel that such a piece of legislation would have been forced upon this floor at this time when the Senate has so much more important work to do, work that needs to be done in terms of inflation, energy, national defense, and other vital aspects of our national life.

There are no provisions in this bill to protect employees and employers against union violations, such as violence committed during a labor dispute, excessive fines, and other arbitrary and capricious penalties imposed by unions. The American people realize all this, and I daresay that, if the American people could vote on this piece of legislation now before the Senate, it would be soundly defeated.

(Mr. NUNN assumed the chair.)

Mr. HELMS. Interestingly enough, on the same day that I heard from Dr. Baker, the Labor Department released its quarterly report on employee wages. One cannot understate the relevance of these statistics to our consideration of this legislation. The report disclosed that nonunion wages increased more than union wages during the first quarter of the year, reversing the trend since the figures were started in 1975. Of course, it is going to be interesting to see if this new trend continues.

The pay of workers in occupations not covered by collective bargaining agreements advanced 2.2 percent, compared with the increase of 1.6 percent for workers covered by collective bargaining agreements.

Of special interest, the Labor Department report revealed that workers in the South, the least unionized region of the country where right to work is the law, recorded the largest increase in wages, 3 percent. No wonder the union bosses want to head southward armed with this incredible pro-union-boss legislation that is now before the Senate.

I am sure this quarterly report is not encouraging to what is called big labor in this country, because this simply provides another reason for employees, the working people, given fair opportunity for free and uncoerced choice, to decide to remain nonunion, as more and more are choosing now to do. More employees than not are now concluding that opportunities to communicate with their employer are adequate and will not be improved by the presence of a labor union as a sort of middleman. Many employees have seen enough of union fines and restrictions to conclude that unions are not the sure answer to workplace democracy and economic well-being.

So the condition of big labor is understandably shaky, and it is growing shakier by the day. That is why this bill is before the Senate today. The big labor union bosses pushed it here. It was thrust upon the Senate when the Senate would have been well advised to proceed to matters far more vital and essential to the national welfare.

In the years 1975, 1976, and 1977, the unions lost more than 50 percent of their organization representation elections.

This, in fact, was the first time since 1935, when the election machinery was

set up, that organized labor lost more elections than it won.

Furthermore, during the 10 years ending in 1976, the number of elections to withdraw recognition of a labor union increased from 234 in 1967 to 612 in 1976. The last 2 years, 1976 through 1978, have shown a loss for the unions of more than 50 percent of the decertification elections.

Mr. President, to withdraw from a union is not an easy accomplishment, since a withdrawal can be initiated only by employees, and at least 30 percent of them must petition for an election. As further indication of what we call big labor's decline in the marketplace, a decade ago 35 percent of all nonagricultural workers were members of labor unions. Today, that figure stands at 20 percent. Obviously, there are a number of reasons why union strength has declined in recent years.

The amount and percentage of white-collar workers has increased dramatically in our society.

We have the phenomenon of what is called the vibrant Sun Belt, which not only has been attracting industry to the South and Southwest, but also native industry in these States has been growing because of the availability of capital. In recent years, the Southland has scored impressive gains both in population and in income.

The migration of workers to the South is a drain on union strength in the North, and the existence of right-to-work laws in the Southern States serves as a further limitation on the growth of union membership.

Furthermore, of the 20 States now having right-to-work laws, 11 of them are in the States of the old Confederacy. The other nine are Iowa, Arizona, Kansas, Nebraska, Utah, South Dakota, Nevada, North Dakota, and Wyoming.

It is obvious that, with a declining membership in the Northern States and the flight of workers to the South, the union bosses have only one option to halt the national decline of union membership, and that is to head south and thrust organization upon a great many people who really do not want it. Because the unions are desperate to organize in the South, they must look for industries that are concentrated in the South, industries that are largely nonunion. Of course, foremost among these is the textile industry. The national union leaders have admitted that, if the textile industry is organized, then the South, in effect, will be unionized.

Unionization of the South and the complete restructuring of southern society is the goal of these union bosses in the North. The union leaders acknowledge this.

In the Raleigh Times, of December 6, 1976, the president of the Amalgamated Clothing & Textile Workers Union, Murray H. Finley, stated:

> This isn't just to get more members in the union. It's a social movement in a highly anti-union part of the country. The union spent between $5 million and $6 million in its successful boycott and organizing against Farah Manufacturing Company four years ago and is expected to double that outlay in the fight against Stevens.

Quoted in Labor Unity, the issue of November 1976, Paul Swaity, director of the National Organizing Department of Amalgamated Clothing and Textile Workers Union, said this:

> I am optimistic. Of course, Stevens is the key to the South. That giant corporation is spearheading the whole southern anti-union industrial establishment. Once we make a breakthrough there, the whole climate in the South will change.

Even though the southern textile industry has been the target of unionization by the ACTWU, the results have been very disappointing for the union bosses. An example of what can happen to the economic health of a company when faced with unionization is that with the Farah Manufacturing Co. of El Paso, Tex. In May 1972, the Amalgamated Clothing Workers Unions initiated a consumer boycott against the clothing manufactured by the Farah Co. Liberal church, labor, civil rights, and similar groups supported that boycott, and by February 1974 the company gave in and accepted the union.

Here is the point: What did the employees, the working people, gain by the 22-month strike and boycott against the Farah Co. by the union?

At its preboycott peak the Farah Co. produced 12,000 dozen men's and boys' garments each day. Today the Farah Co. produces 3,500 dozen per day, a decline of about 71 percent. Before the union boycott, Farah employed 9,500 workers at 9 plants in El Paso and San Antonio. Now, the Farah Co. employs only 6,500 in 3 plants, a loss of 3,000 jobs thanks to this union boycott. Estimates vary at the moment as to the amount the unions spent to obtain 5,500 new members from the ranks of the employees of the Farah Co. But those estimates range from a low of $4.5 million to a high of $6 million, and since the mid-1974 dues level was $3 per member per month, it is estimated it will take 25 years for the Amalgamated Clothing and Textile Workers Union to recover the cost of acquiring these new members.

When the union went to El Paso they expected that a victory at the Farah Co. would make it easier for them to organize an additional 50,000 to 60,000 members in the El Paso area. However, this was never achieved. In fact only one-tenth of the workers in El Paso are unionized.

So what did the union bosses really accomplish for the working people in that area? That is a good question.

Well, the union won a 3-year increase of 80 cents an hour of which 60 cents an hour was mandated by the minimum wage law. Big deal. Obviously the union netted only 20 cents an hour more spread over a 3-year period. For a 20-cents-an-hour gain 3,000 people lost their jobs. What a price to pay, Mr. President, what a price to pay to satisfy the appetite for additional power and money by union bosses.

It is well known that the Farah Manufacturing Co. has never recovered from this nationwide boycott of its products.

The New York Times in its edition of May 20, 1977, noted:

> The Farah Manufacturing Company, the Texas apparel-maker that was locked in a bitter union fight for several years and suffered a widespread boycott of its products, announced yesterday that it expected to report another, and "significant" loss in the second quarter of this year. Industry sources said yesterday that Farah's losses represented the aftermath of a 22-month strike begun against it in 1972 by the Amalgamated Clothing Workers Union. Sales last year dropped to $137.3 million from $151.6 million in the prior year, and the company suffered a deficit in the year ended October 31, of $24.4 million.

Think of that, Mr. President, the great thing that the labor union organizers did for that part of Texas. A company which once made a profit and was able to employ thousands of workers is now losing money. But the Amalgamated Clothing and Textile Workers Union has not learned a lesson from the Farah strike but, in fact, it wants to impose the same disastrous methods on the textile industry in my State of North Carolina.

I was looking through the files and I saw a clipping from the Charlotte Observer dated December 7, 1976, and I saw an article attributed to Jacob Sheinkman, who was secretary-treasurer of the Amalgamated Clothing and Textile Workers Union, who said:

> We are prepared if necessary to go beyond economic expenditures of the Farah strike. A key element is the recruitment of broad based support from the civil rights movements, liberal church groups, students and other unions. This is essential to project the boycott into a social movement. This is what we did in El Paso (in the Farah Boycott) and this is what we have to do against Stevens.

Well now, Mr. President, look at the disastrous consequences of what "they" did in Texas. You can understand why the people of North Carolina are concerned about the activities on the part of union bosses in my State.

Setting aside for the moment the dispute between the ACTWU and the Stevens Co., what has been the track record of that union recently in North Carolina? Well, on August 5, 1977, the ACTWU was rejected 33 to 30 by the employees at Globe Manufacturing Co. in Gastonia, N.C.

On July 29, 1977, the textile workers of the Sanford Finishing Corp. in Sanford, N.C., rejected the ACTWU by a vote of 65 against and 53 for.

On March 7, 1977, the National Labor Relations Board informed the Chatham Manufacturing Co. of Elkin, N.C. that the ACTWU had filed a disclaimer of any further interest in representing Chatham's approximately 2,500 employees. Thus a 23-year-old struggle by the company and many of its employees against union representation had been won. Perhaps, the following analysis by the local newspaper reveals the key to the union's unsuccessful efforts.

The Elkin Tribune stated on March 9, 1977:

> Despite what the textile workers union says about the intransigence of Chatham management with regard to labor-management relations, in the final analysis the union failed because it could not convince

Chatham employees that a union could benefit them to any extent. In the ten years that the union was bargaining on behalf of the workers, it did not succeed in extracting any major new employee benefit that the company was not prepared to grant anyway.

Just looking at the aforementioned cases here in the state of North Carolina, what do the votes against the ACTWU tell us. First, the demand for union representation is not overwhelming. The ACTWU has lost seven elections in a row, and it has not won since December of 1975 in the two Carolinas.

That is why, Mr. President, this bill is on the Senate floor today. If the union bosses cannot win fair and square they come trotting to the United States Senate and the House of Representatives and, in effect, say "Bail us out; bail us out. Make them join our union."

Now, the union would have everyone believe that the workers of North Carolina are oppressed, downtrodden, completely at the mercy of their employers, and literally begging to be represented by the Amalgamated Clothing and Textile Workers Union. Don't you believe it, Mr. President. It simply is not so. As the votes show, whenever the workers have been given the opportunity to vote recently they have rejected the ACTWU. Any intelligent person is bound to be aware that this does not indicate that the textile workers are completely satisfied with their working conditions, because nobody in any job is completely satisfied all the time; but the textile workers have indicated by their votes in these elections that they would rather work out their differences directly with their management than to have some far-away union boss interfere with this process of direct compromise and negotiation.

Management and workers in North Carolina are closer to each other than their counterparts in the unionized States of the North. We live in the same towns, we go to the same schools, we worship at the same churches, we take part in activities together such as the Little League, the American Legion. Workers and management alike are enjoying the economic growth and prosperity of what some call the Sun Belt, and it is apparent that industry is booming in the State of North Carolina because of the climate established by the friendship and the relationship between workers and management.

Just yesterday, I went with the distinguished Governor of North Carolina, Jim Hunt, to a little town in the eastern part of the State, in Robeson County, a community called Maxton. There may be some who remember Maxtin as being near to the Laurinburg-Maxton Air Force facility during World War II.

Governor Hunt and I went to Maxton yesterday to participate jointly in a symbolic groundbreaking for an enormous Campbell Soup plant which ultimately will employ at least 1,100 people of that area, providing a fine industry, operated by capable management.

(Mr. BAYH assumed the chair.)

Mr. HELMS. I was very much interested in the remarks made by the president of the Campbell Soup Co., Harold Shaub, and the Governor of North Carolina, Jim Hunt, yesterday. They pledged to each other that there would be a harmonious relationship between management and labor, that each would be interested in the success of the company and thereby in the success of everybody employed by the company at this new facility in Maxton.

Now, this plant for North Carolina was not acquired by any labor union boss. As a matter of fact, I am sure there was great displeasure when the news came that this plant would be built in my State. I mention this, Mr. President, to emphasize the fact that the relationship between labor and management in North Carolina is good, and the last thing we need are interlopers coming into our State inciting discord, and pretentiously declaring that they are the saviors of the working people. The free enterprise system is the only salvation of the working people of this country, Mr. President. The free enterprise system produces jobs. Government does not, and certainly labor union bosses do not.

Mr. President, as a Senator from North Carolina, I am particularly concerned about the damaging effects this bill would have on the growing economy in my region of the country. But I was reminded of the national implications of this legislation in an article written by Allan Grant, president of the American Farm Bureau Federation. Mr. Grant noted that the entire country has a stake in this bill—every farmer and every consumer. He urged us to consider the following facts:

First. Organized labor's bargaining power has materially increased the costs of vital production inputs such as fuel, machinery, trucks, fertilizers, and other farm chemicals.

Second. Labor gets more than half the cost of transporting, processing, wholesaling, and retailing food.

Third. For the first time in history, labor now gets more of the consumers' food dollar than does the the farmer who produces it.

Fourth. Closing of vital services by unions at crucial times—transportation, processing, or product supplies—denies customers food, and farmers markets, both domestic and foreign.

Fifth. More and bigger government with its inefficiencies, overregulation and inertia is consistently advocated by organized labor.

Sixth. Protectionist efforts of organized labor hamper foreign trade and can close critical export markets to agriculture.

Seventh. Harvest time strikes against processors or handlers leave growers with food rotting on the ground—and, of course, this increases the food cost to the consumer. There is not a housewife who goes to the supermarket who cannot testify to that.

Finally, big labor pressures have caused farm labor costs to increase nearly 300 percent since 1960.

Earlier this year, Mr. President, the city of Washington was visited by literally thousands of farmers from all over this country, including my own State, who had come here to protest the fact that they were about to go bankrupt. The 300 percent increase in the cost of farming was the bottom line of their complaints. They were talking about inflation, and Allen Grant, in his article, was spelling out part of the cause of inflation.

As we consider this very unwise legislation now before the Senate, we had better also consider the people of this country, who are fed up with inflation, and rightly so.

If the pending bill should become law, there will be more unemployment, coupled with increased inflation, due to the increased monopoly power of the unions and further increases in labor costs that go beyond increases in productivity. The distinguished farm leader warned that the "last thing we need now is to amend the NLRA to tilt it more on the side of the labor monopoly." I could not agree more.

Allen Grant makes clear that he understands that this is no true reform bill. He has correctly noted:

The so-called "reforms" that big labor would press upon our economy are not reforms at all. At stake are precious freedoms in the marketplace and the rights of employees as well as employers to make decisions of self-determination free of coercive pressures. Any true reform bill would provide protection for the rights of individual workers, both nonunion and union; prevent and severely punish those who practice violence in the name of union; and protect the public against strikes that shut down vital public services, such as transportation, education, fire and police protection.

Mr. President, the inflationary and other worrisome aspects of this bill should be of utmost concern to all farmers and consumers. For their sake, I hope my colleagues in the Senate will give the Farm Bureau objections to this legislation serious study and consideration.

As with the farmers and consumers of America, we have had much discussion and debate on what this bill would mean to small business.

Lest anyone be in doubt at this point, the Senate should know that small business is opposed to this legislation in its entirety. No amendment has been proposed which will make a silk purse out of this sow's ear. In no way will it be acceptable to small business and their employees.

Mr. Wilson S. Johnson, president of the National Federation of Independent Business, has aptly noted that the labor reform bill is nothing short of "a small business nightmare." I want to share his objections—on behalf of Americans small business—with the Senate.

In an article entitled, "S. 2467: A Small Business Nightmare," Mr. Johnson wrote as follows:

S. 2467: A SMALL BUSINESS NIGHTMARE

Early in 1978, the Senate will tackle the so-called "Labor Law Reform" bill, S. 2467, a complicated bill that could introduce disastrous powers and penalties into the field of labor-management relations. As so often has been the case, the proposed changes in federal labor laws would greatly increase the pressures and penalties facing small businesses least able to cope with them.

Unlike many recent "reform" bills, this labor law reform has not been initiated by good government groups or reform organizations but by the bureaucrats and power brokers of organized labor. This is not surprising. It seems that the union leaders have noticed a phenomenon very disturbing to them: more workers want less union involvement than ever before. Today only one out of five workers belongs to unions, compared to more than one out of four 20 years ago. Unions likewise recite in dolorous tones their pathetic record in organization elections. NLRB fiscal year 1976 figures show that unions won fewer than half of the certification contests conducted by the NLRB.

The union logic is audacious: unions argue that they are not very successful under our present system of labor law, so the rules must be changed to improve their organizational record. This logic completely overlooks the obvious question. If unions are so good for their members, then why don't more workers join unions?

Wherever the fault lies, it is not with the federal labor law. The tumultuous labor environment of the thirties provoked Congress into enacting a system to bring peace and evenhandedness to relations among management, workers and unions. In the 40 years since passage of the original National Labor Relations Act, workers in this nation have enjoyed tremendous gains in wages, fringe benefits and job security. The economic and political impact of unions is awesome and obvious. The present federal labor law has generally worked as it was intended and is not in need of wholesale reform.

But the bill's proponents disagree and claim several current examples of organizing efforts frustrated because the federal law is not strong enough or tough enough. Whatever the facts may be in those cases, it is certain that large national companies will continue to have legions of lawyers and labor consultants available to advise them on how to stay in the bounds of the law and still give the unions a good fight. Small businesses, however, will be severely affected by this bill.

Big labor may well complain that it cannot win against big business. The latest NLRB annual report lists labor as winning only 17 per cent of the 119 organizing elections of units with 500 or more workers. But big labor has been going after small business with a vengence and has been very successful at it. For the same period the NLRB supervised 3,865 elections in units with fewer than 20 employees and unions won 57 per cent, nearly three out of every five organizing drives for small units. Small businesses with small groups of employees are clearly easy targets for the big labor leaders.

These statistics document a situation distressing but familiar to many small businesses. Not only do they usually lack regular counsel on labor affairs and laws, but they often lack the time and resources to effectively fight any organizing drive. The small business owner does not sit in a board room giving orders. He or she is often the foreman, inspector, accountant and substitute for any employee off work. He cannot take the time to print placards or organize employee rallies to discuss his views on unions. He is sharply restricted by law and NLRB decisions as to the type and content of contacts with his employees on the union issue. And he is often unaware of any movement toward unionization of his firm until he is presented with the certification petition by the NLRB. By then the union has done all its advance work and the owner faces a fait accompli.

The "reform" bill proposes an accelerated timetable for certification elections, exactly what is least likely to improve labor-management relations. An organizational drive is not unlike a domestic dispute: workers and employers who may have known each other for some time are surprised and often angered at the other's position. It would be much more sensible to impose a mandatory cooling off period of 75 to 90 days after presentation of certification petitions, than the quick interim called for by the Senate bill. Tempers could cool on both sides. Workers would be in a better position to decide whether the union was best for them. Employers would not feel as pressured and would be less likely to react precipitously. Inflammatory language and tactics would likely decline and all sides would approach a very important issue with cool heads.

Proposed changes in the federal labor laws would surely deal organized labor a much stronger hand, vastly increasing the amount of pressure it can bring to bear against workers and businesses. More importantly they will add several new stumbling blocks for small businesses to get over in today's tough business environment.

Congress is responsible for legislating in the public interest. Trade unions are now large, powerful bureaucracies. What is good for unions is not necessarily good for the nation. Federal labor laws must strike a balance among workers, unions, and business, large and small. Each has different needs and problems. The Senate should realize that S. 2467 will badly tip that balance against small business.

CONCLUSION

Forty-two years ago, Congress enacted the legislation which labor unions hailed as their Magna Carta. Under it they have indeed grown and flourished. Their memberships have increased by millions. Their income—tax free—has multiplied to billions of dollars annually. Their wealth and prestige and power have expanded until they are today undoubtedly the most potent organized factor and influence in our Nation, in matters social, economic, and political, and in all areas of local and State governments and of the Federal Government, congressional, executive, and judicial.

Yet the leaders of the unions are not content. They want no slackening in the growth of their power. Not unexpectedly, their motto is "More." They sense that now is the time to get it—and through the mandate of law.

Hence they come now to Congress urging statutory enactments, which in themselves would make unionization irresistible—and from which there would rapidly flow into the hands of union leaders unchallengeable power.

That power as it rose and spread would dominate not merely employers—but even more truly, employees—and beyond employers and employees, the whole American people.

Finally, I must once again urge the Senate to replace S. 2467 with legislation which would foster true reform. The thousands of small businesmen who are harassed, threatened and subjected to personal and property damage each year at the hands of some unscrupulous union organizers deserve more, not less, protection from the Federal Government. Moreover, such additional protection must also be afforded to the countless numbers of working men and women who are intimidated into joining labor unions. Legislation designed to end these blatant abuses would constitute real labor reform.

This legislation will not, I repeat—will not—aid the American working man. It will not aid the American economy and it will not aid American business. Instead, it will only serve to accelerate the already rapid deterioration of this Nation's ability to compete in world markets. I say again that this proposal is not reform of the current legislation. It is, rather, an attempt to expand the organizational efforts of America's unions.

I am not against labor unions. I am not against the rights of workers to join together and organize in order to enforce and protect their interest. What I do oppose is a blatant effort to disrupt the delicate balance of industrial harmony. What I do oppose is a blatant political payoff. What I do oppose is an attempt to legislate inequities whose short-term selfish gain for organized labor will be a long-term tragedy for America and its people.

Mr. President, I yield the floor.

(The following proceedings occurred earlier during Mr. HELMS' remarks:)

Mr. HELMS. Mr. President, I ask unanimous consent that I be allowed to yield to the able Senator from Illinois, with the understanding that I not lose my right to the floor, that my resumption of my remarks not be considered a second speech, and that his remarks appear following the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PERCY. Mr. President, I thank my distinguished colleague, very much indeed, for his usual graciousness in yielding at this time.

Mr. President, just before the Memorial Day recess, I announced my intention of participating as actively as possible, consistent with other responsibilities, in the debate on the pending labor law reform bill.

At that time, I spoke in some detail about the inflationary impact of the "make whole" remedy and I am pleased to see that the sponsors of the bill have been willing to revise that section of the bill—as part of a broader substitute—in response to the concerns expressed by a number of Senators, including myself. While the substitute introduced on Thursday of last week does not adequately correct the original bill, it is a step in the right direction and I compliment the distinguished majority leader, the two floor managers, the staff and others who worked so hard to produce this revision, and express deep appreciation for their willingness to be flexible and realistic on this issue. I would have preferred to see the bill be sent back to committee until a time certain to work out compromises and revisions in that atmosphere and under conditions absent on the Senate floor once cloture has been invoked. For that reason, I was delighted to support the motion of the minority leader, Senator BAKER, as the preferable course of action.

When I spoke previously, I objected to the "make whole" remedy in the committee bill for three reasons:

First, its inflationary impact: had the bill been in effect as law at the end of May, the percentage increase to which

compensation to employees for the failure to bargain in good faith would have been directly related was 14.6 percent. Were this standard to be applied in Board cases and otherwise used as a standard across the country, the increases would have been quite inflationary.

Second. Its interference with the collective bargaining process, by which the Government—heretofore neutral—would have become an active part of the process; and

Third. Its possible chilling effect on the right of the employer to appeal decisions of the Board related to the determination of the bargaining unit and the election.

I still feel strongly about this provision, particularly its inflationary impact and yesterday introduced an amendment to modify that section of the bill.

Today, I would like to turn to other provisions of this legislation which I find disturbing and which, if contained in the final bill, would cause me to vote against it. Although I understand that the sponsors of this legislation are moving to invoke cloture on the Byrd substitute so that it becomes the pending business, I intend to address myself to the provisions of the bill as reported by the Human Resources Committee on January 31, in order to have on the record my position with respect to the committee bill. I will comment at another time on the changes suggested in the substitute.

Of the major provisions of H.R. 8410, the following raise serious doubts in my mind as to their fairness and effect on the delicate balance of labor-management relations, and for that reason, I oppose them:

First. The so-called equal access provision,

Second. The shorttime periods within which the NLRB-supervised elections are to be held, and

Third. Summary affirmance of the decision of administrative law judges by a minority of members of the NLRB.

I. "EQUAL ACCESS"

Section 4 of the committee bill requires the Board to promulgate rules applicable to all representation elections which would assure that, subject to reasonable conditions, including due regard for the needs of an employer to maintain the continuity of production, employees will be given an equal opportunity overall to obtain information from both employers and unions concerning union representation. It would apply not only to captive audience situations, but also to other employer communications. It would allow equal access rights to be exercised after the union notifies the employer in writing that 10 percent of his employees have signed authorization cards. It also provides the employer access to union property, a provision which is not looked upon, even by unions, as a serious or credible offset.

Under current law, union organizers who are not employees are now permitted access to the employer's premises if it can be shown that this is the only reasonable way to communicate with employees. Organizers may visit employees in their homes and call organizing meetings off the employer's property; once an election has been ordered, they can get the names and addresses of employees; employees who favor unionization may talk to their colleagues during nonworking time in nonworking areas such as lunchrooms, locker rooms, et cetera, and in workplaces when it does not unreasonably interfere with continuing work; they can campaign without notification to the employer and they can make promises. In most situations, the employer's only access to workers is at the workplace.

The proponents of this section feel that employers have an advantage over unions at the workplace in presenting their message to their employees during working time. Talking to the employees as a group is, for the union, more efficient, less costly, and certainly less time and trouble than the traditional methods. The employer's ability to hold captive audience speeches during which it stops production and requires attendance, while refusing to give the union equal time is said to give the employer a tremendous advantage during the campaign period. They cite a study which found that only 36 percent of employees attended union meetings after work, off company premises, while 85 percent attended employee meetings held on the premises during working time. The study found that—

Many employees know little or nothing about unions prior to the union organizing campaign and, as a practical matter, have neither the time, energy, nor the inclination to travel to a union meeting at the end of their working day (Quotation from *Union Representation Elections; Law and Reality* by J. Getman, S. Goldberg and J. Herman, 1976).

Opponents point to all the opportunities for organizing available in current law and feel that the equal access provision would totally tip the balance in favor of the organizers. Management, unlike unions, runs great legal risks in speaking to individual employees and this provision would deprive them of their only effective means of communicating with them. It also interferes with the employer's ability to run his own business. They also argue that 10 percent of the workers is not a significant number and does not justify the use of such a strong measure.

Mr. President, I believe that section 4 is one of the most arbitrary and unfair provisions of the proposed bill. It is also unnecessary because unions already have a number of exclusive opportunities to communicate with workers that employers are prohibited from using and I find unions understandably unwilling to give up such advantages.

The Board has, over a period of 42 years, developed various procedures and safeguards necessary to insure the fair and free choice by employees of their bargaining representative. The equal access provision contradicts the Board's experience in carefully balancing the rights of labor and management, notwithstanding its total disregard for an employers' property rights which I shall discuss subsequently.

As indicated in the Senate report, this provision is directed at "captive audience" speeches conducted by the employer during the campaign, but, as currently drafted, I believe this provision would apply anytime an employer talks with his employees concerning unionization, even though no petition for an election has been filed by a union with the Board. As a result, it is likely that union organizers will notify employers that they have obtained several organizational cards and insist that they should have access to the company premises every time the company mentions unions. I see the workload of the Board expanded tremendously on this one provision alone.

It is also extremely vague with respect to its scope of coverage. It could apply to such situations as a small group meeting conducted by an employer in which the subject of unionization is discussed, despite the fact that it is only one of numerous subjects covered, and therefore, it appears that this provision far surpasses its stated purpose of equalizing campaign opportunity. There is also a problem concerning the number of union officials to be permitted on the company premises. It appears that this provision would allow an unlimited number of organizers onto a company's premises.

At the very least, it would seem incumbent on the unions to reimburse the employer for the cost of time and production lost because of a union address to workers. While it is one thing to talk of free speech, an employer and his shareholders should not be required to subsidize the sales presentation of a union organizer. Unfortunately, however, this is not provided for in the bill.

Finally, not only is equal access unnecessary, but the provision in S. 2467 is so drafted that it is probably unconstitutional. In *NLRB* v. *Babcock & Wilcox Co.*, 351 U.S. 105 (1956), the Supreme Court upheld an employer's refusal to permit nonemployee union organizers access to private company property. The Court held that because of the availability of other means of communicating with employees—mail, home visits, group meetings and handbilling—the Labor Board could not require union access to a parking lot. Here, of course, we are talking about access to the entire plant and not just the outside portion.

More recently, in *Central Hardware Co.* v. *NLRB*, 407 U.S. 359 (1972), the Supreme Court, again reversing an NLRB determination that access by nonemployee organizers was required, held that such persons did not have a constitutional or statutory right of entry to an employer's parking lot even though the parking lot was open to the public. In affirming the principles originally expressed in Babcock, the Court held:

The principle of Babcock is limited to this accommodation between organization rights and property rights. This principle requires a "yielding" of property rights only in the context of an organization campaign. Moreover, the allowed intrusion on property rights is limited to that necessary to facilitate the exercise of employees' § 7 rights. After the requisite need for access to the employer's property has been shown, the access is limited to (i) union organizers; (ii) prescribed non-working areas of the employer's prem-

ises; and (iii) the duration of organization activity. In short, the principle of accommodation announced in Babcock is limited to labor organization campaigns, and the "yielding" of property rights it may require is both temporary and minimal.

The requirement that access be granted only where the particular facts demonstrate the absolute need has been carried forward with precision by both the NLRB and the courts. This standard is not one of convenience, but one of absolute necessity, which requires the labor organization to demonstrate that it is unable to contact employees through any other available means of communication.

The due process clauses of the 5th and 14th amendments of the U.S. Constitution provide that—

(n)o person . . . shall be deprived of life, liberty, or property, without due process of law.

The right of a person to control his private property is a fundamental right under the U.S. Constitution.

It also is well established that the right to limit the use of property by outside persons is "part and parcel to the rights traditionally associated with the ownership of private property." *Amalgamated Food Employees Union Local 590* v. *Logan Valley Plaza, Inc.*, 391 U.S. 308, 319 (1968).

The problem of reconciling the competing constitutional rights of property and free speech was addressed by the U.S. Supreme Court in *Lloyd Corp. Ltd.* v. *Tanner*, 407 U.S. 551 (1972). In holding there that a privately owned shopping center could prohibit the distribution of handbills on its property, the Court emphasized:

The Fifth and Fourteenth Amendment rights of property owners as well as the First Amendment rights of all citizens, must be respected.

The Court further stated:

Although the accommodations between the values protected by these three amendments (the first, fifth and fourteenth) are sometimes necessary, and the courts properly have shown a special solicitude for the guarantees of the First Amendment, this Court has never held that a trespasser or an uninvited guest may exercise general rights of free speech on property privately owned and used nondiscriminatorily for private purposes only. Even where public property is involved, the Court has recognized that it is not necessarily available for speaking, picketing, or other communicative activities."

The Court established the following general standard to be applied in arriving at the accommodation:

It would be an unwarranted infringement of property rights to require them to yield to the exercise of Fifth Amendment rights under circumstances where adequate alternative avenues of communication exist. Such an accommodation would diminish property rights without significantly enhancing the asserted right of free speech.

In Babcock & Wilcox and Central Hardware, the Court applied the same standard in determining the rights of nonemployee union organizers to enter onto private property. In both cases, the Court ruled that such persons did not have a constitutional or statutory right to the employer's parking lot.

Applying these principles here, it is clear that the equal access provision cannot stand. The problem of the right of nonemployee organizers to enter onto an employer's property cannot be dealt with by general regulation. A case-by-case approach is constitutionally required. To justify an infringement of an employer's property rights, there must be a showing in each case that such an infringement is necessary because of the unavailability of alternative means of access to the employees which do not infringe on these rights.

I cannot agree that lack of worker motivation to attend union meetings, as illustrated in the Goldberg, Getman and Herman study, is sufficient reason to require the employer to open up his facilities to union organizers across-the-board, particularly as measured against the constitutional standards established in the cases I cited.

Mr. President, I am committed to three principles of labor reform: I support the concept that once a sufficient number of workers has signed authorization cards, there should be a union representation election after a reasonable amount of time. I support the idea that workers deserve a specified compensation from employers if they are clearly illegally fired solely for engaging in union activities. I also believe that existing law should be strengthened to assure that, once a union has been certified as the bargaining agent for a group of workers, both labor and management will bargain in good faith. I fail to see how an equal access provision would accomplish any of these goals.

Furthermore, as I stated several weeks ago, I believe that the principle purpose of any labor reform bill should be to strengthen the ability of current law to deal with labor-managment problems, and to that limited extent I have said I would support a labor reform bill. I do not think, however, that it is necessary or desirable to change the complexion or balance of our labor laws as presently constituted, and it is my belief that the "equal access" provision represents a major change in those laws.

With respect to the substitute proposed by Senators BYRD of West Virginia, WILLIAMS, and JAVITS, I believe a good-faith attempt has been made to address concerns prompted by the committee bill. The new provision certainly is an improvement over the old. Although I still believe that existing law is sufficient with regard to access, I shall be happy to give this proposal closer consideration in the next few days, and speak at the appropriate time should this measure become the pending business of the Senate at some point.

II. TIMING OF ELECTIONS

Section 6 of the bill provides that the Board shall conduct elections according to the following schedule:

First. For bargaining units in which a majority of employees supports the request for an election, the Board is to issue the order for the election within 13 days and the election is to be held between 21 and 30 days after the petition for such election is filed with the Board and served on the employer, unless both parties consent to a date prior to the 21st day.

Second. In any other case—but with at least 30 percent of the employees in the bargaining unit having signed authorization cards—the Board must direct that the election be held within 45 days after filing and serving of the petition, except that—

Third. The Board may direct the election to be held at or before a maximum 75 days from the time of filing and serving in cases of exceptional novelty or complexity, in its judgment.

These timetables apply to all elections supervised by the NLRB including those to decertify a union. The bill specifies that the days of the week during which a majority of the employees involved in the election are on vacation shall not be included.

The election would occur during the required time period regardless of whether or not such questions as the appropriateness of the bargaining unit or the inclusion or exclusion of certain employees had been decided. If major questions are not settled by the date of the election, the ballots are impounded until such time as they are settled. When all questions are resolved the ballots are counted and the union certified, assuming that the questions were resolved in the union's favor.

Under current law, the Board is required to conduct an election within a reasonable amount of time subsequent to the filing of an election petition. No time requirement is imposed and approximately 80 percent of all elections are held within 45 days by voluntary agreement of the two parties.

The unions maintain that delays inherent in NLRB processes have frustrated the attempts of many employees to exercise their rights to organize. Critics of the present procedure note that an employer can delay a representation election for 2 or 3 months by contesting preliminary issues such as the bargaining unit. When these issues are complex enough to require full Board review, the delay can be 9 months to a year during which time support for the union is eroding. It is suggested that some of the procedural delays on the part of the employer are deliberately caused to hasten the erosion of union support. Supporters say that once the Board is forced to make rules governing the determination of a bargaining unit, the time required to settle these issues will be much less and it would be entirely feasible to hold an election within 21 to 30 days.

Opponents argue that serious delay occurs in a minimum of cases, and that 80 percent of elections are held by the consent of both parties within 44 days. The new proposals apply to all elections, a requirement which is not necessary in most cases. They also suggest that the time periods are too short and argue that the union definitely has the advantage in getting an election since there is no time limit within which the required number of authorization cards must be signed. there is no time limit on the validity of

the cards—except that the signers must still be employees by the time the election occurs—and the organizers can hold the cards, once they are signed, until the most propitious time for filing the petition.

Mr. President, I believe there is a way of reconciling the opposing arguments on this provision. Clearly, we ought not interfere with people who are playing by the rules, that is, conducting their elections within 44 days. Where the law must be strengthened, however, is in its ability to expedite elections in cases of deliberate and meaningless delay of which we have been given many examples in recent months. For this reason, I have supported and will support time limits beginning at 45 days as proposed in the amendments of the distinguished Senator from Rhode Island (Mr. CHAFEE).

This amendment, if enacted, will put employers, who have every right to legally resist unionization, on notice that they cannot unduly delay the question of whether or not the employees wish to be unionized, but it will not interefere with law-abiding employers and unions who already agree in a majority of cases on an election date within 44 days of the filing of the petition.

III. SUMMARY AFFIRMANCE OF THE DECISIONS OF ADMINISTRATIVE LAW JUDGES

Section 2 of the bill directs the Board to develop rules for the establishment of a three-member panel who could summarily affirm the decisions of administrative law judges (ALJ's) in unfair labor practice cases. It is the intention of the committee that this procedure be used for uncomplicated cases. It provides a procedure whereby the winning party in a case before an ALJ would have to file, within 10 days of the decision, a motion for summary affirmance. The losing side would have 20 days beyond that to file a response. A three-member panel of Board members would then review the case and make a decision. No time period is specified within which the Board panel must render a decision, but the committee report implies that it should be done as soon as possible.

Under current Board practice, appeals the ALJ decisions are usually assigned to three-member panels who, once they have reached a decision, circulate it to the entire Board before it is formally issued as a decision of the Board. The Board has a summary affirmance procedure which it uses now at its own discretion.

The committee argues that it presently takes a median time of 185 days from the issuance of an unfair labor practice complaint to the issuance of an ALJ decision, including a median time of 111 days from the close of an unfair labor practice hearing until the ALJ issues an opinion. Finally, it takes a median of 145 days from the decision of the ALJ until the Board's final decision, in spite of the fact that many of these cases do not involve substantial questions of law. The committee points out that 40 percent of all contested cases taken to the Board are affirmed by adoption of the ALJ's decision without modification. They recommend that summary affirmance be used in uncomplicated cases where the ALJ's have made what are known as short-form decisions. It is felt that by requiring the Board to mandate that motions for summary affirmance be filed within 30 days, the median 145 days mentioned above would be substantially reduced and the cases disposed of in a more efficient manner.

Opponents note that present Board procedures already allow the Board to summarily affirm ALJ decisions on its own initiative in cases that are appropriate for this treatment. They feel that the bill thus risks the creation of inflexible rules which may actually delay cases. If, for example, someone asks for summary affirmance in a case which actually merits full Board review, this process may serve to delay the ultimate decision by increasing the number of procedural steps leading to that decision.

What concerns me about this provision in the bill is the approval of decisions by a minority of the Board. If this provision is to save time and avoid further appeal, the parties involved must be satisfied that the decision of the panel is, in fact, the decision of the full Board. This could be achieved in two ways: First, having the panel constitute a majority of the Board and requiring its decisions to be unanimous, or second, keeping a three-member panel and requiring that the panel's decisions be circulated to all Board members. If we could establish in the legislative history of this bill that decisions of the three-member panels be circulated to the Board, just as under current procedure, I would be happy to withdraw my reservation.

Mr. President, I have advised the minority floor leader of the bill (Mr. JAVITS) that I would appreciate having a short colloquy with him to clarify certain aspects of the Labor Reform Act. I understand that Senator JAVITS is on his way to the floor. At this time, awaiting his arrival, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, we have been advised that Senator JAVITS is questioning witnesses in connection with the refinancing of loans to New York City and is not available at this time, nor is Senator WILLIAMS, the chairman of the Human Resources Committee.

It is the understanding of the Senator from Illinois that the distinguished Senator from Indiana (Mr. BAYH), who is the floor manager of the bill at this time, even though not a member of the Human Resources Committee, would be authorized to speak on behalf of the chairman and the ranking minority member on an issue that I would like to raise with respect to section 2 of the committee bill.

Is my understanding correct in that regard?

Mr. BAYH. That is accurate, I say to my colleague from Illinois.

I am sure the Senator from Indiana cannot speak as eloquently as the Senator from New York, if he were here, but I understand the legislative emergency that calls him elsewhere, I have discussed the concerns of the Senator from Illinois with Senator WILLIAMS before he left the floor and he has prepared me to respond to the questions of the Senator from Illinois as if he were making the response himself.

Mr. PERCY. I thank my distinguished colleague.

It is the understanding of the Senator from Illinois that Senator JAVITS also conferred with Senator WILLIAMS so that in a sense, the Senator from Indiana would be responding for both of them.

Mr. BAYH. That is accurate.

I have not had a chance to talk with Senator JAVITS himself, but I do know Senator WILLIAMS and Senator JAVITS are in agreement and share the same kinds of concern relative to the questions to be posed by my distinguished colleague from Illinois.

Mr. PERCY. Mr. President, I thank my distinguished colleague.

Let me then detail my concern about section 2.

Section 2 of the committee bill directs the Board to develop rules for the establishment of a three-member panel which could summarily affirm the decisions of administrative law judges in unfair labor practice cases and, in particular, the uncomplicated cases. The justification for this provision is that it presently takes a median time of 185 days from the issuance of an unfair labor practice complaint to the issuance of ALJ decision, including a median time of 111 days from the close of the unfair labor practice hearing until the ALJ issues an opinion. This long period of time is consumed in spite of the fact that many of these cases do not involve substantial questions of law.

I agree that this is too much time to handle simple questions.

If a statutory requirement for the Board to establish a summary affirmance procedure would expedite the work of the Board—and I believe it will—I have no objection to it. We all have an interest in seeing that Federal regulatory agencies operate smoothly, efficiently, and in the interest of the law it was designed to serve.

What concerns me—and perhaps the distinguished manager of the bill could be of assistance to me—is the approval of ALJ decisions by a minority of the Board. If this provision was written to save time and expedite the proceedings of the Board, it seems to me that, in order to avoid further appeal, the parties involved must be satisfied that the decision of the panel is, in fact, the decision of the National Labor Relations Board—not just a minority of it. The bill is silent on this matter. I know the Board now uses a procedure whereby decisions of regular three-member panels are cleared with all members of the Board before issued as final decisions. Is it the Senator's understanding that the Board will continue to use the clearance procedure in its implementation of section 2 of the bill?

Mr. BAYH. Mr. President, I appreciate

the question raised by the Senator from Illinois.

The committee has considered this matter and has ascertained from the Chairman of the NLRB that he plans no change in the clearance procedure for summary judgment cases. In other words, the procedures now followed, as previously enunciated by the Senator from Illinois, are still planned to be continued.

Personally, I see no reason for this practice to change. I speak for myself, Senator WILLIAMS, and Senator JAVITS in expressing the view that this procedure should be continued.

By this procedure, those involved in Board cases can be satisfied that the decision of the summary affirmance panel represents the thinking of the full Board, thus meeting the concern expressed by the Senator from Illinois.

Mr. PERCY. My staff had been in touch with the office of the Board counsel on this matter, and there appeared to be some doubt at that time as to the Chairman's intention. Can we clearly state for the record that it is the intention of the Human Resources Committee that the Board, in fact, make use of the clearance procedure in cases handled by the summary judgment panel, as it now does for other cases?

Mr. BAYH. Yes. It is the committee's intention that the Board extend its current clearance procedure to any summary affirmance process established by the Labor Reform Act.

Mr. PERCY. I thank the distinguished Senator for this clarification of this provision. Having received the assurances today that summary judgment decisions will be cleared with all members of the Board, I withdraw my reservation about this provision of the bill and am pleased to support it.

Mr. President, I take note that the distinguished senior Senator from New York (Mr. JAVITS), the ranking minority member of the Human Resources Committee and the minority floor leader of the bill before the Senate, has arrived in the Chamber. Senator BAYH, as the acting floor manager for the majority, has indicated favorable responses to the Senator's questions, and it would only be necessary for the distinguished Senator from New York to indicate his concurrence with Senator WILLIAMS that the understanding of the Senator from Illinois is correct in this regard.

Mr. JAVITS. Mr. President, I am sorry that I did not get here in time, as I was cross-examining a witness in the New York City hearings.

The colloquy with the Senator, which Senator WILLIAMS and I have discussed, is correct and represents my view as to the proper interpretation of the bill before us in respect of the summary judgment procedure before a designated panel of the National Labor Relations Board. I believe that the Board should and will continue its practice of clearing panel decisions with the nonparticipating members in order to insure that the decision represents the thinking of the full Board.

Mr. PERCY. I thank my distinguished colleague.

I reaffirm that, with this understanding, I withdraw my objection to this section.

Once again, I commend my distinguished colleague for the practical and realistic approach he is taking to this legislation.

I previously commended the distinguished Senator for work on the substitute, which certainly is an improvement and goes in the direction that many of us have urged upon the committee. I thank my colleague for his clarification at this time.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. JAVITS. Senator Williams and I and those who manage the bill in our absence are very serious about our fidelity to the commitment that, whatever one's attitude may be on this bill, whether one is for it or against it, there be a clear understanding of what it does and what it does not do; because I believe that this is a bill which has uniquely suffered from attribution to it of a great many requirements which simply are not so or which are not as pictured or portrayed.

So I welcome and thank Senator Percy and other Senators who helped us to make clear exactly the parameters in which we are proposing this piece of legislation.

Mr. PERCY. I thank my distinguished colleague.

Mr. President, I appreciate having the opportunity to speak again on this legislation. We still have a long way to go before all of these issues are settled. I wish to reaffirm that I would like to see a bill passed this year, however, I cannot support the present bill. Whether or not the doubts that I and other Senators have expressed can be resolved in the coming days—or weeks—relate directly to my final vote on this bill.

Mr. HELMS. Mr. President, is the Senator from North Carolina correct in his understanding that the intervening business conducted by the Senator from Illinois will appear at a different place in the RECORD?

The PRESIDING OFFICER. The Senator is correct. That has been done by unanimous consent.

(Conclusion of earlier proceedings.)

Mr. McCLURE. Mr. President, some days ago, I was addressing this body in regard to the role of the National Labor Relations Board and how that role had evolved, both in law and in practice. At the time I yielded the floor, I was speaking in regard to the role of the National Labor Relations Board as an enforcer of the law. It has several roles. One of the important roles is that of an enforcement agency, in which they take the law as they see it and as Congress has passed it, and enforce the terms of that law.

Let us examine how it has functioned in the past to determine whether or not changes are now necessary.

Public law enforcement can be divided into four subfunctions: investigation, prosecution, settlement, and formal decisionmaking. The first two of these functions and the bulk of the third are performed by the General Counsel and his attorneys and investigators. The formal decisionmaking function is performed exclusively by the Board and its core of first-line decisionmakers, the administrative law judges. The Board also has authority, with some limitations, to review settlements and to rule in its decisionmaking capacity on whether a proposed settlement should be accepted or whether it is unacceptable because it does not, in the Board's view, sufficiently remedy the alleged violation.

The separation of the Board's and General Counsel's authority and responsibility is statutorily required. The General Counsel was given independent authority in 1947. Prior to that time, he had worked hand in glove with the Board, both in election matters and in law enforcement matters. This appeared to many as an undesirable combination of prosecutor and judge, tending to suggest the possibility of bias on the part of the decisionmaker. The General Counsel operates in the role of a public prosecutor and it is he who makes the call on whether a complaint which comes to his attention has merit; that is, arguably appears to make out a violation of the prohibitions of the act, which are referred to in the act's terminology as unfair labor practices. The General Counsel and his staff screen the verbal and written complaints which come into the Board's offices each year to determine whether the conduct complained of by the individual, the employer, or the union is such that, if proved, a violation of the law has occurred which requires remedy.

If the General Counsel makes a determination that there may be a violation of the law worthy of prosecution, it then becomes necessary to investigate the facts which the charging party says took place. First, a form called a charge must be signed by the charging party, and it forms the foundation for the beginning of a file on the case. An investigator must then be assigned to check out the facts. After the facts have been dug out and reviewed, the regional director must make a determination of whether there is sufficient merit to proceed further.

The technique by which such determinations are arrived at varies from region to region. The procedures, which once involved sometimes extensive reports called "Field Investigation Reports," have been streamlined over the years and oral presentations are now frequently used. Subcommittees or committees may be utilized in order to provide a broader decisionmaking base, and also to provide for supervision and training of inexperienced investigators. Whatever the techniques, the functions are the same—first, a factual investigation and, second, an analysis of whether such facts as appear to be provable are legally sufficient so that the public prosecutor should proceed further in an effort to remedy the violation.

The avoidance of litigation whenever possible is a practice long followed by the General Counsel and, fortunately, frequently followed also by those whom the

General Counsel decides to accuse of violating the law.

Most General Counsels in recent years have viewed their function as being the "cutting edge of the law"—that is, willing to litigate borderline or new and novel theories of law violations so that they could be tested out through the decisionmaking process.

The General Counsel screens out worthless cases, thereby saving innocent respondents huge amounts of money, and shuts off worthless litigation at the very outset. About one-fourth of the total charges filed are settled by agreement with the respondent. Only about 5 or 6 percent ever require a hearing, and some of these are settled during the hearing or immediately afterward. Some are settled by voluntary compliance with the initial decision of the administrative law judge.

Many of the cases do not get settled, however. Over 1,500 of them have been tried in each recent year. The trial of a case requires a careful investigation, including finding and analyzing needed documents and locating and preparing witnesses to testify. Experienced lawyers know that many hours of investigation and trial preparation are required for every hour in the courtroom or hearing room. All of this investigatory and trial work is done by field examiners and attorneys assigned to the regional offices.

The trials take place at locations convenient for the respondents and for the witnesses of the charging party, usually in the city or town where the employer's place of business is located.

In some regions, the investigative work is performed primarily by field examiners who are not lawyers, while in other regions lawyers are used extensively in both the preliminary investigation and immediate trial preparation work.

When a respondent is charged with a violation of the law, an informal complaint issued by the general counsel, the case is assigned to an administrative law judge. These first-line decisionmakers are not residents of the region in which the trial occurs. They are an extension of the decisionmaking side of the agency—the five-man board in Washington. For many years, all of these judges were housed in headquarters in Washington and sent out around the country to hear cases. It is still true today that most of the judges are located in Washington, but a west coast office has been established about one-fourth of the Board's staff of administrative law judges are headquartered there serving the Western and Southwestern States.

These judges are charged, first, with the responsibility of conducting the trial of unfair labor practice cases. A judge may encourage the parties to engage in settlement discussions just before opening the trial although there is a substantial difference in attitude amongst the judges in this regard. Some are aggressive settlers, others make no real settlement efforts at all. The trials are conducted in much the same fashion as trials in Federal courts with, perhaps, some greater liberality with respect to rules of evidence.

Upon completion of the trial, it is the judge's responsibility to issue a written decision. The Board's administrative law judges have been accustomed to writing narrative decisions, often with rather lengthy discussions about the facts and the law. There are some who say that much simpler and more formalistic "findings of fact" and "conclusions of law" could be used as they are frequently in Federal courts. Thus, consuming less paper and, more important, less of the judge's time. Others say this is a requirement of the Administrative Procedures Act or such that a full discussion of the facts and the law are required. In any event, in some cases, to avoid the risk of having decisions upset on this point, the judges have clung to the traditional long form opinions.

The administrative law judge's decision cannot be enforced until after the Board has reviewed and adopted it and taken it to a court of appeals to secure an enforceable order.

For years, these hearing officers were called trial examiners and, perhaps, one of the most intensive lobbying efforts within the Federal bureaucracy was carried out by trial examiners from the NLRB and from the host of other agencies in an effort to get the title changed so as to include the word "judge." In the early 1970's, the Civil Service Commission finally yielded to this lobbying pressure and yesterday's trial examiners became today's judges. They cherished the new long sought after title and some even required that their friends and families address them as judge.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. McCLURE. Without losing my right to the floor and without considering the continuation of my remarks as a second speech, I yield to the Senate for a unanimous-consent request.

Mr. WILLIAMS. Yes.

Mr. President, we are in the last hour before the scheduled cloture vote. I ask unanimous consent this hour be equally divided between the proponents and opponents of this bill.

Mr. McCLURE. Mr. President, we have no objection on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. I thank the Senator.

Mr. McCLURE. Mr. President, what was probably regarded in the early days of the Board's history, as merely another step in the administrative sorting process which enables the Board to determine which cases are to be seriously prosecuted in the courts emerged as the first, really, judicial step in a three-step judicial sequence. What was once called an "intermediate report and recommended order," for example, is now called a "judge's decision." This change signifies or reflects more than just an ego massage for the former trial examiners. A change in attitude within and without the agency has really transformed the initial concept of an administrative investigation aided by hearing into a highly structured prosecution and a very courtroom-like trial with the parties expecting, not an administrative report but a judicial decision.

Both the National Labor Relations Board and the bar now regard the hearing before the administrative law judge in very much the same light as they would regard, for example in bench-trial, a title seven case by district court judge. It is before the administrative law judge that the basic facts of the case will be established. It is by this officer that credibility resolutions will be made which are rarely tampered with thereafter either by the Board or by review in court. In short, the case for the Board or for the respondent will essentially be won or lost in this initial unfair labor practice hearing. The judges are regarded by the parties as performing a critical judicial, not merely, an administrative function.

Their role has grown in importance over the years. They are more now than hearing officers. They have earned the right to be called judges. An appeal from the decision of an administrative law judge is to the full National Labor Relations Board. Currently, the National Labor Relations Board reviews about 1,000 administrative law judges decisions a year. Besides a substantial number of interlocutory matters, it carries a variety of duties dealing with the general administration of the agency.

The Board is aided in its work by the Executive Secretary's office, which performs all of the duties normally performed by the clerk's office in an appellate court and provides many services which are now being performed by various types of court executives within the State and Federal judiciaries. The Executive Secretary's office also assists the Board members and the Board Chairman in various administrative tasks, particularly, in maintaining communication between the Board and the regional offices in election case matters in which the regions reporting responsibility is, in theory, at least to the Board.

The Executive Secretary's office is not only the principal communication's link between the Board and the regions, but also is a principal communications link between the Board and the general public. The Executive Secretary's office tends to be the focal point for inquiries concerning the status of litigation pending at various levels within the agency. Frequently, that office also serves as a buffer between the Board and members of the administration or Congress who may desire to communicate with Board members.

Board members have, for years, refused to communicate with anyone about matters pending before the Board. This is a sound judicial practice. However, occasionally, some Congressman or Senator is asked by a constituent when he may get a decision in his case that is pending before the National Labor Relations Board. A Member of Congress may wish to comunicate with someone and his inquiries, whether by telephone or letter, are consistently referred to the Executive Secretary for handling, thus insulating the Board members from any written or verbal comunications in which the merits of the case might be touched upon. The Board is also aided by attorneys who are assistants to individual Board members. These attorneys, formerly called legal assistants,

have recently been retitled "counsels." With various levels of responsibility being recognized by title modifications, such as senior counsel, deputy chief counsel, and chief counsel, each Board member has about 20 attorneys assigned to him for assistance in handling his quasi-judicial review functions.

The most important and time consuming of the duties of the members in the National Labor Relations Board is this judicial appellate review function which requires that the records of the trials conducted by the administrative law judges be reviewed, that possible errors committed by the judges be identified and duly considered, and that a review decision be written in each case.

A respondent who has received an adverse decision can either comply with that decision or wait for the Board to go into court and enforce it, or may take the initiative in the court review process and petition for a review of a Board decision. In either of these events, the case ends up in the court of appeals and someone must brief it and argue it on behalf of the agency. This at one time was regarded as a function of the five-member Board, but for many years the Board has delegated that function to the General Counsel who, in turn, has created a special division of enforcement litigation. The bulk of the work of this division lies in attempting to secure enforcement of Board orders in the courts of appeal. In addition, there are a few cases which go to the Supreme Court which are handled by special subdivisions of this division.

This group also handles contempt litigation in the courts when a recalcitrant respondent will not comply even with the order of the court of appeals. And, there is some miscellaneous special litigation, such as injunction litigation, although now most of this is handled by the regions, Freedom of Information Act cases and a few other special kinds of court work which are also handled by this division.

In both capacities, the Board as it is now constituted and operating under the present form of law has been very successful. The proof of how successful the Board has been in conducting elections under present law is shown by the fact that in 1977, the Board celebrated the fact that its 30-millionth employee voter had cast his ballot.

The Congress is being asked to make drastic changes in elections to determine whether the employees want a union to represent them. Let us take a look at the history of the Board in relation to election process. In 1938, the third year of the Board's history, over 340,000 ballots were cast in Board conducted elections. In that year, there were over 3,600 "R" cases, or representation cases. These were petitions seeking to have the Board hold an election. They resulted in a total of 1,152 elections being conducted. By 1940, the number of ballots cast had risen to over one-half million, and by 1942, it exceeded 1 million. Those were the big years. Over 1 million voters cast ballots again in 1943 and in 1944.

Elections grew to be, by far, the biggest part of the Board's work, particularly, at the midpoint of its first decade of existence. While charges of unfair labor practices exceeded election cases by a 4-to-1 ratio in the Board's first year (1936), the proportion had then nearly reversed itself by 1944 when over 6,600 election cases were filed and less than 2,600 unfair labor practice charges were lodged with the National Labor Relations Board.

According to the Board's 1942 annual report, election cases had already increased from 9 percent of its total workload in 1936 to 55 percent by 1942. By 1946, the number of petitions for elections had risen to over 8,000 and the number of elections conducted reached a new peak of over 5,500.

In 1947, as part of the Taft-Hartley amendments, Congress required that unions obtain authorization from employees by means of an election before they were entitled to enter into union security contracts which require membership in the union as a condition of employment. No such statutory requirement had existed prior to that time, and there were thousands of union security agreements which were put in jeopardy by the new legislation. The new law thus lead to a rash of new elections participated in by enormous numbers of voters and the total votes soared in near the 2 million mark in 1948. In that year, of the nearly 2 million ballots, over 1,600,000 were cast in this new type of union shop authorization election with the rest of the votes being cast in the standard representation case election wherein the employees were deciding which union, if any, they desired to represent them.

The boom in elections caused by the passage of Taft-Hartley reached its peak in 1949 when a total of over 2 million ballots were counted.

During this period, employees consistently voted by nearly unanimous votes in favor of union shop authorizations. And the Congress was persuaded in 1951 that no truly useful purpose was being served by its 1947 "Authorization Election" requirements. On October 22, 1951, Congress repealed the statutory requirement for union shop authorization elections. Substituting instead, however, a procedure by which employees could initiate a deauthorization petition to determine whether they wanted to revoke the authority of their bargaining representatives to enter into union security contracts. Once the union shop authorization provisions were repealed, the Board's election case load dropped to a low of 7,165 petitions and 4,392 elections conducted in 1955 which was below the over 10,000 petitions and nearly 7,000 elections held in 1947.

In the late 1960's and on into the 1970's, the general trend was toward a gradually increasing number of Union representation elections with only an occasional year showing a modest decrease, but toward smaller voting units. Reports also show a trend toward an ever decreasing percentage of Union victories over the years. The leadership of the international unions claims that the Board delays the holding of elections, and they obviously think that they can be more successful if there is a shorter time period between the filing of the petitions for elections and the actual holding of the elections. There is no deadline put on the time that the union can spend in organizational attempts before it files the petition so that you have a situation in which all of the time factors are completely in the control of unions under the proposed legislation. Let us look at some of the times and let us see whether the claims are correct.

A review of the Board's history shows that the medium time for the filing of a petition to the issuance of the decision and the direction of an election in a contested proceeding consistently runs at less than 2 months. And, when elections by agreement occur in over 75 percent of the cases and are fully completed within less than 60 days of the filing of a petition, it is obvious that the continuing complaints about the Board's timetables and election cases refer only to isolated cases. There is no need for any change in the law.

Let us look now at the work of the General Counsel and the people who report to him to determine whether or not there are any real reasons for making changes in the labor laws of the United States. Administratively, the biggest and most important task performed by the General Counsel and his farflung staff of lawyers and investigators is to take the very heavy volume of charges which are currently running about 30,000 a year and to process them in such a way as to sort out the wheat from the chaff. The reports of the National Labor Relations Board indicate that there is today a great deal less wheat in proportion to chaff than in the early days of the act. The General Counsel's office has the very important task of determining which of the complaints are without merit and which have genuine merit. The General Counsel staff is divided into four general categories. The first is the regional office staff. In recent years there have been in the neighborhood of 1,500 people working in the 31 regional offices. Approximately one-third of these people are attorneys, one-third are field examiners, and another one-third are nonprofessional personnel.

If the legislation being advocated under the title, "Labor Law Reform" is passed, the total number of people in all of the categories that I am about to describe will be increased by one-third and a resulting cost of the operation of the National Labor Relations Board and the General Counsel's office will go up by one-third.

The second group in these field offices can be described as middle management and is composed of people who supervise and coordinate the work of the regional offices. The need for supervision and for readily available lines of communication between Washington and the field is real and this middle management group has become, as the agency has grown and the volume of the work expanded, a necessary group of contribu-

tors to the efficiency of the General Counsel's operation.

The third division is the Office of Appeals and the Division of Advice. When a regional director is unsure whether a complaint should issue on a particular charge, he may get the legal advice from the Division of Advice. Very often, what is involved is a ticklish question of statutory interpretation or doubts caused by lack of clarity and the precedence established by Board and court decisions.

The Office of Appeals was created by the General Counsel some years ago so that a charging party advised by a regional director that no complaint would issue on his charge may have some avenue of appeal. When a charge is dismissed, the charging party is always advised that he has a right to appeal the matter to the General Counsel's Office of Appeals in Washington. If such an appeal is successful, the General Counsel will direct the regional director to reverse his initial decision and issue the complaint. Such reversals do not occur in any substantial number of cases, but the opportunity for an appeal from the regional director's determination is doubtless sound administrative practice and has earned considerable praise for the office of the general counsel.

Former Senator Sam Ervin has referred to the general counsel of the Board as "the keeper of the keys to the temple of justice" pointing out that he has considerable discretion in determining when and when not to prosecute on the basis of the charge brought to him. Any district attorney, of course, holds a similar set of keys, if that is what they are. But, some avenue of appeal certainly does ease the tension created when a charging party has been told that he has no case. Of course, it is true he can not appeal beyond the General Counsel, but he, at least, knows that he has a second approach. And under the two, there is a genuine feeling that due process has been accorded. When Peter Nash was General Counsel, opportunity was frequently given to make personal appearances and arguments before the General Counsel and his members of his staff in Washington in support of such an appeal. His successor, John Erving, has continued to accord this privilege liberally. Today, there exists a feeling of openness and directness and credibility in the General Counsel's determinations.

The fourth group is the Division of Administration. A group providing the many needed support services such as printing, duplication, personnel administration, janitorial services, arranging leases with private buildings for regional offices, negotiating for proper space in governmentally owned buildings, budget and accounting services, administrative data gathering (by computer and by hand), and dozens of others. Such logistical support is required so that the professional staffs of both the General Counsel and the Board will have the tools to do their job. Most of the personnel of this division are located in the headquarters of the Board in the Capital.

In the National Labor Relations Board, the necessary services are provided and studies indicate that it is very rare that the agency has difficulty, because of the lack of needed administrative support.

From the work of the Board, an appeal is made to the courthouse. Now let us examine the path to the courthouse and some of the timeframes that are encountered.

One of the tests of whether a public prosecutor is effectively performing his job is whether he is able to deal properly with the charges brought to him by citizens. Promptness clearly benefits the charging party. "Justice delayed is justice denied" is an old cliche. But promptness also frequently benefits the charged party who should not have to be under a cloud of uncertainty and face possible litigation over a long period of time. If the accused is innocent, he has a right to be declared innocent at the earliest possible date. If the matter must be litigated, it is to the advantage of both parties and an early hearing while documents and witnesses are still easily available and the memories of the witnesses are fresh.

The general counsel's time targets are processing unfair labor practice cases and filing of charged close-of-hearing is approximately 45 days. The charge is filed in the regional office of the National Labor Relations Board. He hopes that within 7 to 10 days, there is a full-scale investigation underway. In the cases with merit, within 30 days of filing, the investigation is completed and the regional office has made a determination on the merit. Between 30 and 45 days is a period of time in which there is a preparation of the complaint. Then from 30 to 45 days, a period of time is set aside in which there would be conversations with the various parties in an effort to obtain voluntary adjustments to eliminate the cause of the complaint. Then if the complaint issues a notice of hearing on the issues is given with the trial set within 30 days of the issuance of the notice.

We can then characterize the road to the courthouse steps or to the actual hearing on an unfair labor practice charge as being approximately 3 months. There are very few agencies, Federal or State, that a citizen can go to with a complaint and expect to have it investigated, a preliminary determination of merit made, and if, meritorious, a trial completed all within 3 months of the date the citizen first walked into the agency's office. The road to justice in the National Labor Relations Board today is very quick, very efficient, and the Board should be applauded for its efforts. There is no need for any criticism and there is no need for any change in the law relative to the activities of the Board.

To do this work, the growth in the number of people employed by the NLRB has been substantial. The average number of people have tripled since 1940 and the total compensation is now more than 100 times larger than the budget in 1935. The bill that is being urged before the Congress can have a very inflationary effect.

The NLRB has just announced that it will have to increase manpower and budget by nearly one-third to administer the labor law reform bill if it becomes law. General Counsel John Erving has made a study of the increased needs of personnel to administer the law and has estimated that it would take an additional $27,883,000 and the addition of 1,038 NRLB employees.

When the General Counsel's office has decided that a complaint is worth merit, we turn to the Board itself to see how well it administers its functions. The Board judges currently take a little over 2 months to write a decision after hearing the case, and turn out, on the average, a written decision about every 3 weeks.

In doing their work, the administrative law judges are not limited just to the issuance of written decisions. They are required to travel to places in which hearings have been scheduled, sometimes only to find that the matter has been settled without any notice to them. They also quickly point out that they do achieve settlements in a large number of cases, so that the written decisions do not truly reflect the huge amount of work that they do.

One of the areas in which there has been a tremendous amount of criticism, but which the legislation before the Senate does not even attempt to correct, is the incredibly bad application and selection procedure which binds the Board in its hiring of administrative law judges. In 1972, the Board issued a press release announcing that it was urgently seeking well-qualifed applicants for the position of administrative law judge. The news release was incorporated by the Associated Press in a story which appeared in over 100 newspapers across the country, including many major metropolitan dailies. That news release, plus some personal efforts on the part of the Board members to interest qualified practitioners in applying resulted in the receipt of approximately 75 letters from interested persons. All 75 were sent an explanation of the application process and a personal letter of encouragement. After the receipt of the description of the process, only 12 actually applied.

An investigation showed that there were very serious problems with the recruitment in selection processes of the Civil Service Commission. The cumbersome redtape-filled application process succeeds in discouraging almost all applicants. Here are some typical comments taken from letters which were received by the Board. The following quotation is from an attorney with over 11 years of relevant experience both in the labor relations field and as a trial lawyer including 2 years of experience as an attorney with the National Labor Relations Board:

> My reason for not responding was primarily based upon the fact that the requirements of the application, that is, lengthy data to be supplied, all in written tests, and travel for interview coupled with the time factor involved before an appointment could be made, as well as the uncertainty thereof, led me to conclude that at least the Civil Service Commission was not interested in my application for any reason except to use it in a statistical way to show that they were really trying to fill those positions with applicants from outside the Government. Only a Government employee could wait for the period of time necessary to complete the requirements of the appointment without

doing a grave injustice to either his clients or his employer in the private sector. Accordingly, I concluded that the effort involved far outweighed the opportunity to achieve the desired objective and, accordingly, did not respond.

Another reply read as follows:

After some 19 years in the practice of law, including 9 years of extremely active work in the field of labor management disputes and acting as impartial arbitrator and approximately 20 years as acting judge of the Superior Court and having heard approximately 200,000 matters during this period of time, I was not about to undertake to fill out the unwieldy and complicated application furnished me.

An attorney who had spent 4 years with the Board in the active trial of labor relations cases who had since been in private practice and had written extensively in the field in scholarly publications put it more simply:

Not only do I not have the time to fill out the onerous and forbidding Civil Service application, but I also consider it an indignity.

Another telling remark came from a man who was a chief litigation counsel for a law firm in a large city and had conducted substantial labor litigation in the Federal court and before the Board. He said he thought that becoming an administrative law judge would be "the natural outgrowth of this experience" and that it would be "professional if fulfilling," but then he commented:

It seems obvious that you as chairman have properly concluded that the efficiency and value of an agency depends upon its ability to recruit the best possible personnel. You have made serious efforts to stimulate people to seek employment with your agency. The letter and application forwarded to me by the Civil Service Commission effectively destroys any specific enthusiasm generated by your activity.

The other responses received were similar. They leave little doubt that the Civil Service Commission procedures have effectively discouraged many good candidates from applying for the Board's judgeships.

Let us take a look at what the Civil Service Commission is now requiring from an individual who wishes to become an administrative law judge working for the NLRB. The Civil Service Commission announcement which is sent out to persons indicating interest in becoming an administrative law judge reads, in part:

Every applicant must include in his application, a list in chronological order, of a sufficient number of Administrative Law Cases in which he has participated or court cases which he has prepared and tried or heard to demonstrate two-full years (400 work days) within the 7-year period immediately preceding the date of his application. He must show for every case so listed:

1. Title and citation.
2. Dates between which participation took place.
3. Brief statement of issues involved.
4. Regulatory body or court hearing case. (Note: For each court so cited, indicate whether Federal, State or local, extent of jurisdiction—limited or unlimited, original or appellate.)
5. Number of work days spent in handling case and in what capacity, i.e., judge, attorney, etc.
6. Names and current address of:

(a) Hearing Officer of regulatory body, or of judge who heard case.
(b) Co-counsel, if any.
(c) Opposing Counsel.
(d) Names of Counsel appearing in case if applicant claims qualifying experience in a judicial-type position.

The applicant is also required to submit the details regarding two of the cases referred to above, which, in his opinion, are the most important ones in which he has participated. (If the applicant satisfies the administrative law, actual trial, or judicial requirements of this announcement by listing only one case, he may submit details on only that case.) If the applicant claims that his experience satisfies any of the special qualifications for filing specific hearing examiner positions which are described beginning on page 18, at least one of the cases must have been in the field of the legal specialty involved:

1. The precise nature and extent of participation.
2. Full statements of issues involved and a description of the problem.
3. Outline of arguments made.
4. Summary of technical, economic or other data presented, including sources, manner of analysis and uses, written decisions or opinions, or other papers prepared by applicants in one case.
5. Briefs, Memoranda of Law.

To assist the rating panels in determining the ability of the applicant to write clearly, concisely, and convincingly, the applicant shall submit with each written decision or opinion, a verification in the form of a signed statement of the extent of his personal involvement in and his responsibility for the preparation of the documents and the names and current addresses of those persons, if any, who worked with him in the preparation of the documents.

There can be little doubt that the enormous chores required to comply with such stipulations discourage most lawyers, particularly, successful lawyers from applying for the position of administrative law judge. Nor is even that red-tape the totality of the process. In addition to documenting all of the above information, the applicant must subject himself to a 6-hour written examination for a full 1-hour individual interview set at a time and place convenient for the Civil Service Commission with travel thereto being at the applicant's expense.

Meanwhile, the applicant must have given full information about his references with the understanding that the Commission might check them even prior to determining that he is a reasonably well-qualified applicant. That means that a practicing lawyer would have to expose himself to inquiries of his partners and of his clients, even if the Commission was not going to consider him seriously. That alone succeeds in discouraging a number of applicants. And, after all of that, the applicant succeeds only in getting his name on the Civil Service Register, thus making him available for possible selections by the NLRB or some other agency but there is no guarantee that by the time the Commission has completed its cumbersome processes, there will be any vacancies left to be filled.

The qualifications set by the Commissioner, in many respects unrealistic, the requirement that in each of 2 full years within the past 7, the applicant must have devoted a full 400-work days to the preparation and trial of administrative law cases, screens out most successful practitioners. As a lawyer becomes successful, he spend less rather than more time in the courtroom or hearing room and tends to spend an increasing amount of time counseling his clients, leaving much of the time-consuming trial preparation and litigation to junior lawyers. Nor is any credit whatever given by the Commission for the teaching of law. Thus, if a lawyer practices law from age 25 to 35 and then goes to teach law at a major university for the next 6 years, he becomes, automatically, ineligible for appointments to the position of administrative law judge.

The result of all of this is that the Civil Service Commission procedures have a strong tendency to keep these judgeships in the family. That is to say, it is most often the salaried Government lawyers, not needing to bill his time to clients, but who does the work at the taxpayer's expense who can find the time to go through the lengthy and burdensome Commission requirements for application testing and interviewing. And the fair to middling Government trial lawyer is the one most likely to meet the ivory-towered requirements established for the Civil Service Commission. Eager and ambitious hard-working private practitioners, the type that is, with some regularity, selected for Federal judgeships in the judiciary are likely to be effectively screened out by the bureaucratic application and selection procedures of the Commission.

The Civil Service Commission has consistently refused to recognize the effects of its ill-designed processes. Repeatedly in conference with Commission officials, reformers have met with nothing but objections to any suggestions that the process could be simplified or made more realistic.

We have a classic example of the nearly insoluble problems which sometimes lie in the way of improving governmental administration. An agency faced with a problem finding that one of the solutions must lie in better recruitment procedures is stymied by the unwillingness of another administrative agency to change its encrusted ways of doing things. When this occurs, the only solution is congressional action. But, here today, we are dealing with so-called labor problems, but the real problems that we have or not before the Congress. Another problem which is real, but which is not being addressed by the legislation being considered, is that in addition to the selection processes being unsatisfactory, the administrative tools available to the NLRB in attempting to improve the performance of its administrative law judges are also nonexistent. The usual tools of both the private and public sectors are, simplistically stated,

the carrot and the stick. Efficient performance should be rewarded by promotion and/or raises. Inefficient performance should, predictably, result in the demotion, discipline, or, in extreme cases, discharge. The sad practical fact is that none of these motivational tools are adequately if at all, available to the NLRB in dealing with its administrative law judges.

We continue to hear that demotion, discipline, and eventual discharge for inefficient performance are not available in a true sense anywhere in the Government. The lengthy procedural and substantive protections afforded to our civil servants through Civil Service Commission procedures effectively discourage most Government administrators from really trying to make demotions or disciplinary measures stick, except in the most extreme cases. Even then, the attempt is too often stymied and, in many instances, the employee is allowed to linger on at pay status in a state of suspended animation while all of the long "due process" procedures are being carried out. This, sometimes, presents a worse administrative problem than if no action at all were undertaken. In addition to the civil service protections, Government employee unions have now negotiated still further forums for challenging any kind of adverse action, such as the imposition of either discipline or a demotion.

This review of the National Labor Relations Board's activities proves in my mind, and I think in the mind of anyone who is knowledgeable about the actions of the Board, that there have been thousands of elections, that the conduct of these elections by the National Labor Relations Board has been exemplary, and that the elections have been fair, giving to the working people of the United States the right to choose for themselves whether or not they want to be represented for collective bargaining purposes by a trade union.

The fact that the labor unions do not wish to recognize is that they have become unpopular with the working people of the United States. They are trying to get the Congress to correct their problems in elections through unfair legislation.

The PRESIDING OFFICER. The Chair is obligated to inform the Senator that there is a unanimous-consent request dividing the hour prior to cloture between the proponents and the opponents, and the Parliamentarian has advised the Chair that the proponents have a half hour.

Mr. McCLURE. I thank the Chair.

The PRESIDING OFFICER (Mr. SASSER). The Senator from New Jersey is recognized.

Mr. WILLIAMS. Mr. President, during this debate we have devoted much time and effort to developing legislation which would meaningfully reflect the concerns of our fellow Senators, and which would offer meaningful solutions to the problems now found under current law.

I have sat here day after day after day trying to understand the opposition to this bill, trying to understand what should be done to accommodate the legitimate concerns of those who oppose this measure.

During the 15 days of debate, Senators opposed to labor law reform have evolved into two groups: Those who were and are dug in, unalterably opposed, and those who have demonstrated a willingness to understand the issues, the needs of America's workers, those who have aided us in changing the bill to meet the needs of workers, while accommodating the concerns of Senators.

We have been reasonable, we have been accommodating, we have listened and we have learned. We have proposed amendments which address and which answer the legitimate concerns of those who oppose this bill.

A few days ago the distinguished majority leader, with the support of the managers of the bill, and more than 20 of our colleagues, offered an amendment. It was in the nature of a substitute. It addressed these legitimate expressions of concern. The response is that these amendments are ploys, that they are hoaxes. But the hoax is what has been perpetrated by so many of the opponents of this measure. They are not interested in fashioning any bill which will address the problems of bureaucratic delay inherent under current law.

The ploy is that for all these days of debate, while pretending to oppose this bill, these opponents really oppose our system of free collective bargaining.

While we are indeed eager to work with all Senators to fashion a law which is fair, which works, we are not willing to participate in the dismantling of the priceless heritage which the Wagner Act has given our Nation.

But the opponents of this bill do not want to participate in fashioning a good and a fair law. They will not let us discuss changes to the bill before us. They fear the development of a bill which reasonably addresses the needs of workers and employers. They raise objections, and then when those objections are dealt with, they shift around and say, "Well, that was not our objection at all. Here is our objection."

The debate of the past few weeks demonstrates the unreasonableness, the intransigence, the true motives of these opponents.

Take what my friend, the Senator from Utah, has come to call "quickie" elections. The bill, as reported from the committee, required that when more than half of the employees think they want an election, when the unit which the petitioner is seeking is a plainly proper one, the election should be held between 21 and 30 days after the filing of the petition.

Now, to my sense of justice this seemed eminently reasonable. The law gives the workers the right to an election. The workers pay their taxes to the Federal Government like all taxpayers, and they are entitled to receive from the Government that which the law says they are to have.

But instead we hear that we were springing "quickie" elections on poor unsuspecting employers. We were treated to day after day of rhetoric about unions sneaking about in the dark of night signing up workers, while the unspecting employer's back was turned. We were treated to speculation about employer's who heard nothing until the union came up and virtually hit them over the head with an election petition, and then these poor employers would not even have the time to locate a labor lawyer before the board conducted an election.

Mr. President, any serious student of industrial relations knows that this is nonsense. Cases where a union conducts a successful organizing campaign without the employer's knowledge are few and far between.

On the other hand, our law books are filled with page after page of cases where employees active in organizing a union are fired for that activity even before the union files its petition. There are page after page of cases where the employer makes unlawful threats or promises even before the union files its petition.

Mr. President, we listened to this concern and tried to come up with a provision which would satisfy this fear. It is possible that some union organizing campaigns may be conducted in secret. Doubtful but possible, and clearly any system of justice should give the employer in that situation the opportunity to make his case.

In a poll conducted by Cambridge Reports, Inc., 70 percent of the people in our country felt it was reasonable for the employer to have a month to mount his campaign after he knew that the union was organizing his employees. The provisions of the Byrd substitute added 5 days to that, and it provides that no election be held any sooner than 35 days after the employer is first notified that the union is organizing his employees.

Mr. President, I was flabbergasted when the Senator from Utah stood up in this very Chamber and said that 35 days was not better, it was worse. Now, instead of "quickie" elections, the Senator says we have "instant" elections. How can this be?

Well, with fancy footwork—and while I notice the Senator from Utah is not immediately present, I will repeat these words—they recognize his talents that preceded even his arrival here in the U.S. Senate—well, with fancy footwork, which reveals his experience as a former prizefighter, the Senator from Utah has shifted ground. Now he is not concerned about how much time the employer has to mount his campaign after first being notified of the union drive. Now he is fearful that there is no minimum time after the petition is filed before the Board can schedule the election.

But, in fact, Mr. President, the current law states no minimum time between the filing of the petition and the holding of the election. There is no minimum time now under law. None is necessary, because the Senator from Utah knows, and I know, and the whole world knows, that it is impossible for the Board to conduct an election the day after a petition is filed. It cannot be done. Ballots must be

printed; a Board agent must be made available to conduct the election; election notices must be printed and posted in the plant to advise workers of the time and place of the election; arrangements must be made for conducting the election in a place and time convenient to the parties.

The Board must attempt to secure the agreement of the employer to hold the election on the plant premises, and if that agreement cannot be secured, the Board must make arrangements to hold the election elsewhere. This takes time, and the Senator from Utah knows it. So it is impossible for the Board to conduct an instant election after the petition is filed.

What are we to conclude from the Senator from Utah's shifting feet? We must conclude a lack of sincerity when he says he fears that employers will be caught unaware. We must conclude that he is more caught up in the jingoism of so-called "quickie" elections than he is with the substance of his opposition.

Mr. HATCH. Mr. President, will the Senator yield at this point?

Mr. WILLIAMS. Well, I remind the Senator we are under controlled time. If the Senator has a pressing question, I will yield.

Mr. HATCH. I have a question. Is the Senator saying that an election cannot be triggered within 1 or more days?

Mr. WILLIAMS. I am saying that that is not possible, and that is the answer to that.

Mr. HATCH. There certainly is.

Mr. WILLIAMS. Mr. President, what will satisfy——

Mr. HATCH. Will the Senator yield again?

Mr. WILLIAMS. No. I cannot yield because of the controlled time, and I have a feeling we will have lots of time after that to discuss this.

Mr. HATCH. I think if you want to attack people, you ought to attack them on the facts, because you are certainly not doing that here today.

Mr. WILLIAMS. We have been attacked also. Under the distribution of time during this debate we have been under much more attack than we have had time to speak in response to the attacks.

I ask, Mr. President, what will satisfy the Senator from Utah and the other opponents of this bill?

The answer, Mr. President, is that nothing short of a scheme which will permit an employer all the time he needs to fire union supporters, to threaten and intimidate employees, to threaten to close the plant, to threaten to take away their current benefits, to cow and coerce employees into submission, and then say to the Board, "all right, I have had all the time I needed to get rid of the union's supporters, all the time I needed to intimidate my workers, now I am ready to hold the election!"

Mr. President, that will not satisfy me!

I am not ready to say to America's workers that the best the U.S. Senate can do for them is to promise them in law the right to a fair and free election, but to deny them that election in practice.

The provisions of the Byrd substitute are eminently reasonable. They satisfy the legitimate concerns expressed that perhaps an employer will be caught unaware.

We have provided that no employer, under any circumstances, will have less than 35 days to prepare his campaign and insure that his employees know his views.

Let us now consider the matter of debarment. The Senator from California (Mr. HAYAKAWA) has spoken eloquently about discrimination practices by labor unions. I have listened, and I have been moved by the emotion of his words and by the heartfelt indignation he has expressed.

On Friday, June 9, the Senator from California spoke about the discriminatory practices in the construction trades. He discussed the various "hometown" affirmative action plans, and he expressed the disappointment of many of us that these plans have not been totally successful in ending discriminatory practices in the construction industry.

He expressed indignation that at the same time the Justice Department was trying to secure compliance with the Chicago plan by the unions, the Labor Department was providing Federal funds to those unions for apprenticeship programs.

The Senator from California asked, "Where are the liberals while this is going on? How can the liberals countenance such things?"

The answer is that the liberals were right here, supporting this bill which would deny Federal contracts and Federal grants to lawbreakers. The liberals were right here in the Senate of the United States trying to win approval of a statutory provision which says that the Government of the United States will not spend taxpayer's money with firms and with unions which willfully violate the law.

The liberals were right here in the U.S. Senate arguing that those who break our labor laws should be debarred from receiving Federal contracts and grants until they comply with the law.

This is the provision that the opponents call punitive. I cannot understand how it is punitive to refuse to do business with those who willfully break the law. I do not understand how anyone could say that someone who breaks the law has a right to receive Government contracts at taxpayer's expense.

The same Senators who express indignation about Federal apprenticeship programs for unions which engage in unlawful practices say that it is punitive to deny Federal contracts to employers who willfully break our labor laws.

If this is punitive, so be it. But it is punitive only to those with the most warped sense of justice. To me, it is simple fairness and simple equity.

Put that question to the American people in your public opinion polls. Ask the American people if the Federal Government should reward, with the taxpayers' money, those who willfully violate the law. That question was not asked, because we all know what the answer would be. The American people with their instinctive sense of fair play would overwhelming say "no." They do not want their tax money spent with companies or unions that break the law.

Mr. President, I could go on and on. The Senator from Utah calls the substitute amendment of the distinguished majority leader a "hoax," and yet it contains revisions of the "equal access" provision which were first proposed by the Senator from Utah himself, nearly 2 months ago, in his amendment numbered 2184, which says:

> . . . including the requirements that equal access to an employer's place of operation be in places where there are nonworking employees during nonworking times. . . .

These are almost the precise words of Senator BYRD's substitute.

Mr. President, the Senator from Utah says this bill and the substitute amendment is incomplete because it does not address criminal conduct of unions; yet, the Senator from Utah, who sits on the Committee on the Judiciary, did not take the opportunity to even propose such amendments when that committee was revising the Federal Criminal Code. This is not a new expression on my part. We raised this in colloquy the other day.

He failed to take the opportunity to offer his amendments to a bill where such amendments would be relevant and germane. And now he argues that this bill is incomplete because it does not deal with these matters.

It is obvious, Mr. President, that many opponents do not want to work toward reasonable labor law reform. Their intent is only to obstruct and delay.

It is obvious that if the Senate is to get on with its business of fashioning a law which will be responsible to the legitimate needs of America's working men and women, we will have to bring this meandering and dilatory debate to an end.

Those of us who support this measure, who support justice and fair play for America's workers have shown time and time again our willingness to compromise, to be reasonable, to develop in the Senate a law which if fair and just to both workers and employers.

But, until this debate is ended. The majority of Senators who wish to see an effective labor law, who wish to work together to fashion a meaningful response to these problems, will be unable to do their work and the work of the Senate.

The time for delay and obfuscation has ended. This is the time to be reasonable and to reason together to produce a labor law reform bill which effectively protects both workers and their employers.

So I urge the Senate, when we reach voting time very shortly, to turn the corner, to end this phase of the debate, and to get on with the business of addressing the reasonable concerns of both employers and workers.

Mr. JAVITS. Mr. President, will the Senator yield me 5 minutes?

Mr. WILLIAMS. I yield the floor to the Senator from New York.

Mr. JAVITS. Mr. President, first I would like to answer Senator HATCH's question, if I could have the attention of the Senator from Utah.

If I understood the Senator's question correctly, it directed itself to the election schedule which is provided for by the Byrd substitute, and the question was, might not the Board order literally, an immediate election any time after the petition was filed? Is that correct?

Mr. HATCH. I think the question should be restated.

Mr. JAVITS. Please state it your way.

Mr. HATCH. The question should be stated that once the notice of intent to unionize occurs, there is a 35-day period to expire. They can file these notices repetitively, after the 35-day period has expired. Let us say they file the petition the 35th day. They can have the election the day after. They can have it before the 50th day. If they file the petition on the 49th day, they can have the election on the 50th day, without the employer having any notice or knowledge of that.

They can file a series of notices over a period of time, until they finally spring that on him on 1 day's notice.

Admittedly that is unlikely, although it is possible. What is not unlikely is that there might be only 2 or 3 or 4 days. If that happens, the employer, particularly the small business employer, may be at a tremendous disadvantage.

As a matter of fact, he may not even know an attorney to find out if he had to move in 50 days or 15 days. If he has an attorney, he does not know whether he is a labor lawyer or will understand that phase of the law. That is only one of the bad aspects of the Byrd substitute which I think as a whole would be found to be perhaps even worse than the bill itself.

Mr. JAVITS. May I just answer that?

Mr. HATCH. I am delighted to hear an answer.

Mr. JAVITS. I am interested, naturally, in what another Member of the minority thinks.

In the first place, no matter how we construe this particular provision of the Byrd substitute, it does not change existing law. There is no period of time whatever under existing law. The fact is that it is not only unusual, but it just does not even happen that we have 3- or 4-day elections simply because physical arrangements have to be made for an election.

Second, the period of notice, which is at least 35 days, certainly puts an employer on ample notice as to getting a lawyer or trying to counter the organizing drive, et cetera.

Finally, very importantly, the 50-day period is not a bracket between 35 and 50. The 35 relates to the notice from the organizing union, but the 50 relates to the filing of the petition. So there is a very considerable interval which is allowed totaling really 85 days or more.

Now, as to the successive filing, there is a limit of 6 months on the prepetition notice so that you cannot have more than two per year from the same union, and the substitute does not permit a second notice to the filed until 2 months after the first has expired.

I respectfully submit that practically, which is the important point, the employer is not taken by surprise. As a matter of fact, he has very great protection under this which he does not have under existing law. In the practical situation, even after the filing of the petition as to an election, an immediate election just will not happen because it simply cannot be arranged for within any such time parameters. Now I yield to the Senator.

Mr. HATCH. Again, this is a mandatory time constraint. I suggest to the Senator that if he reads this, and I am sure he has, this is not an 85-day possibility. There is a procedure within which, as I understand it, they can do it in 75 days in matters of extreme complexity. With regard to the average election, they have 50 days. They have the first 35 days from the notice which can be repetitively filed, and then 15 days in which to file the petition, and that can be filed on the 49th day and the election held the 50th day.

Mr. JAVITS. But this will not happen because you cannot physically do it.

Mr. HATCH. That is my point, it can and I think the Senator will find that it will.

Mr. JAVITS. I am sorry. After all, we have to be human. If I say I can walk a hundred blocks theoretically in 3 minutes, it just does not happen and I cannot do it, really.

Mr. HATCH. The Senator says it cannot happen.

Mr. JAVITS. Yes, I say physically it cannot happen.

Mr. HATCH. If it cannot, why write it this way?

Mr. JAVITS. Because if we begin to pick arbitrary days, we get into more trouble. We get into more difficulty. Having given the notice, I respectfully submit that that is a very solid, major, good reform in the law. Then the employer is alerted that he has an organizing drive on his hands. Beyond that, if he is unprepared then that is his fault, not the law's fault. That is my point.

Mr. President, I have only a few minutes but I will yield again.

Mr. HATCH. All I can say is that that is what we have been arguing about for 15 days, that we have arbitrary time constraints that are not justified in the law or under the facts, and these arbitrary time constraints will not benefit anybody, least of all the very men they are presumably being offered to benefit.

Mr. JAVITS. I respectfully submit that the time parameters are now, in my judgment, fair to give adequate notice, and that a businessman has no one but himself to blame if, after he has had such very adequate notice, he is surprised.

Mr. President, my purpose in debating this particular matter at this time is to make the point that I think the Byrd substitute represents really major improvements in this bill, not in terms of the absolute need for such major improvements, because I believe that the bill essentially deal with methodology and procedure as we reported it from the Human Resources Committee. But what I mean is that it goes a long way toward satisfying the complaints which have been made about it. I believe that anybody—and I think that is Senator WILLIAMS' position—who can be reasonably satisfied should be satisfied. Concerning those who can never be satisfied, I think they are a relatively small minority of the Senate who would just be against anyhing. They would like to repeal the existing law, if they possibly could, but obviously they cannot.

Mr. President, on equal access, I think that now with the union activity confined to nonworking areas, and where we do not have a guaranteed right of reply on working time of the employer, or even on working premises, with small employers with fewer than 10 employees completely exempted from all the equal access provision, with the limitation of the number of union organizers who may appear at any place to a very small number, and with notice before even that can be done, the equal access provision has really been very, very materially changed to meet the views of those who had legitimate feelings about it.

As to the "make-whole" remedy, again there has been great complaint about it, but a totally new index is now provided which relates to the across-the-board increases, if any, which union labor has received and takes away the objection that there was an unrepresentative index—making for large percentage creases—because it was based on settlements in bargaining units of more than 5,000 employees.

Finally, again a matter of complaint, in the debarment proposition it is now made clear that it does not have to be for any period of years. Once the employer who is charged comes into compliance, then that employer has the right to have the debarment lifted automatically, without any discretion on the part of the executive branch.

There is one other thing which was argued in respect of this whole matter which I think is critically important, Mr. President. That is the criminal acts which have been performed and which have rated indictments, et cetera, somehow or other discrediting this bill. Mr. President, there are plenty of businessmen who are caught for mail fraud and tax fraud. The people who are giving these bribes in order to get concessions from dishonest labor leaders are there, too. We have very adequate criminal law on the books. As a matter of fact, the Judiciary Committee, of which the leader of the opposition to this bill is himself a member (Mr. HATCH), has just completed a revision of the criminal code which the Senate passed and which is over in the other body. Certainly, there was more than ample opportunity, if there was any dissatisfaction, for including in that particular bill every conceivable remedy against racketeering, imposition of fraud or dishonesty, in the labor field.

Mr. President, with the Taft-Hartley Act, this new criminal code, the ERISA of which I, with Senator WILLIAMS, am one of the authors, the Hobbs Act, which deals with plant and machinery damage, the Income Tax Code—indeed, where most of these convictions takes place—it seems to me that we are really railing against the moon to blame the absence

of law for racketeering and other crimes in the labor field when, as a matter of fact, there is more than adequate law to cover. As we know in all matters of this society, we have to deal with the problem of stricter enforcement every day, but that does not represent any deficiency in the law.

CLOTURE MOTION

The PRESIDING OFFICER. The hour of 2:30 having arrived, under the previous order, pursuant to rule XXII, the Chair lays before the Senate the motion to invoke cloture, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the substitute amendment, No. 2445, by the Senator from West Virginia (Mr. ROBERT C. BYRD) and others to H.R. 8410, An act to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

Robert C. Byrd, Patrick J. Leahy, Harrison A. Williams, Jr., John Melcher, George McGovern, Claiborne Pell, Dick Clark, Frank Church, Daniel Patrick Moynihan, Edward M. Kennedy, Jacob K. Javits, Abraham Ribicoff, Howard M. Metzenbaum, Birch Bayh, Henry M. Jackson, William Proxmire.

VOTE

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the substitute amendment, No. 2445, by the Senator from West Virginia (Mr. ROBERT C. BYRD) and others to H.R. 8410, an act to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act, shall be brought to a close? The yeas and nays are mandatory under the rule.

Under the previous order, this will be a 20-minute vote. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Wyoming (Mr. HANSEN), the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 54, nays 43, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—54

Abourezk	Hart	Melcher
Anderson	Haskell	Metzenbaum
Bayh	Hatfield,	Moynihan
Biden	Mark O.	Muskie
Brooke	Hatfield,	Nelson
Burdick	Paul G.	Packwood
Byrd, Robert C.	Hathaway	Pearson
Case	Huddleston	Pell
Chafee	Humphrey	Proxmire
Church	Inouye	Randolph
Clark	Jackson	Ribicoff
Cranston	Javits	Riegle
Culver	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Durkin	Magnuson	Schweiker
Eagleton	Mathias	Stafford
Ford	Matsunaga	Stevenson
Glenn	McGovern	Williams
Gravel	McIntyre	

NAYS—43

Allen	Goldwater	Percy
Baker	Griffin	Roth
Bellmon	Hatch	Schmitt
Bentsen	Hayakawa	Scott
Bumpers	Heinz	Sparkman
Byrd,	Helms	Stennis
Harry F., Jr.	Hodges	Stevens
Cannon	Hollings	Stone
Chiles	Johnston	Talmadge
Curtis	Laxalt	Thurmond
Danforth	Long	Tower
Dole	Lugar	Wallop
Domenici	McClure	Young
Eastland	Morgan	Zorinsky
Garn	Nunn	

NOT VOTING—3

Bartlett	Hansen	Weicker

The PRESIDING OFFICER. On this vote, the yeas are 54 the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats.

Mr. ROBERT C. BYRD. Mr. President, the Senate began consideration of the labor law bill on May 16, almost a full month ago.

The debate has been purposeful; it has been worthwhile. Opponents of the measure have criticized areas of the bill which they find unacceptable. The floor managers, Mr. WILLIAMS and Mr. JAVITS, have performed an invaluable service as, day after day, they have risen to respond to these criticisms, to explain the bill, to present evidence and information to support of their position.

From the outset, the managers of the bill and its supporters have indicated a clear intention to seriously weigh the arguments made by the opposition and a willingness to accept modification to improve the bill. They have joined with me and with other Senators in offering a substitute measure which, I am sure, will receive careful consideration from all Members.

Because of the importance of the labor bill, no attempt was made to bring a premature end to its consideration. The first cloture vote was taken on June 7, after 11 days of debate. Few measures have been debated for a longer period of time prior to the initial cloture vote. Of the 68 measures upon which cloture votes have been taken since 1964, only a handful—only 7 out of the 68—were debated for a longer period of time before the first cloture vote.

The purpose of debate is to educate, to deliberate, to discuss opposing points of view, and that purpose has been served.

The moment arrives when debate becomes filibuster. Delay and obstruction—not education or deliberation—are the purpose of a filibuster. Debate is constructive. The filibuster against this amendment is—as has been expressly stated by its opponents—destructive. It is a stone wall against legislative action.

The word "filibuster," originally a noun and not a verb, meant an armed adventurer, on land or sea, one who wages irregular warfare for plunder or power. As early as the 1800s, the term "filibuster" was used in the United States as a term signifying legislative obstruction; and, indeed, legislators knew how to employ the tactic long before the appellation was applied.

From the beginning—in the Roman Senate, in the English Parliament, in our colonial legislatures—this was a device used to delay business, to defeat legislation, to exact a price.

One of the more famous Senate filibusters is instructive. It occurred in 1893—before the adoption of the cloture rule, rule XXII. The filibuster lasted for 46 days, and arose over President Cleveland's attempt, which was ultimately successful, to repeal the silver purchase law.

The proposed repeal pitted the financial Eastern States against the agricultural Western States and most of the Southern States. Senate divisions were regional, rather than partisan.

Arguments began on August 29. Every attempt to bring the matter to a vote failed. Over a month later, on October 4, Senator Matthew Butler of South Carolina, one of the filibuster leaders, said:

I am asked, and the question has been asked over and over again, what then is to be done if we are not to reach a vote? I reply, compromise.

He reminded the Senate that John C. Calhoun had pointed out that the conservative principle in constitutional government is compromise, and that the conservative principle in absolute government is force.

I concur with Senator Butler. I concur with the great John C. Calhoun. Ours is not an absolute government. Our representative institutions depend not on force but on comity, on courtesy and compromise.

Mr. President, a compromise has been offered—and it is a good compromise—in the form of the substitute that is pending before the Senate. Opponents of the legislation have argued that the bill favors organized labor at the expense of the business community. Supporters have responded with a comprehensive substitute measure which directly answers many of the substantive criticisms which have been propounded over and over again.

So I am on the side of the filibustering Senator Butler when he said:

What is to be done if we are not to reach a vote? Compromise.

I am on the side of the distinguished Senator John Sherman of Ohio, an opponent of Mr. Butler's during that same silver filibuster, when he said:

The rules of the Senate are made to expedite the public business in an orderly and proper manner. We are not here for any other purpose except to legislate, to make laws . . . All the rules ought to aim for the accomplishment of that purpose and no other. . . .

And he added:

Sir, if this continues, the Senate of the United States will be a marked body; it will no longer command the respect of an intelligent and active people like ours. Our people are people of action in every department of industry in this country, and the Senate of the United States ought not to be the great

log which weighs down and obstructs legislation.

I am as concerned as was the late Senator from Ohio about the role of the Senate in serving those who elected us. This is a time when the public is increasingly restive at the inability of their Government, and of their Congress, to act decisively in the face of a growing number of problems which are evermore complex.

The bill before us—and I refer particularly to the substitute measure against which the cloture motion will lie again in a moment—is a meaningful and appropriate response to the economic problems of industrial unrest. The costs of such unrest, and of slow and uncertain administrative procedures, fall upon employer and employee alike. Uncertainty and hardship fall upon both the employer and the employee who wish to comply with the requirements of the law, but simply are unable to discover just what the law requires. The burden is great for any party who must await, for months or for years, resolution of a dispute. Heavy costs fall upon the employer who must litigate prolonged and complex issues, and on the employee who may be discriminatorily discharged or be prevented from benefiting from a union organization and a union negotiated contract.

These heavy costs in the long run are passed on to the consumer.

Opponents have charged that this bill is a "give-away," that it will produce "pushbutton unionism."

I do not agree with this. Union organizers, and the supposed benefits of unionism, will still have to compete in the marketplace of ideas. The American worker is an independent individual who will make his or her own choice. If employees do not choose to have union representation—so be it. I doubt very seriously that this bill is going to produce a great upsurge in unionization. I would not support it if I believed that this was an instance of Government intervention in decisions more properly left in the hands of the individual.

I do think that this measure will streamline the entire administrative process, and that the delay and frustration which are abundantly in evidence under current procedures will largely be curtailed.

This measure will facilitate the decisionmaking process of the individual worker in the crucial sphere of his or her relationship with the employer.

By now, I have left the famous filibuster over silver far behind. But that imbroglio had its effect upon Senate procedures. It led to the introduction of a spate of cloture rules. Finally, in 1917, rule XXII, requiring the vote of two-thirds of the Senators present and voting, was adopted.

Since that time, there have been 132 attempts to force cloture. Since that time, the rule has been amended to provide that three-fifths of the Senators present and voting may invoke cloture.

Contrary to what many believe, cloture is not frequently used. The rights of a minority of Senators have not been trampled.

They have not been trampled in this instance. The rights of a minority of Senators will not be trampled as long as the Senate makes a reasonable effort to deal with the legislation before it and to have the opportunity to work its will thereon. Only 40 times out of 132 attempts has cloture been successfully invoked.

I urge my colleagues, whether they support the substitute, or whether they oppose the substitute, to consider whether or not the time has come to bring debate to a close. I urge them to consider the comment of Senator Charles Curtis, of Kansas, who said during the course of a filibuster:

> We are a legislative body, and we are here to do business, not to retard business.

That comment was made by Senator Curtis in 1922, when he was Republican whip; 2 years later, he was elected majority leader of the Senate.

I join with my illustrious predecessor—although he was of a different party—in urging that we get on with the Senate's business.

The time has surely come to act constructively. Let us proceed as a legislative body. Deliberation and debate have value and meaning only in the context of the decisionmaking process. We have had sufficient time for thought and for talk.

Now it is time to decide and to invoke cloture and to get on with the orderly procedure of dealing with amendments which have been pending for days and other amendment which are to be called up.

It is time to vote, it is time to act on this measure, and to get on with the other business which has been building up, and there is plenty of it, and there is always, of course, the prospect of a post-election session. I do not like sessions after elections. I am not in favor of them. But I will say that to all Senators who feel as I do that we should not have a post-election session. The decision that we will make tomorrow or the next day or the next day in the long run will have a considerable bearing on whether or not when the Senate adjourns prior to election it will have to come back and complete its work after the election.

So I urge Senators to think this matter over very carefully over the rest of the day and over the night, and I hope that on tomorrow, regardless of what our position is on the substitute, Senators will have ample time under the rules to call up amendments, to have those amendments voted on if they are serious amendments. I urge Senators to vote to invoke cloture so that the Senate can dispose of this bill one way or the other and work its will thereon.

Several Senators addressed the Chair.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the substitute amendment, No. 2445, by the Senator from West Virginia (Mr. ROBERT C. BYRD) and others to H.R. 8410, An act to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

Robert C. Byrd, Patrick J. Leahy, Harrison A. Williams, Jr., John Melcher, George McGovern, Claiborne Pell, Dick Clark, Frank Church, Daniel Patrick Moynihan, Edward M. Kennedy, Jacob K. Javits, Abraham Ribicoff, Howard M. Metzenbaum, Birch Bayh, Henry M. Jackson, and William Proxmire.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. GOLDWATER. I yield to my friend from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, in an ideal climate of objectivity, I am sure that the remarks of the Senator from West Virginia would have great validity. But let us not be naive. Let us look at the real situation as it is.

The distinguished majority leader speaks of the impatience of the general public with the apparent inability of Congress to get on with its work. The real impatience of the general public is with Congress that continues to pass legislation that expands the power and scope of Government against the public will. That is the real impatience of the public. They prefer that we pass less legislation.

The Senator speaks of getting on with the public's business. I think it is arguable as to whether or not this is in reality a public business when we are trying to pass legislation here to reinforce the faltering efforts of organized labor to retain its current membership and add to it. In fact, we are weighing in heavily here on one segment of our society that the general public feels is already too powerful.

I suggest that it is the function of the minority in the Senate, when they perceive of themselves as representing the majority of the popular will or representing an enormously important element of our society, to utilize such parliamentary devices as are available to them to prevent passage of legislation that they are certain would be damaging.

In fact, pressure groups in this country wield an influence out of all proportion to their numbers, and we are seeing that influence felt here, and no one who participates in the filibuster against this powerful and well-organized minority in our society that already wields an inordinate political power should apologize for engaging in a filibuster.

There is talk of compromise, but we know what will happen to the compromise. Now, let us be honest with each

other. We could gut this bill. We could pass a bill that has virtually no substance left in it. When it goes to conference what is going to happen? What is going to come back to us? The House bill, or something perhaps at least as stringent as has been reported out of the committee here. And that is why we are engaging in this dilatory tactic if it be such, and I do not apologize for it for 1 minute.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield at this point?

Mr. TOWER. I am happy to yield.

Mr. GOLDWATER. I am happy to yield for a question but not losing my right to the floor.

Mr. ROBERT C. BYRD. Mr. President, it will be my intention to do everything possible to avoid a conference report coming back to the Senate so that whatever the Senate does I would hope could be accepted and would be accepted in the House of Representatives so that we would not be faced with what the Senator has envisioned, to wit, a conference report that comes back to the Senate that is in its essence what the House bill constitutes.

(Mr. GLENN assumed the chair.)

Mr. TOWER. Well, I appreciate what the Senator from West Virginia said about making every attempt, but due to circumstances beyond his control that probably will not be the case.

Mr. GOLDWATER. Mr. President, I listened to the dissertation on the filibuster by our distinguished majority leader with quite a bit of interest. As I remember, when I first ran for the Senate many years ago, I vehemently opposed the filibuster. I repeatedly called it a dirty word and repeatedly promised my colleagues and my constituents that I would do what I could to eliminate it.

But, Mr. President, When I arrived in Washington that wonderful old man, Carl Hayden, who served in Congress longer than any man in history, my senior colleague, took me aside one day and he said:

I listened with interest to what you have been saying in Arizona, and I want to point out where you are wrong.

He proceeded to point out in a completely understandable way that the filibuster, instead of being the enemy of the minority, was the only way in the world that the minority had of protecting itself. He quickly pointed out when he used the word "minority' it did not necessarily mean an ethnic minority or any other minority as we have grown used to hearing the word used, but rather a minority of States, a minority of people in the States, a minority who knew that if the objectionable legislation were put to a vote, would lose because the other side, who controlled the votes, the majority of the votes, and who wanted this particular type of legislation, had the votes to get it.

So the only way that the people in the minority had of protecting themselves was through the filibuster or extended debate or prolonged discussion or whatever you would like to call it.

I remember during my first 12 years in the Senate we had fewer than 20 filibusters, and in the years that I have been here since, which do not yet total 12, we had over 90 and, strangely enough, most of these filibusters have been conducted by the so-called liberal side, not by the conservative side.

I know that the distinguished majority leader feels in his own mind that we are engaging in a filibuster, and I do not want to try to fool him. In my opinion, we are. I would be hard pressed to stand here for the 2 hours I have agreed to stand here and discuss this bill without depending a lot on what has been said before and, consequently, I have in my desk drawer probably 100 or 125 different speeches I have made on this subject of labor since 1952 and, strangely enough, in reading them I could read them today and change a few words and change a few dates, and they would be perfectly all right and perfectly applicable because, frankly, what we are talking about is what those of us who have objected to the abuse of power of labor have always talked about: Too much power; just as the proponents of labor very properly talked about the abuse of power by management before the passage of the Wagner Act in 1934.

Mr. President, we are not doing this because we enjoy it. We are not doing it, because we all want to come back after the election for a prolonged session. We are not doing it to hold up the work we have to do to get the work of the country along. We are doing it, Mr. President, because there are millions and millions of people in this country who want no part of this labor bill. Now, it is just that simple.

I recall during the efforts to change the secondary boycott, which was the first experience I had, where the great majority of mail I received opposing the common situs picketing or the secondary boycott came from members of unions who included their names and the number of their unions. They did not want their unions to have more power, because they wanted to continue working.

This is at least today the bulk of my mail—I would not say the bulk, but the majority of it, a slight majority of it—which comes from working people who do not like to be told by their leaders what they are going to do at election time; they do not like to see their dues money used for election purposes to vote or to work against people whom they themselves are going to support. They do not like the fact that they have to work under the abuse of power under which they work in many cases—not all cases. I do not condemn all unions across the board any more than I condemn all labor leaders across the board. We have some very, very good ones, and we have some that long ago should have gone by the wayside, but that is their own problem.

Mr. President, the majority leader talks about compromise. Actually that is the art of politics—it is compromise. Should the majority leader be able to break this filibuster, at that time whatever we vote on will be a compromise. It will not be anything that those of us who are arguing at great length against the bill will like. It will not be anything that the great majority of the American people will like, but it will be a compromise, and it will probably be a very bad one.

So, Mr. President, I am glad that the distinguished majority leader informed us about the filibuster. I think it is good once in a while to review the prerogatives we have at our command so that we can insure that we are not going to wake up having passed legislation that will be detrimental to our country and the people of our country.

So I accept the title of being a filibusterer, if that be the term, and I will continue to address this body at whatever length is necessary to make sure that we can continue to discuss it.

The point is that I hope the distinguished majority leader will get tired, and he can exercise one of his great prerogatives, he can pull the whole thing down and say, "We do not have to work on this right now. We have more important things to do for the benefit of our country." I know that individual Members of this body have more important things to do, because this is an election year, and they would be a darned sight better off home saying, "Vote for me. Don't listen to what is going on down there in the Land of Oz. Vote for me. I will solve all your problems," and we will welcome them back when and if they come.

Mr. President, I would like to recite something that I consider to be the best vote I ever made in my years here. It has to do with labor. I was a member of the McClellan so-called rackets committee, and I sat through years of that listening to the abuses of Jimmy Hoffa and his Teamsters Union, and other officials of that union. I participated in the rather long process of drawing up a bill which had as its intention the correction of these labor evils.

Well, the bill was finally voted out, and it was called the Kennedy bill. Then Senator Ervin liked it, and because Senator Ervin was such a delightful man and such a power in the Senate, he had his name attached to it, and it became the Kennedy-Ervin bill.

Mr. President, I think I offered some 40 amendments to that bill. All of them were turned down, and when the time came for passage, it was late in the afternoon, and I had a speaking engagement that night in Philadelphia, so I cast my vote "no," and got on the airplane and flew to Philadelphia.

On the way I tuned in the news just to see what might be happening, and, lo and behold, I heard that the Kennedy-Ervin bill was passed, I think it was, 95 to 1, and I was the only Senator voting against that bill.

Well, I got my speech done and came home, and the next morning President Eisenhower called me and said he wanted to talk to me. So I went up to the White House. In his typical army language he asked me why I voted against the bill, and I said, "Well, Mr. President, if you will hear me out and listen for not more than 20 minutes of explaining, I will tell you."

So I told him what happened in the McClellan rackets committee hearings. I told him what the shortcomings were of the Kennedy-Ervin bill, which had then gone to conference, and I convinced him, I think, that I thought it was not a good bill.

Consequently, he took to the air waves. He went on television, and he asked for a better bill than the Senate had passed. So it became the charge of the conferees to come up with a better bill, and I will never forget those 16 days we sat down here in the old Senate Chamber and argued back and forth, back and forth. Mr. GRIFFIN of Michigan and Mr. Landrum, both from the House, were members of the conference committee. Finally we hammered out a bill.

I was very happy with what we came out with, because it contained many of the amendments that I had offered on the floor of the Senate. Well, the bill came back for a vote, and the vote was 92 for and 2 against.

So I have always said, when people asked me what I think is the most important vote I ever made, that it was that one vote against a bad bill, because it made the President make the conferees turn around and write a bill that has been a good bill, and it has worked, even though, like the Taft-Hartley Act, under the decisions of quasi-judicial bodies and even the decisions of actual judicial bodies, it has been somewhat weakened.

Getting on with the actual business of the day, Mr. President, I think it is very pertinent to note the observation by a former general counsel of the National Labor Relations Board, Mr. Peter Nash, that the bill would possibly slow down the unfair labor practice case process, instead of speeding up operations. His remarks are still pertinent to the substitute version; and anything that I will say this afternoon will apply to the substitute version, for, although I do not know whether or not it has been accepted as a replacement for the other bill, my statement will apply to both, regardless.

As a panelist at a recent forum on labor law sponsored by the American Enterprise Institute, Mr. Nash said that one of the major reasons for his opposition "is that the bill holds out a false hope for expediting NLRB processes." He added:

> The National Labor Relations Board, as presently constituted, does an effective and efficient job of handling unfair labor practice cases and representation cases. Better than 90 percent of all unfair labor practice cases are resolved in the regional offices of this agency within a median time of a month and a half after charges are filed. That is an extraordinary record, and it is based, in large measure, upon the acceptance of the National Labor Relations Act and the NLRB by employers and unions alike.
>
> Moreover, statistics introduced before the House of Representatives indicated that the NLRB handles about 80 percent of its election cases within a median time of a month and a half after a petition is filed. Again, this fine record is based upon the consent of unions and employers.
>
> The new legislation offers a drastic change. At the present time, roughly 80 percent of all election cases result in an agreement among employers and unions about when an election shall be held and who shall vote in that election. That represents more than 7,000 resolved cases per year, out of the 9,000 elections held by the board. The major reason for agreement in those cases is the scheduling of an election date acceptable to both parties. This bill, however,

And, Mr. President, I might add the substitute bill, as well—

> Mandates election times and removes the incentive for agreement. No union or employer would have a substantial incentive to agree to an election if this bill were enacted. Each would raise a number of issues that could not be litigated prior to the election; whoever lost the election would seek a hearing and ultimate litigation of those issues. The bill holds out the prospect of turning about 7,200 consents a year into litigated cases. That is hardly the kind of activity that will expedite the processing of cases before the board.
>
> Furthermore, when a regional office of the labor board issues a complaint to prosecute an employer for discharging an employee during a union organizing campaign, this bill requires that the regional office seek an injunction in the federal district court to return that employee to work.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I will be very happy to yield, provided I do not lose the floor.

The PRESIDING OFFICER (Mr. GLENN). The Senator from Montana.

Mr. MELCHER. I thank the distinguished Senator from Arizona for yielding. The Senator's remarks have been based on his long experience here in the Senate, and the Senator is truly qualified to speak on the basis of 20 years or more experience with labor legislation adopted by the Congress.

But I was distressed to note that in his remarks dealing with the time frame in the substitute bill, wherein an election date would be set by the Board, if I understood the Senator correctly, the Senator seemed upset with the language of the proposed substitute; because the language is clear, it seems to me, that the Board shall set the date no less than 35 days after the employer is notified in writing that the union is seeking to represent his employees.

Furthermore, it would be not more than 50 days after the filing and serving of petition.

In addition the bill says, "Unless another date prior to such 35th day is agreed to by the employers and representatives named in the petition."

So it would seem to me that the substitute sets a fair balance that is, an election date set by the Board that is rather short, but does not disturb the opportunity for the employer and the union organizer to agree to a date that better suits them.

I would think that this provision accomplishes something that is meritorious. First of all, it takes away the discretion of the Board to set the date shorter than 35 days—nor may it take longer than 50 days, so that the matter does have a degree of certainty. It does not disturb the opportunity for the employer and the union organizer, or, in the case of a decertification of the union, the employer, and the employee group signing the petition, if they want a different date shorter than 35 days, to make their own agreement.

I point that out to the Senator, because I think it is important that we have our record clear.

Mr. GOLDWATER. I thank the Senator for pointing that out. I plan to get into that a little more. I might say in the years past, the uncertainty of elections was one of the major complaints in the NLRB. I compliment the NLRB on having changed that. Today there is no complaint that I know of about it, though there used to be.

This bill, and the substitute as well, mandates election times and removes the incentive for agreement. This is one of the things that worries me. There would be little incentive for employers to settle cases prior to the time the district court has heard those cases, because under this bill the employer could find out the facts of the General Counsel's case merely by going to the hearing in a Federal district court.

Let me say we run the risk—I may be completely wrong but in reading the bill I think we run the risk—of turning some 2,000 cases a year, which might otherwise have been settled, into litigated cases. In other words, I see no reason to disturb the wording of the present law in this case, because it has taken experience and some years to get to the point where we find that both management and labor are happy over the fact that they can get together without having a board hearing or a court hearing and they can decide themselves on an election. I do not see any reason to change that.

Mr. President, I am now going to speak about remarks of Mr. Peter Nash, a former General Counsel of the NLRB. I will return to the point I was talking about. He said he recognized elections may be held more quickly if the bill was enacted, but he reaffirmed his earlier position by explaining:

> The subsequent certification of the unions that results from those elections would be substantially delayed, however.

Then he went on:

> As I indicated at the outset, the legislation provides no real incentive for either unions or employers to agree to elections. They would inevitably raise issues requiring litigation after the election, so certification of the election results would be held up. We do not have that delay now in 7,300 cases a year, but we run a real risk of having it in a substantial portion of cases, if this bill is enacted.
>
> There are a couple of what I call "tinkering" amendments in the bill. One provides for summary of affirmance procedure for administrative law judge decisions within thirty days. Another requires those aggrieved by a board order to be in the federal circuit court within thirty days.
>
> In my judgment, neither of those provisions is really pro labor or pro management. But they would not expedite the processes of the board, either. Indeed, increasing the size of the board would slow the decision on cases.
>
> The summary judgment procedure is just one more formal step in the decision-making process that would slow a number of cases. And the provision for a thirty-day appeal

to the court of appeals would just produce more court of appeals cases, because there would not be time for voluntary compliance in many instances.

I point those things out for this reason: it will be tremendously unfair if, in two or three years, the members of the National Labor Relations Board and the general counsel are called up before Congress and berated because the process has been slowed down rather than expedited. And the process *would* be slowed down. There is no way the burgeoning case load could be handled. So let's not imagine that the legislation, if passed, would help those good people at the board. It would not; it would hurt them.

Mr. President, I want to continue with comments I was making the other day on the original bill which I maintain, as far as I have been able to study the so-called substitute, will apply in a large measure to it as well.

We have heard discussion of "make-whole" remedies. In fact, I think this is one of the major parts of the substitute which has been offered by the distinguished Senator from West Virginia.

Under current law, there is no provision for a "make-whole" remedy. In the proposed change under section 9 of the bill which amends section 10(c) of the act, the Board may award, in cases where there has been an unlawful refusal to bargain before entering into the first contract, compensation to unit employees for the delay caused by the unfair labor practice. The amount shall be measured by the difference between, first the wages, and other benefits actually received by such employees during the period of delay, and second, the wages and fringe benefits the employees were receiving at the time of the unfair labor practice multiplied by the percentage change in wages and other benefits stated in the Bureau of Labor Statistics average wage and benefit settlements, quarterly report of major collective bargaining settlements, for the quarter in which the delay began.

MAKE-WHOLE REMEDIES—SUGGESTED CHANGES

Assuming that Congress approves this remedy, qualifying language should be added so that this provision would not apply in situations where an employer legitimately challenges by a refusal to bargain finding and/or where there is a genuine issue of fact or law concerning determinations arising from an election; for example, unit issues, objections to the conduct of an election.

Due to the many problems with respect to computing the amount of compensation to be awarded an employee based on the Bureau of Labor Statistics settlement index, a new and objective formula should be utilized. Section 3(A) (page 15, line 22 through page 16, line 21) should be deleted, and the following language inserted in its stead:

In a case in which the Board determines that an employer's unlawful refusal to bargain prior to the entry into the first collective bargaining agreement with a representative selected or designated by a majority of employees in the bargaining unit was for the sole purpose of delay and no genuine issue of law or fact was present to warrant a refusal to bargain, the Board may award to the employees in that unit compensation on a lump-sum basis for the delay in bargaining caused by the unfair labor practice. In determining the amount of compensation to be received as a result of the delay in bargaining caused by the unfair labor practice, the Board shall consider (i) wage increases received by employees in same geographical area performing similar work for the period of time in question; (ii) wage increases received by bargaining unit employees prior to refusal to bargain; (iii) wage increases received by employees in other facilities of employer in the same geographical area performing similar work over period of time in question; and (iv) such other factors as the Board determines relevant. Upon consideration of these factors, the Board shall ascertain what the percentage change in wages would have been for the period of time in question and shall multiply that change by the difference between the wages received by such employees during the period of delay, and the wages such employees were receiving at the time of the unfair labor practice.

MAKE-WHOLE REMEDIES—CRITIQUE

The "make-whole" remedy under S. 2467 represents a fundamental shift in Board policy concerning collective bargaining. Succinctly stated, that policy, which dates back to the days of the Wagner Act of 1935, has been for the parties to reach their own agreement without Government interference with respect to the terms of the settlement. It is also yet another example of a punitive remedy being assessed against the employer. The make-whole remedy will result in the Government writing contracts for the employer and, therefore, the entire process of free collective bargaining, which is the cornerstone of labor-management relations in this country will be overturned. Since the Board will, in effect, become a third party in all negotiations, this governmental intrusion into rights is unprecedented.

A key factor which the committee failed to consider is that the United States, in comparison to developed countries with free trade union movement, ranks among the lowest in terms of percentage of available workdays lost to labor disputes. It is clear, therefore, that prior to overhauling the process of free collective bargaining, which has worked exceptionally well over a period of 40 years, the need and the proposed benefits of the change should be clearly demonstrated. This factor must be coupled with the findings in a recent study on the economic impact of the make whole remedy.[18] that "(t)he 'make whole' provisions * * * appear to use an extreme settlement solution and appear to be inequitable, unfair, and to violate the spirit of fair play which is the essence of American legislation. These amendments, as proposed, could result in an unfair economic advantage for large trade unions and for large business." Thus, not only is this provision an inflationary one, but it might accelerate the exportation of jobs in those industries that are already besieged by foreign competition.

Moreover, it is difficult to understand why the average wage and benefit settlements index is an appropriate standard to penalize employers whose wage rates may be less than the index. An analysis of the companies comprising this index, which includes representatives from the telephone, steel, automobile, aluminum, and rubber industries, reveals three common characteristics: They are oligopolies; they are capital intensive, as opposed to labor intensive; and, they are industries in which unions have historically had a stronghold, indicating a total disparity in leverage. Thus, by definition, these settlements will be significantly greater than the normal first contracts with a small employer.

A case in point is the recently negotiated coal contract which has been costed out over a 3-year period to a 41-percent increase in salary. Since the contract is front loaded, which entails a greater salary increase during the first 2 years than in the final year, the first-year salary increase may be as high as 15 or 16 percent.[19] Similarly, in a report recently released by the Department of Labor, agreements covering 5,000 or more workers had increases in total compensation—wages and fringe benefits combined—of 14.6 percent (82 D.L.R. B-2 (April 27, 1978)). There can be little question that a salary increase of that size to most small businesses would be devastating. The index is hardly relevant for most employers, because it only covers wage and benefit settlements for units containing over 5,000 employees, whereas most Board units contain fewer than 50 employees. Hence, it does not provide an equitable or economically viable basis of comparison.

A further problem in this area concerns the committee's insistence that benefits be considered as well as wages. According to a highly complicated formula set out in the Senate report (page 17, n. 5), one must attempt to place a cost figure on benefit plans "[i]n situations where the only compensation to the bargaining unit employees is in the form of wages." The simple answer to this proposition is that costing out benefits is a terribly complex process which entails placing dollar figures on such intangibles as holidays, vacations, pensions, health and welfare plans, and the like. It is perfectly obvious that unless another more feasible approach is taken, decisions on this subject will be arbitrary at best.

Mr. President, in my opinion, this could lead to very long, dragged-out arguments about what the worth might be. Ask the average worker which of those he would rather have as an intangible, and he would probably say pensions. Yet there would be many that would prefer health and welfare plans.

(Mr. NELSON assumed the chair.)

Mr. MELCHER. Will the Senator yield?

Mr. GOLDWATER. Yes, I am happy to yield.

Mr. MELCHER. I thank the distinguished Senator.

I think it would be appropriate if I point out that, just as the Senator has said, a more feasible way should be found

[18] Rinfret, *The Economic Impact of H.R. 8410 and S. 2467* at 1 (1978). This report is discussed *infra*.

[19] According to the Senate Report (page 17, n. 7), only the first year change should be considered on the basis that it "more accurately match[es] the current settlements average change to the time in which the violation occurred."

for the "make whole" remedy. The answer to that is clearly "yes."

The more feasible method was found for the "make whole" remedy in the substitute. So the substitute bill uses the employment cost index from the Bureau of Labor Statistics, which is weighed by the size of business, which has factored out all of the fringe benefits the Senator just mentioned. So it is easily available to employer or employee alike.

In those unfortunate circumstances where there is a refusal for negotiation for the purposes of collective bargaining, then the employment cost index can be used for the "make whole" remedy.

I think it is clearly in the aspect of a more feasible method. I think it is an index that is well thought of in the Bureau of Labor Statistics data and one they can take into consideration, not just big business alone, but small business, different sizes of units, different numbers of employees, and is a definite improvement in the bill and serves one of the purposes the Senator from Arizona so eloquently pointed out.

Mr. NUNN assumed the chair.

Mr. GOLDWATER. I find myself in substantial agreement with the Senator on his comments.

We have to recognize, I believe, that so-called fringe benefits are almost equally as important today as pay itself, whether that pay goes to the so-called—I hate to use "working man," because we all work—but the man involved in a labor dispute, or would go to his employer.

I think the Senator would recognize that in business, in promoting people who do not come under union negotiations, many times—I will not say most, but many times—through my own personal experience in a corporation, it became necessary to provide expensive fringe benefits before the person we wanted to promote would be promoted, because he could not take home any more pay if we upped his salary.

While that does not apply here, I just want to make it clear that I am not opposing the things I mentioned, holidays, vacation, pensions, et cetera.

The question becomes one of putting a dollar value on it.

I know in corporate work that that has long been an argument used by the Internal Revenue Service, as to how much is it worth for a man promoted to be a manager of a section to have an automobile.

Well, we can arrive at a figure for that in the case of management. We can arrive at a health and welfare plan, because we know the amount.

I do not look on this as a particularly objectionable part of the bill. I do think it has the potential of adding a question in time, and I do not care what business we are in. I am a member of a labor union and I have several good fringe benefits, because I am a union member, just as we have good fringe benefits, because we are Members of the Senate. I am not knocking it. I am just pointing out a familiar problem.

The make-whole remedy is particularly inappropriate because a refusal-to-bargain charge by the National Labor Relations Board which arises out of delays occurring before the signing of a first contract is often a minor, technical violation of the act. Moreover, any unilateral change[20] by an employer with respect to mandatory subjects[21] of bargaining, may violate section 8(a)(5) of the act. Thus, if a company decides to require its employees to wear respirators based on preliminary findings by the Occupational Safety and Health Commission that a certain product has potential toxic effects, this unilateral action may result in a section 8(a)(5) violation irrespective of management's good intentions. Similarly, an employer may violate the act if he refuses during negotiations to allow a union representative to examine his books and records with particular reference to the unit costs and profit margins. See, for example, *NLRB* v. *Truitt Manufacturing Co.*, 351 U.S. 149 (1956). The case law on this subject shows that employers acting in complete good faith are oftentimes found in violation of a section 8(a)(5).

I might inject, Mr. President, this has been one of the desires of unions for as long as I have been aware of this work; namely, to get into the books of the employer, to find out what money he is making, what his investments are, his assets, and so forth.

I have always felt that is none of their business, although I daresay that if this country continues along the lines it has been continuing in an economic sense, that we very well may see the day when a union that bargains successfully for the membership of certain employees will be given access to the business secrets of the company and even be able to demand places on the board.

I hope that does not come about. But I think the direction we have been going and what we have been seeing would cause me to say there is a better chance of it now than we had 25 years ago.

The imposition of such a drastic remedy in this context is totally unfair and is disproportionate to the violation that it is designed to cure.

Mr. President, the make-whole remedy will also eliminate the employer's only effective method under existing law of appealing adverse decisions in cases where bargaining units are determined. Under current practice, an employer must refuse to bargain with a union if he wishes to seek appellate court review of what he considers an erroneous bargaining unit determination or an objection to the election. If the court rules against the employer, the Board may then issue a bargaining order as a remedy. Thus, the well-settled practice of challenging bargaining unit determinations would be effectively eliminated, because the employer will be deterred from seeking court review since he risks a more severe sanction.

Mr. President, the make-whole remedy directly contradicts precedent thwarting efforts of the Labor Board to interfere in the bargaining process. There are several Supreme Court rulings prohibiting the Board from compelling settlement of disputes over the terms of a contract.[22] The Court has repeatedly held that the right to bargain does not entail the right to insist on a position free from economic disadvantage. It is not surprising, therefore, that this remedy was rejected by the former Secretaries of Labor and Board Chairman Fanning in their testimony before the House Subcommittee on Education and Labor on H.R. 8410.

D. PRELIMINARY INJUNCTIONS

1. PRELIMINARY INJUNCTIONS—CURRENT LAW

Under the current act, the Board has discretionary authority to seek injunctive relief to reinstate a discriminatorily discharged employee.

2. PRELIMINARY INJUNCTIONS—PROPOSED CHANGE

Section 11 of the Senate bill, which amends section 10(1) of the act, requires the Board to petition for a temporary injunction to reinstate a discriminatorily discharged employee. Only cases occurring in a representational campaign before the first contract is signed or during a campaign to deauthorize or decertify a union, would trigger this mandatory action.

3. PRELIMINARY INJUNCTIONS—SUGGESTED CHANGE

Due to the many problems set out below with respect to this provision, it should be deleted in its entirety.

4. PRELIMINARY INJUNCTIONS—CRITIQUE

The necessity of amending section 10(1) of the act with respect to cases arising under sections 8(a)(3) and 8(b)(2) of the act is highly doubtful because other sanctions are more than adequate deterrent to recalcitrant employers.

Injunctive relief is time-consuming and duplicative since it requires the aggrieved party to appear before an administrative law judge and a Federal district court judge. Furthermore, in light of the prediction by the General Counsel of the Board of a "dramatic increase in the number of 10(1) petitions,"[23] it is perfectly apparent that it is not feasible to implement this provision. A final factor weighing strongly against this provision is that nearly all discharge cases depend on credibility resolutions which, in turn, necessitate a full hearing so that the demeanor of the witness can be properly evaluated. Since Board attorneys under this provision will be entitled to proceed directly in the Federal district court on the basis of a "reasonable cause" determination that the charge is true, Federal district judges will be forced to render decisions without the benefit of the in-court testimony of the appropriate wit-

[20] Mandatory subjects of bargaining include wages, hours, and other terms and conditions of employment.

[21] A unilateral charge is one in which an employer alters the terms and conditions of employment without first giving notice to and conferring in good faith with the duly-certified collective bargaining representative of his employees. *NLRB v. Katz*, 369 U.S. 736 (1962).

[22] *NLRB* v. *Insurance Agents' Int'l Union*, 361 U.S. 477 (1960); *H.K. Porter Co.* v. *NLRB*, 397 U.S. 99 (1970).

[23] *Study by NLRB General Counsel Irving Estimating Cost Impact on Operations Under his Supervision of Passage of H.R. 8410*, 24 D.L.R. G-1 (February 3, 1978). *See* Section III *infra*.

nesses.[24] In sum, this provision is unnecessary and will further clog the Board and the courts at a substantial expense.

E. ILLEGAL WORK STOPPAGES

1. ILLEGAL WORK STOPPAGES—CURRENT LAW

Under the current law, injunctive relief may be obtained under certain circumstances against wildcat strikes,[25] but not against stranger picketing.[26]

2. ILLEGAL WORK STOPPAGES—PROPOSED CHANGES

Section 13 of the bill provides that an employer may seek injunctive relief against stranger picketing where the picket line is not maintained by a labor organization in connection with a labor dispute. As a result, injunctions would not be available if the picket line is maintained by a labor organization in connection with a labor dispute. An employer can also secure injunctive relief if the refusal to work is not authorized, initiated, or ratified by a labor organization. If the union does authorize, initiate, or ratify the illegal activity, no restraining order can issue under this section.

3. ILLEGAL WORK STOPPAGES—SUGGESTED CHANGE

In light of the problems noted below, section 301 of the Labor Management Relations Act should be amended by deleting lines 15–25, page 20 and lines 1–7, page 21 of the bill and adding the following language:

Where there exists an agreement between an employer and a labor organization, whether express or implied, not to strike, picket, or lock out, the court shall have jurisdiction to issue such temporary or permanent injunctive relief as is necessary to prevent any person from engaging in, or inducing or encouraging any employee of the employer to engage in, conduct in breach of such agreement, irrespective of the nature of the dispute underlying such strike, picket, or lock out, and its jurisdiction to grant such relief shall not be limited by the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes."

4. ILLEGAL WORK STOPPAGES—CRITIQUE

An analysis of this provision must necessarily begin with a review of the Supreme Court's decision in *Boys Markets, Inc.* v. *Retail Clerks' Union, Local 770*, 398 U.S. 235 (1970), and *Buffalo Forge Co.* v. *United Steelworkers of America*, 428 U.S. 397 (1976). These decisions both involve the availability and utilization of injunctive relief under section 301 of the Labor Management Relations Act. In Boys Markets, the Court held that an injunction may issue when a strike takes place over a grievance which the parties are bound under the terms of the collective bargaining agreement. In Buffalo Forge, in a divided 5 to 4 decision, the Court, in considering the propriety of injunctive relief in sympathy strike situations, held that injunctive relief was not appropriate.

Boys Markets and Buffalo Forge are cases illustrating the divisive nature of Federal court intervention in labor disputes and a balancing of the policies contained in the Norris-LaGuardia Act[27] and section 301 of the Taft-Hartley Act.[28] See F. Frankfurter and N. Greene, "The Labor Injunction" (1930); *Milk Wagon Drivers' Union, Local 753* v. *Lake Valley Farm Products, Inc.*, 311 U.S. 91, 100–03 (1940).[29] From a policy standpoint, it is submitted that Boys Markets, wherein the court held that arbitration is the primary vehicle of promoting industrial peace, was decided correctly and should not be overruled. Conversely, Buffalo Forge, wherein a majority of the Justices provided a literal interpretation of the Norris-LaGuardia Act, should be overruled. Interestingly, the House considered a fairly expansive amendment on this issue but decided to adopt a much more limited version.

As noted by Justice Stevens in his dissent in Buffalo Forge, it is self-evident that the question of whether employees can honor a picket line is a subject for arbitral determination. However, requiring an employer to go first to arbitration and allow the work stoppage to continue frustrates not only the arbitral process but makes virtually meaningless the union's agreement not to strike. Granting injunctive relief, therefore, promotes the very policies which led the Supreme Court in Boys Markets to accommodate section 301 of the Taft-Hartley Act with section 4 of the Norris-LaGuardia Act.

As observed by Justice Stevens, the concerns which prompted passage of the Norris-LaGuardia Act were not applicable to a situation where a court was dealing with the enforceability of an agreement:

Like the decision in Boys Markets, this opinion reflects, on the one hand, my confidence that experience during the decades since the Norris-LaGuardia Act was passed has dissipated any legitimate concern about the impartiality of federal judges in disputes between labor and management, and on the other, my continued recognition of the fact that judges have less familiarity and expertise than arbitrators and administrators who regularly work in this specialized area. The decision in Boys Markets requires an accommodation between the Norris-LaGuardia Act and the Labor Management Relations Act. I would hold only that the terms of that accommodation do not entirely deprive the federal courts of all power to grant any relief to an employer, threatened with irreparable injury from a sympathy strike clearly in violation of a collective bargaining agreement, regardless of the equities of his claim for injunctive relief pending arbitration. 398 U.S. at 342.

Since another critical aspect of national labor policy is the concept of free collective bargaining,[30] it is difficult to argue that the utilization of injunctive relief to enforce a bargain freely struck runs contrary to these policies. Injunctions designed to enforce what has been agreed to are far different than the types of injunctions which gave rise to the Norris-LaGuardia Act. As recognized by the Supreme Court in Boys Markets, there has been a shift from the "protection of the nascent labor movement" to evolving a policy designed to encourage free collective bargaining and the peaceful settlement of disputes.

It is perfectly apparent that the issuance of injunctive relief to enforce an agreement to arbitrate and not to strike hardly brings about an abuse that the Norris-LaGuardia Act was intended to present. The policies enumerated in section 2 of the Norris-LaGuardia Act cover a vastly different situation that exists today.

It should, of course, be noted that in nearly all collective bargaining agreements the only promise a union makes in the entire contract is not to strike. The remainder of the obligations are placed squarely upon management's shoulders. This provision, however, undercuts the enforceability of the union's only obligation.

Against this background, it is clear that section 13 is not an adequate remedy for employers faced with strikes in violation of a no-strike clause in a collective bargaining agreement. Indeed, the Senate report emphasizes that the rule of Buffalo Forge be preserved[31] and that the present balance between employers and unions be maintained. However, the recent debilitating effects of the coal mine strikes is a prime illustration that an equitable balance does not exist. Consequently, current section 13 should be deleted in its entirety and replaced with a provision allowing private enforcement of no-strike clauses in Boys Markets and Buffalo Forge situations.

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[24] By analogy, the Board currently has authority to seek injunctive relief under section 10(j) of the Act. There can be little question that the Board's record in this area is hardly unblemished. Without being unfair to the Board, however, its position in situations calling for injunctive relief is difficult due to the complex task in undertaking an extensive investigation and making a proper recommendation, unless potential witnesses are thoroughly probed. Basic common law principles dictate, however, that a witness cannot be adequately questioned unless he is on the witness stand and subject to cross-examination.

[25] A wildcat strike, in the context of this bill, is a work stoppage undertaken by union members without official authorization or sanction from the union.

[26] Stranger picketing is any picketing of an employer by nonemployees on behalf of a union with whom the employer has no bargaining relationship.

[27] The Norris-LaGuardia Act embodied a congressional policy against the intervention of federal courts in labor disputes. The abuses giving rise to this Act generally involved cases where union organizational strike activity was being halted as a result of the intrusion of federal courts. Section 4 of the Act was designed to halt this intrusion.

[28] Section 301 of the Taft-Hartley Act gives federal courts jurisdiction over suits for breach of a collective bargaining agreement.

[29] *See also* Gould, *On Labor Injunctions, Unions and the Judges: The Boys Markets Case, The Supreme Court Rev.* 215, 238–39 (1970) (P. Kurland ed.).

[30] Wellington, *Freedom of Contract and the Collective Bargaining Agreement*, 112 U. Pa. L. Rev. 467 (1964); *H.K. Porter Co.* v. *NLRB*, 397 U.S. 99, 108 (1970); *NLRB* v. *American National Insurance*, 343 U.S. 395 (1952). The decisions in cases such as *H.K. Porter* and *American National Insurance* recognize that a collective bargaining agreement or any of its terms is not to be imposed on an unwilling party and that the execution of a collective bargaining agreement is a matter between the parties at the negotiating table.

[31] S. Rep. No. 95-628, 95th Cong., 2d Sess. (1978).

Now, I wish to talk about the economic impact and its effects upon litigation.

While I will admit that trying to come to any final kind of conclusion on economic impact as it relates to bargaining agreements or to relationships between unions and management is very, very difficult and in most cases I would say impossible, we can in extreme cases correlate economic impact with a proceedings under the labor-management agreement or lack of agreement.

III. S. 2467—ECONOMIC IMPACT AND EFFECT UPON LITIGATION

Ignoring the labels, such as "prounion" and "antimanagement" which have been attached to this legislation, and putting aside the various arguments for and against this legislation, one can observe dispassionately certain unmistakeable effects that will occur if the proposed legislation is enacted. Two principal areas that will be affected are set out as follows. This legislation will greatly affect the two areas that I am about to describe.

A. ECONOMIC IMPACT

In a recent, indepth study conducted by Rinfret Associates, contained in a report entitled The Economic Impact of H.R. 8410 and S. 2467, March, 1978, it was determined that this legislation "'would tend to increase the general inflationary trend of the United States. * * *'" As stated by economist Pierre Rinfret, president of Rinfret Associates, Inc., "'[t]he economic impact of proposed amendments to the National Labor Relations Act is inconsistent with the Administration's objective of reducing the already-high U.S. inflation rate which is close to double-digit levels, * * *'"[32]

I could find myself, Mr. President, in some slight disagreement with that finding. I do not believe that we can just openly and completely charge that wage rates in this country are the primary cause of inflation. I think they add to inflation. I think the resulting increases in prices add to inflation. I think more than anything else the continued deficit spending of the Federal Government is the biggest contributor to inflation. However, I believe I understand what Dr. Renfrit is getting at, that as we allow wage increases in this country through collective bargaining, whether they are earned by increased productivity or not, if we allow these to continue and if we encourage them by a law that will get around some of the things that organized labor has objected to in the Norris-LaGuardia Act, as amended by the Taft-Hartley Act of 1947, we will see, in my opinion, a continuation of the movement of American industries to other countries until there is a more viable equality between the wages paid in other countries and our country.

I do not think that day is going to come day after tomorrow, but I surely expect to see a day of rising wages occurring in Japan and in our western allies in Europe, in Mexico, in Taiwan, and in other parts of the world that now are giving us more and more competition.

While it would serve no useful purpose to review the entire study, of particular importance is the analysis of the economic impact of the make-whole provision upon small business. According to this report, "[t]he 'make whole' provisions of these proposed amendments appear to use an extreme settlement solution and appear to be inequitable, unfair and to violate the spirit of fair play, which is the essence of American legislation.

In fact, as I related yesterday, in 1934 when the Norris-LaGuardia Act was proposed it came because of the need for fair play. Prior to that time when management and labor sat down at the table to talk about, discuss, and negotiate their differences, management held all the jokers and all the ace cards and won whatever they wanted to win because labor did not have any clout, and the American Congress under the leadership of Senator Wagner in 1934 and 1935 did pass the act that carries his name, which for the first time in American history allowed American labor to sit down with American management with equality.

Now our problem since that time has been that through the judgment and actions of quasi-judicial bodies and by actual judicial bodies the original purpose of the Norris LaGuardia Act has practically disappeared and construction and interpretation of the Taft-Hartley Act has virtually disappeared.

But to get back to the bill: These amendments, as proposed, could result in an unfair economic advantage for large trade unions and for large business."[33]

The conclusions reached by Rinfret regarding the significant inflationary impact of this legislation find further support in a report entitled "Study by NLRB General Counsel Irving Estimating Cost Impact on Operations Under His Supervision of Passage of H.R. 8410."[34] Responding to a request from the Office of Management and Budget, Mr. Irving evaluated the potential effect of this legislation upon the Board's General Counsel's office. According to Mr. Irving, the proposed legislation will substantially increase litigation and require a corresponding increase in Board staffs amounting to an increase of nearly $28 million a year. As the report tacitly admits, however, this estimate may be conservative.

B. LITIGATION

As stated by Mr. Irving in his abovementioned report, "the proposed legislation contains provisions which are likely to encourage the filing of charges. * * *" This is because the severe penalties imposed upon employers for violation of the Act makes it in the employers' best interest to litigate most, if not all, controversies where the penalties are triggered. Correspondingly, it would be in the unions' best interest to litigate all controversies in hope of having the Board assess severe penalties against the employers. The modus operandi of management and labor will, therefore, be litigation and the end result will be increased labor strife.

I might just comment here on something that I do not believe I commented on before. Included in the present proposed act is an increase of the size of the National Labor Relations Board, and it has been, I think, the observation of all of us who are in Washington that when you increase the size of any board you merely increase the time it takes to make deliberations.

The statistics produced before the House Education and Labor Committee showing the high settlement rate of Board cases is compelling evidence that Congress should not interfere with the bargaining process. Those statistics indicate that settlement agreements are reached in 23.4 percent of the charges filed with the Board prior to the issuance of a Board complaint and in 82 percent of the charges filed with the Board in which a Board complaint is issued. As a result, there is only 5 percent of the unfair labor practice charges which the Board is forced to decide on their merits. Similarly, about 80 percent of the representation elections which are conducted by the Board are consented to by management and labor.

Since the Board would, of course, like the parties to settle their disputes rather than having matters litigated which strains the Board's budgetary and personnel resources, any legislative efforts in this area should be directed to this end.[35] Board chairman Fanning concurred with this observation in his testimony on H.R. 8410 when he stated that successful enforcement under the National Labor Relations Board "depends in large part on voluntary compliance by employers and unions alike." Regrettably, the committee's bill will take away the settlement incentive and diminish voluntary cooperation between the parties. The bill encourages distrust, suspicion, and arbitrary attitudes. In short, employers and unions are invited by this legislation to engage in costly, time consuming litigation, and inevitably embittering both parties and clogging the dockets of the Federal courts.

Some of the areas in which litigation is likely to increase markedly, if the legislation is enacted, are the following. First, the expedited election provision will result in fewer elections being agreed to in light of the arbitrary time periods. According to Mr. Irving "the number of election agreements will be substantially reduced from its present rate of 75 percent to a conservative 40 percent of merit dispositions." Without a proper time period for the employer to present his views on unionization, the employer will be forced to litigate issues after the election to which he would otherwise have consented. Since the employer is not given adequate no-

[32] Rinfret Associates, Inc., Press Release on *Proposed Labor Law Amendments Would Increase U.S. Inflation, Impose Major Economic Burdens on Small Business* at 1 (April 11, 1978).

[33] Rinfret, The Economic Impact of H.R. 8410 and S. 2467 at 1 (1978).

[34] This report is reported at 24 D.L.R. at G–1 (February 3, 1978).

[35] According to The Interim Report and Recommendations of the Chairman's Task Force on the NLRB for 1976, "[s]ettlement is a matter of great practical concern, since it permits the prompt redress of injuries and the conservation of the Board's limited resources."

tice of a campaign or of the proper unit determination, the employer's only recourse is to litigate all issues relating to the election. And, assuming that the employer follows this course, the amount of litigation before the regional offices of the Board will increase dramatically.

Second, under the committee bill, 150 percent backpay would be awarded to an employee where there was an illegal discharge, layoff, or refusal to reinstate. Significantly, there is no qualifying language in this provision concerning voluntary unemployment or duty of mitigation. It seems perfectly obvious that if an employer stands to have 150 percent backpay assessed against him he will vigorously litigate that issue. Under these circumstances, he has very little to lose by contesting such an award before both the Board and the appellate courts.

Third, the committee's bill extends the Board's injunctive authority under section 10(1) of the National Labor Relations Act to section 8(a)(3) discharge cases. Under this provision, the Board would be required to seek injunctive relief to have a discharged employee reinstated during an organizational campaign if the Board's preliminary investigation convinces the Board's regional office that there is reasonable cause to issue a complaint.

As predicted by Mr. Irving, this provision will result in a dramatic increase in the number of 10(1) petitions (24 D.L.R. at G–1, (February 3, 1978)) because respondents litigating these controversial cases will be less inclined to settle the underlying unfair labor practice charges.

Unions will be more than tempted to file section 8(a)(3) charges as a matter of course against employers in hope that the Board will find merit and seek injunctive relief. It is doubtful that the union will be interested in the validity of the charge because at this stage the union is seeking all the employee support it can muster. Thus, unions will merely go through the motions of filing charges to assure employees that it can provide this assistance. The Board, however, is not relieved of its duties at that stage because it must still have a hearing before an administrative law judge to decide the merits of the discharge.

Furthermore, the need for such a provision is highly doubtful. Courts have consistently recognized that a discharged employee is not entitled to reinstatement pending the resolution of the propriety of the discharge.[36] If the employee prevails full relief is provided.

Fourth, the debarment provision is certain to result in a proliferation of litigation. The sanction of debarment is an extreme and unwarranted measure. Employers will have no choice but to contest a debarment rather than yielding to the summary conclusion of the Board in its interpretation of "willful violators." Litigation, rather than settlement, will become the preferred method because there is no advantage for the employer in settling a case when settlement may result in a Federal court or Board order than, in turn, subjects the employer to future possible debarment.

The enormous increase of cases before the Board and both the trial and appellate levels of the Federal courts is a significant factor to be weighed by Congress. As indicated in the 41st annual report of the National Labor Relations Board (1976) and as updated by the most recent National Labor Relations Board quarterly report ending September 28, 1977, a record number of cases are being filed with the Board. The backlog problem was recently addressed by Board member Betty S. Murphy in a letter to the Civil Service Commission concerning the need for additional administrative law judges. She noted—

> We have a serious caseload problem with time delays and backlogs, the significance of which cannot be overstated. . . .[37]

Since the Board's primary purpose is to serve the public interest by reducing interruptions in commerce caused by industrial strife, a premium is placed on the expeditious handling of cases. It is, however, difficult to understand how the Board can cope with the anticipated increases of cases resulting from this legislation.

Similarly, the likely increase of litigation in the Federal courts should not be taken lightly. Indeed, there is great concern in the Federal judiciary as expressed by Mr. Chief Justice Warren E. Burger who stated in a speech before the American Bar Association in July of 1970 that—

> From time to time Congress adds more judges, but the total organization never quite keeps up with the caseload. Two recent statutes above added thousands of cases relating to commitment of narcotic addicts and the mentally ill. These additions came when civil rights cases, the voting cases, and prisoner petitions were expanding by the thousands.

According to the recent report by the Administrative Office of the U.S. Courts, 1977 Annual Report of the Director, June 30, 1977, the amount of Federal court litigation has multiplied in recent years.

In sum, there is very little question that S. 2467 will result in an enormous increase of cases before the Board and the Federal courts. Unless Congress is willing to significantly expand the number of personnel in the Board's regional office and increase the number of Federal judges, it is clear that the backlog of cases will mount. Adding governmental employees with its attendant cost in the millions of dollars is, of course, contrary to the current administration's avowed goals of reducing the bureaucracy and reaching what the President calls zero-base budgeting.

IV. OTHER PROVISIONS

To approach a conclusion, Mr. President, the above discussion demonstrates that there are substantial problems posed by many of the major provisions of S. 2467. An intelligent discussion of the bill requires that these problems be raised so that the Members of the Senate understand that many of the provisions designed to expedite Board case handling procedures will not serve their intended goals. There can be little question that S. 2467 does not constitute even a partial effort at true labor law reform. By focusing solely on the alleged abuses of management, the bill does not address several areas which are in serious need of correction.

At the same time, there are provisions in the bill which, while objectionable in part, have less of an impact on responsible employers. Such provisions include expanding the Board from five to seven members,[38] implementing a procedure for summary affirmance of a decision of an administrative law judge,[39] providing for automatic enforcement of Board orders unless an appeal is taken within 30 days,[40] and allowing guards to be represented by labor organizations under certain circumstances.[41] While one can attack on a substantive basis most of these provisions, their impact is of relatively less import than the provisions previously discussed.

The existing ability of an organizing union to get a big head start in a campaign by organizing in secret is further exacerbated, not rectified, by S. 2647. Requiring a union to notify the employer when it begins a campaign would put both parties on an equal footing, and further insure that employees hear both sides of the story before they cast a vote. An employer should be able to campaign on his record, just as the union campaigns on its promises.

Another important step toward reform of representation case procedure would be the deregulation of the representation campaign.[42] Recent sociologically-oriented studies have suggested that a party's campaign propaganda, even if misleading, has very little effect on how individual employees vote. More important, however, is the fact that the Board has currently undermined the importance of section 8(c) of the act, guaranteeing an employer's free speech in a labor relations context, by using an employer's otherwise legal campaign statements as evidence of unfair labor prac-

[36] *Sampson* v. *Murray*, 415 U.S. 61 (1974); *Theodore* v. *Elmhurst College*, 421 F. Supp. 355 (N.D. Ill. 1976).

[37] *Interim Report and Recommendations of the Chairman's Task Force on the NLRB for 1976*, reprinted in CCH Labor Law Reports, Nov. 26, 1976 at 49.

[38] Section 2(a) of the bill, amending section 3(a) of the Act.

[39] Section 2(b)(2) of the bill, amending section 3(b) of the Act.

[40] Section 10 of the bill, amending section 10(e) of the Act.

[41] Section 5 of the bill, amending section 9(b)(3) of the Act. This provision makes a distinction between "in-house" guard employees and contract guards or armored car guards. Contract or armored car guards may not be represented by a union which admits non-guard employees to membership or which is directly or indirectly affiliated with a labor organization which admits to membership employees other than guards. However, "in-house" guards may be represented by any union, provided that the union does not represent non-guard employees at the same location or is not directly affiliated with a labor organization which represents non-guard employees at the same location.

[42] The Board's recent decision in *Shopping Kart Food Market, Inc.*, 228 N.L.R.B. No. 190 (1977), is a cautious first step in this regard.

tices or to set aside an election. The law is in need of change here—the right of free speech must be guaranteed.

Similar rights must be guaranteed for the individual employee as well. The right of a union to fine an employee for engaging in such protected activity, as choosing to cross a picket line, is a serious infringement on an individual's rights.

Stability in labor relations is seriously undermined by the current confusion concerning the potentially duplicative remedies of the Labor Board and the binding grievance and arbitration procedure found in virtually all labor contracts.[43] Congress should legislatively mandate the extent to which the Board should engage in deferral to such arbitration procedures, thereby providing some needed predictability to the employer as well as the employees.

Moreover, making arbitration the exclusive form of resolving certain disputes has obvious merit. Arbitration has long been recognized as the primary vehicle to promote industrial peace, having been enshrined as "a kingpin of Federal labor policy." [44] This contractual mechanism provides the means to expeditiously settle disputes and allows for settlement before a forum the parties have agreed upon.

Second, it has long been recognized that arbitrators are fully competent to fairly resolve disputes arising under collective-bargaining agreements. While the Labor Board is presumed to have expertise in construing the National Labor Relations Act, its expertise does not carry over into the area of contract interpretation.

Employee relations stability would be further strengthened by providing for injunctive enforcement in Federal courts of contractual no-strike clauses where there is a dispute over what has prompted a union strike in violation of the no-strike pledge. Unions, as well as management, should be forced to live up to their contractual obligations.

Any sincere effort at labor law reform should also recognize that unions should be held accountable for their acts as well. Employers are generally unable to seek relief from the Board against the most blatant kind of industrial coercion, picket line violence. The State court injunction, with its attendant vagaries, is essentially the only legal means an employer has to stop mass picketing and violence. An NLRB remedy for such abuses should be provided.

Mr. President, I certainly do not want to take credit for what I consider to be this learned dissertation on the bill. It was produced, for whom I do not know, by the firm of Seyfarth, Shaw, Fairweather & Geraldson, with offices here, in Chicago, in Los Angeles, and in Miami; and I just want to thank whoever the author of this piece was for what I consider to be an exceptionally good job of diagnosing a bill.

Mr. President, I do not know what my colleagues engaged in this prolonged discussion care to do. I have no further remarks to make today, although I have a terrific backlog of speeches I made 20 years ago that I would be very happy to get into. They probably would not do any more good today than they did then.

So I would yield the floor, and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SARBANES). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, the so-called labor reform bill, S. 2467, to which I wish to address myself today is a piece of legislation that deserves serious consideration by each and every Senator. The importance of truly understanding the unfair and disastrous impact of each of the bill's sections cannot be understated. We all must make ourselves keenly aware of what will happen should this bill pass.

Before I address myself to one particular section of the bill, that is the debarment from government contracts, I think it necessary to point out three very important items. The first two items are public opinion surveys and the third item is a report from the general counsels, office of the National Labor Relations Board.

In December 1977 the Opinion Research Corp. reported on a national telephone survey it conducted of 1,018 adults age 18 and over. The survey, sponsored by the Chamber of Commerce of the United States, sought to obtain information on the various beliefs and attitudes of the public on various labor related issues. I want to include in the RECORD the eye-opening results of this survey. The results cannot be ignored, especially in light of other opinion surveys that have recently shown similar attitudes amongst our constituents in this great Nation from coast to coast.

I quote directly from the survey's summary:

> Very little support (22%) exists among members of the general public for the passage of Federal legislation that would make it easier than it now is for unions to organize non-union employees. As a matter of fact, as many people (25%) believe that there should be legislation that would make organizing non-union employees more difficult than at present. Four in ten (40%) do not believe the current laws should be changed.

Essentially, then, in opposing this bill we are not defending a minority position. We seem to me very clearly to be defending the position of a majority of the American people, that 40 percent who do not believe the current law should be changed plus the 25 percent who believe that there should be legislation making organizing nonunion employees more difficult than it is at present, which would amount to 65 percent in all.

The lack of support for legislation that would simplify union organizing efforts is evident not only in all parts of the country, but also among people of all political persuasions—Democrats as well as Republicans and Independents. This view is held by those who say they have read or heard about new labor reform legislation as well as by those who say they are not aware of such legislation.

In fact, the proposal to make it easier for unions to organize does not win majority support from current union members. Only one-third (33 percent) support the idea, while almost half (48 percent) think that the present laws should not be changed.

As it is, the majority of Americans think that the power and political influence of organized labor already is too great.

Most people (63 percent) think that there is too much power concentrated in the hands of labor leaders of big unions in this country. This is the attitude of majorities of people in all major political subgroups and among liberals as well as conservatives. Even union members tend to feel this way:

Union members' attitude toward power of labor leaders

	Percent
Too much	51
Too little	11
About right	37
No opinion	1

By better than 4 to 1 (60 percent versus 14 percent), the public thinks that labor unions have more power than employers. Again, this is the attitude of majorities of people in all major political subgroups and among liberals as well as conservatives.

The public today continues to believe that labor unions in this country have "grown too powerful." Half (51 percent) of the people feel this way, while 18 percent would like to see unions have more power and 26 percent believe that the power of unions is "about right." These latest findings are in line with the trend in public attitudes in previous ORC studies, which showed a shift toward the "too powerful" alternative in the public's thinking between 1974 and 1975.

If anything, more people think that present Federal laws favor labor unions (26 percent) than feel that employers are favored (14 percent). Furthermore, almost as many people (39 percent) blame labor unions for frequently violating the current labor laws as blame employers for doing the same thing (45 percent).

Generally speaking, the public does not have a very high opinion of organized labor when it comes to its impact on the economy.

For example, the Government, compared with either labor or business, is singled out as being the prime cause of inflation. However, almost twice as many people (31 percent) blame labor unions for inflation as blame business.

Also, among those who believe the country is making economic progress, labor unions are given the least credit, in comparison with either Government or business, for their contribution to the economic progress of the country. People

[43] The Board's policy of deferring certain cases to arbitration while retaining jurisdiction, as established in *Collyer Insulated Wire*, 192 N.L.R.B. 837 (1971), has been undercut by recent Board decisions. *See, e.g., General American Transportation Corp.* 228 N.L.R.B. No. 102 (1977).

[44] *Sinclair Refining Co.* v. *Atkinson*, 370 U.S. 195, 226 (1962).

who believe that the personal freedoms of Americans are being threatened are more likely to be concerned about labor unions (22 percent) than business (9 percent), although Government is feared the most (62 percent).

That is interesting, how people worry about their personal freedoms. Sixty-two percent fear those freedoms will be threatened by Government; 22 percent fear unions; only 9 percent fear business in this respect.

The public as a whole (61 percent) thinks that labor union leaders do at least a fair job of representing the interests of their members, although union members appear more divided than the public as a whole in this regard.

On the other hand, half of the general public (51 percent) believe that labor union leaders do a poor job of acting in the best interests of the public as a whole, while 44 percent thinks that labor union leaders are doing at least fairly well (35 percent) or very well (9 percent) in this regard.

Significantly, the public believes that, when labor leaders take a public stand on political matters, they usually represent their own views rather than the views of their members.

What is more, the union members feel exactly the same way. The union members feel that their leaders express the leaders' own point of view rather than that based upon a systematic and sincere survey of what their members actually want.

Furthermore, the majority of Americans (56 percent) think that labor unions are too much involved in political action. Four union members in 10 also are of the same opinion.

These pictures represent a startling view in contrast to how the labor unions think of themselves as representing the working class.

Most Americans (73 percent) think that organized labor has at least a fair amount of influence on Congress. Forty-four percent think it has a great deal of influence. On balance, those who think any such influence exists think it is excessive.

Indeed, the majority (54 percent) of Americans would favor a law that would prohibit the spending of union dues for political purposes. In fact, as many union members (51 percent) favor such a law as oppose it (48 percent).

In general, the public favors the enactment of laws that might curb union power and protect employees' rights in unionization and collective bargaining practices.

Large majorities of both the general public (77 percent) and union members (83 percent) continue to approve the secret ballot as the only way to determine whether or not nonunion employees want union representation. This view is in line with attitudes expressed in previous ORC studies.

Similarly, high percentages of both groups (81 percent and 79 percent) would approve a law that requires worker approval by secret ballot before a strike can be called. Again, this is in line with similar findings in previous ORC studies.

As my colleagues well know, very often, strikes are called with no secret ballot at all, simply by decision of the officers.

Large majorities of both the general public (83 percent) and union members (75 percent) approve of a legal requirement that, after a strike has been in effect for 30 days, a secret ballot be taken among members to determine their wishes about continuing or not. This, too, reflects similar views in previous ORC studies.

The public also strongly favors (72 percent) a law that would allow a person to get and keep a job without joining a union, an issue on which even union members themselves are divided.

The public as a whole is pretty much divided in its opinion (48 percent in favor, 45 percent opposed) in respect to a law that might make it easier for labor unions to organize the employees of a small business. The higher the income and the higher the education, the more people are opposed to such a law. Moreover, among those most opposed to such a law are people who say that they work for small companies—and the majority of companies in the United States, after all, are small companies.

Overall, throughout this survey, there are relatively few regional differences in the attitudes of the general public toward the various labor issues studied.

Finally, the majority of people, including union members, appear to be unaware or have little or no knowledge about proposed new labor reform legislation.

With 40 percent of those polled believing that the current labor laws should not be changed, it seems that we must stop and evaluate the reasons for such a large portion of our population holding that view.

Not only has the Chamber's poll shown a credible belief that the current labor laws should not be altered as S. 2467 suggests but in February U.S. News & World Report, the highly respected news magazine, reported the finding of its recent nationwide poll. It clearly showed that the public stands in firm opposition to increasing the power of labor unions. Those surveyed answered the question of whether the U.S. Government should make it easier for unions to organize workers this way: 59 percent said no; 24 percent said yes; and 17 percent had no opinion.

The third and final point I wish to make before getting into contract debarment is the outrageous costs involved with S. 2467. The general counsel at the National Labor Relations Board conducted an in-house analysis of the estimated costs of implementing the House-passed version of their legislation. He found that the Board would require 900 more staff personnel in the Office of General Counsel to handle the extra work that can be expected. This entire situation would cost an additional $28 million. Take this figure and consider it as you realize that the Board's projected 1979 budget without this so-called labor reform bill is up more than $88 million over the 1977 budget.

Under the guise of the ineffectiveness of the current law, proponents of S. 2467 have included in the bill a section they claim would deter flagrant violators of the National Labor Relations Act. In essence the new section of the law would authorize the National Labor Relations Board to find a party in "willful" violation of a Board order and, upon such finding, the Secretary of Labor would be required to debar such person from receiving Government contracts for 3 years.

The proponents of the labor reform bill, so-called, have frequently said the changes are procedural only, tightening up loopholes. They continue to argue there are no substantial changes introduced in S. 2467.

Mr. President, this is a substantial change when it gives the Secretary of Labor the power to debar a company from receiving Government contracts for 3 years.

This is an element with punitiveness that exists in no previous labor law. This, really, is a substantial change. I am surprised that the proponents of this legislation claim that there are no substantial changes, that the changes are merely procedural, as they say.

S. 2467 gives the Secretary discretion as to a lesser period of debarment and restricts debarment in most instances to the particular facility involved.

The overall concept of contract debarment in the context of labor law reform must be discussed in light of some very important facts that I wish to draw attention to:

First. Of over 20,000 unfair labor cases filed against employees annually, less than 25 annually require proceedings in contempt. This hardly supports any claims of rampant employer lawlessness.

Second. The National Labor Relations Board itself has acknowledged that its current broad powers have enabled it to devise extraordinary measures to deal with repeat offenders.

Third. Debarment may actually hurt employees by putting employers out of business, and if we are concerned about the fate of working people, of the employees themselves, we must certainly be concerned about the enactment of such a provision.

Fourth. Debarment hurts the public interest by imposing additional costs in the form of higher prices or inferior products—reduces competition in bidding for Government contracts.

For these above noted reasons and for many more I will express in the next few minutes I submit that the contract debarment provision of S. 2467 is a dangerous and unnecessary attempt at overkill.

The concept itself was admirably analyzed by a Mr. Peter Nash, general counsel of the National Labor Relations Board from 1971–75. In a paper he prepared in July 1977 he discussed the original House version of contract debarment. Although the Senate bill is a bit different I believe his words bear listening to. He states:

1. Contract Debarment—Contract debarment has not proven to be a satisfactory sanction in the field of labor relations. In fact, the Administrative Conference of the United States recently recommended that the sanction be dropped because "contract cancellation is in many cases too severe or impracticable as the primary sanction for non-compliance with equal employment opportunity regulations" and because a debarment penalty fails to take into account the special circumstances of major employment categories. Nor can the contract debarment provision be justified on the ground that it is the only available means of dealing with repeat offenders. For the Board itself has acknowledged that its current broad grant of power has enabled it to devise a number of extraordinary measures to deal with repeat offenders. Further, presumably the debarment litigation will not stand alone, but will be accompanied by administrative litigation leading to a new Board order plus contempt litigation in the circuit court.

As such, the proposal compounds the already serious problem of multiple litigation of a single fact situation.

The proposed contract debarment provision is particularly ill-advised because it tends to punish the very employees whom the act was intended to protect. Thus, a necessary effect of federal contract debarment is the elimination of jobs of employees working for such contractors, and this provision has been rightfully objected to on these grounds by unions representing such employees.

Furthermore, the contract debarment proposal punishes the public by imposing additional costs in the form of either higher prices or inferior products and services, or both. Since Federal regulations require that contracts be awarded to the lowest qualified bidder, higher public costs are inherent in the proposed provision which would deny Federal agencies the ability to make contracts with any employer who can offer the best product or service at the least possible cost.

So, Mr. President, even if the impact of contract debarment were to be confined to the employer and not affect his employees or the public, it represents overkill. It has the potential for putting many employers completely out of business. Significantly, once the General Counsel has decided to issue a complaint seeking debarment and the Board determines that a willful violation occurred as alleged, the statute removes any discretion on the part of the Board to determine whether debarment is an appropriate remedy in the circumstances; it provides that the Board "shall" issue the order which will result in debarment. Thus, the debarment penalty would be applied irrespective of the sufficiency of the normal Board remedy and could well result in punishing the employer with a sanction which far exceeds that necessary to neutralize the violation.

Mr. President, in California, I encounter very frequently companies that simply close up business and move to Mexico or Taiwan or Singapore or South Korea to continue their businesses. because of the harassment of labor unions, or because of the harassment of labor regulations that limit their use of teenagers, that demand for unskilled training work too high at a minimum wage.

The effect of all this is not to increase the prosperity and well-being of the American workers. It means simply that these companies move their operations, as I say, to Mexico, Taiwan, Singapore, South Korea, and in one case I know of, a very well-known case, a great plant was moved by a California grower to Guatemala where it can operate more cheaply.

If we want to drive American industry out of America and give work to the workers of Taiwan, Guatemala, Mexico, and South Korea, and so on, this act is just fine. It is perfectly calculated to drive American businesses out of the country.

We have already driven out too many, Mr. President. Therefore, I want to register my urgent objection to the passage of S. 2467.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah.

Mr. HATCH. Mr. President, yesterday I chatted for a while about some of the objections to the punitive provisions of the labor law reform and I went through a number of those objections. I will continue on here today.

When the Senate and House committees were so vigilantly overseeing the operations of our national labor policies and were so carefully drafting legislation that would further those policies do they consider such actions as the International Union of Operating Engineers in this case? I see not a single provision in the bill relating to "willful violations" by unions of the National Labor Relations Act. Perhaps the union did not realize that loading and aiming a cannon at employees might have some tendency to restrain and coerce those employees in the exercise of their right to refuse to join the union's activities.

So perhaps the House and Senate committees concluded that this was not a "willful violation" which needed remedying. This must be why there is no reference in the so-called labor law reform bill of 1978 to willful violations perpetrated by unions.

In that regard, I have been criticized on the floor for not having offered amendments to this bill in committee. I think there are a few things that need to be known about the Human Resources Committee, and basically they are these: It is not much use for Senator HAYAKAWA and me, the only two opponents of this bill, to waste the time of the committee by submitting amendments, because none of them would have been accepted.

To be honest, I think there was a procause of the harassment of labor regupensity on the part of those in the committee that they could not be wrong in this matter; that regardless of what two freshman Senators decided to do, whether or not we took the battle to the Senate floor, which we have chosen to do, because we have a chance of getting more Senators to stand up against this type of repressive legislation than we did in the committee—it was two out of 15—they did not think anything could stop the steamroller effect of a big-labor sponsored piece of legislation which is detrimental to everybody but big labor and basically, if it comes right down to it, the big labor leaders here in Washington. This bill does not really help employees, it does not help employers, and it is particularly devastating with regard to small business.

Perhaps another example—one striking a little bit closer to home—might be useful when considering the merits of this bill. Most of us will remember a period beginning on October 1, 1975, when one of our two newspaper in this Nation's Capital, the Washington Post, was the object of a strike conducted by local 6 of the International Printing and Graphic Communications Union. Now the Washington Post has never been considered an enemy of liberal causes. It has consistently supported the cause of organized labor throughout the Nation. The Post's contract with the union expired on September 30, 1975. Prior to the expiration of that contract the Post met with the union nine times, with and without Federal mediators in an attempt to negotiate a new contract. The parties were unable to do so and a strike ensued.

The Washington Post was well known throughout the newspaper industry as being the "flagship." The wages and benefits paid to Washington Post employees including those employees who were members of local 6, were among the best if not the very best in the newspaper industry. Therefore, one might expect that the Post deserved better treatment than it experienced in this strike. Let me recount for you the story of some of that treatment.

The strike commenced shortly after midnight on October 1, 1975, with what only can be described as a riot in the pressroom. During this riot, a number of union members including officers of the local union engaged in a rampage in the Washington Post pressroom during which they completely disabled all nine of the Washington Post's printing presses. Moreover, they severely beat the pressroom foreman who was, incidentally, also a union member, and threatened his life if he should report who was responsible for committing the violence in the pressroom. To punctuate their threats of violence they slashed him across the forehead. They also set fire to the pressroom. For a number of days the Washington Post was utterly unable to print its newspaper within the plant and had to have the paper printed by other newspapers outside of Washington.

What follows will be taken from findings of fact by Judge Braman, a judge of the Superior Court of the District of Columbia civil division in an action filed

by the Washington Post against local 6—civil action No. 8972–75. I am now quoting from Judge Braman's findings of facts:

7. On October 1, 1975, between 125 and 150 members of local 6 engaged in mass picketing on the 15th Street side of the Post building. Marching two abreast in an oval pattern approximately 100 feet long, they blocked ingress into and egress from both entrances. Police officers were present throughout this activity which lasted all day.

8. On October 1, 1975, Cathy Sawyer and Bill Peterson, both Post reporters, were walking north on 16th Street, having left the Post via the loading dock. Edward Lee Nowacki, a member of Local 6, ran from the alley and threw a piece of wood at Miss Sawyer, striking her head over the right eye. Mr. Peterson gave chase and Nowacki was subsequently apprehended by a member of the executive protective service. Nowacki was convicted of simple assault.

9. On October 2, 1975, Frank Giambalvo, manager of the Post's advertising art department, left the Post premises at about 10:45 a.m. He was heckled ("rat," "scab") by the pickets as he left the building and headed north on 15th Street. A quarter of a block from the entrance he was grabbed by the shoulders by an unidentified man and thrown to the ground. Giambalvo suffered two hairline fractures of the right leg.

10. On November 3, 1975, at about 9:00 p.m. Jules Witcover, another Post employee, was struck in the face by Jack McIntosh, a Local 6 member, who had followed Witcover to a nearby garage. Six stitches were required in the area of Witcover's eye and several of his teeth were chipped. . . . McIntosh's trial on a criminal charge of assault, after several continuances, is now set for July 20, 1976, in this court.

11(a) On December 28, 1975, Thomas J. Matthews, assistant foreign editor of the Post, left the Post to visit a drug store at the southwest corner of 15th and L Streets. He observed three or four pickets near the entrance (one with a Local 6 sign and one with a photo engraver's sign) as well as a policeman watching television near the door. He was followed into the drug store by one of the Local 6 pickets, Walter Garner, who bumped into him several times. When Matthews left the store, Garner was waiting outside. He walked alongside Matthews as the latter headed back to the Post and, after vilifying him for "going through my picket line," shoved Matthews into a low wall alongside the Pick Lee House, which is just south of the Post. Matthews fell, bruising his left thigh and Garner returned to the picket line. A warrant for Garner's arrest on simple assault is outstanding.

(b) Previously, on either October 1 or 7, 1975, Matthews was spat on and kicked by one of about twenty pickets in front of the employees' entrance.

12. On January 5, 1976, Edward Montgomery and Willie Williams, employed as paper handlers, left work at about 4:15 a.m. Crossing 15th Street, they passed a parked recreational vehicle belonging to Mark Kelso, an assistant chapel chairman of the pressmen, and picket captain of Local 6. Four men emerged from the vehicle, three of them wearing ski masks, and they followed Montgomery and Williams several blocks to the People's Drug Store at 14th Street and Thomas Circle. At the entrance to the drug store, one of the masked threw a shoulder block at Williams knocking him into Montgomery. All four men then fled. Montgomery was unable to identify the one man not wearing a ski mask, although he was certain that the man was a pressroom employee of the Post.

13. On the evening of January 6, 1976, about 100 to 145 members of Local 6 assembled in front of the 15th Street side of the Post building and during the hours of about 7:00 p.m. to 10:00 p.m. engaged in mass picketing and acts of violence in the manner hereinafter set forth.

(a) This rally was planned by Local 6 in deliberate defiance of the preliminary injunction [which had been issued by the Superior Court of the District of Columbia on October 2, 1975]. The week before the demonstration, Alan D. Smith, a member of Local 6, who later resigned from the union and returned to work at the Post, was told by Mark Kelso (the picket captain and assistant chapel chairman, . . .) that there would be a "rally" at 7:00 p.m. on January 6, 1976 at the Post. This conversation took place in Kelso's van, which was parked near the Post; Smith and the other pressmen present were urged to attend. . . . Further, the unlawful conduct which took place at the rally was personally aided and abetted by Messrs. Dugan (the president), Davis (a vice president), Collins (secretary-treasurer), Joe Harrington (chapel chairman of the Post pressmen) and Wallace McDonald (chapel chairman of the Post stereotypers), each of whom attended and supported the rally.

(b) The more than 100 members of Local 6 who responded to the union's call for the rally on January 6th, formed a racetrack pattern, slow-marching in serried ranks of four abreast, in front of the Post. Their formation extended from the junction of the main building and the alley on the north to the employees' entrance on the south, a distance of some 50 to 100 feet. The men yelled, shook their fists, and shouted obscenities at Post officials visible through large plate glass windows in the lobby. During the demonstration, two of these large windows were broken. . . . The pickets obstructed the sidewalk. . . .

(c) Allen Hounshell, assistant labor relations manager of the Post, testified that he left the Post shortly before 7:00 P.M. on January 6th. When he saw a large group of pickets in front of the Post—a group that included Local 6 officials Dugan, Collins and Davis . . . He stopped at a nearby telephone and called his office to report what he had seen and to say that he was coming back. Returning to the Post 10 minutes later, Hounshell parked his car in the Post garage. Policemen were on the scene and others were arriving. As he crossed the alley separating the garage from the main Post building and headed to the loading dock entrance to avoid the pickets, chapel chairman Harrington, who was standing about 15 feet away with a group of 6 to 8 pressmen called out to him, "Allen, why don't you come down the sidewalk?" Hounshell, who understandably interpreted this as a threat, ignored him and continued into the building . . . Later that evening Hounshell and Lawrence Wallace, vice president for labor relations of the Post, went to the lobby of the Post building to view the scene outside. Besides the obscenities and fist shaking, the picketers taunted the witness and his co-worker to come out and threatened to get them later . . . On a later visit to the lobby, a similar scene presented itself to Hounshell. One member of Local 6, Joe Schumacher, gestured at Hounshell as if he had a gun in his hand, cocking the imaginary gun, and saying, "I'm going to get you."

(d) At about 8:00 p.m. that evening, two employees of the Post, Jane Brooks and Marianne Tortorello left the loading dock entrance of the Post building and crossed the alley to the garage. The women got into their respective cars and began to drive down the ramp leading to 15th Street. Ms. Tortorello's car, which was in the lead, was surrounded by 15 to 20 men when it reached the bottom of the ramp. The men cursed Ms. Tortorello and pounded on her car. A Metropolitan Police Officer interceded and Ms. Tortorello was able to leave. Ms. Brooks then proceeded to the bottom of the ramp and the scene was repeated, i.e. Pickets surrounded her car, shouted epitaphs and pounded the car. Again, a Metropolitan Police Officer interceded and Ms. Brooks drove off. Eugene O'Sullivan, a picket captain, was arrested in the course of the Brooks incident. . . . The records of this court show he forfeited collateral on January 6, 1976 on a charge of disorderly conduct.

(e) Sometime after 8:00 p.m. that evening, a truck tried to leave the Post premises when a large group of pickets approached it. One man, subsequently identified as James Yost, threw a rock at the truck. Metropolitan Police Officer, Paul G. Dumm, who witnessed the incident, extricated Yost from the crowd and arrested him. Yost gave the fictitious name of James Earl Turner. As Dumm and fellow officer Carey Himes escorted Yost to the transport vehicle a man whom both the officers identified as James A. Dugan, blocked Officer Himes' path and said, you know you're wrong officer . . . under the name of Turner, Yost forfeited $50 collateral that same night on a charge of "throwing missiles."

(f) On January 26, 1976, this court issued a rule to show cause why defendants and certain additional persons (i.e. Collins, Harrington, McDonald and Kelso) should not be adjudicated in civil contempt of the preliminary injunction. Opposition was filed, but upon the return date, February 9, 1976, a settlement was effected and restitutional fines were agreed upon, as recited in a formal stipulation approved on February 19, 1976: (1) Local 6 was fined $1,600; (2) the defendant Davis and the four additional parties were each fined $100. In addition, and again by consent, the court issued supplemental findings and conclusions, dated February 19, 1976 in which it found as a fact that the rally had occurred and that it violated paragraphs 1(b), (c), and (e) of the preliminary injunction. Finally, the stipulation provided that the injunction and the supplemental findings and conclusions be distributed by Local 6 to each member who was to certify in writing that he had read the enclosures.

14. The violence that began on the evening of January 6, spilled over into the early morning hours of January 7th. Benjamin F. Bartolome, a post advertising artist, left the post premises by the loading dock at about 12:30 a.m. on January 7th. He walked to his car about a block and a half from the Post, got in and was warming up the engine when a man wearing a ski mask knocked on his car. Another man in a ski mask appeared at the rear of the car. One man said, "Let's teach this Chinaman where he is supposed to be." (Bartolome, of Philippine ancestry, was also called a "Chinaman" by Local 6 pickets in the past). Bartolome, who is trained in karate, threw open the door on the man standing at the window, knocking him to the ground. The second man tried to hit Bartolome with an object which Bartolome intercepted, and then Bartolome elbowed him several times. The other man began to get up, and Bartolome kneed him in the face and again in the ribs. Both assailants then ran off.

15. The lawlessness of January 6th also contributed to another incident of January 7th. Allen Hounshell left the Post building at 1:30 p.m. and headed south on 15th Street. Crossing L Street, three Local 6 pickets began to follow him at a distance of 20 to 30 feet, yelling at him as they walked. Hounshell entered the Rothschild Cafeteria (a block south of the Post) and, joined by three other Post executives, sat at a table next to the window. Between 7 and 10 pickets peered in through the window, among them Local 6 members John Raffo, Jr., Joe Schu-

macher, John Zarbough and Juan Tenorio. About 5 minutes after the Post executives began eating, the picketers entered the cafeteria.

They surrounded the executives' table and villified those who were seated before them. Raffo, who knew Hounshell from the days when both worked at the daily news, pointed a finger at Hounshell and threatened "Allen, I'll get you later." Raffo then spit in Hounshell's face and into his food. The pickets kept up their harrangue for about 2 minutes and began to leave when the restaurant manager walked towards them. As they left, Schumacher (the pressman who made the gun gesticulations toward Hounshell the night before) struck Post employee Richard Luck, seated with his back toward his assailant, in the back of the head. Although Hounshell reported the incident to police. Luck was frightened to do so. Like Schumacher, Raffo was also part of the rally of the preceding night.

16. On January 11, 1976, Gwendolyn Mitchler, a 56 year old telephone operator for the Post, was cursed and struck on the left side of the face by a young man after she had disembarked from a bus about a block from the Post and paused to open her umbrella. When she dropped her umbrella, her attacker smashed it, and told her that it would teach her to "work for that ——— Union/Buster Wallace." She suffered a black eye and still has occasional draining of the ears. . . . After the incident, the Post arranged for its security service to drive Ms. Mitchler home when she worked past dark. On the evening of February 26, while in a Security Service car in the Post Alley, Ms. Mitchler saw three men with local 6 picket signs step into the car's headlights and then into the dark again. One of the men said, "there goes the telephone operator. She hasn't learned her lesson yet."

On February 15, Allan Dale Smith, the Local 6 member who went back to work * * * drove a fellow employee to the Trailways bus terminal after leaving the Post premises. Two members of Local 6, James O'Sullivan and Clement, pulled away from the Post at the same time as Smith. After Smith discharged his passenger at the terminal and began to leave, O'Sullivan ran out and kicked his car. O'Sullivan is a picket captain.

The following day, Joe Mozingo, another pressman, threw a brick at Smith's car as it was leaving the Post garage.

I will not belabor my point any further. What I am reading from is not the unauthenticated testimony of a parade of witnesses trucked up to Washington by the union proponents of this bill which will overhaul and eviscerate the National Labor Relations Act. These are the findings of fact after a trial by a congressionally confirmed District of Columbia judge. These events did not occur in some wild backwater of American society, they occurred here in the heart of this city in which this Congress sits. These were not the isolated actions of uncontrolled union members, they were actions taken by union officers. These are not actions provoked by a repressive employer, they are actions against one of the most liberal employers in the Nation. The assailants here are not the desperate working men whose plight has been so vividly painted by the supporters of the bill, these are men who earn an average of $24,000 a year. And who are the victims of these union officers' acts of lawlessness? Not so much the Washington Post as the employees—the very employees who are the intended beneficiaries of the National Labor Relations Act. The victims are the very employees whose rights to refuse to engage in union activities we have guaranteed protection. And what is the price of their exercising their right under the National Labor Relations Act to refuse to engage in a strike with the union? Let me relate one last incident involving another Washington Post employee. This incident also is related in Judge Braman's decision:

On March 12, 1976, Post pressman trainee, Gerald R. Collier, was savagely beaten in the single most vicious incident in the course of the strike. He had been hired 4 days previously, pursuant to the Post's decision to hire permanent replacements for the striking pressmen. Collier left work at the Post at approximately 8:15 p.m. on the 12th. As he crossed 15th Street and declined a picket's pamphlet, the picket harangued:

You don't care do you, you ———?

When Collier stood mute, the striker continued:

That's allright. We'll get you, too, you ———.

Collier got into his car and headed toward the 14th Street Bridge without further incident. On the bridge, a car with three men in it, followed his car very closely. He speeded up to get away. About 35 miles south on Interstate 95 a car carrying three men drew alongside Collier's car and began pulling over toward it, as if they wanted to force him off the road. Collier accelerated to escape the car, reaching a speed of 110 miles per hour. About 18 miles later, Collier exited Interstate 95 at the Thornburg exit, and proceeded east on Route 606. A few minutes later, a speeding pickup truck came from his rear and cut in front of him, causing him to stop. At the same time another vehicle skidded sideways behind Collier's vehicle, blocking the rear.

When a masked man, carrying what appeared to be a lead pipe, got out of the car with two other masked men, Collier tried to run, but the two other men from the pickup grabbed him, wrapped something around his neck and wrists, and pinned back his outstretched arms. One of the assailants said:

Yeah, that's him, you're the ——— that ran a couple of our guys off Jimmy's farm.

The reference to Jimmy referred to an incident with Collier, who had been assigned by the Post to guard pressroom foreman, James Hover's house, forced three union members who were threatening Hover off of Hover's property. Two of the three members were picket captains.

With the two attackers holding Collier in the trussed position, the two other pummeled Collier's face with their fists. Collier kicked one of his assailants who, Collier noted, had a beard protruding below his mask. (One of the picket captains whom Collier had forced to leave Hover's property several days earlier also had a beard.)

Collier was then hit with a pipe on the right kneecap, and he buckled and fell face forward to the ground. The attackers turned him over and, in the course of cutting away his shirt with a sharp object, cut across his shoulders, waist, and chest. He was then dragged "like a dog" by his arm bonds in a face down position up the road, where the men stomped on his chest. Finally, one of the men yelled:

For ———, stop hitting him.

Collier felt a sharp object hit his head and before losing consciousness, Collier heard one of the men mention they were close to Hover's farm. Nothing was taken from him during the attack, although he carried a wallet and wore a ring. Collier was hospitalized twice for his injuries, which, as the court observed by viewing Collier's chest, had not fully healed at the time of the trial. He walks slowly with a slight limp, and complains of spontaneous falls and loss of memory. During his second period of hospitalization, Collier received harassing phone calls from anonymous callers. The court finds that the attack was perpetrated by members of local 6.

I do not intend to recite any further parade of horribles to the Senate. It is enough to say that there are at least as many examples of unions who have "willfully violated" the spirit and the letter of the National Labor Relations Act as there are employers. The action taken by the Operating Engineers and the pressmen's union, which I have recited, are only pale examples of the extent to which union officers and agents flaunt the spirit and the letter of the National Labor Relations Act.

The "remedy" for "willful violations" of the National Labor Relations Act provided in sections 8 and 9 of the bill, mentioned nothing about the willful violations committed by unions and their members. And yet these violations even more than those of J. P. Stevens Co. or Monroe Auto Equipment Co. strike at the very heart and soul of the National Labor Relations Act. Why is it that the members of the House and Senate Labor Committees, who considered the need to reform the National Labor Relations Act, saw no need to correct violations such as these? I submit that to call this bill a reform measure is to engage in a level of hypocrisy seldom seen in this Chamber. If, indeed, there is to be true reform of the National Labor Relations Act, let it be even-handed reform. Let us reassess the entire act—not only those provisions which relate to unfair labor practices committed by employers, but also those which relate to unfair labor practices committed by unions. If we are to lay aside the carrot of voluntarism and replace it with a stick of governmental force, let us apply that stick equally to the violations of unions and employers.

The success of the National Labor Relations Act is dependent upon the respect that the citizens of the country, including employers, employees, and unions, have for its underlying principles. The act has been monumentally successful in the last 43 years not be-

cause of the threat of governmental force but because the parties regulated by the act, employers, employees, and unions, respected the evenhanded treatment given by the law and the Board to all the parties. That respect will dissolve into a sea of acrimonious resistance should this Congress not have the courage to resist the threats of the AFL–CIO and others who attempt to hold this Congress hostage until such time as a bill which tilts the scales of governmental interference in labor management relations solidly in their favor is passed.

Let this Congress once and for all reject the political threats being leveled at us by organized labor. Let us remember that organized labor represents only 20 percent of the total working force of this country. We are responsible not only to those persons who support organized labor—indeed, a minority of the American voting public—but also to those who reject the siren song and silky promises of organized labor. We also have an obligation to men like Gerald Collier, who now remains crippled because he chose to believe in the right which we guaranteed to him in section 7 of the National Labor Relations Act to refuse to submit to the mailed fist of organized labor.

In considering this bill, I pray that we evidence at least a shred of the courage shown by men like Mr. Collier.

Mr. President, I ask unanimous consent that the remainder of my remarks not be considered under the rule as a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the following Senators to serve on the President's Commission on the Coal Industry in accordance with Executive Order 12062, May 26, 1978:

The Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Illinois (Mr. PERCY).

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, and that Senators be permitted to speak for 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 3:37 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to H.R. 10882, an act to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981, with amendments in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 12933. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 612. A concurrent resolution condemning violations of rights by the Government of the Republic of Uganda urging the President to take certain actions with respect to those violations.

The message also announced that the House disagrees to the amendments of the Senate to H.R. 11877, an act to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ZABLOCKI, Mr. FASCELL, Mr. HARRINGTON, Mr. BONKER, Mr. STUDDS, Mr. PEASE, Mr. NIX, Mr. BROOMFIELD, Mr. WINN, and Mr. GILMAN were appointed managers of the conference on the part of the House.

HOUSE BILL AND CONCURRENT RESOLUTION REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 12933. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes; to the Committee on Appropriations.

The following concurrent resolution was read by its title and referred as indicated:

H. Con. Res. 612. A concurrent resolution condemning violations of rights by the Government of the Republic of Uganda and urging the President to take certain actions with respect to those violations; to the Committee on Foreign Relations.

ORDER TO HOLD H.R. 10173 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978, is received in the Senate, the bill be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT OF S. 2980

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Mississippi (Mr. EASTLAND), I ask unanimous consent that S. 2980, a bill to facilitate the work of the U.S. Department of Agriculture, to protect the confidentiality of information furnished to the Department by individuals, establishments, and enterprises, and for other purposes, be star printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with reports, documents, and papers, which were referred as indicated:

EC–3791. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, June 1978; to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on Human Resources, and the Committee on the Judiciary, jointly, pursuant to order of January 30, 1975.

EC–3792. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Plant Quarantine Act of August 20, 1912, as amended, to eliminate certain unnecessary regulatory requirements; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3793. A communication from the President of the United States, transmitting proposed amendments to the request for appropriations for the fiscal year 1979 in the amount of $717,860,000 for water resource projects; to the Committee on Appropriations.

EC–3794. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to repeal section 5153 (c) of title 10, United States Code; to the Committee on Armed Services.

EC–3795. A communication from the Chairman, Federal Home Loan Bank Board, transmitting, pursuant to law, a report on conversions by insured savings and loan associations from the mutual to the stock form of organization; to the Committee on Banking, Housing, and Urban Affairs.

EC–3796. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Interstate Commerce Act to continue to allow railroad rate flexibility; to the Committee on Commerce, Science, and Transportation.

EC–3797. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on sales of refined petroleum products, February 1978; to the Committee on Energy and Natural Resources.

EC–3798. A communication from the Secretary of the Interior, transmitting, pursuant

to law, a report with respect to employee responsibilities and conduct; to the Committee on Energy and Natural Resources.

EC-3799. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at Center Building II, 3700 East West Highway, Hyattsville, Md.; to the Committee on Environment and Public Works.

EC-3800. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alteration at One Bowling Green, U.S. Customhouse, New York, N.Y., in the amount of $24,720,000; to the Committee on Environment and Public Works.

EC-3801. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to exempt the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932; to the Committee on Environment and Public Works.

EC-3802. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements, other than treaties, entered into by the United States; to the Committee on Foreign Relations.

EC-3803. A communication from the Director, National Science Foundation, transmitting, pursuant to law, a planned addition to the NSF system of reviews; to the Committee on Governmental Affairs.

EC-3804. A communication from the Deputy Under Secretary of State, transmitting, pursuant to law, a report of the Department's proposal to alter a record system; to the Committee on Governmental Affairs.

EC-3805. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders in cases of aliens who have been found admissible to the United States; to the Committee on the Judiciary.

EC-3806. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 567 reports covering the period of May 17 through May 31, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classification; to the Committee on the Judiciary.

PETITIONS

The Presiding Officer laid before the Senate the following petitions and memorials, which were referred as indicated.

POM-691. A joint resolution adopted by the legislature of the State of California; to the Committee on Energy and Natural Resources:

"ASSEMBLY JOINT RESOLUTION No. 65

"Whereas, The Santa Monica Mountains of California and areas adjacent to them are distinct and valuable natural resources of this nation; and

"Whereas, Due to their close proximity to a large urban area, many people could use and enjoy the natural, scenic, historic, and archaeological values of the Santa Monica Mountains and the adjacent seashore area; and

"Whereas, The Santa Monica Mountains offer the last undeveloped open-space area in the greater Los Angeles region; and

"Whereas, The mountains provide essential air shed enhancement and protection for the greater Los Angeles area; and

"Whereas, This area, in addition to possessing great natural and historical values, can also be compatibly utilized as a recreation area serving both the central urban area of Los Angeles and the Southern California region, as well as the many, many nonresidents who visit that region each year; and

"Whereas, Urban sprawl is rapidly destroying this resource, particularly for those areas closest to downtown Los Angeles, and delay in adopting protective legislation may permit additional critical losses in the resource; and

"Whereas, Legislation has been introduced which would provide for the establishment of the Santa Monica mountains National Park and the Santa Monica Mountains Urban Park in such areas of the State of California; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress to consult with the California Legislature, the California Department of Parks and Recreation, the local governments of Los Angeles County and Ventura County, the law enforcement and fire prevention agencies of Los Angeles County and Ventura County, the Santa Monica Mountains Comprehensive Planning Commission, the residents of Los Angeles County and Ventura County, the property owners in the Santa Monica Mountains, and all other interested parties in drafting and enacting legislation compatible with the interests of the state and such residents to acquire the Santa Monica Mountains and adjacent areas for a national park or an urban park, or both; and be it further

"Resolved, That the Congress appropriate funds to assist the State of California to acquire property in the Santa Monica Mountains and adjacent areas for the development of an urban park; and be it further

"Resolved, That fair and equitable provisions for the transfer and sale of real property be included in the legislation, as well as provisions for a transition zone around the national park or urban park, or both, if necessary; and be it further

"Resolved, That the Legislature of the State of California urges the Congress and the President to establish a national park or an urban park, or both, as soon as possible; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-692. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"Assembly Joint Resolution No. 17.

"Whereas, The cost of living as reflected by the Wholesale Price Index has significantly increased each year; and

"Whereas, The federal income tax brackets have not been adjusted accordingly; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to index the federal income tax brackets, the personal exemptions, and the standard deduction to the growth in the cost of living; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ABOUREZK, from the Select Committee on Indian Affairs:

Special Report on Allocation of Budget Totals from First Concurrent Resolution, Fiscal Year 1979 (Rept. No. 95-930).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROTH:

S. 3194. A bill to prohibit the issuance of regulations on the taxation of fringe benefits; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. BIDEN, and Mr. SCOTT):

S. 3195. A bill to provide for the establishment of a national cemetery on the Delmarva Peninsula; to the Committee on Veterans' Affairs.

By Mr. SCHWEIKER:

S. 3196. A bill to amend title XI of the Social Security Act to provide that a Professional Standards Review Organization shall not be considered to be an agency of the Federal Government; to the Committee on Finance.

By Mr. BUMPERS (for himself and Mr. HODGES):

S. 3197. A bill for the relief of Hot Spring County, Ark.; to the Committee on the Judiciary.

By Mrs. HUMPHREY (for herself, Mr. ABOUREZK, Mr. ANDERSON, Mr. EASTLAND, Mr. HODGES, Mr. MCGOVERN, and Mr. MELCHER):

S. 3198. A bill to increase the maximum amount of aggregate payments which may be made in calendar years after 1977 to carry out conservation agreements under the Water Bank Act, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOMENICI:

S. 3199. A bill to provide for a program of benefits for persons afflicted with lung cancer as a result of employment as a uranium miner; to the Committee on Human Resources.

S. 3200. A bill entitled the Congressional Budget Limitation Act of 1978; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, provided that, if one committee orders the bill reported, the other committee has 30 calendar days of continuous session in which to order the filing of a report.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 3194. A bill to prohibit the issuance of regulations on the taxation of fringe benefits; to the Committee on Finance.

EMPLOYEE FRINGE BENEFITS AND THE IRS

● Mr. ROTH. Mr. President, I am today introducing legislation to prohibit the Internal Revenue Service from issuing final regulations on the taxation of fringe benefits before December 31, 1979.

This legislation is needed to prevent the Internal Revenue Service from issuing regulations, which are now being drafted, to tax dozens of employee fringe benefits.

Last year, Treasury officials gave me their firm commitment that no regulations dealing with the taxation of fringe benefits would be issued prior to July 1, 1978.

The Treasury commitment was given to me to head off Senate Finance Committee action on legislation I sponsored with my distinguished colleague from

Utah (Mr. HATCH), who has been a leading opponent of the IRS attempt to tax employee fringe benefits.

However, the Internal Revenue Service is now drafting regulations to tax as many as 40 employee fringe benefits and legislation is needed to stop the IRS.

The Constitution of the United States requires that all revenue raising measures must originate in Congress. Therefore, I am deeply concerned that the IRS is on the verge of issuing regulations that could cost taxpayers billions of dollars in new taxes.

The impact of an IRS move to tax fringe benefits would not be limited to high-salaried corporate executives. Virtually every worker in this country receives some form of fringe benefit, and the IRS regulations could result in higher taxes for the average middle-income workers of this country.

The fringe benefits the IRS are considering include taxing employee parking spaces, airline and railroad passes, employee discounts for company products, employer-provided child care, annual health checkups, and tuition discounts for children of college employees. The IRS is even considering imposing a tax on employees for receiving "free" on-the-job training, attending a "free" company picnic, and receiving Christmas gifts from employers.

Mr. President, the taxation of fringe benefits is in reality an increase in the tax rates on working Americans. If the IRS Commissioner wants to increase the tax burden on working Americans, I believe he should submit his proposals to Congress for our consideration.

Furthermore, if the IRS Commissioner believes the average worker should pay higher taxes on their fringe benefits, he should submit proposals to tax the Government perks enjoyed by Cabinet officials and Federal bureaucrats. These perks include free parking for Government employees, subsidized meals in Government cafeterias, and chauffered cars for Government officials.

Mr. President, government at all levels is already taking too much away from the taxpayers of this country, and taxpayers have reached the breaking point. This IRS backdoor grab at more of the working people's hard-earned dollars must be stopped, and I intend to push for quick enactment of this legislation to prevent the IRS from taxing employee fringe benefits.●

By Mr. ROTH (for himself, Mr. BIDEN, and Mr. SCOTT):

S. 3195. A bill to provide for the establishment of a national cemetery on the Delmarva Peninsula; to the Committee on Veterans' Affairs.

DELMARVA NATIONAL CEMETERY

● Mr. ROTH. Mr. President, I am pleased to be introducing legislation to provide for the establishment of a national cemetery on the Delmarva Peninsula. My distinguished colleague from Delaware, Senator BIDEN, and the distinguished Senator from Virginia, Senator SCOTT, join me in this endeavor.

I am aware there are over 79,000 veterans in Delaware and thousands more on the Eastern Shore of Maryland and Virginia. Mr. President, these veterans have served the United States with honor when duty called. They deserve to be buried in a national cemetery, close to where their loved ones and friends live. The families and friends who survive these patriotic veterans should not have to travel long distances to the grave sites. Yet there is no national cemetery in the State of Delaware, and the ones in the adjoining States of Maryland, Pennsylvania, or New Jersey are closed. The closest one is Arlington National Cemetery in Virginia. However, Arlington is already overcrowded and most veterans cannot be buried there. This is all the more reason a centrally located cemetery should be established on the Delmarva Peninsula.

Mr. President, the people of Delaware through the General Assembly have made their feelings known concerning the establishment of a national cemetery in close proximity to their homes.

Pursuant to Delaware General Assembly resolutions, Gov. Sherman W. Tribbitt of Delaware on March 7, 1975, appointed a group of prominent leaders of Delaware's veterans service organizations—including the Disabled American Veterans, the American Legion, the Veterans of Foreign Wars, the Paralyzed Veterans of America, and the Jewish War Veterans—to study the feasibility of a State veterans cemetery.

A fitting answer to the lack of a national cemetery in Delaware and to the lack of burial space in the cemeteries in Virginia, Maryland, Pennsylvania, and New Jersey is to establish a national cemetery on the Delmarva Peninsula. This would make it possible for veterans from all five States to be buried close to their homes.

I feel it is most fitting to recognize the outstanding service of veterans of Delaware, Virginia, and Maryland by introducing this bill establishing a national cemetery on the Delmarva Peninsula.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of Veterans' Affairs is authorized and directed to (1) establish a national cemetery on the Delmarva Peninsula, (2) acquire by donation, purchase, condemnation, or otherwise, such lands in the State of Delaware, Maryland, or Virginia, as may be required for the establishment of such cemetery. In determining the location of such cemetery, the Administrator of Veterans' Affairs shall take into consideration such factors as the Administrator determines will best serve the needs of veterans and their families in the States of Delaware, Maryland, and Virginia and adjacent States.

SEC. 2. The national cemetery established under authority of this Act shall become part of the National Cemetery System and shall be administered in accordance with the provisions of chapter 24 of title 38, United States Code.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. SCHWEIKER:

S. 3196. A bill to amend title XI of the Social Security Act to provide that a Professional Standards Review Organization shall not be considered to be an agency of the Federal Government; to the Committee on Finance.

STATUS OF PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

● Mr. SCHWEIKER. Mr. President, I am today introducing legislation to insure that Professional Standards Review Organizations (PSROs) will not be subject to the full range of information disclosure requirements of the Freedom of Information Act.

My bill is made necessary by a decision of the U.S. District Court for the District of Columbia on April 25, 1978, holding that a PSRO is an "agency" of the Federal Government for purposes of FOIA and is thus subject to its disclosure requirements. Section 1166 of the Social Security Act, enacted prior to FOIA, sets forth principles on the basis of which HEW is to promulgate regulations governing both disclosure and confidentiality of information acquired by PSROs in the exercise of their duties. Since the court decision may have the affect of subordinating the delicately balanced requirements of the PSRO law to the more sweeping provisions of the Freedom of Information Act, I believe it is necessary that Congress affirm its original intent on this important matter.

As my colleagues are aware, PSROs are independent peer review organizations authorized by the Social Security Act Amendments of 1972 to determine whether services reimbursable under medicare, medicaid, and the maternal and child health programs conform to appropriate professional standards, are medically necessary; and, in the case of hospital or other institutional services, are rendered in an appropriate setting. PSROs may also extend their activities to a broader range of health care services. The PSRO program is administered by the Secretary of HEW, who is charged with designating PSRO areas across the country and entering into contractual agreements with qualified organizations to perform PSRO functions. Where the PSRO determines that health care services do not conform to applicable standards, reimbursement under Federal programs may be denied. The law provides for hearings and secretarial review of PSRO determinations, as well as sanctions for cases that voluntary and educational efforts fail to resolve.

Mr. President, one of the primary purposes of the 1972 PSRO legislation was to allow private, professional organizations to review the quality and appropriateness of medical care. The legislative history of the PSRO statute notes that "it is preferable and appropriate that organizations of professionals undertake review of members of the profession, rather than for Government to assume that role." The District of Columbia's District Court's conclusion that PSRO's are agencies of the Federal Government and thus subject to FOIA is clearly inconsistent with Congress' belief in passing the original legislation that private,

nongovernmental agencies should perform quality and utilization review functions. The decision would also effectively supplant the Social Security Act's directive to HEW to develop specific regulations governing the disclosure of information acquired by PSRO's.

It would be hard to exaggerate the detrimental impact on the developing PSRO movement of subjecting these nongovernmental organizations to the broad requirements of FOIA. PRSO's rely on voluntary service by local physicians. Should all data acquired by PSRO's be disseminated without safeguards, recruitment of physicians to perform PSRO functions would become increasingly difficult. Moreover, the intent of peer review, as opposed to Government regulation, is to allow the profession to attempt to regulate itself with some degree of privacy. In addition, subjecting PSRO's to FOIA would result in increased administrative burdens, large additional expenses for the defense of lawsuits, and great uncertainty and delay in the performance of PSRO functions. Indeed, the district court, in issuing its ruling, noted it is potentially detrimental effects:

. . . The court is well aware . . . that the peer review mechanism which Congress wisely established in enacting the PSRO program, will experience a severe setback, if not a fatal blow, should PSRO records become generally available through FOIA. But, the remedy for alleviating these justifiable concerns lies with Congress, not the courts.

Mr. President, I am well aware that the decision of the District of Columbia District Court is being appealed and also that further litigation may determine that PSRO's fall into one or more of the various exceptions to the Freedom of Information Act's requirements. However, I think it important that Congress respond immediately to the court's invitation and clarify its intent on this matter. I have no doubt that the specific regulations under section 1166 of the Social Security Act are a more sensitive approach to the difficult disclosure issues surrounding PSRO's than wholesale application of the Freedom of Information Act, particularly since Congress never intended PSRO's to be Government agencies. I hope that, through passage of this legislation, Congress can affirm its original intent and avoid prolonging the disruption and uncertainty which the court decision has caused in the PSRO community.●

By Mr. BUMPERS (for himself and Mr. HODGES):

S. 3197. A bill for the relief of Hot Spring County, Ark.; to the Committee on the Judiciary.

HOT SPRING COUNTY, ARK.

● Mr. BUMPERS. Mr. President, the bill Senator HODGES and I introduce today is aimed at assisting Hot Spring County, Ark., in its completion of a bicentennial park for the people of that area. As you are aware, during the year of our Nation's Bicentennial anniversary, many public recreation projects were funded virtually overnight by the short-lived American Revolution Bicentennial Administration. The Hot Spring County government made application for these one-time-only funds and was fortunate enough to receive a grant of $767,000 for the construction of a 124-acre park on Lake DeGray. I will not attempt to relate the history of the problems that this project has encountered since that time, but today, over 2 years later, all of the grant funds have been exhausted, and only 75 percent of the park has been completed. In addition, there are $36,686.37 in unpaid bills which were incurred by the county for construction and miscellaneous costs incidental to construction. The county has no funds available for the payment of these debts. My bill would provide immediate relief to Hot Spring County by authorizing Federal funds to pay this debt.

I have taken a personal interest in the plight of this county for several reasons. As in the case of so many projects of this nature, Hot Spring County fell victim to the rapidly rising costs of materials and labor. These increased costs were not covered by the original grant. Secondly, the assistance provided by the American Revolution Bicentennial Administration left much to be desired. In fact, its assistance ceased once the funds were actually awarded to Hot Spring County. I find this problem to be particularly disturbing. When is the Federal Government going to learn that more assistance is needed than the simple dishing out of money? We must understand that the vast majority of our country's small towns and communities lack the expertise and available funds to secure the expertise to assist them in the proper management of such costly and complicated projects. This is not to suggest that more redtape is needed, but we must be willing to work with local officials as they attempt to monitor construction. Unfortunately, the American Revolution Bicentennial Administration failed to maintain a relationship of assistance in this case. Furthermore, as Hot Spring County currently struggles to cope with this dire financial situation, the Bicentennial Administration has long since closed its doors.

I would like to stress a final point concerning the need for the Federal Government to follow up on the substantial investment it has made in this project. In a successful attempt to get this project back on the road to completion, the Hot Spring County judge has secured a commitment from the Army Corps of Engineers to complete the remaining 25 percent of this park. In addition, the corps has also agreed to handle all future maintenance of this park. Only one obstacle remains which the Hot Spring County government has been unable to eliminate. This obstacle is the $36,686.37 in construction debts for which there are no funds available. Our Federal Government has already expended over $700,000 for the construction of this park. When the project was approved, it was envisioned to be a great source of future recreation and pleasure for the people of Arkansas. If completed, I still believe that it will prove to be money well spent. However, this final obstacle must be removed, and passage of the bill I now introduce is the only course of action remaining. I would appreciate favorable consideration of this bill.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of sums in the Treasury or otherwise appropriated, the sum of $25,686.80, to Hot Spring County, Arkansas, such sum representing the amount of indebtedness incurred from August 9, 1976 through January 24, 1977 for construction of a bicentennial park on Lake DeGray located in such county, that, due to increased costs of materials and labor, was not covered by the original grant (Grant No. 76-19-8124) from the American Bicentennial Administration for the park's construction.

(b)(1) Hot Spring County, Arkansas, is relieved of all liability for repayment to the United States of indebtedness in the amount of $10,999.57 incurred from August 9, 1976 through January 24, 1977. Such agreement represents—

(A) taxes imposed on the county under Chapter 24 of the Internal Revenue Code of 1954 for wages paid in connection with the construction of a bicentennial park on Lake DeGray in such county for the taxable year of 1977, and

(B) indebtedness relating to interest earned on a grant advance from, and proceeds from the sale of fixed assets owed to, the American Revolution Bicentennial Administration in connection with a grant to such county for the construction of such bicentennial park.

(2) In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.●

By Mrs. HUMPHREY (for herself, Mr. ABOUREZK, Mr. ANDERSON, Mr. EASTLAND, Mr. HODGES, Mr. MCGOVERN, and Mr. MELCHER):

S. 3198. A bill to increase the maximum amount of aggregate payments which may be made in calendar years after 1977 to carry out conservation agreements under the Water Bank Act, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

IMPROVING WETLANDS CONSERVATION

● Mrs. HUMPHREY. Mr. President, today I am introducing a bill which will increase the maximum amount of aggregate payments that can be made to farmers for conserving wetlands under the so-called Water Bank Act (16 U.S.C. 1310). Presently, the Agriculture Department, which administers this act, cannot enter into wetlands conservation agreements with farmers, that would result in payments of more than $10 million in any given year. For reasons that I will outline below, this ceiling on payments—in effect since 1970—is far too low to assure the degree of protection for our interior wetlands that is required today. My bill, which is similar to H.R. 1653 in the House, would help to provide this urgently needed protection by au-

thorizing up to $50 million in payments in a given year. I am pleased that Senators ABOUREZK, ANDERSON, EASTLAND, HODGES, MCGOVERN, and MELCHER have joined in sponsoring this legislation.

Congress passed the Water Bank Act in 1970 in order to help ameliorate an increasingly severe problem—the conversion of our Nation's wetlands to agricultural uses that are incompatible with the critical natural functions wetlands provide. One of the water bank program's primary objectives is to provide essential habitat for migratory waterfowl. However, there are many other benefits derived from this program. As an example, the prairie potholes and marshes of this country provide a great filter system for the tremendous amounts of fertilizer and herbicides used in the agricultural community. They provide for ground water level maintenance and recharge. Of course, one of the primary benefits of these areas is the protection of many animal species, such as furbearers, song birds, pheasants, and deer.

Because wetland resources are "fugitive," however, the great benefits which wetlands provide to society as a whole cannot even partially be recaptured by individual landowners, and, in fact, wetlands may constitute a liability to the individual farmer or landowner. I believe the waterbank program should be an incentive program. It should be economically feasible and attractive to the farmer or landowner to place these acres in the waterbank. It should not be just a pat on the back for doing a good deed. If it is not economically feasible, the landowner will not continue to participate in the program.

The protection, improvement, and management of eligible wetlands and critical adjacent lands are vitally important to maintaining waterfowl populations and other associated values. The waterbank program provides that landowners with eligible wetlands in important migratory waterfowl nesting and breeding areas may enter into 10-year agreements. Landowners receive annual payments for the conservation and protection of wetlands from drainage, filling, flooding, or other land use practices which will destroy the wetland character and value to nesting waterfowl.

I believe that the amendments I have proposed to the Water Bank Act will insure that wetlands which are currently being lost at an alarming rate are not needlessly put to alternative uses due to the insufficient funding of the waterbank program. We need to substantially increase the authorization, and to bring the payment rates more realistically in line with increasing land and crop values, by requiring that the Secretary review and adjust the payment scales of existing 10-year contracts periodically.

Unfortunately, a number of participants have dropped out of the conservation program, primarily because the payment rates have not kept pace with the value of our agricultural land. Many landowners who placed their lands in the water bank program in the early 1970's are breaking contract. Between 1972 and 1977, farmland values more than doubled. Under the existing water bank program, no provision has been made for increasing the payment rate to farmers to reflect increasing agricultural and alternative wetland values during the 10-year contract period. My amendment would correct this deficiency.

According to William Nye, commissioner of the Minnesota Department of Natural Resources, in a letter to Representative LEGGETT, chairman of the Merchant Marine and Fisheries Committee,

> Presently, the Federal water bank program in Minnesota is shackled by low payment rates. The national $5 per acre payment rate for wetlands is close to what it should be in northern Minnesota, but is 800 percent too low in some of the southern counties. If the WBP is to be an incentive program, the total amount of funding must be raised and payment rates must reflect average local cash rental rates.

The second problem arises from the very success that the water bank program has experienced. The program has proven highly popular in Minnesota. About 60,000 acres, held by some 1,100 landowners, are now under water bank program contracts in Minnesota. Every year there are far more landowners who want to participate than available funds will allow.

With more money allocated to the preservation of wetlands, other parts of the water bank program could be implemented—parts like the restoration of wetlands. Presently, this provision of the Water Bank Act has not been adequately funded. There has been only enough money to save existing wetlands. Land that should go back into wetlands hasn't been touched, although it should and could be, if incentives were better.

The temptation to convert wetlands to other uses has always been high. Farmers who cooperate in the water bank conservation program receive payments for their lands at a fixed price, while rental values have been increasing. As a result, the future of our Nation's wetlands and the habitats of our waterfowl are seriously threatened.

We as a Nation have drained or otherwise irrevocably altered 40 percent of all the naturally occurring wetlands that existed when the Nation began. While we still have over 75 million acres of wetlands remaining, conversion continues at a rate of 2 or 3 hundred thousand acres a year. And certain regions of the country have recently experienced intensified wetland conversion activities that could have extremely adverse consequences for wildlife.

For example, the wetlands of prairie pothole regions of the Midwest—consisting of North and South Dakota and Minnesota—constitute a centrally important breeding ground for migratory ducks. This area provides habitat for about 18 percent of all breeding migratory ducks in North America. Most of the other breeding habitat is located in Alaska and Canada. Yet the prairie pothole wetlands have been subject to rapid conversion into farmland. Between 1964 and 1974, the last year for which figures are available, Minnesota alone lost 95,000 acres of high quality wetlands—nearly one fourth of all the high quality wetlands breeding habitat for migratory ducks within the State. North and South Dakota lost 7 and 4 percent, respectively, of their similar wetland duck breeding habitat in the same period.

The water bank program, along with the migratory waterfowl habitat purchase and easement programs administered by the Interior Department's Fish and Wildlife Service, are the Federal Government's primary tools for protecting these high quality breeding areas. Under the water bank program, the Agriculture Department in effect leases important waterfowl habitat from landowners for a 10-year period; in return, the landowners agrees not to drain, fill, farm or otherwise destroy the wetland character of the area during the period of the contract. The Fish and Wildlife Service programs involve either the fee simple purchase of land for National Wildlife Refuges or waterfowl production areas, or the purchase of a restrictive easement to the habitat—an action which permanently prevents conversion of the wetland area, but leaves the title to the land in private ownership.

These programs complement each other. For example, through purchase of easements and title to the land, the Fish and Wildlife Service can assure the permanent protection of key wildlife habitat and wetlands once and for all. But while such permanent protection may be desirable, there are certain disadvantages to this approach. For one thing, many landowners do not wish to sell their land or grant an easement, and the Fish and Wildlife Service is understandably reluctant to exercise its condemnation powers.

Thus, the water bank program provides a convenient middle ground, a compromise that can safeguard the landowner's future options, while at the same time provide temporary protection to the waterfowl habitat. Another advantage of the water bank program is its flexibility: The process of negotiating an easement or purchase of title to land by the Federal Government is frequently protracted, and difficult, while the water bank program may accomplish short-term protection of the wetlands more quickly.

It is precisely for this reason that the $10 million ceiling on annual payments in the Water Bank Act needs to be raised. The initial ceiling was put into effect in 1970. Since that time, the pressures brought to bear on our wetland resources have intensified greatly. First of all, farmers accelerated conversion of wetlands in order to meet burgeoning world demand for U.S. food in the middle-1970's. Then, drought hit many wetland areas hard—an unfortunate situation for waterfowl and farmers alike. Finally, there has been a great increase in the cost of farmland since 1970—farmland prices have more than doubled nationwide since 1972, a fact that makes purchase of wetlands more expensive.

By increasing the ceiling for the water bank program, we will give the Agriculture Department the capability of responding quickly to changing conditions affecting migratory waterfowl habitat. This capability was lacking in the mid-1970's, when pressures upon our wetlands

intensified. We cannot afford to risk our wetland resources further. Therefore, I urge the Congress to act speedily on this legislation.

Mr. President, I ask unanimous consent that the text of my amendment to the Water Bank Act and Commissioner Nye's correspondence endorsing the water bank program and the proposed changes be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3198

To increase the maximum amount of aggregate payments which may be made in calendar years after 1977 to carry out conservation agreements under the Water Bank Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 3 of the Water Bank Act (16 U.S.C. 1310) is amended to read as follows: "The Secretary shall reexamine the payment rates at the beginning of the fifth year of any such ten-year initial or renewal period in the light of the then current land and crop values and make needed adjustments in annual rates for any such renewal period, in any calendar year after 1977."

SEC. 2. The last sentence of section 11 of the Water Bank Act is amended to read as follows: "In carrying out the program, the Secretary shall not enter into agreements with owners and operators which would require payments to owners and operators under such agreements in excess of $10,000,000 in any calendar year before 1978 or in excess of $50,000,000 in any calendar year after 1977."

STATE OF MINNESOTA,
DEPARTMENT OF NATURAL RESOURCES,
St. Paul, Minn., May 19, 1978.

Representative ROBERT LEGGETT,
Chairman, Merchant Marine and Fisheries Committee, Longworth House Office Building, Washintgon, D.C.

DEAR REPRESENTATIVE LEGGETT: I strongly support Congressman John Dingell's bill (H.R. 1653) which would increase funding for the Water Bank Program (WBP) from $10 million to $50 million per year.

Presently, the Federal Water Bank Program in Minnesota is shackled by low payment rates. The national $5/acre payment rate for wetlands is close to what it should be in northern Minnesota, but is 800 percent too low in some of the southern counties. Likewise, adjacent acres in Minnesota's most intensively farmed counties are assigned a WBP rate which averages 68 percent lower than the average local cash rental rates (Blue Earth County—WBP cropland rate, $45/acre; average local cash rental rate, $90/acre).

Low WBP payment rates are a problem recognized by the Minnesota ASCS Committee. However, they recommended the same low 1977 WPB rates for 1978 because they feared bringing the rates up would run them out of funds too fast. As a result, low rates have stalled the program by discouraging sign ups. Who is going to sign up a wetland worth $2.000/acre at a rate of $5/acre, or, $2,500 cropland at $45/acre when he could drain the wetland and receive $90/acre cash rent for the whole acreage? Expected inflation over a ten year period makes landowners even more hesitant.

If the WBP is to be an incentive program, the total amount of funding must be raised and payment rates must reflect average local cash rental rates. (See attached sheets on deficiencies in Minnesota WBP rates.) Failure to recognize this fact is the "kiss of death" for wetlands owned by landowners who do not wish to sell their wetlands but have to realize a fair rate of return.

An increase in WBP funding could replace part of the huge $7.5 billion annual appropriation for set aside and price support programs. The suggested $50 million figure would amount to less than 1 percent of the larger appropriation. However, the money would accomplish set aside objectives under the WBP's more desirable long term (10-year) feature while protecting wetlands at the same time.

I recommend that you support Representative Dingell's bill (H.R. 1653) to revive an extremely valuable program. I also suggest that the legislation include language in support of restoration and creation of wetlands. The result (assuming fair payment rates) would be thousands of new wetlands.

I appreciate any consideration you can give to this important matter.

Sincerely,

WILLIAM B. NYE,
Commissioner,
Department of Natural Resources.●

By Mr. DOMENICI:

S. 3199. A bill to provide for a program of benefits for persons afflicted with lung cancer as a result of employment as a uranium miner; to the Committee on Human Resources.

URANIUM MINERS' COMPENSATION ACT OF 1978

● Mr. DOMENICI. Mr. President, I am introducing to you today a bill entitled the "Uranium Miners' Compensation Act of 1978."

The problem of lung cancer among uranium miners was first brought to my attention by the Navajo Nation, many of whose members work in the uranium mines of the Southwest. However, after some study, it became apparent that all uranium miners, regardless of origin, are seriously endangering their lives by entering the mines. Despite marked improvements in mine conditions since 1969, many miners are still exposed to high and unsafe levels of uranium radiation, thereby causing many of them to die from anaplastic carcinoma. Furthermore, significant numbers of uranium miners in the States of New Mexico, Wyoming, Colorado, Texas, Utah, and Washington who began their mining careers prior to the 1969 improvements still face the threat of lung cancer since the latency period for the disease is anywhere from 10 to 15 years. It is important that this problem be addressed at this time since the number of uranium miners will increase dramatically as our Nation turns its attention to the underdeveloped mineral resources contained in uranium mines.

The thrust of the bill is threefold: First, the measure seeks to upgrade existing State workmen's compensation laws by requiring the Secretary of Labor to publish a list of those States with inadequate coverage for uranium miners. Those State plans which do not pay benefits for total disability or death will be declared inadequate and those plans providing case benefits which are not equivalent to the amount of benefits prescribed by the Federal Coal Mine Health and Safety Act of 1969 shall also be deemed inadequate for purposes of this bill. Mine operators in States with inadequate compensation plans will be required to purchase insurance so that they may provide benefits to miners working in their mines.

Second, the measure contains a rebuttable presumption that miners afflicted with lung cancer after 10 or more years in the mines shall be said to have contracted the disease as a result of employment in the mines. This provision should serve to hasten the litigation process for miners and their survivors. After enactment of this bill, claims of miners who have violated mine antismoking regulations may be denied as a result of such violations.

Third, the bill authorizes the Secretary of the Department of Health, Education, and Welfare to make research grants to public and private agencies and organizations and individuals. Grants will be directed to those institutions having particular expertise in the problem of lung cancer in uranium mines. Special consideration will be given to institutions on the basis of location and past research efforts.

Mr. President, I am pleased to introduce this bill to you today, and look forward to its prompt and favorable consideration.●

By Mr. DOMENICI:

S. 3200. A bill entitled the Congressional Budget Limitation Act of 1978; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, provided that, if one committee orders the bill reported, the other committee has 20 calendar days of continuous session in which to order the filing of a report.

CONGRESSIONAL BUDGET LIMITATION ACT OF 1978

● Mr. DOMENICI. Mr. President, today I am introducing legislation which would amend the Congressional Budget and Impoundment Control Act of 1974 to provide a limitation on total budget outlays approved by Congress in any one year.

Under the provisions of my legislation, which is titled, "The Congressional Budget Limitation Act of 1978," total budget outlays in any concurrent resolution passed in accordance with the Congressional Budget Act could not in any calendar year exceed 20 percent of the Nation's gross national product.

My reasons for introducing this legislation are clear cut. Continuing and overpowering Federal budget deficits are bringing the Nation's economy to its knees. The evidence has accumulated for years.

Voters of all persuasions have begun to view their Government as a bloated, inefficient beast, which is causing as many problems as it is solving. At the same time, taxpayers across the entire political spectrum are increasing their specific demands on government for financial intervention in fresh new areas of everyday life.

The traditional political response to these conflicting forces has been to adopt the rhetoric of a political conservative, talking of "hard choices" and "sunset clauses" on Government programs on the one hand, while adding to the Federal deficit with the other hand to accommodate demands of special interest groups.

The elected representative needs help. He needs help for himself, and he needs help with the impossible bind in which the system has placed his constituents.

The most sensible way out of this dilemma is to put a lid on the resources available to the political process. And to meet this challenge, the American Congress needs to be put on a budget that is real; a budget that limits the amount of resources available for it to spend.

Such a limit would allow the elected representative to make good his commitment to reduce Federal spending, while having the advantage of pitting special interest groups against each other in a scramble for scarce taxpayers' dollars.

A law that would limit the Federal budget to 20 percent of gross national product would solve this dilemma, and for the first time allow political action to match political rhetoric.

The rationale for a budget limit of 20 percent of GNP has a cast of supporting arguments. Among these are the following:

First, checking the growth of Government: In the 1930's, Federal Government took 3 percent of GNP. By 1955 this bite had risen to 18 percent. By 1976 it was 22.8 percent. And if the present trends continue, it will be 27 percent by 1985.

Moreover, hidden upward pressures exist in the budgetary process. The military budget underwent a relative decline during the post-Vietnam period. Increases have occurred in the domestic budget. A continuing decline in the military budget remains unlikely in the light of the Soviets' recent track record. Accordingly, any attempt to respond to the perceived Soviet threat by increasing military outlays will increase Government's take of the GNP.

Even though the administration's proposed 1979 budget would reduce total Federal outlays from 23.2 percent of the GNP to 22.6 percent, the level would still remain high by comparison to the 17-percent to 20-percent range of the preceding 25 years; the 1950's, 1960's, and the 1970's up to 1974.

At this point in my remarks, Mr. President, I would like to insert into the RECORD table 7 from the "Budget in Brief" for fiscal year 1979, which illustrates the dramatically increasing percentage of GNP being swallowed up by the Federal sector of our economy.

TABLE 7.—FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1956-79

[Dollar amounts in billions]

Year	Gross national product	Budget receipts [1]		Outlays [1 2]					
				Unified budget		Off-budget Federal entities		Total	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1956	411.0	74.5	18.1	70.5	17.1			70.5	17.5
1957	432.7	80.0	18.5	76.7	17.7			76.7	17.2
1958	442.1	79.6	18.0	82.6	18.7			82.6	18.5
1959	473.3	79.2	16.7	92.1	19.5			92.1	19.7
1960	497.3	92.5	18.6	92.2	18.5			92.2	18.5
1961	508.3	94.4	18.6	97.8	19.2			97.8	19.7
1962	546.9	99.7	18.2	106.8	19.5			106.8	19.3
1963	576.3	106.6	18.5	111.3	19.3			111.3	19.2
1964	616.2	112.7	18.3	118.6	19.2			118.6	19.0
1965	657.1	116.8	17.8	118.4	18.0			118.4	18.4
1966	721.1	130.9	18.1	134.7	18.7			134.7	18.7
1967	774.4	149.6	19.3	158.3	20.4			158.3	20.5
1968	829.9	153.7	18.5	178.8	21.5			178.8	21.4
1969	903.7	187.8	20.8	184.5	20.4			184.5	20.5
1970	959.0	193.7	20.2	196.6	20.5			196.6	20.7
1971	1,019.3	188.4	18.5	211.4	20.7			211.4	20.9
1972	1,110.5	208.6	18.8	232.0	20.9			232.0	20.0
1973	1,237.5	232.2	18.8	247.1	20.0	0.1	[3]	247.1	20.9
1974	1,359.2	264.9	19.5	269.6	19.8	1.4	0.1	271.1	19.0
1975	1,454.6	281.0	19.3	326.1	22.4	8.0	.6	334.1	23.9
1976	1,625.4	299.2	18.4	365.6	22.5	7.2	.4	372.9	22.3
1977	1,838.0	356.9	19.4	401.9	21.9	8.7	.5	410.6	22.5
1978 estimate	2,043.2	400.4	19.6	462.2	22.6	11.5	.5	473.7	23.2
1979 estimate	2,274.6	439.6	19.3	500.2	22.0	12.5	.6	512.7	22.5

[1] The amounts of earned income credit in excess of tax liabilities are shown as negative budget receipts rather than as budget outlays. Accordingly, the budget totals have been adjusted retroactively.

[2] The 1975-77 data have been revised retroactively to include the housing for the elderly or handicapped fund in the unified budget instead of with the off-budget Federal entities.

[3] 0.05 percent of less.

Note: Exchange stabilization fund included form 1976.

By contrast, taxes in fiscal year 1979 are estimated to represent 19.3 percent of GNP. Thus even if expenditures could be reduced to 21 percent of GNP, our effective tax rates would have to rise by nearly 10 percent from 1979 levels to raise the receipts necessary to balance the budget.

Second, the practicality of the inefficient samaritan: A second reason for limiting Government's take of GNP is the accuracy of public perception that Government has already done much toward eradicating poverty and much of the money spent on these programs is going down a rathole. In short, better management, not more dollars is needed.

One of the great ironies of discussions on welfare reform is that conservatives are arguing against it on the basis that the current patchwork of Government programs has almost eliminated poverty. The Congressional Budget Office has offered evidence in support of this. Irving Kristol has calculated that if domestic programs were turned into cash programs, a family of four below the poverty line could receive close to $20,000 a year.

Limiting the amount of Federal dollars—which, because they are free, generate infinite demand for themselves—would pit programs against each other and would begin a sorting-out process based more firmly on principles of merit.

Robert Samuelson wrote in the National Journal of April 8, 1978, that even a few liberal economists now suspect that the size of the deficits reflect nothing more than an urge to spend without taxing.

Otto Eckstein, a member of President Johnson's Council of Economic Advisers, says the weakness of modern economic policy has always been that it removes the discipline of the balanced budget. Much wasteful spending, Eckstein says, can be clothed in the virtue of deficit-created stimulus packages.

Third, the workings of interventionist economics: The theoretical support for deficits is that during economic downturns, Government must prime the pump to get the economy going. The flip side of the theory, however, requires that surpluses be accumulated during economic good times, and is honored more in the breach than in observance. Our overheated economy of the Vietnam period failed to call forth a vitally needed tax cut.

The present recovery is well into its third year, yet still the Federal deficit remains at record levels. If theory is to have credibility, it must be applied systematically, not merely when it suits political whim.

The textbook pattern of Federal deficits has sunk like a rock in deep water. Three years after economic recovery began in 1975, the total of unified budget and off-budget deficits as a percentage of GNP has increased from 22.4 percent in 1977 to an estimated 23.2 percent in 1978 and an optimistic estimate of 22.6 percent in fiscal year 1979.

Mr. President, the administration set ambitious 1981 goals—a balanced budget, an unemployment rate approaching 4.5 percent, and an inflation rate nearing 4 percent.

I doubt, frankly, that anyone in the administration feels today that those goals are within grasp.

As the Jarvis-Gann tax proposal in California proved, there seems to be general and forceful agreement across the

country that the only way to obtain permanent decreases in taxes is to control spending.

And it seems the only way to stop our spendthrift Government is to limit its income.

I think Jarvis-Gann proved that taxpayers are convinced of the validity of this new concept; the concept of trying to make taxing bodies responsible for their actions by limiting their bottomless tax barrel; by forcing them to set priorities in the same manner any other enterprise or institution must do.

The consequence of not rigorously applying interventionist economic theory is inflation. Failure of Government to exercise restraint comparable to that being urged upon the private sector is for the poltiical sector to default its leadership role. The inflation rate of the 1950's was 1.4 percent. Today's 10 percent-plus annual inflation rate needs strong leadership to correct; a leadership that requires self-denial on the part of Congress.

Fourth, the effect on taxes and the capital market. Big government means high taxes, and high taxes have several identifiable drawbacks.

First, a decline in morale for productive sectors of the economy. This loss of morale is exacerbated by inflation which pushes people and business into higher tax brackets, with a commensurate decline in living standards.

Second, a loss of vigor in the private sector. Higher taxes reduce investment opportunities because rate of return must be higher to make investment profitable. This is exacerbated by inflation, which increases uncertainty on the return of any project.

Virtual unanimity exists that the American economy needs more investment.

Speaking before the annual conference of the Financial Analysts Federation at Bal Harbour, Fla., on May 8, 1978, Treasury Secretary Blumenthal said that in his judgment, our economy "shows dangerous signs of underinvestment and misinvestment." He said we are not laying an adequate foundation for our future prosperity.

One of the reasons, of course, is that American households in this age of double-digit inflation are presently saving only 6 percent of their disposable income.

This compares to a savings rate of 10 percent in Canada, 14 percent in Great Britain, 15 percent in Germany, 17 percent in France, and fully 25 percent in Japan.

Simply put, we are not setting aside enough of today's income for tomorrow's growth.

The antisavings, proconsumption bias of our present tax structure is beyond the scope of my comments today. At this point, it is sufficient to note that capital for job-creating investment is both scarce and very expensive.

When Continental Illinois National Bank, seventh largest in the country, announced May 25 that it was increasing its prime interest rate to 8½ percent, its chairman forecast a prime rate of 8¾ to 9 percent by the end of 1978. If we consider money as simply another commodity—like bread, autos, or houses—then it is clear the price of borrowing to expand the Nation's productive base is skyrocketing at an unhealthy rate.

This may be one of the reasons the ratio of debt to equity for manufacturing companies has risen from about 25 percent in the early 1960's to 40 percent at the end of last year, thus making business more vulnerable to the ups and downs of the business cycle.

Another measure of underinvestment comes from the Commerce Department, which tells us that we should be investing 12 percent of our GNP in the private sector if we want to have anything like full employment in the 1980's. Yet for the last 3 years, our nonresidential private investment has not exceeded 9½ percent of the GNP, and most years it has been lower.

The administration itself says that to achieve recovery, real fixed investment in productive facilities must rise at a rate of about 10 percent annually. But for the 1970's, the annual rate of increase in real investment has been less than 2 percent.

During the 1960's, productive capital per worker grew at about 3 percent per year. Yet during the last 5 years, productive capital per worker has been virtually stagnant.

As a result, the Treasury Department estimates that productivity—that is, output per worker—has fallen off by about 25 percent since the decade of the 1960's. And as productivity declines relative to money supply, inflation rates increase.

Mr. President, Federal Government policies which result in ever higher budgets—and ever higher deficits—collide head on with the fact that only those surplus funds, which we call savings, can be used to finance both the Federal Government deficit, and whatever private investments the Nation needs to make.

Even the costs of servicing the interest payments on the Federal Government's deficit have become a major item in the taxpayers' budget. Interest on the Federal Government's debt—a debt now approaching $700 billion—was estimated at $50 billion back in January of 1978, when the White House first sent up its budget for fiscal year 1979. That is an increase of $5.7 billion in 1978, and an increase of $5.2 billion in 1979 resulting from back-to-back deficits of over $60 billion.

Nor are we guaranteed that interest payments will remain at $50 billion. As I mentioned earlier, the cost of money is going up, the prime rate is increasing, and the costs to government of going to the money market will rise as surely as the sun will set.

On May 12, 1978, the Wall Street Journal quoted Federal Reserve Chairman William Miller as calling for a balanced budget by fiscal year 1982. He reiterated his call for a smaller deficit in fiscal 1979, which starts October 1, than the $53 billion red ink showing estimated for the current fiscal year. In a period of economic expansion, he said, we should see the deficit coming down.

We do not.

Without a vigorous private sector, funding for social programs stagnates. A cap on the income of Federal Government offers some assurance to the private sector that increased efforts on its part will not be skimmed off by higher taxes.

Taken together, these involve a substantial erosion of the American dream.

Taxpayers making good salaries are having difficulties making ends meet.

American business is discouraged.

A firm limit on the growth of government would be a psychological shot in the arm to the entire Nation.

This proposal is a sensible approach to putting a lid on spending, to reduce the Federal deficit, and to curb an inflation rate that is well on its way to bankrupting an entire nation.

Even Federal Reserve Board Chairman G. William Miller told the National Press Club during the first week in June that one of his "eight points of new direction" is a reduction in Federal expenditures over 5 years to 20 percent from 22 percent of the Nation's total output of goods and services.

And, as specified in my resolution, a two-thirds vote of the Congress could override the limitation should pump-priming be needed in periods of severe recession.

This is a sensible approach to putting a lid on spending, to reduce the Federal deficit, and to curb an inflation rate that is well on its way to bankrupting an entire nation.

Years ago, we here in America decided that economic and social progress comes from everyone pulling together. We reasoned that everyone pulls hardest when his or her own self-interest is directly involved.

The validity of that reasoning has been proven by the performance of the United States in one of the greatest societal miracles of all time; maximizing first, the Nation's overall progress and second, the upward mobility of every one of our citizens within this open democracy.

That miracle is simply too profound to be beaten into the mud for short-term goals.

A congressional budget resolution ceiling of no more than 20 percent of gross national product is a clear, uncomplicated step toward Government getting its own house in order. Sooner or later, we are going to have to take a stand on the deficit, and all the evils it has created.

This measure is a logical place to begin.●

ADDITIONAL COSPONSORS

S. 1066

At the request of Mr. DOMENICI, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 1066, a bill to create an Office for Hispanic Affairs.

S. 1860

At the request of Mr. ROTH, the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of S. 1860, the Tax Relief Act.

S. 1967

At the request of Mr. ROBERT C. BYRD, the Senator from Florida (Mr. CHILES)

was added as a cosponsor of S. 1967, amending section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis.

S. 2433

At the request of Mr. GRIFFIN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2433, a bill to amend the Internal Revenue Code to increase certain limitations on the deduction of expenditures by farmers for clearing land.

S. 2738

At the request of Mr. DOLE, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2738, a bill to amend the Internal Revenue Code to provide for indexation of certain provisions.

S. 2850

At the request of Mr. EAGLETON, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor to S. 2850, to amend the Older Americans Act to provide for improved programs for the elderly, and for other purposes.

S. 2910

At the request of Mr. KENNEDY, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 2910, a bill to provide for adolescent health, services, and pregnancy prevention and care.

S. 2920

At the request of Mr. HOLLINGS, the Senator from Minnesota (Mr. ANDERSON), the Senator from New Hampshire (Mr. DURKIN), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 2920, to amend the Trade Act of 1974.

S. 3007

At the request of Mr. DOLE, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3007, a bill to disregard certain changes since 1975 of the Tax Code with treatment of individuals as employers.

S. 3062

At the request of Mr. EAGLETON, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 3062, a bill for the relief of Mr. Isaac N. Hulver of Kansas City, Mo.

S. 3147

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 3147, a bill to prohibit issuance of regulations on taxation of fringe benefits.

S. 3188

At the request of Mr. HELMS, the Senator from Missouri (Mr. DANFORTH), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 3188, the Maternal, Infant, and Crippled Children's Health Reform Act of 1978.

S.J. RES. 67

At the request of Mr. ABOUREZK, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of Senate Joint Resolution 67, the voter initiative amendment.

AMENDMENT NO. 2449

At the request of Mr. KENNEDY, the Senator from Colorado (Mr. HART) was added as a cosponsor of amendment No. 2449, intended to be proposed to S. 2850, the National Home-Delivered Meals Act of 1978.

SENATE RESOLUTION 481—SUBMISSION OF A RESOLUTION MAKING LEIF ERICSON AN HONORARY U.S. CITIZEN

Mrs. HUMPHREY (for herself and Mr. ANDERSON) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 481

Whereas Leif Ericson of Iceland played a significant part in the discovery and exploration of North America; and

Whereas Leif Ericson, a brave Norse navigator, was the first known explorer to sail and land along the coast of North America, around 1000 A.D.; and

Whereas Congress, by a Joint Resolution has proclaimed October 9 as Leif Ericson Day; and

Whereas Leif Ericson's accomplishments are a tribute to Scandinavian-Americans—loyal Americans who have carried on the tradition of exploration first started by their courageous Norse ancestor; and

Whereas Leif Ericson is a symbol of something all Americans can be proud of—man's unending quest for progress and exploration of the unknown that surrounds him: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Leif Ericson shall hereafter be known as a citizen of the United States of America.

LEIF ERICSON HONORARY U.S. CITIZEN

● Mrs. HUMPHREY. Mr. President, today I take great pride in submitting a Senate resolution commemorating the efforts and accomplishments of Leif Ericson, Scandinavian explorer, discoverer, and statesman. Even with existing evidence that substantiates Leif Ericson's discovery of North America, this Scandinavian explorer has often been overlooked as one of the original discoverers of our continent.

Leif Ericson was born around 970 A.D. in Iceland. The son of Eric the Red, a great explorer and warrior, Leif carried on the exploring spirit that was the tradition of his Scandinavian forefathers. According to the most documented version of his discovery of America, the "Greenland Version," Leif heard of a new land mass sighted by a contemporary of his, Bjarni Herjolfsson. On a voyage from which he had just returned, Bjarni's craft had been blown off course by heavy seas, and had sailed very near an unknown land mass.

Leif quickly planned an expedition, and using the rough navigational coordinates supplied by Bjarni, set off for this new land. He and his party became the first to set foot upon North America. They explored many areas along the coast, naming each for the product that could be supplied from that region. He then settled for about 1 year in a region lush with grapes, appropriately named Vinland.

Modern discoveries support the contention that Leif was indeed the first to discover and explore North America. In 1963, Dr. Helge Ingstad discovered evidence of a Norse settlement in Newfoundland. Radioactive carbon tests substantiate that the unearthened remains of these artifacts date back to around 1000 A.D., about the time that Lief was believed to have settled in this region. In 1965, Yale University and British Museum scholars pieced together a map dating back to around 1440, nearly 50 years before Columbus' historic journey to America. This map clearly shows the Western Hemisphere in the upper left-hand corner of the parchment.

By the 15th century, Norse and Scandinavian folklore telling of Leif's discovery and of such new lands had reached the European continent. A strong case can be made that Columbus' original difficulty in securing an expedition to these new lands, was based more on Royalty's reluctance to open such distant trade markets, rather than based upon Royalty's refusal to believe that lands did exist in the Western Hemisphere.

The designation of Leif Ericson as a United States citizen signifies much more than a tribute to a favorits son. Rather, it is a fitting tribute to the variety of Scandinavian qualities that are personified in Leif Ericson and were preserved and passed on by Scandinavian immigrants in this country—such qualities as the willingness to explore, the courage to persevere, and love of discovery.

Organizations like the Leif Ericson Society, the "Sons of Norway" and "Svenskarnas Dag" have done much in keeping the name of such a great man alive and remembered. Previously, Congress set aside, by joint resolution, October 9th as a special day commemorating Leif Ericson for his exploration of America, some 500 years before Christopher Columbus.

On behalf of these organizations and all Scandinavian Americans, I offer this resolution making Leif Ericson an honorary citizen of the United States, in honor of the contributions he and Americans of Scandinavian heritage have made to our Nation, and as a symbol of man's unending ouest for progress and his desire to explore the unknown phenomena that surround him.●

SENATE RESOLUTION 483—A RESOLUTION TO DISAPPROVE WAIVER OF THE COUNTERVAILING DUTY ON CERTAIN ITEMS OF GOVERNMENT SUBSIDIZED FISH IMPORTED FROM CANADA

Mr. HATHAWAY (for himself, Mr. MUSKIE, Mr. MCINTYRE, Mr. BROOKE, Mr. DURKIN, Mr. KENNEDY, and Mr. PELL) submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 483

Resolved, that the Senate does not approve the determination of the Secretary of the Treasury under Section 303(d) of the Tariff Act of 1930, transmitted to the Congress on June 13, 1978.

● Mr. HATHAWAY. Mr. President, I am submitting a resolution to disapprove the

decision to waive the imposition of countervailing duties on Canadian fish. A petition for such duties was filed last year by the National Federation of Fishermen and the Point Judith, R.I., Fishermen's Cooperative.

I am offering this resolution in part to raise the issue with my colleagues of the need for close scrutiny of our national policies in regard to fisheries. The Canadians have agreed to phase out their direct landing subsidies and processing subsidies to the ground fishery. Much of this subsidy will be wiped out retroactively, with the remainder due to end October 1. This, according to Treasury, will leave only a small subsidy which will become countervailable in January unless Canada ends that as well.

I am glad that Canada has agreed to this step. I would hope that this cooperative attitude might also prevail in ongoing United States/Canada boundary negotiations, and in a resolution of the recent fisheries jurisdictional conflict.

Despite these considerations, I cannot simply acquiesce to the Treasury Department's grant of this waiver. This situation points up the conflicting national policies which we are now pursuing which threaten the economic death of the New England fishing industry.

First, while Canada is phasing out these more blatant subsidies to its fishermen, there is no doubt that indirect Canadian subsidies will continue, from insurance programs to possible price supports. Canada, in short, has been far better to its fishing industry than the United States has to its own. As a result, we had a $2.1 billion trade deficit in the fisheries in 1977. And all indications are that deficit may well grow rather than diminish.

In terms of subsidizing its industry, there is little doubt that the past years of assistance which Canada has given its fisheries will be felt for years to come. The assistance given the industry in the past decade, both directly and indirectly, has the overall effect of lowering the operating costs of the fishermen, and of enabling them to capture U.S. markets.

At present between 80 and 90 percent of the Canadian catch is exported and the Canadian groundfish exports alone are worth $200 million annually. These fish come into our New England markets at times when our own fishermen may be tied up at port, unable to fish at all as a result of our national policy of "conservation" of the fisheries. In the past Maine fishermen have even been placed in the absurd position of throwing dead cod and haddock overboard because they could not land them, yet they could not prevent them from coming up in their nets. The choice presented was to return to shore and find another way to make a living for 2 weeks or a month, or throw the dead fish back, all in the name of fisheries conservation.

As a result of situations such as this, the Department of Commerce has at last begun to take into account the growing complaints of Maine and New England fishermen. For the record, I would note that they were against the granting of this waiver.

While the direct economic impact of this waiver may not be great, its symbolic impact for our domestic fishermen is, I think, of great importance. We tell our fishermen they cannot fish because we need to conserve the species; we then tell them we will not impose a duty on the Canadian fish which come into our country even though that industry has been Government subsidized for many years. Then we tell them as a matter of trade policy we would prefer not to grant subsidies to our own domestic fishing industry. This is the underlying irony of the situation. As a matter of policy we stand for free trade, for an end to foreign and domestic governmental subsidies to industry. In the long run, I would agree that this is the ideal. But in the short run we have an industry in this country running up against a conflicting national policy—to "conserve" and manage the resource from which that industry obtains its lifeblood.

We must rationalize these policies. It is the fishermen who are the victims of this conflict in national policies. I hope that we can open a dialog on how to conserve, not only our natural fishery resource, but also our fishermen. As Chairman of the United States-Canada Interparliamentary Conference, I intend to put fisheries at the top of the agenda for next year's conference.

At this time, I ask unanimous consent that correspondence from the Department of Commerce and to the Treasury Department be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 1, 1978.

Hon. MICHAEL BLUMENTHAL,
Secretary of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: It is our understanding that the Treasury Department is scheduled to make a final determination regarding Canadian subsidies on fish products by June 10, 1978. An affirmative preliminary determination was made last January, and we believe the facts warrant a similar final decision. Your Department must then decide whether or not to grant a waiver of the countervailing duty on fish imports from Canada.

As you may know, the Canadian government has made substantial direct payments to both fishermen and processors on fish exported to the United States. In April, 1977, your Department determined that these payments were bounties or grants (TD 77-107). This decision, however, was limited to only a few of the tariff items covered by the Canadian assistance program. Therefore, a new countervailing duty petition covering a number of other tariff items was filed shortly after the Department's 1977 determination. Your Department has taken the full year permitted by statute to make a determination on the additional tariff items covered by this new petition.

Since April of last year, the Canadian government has been well aware that its Groundfish Temporary Assistance Program and vessel construction assistance programs subjected Canadian fish exports to the United States to countervailing duties. No attempt, however, was made to repeal these subsidy programs. In the interim, we have permitted heavily-subsidized Canadian fish to be sold in U.S. markets.

This situation has created severe economic hardship for New England fishermen. The Department of Labor recently documented the impact of these subsidized imports when it certified employees of several U.S. vessels for Trade Adjustment Assistance.

We recognize that the Multilateral Trade Negotiations (MTN) have entered a sensitive stage in Geneva, and understand that the progress of these discussions will be taken into consideration by your Department when making a final determination on countervailing duties. It is our firm belief, however, that the immediate economic pressures on U.S. fishermen must be given priority consideration. We therefore strongly oppose any waiver of countervailing duties on Canadian fish.

Sincerely,

EDMUND S. MUSKIE, EDWARD M. KENNEDY, WILLIAM D. HATHAWAY, EDWARD W. BROOKE, CLAIBORNE PELL, JOHN H. CHAFEE, THOMAS J. MCINTYRE, and JOHN A. DURKIN.

U.S. DEPARTMENT OF COMMERCE,
Rockville, Md., June 5, 1978.

MR. RICHARD SELF,
Director, Office of Tariff Affairs, Office of the Secretary, U.S. Treasury Department, Washington, D.C.

DEAR MR. SELF: The Treasury Department is currently studying the advisability of imposing countervailing duties on imports of certain fish products from Canada pursuant to the petitions of the Point Judith Fisheries Cooperative and the Fisheries Marketing Association of Seattle, Washington. The purpose of this letter is to indicate the Department of Commerce's strong support for the imposition of countervailing duties on such products.

U.S. trade law clearly requires the imposition of countervailing duties on imported fishery products when the evidence indicates that artificially low prices for imports are made possible by foreign government subsidies. The evidence is overwhelming that the Canadian fish imports in question are so subsidized. The Canadian government has instituted an extensive network of programs that assist the Canadian fishing industry in catching, processing, and freezing fish, and in transporting it to the United States, at prices that are more than low enough to compete effectively in the U.S. market.

Under special circumstances, these countervailing duties may be waived. However, we believe strongly that a waiver cannot be justified for these fishery products, for the following reasons:

(1) Canada has not indicated that it will terminate all of its subsidy programs for the fishery products in question.

(2) Canada has apparently indicated a willingness to terminate some of its subsidies. Our experience in connection with Canadian commitments to reduce subsidies in 1977 casts significant doubt on Canada's willingness or ability to comply with such commitments. This suggests that a far better course of action would be to delay any waivers until commitments made by the Canadian government for the removal of subsidies have in fact been carried out.

(3) The adverse impacts of allowing subsidized products to be imported into U.S. markets will persist long after the subsidies are terminated. Subsidized vessels constructed prior to termination of subsidies will continue to compete with non-subsidized U.S. vessels long after such termination. Markets such as the mid-western market captured by Canadian industry through anticompetitive subsidies cannot easily be recaptured by U.S. industry at a later date.

(4) The purposes of the Fishery Conserva-

tion and Management Act of 1976 are significantly undermined by such subsidies. The Act was aimed at both conserving U.S. fishery resources and developing a strong U.S. fishing fleet. In order to protect fishery resources, the U.S. fleet is required to adhere to rigorous quotas to restrict the amount of fish that can be caught. Without heavy competing supplies of low-priced Canadian imports, the price for fish harvested by the U.S. fishing industry would tend to rise during the period that U.S. fishermen are forced to restrict their catches. Such a price rise would assist the harvesting sector of the U.S. groundfish industry to survive the period of quotas needed to restore our groundfish stocks. And because the price of raw material is only a part of the price of fish products, the impact of countervailing duties on U.S. consumers will be minimal.

The question of whether special circumstances exist that justify a countervailing duties waiver must be considered in light of the significant United States balance of trade problem. The United States balance of trade deficit in fishery products was $2.1 billion in 1977. The waiver of duties on these Canadian imports will further exacerbate this problem.

Even when and if Canada meets the requirements for a waiver of these duties, we believe that a waiver should be withdrawn should it become evident that a subsidy code cannot be achieved in the Multilateral Trade Negotiations.

We would be pleased to provide you with any additional information you may need in connection with this matter.

Sincerely yours,

RICHARD A. FRANK.●

● Mr. MUSKIE. Mr. President, I join my colleague Senator HATHAWAY in offering a resolution to disapprove the Treasury Secretary's decision to waive countervailing duties on imports of fish from Canada.

Mr. Blumenthal's decision was disappointing to our fishermen and has no sound basis in fact.

The countervailing duty system was designed to guarantee the right of Americans to compete on an equal basis with other nations in the American marketplace. The Canadians provide subsidies to their fishermen. As a result, Canadians can catch fish in American waters, and undersell our own fishermen in our own markets. The countervailing duty system was put in place to stop these kinds of practices.

The harm to our fishermen has been documented. The Canadian Government has been on notice for more than a year that action might be taken to protect our own industry.

Yet at the 11th hour, the Canadian Government petitioned for relief from countervailing duties in America. Apparently the importance of Canadian support for other American trade interests prompted the Treasury Secretary to grant their request.

And the interests of our domestic industry were once again brushed aside.

American fishermen are faced not only with financial hardship as a result of competition from Canada. In many cases they are denied markets outright; in other cases they are prevented from developing market strategies to avoid the boom-bust cycle of fish prices; in still other cases unfair Canadian competition blocks Americans from developing onshore processing facilities to take advantage of available markets.

The Trade Act was designed to correct just such problems. And the Trade Act was designed to allow Congress to be the final arbiter in extreme cases through resolutions like the one we introduced today. The case of Canadian fish imports is just such an extreme and obvious case of unfairness. I urge the Congress to act quickly to impose countervailing duties and give the beleaguered American industry the support it merits.●

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—H.R. 8410

AMENDMENTS NOS. 2465 THROUGH 2619

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted 155 amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2620 THROUGH 2724

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted 105 amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2725 THROUGH 2727

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted three amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2728 THROUGH 2734

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS submitted seven amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

● Mr. HOLLINGS. Mr. President, on May 25 I submitted several amendments to the labor law reform bill, H.R. 8410. At that time, I indicated that they would go a long way toward correcting the imbalance this measure, if passed in its present form, would create. In order to preserve the opportunity to have my amendments considered, Mr. President, I am today resubmitting them as amendments to Amendment No. 2445 offered by Mr. BYRD of West Virginia for himself and others.●

AMENDMENTS NOS. 2735 THROUGH 2755

(Ordered to be printed and to lay on the table.)

Mr. THURMOND submitted 21 amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2756 THROUGH 2776

(Ordered to be printed and to lay on the table.)

Mr. TOWER submitted 21 amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2777 AND 2778

(Ordered to be printed and to lay on the table.)

Mr. LONG submitted two amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2779

(Ordered to be printed and to lay on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2780

(Ordered to be printed and to lay on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2781 THROUGH 2790

(Ordered to be printed and to lay on the table.)

Mr. MORGAN submitted 10 amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2791

(Ordered to be printed and to lay on the table.)

Mr. GRIFFIN submitted an amendment intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

DAM SAFETY ACT—S. 2820

AMENDMENT NO. 2792

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to S. 2820, the Dam Safety Act.

● Mr. DOMENICI. Mr. President, when the Dam Safety Act, S. 2820, comes up before the full Senate for consideration later this week, I plan to offer an amendment that will correct and clarify legislation passed earlier in this session, which extended the deadline for completion of several drought relief projects administered by the Bureau of Reclamation for Indian tribes around the country.

When H.R. 10532, Public Law 95-226, passed the Senate in late January, it provided an extension of the deadline for tribes to complete their projects under the program. The deadline for completion was January 31, 1978, and H.R. 10532 passed just before that deadline. Consequently, I must say that I do not believe all of the needs of the tribes were thoroughly explored during consideration of the bill. The legislation did not address a very crucial problem still present; that is the dilemma of several of the tribes who did not have sufficient funds to complete projects already underway. This shortcoming is clearly the fault of Congress, and as such, requires congressional correction.

Therefore, Mr. President, I would like to offer this amendment, which authorizes to be appropriated funds for the projects which were specifically given an extension of deadline and lack adequate funding for completion.

Although I confess that this amendment does not have anything to do with the issue of dam safety, I see this bill as the only vehicle now available to correct the present problem of the inability of several tribes to complete projects that

have already been started and are nearing completion.

I am not offering an amendment that will incur great expense. From information I have received from the BIA, it appears that about $1.5 million additional funds are necessary to complete the on-going projects. These projects are located in four States—New Mexico, California, Nevada, and Arizona.

The $1.5 million is a small amount, particularly when weighing the fact that just recently something in excess of $45 million of funds appropriated for the drought relief program was returned to the Congress by the Bureau, $45 million of unobligated funds.

Mr. President, I urge my colleagues to support this amendment, and I ask unanimous consent that my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2792

On page 4, line 6, insert the following new section:

"SEC. 7. Public Law 95-226 is amended by adding at the conclusion of the first section the following sentence: 'There is authorized to be appropriated such funds as necessary to complete those projects the Secretary authorizes to continue under construction beyond January 31, 1978.'" ●

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978—S. 3074

AMENDMENT NO. 2793

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER submitted an amendment intended to be proposed by him to the bill (S. 3074) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes.

ADDITIONAL STATEMENTS

RALLY AGAINST CAMBODIAN HOLOCAUST

● Mr. DOLE. Mr. President, yesterday about 200 concerned Americans and Cambodians rallied at the Capitol to protest the mass violations of human rights being committed by the Communist government of so-called democratic Kampuchea. Statements of protest were offered by myself, fellow Congressmen, the Deputy Assistant for Human Rights at the White House and by leaders of the Cambodian refugee community in this country.

This rally was intended to bring to the attention of the public the "holocaust" going on in Cambodia right now, which has already claimed more than 1 million lives, through disease, starvation, and execution. A few concerned people have raised their voices, but the cry is barely heard—a cry not nearly as loud as that over American military action in Cambodia 8 years ago. The time for affirmative action is now. Action which would denounce and—to the extent possible—relieve this tragic oppression. To this end, I have already proposed Senate Resolution 323, which I understand will serve as the focus of hearings by the Senate Foreign Relations Committee this summer.

First, an attempt should be made to exert whatever economic sanctions are possible against the Cambodian regime. Last year I proposed legislation to insure that no American contributions to international financial institutions could be used to prop up the Communist regime. Though approved by the Senate, it was watered down in conference committee. I intend to propose this amendment again this year when the International Monetary Organization reaches this floor.

Second, the administration must make more effective use of its contacts with the People's Republic of China, the only country which has close relations with Cambodia, to pressure the Communist government to cease these crimes.

Finally, we can help those Cambodians who were among the fortunate few to escape the ravages of their country, by allowing more to enter this country. Fifteen thousand reside in the refugee camps in Thailand near the Cambodian border, where they are in constant danger and live under severe conditions. I urge special action to ease immigration laws to permit these people to begin a new life in the free world. Education and action are the necessary answers to the problem of overcoming this monstrous situation. These should be initiated by the Senate and by the United States as the leading democratic power of the world, and as a defender of human rights.●

JOSEPH M. MONTOYA

● Mrs. HUMPHREY. Mr. President, the recent death of former Senator Joseph Montoya leaves a void in the ranks of those in public service.

Joseph Montoya lived for 62 years. In that short span of life, he served four decades in public office, in capacities ranging from State representative to U.S. Senator.

Although I was not a Member of the Senate during the late Senator's 20-year career in the Congress, my husband, Hubert spoke highly of Senator Montoya both as a colleague and a friend. Throughout his entire career, Senator Montoya served the people of his State and of this Nation with skill, dedication, and an eager desire to do what he believed was right.

Proud of his Hispanic heritage and his historic roots in the American Southwest, the Senator served as a spokesman for Hispanic Americans and for the American Indians residing in his State of New Mexico.

Serving in Congress during a period of tremendous growth in his State, he was able to accomplish much through dedication and legislative initiatives for New Mexico. He never allowed political considerations to overshadow his concern for his fellow New Mexicans and his desire for real improvement in their lives.

Hubert once said:

In life, it isn't what you've lost, it's what you've got left that counts.

Although New Mexico has lost an important and significant elder statesman, Senator Montoya has made significant and lasting contributions to New Mexico and the Nation through years of public service. He will be missed.●

HITTING THE NAIL ON THE HEAD

● Mr. CURTIS. Mr. President, every so often a constituent letter hits the nail so precisely on the head that nothing further needs to be said by way of introduction or amplification. Such a letter is the one which follows. The writer, who is in a position to know, makes the case in three sentences against the President's hospital cost containment program. I insert this letter in the RECORD:

MAY 16, 1978.

Sen. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: I find it interesting that the H.E.W. Inspector General's recent findings indicate that the Department misspent between 6.3 and 7.4 billion dollars last year through "waste, mismanagement, and fraud". This is the same agency that proposes to control hospital costs. You must admit that it does make one wonder.

Sincerely,

——— ———●

SENATOR JIM ALLEN

● Mr. HATHAWAY. Mr. President, the death of Senator Allen leaves the Senate a diminished place.

While Jim Allen and I did not always agree on issues and on votes—and in fact, we probably disagreed more often then not—he was always faithful to principle and to conscience, which are among the highest qualities to be found in the Senate.

And they are necessary to the working of this body. It is not generally appreciated, outside of Washington, how the procedures of the Senate can serve as a political safety valve by which decisions of a majority are not simply made by sheer force of numbers. Rather, they are made by a majority only after the needs and wants of the minority have been reckoned with.

Over the long course, this system maintains the essential unity of the Republic by guaranteeing that decisions are made not only because they are right, but because they are also acceptable. The two go hand in hand, rightness and acceptability constituting, along with need, the major factors in healthy political tension.

So while Jim and I did not always agree on the issues, I admire and respect the contribution he made to the workings of the Senate and the Nation.

He was a man of integrity, a man of his word. Alabama and the country will miss him, and I join my colleagues in extending my sympathy to his family at this time.●

CLEANING UP ANGEL DUST

● Mrs. HUMPHREY. Mr. President, some time ago Senator BENTSEN introduced S. 2778, the PCP Criminal Laws and Procedures Act of 1978. I have been pleased to join in sponsoring this legislation with 21 other Senators.

PCP, or phencyclidine hydrochloride, is considered the most serious street

drug to appear since heroin and LSD. It is a powerful manmade drug and it is highly unpredictable causing extreme swings in mood. A sharp rise in its usage has occurred over recent years according to the National Institute of Drug Abuse.

The severe problems involved with this drug are:

First, PCP is readily available. It can be purchased for a very nominal sum. It has been estimated that 7,000,000 individuals from ages 12 to 25 have tried PCP. The average age of the person admitted to hospitals suffering from PCP effects is 15.

Second, it can be manufactured by anyone with limited laboratory skills in the back of a van or a kitchen.

Third, the ingredients for making PCP can be obtained at any chemical supply house. The main component is called piperidine.

Fourth, the reactions from the use of PCP are completely unpredictable. The drug produces the symptoms of paranoid schizophrenia, with hallucinatory voices urging self-destructive impulses. It is not known what lasting biological or psychological effects result from its use.

Fifth, doctors are caught without a strategy of diagnosing and treating the effects of this drug.

Finally, reactions may occur up to a week after a single dose. The mental effects may continue for as long as a month.

Senator BENTSEN's bill has taken the direct approach of requiring that the piperidine purchaser be reported to the Drug Enforcement Administration. A fine and jail sentence are levied against those who defy this section of the law.

I urge that the Senate take action on this legislation at the earliest possible convenience, so that PCP, angel dust, or by whatever other colorful name it may be known, may be driven from the marketplace of the school playground and gymnasium.●

PROGRESS IN SOLAR ENERGY

● Mr. GRAVEL. Mr. President, it seems so simple. Harness the Sun to provide a continuing source of renewable energy. Focus our attention within the Federal Government on providing the incentives to the development of solar which will assure that solar energy will be competitive as quickly as possible. Stimulate the production of collectors and solar cells. Use the 50,000 existing dams as an energy source. Encourage the development of energy from agriculture in the form of "energy crops." Benefit from the experiences at Tvind, Denmark, in producing an inexpensive, efficient wind turbine.

Solar energy is no longer an "Alice in Wonderland" concoction, if in fact it ever was. There is proof positive that it is now affordable in many useful circumstances. There has been a significant decrease in the costs of application of solar for heating and cooling, as well as for generation. There have been significant breakthroughs in the storage of solar energy.

More needs to be done by the Federal Government to assure that this reliable source of energy is tapped to its fullest. As Denis Hayes points out so ably in two articles that appeared in Sunday's Post, we policymakers must first realize what is possible, and then place the Government in the position of promoting to the fullest the "small scale, decentralized options best suited to solar equipment." I submit these articles for the RECORD and I urge my colleagues who have not already done so to read Mr. Hayes' articles in hopes that we will all update our information on the progress of solar energy. Then, let us all act on it.

The articles follow:

SECONDHAND SOLAR ENERGY—WIND, WATER, AND PLANTS TRANSMIT SUN'S POWER

Solar energy drives the earth's wind currents and water cycle and is stored in vegetation. Progress is being made in harnessing each of these indirect sources of solar energy.

WIND POWER

The air that envelops the earth functions as a vast storage battery for solar energy. Winds are generated by the uneven heating of our spinning planet's land and water, plains and mountains, equatorial regions and poles.

The windmill played an important role in American history, especially in the Great Plains where it was used to pump water. More than 6 million windmills were built in the United States over the last century, and about 150,000 still spin productively. Prior to the large-scale federal commitment to rural electrification in the 1930s and 1940s, windmills supplied much of rural America with its only source of electricity.

Judging from the experience of the federal wind energy effort, one might be misled into thinking that harnessing the wind is an outrageously expensive proposition. A 100-kilowatt wind turbine at Plumbrook, Ohio, cost $4 million—$40,000 per kilowatt of capacity. A 2,000-kilowatt turbine being built by General Electric in Boone, N.C., on a cost-plus contract is currently expected to cost $16 million—or $8,000 per kilowatt. But these early efforts were highly instrumented, and their construction was riddled with errors. "We're getting smarter as we get older, I hope," says Lou Divone, head of the federal wind research effort.

Some parts of the private sector are already fairly smart. A privately funded, 200-kilowatt wind turbine on Cuttyhunk Island off the Massachusetts coast was built for just $280,000—or $1,400 per kilowatt of capacity. It produced 400,000 kilowatt hours of electricity last year at an average cost of 5.3 cents per kilowatt hour. A Northwest firms sells 275-kilowatt and 600-kilowatt wind turbines for $400 to $480 per kilowatt (uninstalled). And Tvind, a college community in Denmark, has designed and built a massive 2,000-kilowatt wind turbine for $650,000—just $330 per kilowatt including installation. (Local laborers worked for living expenses rather than salaries, while specialized outside laborers were paid regular rates.) This is roughly 2 per cent of the cost per kilowatt of the 2,000-kilowatt GE wind turbine in North Carolina. At the Tvind price, wind-generated electricity is cheaper than just the cost of fuel for an oil-fired power plant.

FALLING WATER

In the United States, hydroelectric development has for four decades focused upon huge projects. We now have 12 dams with capacities of a million kilowatts or more. Small facilities of the sort employed extensively by Japan, Switzerland, Sweden and China have remained largely undeveloped in America. Of the nearly 50,000 existing dams over 25 feet in this country (built mostly for recreational, agricultural and flood control purposes), only 800 are licensed to produce power. An Army Corps of Engineers report last year estimated that 54 million kilowatts—more power than we now get from nuclear power—could be harnessed simply by installing turbines at dams that already exist. This may be the cheapest undeveloped source of electricity in America today.

PLANT POWER

All fossil fuels were once green plants. Existing technology can harvest "energy crops" directly, without waiting hundreds of millions of years for nature to convert them into oil, gas and coal. Dry cellulose contains about 60 per cent as much energy as coal—and the hydrocarbons produced by some plants actually contain more.

In addition to being burned directly, biomass can be transformed into useful fuels in many ways. Some of these were developed by the Germans to cope with the petroleum shortages of World War II. Today, several of these technologies are being pursued much more vigorously abroad than in the United States.

Last December, President Carter examined a biogas plant in India. Observing that this simple, cheap technology converted sewage, animal dung and agricultural wastes into methane, the President joked that it might not be too late to include such devices in the energy bill now deadlocked in Congress. It's no joke. In the last three years, China has built 4.3 million biogas plants. The United States, by comparison, has fewer than 100.

Biomass can also be converted into alcohol. Brazil recently embarked upon a $400 million program to produce ethanol from such "energy crops" as sugar cane and cassava—a starchy South American staple. The Brazilians hope to substitute home-grown ethanol for all imported gasoline before the year 2000. Brazil is thus the only country in the world that is consciously building a transportation system for the post-petroleum era.

In the United States, alcohol produced from agricultural wastes is now comparable in price to gasoline, and gasahol (gasoline mixed with alcohol) is now being sold commercially in several Midwestern states.

Biological energy sources are of many kinds, and their prices vary accordingly. The wastes of the forest products industries are their cheapest potential energy sources. Many other industrial processes also have large waste streams that could be tapped. An Ohio factory that makes truck axles has installed a pyrolitic incinerator to burn paper and other organic wastes. Enough energy is recaptured to meet the total heating and cooling needs of the 290,000-square-foot facility.

Converted to such liquid or gaseous forms, organic fuels can be readily substituted for those fossil fuels—oil and natural gas—that are in shortest supply. The potential biomass harvest in this country could yield more energy than is now derived from imported oil.—Denis Hayes.

WE CAN USE SOLAR ENERGY NOW—THE TECHNOLOGY IS HERE; WHAT IS NEEDED IS GOVERNMENT SUPPORT

(By Denis Hayes)

We all live in solar homes. We think we heat our houses with oil, natural gas or electricity, but 95 percent of their warmth comes from sunbeams. In a sunless world, our dwellings would be 400 degrees Fahrenheit below zero when we turned on our furnaces. The houses of solar pioneers simply squeeze a few more degrees from the sun than do the convential homes of their neighbors.

Twenty years ago, virtually all Americans

hung up their weekly wash on "solar clothes driers." Today, few do. If I hang my wash on a line and you put yours into an electric drier, the solar energy I use will be ignored by statisticians while the electricity you use will be tabulated in next year's almanacs.

We ignore the sun for the same reasons that fish ignore water. It is abundant, free and dependable.

The solar influx is so large that it defies easy comprehension by students of conventional energy sources. Every day, the world receives 10,000 times more energy from the sun than humankind derives from all conventional fuels combined. But the official 825-page United Nations Survey of World Energy Supplies does not even mention the sun.

We know how to harness this solar influx directly as sunlight and indirectly through wind, green plants and running streams. Every essential technological ingredient for a commercial solar energy system has existed for more than a decade, although most of these devices have not yet benefited from mass production. The issue today is whether we will make the necessary policy decisions to develop these resources, or whether vested interests will coerce our continued reliance on sources that are dangerous, vulnerable to disruption and ultimately unsustainable.

Unlike fossil and fissile fuels, sunlight is a flow and not a stock. Once a gallon of oil is burned, it is gone forever; but the sun will cast its rays earthward billions of years from now, whether sunshine is harnessed for human needs or not. Technical improvements in the use of sunlight could lower prices permanently; similar improvements in the extraction of finite fuels could hasten their exhaustion.

SOLAR HEATING AND COOLING

Heating water with sunlight is simple. The collector is, in essence, a box with a black bottom and a glass top. Glass is transparent to sunlight but not to the radiation of longer wavelengths given off by the hot collector itself. Hence, heat is trapped inside. When water is pumped through the hot collector, its temperature rises. The hot water is then piped to a very well insulated storage tank where it is kept until needed.

Other countries are outpacing the United States in this field. About 30,000 American homes heat their water with sunlight. In tiny Israel, 200,000 homes have solar water heaters, and in Japan the figure is over 2 million. In remote northern Australia, where fuels are expensive, the law requires solar water heaters on all new buildings.

There is some controversy over how rapidly we will catch up. The original goal of the Carter administration's energy plan was 2.5 million solar heaters by 1985. In subsequent congressional testimony, Energy Secretary James Schlesinger trimmed this target to 1.3 million.

Wilson Clark, energy adviser to Gov. Jerry Brown of California, finds the federal figures amusing. "We will, beyond a doubt, have more solar collectors installed in California by 1985 than those guys are forecasting for the whole country," says Clark. The Solar Energy Industries Association, which represents most major solar manufacturers, considers 11 million installations a reasonable 1985 goal.

Sunshine can also be used to heat buildings. "Passive" systems store energy right where sunlight strikes the building's walls and floor. Such systems are designed to shield the structure from unwanted summer heat while capturing and retaining the sun's warmth during the colder months. Passive solar architecture is, beyond doubt, the most efficient and cost-effective way to heat and cool new buildings. Modest investments will often provide 80 to 100 percent of a building's space conditioning requirements. But passive features cannot easily be added to existing structures.

"Active" solar heating systems are more expensive, but they can be bolted onto the roofs or southern walls of existing buildings as a substitute for—or supplement to—conventional furnaces. In active systems, fans or pumps move solar-heated air or liquid from collectors to storage areas, from which heat is withdrawn as needed. Solar self-sufficiency will usually dictate a combination of active and passive features in all but the southern rim of the United States.

Buildings can be cooled as well as heated by sunlight. Again, passive solar design is the most important first step, but active solar air conditioners are also now being marketed. Absorption solar air conditioners, which operate on the same principle as gas refrigerators, reach peak cooling capacity when the sun burns brightest, which is when they are most needed. They therefore could reduce peak demands on many electrical power grids. As solar air conditioners penetrate the housing market, the overall economics of active solar heating systems will improve, because solar collectors will begin providing a year-round benefit.

Solar technologies have industrial applications as well. A study of the Australian food processing industry, for example, found that heat comprised 90 percent of the industry's energy needs. Almost all this heat was at under 150 degrees Centigrade and 80 percent was below the boiling point of water. Such low-temperature heat can be easily produced and stored using simple solar devices. In the United States, solar heating is now being applied to a soup-canning plant in California, a fabric-drying facility in Alabama and a concrete block factory in Pennsylvania. Solar-powered laundries and car washes are now operating in California, and a St. Louis brewery has turned to solar pasteurization.

SOLAR CELLS

The most exciting solar electric prospect is the photovoltaic cell—now the principal power source of space satellites and the main element in photographic light meters. Such cells generate electricity directly when sunlight falls on them. They have no moving parts, consume no fuel, produce no pollution, operate at environmental temperatures, have long lifetimes, require little maintenance and can be fashioned from silicon, the second most abundant element in the earth's crust.

Photovoltaic cells are modular by nature, and little is to be gained by grouping large masses of cells at a single collection site. On the contrary, the technology is most sensibly applied in a decentralized fashion—perhaps incorporated in the roofs of buildings—to minimize transmission and storage problems. With decentralized use, solar cells can be combined with compatible technologies to use waste heat for space heating and cooling, water heating, and refrigeration. Last summer a photovoltaic array in Mead, Neb., irrigated 80 acres of corn at a thousand gallons per minute.

The manufacture of photovoltaic cells is currently a low-volume business—only 750 kilowatts of photovoltaic capacity were produced in 1977—and the products are consequently rather expensive. But a recent U.N. report concluded that solar cells would become cheaper than nuclear power if they received a total investment of $1 billion—less than the cost of just one large nuclear power plant.

STORING SUNLIGHT

Solar energy is too diffuse, intermittent and seasonally variable to harness directly to serve some human needs. Interruptions plague all energy systems, however. Electrical power lines snap, gas and oil pipelines crack, dams run low during droughts and nuclear power plants frequently need repairs, refueling and maintenance.

Sometimes the intermittent nature of an energy source causes no problems. For example, solar electric facilities with no storage capacity can be used to meet peak demands, since virtually all areas have their highest electrical demands during daylight hours.

Low-temperature heat can be temporarily stored in such substances as water or gravel; in fact, substantial short-term heat storage capacity can be economically designed into the structural mass of new buildings. The larger the storage container, the less surface area (through which heat can leak) it has per unit of volume. Large storage tanks serving clusters of houses can be designed to have such low leakage rates that seasonal storage becomes economically possible. Princeton physicist Theodore Taylor advocates solar "ponds" serving as many as 100 houses—collecting heat in July for use in February, and producing ice in February for air conditioning in July.

Eutectic salts, which melt at about 90 degrees Fahrenheit, provide a much more compact storage medium than water. These cheap, plentiful salts can hold prodigious amounts of heat. In the past, salt caked on the interior walls of the storage container, interfering with efficient heat transfer. General Electric has overcome this problem by rotating the storage cylinder at 3 revolutions per minute.

Electricity can be stored directly in batteries. Existing batteries are expensive, but new types may soon enter the market. For example, the "iron redox" batteries that will store 2,200 kilowatt hours of photovoltaic-generated electricity for an Arkansas community college are expected to cost less than one-fifth as much as standard lead-acid batteries when mass produced.

But nuclear reactors and large coal plants also require energy storage. These facilities cannot be geared up and down to follow the peaks and valleys of electrical demand; they produce power at a steady rate, and surplus power from non-peak hours must be stored for the periods of heaviest demand. Because more energy is used during the day than at night, the overall storage requirements for a society based on renewable energy sources may prove no greater than those of an all-nuclear society.

SOLAR COSTS

Conventional wisdom holds that while solar energy has many attractive characteristics, it is too expensive today to see widespread application. As is so often the case with conventional wisdom, yesterday's truth has become today's misapprehension.

Five years ago, solar energy could not compete economically with low-priced fuels. Most solar homes used materials that were handcrafted in small workshops. But since 1973, the cost of solar equipment has dropped steadily while the costs of all competing energy sources have skyrocketed. Today, with factory production, a typical solar collector costs about $25 a square foot; by 1981, mass production could bring average costs under $10. Solar technologies already can provide energy for many purposes at no higher cost than conventional energy sources.

Take, for example, solar heating. Throughout the lower 48 United States, solar house heating now makes economic sense at the margin. That is to say, if the energy is to come from a new solar unit or a new nuclear power plant, the solar investment will be cheapest. The homeowner, of course, will not be buying electricity just from the expensive new power plant; the utility will average the expensive new energy in with cheap energy from existing sources, so that the true cost of new power is hidden from the individual consumer (and borne, through rising utility bills, by all consumers). But for society as a whole, the new energy could be most cheaply harnessed with solar equipment.

Even where the homeowner must compare the marginal costs of new solar equipment

with the average cost of competing energy sources, solar investments will generally make sense over the lifetime of the building. The most important first step is to incorporate passive solar design into the building's blueprints. Often this costs little or nothing. For example, it costs no more to place most windows in the southern wall than to place them facing north, but southern windows capture the sun's warmth while northern windows merely leak the building's internal heat. Roof overhangs, masonry floors and working shutters are not expensive. Yet, combined with tight construction and good insulation, they can lower the heating load of the building by 75 per cent and more. In Arkansas, 200 well-designed houses constructed under a grant from HUD cost no more than neighboring houses built using conventional construction standards, but their fuel bills are only one-fourth as high.

More elaborate designs can lead to greater savings. In the relatively mild climate of Atascadero, Calif., Harold Hay's passive solar house was constructed with bags of water incorporated in its roof. These act like "thermal flywheels," capturing energy on winter days and storing it to meet nighttime heating requirements. In the summer, the system collects heat from the interior during the day and radiates it outward at night. The cost of the solar features was about $5,000. The solar system has provided 100 per cent of the home's heating and cooling needs for several years.

In climates where passive solar design will not provide 100 per cent of heating requirements, back-up fuels or active solar systems are needed. In Princeton, N.J., architect Douglas Kelbaugh's passive solar home captures energy through a huge southern window wall during the day and stores it in a concrete interior wall to meet nighttime heating requirements. Like other passive solar homes, the Kelbaugh residence employs no pumps or fans—just careful design. The solar features cost around $9,000, and they provide virtually all of the home's requirements. In the unusually cold winter of 1976–77, the year's heating bill was just $75. Financed with a conventional home mortgage. Kelbaugh's solar energy system would require $1,800 cash at construction with monthly payments of $60—far less than his neighbors' fuel bills.

Many different solar collectors, pumps, fans and storage systems are now on the market. Prices frequently fluctuate severalfold. For example, solar collectors can be built and installed for a materials cost of about $2 per square foot. Prices of professionally installed solar collectors can range from under $10 per square foot to more than $70. The prices of thermal storage containers range from about $10 per cubic meter for hand-built systems to as much as $35 per cubic meter for commercial products. Hand-built solar systems can hold marked advantages over all competing energy sources. At the lower end of the price range, commercial solar systems also make economic sense.

Skeptics often point to the high-cost solar equipment used in some federal solar demonstration projects and claim that the buildings could have been heated with oil for a fraction of the cost. But such buildings incorporate no cheap passive solar features and they generally employ the most expensive solar hardware on the market. Moreover, the price of oil is an average price—not the price of new oil—and even this average price is kept artificially low through oil depletion allowances, intangible drilling cost write-offs, foreign tax credits, unsafe tankers built for accelerated depreciation, polluting refineries in the Caribbean and direct governmental price controls. Even in this loaded contests, solar energy compares fairly well.

THE COST OF SOLAR CELLS

Even photovoltaic cells—the most expensive technology now being used to harness solar energy—are much less expensive than is commonly believed. For example, a panel of distinguished scientists assembled by the Ford Foundation incorrectly reported in 1977 that "current [photovoltaic] collector costs are about $200,000 per kilowatt of peak electrical capacity."

The most charitable thing to be said for this figure is that it is 20 years out of date. Solar cells did cost about $200,000 a peak kilowatt in the late 1950s, but by early 1975, the costs had dropped to $31,000. By September, 1976—eight months before the Ford report was issued—the cost had dropped to $15,500.

Within months of the Ford report's release, the cost of solar cells fell to $11,750 a peak kilowatt. And last December, the Department of Energy awarded a grant for a solar cell array that "tracks" the sun across the sky and concentrates its rays into comparatively small photovoltaic cells. This system, which will be installed at the Arkansas community college, will generate 362 kilowatts at a total installed cost of $6,000 per peak kilowatt.

Making allowances for the average availability of sunshine versus the average capacity factors of large nuclear power plants and considering demand patterns, transmission and storage, solar cells are now probably about 10 times as expensive as nuclear power in the most favorable regions of the United States. Solar cells now cost about one-tenth what they cost 5 years ago, nuclear power now costs about twice as much as it cost 5 years ago.

The United States now has about 48,000 megawatts of nuclear capacity and less than 1 megawatt of terrestrial photovoltaic capacity. With mass production, solar cell costs are expected to continue falling dramatically. A 1977 report by the Federal Energy Administration contends that a $240 million purchase of 150 megawatts of solar cells, staggered over three years, would lead to a cost of just $500 per kilowatt for the 70 megawatts produced the third year.

Both solar-electric and wind-electric devices produce direct current—not the alternating current we are used to. Hence, one occasionally hears the comment that the cost of a solar society should include the cost of replacing all our appliances with devices that run on direct current (as do appliances in many motor homes today). Ignoring the possible merits of converting to direct current, the issue is trifling. Many things—from incandescent light bulbs to stoves—can perform well on direct current. Devices to convert direct current into alternating current are on the market for $180 per kilowatt for home-size units. For large orders, the price can fall to $50 per kilowatt.

WHAT NEXT?

After four years of fumbling, the federal government appears to be on the verge of passing a National Energy Act. This legislative "cornerstone" of the Carter administration is—in essence—an attempt to squeak through 1985 without having to grant Saudi Arabia the mineral rights to Ft. Knox. What it lacks is what America most desperately wants: a vision of where we are going.

The transition to a sustainable, post-petroleum world will require some decades to complete. The National Energy Act—almost totally dependent on the expansion of conventional, centralized energy sources—is not even a step in the right direction. If solar energy is to play an important role in the future, several actions must be taken immediately.

First, there is no substitute for money. While competing energy sources have financially benefited from the diligent efforts of scores of high-paid lobbyists, solar energy has not. Since 1952, when the Paley Commission recommended to President Truman that solar energy be aggressively developed, solar technology has received less than 1 five-hundredth of federal energy funding. Although solar funding increased rapidly after the Arab oil embargo of 1973, it has now remained stalled for two years with less than 4 percent of the federal energy budget.

For solar enthusiasts, the new Carter budget is a great disappointment. Solar, wind and biological energy sources combined will receive less than one-fifth as much as is directly spent on nuclear fission. Renewable energy resources will receive $200 million less than breeder reactors alone. In fact, after adjusting for inflation, the federal solar budget is $40 million lower this year than it was last year.

The current state of solar technology would justify a budget in the $1 billion range. There would be little public opposition to this $5 per capita investment in our most promising energy source. If our current energy crisis requires "the moral equivalent of war," surely the solar, wind and biological answers to that crisis deserve at least the financial equivalent of one small weapons system.

Of course, no one wants to see tax dollars shoveled out stupidly. A good solar program will require clear-eyed managers and sufficient staff to handle the load. The current solar effort is deficient in both respects. Consequently, research has emphasized small numbers of huge projects. It is far easier for an understaffed office to manage a few big projects than many small ones.

In addition to performing research and development, the federal government should actively encourage the commercialization of solar technologies. Such proposals always stick in the craw of people who would prefer to see commercialization handled in the free marketplace. Alas, the free marketplace for energy disappeared long ago, when mineral depletion allowances, investment tax credits, accelerated depreciation schedules, federal assumption of nuclear liability, federal ownership and subsidization of uranium enrichment facilities, federal underwriting of synthetic fuel development, oil and gas price controls, the rural electrification program, and dozens of other financial and regulatory actions were instituted. Without exception, these discriminated against decentralized technologies. Today's need is for policies that will put solar energy on an even footing with its competitors.

HELPING THE BUYER

Because the initial investment is the principal cost for solar technology, prospective consumers must have access to up-front money. Different residential solar tax credits have now passed both houses of Congress; the likeliest compromise will provide a credit of 30 percent on the first $2,500 investment and 20 percent on the next $7,500. Businesses that install solar equipment will receive a 10 percent credit above the existing investment tax credit.

Unfortunately, this will not begin to counterbalance the higher tax credit allowed for investments in nuclear and synthetic fuels facilities in the Senate version of the National Energy Act. Moreover, tax credits are of limited usefulness for millions on fixed incomes who are being ravaged by rising fuel prices. Poor people will require something like a Treasury rebate as a down payment before they will be able to afford solar investments.

A financing authority should be established to give the homeowner and small businessman access to investment capital on terms at least as attractive as those available

to utilities to invest in centralized energy sources. This might take the form of the national Solar Development Bank proposed by Rep. Stephen Neal (D-N.C.), making 30-year loans at very low rates of interest. States could supplement such a federal effort with state institutions funded with revenues from tax-free bonds; several such proposals are now before the California legislature.

Many homeowners are reluctant to purchase solar equipment because such merchandise often carries an inadequate warranty. Warranties are considered important because the initial cost of solar technologies is generally high. Solar investments make economic sense only because they have no fuel costs and low maintenance costs in future years. But if the performance of the equipment is not guaranteed for several years, the economics of solar technologies become more questionable.

However, a warranty system can discriminate against small manufacturers. In a nascent industry, warranties are meaningful only if they are backed by performance bonds. Otherwise, businesses can simply disappear, leaving the consumer holding the bag. But setting aside scarce capital to guarantee the performance of equipment for a decade can pose an unbearable burden on small entrepreneurs.

California Energy Commissioner Ronald Doctor has suggested a solar warranty fund, analogous to the oil spill liability fund. All solar manufacturers meeting certain standards would be allowed to contribute to the fund; if anyone's equipment proved faulty, the fund would guarantee remuneration. The state would be the warrantor of last resort.

The construction of a house or other building involves a 30-to-50-year commitment to energy usage levels. By 1981, it would be reasonable to require at least passive solar design features in all new buildings. At the very least, new buildings should be required to meet vigorous regional weatherization standards, and to be built and oriented in ways that facilitate eventual retrofitting with solar equipment.

A more direct role can be played by the federal government—the largest single purchaser of almost everything in the American economy—through its procurement policies. If, for example, the Defense Department were to make a concerted effort to provide solar heat where possible to its existing residences, a market in excess of 50 million square feet would open up. The total U.S. market for solar collectors in 1977 was about 5 million square feet.

If Defense were to purchase 150 megawatts of photovoltaic capacity for $450 million including storage batteries and power conditioning equipment, it would save $1.5 billion net over the next 25 years in fuel and maintenance costs for displaced gasoline generators. A 1977 FEA report found that such a Pentagon purchase would reduce the cost of commercial photovoltaics to $500 a kilowatt—a price that is competitive for many purposes with conventionally generated electricity.

HELPING THE THIRD WORLD

One of the most dramatic solar effects the federal government could undertake would be in the realm of foreign assistance. Solar energy makes even more sense today in the Third World than it does domestically. Developing countries tend to be richly endowed with sunlight. Their population patterns lend themselves to decentralized energy sources: half the people in Latin America, 70 per cent in South Asia and 85 percent in Africa still live in rural areas. And in remote Third World villages, the current high cost conventional energy, especially electricity, makes virtually all solar options economically competitive today.

Last May, President Carter eloquently proclaimed our national interest in improving the prospects of the world's poor. Energy is vital to economic development. Since Carter is understandably cautious about the proliferation of nuclear power around the world, solar energy poses an obvious answer.

What would it cost to provide a minimum decent supply of energy to each of the world's 1 million rural villages before the end of the century? Quite a bit. If the United States were to shoulder the entire burden, it might amount to one-half of 1 per cent of our gross national product annually.

That would be a very substantial pledge, but it must be placed in perspective. American aid to Europe under the post-World War II Marshall Plan amounted to 2.8 percent of GNP. By comparison, 0.5 per cent for solar assistance is a pittance. Next year, it would amount to over $5 billion—a large figure, but not too intimidating when compared to annual Third World arms receipts of nearly $28 billion.

Much of this foreign assistance would be spent here at home. As American manufacturers begin to mass produce photovoltaic arrays, small wind turbines, etc., the domestic prices of these items should plummet. This would be a boon to U.S. consumers, and it would help American solar companies in the world solar market. As a way to incorporate his concern for poverty, human rights and nuclear proliferation in one package, a "Carter Plan" to bring solar technology to the poor villages of the world may represent the President's most attractive opportunity.

A final area where federal assistance should aggressively harness renewable energy sources is on the farm. U.S. farmers are upset with the low prices their crops are now bringing. U.S. consumers are unwilling to see their food bills rise. One answer would be a major national effort to make America's firms independent of high-priced fuels—thus separating food prices from fuel-induced inflation. Solar, wind and biological sources can be easily tapped to meet the energy demands of American agriculture. A solar equivalent of President Roosevelt's rural electrification program, which provided subsidized loans at 2 per cent interest to extend the nation's electrical lines to the farm, could lead to energy self-sufficiency for the nation's farms by 1990.

THE SOLAR SOCIETY

Energy transitions always bring fundamental social change. In the 18th century, the substitution of coal for wood and for draft animals made possible the Industrial Revolution. The later shift to petroleum made possible the jet plane and the automobile, shrinking the world and reshaping its cities. The coming energy transition, whatever direction we take, will bring similarly far-reaching changes.

Tapping some energy sources demands ever-increasing centralization; solar resources are best used at dispersed locations. Some dangerous sources can be permited widespread growth only under authoritarian regimes; solar energy can lead to nothing more dangerous than a leaky roof. Some energy sources invite profiteering cartels; solar sources would tend to narrow the gap between rich and poor—both within and among countries. Some energy sources will tend to reduce the size of the workforce; solar sources promise large numbers of new jobs. Some energy sources involve technologies that baffle all but a few specialists; solar energy can be harnessed by individual homeowners with simple devices built of local materials.

Of the possible futures we might choose, a solar-powered one appears most inviting. But the transition will not be smooth and painless. Competing energy sources will be vigorously championed by powerful vested interests. Bureaucratic inertia, political timidity, conflicting corporate designs and the simple, understandable reluctance of people to face up to far-reaching change will all discourage a solar transition from occurring spontaneously.

If the solar transition is to be speedily undertaken, the federal government will have to play a strongly promotional role. But thus far the influence of national policy makers has probably been negative. For two years they have caused homeowners to delay solar purchases by promising eventual tax credits—and then failed to pass the necessary legislation. They have invested the lion's share of federal solar research in elephantine technologies to the detriment of the small-scale, decentralized options best suited to solar equipment. They have spared no pains to involve electric and gas utilities in solar applications, ignoring the fact that solar energy is a textbook case of an anti-monopolistic resource.

While still hoping for leadership from Washington, many Americans are no longer waiting for it. With the sure instincts displayed by innumerable inventors, tinkerers and entrepreneurs through our history, these citizens are in the vanguard of a nation that, in the years ahead, must increasingly turn toward the sun.

THE NATURAL GAS BILL

● Mr. PEARSON. Mr. President, one of the most difficult and controversial issues faced by the Congress in all of its history is the pricing of natural gas. Debate on this issue has gone on year after year for nearly three decades and literally volumes have been written and said in pursuit of a national policy which will generate maximum production from this country's reserves of natural gas without causing unacceptable price increases for the users of natural gas.

There are those who feel very strongly that a regulated market which provides greater financial incentives than the present system will produce all the domestic gas that can be discovered and developed. There are others, including this Senator, who feel just as strongly that a regulated market will never generate all the domestic gas that could be produced at prices totally acceptable to consumers. In view of this wide gulf between such strong opposing views, the difficulty in effecting changes from the present system can well be understood.

The country needs a change in its national pricing policy for natural gas. Everyone recognizes that the present system just is not working, that something must be done if we are to improve the output of our domestic gas industry to help address the critical energy needs of the Nation. To date, however, the deep division among national leaders has prevented the adoption of any of the proposed solutions and, in the Congress, has produced a deadly kind of institutional paralysis which may be more serious in the long term than the natural gas issue itself.

One of our colleagues, Senator PETE DOMENICI of New Mexico, has recognized the serious consequences of a failure to act and, based on that recognition, he has played a vital role in the long, tedious hours and days of negotiations that produced the compromise proposal adopted by the conference in an open meeting on May 24, 1978.

At that time, Senator DOMENICI submitted a statement for the conference record which explains his reasons for working so hard to obtain a compromise. I have studied his statement and I feel it reflects a unique understanding of not only the underlying problems related to natural gas pricing, but also of the importance of finding a solution within the institutional framework of the legislative process.

Mr. President, in order that all of our colleagues can have the opportunity to consider this excellent statement by the senior Senator from New Mexico, I request that it be printed in its entirety in the RECORD.

The statement follows:

STATEMENT OF U.S. SENATOR PETE V. DOMENICI ON THE FINAL NATURAL GAS COMPROMISE, MAY 24, 1978

Mr. Chairman: When I came to the Senate in 1973 from one of the major gas-producing States in the Union, I had only a slight understanding about natural gas and I was only vaguely aware of the complexities of existing pricing systems. About the only thing I knew for certain was that the present system just wasn't working. It didn't take a very knowledgeable person to reach that conclusion since certain facts were well known to all.

Under that system, this country had seen domestic natural gas production decline steadily with total annual consumption exceeding the total addition to reserves.

Under that system, we had people and businesses in the States where gas was produced paying substantially higher well head prices than consumers in distant States.

Under that system, we had natural gas being sold and consumed at prices that were nowhere near the true value of this energy resource, allowing and encouraging its misuse and outright waste.

Under that system, domestic producers were denied prices which were several times lower than that we were willing to pay for energy from foreign sources, specifically foreign oil and gas.

Under that system, most of the domestic reserves of this country, whatever they were and are, were destined never to have been discovered, or to be developed and produced since there simply was not sufficient incentives to produce for the vast interstate market.

Under that system, some pipelines in this country were starving for gas with resulting hardship on people and businesses while other pipelines wallowed in excess supplies and some wells were actually shut in. In short, under that system, the most casual observer could only conclude that there had to be a better way.

That better way, it seemed to me, ought also to be obvious to everyone. If there was plenty of gas in the unregulated intrastate market, which there was (and is), and if there was a shortage in the regulated interstate market, which there was (and is), re-regulation must be the deciding factor and deregulation must be the answer. That seems so obvious to me, so logical and indisputable that I accepted as one of my primary objectives as a national legislator, the deregulation of natural gas prices and the return to a free market pricing system. It is in relation to achieving that objective in which I was overly optimistic, for, while all who cared to look could see the obvious deficiencies of the existing situation, obtaining a majority in the Congress behind one solution, any solution, has proven to be extremely difficult and frustrating.

There are those, who while acknowledging the manifold failures of the present system, refuse to accept any of the consequences required for fundamental or meaningful change. They want to avoid those consequences to the brink of tragedy, then point an accusing finger at culprits who conveniently abound and then finally respond by simply spreading the shortage around. Equality, in the view of these people, must be a virtue more important than warmth, health, jobs or economic vitality. I have already acknowledged my initial optimism, but I could not compound that excessive optimism with foolishness by accepting the argument that "I'm O.K., you're O.K., as long as we all have the right to buy gas at a guaranteed low price, never mind that there's not enough gas to go around."

As I learned more about the history and complexity of natural gas price controls and as I dealt with others with strong opposing views, I began to seriously question whether we could ever enact the kind of relatively simply natural gas deregulation legislation I felt would be most beneficial to the country. It began to become clear to me that, in the politically and emotionally charged atmosphere of the United States Congress we would have an awful lot of trouble passing a bill that would decontrol new natural gas at an early, clearly identifiable specific date, that would provide a reasonable and simple definition of new gas and that would maintain the intrastate market free of Federal intervention.

In the Senate, we finally passed a bill which would have met those tests, but all of us knew that looking down the legislative road at the House and the President, the Senate version was only a benchmark from which we could negotiate. After months of negotiating from that version, it appeared we would have no bill at all because the poles still so far apart and bridging that gap was made so difficult by strongly held opposing beliefs and principles.

It would have been entirely consistent with my own personal beliefs and principles to have acknowledged the futility of continuing to try to find accommodation and I was tempted to take that comparatively easy road I was tempted to apply my principles and my own requirements for a desirable natural gas deregulation bill, withdraw from negotiations and remain serenely above the fray.

Remembering, however, the sad condition over two decades of price controls has wrought upon the people of this country, I determined that there was a greater principle to be served than my own notions of what was a desirable natural gas bill. That greater principle was simply that the people of this nation deserve a change in the national policies that are the cause of our present plight. Carried one step further, a basic change in national pricing policy is absolutely necessary to prevent a destructive slide toward greater dependence on foreign sources of natural gas, a dependence like that now existing with relation to crude oil.

Convinced that continuation of the existing disastrous policy was *not* an acceptable alternative, I then had to consider whether we were likely to have another real opportunity in the immediate future to enact a bill similar to the Pearson-Bentsen bill that passed the Senate. I know there are those who will disagree and I know there is room for reasonable men to differ on this question, but in my own mind, I concluded that this is the best chance we are likely to have to change our national natural gas policies for the better.

Those determinations, judgments and conclusions left me with no alternative but to work hard with anyone and in any way I could to try to find a solution which would ultimately achieve deregulation of new gas, provide greater production incentives in the meantime, while preventing sudden and severe adverse consumer impacts.

From last November until the early part of this year, serious negotiations were conducted between the House and Senate Conferees and then between the two factions of Senate Conferees, with all those long, tedious hours resulting in no movement at all. On February 7 I made my intentions known to work for a compromise immediately after negotiations between the major factions on the Senate side had fallen through. Since then I have been tempted many times to give up. I have been tempted to reject my previous judgments as faulty or erroneous. I have been urged to quit the process and scolded for not doing so. The process that has produced this compromise was criticized by friends and strangers from both ends of the spectrum and, though I was critical of it myself, I honestly felt it was the only way we could produce a natural gas bill. For the reasons I have already outlined, I decided to stay with the process.

It would have been far easier to bail out at many points along the way than to hang in there and accumulate the political and personal disadvantages which must accompany legislation of national significance with which no one is entirely satisfied. Only time will tell whether I should have yielded to those temptations, whether I should have heeded the admonitions that were gratuitously offered from all sides, but right now I remain convinced that our nation will be better served by this compromise than would be the case if it were not to be enacted.

To be sure, the detractors of this bill are correct in pointing out many flaws, lots of inconsistencies and what appears to be needless complications. Yet, there are strengths and benefits in the compromise which, to my mind, outweigh its weaknesses and its disadvantages. I'd like to mention some of these weaknesses and strengths which will indicate why I feel, on balance, the compromise will be a plus for the nation as a whole:

While it is true that Federal price controls are extended for the first time to the intrastate market, such extension is required if we are to establish a national market for natural gas while phasing out controls on the interstate market. Such extension greatly expands the interstate market opportunities for most producers and insures that no more will intrastate consumers pay a higher well head price for new gas than interstate consumers.

While it is true that the definitions are complicated and will be difficult to administer, it is also true that less complicated definitions are simply not achievable in this political atmosphere. It is also true that the new gas definitions are broad enough to give initial new gas treatment to virtually every new well and to encourage immediate development of producing areas by infill drilling to complete production from presently producing reservoirs.

While it is true that price controls are extended for another seven years, it is also true that the pricing structure envisioned provides a ceiling price which can be calculated with certainty and which is not vintaged. While others differ on this point, I also feel that this pricing structure will allow and encourage new commitments of risk capital for exploration and production sufficient to generate the activity required to reach the full potential of our domestic reserves of natural gas.

While it is true that there are many different pricing categories for domestic natural gas, it is also true that it will not be difficult to determine the category any specific production falls into and once that categorization is accomplished, the future price treatment of that gas can be determined with certainty. To my mind, this element of certainty more than offsets the uncertainty of the unworkable current regulatory system founded on the vintaging concept.

While it is true that some categories of gas will not be deregulated, it is also true that the Pearson-Bentsen bill did not deregulate

all natural gas and that total deregulation has not been the objective, to my knowledge, of any serious legislation or major interest group. This compromise deregulates the production from nearly all new wells within seven years and from wells deeper than 15,000 feet at the end of one year. Neither of these are elements of the existing regulatory scheme which has suddenly found so many friends and champions.

While it is true that the administration may be difficult and costly and Federal intrusion would be allowed into matters traditionally left to the States, it is also true that such intervention is statutorily limited and that States are expressly not preempted from the exercise of powers and authorities necessary to meet their own unique circumstances. Likewise, Federal monitoring of decisions delegated to the States is on a very limited basis with the substitution of Federal judgment for that of the States expressly forbidden. As to the costs of regulation, I here and now commit to seek Federal appropriations for offsetting increased costs States may incur in complying with the requirements of this legislation if those costs prove to be excessive or oppressive.

In conclusion of my general statement, Mr. Chairman, I will simply say that while I would have greatly preferred a different bill, closer to the Senate version, and while I have apprehensions about elements in this compromise, I intend to support it now and in the future for the reasons given earlier in my statement. To do otherwise would be a violation of my duty as I see it.

If I might use the forum of the Conference Committee Record, Mr. Chairman, I would like to mention specific matters related to this compromise which have significance to New Mexico and New Mexicans:

1. For the producers in New Mexico it provides certainty of price, with increased incentives in the more lucrative interstate market. It provides a special development incentive category for infill drilling which will be especially beneficial for those areas where one well will not adequately drain a normal proration unit. The compromise allows new gas prices for a large percentage of new wells and specificies that there will be no vintaging of any ceiling prices established under the compromise, meaning that both the producer and the State, through additional revenues from higher prices and expanded production, will benefit from the compromise.

2. For New Mexico consumers, it provides for the first time in many years that New Mexico consumers will not pay more for new gas than consumers in far away States. From the date of enactment, New Mexicans will no longer be penalized for the simple geographic accident that they happen to live in the same State where the gas is produced. For too long, we have subsidized the exploitation and exportation of our natural resources, a deplorable situation which, for natural gas, this compromise will bring to an end.

3. Federal regulation of New Mexico's intrastate lines will be limited to price and duration of contracts. As previously mentioned, prices will be the same as interstate prices. In determining contract duration, the Federal agency cannot discriminate against intrastate purchasers or divert gas from the intrastate lines to interstate lines and the special needs of New Mexico purchasers must be taken into account.

4. Under this compromise, neither emergency allocation or incremental pricing requirements will be imposed on intrastate lines. New Mexico is left free, therefore, to establish such laws and regulations if the appropriate State authority deems it necessary.

5. New Mexico intrastate pipelines, which have an unusually high seasonal load factor, will be able to compete with interstate pipelines on non-price factors, such as take-or-pay contracts. This capability will be provided by a provision in the compromise under which intrastate pipelines may sell or assign surplus gas to interstate pipelines without any party to such transactions becoming subject to Federal regulatory jurisdiction. This additional flexibility should ensure an adequate supply of gas to New Mexico consumers during the period of price parity.

6. This compromise presents a reasonable Federal response to the difficult and complex problems associated with indefinite price escalator clauses in existing intrastate contracts. Those escalator clauses will be allowed to operate up to the new gas trend line during the phase out period and close to that trend line after deregulation. As a result, producers will not arbitrarily be denied, by Federal intervention, a substantial benefit from the clauses they contracted for in good faith, at arms length. On the other hand, the impact on intrastate consumers resulting from the higher prices generated by a change in Federal law, will be limited to the new gas trend or close to it. Producing States like New Mexico are left free to go beyond that and further limit the operation or effect of these escalator clauses if felt necessary for the protection of intrastate consumers. This will specifically permit the State of New Mexico to exercise its right and duty to protect New Mexico consumers while at the same time considering the ligitimate interests and rights of producers with escalator clauses in existing intrastate contracts.

7. Under the incremental pricing requirements, which apply only to interstate pipelines, agricultural use of natural gas will receive special treatment.

8. The Federal Government will not be allowed to establish a separate bureaucracy for making the determinations required by this law. Those determinations will be made by the appropriate State agency based on geologic and engineering evidence normally available to that agency. The Federal agency will monitor these determinations and challenge only those felt not to be supported by substantial evidence. In those cases, the Federal agency must present its challenge within 45 days and resolve it within 120. In that challenge, the Federal agency will reverse only if the State's determination is not supported by substantial evidence. The Federal agency may not substitute its judgment for the States.

9. The State of New Mexico will also be able to utilize its own State royalty gas to meet shortages of natural gas that may develop at any point within the State. To that end, interstate lines may be used for transportation purposes, where necessary. The State will also receive the maximum ceiling price on its royalty share of intrastate contracts when they roll over, ensuring that the citizens of New Mexico receive the full benefit of State owned natural gas production. Finally, the inherent authority of the State and local governments to impose severance and production taxes on the depletion of this natural resource is unaffected by this compromise. In addition, the compromise guarantees that the New Mexico severance tax recently enacted will remain intact and will not retroactively be thrust upon producers, but will be borne by the end user, who after all is the one benefitting from the depletion and the production of the resource.●

THE TIME HAS COME FOR CIVIL SERVICE REFORM

● Mr. BIDEN. Mr. President, Government will not work. Many of us, perhaps most of us feel that way. Despite the billions of dollars spent each year by the Federal Government, no one seems to have the answers to the big problems: Inflation, the energy crisis, and unemployment.

But most Americans feel the shortcomings of Government on a far different level than the development of new and comprehensive policies. They encounter Government when their lives are touched directly in some way: The social security check which did not come, high taxes or a confusing new business regulation. They have to deal with bureaucrats, and the experience is frustrating. Too often they find incompetence, callousness, and insensitivity.

The consequences of this failure of Government to respond can be severe. Citizen anger over Government inefficiency and abuse has manifested itself in California's popular proposition 13, tax evasion, and widespread loss of confidence in our institutions of Government.

But as Anthony Lewis so aptly points out (New York Times, April 10, 1978), even though—

> . . . Americans complain a lot about government, few actually want it to do less. The average citizen is no Milton Friedman, fired by a zealot's vision of life in a free market. He wants the government to help the old and the sick—and business and midde-class college students and numberless other interests.

In March, President Carter asked Congress to approve a set of reforms intended to improve the Federal bureaucracy. However, the response of Congress and the press has been lukewarm at best. In fact, much of the resistance to civil service reform has been from liberals who, in the long run, stand to lose the most from Government inefficiency and ineptitude. Public support for many liberal social welfare programs is very low. If Government is incompetent then fewer people will want it to do things.

Lewis writes:

> If anything does set off a wave of right-wing, anti-Government fervor, it will be the failure of liberals to see to it that the government Americans want need not be gargantuan or staggeringly complex, and must be delivered efficiently and courteously.

That being so, liberals in Congress will naturally support President Carter's reforms, won't they? Well, after hearing the employee union spokesmen last week, Representative Herbert E. Harris, Democrat of Northern Virginia said, I'm skeptical the administration is going to get what they want, or get it very fast!

Although almost every bill contains provisions which one can find fault with, I believe that it would be a grave mistake for Congress to pass up this opportunity to make long-needed reforms in the Civil Service System. At stake are the programs and services which so many of us have labored so long for. I welcome the opportunity to reexamine ways in which we can make our Government more responsive and sensitive to the needs of our citizens. I look forward to working with President Carter and with my colleagues in the Senate on this very important issue.●

GAS PRICING

● Mr. ABOUREZK. Mr. President, I received a letter recently from the administrator of a municipal gas system in Iowa, and I thought my colleagues would

find it interesting. It states very clearly that the public is willing to pay more for gas if it costs more to produce gas. It is not willing to pay more for gas to provide greater profits to oil companies that are bloated with revenues already—which is what the new natural gas bill would do.

I ask that Brad Roos' letter be printed in the RECORD.

The letter follows:

CITY OF SANBORN,
June 2, 1978.

Hon. JAMES ABOUREZK,
Senate Office,
Washington, D.C.

DEAR SENATOR ABOUREZK: In light of recent Senate-House Conference developments and administration flip-flopping it seems the only place the customers of the Sanborn Municipal Natural Gas Utility can have their opinions supported is through your efforts in strongly opposing the move to deregulation of Natural Gas.

We watched with interest as you staged the filibuster on the original Senate consideration of the energy bill. We were appreciative of those efforts and would appreciate and morally support any efforts to block passage of the version showing up now. The filibuster would give us one last attempt in showing our contempt of the legislation on Natural Gas pricing coming out of the Senate-House Conference.

We are not against higher prices for our natural gas. We realize that the cost must go up, even as it has so drastically in the past years. The position we hold is this, we feel the price of natural gas should be based on the cost of the gas plus a reasonable profit, rather than a price based on political maneuvering. If the latter is adopted, we have no alternative but to feel that we have been sold out by the Congress and the President.

Anything you and the few people around you can do to fight the measures proposed, regarding the pricing issue would be greatly appreciated.

Good luck in the battle ahead of you, and we're on your side.

Yours truly,

BRAD ROOS,
City Administrator.●

MISSOURIAN SERVES AS PRESIDENT OF THE AMERICAN SOCIETY FOR MEDICAL TECHNOLOGY

● Mr. EAGLETON. Mr. President. I am delighted to share with my colleagues the achievements of Mrs. L'Nora Wells of Columbia, Mo., who will soon be completing a year's term as president of the American Society for Medical Technology (ASMT). ASMT is a national professional organization representing 30,000 individuals engaged in the practice of clinical laboratory science. As the focus of this Congress, and the Nation as a whole, has increasingly been directed toward health care costs, ASMT has served as a valuable resource to the Senate and House committees with jurisdiction in this area.

Mr. Wells has brought exceptional leadership qualities with her to her work with the society. She has served as a board member and president of the Missouri State Society of Medical Technology and has been a representative to the Missouri Health Manpower Commission.

In addition to her dedicated service to activities within the State of Missouri, Mrs. Wells has shown an active interest in national health policy through her positions on ASMT's president's council, board of directors, professional relations committee, and education committee. Despite these demands on her time, Mrs. Wells has maintained an active professional career as chief administrative technologist at Boone County Hospital in Columbia, Mo.

Mr. President, I know that all of my colleagues will want to join with me in commending Mrs. Wells for the outstanding leadership which she has demonstrated to both her profession and the entire health care field during her term as president of ASMT. I look forward to continuing to work with her, and know that she will maintain an important role in the development of health care policy.●

A TRIBUTE TO THE LATE SENATOR JAMES B. ALLEN

● Mr. GRAVEL. Mr. President, it is with deep sorrow that I join my colleagues in paying tribute to Senator James B. Allen of Alabama. In modern times, when the Senate's tradition of great debate and careful deliberation seems to be threatened by the constant press of a heavy legislative calendar, Jim Allen reminded us of the value of our deliberative tradition in formulating the law.

Senator Allen was elected by his fellow Alabamians in 1968 to this body, having already had a distinguished career in Alabama State government. Had he lived to complete his second Senate term, he was a sure winner for another term, so popular was he with the people of his State.

As Senate careers go, 10 years is not a long time. Yet Jim Allen's influence and thinking have contributed to virtually every piece of legislation passed since he arrived.

Indeed, Jim Allen did not limit himself to a few areas of legislation. He was in the heat of the debate on such diverse issues as tax reform, public campaign financing, antitrust law, nuclear proliferation, civil rights, consumer legislation, and most recently labor law reform.

It was not at all unusual for him to draft competent technical floor amendments to bills completely outside of his committee assignments. His quick grasp of the impact of legislation was evidence of a fine legal mind.

Almost always, Jim Allen and I were on the opposite side of an issue But as an opponent, one could never question the sincerity of his position. He had an underlying philosophy which guided him and he argued his principles with truly impressive logic and skill.

With his great knowledge of parliamentary procedure and his unfailing presence on the Senate floor throughout long hours of debate, Jim Allen represented the people of Alabama, in addition to a national constituency, with unmatched skill and dedication.

I salute a dedicated and principled gentleman. My deepest sympathy to MARYON ALLEN and the Allen family. And I hope that in continuing her husband's work, the tragedy of his loss may somehow be softened.●

UGANDA RELATIONS

● Mr. CHURCH. Mr. President, on May 3, I addressed the Senate and outlined the "Ugandan Connection." I pointed out the bloody atrocities inflicted upon the Ugandan people by the despotic rule of Idi Amin. I also raised questions regarding the role played by American companies in perpetuating this regime.

The Ugandan economy has been almost completely wrecked by Amin's rule. It is now virtually dependent on coffee exports as a source of foreign exchange. With Ugandan currency almost completely worthless, the funds for coffee sales are Amin's main resource with which to equip and pay his mercenaries.

Over one-third of Uganda's coffee exports were purchased for consumption in the United States. As a result of public pressure, congressional initiatives, and shortly following announcement of the Senate Foreign Relations Committee hearings on our relations with Uganda, the largest American companies purchasing Ugandan coffee have voluntarily decided to discontinue this practice. I commend and applaud this decision by Procter and Gamble (the Folger Coffee Co.), General Foods Hills Brothers Coffee, Inc., Nestle Co., and the coffee brokerage firm ACLI Sugar Co. I would also like to mention that Chock Full of Nuts took this independent action 2 years ago before public opinion focused on this issue.

The actions of these American companies will deprive Amin's government of over $100 million of American money. Consumers in the United States will no longer be indirectly supporting the Amin regime.

Mr. President, while I welcome these events, I am troubled by the prospect that Uganda coffee will merely be rerouted to other nations. An article in the Journal of Commerce on May 31, 1978, states:

> Ugandan coffee rejected by the U.S. will eventually appear on European markets in greater quantity, London dealers say. So far European, and particularly U.K. coffee buyers have shown no objection to taking Ugandan coffee at competitive prices, so the U.S. ban on Ugandan coffee is likely to result only in a slight restructuring of world coffee trade patterns rather than in a reduction of total coffee supplies.

Mr. President, the U.S. Government cannot speak for other nations. Nor can American companies be held responsible for the actions of other firms around the world. But our Government can and must urge other civilized nations to follow our lead in this most moral issue.

It has also been reported that some of the American companies which have announced that they would no longer purchase Ugandan coffee may in reality merely be shifting these purchases to their European subsidiaries. If these reports are accurate, it would mean that the companies were merely complying with the letter, but not the spirit, of their own pronouncements.

Aside from the coffee issue, I continue to be disturbed by the role of other American companies in Uganda. In view of all the evidence of the horrors of geno-

cide in Uganda, I wonder how they can continue to do business with Idi Amin?

But perhaps it is unfair to expect the private sector to behave otherwise in the absence of a clear U.S. Government policy vis-a-vis the Amin regime. So far, the Carter administration has been unwilling to put direct economic pressure on Uganda. The Department of State testified before a House Subcommittee that it was opposed to unilateral sanctions against Uganda, and the United States has not demanded in the U.N. that international sanctions be imposed against Amin.

Mr. President, I would like to announce the dates of hearings scheduled by the Senate Foreign Relations Committee's Subcommittee on Foreign Economic Policy to examine the nature of U.S. economic ties with Uganda, and U.S. Government policy with regard to those ties. These hearings will be held on June 15, June 21, and June 26.●

COMMONSENSE ABOUT ENERGY

● Mr. ABOUREZK. Mr. President, it occurs to me that President Carter has reason to be pleased, rather than disappointed, with the slow progress of his energy package.

If we had seen speedy passage of the legislation last summer, energy would once again have vanished from the public forum. Newspapers would have lost interest once the congressional struggle ended. The bureaucrats in Government and the oil industry would have returned to managing energy as it has been managed in the past—in quiet cooperation.

If I did not know better, I might suspect that Jimmy Carter had introduced his bill with just this possibility in mind: To create a controversy that would keep the spotlight of public attention on energy for an entire year, and have reporters scurrying around looking for angles to write weekly—or even daily—stories. Sort of the moral equivalent of an energy crisis, since we do not seem to be able to come up with an actual energy crisis.

This is the theme of an article which appeared recently in a bimonthly journal, Working Papers. In it, Steven Schneider argues that we are not in a critical period where fossil fuels are concerned. The critical moment will not come in 1985, as Mr. Schlesinger wishes us to believe; and as the CIA tried to show with trumped up intelligence. It will not be here in 1990, as industry warns. If world fossil fuel supplies are developed, distributed, and consumed with reasonable lack of waste, they should last another 100 years.

Half of that period will be long enough to oversee the maturing of renewable, benign energy technologies like solar and hydrogen fuels, to name just two. This will give us the opportunity to integrate these fuels into our use pattern as they actually become economical, instead of attempting to make them economic by artificially raising the price of still-cheap fossil fuels.

In the struggle over energy policy, the phrase "time is money" takes on a new meaning. I believe that what we need most in order to reduce our energy use is more time—more time to perfect renewable technologies. More time to explore energy paths other than the capital intensive ones that demand prices equal to $25 or $30 per barrel oil. More time to allow individuals and companies to replace their existing houses and businesses with more efficiently designed structures that are lighter consumers of oil, gas and electricity from central generating stations. More time during which people and jobs will move closer together, and more closely knit communities will replace suburban sprawl. More time so that public transportation systems will become convenient, available, and attractive means of traveling. It is time that will allow all of these things to occur without serious dislocation to the large majority of the people of this country—not higher prices spread over some 5-year period dictated by a false sense of urgency. The energy companies know that time is money, too.

Using the cry of "crisis" and the predictions of imminent resource depletion, they hope to boost the basic price of fuels high enough to make their "alternative" technologies—like oil shale and liquefied coal and electricity from nuclear power—the technologies of the future.

Mr. President, I think that it is time we looked a little more closely at the world's oil resources and asked how much time they will provide for the transition to a postpetroleum future. And at the same time, we should look a little more closely at how to produce these resources—most of which may be outside of the United States in countries which would be anxious to sell to industrialized nations. Why is not the Government pursuing ways to bring these resources into the energy distribution system in order to prolong its life at current prices?

I request that an article which does just that, "Commonsense About Energy," be printed in the RECORD. The article is not one whose conclusions I accept entirely, but it is one which thoughtfully addresses questions which we never hear in the supposedly wide-open debate that is taking place over our energy future. The author, Steven Schneider, monitors energy policy for the Ford Foundation-funded Third Century America project at the Institute of International Studies at Berkeley, Calif.

The article follows:

COMMONSENSE ABOUT ENERGY—PART ONE: WHERE HAS ALL THE OIL GONE?

(By Steven A. Schneider)

Last fall, right after its quick and easy ride through the House, Jimmy Carter's energy program hit the Senate. When it emerged, it was legislative mincemeat. Russell Long blocked Carter's oil tax-and-rebate scheme, the centerpiece of the president's plan. Bennett Johnston gutted the proposal to restructure utility rates. The finance committee opposed the tax on gas guzzlers. Bentsen and Pearson spearheaded a vote to eliminate natural gas price controls, despite a filibuster led by Abourezk and Metzenbaum that produced the Senate's first all-night session in 13 years. Carter may have wanted energy to be the moral equivalent of war, but the Senate refused to put an army on the field.

Not, of course, that the army would have been so strong anyway. Carter's proposals were at best modest, at worst wrongheaded. That should not be surprising. Changing America's energy use means confronting powerful institutions and well-established patterns of behavior. The oil companies will oppose, neutralize, or sabotage policies that run counter to their interests. Consumers' short-term interest in lower prices may not coincide with their long-term interest in a stable, fair system of energy production. So the forces for reform are few, the obstacles to reform many. In that situation, no politician will go too far out on a limb. The compromise measures agreed upon by the House-Senate conference reflect this fact.

The energy controversy, however, is not likely to go away. Higher prices and apparently uncertain supplies generate strong pressures on government to intervene in the energy marketplace. Whenever a specific issue flares up—nuclear plant construction, for instance, or a strip-mining bill—the resulting political rhetoric is likely to invoke the already familiar language of long-term options, strategies, and energy "mixes." And whatever becomes of Carter's specific proposals, the assumptions behind them reflect what a lot of Americans believe ought to be done about energy. We should dig more coal and build more nuclear power plants. We should lessen our dependence on imported oil. In the long run we should conserve more and explore "renewable" sources of energy like solar power.

There is something in this program for everyone, and policy makers are likely to pursue some combination of these objectives for years to come. The debate will be over which to pursue and how to pursue them. "Debate," of course, may be too mild a word. If America's energy use is to change substantially, and it will have to in the long run at least, many oxen will be gored. The political battles over whose ox is next will be frequent and intense.

Right now, it may be useful to clear up some misperceptions. Reformers should not waste their time fighting straw men or advocating impossible solutions. The problems and possibilities of each energy option—both conventional fuels and the alternative-energy/conservation route—deserve a careful analysis. This article examines nuclear power, coal, natural gas, and—the elusive missing link—international oil. Part two will look at the economics of conservation and renewable energy sources.

At present, nuclear power supplies about 3 percent of America's total energy consumption and about 12 percent of the nation's electricity (up from 3.1 percent in 1972). In some states—Connecticut, for example, where more than half the electricity comes from nuclear plants—the fractions are much bigger. According to Carter's original proposals, nuclear power was to provide 23 percent of the increase in energy use projected for 1985. If they proliferated at that rate, nuclear plants would then account for a quarter of electric power production.

Once the great white hope of utilities, nuclear power has fallen on hard times. From a record 35 reactors ordered in 1973, the industry slumped to four new reactors ordered in 1975, three in 1976, and only two firm orders in 1977. According to Nuclear Regulatory Commission figures, 170 reactors are currently planned or under construction (it takes at least ten years to get a nuclear plant approved and built). Of these, 145 have been deferred or delayed, some indefinitely. General Electric, which has not had a new order since 1975, recently threatened to withdraw from the nuclear reactor field altogether. Westinghouse is in trouble: to promote the sale of reactors, it agreed to supply utilities with uranium and then got hit by big price increases. Since 1973 the cost of uranium has jumped from $6 to $40 or more a pound.

Safety and technical problems remain un-

solved. The 67 reactors operating in the United States today are shut down, on the average, nearly half the time. Twenty years after the first commercial reactor began opcration, the radioactive wastes produced are still being stored in temporary on-site facilities that Fred Stetson of the Atomic Industrial Forum has described as "swimming pools with steel liners." These wastes can stay under water for decades, but the utilities expect to run out of space by 1985. Meanwhile, no company or federal agency has come up with a practical plan for storing wastes permanently. Though they can in principle be stored deep underground in certain geological formations, locating such formations is difficult. Convincing communities to let nuclear wastes be buried in their region has so far proved impossible.

The emergency safety systems designed to prevent "catastrophic accidents" at nuclear plants (a "meltdown" or other accident causing sizable radiation loss, not an atomic explosion) are uncertain at best. Though none has yet failed completely, at least two systems have come near failure and several have flunked computer simulations of possible accidents. The federal government's Price-Anderson Act limits utilities' liability in the event of an accident to $560 million, with most of the insurance provided by the government itself. Without Price-Anderson, critics believe, the cost of insuring against a catastrophic accident would make nuclear power prohibitively expensive.

The present slump in nuclear reactor orders has less to do with specific economic and safety considerations, however, than with the general slowdown in the growth of electricity consumption. Historically, demand for electricity has increased at 6 or 7 percent a year, but in 1974 there was virtually no increase and in 1975 the increase was 2.7 percent. Since 1976 the rate has been back up to about 6 percent a year, but few in the industry expect that to persist. The slowdown has both reduced the immediate need for new power plants and made it hard for utilities to project demand accurately.

It would be a mistake therefore to assume that nuclear power is dead. Given current federal subsidies for insurance, research, and uranium enrichment, nuclear-generated electricity is still significantly cheaper than coal-generated electricity in the Northeast and Southeast. (It is about the same in the Midwest and is more expensive in the West.) If these subsidies continue, nuclear power is likely to remain competitive with coal for some time.

Politically, the "nuclear lobby" is powerful and effective. It includes most of the major energy companies and utilities as well as most of the staff of the Department of Energy (DOE), the most recent successor to the old Atomic Energy Commission. It also includes DOE secretary James Schlesinger, who told a briefing of House members that 550 nuclear reactors would be on line by the year 2000. The "quick fix" that nuclear power seems to represent is still attractive to many legislators and consumers worried about high oil prices and the difficulties of developing other fuels. To be sure, nuclear plants face continued opposition from environmentalists and others worried about safety. But every such battle pits a plutocracy with massive resources (and the ability to write expenses off their taxes) against an array of small public-interest and activist groups. Given this imbalance, it is surprising that anti-nuclear forces have been able to hold back the floodgates.

The recent controversy over the "breeder" reactor illustrates some of the political difficulties involved in curtailing the growth of nuclear power. The breeder is a second-generation technology that produces power and "breeds" new fuel at the same time. Unlike conventional reactors, which rely on the relatively scarce uranium 235, the breeder employs the more abundant uranium 238. It converts this into plutonium, which it then uses as fuel.

The dangers of plutonium—and of a possible "plutonium economy"—have been widely publicized. As Sheldon Novick has written, plutonium "is extremely poisonous; it can burst into flame when divided into fine particles; and, when inhaled, is one of the most potent causes of lung cancer known." Plutonium can also be used to build nuclear weapons. Unlike the uranium used in conventional reactors, which can be used for explosives only after being processed in massive enrichment plants costing billions of dollars, a 13-pound ball of plutonium can be made into a homemade bomb with relative ease.

President Carter called for a delay in the use of plutonium and for a cutback in funding aimed at developing the breeder reactor. He canceled work on the first breeder demonstration plant, scheduled to be built in Clinch River, Tennessee, and vetoed subsequent legislation restoring full funding to the project. Plans are proceeding apace, however, for breeders that are more popular with engineers than the primitive Clinch River model. And the breeder has wide support in Congress.

If conventional reactors continue to be built, the nuclear lobby will grow stronger than it is today. The cost of uranium 235 will rise, and America will depend more on nuclear power than at present. Nuclear interests will then be in a better position to push the breeder, despite the safety problems. As Schlesinger put it in a *Time* interview, "After the first decade, new energy technology, including perhaps even the breeder reactor, will begin to take up the slack caused by the depletion of domestic natural gas and oil supplies."

On a global scale, nuclear power increases the risks of nuclear weapons proliferation. An expanding civilian nuclear technology spreads many of the skills needed for weapons production.[1] The plutonium that fuels the breeder (and that fuel reprocessing plants separate out) can be used directly for weapons. The facilities that enrich uranium for conventional reactors (facilities possessed at present only by the nuclear powers themselves) allow countries to manufacture weapons-grade material. Nations with such facilities could, working clandestinely, come within weeks of a weapons capability without violating any international agreements. They could then proceed to build nuclear weapons without much risk of detection—and without giving the international community much chance to disuade them.

A more sensible policy for the present would be to curtail the construction of nuclear plants (and halt the operation of existing ones where possible) until their safety has been adequately demonstrated. One way of assuring an effective review of safety measures is to assign the job to responsible scientists who have opposed nuclear power in the past. Another tactic might be to provide public subsidies to nonprofit groups opposing nuclear power. If skeptical scientific review panels and an educated public approve new plant and waste-disposal designs, then nuclear power could proceed. In the meantime, the dangers are simply too great.

An advertisement that became familiar to magazine readers in the past few years pictured a greedy-looking Arab with the righteous caption, "America has more coal than the Middle East has oil. Let's dig it." Like the companies that sponsored the ad, Jimmy Carter wants Americans to burn more coal. His original proposals called for a 69 percent increase in coal use by 1985. That would enable coal to meet 50 percent of the increase in total energy demand projected to occur between now and then. Coal at that point would account for about 54 percent of all electricity produced in the United States. To achieve this goal, Carter proposed to tax industries and utilities that use oil or natural gas, and to offer tax incentives to convert to coal. These measures survived the Senate's meat grinder but in somewhat weakened form.

America does have extensive coal reserves, enough to last hundreds of years. Nevertheless, coal use has not increased much in recent years despite the rise in the price of oil. In 1972 coal accounted for 17.3 percent of total U.S. energy consumption; by the middle of 1977 it had risen to only 18.4 percent. In 1972 coal was used to generate 44.2 percent of our electricity; in 1976 the figure was 46.3 percent. Partly because demand was low during most of 1977, the industry was producing about 15 percent less than the capacity of existing mines.

One reason for coal's sluggish growth rate is the cost of converting (in some cases, reconverting) to coal from oil or gas. The administration estimates that its goals for coal use will require conversions costing a total of $50 billion to $60 billion. Tax credits seem unlikely to speed up this process much. More probably, they will provide a windfall for companies planning to make the move anyway and they will mean nothing to companies that lack the substantial sums necessary for conversion.

From the viewpoint of policy, the "coal option" is laden with enovironmental and safety problems. Deep mining is the nation's most hazardous occupation. Since 1970, 125,000 miners have been injured and 216 killed in major mine disasters. Each miner has a one in eight chance of suffering an injury each year, and 17 out of every 100 miners contract black lung disease. If the true cost of deepmined coal were to be calculated, it would include at least the $1.50 for every $20 ton of coal that the government currently pays to miners incapacitated by black lung disease.

Strip mining can leave permanent scars on the land. Already many states have established strip-mine reclamation standards, and this summer Congress enacted national standards. But the Appalachian Coalition—a group that has lobbied for a national strip-mine bill for years—termed what emerged "a blatant travesty," and President Carter said the bill he signed was "watered down." The main reasons: It exempts "small mines" that produce less than 100,000 tons a year, and it permits the coal industry to cut the tops off Appalachian mountains to reach entire seams of coal. The problem with any strip-mine bill is that restoring the land to its original contour at economical costs requires flat land, good soil, and abundant rainfall. These conditions prevail in the Midwest but not in Montana or Wyoming, where much of the coal industry is currently focused.

Consider also the issue of air pollution. Coal burned in U.S. utilities currently accounts for about a sixth of all fine-particulate air pollution. Coal releases more carbon monoxide, more nitrogen oxide, and more sulfur dioxide than oil or natural gas. According to a National Academy of Sciences study, sulfur dioxide in the stack effluents of a single coal-fired plant causes about 25 fatalities, 60,000 cases of respiratory disease, and $12 million in property damage each year.

Last summer, Congress amended the Clean Air Act in accord with Carter's call for "the best technological system of continuous emission reduction." That means that by 1983 utilities will be required to install "scrubbers," devices that remove pollutants by passing the stack gas through a material (usually limestone or lime) that reacts with sulfur dioxide to form a compound. But

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scrubber technology is still expensive and unreliable. The Environmental Protection Agency estimates that scrubbers add between 6 and 15 percent to the cost of producing electricity. Several utilities that have installed scrubbers have experienced substantial maintenance and downtime problems. No manufacturer of scrubbers will guarantee them for more than 90 days. And there is still a problem with scrubber sludge disposal.

Even with scrubbers in use, government energy officials estimate that the president's coal program would result in a 5.2 percent increase in sulfur dioxide emissions by 1985. That could be lessened if the utilities burned lower sulfur fuel. Yet according to the legislation passed last summer requiring the "best available" emission control technology, utilities would get no credit for burning low-sulfur coal. Also, the scrubbers currently on the market do not capture nitrogen oxides or other fine particulates. According to preliminary figures from an Energy Research and Development Administration study, even with scrubbers nitrogen oxide levels would rise 18 percent by 1985 as a result of the increases in coal usage planned under the president's program. One consequence of this would be more lower respiratory diseases among children.

While utilities at least have the option of installing scrubbers, the technology that would enable small and medium-sized firms to burn coal without polluting the atmosphere, as the president wants, is still not commercially available. So rather than telling industry that it must install the best available technology—a move that seems premature given the state of the art—federal policy ought to maintain clean air standards and let industry decide whether the standards can best be met by installing scrubbers, shifting to low-sulfur western coal, or continuing to rely on oil and natural gas.

With strict clean air, land reclamation, and mine safety standards in effect, coal production could then increase in accord with demand. Until there is further improvement in pollution control technology, that will not result in the sort of increases that Carter wanted. But the continued availability of oil and natural gas—and the potential for conservation and renewable sources—probably make those increases unnecessary.[2]

Oil and natural gas are the elusive lead players in the energy drama. Right now, oil accounts for nearly half of U.S. energy consumption, and gas accounts for about a quarter. Neither fraction has changed much in the last several years, though the price of crude oil has more than doubled and gas has more than quadrupled.[3] Both fuels are safer, cheaper to produce, more versatile, and less damaging to the encironment than coal or nuclear power. Eventually, of course, they will be depleted, and alternative fuels will be necessary. But the longer the world can rely on them in the meantime, the better off we all will be.

The federal government has effectively regulated natural gas prices since 1968, and the price of gas has been a recurrent subject of political debate in recent months. Amidst all the controversy, several generally accepted points of agreement have emerged.

First, even with price controls in effect, natural gas prices are going to rise. Though all natural as was profitably sold at about 20 cents per thousand cubic feet (mcf) in 1970, today the price is up to an average of about 90 cents. The price of newly discovered gas is up to nearly $1.50.

Last spring President Carter proposed allowing the price of "old" natural gas to be recontracted at $1.42 per mcf, despite its low-cost, fully depreciated origins. And he proposed raising the ceiling price on newly discovered gas from $1.45 to $1.75, with an increase to $3.24 by 1985. Proponents of deregulation want no controls at all on new gas. That would send the price past $2.00 right away and possibly as high as $4.00 or $5.00 by 1985.

Second, the United States will probably never again produce as much natural gas—22 trillion cubic feet (tcf—as it produced in 1973. Since that year, production has been declining by about 2 percent annually, despite the big price increases that have already occurred. While proponents of deregulation maintain that the decline can be halted—indeed, preliminary figures for the first six months of 1977 indicate that it has been halted even the more optimistic industry estimates do not predict that 1973 levels will be reached by 1985.

Gas from other countries will not make up for declining U.S. production. Shipping gas from overseas entails liquefying it first, which is expensive and hazardous. Plans are currently underway for pipelines making it possible to import gas from Canada and Mexico. But that gas is expected to be expensive—$2.16 per mcf for the Canadian and $2.50 for the Mexican. Carter's original energy plan projected only 1.4 tcf of natural gas imports by 1985.

Third, homeowners who end up with whatever gas is produced will be getting a real bargain. In 1976 the average residential user of natural gas paid $1.98 per mcf. The same amount of energy from oil would have cost $3.30, while in all-electric homes the cost would have been $10.11. With most "old" gas remaining under long-term fixed contracts, and with transmission costs accounting for two-thirds of the cost, it will be some time before price deregulation erases that gap. In addition, natural gas is our cleanest, most versatile fuel.

Finally, no one really knows how extensive America's reserves of natural gas are. Until now, the industry itself has been the only source of information on this subject. A study released by the Federal Trade Commission in 1975 revealed that the companies keep three estimates of natural gas reserves: one for the Internal Revenue Service; one for the American Gas Association, which gets passed on to the federal government and becomes the official estimate; and one for company management, which is used for planning and for obtaining loans.

The management estimate has consistently been the highest. The IRS estimate was the lowest until 1968, when the Supreme Court upheld a Federal Power Commission pricing system based on the costs of producing and transporting gas in a particular area. It was at that point the federal price regulation of natural gas became effective. It was also at that point that the estimates the companies gave the American Gas Association began to be smaller than those they gave the IRS. 1968 was the first year in which year-end estimates of proved reserves began to decline. From 1968 to 1972, new additions to reserves were only half what they were from 1963 to 1967, though drilling had not decreased.

The industry claims that gas has been getting harder to find. Its critics say that the industry has manipulated reserve figures to bolster its argument for price increases. Official estimates of proven reserves are 216 trillion cubic feet, enough for about ten years consumption. But the Colorado School of Mines estimates that "probable" and "possible" reserves total 578 tcf, with another 354 to 395 tcf in "speculative" reserves. In addition, high-cost gas in the geopressurized zone of the Gulf of Mexico and in the sandstone of the Rocky Mountains could expand supplies tremendously if it became economical to produce.

Depending on where it is, natural gas now costs anywhere from 26 to 90 cents per mcf to produce. The same amount of energy from heating oil, however, would cost $2.48 wholesale. That difference is the source of the policy controversy. Energy companies would like to pocket the difference. President Carter would like to see consumers keep a big chunk of it. Members of Congress from southern states, meanwhile, want to retain the economic advantage the South derives from its disproportionate consumption of the nation's gas.

This regional inequality stems from the fact that most of America's natural gas has come from Texas, Louisiana, Oklahoma, New Mexico, Kansas, and California (which is now a gas importer). Initially, these states used more gas than others because the gas didn't need to be transported so far. In recent years, as demand for gas has outpaced supply, federal price controls seriously aggravated the imbalance. Under current law, the federal government has the authority to regulate only the price of gas that is sold across state lines. By refusing to enact their own price controls (and thus allowing the price to rise to about $2 per mcf), producing states have provided gas producers with a big incentive to sell their gas within the state where it is produced. Intrastate sales now account for about 40 percent of the nation's gas.

President Carter has called for the enactment of price controls on the intrastate market. Representatives of the producing states have resisted this move. Insofar as he seeks to protect consumer interests and eliminate regional imbalance, the president merits support. But his approach still fails to provide adequate incentives for both conservation and production of natural gas. The president evidently believes that the only way to stimulate production is through higher prices; indeed, his plan would offer the producers an additional $15 billion. But no matter how great a return producers receive, there is no guarantee that the money will go into exploration and development. The industry's record of diversification and foot dragging does not bode well on this score.

A better approach would be for the federal government to rely on a public energy corporation, as proposed below, to find and develop more natural gas. To make the gas we have last longer, the administration should develop the kind of rebate scheme that has been proposed for crude oil. Unlike oil, natural gas does not have to be refined, so its price should be set such that the same amount of energy from gas or refined oil costs the same. The revenue accruing from the difference between price and cost of production should be rebated to consumers. The higher price would give consumers an incentive to conserve natural gas, and the rebate would protect their standards of living.

Oil, like gas, is a versatile, efficient, relatively clean fuel. Politically, however, there is one big difference. The skirmishes over gas amount essentially to a civil war, played out on the fields of statehouses and Federal regulatory agencies. Conflict over oil is an international maelstrom, involving top levels of the most powerful companies and governments in the world. The reason for the difference is simple enough: there is a lot of oil outside the United States, and unlike gas it is not hard to import.

As every oil prospector knows there are two kinds of oil fields—subsistence fields, which you get along on, and bonanza fields, which make you rich. Fewer than one percent of the world's oil fields fit into the bonanza category, but those that do account for three-quarters of the world's resources.

Most of the bonanza fields in the continental United States were discovered between 1920 and 1930. Since then, oil companies have come up with few additional bonanzas—only one in the last five years, despite a big increase in drilling. In recent years, U.S. oil has become the most profitable per-barrel source of oil in the world. In 1975, before domestic oil was brought back under price controls, the price of newly dis-

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covered oil had risen to $12.75 a barrel (compared to an average price of $3.50 in 1973). It is currently set at more than $11.00. And there is no OPEC to cut into company profits with high tax or royalty requirements.

Domestic production has been declining by about 4 percent a year since 1970. This downturn is expected to be reversed in the next few years as Alaskan oil comes onstream, and the Carter plan relied upon more domestic oil production to meet 9 percent of the increase in energy use projected for 1985. But the long-term trend is unchanged; even Alaska will not make an appreciable dent in the eventual decline of U.S. production.

U.S. oil consumption, however, has risen. It grew at an average 4.4 percent a year between World War II and 1973, fell during the 1973–1975 recession, rose again by 6.7 percent in 1976, and was up another 8 percent during the first half of 1977. With domestic production declining, the share of imported oil has risen from 23 percent in 1970 to about 48 percent in 1977. The focus of oil politics, then, is the international market.

That market, as is well known, is dominated by the major international oil companies, principally the Seven Sisters. What is less well known is that most of the world has huge untapped reserves of oil and natural gas. Since 1960 geologic estimates of the world's "ultimately recoverable reserves of crude oil"—the amount that lies in the ground and can be recovered at economical costs—have tended to converge at a figure of two trillion barrels.[4] This number was reaffirmed at the World Energy Conference last September, where most of the 29 authorities from major oil companies, the U.S. Geological Survey, and various private consulting agencies put the figure at between 1,875 and 2,250 trillion barrels. (Estimates went as high as 3.7 trillion and as low as 1.6 trillion barrels.)

A recent United Nations conference of 70 leading petroleum geologists and engineers came up with an even more optimistic assessment. These scientists stated that the developing countries alone had between 1.5 and 1.8 trillion barrels of oil; and it was "widely felt," according to their report, "that a possibly equal amount of petroleum remains to be discovered." That led the United Nations to conclude that the world probably has enough oil and gas to last another hundred years, though much of it will be expensive to tap.

Exactly where all this oil and natural gas are, of course, is uncertain. Still, it seems clear that—in contrast to the United States, which is a mature producing area—most of the world has barely begun to realize its oil and gas potential. According to a widely respected 1975 study by John D. Moody, a petroleum consultant and former vice-president of Mobil, the United States has an ultimately recoverable potential of 242 billion barrels of oil. Almost half of that is now gone. Yet the rest of the world has produced only about 15 percent of its ultimate recoverable reserves. Moody estimates that Latin America has a recoverable potential of 166 billion barrels, with three-quarters of it still in the ground. His estimates for Africa are 160 billion barrels, for Asia and the Pacific 131 billion barrels, and for the Middle East 663 billion barrels. In each of these areas roughly 90 percent of the oil is still in the ground (see illustration).

And while the United States has consumed about two-fifths of its 1,267 trillion cubic feet of natural gas, the rest of the world is still well below the 10 percent mark. Moody estimates that the Middle East has 1,492 tcf of natural gas and Africa has 540 tcf, but only about 3 percent of this has been produced. Latin America, with 398 tcf, has produced about 13 percent of its potential, while Asia and the Pacific have produced less than 1 percent of their 786 tcf (see illustration).

Despite these potentials, two-thirds of the active oil rigs in the world operate in the United States. That is largely because the United States offers huge profits per barrel and a high degree of political security. Even in the most promising areas of Latin America, the drilling density is only 4 percent that of the continental United States. There are twice as many oil wells in Kansas as in all of South America, and three times as many in Arkansas as in all of Africa. The continental slopes, most of China, and large parts of the rest of the world have never been explored for oil or natural gas.

It is rather startling, in view of these figures, to remember that a major purpose of Carter's plan was to cut crude oil imports from the projected 1985 level of 11.5 million barrels a day to 7 million barrels a day. Part of the reduction was to be effected through conservation, and part through greater reliance on coal. Oil would then account for 38 percent of U.S. energy consumption, with imported oil making up 38 percent of total oil use.

Reducing our dependence on imported oil is a popular objective in the United States. It might make sense if (1) alternative energy sources were immediately available; (2) the United States was truly vulnerable to the vagaries of the international market; or (3) oil could thereby be made available to other nations, particularly poorer countries, at lower cost. We have already seen that the first condition is implausible. The coal and nuclear power options are seriously flawed, and conservation and renewable energy sources are unlikely to be implemented soon enough.

The motion of strategic vulnerability is no more plausible as a basis for seeking "energy independence." It is true that since the 1973–1974 embargo American dependence on Arab oil has increased. But it still accounts for only about one-fifth of total oil consumption. During the embargo itself, the gasoline shortages experienced by consumers were due more to shortages in domestic refining capacity than to a shortage of crude oil, and federal pricing policies were both discouraging imports and discouraging the production of gasoline. The result, according to the Federal Trade Commission, was that there was plenty of home heating oil while gasoline was in short supply. The Arab nations, meanwhile, quickly backed off from their initial plans to cut production by 5 percent, and the oil companies were quick to replace lost Arab oil with oil from another source. At present, a strategic oil reserve is being built up, and countries like Mexico, China, and the United Kingdom are beginning to export oil.[5] The threat represented by another Arab embargo therefore seems considerably less than the threat of relying on consumption of domestic energy supplies. Yet current policies encourage the oil companies to pump the United States dry while most of the world's extensive reserves go undeveloped.

The third rationale—reducing our demand to give the rest of the world better access to oil—is more persuasive. But abstinence by the United States will not ensure that that will happen. And besides there is a better way of bringing it about.

The fallacy that underlies most American thinking and policy making about international oil is that the world is about to run out of oil—and that, given this scarcity, oil companies and third-world countries are producing it as fast as they can or should.

Rather, as noted, there is probably lots more oil and natural gas in the ground—quite possibly enough for the next 100 years, certainly enough for the next 25. That should not be an excuse for failing to conserve energy or failing to develop renewable energy sources. But it does mean that we do not have to jump headlong into coal and nuclear power. Instead we need to make a major effort to find and develop the world's oil and natural gas resources.

The companies that we depend upon to do this, however, have a strong interest in limiting available supplies. Historically the big oil companyies have always benefited from limiting the supply of oil and thereby boosting prices. At times that meant plugging wells, deliberately understating reserves, refusing to develop new fields, and keeping information about production potentials from host countries. Christopher Rand describes the case of Iraq:

After World War II, IPC [the companies' joint consortium in Iraq] consistently and stubbornly failed to follow up promising geological leads, left the middle third of the nation totally underveloped (while refusing to relinquish it), and kept the information it had acquired regarding the nation's oil potential largely secret from the Iraqi government.

Though it is hard to prove such practices still exist, the oil companies' essential situation is unchanged. Consider, for example, their relationship with OPEC. The OPEC price rise did not hurt the companies. On the contrary, their profits rose substantially as a result of the price increases, and oil-consuming countries have now generally come to accept these increases.[6] The OPEC countries benefit as well from the high international price, which reflects their near-monopolization of Middle Eastern and Latin American oil supplies.

If the companies found sizable amounts of new oil outside the Middle East, however, they would face a series of dilemmas. They could refuse to produce it, in which case they would probably be nationalized. If they did produce it, they would either have to lower world prices or reduce production in Middle Eastern countries, thereby endangering the highly profitable concessions that they have long enjoyed there. That hardly leaves the companies with much incentive to search aggressively for more oil in politically risky third world countries. From their perspective, the existing arrangement is preferable. Right now the companies (principally the Seven Sisters) have preferential access to the Middle Eastern nations' crude oil. In Saudi Arabia, for instance, the four Aramco partners—Exxon, Texaco, Mobil, and Standard Oil of California—still get the Saudi Arabian oil for less than anyone else and still market most of it. They can thus limit the supply and protect the OPEC price.

There are two sorts of evidence that the companies have not been particularly aggressive in looking for new sources of oil. First, when confronted with demands by host country governments for a greater share of the take or more control over future production, the oil companies have backed off from their exploration and development efforts. In 1976, when the Indonesian government attempted to renegotiate its contracts with the oil companies to give the government 86 percent of the profits from production (still less than the 96 percent that the Middle Eastern states get), the companies responded by cutting their exploration and development activity from 66 to 40 drilling rigs. When Malaysia called for production-sharing agreements with the companies, they responded by refusing any further exploration expenditures in the country. As a spokesman for Cities Service Company put it, the efforts by governments to increase their take beyond what the industry considers to be reasonable—particularly in Indonesia and Malaysia—has led to "the present trend of reduced exploration activity in the South East Asian area. "Since mid-1974, he added, there have been "fewer new exploratory wells being drilled than planned previously and fewer new-field wild-

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cat discoveries being made in 1975 and 1976, and possibly for several years beyond."

Similarly, in the winter of 1975–1976, Brazil reversed a 22-year policy of excluding private capital from its oil industry and offered ten areas to both domestic and foreign companies interested in exploring for oil. Though 40 foreign companies had been prequalified, only seven made bids, and there were no bids received in four of the ten tracts offered. Big Oil's chief complaint was that the contracts called for foreign involvement only in bringing oil to the surface. The multinational oil companies wanted an equity interest that would guarantee them a share of the oil that was eventually produced.

Also in early 1976, through a combination of price increases and decreased pumping allowances, Nigeria cut company per-barrel profits by 36 percent. In response the companies have slowed their exploration and development activities, cutting back from 23 drilling rigs at the beginning of 1976 to 15 at the end of that year. Last March *Oil and Gas Journal* reported that little exploration was going on in Nigeria. An American oil expert explained, "In investment priority Nigeria used to be in the top three among producing nations. Now it's dropped down to the bottom."

The second sort of evidence is that rather than forging ahead with exploration and development expenditures, the oil companies have made enormous investments in nonenergy areas. In 1974 Mobil began its acquisition of Marcor, a department store and packaging conglomerate best known for its Montgomery Ward outlets. The move is estimated to have cost the company nearly $2 billion. In May 1975 Standard Oil of California spent $333 million to acquire a 20 percent share of Amax, Inc., a company that mines, processes, and markets aluminum, copper, nickel, and coal. In November 1974 Arco announced that its chemical division had undertaken a billion-dollar, five-year capital expansion program. Then early this year Arco merged with Anaconda, a copper company. Meanwhile Exxon has acquired extensive coal and uranium holdings in the United States and has been developing a chain of small computer-related companies with the aim of becoming a leader in data processing and the office automating field. In May 1977 Union Oil Company reached an agreement to acquire Molycorp, Inc.—a company that produces molybdenum and rare earths. And last summer Gulf spent $446 million to secure control of Kewanee, a company that derives three-fourths of its income from chemical sales. Gulf had previously attempted to purchase CNA Financial Corporation, a big insurance firm, and Rockwell International, a manufacturer of aerospace systems, auto components, and electronic products.

Finally there is some evidence that the companies have been sitting on their capital. The White House's Office of Energy Policy and Planning found that the top 18 U.S. oil companies had $4.9 billion on hand at the end of 1975 versus $1.9 billion at the end of 1973.

The development of world oil and natural gas reserves would benefit both the new producing nations, who would see their current oil-import bills decline and realize new export earnings as well, and the international consuming public, who would have access to a greater supply. The United States government could remove the chief barrier to such development simply by making discretionary capital available to poor countries with promising oil prospects.[1] Recipient countries could then purchase the technology and expertise they currently lack. That would not end their dependence on western technology, but it would change the terms of their relations with the oil companies. No longer, for example, would they have to agree to turn over equity interests or wait until the companies were ready to move. From the United States' perspective, new oil would reduce the upward pressure on world oil prices, lessen the chance of international conflict over oil, and help provide other countries with an alternative to nuclear power, thereby reducing the risks of weapons proliferation.

Domestically, the prime potential for oil and natural gas is in federally controlled offshore areas. Here government policy is to award offshore development rights to the company or group of companies offering the highest initial bonus payment rather than the highest share of total production revenue. The lessee is then taxed at the remarkably low rate of 16.67 percent. In contrast, OPEC nations receive both royalties and an initial bonus payment, and then tax the companies' earnings on production at a rate of 85 percent.

The U.S. policy fails to ensure that the public gets a fair return on its resources. It also does nothing to guarantee production, since the companies can sit on the resources, extending their leases in anticipation of price increases. The high initial bonus payments tie up capital, thereby slowing development elsewhere, and they handicap smaller companies, which lack the money for large expenditures at the outset of a venture. Worse yet, the federal government knows little about the production potential or the environmental risks of many of the areas it controls. It is therefore heavily dependent upon the oil and gas industry in determining what tracts ought to be leased out.

In the short run, the Interior Department ought to begin a series of surveys to determine both the magnitude of its reserves and the likelihood of environmental damage in given areas. When a tract is surveyed and put up for lease, it should go to the company willing to pay the highest share of the total production revenue. If bids are low the Interior Department should be able to cancel the sale.

Once exploratory drilling and production in the outer continental shelf begin, they should be subject to stringent regulatory procedures aimed at minimizing the risk of spills. Oil pipelines should be made common carriers; otherwise smaller companies must resort to tankers, which increase the risk of spills. Regulatory responsibility should remain with the Interior Department or some other agency not directly involved in energy production.

In the long run, as others have already proposed, we will need a publicly owned energy corporation: a company with resources on a par with those of the major oil companies but geared to public needs. Such a corporation would produce and market fuels, providing a yardstick to measure the performance of private companies. It would also be responsible for developing new energy sources in ways compatible with public policy.

Despite all the talk of divestiture and concentration ratios, relations among companies in the oil industry remain collaborative. The major companies regularly swap oil with one another, engage in joint ventures, share commonly owned subsidiaries, borrow from the same banks, and bring their problems to the same law firms. Since no one else is involved in the energy production business, there is no industry expertise that is not tied to the boys in Houston.

The formation of a public energy corporation would create some independent expertise. Its involvement in day-to-day productive activities would give it access to information and patterns of industry behavior that the federal government now lacks—for example, on the apparent withholding of natural gas by some oil companies. To ensure the corporation's independence, statutes would have to forbid a "personnel pipeline" between the industry and the public corporation. And the corporation itself would have to be accessible, regularly holding hearings and providing information about its plans.

The new energy corporation should protect the public interest in new energy development. At present, for example, industry programs to liquefy and gasify coal and to develop the nation's shale oil reserves are stalled. Energy companies believe that the synthetic fuels produced by these processes may be more expensive than OPEC oil, and they want the government to guarantee loan repayment on synthetic fuel projects if the investments aren't successful. The government may want to take that risk. But if it does, commercial development of the synthetic fuels should be in the hands of the public corporation. That way, any profits that are realized could go directly to the U.S. Treasury or be rebated to consumers in the form of lower prices.

The same point holds for the development of federally owned geothermal and fossil fuel reserves—at present, more than half of all such reserves in the United States. Because it is not in the energy business, the government must either let these resources go undeveloped or turn them over to private enterprise, often at bargain prices. The new energy corporation could develop these resources itself.

Whatever its economic merits, a public energy corporation would also be a political vehicle: a device by which the government can begin to implement policy directly, without waiting for agreement from the oil companies. As such it seems more feasible politically than either nationalization or divestiture. Nationalization is unlikely to gain widespread acceptance, and divestiture would require too much cooperation from the industry.

Nor would such a corporation cost too much. Much of its initial budget could be made up from existing energy research and development funding. Additional funds might come from higher energy taxes or from general revenues; and in any case, the corporation would eventually be self-sustaining. Unlike most proposals for public enterprises in a capitalist society, this one would not take over a dying industry. It would instead create a healthy enterprise in the public sector—and might serve as a model for socially owned corporations of the future.

Without such a step, America is likely to fall—or drift—into the patterns of energy use that suit the needs of the big oil companies. And we are likely to dive headlong into the wrong alternatives: a heavy reliance on coal or nuclear power. In the end, energy conservation and the use of renewable energy sources will be the key to a stable, equitable energy system. Steps toward that goal can begin now, as the second part of this essay will show. But in the meantime, focusing entirely on alternatives while ignoring oil is like cultivating a backyard garden while ignoring agribusiness. You can do it, but it won't make much difference.

FOOTNOTES

[1] In 1974 India became the sixth member of the nuclear weapons club by diverting plutonium from a small Canadian-designed research reactor. The United States had trained over 1,000 Indian scientists in nuclear technology. South Africa, which either has or is very close to having a weapons capability, attributes its success in nuclear technology to the assistance provided by the United States in its commercial nuclear power program.

A Ford Foundation-funded report by the Mitre Corporation (*Nuclear Power: Issues and Choices*) estimated that the presence of plutonium separation or enrichment facilities could reduce the lead time between the decision to acquire nuclear weapons and the

achievement of this goal by five to ten years in some less developed countries, and by one to three years in countries with substantial commercial nuclear power programs.

[2] Another possible effect of increased coal use is the so-called greenhouse effect. Whenever any fossil fuel is burned, carbon dioxide is released into the atmosphere. A little less than half of the carbon dioxide is absorbed by oceans or plants, but the rest remains in the atmosphere. Consequently, the amount of carbon dioxide in the atmosphere has increased from 295 parts per million in 1860 to 330 parts per million today. By the end of the century, studies indicate, it may go as high as 385 or 400 parts per million, and by the year 2020 the level may be twice what it is at present. That would raise the earth's temperature an average of four degrees Fahrenheit. Partly because it would depend on how the temperature increase is distributed, scientists still know little about the actual consequences of such a development. But many believe they could be dramatic—flooding coastal cities as polar ice caps melt, interfering with global food supplies as areas become more arid, and turning seawater acid.

While other fossil fuels also contribute to the carbon dioxide buildup, burning coal releases about twice as much carbon dioxide as burning an equivalent BTU amount of oil. But it is impossible to say what the effect of a 69 percent increase in U.S. coal consumption would be. Because there are seasonal variations involved, it will take several years for scientists to determine whether there really is a carbon dioxide problem due to increased burning of coal. And if other countries substitute oil for coal, then a U.S. coal increase may even alleviate the carbon dioxide problem.

[3] Oil rose from 45.9 percent of energy use in 1972 to 47.3 percent in 1976. Gas declined slightly, from 30 percent of energy use in 1973 to 27 percent in 1976. Figures for the first half of 1977 were 48.4 percent and 26.6 percent respectively.

[4] Ultimately recoverable reserves should not be confused with proven reserves. The first includes both discovered and undiscovered reserves, the latter only discovered.

Ultimately recoverable reserves are estimated by comparing historic experience in exploration and production in a particular geologic "sediment" with the extent of that sediment. Magnetic and gravity techniques have enabled geologists to measure the earth's major sediments. If a geologist knows that so much oil is found in a particular sediment and the extent of that sediment, then a reasonable estimate can be made.

Estimates get better as more drilling occurs, because the drilling gives the geologists better data to work with. That's why the estimates are better for oil than natural gas—we have more experience with oil.

Estimates vary because geologists use different data sets and disagree about what is important geologically. They also vary with technology and with the price of oil. Historically the United States has recovered somewhere between 30 and 40 percent of the oil in the ground. In most other parts of the world only about 25 percent is recovered. Estimates of what is ultimately recoverable take this into account. But if the price goes up or technology improves, it becomes possible to boost the recovery rate, thereby increasing the ultimately recoverable reserves figure.

Geologists at the World Energy Conference were told to assume a 40 percent recovery rate. But many believe that technological advances will enable this rate to be lifted to 50 percent or more. Alternatively, price increases may bring resources that were previously considered uneconomical into the recoverable category. With all this uncertainty one can hardly have much confidence in a specific number, but the estimates do suggest an order of magnitude.

[5] The billion-barrel strategic reserve is expected to be fully deployed by 1985. At that point it will be able to supply the nation with 3.3 million barrels per day for almost a year. The United States is currently importing about 8 million barrels per day, but federal officials estimate that 5 million barrels a day could be cut from demand without seriously affecting the economy. In addition, in the event of an embargo, increased supplies can be switched from non-Arab nations to the United States, and Arab oil can be used to supply the countries that previously received this oil. The only way Arab nations could stop this would be to cut back substantially on their total production—something they have not been willing to do in the past.

[6] The multinationals benefit from higher prices mainly because they increase the value of the companies' domestic assets and pull up the price of U.S. energy supplies. In the year following the OPEC price increase, the profits of the five major international U.S. companies increased by 56 percent, while profits of the five major domestic oil companies went up 92 percent. Thus events overseas pull up domestic profits.

[7] One may object that the immediate impact of this move would be to worsen the U.S. balance of payments. However, the current U.S. balance of payments deficit is due mainly to the sluggishness of the other advanced economies, and particularly to the refusal of Japan and West Germany to stimulate their economies further. In this context the deficit is necessary for the economic sustenance of the rest of the capitalist world.

In addition, the cost of such a policy need not be high. To some extent it could be realized simply by changing the lending policies of various international agencies—policies formulated and maintained with U.S. support. For example, the World Bank and the various regional banks will now lend money only for the development of proven reserves And the Agency for International Development does not provide loans or grants for wildcat oil exploration. A change in these policies would not cost the United States anything. And insofar as the United States makes additional capital available, that is not a one-time expense but an investment in lower future energy costs. Such an investment will lessen future balance of payments problems.

COMMONSENSE ABOUT ENERGY—PART TWO: LESS IS MORE CONSERVATION AND RENEWABLE ENERGY

(By Steven A. Schneider)

"The phrase 'energy conservation,' like the term 'budgeting,' has a certain ring of asceticism to it," wrote Columbia University professor Lloyd J. Dumas not long ago. "It conjures up images of working by candle-light, shivering in the cold, and bumping along the streets in a dirty, overcrowded bus."

The notion of "alternative" or "renewable" energy sources conjures up quite a different image, but it also suffers a public relations problem. It is hard to find anyone who is against solar energy, windmills, or any of the half-dozen other ways people might find to utilize the energy flows of nature. But it is easy to find people who believe that solar power is an impossible dream, that geothermal energy is best confined to entertaining tourists at Yellowstone, and that windmills are the province of a few half-crazed back-to-the-landers who eat granola for breakfast. If conservation suggests the coming dark age, then alternative energy suggests the millennium. To many, the chance that either one will help solve our energy problems seems slim.

President Carter's proposed energy plan—even in its original form, let alone the half-cooked compromise emerging from Congress—reflected this "realistic" approach to energy policy. The plan was touted as fostering conservation. Yet its original projections depended on conservation measures to reduce overall energy demand only 4 percent from what it would otherwise be in 1985. Domestic energy supplies, by contrast, were expected to expand some 20 percent.

Alternative energy sources also got short shift. If the administration's original projections were realized, the use of solar energy would increase, but it still would account for only 1.5 percent of the growth in energy demand projected for 1985. This year the government will spend $224 million on research into solar electric power, with another $96 million going into solar heating and cooling research. For comparison, the nuclear program is getting $1.67 *billion* in federal research and development money.

It is true, as I argued in Part One of this essay ("Where Has All the Oil Gone?" *Working Papers*, January/February 1978), that the world is not about to run out of oil—and that ways should be found to tap the reserves that the big companies have so far shown themselves unwilling to produce. It is also true that oil and gas, even coal, will not last forever. Anthropologist Marvin Harris recently wrote, "The real question is not when the last drop of oil is gone, nor is it when the last ton of coal will be mined."

The effect of [resource] depletion on the standard of living becomes unbearable long before the last blade of grass or the last horse or reindeer is gone . . . As coal and oil become scarcer, their costs will go up. And since virtually every product or service in industrial society depends on large energetic inputs derived from these sources, inflation will steadily reduce the ability of the average person to pay for the goods and service now regarded as essential for health and well-being.

How fast and how low standards of living in the industrial nations will fall depends on how long conversion to alternative energy sources is delayed.

In addition to stretching out our supplies of fossil fuels, conservation and renewable energy sources have other advantages. They do less damage to the environment than conventional sources. They are frequently cheaper, and are likely to become more so. They are more labor intensive, and their development is thus likely to have a favorable impact on employment. And they are the only energy options not currently dominated by the big energy corporations.

Right now, saving energy is cheaper than producing more of it. The cost savings are particularly significant when the environmental and public-health damage done by fossil fuels is taken into account. But even in pure economic terms as *Business Week* reported, "An investment in conservation is far cheaper these days than almost any investment in new supplies."

Except in the Mideast, where oil production costs remain extremely low, most new oil or gas wells require a capital investment of $4.5 billion for every quadrillion BTUs of energy ("quads" in energy lingo) that they yield each year. Synthetic oil and gas from coal would probably cost more than $10 billion per quad. New electric power plants range anywhere from $45 billion per quad for coal to nearly $90 billion for nuclear.

By contrast, an investment in capital equipment to save the equivalent amount of energy is often less than $1.5 billion per quad of energy saved each year—and is sometimes zero.[1]

If conservation is so economical, why don't we have more of it? One reason is that people often seek to minimize the initial cost of a purchase (whether an appliance or a house) rather than the item's life-cycle cost. Another reason is that consumers often have

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more trouble coming up with the cash for an investment in energy conservation than utilities have in coming up with the funds to supply more power. Finally, again according to *Business Week*, "Plant managers generally look for a fifteen percent return of investment in their product lines, but they typically demand a return of thirty percent or more on discretionary investments, including those on energy saving equipment."

A serious push for conservation will thus require even greater changes in energy prices than have already occurred. That fact is well appreciated in the corridors of power: hence all the wrangling over price controls, new taxes, and the like. Conservation will also require changes in some of our institutional arrangements. That fact, as yet, may be less appreciated.

For years, the ready availability of low-cost oil and natural gas meant that buildings, machinery, and means of transportation were designed with little regard for energy efficiency. One-third of America's housing has no insulation at all. According to a study by the American Institute of Architects (AIA), between 25 and 50 percent of energy used in older buildings—and up to 80 percent of energy used in newer ones—is wasted. In 1973, U.S. cars weighed an average of 4,275 lbs. If they had weighed 2,500 lbs. instead, they would have used 30 to 40 percent less fuel.[2]

The possibilities for saving energy through conservation are therefore substantial. A Congressional Budget Office study stated that insulation and related improvements could save 35 percent of the energy used to heat a typical home. The AIA estimates that by 1990, 12.5 million barrels of oil a day—the equivalent of roughly one-third of our current energy use—could be saved by installing energy-efficient systems in both new and old buildings. According to administration figures, simply adding one passenger each to 40 percent of commuting cars—and thereby reducing the number of cars on the road—would save about 400,000 barrels of oil a day, or about 2.5 percent of total oil consumption.

Measures that seek to encourage conservation are ordinarily of two sorts. One strategy is to require changes in the way buildings are built, the ways people and goods are moved, and the ways energy is used in industrial production. The other is deliberately to raise the price of fuels and electricity (or allow them to rise as the market dictates), thereby giving people an economic incentive to use less.

In the long run, a nation's use of energy will depend heavily on its price. Since World War II, for example, countries where fuel is expensive relative to everything else (West Germany, France, Japan, and Sweden) have used only about half as much energy per unit of GNP as nations with low fuel costs (the United States, the United Kingdom, Norway, and Canada). In Sweden, primary fuels in the early 1970s cost about 37 percent more than in the United States, and Swedish industry used about 35 percent less fuel per capita than American industry. But electricity in Sweden was 18 percent cheaper, and industrial consumption of electricity per capital was 26 percent greater than in the United States.

In the short run, however, the effect of price increases on energy use is less than is commonly supposed. Following the Arab oil embargo, gasoline prices rose from an average of 40 cents a gallon (October 1973) to more than 62 cents a gallon in 1977. Despite this price increase, consumption rose from 6.7 million barrels of gasoline a day in 1973 to a record level of 7.1 million barrels in 1977. Nor has any other country achieved commensurate reductions in gasoline consumption by increasing gasoline prices. Between October 1973 and January 1977, West Germany boosted gasoline prices from $1.12 to $1.44 per gallon, and France raised them from $.95 to $1.59; but in both countries gasoline consumption declined by only about 6 percent. In the United States it is estimated that a 10 percent increase in the price of gasoline would initially reduce consumption by only 1 percent. Over several years consumption might fall by 2 or 3 percent, still a modest savings relative to the price hike.[3]

There are good reasons for drivers' reluctance to cut back on car use. Many find it difficult or impossible to reduce their driving simply because they have no other way of getting to work or to shopping areas. Fuel accounts for less than a fifth of the total cost of owning a car (18.4 percent for a standard-size automobile and 14.3 percent for a subcompact, according to Department of Transportation figures for 1976). So increases in the price of fuel alone won't do much to change behavior.

A combination of price hikes, regulations, transportation alternatives, and long-term planning, however, can significantly change transportation patterns. Long before the rising price of OPEC oil intensified pressure for energy conservation in the United States, Sweden slapped a 50 cents per gallon tax on gasoline to keep prices up, and taxed new cars between $500 and $900 depending on size. The Swedes also have maintained a rapid, efficient system of public transportation. According to a recent study, Swedish automobiles in 1971 average 2,400 lbs. (60 percent of the American figure), and people used private cars for roughly 55 percent of their trips below six miles (as compared with 90 percent in the United States).

For the Swedish strategy to be even partially effective in this country—which is both larger and less densely populated—American systems of public transportation need to be improved and expanded. Again, higher energy prices alone will not induce many travelers to switch from cars to more energy-efficient forms of transportation; despite the increase in gasoline prices, riders on mass transit systems have increased by only about 3 percent since 1971.

The main reason that public transportation does not attract more riders is that it is slow and uncomfortable. When the traveler's time is counted as part of the cost of using public transportation, mass transit's apparent cheapness relative to the automobile disappears. Evaluating the cost of the traveler's time near the average wage rate of $5 per hour in 1975, the Department of Transportation found that roughly three-quarters of the total cost of both an automobile and a bus varies in proportion to speed. Because the automobile is, on the average, 1.7 times as fast as the bus, it ends up being 75 percent cheaper per passenger mile. Inducing people to ride the bus, therefore, will require express bus lanes, more comfortable vehicles, a more extensive network of routes and, correspondingly, high public investment.

Yet even such inducements, in the short term at least, can go only so far. Cities built during the era of cheap oil are simply too dispersed for the kinds of mass transit systems found in Sweden. And heavy rail systems for intraurban travel (San Francisco's BART, for example) will not save energy in most American cities. In the long run, saving energy on transportation—and freeing the United States of its addiction to the automobile—will require more compact housing patterns. "Thanks from Jimmy Carter" signs in buses will not do the trick. Neither will gimmicks like the standby gasoline tax that Carter proposed and Congress rejected.

In the meantime, we need to continue boosting automobile fuel efficiency. Current federal regulations require automobile manufacturers to increase the average efficiency of their cars to 27.5 miles per gallon by 1985. In addition, Carter has proposed (and at this writing the House-Senate conferees have provisionally accepted) a tax on new cars whose fuel consumption is relatively high.[4]

Making intercity transport more efficient will require a massive infusion of capital into America's railroad system, which suffers from decades of neglect. If U.S. metroliners, for example, could operate at the 160 miles per hour they were designed for, they would be the fastest way of getting from Manhattan to downtown Washington, and would utilize about one-fourth as much energy per passenger as an airplane making the same trip. Yet because track conditions are poor, the metroliner cannot exceed 95 mph.

In general, a well-built system of railroads would be the fastest, safest, and most energy-efficient way of getting from one downtown area to another when the distance between the two is less than 500 miles. Despite this fact, U.S. policy toward the railroads is half-hearted. On the one hand, the federal government is spending $1.75 billion to upgrade the Northeast Corridor rail system. On the other hand, Congress has cut Amtrak's annual request for capital funds by two-thirds in each of the last three years, and has reduced its operating budget as well. Congress is thus forcing Amtrak to order both cutbacks in service and increases in fares, two classic ways of reducing ridership. And it is doing so despite the fact that since Amtrak's first full year of operation (1972) the agency has boosted annual ridership from 16.6 million to a record 19.2 million, reversing the decline in passenger service that plagued the private railroad system. Amtrak currently has a $4.5 billion five-year plan before Congress. The plan, which merits support, seeks new high-speed passenger train corridors and equipment.

In the residential and commercial heating sector, higher prices will encourage more efficient buildings. But there are substantial lags and loopholes in the effect of higher prices. According to a Congressional Budget Office study, the increase in energy prices over the last several years has already made insulation a good investment: fuel savings over a 20-year period are already roughly triple the cost of the insulation. Since 1974 about 8 million owner-occupied homes have been insulated, but it is estimated that 30 million more (and 11.5 million rental units) could still profit from insulation. The main obstacle in owner-occupied homes may be that insulation requires an initial outlay of several hundred dollars. The obstacle in rental units may be that the tenant pays the heating bill and the landlord makes the decision about insulation.

Again, the Swedish case is instructive. Space heating there is twice as efficient as in the United States. That is only partly due to higher Swedish energy prices. It is also due to the fact that Swedish building codes require more energy-efficient construction, that Sweden's mortgage law gives homeowners and builders access to extra funds for energy-saving features in homes, and that the government maintains energy-saving training programs for homeowners and apartment managers.

In industry, a major potential source of energy conservation is termed "cogeneration." Nearly half the fuel used by industry is burned to produce steam. That steam can be reused to produce electricity as well, giving plants a kind of in-house generating capacity. West German industry, for example, now produces 28 percent of the country's electricity by cogeneration. In a 1975 report to the National Science Foundation, Dow Chemical's Industrial Center estimated that by 1985 half of all U.S. industry's need for electricity could be met by cogeneration. That is the equivalent of the power produced by 50 large nuclear reactors.

Other than the initial equipment costs, the main obstacle to cogeneration is the structure of the electric power industry. Plants that utilized cogeneration would sometimes need back-up power supplied by

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the utilities and would sometimes have excess power to sell. Under current pricing arrangements, back-up power would be more expensive per unit than power currently purchased; most utilities reduce prices to large customers. Also, the excess power a firm produced would often be unsalable, since laws in most places allow only the utilities to sell electricity to the public. (Even where such laws do not exist, access to the transmission lines is controlled by the utilities.) If these difficulties were removed, cogeneration should become highly attractive to significant numbers of companies.

Overall, despite its recent public relations campaigns, the utility industry does little to encourage conservation of electricity. Most utilities have resisted flat-rate or "Lifeline" pricing systems under which large users would pay the same (or more) per unit than small residential customers. They have also resisted peak-load pricing, which would raise the cost of electricity during the times of day when use is highest. The reason is not hard to understand. Investor-owned utility companies are typically guaranteed a fixed return on their invested capital. If peak-load demand is high, they can expand their capital by borrowing money to build new plants or improve old ones. They then repay the loans with revenue from the additional electricity they sell. The shareholders, meanwhile, are earning a fixed rate of return on a growing investment base: earnings per share are thus increasing. If demand remains constant and more capacity is not needed, investor earnings can increase only when state utility commissions allow rates to go up. These days, that is an infrequent occurrence.

The utilities were in serious financial trouble during 1974 and 1975, the years of slow energy growth, but have since recovered along with the resurgence in demand for electricity. In 1974, for example, New York's Consolidated Edison omitted its quarterly dividend for the first time in its 90-year history and saw its stock drop from $18 to $6 a share. That same year the Dow Jones utility index fell from 95 to 57.9. With the resumption in demand, Con Ed has raised its dividend to a new high, and its stock is selling at more than $20 a share; the Dow index, meanwhile, has passed the 100 mark.

Economic performance of this sort is good for those who own utility stocks, but it is bad for the cause of energy conservation. As Carter has recommended, the utilities' practice of promotional pricing (discounts to big customers) should be terminated and peak-load prices increased. (These measures were approved by the House but rejected both by the Senate and by the House-Senate conferees.) In addition, local communities should consider taking over privately owned utilities and establishing municipal ownership. While privately owned utilities have consistently opposed rate reform aimed at discouraging consumption, some publicly owned companies have pioneered in this area.

Renewable energy sources, like conservation, become more attractive economically as the prices of conventional fuels rise. The variety of potentially practical alternative sources is quite wide. Hungary, Iceland, New Zealand, and the Soviet Union, for example, all make relatively extensive use of geothermal energy—heat from the earth's core. The one large-scale commercial use of geothermal energy in the United States—Pacific Gas and Electric's dry steam Geysers of California—produces electricity considerably more cheaply than coal-fired or nuclear generating plants.[5] Four plants generating power from mixtures of steam and hot water—a more abundant, but more difficult source to utilize—are currently planned for the Imperial Valley. (Nine other countries already have such plants.) Comparable resources appear to lie in the Rocky Mountain states. This January—in the first effort to develop them—Utah Power and Light Company announced plans to build a plant at Roosevelt Hot Springs. It is not yet known how common the geological configurations allowing geothermal energy to be tapped may be, but these recent developments are encouraging.

Tidal power—harnessing ocean currents to produce electricity—is produced commercially in France and the Soviet Union. Research into its possibilities for the United States is virtually nonexistent. Windmills, another way of generating electricity from natural energy flows, are currently cost effective only in remote locations. By 1980 it is expected that technological improvements will enable them to generate electricity at between 2 and 6 cents a kilowatt hour, roughly twice the cost of conventionally generated electricity today. If conventional costs continue to rise, windmills may become more attractive. Companies like Lockheed and General Electric are reportedly waiting for a market to develop; the Department of Energy is spending some $20 million in research and development money on problems of windmill reliability and back-up generation.

Another promising renewable source of energy is what is known as biomass conversion—that is, burning wood, wastes, sugar cane, algae, or other combustible agricultural products. Some American cities are already burning refuse to generate energy, and roughly a hundred others are studying the process. John Deere and Company, an agricultural equipment manufacturer, burns garbage in energy-generating facilities in Wisconsin nad Iowa.

Other biomass fuels are better than garbage, however. The energy content of wood and dry crop wastes is comparable to that of western coal. (America's half-million wood-burning stoves, in fact, represent the most popular renewable energy source currently in use.) A report by the Mitre Corporation recently concluded that approximately 5 percent of all U.S. energy needs could be produced on just 10 percent of now-idle forest and pasture land. High-yield species would be grown in closely spaced, short-rotation tree farms.

In another form of biomass conversion, it is estimated that harvesting ocean kelp and converting it to methane could generate as much gas as the United States currently consumes each year—23 trillion cubic feet. Land plantations reportedly could generate another 8 to 10 trillion cubic feet a year. Estimates are that the cost would come to between 2 and 6 cents a kilowatt hour, but these figures remain highly speculative.

Despite this potential, biomass conversion has played little role in U.S. energy policy; it is barely mentioned in the Carter plan. In Sweden, by contrast, the forest industry currently produces 60 percent of its own energy needs. Throughout Europe liquid fuels from biomass materials have been blended with gasoline for decades. In Brazil it is now national policy to substitute up to 20 percent ethyl alcohol for petroleum-based liquid fuels. And in China biomass materials converted into a nontoxic fuel are used for cooking, lighting, machinery, and electric power generation.

Of all the alternative energy sources, solar power has attracted the most attention and seems to hold the most potential. Right now approximately 20 percent of U.S. energy consumption goes to provide space heating and hot water Much of this heat could be furnished with existing solar technologies. According to government studies, solar hot water heating makes good economic sense almost everywhere in the United States right now. Solar space heating is not yet competitive with oil and gas, but an Energy Research and Development Administration study of 12 geographically dispersed cities found that it is already competitive with electric heat.[6]

During the past few years the number of solar heating systems has grown between 10 and 20 percent a year, with about 15,000 solar energy systems currently in place. Carter's plan called for 2.5 million to be installed by 1985. The main barriers to realizing this goal are the high initial cost of solar systems, slow turnover in housing stock, the need to retrofit existing homes, and reluctance or ignorance on the part of consumers. These factors may decrease in importance over time. According to an ERDA study, reducing the cost of solar collectors from the present $20 per square foot to $15 would enable solar heat to compete successfully with oil space heating in many areas. If it could be reduced to $10 by 1980, solar space heating would be competitive with gas as well. If the price of oil and gas rises to the extent Carter has proposed, solar will become competitive that much faster.

Solar thermal power plants can also generate electricity. At present the cost of solar electricity is estimated to be between two and four times that of conventionally generated power. But the capital cost of nuclear power plants has grown 16 to 20 percent annually for the past decade, with coal plants close behind at a steady 16 percent. Both increases are significantly higher than the rate of inflation, and both are due largely to new requirements for safety and environmental protection. Solar thermal power plants have none of the safety or environmental problems associated with their competitors, and are therefore apt to become more attractive economically. If present cost trends continue, solar power will be competitive with coal and nuclear power by the year 2000. Additional research into solar technology could shorten that time lag.

Photovoltaics—producing electricity directly from sunlight with a photoelectric cell (and thus bypassing the heat-generating process entirely) currently can provide electricity at about ten times the cost of conventional power. The Department of Energy estimates that it will take ten years and cost $500 million in research and development funds to reduce costs to practical levels.

Present policy does little to encourage the development of such energy sources; instead, it encourages the consumption of oil and natural gas. Existing price controls hold the cost of energy in the United States below the world price, and market prices in any event take inadequate account of the fact that oil and natural gas are depletable resources. If conservation and alternative energy sources are to be fostered, oil and gas prices will have to rise.

Allowing a straight price hike, however—with the proceeds going to oil and gas producers—reduces consumption simply by reducing people's standard of living. That is essentially what has happened so far, and Carter's proposals—not to mention the compromises emerging from Congress—would exacerbate the situation. Decontrolling the price of "new" oil, allowing increases in the price of "old" oil, and raising the price of interstate natural gas—all measures envisioned by the administration—would effectively transfer millions of dollars from consumers to energy producers. Despite the latter's protestations to the contrary, they do not need the money. And energy price increases of this sort fall particularly harshly on the poor, who spend a greater proportion of their income on energy than do those who are better off.

Carter should therefore consign to the dustbin his proposal that oil companies get the full OPEC prices of $13.50 a barrel for newly discovered oil. Instead he should give them the present ceiling price of "old" oil—$5.25 a barrel—for all domestically produced oil. Considering the domestic oil was profitably sold for $3.50 a barrel only five years ago, a price of $5.25 should more than cover the cost of most domestic production.[7] While

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the companies will complain that such prices give them little incentive to look for more oil in the United States, there is no reason for consumers to pay premium prices so the companies can scurry around after marginal additions to domestic supplies. Most of the continental United States is pretty well drilled already.

The way to keep prices up without hurting people's standard of living is to tax energy use and rebate the money to consumers. Carter proposed such a system, with a $75 per capita across-the-board rebate. His original proposal would have been mildly progressive in impact: under the plan, according to the Congressional Budget Office, families in the lowest income group would come out 2.8 percent ahead by 1980 and those in the highest group would come out .4 percent behind. Within income classes, the system would be less equitable. Since the amount rebated varies only with family size, high energy users within each income class (who would pay the highest tax) would suffer more than low energy users. People without cars would gain at the expense of auto owners, and city dwellers with access to public transportation at the expense of people in suburbs and rural areas.

To some extent, an effective conservation strategy requires these effects: each of them penalizes those who use a lot of energy. But considerations of fairness militate against Draconian measures for the low-income farmer who bought a big car in an era of cheap energy and who still has no access to public transportation. Partial compensation based on locale and income group should therefore be built into the rebate scheme.

For example, a sample survey might be conducted on the amount currently spent on energy by people in different geographic regions and income groups. Data would be gathered both on direct energy expenditures—gasoline, heating oil, etc.—and on indirect expenditures such as energy costs incorporated in a family's food bill. Families could then be compensated for such factors as area of residence and income group. Of course, those who currently use more energy than the average for their income class or region would still be more heavily penalized by the tax, but that is an inevitable effect of any conservation measure.

The reason for such a tax and rebate scheme is that a family that paid $400 extra for natural gas (say) might begin to think seriously about insulation or solar heat even if the $400 were rebated at the end of the first year. To maximize the rewards for efficient energy use, rebates in subsequent years would be based on the family's initial entitlement.

Other than relative price, the greatest barrier to the widespread adoption of conservation measures and solar heating for residential and commercial properties is the high initial cost. Investments in insulation or a solar system may save money even now when figured over the life of the equipment; but the steep initial cost often discourages consumers from purchasing them. Builders too are reluctant to install solar systems in new houses, for fear that the additional cost will scare off potential buyers.

In response to this problem, President Carter has proposed tax credits(25 percent of the first $800 spent and 15 percent of the next $1,400) to families that insulate; similar measures were approved by both Houses of Congress. The difficulties of tax credits, however, are well known. Most of the benefits would go to middle and upper-class families who own homes and who have access to the capital necessary to purchase insulation. The proposal does nothing to stimulate insulation in rental units, or in homes owned by people with lower incomes.

Rather than provide subsidies to the middle class, the government might better ensure that low-interest loans for energy-saving improvements are available to low and middle-income groups, and give tenants the right to compel landlords to make such improvements. The House Senate conferees have taken a step in this direction by approving a plan for $3 billion in federally subsidized energy conservation loans, to be made available to families with incomes below the median in a given area.

A similar policy should apply to solar power. Solar water and space heating will shortly be competitive with oil in several parts of the country, and with natural gas if its price is deregulated. "Competitive," however, means over the 20-year average lifespan of a solar system. Some studies have shown that consumers will not make purchases of that sort unless they are assured of a payback within five years.

Consequently, the pricing strategy needs to be supplemented by measures to provide funds to prospective purchasers of solar equipment. Carter again proposed tax credits for this purpose (40 percent on the first $1,000 and 25 percent on the next $6,400), but to take advantage of the maximum credit available ($2,000) a family would ordinarily need an income of more than $18,000. According to the Congressional Budget Office, each barrel of oil that would be saved by such a tax credit would "cost" the government $11.28. A better measure is simply a low-interest loan program aimed at low and middle-income groups. The House-Senate conferees have agreed on a program of solar loans made by conventional lenders but purchased from them by the Government National Mortgage Association at rates between 7.5 and 12 percent. Most of the benefits of this program, however, will go to the relatively well off.

The auto makers, the oil companies, and the utilities rise regularly these days to laud the future of solar power and energy conservation. But their continued profits depend on our continued use of fossil fuels and nuclear power. Automobile manufacturers have always made their highest profits on the sale of big cars, and they are not exactly bending over backwards to meet Washington's new regualtions on fuel efficiency. The utilities have traditionally increased their profits by boosting demand for electricity and expanding their capacity correspondingly. The oil companies, which have extensive holdings of gas, coal, and uranium as well as petroleum, have profited enormously from an energy-dependent public.

So while they bow in the direction of "soft" energy paths, these companies have done much to persuade us that too great an emphasis on conservation and alternative energy means slow growth and unemployment. The economy, they say, needs cheap, abundant energy—and right now they are the only ones who can provide it. Upon occasion voters and their representatives have bought this argument. Referenda to curtail nuclear power or to institute flat-rate electric bills, for example, have foundered on the rocks of slow-growth threats.

In the long run, there is no necessary connection between levels of energy use and GNP or living standards. Sweden, West Germany, and Switzerland have living standards equal to or higher than our own but consume only about 60 percent as much energy per capita as the United States. Numerous studies have shown that by increasing the efficiency with which we use energy we can reduce future consumption but continue to raise our standard of living. For example, a study by Data Resources for the Energy Policy Project of the Ford Foundation concluded that we could cut our historic rates of energy growth in half and still more than double our GNP by the year 2000.[8]

In the short run, however, high energy prices (with no corresponding rebate) do act as a kind of surtax on people's incomes, lowering discretionary income and thereby depressing aggregate demand. Industries that depend on high energy inputs will be forced to raise their prices substantially, and may have to cut output and employment.

If the economy is to grow with less energy use, energy will have to be employed more efficiently; its productivity will have to increase. Existing technologies can accomplish much of this. West German industry, for example, uses 38 percent less energy per unit of output than American industry, and Sweden uses 40 percent less energy than the United States for each dollar of GNP.[9] Estimates are that by using known methods the United States could save between 20 and 30 percent of energy used in manufacturing (which in turn accounts for some 28 percent of total U.S. energy consumption). Higher energy prices will encourage both replacement and innovation, but the transformation will be gradual. Machinery is replaced slowly, and energy costs in most industries are a relatively small fraction of total costs.

The economy can also grow with less energy as energy-intensive industries decline relative to other sectors. To some extent this has already begun. Since 1945 energy use in the United States has been expanding more slowly than GNP despite (until recently) declining real energy costs. Foreign experience suggests this pattern is typical. One reason for it may be the continued growth of service-providing sectors of the economy relative to manufacturing sectors.

The five most energy-intensive industries, together with the energy-producing industry, consume about one-third of all the energy used by U.S. industry. They also account for roughly half of new investment in plant and equipment. But together they account for only 15 percent of GNP and about 10 percent of employment. Declines in these industries, therefore, would reduce energy consumption significantly without reducing employment by a commensurate amount. If they can be "replaced" economically by labor-intensive sectors—services, for instance, or new conservation and alternative-energy industries—the economy need not suffer.[10] But the transition will require extensive government planning, public investment, and job programs.

It is no accident that conservation and alternative-energy sources suffer from public relations problems, whether of the bumpy-bus-ride variety or the rising-unemployment variety. There are many powerful interests pushing coal, nuclear power, natural gas and oil—provided only that it all can be sold at the right price. There are few interests—and no powerful ones—pushing conservation measures or research and development programs for alternative energy. There are many workers whose jobs and lives would be affected if the price of natural gas rises substantially, or if gasoline is heavily taxed. There are very few who would be immediately affected if we decide to forget about solar energy.

But in the end the energy dilemmas we are constantly reminded of are only political problems to be solved. In the short run we need the oil that the companies are reluctant to produce, and we need new institutions capable of seeing that fossil fuels are produced with the public interest in mind. In the long run we need to use energy more efficiently—to get "more for less." And we need to encourage soft, renewable energy technologies.

Anything less seems foolhardy if not suicidal. But the outcome is nonetheless in doubt for all that. The chances of wisdom winning out over foolishness—and the interests of the many winning out over the interests of the few—have never, in our society, been particularly bright.

FOOTNOTES

[1] Roger Sant, former assistant administrator of the U.S. Federal Energy Administration, found that a $500 billion investment in

energy conservation would save the United States twice as much energy as a comparable investment in new supplies would produce.

[2] Between 1950 and 1973 fuel economy in autos decreased by more than 10 percent.

[3] So far the increase in gasoline prices has not had a major impact on Americans' auto buying habits. In September 1973 small cars (compacts and subcompacts) accounted for 36 percent of the domestic market. Immediately after the major gasoline price increases in January 1974 their share of the market rose to 41.2 percent, but in 1977 they were back down to 36.4 percent. Imported cars, however, modify this picture somewhat. In 1973, imports and U.S. small cars combined accounted for 37.3 percent of the U.S. market. In 1974 the figure was up to 53.2 percent, but last year it was back down to 48.2 percent. (Not all imports are small cars, but most are.)

[4] According to the provision approved by the House-Senate conferees, the tax would begin at $200 in 1979 on cars getting less than 15 miles per gallon. Those getting less than 14 miles per gallon would be taxed $300 and those below 13 taxed $550. These taxes would be increased annually until 1985, when cars getting less than 22.5 miles per gallon would be taxed $400, while those under 12.5 would be taxed $3,850. Carters original proposal to rebate the proceeds of this tax to consumers was rejected by Congress. Even without the gas guzzler tax the Congressional Budget Office estimates that the average fuel economy of cars on U.S. roads will increase by about 20 percent between now and 1990.

[5] Since 1890 residents of Boise, Idaho, have used naturally occurring hot water to heat their homes. Those on the geothermal line pay less than one-half as much as Boise residents who use natural gas for heat. The only other U.S. city to make extensive use of geothermal heat is Klamath Falls, Oregon. But there the results have been only marginally economic.

[6] Electric heat is not so uncommon as is frequently supposed. As a result of the natural gas shortage, about half the new homes built in the United States today are unable to get gas hookups and therefore turn to electric heat. While 30 percent of new dwelling units built in 1971 had electric heat, by 1974 the figure was up to 47 percent.

[7] The only exception to this should be oil that is more expensive to recover. Even here the companies should be required to demonstrate both the reasons for the higher cost and the immediate need for the oil. If both these conditions were met satisfactorily, the companies should then be entitled to a fair return and a higher price. But they should not automatically get the OPEC price, as they would under President Carter's proposals.

[8] From the period after World War I to 1954 the amount of energy used to produce a dollar of GNP in the United States fell from a peak of 92 million BTUs to about 59 million. Then, in the era of cheap Middle Eastern oil, little progress was made: in fact by 1970 the energy/GNP ratio was back up to 62 million. But with the rise in the price of energy during the past few years, the ratio has fallen below 58 million. In West Germany and Sweden it is already down to about 41 million.

[9] In 1972, West Germany used only 67 percent as much energy as the United States to produce a ton of petroleum products; 68 percent as much for a ton of steel; and 57 percent as much for a ton of paper. Measured on the basis of a dollar's worth of shipments, West German output in 1972 required 70 percent as much energy for food production, 37 percent for paper, 57 percent for chemicals, 50 percent for petroleum and coal products, 73 percent for stone, clay, glass, and concrete products, and 80 percent for primary metal production. The average for these six energy-intensive industries was 69 percent.

[10] A Bonneville Power Administration study found, "High impact conservation programs create more jobs than would be created by building new power plants to generate an equivalent amount of energy." Similarly, Fred Dubin, president of an engineering, planning, and management firm that has done several energy analyses, found that $2 billion invested in solar power and conservation technologies creates four times as many jobs as $2 billion invested in nuclear reactors.●

SENATOR JAMES ALLEN

● Mr. CANNON. Mr. President, the loss of my good friend Jim Allen has saddened me deeply. I had the pleasure of serving with Senator Allen on the Senate Rules Committee for many years. He was a conscientious and constructive voice on every aspect of the committee's business. Among other attributes, he could be counted on to express the sometimes unpopular but always necessary philosophy of fiscal restraint.

For a person who was known as a most formidable opponent of a wide range of legislation, it is remarkable that Senator Allen inspired so little animosity among his colleagues. He was that rarest of individuals who could fight tooth and nail over an issue, but never lose respect for those opposing him and never offend them personally.

Like proud Horatius who gained everlasting fame for his solitary defense of Rome at the gate of the Tiber, Senator Allen became famous for his unswerving support of conservatism and tradition as well as parliamentary procedures. From throughout the country came praise for this indefatigable Senator with the courtly southern manner and voice. His intelligence, verbal agility, and unfailing good humor captivated the Nation.

Senator Allen has been called the undisputed master of parliamentary procedure and no one who has had him as an adversary would deny that. He was, quite simply, a unique figure in the Senate and I doubt we shall see his equal in quite some time.

To his widow MARYON and the rest of his family, I and my wife Dorothy extend our sincerest sympathy and hope for strength to bear up under their loss.●

GAS FROM GULF COAST GEOTHERMAL ZONE

● Mr. GRAVEL. Mr. President, it has come to my attention that many of my colleagues, for one reason or another, might have overlooked an interesting article appearing in the Washington Post some time ago. The thrust of the article is that there may be an extraordinary amount of energy contained in the geothermal zone of the gulf coast area of the country. The unusual aspect of this revelation is that the country could benefit from both the geothermal energy, as well as from the potentially incredible quantities of dissolved methane gas. I have read other accounts of this potential. I remain firm in my belief that there are sources of future energy available, such as this one, if we but encourage the use of imagination in our approach to the Nation's energy crisis—and provide the necessary incentives—of all kinds—to assure that we leave no potential area of energy resource unexplored, if only in the academic sense. While oilmen may call such sources "pie in the sky," we should not be dissuaded from investigating them. This source is not going to replace any other. But collectively, with earnest investigation of all potential sources, we will come closer to lessening our dependence on foreign sources and domestic nonrenewable sources of the conventional variety, while we begin to reap the benefits of conservation of our energy usage. I submit the following article for the RECORD and I commend my colleagues the reading of the article in the hopes that we may begin to approach our energy situation with maturity and optimism.

The article follows:

[From the Washington Post, Jan. 22, 1978]

GEOTHERMAL ZONE'S GAS EXCEEDS EXPECTATIONS

(By Bill Crider)

NEW ORLEANS, Jan. 21.—An effort to tap a potentially enormous new source of natural gas along the Gulf Coast came up a lot richer than expected—and no one is quite sure why.

"People were waiting around to see what we found; from now on, it will be like a snowball rolling," said O. C. Karkalits, dean of the School of Engineering and Technology at McNeese University.

The experiment, still under analysis involves the Gulf geothermal zone—a 100-mile-wide underground formation extending from New Orleans to Brownsville, Texas.

A project headed by Karkalits took over a dead gas well in Tigre Bayou near Delcambre, La., last summer, tapped into the zone, and began bringing up hot salty water so full of dissolved methane gas it fizzed like soda pop.

Scientists expected to find a maximum of 37 cubic feet of natural gas dissolved into each barrel of water by the zone's 11,000-pound-per-square-inch pressure.

"Much to our surprise, the gas we gathered ranged from 40 to 70 cubic feet per barrel," said Karkalits. "Actually, it got as high as 87 or 88 cubic feet."

To try to figure out what was happening, they recombined gas and salt water at the McNeese laboratory in Lake Charles, La., under reservoir conditions—238 degrees Fahrenheit heat and 11,000 pounds pressure.

Karkalits said the water was saturated after 24 cubic feet of gas was dissolved into it. No more than that could be compressed into the water. So where was all that extra gas coming from?

"My theory is that there are little bubbles of gas in the water that couldn't get into solution after the water became saturated," said Karkalits. "When the water came up, the bubbles came out. But the theory is too new to be completely accepted."

Will Osborne of Bryan, Texas, senior partner of the engineering firm of Osborne, Hodges, Roberts and Weiland, said more experimental projects must be undertaken before the theory is proven.

The firm handled operations at the 13,000-foot-deep experimental well.

"We don't think so, but there is a possibility we had a little gas cap down there, or there could have been leakage somewhere up the casting from some other reservoir," he said. "We limit ourselves to cautious optimism."

Oil men long have known that the geothermal belt, a dangerous hazard to early drillers, was gaseous. However, it ever seemed worthwhile to find a way to get the gas out—

not until shortages began forcing gas prices up.

Researchers are fascinated by the geothermal zone because, theoretically, the Gulf zone and another one located in California could feed energy-hungry America for generations.

Oil men call that "pie in the sky."

As a measure of the potential, a U.S. Geological Survey study estimated the Gulf zone contains 24,000 quads of methane gas within normal drilling range.

A "quad" is the equivalent of one quadrillion British thermal units of heat, or roughly the energy in a trillion cubic feet of natural gas, 170 million barrels of oil, 50 million tons of coal.●

FOREIGN INVESTMENT IN U.S. FARMLAND

● Mr. TALMADGE. Mr. President, last January, I asked the Comptroller General of the United States to have the General Accounting Office (GAO) conduct an inquiry into reports that I and other Members of Congress were receiving concerning reports of large-scale purchases of U.S. farmland by foreign investors.

The GAO has completed its preliminary inquiry into this matter and has submitted the report of its initial findings to me as Chairman of the Senate Agriculture, Nutrition, and Forestry Committee on Monday. While the report is somewhat inconclusive in some respects because of the magnitude of the task and the limited time, the findings appear to confirm a considerable amount of interest and activity by foreign investors in U.S. farmland, at least in some areas of the Nation.

For example, a spot check by the GAO of 25 counties in 5 States indicates that 44,016 acres have been purchased by foreign investors since January 1976. This represents 0.3 percent of all farmland in those counties. In one county in my State of Georgia—Johnson—6.3 percent of all farmland was purchased by foreign interests during the period.

The Senate Committee on Agriculture, Nutrition, and Forestry will continue to look into this problem, using the GAO report as a starting point. I have, in fact, taken six actions to broaden and intensify our committee's study and investigation of the foreign farmland ownership question.

Mr. President, because of the extensive interest in this matter, I ask to have printed in the RECORD a letter from the Acting Comptroller General summarizing the GAO report. I am sure many Senators will wish to avail themselves of the entire report.

I ask that my remarks about the future plans of the committee also be printed in the RECORD.

The letter and statement follows:

HON. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: By letter dated February 28, 1978 (app. VII), you asked us to (1) obtain information on State laws that place constraints or require reporting on ownership of farmland by nonresident aliens, (2) obtain any data collected as a result of State reporting requirements or available from other sources on foreign ownership of land, and (3) provide observations on possible approaches or follow-on initiatives for obtaining nationwide data on purchases of U.S. farmland by foreigners. You also asked us to determine whether any information was available at the county level to indicate the magnitude of foreign investment in farmland. The Chairman of the Subcommittee on Agriculture, Rural Development and Related Agencies, Senate Committee on Appropriations, expressed a similar interest (app. VIII).

Before receiving your request, we had made some preliminary inquiries on the subject of foreign investment in U.S. farmland. As we reported to you on March 17, 1978, very little aggregate data exists about the ownership of U.S. real estate; there is no national system for obtaining such information; and, although some Federal studies have been made and other efforts are underway, the data produced to date is very fragmentary and inconclusive. The results of our preliminary inquiries are included as appendix VI in this report.

In response to your request, we solicited information from each State's Governor; visited six States (California, Georgia, Illinois, Kansas, Missouri, and Oklahoma) and 25 counties; talked with legislators, State and county officials, lawyers, brokers, farmers, and other agricultural experts; and reviewed various State and county records. We also held discussions with various Federal officials. A detailed description of the scope of our work is in appendix I.

The results of our review are summarized below and are discussed in more detail in appendixes II through V.

LIMITED IMPACT OF STATE LAWS ON FOREIGN INVESTMENT IN U.S. FARMLAND

In the aggregate, State laws do not significantly inhibit foreign ownership of land. The laws range from general prohibitions on such ownership to a total absence of provisions dealing with this subject. There are so many different provisions, exceptions, and stipulations that even classifying the laws into general categories is difficult. These differences seem to mirror the diversity of State perceptions as to whether foreign ownership of land constitutes a present or potential problem in the State.

Classification of State laws

As of May 1978, 25 States had laws that placed some constraints on aliens acquiring or holding farmland. As summarized below and discussed in more detail in appendix II, some of these laws had more than one type of restriction or requirement. Also, 13 States had laws that placed restrictions on corporate ownership of U.S. farmland.

	Number of States
Restrictions on alien ownership of U.S. farmland	25
General prohibition or major restrictions on nonresident alien ownership of land	9
Restriction on size of landholdings or duration of ownership	11
Restrictions on inherited land	9
Restrictions on acquisition of State property	4
Other minor restrictions on ownership	6
No restrictions on alien ownership of U.S. farmland	25
Restrictions on corporate ownership of U.S. farmland	13

Some of the restrictions were major, while others were minor and seemed to be of little practical importance in deterring alien investment in U.S. land.

The nine States that have laws that generally prohibit, or restrict in a major way, individual alien investors residing outside the United States from owning real estate in their names are Connecticut, Indiana, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, and Oklahoma. Most of these States have some exceptions to the general provisions on nonresident aliens, and some have limitations on ownership of land by resident aliens.

Five States have laws that limit the total acreage that aliens can acquire or hold. These are Iowa, Missouri, Pennsylvania, South Carolina, and Wisconsin. The limits range from 5 acres to 500,000 acres. Six States (Illinois, Indiana, Kentucky, Mississippi, Nebraska, and Oklahoma) have laws that restrict aliens from owning land for more than a specified time. Illinois permits aliens to acquire land, either by purchase or inheritance, but requires them to dispose of it within 6 months. The other five States require aliens to dispose of all or part of their landholdings within specified times if they do not become U.S. citizens or, in the case of Oklahoma, U.S. citizens or residents of the State.

The laws of the 13 States that restrict corporate ownership of real estate vary in complexity and degree of severity—some apply to all corporations (regardless of whether aliens are involved); others apply only to corporations that have alien interests behind them.

Pertinent excerpts from and citations to the laws of individual States are shown in appendix V.

Ten States (Alabama, California, Georgia, Illinois, Iowa, Kansas, Nebraska, Ohio, Oklahoma, and Wisconsin) told us of proposed legislation, at the time of our review, that would place additional constraints on foreign ownership of their land or would require periodic reporting of such landholdings. Most of these States already have laws containing some restrictions on foreign ownership of land.

Even recognizing the proposed additional legislation, our overall impression is that effective control or monitoring of foreign investments in U.S. farmland through State legislation is a long way off.

Data collected by States

The States have collected very little data on foreign ownership of farmland. Only two States (Iowa and Minnesota) require nonresident aliens to file annual reports on their agricultural landholdings. These two States and Nebraska also require corporations with agricultural landholdings to file annual reports identifying the names and addresses of alien shareholders. Vermont also provided some information on the amount of farmland purchased by nonresident aliens in certain counties. Data obtained from these four States is as follows.

Iowa reported that 23 nonresident aliens owned about 7,000 acres in 1977, and that 6 of 13 corporations with at least 5-percent alien ownership owned about 2,100 acres. (Data was not available for the other seven corporations.) The 9,100 acres represents 0.03 percent of Iowa's farmland.

Minnesota reported that about 28,200 acres (0.09 percent of Minnesota's farmland) were owned or leased in 1976 by nonresident aliens or by business entities with at least 10-percent alien ownership.

A Nebraska official said that no landholdings were reported under its requirement.

Based on a limited survey, Vermont reported that nonresident aliens bought 951 acres, or about 20 percent, of the 4,746 acres of farmland that were sold in 4 of its 14 counties during 1976 and 1977.

There is no basis for concluding whether the above data provides a good clue as to the nationwide situation.

How foreign investment in U.S. farmland is perceived by State governments

We asked the State Governors whether their States consider foreign investment in farmland to be an actual or potential problem and the reasons for this belief. The re-

sults of this survey are summarized below and discussed in more detail in appendix II.

	Number of States
Not an actual or potential problem	18
Could become a problem in the future	10
Is a problem (or limited problem) at this time	2
No official position—but some legislators and citizens are concerned	7
Mixed views	2
Not enough information for opinion or no response	11
Total	50

States that viewed foreign investment in their farmland as a potential problem generally cited one or more of the following reasons.

Foreign investors might drive up the price of farmland beyond the reach of local residents.

Too much foreign investment could eventually enable foreign interests to gain some control of the available farmland, especially prime agricultural lands. They could then gain some control over food production and possibly food prices.

Too much foreign investment could adversely affect the future of small family farms.

Most of the States that did not consider foreign investment to be a current or potential problem did not provide any insight into the reasons for their belief. Others said that

data was lacking or that available data did not indicate a problem,

foreign investment could benefit agriculture expansion,

the matter was primarily an emotional issue,

the issue has been blown out of proportion, and

farmland prices were being driven up by farmers bidding against each other just as much as by foreigners bidding for land.

DIFFICULTY OF FINDING OUT WHAT IS HAPPENING IN COUNTIES

We visited 25 counties in 5 States to see what kind of information was available on foreign land purchases and to obtain data on the extent of such purchases in those counties. The results of these visits are discussed in appendix III. We came away with the opinion that, generally, county public records are not a useful source of information on foreign investment in county farmland. We were able to obtain some information on the subject from other sources and check it out through various means; however, the completeness of the information is uncertain and its collection depended largely on the knowledge and cooperation of various private and public firms, agencies, and officials.

In trying to obtain information about recent purchases of farmland by nonresident aliens, we talked with persons who, because of their jobs or positions, we thought would be knowledgeable about their county in general and farmland transactions within that county in particular. These persons included county court clerks and tax assessors; members of county committees involved with certain Department of Agriculture activities; real estate agents, brokers, and appraisers; bankers and employees of other types of lending institutions; title insurance companies; local farmers; and others.

We asked these persons for any information they had on specific instances of farmland purchases within their respective counties by nonresident aliens since January 1976. We tried to verify any information obtained by reviewing available public records. We had no means of checking the completeness of the information obtained and therefore cannot say what proportion of all purchases or of all foreign purchases of land in each county was identified.

Also, in cases where the owners of record were corporations or other business entities, we could not identify the beneficial owners of the farmland (for example, the stockholders of a corporation). We therefore considered such farmland to be foreign owned if the corporations were either incorporated in a foreign country or listed foreign addresses for one or more officers or directors. Included in this category were corporations listing addresses in places with significant tax advantages such as the Netherlands Antilles. It is possible, however, that some of these corporations may be totally owned by U.S. citizens.

Identification of farmland owned by nonresident aliens in selected counties

The information we obtained for the selected counties is summarized below by State and is discussed in more detail in appendix III.

State	Number of counties	Total farmland acres in counties	Information indicates foreign ownership: Number of acres	Information indicates foreign ownership: Percent of total acres
California	3	7,367,730	8,786	0.1
Georgia	11	1,611,010	24,239	1.5
Kansas	3	771,000	2,678	.3
Missouri	3	1,055,143	9,013	.8
Oklahoma	5	5,342,872	0	0
Total	25	16,147,755	44,716	.3

Further information on these transactions and on additional scattered land transactions in these States is presented starting on page 25 of appendix III.

Because information is not available for determining whether the above data is representative of foreign investments in the counties visited, the information we were able to gather could be only the "tip of the iceberg"; on the other hand, it could represent a conservative approximation of the situation in the countries involved.

Impact on land prices

We also acquired or developed some data on the prices nonresident aliens paid for farmland in several counties, but we could not determine to our satisfaction whether these prices were on target or were considerably higher or lower than prevailing market prices for comparable property in those locations. Sales prices generally were not recorded on the property deeds we reviewed. For some sales in Georgia, we estimated sales prices on the basis of the transfer tax and other information shown on property deeds.

For example, the estimated prices paid by nonresident aliens for 17,400 of the acres we identified in six counties in east central Georgia ranged from $305 to $717 an acre. According to county sources, the average price of farmland in these counties ranged from $300 to $500 per acre—the better land costing more. Elsewhere in Georgia, prices paid for about 6,000 acres by nonresident aliens ranged from $925 to $3,155 an acre, compared with average prices ranging from $600 to $1,000 an acre. Another example showed domestic investors paying about $150 an acre less for comparable land than a foreigner.

In one case in Kansas where we could determine the price of foreign owned farmland, the price per acre was about $40 less than the average price paid by domestic purchasers in eight sales of generally comparable land.

Opinions of local authorities and others regarding foreign ownership of farmland

Local authorities and others expressed differing views about the implications of nonresident aliens purchasing farmland. Some were concerned that foreign purchases might pose a potential problem; some believed that problems already have surfaced; and others said that such investment was beneficial. Nearly all of the persons we talked with had heard rumors about nonresident aliens purchasing farmland, either in their areas or elsewhere, but none of them knew the extent of such investment in their particular localities. More information on local views is presented starting on page 36 of appendix III.

OBSERVATIONS ON CURRENT EFFORTS AND ALTERNATIVE INITIATIVES

There is virtually unanimous agreement among persons at all levels of government and in the private sector that, currently, there is no reliable data on the amount of U.S. farmland owned by nonresident aliens or on recent trends of such ownership. Such information would be very helpful to the Congress if it wishes to formulate and implement a national policy on nonresident aliens owning farmland in the United States. Clearly, efforts need to be started now to produce useful and meaningful information.

Federal efforts

Several Federal efforts touching on this subject have been started or planned. They are summarized below and discussed in more detail in appendix IV.

A planned Department of Agriculture feasibility study of ways to obtain nationwide land ownership data. (This has still not gotten off the ground because of funding problems.)

A Department of Agriculture questionnaire-type survey designed to obtain data on the characteristics of landowners and land uses.

A Department of Commerce effort (by its Office of Foreign Investment in the United States) to identify all types of foreign investments in the United States, including those in the agriculture area.

A Department of Commerce effort (by its Bureau of Economic Analysis) to require all nonresident alien firms and individuals owning or leasing at least 200 acres of real estate to report the particulars of such landholdings.

A Department of Commerce effort (by its Bureau of the Census) to obtain information on nonresident alien owners of farmland through the 1979 Agriculture Census.

The results of Federal ongoing and planned efforts for obtaining useful data on foreign investment in U.S. farmland are not encouraging.

Recommendation

The effort planned by the Department of Commerce's Bureau of Economic Analysis to identify certain real estate owned or leased by nonresident alien firms and individuals will not separately identify the amount of farmland acres included in the total acreage reported. We suggested to Commerce officials that such a breakout of data would be useful to the Congress, but the officials told us that they do not plan to do this. We therefore recommend that your Committee request the Department of Commerce (1) to adjust its reporting requirements to specifically identify farmland and (2) include such information in its report to the Congress.

Alternative new approaches

Following are some observations on various approaches that have been suggested for obtaining information on nonresident alien investment in U.S. farmland. Before any system is instituted, a number of related legal, procedural and coordination issues need to be addressed. These are discussed below and in appendix IV.

1. As a condition for any individual or entity receiving any benefits through Federal rural/agricultural programs, they could be required to first register their alien status and the acreage they own or lease at the county Agricultural Stabilization and Conservation Service office. This approach has the advantage of being an all-Federal system

which should reduce legal and coordination difficulties. It also has a built-in compliance factor for those benefiting or planning to benefit from such programs. A disadvantage would be that all foreign owners of farmland may not participate in, and some may choose to disassociate themselves from, such Federal programs.

2. As part of a mandatory process of recording land transfer transactions at the county level, new land owners or their agents could be required to identify on a data processing card the alien status and acreage of such ownership. This information could be routed through the States to a central Federal point for tabulation and annual reporting. This would not provide data on existing land ownership. It would require close cooperation of all States and counties, changes in State laws and county ordinances, and uniform data collection and reporting systems. A major advantage would be that information would automatically be generated on all purchases by foreigners.

3. Another approach would be to require that all parties customarily involved in real estate transfers report on any land acquisitions involving foreign interests. Major drawbacks would include uncertainty that all foreign acquisitions have been identified, the large number of data collection points, the probability of much duplication, and the probable strong opposition from nearly everyone concerned in collecting the data. Also this would not provide data on existing land ownership.

4. Periodic and extensive surveys, using scientific sampling techniques and centralized controls, might provide data that could be projected on a nationwide basis. The design and implementation of such an approach could present serious problems, and the resulting data may not be entirely satisfactory.

5. Of the alternatives considered, the most feasible and simplest approach may be to federally legislate a nationwide registration system for foreign owners of U.S. land. Such a system could be generally similar to the alien resident registration system currently used by the Immigration and Naturalization Service—which requires card-type reports to be submitted annually by resident aliens through post offices to a central Federal point. Such a system would place the reporting burden on the landowners (or their agents), would require relatively little involvement by State or county governments, would be conceptually simple, and would provide data on current ownership, rather than only subsequent farmland transfers. The usefulness of such a system would depend on the completeness of the information reported.

Any system used would require the resolution of any problems caused by constitutional and legal issues, and also should include the following:

Standard definitions of terms and clear reporting criteria.

Stipulations that only data on foreign investments in farmland would be collected.

Criteria as to the minimum number of acres to be reported.

Use of a standard card-type form to facilitate data processing.

Meaningful incentives or penalties to insure submission of full and accurate data.

We trust the foregoing information will be useful to your Committee. We plan to consult further with your Committee to decide on a future role for our Office in this area of concern.

To expedite reporting, we did not follow our normal practice of obtaining formal agency comments on the matters discussed in this report.

As arranged with your office, we are furnishing copy of this report to interested congressional committees, Members of Congress, and others.

Sincerely yours,

R. F. KELLER,
Acting Comptroller General
of the United States.

REMARKS OF SENATOR HERMAN E. TALMADGE AT A NEWS CONFERENCE TO RELEASE THE GENERAL ACCOUNTING OFFICE REPORT ON ITS INQUIRY INTO FOREIGN OWNERSHIP OF U.S. FARMLAND, JUNE 12, 1978

During the past several months, I, along with other members of the Congress generally, have received an increasing number of reports indicating unusual interest and activity among foreign investors in the purchase of U.S. farmland.

Many of these reports came to our attention during the time that a large number of farmers and ranchers were in Washington earlier this year to dramatize the financial plight of American agriculture. We were told of many instances in which foreign interests were reported to be buying up large acreages of prime farm and range land, often at prices far out of reach of our own farmers.

This unusual interest by foreigners in acquiring U.S. farmland also has been observed by the national news media and has been prominently reported in numerous articles in recent months.

A number of these articles suggest that the U.S. farmland purchases by foreign interests amount to a billion dollars annually and account for a significant proportion of all farmland ownership transfers.

Whatever the magnitude and the money involved, these reports are a matter of great concern to me and to the members of this Committee. I believe they also are of national concern and raise serious questions of national policy.

It is, however, extremely difficult to obtain an accurate assessment of the actual magnitude and extent of foreign investment in U.S. farmland. That there is some activity and great interest among foreign investors is beyond dispute. But there simply is no reliable system now in existence for keeping track of this activity and no uniform or central sources of information.

Because of the intense concern of many people about this problem and the serious questions of public policy involved, I think it is imperative that the basic facts and figures be obtained so that we may know what is actually taking place and what might be done at the Federal or state level, either in the form of restrictions or reporting requirements.

Accordingly, I asked the Comptroller General in January to have the General Accounting Office (GAO) conduct an initial study of the acquisition of agricultural land by foreigners. Specifically, I asked that GAO provide this Committee with information on various state laws that place restraints or reporting requirements on alien land ownership and on the general availability of reliable data on the subject.

I also asked for any additional information that could be obtained in the space of a few months that would shed light on the problem.

This initial study has now been completed and the report is before you. Members of the GAO team who conducted the study are here and are prepared to discuss it with you.

But before turning the program over to them, I do want to say this: This report, while necessarily inconclusive and tentative on some vital points, clearly confirms and underscores the concern and fears that many people have of growing foreign ownership and control of this country's greatest natural resource. When six percent of the agricultural land of a single county in my state goes under foreign ownership, I say we have a problem.

Therefore, the Committee on Agriculture, Nutrition, and Forestry will continue to maintain a high level of scrutiny over this entire matter. In fact, I intend to enlarge and intensify our investigation of alien ownership of American farmland, using the initial GAO report as a starting point.

To this end, I have today taken the following actions:

(1) Requested the GAO to continue its investigation. I have asked that the next phase of its investigation be focused on nine states that represent the various agricultural regions of the country. Within each of these states, I have asked GAO to analyze all agricultural land transfers that have occurred since January 1, 1977, in several representative rural counties and to identify to the extent possible those transfers that represent foreign interests. From this sample data, we should be able to make some reasonable projections of the extent of the problem nationally. Additionally, I have asked GAO to investigate the reasons why foreigners are investing in our farmland.

(2) Requested that the USDA Extension Service Directors in each state ask local extension agents in all counties to report any knowledge they may have of farmland purchases by foreigners in their respective counties since January 1, 1977.

(3) Requested the Administrator of the Agricultural Stabilization and Conservation Service (ASCS) of USDA to have each of its county offices review its records to attempt to identify any farm or ranch land purchased by foreign interests since January 1, 1977.

(4) Requested the Secretary of Commerce to provide the Committee with whatever information her Department might be able to obtain through its International Investment Division on foreign investment in American agricultural land starting from January 1, 1977. I also have asked Secretary Kreps to include farmland investment by foreigners in a new annual foreign investment survey that her Department is currently developing.

(5) Requested the Congressional Research Service of the Library of Congress to prepare an overview paper discussing Constitutional, International Treaty and other legal questions that would be involved in any Federal or state legislation dealing with the purchase and ownership of U.S. farmland by nonresident foreign aliens.

(6) Requested the Senate Appropriations Committee to add $450,000 to the 1978 Supplemental Appropriations Bill to enable the USDA to conduct a study of the feasibility of the establishment of a system for monitoring foreign investment in agricultural property and a multi-purpose land data system. This feasibility study was authorized by the Congress in the International Investment Survey Act of 1976, but has not been funded.

I hope we will begin receiving this information and data promptly. From all of these sources, plus the efforts of our own staff, the Committee intends to develop the fullest and clearest picture possible of the problem of foreign land ownership. This will provide a sound and rational basis for whatever legislative action might be indicated to deal with this problem.●

THE POLITICAL ECONOMY OF THE CONGRESSIONAL BUDGET OFFICE

● Mr. HAYAKAWA. Mr. President, on April 25, I delivered a major speech during the discussion of the first concurrent resolution on the fiscal year 1979 budget. It focused on the faulty economic

framework used by the Budget Committee to make economic policy decisions and produced by the Congressional Budget Office. The Budget Committee specifically, and the Congress in general, consider the advice of the CBO to be "scientific truth" based on the results of their large econometric models. But, as I pointed out in my speech, these "scientific" econometric models are based on subjective assumptions, many of which are unrealistic and faulty. These subjective assumptions bias the results of the models, which in turn bias policy decisions.

One of the most important biases I have noted is a bias against saving, as if saving were bad for the economy. Basing economic policy decisions upon the results of these models has therefore lead to policies which are biased against saving and which inhibit the real growth of our economy. This is particularly true of our long-term economic growth, since the models focus only on the short term.

Three days after I delivered this speech, two prominent economists presented a paper which focused on some of my concerns to the Carnegie-Rochester Public Policy Conference at the University of Rochester. The paper was prepared by Dr. David I. Meiselman, professor of economics and director of the graduate economics program in Northern Virginia of Virginia Polytechnic Institute and State University, and Dr. Paul Craig Roberts, economic counsel to Senator HATCH, senior research fellow at the Hoover Institution at Stanford University, and adjunct professor of economics at George Mason Universitv. The paper is entitled "The Political Economy of the Congressional Budget Office" and contains some very incisive comments about the politics of the CBO. It explains the failings of the CBO economic analyses. And it focuses on the CBO's bias against saving and its obsession with the short term at the expense of the long term. Dr. Meiselman and Dr. Roberts state:

The CBO multipliers project emphasizes the short run. The CBO's view of long run is found in "Closing the Fiscal Policy Loop: A Long-Run Analysis," (Dec., 1977). It is a combination of the mind-set of a 1930's stagnationist and the computer technology of the 1970's. There are neither resource allocation or efficiency problems nor market solutions. Even economic growth is determined by aggregate demand and aggregate demand management. Thus, saving is a threat to growth.

They go on to say:

Thus, the CBO's long-run analysis has demand without supply, inflation without money, interest rates without capital, output without inputs, employment without wage rates and a labor market, and investment without saving or any change in the capital stock. There are static expectations throughout; either nobody ever learns anything, or people don't give a damn. More than twenty years after the consumption analyses of Friedman and Modigliani and Brumberg, consumption spending is taken to depend on current disposable income; they cannot or do not borrow. They essentially have no assets, and no capital management decisions.

I believe that the country faces real economic trouble if the Congress continues to make decisions based on the faulty advice of the Congressional Budget Office. Unless the biases of the CBO and its econometric models are corrected, the budget process will merely continue to pretend to provide "scientific" economic justification for continued Federal Government spending and high taxes. Professors Meiselman and Roberts share my concerns. I commend their paper to my colleagues in the Senate and ask that it be printed here in its entirety.

The paper follows:

THE POLITICAL ECONOMY OF THE CONGRESSIONAL BUDGET OFFICE

THE CONGRESSIONAL BUDGET ACT

The Congressional Budget and Impoundment Control Act of 1974 established: (1) a new congressional budget process, (2) Senate and House Committees on the Budget, (3) a Congressional Budget Office, and (4) a procedure providing congressional control over the impoundment of funds by the executive branch.

The Act was deemed necessary for the following reasons:

At a time when the federal "budget had become the nation's principal tool for determining governmental goals and economic policy, affecting nearly every facet of American society . . . the Congress lacked a comprehensive mechanism for establishing priorities among its goals and for determining economic policy through the budget process. . . . Budget actions never explicitly decided the size of the budget, whether it should be in surplus or deficit, and precisely by what amount." [1]

Past budget reforms had enhanced and centralized budget authority in the Executive Branch, while permitting increased fragmentation of spending authority within the Congress. The concentration of financial and policymaking authority in the Office of Management and Budget had no counterpart in the Congress. The increasing use of impoundments by the Executive was seen by the Congress to be a direct challenge to its constitutional power to establish spending priorities.

The Congress was disturbed by its lack of control over spending. "Uncontrollables" were the fastest rising part of the budget and had reached 75 percent of the total. Backdoor spending (spending outside the regular appropriation process) was more than half of all spending. With its budget actions restricted only to the authority to obligate funds, the Congress had no control over actual expenditures or outlays, "resulting in little direct relationship between congressional budget actions and actual expenditures in any given year." [2]

Thus, the Act resulted from Congress's desire to: (1) explicitly relate its budget actions to its economic policy, (2) restore its power to establish spending priorities, and (3) gain control over spending. This is the official rationale for the Act, and like many official rationales it may simply be a legend designed to veil the true motives.

OUTLINE AND TIMETABLE OF THE CONGRESSIONAL BUDGET PROCESS

The timetable with respect to the various stages of the new budget process is as follows: [3]

On or before:	Action to be completed:
November 10	President submits current services budget.
15th day after Congress meets	President submits his budget.
March 15	Committees and joint committees submit reports to Budget Committees.
April 1	Congressional Budget Office submits report to Budget Committees.
April 15	Budget Committees report first concurrent resolution on their budget to their Houses.
May 15	Committees report bills and resolutions authorizing new budget authority.
May 15	Congress completes action on first concurrent resolution on the budget.
7th day after Labor Day	Congress completes action on bills and resolutions providing new budget authority and new spending authority.
September 15	Congress completes action on second required concurrent resolution on the budget.
September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
October 1	Fiscal year begins

The first budget resolution in any fiscal year sets targets, and the second budget resolution establishes actual ceilings for spending, both in the aggregate and for each major functional category,[4] and a floor for revenues.

THE BUDGET COMMITTEES

The House and Senate Budget Committees "are created to guide the Congress in the new tasks of setting national fiscal policy aggregates; that is, total spending, revenue, and debt levels." [5]

THE CONGRESSIONAL BUDGET OFFICE

The mission of the C.B.O. "is to provide the Congress with detailed budget information and studies of the budget impact of alternatives policies" [6] in order to provide Congress with the information necessary to carry out the budget process and to consider the budget "in the context of the current and projected state of the national economy." [7] "The law makes clear that the C.B.O. is to have a nonpartisan, highly professional staff and that it is to provide a wide range of fiscal and budget information and analyses. C.B.O. does not make recommendations on policy matters but provides Congress with options and alternatives for its consideration." [8]

C.B.O. (1) provides periodic forecasts and analyses of economic trends and alternative fiscal policies; (2) keeps score of congressional action on individual authorization, appropriation, and revenue bills against the targets and ceilings in the concurrent budget resolutions; (3) develops five-year cost estimates for implementing any public bill or resolution reported by congressional committees; (4) provides at the beginning of each fiscal year five-year projections on the costs of continuing current federal spending and taxation policies; (5) provides by April 1 of each year "a fiscal policy report which includes a discussion of alternative spending and revenue levels, levels of tax expenditures under existing law, and alternative al-

Footnotes at end of article.

locations among major programs and functional categories, all in the light of major national needs and their effects on balanced growth and development of the United States;" [9] (6) provides additional studies.

A primary motive behind the formation of the C.B.O. was the Congress desire to have its own source of budget information. The Congress's ability to work its own purposes was constrained by its dependence on information supplied by the Executive Branch.

See Attachment A for statutory tasks and organizational chart of C.B.O.

INTRODUCTION

Some months ago Karl Brunner and Allan Meltzer spoke to one of us about writing a paper evaluating the economic analysis and the impact of the Congressional Budget Office for this Carnegie-Rochester Conference. The conference was many months away, and the task seemed manageable, even inviting, especially for somebody who had spent much of his professional career researching and writing about stabilization policy, the main concern of the Congressional Budget Office. Several weeks later, the second author, who had been a staff member of the House Budget Committee, agreed to the joint effort.

As of March 1978, the C.B.O.'s publication list contained 133 studies as well as 21 Congressional Budget Scorekeeping Reports. If each study averages 70 pages, which we roughly estimate on the basis of unsystematic sample, we have a total of close to 11,000 pages. Published C.B.O. reports cover diverse topics and evaluations ranging from "Inflation and Unemployment: A Report on the Economy" (June 30, 1975) and "Advanced Budgeting: A Report to the Congress," (March, 1977) to "Alton Locks and Dam: A Review of the Evidence," (August 26, 1976) and "U.S. Air and Ground Conventional Forces for NATO: Fire Power Issues," (March, 1978).

In addition to these published reports, there is extensive testimony by the C.B.O.'s Director before Congressional committees as well as various unpublished reports, communications, and underlying studies such as the C.B.O. wage-price model.

Given the scope and volume of C.B.O.'s studies, we have limited this paper to an evaluation of the main elements in the C.B.O.'s analysis of stabilization problems and policies. In the concluding section of this paper, we offer some opinions concerning the impact of the C.B.O. and its staggering outpouring of studies, reports, papers, analyses and computer runs.

In the main, the C.B.O. analyses tend to have a *deja vue* quality, because they largely are derived from extreme and relatively unsophisticated Keynesian models, which have generally been superseded by advances in economic science and econometrics over at least the past ten or fifteen years, for example, as reflected in the research and critiques presented at earlier Carnegie-Rochester conferences. Not only is the C.B.O. treatment of money and monetary analysis deficient, but the C.B.O. appears to have responded to the fundamental questioning of the efficacy of much, or all, of discretionary stabilization policy by rational expectations theorists and others by largely ignoring them. As such, the C.B.O. analyses essentially make almost all of the errors of the old Keynesian models and the simple IS-LM models. In keeping with Keynesian focus on short-run stabilization, there is no long run even in the studies that claim to be analyses of long-run issues. In all cases, saving impairs economic performance and growth.

In addition, the empirical and econometric exercises found in the C.B.O. reports are also disappointing. They compound all the errors and deficiencies of the large-scale econometric models by adding still more numerical constraints to those found in the large-scale models themselves. They emphasize estimation and accounting, which are used as the basis for forecasting.

Throughout, there is the fundamental confusion between estimation and hypothesis testing. In common with much of what passes for empirical research and analysis in the nation's capitol and eslewhere, most of the C.B.O.'s empiricism is little more than crude curve fitting and casual empiricism. However, despite the emphasis on curve fitting, there is not a single statistic showing goodness of fit for the C.B.O. estimates or for those of the large-scale econometric models employed in the keystone multipliers study we survey. Thus, there is no way of knowing how well parameter estimates have fit past data. The presumption seems to be that the set of fitted values correctly project the future without error. But even this is never tested because there are no tests of post-sample forecasts.

To be sure, much of C.B.O.'s output, especially their forecasts and their evaluations of the impact of fiscal policy on economic aggregates, is in response to Congressional mandates and inquiries. But we believe that these tasks, as well as the questions themselves, largely derive from presumptions that compensatory fiscal and stabilization policy work, that valid, precise and dependable answers are readily available, that economists can tell Senators and Congressmen about the implications of fiscal policy changes for prices, employment, gross national product and the like, quarter by quarter, at least up to and sometimes even beyond, the next election. The presumption that a valid and relatively precise analysis already exists and that only relatively minor additional efforts are required to yield a host of dependable answers biases the kinds of questions being asked as well as what are perceived to be policy problems and workable policy instruments. For example, if tax cuts have no incentive effects, why ask about the relationship between taxes and aggregate supply, labor force participation and the like.

We have had thirty years of experience with the Employment Act of 1946 and its presumption that the simple Keynesian model is valid and that compensatory short-run stabilization policies, especially by the use of fiscal instruments, are effective. These presumptions follow, in part, from belief in the analytical power of adding up G.N.P. components, the case of forecasting, the efficacy of fiscal policy, essentially static anticipations and the general absence of supply and relative price considerations.

Despite—or perhaps because of—more attention paid to stabilization and departures from full employment, the results have been unimpressive at best, and at worse biased towards inflation, big government and mischievous intervention, and perhaps still greater instability. Because so much of the same set of presumptions also apply to the stabilization orientation of the legislation establishing the new Congressional budget procedure, including the C.B.O. as well as the C.B.O.'s own analyses, we wonder if, realistically, we can expect any more of the new C.B.O. and of the new budget procedure itself.

THE CBO'S STABILIZATION POLICY MODEL

The most explicit statement of C.B.O.'s model is found in a C.B.O. study, "The C.B.O. Multipliers Project: A Methodolgy for Analyzing the Effects of Alternative Economic Policies" (August, 1977). According to the study, "The basic model presented there is in fact the one C.B.O. has used for nearly all its policy simulation work." (page 15).

Because different models often yield different answers, C.B.O. notes, "The Multipliers Project is an attempt to understand and deal with the diversity of results that various models may produce." (page ix). The various models that C.B.O. examines are restricted to the large-scale econometric models of D.R.I., Wharton, Chaste Econometricts, MIT-Penn (MPS) and FAIR. The presumption would seem to be that large-scale econometric models are essentially the only engines of analysis for answering various problems about the impacts of federal tax and expenditure policy. These models, *per se*, may appear to be highly scientific, making use of the latest technology and the most elaborate set of data amenable to answering a whole host of questions, all of which is much beyond the comprehension of any Senator and Congressman, plus almost every one of their staffs. As we all know, the horrible practical problem is that, although there are many common elements in these models, they frequently yield vastly different answers, much to the embarrassment of analysts who have access to more than one model, or who have to defend one set of results against another. And, because of the complexity of the models, themselves, it frequently is difficult to know why these differences exist. Moreover, these differences tend to create a lack of confidence in models themselves as well as in the analytical orientation that they reflect.

The C.B.O. response to this problem has been to act as if they are constrained to using only the large-scale model approach to answering fiscal policy questions, as if truth is essentially limited to these five exercises. To avoid the problem of the diversity of answers, the C.B.O. makes its own estimates of a set of "key ratios," to be discussed below. But these ratios largely appear to be little more than a middle-of-the-range consensus of the five models. The C.B.O.'s study has an extensive list of at least sixty different "key ratio" values for each of the five models plus C.B.O.'s Basic Multipliers Model. In all cases the C.B.O. parameter values are bracketed by the other five!

Obviously, hypotheses cannot be validated by a "consensus test." But the C.B.O. exercises clearly intend to fit or estimate parameter values; it is not intended to test any of the large-scale models or the C.B.O. "key ratios." To be sure, not every empirical exercise is a rigorous test, but unless "key ratios" or some other models or parameters are tested or testable, how is anybody to know whether there is any validity to the whole exercise, and whether the Congress is being supplied with good analysis or numerical incantations.

The C.B.O. "key ratios" approach attempts to make systematic comparisons of the five large-scale model estimates of the impact of changes in fiscal policies. The set of "key ratios" determines an overall multiplier, the responsiveness of nominal G.N.P. per dollar of federal government "spending increase or tax cut." (Does federal government spending ever decrease?) Differences in "key ratios" are resolved by the C.B.O. "on a basis of reasonableness, other empirical studies, and, when necessary, simple averaging across models." The selected "key ratios" are called "a uniform set of procedures for calculating policy impacts". "Key ratios" and multipliers are presented on a quarterly seasonally adjusted basis for ten quarters. Real variables, such as output and unemployment, are also derived from a two-equation wage-price model that we discuss below. We believe that the attempt to make the transition between nominal and real values fails.

In addition, the C.B.O. analysis asserts that "key ratios" and multipliers depend on initial conditions, which are likely to change from year to year. Thus, the C.B.O. report states, "The analysis needs to be redone whenever there is a substantial change in initial conditions. C.B.O.'s tentative plan is to redo it once a year."

This raises the question how one is to

know what a substantial change is, or how to systematically alter the "key ratios" on the basis of new information. There does not appear to be any tested basis for doing so, especially since the various interest, price and substitution elasticities as well as the supply and labor market responses to changes in initial conditions are essentially omitted from the analysis as are expectational considerations themselves.

Although the C.B.O. claims that the coefficients summarize a wide range of price and wealth responses as well as income-expenditure relationships, and are thereby reduced-form coefficients, C.B.O. never explains or makes explicit what price and wealth responses are being summarized or what structure generates the reduced-form. Whatever the partial responses may be, they, too, are omitted. Thus, it would be difficult, indeed, if not impossible, to derive important testable implications to test the validity of the largely unspecified set of structural relations for the overall model. What's mainly left, as in most income-expenditure models, is largely a set of presumptions about a limited range of nominal expenditures.

The model itself is as follows:

BASIC MULTIPLIERS MODEL

(1) $\Delta GNP\$(t) = \Delta C\$(t) + \Delta FI\$(t) + \Delta GG\$(t) + \Delta GE\$(t) + \Delta X\$(t)$

(2) $\Delta C\$(t) = a_{1t}(\Delta INC\$(t) + \Delta TR\$(t) - \Delta TP\$(t))$

(3) $\Delta INC\$(t) = b_{1t}\Delta GNP\$(t) + c_{1t}\Delta GE\$(t)$

(4) $\Delta TR\$(t) = -b_{2t}\Delta GNP\$(t) - c_{2t}\Delta GE\$(t) + \Delta TRO\$(t)$

(5) $\Delta TP\$(t) = b_{3t}\Delta INC\$(t) - c_{3t}\Delta GE\$(t) + \Delta TPO\$(t)$

(6) $\Delta FI\$(t) = a_{2t}[\Delta GNP\$(t) - \Delta GE\$(t)]$

(7) $\Delta X\$(t) = a_{3t}\Delta GNP\$(t) + \Delta XO\$(t)$

(all variables are in current dollars)

where

GNPS=Gross National Product.

CS=Consumption.

FIS=Fixed investment (business and residential).

GGS=Federal government purchases except public employment.

GES=Public employment spending net of displacement, federal and state and local (displaced funds used for tax reduction or general state and local spending enter as TPS or GGS).

XS=Rest of GNPS: inventory investment net exports, state and local spending other than public service employment.

INCS=Wages and salaries and other labor income and nonwage income.

TRS=Federal transfer payments.

TPS=Federal personal tax revenues (including employee payroll taxes).

TROS=Intercept, transfer payments.

TPOS=Intercept, personal tax revenues.

XOS=Intercept, other spending.

†=Time, in quarters.

To derive the nine a, b, and c coefficients for the model, simulations of the fiscal policy in five full-scale models were used. "Each econometric model simulation yields a specific set of values for the key components that together capture the total change in G.N.P implied by that model. The G.N.P. multiplier is an algebraic function of the coefficients of the basic model, called 'key components' of the multiplier."

Then, C.B.O. derived quarterly values for each of the coefficients of the first through tenth quarters. Comparisons of some of these estimated coefficients will be shown below.

Note that the model consists mainly of (1) a simple consumption function, where current personal consumption expenditures per quarter is the linear function of what seems to be disposable personal income, plus (2) a simple investment function where fixed investments is a function of G.N.P. less net public employment spending. The investment function seems little more than a simple accelerator. The other equations are largely identities, or deal with the residuals, or predetermined variables, as in the case of federal government expenditures.

Among other things, the model has such a limited range of implications that many important categories of questions cannot be addressed. Essentially, once we deviate from the broad aggregates covered by the model and ask about the effects of changes in relative prices or the tax structure, the model is mute. The same is generally true for the big models. For example, when the study tried to address itself to an analysis of the G.N.P. implications of a change in the corporate profits tax it correctly noted, "The basic multipliers model does not include dividends, corporate cash flow, or the corporate tax rate as separate determinants of consumption and investment spending and, therefore, cannot account for the effect of change in corporate taxes on spending." (The same general problems also hold for the analysis of money.) To deal with these deficiencies, the study adds several other variables, all of them essentially in the income-expenditure mold. The impacts of a change in corporate profits taxes on the cost of capital or the effect of a differential tax cut on the rate of return on one asset relative to another are simply ignored.

Returning to the basic multipliers model, the quarterly values of a_1, which appears to be close to the marginal propensity to consume out of current disposable income for the five large-scale econometric models plus the C.B.O. Basic Multipliers Model are shown in Table 1. It is copied directly from the C.B.O. paper (See Table 1). Model 1 is Data Resources, Incorporated, (DRI); Model 2, Wharton; Model 3, Chase; Model 4, MIT-Penn (MPS); and Model 5 is due to Fair. These parameter values were derived by simulating a change in federal government expenditures, holding the path of unborrowed reserve constant. As C.B.O. notes, "Selecting unborrowed reserve implies that both interest rates and the money supply rise moderately in response to expansionary fiscal moves."

TABLE 1.—QUARTERLY VALUES OF a_1

Quarter	Models 1	2	3	4	5	Basic multipliers model
1	0.41	0.26	0.55	0.25	0.68	0.35
2	.63	.26	.47	.37	.80	.45
3	.68	.28	.56	.44	.95	.51
4	.71	.30	.65	.51	.97	.55
5	.73	.39	.68	.58	1.02	.60
6	.73	.49	.67	.62	.96	.62
7	.73	.69	.69	.65	.97	.67
8	.71	.83	.70	.70	.98	.70
9	.71	.75	.70	.72	.95	.71
10	.71	.67	.70	.76	.90	.71

Thus, the study does not attempt to distinguish between what might be thought of, on the one hand, as the monetary effects of fiscal policy and the corresponding changes in prices, interest rates and the like stemming from the change in the stock of money and, on the other hand, the purely fiscal policy effects of changes in government expenditures or taxes when the money stock is held constant.

The quarterly values of a_2, which appears to be close to a simple acceleration coefficient, is in Table 4 copied from the C.B.O. paper. (These values are for a sustained shift in one of the disturbances, not a once-for-all increase in the level of, say, government expenditures in a given quarter followed by a decrease the subsequent quarter.)

Taken together the seven equations are combined to yield the following multiplier expression for analyzing the usual fiscal policy disturbances.

TABLE 4.—QUARTERLY VALUES OF a_2

Quarter	Models 1	2	3	4	5	Basic multipliers mode
1	0.02	0.07	0.03	0.04	0.08	0.06
2	.03	.12	.05	.10	.14	.11
3	.04	.18	.07	.14	.17	.17
4	.05	.21	.09	.16	.21	.19
5	.06	.22	.08	.18	.22	.20
6	.06	.23	.06	.18	.25	.20
7	.05	.23	.04	.18	.24	.19
8	.05	.22	.03	.17	.24	.18
9	.03	.16	.01	.16	.24	.16
10	.03	.06	−.01	.16	.24	.14

THE FISCAL MULTIPLIER FORMULA

The seven equations listed in the basic multipliers model on page 4 can be combined through simple algebra to yield the following multiplier expression for standard changes in fiscal policy:

(8)

$$\Delta GNP\$(t) = \frac{1}{[1-(a_{1t}(b_{1t}(1-b_{3t})-b_{2t})+a_{2t}+_{3t})]}$$

$$[\Delta GG\$(t)+\Delta XO\$(t)+a_{1t}[\Delta TRO\$(t)-\Delta TPO\$(t)]$$

$$+[1+a_{1t}(c_{1t}(1-b_{3t})-c_{2t}+c_{3t})-a_{2t}]\Delta GE\$(t)]$$

The first expression on the right-hand side of the equation is the multiplier for changes in government purchases other than public employment programs. It depends on six of the parameters of the model, namely:

a_1, the ratio of a change in consumption to a change in disposable income.

a_2, the ratio of a change in investment to a change in GNP.

a_3, the ratio of a change in "other GNP" to a change in GNP.

b_1, the fraction of a change in GNP going into wages and salaries and other labor income and nonwage income.

b_2, the fraction of a change in GNP serving to reduce transfer payments.

b_3, the fraction of a change in wages and salaries and other labor income and nonwage income going into personal tax payments.

The G.N.P. multiplier derived from the basic multipliers is shown in C.B.O. Table 6 (page 14). Note the implied balanced budget multipliers, the difference between the Federal Government expenditure multiplier and the Federal tax multiplier. They range from .70 in quarter 1 up to .98 in quarter 6, and decline somewhat to .87 in quarter 12.

TABLE 6.—CHANGE IN GNP RESULTING FROM A PERMANENT INCREMENT IN POLICY INSTRUMENT

[In billions of current dollars for each billion dollar permanent increment]

Quarter	Federal Government purchases of goods	Public service employment	Federal taxes or (with opposite sign) transfers
1	1.10	1.15	−0.40
2	1.42	1.34	−.63
3	1.79	1.57	−1.09
4	2.00	1.66	−1.07
5	2.22	1.78	−1.27
6	2.41	1.90	−1.43
7	2.62	2.04	−1.64
8	2.71	2.12	−1.77
9	2.66	2.01	−1.74
10	2.53	1.96	−1.64
11	2.44	1.89	−1.57
12	2.44	1.89	−1.57

THE CBO MULTIPLIERS MODEL AND MONETARY POLICY

The CBO multipliers model also deals explicitly with monetary policy. Monetary policy is assumed to be the path of unborrowed reserves. Fiscal policy simulations

discussed above assume constant paths of unborrowed reserves. Because unborrowed reserves have generally been small over the past two years, this procedure may come close to a total reserve variable for recent observations. In any event, the target of montary policy is not the stock of money nor the monetary base. In other years, however, changes in borrowed reserves were important components of changes in the base and in the money supply process. Thus, functions fitted to earlier periods may be especially inappropriate to the current period. In addition, unborrowed reserves may also be a poor proxy for money because of variations in currency, the currency-deposit and the currency-base ratios, thus making for additional instability in the relationship of unborrowed reserves to the monetary base and to the stock of money. Also, changes in the money multiplier can and do result from reserve requirement changes. These factors account for still greater looseness in the connections between unborrowed reserves and money.

More than two years after the Congress itself adopted Concurrent Resolution 133, which required the Federal Reserve to present money supply targets, it is surprising that the CBO still uses the unborrowed reserve concept. (The Open Market Committee directives do not.) Although the Fed may have problems because its targets are inconsistent, the set of inconsistent targets is made up of essentially the money supply and interest rates and excludes unborrowed reserves.

The five large-scale models may have even more diverse results for monetary policy than for fiscal policy. Table 7 shows the simulation results of a one billion dollar step increase in borrowed reserves for changes in the Treasury Bill rate (in percentage points) and nominal G.N.P. (in billions of dollars). Note the standard Keynesian results that expansionary monetary policy lowers interest rates, and that the initial decline in rates is later moderated as income rises causing an increase in transactions demands for money. Note also the very wide range of simulation results for both interest rates and nominal G.N.P. (Chase shows almost no G.N.P. impact of the change in unborrowed reserves, Wharton only a small change and the others appear to have substantially larger G.N.P. changes.) No attempt is made to reconcile the differences.

TABLE 7.—CHANGES IN 3-MO TREASURY BILL RATE AND GNP DOLLARS IN T-1 RESULTING FROM A STEP INCREASE IN UNBORROWED RESERVES [1]

Quarter	Model 1		Model 2		Model 3		Model 4		Model 5	
	Rate	GNP	Rate	GNP	Rate	GNP	Rate	GNP	Rate	GNP
1	−0.98	3.4	−0.60	0.3	−0.13	0	−0.6	0.5	−1.26	0.1
2	−1.06	5.4	−.42	0.9	−.13	2.5	−.8	1.8	−1.24	3.7
3	−1.08	13.3	−.45	1.9	−.12	4.8	−.8	4.2	−.97	6.8
4	−1.05	19.8	−.45	3.3	−.12	4.9	−.8	7.4	−.97	10.0
5	−.96	25.5	−.44	5.0	−.11	5.5	−.7	11.4	−.83	14.2
6	−.83	30.0	−.42	6.9	−.09	4.2	−.7	15.8	−.65	16.4
7	−.73	33.2	−.39	9.4	−.08	4.2	−.6	20.9	−.54	20.8
8	−.61	34.8	−.35	12.5	−.08	4.3	−.5	26.9	−.33	24.9
9	−.51	35.2	−.33	13.7	−.09	4.1	−.5	33.6	−.29	28.2
10	−.45	34.2	−.32	13.0	−.10	3.7	−.4	40.9	−.17	31.3

In any event, the C.B.O. proceeds with its own analysis. Monetary policy is analyzed by modifying the seven equation C.B.O. basic multipliers model to include unborrowed reserves in three of the equations by simply adding unborrowed reserves as an additional variable. The three equations are the consumption function (equation 2), the fixed investment function (equation 6), and the residual "rest of G.N.P." (equation 7).

$$(2)' \quad \Delta C\$(t)=a_{1t}(\Delta INC\$(t)+\Delta TR\$(t)-\Delta TP\$(t))+d_{1t}\Delta RU\$(t)$$

$$(6)' \quad \Delta FI\$(t)=a_{2t}\Delta GNP\$(t)+d_{2t}\Delta RU\$(t)$$

$$(7)' \quad \Delta X\$(t)=a_{3t}\Delta GNP\$(t)+\Delta XO\$(t)+d_{3t}\Delta RU\$(t).$$

where RU$=unborrowed reserves.

The parameters d_1, d_2 and d_3 evaluate the impact of the change in unborrowed reserves on personal consumption expenditures, fixed investment expenditures, and "rest of G.N.P." respectively. The coefficients attempt to show what happens to each of the three G.N.P. components as a direct result in changes in unborrowed reserves. Analogous to the usual Keynesian formulation of specific income effects on particular classes of expenditures, it is as if there are separate dependable functions relating changes in unborrowed reserves to consumption, fixed investment, etc.

To derive the formal unborrowed reserves G.N.P. multipliers, equations (2)', (6)' and (7)' are substituted into the basic multipliers model, yielding

$$\Delta GNPS(t)=\frac{[(d_1+d_2+d_3)\Delta RUS(t)]}{[1-(a_{1t}(b_{1t}(1-b_{3t})-b_{2t})+a_{2t}+a_{3t})]}+[\text{Fiscal Multiplier}]$$

The denominator is the same as the denominator of a simple government purchases multiplier, and the numerator shows the total *direct* G.N.P. increment stemming from a change in unborrowed reserves.

To be sure, this approach permits the C.B.O. basic multiplier model to include monetary policy without changing the format of the basic set of equations, but again, this seems to presume that only the simple Keynesian framework and transmission mechanism are valid. There is no test of an alternative hypothesis that the dependable link is between the nominal stock of money, or even unborrowed reserves, and aggregate nominal G.N.P., and that relative prices largely determine resource allocation and the components of G.N.P. The alternative view would hold that, for a given stock of money, changes in supplies of, and demands for particular components of G.N.P. change relative prices and resource allocation, but leave aggregate income fixed, so that changes in the demand for any class of expenditures always tend to alter or crowd out some others. Thus, the connections between money and any one specific component may be weak, but the link between nominal money and nominal G.N.P. may be a dependable one. Indeed, the evidence would seem to be consistent with this alternative view.

This may explain why the unusual range of estimated values of d_1, d_2 and d_3 in the five large-scale models summarized in C.B.O. Table 8 (page 19). C.B.O. simply takes the means as the appropriate estimate for its model.

TABLE 8.—QUARTERLY VALUES OF d_1, d_2, d_3, AND b_1

Quarter/parameter	d_1			d_2			d_3			b_1		
	Multipliers model	Range provided by econometric models		Multipliers model	Range provided by econometric models		Multipliers model	Range provided by econometric models		Multipliers model	Range provided by econometric models	
		Low	High		Low	High		Low	High		Low	High
1	0.17	0.03	0.74	0.33	0	1.18	0	−0.33	1.41	0.36	−0.96	0.68
2	.82	1.06	2.81	1.11	.87	2.84	.15	−.84	.80	.51	.00	.70
3	.54	.28	3.38	1.95	1.49	4.40	.55	−.43	1.31	.53	.05	.70
4	1.05	.55	4.48	2.73	1.43	6.00	.87	−.26	2.85	.60	.15	.72
5	1.30	.76	5.97	3.42	1.15	7.50	1.20	−.24	4.02	.62	.24	.74
6	1.70	1.01	6.76	4.18	1.15	9.23	1.26	−.33	4.90	.68	.26	.74
7	2.05	1.05	7.74	4.83	.86	10.54	1.53	−.12	5.47	.70	.26	.76
8	2.38	1.04	8.98	5.56	.62	12.11	1.79	.03	5.83	.70	.26	.77
9	2.64	1.20	9.67	6.01	.37	12.95	2.17	.07	6.46	.71	.28	.78
10	2.85	1.25	10.48	6.43	.32	13.42	2.26	.04	6.26	.73	.29	.78
11	3.00			6.60			2.45			.73		
12	3.00			6.60			2.45			.73		

The general structure that generates these results is essentially a standard unsophisticated Keynesian or Hicksian IS–LM model. The rate of interest equates money supply and money demand. The supply and demand for money depend on income and the rate of interest. The rate of interest is determined when the quantity of money demanded equals the stock of money. Thus, the chain of causation goes from an increase in unborrowed reserves, the proxy for money, leading to lower interest rates, and thereby to more investment, and, by the multiplier process, to higher G.N.P. In turn, higher G.N.P. increases transactions demands for cash, moderating the initial decline in interest rates. In this model there is no way for more money, or for more unborrowed reserves, to cause interest rates to end up higher than before the expansion of unborrowed reserves. There is no mechanism for

dealing with inflation expectations, for distinguishing real from nominal interest rates, or for permitting changes in the real rates resulting from changes in capital-labor ratios.

It is most disappointing that, despite the overwhelming evidence supporting the Fisherian analysis of real and nominal interest rates and inflation and the widespread acceptance of the general Fisherian analysis by economists and financial markets, the C.B.O. continues to depend on a defunct and invalid model.

In addition, the multiplier estimates of the G.N.P. impacts of changes in the unborrowed reserves indicate that an increase in unborrowed reserves lowers income velocity, even after ten quarters. This does not seem to trouble the C.B.O., perhaps because of the consistent absence of hypothesis testing, despite the evidence that, especially over short spans of time covered by major business cycle phases, faster growth of money is generally associated with velocity rising faster than trend, and slower growth of money is generally associated with velocity falling below trend. In other words, M and V generally tend to move together. If C.B.O. had tested the interest rate and velocity implications of its model, the model would have been rejected as having been contradicted by the evidence. But no tests were run, and, as elsewhere, there was curve-fitting with no analysis of goodness of fit.

All in all, we find the analysis of monetary policy sorely deficient.

REAL OUTPUT AND UNEMPLOYMENT

The C.B.O. multipliers model is specified in nominal values. To separate output and price level effects, C.B.O. depends on a 2-equation wage-price model found in an unpublished but easily available paper.[10] The procedure consists of simultaneously estimating wages and prices, largely on the basis of a set of highly constrained and mechanical autoregressive relations. Assuming the additional constraints of Okun's "law" (sic) and two alternative Phillips Curve inflation-unemployment relationships, the procedure claims to yield a set of consistent solutions for nominal G.N.P. (from the multipliers project), wages, prices, real G.N.P. and unemployment.

Despite the complicated estimating procedures and complex notation, we have no confidence in the results. Although the number of equations equals the number of unknowns, we do not see any economics beneath these numerical relations. There must be more to unemployment and inflation than inertia.

THE SHORT RUN IN PERPETUITY

The C.B.O. multipliers project emphasizes the short run. The C.B.O.'s view of long run is found in "Closing the Fiscal Policy Loop: A Long-Run Analysis," (Dec., 1977). It is a combination of the mind-set of a 1930's stagnationist and the computer technology of the 1970's. There are neither resource allocation or efficiency problems nor market solutions. Even economic growth is determined by aggregate demand and aggregate demand management. Thus, saving is a threat to growth.

The report's analysis and statistical projections are generally similar to those found in the multipliers study and they share its general deficiencies when applied to short-period forecasting. These deficiencies and biases are augmented when the Keynesian framework and the C.B.O.'s statistical procedures are applied to long-run analysis. This is an analytical leap confirmed Keynesians, themselves, reluctantly, if ever, take. (Now we know who is holier than the Pope!)

Thus, the C.B.O.'s long-run analysis has demand without supply, inflation without money, interest rates without capital, output without inputs, employment without wage rates and a labor market, and investment without saving or any change in the capital stock. There are static expectations throughout; either nobody ever learns anything, or people just don't give a damn. More than twenty years after the consumption analyses of Friedman and Modigliani and Brumberg, consumption spending is taken to depend on current disposable income. In addition, households only spend current income; they cannot or do not borrow. They essentially have no assets, and no capital management decisions.

CONSEQUENCES OF THE CONGRESSIONAL BUDGET ACT

Does the new budget process and the C.B.O. really matter? To answer this question, economists look to see if the new process caused any changes in incentives and information. Some who supported the new process apparently thought that it would.

Conservative members of Congress seem to have thought that the big spenders had it too easy, because they could indirectly legislate big deficits by voting in favor of many separate bills. Conservatives appeared to believe that if liberals had to vote on an aggregate outlay figure and the size of the deficit itself, there would be lower and firmer limits to spending. Conservatives seemed not to have thought of the budget process as a way to set fiscal policy, but as a way of putting the big spenders on the spot.

The liberals, on the other hand, saw the new process as sanctioning what they were already doing, building spending constituencies. To have the process of building spending constituencies rationalized in terms of official and scientific economic policy was a delightful prospect. By redefining the criteria for control, deficits would originate in the economic policy proposals of the experts in the C.B.O. and Budget Committees and would no longer be evidence that spending was "out of control" but, instead, under control. To liberals, federal spending being "out of control" meant that the appropriation process did not provide them with a mechanism for achieving their spending priorities.

Conservatives seemed to have suffered from constituency ethnocentricism. Representatives from rural districts thought that if representatives from urban districts voted in favor of large deficits, they would be voted out of office. They overlooked that being "liberal" was not entirely a matter of a state of mind, but in many instances was a matter of rational self-interest and entrepreneurial behavior. Members whose districts or states provided opportunities to build spending constituencies took advantage of their chances.

To us it seems that the new budget process has not changed the incentives that produced the "overspending" (deficits) that led conservatives to support the new process. Rather than increasing the costs on the big spenders, it has reduced them by institutionalizing a crude Keynesianism. The information supplied by the C.B.O. and the Budget Committee staffs support the spending incentives that already exist. Deficits now emanate from a professional staff as scientific economic policy upon which the nation's level of employment and rate of economic growth depend. If the information supplied by the C.B.O. were different, it would not affect the existing incentives, but it might increase the costs to the big spenders.

The Budget Act has put a new appearance on the old process: Things have changed in order that they could remain the same. Deficits are now sanctioned prior to the appropriations process. They have shed their political image. Spending is now under control in the sense that the liberals wanted. They now have a formal mechanism that sanctions deficits and through which they can lobby for their spending priorities. Conservatives are in a weakened position, because their resistance to deficits can be portrayed as an attack on the budget process or on scientifically derived stabilization policy. Whether the new budget process has succeeded in one of its main stated goals—to rectify a situation in which spending was "out of control"—depends upon what one meant by spending being "out of control."

Some academics supported the new budget process as a result of their view that Congress could not achieve budgetary control on a year by year basis. They saw the budgetary process in terms of advanced budgeting, or forward planning, through which Congress would decide now what the budget should be for future years. But, given the short-run stabilization basis of Keynesian fiscal policy, it is impossible to know today what deficits will be needed in future periods. The idea of achieving budgetary control through advanced budgeting means that fiscal policy would have to work through tax policy. To try to work it through the outlay side would mean constantly undoing the forward planned outlays.

This would seem to be a fatal strike against advanced budgeting. The usual Keynesian policy prescription is for more stimulus. For given expenditures, more stimulus would require tax reductions, which is not the favored way to go.

The C.B.O. analysis is generally biased against tax reduction and towards more government expenditures for at least several additional reasons. First, the C.B.O. believes that the G.N.P. response to more government expenditures is greater, and the lags shorter, than a corresponding dollar change in taxes. Government expenditure multipliers are systematically higher than tax multipliers. Second, the effects are taken to be more dependable for government expenditures because consumers may decide to save still more of the given tax cut. Third, the general presumption of underemployed resources and a persistent problem of insufficient aggregate demand implies little or no resource cost in more government, anyway.

From the experience of one of us on the House Budget Committee, C.B.O.'s information does not displease the economists on the staff of the Budget Committees. Economists on the House Budget Committee, believe that tax cuts are relatively ineffective compared to government spending increases and public service employment. The Senate Budget Committee staff are intersted in tax reform, in closing "loopholes" and raising effective tax rates, not in lowering them. To have fiscal stimulus provided by tax reductions is inconsistent with goals of income redistributions—unless the budget committees can gain sufficient power over the tax committees to specify the form of the tax reductions as well as the amount.

C.B.O.'s information does not displease the majority of Congress, which is primarily interested in rationales for more spending. There does not, then, seem to be any pressure points from which to change the information content of the budget process in a way that would be more supportive of advanced budgeting.

Advocates of public service employment (PSE) now rely on C.B.O. estimates to document their case that tax reduction is a weak tool of employment policy. For example, Killingsworth and King state:

"There is some doubt that business tax cuts result in reductions in unemployment; the Congressional Budget Office estimating procedure assumes that they do not."[11]

They refer to the September 1975 C.B.O. study, "Temporary Measures to Stimulate Employment," done at the request of Senator

Footnotes at end of article.

Muskie, Chairman of the Senate Budget Committee, which "implies that the gross cost per job created by a tax cut is about $25,000, and the gross cost for a PSE job is about $8,000." (page 23). (The "cost" here is the assumed expense to the Treasury, not the cost to the public or the taxpeyers.)[12] C.B.O., although new and supposedly independent, has a high political survivability quotient. The relevant advantages of PSE over tax cuts are that PSE creates political and economic dependencies, where as a tax rate reduction furthers the independence of people. PSE jobs also reduce the budget pressures on municipalities by producing federal paychecks for municipal employees.

If, as Milton Friedman and some other economists believe, tax reductions limit spending increases, the information supplied by C.B.O., which suggests that tax reductions are relatively ineffective, weakens one possible constraint on spending increases. An economist should have no difficulty understanding C.B.O.'s rationality in supplying the information that it does, regardless of whether he agrees with the information. There is no incentive for C.B.O. to supply information that is inconsistent with the purposes of the Congress.

Two other goals of the new budget process are to gain control over "back-door" spending and to limit presidential impoundment power. It seems to us that since the existing incentives are not changed by the Act, whether the Congress uses the budget process to exercise control over "back-door" spending will depend upon the extent to which the budget can accomodate everyone's spending priorities. If not, "back-door" spending will continue to relieve the pressure.

The purpose of the impoundment control section of the Budget Act, of course, was to reduce presidential constraints on congressional spending. We predict that this section of the act will be the most successful. Future presidents will not have the opportunity, as did Nixon, of attempting to limit the growth of federal spending and the size of the deficit by supplementing the use of the veto with the refusal to spend funds appropriated by Congress. The American people no longer have the option of electing a Republican president to check a Democratic Congress, if they ever did.

If the analysis in this paper is correct, it suggests that far from imposing new constraints on the politicians in the Congress, the Congressional Budget and Impoundment Control Act of 1974 reduced the constraints on spending while leaving the incentives to spend untouched.

At the moment, the constraint on spending is a result of rival power struggles within the Congress. No group wants another's hand-out power to grow relative to its own. One group is attempting a threshold breakout, and the spending process has been deadlocked by another group's defense of its relative power position. Senators Kennedy and Muskie are using the concept of "tax expenditures" to launch an attack on the powers of the tax-writing committees. Tax breaks, they say, are equivalent to government grants and should be handled through the authorization and appropriation process and dispersed through the appropriate federal agency. Senator Long's response has been to block the energy taxes that were intended to finance Kennedy's national health program and "welfare reform." Once the deadlock is resolved or Senators Kennedy and Muskie pull in their horns, greater spending should result from the reduced constraint that results from C.B.O.'s justification of deficits.

Nothing we have said should be taken to imply a lack of ability or integrity on the part of C.B.O. personnel. To understand how they are constrained by the process, consider this question: What would happen if C.B.O. abandoned their Keynesian model? We would predict that either C.B.O. would be ignored (or destroyed) or that the new congressional budget process would be abandoned. C.B.O. does not have the power to change the incentives faced by politicians and bureaucrats in a democracy. The problem is not that the model is wrong, but that there is no such thing as *public* policy.[13] Economists can only expect that economic policy will serve the interests of the policy makers, and Keynesian economic policy will always be judged a success from the standpoint of the private interests of policy makers.[14] Not only does Keynesian Policy aid politicians in building their spending constituencies, it also produces economic instability which justifies an increase in government power and programs to deal with the consequences of the instability.

ATTACHMENT A; STATUTORY TASKS ASSIGNED TO CBO

Listed in the order in which they appear in the Congressional Budget Act of 1974 (PL 93–344). Citations are to the US Code and, in parenthesis, to section numbers of PL 93–344.

(1) In general, provide information to the two Budget Committees on all matters within their jurisdiction, 2 USC 602(a), (202(a)).

(2) On request, provide information to the appropriating and taxing committees, 2 USC 602(b), (202(b)).

(3) On request of any other committee, provide information compiled under 1) and 2) plus "to the extent practicable," additional information which may be requested, 2 USC 602(c)(1), (202(c)(1)).

(4) On request of a Member, provide information compiled under 1) and 2) plus "to the extent available," additional information which may be requested, 2 USC 602(c)(2), (202)(c)(2)).

(5) Perform the duties and functions formerly performed by the Joint Committee on Reduction of Federal Expenditures, 2 USC 602(e), (202(e)), see also 31 USC 571.

(6) Annually on or before April 1, furnish to the Budget Committees a report on fiscal policy for the next fiscal year, to include a discussion of alternative levels of revenues, budget authority, outlays and tax expenditures, plus alternative allocations among major programs and functional categories, all in the light of major national needs and the effect on "balanced growth and development of the United States," 2 USC 602(f)(1), USC 603(b), (203(b)).

(7) From time to time, furnish the Budget Committees such further reports as "may be necessary or appropriate," 2 USC 602(f)(2), (202(f)(2)).

(8) Develop and maintain filing, coding and indexing systems for all information obtained by CBO from the Executive Branch or from other agencies of the Congress, 2 USC 603(b), (203(2)).

(9) With respect to each committee bill providing new budget authority, furnish to the reporting committee for its consideration: (a) a comparison of the bill to the most recent concurrent resolution on the budget, (b) a 5-year projection of outlays associated with the bill, and (c) the amount of new budget authority and resulting outlays provided by the bill for State and local governments, 31 USC 1329(a)(1), (308(a)(1)).

(10) With respect to each committee bill providing new or increased tax expenditures, furnish to the reporting committee for its consideration: (a) a report on how the bill will affect the levels of tax expenditures most recently detailed in a concurrent resolution on the budget, and (b) a 5-year projection of the tax expenditures resulting from the bill, 31 USC 1329(a)(2), (308(a)(2)).

(11) Periodically, issue a scorekeeping report on the results of Congressional actions compared to the most recently adopted concurrent resolution on the budget, plus status reports on all bills providing new budget authority or changing revenues or the public debt limit, plus up-to-date estimates of revenues and the public debt, 31 USC 1329(b), (308(b)).

(12) Annually, "as soon as practicable after the beginning of each fiscal year," issue a 5-year projection of budget authority and outlays, revenues and tax expenditures, plus the projected surplus or deficit, year by year, 31 USC 1329(c), (308(c)).

(13) Prepare "to the extent practicable," a 5-year cost estimate for carrying out any public bill or resolution reported by any committee (except the two appropriating committees), 31 USC 1353, (403).

(14) Jointly study with OMB, but separately report, on the feasibility and advisability of year-ahead budgeting and appropriating, the report to be made by February 24, 1977, 31 USC 1020 note, (502(c)).

(15) Cooperate with the Comptroller General in the development of standard fiscal terminology, 31 USC 1152(a)(1), (801(a)), (Sec. 202(a)(1) of the Legislative Reorganization Act of 1970).

(16) Cooperate with the Comptroller General in developing an inventory of fiscal information sources, providing assistance to Congress in obtaining information from those sources and furnishing, on request, assistance in appraising and analyzing information so obtained, 31 USC 1153(b), (801(a)), (Sec. 203(b) of the Legislative Reorganization Act of 1970).

(17) With the Comptroller General, establish a central file or files "of the data and information required to carry out the purposes of this title," 31 USC 1153(c), (801(a)), (Sec. 203(c) of the Legislative Reorganization Act of 1970).

(18) Cooperate with OMB in providing useful federal fiscal information to State and local governments, 31 USC 1153(d), (801(a)), (Sec. 203(d) of the Legislative Reorganization Act of 1970).

FOOTNOTES

[1] "The Congressional Budget and Impoundment Control Act of 1974: A General Explanation," Committee on the Budget, U.S. House of Representatives, August 1976 (Washington: U.S. Government Printing Office), p. 1.

[2] Ibid., p. 2.

[3] Public Law 93–344, Title III, Sec. 300.

[4] There are 16 major functional categories: national defense; international affairs; general science, space and technology; natural resources, environment and energy; agriculture; commerce and transportation; community and regional development; education, manpower and social services; health; income security; veterans benefits and services; law enforcement and justice; general government; revenue sharing and general purpose fiscal assistance; interest; undistributed offsetting receipts.

[5] "The Congressional Budget and Impoundment Control Act of 1974," op. cit., p. 4.

[6] "The Congressional Budget Office: Responsibilities and Organization," Congress of the U.S., May 1976, p. 1.

[7] Ibid.

[8] Ibid.

[9] Ibid.

[10] See "A Simplified Wage-Price Model," available from the Fiscal Analysis Division, Congressional Budget Office, September, 1975.

[11] Charles C. Killingsworth and Christopher T. King, "Tax Cuts and Employment Policy," in Robert Taggart (ed.), *Jobs Creation—What Works* (Olympus Press, 1977), p. 21.

[12] See also, "Welfare Reform and the Carter Public Service Employment Program: A Critique," David Meiselman, a Law and Economics Center Occasional Paper, University of Miami School of Law, 1978.

[13] See Paul Craig Roberts, "Idealism in Public Choice Theory," *Journal of Monetary Economics*, July, 1978.

[14] See Paul Craig Roberts, Economic Policy and the Breakdown of the Keynesian Model," *The Public Interest*, July, 1978.●

SENATOR JAMES B. ALLEN

● Mr. HUDDLESTON. Mr. President, I am sorry that I was not here yesterday to join in the tribute to our colleague, Senator James B. Allen of Alabama.

I always considered Jim a good friend, a valued colleague, and a staunch defender of his principles and of the Senate as an institution.

Perhaps no Member of the Senate was as devoted to his duties as was Jim Allen; almost any time of day or night—whether the Senate was in or out of session—Jim was on the job.

We all know that if the Senate was in session we could find him over here in the Chamber, ever diligent to catch some legislation, provision, or amendment that needed correcting or changing.

And we have all heard the stories about how Jim got up before the break of dawn, got to the office before anyone else, was the last one to leave at night, and then traveled throughout every county in his State each year.

With that kind of dedication and perseverance, it is little wonder that Jim became somewhat of an institution here in the Senate and somewhat of a living legend in Alabama.

Perhaps the outstanding trait of Senator Allen was the fact that despite frequently taking on rather controversial and at times bitter issues, he never lost his good humor or his courteous manner.

I always felt that Jim enjoyed a good scrap, and especially a good debate. But he was always fair, always played by the rules, and always expected the same from his opposition.

I had the privilege of serving for over 5 years with Senator Allen on the Agriculture Committee, and I found him to be just as dedicated, fair and attentive to the needs of his State.

We will all miss Senator Allen; he added a lot to this body, and he was a good friend of many of us.

At the same time, however, I would take this opportunity to welcome his wife, MARYON ALLEN, to the Senate. I have known MARYON for several years now and I know she will provide excellent representation for Alabama.●

PRESIDENT SADAT MUST PROFFER PEACE PLAN

● Mr. PERCY. Mr. Presient, last November when President Sadat made his historic visit to Jerusalem, the peoples of the world felt that, at long last, a breakthrough had been achieved which would lead to a peace settlement in the Middle East.

It was certainly a breakthrough. President Sadat had personally recognized the existence of the State of Israel and Israel's right to security and survival. Only a few years earlier no Arab leader would even use the name of Israel; now the leader of the most populous Arab State was in Israel speaking with Israel's leaders, addressing the Knesset, embracing his former antagonist Golda Meir, and insisting on peace.

But now, 6 months later, this breakthrough, like old soldiers, seems to be fading away. Now, 6 months later, the negotiations are suspended, President Sadat is talking of the possibility of a future war and indicates that his patience with Israel is wearing thin. He says he can sustain his peace initiative for perhaps no more than another 2 months unless Israel will make more forthcoming proposals.

I believe that President Sadat means to have peace. But since he has not put a peace formula on the table to be negotiated, we must assume that he is seeking peace on the original Arab terms; total Israel withdraws back to the pre-1967 borders and establishment of a Palestinian homeland. In view of Israel's significant withdrawal in the Sinai in 1975, and Israel's expressed willingness to withdraw from the total Sinai, it would seem that President Sadat himself could now proffer a peace formula in which he would fully take into account Israel's legitimate security concerns.

For the fact is that Prime Minister Begin has made a peace offer with concessions which provide the basis for a serious negotiation, but President Sadat—since his bold and commendable initiative last November—has not.

In the meantime the United States has sought to encourage both Israel and Egypt to resume their negotiations, but the United States has stressed the need for Israel to modify her positions. We have seen no evidence that equivalent efforts have been made with Egypt.

It is now time to impress our friends in Egypt with the necessity to take an initiative and set forth a peace plan of their own to be negotiated along with the peace formula offered by Prime Minister Begin.

The United States, having now agreed to sell aircraft to Egypt and Saudi Arabia over the strong objections of Israel, should be in a position with those two nations to urge modifications of policy which would facilitate the resumption of negotiations and enhance the prospects for peace. If the Egyptians resolutely refuse to offer new conditions for peace to be negotiated along with those offered by Israel, they will find their credibility somewhat reduced before world opinion.

I have frequently spoken my mind about the Mideast situation. I have been critical of Prime Minister Begin for his settlements policy and for his reinterpretation of U.N. Resolution 242. I supported the arms sales to Egypt and Saudi Arabia. But, at this moment, the ball is in the Arab court, and I would hope that some creative and imaginative plan would be forthcoming as a meaningful followup to President Sadat's trip to Jerusalem last year.●

U.S. TRADE POLICY AND THE TEXTILE INDUSTRY

● Mr. HOLLINGS. Mr. President, two recent articles demonstrate very cogently the plight into which our American textile workers have been thrown because of our ill-advised trade "policy."

The first article is a concise yet comprehensive sketch of the jobs and dollars impact of unfair foreign competition. Robert S. Small, the distinguished author of this piece which appears in the current number of the National Journal, points out the tremendous inconsistency between the Government's effort to create jobs by spending billions on the one hand, and then pursuing trade practices which eliminate the jobs faster than they can be created. The result: 400,000 American textile jobs lost in the past 5 years alone. Another result: In 1977, our textile and apparel trade deficit soared to almost $3.5 billion—a record level. And in the first quarter of 1978, the deficit is running 87 percent above that of last year's first quarter.

The second article, from the Chicago Tribune, concerns the world's largest weaving plant, located in Seoul, Korea. The women employees, who comprise a large majority of the plant's workers, earn $85 a month—and they have to work 6 days a week to get it. The men are paid somewhat, but precious little, more—about $120 a month.

Mr. President, when you throw in all the bonuses and incentives which foreign governments give to their textile manufacturers—and couple those with the rock-bottom wages paid in those countries—you can see how unfair the trade environment is for American producers and American workers. And now, Mr. President, comes the administration with proposals to cut textile tariffs and open the doors to this inequitable onslaught even wider. It is enough to boggle the mind, and unless we take action—and action soon—we are going to sacrifice an industry which provides one out of every eight manufacturing jobs in America.

Mr. President, I ask that the text of these articles, from the June 10, 1978, National Journal and from the April 5, 1978, Chicago Tribune, be printed in the RECORD. I commend them to each one of my colleagues, along with a plea for action to remedy this costly and shameful situation.

The material follows:

U.S. TRADE POLICY AND THE TEXTILE INDUSTRY

As the Multilateral Trade Negotiations proceed in Geneva and international trade issues are debated, careful consideration needs to be given to the importance of safeguarding American jobs. Our negotiators cannot ignore the differing trade conditions and unique economic concerns of domestic industries.

As the oldest and largest American manufacturing industry, textiles and apparel are vitally important to the economic health of the nation—providing one in eight manufacturing jobs.

The textile industry employs nearly one million people. Another million-and-a-quarter Americans work in apparel manufacturing. When all the allied industries are included—man-made fiber, raw cotton and wool production, transportation, machinery and chemical manufacturing—nearly three million people rely on the fiber, textile and apparel industries for employment.

These jobs are being threatened.

Skyrocketing imports of textile and apparel products and restrictive and costly government regulations are contributing to

the export of American jobs, increased trade deficits and injury to the U.S. textile/apparel industry and its workers.

We see a great inconsistency between the government's liberal textile trade policy and its efforts to create more jobs, reduce inflation and improve the U.S. balance of payments.

The textile industry questions the wisdom of a government policy of giving trade adjustment assistance to U.S. workers whose jobs are displaced by textile imports, while simultaneously considering a textile/apparel tariff reduction.

NEED FOR TARIFFS

Present U.S. textile tariffs are needed despite the existence of some important quota agreements under the GATT Multifiber Arrangement (MFA). Lower tariffs would make it easier for countries to fill all quotas and for those key uncontrolled countries in the European Community, tariff reductions would greatly stimulate shipments to the United States. While there is a nominal quota agreement with Japan, it is very loose and tariff reductions would result in large additional shipments to the United States.

On the other hand, textile tariff reductions abroad would be of little benefit to U.S. textile exporters. In Europe, "The Rules of Origin," which are particularly restrictive against textiles, and which were unilaterally imposed, constitute an increasingly serious nontariff barrier and the Community has refused for years to modify them. The People's Republic of China is also an uncontrolled area, which is open-ended so far as textile exports to the United States are concerned. In Japan a host of barriers, covered by the phrase "administrative guidance" continue, despite talk of "liberalization."

TARIFFS AND JOBS

Even under existing tariff levels and quota agreements, there is abundant evidence that the industry has already been injured by imports. The government's adjustment assistance figures indicate that over 50,000 workers in textiles and apparel have been awarded import damages. This is grossly understated, because the criteria discourage applications from textile workers. For instance, for a textile worker to establish a case that he lost his job in a plant which manufactures shirting because of increased imports of shirts, he would have to prove that it was the import of the cloth, not the shirt, that caused the loss of his job. This most unusual procedure grants no recognition to the fact that displacement of cloth created losses of jobs. All this is happening at present inadequate tariff levels.

If textile/apparel tariffs are further reduced during the persent round of Multilateral Trade Negotiations in Geneva, the effect on the U.S. industry could be devastating.

Tariff cuts will result in the loss of a substantial number of American jobs. The current level of textile and apparel imports is equivalent to 400,000 jobs.

Can this country really afford to ship more jobs overseas in an era of high unemployment and government commitment to job creation? We think not. Female and minority employment are particularly dependent on these industries. In the textile industry 47 per cent of the employees are women and in the apparel work force 81 per cent are women. According to the Equal Employment Opportunity Commission 21 per cent of the textile workers and 24 per cent of the apparel workers are minorities.

QUOTA AGREEMENTS UNDER THE MFA

Imports are controlled, to a limited degree, by bilateral agreements establishing quota levels under the GATT Multifiber Arrangement. At this time, bilateral agreements have been negotiated by the U.S. government with 18 foreign nations. However, they are overly generous.

Existing quotas over the years have not only been excessively large but indifferently enforced. There are frequent delays in establishing quotas on new countries and newly impacted categories at the time they are needed. Quotas, once established, increase each year by 6 or 7 per cent.

In 19778, imports from countries under MFA controls could be 35 per cent higher than in 1977 without exceeding agreed quotas. In the first quarter of the year, imports were up 30 per cent. This relentless growth is taking place despite the fact that domestic market growth was zero between 1973 and 1977.

The scenario over the next five years could be, in terms of annual growth rates:

	Percent
Domestic market	+1.5
Quotas	+6
Imports	+10

In addition to the high level of imports coming in under existing quota levels, nearly one-fourth of textile imports comes from non-controlled countries. The People's Republic of China, for example, is rapidly increasing textile/apparel exports to the United States and no bilateral agreement has been negotiated.

Some Eastern European countries use the European Economic Community as a conduit for their textile products. There have been cases where French factories merely add labels to Eastern European garments and then export them to the United States as a French manufacture.

TEXTILES AND THE U.S. TRADE DEFICIT

The U.S. textile trade deficit was almost $3.4 billion in 1977 and is growing rapidly in 1978. The first quarter of 1978 was up 87 per cent over the comparable period of 1977.

Clearly, the continuing upward trend of textile/apparel imports has severely aggravated the unfavorable balance of payments of the United States, contributing to the further weakening of the dollar.

From 1971–77 the textile/apparel trade deficit grew at an annual compounded rate of 7.5 per cent.

In recent years, underdeveloped countries have become much more important in the textile and apparel export market and a continuing wave of expansion from these countries can be foreseen. The record of controlling "new entrants" into our market has been dismal due to the slow response time of our government and its unwillingness to take early action for various political reasons.

Conversely, the dilemma facing the entire domestic industry is that the market options open to us become less and less each year as import penetration grows. It is becoming increasingly difficult to find any segment of the U.S. market that does not have severe import penetration now or potentially.

IMPORT INFLATION

Excessive import pressure on the domestic market eventually transfers pricing power to the overseas producer—who is secure from U.S. antitrust prosecution. So, in effect, the import advocates are paving the way for future textile price inflation.

U.S. producers thus far have been able to maintain a remarkable record of price stability. Our ratio of capital expenditures to depreciation is high among industries and compares very favorably with other large industries, including the automotive industry. Most of our retained earnings are reinvested.

As of May of this year, all textile mill product prices were up only 1 percent from a year ago and apparel fabric prices were actually down.

REVERSE SUBSIDIES

The textile industry in this country operates with the largest reverse trade subsidy in the world as a result of our proliferating and very costly government-imposed noise, water and air environmental regulations. Our overseas competitors escape these costs—which run into the billions of dollars.

The total cost of all these requirements grows daily and, if those costs represented an overseas subsidy, there is no doubt that enormous countervailing duties would have been imposed by the U.S. government on textile imports long before now. As it is, of course, these requirements enormously increase the U.S. industry's exposure to low wage competition from abroad.

In view of these considerations, our nation cannot afford to issue an open invitation to other nations to raid our textile markets. That is what tariff reductions would amount to.

Diligently negotiated and administered bilateral agreements, within the internationally recognized framework of the GATT Multifiber Arrangement, at present tariff rates, are the most equitable means of dealing with the textile/apparel import problem.

ROBERT S. SMALL,
President, Americans Textile Manufacturers Institute.

KOREANS TOIL FOR BED, $85 A MONTH

SEOUL.—In a sea of clanging, clattering weaving machines in this country's largest textile mill, more than 400 young women dart back and forth through the huge room to keep them running.

"Our weaving plant is the biggest in the world," boasts Miung Suk Park, general manager of the Pang-Rim Spinning Co., Ltd.

Cotton dust stings the eyes and collects on the machines and floor. Water vapor spews from scores of nozzles in the ceiling to dampen the dust.

Most of the plant's 5,000 employes are young women aged 20 to 24. They earn $85 a month for a six-day workweek; the men make $120 a month. They receive bonuses twice a year.

Although their pay is low by American standards, the workers are satisfied, Park says.

"Our labor union is very strong," he says. "But they're not striking because our welfare facilities are very good. We have a dormitory, dining facilities, a hospital, and a bank. Everything is free."

The hospital, located on the first floor of the dormitory, resembles a small clinic. The dormitory itself holds 1,500. While one shift works, another sleeps.

The plant is running at 100 per cent capacity, three shifts a day, six days a week. The machines are modern, having been purchased from Toyota in Japan four years ago. As a result, Park says, "Our productivity is very high."

The plant makes mostly plain cotton and polyester fabric. About 99 per cent is exported to customers in 36 countries. The raw cotton comes from the United States.

"We are exporting directly to Sears in the U.S.," says Park, mainly white shirts and blouses. It is done through our garment factory by Dae Woo Trading Co. [Korea's big trading company]."

The efficiency of a textile mill like this, with its relatively low-wage workers and up-to-date machinery, is one reason the U.S. textile industry has sought and won protection through a quota system. Korean officials defend the relatively poor pay and working conditions, arguing that work in a textile mill is precious in a developing country in which jobs are difficult for young women to find.●

NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 729.

The PRESIDING OFFICER. The bill will be stated by title.

Mr. BAKER. Mr. President, before the clerk reports, let me seek recognition simply to state that S. 1794 has been cleared on our calendar as well, and we have no objection to proceeding to its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1794) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the United States Fire Administration.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike all after the enacting clause and insert the following:

That (a) section 17 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216) is amended—

(1) by striking out "except section 11 of this Act," and insert in lieu thereof "except as otherwise specifically provided, with respect to the payment of claims, under section 11 of this Act,"

(2) by striking out "and" after "September 30, 1977,"; and

(3) by inserting immediately after "1978" the following: ", and not to exceed $23,752,000 (of which not more than $6,043,000 may be used for the establishment of the Academy, including the renovation and alteration of a suitable site therefor) for the fiscal year ending September 30, 1979".

(b) Section 16(b) of the Act of March 31, 1901 (15 U.S.C. 278f(b)), is amended—

(1) by striking out "and" after "September 30, 1977,", and

(2) by inserting immediately after "1978" the following: ", and not to exceed $5,600,000 for the fiscal year ending September 30, 1979".

SEC. 2. (a)(1) Sections 3, 4, and 5 of the Federal Fire Prevention Control Act of 1974 (15 U.S.C. 2202-2204) are amended by striking out "National Fire Prevention and Control Administration" each place it appears and inserting in lieu thereof "United States Fire Administration".

(2) The heading of section 5 of such Act is amended by striking out "NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION" and inserting in lieu thereof "UNITED STATES FIRE ADMINISTRATION".

(b) Section 16(a) of the Act of March 3, 1901 (15 U.S.C. 278f(a)), is amended by striking out "National Fire Prevention and Control Administration" in the matter preceding paragraph (1) and inserting in lieu thereof "United States Fire Administration".

(c) Section 12(g) of the Act of February 14, 1903 (15 U.S.C. 1511), is amended by striking out "National Fire Prevention and Control Administration" and inserting in lieu thereof "United States Fire Administration".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

UP AMENDMENT 1332

(Purposes: (1) To increase authorization for fire investigation. (2) To provide for the investigation of fires of a recurring nature)

Mr. ROBERT C. BYRD. Mr. President, I send to the desk two amendments and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes unprinted amendments, en bloc, numbered 1332.

Mr. ROBERT C. BYRD. I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and without objection, the amendments will be considered en bloc.

The amendments are as follows:

On page 2, line 25, strike "$23,752,000" and insert in lieu thereof "$25,252,000".

On page 4, immediately after line 6, insert the following:

"SEC. 3. The Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.) is further amended—by adding at the end thereof the following new section:

"FIRE INVESTIGATION

"Sec. 24. (a) In accordance with the provisions of this subsection, the Administrator, upon the request of any State or local government, may provide for the investigation of the facts, conditions, circumstances, and probable cause of any fire which occurs within the jurisdiction of such State or local government if, in the discretion of the Administrator, (1) the fire is of a serious nature and contains aspects which are of a recurring character, or (2) such investigation would further the purposes of this Act.

"(b) The Administrator is authorized to make available to interested persons at a reasonable cost the results of any investigation performed, pursuant to this subsection. However, no part of any investigation performed pursuant to this subsection shall be admissible as evidence in any court or used in any suit or action for damages growing out of any matter mentioned in such investigation.".

● Mr. CANNON. These amendments were proposed to the Commerce, Science, and Transportation Committee by Senator GLENN, and are acceptable to the committee. They set forth criteria for when the administrator of the National Fire Prevention and Control Administration may investigate the causes of certain specified fires. The administrator would be allowed to carry out such investigation if requested to do so by a State or local government and "first the fire is of a serious nature and contains aspects which are of a recurring character, or second such an investigation would further the purposes of this act." The administrator "is authorized to make available to interested persons at a reasonable cost the results of any investigations performed pursuant to this subsection. However, no part of any investigation performed pursuant to this subsection shall be admissible as evidence in any court or used in any suit or action for damages growing out of any matter mentioned in such investigation." Finally these amendments increase the authorization provided for the National Fire Prevention and Control Administration by $1.5 million from $23,752,000 to $25,252,000 in order to carry out these additional responsibilities.●

● Mr. GLENN. Mr. President, my amendment is designed to address the growing arson-for-profit epidemic. For the past year, I have attempted to address this most serious of crime problems, one that is undermining national urban policy and devastating entire neighborhoods. Last December, I chaired 2 full days of hearings of the Governmental Affairs Intergovernmental Relations Subcommittee on the impact to State and local governments of "torching" to reap profits. Early this year I was successful in amending the criminal code reform bill passed by the Senate to require the FBI to declare arson a major crime for the purposes of its quarterly crime reports. Failure to do this for the past 50 years has resulted in a lack of proper statistical information on arson as well as diminished public attention and priority given to combatting a vicious and sophisticated crime that has by some estimates, increased by as much as 400 percent over the past decade.

Mr. President, it is clear that the scope of the arson problem is extensive. Our hearing record and a recently released GAO report submitted to the permanent Subcommittee on Investigations of the Committee on Governmental Affairs both document a clear failure on the Federal level to take steps to help fight this growing crime. I would like to quote Comptroller General Staats' comments to Senator PERCY, the ranking minority member of the subcommittee,

. . . the Federal law enforcement community does not view this particular crime as deserving any special priority. There is insufficient hard evidence to accurately gauge the magnitude of the arson problem and consequently to gauge to propriety of the Federal posture concerning it.

Comptroller Staats goes on to say,

There has been no Federal commitment for a coordinated and concerted effort at helping State and local communities deal with the arson problem through research or training and funding for State and local investigators and prosecutors.

From 1975 to 1977, out of $2 billion in LEAA funds provided to local law enforcement agencies, only $1.7 million went for arson control activities.

The GAO has found that it has been the National Fire Prevention and Control Administration that has emerged as the Federal focal point for providing arson intervention programs to States and localities. It has recently developed an arson investigator training course, it is working very hard on obtaining accurate, coherent data on arson and it is actively working to assemble and publicize the latest technological advances in arson detection.

While I certainly support the Comptroller General's findings that the Fed-

eral law enforcement apparatus must become more effective and coordinated in this area, I feel that we cannot really wait for endless "studies" and reports to start providing some immediately and tangible assistance to local communities that are on the front line of this devastating epidemic. Fifty years have passed and the FBI has not added one new crime to its list of seven "major" crimes that it uses when it issues its quarterly crime index to the Nation. Yet over the past 10 years, 30,000 South Bronx buildings have been destroyed by arson, 3,000 fires per year, nearly 8 per day, roughly 250 per month.

Although I certainly support S. 1794's support of the Fire Administration's efforts to improve its training, data collection, and technological development, I propose that we go one step further in fiscal year 1979 and authorize the Fire Administration to set up an investigative assistance operation that would be available to States and local governments. Investigative assistance from the Fire Administration would become available at the direction of the Administrator for a major fire that contains aspects which are of a recurring character or if the Administrator determines that an investigation would further the purposes of this act.

Thus a community lacking in technical capacity and personnel would now at least have an immediate avenue of potential expertise available. The Fire Administration's team would work with local authorities in attempting to pinpoint the causes and to locate evidence. The results of these investigations would, of course, also contribute to and become part of the studies and technical reports that the administration issues. The team would assist local authorities in a technical way, the prosecutorial burdens and functions remain exclusively with local authorities.

Mr. President, this is an admittedly short-term effort. I have only requested $1.5 million for fiscal year 1979. It is designed to plug the gaping loopholes that the GAO and others have found in the Federal antiarson effort. As I stated, these "loopholes" are in training, advising, providing assistance and in compiling information. If the Fire Administration could plug this gap while we work elsewhere to strengthen the Federal anti-arson effort, it would provide a great service to the Nation.

I urge adoption of my amendment and I would like to conclude by citing some raw statistics compiled by my staff to further document the enormity of the arson problem. Arson loss estimates for 1977 range from $2 to $4 billion. According to the LEAA, an estimated 1,000 including 45 firefighters die each year in arson fires; 10,000 people are injured annually. Only 9 persons are arrested, 2 convicted and 0.7 incarcerated per every 100 fires classified as incendiary or suspicious. Clearly, we have a raging criminal epidemic on our hands that is driving up insurance premiums, taking viable buildings off of the tax housing rolls and undermining urban policy and community development efforts.

Hopefully, this amendment will make a contribution that will help stem this tide. I urge its adoption.●

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from West Virginia.

The amendments were agreed to, en bloc.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 11291, which is a companion measure.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives, which the clerk will state.

The assistant legislative clerk read as follows:

An act (H.R. 11291) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the United States Fire Administration.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 11291 be considered as having been read the first and second times, that the Senate proceed to its immediate consideration, that all after the enacting clause be stricken and that the language of S. 1794 be inserted in lieu thereof, that the amendment be engrossed, that the bill as amended be passed, and that a motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 1794 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERVENTION ON THE HIGH SEAS ACT

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2380.

The Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2380) entitled "An Act to amend the Intervention on the High Seas Act to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That the Intervention on the High Seas Act (88 Stat. 8, Public Law 93-248) is amended as follows:

(1) Section 2 is amended to read as follows:

"SEC. 2. As used in this Act—

"(1) 'a substance other than convention oil' means those oils, noxious substances, liquefied gases, and radioactive substances—

"(A) enumerated in the protocol, or

"(B) otherwise determined to be hazardous under section 4(a);

"(2) 'convention' means the International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, 1969, including annexes thereto;

"(3) 'convention oil' means crude oil, fuel oil; diesel oil, and lubricating oil;

"(4) 'Secretary' means the Secretary of the department in which the Coast Guard is operating;

"(5) 'ship' means—

"(A) a seagoing vessel of any type whatsoever, and

"(B) any floating craft, except an installation or device engaged in the exploration and exploitation of the resources of the seabed and the ocean floor and the subsoil thereof;

"(6) 'protocol' means the Protocol Relating to Intervention on the High Seas in Cases of Marine Pollution by Substances Other Than Oil, 1973, including annexes thereto; and

"(7) 'United States' means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the United States Virgin Islands, the Trust Territory of the Pacific Islands, the Commonwealth of the Northern Marianas, and any other commonwealth, territory, or possession of the United States.".

(2) Section 3 is amended by—

(A) striking the word "oil" and inserting in lieu thereof the phrase "convention oil or of the sea or atmosphere by a substance other than convention oil"; and

(B) striking the word Convention" and inserting in lieu thereof the phrase "convention, the protocol".

(3) Section 4 is amended by—

(A) inserting the words "human health," between the words "limited to," and "fish" and designating the existing section as subsection (b);

(B) adding a new subsection (a) as follows:

"(a) The Secretary, after consultation with the Administrator of the Environmental Protection Agency and the Secretary of Commerce, shall determine when a substance other than those enumerated in the protocol is liable to create a hazard to human health, to harm living resources, to damage amenities, or to interfere with other legitimate uses of the sea.".

(4) Section 10 is amended by adding a new subsection (c) as follows:

"(c) With respect to intervention for a substance identified pursuant to section 4(a), the United States has the burden of establishing that, under the circumstances present at the time of the intervention, the substance could reasonably pose a grave and imminent danger analogous to that posed by a substance enumerated in the protocol.".

(5) Section 13 is amended—

(A) in subsection (a) by striking the period at the end of the subsection and inserting in lieu thereof the phrase "and article II of the protocol and may propose amendments to the list of substances other than convention oil in accordance with article III of the protocol."; and

(B) in subsection (b) by striking the words "annexes thereto" and inserting in lieu thereof the word "protocol".

(C) by adding a new subsection (c) as follows:

"(c) The President may accept amendments to the list of substances other than convention oil in accordance with article III of the protocol.".

(6) Section 15 is amended by inserting the words ", the protocol," between the words "convention" and "and".

SEC. 2. This Act shall be effective upon the date of enactment, or upon the date the protocol becomes effective as to the United States, whichever is later.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

JAMES MADISON MEMORIAL BUILDING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 838.

Mr. BAKER. Mr. President. reserving the right to object, I shall not object, but rather advise the distinguished majority leader that Calendar Order No. 838 is cleared on our calendar, and we have no objection to proceeding to its consideration.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3112) to amend the Act of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the joint resolution entitled "Joint resolution to authorize the Architect of the Capitol to construct the third Library of Congress building in square numbered 732 in the District of Columbia to be named the James Madison Memorial Building and to contain a Madison Memorial Hall, and for other purposes", approved October 19, 1965 (79 Stat. 986; Public Law 89-260), is amended by striking out "$123,000,000" and inserting in lieu thereof "$133,000,000".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 482—AUTHORIZING RELEASE TO THE FEDERAL BUREAU OF INVESTIGATION OF MATERIALS IN POSSESSION OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution, on behalf of the Senator from Washington (Mr. JACKSON), to permit the Senate Permanent Subcommittee on Investigations to release certain investigative materials from its files to the Federal Bureau of Investigation, and ask unanimous consent that the Senate proceed to its consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 482) to authorize the release to the Federal Bureau of Investigation of materials in possession of the Senate Permanent Subcommittee on Investigations.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. ROBERT C. BYRD. I ask unanimous consent that a statement by Mr. JACKSON be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JACKSON

I report today a Resolution to permit the Senate Permanent Subcommittee on Investigations to release certain investigative materials in the files of the Subcommittee to the Federal Bureau of Investigation.

By letter dated May 18, 1978, the Special Agent in Charge of the Sacramento, California office of the Federal Bureau of Investigation, has requested that the Subcommittee make available certain materials in its possession obtained during a Subcommittee investigation of California Prepaid Health Plans.

Pursuant to Rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, the requested materials may not be released without the approval of the Senate.

Accordingly, I report the following Resolution approved by the Committee on Governmental Affairs, and ask that this Resolution be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas, by letter dated May 18, 1978, the Special Agent in Charge of the Sacramento, California office of the Federal Bureau of Investigation has requested access to certain documents in the possession of the Senate Permanent Subcommittee on Investigations; and

Whereas, the requested materials were obtained by the Subcommittee in the course of a Subcommittee investigation of Prepaid Health Plans; and

Whereas, by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, documents in the possession of the Subcommittee may not be released without the consent of the Senate: Therefore be it

Resolved. That in accordance with the request of the Federal Bureau of Investigation of May 18, 1978, the Senate Permanent Subcommittee on Investigations is authorized, in the discretion of and at the direction of its Chairman, to provide the Federal Bureau of Investigation with copies of documents and other materials in its possession obtained in the course of a Subcommittee investigation of California Prepaid Health Plans.

SEC. 2. The Secretary of the Senate shall transmit a copy of this Resolution to Richard E. White, Special Agent in Charge, Federal Bureau of Investigation, Post Office Box 13130, Sacramento, California 95813.

SENATOR PERCY ON COAL POLICY

Mr. RANDOLPH. Mr. President, on Monday, June 5, the able Senator from Illinois, Mr. PERCY, gave a perceptive keynote speech to the National Coal Association in Chicago. I commend his address to my colleagues.

Mr. PERCY comes from a State that, like my home State of West Virginia, is rich with our most abundant conventional energy source, coal. He and I both believe coal can be our ace in the hole for solving energy supply problems.

I am very pleased to know that Senator PERCY is conducting a series of conferences in Illinois on energy issues. The most recent one, on coal, was highly successful. Hundreds of people braved blizzard conditions to travel to Carbondale, Ill., to hear several knowledgeable speakers and to see outstanding exhibits on the future of coal. The conference contributed to the ongoing dialog on the potential impediments to increasing coal production that face the industry.

This conference, and Senator PERCY's speech, demonstrate his interest in solving these problems of the coal industry. I commend the Senator from Illinois for his work in this vital area.

Mr. President, I ask that the text of Senator PERCY's speech be printed in the RECORD.

The speech follows:

COAL: AMERICA'S ACE IN THE HOLE

The last time I had the opportunity to discuss the potential of coal in our national energy policy was late last year, when I co-sponsored a day-long Coal Conference at Southern Illinois University in Carbondale.

Your President, Carl Bagge, was one of the speakers at the Conference. He joined us in a full day of discussion and debate on the role of coal in meeting our national energy needs. Conference participants included coal producers, environmentalists and government policymakers.

These individuals expressed legitimate concerns and objectives that provided us with valuable insights. I believe the Carbondale Coal Conference helped us to reach a better understanding of the issues pertaining to coal as an energy source.

A decade ago a conference such as the one I co-sponsored on coal would not have been considered necessary, nor would it have been nearly so well attended. But a decade ago our energy supply was secure, abundant and cheap.

Now the situation has changed dramatically. Today we import almost nine million barrels of oil a day at a cost of $45 billion a year. This is double the volume and ten times the cost of oil imported in 1972, the year before the OPEC embargo. It has thrown us into a dangerous balance of payments deficit and seriously weakened the dollar in international money markets.

Today I would like to discuss with you first, the nature of our changing energy situation; second, the alternatives you face in promoting coal energy and that we all face in creating conservation energy, and third, a comment on the role of the Rockefeller Commission on the coal industry.

It is essential that we develop a comprehensive national energy policy as a guide to the goals we should pursue. We must remain an independent, stalwart and prosperous nation without being captives of any oil-producing countries.

For years Americans did their best to ignore the need for a national energy policy. Even though many Americans now agree that we face an energy crisis, our energy dilemma is now worse than when Congress and the Administration began warning about the perils of wasteful energy habits.

If energy demand continues to rise as expected, and we push supply to keep pace with demand, the total capital investment cost of all new energy-producing facilities will be in the range of $650 billion to $1 trillion.

That is about half to two-thirds of all the investment capital we are likely to have available in the next decade.

So it is imperative that we conserve energy now while developing alternatives energy sources. Conventional energy sources—such as oil and gas—are important. But they are not the answer to our long-range energy needs.

Nuclear reactors, for example, are an important source of electricity, but they do not provide an immediate solution. Because it takes ten years to license and build a reactor, our nuclear capacity through 1988 has already been set. The projected capacity for the next decade triples the number of nuclear power plants we have today, but nuclear power will produce only about five to six percent of the nation's energy.

Solar energy for space heating is less costly than electricity in many applications today. But it, too, is a source of the future. We cannot bank on solar power providing more than marginal amounts of energy by the mid-1980's. Solar electric technologies are showing rapid advances. I am optimistic about the potential of solar energy. I expect solar energy to penetrate consumer and business markets rapidly, but it will be 1990 or beyond before solar collectors on buildings can begin to be as common as television antennas.

One of the other major alternatives to oil and gas is increased production of coal. Most of you here today are committed to this. I too believe that we can shift much of our emphasis to coal.

Coal makes up 90 percent of our conventional energy resources, although it currently supplies only 18 percent of our energy needs.

Let's just select at random the coal reserves of two states, Illinois and West Virginia! Illinois' vast coal reserves, for example, have the energy-producing potential of 240 billion barrels of oil and West Virginia resources have the energy-producing potential of 246 billion barrels of oil. At the rate we import oil today, we could theoretically substitute Illinois and West Virginia coal alone for all oil imports for the next 135 years!

But there are many difficulties and problems that accompany the effort to increase U.S. coal production. A recent GAO report on coal, which is disturbing to a Senator from a coal state, stated: "It is bulkly; it is dirty; it seldom occurs where you need it; and it varies widely in quality."

The environment poses a major hurdle. One of my major concerns is avoiding the creation of cities with air quality resembling Pittsburgh in the 1930's. Another concern of mine is the protection of prime agricultural lands.

However, the obstacles are not insurmountable. Dirty coal can be burned cleanly if we use today's technologies, and improve them with sufficient research and development. In 1973, along with other Senators from steel-producing states, I urged that funds be doubled for coal research in fiscal year 1974. I was particularly interested in a clean coke project which facilitates the use of domestic reserves of high sulfur coal for steel production.

As a result of these increased appropriations, I was instrumental in obtaining close to $5 million for U.S. Steel Corporation to launch such a project. High sulfur, high heat coal, not normally used for steel is processed into metallurgical coke in an environmentally clean manner. U.S. Steel is very optimistic about the process and predicts that it can be economically utilized by the mid-1980's.

The environment is not the only hurdle we must surmount if we intend to meet the Administration's goal of doubling coal production by 1985. We must also solve the problem of transporting coal. Increased coal production and use will require major renovation and capital investment in our rail and waterway systems.

There are numerous frontier technologies for coal use which we need to develop if we intend to use it cleanly. We have neglected coal research in comparison with nuclear power. More needs to be done to promote cogeneration, fluidized-bed boilers, gasification and coal cleaning technologies.

The coal industry must raise billions of dollars in capital to open new mines and replace depleted ones. Although the total dollar sums are not great in comparison to the needs of other energy sources, they are far larger than the coal industry has ever raised in the past. We must move toward changes in our tax schedules this year; we need a reduction in capital gains tax from the present level of 49.1 percent to 25 percent to make us more competitive with other industrial countries, such as the United Kingdom, West Germany, France, Switzerland, Japan and Canada.

We must rely, for the future huge expansion needs of the coal industry, more on equity financing rather than debt financing. In order to encourage this, we need to adopt a 12 percent investment tax credit as a permanent part of our tax structure and we need to improve dramtically amortization and depreciation allowances. These changes, together with individual rates that will reduce taxes for middle income Americans as well as low income taxpayers, would help create the capital needed to stimulate and improve equity markets and reduce the demand for debt which is so highly inflationary because of ever rising interest costs.

Nor can we ignore the social problems related to coal production. Where new coal mines spring up, new towns follow. Boombust situations can occur with the accompanying social and economic problems.

These are the major issues which must be confronted, discussed and solved if coal is to be used to its fullest extent.

Our immediate challenge rests with cutting energy demand. Here we have much more reason to be optimistic. If we look carefully at heating and cooling systems, industrial burners and boilers, the automobile and the structural characteristics of our buildings, we find vast deposits of energy waiting to be mined.

Energy produced by conservation—I call it "conservation energy"—is a widely available resource throughout the country. We can produce it with lead times measured in months instead of years. It has positive environmental consequences. It can create large numbers of jobs. And best of all, its cost is less than almost all new sources of energy supply. It can even be free.

In other industrial countries with lifestyles comparable to our own, conservation is a way of life. West Germany, Japan, France, Sweden and Switzerland use at least one-third less energy per dollar of Gross National Product than we do.

Conservation will not change lifestyles if conservation means efficiency. Conservation will have less impact on lifestyles than the reliance on higher-cost new energy sources that drain consumer purchasing power.

Movement towards conservation is already occurring in some portions of the private sector. Industry, which is most sensitive to change in the prices of commodities, is responding to the energy crisis and the conservation challenge.

To encourage greater energy conservation, I believe we must rely on the efforts of private firms and individuals responding to market forces. Government can do its share by encouraging conservation through such measures as tax credits so conservation receives as much attention as the government now gives to oil, gas and electricity.

At this point, let me parenthetically comment on the difference two individuals can make in achieving our national goals. More than a year ago, I called on former Secretary of the Department of Housing and Urban Development Carla Hills, at her home in Virginia late one evening on my way into Washington from Dulles Airport. I asked Carla Hills to help me and Senator Hubert Humphrey found a new non-profit, private sector organization to be known as the Alliance to Save Energy in order to create a whole new source of energy—conservation energy—in America. A few days later, she advised me of her decision; namely, that she would accept the position of chief executive officer and help guide the organization in its formative stages. But she refused a professional status, wanting to work only in a volunteer capacity, and would delay her entry into the private practice of law for almost a year in order to do this.

The Alliance a year later shows great promise. Its Board of Directors, which includes Carla Hills, Anne Armstrong, William H. Batten, Marjorie Benton, Henry Ford, II, Charles J. Hitch, Robert Ingersoll, Vernon Jordan, Henry A. Kissinger, Dr. George Kistiakowski, George Meany, Thomas A. Murphy, Bess Myerson, Arthur Nielson, Jr., Dan Parker, Russell Peterson, Gene Pokorny, Kenneth Rush, John Sawhill, Russell Train, Thomas J. Watson, Jr., Glenn Watts, Elmer Winter and Leonard Woodcock, has already accomplished a great deal. It is firmly supported by President Carter and Secretary of Energy James Schlesinger, as well as its Honorary Co-Chairman Vice President Walter Mondale and former President Gerald Ford. The Advertising Council has selected the advertising agency of J. Walter Thompson to produce print, the radio and television copy, for a nationwide program sponsored by the Alliance to Save Energy that will represent a contribution by the industry of an estimated $30 million in public service advertising. The Boy Scouts of America have agreed to distribute five million copies of the Alliance to Save Energy's booklet, "101 Ways to Save Money by Saving Energy." The Deparament of Energy is expected to cover printing costs. An important part of the original support for the Alliance to Save Energy has come from the oil industry which with great foresight has determined that energy conservation must be practiced by family, farm, commercial and industrial enterprises as well as government if we are to work toward market pricing without undue hardship. I cordially invite the various elements that make up the coal industry to assist in this work that can be better carried on by a private, non-profit organization than by government. Hubert Humphrey, who participated actively in the work of the Alliance to Save Energy until his untimely death, indicated that the potential of the organization could make it one of the most important undertakings that he had ever helped initiate.

The time is upon us to act to reduce our energy demand. We must focus our attention on developing alternative sources of energy that are safe, clean, efficient and as economical as possible.

The era of abundant and cheap energy is over even if we develop new sources. That is why it is imperative that we conserve energy no matter what new sources we choose to develop.

It will take a tremendous effort by all involved to increase private investments in energy efficiency. We must recognize that energy is a means, not an end. Our goal must be to meet economic needs with the minimum amount of energy.

Today I would like to leave you with a challenge. I believe many of the problems plaguing coal production can be solved if we all do our share.

We have scaled down estimates of 1985 coal use from 1.2 billion tons to a little less than one billion tons a year. There is little

movement by small industrial fuel users to employ coal in new installations. In fact, much of the conversion done by industry today is from natural gas to oil. The coal industry, acting through the National Coal Association, must set an agenda to show a willingness to solve the problems that cause energy-users to turn to other energy resources.

I believe the coal industry should take a positive approach in dealing with strict environmental controls instead of seeking to alter regulatory requirements. I recommend that you ask for regulatory certainty; then, do your best to meet the requirements of that certainty.

The coal industry should take the lead in researching and developing clean, reliable and economical environmental technology. I suggest that the industry lay out a five-year plan to identify for the Federal Government in detail what and how much work should be done with scrubbers, precipitators, coal handling and cleaning systems, and other technologies. This program should emphasize small-scale systems, so that coal will become a feasible alternative for medium to small industrial facilities.

Above all, this effort will demonstrate that the industry is serious about coal becoming a major energy source and is willing to shoulder much of the responsibility and cost. This can be done through such cooperative ventures as the Electric Power Research Institute. The greater the proportion of work done in the private sector, the less the red tape and changes of direction there will be.

The coal industry should also consider setting out a new agenda for cooperation with organized labor. This winter we experienced the longest coal strike in our history. At that time, many people questioned the wisdom of switching from imported oil to domestic coal. An Arab embargo is only a threat, but many fear that we are virtually guaranteed coal supply interruptions every three years during contract negotiations. Organized labor as well as management must cooperate to change this impression.

We must learn by the experiences of other industries when dealing with labor. The steel industry, for example, was plagued with periodic strikes a few years ago. Because the American industrial consumer could not count on domestic supply, they turned to foreign sources that offered uninterrupted delivery schedules. Only after it was too late, did management and labor work together to develop a no-strike pledge to stabilize the industry.

I believe that decisive action by those of you here today to acknowledge and solve the problems that plague your industry can change the perceptions of coal by those who make investment decisions. Then coal will get its fair share of energy investment dollars.

Two years ago, the American Electric Power Company ran ads to point out that America has more coal than Saudi Arabia has oil. If we work together, we can help assure that coal will once again be an integral part of our nation's energy supply.

And one way that we can work together is to welcome the appointment by President Carter of the new Rockefeller Commission on the coal industry. In my judgment, any skepticism or concern that it will be too biased toward one point of view or another will be promptly and satisfactorily answered. I consider it a potential vehicle for all of us deeply concerned about whether the coal industry will be able to achieve anywhere near its full potential. It is not a threat but a great promise that you will have a powerful and resourceful ally and friend to help think through how the barriers can be broken to much fuller production and marketing opportunities. Though it will be concerned with the establishment of long-term harmonious relations between management and labor in the coal industry, its charter is broad enough to assist you with many of the problems you will be grappling with at this very conference.

I know Governor Jay Rockefeller, Chairman of this Commission, to be devoted to the future of coal, and dedicated and willing to devote his energy to helping identify industry problems and help the industry achieve its goals. I hope you will give him your full support.

Thank you.

FIGHTING INFLATION AT THE GRASSROOTS

Mr. PERCY. Mr. President, inflation has been indentified as the Nation's No. 1 economic problem, affecting all aspects of American life. We know we need to get it under control and yet there is a discrepancy of opinion as how we should best go about this task.

Government spending practices and the magnitude of the Federal deficit are major components of inflation and there is a great deal the Federal Government can do—short of wage and price controls—to put a lid on spiraling wages and prices. We have before us, for example, the Labor Reform Act, with a highly inflationary provision in it. I intend to offer an amendment to eliminate the inflationary bias so that yet another government regulation does not unnecessarily boost the prices we pay for goods.

The Federal Government cannot singlehandedly put out the fires of inflation, however, if business and labor do not join us in the effort. Excessive price increases and wage settlements this year will be very damaging to the economy and will only stimulate inflationary expectations and psychology. Consequently, I was very pleased to receive recently a letter from a small business in Illinois which has recognized the role it can play in helping reduce inflation.

My constituent, Mr. James Hoffmann Higgins of Hubert Hoffmann & Sons greenhouse in Wilmette, has voluntarily agreed to keep prices at the 1977 level this year, despite rising costs. I congratulate Mr. Higgins on his contribution and urge other businesses and workers to follow his lead. I ask unanimous consent that Mr. Higgins' letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HUBERT HOFFMANN & SONS, INC.,
Wilmette, Ill., May 15, 1978.

Senator CHARLES PERCY,
Chicago, Ill.

DEAR SENATOR PERCY: I was very interested in your comments today on fighting inflation by voluntarily controlling salaries. Inflation has hit the flower and garden business as hard as anyone, but we feel the fight to hold prices has to begin somewhere. We sent the enclosed letter to President Carter a few weeks ago supporting his effort to control inflation by holding last year's prices in this, our 70th year in business in Wilmette. Thought it might interest you . . . and hopefully start a grassroots trend among other businesses.

Sincerely,

JAMES HOFFMANN HIGGINS.

HUBERT HOFFMANN & SONS, INC.,
Wilmette, Ill., April 18, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR PRESIDENT CARTER: I know with your busy schedule your staff handles an incredible volume of mail. But I thought you might like to know our company is supporting your effort to fight inflation in a positive way.

Last Tuesday night when I heard your speech about inflation on the news, I was just starting to work on setting prices for spring. As a leading greenhouse and garden center on Chicago's North Shore, we are celebrating our 70th anniversary in business this year on land my Great Great Grandfather pioneered in 1844.

Like every other business, we have seen the cost of everything we buy soar in price. Oil, plant supplies, fertilizer, labor, etc. etc. But I have decided the fight against inflation has got to start somewhere. So I am holding last year's prices on garden plants despite our increased expenses.

We will absorb those increases and hope our suppliers and others follow that example and do likewise. Perhaps some of our customers, who include many prominent executives, will find it an incentive to also go and do likewise.

Sincerely yours,

JAMES HOFFMANN HIGGINS.

NEW YORK CITY—TWO VIEWS OPPOSING THE BAILOUT

Mr. PROXMIRE. Mr. President, as chairman of the Senate Banking, Housing, and Urban Affairs Committee I have been chairing hearings on the proposal to grant aid to New York City. My view, which is unchanged by the testimony of the New York City bailout advocates, is that the city need not go bankrupt and that the New York City banks, the union pension funds, and the State of New York have ample combined resources to keep the city afloat. No bailout is needed. If they do go bankrupt, it will be because the banks and the labor unions are not interested in having the city avoid default. They have resources that are immense and resources that are available for this purpose. There is just no question in my mind.

Furthermore, it is my view that both the city and the country would be better served if the city found a way to rescue itself without a Federal loan, grant, or guarantee.

The main problem is that this will represent a very, very serious precedent. It will be extremely hard for the Federal Government to avoid this kind of guarantee for virtually every city in the country in the future, particularly in view of what happened in Cleveland, Ohio, and what happened in California with the recent voter action on the proposition 13 referendum where cities are in the process of greatly reducing their property taxes. If they come to the Federal Government and ask for a bailout, as I say, if we do this for New York City, how can we say no elsewhere?

While the hearings were dominated by advocates of the bailout, there is another view which is widely held both in New York City and in the country. It is reflected in my mail which runs 3 to 1

against the bailout from residents of New York City itself. And it is also reflected in the thoughtful writings of syndicated columnist Charles Bartlett and the editorials of the Washington Star.

I ask unanimous consent that the column by Charles Bartlett from the Washington Star of June 12, 1978, and the Washington Star of June 13, 1978, both be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. They give an informed, intelligent, and constructive view of this issue. Neither article is small minded. Both examine the subject from the view of what is best for the country and the taxpayers and the citizens of New York City itself. I commend them to the Senate.

EXHIBIT 1

[From the Washington Star, June 12, 1978]

THE SCARY PRECEDENT OF A BAIL-OUT

(By Charles Bartlett)

Precedent, the poet Swinburne wrote, is "a king of men," and the future may be shaped more by what is being done to rescue New York City than by the voters' outcry in the California referendum.

In fact, the precedent involved in guaranteeing a large slice of New York City's debt may have a long reign because it invites all financially troubled cities to take their problems to Uncle Sam.

The bankers and the humanitarians have joined in support of these guarantees and the vote in the House last Thursday showed they are a potent combination.

Only a short time ago expert nose-counters failed to find solid promise of support in the House for the Carter version of the New York bail-out, a package that adds $2 billion in 15-year guarantees to the short-term props enacted in 1975. The earlier bill passed the House by only 10 votes, and the city has done much but not all of what it promised to do three years ago. So the outlook for the new measure seemed highly uncertain.

But the bill floated through the House with a margin of 92 votes, a sweep which virtually dooms the Senate efforts by William Proxmire, D-Wis., to hold the line against long-term guarantees.

The bankers had been persuasive, bringing in some Republican members who had never voted for anything to the left of the 1920 party platform. They seemed incongruous alongside the West Side liberals who were saying, "Give us your tired, your poor."

In fact, nearly half the House Republicans and 16 of the 28 members retiring from politics voted for the bail-out. The New York delegation was solid except for Democrat Otis Pike, who took advantage of his intention to retire and skipped the vote. Even Buffalo Rep. Jack Kemp, eyeing the Senate and gaining fame as a leader of a move to cut federal taxes, balked at the example of James Buckley, who lost his Senate seat after opposing aid to the city in 1975.

"Go along with this and we can forget New York City for 20 years." This was a comforting rationalization that sufficed for many in a much less controversial atmosphere than the one which produced the close vote three years ago. Mail on the issue was light because the line against the guarantee had not been firmly drawn.

There was no one to play the vocal role of William Simon, who encountered fierce hostility in 1975 after he opposed rescue measures in which he saw a dangerous precedent.

The ordeal is recounted in Simon's new book, "A Time for Truth." He writes that the decay of New York City's fiscal integrity and the opportunism of its rescuers would not be frightening if the city were apart from the American mainstream.

However, he writes, "New York City is America in microcosm—America in its most culturally concentrated form. The philosophy, the illusions, the pretensions, and the rationalizations which guide New York City are those which guide the entire country. What is happening to New York, therefore, is overwhelmingly important to all Americans."

Those anxious to give Mayor Edward Koch a long leash talked in the House as if the city's departure from the path of fiscal sanity had been a one-time phenomenon. But they would only have to look back to 1933 to find that one of the major trials of Gov. Herbert Lehman involved pulling the city back from the brink of the insolvency into which it had been driven by incompetent mayors like Jimmy Walker.

The problem was handled 45 years ago as a matter that concerned the bankers, the city, and the state. This time the key role is being handed to the federal government.

This shift lends meaning to Arthur Burns' warning: "It is not inconceivable that the responsibilities now lodged in our state and local governments would in time wither away."

Victor Gotbaum, the labor leader who represents over 250,000 New York City workers, testified two years ago that "a New York City bail-out would be of assistance to every urban center that is in trouble."

The pressures launched in California for thrift and prudence in local government may well find their ultimate negation in Congress' opening of a new window at the federal bank.

[From the Washington Star, June 13, 1978]

UNDERWRITING NEW YORK

With Senator Proxmire and other hard-eyed skeptics, we are still trying to grasp the advantages of making federal taxpayers—that's you and me, brother—guarantors of New York City's long-term credit.

The arguments against that unprecedented step seem skinflinty, but they have the merit of clarity. They are, in approximate order of importance, that (a) under the federal system local government is responsible for its own fiscal undertakings, past and future; and (b) if the U.S. government rescues New York from the dire result of past profligacy it can hardly refuse, save on arbitrary grounds, to do likewise for any other city; and (c) that a federal bailout of the city's non-existent credit would merely relax the bind that is now bringing the city to its fiscal senses.

Some of the arguments for a federal bailout are, to speak frankly, the purest moonshine—not to mention earthier substances. We are told, for instance, that high administration officials "are believed" to argue that "a defeat would be viewed as a failure of the U.S. to meet its domestic responsibilities." Could that be possible? Are they indeed contending that the fiscal lunacy of past years in New York constitutes a federal "domestic responsibility"? What is the logic of such a contention?

And then, there is the charitable case made the other day by our friends at The Washington Post—that New York City, once a sinner, has "repented" and now deserves "a full opportunity to repent." Charity is a solemn obligation for individuals, to be sure. But charity with taxpayers' money, or charity that puts taxpayers' money at risk, had better begin with the assent of the taxpayers; and The Post's suggestion hardly squares with the recent message from California.

The weightiest argument for the loan guarantee—the official one, as it were—is that the "seasonal" or "tideover" loans authorized by Congress three years ago (and now readily renewable) will not solve the city's long-term problems. These loans, for seasonal bulges in cash obligations secured by assured tax income, have staved off formal bankruptcy (though not default of a kind); and they offer New York no temptation to extend fiscal commitments beyond the present level.

It is argued, however, that a federal guarantee of some $2 billion in long-term borrowing would allow the city to "rationalize" its debt, save interest, and scramble fully to its feet.

That is an appealing prospect. But however defended, the purpose of a federal loan guarantee is obviously to enable New York to spread out, not repay, its already heavy debt. Indeed, if one credits The New York Times' editorial interpretation of Mr. Felix Rohatyn's plan, he would do more with two billion in federally-underwritten credit than was accomplished in the miracle of the loaves and fishes.

"With such a favorable wind in his sail," The Times explains, "he could sell $3 billion in new (Municipal Assistance Corporation) paper and raise $3 billion from the banks and pension funds for both long-term investment and seasonal cash tideovers. . . . A federal guarantee would thus generate $6 billion in credit."

And how would it do that? Not, we must note, by buying a printing press but by the simple device of pyramiding credit. Since neither the state of New York nor banks nor pension funds are confident of the city's fiscal integrity, they will lend it more money only if Uncle Sam becomes the guarantor. No doubt this would ease New York's bind for a time, but it would, all the same, obligate future city administrations, and the state of New York, for a scale of services that is now $800 million to $1 billion a year too costly for the resources of the city to sustain.

In other words, federal loan guarantees would stretch out, not extinguish, the city's debt. If it were not unconstitutional for a city to print money New York might buy a printing press and lick its problems with a flood of local greenbacks—provided, of course, that is greedy municipal unions would accept them in lieu of U.S. legal tender.

But since there is no local money-mint, there are only two ways for New York City to get its finances under control: To spend less than it takes in, or collect more while spending the same, and in either case to apply surpluses against its debt; or, to enter formal bankruptcy and accept judicial direction of its budgetary affairs. Either would be bitter medicine; either would be preferable, however, to federally-guaranteed borrowing that would give the illusion of solvency to a city that is still running deeply in the red.

For unless the laws of arithmetic have been repealed, the city cannot work out of its bind by borrowing while still in deficit. That is the verdict of the bond market. Maybe it ought to be the verdict of Congress too.

THE WORDS OF ALEXANDER SOLZHENITSYN AND THE NEED FOR THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, just this past Thursday, Alexander Solzhenitsyn delivered his first major address in 2 years.

Mr. Solzhenitsyn's words are of great concern to me because he has alerted us to so many of the horrors committed by the Soviet police.

Mr. Solzhenitsyn characterized our

society as shortsighted, materialistic, and lacking in spiritual direction. Following his speech, he called attention to the fact that the system of Russian prison camps "continues swallowing people" and warned that reprisals against Soviet dissenter Alexander Ginzburg would begin shortly.

The stories of mass murder and terror which Solzhenitsyn recorded in his three-volume work, "The Gulag Archipelago," are not just stories of the past. The need to declare our concern for human rights is as important now as it has ever been.

If what Mr. Solzhenitsyn claims is true, and it is only in part, what should we do to affirm our commitment to human rights? How can we demonstrate our courage and our moral concern? How can we take action which will inspire other nations to grant greater liberties and which will show the world that we are not moral hypocrites?

There is one step we can take. It is a small step, but it is an important one. I call upon this body to ratify the articles of the Genocide Convention. Ratification of this treaty will place this Nation on record as a vocal opponent of mass murder and will reaffirm our commitment to the moral laws of our culture.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and this request has been cleared on the other side—that the Subcommittee on Communications of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, June 14, which is Flag Day, to consider citizens band radio interference legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Aviation of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, June 14, Flag Day, to consider aircraft noise reduction legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, the following Senators be recognized, each for not to exceed 15 minutes: Mr. HARRY F. BYRD, JR. and Mr. STEVENS.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUMPTION OF UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the aforementioned special orders on tomorrow, the Senate resume its consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is the request I just made necessary, or would that be automatic without any request?

The PRESIDING OFFICER. That would be automatic, without the Senator's request.

Mr. ROBERT C. BYRD. I thank the Chair.

SPECIAL ORDERS FOR THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday after the two leaders have been recognized under the standing order, the Senator from Alaska (Mr. STEVENS) and the Senator from Oklahoma (Mr. BARTLETT) be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR FRIDAY AND MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday after the recognition of the two leaders, the Senator from Alaska (Mr. STEVENS) be recognized for not to exceed 15 minutes, and that the same order obtain on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. PROXMIRE. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 11:30 a.m. tomorrow.

The motion was agreed to, and at 5:56 p.m., the Senate recessed until 11:30 a.m. tomorrow, Wednesday, June 14, 1978.

NOMINATIONS

Executive nominations received by the Senate June 13, 1978:

DEPARTMENT OF JUSTICE

Oliver James Keller, Jr., of Florida, to be a Commissioner of the U.S. Parole Commission for a term of 6 years, vice George J. Reed, retired.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility, designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Hans Helmuth Driessnack, [redacted], U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Kenneth Banks Cooper, [redacted], (age 54), Army of the United States (major general, U.S. Army).

IN THE NAVY

Vice Adm. Robert B. Baldwin, U.S. Navy, for appointment as Chief of Naval Personnel in the Department of the Navy for a term of 4 years pursuant to title 10, United States Code, section 5141.

Vice Adm. Parker B. Armstrong, U.S. Navy, (age 59) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Alfred J. Whittle, Jr., U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

Rear Adm. Albert J. Baciocco, Jr., U.S. Navy, for appointment as Chief of Naval Research in the Department of the Navy for a term of 3 years in accordance with title 10, United States Code, section 5150.

IN THE MARINE CORPS

The following-namend officer under the provisions of title 10, United States Code, section 5232, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be lieutenant general

Maj. Gen Kenneth McLennan, [redacted] U.S. Marine Corps.

IN THE ARMY

The following named officer for reappointment in the active list of the Regular Army of the United States, from the Temporary Disability Retired List, under the provisions of title 10, United States Code, section 1211:

To be captain, Regular Army, and captain, Army of the United States

Peterson, Clarence, [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be major

Boland, Raymond G., [redacted].
Braden, Frank R., III, [redacted].
Bryant, Boyd C., [redacted].
Buckley, Thomas P., [redacted].
Davis, Joseph L., [redacted].
Dodman, Gary R., [redacted].
Durning, Allan R., [redacted].
Leblanc, Dieudonne T., [redacted].
Mahlik, David J., [redacted].
Moran, Michael A., Jr., [redacted].
Tastad, Jerome W., [redacted].

To be captain

Aldridge, A. D., Jr., [redacted].
Allen, Kenneth R., [redacted].
Alsabrook, Wheeler H., Jr., [redacted].
Andrews, John H., [redacted].
Andrews, Robert L., [redacted].
Ashhurst, Kenneth R., [redacted].
Baker, James H., Jr., [redacted].
Banks, Jimmy C., [redacted].

Beasley, Charles A., III, XXX-XX-XXXX.
Bikus, John J., XXX-XX-XXXX.
Binkley, John E., III, XXX-XX-XXXX.
Bowie, Wade H., Jr., XXX-XX-XXXX.
Breshears, Ivan N., Jr., XXX-XX-XXXX.
Briggs, Kenneth L., XXX-XX-XXXX.
Bronner, David E., XXX-XX-XXXX.
Brouillette, Douglas S., XXX-XX-XXXX.
Brown, James E., Jr., XXX-XX-XXXX.
Brown, Tommie C., XXX-XX-XXXX.
Brunk, Rodney L., XXX-XX-XXXX.
Cahoon, Robert M., XXX-XX-XXXX.
Campbell, Robert D., XXX-XX-XXXX.
Capouya, David M., XXX-XX-XXXX.
Carlmark, Gary K., XXX-XX-XXXX.
Chandler, Richard Y., XXX-XX-XXXX.
Chewing, William R., XXX-XX-XXXX.
Clayton, Ralph T., XXX-XX-XXXX.
Colon, Raul, XXX-XX-XXXX.
Cordray, George M., XXX-XX-XXXX.
Cornell Curtis L., XXX-XX-XXXX.
Couch, Timothy H., XXX-XX-XXXX.
Coulson, Beverly J., XXX-XX-XXXX.
Cox, Charles S., XXX-XX-XXXX.
Crawford, Sterling B., XXX-XX-XXXX.
Culbert, James D., XXX-XX-XXXX.
Danish, George A., XXX-XX-XXXX.
Daubenspeck, James W., XXX-XX-XX...
Davidson, James H., Jr., XXX-XX-XXXX.
Davis, James H., XXX-XX-XXXX.
Davis, Thomas H., III, XXX-XX-XXXX.
Deibler, Scott, XXX-XX-XXXX.
Derks, Lawrence L., Jr., XXX-XX-XXXX.
Deskin Gary L., XXX-XX-XXXX.
Doan, Charles A., XXX-XX-XXXX.
Dobson, Andrew J., XXX-XX-XXXX.
Dubravac, Stephen E., XXX-XX-XXXX.
Dunlap, William J., XXX-XX-XXXX.
East, Paul B., XXX-XX-XXXX.
Ebertowski, James S., XXX-XX-XXXX.
Elmore, Darrell G., XXX-XX-XXXX.
Emerson, James O., XXX-XX-XXXX.
Enyeart, Robert D., XXX-XX-XXXX.
Ernst, Steven J., XXX-XX-XXXX.
Erskine, Mark N., XXX-XX-XXXX.
Etheridge, James H., XXX-XX-XXXX.
Fairall, James P., Jr., XXX-XX-XXXX.
Fennell, William J., Jr., XXX-XX-XXXX.
Firth, John E., XXX-XX-XXXX.
Fischer, Ernest W., XXX-XX-XXXX.
Fisher, James M., XXX-XX-XXXX.
Flaherty, John A., Jr., XXX-XX-XXXX.
Flom, Morgan L., XXX-XX-XXXX.
Fournier, Arthur F., XXX-XX-XXXX.
Francis, Brett A., XXX-XX-XXXX.
Frysinger, Victor F., XXX-XX-XXXX.
Gajewski, Michael A., XXX-XX-XXXX.
Galloway, Archibald, II, XXX-XX-XXXX.
Gannon, Terry C., XXX-XX-XXXX.
Gillio, Benjamin P., XXX-XX-XXXX.
Gindville, John J., XXX-XX-XXXX.
Gingrich, John R., XXX-XX-XXXX.
Goreth, Gary P., XXX-XX-XXXX.
Graham, William G., XXX-XX-XXXX.
Gravois, John M., XXX-XX-XXXX.
Griese, Dwayne L., XXX-XX-XXXX.
Grimsley, John C., XXX-XX-XXXX.
Grubb, Gary N., XXX-XX-XXXX.
Hagan, Gary J., XXX-XX-XXXX.
Hammond, David S., XXX-XX-XXXX.
Hansen, Stephen C., XXX-XX-XXXX.
Hansom, Wayne R., XXX-XX-XXXX.
Harke, Jerry R., XXX-XX-XXXX.
Harper, Robert L., XXX-XX-XXXX.
Haycock, Willis C., XXX-XX-XXXX.
Hayes, James B., Jr., XXX-XX-XXXX.
Hector, Lionel, XXX-XX-XXXX.
Hirsch, John S., XXX-XX-XXXX.
Horn, Billy W., XXX-XX-XXXX.
Howell, Grady J., Jr., XXX-XX-XXXX.
Hufford, Kent V., XXX-XX-XXXX.
Jameson, Thomas L., XXX-XX-XXXX.
Janke, Alexander A., XXX-XX-XXXX.
Jensen, Carl P., XXX-XX-XXXX.
Johnson, Dennis R., XXX-XX-XXXX.
Johnson, Eugene E., XXX-XX-XXXX.
Jones, Jimmie, XXX-XX-XXXX.
Jordan, Michael G., XXX-XX-XXXX.
Jost, Thomas J., XXX-XX-XXXX.
Justice, John E., XXX-XX-XXXX.
Kaleta, Alexander J., Jr., XXX-XX-XXXX.
Keating, Arthur J., XXX-XX-XXXX.
Keglovits, Ronald A., XXX-XX-XXXX.
Kempf, Warren L., XXX-XX-XXXX.
Kerby, Barry E., XXX-XX-XXXX.
Kindred, Samuel L., XXX-XX-XXXX.
Kreer, Thomas A., XXX-XX-XXXX.
Lambright, Odis J., XXX-XX-XXXX.
Lang, Scott G., XXX-XX-XXXX.
Lawson, William F., XXX-XX-XXXX.
Leahy, Michael L., III, XXX-XX-XXXX.
Lee, David W., XXX-XX-XXXX.
Lee, Ronald N., XXX-XX-XXXX.
Lenicheck, Christopher A., XXX-XX-XXXX.
Lewis, Murray B., XXX-XX-XXXX.
Lightfoot, Donna D., XXX-XX-XXXX.
Lindsey, Jerald G., XXX-XX-XXXX.
Linsenbigler, Harry C., XXX-XX-XXXX.
Lockard, John R., XXX-XX-XXXX.
Lundberg, Tommy A., XXX-XX-XXXX.
Lusey, Rodney S., XXX-XX-XXXX.
Lyne, James P., XXX-XX-XXXX.
MacInnes, John D., XXX-XX-XXXX.
Mahlum, Richard J., XXX-XX-XXXX.
Major, Oscar L., XXX-XX-XXXX.
Maness, Stephen R., XXX-XX-XXXX.
March, Albert D., XXX-XX-XXXX.
Mason, Stanley C., XXX-XX-XXXX.
Maunsell, Charles M., XXX-XX-XXXX.
Mayhall, Russell E., XXX-XX-XXXX.
McCrary, Billie N., XXX-XX-XXXX.
McElroy, William E., III, XXX-XX-XXXX.
McGlothin, Jerry D., XXX-XX-XXXX.
McMakin, James P., XXX-XX-XXXX.
Metzger, Robert J., XXX-XX-XXXX.
Miller, Phillip E., XXX-XX-XXXX.
Miyamoto, Stanford N., XXX-XX-XXXX.
Moore, Robert G., XXX-XX-XXXX.
Morgan, William J., Jr., XXX-XX-XXXX.
Murphy, Lawrence E., XXX-XX-XXXX.
Napierala, Paul J., XXX-XX-XXXX.
Nelson, Terrance E., XXX-XX-XXXX.
Neville, Eugene O., Jr., XXX-XX-XXXX.
Nix, Billy, XXX-XX-XXXX.
Noonan, Daniel R., XXX-XX-XXXX.
Nowland, Joseph R., III, XXX-XX-XXXX.
Oakley, Robert E., Jr., XXX-XX-XXXX.
Oates, Phillip E., XXX-XX-XXXX.
O'Brien, Howard L., XXX-XX-XXXX.
Ohnmeis, Harold A., XXX-XX-XXXX.
O'Keefe, Edward C., Jr., XXX-XX-XXXX.
Osborne, Charles T., XXX-XX-XXXX.
Pair, Carlos D., XXX-XX-XXXX.
Pasquarett, Michael J., XXX-XX-XXXX.
Patterson, Donald B., XXX-XX-XXXX.
Paul, Jack M., XXX-XX-XXXX.
Player, Harvey L., XXX-XX-XXXX.
Potter, Mickey, XXX-XX-XXXX.
Prentice, David J., XXX-XX-XXXX.
Pyner, Robert L., XXX-XX-XXXX.
Radcliffe, Nile D., XXX-XX-XXXX.
Rainey, William R., XXX-XX-XXXX.
Ramsey, Jerry A., XXX-XX-XXXX.
Rawles, Robert N., XXX-XX-XXXX.
Redington, James H., XXX-XX-XXXX.
Reuter, William J., XXX-XX-XXXX.
Ridenour, Paul J., XXX-XX-XXXX.
Riggle, Donald E., Jr., XXX-XX-XXXX.
Riggs, Frank O., XXX-XX-XXXX.
Riley, James C., XXX-XX-XXXX.
Ripley, David E., XXX-XX-XXXX.
Robinson, Cecil, Jr., XXX-XX-XXXX.
Rodgers, Stephen L., XXX-XX-XXXX.
Rogers, Chase N., XXX-XX-XXXX.
Rollins, William L., XXX-XX-XXXX.
Rosner, Thomas V., XXX-XX-XXXX.
Roy, Ronald L., XXX-XX-XXXX.
Russo, John G., XXX-XX-XXXX.
Sarran, George C., XXX-XX-XXXX.
Schiess, Adrian A., Jr., XXX-XX-XXXX.
Schumacher, Roger D., XXX-XX-XXXX.
Scipioni, Louis, Jr., XXX-XX-XXXX.
Scotka, Ronald, XXX-XX-XXXX.
Scott, Leonard B., III, XXX-XX-XXXX.
Scott, Terry L., XXX-XX-XXXX.
Serviss, Joseph A., XXX-XX-XXXX.
Shaw, Michael D., XXX-XX-XXXX.
Shepherd, Joseph A., III, XXX-XX-XXXX.
Smith, Asa P., XXX-XX-XXXX.
Smith, Roy E., XXX-XX-XXXX.
Spivey, Ernest L., Jr., XXX-XX-XXXX.
Springsteen, Raymond L., XXX-XX-XXXX.
Spuhler, Gary L., XXX-XX-XXXX.
Stanat, Carl J., XXX-XX-XXXX.
Strafer, Kenneth J., XXX-XX-XXXX.
Thomas, Harry W., III, XXX-XX-XXXX.
Thompson, John T., XXX-XX-XXXX.
Torpey, William T., XXX-XX-XXXX.
Turpin, Johnny G., XXX-XX-XXXX.
Tyner, Dennis G., XXX-XX-XXXX.
Underwood, Donald L., XXX-XX-XXXX.
Vakalis, George J., XXX-XX-XXXX.
Van Brederode, Henry L., XXX-XX-XXXX.
Vick, Michael R., XXX-XX-XXXX.
Vivolo, William A., Jr., XXX-XX-XXXX.
Wagner, Philip R., XXX-XX-XXXX.
Walker, Leon E., Jr., XXX-XX-XXXX.
Watts, Thomas P., XXX-XX-XXXX.
Wheeler, Gary W., XXX-XX-XXXX.
White, George C., XXX-XX-XXXX.
Wilson, David W., XXX-XX-XXXX.
Wistner, Richard F., XXX-XX-XXXX.
Wixted, Michael G., XXX-XX-XXXX.
Wood, Roger L., XXX-XX-XXXX.
Yasuda, Edward T., XXX-XX-XXXX.
Young, Randy J., XXX-XX-XXXX.

To be first lieutenant

Abrahamson, David L., XXX-XX-XXXX.
Adams, Russell E., XXX-XX-XXXX.
Adams, Thomas M., XXX-XX-XXXX.
Andrews, William R., XXX-XX-XXXX.
Ard, Nelson C., XXX-XX-XXXX.
Baier, Michael J., XXX-XX-XXXX.
Barciak, Frank J., XXX-XX-XXXX.
Barnes, Ted H., XXX-XX-XXXX.
Batt, William T., XXX-XX-XXXX.
Beddingfield, Dwight, XXX-XX-XXXX.
Bertocchi, Stephen J., XXX-XX-XXXX.
Besancon, Robert D., XXX-XX-XXXX.
Blazey, Scott E., XXX-XX-XXXX.
Blythe, Michael J., XXX-XX-XXXX.
Boydstun, David B., XXX-XX-XXXX.
Brock, Edwin R., Jr., XXX-XX-XXXX.
Bullock, John H., Jr., XXX-XX-XXXX.
Bumstead, Patricia, XXX-XX-XXXX.
Burmood, Richard C., XXX-XX-XXXX.
Butler, William G., XXX-XX-XXXX.
Byrne, John P., Jr., XXX-XX-XXXX.
Carl, John A., Jr., XXX-XX-XXXX.
Cathcart, Kenneth P., XXX-XX-XXXX.
Childers, Charles D., XXX-XX-XXXX.
Clark, Christopher G., XXX-XX-XXXX.
Clawson, David L., XXX-XX-XXXX.
Clement, Lawrence D., XXX-XX-XXXX.
Cole, Cecil M., Jr., XXX-XX-XXXX.
Cook, Emmet E., Jr., XXX-XX-XXXX.
Coomler, James D., XXX-XX-XXXX.
Costanza, Shirley J., XXX-XX-XXXX.
Daniels, Albert L., XXX-XX-XXXX.
Dausen, Peter G., XXX-XX-XXXX.
D'Enbeau, Keiko I., XXX-XX-XXXX.
Devero, Michael J., XXX-XX-XXXX.
Drozd, Timothy P., XXX-XX-XXXX.
Dyck, Edward I., XXX-XX-XXXX.
Engle, Charles B., Jr., XXX-XX-XXXX.
Foster, Lloyd D., XXX-XX-XX...
Frederick, Irene S., XXX-XX-XXXX.
Frye, Jan R., XXX-XX-XXXX.
Fuller, James R., III, XXX-XX-XXXX.
Gallimore, Ronald S., XXX-XX-XXXX.
Geisbush, David L., XXX-XX-XXXX.
Goisman, Philip, XXX-XX-XXXX.
Gramer, George K., Jr., XXX-XX-XXXX.
Hafele, David A., XXX-XX-XXXX.
Hardesty, John M., XXX-XX-XXXX.
Harris, Jonathan M., XXX-XX-XXXX.
Harrison, James O., III, XXX-XX-XXXX.
Hartman, Michael A., XXX-XX-XXXX.
Hayes, Michael T., XXX-XX-XXXX.
Hellrich, Paul H., XXX-XX-XXXX.

Henry, Stanley S., xxx-xx-xxxx.
Hite, William R., Jr., xxx-xx-xxxx.
Holmes, Hiram A., Jr., xxx-xx-xxxx.
Horne, Robert M., xxx-xx-xxxx.
Hover, Ronald L., xxx-xx-xxxx.
Howard, Edward J., xxx-xx-xxxx.
Hughes, Ronald E., xxx-xx-xxxx.
Ireland, Harry M., xxx-xx-xxxx.
Kirk, Donald R., xxx-xx-xxxx.
Koehler, Peter C., xxx-xx-xxxx.
Krailler, Jerry G., xxx-xx-xxxx.
Lee, Insung O., xxx-xx-xxxx.
Leon, Robert M., Jr., xxx-xx-xxxx.
Leskovec, John R., xxx-xx-xxxx.
Levalley, John T., xxx-xx-xxxx.
Long, Glen C., Jr., xxx-xx-xxxx.
Lucia, Charles A., xxx-xx-xxxx.
Madewell, Eulis W., xxx-xx-xxxx.
Maertens, Floyd K., xxx-xx-xxxx.
Mattingly, Richard C., xxx-xx-xxxx.
McNeil, Robert J., xxx-xx-xxxx.
Melton, Robert L., xxx-xx-xxxx.
Mikolajek, Louis M., xxx-xx-xxxx.
Mitchell, Patrick, xxx-xx-xxxx.
Mizell, Michael E., xxx-xx-xxxx.
Moore, Roy S., xxx-xx-xxxx.
Morton, Robert M., xxx-xx-xxxx.
Murray, Ted M., xxx-xx-xxxx.
Nichols, Fred E., xxx-xx-xxxx.
Norman, Robert E., xxx-xx-xxxx.
Notarianni, Peter A., xxx-xx-xxxx.
Nutt, Amelia C., xxx-xx-xxxx.
O'Connel, William J., xxx-xx-xxxx.
O'Connor, Hugh B., Jr., xxx-xx-xxxx.
Papas, Constantine T., xxx-xx-xxxx.
Penrose, Ronald J., xxx-xx-xxxx.
Prater, Timothy D., xxx-xx-xxxx.
Pratt, Vallie A., xxx-xx-xxxx.
Prouty, James R., xxx-xx-xxxx.
Rainey, William R., xxx-xx-xxxx.
Reardon, Robert H., xxx-xx-xxxx.
Reddick, Robert M., xxx-xx-xxxx.
Riley, Mark F., xxx-xx-xxxx.
Riley, Thomas R., xxx-xx-xxxx.
Saliba, Jamiel S., xxx-xx-xxxx.
Santiago, Roberto, xxx-xx-xxxx.
Schaffer, Glenn S., xxx-xx-xxxx.
Scurzi, Robert J., xxx-xx-xxxx.
Sears, David G., xxx-xx-xxxx.
Shea, Kevin P., xxx-xx-xxxx.
Smith, Frank R., xxx-xx-xxxx.
Smith, William T., xxx-xx-xxxx.
Spyker, William W., xxx-xx-xxxx.
Stephens, Michael K., xxx-xx-xxxx.
Sternberg, David J., xxx-xx-xxxx.
Stolte, Brenda L., xxx-xx-xxxx.
Stricklen, Martin R., xxx-xx-xxxx.
Swiderski, Marek J., xxx-xx-xxxx.
Talbot, Cecil C., Jr., xxx-xx-xxxx.
Taylor, Curtis B., xxx-xx-xxxx.
Taylor, William T., xxx-xx-xxxx.
Teach, Wendy E., xxx-xx-xxxx.
Torres, Robert L., xxx-xx-xxxx.
Tucker, Thomas E., xxx-xx-xxxx.
Via, Michael A., xxx-xx-xxxx.
Vollertsen, Vernon A., xxx-xx-xxxx.
Walker, Sammson L., xxx-xx-xxxx.
Walls, William G., xxx-xx-xxxx.
Washburn, Linda M., xxx-xx-xxxx.
Wehde, Larry M., xxx-xx-xxxx.
Weir, William A., xxx-xx-xxxx.
Wheeler, James R., xxx-xx-xxxx.
White, Terry D., xxx-xx-xxxx.
Williams, Robert M., xxx-xx-xxxx.
Wilson, Paul M., xxx-xx-xxxx.
Wood, David A., xxx-xx-xxxx.
Wood, Harold D., xxx-xx-xxxx.
Woosley, Tomas E., xxx-xx-xxxx.
Wright, Jeffery M., xxx-xx-xxxx.
Young, William E., xxx-xx-xxxx.

To be second lieutenant

Ball, Donald J., xxx-xx-xxxx.
Freeman, Sherilyn H., xxx-xx-xxxx.
Johnson, Robert J., xxx-...
Mauter, William J. Jr., xxx-xx-xxxx.
Meyer, Jeffrey A., xxx-xx-xxxx.
Shelton, Benny R., xxx-xx-xxxx.
Steele, William R., xxx-xx-xxxx.

IN THE ARMY

The following-named officers for appointment in the Regular Army by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be captain, Regular Army and captain Army of the United States

Beckman, Herbert D., xxx-xx-xxxx.
O'Neill, Patrick J., xxx-xx-xxxx.

To be first lieutenant, Regular Army and first lieutenant, Army of the United States

Bosse, David A., xxx-xx-xxxx.
Daigh, John D., Jr., xxx-xx-xxxx.
Sihelnik, Stephen A., xxx-xx-xxxx.
Webber, Paul M., xxx-xx-xxxx.
White, Christopher B., xxx-xx-xxxx.
Zieske, Larry A., xxx-xx-xxxx.

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be colonel

Erdmann, Ralph R., xxx-xx-xxxx.

To be major

Arthur, James D., xxx-xx-xxxx.
Chandrasekaran, Ankia K., xxx-xx-xxxx.
Nydegger, Neil K., xxx-xx-xxxx.
Renfrow, John M., xxx-xx-xxxx.

To be captain

Andrews, Douglas G., xxx-xx-xxxx.
Arnold, Jeffrey L., xxx-xx-xxxx.
Baker, James R., xxx-xx-xxxx.
Bazzle, Ervin W., xxx-xx-xxxx.
Beasley, John H., xxx-xx-xxxx.
Beauchamp, Rene I., xxx-xx-xxxx.
Bent, David H., xxx-xx-xxxx.
Bernard, William D., xxx-xx-xxxx.
Berry, Robert H., Jr., xxx-xx-xxxx.
Brinkman, Allen, xxx-xx-xxxx.
Burton, John T., xxx-xx-xxxx.
Burton, Linda J., xxx-xx-xxxx.
Canner, Demmon F., xxx-xx-xxxx.
Carroll, Danford F., xxx-xx-xxxx.
Casida, Gary, xxx-xx-xxxx.
Chandler, Garth K., xxx-xx-xxxx.
Cunningham, William T., xxx-xx-xxxx.
Dooley, Joseph M., xxx-xx-xxxx.
Durane, Edward J., Jr., xxx-xx-xxxx.
Ferm, Dennis K., xxx-xx-xxxx.
Fishbaugh, David L., xxx-xx-xxxx.
Flanagan, Kevin, xxx-xx-xxxx.
Fligg, Warren P., xxx-xx-xxxx.
Gallagan, John P., xxx-xx-xxxx.
Gold, Steven D., xxx-xx-xxxx.
Haas, Michael A., xxx-xx-xxxx.
Hart, Charles C., III, xxx-xx-xxxx.
Hattan, James N., xxx-xx-xxxx.
Havens, Edward A., xxx-xx-xxxx.
Hollman, John T., xxx-xx-xxxx.
Howell, John R., xxx-xx-xxxx.
Ivey, Karl F., xxx-xx-xxxx.
Jones, Dwight F., xxx-xx-xxxx.
Karsh, Richard B., xxx-xx-xxxx.
Kessie, Charles L., xxx-xx-xxxx.
Killian, Lewis M., Jr. xxx-xx-xxxx.
King, Michael K., xxx-xx-xxxx.
Limbaugh, Daniel B., xxx-xx-xxxx.
Marvin, Dale K., xxx-xx-xxxx.
McGowan, William J., xxx-xx-xxxx.
McLean, Tony L., xxx-xx-xxxx.
Montgomery, Sandra K., xxx-xx-xxxx.
Mura, Steven J., xxx-xx-xxxx.
Ott, Robert M., xxx-xx-xxxx.
Palmer, Randall, III, xxx-xx-xxxx.
Pitts, Nancy J., xxx-xx-xxxx.
Purdom, Jean M., xxx-xx-xxxx.
Ramsey, William B., xxx-xx-xxxx.
Raymond, William D., Jr., xxx-xx-xxxx.
Reilly, Vincent E., xxx-xx-xxxx.
Romano, Frank, III, xxx-xx-xxxx.
Ruppert, Raymond C., xxx-xx-xxxx.
Rutter, Mark H., xxx-xx-xxxx.
Sauve, Robert B., xxx-xx-xxxx.
Shull, David A., xxx-xx-xxxx.
Smith, Donald W., xxx-xx-xxxx.
Steinbeck, Mark A., xxx-xx-xxxx.
Stephens, Frederic S., xxx-xx-xxxx.
Thwing, James B., xxx-xx-xxxx.
Urech, Everett M., xxx-xx-xxxx.
Vanhooser, Robert J., xxx-xx-xxxx.
Wallis, William L., xxx-xx-xxxx.
Walsh, James F., xxx-xx-xxxx.
Wamsted, Michael L., xxx-xx-xxxx.
Williams, Robert J., Jr., xxx-xx-xxxx.

To be first lieutenant

Bushouse, Kristin J., xxx-xx-xxxx.
Cosgrove, Charles A., xxx-xx-xxxx.
Culpepper, Vannoy, xxx-xx-xxxx.
Frank, Mary E., xxx-xx-...
Jennings, Suzanne C., xxx-xx-xxxx.
Kost, Rebecca S., xxx-xx-xxxx.
Olejnik, Donna J., xxx-xx-xxxx.
Parsons, Gregory L., xxx-xx-xxxx.
Rivera, Jose F., xxx-xx-xxxx.
Ross, Joseph E., xxx-xx-xxxx.
Rothlein, Julius, xxx-xx-xxxx.
Scott, Timothy J., xxx-xx-xxxx.
Smith, Anthony G., xxx-xx-xxxx.
Smith, William R., Jr., xxx-xx-xxxx.
Tyrrell, David R., xxx-xx-xxxx.
Weyandt, Timothy B., xxx-xx-xxxx.

The following-named distinguished military student for appointment in the Regular Army of the United States in the grade of second lieutenant under the provisions of title 10, United States Code, sections 2106, 3283, 3284, 3286, 3287, 3288, 3290, and 3311:

Cheney, Catherine L., xxx-...

The following-named midshipman, graduating class of 1978, U.S. Naval Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 541 and 3284:

Benoit, Phillip B., xxx-xx-xxxx.

IN THE MARINE CORPS

The following-named Naval Reserve Officer Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 2107, subject to the qualifications therefor as provided by law:

Alvarez, Penelope L.
Brewer, Troy G.
Donnelly, Kenneth A.
Fryer, Lawrence W., Jr.
Gillette, Christopher G.
Keim, Steven M.
King, Samuel R.
Mitchell, William T.
Moore, Garrett W.
Mueller, Paul H.
Radovich, Leo A.
Rutherford, Paul M.
Sumner, John C.
Ward, Troy A.
Walker, Michael M.
Zelechoski, Peter M.

The following-named U.S. Air Force Academy graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 5585 and 541, subject to the qualifications therefor as provided by law:

Ghiden, Reginald J.

EXTENSIONS OF REMARKS

DON'T GO NEAR THE WATER

HON. THOMAS F. EAGLETON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, June 13, 1978

● Mr. EAGLETON. Mr. President, 10 months ago, at my request, the General Accounting Office undertook a study of the recent Johnstown Pa., flood. The purpose was to evaluate the operation of the flood insurance and other Federal assistance programs in the wake of a real disaster. To my knowledge, it is the first comprehensive case study of its kind and it should be of interest to all Senators.

Because the study—the Johnstown area flood of 1977: A case study for the future (CED–78–114)—is now publicly available, I will not quote extensively from it here, but I do want to highlight a few key findings with respect to the flood insurance program.

For some time now, I have been concerned about the inflexibility of this program and the needless economic hardship it imposes on many communities. I have been successful in bringing about a few changes in the act but major problems remain. One in particular is the plight of rural communities in Missouri and some other States which lack legal authority to adopt required HUD land use measures and yet are penalized under this program for their nonparticipation. The Federal Insurance Administration has steadfastly refused to consider any exemption or allowance for such hardship cases on grounds that the land use measures are a vital part of the program and without that quid pro quo the subsidized insurance would represent a waste of taxpayers' money.

Given that longstanding position of the agency, it comes with ill grace to learn from this GAO report that most of those in Johnstown with federally subsidized insurance are not bound by any building restrictions. Indeed, some 80 percent of those interviewed indicated they would use their insurance benefits to rebuild in exactly the same area.

It is understood that many other areas enjoy the same advantage as Johnstown residents. According to the GAO, this situation arises out of a curious provision of the act which permits HUD to sell subsidized insurance anywhere in a participating community but limits its authority to impose building restrictions to the narrow 100-year flood plain.

The GAO quotes one official of the insurance consortium participating in the program as saying "in most communities the 100-year flood plain is extremely narrow and that most flood losses occur outside the designated flood-hazard area where the flood plain management ordinances adopted in accordance with the flood insurance program are practically meaningless."

It should be noted that Federal Insurance Administration officials disputed that charge but inasmuch as these same officials were unable to tell GAO how many of the claims paid in Johnstown were for property on which there are no building restrictions, I cannot give much credence to their disclaimer.

Mr. President, I would be the first to agree that it is not feasible to require building restrictions throughout the whole of Johnstown. That would be an economic disaster. But, so is it an economic hardship to bring sanctions against small towns especially where they lack legal authority or finances to implement the program. FIA officials conceded as much according to the GAO study:

> FIA officials told us that as of January 1977 there were 3,385 nonparticipating communities nationwide and that of that number 2,169 (64 percent) contained less than 1,000 persons and less than 1 square mile of special flood hazard area. The officials said they do not follow up on such communities because they believe it is not cost effective. They also said that flood plain management ordinances are too costly for smaller communities, the areas are mostly rural, and development is not likely.

Some large cities also are finding it difficult to comply with the letter of this agency's regulations for sound economic reasons, such cities as Honolulu, Carlsbad, and St. Louis. As more and more urban areas are brought into the regular program with its much more stringent restrictions on building, this list will expand and I predict there will be serious pressure to change if not junk the program.

Before that is allowed to happen, I hope the department of HUD and the relevant congressional committees will give serious thought to providing some leeway in this program for judgment as to what is and what is not economically feasible. We simply cannot continue insisting on a single inflexible flood standard regardless of cost and regardless of unique local conditions.●

HYDE AMENDMENT 1979

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. FRASER. Mr. Speaker, for the third year in a row the House has voted on restricting a right of poor women who who are dependent on public funds for their health care. The right we have restricted is the right to choose abortion.

A very unusual rule was approved by the House, which limited our options on section 209, abortion prohibitions. I want to make clear, in light of this rule, my votes on the fiscal year 1979 Hyde amendment. House parliamentary procedure can be very confusing to Americans who are trying to understand their Representatives' votes.

Option 1. The rule allowed a motion to strike section 209, the abortion provision. The effect of this amendment, if passed, would have been to eliminate any abortion prohibition from the bill. Representative STOKES offered a motion to strike section 209, and I voted for his motion. I do not believe that we should discriminate, on the basis of economic class, in the provision of a legal medical service. Unfortunately, many Members of the House do not agree. The Stokes motion failed by a vote of 122 to 287.

Option 2. The rule allowed one substitute amendment to be offered in place of the language in the bill. This amendment, offered by Representative WRIGHT, was equivalent to the final compromise of last year. It would allow abortions: First, if the woman's life would be endangered if the pregnancy were carried to term; second, if the pregnancy resulted from rape or incest, which was reported promptly to law enforcement agencies or public health services; and third, if two doctors certify that, without an abortion, severe and long-lasting physical health damage to the woman would occur. This amendment failed by a vote of 198 to 212. I voted for this amendment, not because I think it is fair, but because it would harm fewer people than the language currently in the bill. (Had the motion to strike succeeded, I would have voted against the Wright amendment.)

Option 3. Since options 1 and 2 were voted down, the language approved by the House Appropriations Committee stands as the House position on this issue. It allows abortions only when the life of the mother would be endangered if the fetus were carried to term. The Senate must now determine its position on the abortion provision, and differences will be worked out in conference. As we saw last year, this can be a lengthy process.

The Labor-HEW appropriations bill is a $57 billion bill. It must ultimately be passed, or programs will not be funded and employees will not be paid. The majority of the House clearly favors restrictions on the provision of abortion under Federal funding. I do not agree and think it is clearly and simply wrong to interfere with the right to choice of poor women. However, since the bill must be passed, my position will remain firm throughout the abortion debate this year: I oppose any restrictions, but will vote for the restrictions that harm the fewest people.●

THE GARDENA VALLEY JAPANESE CULTURAL INSTITUTE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. CHARLES H. WILSON of California. Mr. Speaker, on Saturday, June 24, 1978, the Gardena Valley Japanese Cultural Institute will honor the foundation of its long-awaited auditorium-gymnasium complex. The Gym/torium completes the projected institute. Cultural, social, educational and athletic activities at all levels will now be available to the entire community.

The exact day and date are significant, as the statement of this RECORD, in addition to the accolades of the Gardena community, will be made part of a 25-year time capsule placed on the site.

While few of us would predict that we will stand here and read these words in the year 2003, the resilience and tradition of the Japanese Cultural Institute should give Gardena every confidence that it will stand here for us. In spite of a disastrous fire in 1973, the community and the institute launched a million dollar fundraising drive that has already realized a two-story multipurpose building which culminates Saturday with the groundbreaking for the Gym/torium complex.

The orgin of the Gardena Valley Japanese Institute goes back to the late 1920's when the first-generation Issei organized Moneta Gakuen. As a cooperative, the Issei purchased 2.7 acres of land and built a school facility.

Moneta Gakuen grew and prospered through the years, operating successfully until the advent of World War II and the trauma of forced evacuation in 1942. With the end of hostilities in 1945 and the subsequent return of many Japanese families to the Gardena Valley, the Gakuen facility was reactivated but under a totally different function. Moneta became a hostel to shelter families returning to Gardena—those forced to start anew to rebuild their homes, businesses, and futures. Their community, Moneta Gakuen, became the focal location for emerging organizations, programs, and activities. It also housed reorganized and newly formed church groups, which have long since become self-sufficient and independent entities. But they all got their start at Moneta which, in 1951, officially became the Gardena Valley Japanese Community Center. Already, the community center was operating with a board of directors and ongoing programs that included the Japanese Language School, Judo and Kendo programs, cultural classes, and sports leagues.

After the fire in 1973, Gardenans rallied to an ambitious building fund drive using the theme, "Let Us Grow a Flower." The Gym/torium complex is a culmination of 50 years of ambition, pride, and determination. Their achievement represents a phenomenon that can only be described as representing the culture and community of a people who, with dignity, have determined for themselves their unique values and needs and have determined how to express them. The institute remains an anchor for Gardena community life and pride; I am proud now, and will be proud 25 years from now, to be associated with this fine work.●

SUPPORT FOR BASIC RESEARCH

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. LEACH. Mr. Speaker, it is with great concern that I note that the appropriations bill for fiscal year 1979 for HUD and related agencies has cut the administration's budget request for the National Science Foundation by $40.1 million. In recent months, concern has been evidenced in a number of quarters that this country is steadily losing its competitive edge in world markets because we are neglecting exploratory research.

Certainly our relative investment in research, and particularly basic research, has declined in the last 15 years. The U.S. percentage of GNP expended on all scientific research decreased from 3 percent in 1964 to 2.3 percent in 1975. By contrast, research expenditures in the Soviet Union climbed from 2.4 to 3.1 percent of GNP. In West Germany, the increase was from 1.5 to 2.4 percent; in Japan, from 1.3 percent in 1963 to 1.9 in 1975, and in both these cases, a larger percentage of the total research effort was for basic research.

Our relative lack of investment in basic research cannot continue for very long without seriously affecting the technological innovations on which our productivity as a nation depends. A study by the National Science Board in 1974 determined that, in the case of 179 major technological advances made between 1950 and 1973, university research was increasingly cited in basic patents while citations to industrial research declined steeply. In the last half of that period 54 percent of the citations went to basic research efforts in our universities and only 15 percent to applied research in industry. The tie between basic scientific inquiry and technological breakthroughs is neither distant nor tenuous, and a decline in the first is quickly followed by a decline in the second.

That is why I am greatly concerned that the Federal investment in basic research declined by approximately 14 percent between 1968 and 1974 in constant dollars. Even with gains over the past 2 years, recent increases make up less than half that decrease in constant dollars during the 6-year period from 1968 to 1974.

It is fashionable these days to argue for cuts in appropriations. I, too, endorse the need for more economy in our Federal expenditures. In arriving at some priority in our programs, however, we need to distinguish between those Federal funds that are consumed to meet existing needs and those that are invested to yield future gains. We cannot neglect the latter for the sake of the former, or we will lack the resources to meet the needs of tomorrow. The annual appropriations to the National Science Foundation for basic research is a good example of the kind of investment we must make for the future.

It is my hope that, before this session of Congress ends, the reductions in the budget of the National Science Foundation are restored to the level recommended in the budget and that cuts we make today are not at the expense of our economy and world position tomorrow.●

IOWA LEADS WAY IN PRIMARY HEALTH CARE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. GRASSLEY. Mr. Speaker, according to studies by the General Accounting Office and a committee of the Institute of Medicine of the National Academy of Sciences, there has been a trend toward medical specialization over primary-care practices since the early 1960's.

I have been concerned with this matter since I served in the Iowa State Legislature and find it alarming. It is apparent that our physicians are not being trained to meet our Nation's future medical needs.

The University of Iowa College of Medicine has made great strides to reverse this trend and to fill the void in the area of primary-care medicine. The progress being made by the University of Iowa College of Medicine to reverse this trend is to be commended. The accomplishments of the University of Iowa should serve as an example for action elsewhere in the Nation.

For the benefit of my colleagues, I would like to share an editorial which recently appeared in the Des Moines Register:

The editorial follows:

[From the Des Moines Register, May 26, 1978]

IOWA SHOWS HOW

The University of Iowa College of Medicine is out of step with a lot of medical schools, and Iowa taxpayers should feel good about that. So should government officials and medical authorities who deplore the continuing trend to medical specialization.

In the last few years about two-thirds of the Iowa medical graduates have decided to be primary-care physicians, concentrating on family practice, general internal medicine or pediatrics. In the 1960s about two-thirds of the graduates headed into the more sophisticated specialties—a pattern that still is evident in many medical schools.

In the '60's Iowans and their legislators began complaining about the specialty-consciousness of the medical students at Iowa City and their haste to leave the state as

soon as they got their degrees. A family practice program begun in 1970 has been largely responsible for reversing the trend. About 25 percent of the graduates now enter family practice, and a high proportion of them settle in smaller Iowa communities.

For the nation as a whole, too many physicians are choosing specialties over primary-care practices, according to studies by the General Accounting Office and a committee of the Institute of Medicine of the National Academy of Sciences.

The GAO, an arm of Congress, urged legislators to work with the administration to develop a national policy on doctor training to achieve a balance of health services. "Little is being done in the United States to match the training of its future physicians to the medical needs of the country," the report said.

The institute committee recommendations include a suggestion that health insurers and government agencies refuse to pay specialists whose services were not deemed necessary by a primary care physician.

The committee proposed that the federal government, through the subsidies it gives medical schools, help change the direction of medical education so that more students are encouraged to become primary-care physicians rather than specialists. By 1990, the committee said, 60 percent to 70 percent of the doctors should be giving primary care. Now only about 45 percent are primary care doctors.

What the Iowa medical college did to reverse an undesirable trend should be copied elsewhere.●

COMMENDATION OF THE KIWANIS CLUBS OF JAPAN

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. STARK. Mr. Speaker, I would like to take a moment to pay tribute to the Japanese-American cultural exchange program supported by the Kiwanis Clubs of Japan and Dublin, Calif., and to the program codirectors, Shinryu Akita and Samuel M. Cohen.

The Kiwanis Clubs throughout Japan have generously donated their time and hospitality to make visitors from the United States feel welcome in Japan. They have welcomed visitors into their homes, provided them with shelter, arranged sightseeing tours, and permitted them to attend meetings of the Kiwanis Clubs. They have also arranged cultural exchange programs and participated in summer student exchange programs.

The Osaka Kiwanis Club, the Hiroshima Kiwanis Club, the Tokyo Kiwanis Club, the Sapporo Kiwanis Club, the Yokohama Kiwanis Club, the Sendai Kiwanis Club, the Kobe Kiwanis Club, the Nagoya Kiwanis Club, the Takamatsu Kiwanis Club, the Fukuoka Kiwanis Club, and other Kiwanis Clubs of Japan have extended the hand of friendship to U.S. visitors and have advanced the cause of international understanding through their gracious hospitality and generosity.

I salute the Kiwanis Clubs of Japan and Dublin, Calif. for their contributions to international peace, goodwill, and understanding.●

GOOD SENSE FROM THE WASHINGTON STAR

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. CARR. Mr. Speaker, I understand the Washington Star has, within the past few weeks, changed both its owner and its managing editors. The last such change, which occured a few years ago, brought that newspaper's quality from fifth class to first class.

If the Star's June 6 lead editorial, titled "SALT and pepper" is any indication, we can expect further upward progress in the near future.

It is not that I agree with everything said in the editorial; on the contrary, I do not. But the conclusion of this editorial hits on the head a nail which needed to be hit. After quoting Paul Warnke that "We should enter into any arms control agreement if—and only if—it advances American security interests when viewed on its own merits," the Star concludes:

Controlling the arms race is indeed too important to await an accord of interests and activities around the world. In a planet devastated by nuclear weapons, the issue of who's on top in the Ogaden desert would matter very little.

I insert in the RECORD at this point the full text of the editorial titled "SALT and pepper" from the Washington Star of June 6, 1978.

SALT AND PEPPER

When a president reacts as vehemently as did Mr. Carter last week to a far from exceptional newspaper story, the reaction rapidly overshadows the story itself.

That is what happened Friday when The Washington Post attributed to "authoritative government sources" the view that the administration had "effectively frozen (the strategic arms limitation talks) for the time being," and explained this freeze as a reaction to "current domestic and international political climates." The story dutifully contained a flat White House denial. Yet President Carter found it expedient to summon reporters for the purpose of saying that the story injured the country and his "credibility." He promised to "proceed aggressively . . . to conclude a treaty . . . without delay because of political considerations."

An overreaction? Of course it was, if only because such stories are often devices by which those who imagine themselves the losers of a policy debate get back at the victors; and that possibility cannot be excluded here. But "authoritative sources" sometimes know less than they think, or admit, they know.

It was also overreaction because President Carter may have wound up denying more than he really meant to deny. Political climates are as hard to pin down, and as variable, as the winds. But it seems patent to us, and Mr. Carter might prudently have acknowledged, that domestic unease over Soviet behavior on issues unrelated to SALT can complicate a negotiation in subtle, even subconscious ways. Administrations—and negotiators—never function in a political vacuum.

Yet, and this was the rub of it, the Post story insinuated—at least—that after a formal analysis, there followed a formal decision that these "political climates" would govern our negotiating approach "for the time being." And that, we venture to guess, implies a good deal too much—just as Mr. Carter insists it does.

The outstanding issue in the SALT talks are so tough, and are known to be so tough, that no "extraneous" issues need protract their solution. The U.S. and the Soviet Union may have dealt with much of the SALT agenda; but on at least two major issues they are far apart. That is clear to any close reader of the papers.

From the outset of the SALT-II negotiation, the U.S. has insisted on treating the Soviet bomber we call "Backfire" as a craft of strategic delivery capacity, as it obviously is. The Russians first sought to exclude Backfire altogether from the strategic column, and even now they offer but a vague and uncodified "promise" that it would not be put to intercontinental uses. Before a treaty can be initialed, or prudently sent to the Senate, there must be more give from the Kremlin on the Backfire.

Then there is the missile issue. Mr. Gromyko recently brought to Washington a proposed blanket ban on the building of "new" missiles that apparently would hinder the development of U.S. MX (mobile) missiles while permitting the Russians to perfect a new prototype to replace the SS-11. On this matter, as well, hard negotiation remains.

So it is safe to guess that, whatever certain "authoritative sources" may suggest to the contrary, a responsible administration is worrying more about substance than pace, especially when pace is so inescapably linked to intractable substance.

In addition, President Carter is likely to be doubly sensitive to charges of vacillation and political wavering because this, in fact, is what the Russians have been claiming. In late March, Georgi Arbatov, the Soviets' reigning "American expert," observed: "One cannot shake off the impression that Washington has again entered a period of vacillation," and for essentially political reasons. The charge has been echoed by other Russian officials, who naturally have their own sly reasons for the allegation.

But with the proviso that only a foolish Chief Executive would send the Senate a treaty that clearly couldn't be ratified, we think President Carter is entitled to be taken at his word. He is entitled to the presumption that, while undoubtedly the case for a political pause has been put to him, he nonetheless shares the view stated in early April by his chief SALT negotiator, Mr. Paul Warnke:

"A SALT II treaty or any other arms control agreement between the Soviet Union and the United States certainly should not be a reward for Soviet good behavior. We should enter into any arms control agreement if—and only if—it advances American security interests when viewed on its own merits. . . . And if an agreement does not advance (those interests), we should not accept it no matter how benignly the Soviet Union may conduct itself internationally."

If, as we assume, President Carter is himself of precisely the same mind, we believe it is also the right one—bearing in mind the all-important proviso that an acceptable treaty must "advance American security interests." Whether a given treaty actually does so is, to be sure, a matter of judgment; and people of good will must differ. But controlling the arms race is indeed too important to await an accord of interests and activities

around the world. In a planet devastated by nuclear weapons, the issue of who's on top in the Ogaden desert would soon matter very little.●

JERRY BROWN'S HAYDEN APPOINTMENT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. DORNAN. Mr. Speaker, a small item appeared in the Washington Post of May 30, 1978, Memorial Day, which reveals a great deal about the moral imagination of the Governor of my State, Mr. Jerry Brown. The text reads as follows:

California Gov. Jerry Brown is winner of the "Benedict Arnold Citizenship Award," given by 60 former prisoners of war for Brown's naming former antiwar activist Tom Hayden to a federally funded solar energy firm. Calling themselves "The Concerned Former POW Caucus," the 60 were among 300 Vietnam POW's who gathered in Los Angeles for a weekend reunion.

Mr. Speaker, consider the appointment. Consider its critics. Are there any number of Americans throughout the length and breadth of this Republic more qualified to comment on Governor Brown's action? Captured by the North Vietnamese, who flouted any pretense of abiding by the Geneva Convention, our malnourished prisoners of war were beaten, tortured, and shut up in dungeons with little or no communication with friends, countrymen, and loved ones; and over 100 murdered in the villages, some tortured to death in the Hanoi infamous Hoa Loa prison. They suffered what can only be described as a nightmare, a long continuous struggle for survival in the grip of a brutal and vicious foe. In their darkest days, they did not falter. They bore up under this hellish persecution. And their noble conduct in the face of this adversity will forever remain an indelible badge of honor and a lasting tribute to the Armed Forces of the United States.

In more major respect, the Post article was in error. Hayden is not simply a "former antiwar activist." The category is far too broad, for it blurs distinctions between virtuous dissenters and vicious renegades. Whatever else one may think of Tom Hayden, his prominence as a public figure has been highlighted by an inescapable fact: He over and over again consorted with the enemies of this Republic. In another time, under different circumstances, under a Congressional Declaration of War, he could have been legitimately charged with treason, literally aiding and abetting the enemies of the United States. So branded throughout most of our Nation's history he would have gone before a firing squad.

Mr. Speaker, I do not know whether Mr. Brown comprehends the symbolism of his action. Perhaps it is lost on him, so much is. Far too many politicians fail to appreciate the elemental importance of symbolism in public life. But no politician should fail to grasp this simple truth: To politically reward a character like Tom Hayden is to directly insult all the brave veterans of the Vietnam war, particularly the POW's.

Perhaps in the mind of the general public, this measure will fade away with time. But I am sure that it will continue to burn in the minds of the brave, the men whose thoughts of their noble service in an unpopular war must always return to those dark dungeons in Southeast Asia.

Mr. Speaker, the wise Athenians always showered public honors on those men who had fought for the city. They held up their dead veterans as heros, and paid homage and respect to the living. They recognized a solemn truth that will not fade with time. No nation can afford to dishonor its veterans without dishonoring itself. Governor Brown, hang your head . . . or better still, reverse this insulting appointment.●

FEELING SORRY FOR ONLY A FEW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. DERWINSKI. Mr. Speaker, Rev. Andrew Greeley is one of the most outspoken, and therefore provocative and penetrating writers of our time. In the perspective section of the Chicago Tribune of June 8, Rev. Greeley discusses in a most practical fashion some of the illogical liberal thinking on foreign as well as domestic issues. His comments follow:

FEELING SORRY FOR ONLY A FEW

(By Andrew Greeley)

The late George Orwell, author of "1984," once said apropos of his experience in the Spanish Civil War. "You cannot be concerned about the suffering of some children without being concerned about the suffering of all children."

He wrote the words when he was appalled to discover that his colleagues on the Loyalist side in that war were outraged at the death of children in Fascist bombing raids but were serenely untroubled by the death of children killed by the Loyalists. Many things have changed in the last four decades, but selective outrage, particularly at the left end of the political spectrum, is alive and well.

Recently I read an article about battered husbands. It would appear that just as some men beat their wives, some wives beat their husbands, and a not insubstantial number of men are being cruelly battered by their wives. The editor of the magazine which published a summary of the article—herself clearly a hard-line ideological feminist—appended a note saying that while the phenomenon of battered husbands was to be regretted, their plight was a lesser evil because women are far more likely to be victims than men. Therefore a male victim has less claim on our sympathy than a female victim.

I will confess that I simply cannot understand the apparently irresistible compulsion of liberal thinkers to grade humankind in degrees of victimhood, so that some persons are more favored victims than others.

I am prepared to concede that wife-battering is a much more extensive problem and requires more attention. But I cannot understand the perverted moral leap from saying that numerically one class of people is more frequently victimized than another to the qualitative judgment that one specific act of oppression is less intolerable than another specific act of oppression. Human beings are human being, and a battered human being of whatever sex is a moral outrage.

That isn't the way the liberal mind sees it, though. You absolutely have to rank human victims on a scale which has nothing to do with each individual case but rather with their membership in some class or group over which they had no choice at all. I think that such rankings are a sign of moral sickness.

Discrimination against a black, a woman, a man, a Catholic is intolerable in every case. To oppress a white male because of something that was done to blacks in the past is as morally outrageous as to discriminate against blacks today.

Most persons have been victimized because of social attributes over which they have no control. To paraphrase Orwell, you cannot be concerned about one kind of discrimination and not be concerned about all discrimination.

On a much larger scale, those guilt-ridden liberals who are outraged about South Africa and ignore Cambodia—or who even defend Cambodia as a "necessary" phase in nation-building—are hypocrites, whitened sepulchers (to quote the Scripture)—all bright and shiny and "liberal" on the outside and filled with stench, rottenness, and corruption.

A recent impartial panel meeting in Oslo, assembled to take testimony from Cambodian refugees, reports that the bloodshed goes on and seems to be getting worse. All the doctors in the country have been liquidated and only herbal medicine is available to people.

One shocked member of the panel commented after the hearing that if even one-tenth of what was said were true, Cambodia is one of the greatest tragedies in all human history (a tragedy, incidentally, caused by American betrayal of allies). Yet one searches in vain in the national media and the news magazines for a report on the Oslo hearings. (I learned of it from the London Economist.)

But we are bombarded every day with descriptions of atrocities in South Africa. I am not protesting the outrage over South Africa, but those who rant and rave about apartheid and ignore genocide are vile, miserable, wretched hypocrites.●

TRIBUTE TO MARGARET MITCHELL

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. TSONGAS. Mr. Speaker, Margaret Mitchell has been teaching at Gerald LeBlanc Elementary School in Lowell, Mass., for 26 years. Upon her retirement this month, I think it appropriate to offer her a word of commendation for her devoted service to the school and to the community.

She has given more than just her time to her students; she has given part of herself. Former students still visit her years after leaving her classroom. She feels that this is an indication that her teaching methods were successful. She employed what she calls the "whole" child concept of teaching which stresses teacher-parent communication and de-

velopment of the individual's personality and leadership qualities.

The Lowell School System will indeed lose one of its finest teachers. Margaret Mitchell is a fine model for the teachers of tomorrow.●

COL. LLOYD L. BURKE, U.S. ARMY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. MURPHY of New York. Mr. Speaker, summer was just breaking some 34 years ago when a young man walked up to the recruiting office in Stuttgart, Ark., and volunteered service to his country, then sorely pressed in the dark days of World War II. He was one of millions of young patriots who answered the call of a nation locked in a life and death struggle with totalitarianism.

On the last day of this month that young man will formally bring to a close his active duty in the service of the United States of America. Col. Lloyd L. (Scooter) Burke, a genuine hero and one of America's most respected and most decorated soldiers, will retire after more than a generation of dedicated service—much of it above and beyond the call.

As Colonel Burke draws his military career to a close he will have completed 10 years as a Deputy Chief and Chief Army Liaison Officer for the House of Representatives. I know that most of my colleagues have had occasion to call on the services of his office, an assignment in which he distinguished himself in Washington with the same dedication, hard work, good judgment, and courage with which he distinguished himself on the battlefield. Recently his superior officer had this to say of his service to Congress as Chief Army Liaison Officer:

Colonel Burke is one of the last of the Army's three-war soldiers. His skill and professionalism, personal conduct, diligence, initiative, and devotion to duty have been beyond reproach during his entire thirty-four years of distinguished service and have earned for him the respect and admiration of all those with whom he has come in contact. His outstanding performance reflects great credit upon himself and the United States Army.

And, Mr. Speaker, I would like to add that has he brought great credit to his country and to all for which it stands.

Colonel Burke is a born leader marked by destiny from the time as a raw recruit with the Army in 1943 he was immediately pressed into service in the European theater of operations earning campaign ribbons in the Rome-Arno, Northern Apennines, and Po Valley campaigns. At the close of World War II he attended Henderson State University where he earned a bachelor of arts degree in economics, all the while attending Reserve Officers Training School. In addition to his economics degree, when he was graduated in 1950, he was commissioned a Lieutenant in the Regular Army of the United States. That was the year. 1950 when America and the United Nations were caught up in the Post World War II Communist aggression as the North Korean Reds streamed across the 38th parallel and invaded South Korea.

On June 27, 1950, the United Nations Security Council recommended that the United Nations give the Republic of South Korea "such assistance as might be necessary to repel the armed attack and to restore international peace and security in the area." Three days later, on June 30, 1950, President Truman announced that he had authorized the use of U.S. ground troops against the North Korean invaders. Just a few months later, Lieutenant Burke found himself on active duty on the bleak Korean Peninsula where he distinguished himself as a man, a leader of men, and a patriot by extraordinary heroism in combat. To his other battlefield citations he was awarded the Distinguished Service Cross and the Medal of Honor.

Colonel Burke's real life efforts on behalf of his troops and his country would test the mettle of a novelist and the ingenuity of a Hollywood producer. To avoid the inherent risks in describing the exploits of a comrade, and a friend, I will rely on the description of them given in the Journal of the Medal of Honor Awards. The cold official language of that publication tells of Colonel Burke's heroism as follows, and it is a direct quote:

Burke, Lloyd L.—Rank and organization: First Lieutenant, United States Army, Company G, 5th Cavalry Regiment, 1st Cavalry Division Place and date: Near Chong-dong, Korea, 28 October 1951. Entered service at: Stuttgart, Arkansas. Birth: Tichnor, Ark. G.O. No.: 43. Citation: First Lieutenant Lloyd L. Burke, 061246, Infantry, Company G, 5th Cavalry Regiment, 1st Cavalry Division, distinguished himself by conspicuous gallantry and outstanding courage above and beyond the call of duty in action against the enemy near Chong-dong, Korea, on 25 October 1951. Intense enemy fire had pinned down leading elements of his company committed to secure commanding ground when Lieutenant Burke left the command post to rally and urge the men to follow him toward three bunkers impeding the advance. Dashing to an exposed vantage point he threw several grenades at the bunkers, then, returning for an M1 rifle and adapter, he made a long assault, wiping out the position and killing the crew. Closing on the center bunker he lobbed grenades through the opening and, with his pistol, killed three of its occupants attempting to surround him. Ordering his men forward he charged the third emplacement, catching several grenades in midair and hurling them back at the enemy. Inspired by his display of valor his men stormed forward, overran the hostile position, but were again pinned down by increased fire. Securing a light machinegun and three boxes of ammunition, Lieutenant Burke dashed through the impact area to an open knoll, set up his gun and poured a crippling fire into the ranks of the enemy, killing approximately 75. Although wounded, he ordered more ammunition, reloading and destroying two mortar emplacements and a machinegun position with his accurate fire. Cradling the weapon in his arms he then led his men forward, killing some 25 more of the retreating enemy and securing the objective. Lieutenant Burke's heroic action and daring exploits inspired his small force of 300 troops. His unflinching courage and outstanding leadership reflect the highest credit upon himself, the infantry, and the United States Army.

Having disposed of a host of assignments in the interim, the mid-1960's found Colonel Burke in command of the 16th Infantry at Fort Riley, Kans., where he drilled into his troops "realistic" training he had come to understand over the years would be most valuable to them in time of crisis. This infantrymen, known worldwide as the famed "Rangers," were ready when they were called into combat in the Vietnam defense campaign. And once again, the volunteer from Arkansas distinguished himself in the field. He was awarded the Bronze Star and another Purple Heart.

"Scooter" Burke is a representative slice of all that is fine in America. Our Founding Fathers had men like him in mind when they declared this a nation of free men, dedicated to life, liberty, and the pursuit of happiness—men who would live it, love it, and if need be give their lives for it. I believe that those who know him best would agree with that assessment. A fellow officer recently put it this way:

. . . Colonel Burke has consistently and flawlessly performed in an immense variety of duties in locations throughout the world during a career spanning three and a half decades and three major armed conflicts. In the field, or in staff positions at the highest levels, his influence upon the lives and careers of those with whom he has been associated cannot be overstated.

Mr. Speaker, it is because Colonel Burke is the embodiment of that rare individual to whom America owes so much that I am introducing today a bill that will convey to this distinguished American some small part of the gratitude so many Americans feel for the service he has rendered to this Nation, indeed much of it above and beyond the call of duty. The legislation would confer on him—in title only—a rank he never actively sought on his own.

My bill recommends that immediately after his retirement on June 30, 1978, the President promote Colonel Burke to Brigadier General of the Army, but with only those compensations and benefits which he has earned as a colonel during more than three decades of service to the American people.

Until this moment, Colonel Burke has not been aware of this action on my part. He would have discouraged it. Nor would I thrust upon him benefits or emoluments he did not earn, for he would not accept them. However, my proposal will cost the taxpayers no money, no discomfort, nor burden. Nor will it set a precedent that will be costly to our Government or subject to abuse in the future.

I believe it is an honor which a grateful America can well afford to confer on that rare breed of man whose character and courage are the bricks and mortar that have made this Nation a bastion of freedom. It would be an honorable and civilized way for a grateful Nation to say, thank you.

Mr. Speaker, I commend this matter to the attention of my colleagues and humbly request that it be given their most understanding consideration.

H.R. —

A bill to authorize the appointment of Lloyd Leslie Burke, Colonel, United States Army, to the grade of brigadier general

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the President is authorized and requested to appoint Lloyd Leslie Burke ([redacted]), Colonel, United States Army, to the rank of brigadier general in the United States Army upon his retirement from active duty on June 30, 1978, after 34 years of military service. No increase in basic pay, retired pay, allowances, or other benefits shall accrue to Lloyd Leslie Burke as a result of such appointment.

THE NEW YORK CITY FINANCIAL ASSISTANCE ACT DESERVES EARLY SENATE APPROVAL

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. GREEN. Mr. Speaker, on June 8 the House passed H.R. 12426, the New York City Financial Assistance Act, by a margin of 92 votes. As the Washington Post noted in an editorial yesterday morning (June 12), "the city's top officials and financial advisers have made a persuasive case in recent weeks that it is on the road to financial recovery and that long term aid is the appropriate way for the Federal Government to help it."

Attention now focuses on Senate Banking Committee consideration of Federal assistance for New York City. The decisive House vote in support of long term Federal guarantees, coupled with the 109 to 291 rejection of a motion to send the long term measure back to committee with instructions to provide a 3-year continuation of short term loans, should be a strong indication to the Senate that the House will not accept perpetuation of the status quo situation.

The experience of the last 3 years offers no hope that New York City can reenter the private credit market under present Federal legislation. Only a program of long term Federal guarantees will enable the city to do this. As the Post editorial pointed out:

Long-term federal guarantees of $2-billion worth of bonds would provide the city with the stability it needs to do the rest of the job. Short term aid would merely keep it limping along for another two or three years . . ."

I hope that the Senate will act expeditiously to ratify the action taken by the House last week. The Washington Post editorial, which follows in its entirety, calls upon the Senate to examine the self-help financial measures that New York City has taken and to sustain the House's position on long term Federal guarantees:

SAVING NEW YORK CITY

The belief that New York City is a rehabilitated "miserable sinner," as Rep. Henry S. Reuss (D-Wis.) described it, may have had much to do with the size of the margin by which the House of Representatives passed a long-term aid bill Thursday. That margin—92 votes—surprised even the most optimistic of the city's friends. Despite a massive lobbying effort by the Carter administration and a bipartisan group of New York officials, they had expected the bill to squeak through by fewer than half that many votes. But the city's top officials and financial advisers have made a persuasive case in recent weeks that it is on the road to financial recovery and that long-term aid is the appropriate way for the federal government to help it.

Sentiment on the Senate Banking Committee, to which the action now shifts, is not so clearly defined. Some of its members still seem unconvinced that New York City is deserving of further federal aid, and many seem to favor another short-term bail-out over the long-term approach voted by the House. But even some of those who have doubted all along the wisdom of a federal prop for the city's finances concede its officials have made a strong case.

In the three years since Mayor Abe Beame came to Washington hat in hand, both New York City and New York State have done much to clean up the mess that years of mismanagement had created. Above all else, they have kept the promises they made in 1975 when Congress provided the money necessary to let the city escape bankruptcy. Given the pressure generated by normal political activities and by inflation, that has been no small feat. The job is not finished, of course—far from it.

It seems clear to us that the city is entitled to continued federal aid. Its case would have been even stronger if its labor unions had been more receptive to cost-cutting proposals. But its new political leadership, Mayor Edward I. Koch and City Council President Carol Bellamy, understand what went wrong, and what is wrong, in the city's finances. They have given every indication of keeping it headed in the right direction.

If New York City is to get that further aid, it should be in the form that does the most good. Long-term federal guarantees of $2-billion worth of bonds would provide the city with the stability it needs to do the rest of the job. Short-term aid would merely keep it limping along for another two or three years, at the end of which, the odds are, its officials would be back in Washington confronting Congress with the same choice it has now.

The process of financial rehabilitation in New York has gone far enough for Congress to believe the city when it says it has repented. Sufficient financial controls are in place so that a commitment to help it through the next 15 or 20 years is not just an act of faith. The Senate ought to join with the House in giving the biggest financial sinner in the history of American governments a full opportunity to repent.●

PERSONAL EXPLANATION

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, although I was not able to be present for consideration of House Joint Resolution 945, supplemental appropriation for the black lung program, had I been present on the House floor, I would have voted "yes." ●

VA AIDS VETERANS ON HOUSING

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. BRINKLEY. Mr. Speaker, as chairman of the Veterans Subcommittee on Housing, I am pleased to submit for the RECORD an article from the Washington Post, June 10, 1978, "Opportunities in a Tight Home Loan Market" by John B. Willmann. It is a privilege to work with men so able and dedicated as Robert Coon and George Alexander who typify the high commitment of the entire Veterans' Administration to the men and women in uniform and to those who have returned to civilian status. It is good to give credit where credit is due and in this instance it is richly deserved. The article follows:

OPPORTUNITIES IN A TIGHT HOME LOAN MARKET

(John B. Willmann)

For the past six years the number of house loans guaranteed by the Veterans Administration has exceeded those backed by the Federal Housing Administration, an older program which for years has been regarded as the basic federal housing program. Last year VA-backed home loans accounted for nearly 60 percent of the total.

There were 390,000 VA-backed home loans made last year, for a total of $14 billion. The average price of houses purchased by veterans using the program was nearly $37,000. Almost all of them were conventional, stick-built dwellings.

Since the VA home loan program began in 1944, more than 9.7 million loans have been guaranteed—most of them on the no-down-payment basis that has made the VA program widely popular.

Buyer and developer interest in VA financing has mounted in the 1970s with the liberalization of veteran eligibility for VA financing. A 1974 law provided that VA could guarantee refinancing, condominium and mobile home loans.

However, most of the VA-guaranteed loans are placed on existing and new single-family houses for which financing is provided by large-volume mortgage lenders. The VA guarantees up to $17,500 of a total loan that can go far higher, depending on the lender.

The VA guarantee of that portion makes the loan more secure and desirable to a lender. The current FHA–VA interest ceiling is 9 percent. Because it is nearly 1 percent below the market average for conventional loans, the builders or sellers have to pay mortgage discount points (now 5 in most areas) to make up the difference in rates. One mortgage discount point is 1 percent of the total mortgage and is payable at time of settlement as a price for the lower loan rate.

FHA loans, which have been available to all Americans since 1934, have a maximum loan limit of $60,000 and 30-year payout terms similar to VA's. FHA pioneered in long-term amortization of home mortgages.

However, the FHA basic home loans program (Section 203b) has been used less in recent years because of what builders and developers have described as red tape delays in the processing stage and because of the increased use of private mortgage insurance to provide lender protection on a portion of conventional loans.

While numbers indicate the use of the VA home loan programs by thousands of qualified veterans, they don't tell the entire story.

The VA is making a "major effort to be helpful in trying to provide decent homes for $30,000 or under for the many young veterans of Vietnam military service," said Robert C. Coon, national director of the VA loan guaranty program.

"That's why we are trying to encourage the development of permanently sited modular (or mobile) houses that meet FHA minimum property standards and can be part of the local tax base."

That program is now relatively small in numbers—an estimated 1,000 units produced in subdivisions and a few hundred more on scattered lots. But Coon said that the growing interest in low-cost housing for young families makes the use of manufactured, two-section housing units a logical target.

"New, conventionally built houses are far more expensive—and so are most of the resale houses in metropolitan areas," he added.

As the VA's Coon put it: "The assistance to veterans and military personnel is chiefly through substituting the government's guaranty on loans in lieu of the substantial downpayment, relatively short terms and other investment safeguards applicable to conventional mortgage transactions."

As an example of what is being done now in modifying mobile homes for use as low-cost, permanently sited houses on individual lots, Coon's assistant, George Alexander, cited an ongoing development in Kileen, Tex., near Fort Hood.

"Developer Jack Morris has delivered 70 one-story houses, priced from $22,800 to $29,900, within 15 months," he said. "The houses are eligible for 30-year, VA loans—instead of the 20-year, 12 percent VA loans for mobile homes that are not permanently sited on individual lots," Alexander said.

The VA official said that the houses, which meet local codes and HUD standards for mobile homes as well as FHA minimum property standards, have 1,200 to 1,500 square feet of space. He said the buyers are mostly young married couples with two childern and an average annual income of $12,500.

"One of the dwellings was resold after seven months for $1,200 more than the seller had paid for it," he said.

Therein is one of the key differences between the so-called mobile home on wheels and the same modular dwelling on a permanent foundation—on a subdivided lot that becomes part of the tax base.

"While the mobile house on rented space in a park tends to depreciate, the house that is adapted for permanent status appreciates because it is real property," Alexander said.

In the Washington area, where Robert M. O'Toole heads the regional office, general VA home loan activity has been high in new house sales, resales of existing houses and condominium apartments. Since VA began making condo loans in 1975, 80 projects have qualified for loan approvals. But adaptations of the mobile homes into permanent dwellings have been missing here.

However, Gary Nordheimer, president of Norbeck Development Associates in Chevy Chase, said that his firm has been developing "permanents" with VA financing in Virginia Beach and Fort Lauderdale and Lakeland, Fla., that sell for just under $30,000.

"And now we seem, finally, to be on the threshold of being able to start a 900-house development on 100 acres in the Germantown area," he said. With landowner Maurice Berk as a partner in the development of that site at Rtes. 355 and 118, Nordheimer seeks to build a land-planned community of dwellings that would be priced under $40,000. He said that the project had been turned down by the county planning board on the basis of established priorities for sewer allocations but later won approval of the county council. "We hope to get a final decision from the county council in late July," he added.

"Our idea is to have a half-million-dollar community center as part of the subdivision and to adapt the double-wide modulars to have cathedral ceilings and higher-than-usual roofs," he said. "Obviously we think this is a means of providing lower priced housing in Montgomery County. We have Blair & Abernathy, of Aberdeen, Fla., doing the land planning and we are studying the doublewides of several manufacturers whose products we might use."

And the manufacturers of mobile homes are interested in marketing more of their double-wides for permanent houses.●

CONSTITUENT SURVEY IN MONTGOMERY COUNTY, MD.

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. STEERS. Mr. Speaker, I would like to share with my colleagues the results of my March 1978, constituent survey which was mailed to every home in my congressional district—an area comprising nearly all of Montgomery County, Md.

My office received in excess of 38,900 responses. I have not heard of a larger number of responses to a congressional questionnaire. I would like to be able to attribute this avalanche of concern to my uncanny ability and that of my staff to choose penetrating questions, or to our use of a computer card which allowed respondents to deftly punch out their answers. I modestly admit these factors helped. Quite frankly, however, our voluminous response rate is more attributable to the typical concern for national issues that I have come to expect from my constituency, a community of thoughtful, articulate and informed men and women.

Naturally, I am extremely proud to represent them. I urge my colleagues to take note of their opinions which follow:

1. A regional tax should be implemented if necessary to continue Metro's construction and operation.

Strongly agree 23.9%, agree 29.7%, 53.6%; no opinion 7.0%; strongly disagree 24.1%, disagree 15.1%, 39.2%.

2. Atomic energy should be relied upon as an important energy source for the future.

Strongly agree 38.3%, agree 30.8% 69.1%; no opinion 8.0%; strongly disagree 10.9% disagree 11.7%, 22.6%.

3. Businesses should pay a higher first class postal rate than individuals.

Strongly agree 21.1%, agree 18.9%, 40.0%; no opinion 10.7%; strongly disagree 20.5%, disagree 28.5%, 49.0%.

4. Saturday mail deliveries should be eliminated to reduce postal service costs.

Strongly agree 19.1%, agree 21.0%, 40.1%; no opinion 5.8%; strongly disagree 30.2%, disagree 23.7%, 53.9%.

5. There should be an outright ban on the sale, manufacture or transportation of cheaply made handguns, the "so-called Saturday night special".

Strongly agree 75.4%, agree 10.5%, 85.9%; no opinion 2.4%; strongly disagree 7.0%, disagree 4.5%. 11.5%.

6. Federal unions should be allowed to require non-member Federal employees to help pay union costs.

Strongly agree 5.2%, agree 5.7%, 10.9%; no opinion 9.7%; strongly disagree 59.4%, disagree 19.8%, 79.2%.

7. Members of the House of Representatives should be elected to four-year terms (now two years).

Strongly agree 20.2%, agree 28.9%, 49.1%; no opinion 10.6%; strongly disagree 17.8%, disagree 22.3%, 40.1%.

8. More restrictions should be put on the importation of foreign goods into the U.S. even if it means higher domestic prices.

Strongly agree 13.5%, agree 20.5%, 34.0%; no opinion 9.2%; strongly disagree 22.7%, disagree 33.7%, 56.4%.

9. There should be a tax break for parents to pay for college tuition.

Strongly agree 41.8%, agree 27.3%, 69.1%; no opinion 5.4%; strongly disagree 12.5%, disagree 12.8%, 25.3%.

10. There should be a tax break for parents to pay for elementary and secondary school tuition.

Strongly agree 17.5%; agree 12.9%, 30.4%; no opinion 5.7%; strongly disagree 39.9%, disagree 23.8%, 63.7%.

11. The 50% exclusion on capital gains should be eliminated and tax rates generally lowered to compensate.

Strongly agree 24.5%, agree 15.0%, 39.5%; no opinion 16.5%; strongly disagree 24.6%, disagree 19.1%, 24.6%.

12. The new Panama Canal Treaty should be ratified.

Strongly agree 25.4%, agree 23.5%, 48.9%; no opinion 12.3%; strongly disagree 23.6%, disagree 15.0%, 38.6%.

13. The U.S. should put trade restrictions on South Africa.

Strongly agree 30.2%, agree 14.4%, 44.6%; no opinion 15.5%; strongly disagree 23.3%, disagree 16.3%, 39.6%.

14. There should be a constitutional amendment making abortion illegal.

Strongly agree 13.1%, agree 4.9%, 18.0%; no opinion 4.2%; strongly disagree 60.7%, disagree 16.9%, 77.6%.

15. Federal medical programs for the poor should cover the cost of abortion (select as many of the following as are applicable): (a) never (b) when the woman's life is endangered by pregnancy (c) in cases of rape (d) in cases of incest (e) in cases when the health of the woman is endangered (f) when the fetus is believed to be deformed (g) in all cases where abortion is legal.

(A) Never, 12.5%; (B) Life endangered, 75.3%; (C) Rape, 75.2%; (D) Incest, 75.4%; (E) Health endangered, 71.4%; (F) Fetus deformed, 69.2%; (G) Where legal, 58.7%.

[The percentages in the preceding questions may not add up to one hundred percent due to rounding.] ●

WASHINGTON BULLETS ENABLE FAT LADY TO SING

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. MAZZOLI. Mr. Speaker, I would like to congratulate the Washington Bullets for enabling the fat lady to sing in the Nation's Capital.

This city has for the first time in its long and illustrious history been graced with a world championship in the sport of basketball. It took men of great character, determination, and ability to capture such a coveted prize.

I am proud of them all. But, I am especially proud of Wes Unseld, a native son of my hometown, Louisville, Ky.

After years of hard work and heartbreak, Wes emerged as the most valuable player in this world championship series.

It could not have happened to a more deserving person than Wes Unseld. Every Louisvillian, every Kentuckian and, certainly, every Washingtonian salutes Bullet team captain, Wes Unseld, for a job superbly done.●

FAA USER CHARGES

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. SNYDER. Mr. Speaker, the Aviation Subcommittee of the House Committee on Public Works and Transportation held hearings last week on the so-called user charges which the Federal Aviation Administration (FAA) proposes to levy on all sorts of certificates and examinations which are mandated by FAA regulations.

Now, Mr. Speaker, these would not be merely token fees—but, rather, FAA contemplates the recovery of all its associated costs. Many of us believe the FAA estimates of these costs—well over $20 million per year—to be considerably higher than the actual costs which would be incurred.

In any case, Mr. Speaker, I contend that these are nothing more than regressive excise taxes levied on the aviation community by the executive branch—without congressional authority. Not only would they retard the growth of aviation, but they would derogate aviation safety by inviting evasion of FAA regulations and requirements.

Mr. Speaker, I would like to share with my colleagues a brief statement which I presented during our hearings, and I ask unanimous consent that it appear at this point in my remarks:

STATEMENT BY HON. GENE SNYDER

Mr. Chairman, I requested you to have this day of hearings on the proposed administrative user fees, to examine once and for all the fairness or inequities of license charges for pilots. For years the Appropriations Committee has seen fit to ban additional "user charges", and I think the Chairman of Appropriations is right in insisting on a final solution to this problem. We can't expect them to continue handling this issue forever.

I am familiar with the list of charges as reported by DOT/FAA and would like a copy of these fees to be placed in the record at this time. (Table follows.)

PROPOSED FEES

Fee category	Activity	FAA cost	Fee	Revenue
Written tests	192,578	$3,233,384	$17.00	$3,273,826
Student license	129,280	1,272,179	10.00	1,292,800
Private practical done by FAA, or added rating	27,643	313,044	113.00	313,349
CFI, comm., ATR practical by FAA, or added rating	27,643	4,322,529	157.00	4,339,951
CFI renewal	13,469	814,470	60.50	814,875
Practicals by designated examiner	99,810	3,229,852	32.50	3,243,825
Other airmen written tests	34,648	1,122,422	32.50	1,126,060
Practical for inspect. auth	754	190,408	252.75	190,574
IA renewal	5,495	667,588	121.50	667,643
Practical for airline dispatcher	63	14,817	235.20	14,818
Practical for airframe mechanic	250	8,,590	354.50	88,625
Practical for powerplant mech	240	64,080	267.00	64,080
Practical for parachute rigger	107	18,314	171.25	18,324
Parachute rigger added rating	19	2,548	134.25	2,551
Nonpilot airmen practicals by designated examiner	9,708	233,725	24.25	235,419
Ground instructor	11,200	188,048	17.00	190,400
All medicals	554,558	4,323,500	7.80	4,325,552
Aircraft regis	92,839	624,349	6.75	626,663
Title conveyance	68,497	681,546	10.00	684,970
Special N-number	7,947	196,432	24.75	196,688

Note: Table drawn from draft FAA notice. "Activity" refers to number of licenses or actions in each category yearly. "Cost" is only FAA's computed cost to the agency. Due to rounding of the fees, the revenues almost always exceed the FAA cost, and sometimes by wide margins.

I also am surprised to note FAA is not here to testify or defend their position and it makes me wonder if they are serious about this proposal.

I am also curious about a statement in the proposal to the effect that if the license fees appear to succeed they will propose fees for airway use, etc. Are we to find a fee every time we use a control tower to land and take-off, call for a weather briefing, or check with Center for enroute information. Is the FAA briefer or flight inspector going to be equipped with a coin changer, same as a bus driver, or carnival barker so he can be sure the pilot pays his fee. How much is it going to cost to "Bond" all the FAA people involved? Or, are we going to be billed monthly using the Social Security Numbers the FAA started putting on pilot certificates a few years back, and be denied landing after a flight because we are in arrears or the computer is messed up.

Mr. Chairman, we need to take a long hard look at a proposal such as this before we impose another detriment on the flying community, and maybe deny the financially marginal student his right to participate in the greatest adventure known to mankind.

Thank you, Mr. Chairman.●

UNITED STATES-REPUBLIC OF CHINA RELATIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. DERWINSKI. Mr. Speaker, every so often an article comes along that does not need much of a prologue from the Members as we insert it into the RECORD. This is the case of an article by Smith Hempstone in the Washington Post of June 9, which reaches the heart of the situation involving relations between the United States and the Republic of China on Taiwan.

It is my personal view that we should not rush into "normalization" with the People's Republic of China, regardless of the red-carpet treatment extended Dr. Brzezinski by the Reds on his recent visit to Peking. At this point, I insert Mr. Hempstone's comments:

TAIWAN: TOUCHES OF SADNESS AS A PARTNERSHIP WANES

(By Smith Hempstone)

TAIPEI.—The Republic of China is slowly becoming a non-nation.

Of the world's 150-odd nations—and some are very odd, indeed—only 23 recognize Nationalist China (more than 100 did a few years ago). And of those, only 12—including the Vatican—maintain embassies here.

Perhaps more important, only two nations that matter much, the United States and Saudi Arabia, have ambassadors here (the remainder, with the exception of South Korea, are small African or Latin American states). And Leonard Unger, the U.S. ambassador, has about him the preoccupied air of a man attending his own wake.

Two of the four American libraries are being closed, and there are fewer than 1,000 U.S. military personnel here, down from 9,000 in 1971. "Normalization" on Peking's terms—which means withdrawal of all U.S. military personnel from Taiwan, closure of the American embassy here and abrogation of the 1954 Sino-American mutual-security treaty—now seems inevitable and, in view of Zbigniew Brzezinski's recent visit to Peking, perhaps sooner rather than later.

Relations between American and Chinese Nationalist officials here remain correct and self-consciously friendly. But those relations are marred by a palpable sense of sadness, a hint of a trust about to be betrayed, a feeling of the approaching end of a partnership.

Yet the American presence here, even after the embassy closes, will remain profound. More than 200 major U.S. corporations have more than $500 million invested here, and 2,000 American businessmen and their dependents, an equal number of missionaries and 1,500 other Americans are resident in this tight little island the size of Holland.

Perhaps the surprising thing is that the atmosphere here is no more depressing than it is, that Nationalist China's isolation is not so complete as it seems.

The Chinese are masters of making the best of a bad situation and, while only one out of eight nations recognizes the existence of Taiwan, Nationalist China has what Board of Trade Director General H. K. Shao describes as "significant relations" with "more than 140 nations."

"Significant relations"—which are defined as embracing consular, trade, commercial and cultural contacts—are conducted through a number of ingenious subterfuges.

Japan, for instance, which transferred its

embassy to Peking in 1972, has about a dozen diplomats (including a former ambassador to Manila) attached to a non-profit organization called the Interchange Association. The association issus visas and performs other functions normally done by an embassy. Indeed, since it "broke" relations with Taipei in 1972, Japan's trade with Taiwan has increased significantly to $3.8 billion, and the trickle of Japanese tourists has become a flood.

American officials here do their best to assure the Nationalists that a formula for "normalization" can be found that will not be prejudicial to the security of this island's 17 million people, that something similar to "the Japanese solution" can be worked out.

But the Nationalists are not buying that, for the simple reason that the United States is not Japan. They maintain the blow of withdrawal of American recognition would be profound, that it inevitably would lead to a flight of capital and people from Taiwan, encourage Red China to step up infiltration and cause a crisis of confidence in East Asia.

The Nationalists maintain—and American officials here seem to believe them—they will never play "the Soviet card": seek an informal defensive understanding with Moscow to replace the 1954 security treaty with Washington. Yet should it become a question of survival, no one can say what Taipei might be driven to do.

The alternative for Taipei is to seek more sophisticated weapons with which to defend itself, and to mount a global propaganda offensive designed to delay for as long as possible the moment when the United States withdraws recognition. And that in fact is what the Nationalists are doing.

Meanwhile, it's business as usual for a little country that has made itself the world's 22nd largest trading nation and the 12th largest trading partner of the United States. Five of 10 major development projects—including a mammoth shipyard, a large steel mill and a nuclear power plant—have been completed. A trade mission will leave here next week to purchase $731 million in American goods.

For a nation that in the eyes of most of the world does not exist, Nationalist China is likely to be alive and kicking for some time to come.●

HOPE SPRINGS ETERNAL(LY)

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. JACOBS. Mr. Speaker, did you know that with Mr. Edwin Newman hope springs eternal(ly)?

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 23, 1978.

Mr. EDWIN NEWMAN,
c/o NBC News, NBC, 30 Rockefeller Plaza, New York, N.Y.

DEAR MR. NEWMAN: Of course you know the battle against you know was lost.

Hopefully, which is to say filled with hope, I urge you to rally the efforts against hopefully.

Optimistically,

ANDY JACOBS, JR.

NBC NEWS,
30 ROCKEFELLER PLAZA,
New York, N.Y., June 6, 1978.

Hon. ANDY JACOBS, JR.,
House of Representatives,
Washington, D.C.

DEAR MR. JACOBS: I have had the misuse of "hopefully" in both my books and on the air. Others have tried their hands, as well, and I think there has been some effect. I will continue, and it is encouraging to know that you are on our side.

Have you given up on "you know"? I'm not certain that the fight is lost. The fact is, I am hopeful, and therefore go at the matter, as I think you would want me to hopefully.

With thanks.

Sincerely,

EDWIN NEWMAN.●

AMNESTY INTERNATIONAL REPORT ON NORTHERN IRELAND—REACTION FROM IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. BIAGGI. Mr. Speaker, the recently completed study and report of Amnesty International documenting serious human rights violations in Northern Ireland prisons is beginning to evoke reactions from the Irish press. The report by the Nobel Peace Prize-winning organization documents some 78 cases of prisoner mistreatment by the Royal Ulster Constabulary. In subsequent days I and other members of the Ad Hoc Congressional Committee for Irish Affairs will introduce these cases into the CONGRESSIONAL RECORD.

One of the first responses came from the highly respected Hibernia Weekly Review published in Dublin. Their theme goes beyond the mere findings of the amnesty report. They speculate that those in the RUC responsible for the abuses are not likely to be disciplined. They cite as precedent the fact that following earlier similar findings by the European Commission on Human Rights of abuses in the palace barracks, Holywood, those responsible got off scot-free. In fact, as Hibernia points out "Some of them were actually promoted and to the best of our knowledge not a single one of them was dismissed from the service."

What they are saying is not only are these human rights violations being tolerated; in some cases, those responsible are actually being rewarded. This is reprehensible and must not be repeated in this instance. The Ad Hoc Congressional Committee on Irish Affairs which I chair will monitor the future actions taken against those responsible for the abuses at Castlereagh.

I now wish to insert the Hibernia editorial. It deserve the close attention of my colleagues, especially in light of this Congress' deep interest in human rights.

[From the Hibernia Weekly Review, June 8, 1978]

AMNESTY AND CASTLEREAGH

The findings of the Amnesty International investigation into allegations of police brutality at Castlereagh barracks should surprise no one. And unfortunately they are unlikely to have much effect on the procedures by which confessions are secured at the most notorious interrogation centre in the North. So many revelations of the brutal and criminal conduct of plain-clothes officers at Castlereagh have been ignored for so long, that even the impartial Amnesty Report is unlikely to make much difference. Castlereagh is what it is and the interrogators are what they are because Roy Mason wants it that way. He wants the statistics to prove that he is "winning", which means convictions, which means confessions, which means what even Amnesty has now confirmed from the investigation of 78 individual cases.

Nor need the police responsible for what Amnesty describes as 'frequent maltreatment' be unduly worried for their job security. Indeed quite the contrary. They can be reassured by how well their colleagues survived the European Commission on Human Rights finding on the brutality at Palace Barracks, Hollywood, in 1971. The Commission, it will be remembered, found unanimously that the detained people were subjected to 'inhuman treatment' to such an extent as to be in breach of the Convention on Human Rights. But was a single man of them disciplined much less charged with his criminal assaults on the detainees? Not a bit of it. Some of them were actually promoted and to the best of our knowledge not a single one of them was dismissed from the service. So the dirty tricks department at Castlereagh can carry on regardless. No questions will be asked from above. All they are interested in the confessions.

It is ironic but not altogether surprising that the self-same man who turns a blind eye to this criminal activity is so keen to criminalise the very subjects of this abuse. It is not enough for Mason to be locking up about ten times more prisoners per head of the population than in any other country in Europe. He is also determined on the pretence that all this relates to 'normal' criminal activity. In Mason's sinister make-believe there is no political struggle: ergo there can be no political prisoners. And the most incredible aspect of this calculated fraud, is that the man is almost getting away with it.

There is however the troublesome little problem of the 300 men in H Blocks, Long Kesh. These "criminals" are so disorientated that they refuse to accept Mr. Mason's categorization. They are confined to cells measuring 10' x 6'; they are barefooted and wear only a blanket; they get no exercise and all normal prison privileges are denied them. In fact they endure permanent solitary confinement under what are intensely cruel conditions. But confined, diseased, muted and stinking (because of the slops strike) though they may be, they are still a living witness to the lie that Mason would have the world believe.

The inadmissable reality of course is that Northern Ireland as presently constituted is ungovernable except through repression. It always has been that way and the methods have been remarkably constant. Only the agents of repression have changed. It used to be the wicked Unionists through Stormont. Now it's the British Secretary of State through Westminster.

Amnesty International has a unique reputation for its concern for prisoners all over the world. Its team in the North included two doctors, two lawyers and a researcher, and its 70-page report resulted from detailed investigations over 10 days. Apparently it was given the full co-operation of the N. I. Office during its investigations. Coming so soon after the death while in detention at Castlereagh of Brian Maguire, the report confirms the worst suspicions following allegations from many other sources. But until those responsible for torturing suspects or prisoners are themselves put on trial for their conduct, there can be little faith in the restoration of law—whatever about order—in Northern Ireland.●

THE HOUSING OPPORTUNITY ACT OF 1978

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. LaFALCE. Mr. Speaker, today I introduced the Housing Opportunity Act of 1978, a bill designed with two major purposes: to assist middle-income homebuyers, and to help preserve and rejuvenate urban neighborhoods. It would achieve these goals by providing a sliding scale of interest reduction assistance for homebuyers. The Federal Government would recapture the assistance provided the homebuyers when they sell their homes.

Rising interest rates in the last few months make it clear how vulnerable our housing market is. They make it even more difficult than normal for the average American to afford a decent home in a suitable neighborhood, be it a single family dwelling, a townhouse or a condominium. It is particularly difficult for first-time homebuyers, who are struggling to amass sufficient funds for a downpayment and other needs.

One of the best ways for us to battle inflation, in my view, it to do all we can to encourage as many Americans as possible to own their homes. Inflation, after all, is a national problem because it is the aggregate of the inflation-induced problems faced by individuals and families throughout the society. Owning a home is a good hedge against inflation in that property values tend at least to keep pace with increases in the cost of living, and often exceed those increases.

Yet, those who rent have no such hedge.

Mr. Speaker, the bill I have introduced today will not, in the long run, prove costly to the Government. Payments made to lower interest charges for homebuyers will be recouped when they sell their homes—something that occurs, on the average, well within 10 years. This program can, therefore, become self-sustaining or close to it within a very few years.

And consider the potential benefits. The National Association of Homebuilders, which worked closely with me in developing this legislation, has estimated that the 400,000 units of housing to be generated by the bill each year would result in over 740,000 man-years of employment, $10 billion in wages, and over $2 billion in combined local, State, and Federal tax revenues. Twenty-five percent of the units—100,000 a year—will be built or rehabilitated in older urban neighborhoods.

I should note, Mr. Speaker, that "Mr. Housing" of the U.S. Senate, the Honorable JOHN SPARKMAN of Alabama, has introduced a similar bill in that body.

The American dream is for each family to own its own home. But that dream will remain an unachievable goal for far too many of our citizens if we do not take active steps to provide the means to accomplish it. The Housing Opportunity Act of 1978 is one step toward meeting that objective.

The bill's financing provisions will work as follows:

HUD, through the Government National Mortgage Association (GNMA), will make interest subsidy payments for eligible homebuyers. House prices cannot exceed $60,000 except in the high cost areas of Alaska, Hawaii and Guam ($75,000). The subsidy will be greater for lower priced homes—buyers would pay at a rate of 6% or 3% below the secondary market rate, whichever is higher for homes priced $30,000 or lower, for example. However, for homes priced from $55,000 to $60,000, the rate will be 7.5% or 1.5% below the secondary rate, whichever is greater.

GNMA would pay the lender the difference between the buyer's rate and the secondary market rate in effect when the mortgage is made. The buyer's interest rate will then increase each year by one quarter of one percent until it equals the secondary market rate in effect when he got the mortgage.

When the home is sold or the mortgage paid off, buyers would repay the amount of interest subsidy extended to him. If the home is sold within 12 years after purchase under the plan, a new buyer can assume the mortgage, but each buyer would be responsible for repayment of his share of assistance provided.

To spur construction and rehabilitation of the homes, GNMA would be permitted to issue commitments to builders either before or during construction of new or rehabilitated units.

Mr. Speaker, I hope that you and our colleagues will join with me in supporting this proposal.●

NATIONAL GASOHOL ASSOCIATION MEETING

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. CAVANAUGH. Mr. Speaker, as you, our congressional colleagues, and all America are aware, the country is facing an ever expanding shortage of energy supplies. Answers are being sought through the exploration of alternative energy sources.

This week the National Gasohol Commission is meeting in Washington to discuss with officials of various agencies, Members of Congress, and Senators, programs and policies related to the production of gasohol—a motor fuel consisting of 10 percent agriculturally produced anhydrous alcohol and 90 percent unleaded gasoline.

Not only has gasohol been used successfully in automobiles with no modifications in their fuel systems, it has been shown to produce fewer hazardous emissions than ordinary gasoline. In addition, gasohol is being sold in Nebraska at prices comparable to standard unleaded gas.

This is most encouraging as we search for methods of using renewable energy. Converting grain into alcohol and using this agricultural product to stretch fuel supplies has great potential for reducing oil imports while opening a new market for our grain surplus.

I commend the efforts of the National Gasohol Commission in encouraging the development of gasohol and working at the State and Federal level for policies conducive to this purpose.

The Commission's efforts this week, particularly their excellent program going on today in the Dirksen Senate Office Building, in presenting members and staff the opportunity to learn and discuss the issues relating to gasohol—a fuel which could help in solving the energy crisis, stabilize farm prices, and reduce our dependence on foreign energy sources.●

NATIONAL POW–MIA RECOGNITION DAY

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, on Wednesday of last week I introduced House Joint Resolution 963 which would make July 18, 1979, "National POW–MIA Recognition Day."

I introduced this resolution because I believe that the sacrifices of POW's and MIA's—and their families—deserve special recognition and because I believe that America too soon forgets the tragedy of these sacrifices. In the case of POW's the hardships run the spectrum from the routine rigors of prison camp life to brutal torture and other callous treatment that often led to American deaths. MIA's can be presumed to have made the ultimate sacrifice, though families of MIA's still must continue to live with the gnawing uncertainty of not knowing if their loved ones are alive or not.

Mr. Speaker, these sacrifices are more than just the memories of those who were POW's or those who have had a family member classified as MIA. Mr. Speaker, these sacrifices are part of the American experience—an unhappy chapter but a chapter nonetheless. They were made for America. Without the willingness of her citizens to take such risks and make such sacrifices America would not—indeed could not—be the America we know and love today. Americans always have possessed certain values—individualism, a commitment to liberty, a respect for the rights of others—but none of these would be worth anything without the courage to fight and die for them.

Mr. Speaker, my resolution was referred to the Civil Service and Post Office Committee, which requires 218 cosponsors before reporting it to the House. As plans now stand, the committee will be considering this type of resolution only once more this Congress—sometime in the fourth week of this month. Obviously, the time is short. I ask that those of my colleagues who wish to cosponsor House Joint Resolution 963, do so by speaking with me or by calling Norm Shapiro of my staff at x52301. While I certainly appreciate that getting 218 cosponsors within 2 weeks is not an easy task, nonetheless, with your help it can be done.●

SELECT COMMITTEE ON ARSON

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. MOAKLEY. Mr. Speaker, I am deeply concerned about the high incidence of arson for profit which has now reached epidemic proportions in our country. Arson has become a major national problem which is in dire need of the attention of our leaders.

Accurate and comprehensive data on the arson problem do not exist, however, the existing data on arson indicates that the problem is large, costly, and has increased more than 400 percent over the last decade.

It is estimated that arson is responsible for thousands of serious injuries and for the deaths of over a thousand people annually. During the 10-year period between 1962 and 1972, the National Fire Protection Association reported a loss of $40 million due to incendiary and suspicious fires. Since then the figures have increased at an alarming rate, so that, in the past few years, cost estimates have run in the billions of dollars.

Arson continues to plague not only our urban areas, but our rural areas as well, especially where there are large forests and national parks. In 1974, 31,400 (or 25 percent) of the 121,000 wildfires in the United States were classified as incendiary. The dollar loss for these fires which had a high concentration in the South, is estimated to have been in the millions.

Incendiarism, however, is disproportionately concentrated in the inner cities of large metropolitan areas. Due to the high concentration of urban susceptability to the arsonist, arson has become the major reason for today's rapidly escalating cost of fire insurance. Commercial insurance companies have become reluctant to provide coverage for some inner city neighborhoods, because the risk of loss is very high.

Since I began, during the middle of last year, to address this problem of arson for profit, I have received support and inquiries from not only my colleagues but Federal agencies and organized groups all over our Nation. I am delighted with the support of House Resolution 1142 which I have received from some of my colleagues. For the information of the other Members of the House, House Resolution 1142 would authorize the establishment of a Select Committee on Arson in the House of Representatives. This select committee will be required to conduct a full and complete investigation of arson in the United States, with particular emphasis on the causes and prevention of this major economic crime. A final report will be presented to Congress by the select committee at the end of the investigation with specific legislative recommendations designed to reduce the incidence of arson in this Nation. Arson is a complex and multifaceted problem which needs to be examined thoroughly.

I should like to recommend to my colleagues in the House an article which appeared in the Washington Post on June 5, 1978. This is an excellent article that deserves wide attention:

ARSON: COSTLY, INCREASING, HARD TO SOLVE

(By Harold J. Logan)

Arson is the fastest-growing and most costly of all major crimes, yet it gets little attention, inadequate investigation and few convictions, according to a study for the Law Enforcement Assistance Administration.

In 1975, arson losses totaled an estimated $1.4 billion, up 325 percent in 10 years, the study said, describing both the cost and the rate of increase as larger for arson than for rape, robbery, murder, burglary or other FBI index crimes.

Arson in 1975 also accounted for the deaths of about 1,000 persons, including 45 firefighters, and 10,000 injuries, the study said.

The study, conducted by Aerospace Corp. under a $90,000 LEAA grant, analyzed arson statistics from 108 cities over four years. The report's summary said:

"Although arson is a felony, it is not included in police crime statistics because, in most states, the fire service has the responsibility for arson detection and investigation.

"Since arson cases are characterized by both lack of witnesses and devastation of the crime scene, the arson investigator faces difficulties not posed by other types of crime."

In the study's sample, revenge by adults and vandalism by juveniles are cited as the most frequent causes of arson. Fraud was the motive of only five percent of the arsonists studied, although it was involved in 17 percent of a sample of arson cases.

A group of reporters for The Washington Post recently discovered that in New York, Chicago, Detroit, Philadelphia and Trenton, residents feel that a large number of fires set by juveniles are at the behest of landlords seeking to collect insurance on dilapidated ghetto buildings.

The LEAA attempt to assess the characteristics and motives of arsonists was impeded by a scarcity of arrests and convictions.

Fires classified as incendiary or suspicious, the study said, yield only nine arrests, two convictions and 0.7 imprisonments per 100. For the FBI's index crimes, the comparable figures are 21 arrests, six convictions and three jailings.

The study attributes this to a shortage of trained arson investigators, frequent lack of witnesses, destruction of physical evidence in fires, and confusion about the responsibility of police and fire departments.

Determined law enforcement efforts can curb the incidence of arson, the study found. In cities ranking in the upper third for arson arrests, there were 22 percent fewer arsons than in cities ranking in the bottom third, it said.

But law enforcement is hampered by a unique characteristic of arson: large-scale investigations may be needed just to determine whether there has been any crime at all.

The study recommends increased training for investigators, a nationwide data system for law enforcement officials, and development of a flammable vapor detector to help in determining whether suspicious fires were deliberately set.●

PUBLIC FINANCING OF CONGRESSIONAL CAMPAIGNS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. BOB WILSON. Mr. Speaker, when all the verbiage is stripped away and the question put directly to the voters, public financing of congressional campaigns does not have broad-based popular support. A recent nationwide survey found the majority of Americans firm in their opposition.

There have been some poll findings indicating support for the public financing proposal. In general, however, these have presented the subject in a less than direct approach. They do not ask the voters if they want their public funds used in congressional campaigns. They, incorrectly in my view, use camouflage language to test partial aspects such as matching funds, limitations on spending, controlling contribution levels and sources, but do not establish the basic philosophical concept—using tax money for the financing of congressional campaigns to any extent, on any formula.

Putting the issue squarely before the public results in a strong negative. In March 1978, Civic Service, Inc., an in-depth research organization whose methodology, procedure and questionnaire were reviewed by an impressive academic panel including Dr. Richard Hofstetter of San Diego State University in my own community, found nearly two-thirds of those surveyed in 48 States to be opposed to the principle of public funding for congressional campaigns. Subsequent questions presented both plus and minus arguments which might be used in the debate—the potential negatives of the opposition far outweighed the positive points of the proponents.

Stu Spencer of Newport Beach, Calif., a respected Republican strategist who handled the Ford for President campaign in 1976, believes that public opposition is based in large measure on perception of the proposal as an "incumbent" bill and as one more step toward removing direct public participation from the electoral process. Spencer reviewed the findings in an interview with Columnist Grace-Marie Arnett which was published in the San Diego Union of May 4.

I include the article as a portion of my remarks:

PUBLIC FUNDING OF VOTE RACES OPPOSED, POLL SHOWS

(By Grace-Marie Arnett)

WASHINGTON.—The nastiest part of political campaigning is asking supporters for money, as any politician will attest.

It demeans the candidate and can be the source of political corruption. So in its crusade for election reform, some members of Congress have decided to eliminate this dirty business by pushing public financing of congressional campaigns.

Just imagine how squeaky clean the candidates would be if they did not have to soil their hands by taking money and feeling obligated to special interests.

It seems so simple. But the voters do not agree.

By a margin of more than 2–1, a St. Louis-based opinion sampling firm found the public opposed to public financing of congressional campaigns.

For the moment, it would appear the public's interests are safe. A campaign reform bill recently was killed by the House. One provision would have allowed candidates to obtain matching federal funds for campaign contributions under $100 with an overall spending ceiling of $150,000 in general election campaigns for congressional seats.

The bill was defeated because of another

provision that limited the amount of money political parties could contribute to candidates. Consequently, the public financing issue of the bill has not been tested.

So the issue is not dead, and a member of the Democratic Study Group said he believes it will come up for debate again this year.

Before the next vote is taken, it will be interesting to see whether Congress listens more to the gripes of its own members or to the public it is supposed to serve. The interests do conflict.

In its nationwide poll conducted in March, Civic Service, Inc., found 64.6 percent of those sampled disapprove of government subsidies of congressional races while only 30.5 percent said they approve.

Four reasons emerged:

Sixty-six percent said it is wrong to use tax dollars to pay the cost of campaigns they do not support.

Eighty-four percent agreed there are many other priorities for use of government money "before we spend $50 million on congressional campaigns."

Fifty-nine percent said public financing would favor incumbents.

Sixty-three percent believe the system works and should not be changed too much.

Stuart K. Spencer, a California-based political consultant who was political director of former President Gerald Ford's campaign, believes public financing is dangerously incumbent-oriented.

The "perks" of office the incumbent enjoys are estimated to be worth about $500,000. They include free mailing privileges, use of the $1.6 million recording studio to produce television and radio tapes, money to set up and staff district offices, travel allowances and press exposure.

"If you have public financing, the only way to equalize incumbents and challengers is by either doing away with the perks for the incumbents or giving them to the challengers," Spencer said. "Neither is going to happen."

Spencer also believes when the lid on campaign spending is kept too low, it promotes voter apathy. It takes money to set up headquarters, install telephones and print literature to give volunteers something to do.

Roy Pfautch, head of Civic Services Inc., said Spencer's analysis was supported by his research. "One reason the public disapproves of government financing of campaigns is that it removes them one more step from the political process," he said.

Bill Brock, chairman of the Republican National Committee, is strongly opposed. "The powers of the incumbent are such that it would make it almost impossible for a challenger to run a successful campaign against an incumbent."

In dollars, this breaks down to a challenger having $150,000 to spend to raise his name identification and exposure, while the incumbent is spending $650,000 (using the $500,000 of his perks) to stay in office. Difficult odds to overcome, but they are odds that favor those who will decide the issue.●

A "COMMONSENSE" INQUIRY: THE FTC AND CHILDREN'S TELEVISION ADVERTISING

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. WAXMAN. Mr. Speaker, the Federal Trade Commission has embarked on a major inquiry into whether advertising on television directed toward children is inherently unfair and deceptive, and if so, whether such advertising should be limited or even eliminated. The FTC's concern is motivated by the increasing documentation, first, that children are incapable of making informed consumer choices and may therefore be exploited by the advertising which appears on programs designed to reach that audience, and second, that certain products which are heavily advertised such as sugared foods, may be harmful to health in excessive quantities, that this message is nowhere to be found in the medium, and that therefore remedial steps are required.

The broadcasting industry is up in arms over this proposed inquiry, and has tried to kill it before it has formally started. The FTC has been labeled "national nannies" and worse in an attempt to discredit the entire matter. But behind the name calling and distrotion of the issue is the real stake the broadcasters have in it: The hundreds of millions of dollars in advertising revenue from sugared foods and associated products.

Vincent Wasilewski, president of the National Association of Broadcasters, has stated these are issues of "commonsense." But rather than let sensible people review them, he would have the Congress render a summary judgment that this is nonsense, and be done with it.

But these issues clearly warrant review. The fact alone that billions of dollars are expended on candies and sugared cereals demands that attention be paid to how these products are advertised, and especially to children. Any agency, moreover, which succumbed to lobbying pressure against it would become the very unthinking and insensitive entity so many decry as being characteristic of Government today.

Tom Shales, television columnist for the Washington Post, presented an extremely thoughtful defense of the FTC's inquiry on June 4. In arguing the case for proceeding with this review, he also raised a very subtle, but increasingly important issue: The question of the fairness, as far as the viewers are concerned, of the content of images, as opposed to written or spoken language.

Mr. Shales points out that whereas the truthfulness or accuracy of explicit statements can be strutinized with relative certainty, electronic images, by their very intangibility, by their visual content as opposed to their auditory or written content, often defy such analysis. Television and its advertising rely on evocative images which invite subjective interpretation. The imprecision of the medium's advertising images makes much more difficult the determination of whether they are unfair, thereby making the FTC's task of protecting the public against such practices that much more difficult—and controversial.

Therefore, the bottom line of the FTC's inquiry on childrens' television advertising is whether we can control television or whether it will control us. Mr. Shales has effectively presented the case for proceeding, and I am pleased to share it with my colleagues:

ADS FOR THE YOUNG AND THE VULNERABLE

(By Tom Shales)

Only in America would you find (a) so many sentences that begin, "Only in America" and (b) a motorized bed advertised on television as providing "the most exciting way to relax."

Just what we needed—an exciting way to relax. The only thing better would be a mortuary advertising, "the most exciting way to rest in peace."

Television viewers, it might be assumed, have as much or more fun laughing at such ads as they have trying to laugh with TV shows like "Laverne and Shirley," where the comic aspects are more oblique. We have learned how to decipher ads, or so we may think, and even how to withstand them—except perhaps during those long holiday weekends when Joe Blow's Carpet Barn takes the trouble to tell us about its 18-hour sale approximately every 18 minutes. During these stretches of pure hell-on-earth, it's hard to keep from setting fire to one's own carpet out of a mad quest for revenge.

The fact of the matter is, however, that not all TV viewers are created equally impervious to the devious ploys of TV commercials. The younger a viewer is, the more vulnerable a viewer is. And this is one reason why the Federal Trade Commission's proposed inquiry into ads directed at children is not in any way out of order, as vociferous critics of it have claimed, nor somehow an act of sacrilege against the gods of capitalism.

After all, the FTC has only proposed hearings, not necessarily any new regulation. If Congress can permit the Pentagon to study the aerodynamics of the Frisbee, it can allow the FTC to study the effects of TV ads on children.

Why was there such fuss and dudgeon on the Hill over the FTC's plan to study this subject? The answer is painfully and rather shamefully obvious. The broadcasting industry maintains one of the strongest and most pervasive lobbies in town. Industry flacks went after public opinion while the lobbyists took care of Congress, denouncing even the thought of proposing such a study. Somehow this doesn't seem like a very enlightened atmosphere for debate on anything; the FTC study may have been justified now merely by the vehemence with which the forces of the status quo have attacked it.

The FTC has no ravenous desire to usurp parental roles in regulating children's eating habits as regards sugary snacks and sugar-soaked cereals sold on TV. There is considerable doubt, however, whether parents themselves very carefully regulate their children's viewing habits. For many hours of every week, television sets in effect become parents-in-absentia to millions of American tots. During these periods, ads for products which most children are not economically empowered to obtain on their own are pitched to them on TV by adult authority figures, peer group operatives, and an army of insidiously adorable cartoon creatures.

A cute, floppy-eared rabbit is currently engaged in a campaign to encourage the chug-a-lugging of cold chocolate milk by the young. The idea is to drink it all down in one fell slurp. This could give the little tykes headaches and stomachaches, of course, but the rabbit doesn't mention those. He's been hired to move that chocolate milk mix as fast as he can.

Children are not as equipped as adults to deal with the onslaught of commercial messages and yet they may be subjected to more commercials per program than adults are. A study released this week by Boston's Action for Children's Television (ACT) found it is common for stations to exceed limits on commercial time, established by the industry's own National Association of

Broadcasters (NAB), which call for not more than 9½ minutes of commercials per hour on weekend children's programs and 12 per hour on children's weekday programs.

Dr. F. Earle Barcus of Boston University, who conducted the study, found that some stations broadcast nearly 17 minutes per hour of commercials during children's time. He also found that during the 61 hours monitored, two-thirds of the foods advertised to kids were "highly sugared products." The study has been submitted to the Federal Communications Commission, where children's television is also an ongoing issue.

The nature of advertising has been changed tremendously by and through television. Advertising is no longer anything so simple as a statement of claims of superiority by one product over its competitors though examples of this still exist. Not even kids would swallow the argument, after all, that a Snickers bar is nutritionally, chemically or morally superior to a Three Musketeers. Mention the word nutrition in an ad, anyway, and you risk terrorizing the little darlings into doing something so rash as going outside to play.

Most TV commercials today try to associate products with varying states of emotional, physical and psychological well-being without actually claiming, in so many words, that the product will bring these states about. In so many pictures it can be done much more efficiently and without the risk of actually lying. Ads today tend to deal less in word associations than in image associations, something that may be very scientifically designed yet hard to analyze in concrete ways when seen on the air.

When you put marbles in a bowl of soup to make the vegetables rise to the top—as was done in one classic FTC false-ad-claims case—you are lying about the soup. This is clear enough. But if you show a man in a three-piece suit jumping for joy on the sidewalk after having consumed a bowl of said soup, you are not really claiming anything that can be disproved.

Thus the whole regulatory posture of the FTC regarding "truth in advertising" is becoming more and more out of date where TV commercials are concerned. This was spelled out eloquently for all the world to read five years ago in a landmark book on media manipulation, "The Responsive Chord," by Tony Schwartz, a veteran ad man who designed the legendary little-girl-with-daisy-and-H-bomb ad for Lyndon B. Johnson's 1964 presidential campaign against Barry M. Goldwater. Schwartz's fans include Marshall McLuhan.

Schwartz wrote in "Responsive Chord" that, "From the FTC point of view, 'telling the truth' should be the least important social concern. If electronic communication deals with effects, then government agencies responsible for safeguarding the public well-being should concern themselves with understanding the effects of a commercial and preventing those effects that are not in the public interest.

"A recent television commercial for children's aspirin was 100 percent truthful by the most rigid FTC standards, but the *effect* of the commercial was to make children feel that aspirin is something to take when they want to have a good time. The commercial clearly demonstrates that truth is a print ethic, not a standard for ethical behavior in electronic communication."

There is evidence the FTC is getting hip to this distinction and the new audio-visual vocabulary of advertising. In a speech prepared last October for the Advertising Law Conference, Albert H. Kramer, director of the FTC's Bureau of Consumer Protection, called for a new look at standards by which ads are judged.

"If we are charged with determining whether an advertisement is false or deceptive, we must be able to make that evaluation within the environment in which the ad is presented," Kramer said. "Our time-honored environment for resolving disputes is by the written word.

"Now, however, the media have changed. The media have left the written word behind in a cloud of dust and have created a new environment of multiple-sensory experience of which the written word is a minor part. A very serious problem arises when regulators evaluate the possible falsity, deception or unfairness of an ad without considering it in the same 'sensory experience' context that the ad sought to instill."

Advertising agencies have spent millions on behalf of their clients researching new avenues into the minds of the viewer, young as well as old. It only seems fair that the FTC spend some money to find out how children can be protected from these tactics and techniques, since they are our most uninformed consumer group. Anyone who says that everything children see on TV will be helpfully interpreted for them by a handy adult is raving. And for Congress to set itself up as a roadblock in the pursuit of new knowledge about media responsiveness in children is a thoughtless sort of sabotage.

After much folderol, the FTC hearings are going ahead. The first will be held Nov. 6 in San Francisco, then move to Washington Nov. 20. Funding of this project has only been authorized through 1978, however, and in addition, the House Appropriations Committee slapped a rejoinder of sorts on the FTC by forbidding the commission in advance from limiting the advertising of "any food product which contains ingredients found to be safe for human consumption by the Food and Drug Administration"—in other words, sugar.

An FTC spokesman says the rejoinder is "stupid" but that it can be worked around and may not be an obstacle. The committee's gesture on behalf of sugar and the TV lobby was hailed, however, by NAB President Vincent T. Wasilewski as verifying the fact that "Americans don't want the federal government dictating decisions that should be made by the family."

Children's advertising is "a commonsense issue," Wasilewski says, but the NAB has no monopoly on common sense, to put it mildly. The FTC inquiry should be welcomed and its results heeded—unless, that is, we want to hand children over to television lock, stock and cookie jar.●

NARCOTICS TRAFFICKING AND THE 18TH MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. GILMAN. Mr. Speaker, as a member of the congressional delegation that attended the 18th Mexico-United States Interparliamentary Conference held in our Nation's Capital on June 5–7, 1978, a delegation cochaired by the distinguished Representative from Texas (Mr. DE LA GARZA) and the distinguished Senator from Texas (Mr. BENTSEN), I presented a paper on narcotics trafficking, reviewing the joint efforts by Mexico and the United States in the interdiction of narcotics trafficking and in the eradication of the illicit supply of opium production at its source.

Law enforcement cooperation between our two nations during the past year has been exceptionally good and has demonstrated what can be done when two nations are determined to work together in interdicting and eradicating illicit narcotics.

In fiscal year 1977—October 1, 1976–September 30, 1977—the Mexican Federal police, together with our Drug Enforcement Administration (DEA) agents seized approximately 335,373,000 dollars' worth of illicit drugs, and during the first 6 months of fiscal year 1978, from October 1, 1977 through March 31, 1978, the joint efforts by the Mexican Federal police and our DEA agents has resulted in the seizure of approximately $231,-203,000 worth of illicit drugs.

Unfortunately, there has been some apprehension in certain quarters by Mexican officials concerning the participation by our DEA agents to work with their Mexican colleagues on herbicide spraying operations—a practice that until recently was a major team effort by our two nations to effectively eradicate illicit opium production and a practice that regrettably has been discontinued.

In my view, the notion that our DEA agents condescendingly look over the shoulders of their Mexican colleagues during these dangerous spraying operation is both misdirected and a misperception of the true importance of this hitherto successful and important cooperative team endeavor. As I stated in my paper before the bilateral interparliamentary conference:

> Only by jointly learning and sharing the intricacies and complexities of narcotics eradication and interdiction techniques will be able to combat and defeat the highly sophisticated international criminal narcotics traffickers. I appeal to those who doubt the wisdom of these joint efforts by our two nations to reconsider their views and to adopt a more effective cooperative course of action.

At the bilateral conference, I also urged the administrations of both our nations to act quickly to implement the creation of the Anti-Narcotics Subgroup of the United States-Mexico consulative mechanism. That subgroup has not been operationalized, despite the fact that this consultative mechanism was established in May of 1977 and notwithstanding repeated efforts and appeals by House Narcotics Select Committee chairman WOLFF and myself. Both Presidents Escheverra and Ford approved establishing a joint antinarcotic commission * * * an idea that Congressman WOLFF and I first proposed when we visited Mexico in January of 1976 * * * but to date, even with the creation of the bilateral consultative mechanism, efforts to operationalize the antinarcotics subgroup have not materialized. Joint action is long overdue. Our two nations should move this subgroup from the bureaucratic backburner and immediately operationalize this aspect of the consultative mechanism if we are to maximize our co-

operative efforts in the field of drug abuse prevention and control.

Mr. Speaker, in the interest of sharing with my colleagues the discussion of the narcotics problems at the 18th Mexico-United States Interparliamentary Conference, I am inserting the complete text of my statement at this point in the RECORD:

STATEMENT OF THE HON. BENJAMIN A. GILMAN

COMMITTEE I—POLITICAL AND SOCIAL COMMITTEE—COOPERATION TO STOP DRUG TRAFFIC

Mr. Chairman, distinguished legislators from Mexico and the United States, I welcome this opportunity to once again join with our colleagues from Mexico to participate in the deliberations of the 18th Mexico-United States Interparliamentary Conference and to discuss with this committee the critical issue of cooperation to stop drug trafficking.

Last year, when this bilateral conference met in Hermosillo, Sonora, Mexico, I presented a paper on this subject that developed the following themes: (1) that both Mexico and the United States must intensify their joint efforts at interdicting narcotics trafficking and eradicating the illicit supply of opium production at its source; (2) that a joint Mexican-American commission be established to coordinate the anti-narcotics activities of our two countries . . . a proposal first presented to President Echeverria by the gentleman from New York (Mr. Wolff) and myself when we visited Mexico in January of 1976 but which has yet to be operationalized as a Subgroup of the United States-Mexico Consultative Mechanism; (3) that our two nations continue to work together to induce Mexican farmers to substitute cash crops for opium poppies and to develop techniques through which the United States could assist in this endeavor; (4) that techniques should be developed through which the United States can expand its assistance to Mexico's narcotics eradication program and provide increased Mexican support to assist the United States in more effectively patrolling our common borders and coastal harbors; (5) that Mexico support the United Nations Fund for Drug Abuse Control (UNFDAC) and that it exercise its immense prestige throughout the world, especially within the Western Hemisphere to encourage our Latin American neighbors to contribute to UNFDAC; (6) that information and expertise be exchanged between the U.S. and Mexican public health officials to improve the treatment and rehabilitation of drug addicts; and (7) that Mexican-American relations be placed in the broadest possible context free from compartmentalized discussion of important but isolated issues in order to explore the ways (and in what areas) both our nations can more effectively assist one another.

My Mexican colleagues at the Hermosillo Conference the distinguished Deputies Enrique Ramirez y Ramirez and Victor Manzanilla and my colleague from Texas the distinguished Chairman of the House delegation to this bilateral conference (Mr. de la Garza) enthusiastically responded to my remarks and provided the leadership that resulted in the adoption by the conference of the Declaration of Hermosillo on Narcotics Trafficking at the International Level.

The Hermosillo Declaration "condemns without reservations of any kind the illegal cultivation of all plants that may be used to obtain substances which when employed in narcotics cause grave and often irreparable damage to the people's health."

The declaration further states that—

"It is the responsibility of the public institutions and competent authorities of our nations to become deeply involved, reinforce and extend to the utmost the fight against cultivation traffic use and abuse of drugs and to this end adopt all the legislative judicial political and economic measures that will lead to the eradication of this far-reaching problem.

"We thus make a cordial and urgent appeal to all governments and peoples of the world to take a stand against narcotics traffic once and for all and to establish a system for international cooperation essential for a decisive fight against an illegal and criminal activity that represents a degenerative threat to the culture of the nations of the world and to the general well-being of mankind.

"We therefore recommend and demand that energetic preventive prosecuting and punitive measures be taken to discourage the cultivation of drug producing plant in order to suppress narcotics traffic."

Encouraged by my colleagues from Mexico and the United States I introduced House Concurrent Resolution 265, which was cosponsored by the House delegation to the Hermosillo Conference and which include members of this year's delegation (Mr. de la Garza) the distinguished Majority Leader and Vice Chairman of our delegation (Mr. Wright) and my distinguished colleagues from California (Mr. Rousselot and Mr. Lagomarsino).

H. Con. Res. 265 calls upon the Congress of the United States to endorse the Hermosillo Declaration, encourages other nations to adopt this Declaration, and urges the President of the United States to encourage other nations to cooperate in an international effort to eradicate narcotics trafficking and to eliminate the illicit production of opium. The resolution unanimously passed the House on October 31st, 1977, and is currently before the Senate Foreign Relations Committee, where I hope the distinguished Senators from New York and Illinois (Senators Javits and Percy) will urge their colleagues on Foreign Relations Committee to favorably report out the resolution.

Mr. Chairman, the Hermosillo Declaration and H. Con. Res. 265 are significantly policy objectives, but we, as participants at this Interparliamentary Conference and as legislators and policy makers in our respective Congresses, must do more than issue well-intentioned declarations and resolutions. We must exert our influence to encourage the international community to translate these well-intentioned policy objectives into constructive action. No longer can the international community sit passively and watch as millions of citizens throughout the world suffer from the misery of drug abuse. No longer can we tolerate the international criminal syndicates, whose highly organized and sophisticated operations reach into every facet of society, corrupting public officials and private citizens, undermining the administration of justice and eventually destroying the decency, moral values and the very roots of society, to profit from this human misery. And no longer can the international community depend upon a few nations to single-handly attempt to interdict the global narcotics trafficking and eradicate the illicit poppy production at its source. The "war" on drug abuse and organized crime will only be won if the international community acts in concert at regional and worldwide levels and if it provides the funds, the expertise, the equipment, and the personnel to do what must be done—to make illicit drugs unprofitable for the narcotics peddlers and profiteers of human suffering. That is our mission if we truly desire to make the world a better place to live for our children and for our future generations.

Obviously, illicit drug trafficking is big business controlled by sophisticated international criminal syndicates. It is conservatively estimated that narcotics trafficking in the United States annually nets 10 billion dollars . . . and the global narcotics activity by these highly organized criminal organizations far exceeds 10 billion dollars in sales throughout Europe, the Middle East, Southeast Asia, Latin America and Canada. From the Golden Triangle of Thailand, Burma and Laos, to Iran and Egypt, from Afghanistan and Pakistan to East Germany, from Mexico, Colombia, and the Caribbean to the narcotics distribution centers of Berlin, Amsterdam, Miami, Nassau, New York, Chicago, and Vancouver, nation after nation is reporting increased usage and illicit trafficking of heroin, cocaine, marihuana and other dangerous drugs among its citizens.

From 1969 through 1977, Federal, State and local law enforcement agencies in this country seized more than 7,758 pounds of heroin worth over $2 billion; 9,071 pounds of cocaine worth more than $1 billion, and more than 6 million pounds (or 3,000 tons) of marihuana at a value of more than $2 billion.

Last year, our Federal, State and local drug law enforcement agencies seized 888 pounds of heroin, whose estimated street value is $320 million, 1,624 pounds of cocaine worth an estimated $165 million, and 2,137,492 pounds of marihuana, valued at approximately $669 million. These statistics do not include law enforcement seizures of other dangerous drugs and these seizures represent only a small portion of the narcotics making its way across our borders.

The multiple drawing seasons for marihuana and opium cultivation, the multitude of clandestine airfields, the barren, rugged terrain along our 2,000 mile common border, and the ease by which small smuggling vessels can enter our coastal waters undetected make the task of interdicting illicit drugs an extremely difficult, frustrating, and dangerous job. More than 165 million individuals and more than 48 million vehicles cross our joint border each year, which on the United States side of the border is staffed by 3,410 Customs Inspectors, Border Patrol Officers, and Immigration and Naturalization Service agents. At one major port of entry, San Ysidro, California, more than 38 million individuals and 5 million vehicles inundate approximately 224 U.S. customs officers and border inspection teams.

Mr. Chairman, in the year since we last met at Hermosillo, the joint efforts by our two nations to interdict narcotics trafficking and to eradicate the illicit production of opium and its source has been encouraging. In 1977, between 80 percent and 90 percent of the heroin entering the United States originated in Mexico. Through our joint cooperative efforts, that figure has been reduced to between 60 percent and 70 percent.

Last year at our bilateral Hermosillo Conference, I stated:

"Our joint, cooperative efforts could serve as a model in demonstrating to the international community that cooperative efforts can be effective in reducing the supply of heroin . . . in the international market."

Last month, Arthur D. Hanna, the Deputy Prime Minister of the Bahamas, complained about the "moral pollution and decadence" being brought to that nation's 700 islands by narcotics traffickers who are transforming the Bahamas into a transshipment state for the illicit trafficking of marihuana and cocaine into the United States from Latin America. Apparently referring to the efforts by Mexico and the United States to interdict the illicit drug trafficking and to eradicate

the illicit production of opium at its source, Paul Thompson Assistant Crime Commissioner for the Bahamas, recently stated:

"The (narcotics) problem is going to grow out of control unless something is done about it. We have excellent cooperation with the United States at a police-to-police level, but what I'd like to see would be a government-to-government agreement along the lines of that with Mexico."

On the basis of information provided by U.S. Drug Enforcement Administration (DEA) to the Colombian Government, that nation's law enforcement officials seized last April more than 1 million pounds (or about 574 tons) of marihuana worth an estimated wholesale value of approximately $200 million and arrested 13 individuals, including 3 Americans. According to DEA Administrator Peter Bensinger, this seizure constituted "a worlds record" and "is the first time the Colombian Government has mounted an operation like this." In a single operation, U.S.-Colombian cooperation resulted in a seizure that was nearly 47 percent of the total amount of marihuana seized by our Federal, State and local law enforcement agencies for an entire year. Marihuana and cocaine trafficking from Columbia has been estimated to yield to that nation's economy between $1 billion and $8 billion a year . . . far exceeding Colombia's export of coffee, its principal product. Marihuana trafficking from Colombia is surpassing Mexico as the prime supplier of this drug to the United States, thereby illustrating the changing patterns of narcotics trafficking by organized crime and demonstrating the progress made by Mexico and the United States to help each other in interdicting this substance and in eradicating it at its source.

Law enforcement cooperation between Mexico and the United States has reaped substantial dividends. I have been informed that in fiscal year 1977 (Oct. 1, 1977–Sept. 30, 1978), 44,278 poppy fields or 21,769 acres were destroyed. Had this crop been harvested and converted into heroin, it would have produced 8,567 kilos of heroin worth an estimated 9.9 billion to 12.8 billion dollars. The eradication of these poppy fields represents a 50 percent increase in the amount of poppies destroyed during last year's crop eradication campaign.

In fiscal year 1977, the Mexican Federal police, together with their DEA colleagues, seized 28 pounds of opium, 294 pounds of heroin, 1,126 pounds of cocaine, 240,935 pounds of marihauana, 9,563 pounds of hashish, and 989,000 dosage units of depressants, which, if sold in the United States, would have amounted to approximately $51,802,000 worth of heroin, $169,652,000 in cocaine, $75,409,000 in marihuana, $37,609,000 in hashish, and $901,000 in depressant drugs, or an eradication totaling approximately $335,373,000 worth of illicit drugs.

The joint efforts by the Mexican Federal police and our DEA agents has resulted in some very dramatic seizures during the first six months of fiscal year 1978. From October 1st through March 31st, 1978, 17 pounds of opium (nearly 61 percent of last year's seizure), 425 pounds of heroin (an increase of 145 percent over last year's figure) 511 pounds of cocaine (45 percent of the 1977 seizure), 211,082 pounds of marihuana (nearly 88 percent of last year's seizure), and 4,479 pounds of hashish (nearly 47 percent of last years seizure), and 297,700 dosage units of stimulants were seized by the law enforcement agents of our two nations, thereby indicating what can be done when two nations are determined to intensify their efforts to interdict illicit drugs. These seizures represent a market value of approximately $74,355,000 in heroin, $76,991,000 in cocaine, $66,065,000 in marihuana, $17,615,000 in hashish, $1,897,000 in depressants and $280,000 in stimulant drugs, or an eradication totaling approximately $231,203,000 worth of illicit drugs.

For years our drug enforcement officers have been effectively working hand-in-hand with the Mexican police in front line narcotics interdiction. Suddenly in the early part of 1978, our DEA was notified that it would no longer be invited to participate in the Mexican spraying operations. It is apparent that the question of allowing DEA agents to fly on herbicide spraying operations in Mexico has become a sensitive issue for some Mexican officials. It is however, extremely important that the law enforcement agents of both our nations participate in these front line operations since (1) it enables these agents to develop, learn and share indispensable skills and sensitive information with each other, thereby truly becoming a joint narcotics eradication team and (2) that this joint, cooperative effort be expanded throughout our hemisphere. Our drug law enforcement officers have much to learn from their Mexican counterparts and Mexican law enforcement agents can benefit from the skills that our DEA agents can impart to them.

Those who view our drug agents as condescendingly "looking over the shoulders of their Mexican counterparts" on these dangerous spraying operations are misdirected and are not perceiving the true importance of this cooperative endeavor. Only by jointly learning and sharing the intricacies and complexities of narcotics eradication and interdiction techniques will we be able to combat and defeat the highly sophisticated international criminal narcotics traffickers. I appeal to those who doubt the wisdom of these joint efforts by our two nations to reconsider their views and to adopt a more effective cooperative course of action.

Our fight against drugs is a war . . . it is a war against crime. I appeal to you, our allies in this conflict, do not relegate our front line troops to the rear and do not ground our DEA air warriors. This is what the Bahamian Crime Commissioner had in mind when he stressed the excellent cooperation between our two governments at a police-to-police level. Mexico and the United States have negotiated substantive government-to-government agreements, but what is still needed is the willingness by our bureaucrats to allow our police to truly work together on the front lines.

Under the leadership of the distinguished Chairman of the House Select Committee on Narcotics Abuse and Control (Mr. Wolff), the Select Committee will be holding hearings this week in Miami, the marihuana and cocaine trafficking capital of the United States, to examine the effectiveness for our efforts in interdicting this multi-billion dollar industry that far exceeds the amount of dollars spent by tourists to this South Florida sun belt.

Narcotics trafficking is further complicated by the intricate illicit financial transactions involved in the drug trafficking business. From our investigations of narcotics trafficking in Chicago, the Select Committee learned that the "Herrera connection" which controls narcotics trafficking between Mexico and Chicago, involves a heroin trafficking business and the laundering of illicit financial transactions through currency exchanges that yield an estimated 1 billion dollars annually. The bulk of the laundered money flows from Chicago back to Mexico, the original source of some 60 percent to 70 percent of the heroin entering the United States.

The Herrera organization, reportedly numbering 2,000 members and associates, was recently dealt a severe blow through the cooperation of Mexican Federal police and the U.S. Drug Enforcement Administration that led to the indictment in Mexico of Jamie Herrera-Navarez, patriarch of the organization, and the issuance of arrest warrants for 14 other members of the Herrera gang. Unfortunately, Jamie Herrera-Navarez, has fled Mexico, thereby avoiding prosecution.

Finally, Mr. Chairman, as all of us here today know, drug addiction and drug abuse know no national boundaries. Citizens throughout the world, regardless of their socio-economic status or the nature of their government's politics and economy, equally known from first-hand experience the devastating physical and mental anguish of drug abuse.

Politically, economically, militarily, and socially, nations live in an interdependent world. The so-called "Colossus of the North," an anacronism from another era, no longer exists. We do not perceive ourselves in this manner and hopefully our Mexican colleagues no longer perceive us this way. Rather, we are friends and neighbors and we must help one another in interdicting narcotics trafficking and in eradicating the illicit supply of opium production at its source, in treating and rehabilitating the victims of drug abuse, in reducing the unacceptable levels of inflation, unemployment and poverty, in curbing population explosions, in resolving problems pertaining to illegal aliens, oil and natural gas exploration, marketing and sales obstacles, trade and tariff problems, and other sensitive issues that at times have marred our relations. We, as legislators and policymakers must take a close, hard look at how these problems can be resolved and to translate our lofty declarations and resolutions into constructive and immediate action, for we have much to do in order to obtain viable mechanisms to control these issues and to truly make the world a better place for all of us to live.

For more than two years Congressman Wolff and I have urged the implementation of a joint anti-narcotics commission that was approved by Presidents Escheverra and Ford, but which has been designated a Subgroup of the U.S.-Mexico Consultative Mechanism, and still a year after other subgroups of this joint mechanism have been operationalized, the anti-narcotics subgroup has not been implemented, notwithstanding our constant urgings and appeals. If we are to win the "war" on drug abuse on this and on other pressing issues, then we must certainly act with greater dispatch than that.

Thank you, Mr. Chairman, for providing me this opportunity to share with you and this distinguished committee my thoughts concerning these vitally important issues.●

COMBATING WORLD HUNGER

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. LaFALCE. Mr. Speaker, I believe that it is particularly timely that the Committees on Agriculture and International Relations are now conducting joint hearings on proposals to establish food reserves to combat world hunger. Recent news accounts have demonstrated that mass starvation and malnutrition are serious endemic problems

which must be dealt with in a planned, systematic fashion. At the present time, the entire Indochinese peninsula is threatened with famine; Brazil is suffering from a nationwide drought; and swarms of locusts may spread from Ethiopia, where they are destroying massive amounts of grain, throughout East Africa and the Middle East. In order to further acquaint all of my colleagues with the imperative necessity to create food reserves, I would like to share with them my testimony of June 13, 1978, which strongly supported the establishment of a system of international food reserves.

The testimony follows:

STATEMENT OF THE HONORABLE JOHN J. LAFALCE FOR THE JOINT HEARINGS OF THE COMMITTEE ON AGRICULTURE AND THE COMMITTEE ON INTERNATIONAL RELATIONS

Mr. Chairman, it is a honor and a pleasure to be here today to testify at the joint hearings of the Agriculture and International Relations Committees.

I believe that the subject of these hearings is a particularly pertinent and weighty matter which needs to be addressed in the not too distant future. Worldwide hunger, malnutrition, and mass starvation are specters which are haunting many Third World countries, because food production in those countries has not kept pace with their ever burgeoning populations. Many African, Asian and Latin American countries are barely able to meet minimum nutritional standards, either through domestic production or through purchases of food in the world market. Many others, the most notable is Bangladesh which receives hundreds of millions of dollars worth of food assistance annually, survive on the basis of international donations of surplus commodities.

This perilous situation is not going to markedly improve in the near future, because population growth in many developing nations is only gradually diminishing. It will be decades, before food production in some Third World countries begins to meet and then overtake population growth; and during this lengthy transitory period, these nations will continue to rely on a handful of food exporters. At the present time, the United States, Canada, Australia, Ireland, Argentina, and New Zealand are the only major exporters of food commodities and thus are the only nations with significant surpluses of foodstuffs. These lands have to be relied upon to meet that discrepancy between inadequate food production and growing populations, but that situation is always prone to severe strain, when mother nature upsets the apple cart.

As we have seen in recent years, the agricultural output of many Third World countries is very dependent on good luck in terms of weather and pest infestation. Earlier in the 1970's, drought stalked the sub-Saharan Sahel region, forcing millions of tribesmen South in a vain search for food and water. Brazil is currently suffering from a nationwide drought which is ruining both its cash crops and its domestic sources of food, and with tragic regularity, Bangladesh seems to suffer from widespread flooding because of the Bay of Bengal monsoons. I could, Mr. Chairman, continue to recite this endless litany of nations which teeter on the brink of disaster, because they are so susceptible to natural disasters which can reduce them to the level of mass starvation.

In the past, there have been two major ad hoc remedies for these shortfalls in food production. The usual method has been unilateral emergency shipments of grains and other foodstuffs from surplus-producing countries, most notably the United States, to the afflicted areas. Another approach has been employed in the Biafran and Sahel disasters has been United Nations-coordinated efforts. In addition, there are the on-going endeavors by private secular and religious groups to alleviate some of the hardships from mass starvation and malnutrition. All of these efforts are quite heroic and commendable, and many of them have sufficed in the past to meet this worldwide challenge; but there is no guarantee that they will be able to continue to do so in the future.

I have cosponsored H.R. 9446 which is the International Emergency Food Reserve Act, in order to help ensure that we will be able to respond to this problem. This bill would provide for adequate supplies of foods for emergency circumstances, by authorizing the President and the Secretary of Agriculture to participate in a system of nationally maintained and internationally coordinated food reserves. This approach will combine a continuation of national autonomy in the determination of agricultural policies with a binding commitment by each nation to hold and have available its assigned portion of the international food reserve.

The administration has proposed H.R. 12087 which is the International Emergency Wheat Reserve Act of 1978. This bill has two major differences from the bill which I cosponsored. First, it does not authorize the President to enter into negotiations with other nations to establish a system of international reserves, but it does at least make provision for a national reserve. I welcome this as a significant first step toward alleviating world hunger, and I hope that at some point in time that we can move forward to a framework of international reserves. Second, the Administration's bill is limited to a wheat reserve and does not call for a general food reserve. I believe that a general food reserve approach would be superior, because it would give the President and the Secretary of Agriculture needed flexibility to determine exactly what should be held in the reserve at any given time. This flexibility is preferable, so that any Administration can accurately respond to market conditions for U.S. agricultural products and to the particular needs of starving Third World countries. This could result in a food reserve entirely constituted by wheat or in a reserve composed of wheat, corn, and rice, so that both U.S. agricultural products and to the particunderdeveloped nations could benefit.

Mr. Chairman, I believe that this is most assuredly an idea whose time has come. The world's present ability to respond to starvation and disasters relies on luck and chance. The chance that most major food exporters will have bountiful harvests, and the chance that neither the Soviet Union nor Communist China will have dismal harvests, and the chance that both of those will occur, when a disaster takes place in the Third World. These are not chances that we can afford to take, when what is at stake is the fate of millions of peoples' existence throughout the world. A system of international food reserves will allow us to effectively respond to any worst-case scenario, and they could very well be an important weapon in the struggle against world hunger.

United States participation in such a system could have positive domestic consequences for the American farmer and the U.S. economy. As we all know, the American farmer has been recently buffeted by abrupt and often times severely damaging changes in the markets, as prices have rapidly fallen or risen with little prior warning. A U.S. contribution to an international food reserve could help level out the demand for U.S. agricultural products, by absorbing substantial amounts of U.S. foodstuffs, when this country enjoys bumper harvests and by providing a surplus fund in times of acute scarcity, when various buyers are clamoring for scarce American grains. This stabilization of the marketplace could help provide the American farmer with the necessary assurance that his products would always find a buyer at a fair price to the farmer.

Mr. Chairman, I firmly believe that the establishment of an international food reserve could benefit both the inhabitants of poor and underdeveloped Third World countries and the American farmer. Freed from some of the drawbacks in the wild fluctuations in food prices, the American farmer could perform his role as granary for the whole world. In the process, we could begin to register meaningful progress in the struggle against world hunger, which should be one of our most important and urgent priorities for the future.●

STATEMENT HONORING THE NORTHPORT VA HOSPITAL ON THEIR 50TH ANNIVERSARY CELEBRATION, JUNE 15, 1978

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. AMBRO. Mr. Speaker, on June 15, 1978, the Northport Veterans' Administration Hospital will celebrate its 50th anniversary. For five decades this facility has provided Long Island veterans with the finest health care available.

"Fifty years of progress and service" is the theme of the anniversary, an appropriate one for a hospital which has always responded to the requirements of the veterans of Long Island. The facility, originally built as a neuro-psychiatric hospital, had 1,000 beds when it opened in 1928. The depression increased the need for veteran's health care and throughout the 1930's the size of the hospital grew.

World War II also resulted in increases in the facilities and the number of patients at the Northport hospital. During the 1950's it was the largest psychiatric hospital in the VA system. In the last 15 years, treatment concepts have changed and it is no longer considered necessary to institutionalize patients for long periods of time. Northport has accordingly discharged many of the veterans who were in its care and has created aftercare facilities to ease their transition into the community.

The decline in the number of inpatients resulted in a major turning point for the hospital. In 1971, it was reclassified as a general facility. This led to the construction in 1973, of a 470-bed medical/surgical unit. Rather than solely providing psychiatric care, the Northport hospital can now serve all the

needs of Long Island veterans with a comprehensive program of health services in medicine, surgery, and psychiatry.

Education is also an important part of the operation of the Northport facility. For the last 7 years it has been associated with the Medical School of the State University of New York at Stony Brook, serving as a clinical campus. The Northport VA Hospital also has its own accredited schools and is, in addition, affiliated with over 20 other universities.

Considering the quality of the programs available at the Northport hospital, it is not surprising that in 1976 it was chosen as the site of the VA's Northeast Regional Medical Education Center. Northport now provides postgraduate medical education programs for all VA health professionals in the 13 Northeastern States. The Center's innovative and imaginative educational programs are also open to the staff of non-VA institutions.

Mr. Speaker, the veterans of this Nation are entitled to the very best health care that medical science has to offer. They have valiantly served their country and have earned the benefits that the VA provides. For 50 years, the Northport Veterans' Administration Hospital has been providing quality medical service to Long Island veterans. As the hospital celebrates its 50th anniversary, I am sure all the Members of this body unite in congratulating Northport's administration and staff on their accomplishments and their dedication, and join me in giving them support as they continually strive toward medical excellence.●

THE MILLION DOLLAR MINNOW

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. DUNCAN of Tennessee. Mr. Speaker, as most of my colleagues are aware, the Tellico Dam project in my congressional district has become perhaps the major focal point in the current controversy surrounding the Endangered Species Act of 1973. The controversy largely concerns two issues: Did the Congress, in passing the Endangered Species Act, intend for its provisions to be applied retroactively; and, does the act, as it is being interpreted, provide for the balance between economic growth and environmental conservation envisioned at the time of its passage?

With this in mind, I would like to commend to my colleagues the following editorial comment which appeared recently in Rock Products. The author, Roy A. Grancher, has, in my opinion, outlined very succinctly and accurately both the history of this controversy and its possible, future results if it is not resolved sensibly:

THE MILLION-DOLLAR MINNOW

The Six Million Dollar Man has become an extremely popular television series. With interchangeable bionic parts in several important portions of the anatomy, Steve Austin can run, jump, and perform feats of fantastic strength and dexterity. The "bionic" plot has been so commercially successful as to be extended to a woman, a child, and then a dog. However, the program has nothing on our friends in Tennessee. They have the Million-Dollar Minnow, a three-inch monster created—not by bionics—but by environmentalists.

About 25 miles south of Knoxville, the TVA had under construction the $116 million Tellico Dam as part of an energy generation and flood control project. Six years after the dam was begun a new type of fish, not previously known to exist, was found. This was the 3-in. minnow named the snail darter. Two years after discovery it was officially placed under the Endangered Species Act. It seemed the only known natural habitat of the snail darter was below where the dam was being built. Petition was made to the courts by environmentalists to halt work on nearly completed Tellico to protect the minnow.

Tragedy struck last September when biologists, trying to aid snail darter spawning through a transplant program, had about a third of the estimated population of 300 die. However, two following transplant efforts succeeded in moving 175 darters to their spawning grounds. In the meantime the case reached the Supreme Court, which agreed to mediate the controversy between the darter and the dam. Some TVA experts have been reported to fear that if the minnow's endangered species status is not modified, it may become necessary to remove the dam to save the fish.

I think that most people within our minerals industries are not cruel hearted or villainous. They enjoy a walk in the woods, a day at the beach, a good fishing trip as much as any environmentalist. Mother Nature is beautiful and should be preserved. But there has to be a balance, a perspective and common sense that needs to be applied. When every tree is declared a national monument; when each creature that creeps, crawls, climbs, and cavorts is declared a national treasure . . . then the pendulum has swung far to far to the extreme.

Someday when visting friends in Tennessee, standing with water up to the navel from a recent flood, a candle burning to provide illumination during a blackout, another sweater on to replace the warmth of the furnace that no longer has energy, I will give thought to the snail darter. My best wishes will go to the minnows for happiness and success in whatever they may be doing in their spawning pond. As for me, those creature comforts I have become accustomed to—like light and heat and electricity—will surely be missed. Here's to you, Million-Dollar Minnow Damn the dam! But please leave some space on that endangered species list. I think I know who the next addition might be.●

CAMBODIAN HOLOCAUST MEMORIAL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. SOLARZ. Mr. Speaker, yesterday afternoon, the committee of United People for Human Rights in Cambodia held a commemoration ceremony at the west front of the Capitol. The ceremony was in memory of the millions of Cambodians who have been systematically slaughtered by the Government of the Democratic Kampuchea.

I fear that the lack of international concern about human rights violations in Cambodia will facilitate the continuation of the atrocities of the Khmer Rouge. Additionally, I am disturbed that, despite proclamations of condemnation by the President and Congress, there has been no U.S. commitment to the 15,000 Cambodian refugees currently in Thailand. Such a commitment is one of the few ways in which the United States can assist in relieving the suffering caused by the Cambodian holocaust.

In my statement before the Committee on Human Rights in Cambodia on June 12, I attempted to address each of these concerns. For Members information, I respectfully submit that statement.

STATEMENT OF THE HONORABLE STEPHEN J. SOLARZ, JUNE 12, 1978

Ladies and gentlemen, Cambodian government policy, involving the systematic slaughter of up to ⅓ of the population, certainly stretches the imagination of all mankind. This annihilation of Cambodians by Cambodians, termed "Autogenocide" by French author Jean LaCourture, makes life in Cambodia that much more unimaginable.

15,000 Cambodians are currently in Thailand. They have chosen to leave the land of their ancestors, opting for an uncertain future offering little chance of resettlement. Their choice illustrates the dimensions of the ongoing holocaust in Cambodia.

All mankind has a responsibility to recognize the genocide which is a continuous fact of life for the millions of captives of the Khmer Rouge. Unfortunately, the walls of silence surrounding Cambodia create a simple excuse for mankind's neglect. We cannot allow man to take this route. The words of Polish Jewish poet Edward Yashinsky provide a valuable message. "Fear not your enemy, for they can only kill you; fear not your friends, for they can only betray you; fear only the indifferent, who allow the killers and betrayers to walk safely on the earth."

Americans in particular have a special responsibility to the people of Cambodia. In addition to causing the displacement of Cambodians and destruction of much of their land, the U.S. involvement helped to create the conditions which we now lament. We must use every means at our disposal to bring pressure to bear on the Khmer Rouge. This includes public expressions by the President and Congress, overtures to countries which have diplomatic relations with the Government of the Democratic Kampuchea, and strong protest in international fora. The unwillingness of countries and international organizations to express concern about the human rights situation in Cambodia demonstrates that we have not learned from human history.

Additionally, the U.S. government should encourage all the countries of the world to open their doors to the Cambodian refugees in Thailand. However, if this action on the part of the nations of the world is not forthcoming, we should welcome the 15,000 into our country.

We have no alternative. If the President does not direct the Attorney General to allow for the entry of the 15,000 refugees, I will be introducing legislation designed to direct the Attorney General to take such action.

Thank you.●

WHATEVER HAPPENED TO H.R. 8026?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. BINGHAM. Mr. Speaker, we are approaching the first anniversary of the introduction of H.R. 8026, the Constituent Postal Card Act of 1977. The bill has been on a long vacation in the Subcommittee on Postal Operations and Services. During that time, the cost of mailing a letter or post card by a constituent to his Congressman has again gone up, making it even more expensive for our constituents to share their opinions with us. This will, no doubt, result in less constituent mail, a development which those in our offices who have the job of opening the mail might welcome, but one which I believe is unfortunate and detrimental to each of us in representing our districts.

I would like to share with my colleagues a letter which I received recently in the hope that it may draw H.R. 8026 out of its premature retirement in committee:

HON. JONATHAN BINGHAM,
House of Representatives,
Washington, D.C.

DEAR JACK: You know, of course, that my wife is a constituent who writes you with frequency, but do you also know that she writes with at least similar frequency to such elected officials as the President, United States Senators, State, municipal, and even county officials . . . you name them, she writes them. To my personal knowledge, she is the voice of the people—the liberal voice that sustains the good guys in elective office, and rebukes—nay, terrorizes—the bad guys.

And I have limited myself to elected officials only because I want (alas, too late) to keep this letter short; she also advises cabinet members, administrative agency heads, and the like, when they pause on the brink of decision, or when they have performed an act of folly or, on rare occasions, of greatness.

Why am I telling you all this? Well, I'll tell you why: Who do you think has been paying the postage for these public spirited exercises? Me, that's who! However, I'm not looking for credit for the past; what I am looking for is a break for the future when the postage rate will go up to 15 cents, an increase of 15.3846 percent. Why should *I* pay the freight for the beneficial advice given (free) to the above-enumerated officials (among others). The obvious thing would be for them to pay, but I admit that would be too much to expect. So instead, why not a new law like this:

Letters from constituents to public officials shall be at the special rate of (say) 5 cents per ounce. (Post cards, 3 cents.)

Unless some such law is passed, it is logical to predict that mail to officials will decline by—obviously—15.3846 percent, give or take a few postcards. Then such officials will have to take their advice from the remaining 84.6154 percent who, including Helen, will not be deterred because I am sure they never give the postage rate a thought:

"Theirs not to ask how much,
Theirs but to keep in touch.
At thirteen or fifteen
Or even six hundred."

Don't think I'm kidding, Jack. I firmly believe that citizens should be encouraged to write to public officials, federal, state and local. The increasing postage rates are not encouraging in this or any other respect.

How can I convince you that I'm serious?

Sincerely,

(Name deleted.)●

TRIBUTE TO ADA AND ARCHIBALD MACLEISH

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. CONTE. Mr. Speaker, recently, Al Poulin, Jr., professor of English at the State University of New York at Brockport and himself an outstanding poet and literary figure, wrote a fresh and vivid new poem entitled "Geese" and dedicated it to that great man of letters in my congressional district, Archibald MacLeish, of Conway, Mass., and his wife, Ada.

I think the work would be of great interest to my colleagues in the Congress and I am delighted to make it available to them out of my conviction that any homage to the MacLeishes is a tribute to all Americans.

At this point, I would like to insert in the RECORD the poem by Mr. Poulin:

GEESE

(For Ada and Archibald MacLeish)

The scalene angle's point pierces the horizon; light tears. The V widens for miles. Another. Then another. The sky darkens, the air throbs under the pound of wings, cracks to the call of hundreds of them migrating back to Canada. After a multi-thousand-mile flight over oceans and mountains and jungles and cities and, almost home, these geese soar over the last great lake, as sure of their target as missiles or angels deployed by gods. Unarmed by the awe that fills our open mouths season after season, all we can do is stare.

We are the unbelievers who have trod the moon's white dust in disbelief and jettisoned magnetic waves of our voice, the radar of our heart toward uncharted galaxies to trace even just one other planet's pulse and prove that in this cosmos we are not unique, only to return to earth, the terminus of our trajectory, more human, more alone.

Now, in the soft, tilled loam of our friend's family garden, as we track today's last flock of northbound geese, almost invisible against the darkened sky, we are rooted in a moment of amazement under arcs of brilliant single syllables of breath ignited in our throats and booming in the early evening air, like exploding rockets at a local county fair celebrating still another season's harvest.

Our faces and our arms are raised by a supplication that starts in our feet and clings to the lip of the last wing-feather as it suddenly bursts into flame with sunlight and starlight and, dazzling as a pentecostal tongue, plunges deep into the opposite horizon.

Stunned, our arms wrapped around each other in a warmth of friendship, frost of fear, we walk back into the house that hovers in the dark like some familiar ancient ship.

And when we speak again, softly, anxious as first lovers or as lovers who have lived a lifetime when they go to bed, we will not speak of another season's longing or of one more and more inexorable migration, but we shall speak about the garden to be sown, the brilliance of the stars, this gift that makes our bodies ache.

A. POULIN, JR.●

A BILL TO AUTHORIZE TITLE TO CERTAIN RESERVATION LAND TO BE TAKEN IN TRUST

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. RONCALIO. Mr. Speaker, I am introducing a bill today to permit individual Indians, with the approval of the Secretary of the Interior, to take title in trust to land purchased with funds borrowed from the Farmers Home Administration. At present, the Secetary may permit land on the reservation to be taken in trust if the land has been purchased with funds borrowed from the tribes, or from certain BIA programs.

The Indian Financing Act of 1974 (25 U.S.C. 1451 et seq.) states:

It is hereby declared to be the policy of Congress to provide capital on a reimbursable basis to help develop and utilize Indian resources, both physical and human, to a point where the Indians will fully exercise responsibility for the utilization and management of their own resources and where they will enjoy a standard of living from their own productive efforts comparable to that enjoyed by non-Indians in neighboring communities.

To carry this out, the Indian Financing Act authorizes a revolving fund from which Indians may borrow to buy land, and the act also authorizes the Secretary of the Interior to guarantee (up to 90 percent) a loan taken by an Indian from private money sources.

The act also provides that, when an individual Indian purchases land on an Indian reservation with money borrowed either from the revolving fund, or from the loan guarantee fund, he should take title in trust. (25 U.S.C. 1466; 1495.)

In some instances, Indians borrow money from the Farmers Home Administration for land purchases; however, even when the land purchased is on the reservation, the Secretary of the Interior does not have the authority to permit title to be taken in trust since the Farmers Home Administration Act does not contain that authority. That act, of course, deals with Farmers Home Administration policy in general, and does not specifically refer to reservation Indians in any instances.

So, while Indians are not prohibited by law from taking lands in trust when purchased with a Farmers Home Administration loan, neither are they allowed by law to do so.

My bill gives uniformity to congressional policy that permits the Indian borrower to take title in trust.

As a matter of caution, the bill requires the approval of the Secretary before title may be taken in trust. Only in those instances when the Indian buyer has purchased land on the reservation to aid in supporting his or her family by farming or ranching, is the title to be taken in trust. By requiring the Secretary's approval, we further insure that

land is taken in trust only for the benefit of the Indian and not for any other purpose.●

TAX REVOLT: LET'S CUT OUT PAPER SHUFFLERS, NOT ESSENTIAL SERVICES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. ASHBROOK. Mr. Speaker, all over this country, while the crime rate reaches new heights, thousands of policemen sit in uniform, guns at their sides, at a typewriter, while people are robbed and murdered on the streets. Thousands of bureaucrats, in State capitals and in Washington shuffle those papers at public expense. Yet as soon as tax cuts occur, liberal politicans start cutting back the number of policemen on patrol. There is no mention at all of cuts in paperwork or of paper shufflers.

It is not the educational bureaucrats that liberals remove when there is a tax cut, nor is it the liberal's pet experimental education boondoogles that get the axe. Instead, they threaten to fire the classroom teacher.

Liberal politicians respond to tax cuts by cutting out essential services first, in order to punish taxpayers for daring to demand lower taxes. But this threat and punishment is something the voters have had enough of, and politicians who try it are on their way out of office.

No mayor, no Governor, and no other public official has any right to talk about cutting essential services until he has made substantial cuts in paperwork and frills. To respond to a tax cut by announcing cuts in essential services is a blatant show of incompetence and is a demonstration of contempt for the voters. It fools nobody but the die-hard liberals, because everybody knows that a major portion of every government's money is wasted, and that waste should be cut before any reduction in essential services is even considered.

Ten years ago, when some politicians were still willing to call themselves liberals, a huge number of voters could be cowed by these threats of cutting back on police, firemen, and teachers. But today's electorate is becoming a hard-nosed bunch, and the public official who tries this sort of thing is going to have his bluff called.

No liberal has any right to complain that the American taxpayer did not give big Government all the chances it deserved. William Simon estimates that the taxpayers dumped about a trillion dollars into trying to solve all our social problems through big Government. Politicians who try to punish their constituents for demanding tax cuts are trying to live in the past, because today's electorate simply is not going to be intimidated. The Carter budget and the support it receives in Congress clearly show that the liberal majority is trying to live in the past, as are local politicians like Mayor Bradley of Los Angeles, who has begun cutting back on police and school budgets in his city.●

WHAT'S RIGHT WITH THE LAW PROFESSION

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. BOB WILSON. Mr. Speaker, it seems that recently the profession of law has been the subject of increasingly scathing criticism and the popularity of lawyers is almost approaching that of our own.

While some of that criticism may be warranted in some segments of the profession, it should by no means be applied to lawyers across the board.

In a letter to President Carter, the President of the San Diego County Bar Association, Kevin Midlam, tells of the positive work his association is doing, and I commend it to my colleagues as an example of what is right with the profession. I include it as a portion of my remarks:

SAN DIEGO COUNTY BAR ASSOCIATION,
San Diego, Calif., May 30, 1978.

JAMES E. CARTER,
President, United States of America,
Washington, D.C.

DEAR MR. PRESIDENT: Your address to the centennial celebration gathering of the Los Angeles County Bar Association on Law Day, 1978, caused many of us who are attorneys considerable concern. At a time when it is fashionable to castigate the Bench and Bar it seems only appropriate that an insight as to the activities of one Bar Association in the areas of pro bono and public services be brought to your attention.

The San Diego County Bar Association is a voluntary local Bar comprised of approximately 2,600 attorneys. Our Association takes pride in its efforts over many years of having developed numerous innovative programs designed to provide more and better legal services to all segments of the public regardless of financial capability or nature of the cause.

It implemented one of the first indigent criminal defense panels in the state of California staffed by attorneys who rendered defense services free of charge. It developed a Lawyers Referral Service which over the years has served as a model for other Bar Associations across the country as a means of matching the legal consumers needs with expert counsel. It sponsored the first College of Advocacy, the San Diego Inn of Court, a program designed to train young attorneys to be better trial advocates thereby insuring more competent and efficient representation of the public in our courts.

Each year we provide $36,000.00 in funding to our legal aid clinic which renders legal services in civil matters to the poor. We spend $10,000.00 a year on our Tel-Law Program which provides a telephone tape service that gives general legal advice designed to alert a person to a potential problem. At present we are exploring the possibility of opening a law center designed to better serve indigent and low income persons faced with legal problems.

During Law Week, which commenced on May 1, San Diego County implemented new experimental legislation for the Small Claims Court which handles civil cases with a value of up to $750.00. Aside from Saturday sessions and evening sessions conducted by Judges at no extra pay we have commenced mediation procedures involving the use of volunteer attorneys, serving at no cost to provide more informal and expeditious resolution of small claims disputes.

As a special project for Law Day we conducted a "No Bills" day during which 480 attorneys donated a full day to provide free legal advice to the public. Approximately 2,000 people who responded to a $6,200 advertisement paid for by our Association were served.

In an effort to relieve court congestion we formed a Speedy Trial Committee. This committee, again comprised of volunteer attorneys, serve as judges pro tempore at no cost to the public and staff panels comprised of one judge and two attorneys to assist in the settlement of civil cases. The success of this program can easily be measured by the fact that approximately 60% of all cases handled were resolved with a savings to the taxpayers of our county of approximately $200,000.00 in court time and costs. In addition this program has provided easier, quicker, and less expensive access to our judicial system for the litigating public.

Within this past year when faced with the specter of contested judicial elections, a relatively new phenomenon in San Diego, we conducted an evalution of the 38 candidates and incumbents. This evaluation, designed to assist the voting public in making informed decisions at the polls, involved approximately 800 man hours of volunteer attorneys with excellent credentials and high degrees of competency.

In addition to the foregoing our Association maintains an Arbitration Committee designed to assist clients in the resolution of fee disputes at no cost to them. The same is true of our Client Relations Committee which assists clients experiencing difficulties with their attorneys involving lack of communication and services rendered or not rendered. Our Attorney Disability Committee assists in seeing that a client's interests are protected in the event the client is abandoned by a disabled or incapacitated lawyer. All staff support costs for these services are borne by our Association and all attorney participation is voluntary and free.

The foregoing is not an exhaustive list of the public service oriented programs of our Association but is certainly indicative that at least in San Diego County 90% of the lawyers serve 90% of the public.

Very sincerely yours,

KEVIN MIDLAM,
President.●

JOHN STOCKWELL AND THE KBG'S WAR AGAINST THE CIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. McDONALD. Mr. Speaker, on May 19, CIA defector John Stockwell was a featured speaker in the opening session of a conference held in the Rayburn House Office Building. The conference, held by the so-called Government accountability project (GAP) of the Institute for Policy Studies, was de-

signed to encourage other middle-ranking employees of our intelligence agencies to divulge national security secrets to that Marxist think-tank under the camouflage of "whistle blowing."

Doubtless my colleagues will recall that the Institute for Policy Studies Latin American projects were headed by Chilean Marxist-Leninist Orlando Letelier, exposed after his murder as having been an agent of influence for the Soviet KGB. Letelier does not appear atypical of the surviving IPS staff and leaders. His successor as head of the IPS international project, the Transnational Institute (TNI) is Saul Landau, a long-time publicist for the Cuban Communists who described himself in a letter to a top Cuban Communist leader as a "propagandist for the American revolution." The director of the IPS GAP operation is Ralph Stavins, an attorney active with the Communist front National Lawyers Guild in anti-intelligence work. IPS' new director, Robert Borosage, another active NLG member, worked with Stavins in developing attacks on the U.S. intelligence community for several years before heading their spinoff project, the Center for National Security Studies, staffed by a number of IPS veterans.

CIA defector Stockwell has been using a CNSS lawyer while writing his anti-CIA smear book; but British journalist Robert Moss has found information strongly indicating that Stockwell began working with IPS and CNSS long before he resigned from CIA. In this, Stockwell has joined the ignoble company of Philip Agee, expelled from England and Holland for his continuing contacts with hostile intelligence services; and with the IPS/CNSS stable of defectors—Morton Halperin, John Marks, Victor Manchetti, and Frank Snepp.

Robert Moss' article also covers in great detail the current stage of disintegration of the U.S. domestic and foreign intelligence gathering ability. I highly commend this important article published in the June 5, 1978, edition of the London Daily Telegraph, to the attention and consideration of my colleagues.

The article follows:

[The Daily Telegraph, June 5, 1978]

PRESIDENT CARTER AND THE CIA

(By Robert Moss)

The Central Intelligence Agency's lawyers are debating how, and whether to prosecute Mr. John Stockwell, the Agency's latest "ideological defector," for publishing secrets to which his former job had allowed him access without seeking the approval of his former employers.

Some readers of Mr. Stockwell's book "In Search of Enemies," which deals with the CIA's role in Angola, and is soon to be published in Britain, must have closed it, with a strong sense of *deja vu*.

It is not just that Mr. Stockwell has followed the lucrative example of other ex-CIA men-turned-radicals, like Philip Agee or Victor Marchetti, in joining the Left-wing campaign against national security. It is that many of his revelations, and even his phraseology, appeared in print more than two years before his book came out.

In January, 1976, when the debate between the Ford Administration and Congress over whether the CIA should be permitted to give clandestine support to the anti-Soviet forces in Angola was still raging, a radical pressure-group that calls itself the Centre for National Security Studies (CNSS) brought out a surprisingly well-informed pamphlet entitled "CIA's Secret War in Angola."

THE WRONG GAME

It quoted an unnamed "official directly involved" as the source for various allegations about CIA arms, supplies to Angola that are repeated in Stockwell's book. Most intriguing, this anonymous "Deep Throat" is quoted commenting that "it's the wrong game and the players we got are losers.

In calling for the scrapping of the CIA at the end of his book, Stockwell winds it up with an almost identical expression: "It's the wrong game for a great nation. And the players we've got are losers." He appears to be consistent in his literary style.

Yet in January, 1976, Stockwell was still a CIA officer (he resigned in April, 1977), in charge of the task force that had supposedly been trying to coordinate the Agency's covert operations in Angola.

It is difficult not to conclude that, while still employed by his country's intelligence service, Stockwell helped the group that was working full out—then and now—to betray its secrets and disrupt its operations.

He does not scruple to offer effusive thanks in his book to Ralph Stavins, one of the leading activists in the anti-intelligence campaign in the United States. Stavins is a fellow of the Washington-based Institute for Policy Studies (IPS), the hub of radical activism in the country, with an impressive network of friends in Congress, the media and the junior levels of the Carter Administration as well as in far Left organizations.

KEYNOTE SPEAKER

Stavins helped to organize a so-called "Whistleblower's Conference on National Security" on Capitol Hill last month to debate the next stage of the campaign to emasculate America's intelligence services, at which John Stockwell was presented as a keynote speaker.

If Stockwell actually was a "Deep Throat" inside the CIA during the Angolan war—at the very moment he was supposed to be organizing effective American intervention—he must bear some measure of guilt for fact that Angola, under a Marxist dictatorship and a Cuban army of occupation, has become the primary base for current Soviet efforts to subvert Zaire, Zambia and South West Africa.

It seems bitterly ironic that while (at least until now) John Stockwell has been allowed to do things that in Britain would have brought the Official Secrets Act down on his head like an avalanche, retired intelligence officers of a more conventional outlook are being harried through the American courts.

This is because they acted, under the orders of the President, to maintain national security but are now claimed to have used techniques that offended the civil rights of such estimable groups as the Weather Underground and the Socialist Workers' Party, USA (which recently got 60,000 FBI documents released to it under a court order).

PRESIDENT'S PERMISSION

The collapse of the CIA's operational capacity as a result of the anti-intelligence campaign is common knowledge. Under legislation passed by Congress in 1974, before the CIA is permitted to undertake any clandestine operations abroad, it must secure the formal permission of the President after a full sitting of the National Security Council. No fewer than four Congressional committees have to be notified.

This means involving dozens of Congressmen, whose attachment to national security is of varying intensity. The requirement makes it 100 percent certain that news of any major undertaking will be leaked—to the Press or (since the FBI is forbidden to combat Soviet bloc espionage on Capitol Hill, where Congressional staffers are primary targets for the KGB and other sections of the Soviet Embassy) direct to Moscow.

It was disclosed last week that the CIA's Director, Admiral Stanfield Turner, refused an Italian request for help after the abduction of Aldo Moro because his advisers were worried about running foul of the law.

After battering the CIA, the anti-intelligence campaigners have homed in on the FBI. Mr. Patrick Gray, a former Acting Director of the FBI, was indicted last April, together with other senior FBI agents, on charges of "conspiring to deprive citizens of their civil rights." There has since been a purge of the FBI's New York office.

CIVIL SUITS

Radical groups are bringing civil suits against other former FBI men, and they are now being made to pay for their (sometimes stupendous) legal costs out of their own pockets.

One radical group has even secured a court order requiring the FBI to disclose the names of its sources in a particular investigation. If carried out, this would of course mean the death of the FBI as an intelligene-gathering organisation; no such body can exist without being able to protect its sources.

In a further move to restrict the FBI, the Senate passed a Bill at the end of April requiring the FBI to prove that a "foreign power" is involved if it seeks authority to tap a suspect's telephone. Even then, authority would only be given by a court order after a lengthy process involving the Attorney General and the President himself.

According to a report from Senator Kennedy's office, monitoring would not be justified by the mere fact of contact with KGB egents; the criminal law would have to be broken.

THE ENEMY IS US

Now if you believe in the words of an American comic strip hero, that "the enemy is us," such moves may appear unexceptionable. I do not doubt that agencies like the CIA or the FBI have been known to exceed their legitimate functions, whether or not at someone else's behest. (It was Robert Kennedy who ordered the FBI to put a wiretap on Martin Luther King, and he didn't bother about getting a court order.)

I do not dispute that such bodies must operate under democratic control and within the framework of the law.

But a balance must be drawn between the libertarian case and the requirements of national security. The CIA's counter-intelligence staff got into hot water in 1974, for example, because they opened the mail of American citizens.

They trespassed, by so doing, in an area they were legally prohibited to enter—even if they acted in liaison with the FBI, which has (or used to have) the right to examine suspect American mail, subject to certain controls. All very scandalous and irregular.

LETTERS TO KGB

But it is worth recording that one of the things that was turned up by the CIA's mail interception programme was that a prominent Senator—even more prominent now than he was then—was in regular correspondence with five Soviet citizens in Moscow. Three of them were identified KGB officers; a fourth was a suspected KGB officer.

When a CIA man offered to testify on these facts to a Senate investigating committee, it was suddenly found that there was "no time" to include him in the public sessions, or for him to appear before the full committee. I am not saying that such discoveries justified the CIA in overstepping the rules, I am suggesting that this particular story illustrates some of the realities that have to be taken into account.

These matters to which President Carter must now bend his mind. He seems to have been "born again" in his perception of how the Russians think and operate, which is an encouraging sign. He is no longer boasting about how America has lost its "inordinate fear of Communism"; Zaire and the Horn of Africa seem to have taught him that Communism must be both feared and resisted. But how active is Mr. Carter's resistance going to be?

LEGAL FRAMEWORK

An important test—perhaps the most important—will be whether Mr. Carter is prepared to move decisively to rearm America's intelligence services and to provide a legal framework within which they will be subjected to the necessary controls without being asphyxiated.

America needs some form of Official Secrets Act; it is absurd that there is no curb on publishing secrets that may be of incalculable value to the Soviet Union in the daily Press, although passing them direct to a KGB agent would be treated as an act of espionage.

America needs the capacity to respond to Soviet espionage and subversion in beleaguered parts of the world without institutionalised leakage.

It needs the capacity to ensure that Communist "agents of influence" are not able to reach senior people in Congress or the Administration undetected.

It needs to be able to contribute more effectively to the international response to terrorism.●

SOCIAL SECURITY TAX ROLLBACK; ANOTHER ALTERNATIVE

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. JONES of Oklahoma. Mr. Speaker, one of my primary objections to the Social Security Amendments of 1977 was the lack of imaginative solutions to the financing problems of the social security system. The same old answers of raising the tax rate or the wage base were all that were seriously considered.

Now that our Nation's taxpayers are increasingly vocal in their criticism of the total tax burden, it has become clear to many of my colleagues who initially voted in favor of this legislation that simple tax rate and wage base increases are no longer acceptable to the general public.

As the Congress responds to the public demand for a rollback of the 1977 social security tax, I feel we should look for new alternatives which may be more effective and responsible solutions to the social security financing problems than those incorporated into the 1977 amendments.

I wish to share with my colleagues an interesting article on this subject by Dr. Rudolph G. Penner which appeared in the Denver Post on June 4, 1978. Dr. Penner suggests tying social security benefit levels to a price index rather than to a wage index, and he feels this approach would keep additional payroll taxes at a lower level than those included in the 1977 amendments. This proposal certainly merits careful consideration.

SOCIAL SECURITY BUILDUP UNNECESSARY

(By Rudolph G. Penner)

Massive Social Security payroll tax increases voted by Congress last year—currently the cause of a taxpayer near rebellion—actually are unnecessary.

Congress could roll back much of the additional scheduled tax increases voted for future years, and still keep Social Security solvent in the long run, simply by changing the formula for calculating future retirement benefits.

The 1977 Social Security amendments tie future benefits to a wage index. In other words, future benefits will grow at the same rate as wages.

The reasonable alternative is to tie the benefits instead to a price index—with benefits increasing at the same rate as prices. Price indexing, which was recommended by a congressionally-appointed consultant panel, would fully protect Social Security beneficiaries against inflation. The cost saving over the next 75 years has a present value of more than $500 billion.

Prior to 1977, the Social Security laws permitted both wage and price increases to influence benefit schedules for future retirees. This was recognized as an overcompensation for inflation that could allow some beneficiaries to receive more than they were earning before retirement. On the recommendations of President Carter and President Ford before him, Congress acted to index future benefits to wages only.

"Wage indexing, however, will also result in some extremely over-generous benefits in the long run. Under reasonable assumptions, the maximum tax-free benefit for couples retiring in the year 2050 will be well over $30,000 per year in terms of today's purchasing power.

"Although it is unlikely the law will remain constant until 2050, it is important to ask whether we should now embark on a course toward such lavish future benefits.

"Price indexed benefits grow at a slightly slower rate than wage indexed benefits. At first glance, the difference does not seem important. If real wage rates grow at 2 percent per year, wage indexed benefits for the average worker grow at a rate that is less than 1 percent faster than price indexed benefits.

"Over time, however, small absolute differences in growth rates lead to enormous differences in benefits and costs. This is the basis for the calculation of an estimated present value of $500 billion in savings over 75 years with price indexing.

"Even a price indexed system would require some increases in Social Security payroll taxes. But these increases would be much smaller than those voted by Congress under the wage indexed system.

"Congress performed its major surgery on the Social Security laws last year primarily because the system faced a short term financial problem.

"High levels of unemployment and inflation experienced since the 1974–75 recession created a deficit which threatened to exhaust the combined old age, survivors and disability trust funds in the early 1980s. Price indexing does not solve the shortrun deficit problem and the trust funds would require some temporary financial support from general revenues.

"However, this is not a serious problem as long as we have a responsible system in place that eventually leads to surpluses. Toward the turn of the century, there will be a respite from the rapid benefit increases when the relatively few individuals born during the Great Depression retire.

"With price indexing and the necessary tax increases in place, any trust fund debt could then be repaid and surpluses accumulated to cover the retirement of those born during the baby boom of the 1940s and 1950s.

"The congressional panel did not wish to rule out benefit increases beyond those provided by the price indexed formula. It only wished to leave such increases up to the discretion of future Congresses.

"Future economic or demographic developments favorable to Social Security may allow us to decide that we can afford further periodic increases in real benefits. There is simply no reason to build in such increases in advance." ●

DEGREES CONFERRED ON SPEAKER AND MRS. THOMAS P. O'NEILL, JR. BY OUR LADY OF THE ELMS COLLEGE, CHICOPEE, MASS.

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. BOLAND. Mr. Speaker, during 1978, the College of Our Lady of the Elms, Chicopee, Mass., celebrates its golden anniversary. In the midst of this celebration, this college has chosen to honor, for the first time in its history, a husband and wife, father and mother, the distinguished Speaker of the U.S. House of Representatives THOMAS P. O'NEILL, Jr. and the lovely Mildred Miller O'Neill.

The Church in America under the leadership of the United States Catholic Conference is initiating in 1979, a year and a decade devoted to family research and renewed ministry to and by families. On November 11, 1977, President Jimmy Carter defined the education that transpires within the family, when he said:

The family teaches us responsibility and compassion; it encourages our best efforts, and it forgives our failures.

In recognition of the home as an educational center, for whom and with whom the College of Our Lady of the Elms has worked for 50 years, and in recognition of them as family leaders, the college on Sunday, May 21, was proud to bestow honorary degrees of Doctor of Laws on Mildred O'Neill and THOMAS P. O'NEILL, Jr.

The college could not have honored a more devoted couple. I have been a close friend of Millie and TIP O'NEILL for many years, and know that their successful marriage is based on the timeless values of love and faith, giving and understanding.

Also honored at commencement ceremonies were Bishop Joseph F. Maguire of Springfield, former bank president

Robert J. Miller and newspaper columnist Alice Scott Ross. All three were awarded honorary degrees by Our Lady of the Elms.

Bishop Maguire, chairman of the Elms Board of Trustees, was ordained a priest in 1945 and appointed Bishop of the Diocese of Springfield in 1977. Robert Miller, a former president of the First National Bank of Northampton, has served as director of the Northampton Chamber of Commerce and established the Richard J. Rahar Elms Scholarship Fund. Alice Scott Ross has been a distinguished columnist for the Springfield newspapers since 1943 and was named Woman of the Year by the women's division of the Springfield Chamber of Commerce in 1955. I congratulate these three fine citizens on their honorary degrees.

I know I speak the sentiments of all of my colleagues in extending congratulations at this time to Mrs. and Speaker O'NEILL. I include with my remarks the citations conferring their honorary degrees. I insert Speaker O'NEILL's time and timely address:

MILDRED MILLER O'NEILL

We honor Mildred O'Neill as a symbol of the beautiful virtue of fidelity so much needed in family life today. In a very extraordinary way she has given of herself to this country. It was her understanding and deep appreciation of what it is to be called to the service of one's country which enabled her unselfishly and graciously to free and support her husband in his desire to serve the people of Massachusetts and of these United States.

Thus her husband in Washington, Mildred O'Neill, residing with her children on Russell Street in Cambridge, devoted herself steadfastly and with loving care to their five children. Integral to her life was her love of and her involvement in her parish church, St. John's in North Cambridge. She participated actively in all the social and apostolic functions of St. John's Women's Guild.

Knowing that the Church is the people of God, she widened her circle of concern and committed herself to the needs of the less fortunate. Mildred worked arduously in service to numerous hospitals, and for the physically handicapped, particularly through the Cardinal Cushing Committee for exceptional children at Saint Colleta's School in Hanover.

Residing now in Washington with her husband, Mildred O'Neill co-chaired this year with Mrs. Rosalyn Carter the fund-raising project for the restoration of Ford Theatre so that this historical landmark may stand as a lasting memorial to our nation's history. "Tip" is called the Speaker of the House; but Millie, ever-gracious and ever faithful, is affectionately called the Speaker of Tip's House.

The College of our Lady of the Elms proudly bestows on you, Mildred Miller O'Neill, the degree of Doctor of Laws.

THOMAS P. O'NEILL, JR.

Thomas P. O'Neill, Jr., or Tip, as he is fondly called, is respected as a man of principle. He who once defined politics as "the art of effective compromise," remains uncompromising when principle is at stake. As a legislator, he has sought to ensure the principle of the sacredness of life and of all human rights. He voted for the Civil Rights Acts of 1956, 1957, and 1964. He worked for housing development, antipoverty programs, and federally funded health care.

Catholic schools are indebted to him for his support of legislation open to all educational institutions. He once threatened to delay indefinitely the Kennedy Administration's massive school aid bill unless a companion bill authorizing federal aid to children attending both private and public schools was also cleared for debate.

Finally, Tip O'Neill has worked to achieve global peace. In 1967, after listening to his own children, as a symbol of American youth, voice their objections to America's deeds of war, he became one of the first leading democrats to break with the President regarding the war. He risked an unpopular stand, jeopardized his political position, and spoke out strongly against the continued participation of the United States in the Vietnam War. He not only continued to oppose the war in Vietnam, but also has spoken out against the conflicts in Northern Ireland, South Africa, and other troubled areas of the world.

Highly esteemed as a man of principle, his colleagues elected him to the third highest place of honor in the country—The Speaker of the House of Representatives. The College of Our Lady of the Elms is the tenth college to honor Thomas P. O'Neill with an honorary degree. The College now bestows upon you, Mr. Speaker, the degree of Doctor of Laws.

REMARKS BY THOMAS P. O'NEILL, JR., SPEAKER, U.S. HOUSE OF REPRESENTATIVES

President D'Alessio, Sister Mary Dooley, your Excellency Bishop Maguire, Sister Maria Morris, Sisters of St. Joseph, fellow honorary degree recipients, board of trustees, members of the faculty and students of Our Lady of the Elms College and distinguished guests—

It is a personal privilege and high honor for me to be your commencement speaker on the 50th anniversary of Our Lady of the Elms College, and for Millie and me to be the recipients of the first husband and wife honorary degrees.

Of all the honors and awards that I have been privileged to receive in my public career, none is more deeply appreciated, more moving and more gratifying to me than this one—which recognizes the beautiful partnership that Millie and I share together. I have always believed that one's family is where one finds true happiness; and the greatest joys and delights of my life have been with Millie and our five children.

My loving wife, Millie, has laughed with me in moments of personal triumph and public acclaim, and has cried for me in moments of personal defeat and public despair, has always given unselfishly and has always given her best to our family. I am proud to have my children here to share this recognition of her contribution to our partnership, and the recognition that while I may be Speaker of the United States House of Representatives, Mildred Miller O'Neill is the speaker of our home and family.

Commencement is that very special time of year, when our young people leave the sanctuary of the university to venture out and to assume their place in our society, whether in law, medicine, business, industry, public service and government, or the field of education. Before long you will discover the years here at the Elms have served you well—that the intellectual challenge you have experienced in the classroom molded the discipline and challenge that will stand you well in the future.

It is indeed a happy and memorable occasion for the young and talented women of the class of 1978—all bright, educated, and ambitious, who are about to reach new horizons.

Naturally, there is a feeling of trepidation as one leaves the familiar atmosphere of the college, with the general slower pace, with the preoccupation of knowledge and understanding, and its devotion to the intellectual growth of the individual to participate in an often frenetic and disjointed pace of modern life.

When President D'Alessio informed me of the honor extended to Millie and me, he described the intent of the trustees as "affirming the value of a Christian marriage in today's society". The College of the Elms has decided on the occasion of its golden anniversary to recognize the importance of the family in our society.

I am deeply appreciative of the fact that the College of the Elms chose my wife and I to do so.

It is indeed appropriate to discuss the current state of the family in American society because its current state and its future condition have become of great interest to scholars, political leaders, and laymen over the past few years.

There is no question that the family is under great pressure, so severe in fact that commentators like Alvin Toffler, author of Future Shock, predicted that "temporary marriage will be the standard of the future." One observer has characterized our time as endorsing the "Ideology of Non-Binding Commitments". In an era where dramatic change is usual rather than unusual—the finality of the words "Till Death Do Us Part" contained in the marriage vows are in danger of losing their impact.

Thirty-seven years ago, my wife and I made such a commitment to each other, and that commitment was renewed by the births of five children. Naturally, in the course of the last 37 years that commitment was tested by the demands of public life: by the challenge of providing for five children; and most of all by the distance between Boston and Washington, D.C.

In many ways, despite my role in public life and our family's exposure to different and changing public attitudes, we are a traditional family. Some might even label us as "old-fashioned." our family, like most Catholic families, was the place where values were passed along from one generation to another—admittedly, seldom without great discussion. We looked for emotional sustenance from each other. And, while as parents we mixed love with discipline, we all learned to tolerate our differences through humor while celebrating our common bonds through a healthy affection for each other.

In 1941, we had not entered the age of uncertainty—commitment in marriage was personal, religious, and a life-time in duration. Children were an expected and desired consequence of marriage. Providing for the family was the clear and solemn responsibility of the husband.

In 1978, we are faced with "trial marriage"; "childless marriage"; and wives working outside the home. The family has been drawn into and is being transformed by an accelerated rate of change in post-industrial America.

There are those, particularly social scientists, who would say that this is an inevitable by-product of economic and social trends—but there are many, beginning with the President of the United States, who are concerned about the consequences of rapid change on the family. We are not prepared to condemn change, but we wish to assess its consequences.

My generation always wanted a better education and better foundation for our children—yet as Christopher Lasch pointed out, the function of the family as a provider

is in jeopardy. It is in jeopardy because of rising education costs and because of rising medical costs as well. When the American family cannot adequately provide for the education and health of its members, then it is indeed facing a serious test.

Those of us in Government have begun, and must continue to weigh and assess the effects of our actions on the structure of the American family. In our roles as spouses and parents, we must assess the effects of outside influences on our own attitudes as to our roles and responsibilities.

Race, regional, religious, ethnic and economic barriers are rapidly disappearing today. In their place, a new generational barrier has begun to appear. We are fast becoming a nation segregated not by race, class or distance, but by age. Like "Brave New World", we seek a society of youth and prosperity. These gaps appear within the family as well as outside of it. And they inevitably conform to the age categorization we fall under as consumers. We must not view ourselves as we are viewed by the advertising industry—those that consume the most do not matter the most.

One observer has written that our new idea of freedom is separating us from our past. In our urban, highly mobile culture, we have seen this idea of freedom sought at the expense of, first, the extended—and now the nuclear family. This is what has been described by one writer as our "pursuit of loneliness."

It has left our senior citizens alone and abandoned; our cities brutalized without stable communal links; and our society at large segregated by age and embittered by generational conflict.

Families are the basic building block of our society:

If they are threatened, we as individuals are threatened.

If they are weakened, we as individuals are weakened.

If they have lost their sense of purpose, we as individuals will lose ours.

We cannot judge ourselves by our own observations alone; we cannot enjoy ourselves by ourselves; we cannot seek our future without a sense of our past; we cannot have peace within ourselves unless those we live among are at peace as well.

To meet the changing role of the family in the world today, institutions like the Elms provide a supportive environment where women learn to articulate with clarity and precision their ideas, opinions and feelings.

What has been unique about Our Lady of the Elms College?

Its flexibility, creativity and adaptability, combined with serious long-range planning and thoughtful re-examination.

Our Lady of the Elms College has given you a firm foundation upon which to build your future. Through the sacrifice and unselfish dedication of its founder, Mother John Berkman, and the Sisters of St. Joseph, and always with the support of the diocese of the area, the Elms College has maintained throughout the years of its development, one simple, yet noble objective—to give Catholic women the kind of education which they could not otherwise receive in this nation.

What I see the future for educated women of the class of 1978 is a wider range of choices and greater combination of opportunities: and with these larger options for women, a reduction and eventual elimination of overt discrimination in careers and employment. You will have more choices than ever before, because it is your generation which will experience the real significance of careers completely open to talent, regardless of sex.

If you make the most of your education and the opportunities it presents, the years ahead will be filled with every manner and type of experience. Use not only your minds, which have been educated and primed for inquiry and thought, but also your hearts, which have been trained here for compassion and understanding. Use not only abilities which you have developed at the Elms through practice and discipline, but your God-given abilities to help others and yourself make a better world. In meeting future challenges, make use not only of the tools of reasoning and objective research, but strong faith as well.

Through hope, into grudging resignation—through common sense, not utopian visions—through sensitivity, not callous disregard—you, the class of 1978, are the generation that must continue the struggle to solve the problems of the family, America and the world.

God speed and thank you! ●

DR. GEORGE PAPANICOLAOU: A GREAT AMERICAN

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mrs. MEYNER. Mr. Speaker, in a small church cemetery in Clinton, N.J., is the grave of Dr. George N. Papanicolaou, a great physician of Greek heritage who 50 years ago developed the famous "Pap Test" responsible for saving the lives of countless women.

Dr. Papanicolaou's landmark achievement has recently been honored by the issuance of a commemorative stamp, and it is appropriate that we recall his important contributions to medicine.

Dr. Papanicolaou spent some of his most enjoyable hours in northwestern New Jersey, where he found the inspiration and recreation necessary to continue his important work. I draw the attention of others to his achievements, recounted in a sensitive article by Mr. Ron Panko of the Hunterdon County Democrat, one of the finest weekly newspapers in New Jersey. Mr. Panko points out that Dr. Papanicolaou was truly a great humanitarian whose interests extended far beyond his primary discipline; he was by any account a great physician, a great American and a citizen of the world in the finest sense of that term. The article follows:

"PAP TEST" DEVELOPER CITED

(By Ron Panko)

A commemorative stamp recently issued by the Postal Service honors a world-renowned scientist buried in Clinton.

The stamp, issued on May 18, depicts Dr. George N. Papanicolaou, developer of the "Pap Test" used to detect cancer of the uterine cervix, working over his microscope. Ironically, the stamp, being a 13 center, is already obsolete. But it is beautiful nonetheless, and Papanicolaou's nephew, E. C. Stamatiou of Bethelehem Township, is excited over the recognition his uncle is posthumously receiving.

"He was like a father to me," said Stamatiou, "and I admired him very much. He was a cultured altruistic, humble man with a great capacity for work. Even when he was well-known, he never used the world for his own material betterment."

Appropriately, an inconspicuous marble stone in the quiet Presbyterian Church Cemetery on Center Street marks the spot where Papanicolaou was buried 16 years ago. Grass encroaches on the sides of the ground-level plaque, threatening to cover the modest market.

Although he was never a Clinton resident, this is where Papanicolaou wanted to be buried.

"At my wife's funeral in 1961," recalled Stamatiou, "he told me he wanted to be buried here. Three months later, in February, he was."

The "Pap Test," a procedure extensively used to detect cancer of the uterine cervix, is responsible for saving the lives of thousands of women worldwide. Papanicolaou's research leading to its discovery ranks with the work of Wilhelm Roentgen and Marie Curie in the battle against the dread disease.

According to medical authorities today, cancer of the cervix is 100 percent curable if caught in its early stages.

Papanicolaou, who came to the U.S. in 1913, was born in Kymi, Greece, in 1883, the son of a physician.

He entered the University of Athens in 1898 to pursue his interests, the humanities and music, which he loved up to the day of his death in 1962.

"He would come to spend the summers here," said Stamatiou at his 150-acre estate overlooking Spruce Run Reservoir, "and he was always good company. He was very good on the violin and piano, and he liked to have a drink.

"He was also a great swimmer and we'd spend many days in the pool," he continued. "And in the evenings, the deer would come by and we would feed them, sometimes out of our hands.

"He was a sensitive man who liked life."

After his graduation from college in Athens, Papanicolaou entered medical school more to satisfy his father than himself.

In the U.S., he taught clinical anatomy and did research as a professor at the Cornell University Medical Center for 47 years.

Beginning his cancer research in 1917 on guinea pigs, he extended his study to humans by 1923. Reports and articles on his findings in the late 1920's and 1930's, however, failed to stir much interest.

A joint 1941 publication, however, with gynecologist Herbert Traut entitled "Diagnosis of Uterine Cancer by the Vaginal Smear," was instrumental in gaining medical acceptance of his work.

DREAM REALIZED

At 78 years old, Papanicolaou's dream of establishing a cytological institute was realized when he was asked to become the director of the Cancer Institute of Miami, and he set about with great energy recruiting a new staff.

Vigorous to the last, Papanicolaou took his usual swim, on the morning of Feb. 18, 1962. Early the next morning, he was dead of a heart attack.

Eulogized in New York City, he was buried beside his niece, Maria, herself a cancer victim.

In ceremonies dedicating the Miami center on May 13, Papanicolaou's 79th birthday, as the "Papanicolaou Cancer Research Institute," he was remembered as a "giver of life . . . in the company of the great."

To E. C. Stamatiou, he was even more. ●

FEDERAL TRANSLATION COORDINATING COUNCIL

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, I am privileged to rise today to introduce

a bill that would create a Federal Translation Coordinating Council as an independent organization within the executive branch of the Federal Government.

It has come to my attention that the translation community within the Federal Government suffers from a number of problems due to a lack of coordination between various Government departments and agencies involved in translation work. Among these problems is a lack of standard meanings for many foreign terms, discrepancies in grade assignments and contract funding among translators employed in the Federal Government, duplication of work and inadequate training of personnel. This lack of coordination has also resulted in a complete lack of comprehensive information on the number and location of translators employed in either the private or Government sector, or even a complete listing of all commercial firms engaged in translation work.

In addition, the number and quality of Federal translators has been steadily decreasing over the past years at a time when our growing relations with other countries requires an ever-increasing degree of communication with them. I feel that in a world where international communication is becoming more important the accurate translation of material is a national imperative.

The Federal Translation Coordinating Council will establish and coordinate all aspects of Federal transaction. It will be authorized to conduct a complete census of the translation profession available for Government use, improve the quality and quantity of translations available, determine which offices in the Federal Government utilize translation services and establish principles, standards and procedures for Federal translation work. The Council's duties shall include determining which institutions of higher learning provide training in the skills required of a translator and an evaluation of translation systems in foreign countries. It will also have the authority to set such rules and regulations as it deems necessary to carry out the provisions of this act. Following the disbandment of the Council 1 year after appointment, the Secretary of State shall complete implementation of the Council's recommendations.

The Council will consist of 10 members, including a delegate of the Secretary of State and a delegate of the Secretary of Defense. The President shall appoint the remaining 8 members, consisting of 2 supervisory Federal employees involved in intelligence activities for the Federal Government, 2 supervisory Federal Government employees involved in translation work (one of whom shall be from the National Science Foundation), and 4 experts in translation from the private sector. The Chairman of the Council will be appointed by the President from among the members.

The Council shall have the authority to appoint such staff, as it deems necessary, to carry out its functions. The Council will also be able to "borrow" personnel from other departments and agencies on a reimbursable basis. The Federal Translation Coordinating Council will make a report to Congress, the President and the Secretary of State, which shall include recommendations of overall policy coordination including any suggestions for legislation with respect to the Federal programs it oversees and the standards that it has established.

In establishing the Council, I do not wish to imply that all Government translation work is bad; most of it is good and a great a deal of it is excellent. But serious problems do exist in the translation community and they require our attention. This bill is not intended to be a final version, but is introduced with the hope that it will begin the process whereby we may begin to seek our solutions to the many problems that exist in this vital area.●

SENATE—*Wednesday, June 14, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by Hon. PAUL G. HATFIELD, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

God of our fathers and our God, we thank Thee once more for the flag of the United States around which we rally in daily work, in war and in peace, in adversity and prosperity, the symbol of a free people striving to know and to do Thy will. Forgive those who defile, corrupt, or in any way blemish this precious symbol of heritage and destiny. Bind us together under this ensign as "one nation under God indivisible with liberty and justice for all."

Give us the will to correct what is wrong, affirm what is right, and to rededicate ourselves to unselfish service so that the flag may be to all the world a sign of compassion and healing, truth and beauty, peace and good will.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 14, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL G. HATFIELD, a Senator from the State of Montana, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. PAUL G. HATFIELD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VOTE ON CLOTURE

Mr ROBERT C. BYRD. I ask unanimous consent that the vote on the motion to invoke cloture extend for 20 minutes today, with the warning bells to be sounded after the first 12½ minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour of debate before cloture be equally divided between Mr. WILLIAMS and Mr. HATCH.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no further need for my time.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I yield my time to the distinguished Senator from Alaska (Mr. STEVENS).

PRIVILEGE OF THE FLOOR

Mr. STEVENS. Mr. President, I ask unanimous consent that Steve Silvers, of my staff, be permitted access to the floor until the termination of my special order today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. I have no further need for the time under the order.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Sen-

ator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

A SCARY PRECEDENT

Mr. HARRY F. BYRD, JR. Mr. President, the Washington Star, of June 12, carried an excellent column by the distinguished commentator, Charles Bartlett. The caption was "The Scary Precedent of a Bailout." The lead paragraph says this:

> Precedent, the poet Swinburne wrote, "is a king of men," and the future may be shaped more by what is being done to rescue New York City than by the voters' outcry in the California referendum.

At the appropriate time, I shall ask that that entire column be printed in the RECORD.

Mr. President, this is an excellent article. It puts in perspective the problem faced by the Congress in trying to determine what to do in regard to the legislation providing for both short-term credits and long-term guarantees for New York City.

I note in yesterday's CONGRESSIONAL RECORD—that is, the RECORD of June 13—that the Senator from Indiana (Mr. LUGAR) called the attention of the Senate to the fact that the Banking Committee at that time was holding hearings on the proposed New York City legislation and that the Banking Committee proposes to mark up the legislation tomorrow.

Senator LUGAR is a member of that committee. He has also been very active in the floor debate on the so-called labor law reform bill. I think this emphasizes the problem of permitting committees to meet at a time when the Senate has before it vitally important legislation.

As Senator LUGAR pointed out in his comments yesterday, obviously he cannot be on the floor of the Senate debating the labor legislation and simultaneously be at a vitally important committee hearing dealing with the proposed bailout of New York City.

I think it is significant that the chairman of the Committee on Banking, the Senator from Wisconsin (Mr. PROXMIRE), opposes the continued bailout of New York City. Also, I note from an Associated Press report that the ranking Republican member of the Banking Committee, the Senator from Massachusetts (Mr. BROOKE), opposes providing Federal guarantees for New York City. Senator BROOKE, in his statement, said:

> It seems to me that this represents a step backward.

My purpose in speaking today, Mr. President, is to urge that neither the Banking Committee nor the Senate leadership seek to have the Senate act hastily on this very important matter. The Senator from Indiana indicated in his remarks yesterday that he is prepared to object to unanimous-consent agreements in regard to time limitations.

The Senator from Virginia, in his comments this morning, likewise wishes to state for the RECORD that I cannot agree to a limitation of time on the discussion of a matter of such importance as the precedent that will be established by the proposed New York legislation.

I would hope that the Senate would deliberate on this problem with some care. As the Bartlett column points out, a precedent will be established if the legislation is enacted.

The Senate Banking Committee is sharply divided, if my information is correct, as to the wisdom of the proposal offered by the Carter administration. It goes beyond what was done 3 years ago.

I will point out to the Senate, too, that when legislation was enacted 3 years ago providing for short-term financing for New York City, the Congress was promised that the city would balance its budget by the end of the 3-year period. That 3-year period ends June 30, at the end of this month. Yet, New York City is not much closer to a balanced budget today than it was 3 years ago.

The proposed legislation would provide that New York City would not be required to balance its budget for an additional 4 years. To me, that is totally unreasonable.

The ramifications of the proposed legislation are great and far reaching. I think it is very important that the matter be considered with great care and without undue haste. Its enactment could encourage politicians everywhere to give in to the demands of the pressure groups, and then send the bill to the Federal Government.

I have no interest in a filibuster. I am not speaking of that.

At the same time, I have no interest in being gagged and being told, Senator so and so can have x number of minutes to discuss this important matter, and I think it is a vitally important matter.

Again, Mr. President, I want to commend to my colleagues in the Senate the column by Charles Bartlett as published in the Washington Star on June 12, 1978. I ask unanimous consent that the text of this column be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE SCARY PRECEDENT OF A BAIL-OUT

(By Charles Bartlett)

Precedent, the poet Swinburne wrote, is "a king of men," and the future may be shaped more by what is being done to rescue New York City than by the voters' outcry in California referendum.

In fact, the precedent involved in guaranteeing a large slice of New York City's debt may have a long reign because it invites all financially troubled cities to take their problems to Uncle Sam.

The bankers and the humanitarians have joined in support of these guarantees and the vote in the House last Thursday showed they are a potent combination.

Only a short time ago expert nose-counters failed to find solid promise of support in the House for the Carter version of the New York bail-out, a package that adds $2 billion in 15-year guarantees to the short-term props enacted in 1975. The earlier bill passed the House by only 10 votes, and the city has done much but not all of what it promised to do three years ago. So the outlook for the new measure seemed highly uncertain.

But the bill floated through the House with a margin of 92 votes, a sweep which virtually dooms the Senate efforts by William Proxmire, D-Wis., to hold the line against long-term guarantees.

The bankers had been persuasive, bringing in some Republican members who had never voted for anything to the left of the 1920 party platform. They seemed incongruous alongside the West Side liberals who were saying, "Give us your tired, your poor."

In fact, nearly half the House Republicans and 16 of the 28 members retiring from politics voted for the bail-out. The New York delegation was solid except for Democrat Otis Pike, who took advantage of his intention to retire and skipped the vote. Even Buffalo Rep. Jack Kemp, eyeing the Senate and gaining fame as a leader of a move to cut federal taxes, balked at the example of James Buckley, who lost his Senate seat after opposing aid to the city in 1975.

"Go along with this and we can forget New York City for 20 years." This was a comforting rationalization that sufficed for many in a much less controversial atmosphere than the one which produced the close vote three years ago. Mail on the issue was light because the line against the guarantee had not been firmly drawn.

There was no one to play the vocal role of William Simon, who encountered fierce hostility in 1975 after he opposed rescue measures in which he saw a dangerous precedent.

The ordeal is recounted in Simon's new book, "A Time for Truth." He writes that the decay of New York City's fiscal integrity and the opportunism of its rescuers would not be frightening if the city were apart from the American mainstream.

However, he writes, "New York City is America in microcosm—America in its most culturally concentrated form. The philosophy, the illusions, the pretensions, and the rationalizations which guide New York City are those which guide the entire country. What is happening to New York, therefore, is overwhelmingly important to all Americans."

Those anxious to give Mayor Edward A. Koch a long leash talked in the House as if the city's departure from the path of fiscal sanity had been a one-time phenomenon. But they would only have to look back to 1933 to find that one of the major trials of Gov. Herbert Lehman involved pulling the city back from the brink of the insolvency into which it had been driven by incompetent mayors like Jimmy Walker.

The problem was handled 45 years ago as a matter that concerned the bankers, the city, and the state. This time the key role is being handed to the federal government.

This shift lends meaning to Arthur Burns' warning: "It is not inconceivable that the responsibilities now lodged in our state and local governments would in time wither away."

Victor Gotbaum, the labor leader who represents over 250,000 New York City workers, testified two years ago that "a New York City bail-out would be of assistance to every urban center that is in trouble."

The pressures launched in California for thrift and prudence in local government may well find their ultimate negation in Congress' opening of a new window at the federal bank.

SPECIAL ORDER

Mr. HARRY F. BYRD, JR. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining.

Mr. HARRY F. BYRD, JR. I yield my 5 minutes to the Senator from Alaska (Mr. STEVENS) who also has time.

Mr. STEVENS. Mr. President, I am indebted to my good friend from Vir-

ginia. It is my understanding I do have the next special order.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized for not to exceed 15 minutes.

ALASKAN LANDS

Mr. STEVENS. Mr. President, I would like to start a series of comments and special orders concerning the so-called d–2 issue that so vitally affects my State of Alaska.

This is the first of a series of those special orders and today I would like to talk about the myth of the bulldozer.

When H.R. 39 was before the other body, there were indications that unless Congress acted on H.R. 39 by December 18 of this year that there would be bulldozers ripping up the lands of Alaska that were essential to be added to the four national systems: The National Park System, the Wildlife Refuge System, the National Forest System, and the Dild and Scenic Rivers System.

That statement was made by people who know better. Ninety-nine percent of Alaska is de facto wilderness right now. By virtue of two significant acts of Congress there is a selection process going on whereby the State of Alaska will obtain lands granted to our new State at the time we achieved statehood.

There is a separate selection process going on whereby our Alaskan Native people are identifying the lands that were confirmed to them in settlement of the 100-year-old dispute between the Alaskan Native people and the Federal Government regarding their Alaskan Native land claims that had persisted since the day the United States purchased the territory of Alaska from Russia.

At the time that legislation was before the House there was an amendment offered to require that 100 million acres of Alaskan land be studied to determine what portion of that land should be added to the four national systems. That amendment was defeated.

Subsequently, when we considered that bill, we had the Bible amendment, which we agreed to, which required the study of all lands of Alaska to determine whether any land should be added to the four national systems, but did not specifically withdraw any lands.

In the conference committee, we agreed to section 17(d)(2) which required the Secretary of the Interior to withdraw up to—and I emphasize that, up to—80 million acres and to recommend to Congress the lands that he felt should be added to the four national systems within the lands so withdrawn.

But we are in a situation now that the legislation that has passed the other body overwhelmingly has ignored the parameters of section 17(d)(2), that is, it goes far beyond the 80 million acres and it totally overlooks the reason for the inclusion of section 17(d)(2) in the Alaskan Native Land Claims Settlement Act.

That reason was that the selections by the State and the Natives would take out of Federal ownership the lands that were granted to the State and to the Native people, respectively.

The contention was made that some of those lands might be of such significance that the national interest required them to be added to the four national systems so that they would not be selected by the State or the Natives.

We did not create section 17d–2 to prevent bulldozers from coming into Alaska. There was no contention then that that was the reason for section 17 d–2. As a matter of fact, the assertion today is as untrue as it would have been then.

One of the main reasons it is untrue is that since the enactment of the Alaska Native Land Claims Settlement Act, the Secretary of the Interior, acting under the authority granted him under section 17d–1, which was an authority to withdraw public lands to protect the public interest, has withdrawn all lands of Alaska including d–2 lands, that are not already subject to protection.

At the time that was done, I felt that it was improper action. I still feel that we had passed the Alaska Native Land Claims Settlement Act primarily to lift the so-called land freeze that was placed on all Alaska lands in 1968 by the former Secretary of the Interior, Stewart Udall.

I might state to the Senate and to the Nation as a whole that I think it is a national disgrace and something that will have an adverse impact on our national security for years to come, that there has not been a new Federal oil and gas lease issued on Alaska lands since 1969.

Alaska has more than half of the Federal lands of the United States. We are informed that at least 40 percent of the oil and gas potential of the United States exists in those lands. However, no action has been taken to allow access to those lands, because of the so-called d–1 withdrawal which followed on the land freeze that was imposed in 1968.

I might also state, parenthetically, that one of the unfortunate results of the land freeze, plus the d–1 and d–2 withdrawals, has been that, while the oil and gas industry has been unable to explore onshore Federal lands, it has been pushed into the exploration prematurely of the Outer Continental Shelf lands off Alaska, which the reports indicate involve the most serious risks of all Outer Continental Shelf lands.

In other words, onshore, where we can contain the risks and meet the problem of spills and the problem of runaway wells, the industry has been excluded, because of the overzealousness of the extreme environmentalists, who are the same people who complain about the fact that the oil and gas industry is now exploring the Outer Continental Shelf.

I join them in the consternation over some of the exploration that is going on in the Outer Continental Shelf prematurely. But what they fail to recognize is that there is no other group more responsible for the premature exploration of the Outer Continental Shelf off Alaska than the extreme environmental movement that is insisting upon the passage of legislation such as H.R. 39 and which encouraged the withdrawal of all lands in Alaska until the 17d–2 problem was resolved.

Let me get back to these bulldozers, because the Nation has seen enormous full-page ads in daily newspapers and it has seen television ads. I saw one that kept bringing back, on an almost subliminal basis, enormous tractors and enormous construction equipment. The Nation has been left with the impression that unless H.R. 39 is passed, these lands will suffer from a headlong rush of development, almost like the old homestead rush. I am sure the present occupant of the chair, the Senator from Montana (Mr. PAUL G. HATFIELD), has seen photographs and read the stories, as I have, of the days when Federal lands in the West were suddenly opened and there was the great rush to select those lands.

Mr. President, nothing could be further from the truth than the assertion that bulldozers will be invading my State if H.R. 39 is not passed.

I wish to emphasize in this first statement about the 17d–2 issue that I intend to try to work with the Energy Committee of this body, to try to develop a bill that will be acceptable to the Alaskan people and will meet the national interests as outlined by section 17d–2, at the time the Alaska Native Land Claims Settlement Act was passed by Congress.

I feel that we made a commitment that we would study specific lands and that we would add to the national systems those lands which were of such national significance that they should be added to the four systems before the selection process was completed for the Alaska statehood lands and the Alaska Native land claims settlement lands.

But we made no commitment to instant wilderness, Mr. President. We made no commitment to be treated differently, as a State, from any other State of the Union, under the 1964 Wilderness Act. Yet, the bill passed by the House would add almost five times as much land to the wilderness system in one State, my State of Alaska, as exists in the entire country, after 14 years of zealous action, under the Wilderness Act, by environmental organizations all over the country. That bill would add more than 70 million acres of land to the wilderness system, instantly, without compliance with the Wilderness Act of 1964.

That is one of the provisions that was defended under the myth of the bulldozer—that if this classification were given to these lands, they would be subject to rampant development.

Mr. President, in subsequent statements I hope to point out what we have done, as Alaskans, in terms not only of our own State lands, as we have received them, but also in terms of the recommendations we have made in the past concerning Federal lands.

Most people do not realize that two-thirds of all the wildlife refuges of the entire United States are in the State of Alaska today. They do not realize that 25 percent of the national park lands are in our State today. They do not realize that 20 percent of the national forest

lands are in our State today. All those categories of lands existed before consideration of the withdrawals that were required under section 17d–2 of the Alaska Native Lands Claims Settlement Act.

The next effect of our actions in the past has been to protect the lands that were necessary for the production of migratory water fowl, to protect the lands necessary for the kodiak bears and for the moose at Kenai. The great Clarence Rhode Range is one of the most significant wildlife ranges in the United States, so far as the production of migratory water fowl is concerned.

I had a great deal to do with the creation of the Arctic wildlife range, 9 million acres of Alaska which were set aside in 1961 to protect the flora and faune of Alaska, just on the principle that we wanted some portion of Alaska to be designated for protection of the Arctic as it existed prior to the selection of lands under these two laws passed by Congress.

I believe it is misleading to hold up the specter of bulldozers coming over every hill and to indicate that there are plans for development in Alaska that would be detrimental to the national interests if H.R. 39 is not passed. In my opinion, it is totally a disservice to the national systems that we seek to protect.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield to the distinguished Senator from Nebraska.

Mr. CURTIS. The Senator has informed us as to the high percentage of public lands that exist in his great State of Alaska.

Are these people and organizations who promote this legislation of which the distinguished Senator has informed us Alaskans for the major part?

Mr. STEVENS. No. There is a so-called Alaska coalition that I think represents about 5 to 10 percent of the sentiment of those people who reside in Alaska today. They basically support the extreme position on this Alaska lands issue which comes from the extreme environmental movement, most of whom just do not know what they are talking about as far as Alaska is concerned.

Mr. CURTIS. In other words, the Senator is faced with a problem that is very serious so far as his State is concerned, but it is being fostered, stirred up, and agitated throughout the Nation to a very sizable extent by non-Alaskans; is that correct?

Mr. STEVENS. That is absolutely correct. By representatives of an absentee owner, if you really want to put it that way. I asked the Secretary of the Interior the other day what he would think if one of the major national or international corporations owned all that land and made suggestions as he was making and what the Nation would think about it. If A. T. & T., Exxon, Gulf, Shell, or one of the national or international corporations owned all of that land in the State and proceeded to say it was going to be shut off from everyone, it was not going to be available for development in the national interest in the development of our minerals, our oil and gas, our recreation potential, or anything other than wilderness for the healthy and wealthy elite of this country. If that was the proposal of one of the international corporations to deal with 127 million acres of land anywhere in this country I think the Nation would rise up in total indignation. But when the Federal Government does it itself at the urging of a very small minority of people throughout the Nation somehow or other there is a pellmell rush to meet their demands. I really cannot understand it, I tell the Senator from Nebraska. I think that this small minority group with its great ability to raise money, its great ability to call forth propaganda efforts, is totally engulfing a very small State. We have a population of less than 500,000. We do not have the ability to raise money to deal with these issues the way this environmental coalition has done.

Mr. CURTIS. If the distinguished Senator will yield further, I wish to say this. In the fight that he is putting up, which in my opinion is for the good and the welfare of his State and his people, he is carrying on a fight for all the people of our land. Sooner or later all of us find ourselves in a minority position and in a position where we are opposed by the rich and powerful and those who have access to propaganda sources and they use that to force the heel of the Federal Government onto individuals and groups and make decisions that are very oppressive. So in the fight that the Senator is putting up for his great State of Alaska, he is putting up a fight in behalf of all of the people of the land, because the same thing can happen to them if great forces in the country launch a propaganda campaign that would advocate a course of action that would be detrimental to their economy.

Mr. STEVENS. I thank the Senator from Nebraska.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. ANDERSON). The Senator from Alaska has 2 minutes remaining.

Mr. STEVENS. Mr. President, the section 17 d–1 withdrawals will persist after December 18, 1978. Those who have raised the myth of the bulldozer in order to get H.R. 39 enacted state that the lands would be subject to development, but that is not true. The deadline of December 18, 1978, occurs because Congress gave itself 5 years to act on the recommendation of the Secretary of Interior under section 17 d–2. The Secretary of Interior used the authority, as I have stated, under section 17 d–1 to withdraw the same lands a second time. So while we have to act, and I do believe we should act under section 17 d–2, I hope we can act this year responsibly. If we cannot get a concurrence, but we can get a consensus of those who seek to protect the national interest with those who insist that we must protect the future of our new State, then the withdrawals under section 17 d–1 will persist and Congress will address the issue next year.

I for one hope that we can get the matter settled. I believe that we should get it settled. There are lands of Alaska which are of national significance. We are proud of those lands. We want to see them added to the National Parks System, the Wildlife Refuge System, the Wild and Scenic River System, and the National Forest System. But we do not want section 17 d–2 to be used as an excuse for the wholesale withdrawal of lands in Alaska to protect a myth, and that is the myth that if those lands are not added to these national systems, if instant wilderness is not created, then bulldozers will rip up our State.

We have protected these lands. I think the heritage of Alaska is a great heritage, and the Alaskan people have distinguished themselves above all others in this country in terms of protecting their environment. The reason it is there now in a wilderness state is because despite the gold rush, despite the oil rush, despite the rush for furs in the past, and for all of our resources, Alaskans have protected our lands, and we intend to do so without regard to the enactment of legislation in response to 17 d–2.

Mr. President, I ask unanimous consent that Public Land Order 5179 that was issued under section 17 d–1 and section 17 d–2 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Public Land Order 5179]

ALASKA

Withdrawal of Lands in Aid of Legislation Concerning Addition to or Creation of Units of the National Park, Forest, Wildlife Refuge, and Wild and Scenic Rivers Systems and for Classification

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), and by virtue of the authority vested in the Secretary of the Interior in section 17(d)(2)(A) of the Alaska Native Claims Settlement Act of December 18, 1971, 85 Stat. 688, 709, it is ordered as follows:

1. Subject to valid existing rights, the following described lands are hereby withdrawn from all forms of appropriation under the public land laws, including selection by the State of Alaska under the Alaska Statehood Act, 72 Stat. 339, and from location and entry under the mining laws, 30 U.S.C. Ch. 2, and from leasing under the Mineral Leasing Act of February 25, 1920, as amended, 30 U.S.C. sections 181–287 (1970), and from selection by Regional orporations under section 12 of the Alaska Native Claims Amendment Act, supra, and are hereby returned for study and for possible recommendations to the Congress as additions to or creation as units of the National Park, Forest, Wildlife Refuge, and Wild and Scenic Rivers Systems:

KATEEL RIVER MERIDIAN

PROTRACTED DESCRIPTIONS

[Legal description on a Township by Township basis]

The areas described aggregate appropriately 80 million acres.

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952 (17 CFR 1831), and by virtue of the authority vested in the Secretary of the Interior by section 17(d)(1) of the Alaska Native Claims Settlement Act of December 18, 1971, 85 Stat. 688, 703, it is ordered as follows:

2. Subject to valid existing rights, all those lands described in paragraph 1 of this order are hereby withdrawn from all forms of appropriation under the public land laws, including selections by the State of Alaska under the Alaska Statehood Act 82 Stat. 339, and from location and entry under the mining laws, 30 U.S.C. Ch. 2, and from leasing under the Mineral Leasing Act of February 25, 1920, amended, 30 U.S.C. sections 181–287, and from selection by Regional

Corporations under section 12 of the Alaska Native Claims Settlement Act, supra, and are hereby reserved for study and review by the Secretary of the Interior for the purpose of classification or reclassification as appropriate.

3. Any lands withdrawn under this order shall be subject to administration by the Secretary of the Interior under applicable laws and regulations, and his authority to make contracts and to grant leases, permits, rights-of-way, or easements shall be not impaired by this withdrawal. Applications for leases under the Mineral Leasing Act, supra, will be rejected until this order is modified or the lands are appropriately classified to permit mineral leasing.

4. It is hereby determined that the promulgation of this public land order is not a major Federal action significantly affecting the quality of the human environment and that no detailed statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, 43 U.S.C. section 4332(2)(C), is required.

ROGERS C. B. MORTON,
Secretary of the Interior.

MARCH 9, 1972.

[FR Doc. 72-3915 Filed 3-15-72; 8:48 a.m.]

APPOINTMENT OF SENATOR BELLMON AS CONFEREE ON H.R. 11504—THE AGRICULTURAL CREDIT ACT OF 1978

Mr. TALMADGE. Mr. President, I ask unanimous consent that the Senator from Oklahoma (Mr. BELLMON) be appointed as a conferee on H.R. 11504 in lieu of the Senator from California (Mr. HAYAKAWA).

The PRESIDING OFFICER. Without objection, it is so ordered.

LABOR LAW REFORM ACT OF 1978

The PRESIDING OFFICER. Under the previous order the Senate will now resume consideration of the unfinished business, H.R. 8410, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 8410) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

The Senate resumed the consideration of the bill.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, with regard to the Byrd amendment to the Labor Reform Act, I think it is pretty important that we discuss that today, especially of all days, because this is an important day in the consideration of this particular bill both ways. Every day has been important and every cloture vote has been important. As a matter of fact, I know that everyone is anguished over this bill both ways.

On June 8, 1978, Senator BYRD introduced a substitute for S. 2467, the so-called "Labor Reform Act" being debated on the Senate floor. Senator BYRD suggested that his substitute was a response to some of small business' legitimate objections to S. 2467 and, accordingly, should result in sufficient senatorial support of labor reform to insure early Senate passage of that measure.

The Byrd amendment seeks to make six changes in the pending legislation in the following areas of controversy:

First. It limits so-called equal access to an employer's premises by union organizers to nonworking areas and during nonworking time.

Second. It changes the mandatory election deadlines in a supposed effort to eliminate the "quickie election" provisions of S. 2467 and allegedly grants employers and employees a longer and more reasonable campaign period.

Third. It changes the computation of the so-called make whole remedy—backpay to workers where an employer refuses to bargain his first collective-bargaining agreement.

Fourth. It requires the lifting of an order debarring employers from Government contracts when the NLRB determines that the employer is in compliance with the Labor Act.

Fifth. It incorporates an earlier Byrd amendment which prohibits a reduction in minimum dollar standards that must be met before the Board will assert jurisdiction over businesses (the so-called "Small Business Exemption").

Sixth. Finally, it incorporates an amendment offered by Senators FORD and HUDDLESTON which requires the appointment of an ombudsman in each Labor Board Regional Office to answer questions and provide information to employers and employees in small businesses.[1]

A review of these provisions leads us to the following general conclusions. The substitute improves the legislation somewhat in the area of debarment, but not as much as its sponsors claim. There is little if any improvement in the "make whole" remedy. The so-called "Small Business Exemption" and ombudsmen provisions are basically valueless. The "equal access" changes will not be cheered by employers for although they may be of some help to employers in limiting the number of organizers who may use company property, they may also expand the union's "access" substantially beyond that contemplated by S. 2467. Further, the new election provisions should provide no comfort for small business and employees and, indeed, may create an unfair labor advantage far more severe than that contained in S. 2467. Finally, the substitute does nothing to rebalance the legislation away from its basic anti-employer, pro-union tilt and continues what may be its cruelest provision which threatens the enforceability of no-strike commitments in collective bargaining agreements.

Our reasons for these conclusions are as follows, and let us begin with the election timetable.

A. THE ELECTION TIMETABLE

As reported by the Senate's Human Resources Committee, S. 2467 required that an employee election for or against unionization be held by the NLRB within 21 to 30 days of the filing of a petition where that petition was supported by cards signed by a majority of employees in a voting unit deemed appropriate by an NLRB rule. Employers, and particularly small businessmen, objected to this provision on a number of grounds, including:

First. The election was to be held so fast that employers and employees would not have a sufficient opportunity to learn and discuss facts and arguments counter to the union's campaign propaganda. This was a particular problem for small businessmen and their employees, for small businesses normally have no industrial relations staff nor ready access to a labor lawyer or consultant who can advise them on their rights and the facts about unionization.

Second. The timing of the election would be left entirely and unfairly to the union, which could file petitions to coincide with seasonal layoffs or before a new employer hired most of his work force and thus win election victories because most employees would have no reasonable chance to vote.

I think that point has to be reemphasized. The timetables could be set by them, they could hold elections when an employer had just begun to hire and before he hired most of his workers, and bind the whole work force because of what they did at that point, and thus win elections because most employees would have no reasonable chance to vote.

Third. The mandated timetables would increase NLRB litigation, for the timing of an election has always been the major incentive for employers and unions to agree on all election issues and avoid litigation. However, with the timing set by statute, and in too short a period to allow for NLRB hearings and decisions on disputed issues, unions and employers, instead of agreeing to over 7,000 elections per year would merely raise issues which the loser at the election would litigate thereafter in an effort to require a new election or the counting of additional ballots.

Senator BYRD's substitute does little to remove these concerns. Indeed, it creates an election procedure even more in the interests of organized labor and more to the detriment of employees and small businessmen.

The Byrd substitute eliminates the 21- to 30-day period and, instead, provides that the Board must give priority treatment to any petition for an election which has majority employee support. Further, if the employee unit in which an election is sought has been determined by NLRB rule to be appropriate, the Board must hold an election before it holds any hearing even though substantial voter eligibility issues may have been raised.

Finally, the election must be held at the "earliest administratively feasible date" but no quicker than 35 days from a notice by a union to an employer that it is organizing (this is not a petition)[2]

[1] See generally, 111 Daily Labor Reporter AA-1 (BNA, June 8, 1978).

[2] Incidentally, that notice also triggers the equal access provisions of the substitute and/or the bill.

nor later than 50 days from the filing of this petition.

Although the substitute provides for at least 35 day's notice to an employer before an election, thus giving him some time to marshal facts and arguments, as a practical matter the new provisions substantially and unfairly assist unions, even more so than the provisions of S. 2467 as reported by the Human Resources Committee. Examination of a hypothetical and, we submit, typical union campaign under this legislation shows why.

A union commencing its organizing serves notice upon the employer. Thirty-five days later (or at any time during the next 6 months that best suits the union's interest) it files a majority-supported petition in an appropriate unit under a Board Rule. The Board must give that petition priority, may not hold any hearing, and must schedule the election at the earliest feasible date (that is, when it has a Board agent available to run the election). To comply with these requirements, the Board sends the petition to the employer with an order that the election shall be held 5 days later—or 3 days, 7 days, 10 days, et cetera—the earliest feasible date. The election is held even though no one knows who is eligible to vote. The union wins the election, as it must, because it had majority support when it filed its petition, it determined the length of the campaign and set the election day by the timing of its petition, the law required an immediate election thus foreclosing any employer campaign, and that same law eliminated any time for thoughtful consideration by employees before they voted.

The experience under present law has generally been that both the union and the employer have a reasonable time between the filing of a representation petition and the election to present their opposing positions to the employees. Each side operates within the time framework of the forthcoming election and conducts its campaign accordingly. The interest and attention of employees regarding the issues is likely to be at its height because they know that on a date certain in the near future a choice must be made at the ballot box. However, under the Byrd amendments, there is to be no similar framework. Notice to the employer by the union may or may not represent a serious organizational effort; there may or may not be a petition filed and an election held. It all depends on whether, within a 6-month period after notice is served, the union can find the right moment to act—that is, to file its petition.

When it does so, it can be substantially confident of victory. The reason is that once it files its petition, it can be sure of an extremely quick election. In short, the union can take full advantage of a lull in the employer's campaign, or of an influx of new employees, or of fleeting employee discontent to select the most advantageous time from its standpoint to hold an election. If such a procedure were applied in the context of national political elections, one major party, but not the other, would be permitted to set the date for a presidential election at any time within half a year after the nominating conventions by simply giving the other party 5 or 10 days advance notice.

How has this "fair" procedure met earlier voiced small business concerns? Certainly it does not reduce litigation, for the bill mandates hearings only after the votes are counted, thus removing all incentive for elections by agreement and increasing the incentives to litigate after the election. It gives unions an even greater control of election dates, rather than less. Finally, although it gives an employer a few days more to find professional help and collect facts and arguments in opposition to unionism,[3] it requires him to campaign, if he has the time at all, when only the union has any idea of when an election may be held and before the employer knows who will be eligible to vote.

In sum, Senator BYRD has transformed "quickie elections" into "instantaneous elections" to be held totally at the whim of the organizing union, to the substantal detriment of employees and small business, and in a manner designed to produce vast new litigation.

I am sure that General Counsel John Irving, who analyzed how much litigation would arise out of the old "quickie" elections for business, let alone these new "instantaneous quickie elections" proposed by the Byrd amendment, would find that they would bog the NLRB down even more, cost the taxpayers even more, cause even more delays, mistreat employees, and brutalize, in a sense, because of the unfairness of their application, small business employers, and in the end would lead to even more concentrations of power back here with the special interest groups who are demanding this bill in its present form, regardless of what the result of a logical and penetrating analysis appears to be.

I might mention that what this appears to provide is, at the very most, a reinstatement of the 15-day election provision which was originally in both the House and Senate bills, and which both committees agreed was really too short. I believe that is what the Byrd amendment really does. I do not think it has met the test of the criticism on this floor over the past several weeks at all. As a matter of fact, I think that amendment was written by those who knew what they were doing, who were trying to get the old 15 days. Even if this is a compromise for no less than 21 and no more than 30, mandatory dates are not justified, and as a matter of fact, are extremely prejudicial to the interests of employees and employers alike.

B. EQUAL ACCESS—LITTLE IMPROVEMENT AND POTENTIAL PROBLEMS

One wonders whether the new "equal access" provisions are motivated by a desire on the part of the bill's proponents to respond to recent Supreme Court decisions raising serious questions as to the constitutionality of the access rule of S. 2467 as reported by the Human Resource Committee.[4]

These new amendments provide that following a union's written notification to an employer that it is organizing his employees, the union's nonemployee organizers shall have the right to come on the employer's premises and address employees whenever an employer or his agent has addressed employees "at the work site"[5] or during working time on union issues. Certain limitations are added to the union's right, however. Thus, no more than two organizers may enter the employer's premises (except four are allowed in a parking lot); they must give 1 day's prior notice that they intend to come on the employer's premises; they may not campaign during working time but are limited to times of shift changes, breaks, mealtimes, and so forth; and they may not campaign in working areas but are limited to parking lots, cafeterias and other break-time areas where employees congregate. Finally, equal access rights do not apply against any employer "who compensates less than 10 individuals."

These limitations may be a small beginning to balancing the campaigning rights of employers and unions, but they still maintain the imbalance of S. 2467 against employers and impinge upon the employer's property rights. Thus, for example, when unions campaign on paid break times, the employer is still paying employees and, accordingly, is subsidizing the union's campaign. Further, the new provisions do not require that the union establish any success in organizing employees before it obtains the right to equal access, whereas the Senate committee report required that the union obtain signatures from at least 10 percent of the employees it sought to organize before the equal access rights were triggered.[6]

Further, the amendments may not be as helpful to all employers as their sponsors claim. For example, by specifically granting outside union organizers the right to campaign in cafeterias, the Senate may be overruling recent court decisions holding that no union organizing may be conducted in the cafeterias of hospitals because of the potential adverse impact of such campaigning on patients.[7] Further, although an exemption from the access requirements for small business has been described as including businesses with less than 10 "employees" (111 Daily Labor Report AA–2 (BNA, June 8, 1978)), this bill

[3] S. 2467 mandated elections within 30 days. The substitute could require them in 35 days if the union files its petition just prior to the end of the 35-day notice period.

[4] *Marshall* v. *Barlow's, Inc.*, ——— U.S. ———, 46 U.S.L.W. 4483 (U.S. S.Ct., May 23, 1978); *Sears, Roebuck and Co.* v. *San Diego County District Council of Carpenters*, ——— U.S. ———, 46 U.S.L.W. 4446 (U.S. S.Ct., May 15, 1978).

[5] The words "at the work site" in the Byrd substitute replace the phrase "on its premises" in S. 2467 as reported by the Committee without an explanation of the difference between the two phrases.

[6] S. Rep. 95–628, 95th Cong., 2d Sess., p. 26 (1978).

[7] E.g., *Baylor University Medical Center* v. *N.L.R.B.*, F.2d —, 97 LRRM 2669 (D.C. Cir. No. 76–1940, Feb. 14, 1978), *N.L.R.B.* v. *Baptist Hospital*.—F. 2d—, 98 LRRM 2356 (6th Cir. No. 76–1675, May 10, 1978).

does not say that. The bill allows the exemption only if the employer compensates fewer than 10 "individuals," which means that managers (including the company's president) and supervisors are included in the count.

Finally, the Byrd amendment may be interpreted to vastly expand the rights of unions to use an employer's premises and paid time for campaigning. Thus, the amendment sets no limit upon the number of days that outside organizers may campaign on company property. Thus, it is possible that the NLRB may rule that once an employer presents a captive audience speech the union's organizers may enter his property every day thereafter until the election, or at least as often as is necessary for them to personally contact every employee who attended the employer's speech. And, of course, the union's campaigning during break periods, et cetera, is apt to be more personal or "one-on-one" and thus more effective than an employer's speech to assembled employees. In short, the imbalance in favor of union campaigns created by S. 2467 may be further aggravated by the Byrd amendment and a provision which even Senator BYRD thought went too far may have been made even worse.

In sum, the substitute may contain some improvements, but is more likely to create an even greater imbalance against employers. And, consequently, it follows, against employees.

C. DEBARMENT—A SLIGHT IMPROVEMENT

The debarment provision has been changed to provide that an employer must be withdrawn from the Federal Government's blacklist of employers who cannot receive Federal contracts if the NLRB finds that he is in compliance with the Labor Act. That is of some value, but the bill still provides that the Board must issue an initial debarment order if it finds a willful violation of a prior order and there is still no provision for judicial review of the Board's order. Further, debarment remains a legislated remedy even though it may result in lost jobs for employees who most need the law's protection. Again, some improvement but not much.

If the Board is packed because it is expanded to seven members, then I think we are going to find that it will be very unlikely that the Board will lift the blacklist under those circumstances. That blacklist may become even more repugnant and be another bureaucratic ensnarlment for many employers who are grasping to keep their businesses alive.

D. "MAKE WHOLE," "SMALL BUSINESS EXEMPTION," AND "OMBUDSMAN"—MEANINGLESS AMENDMENTS

The tinkering by the Byrd amendment with the "make whole" remedy misses the basic objections to that remedy. As reported by the Human Resources Committee that remedy provided that any employer who unlawfully refused to bargain his first collective bargaining agreement with a union would be required to make a backpay payment to his employees based upon the percentage increases negotiated for employee units of 5,000 or more employees across the Nation. The remedy was deemed unfair for two reasons. First, because most NLRB elections are held in units of less than 50 employees, certainly small business units, backpay based upon settlements in 5,000 employee units was thought to be punitive and unfair. The Byrd amendment changes this by applying a new statistical percentage, but with little if any practical effect upon the amount of the backpay remedy.

The second objection was based upon the fact that an employer's refusal to bargain a first collective bargaining agreement is but a technical violation of the Labor Act, for it is the only procedure by which an employer can obtain court review of NLRB decisions in election cases. Indeed, the provisions of both S. 2467 and the Byrd substitute recognize this fact of life, for each provides that all Board rules dealing with elections may be judicially reviewed only through the Board's unfair labor practice machinery—which means by an employer's refusal to bargain his first collective bargaining agreement (proposed section 6(b)(3) of both bills). Yet, both S. 2467 and the Byrd substitute seek to impose a penalty upon an employer who seeks his day in court.

I might just add, to make it abundantly clear, that the only way an employer can have a judicial test as to whether or not he has acted in good faith with regard to a particular unfair labor practice is for him to technically refuse to bargain. That is the only way the courts have given him to be able to have his matter litigated, to have legitimate matters litigated. It is the time-honored way approved by the courts and approved by the Board.

What this amendment will do and what the bill will do is to take away that right. If the employer exercises his right by technically refusing to bargain so he can have a decision made upon whether or not he is right or wrong, he is going to be faced with these massive "make whole" remedies that would not be triggered under the present law. In other words, we are taking away another right of the employer to have justice before the Board and before the courts.

I do not think, in the zeal to get at J. P. Stevens Co., which has had some of the most stringent remedies under present law ever provided in a free society, we should give up all of the rights that have heretofor been the only rights that an employer has to litigate basically important issues, gut issues, if you will, Mr. President, and make him subject to paying massive back pay awards because he has technically refused to bargain. That is what, in effect, this does.

What it means is that, again, the employer is intimidated because the union has a bad attitude toward the J. P. Stevens Co., only 1 of the 4 million companies in this society. Even if we assume that the union statistics are correct, that only about 1 million businesses are affected, that is still only 1 out of 1 million, one one-millionth of all of the hundreds of thousands, or should I say millions, of businesses to which the law would basically apply.

Incidentally, J. P. Stevens has had massive remedies brought against them under present law to the point they had entered into an agreement, which is acceptable to everybody except, as I understand it, the Garment Workers Union.

Senator BYRD did state that he was further amending the "make whole" remedy to provide that there will be no liability prior to the time that the NLRB's general counsel, after investigation and attempts at settlement, notifies the employer that an illegal refusal to bargain has taken place. We have been unable to find that provision in the substitute bill introduced by the Senator. However, the amendment as described is of no real value anyway. The typical employer refusal to bargain a first agreement is simply a letter or telegram to the union flatly stating that the employer seeks court review of Board decisions in the election case and therefore the employer refuses to bargain. No investigation, or settlement discussion, is required. The refusal is clear and unequivocal for it is purely the technical means by which an employer obtains his day in court.

It is the only means that he gains his day in court under these circumstances. That means will be effectively taken away by this one-sided substitute or bill, whichever you want.

The small business exemption simply provides that the NLRB may not bring more small business under its jurisdiction by reducing the minimum dollar income a business must produce each year before the Labor Act will apply to that employer. Most of those dollar amounts, however, were set in 1958. Since that time the Bureau of Labor Statistics Consumer Price Index has more than doubled. As that index continues to rise, the monetary jurisdictional standards become less and less meaningful and simply result in more and more small businesses becoming subject to the provisions of the Labor Act, thus, freezing the standards has little meaning.[9]

Basically, it has no meaning.

I might also add that the half-truth told by labor as their major defense that this bill is not against small business has been blown sky high. I think it shows basically how full of half-truths this whole bill is. It was blown sky high because we have shown on the floor of the Senate that 72 percent of all businesses are one-owner and sole employee businesses. They cannot be organized under the law, 72 percent of them with the other 3 or 4 percent. They are so small. Whatever the difference is between the 75 percent of small businesses that are not covered by this bill and those which are sole proprietorship, owner-operated businesses it is so small that no union in its right mind would spend the capital or exert the effort to go out and organize them anyway.

The fact is, they are probably less than three-employee businesses. Yet, that has been their major defense in trying to show that this bill does not hurt the small businessman. My gosh, 76 to 80 percent of all employees in our society are covered by this bill, covered by this substitute, covered by the individual amendment which may be called up later, all of which are unfair and extremely detrimental to small business,

[9] Hearings Before the Senate Subcommittee on Labor on S. 1883, 95th Cong., 1st Sess., pp. 1535–36 (1977).

if not devastating, as the Small Business Administration Office of Advocacy report has basically said.

With regard to the ombudsman provision, that requires the general counsel to designate at least one person in each of the Board's regional offices to answer questions and provide information to employers and employees in the small business community, but that person may not give advisory opinions. However, all the Board's regional offices now assign a professional employee as an "officer of the day" to provide that very function.

So, instead of really giving something to small businesses that exist today, they cannot give advisory opinions, and in this business, they have to go to a labor lawyer and they do not have time under the mandatory requirements of this bill—should I say reasonably sufficient time—in order to do so.

Really, what it comes down to is that all they are going to do by the ombudsman amendment is increase the bureaucracy and not do one doggone thing for small businessmen. So I do not think much effort has been made to accommodate the problems that the business community and the employer community really have with this bill.

This bill has a decided lack of balance. The amendments are lacking in balance. They may be worse than the bill, and I believe they are. In any event, they are not very good.

The proponents of labor reform have often stated that the act is balanced, that it is not antibusiness or prolabor. That clearly is not true for the election schedules and the so-called equal access provisions. Further, despite general statements to the contrary, it remains untrue regarding the remedy provisions of S. 2467 and the Byrd substitute.

For example, the debarment provisions of the bill are said to apply equally to unions and employers, for unions may lose their right to Government training contracts just as employers may lose their right to sell goods and services to the Government. However, the basic business of unions is organizing and representing employees, not training the unemployed. Thus, although debarment frustrates an employer's real business, selling goods and services, it has no impact upon a union's real business.

So the debarment really hits real business in the teeth while it really does not hit the real business that the unions do in any substantial way. So it really is a punitive remedy against businesses and especially small businesses. It is an intimidation remedy. That is what it really amounts to, an intimidation remedy that is going to, as hoped for by the unions, on the part of the unions, intimidate businesses into capitulating to union demands. That is what it is there for. The fact of the matter is, it is a very unwise provision.

Further, the debarment provisions of the bill are triggered only by a willful violation of a prior order "prohibiting interference with, restraint, or coercion of employees in the exercise of the rights guaranteed in section 7." Those are words of art which cover every employer unfair labor practice, but exclude most union unfair labor practices. Thus, for example, under this bill, unions may, without fear of debarment, willfully and continually commit such unfair labor practices as threatening employers with secondary boycotts or jurisdictional disputes, picket hospitals, picket employers to force them to sign agreements even though employees do not want union representation, and so forth. None of those activities technically interferes with the rights of employees.

Another example is found in the provisions requiring NLRB applications to courts for preliminary injunctions against an employer for every employee discharge during a union organizing campaign. In an effort to make this provision appear evenhanded, the bill states that the same remedy applies to a union that violates section 8(b)(2) of the act, a provision which prohibits unions from forcing employers to discharge employees. Of course, unions almost never violate 8(b)(2) during an organizing campaign. They do, however, keep employees from working by establishing mass picket lines or engaging in threats or violence. But those activities do not violate section 8(b)(2), they only violate section 8(b)(1). Thus, by careful drafting, the bill provides for injunctions against employer interference with the rights of employees to work, but does not do the same for union violence or threats which prevent employees from working.

A final example can be found in the application of the make-whole remedy. Although, on its face, that remedy provision appears to require backpay payments by unions when they refuse to bargain, the remedy applies only to refusal to bargain a first agreement. It is almost unheard-of for a union to engage in tactics during first contract bargaining which will result in a finding of violation, whereas employers who wish to have their day in court must refuse to bargain that first contract. Thus, in practical effect the remedy, by being limited to a first contract, applies almost exclusively against employers.

I think anybody who understands this can reasonably draw the conclusion that the bill "just plain ain't fair." There is no desire to be fair. In fact, the language is written very technically so that it will not be fair. In the end, one special interest group will have the decided advantage, and the balance will be tipped even more, if not all the way.

I suppose that the balance will not be tipped all the way, because, if it were all the way, we would have compulsory unionization in our society and repeal of section 14(b) of the Taft-Hartley Act, the right-to-work laws of our society. On the other hand, they know they cannot get that directly, so why not have this type of legislation, which does it indirectly, which concentrates such power in the hands of those Washingtonian leaders here that they can, in essence, over a period of time, accomplish even those things. And, if they want to at the final conclusion, when they have gotten so strong, are even more strong than they are today, they can even do away with those—or should I say, even enact those provisions which they have wanted to enact for years.

With regard to the no-strike clauses, the purpose of the National Labor Relations Act is to encourage the practice and procedure of collective bargaining (section 1, NLRA). The most effective way to encourage bargaining would be to insure that commitments made in a collectively bargained agreement are enforceable in a realistic and meaningful way. Most such commitments are realistically enforceable by suits for breach of the agreement under Section 301 of the Labor Act. However, for years, and until the Supreme Court's decision in Boy's Markets,[10] employers were foreclosed from obtaining injunctions against union strikes in breach of that union's agreement not to strike. When one considers that such an injunction is normally the only effective means of enforcing a no-strike agreement and, further, that the union's no-strike pledge is the only commitment in a collective agreement which is of any value to an employer, the law did little in terms of encouraging employers to enter into bargained agreements.

In Boy's Markets, the Supreme Court took a step consistent with the purpose of the Labor Act and held that Federal district courts were empowered to enjoin strikes in violation of a no-strike clause where the strike was over a grievance between the parties which both were contractually bound to arbitrate. Six years later, however, the Court retreated somewhat in the Buffalo Forge[11] case. There the Court held, in a five to four decision, that a refusal by employees to cross a picket line in sympathy action in support of other striking employees could not be enjoyed by a Federal district court because there was no arbitrable dispute between the parties even though the sympathy action was arguably in violation of an existing no-strike agreement, and the issue of whether or not the sympathy action was in violation of the no-strike agreement was subject to binding arbitration.

The Senate is now considering legislation entitled "Labor Reform." However, instead of dealing with the enforceability of agreements not to strike in a manner consistent with the basic purpose of the Labor Act, which would require a reversal of Buffalo Forge, the Senate now threatens to jeopardize the Supreme Court's Boy's Markets decision and at least reopen the question of whether an employer may obtain any effective enforcement of a union's no-strike commitment. Senator BYRD's substitute does not change this direction at all.

Thus, section 13 of the bill provides that an employer may obtain an injunction against strikes by his employees which are the result of a picket line established by employees of another employer or against wildcat strikes by his employees that are not initiated, authorized or ratified by his union. Other-

[10] *Boy's Markets, Inc.* v. *Retail Clerks Union*, 398 U.S. 235 (1970).

[11] *Buffalo Forge Co.* v. *United Steel Workers of America, AFL–CIO*, 428 U.S. 397 (1976).

wise, apparently, no injunctions shall issue.

Thus, at least under the literal terms of the bill, where a union which has committed not to strike blatantly violates that commitment and initiates a strike, no effective injunctive relief is available to the employer. However, where that same union does not breach its commitment and, instead declines to initiate, authorize or ratify a strike by its members, the bill provides for injunctive relief against that union.

The reason for that anomalous result may be found by examining the final provision of section 13 of the bill. That provision states that if a union does not oppose an employer's request for an injunction on the ground that it did initiate, authorize or ratify the strike, then it shall be conclusively established in that injunction proceeding and in "related actions" that the union did not initiate, authorize or ratify the strike. Under such circumstances an injunction will no doubt issue, but the union will be absolutely protected against any damage claims the employer might have, for such damages are obtainable only in "related actions" and only against a union that initiates, authorizes or ratifies a strike in breach of its no-strike commitment. Thus, a union which actually initiated a strike will not be required to perjure itself or defend itself in order to avoid damages—it may merely say nothing and the law will protect it under the legal fiction that it did no initiate the strike. In such circumstances an injunction may well issue, but damages will not be available to even an employer whose business has been destroyed in the interim.

As a practical matter this provision is no doubt intended to shield international unions from liability while allowing strikes by their local unions to continue without any effective deterrent. Thus, most local unions have relatively small financial resources so that damage claims against them are of little practical value. As a consequence, where employers suffer extensive financial damages, they must obtain a money award against the international union which has initiated, authorized or ratified the strike which caused the damage. However, under the bill now before the Senate the following hypothetical case will become a reality. A local union, either at the urging of its international or with its assistance, calls a strike in breach of its commitment not to strike. The employer, who needs quick relief, sues both in district court seeking an injunction. The international merely declines to defend, resulting in an injunction against it but an absolute defense to any damage claim against its treasury. The local union, with little or no treasury, alleges that it initiated the strike which precludes the grant of an injunction and allows the strike to continue. The employer is then left with an ongoing strike in direct violation of the union's agreement and with a damage claim against the local, which, even if he wins, he cannot collect.

Accordingly, as a practical matter, a so-called reform of our labor laws eliminates the only effective tool an employer has to enforce the only commitment of value to him contained in a collective-bargaining agreement—the commitment that no strikes shall interfere with his business for the term of the agreement.

G. CONCLUSION

The proponents of labor reform have expressed surprise at the extent of the opposition to their bill. Presumably, Senator BYRD and others who support his reform-reformed will wonder why many are not too pleased with this new effort. One reason may be that some people have read the proposals and see them not as evenhanded, fair reform. Instead, they see jerry-rigged election procedures designed solely to assist unions in winning elections at the expense of fair debate and thoughtful voting. They see extensive new remedies designed to deter employers from seeking their day in court and at the expense of the very jobs of employees who most need protection. They see an extraordinary set of unnecessary new rules leading to extensive litigation which small businessmen can ill afford. And they see a complex set of phrases which may effectively preclude employers from enforcing the only thing of value they receive from the entire collective-bargaining process—the no-strike commitment.

It would be inaccurate to suggest that S. 2467 and the Byrd amendments do not represent a change, and in that sense a reform, of our basic labor law, for they do change that law.

Reform starts with the premise that unions must win elections regardless of the wishes of voting employees. Reform recognizes that unions are finding it increasingly difficult to win elections among informed employees, so reform substantially curtails the ability of employees to become informed, requires employers to subsidize union campaigns on their own premises, and establishes a set of procedures to allow unions to stand for election at any time they choose. But reform would not be worthy of its name if it merely insured election victories, for it must also secure those victories against court review. So reform imposes penalties like make whole and debarment upon any employer who seeks his day in court. Finally, reform is unhappy with a system of collective bargaining which requires a union to make any enforceable commitments in its agreement with management. So reform seeks to remove the most effective remedy against a union's violation of the only valuable commitment that management receives under a collective agreement—injunctions against strikes in breach of a union's promise not to strike.

In sum, when one considers either reform as embodied in S. 2467 or reform-reformed as set forth in the Byrd substitute, one ought to look beyond those appealing titles to determine how they are defined by the substance of the proposals. It may be that at least some will come to the conclusion that neither is a proper title.

Finally, I would like to present the Small Business Legislative Council petition, which I believe they have sent to every Senator, which has been signed by 350, as I recall, small business trade associations in this country today.

It says:

DEAR SENATOR. After two votes to invoke cloture of debate on the labor law "reform" bill had been defeated, Senate Majority Leader Robert Byrd filed a comprehensive amendment to the bill.

Mr. President, I ask unanimous consent that this petition of the Small Business Legislative Council, together with all the names listed thereon, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS LEGISLATIVE COUNCIL OF THE NATIONAL SMALL BUSINESS ASSOCIATION

DEAR SENATOR: After two votes to invoke cloture of debate on the Labor Law "Reform" bill had been defeated, Senate Majority Leader Robert Byrd filed a comprehensive amendment to the bill.

The procedure that Sen. Byrd has embarked upon is one and the same with the tone and content of the flimsy "Reform" legislation: He is calling for a "quickie" election on a proposal no one fully understands, demanding votes before the entire Senate knows what it is voting on.

The Byrd Amendment is no more than a substitute bill, but in many respects it is far more damaging to small business than the bill reported out of the Senate Human Resources Committee. For example, the Byrd Amendment actually spells out the number of non-employee organizers allowable under the Equal Access provision of the bill, but exaggerates this number beyond any reasonable expectation of the bill now before the Senate.

Another important section of the Byrd Substitute deals with what has been called the "Push-Button Unionism" section of the the bill. The Senate Committee bill called for elections within 21 to 30 days of the filing of a petition backed by a majority of the employees in a company. Though the Byrd Substitute appears to extend this time limit to 35 days, it does not, in fact, do so.

What it does is eliminate completely the minimum time limit from the date the petition is filed, calling for the NLRB to hold elections at the earliest "administratively feasible" time after the petition is filed. It also does away with the requirement calling for the "interest of the majority" of employees for triggering elections, by placing priority on these elections.

While the Byrd substitute does require employers to be notified of the employees' desire to be represented, and also calls for a 35-day period before immediate elections are held, the notice is good for six months, and the election may be held any time within that six months after the filing of the petition. In effect, an employer may be kept waiting for months, and then be informed that an election is going to be held the next day. Under the provisions of the Substitute, the Equal Access provisions become effective immediately upon the notice to employers, and can, as a result, be in effect for months on end.

The Byrd Substitute, which is called a "compromise," is a clever ploy designed to defuse the small business issue in the consideration of the bill, while actually giving the unions more ground than the Committee ever considered granting.

Sen. Byrd has also filed a petition for a cloture vote, not on the Committee bill, but on the amendment. This vote, scheduled for today, would shut off debate on the substitute, and would have the practical effect of killing any further debate on the entire bill. Defeat of the cloture vote on the Byrd Amendment is absolutely imperative to prevent the early passage of the worst of all the proposals yet to be presented.

The so-called Labor Law "Reform" is a bad piece of legislation: it is inflationary; it would significantly damage the future of

many small businesses; it would severely alter the trend of our present labor laws and tilt them in favor of organized labor and it would give more power to the already-powerful labor leaders in Washington. In poll after nationwide poll, the American people have said that the provisions of this bill run counter to their desires.

Agricultural & Industrial Mfrs. Assn., Shawnee Mission, Kansas.

Alabama Nurserymen's Assn., Auburn, Alabama.

Alaska Mechanical Contractors Assn., Anchorage, Alaska.

American Apparel Mfrs. Association, Arlington, Virginia.

American Assn. of Professional Bridal Consultants, West Hartford, Connecticut.

American Component Dealers Assn., Fayetteville, North Carolina.

American Fishing Tackle Mfrs. Assn., Chicago, Illinois.

American Gears Mfrs. Assn., Arlington, Virginia.

American Institute of Kitchen Dealers, Hackettstown, New Jersey.

American Ladder Institute, Chicago, Illinois.

American Pipe Fittings Assn., Stamford, Connecticut.

American Welding Society, Miami, Florida.

Architectural Woodwork Institute, Arlington, Virginia.

Arkansas Wholesale Grocers and Tobacco Distributors Assn., Little Rock, Arkansas.

Associated Master Barbers and Beauticians of America, Charlotte, North Carolina.

Associated Meat & Food Suppliers of Southern California, Los Angeles, California.

Associated Retail Bakers of America, Annapolis, Maryland.

Akron Assn. of Plumbing, Heating and Cooling Contractors, Inc., Akron, Ohio.

Alabama Petroleum Marketers Assn., Birmingham, Alabama.

American Academy of Environmental Engineers, Rockville, Maryland.

American Association of Nurserymen, Washington, D.C.

American Collectors Association, Minneapolis, Minnesota.

American Cutlery Manufacturers Assn., Washington, D.C.

American Frozen Food Institute, Washington, D.C.

American Hardware Mfrs. Assn., Palatine, Illinois.

American Institute of Real Estate Appraisers, Chicago, Illinois.

American Metal Stamping Assn., Richmond Heights, Ohio.

American Society of Real Estate Counselors, Chicago, Illinois.

Appliance Parts Distributors Assn., Detroit, Michigan.

Arizona Nurserymen's Assn., Prescott, Arizona.

Associated Industries of Kentucky, Small Business Division, Louisville, Kentucky.

Associated Master Plumbers of Green Bay, Inc., Green Bay, Wisconsin.

Associated Plumbing Contractors of Maryland, Inc., Baltimore, Maryland.

Association of Physical Fitness Centers, Washington, D.C.

Association of Plumbing-Heating-Cooling Contractors of Oklahoma City, Inc., Oklahoma City, Oklahoma.

Automotive Engine Rebuilders Assn., Glenview, Illinois.

Automotive Warehouse Distributors Assn., Kansas City, Missouri.

American Building Contractors Association Chapter, Los Angeles, California.

American Building Contractors Association Chapter, Orange County, California.

American Building Contractors Association Chapter, San Diego, California.

American Building Contractors Association Chapter, Tulare-Kings County, California.

American Assn. of Meat Processors, Elizabethtown, Pennsylvania.

American Consulting Engineers Council, Washington, D.C.

American Institute of Contractors, Oklahoma City, Oklahoma.

Association of Washington Business, Olympia, Washington.

Automotive Service Councils, Inc., Elmhurst, Illinois.

American Building Contractors Association Chapter, Coachella Valley, California.

American Building Contractors Association Chapter, North Tahoe, California.

American Building Contractors Association Chapter, Sacramento, California.

American Building Contractors Association Chapter, San Francisco (Bay Area), California.

American Boiler Mfrs. Association, Arlington, Virginia.

American Die Casting Insitute, Des Plaines, Illinois.

American Meat Institute, Washintgon, D.C.

Beauty and Barber Supply Institute, Inc., Englewood, New Jersey.

Building Service Contractors Assn., Intl., McLean, Virginia.

Better Home Heat Council, Inc., Wellesley Hills, Massachusetts.

California Assn. of Nurserymen, Sacramento, California.

Christian Booksellers Association, Colorado Springs, Colorado.

Cutting Tool Mfrs. Assn., Birmingham, Michigan.

Chicago Midwest Envelope Mfrs. Assn., Chicago, Illinois.

Connecticut Small Business Federation, Hartford, Connecticut.

Cast Metals Federation, Rocky River, Ohio.

Dairy & Food Industries Supply Association, Washington, D.C.

Door & Operator Dealers of America, Cleveland, Ohio.

Delaware Retail Association, Wilmington, Delaware.

Drug Wholesalers Association, Washington, D.C.

East Side Plumbing & Heating Contractors Association, Granite City, Illinois.

Electronic Representatives Assn., Chicago, Illinois.

Engraved Stationary Mfrs. Assn., Chicago, Illinois.

Eastern Iowa Association of Plumbing, Heating and Cooling Contractors, Davenport, Iowa.

Empire State Petroleum Assn., Inc., New York, New York.

Electrical Generating Systems Mart. Association, Chicago, Illinois.

Farm and Land Institute, Chicago, Illinois.

First Class Mailers Assn., Washington, D.C.

Farmers Elevator Assn. of Minn., Minneapolis, Minnesota.

Food Merchandisers of America, Washington, D.C.

Food Processing Machinery and Supplies Association, Washington, D.C.

Fuel Merchants Assn. of New Jersey, Springfield, New Jersey.

Foodservice Equipment Distributors Assn., Chicago, Illinois.

Garden Centers of America, Washington, D.C.

Georgia Oilmen's Association, Atlanta, Georgia.

Grand Rapids Assn. of Plumbing, Heating and Cooling Contractors, Grand Rapids, Michigan.

Georgia Nurserymen's Assn., Inc., Athens, Georgia.

Georgia Retail Association, Atlanta, Georgia.

Greater Belleville Plumbing, Heating and Cooling Contractors, Belleville, Illinois.

Illinois Mfrs. Representatives Assn., Glenview, Illinois.

Independent Battery Mfrs. Assn., Inc., Largo, Florida.

Independent Petroleum Assn. of America, Washington, D.C.

Independent Veneer Producers Assn., Roseburg, Oregon.

Industrial Mfrs. Representatives Assn., Cleveland, Ohio.

Intermountain Oil Marketers Assn., Salt Lake City, Utah.

Intl. Assn. of Wiping Cloth Mfrs., Chicago, Illinois.

Intl. Real Estate Federation, Amer. Chapter, Chicago, Illinois.

Iowa Grain & Feed Association, Des Moines, Iowa.

Independent Businessman's Assn., Kalamazoo, Michigan.

Independent Bakers Association, Washington, D.C.

Independent Business Assn. of Wisconsin, Milwaukee, Wisconsin.

Independent Sewing Machine Dealers of America, Inc., Hilliard, Ohio.

Indiana Assn. of Nurserymen, W. Lafayette, Indiana.

Institute of Real Estate Management, Chicago, Illinois.

Intl. Assn. of Wall & Ceiling Contractors/Gypsum Drywall Contractors, Intl., Washington, D.C.

International Franchise Association, Washington, D.C.

Intl. Repro Graphic Blueprint Assn., Franklin Park, Illinois.

Iowa Nurseryman's Assn., Ankeny, Iowa.

Kalamazoo Master Plumbers Assn., Kalamazoo, Michigan.

Kansas Plumbing, Heating, and Cooling Contractors Assn., Inc., Wichita, Kansas.

Kentucky Feed & Grain Assn., Midway, Kentucky.

Kampground Owners Association, Phoenix, Arizona.

Kentucky Assn. of Plumbing-Heating-Cooling Contractors, Inc., Louisville, Kentucky.

Kentucky Nurserymen's Assn., Lexington, Kentucky.

Lincoln Assn. of Plumbing-Heating-Cooling Contractors, Lincoln, Nebraska.

Louisiana Oil Marketers Assn., Shreveport, Louisiana.

Lincolnway Plumbing and Piping Contractors Assn., Rock Falls, Illinois.

Louisiana Wholesale Grocers Assn., Inc., Baton Rouge, Louisiana

Machinery Dealers Nat'l Assn., Silver Spring, Maryland.

Mfrs. Agents National Assn., Irvine, California.

Marketing Agents for Food Service Industry, Chicago, Illinois.

Mechanical Contractors Assn. of Central Ohio, Columbus, Ohio.

Metal Ladder Mfrs. Association, Greenville, Pennsylvania.

Metropolitan Washington Assn. of Plumbing-Heating-Cooling Contractors, Washington, D.C.

Michigan Grain & Agri-Dealers, Saginaw, Michigan.

Mid-Oregon Assn. of Plumbing-Heating-Cooling Contractors, Eugene, Oregon.

Madison Assn. of Plumbing Contractors, Madison, Wisconsin.

Mfrs. Agents of Cincinnati, Cincinnati, Ohio.

Maryland Oil Jobbers Council, Camp Springs, Maryland.

Menswear Retailers of America, Washington, D.C.

Metropolitan New Orleans Assn. of Plumbing-Heating-Cooling Contractors, Inc., New Orleans, Louisiana.

Michigan Assn. of Nurserymen, Lansing, Michigan.

Michigan Petroleum Association, Lansing, Michigan.

Mississippi Assn. of Plumbing, Heating, Cooling Contractors, Pascagoula, Mississippi.

Mississippi Feed & Grain Assn., Jackson, Mississippi.

Mississippi Petroleum Marketers Assn., Jackson, Mississippi.

Missouri Oil Jobbers Association, Jefferson City, Missouri.
Motorcycle Trades Assn., Inc., Alexandria, Va.
Mfrs. Assn. of Delaware Valley, Norristown, Pennsylvania.
Mississippi LP-Gas Dealers Assn., Jackson, Mississippi.
Missouri Agricultural Industries Council, Inc., Kansas City, Missouri.
Montana Assn. of Nurserymen, Bozeman, Montana.
Mississippi Liquor Dealers Assn., Meridan, Mississippi.
Narrow Fabrics Institute, New Rochelle, New York.
National Appliance Service Assn., Kansas City, Missouri.
Nat'l. Assn. of Brick Distributors, McLean, Virginia.
Nat'l. Assn. of Coin Laundry Equipment Operators, Inc., Tucson, Arizona.
Nat'l Assn. of Elevator Contractors, Atlanta, Georgia.
Nat'l. Assn. of Glove Mfrs., Inc., Gloversville, New York.
Nat'l. Assn. of Independent Lumbermen, Arlington, Virginia.
Nat'l. Assn. of Plastic Fabricators, Washington, D.C.
Nat'l. Assn. of Retail Dealers of America, Chicago, Illinois.
Nat'l. Assn. of Store Fixture Mfrs., Sunrise, Florida.
Nat'l. Assn. of Tobacco Distributors, New York, New York.
National Air Transportation Assn., Washington, D.C.
National Art Materials Trade Assn., Hasbrouck Heights, New Jersey.
Nat'l. Assn. of Chemical Distributors, Dayton, Ohio.
Nat'l. Assn. of Convenience Stores, Falls Church, Virginia.
Nat'l. Assn. of Floor Covering Distributors, Chicago, Illinois.
Nat'l. Assn. of Home Mfrs., Washington, D.C.
Nat'l. Assn. of Meat Purveyors, Tucson, Arizona.
Nat'l. Assn. of Plastics Distributors, Devon, Pennsylvania.
Nat'l. Assn. of Service Contractors, Washington, D.C.
Nat'l. Assn. of Temporary Services, Washington, D.C.
Nat'l. Barrel & Drum Assn., Washington, D.C.
Nat'l. Beer Wholesalers of America, Inc., Falls Church, Virginia.
Nat'l. Candy Wholesalers Assn., Washington, D.C.
National Concrete Masonry Assn., McLean, Virginia.
Nat'l. Electric Mfrs. Agents Assn., Hempstead, New York.
Nat'l. Elevator Industry, Inc., New York, New York.
National Family Business Council, West Bloomfield, Michigan.
Nat'l. Food Distributors Assn., Chicago, Illinois.
Nat'l. Glass Dealers Assn., Washington, D.C.
Nat'l. Home Furnishings Assn., Chicago, Illinois.
Nat'l. Independent Dairies Assn., Washington, D.C.
Nat'l. Labor-Management Foundation, Washington, D.C.
Nat'l. Lumber & Bldg. Material Dealers Association, Washington, D.C.
Nat'l. Motorcycle Dealers Assn., Washington, D.C.
Nat'l. Office Products Assn., Alexandria, Virginia.
Nat'l. Paper Box Association, Haddonfield, New Jersey.
Nat'l. Parking Association, Washington, D.C.
National Peach Council, Martinsburg, West Virginia.
Nat'l. Retail Hardware Assn., Indianapolis, Indiana.
Nat'l. Screw Machine Products Assn., Cleveland, Ohio.
National Bicycle Dealers Assn., Wickliffe, Ohio.
National Commercial Refrigeration Sales Assn., Philadelphia, Pennsylvania.
Nat'l. Confectionery Salesmen's Assn of America, Inc., New Monmouth, New Jersey.
Nat'l. Electronic Service Dealers Assn., Indianapolis, Indiana.
National Employment Association, Washington, D.C.
Nat'l. Farm & Power Equip. Dealers Assn., St. Louis, Missouri.
Nat'l. Frame Builders Association, Dayton, Ohio.
Nat'l. Hardwood Lumber Assn., Chicago, Illinois.
Nat'l. Home Improvement Council, New York, New York.
Nat'l. Insulation Contractors Assn., Washington, D.C.
Nat'l. Landscape Association, Washington, D.C.
Nat'l. Macaroni Mfrs. Assn., Palatine, Illinois.
Nat'l. Office Machine Dealers Assn., Elk Grove Village, Illinois.
Nat'l. Paper Trade Association, Inc., New York, New York.
Nat'l. Patent Council, Arlington, Virginia.
Nat'l. Precast Concrete Association, Indianapolis, Indiana.
Nat'l. Roofing Contractors Assn., Oak Park, Illinois.
National Shoe Retailers Assn., New York, New York.
National Water Well Association, Worthington, Ohio.
Nat'l. Society of Public Accountants, Washington, D.C.
National Woodwork Mfrs. Assn., Chicago, Illinois.
Nebraska Petroleum Marketers, Inc., Lincoln, Nebraska.
New Jersey Tool, Die & Precision Machining Assn., Denville, New Jersey.
North Carolina Oil Jobbers Assn., Raleigh, North Carolina.
North Dakota Grain Dealers Assn., Fargo, North Dakota.
Nat'l. Tool, Die & Precision Machining Assn., Washington, D.C.
Nebraska Assn. of Nurserymen, Lincoln, Nebraska.
New Jersey Retail Merchants Assn., Trenton, New Jersey.
North Carolina Assn. of Plumbing, Heating and Cooling Contractors, Raleigh, North Carolina.
Northeastern Lumber Mfrs. Assn., Falmouth, Maine.
Nat'l. Liquor Stores Association, Washington, D.C.
National Assn. of Retail Grocers, Washington, D.C.
National Small Business Association, Washington, D.C.
National Home Improvement Council Chapter, Birmingham, Alabama.
National Home Improvement Council Chapter, Buffalo, New York.
National Home Improvement Council Chapter, Chattanooga, Tennessee.
National Home Improvement Council Chapter, Cincinnati, Ohio.
National Home Improvement Council Chapter, Columbia, South Carolina.
National Home Improvement Council Chapter, Denver, Colorado.
National Home Improvement Council Chapter, Erie, Pennsylvania.
National Home Improvement Council Chapter, Houston, Texas.
National Home Improvement Council Chapter, Little Rock, Arkansas.
National Home Improvement Council Chapter, New York, New York.
National Home Improvement Council Chapter, Portland, Oregon.
National Home Improvement Council Chapter, Salt Lake City, Utah.
National Home Improvement Council Chapter, Springfield, Massachusetts.
National Home Improvement Council, Chapter, Boston, Massachusetts.
National Home Improvement Council, Chapter, Canton, Ohio.
National Home Improvement Council, Chapter, Chicago, Illinois.
National Home Improvement Council, Chapter, Cleveland, Ohio.
National Home Improvement Council, Chapter, Dallas, Texas.
National Home Improvement Council, Chapter, Detroit, Michigan.
National Home Improvement Council, Chapter, Grand Rapids, Michigan.
National Home Improvement Council, Chapter, Kansas City, Missouri.
National Home Improvement Council, Chapter, Milwaukee, Wisconsin.
National Home Improvement Council, Chapter, Pittsburgh, Pennsylvania.
National Home Improvement Council, Chapter, St. Louis, Missouri.
National Home Improvement Council, Chapter, Seattle, Washington.
National Home Improvement Council, Chapter, Washington, D.C.
Oil Heat Assn. of Greater Washington, Washington, D.C.
Oregon Assn. of Nurserymen, Portland, Oregon.
Oil Jobbers of Wisconsin, Inc., Madison, Wisconsin.
Oregon Feed, Seed and Suppliers Association, Portland, Oregon.
Pacific Northwest Grain Dealers Assn., Inc., Portland, Oregon.
Pennsylvania Petroleum Assn., Inc., Harrisburg, Pennsylvania.
Pet Industry Distributors Assn., Chicago, Illinois.
Plumbing, Heating, Cooling Contractors Assn. of Napa, Solano and Lake Counties, Napa, California.
Plumbing-Heating-Cooling Contractors Assn., Vienna, Ohio.
Plumbing Industry Program, Inc., Miami, Florida.
Plumbing Contractors Association of Erie County, New York, Inc., Buffalo, New York.
Plumbing, Heating, Cooling Contractors of Greater Indianapolis, Indianapolis, Indiana.
Plumbing & Piping Contractors Assn., of Western Kentucky, Paducah, Kentucky.
Professional Insurance Agents, Washington, D.C.
Painting & Decorating Contractors of America, Falls Church, Virginia.
Petroleum Assn. of Delaware, Newark, Delaware.
Philadelphia-Suburban Assn. of Plumbing Contractors, Upper Darby, Pennsylvania.
Plumbing, Heating, and Cooling Contractors of Alameda County, Oakland, California.
Plumbing, Heating and Cooling Contractors Assn. of Northwestern Ohio, Inc., Toledo, Ohio.
Photo Marketing Assn. International, Jackson, Michigan.
Plumbing-Heating-Cooling Contractors Assn. of Central Illinois, Champaign, Illinois.
Plumbing, Heating, Cooling Contractors of Marin, Sonoma, & Mendocino Counties, Inc., Novato, California.
Power Transmission Representatives Assn., Shawnee Mission, Kansas.
Printing Industries of America, Inc., Arlington, Virginia.
Consisting of:
Printing Industries Association of Southern California, Los Angeles, California.
Printing Industries Association of San Diego, San Diego, California.

Printing Industries of Northern California, San Francisco, California.
Printing Industries Association, Mountain States, Denver, Colorado.
Printing Industry Association of Connecticut & Western Massachusetts, Hartford, Connecticut.
The Printing Industry of Connecticut, Milford, Connecticut.
Printing Industry of Metropolitan Washington, Inc., Washington, D.C.
Printing Industries of Florida, Winter Park, Florida.
Printing Association of Georgia, Inc., Atlanta, Georgia.
Printing Industry of Illinois, Chicago, Illinois.
Printing Industries of Indiana, Inc., Indianapolis, Indiana.
Printing Industries of Maryland, Baltimore, Maryland.
Printing Industries of New England, Auburndale, Massachusetts.
Printing Industries of Michigan, Detroit, Michigan.
Printing Industry of Twin Cities, St. Paul, Minnesota.
Printing Industries of Mid-America, Inc., St. Louis, Missouri.
Printing Industries Association of New York State, Inc., Williamsville, New York.
Printing Industries of Metropolitan New York, New York, New York.
The Printing Industry of the Carolinas, Inc., Charlotte, North Carolina.
Printing Industries Association of Northern Ohio, Cleveland, Ohio.
Printing Industry Association of South Central Ohio, Columbus, Ohio.
Printing Industries Association, Inc., Oklahoma City, Oklahoma.
Printing Industries of the Pacific, Portland, Oregon.
Graphic Arts Association of Delaware Valley, Philadelphia, Pennsylvania.
Printing Industry Association of Western Pennsylvania, Pittsburgh, Pennsylvania.
The Printing Industry Association of the South, Inc., Nashville, Tennessee.
Printing Industries Association of Texas, Dallas, Texas.
Printing Industries of the Gulf Coast, Houston, Texas.
Intermountain Graphic Arts Association, Salt Lake City, Utah.
Printing Industries of the Virginias, Charlottesville, Virginia.
Washington/Alaska Printing Industries, Inc., Seattle, Washington.
Printing Industries of Wisconsin, Milwaukee, Wisconsin.
Association of Graphic Arts Consultants, Arlington, Virginia.
Binding Industries of America, Arlington, Virginia.
Conference Board of Major Printers, Arlington, Virginia.
Financial Printers Association, Arlington, Virginia.
Graphic Arts Equipment and Supply, Dealers Association, Arlington, Virginia.
Graphic Arts Marketing Information Service, Arlington, Virginia.
Graphic Arts Union Employers of America, Arlington, Virginia.
Graphic Communications Computer Association, Arlington, Virginia.
International Book Printers Association, Arlington, Virginia.
International Business Forms Industries, Arlington, Virginia.
International Thermographers Association, Arlington, Virginia.
Label Printing Industry Section, Arlington, Virginia.
Lithographic Preparatory Services, Arlington, Virginia.
Magazine Printers Section, Arlington, Virginia.
Master Printers of America, Arlington, Virginia.
National Association of Lithographic Plate Manufacturers, Arlington, Virginia.
Non-Heat Set Web Section, Arlington, Virginia.
Security Lithographers Section, Arlington, Virginia.
Web Offset Section, Arlington, Virginia.
Yearbook Printers Association, Arlington, Virginia.
Real Estate Securities and Syndication Institute, Chicago, Illinois.
The Refractories Institute, Pittsburgh, Pennsylvania.
Retail Jewelers of America, Inc., New York, New York.
Rogue Valley Assn. of Plumbing, Heating, and Cooling Contractors, Medford, Oregon.
Realtors National Marketing Institute, Chicago, Illinois.
Retail Floorcovering Institute, Chicago, Illinois.
Rhode Island Nurserymen's Assn., Inc., Kingston, Rhode Island.
Schiffi Lace & Embroidery Mfrs. Assn., Inc., Union City, New Jersey.
Society of Industrial Realtors, Washington, D.C.
South Dakota Retailers Assn., Pierre, South Dakota.
Specialty Equipment Mfrs. Assn., El Monte, California.
Steel Service Center Institute, Cleveland, Ohio.
Smaller Business Assn. of New England, Waltham, Massachusetts.
South Carolina Oil Jobbers Assn., Columbia, South Carolina.
Southeastern Lumber Mfrs. Assn., College Park, Georgia.
Steel Plate Fabricators Assn., Hinsdale, Illinois.
Texas Assn. of Nurserymen, Austin, Texas.
Toledo Area Small Business Assn., Toledo, Ohio.
Truck Equipment and Body Distributors Assn., Cincinnati, Ohio.
Textile Fibers & By-Products Assn., Charlotte, North Carolina.
Truck Body & Equipment Association, Washington, D.C.
Urethane Foam Contractors Assn., Dayton, Ohio.
Utah Plumbing, Heating, and Cooling Contractors, Salt Lake City, Utah.
Utah Council of Retailers & Wholesalers, Salt Lake City, Utah
Vermont Plantsmen's Assn., Inc., Reading, Vermont.
Washington State Nurserymen's Assn., Puyallup, Washington.
Western States Meat Packers Assn., San Francisco, California.
West Virginia Oil Jobbers-Distributors Assn., Charleston, West Virginia.
Wholesale Nursery Growers of America, Washington, D.C.
Wisconsin Assn. of Food Dealers, Madison, Wisconsin.
Women's Council of Realtors, Chicago, Illinois.
West Central Plumbing, Heating, Cooling Contractors, Montevideo, Minnesota.
Western Wayne County Assn. of Plumbing Contractors, Westland, Michigan.
Wholesale Florists & Florist Suppliers of America, Arlington, Virginia.
Wilkes-Barre Wyoming Valley Plumbing-Heating-Cooling Association, Wilkes-Barre, Pennsylvania.
Wisconsin Assn. of Mfrs. Agents, Inc., Milwaukee, Wisconsin.

Mr. HATCH. Mr. President, I notice that the distinguished Senator from Wyoming is in the Chamber, and I ask unanimous consent that this speech not be considered a second speech under the rules.

The PRESIDING OFFICER (Mr. ZORINSKY). Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that my remarks may not be considered a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, although the number of work stoppages in the State of Wyoming was almost the same in 1969 as in 1970, at 9 and 8, respectively, there was a large discrepancy in terms of the size of the stoppages. In 1969 there were 2,216 workers involved in 9 strikes, and 46,696 man-hours idle, representing 207.9 man-hours idle per worker. On the other hand, in 1970 with 8 strikes occurring, there were only 633 workers involved and 30,600 man-hours idle, representing only 48.3 man-hours idle per worker involved. Although there was only one less strike in 1970, the number of workers involved decreased by 71.4 percent and the man-hours idle decreased sharply by 93.4 percent, or 430,096 idle man-hours. This resulted in a 76.8-percent decrease in man-hours idle per worker involved from 207.9 to 48.3.

The year 1969 led also in both the mean and median duration of the strikes. The mean at 22.0 days was 46.7 percent greater than the 1970 figure of 15.0 days and the median at 15.5 days was 158.3 percent greater than the median figure in 1970 of 6 days. One and six-tenths percent of the total civilian labor force was involved in a work stoppage in 1969, while only 0.4 percent was involved in 1970.

On a national basis, 0.28 percent and 0.32 percent of the estimated total working time in the private nonagriculture segment was idle in 1969 and 1968, respectively. In Wyoming the 1969 figure was about the same at 0.20 percent of the estimated total working time in the private nonagricultural segment, whereas, the 1968 figure of 0.07 percent was considerably below the national percentage. Wyomings percentage would be expected to vary from the national percentage since it represents an agriculture segment of an industrial nation.

In 1969, although the originations of the stoppages were concentrated in January and September, the greatest number of workers involved occurred in January and June and carried over into February and July. These 4 months also saw the most idle man-hours.

In 1970, April was the most active month in terms of the number of stoppages beginning in the month, while January, April, and May saw the most workers involved. The greatest number of man-hours idle occurred in August, a month with only one stoppage involving 110 workers.

Mr. President, I ask unanimous consent to have a table printed in the RECORD showing work stoppages.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Work stoppages[1] Number	Duration mean[2]	Median (days)	Workers involved Number	Total civilian work force Number	Percent	Man-days idle	Man-hours idle during year Number	Percent days idle per working time	Percent per worker involved
1968	6	8.1	6.5	2,015	139,000	1.4	49	129,280	0.07	64.2
1969	9	22.0	15.5	2,216	141,700	1.6	57,587	460,696	.29	207.9
1970	8	15.0	.6	633	142,900	.4	3,825	30,600	.02	48.3

[1] The number of stoppages and workers is determined by stoppages beginning in the year; average duration by those ending in the year.

[2] Figures are simple averages; each stoppage is given equal weight regardless of size.

TABLE II.—WORK STOPPAGES BY MONTH

Month	Number of stoppages: Beginning in month Number	Percent	In effect during month Number	Percent	Workers involved: Beginning in month Number	Percent	In effect during month Number	Percent	Man-hours idle Number	Percent
1969	9	100.0	16	100.0	2,216	100.0	4,241	100.0	460,696	100.0
January	3	33.3	3	18.8	928	41.9	928	21.9	130,424	28.7
February	1	11.1	3	18.8	271	12.2	1,012	23.9	28,784	6.2
March			1	6.2			271	6.4	8,672	1.9
April										
May										
June	1	11.1	1	6.2	900	40.6	900	21.2	151,200	32.8
July	1	11.1	2	12.5	33	1.5	933	22.0	123,192	26.7
August			1	6.2			33	.8	3,432	.6
September	3	33.3	3	18.8	84	3.8	84	2.0	2,672	1.1
October			1	6.2			40	.9	7,360	
November			1	6.2			40	.9	4,960	
December										
1970	8	100.0	11	100.0	633	100.0	802	100.0	30,600	100.0
January	1	12.5	1	9.1	266	34.1	266	33.2	2,128	7.0
February										
March										
April	4	50.0	4	36.4	228	48.8	228	28.4	4,656	15.2
May	1	12.5	3	27.3	20	1.8	178	22.2	7,200	23.5
June	1	12.5	2	18.2	9	1.2	20	2.5	776	2.5
July										
August	1	12.5	1	9.1	110	14.1	110	13.7	15,840	51.8
September										
October										
November										
December										

(AFFILIATION)

Mr. HANSEN. Mr. President, for both 1969 and 1970, the majority of both the number of stoppages and workers involved were AFL–CIO affiliated. In 1969 this was 77.8 percent and 86.3 percent, respectively and in 1970, 75.0 percent and 77.9 percent, respectively. The majority of man-hours idle during the year occurred with AFL–CIO affiliated unions in 1969; however, in 1970 the majority of idle man-hours, 15,840, occurred in a stoppage involving an unaffiliated union. Although the stoppage involved only 17.4 percent of all workers involved in stoppages it accounted for 51.8 percent of the total man-hours idle during the year.

Mr. President, I ask unanimous consent to have a table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—WORK STOPPAGES BY AFFILIATION OF UNIONS INVOLVED

Affiliation	Stoppages beginning in year Number	Percent	Workers involved Number	Percent	Man-hours idle during year Number	Percent
1969 Total	9	100.0	2,216	100.0	460,696	100.0
AFL–CIO	7	77.8	1,912	86.3	432,624	93.9
Unaffiliated unions	2	22.2	304	13.7	28,072	6.1
No union involved						

Affiliation	Stoppages beginning in year Number	Percent	Workers involved Number	Percent	Man-hours idle during year Number	Percent
1970 Total	8	100.0	633	100.0	30,600	100.0
AFL–CIO	6	75.0	493	77.9	14,520	47.4
Unaffiliated unions	1	12.5	110	17.4	15,840	51.8
No union involved	1	12.5	30	4.7	240	.8

CONTRACT STATUS

Mr. HANSEN. In both 1969 and 1970 the contract status of the majority of the work stoppages was renegotiation of agreement, either expiration or reopening. Six out of nine were involved in 1969 and five out of eight in 1970. However, while in 1969 renegotiation involved 96.9 percent of the workers involved in stoppages and 96.9 percent of the man-hours idle during the year, only 69.7 percent of the workers involved and 83.1 percent of the man-hours idle were connected with renegotiation in 1970.

Contracts in a renegotiation status were divided rather evenly over major issues in 1969, but concentrated under general wage changes in 1970. In terms of workers involved and idle man-hours with a contract status of renegotiation, the majority were involved in wage adjustment issues in 1969 and supplementary benefits in 1970.

SIZE OF STOPPAGE

In 1969 the heaviest concentration of stoppages was in the size range of 20 to 99 workers involved. The largest number of workers involved and man-hours idle was found in the stoppage size range of 500 workers and over. Under renegotiation of agreement, the major contract status, the number of workers involved and man-hours idle during the year was greatest in the stoppage size range of 500 workers or more.

In 1970 the stoppages varied in size with no concentration in any particular size range. The most workers involved were in the size range of 250 to 499 workers and the greatest number of man-hours idle occurred in the group representing stoppages involving 100 to 249

workers. The same development is true in the major contract status, renegotiation of agreement.

MAJOR ISSUES

The major issues in both years were varied with no concentration on any one popular issue. In 1969, the largest work stoppage, which involved 900 workers and 273,600 idle man-hours, was a wage adjustment dispute about job classification.

In 1970, four out of the eight stoppages concerned general wage changes; however, the strike with the greatest number of workers involved was concerned with work rules and the greatest number of man-hours idle occurred over the issue of supplementary benefits.

Although there is a concentration of stoppages in 1969 in the size range of 20 to 99 workers, the issues are varied. As mentioned before the largest number of workers involved and idle man-hours occurred in stoppages in the size range 500 or more workers. The major issues of the two stoppages in this range were general wage changes and wage adjustments.

In 1970 the four stoppage involving general wage changes each involved less than 100 workers. The largest stoppage in terms of workers involved was concerned with plant administration and the stoppage with the greatest amount of man-hours idle had supplementary benefits as its major issue.

INDUSTRY

Only one industry, contract construction, was affected by stoppages in both 1969 and 1970. In 1969 it accounted for two-thirds of the strikes and for one-fourth in 1970; 1,170 workers and 304,168 man-hours idle were involved in the stoppages which affected contract construction in 1969, representing the majority of both workers involved and man-hours idle. In 1970 railroad transportation had the most workers involved in a stoppage, and metal mining incurred the most idle man-hours during the year.

In 1969 the petroleum refining industry experienced stoppages having the longest mean duration, while in 1970 the retail trade stoppage was of the longest duration.

Contract construction, the most frequently affected industry in 1969, met with a variety of major issues. In two of the cases, union organization and security was the major issue while the issues for the remaining four stoppages were supplementary benefits, union check-off, interunion or intraunion matters, and wage adjustments; the last issue being the major issue in the largest strike of the year affecting 900 workers and resulting in 273,600 man-hours idle.

The major issues of the two stoppages in the construction industry in 1970 were general wage changes and interunion or intraunion matters. The stoppage with the largest number of workers involved was over plant administration and affected the transportation industry. The mining industry suffered the most idle man-hours in an issue dispute over supplementary benefits.

In 1969, three out of the six contract construction stoppages had the contract status of renegotiation of agreement. In 1970 this was also true of the stoppage in transportation which involved the majority of workers involved during the year and the stoppage in mining which incurred the greatest number of man-hours idle during the year. In fact two-thirds of the stoppages in 1969 and five-eighths of the stoppages in 1970 involved renegotiations of agreements.

DURATION

Construction, petroleum refining, and transportation in 1969 and mining transportation and retail trade in 1970 had stoppages of a duration of 15 or more days.

Stoppage involving the most workers were of a duration of 30 to 64 days in 1969, but only 1 day in 1970. In 1969 the most man-hours idle developed in stoppages lasting 30 to 64 days; whereas, in 1970 the most man-hours idle occurred in stoppages of a 15- to 29-day duration.

Of the six stoppages in 1969 that were over 15 days in duration, none of them had the same major issue. The three stoppages of longest duration had as their separate issues general wage changes, wage adjustments and union organization and security.

In 1970 the one strike lasting 30 to 64 days was disputing general wage changes, while the next 2 longest stoppages in the duration range of 15 to 29 days, had general wage changes and supplementary benefits as their separate issues.

The six stoppages of 15 or more days duration in 1969 were all in renegotiation of agreement contract status except for one which was during the term of agreement. The most man-hours idle and greatest number of workers involved had contract statuses of renegotiation of agreement and durations of 30 to 64 days.

In 1970 the three stoppages of longest duration were all renegotiating an agreement. The stoppage involving the most workers lasted one day and had a renegotiating of agreement contract status. Also in a renegotiating position was the stoppage with the most man-hours idle during the year, which had a duration in the range 15 to 29 days.

Stoppages were concentrated in 1969 in the size range of 20 to 99 workers involved but were of varying duration. As to be expected the most workers involved and greatest man-hours idle occurred in the size ranges of 500 and more workers involved and duration of 30 to 64 days.

The 1970 stoppages were varied in both the number of workers involved and the duration. The most workers involved fit into the size range of 250 to 499 workers and the duration range of 1 day; however, the most man-hours idle fell into the 100 to 249 workers involved size range and the duration range of 15 to 29 days.

MEDIATION

For both years Federal mediation was the most frequently used mediation agency; however, a significant number of stoppages in 1969 reported no outside mediation agency being involved. The 64.1 percent of the workers involved and 71.8 percent of man-hours idle during the year in 1969 were in federally mediated stoppages. In 1970, 69.7 percent of the workers involved and 83.1 percent of the man-hours idle during the year occurred in federally mediated stoppages.

Mr. President, next I would like to speak about the State manpower profile.

STATE MANPOWER PROFILE

Wyoming's towering mountains and rolling plains provide spectacular scenery, grazing ranges for sheep and cattle, a wealth of mineral resources, and a quality lifestyle for its people. The Equality State ranks ninth in physical size among the States, but comprises only a minuscule 0.2 percent of the Nation's population. It has 23 counties, plus the Nation's largest national park, Yellowstone. Wyoming ranks 50th in population and 49th in population density, currently 4 people per square mile, with only Alaska having a more widely scattered population. The U.S. averages around 60 people per square mile. If Wyoming had the average population density of the United States, it would have a population of almost 6 million. If it had the population density of the six contiguous or bordering States it would have around one and a quarter million people.

It is interesting to look at Wyoming's total population. In the year 1870 we had a population of barely over 9,000. By 1880, the population had jumped to 20,789 people. By 1890, the year of statehood, 62,555 people lived in the State of Wyoming; by 1900, 92,531 called themselves Wyomingites; in 1910, 145,965 people lived in the Equality State; in 1920, our population had grown to 194,402 people; in 1930, we had 225,565 persons; in 1940, our population had grown to more than a quarter of a million people, 250,472 persons; by 1950, 290,529 people lived in Wyoming; in 1960, 330,066 people; in 1970, we had 332,416 people, just a little over 2,000 more than had lived in the State 10 years earlier; in 1971, our population had grown to 334,000 people; in 1972, 345,000; in 1973, 353,000; in 1974, 362,000; in 1975, 376,000; in 1976, 390,000; and, as I said earlier, by 1977, 406,000.

Wyoming's population gain since 1970, 22.1 percent, compares to the U.S. gain of slightly over 6 percent and the average growth of the six contiguous States of around 13 percent. The reason for this historically unprecedented population growth in the State since 1970 is primarily due to Wyoming's "Energy Capitol of the Rockies" status.

The industrial employment mix is atypical, when compared to the Nation, and is the key to the State's sustained growth during the recent national recession. The Cowboy State is one of only several that produces significantly more energy than it consumes. Being an energy export State is documented by the extremely high percentage of employment in mining, 14 times the national average. A large portion of the construction employment is energy related in Wyoming. The remaining industries, with the exception of manufacturing and construction, conform fairly closely to the national average breakout.

The very low amount of manufactur-

ing in the State, only one-sixth the national average, can be attributed to such factors as a small and scattered population, distance from population centers and consumer markets, and the scarcity of raw materials used in manufacturing processes. Historically, manufacturing has the highest number of layoffs and plant closures of any industry. Wyoming has avoided this dilemma because of a very small manufacturing base.

This disproportionate industrial mix has kept growth high and unemployment low since the late 1960's. It is a seeming paradox, that poor performance in these very industries was the main cause of the actual outmigration of population in the 1960–67 period. During the sixties, before the energy crisis, State officials tried, with little success, to woo more manufacturing into the State.

Wyoming leads the Rocky Mountain region in coal, oil, and natural gas production and ranks second in the Nation in uranium ore production. The State's wealth in energy resources is certainly the key to its sustained growth.

It will be interesting to examine a table with a breakdown of the percentage of employment by industry for the year 1977. Agriculture in Wyoming represents 8 percent in employment whereas nationally it is 7 percent; manufacturing is 4 percent of Wyoming's jobs in the State, whereas nationally it is 24 percent; mining is 14 percent in Wyoming and 1 percent nationally; construction, 9 percent in Wyoming, whereas it is only 4 percent nationally; transportation and utilities, 7 percent in Wyoming, whereas it is 6 percent nationally; trade, 20 percent in Wyoming, as is true in the United States as a whole; finance, 3 percent in Wyoming and 5 percent nationally; service, 13 percent in Wyoming, whereas it is 16 percent nationally; and Government, 22 percent in Wyoming and 17 percent nationally.

The turnaround from the population outmigration of the 1960–67 time period was triggered by the increased demand for petroleum, which stimulated oil exploration in the late 1960's, as Wyoming is by far the largest oil producer in the Rocky Mountain region. The future cost of oil is still very much in doubt. As the Arab oil export embargo demonstrated, the availability of petroleum products is vitally important to proper functioning of the economy in this country. Slightly over half of the mining employment in the State is in the oil and gas extraction sector. Wyoming also leads in coal production in the Rocky Mountain States, in addition to ranking a close second in the Nation in uranium ore production.

The Wyoming labor force has exhibited its greatest sustained annual growth in its history since 1968, as outmigration plagued the State during most of the 1960's and slow population growth was prevalent between statehood, in 1890, and 1960. Since 1970, annual increases in the labor force have averaged 8 percent, far outstripping historical gains in previous years. In fact, the 1977 labor force has grown over 42 percent since 1972 and was up 7.8 percent from 1976.

Wyoming is one of 23 modestly populated States which has started to adjust its labor force information to agree with data obtained by the current population survey (CPS). Prior to this time, data for the 27 larger States and the Nation was based on this survey. The CPS is conducted monthly by the U.S. Bureau of Census for the Bureau of Labor Statistics (BLS), in which a cross section of each State and the Nation is interviewed in a household survey. Questions asked in this study apply to all persons in the sample household over 16 years of age and primarily cover employment and unemployment. Annual average numbers for Wyoming prior to and including 1976 were derived from the monthly CPS conducted during 1976. Labor force data for 1977 are based on the CPS conducted during that year.

Table 4 gives the average calendar year labor force and components for Wyoming.

TABLE 4.—AVERAGE CALENDAR YEAR LABOR FORCE AND COMPONENTS—WYOMING

	1972	1973	1974	1975	1976	1977
Total civilian labor force	135,800	142,985	153,072	165,869	179,000	193,000
Percent increase		5.3	7.1	8.4	7.9	7.8
Total employment	130,609	138,207	147,885	158,888	171,000	186,000
Agriculture	14,550	14,940	15,180	16,400	18,150	18,500
Nonagriculture	116,059	123,267	132,705	142,488	152,850	167,500
Total unemployment	5,191	4,778	5,187	6,981	7,000	7,000
Average unemployment rate (percent)	3.8	3.3	3.4	4.2	4.1	3.6
Covered employment [1]	85,429	93,117	102,437	109,915	118,164	[2] 129,500
Insured unemployment	1,310	1,160	1,210	2,500	2,198	1,970
Insured unemployment rate (percent)	1.7	1.4	1.3	2.5	2.0	1.5

[1] Under Wyoming U.I. Law.

[2] Estimated.

As Senators will note, Wyoming has a very low rate of unemployment.

POPULATION CHARACTERISTICS AND TRENDS

The estimated population for Wyoming is 435,000 for July 1, 1979, which is about 31 percent over the U.S. Census figure of 332,416 for 1970. Most of this increase is the result of the booms related to the energy industry. These are concentrated in several areas of the State, and some of the larger urban centers that contain numerous service and trade outlets have also expanded.

The increase in population over the 1970 figures has a larger proportionate increase for the whites than for the minority groups. The minority population has remained stable, as there has been no attraction to bring minority group members into the State, nor have there been any changes which might encourage them to leave. The estimated minority population for 1979 is 36,491 compared to 27,943 for 1970 as recorded by the Bureau of the Census. The ratio between the number of males and females in 1979 remained practically the same as for 1970. In numbers, females have shown a slightly larger gain over the males.

In recent years, the gains in the labor force can be primarily attributed to gains in the mining, construction, finance, and service industries. The jobs becoming available in these industries, with the possible exception of service, would be the type which a younger person normally might be better equipped to handle.

Wyoming did not, in the early 1970's have the population base to satisfy the demands that these industries placed upon it, the net result being considerable inmigration of younger individuals. It should be noted that the age group 16 to 21 has reversed the trend of younger individuals leaving the State for better job opportunities than those available within the State which has existed in Wyoming for a number of years. With the increase in the proportion in this age group, it would seem that Wyoming's younger people are finding the educational and job opportunities they desire and are no longer leaving the State. Apparently, the energy crunch and related developments throughout the State are now providing the necessary jobs and higher paid occupations to these young people. Not only are these younger persons staying in Wyoming, but new jobs are attracting youth from other States.

EMPLOYMENT DEVELOPMENTS AND OUTLOOK

Starting in the spring of 1974, the United States has been in the longest business recession since the Great Depression of the 1930's. The Nation has been rocked by inflation, tight money, depleted inventory stocks, and high unemployment. After 4 years, the country appears to be recovering. Wyoming's economy has been perversely resistant to these national economic pressures, prospering while much of the country suffered.

Wyoming has a well-deserved "boom or bust" reputation. It prospers during times of national recession and slumps during times of national prosperity. National energy demands have kept Wyoming on a boom status during the recession. Its tremendous reserves of energy resources should keep its economy booming for some time to come.

The State's labor force was up annually almost 8 percent in 1977.

Wyoming's unemployment level has continued a trend started early in 1975 of being about half the national level—around 4 percent. Minority unemployment in Wyoming of about 11 percent is closer to the national unemployment level.

Only four States, Iowa, North Dakota, South Dakota, and Nebraska had a lower unemployment rate than Wyoming. Wyoming's low unemployment rate of 3.6 percent in 1977, along with its small population gives it the smallest number of unemployed persons of any State—7,000.

Wyoming is not only a large coal producing State, but also a large coal consuming State. The only States in the region which consume more coal are Colorado and New Mexico. Most of the coal (97 percent) consumed in Wyoming is used for the production of electricity. All the coal fired electrical generating plants in the State are owned by utility companies which have customers in States other than Wyoming, so although the coal is burned in Wyoming, the ultimate use of the energy produced does not take place in Wyoming.

The coal reserves in Wyoming have mind-boggling implications for the State and its people. The reserves have been estimated to range from 120 to 560 billion tons, depending on the source making the estimate. This should be enough coal to last the United States 500 years at the present rate of consumption. Wyoming coal is low sulfur bituminous (soft coal) rather than the cleaner and more efficient anthracite (hard coal), so until the energy crisis, it was not in great demand.

In 1977, Wyoming coal production reached a new high mark of 45 million tons, the highest production for any State in the Rocky Countain region, and is expected to rise to at least 56 million tons in 1978. The 1977 figure was up 28 million tons from 1971 and nearly 14 million tons from 1976, an annual increase of about 47 percent. This compares to the national annual increase in coal production of only about 7 percent. Wyoming ranks seventh in the Nation in coal production. Currently, only about one-third of the coal mined in the State is consumed by local powerplants. The remainder is shipped to out-of-State powerplants.

Currently, there are approximately 35 operating coal mines in the State, employing nearly 3,500 workers. Employment, like production, is up over 200 percent since 1971. There are plans for around 33 more coal mines, many of which are under construction. Independent consulting firms estimate that by 1980, up to 100 million tons a year will be mined. If this prediction comes true, Wyoming may become the top coal producing State in the country, even topping Kentucky in strip mining.

Rocky Mountain energy's South Haystack coal mine (located in Uinta County) is expected to open during 1978. The mine will employ 300 miners. Black Butte Coal Co. plans to start production at their Black Butte mine, southeast of Rock Springs, pending permit approval from the State Department of Environmental Quality. Carter Oil's Caballo coal mine, south of Gillette, is also ready for full-scale production, pending the approval of the environmental impact statement.

The President's national energy plan has the potential to create many new jobs associated with energy conservation and the development of nonpetroleum energy resources. These jobs would reportedly utilize current skills and available training. Mr. Robert J. Brown, Under Secretary, U.S. Department of Labor, estimates that with the increased emphasis placed on coal utilization, a possible 200,000 new jobs in the coal industry could be generated by 1985, half of which would be west of the Mississippi.

The Cowboy State is the largest producer and refiner of oil in the region. However, because of its small population, it is the smallest consumer of petroleum products. Production in the Wyoming oil industry has leveled off at about 134 million barrels in 1976 and 136 million barrels in 1977, an annual increase of only 1.5 percent. Wyoming set the pace for the Rockies with 1,200 wells completed, 28 new oil fields, and 37 new gas fields in 1977. About half the reserves of oil and natural gas in the Rocky Mountain region lie in Wyoming.

Sweetwater County mines, mills, and powerplants have brought a 1,000-plus increase to its labor force. Minerals Exploration, owned by Union Oil of California, is developing a complex near Bairoil to process 3,000 tons of low-grade uranium ore from an open pit. The project is expected to begin production near 1980. Oil and gas exploration has been active in Sweetwater County and has resulted in some job openings for highly skilled oilfield workers. Openings are also available for service workers. At Red Desert, the Panhandle Eastern Pipeline Co. and Northern Gas Products have announced plans for a natural gas compressor station and liquid petroleum extraction plant.

Urangesellschaft, Inc., has proposed a $50 million uranium surface mine and mill at Poison Basin, west of Baggs. Development of the mine would begin in 1980, with construction of the mill to take another 2 years. Once mining commences, an estimated 300 workers will be employed at the site.

Laramie County, where the work force has grown by about 1,000, is fast becoming a favorite site of international companies. Colorado Interstate Gas Co. plans to construct a $12 million natural gas compressor station near Cheyenne. When completed, this plant will employ at least 400 workers. AMF Wyott Co. officials have announced plans to merge with a Connecticut food equipment manufacturing company. The Cheyenne facility will be expanded and will require 80 additional employees.

In Lovell, the Great Western Sugar Co. completed the season's sugar refining in late February, creating an oversupply of jobseekers for the present. Land preparation and some road projects are in the offing as the weather permits.

Construction is booming in Casper, as is the case throughout the State, with housing expanding outside the city limits and commercial construction in full swing as construction on highways, two new fire stations, a 7,000-square-foot office complex to be known as the CY Mall, a new motor inn, new banking facilities, a new parking facility, and a new park are underway. In February, building permits totaled $2,941,473 in Casper alone. Cheyenne is experiencing the most extensive building year in its history, with 389 residences and 43 apartment complexes being constructed. Building permits in Cheyenne totaled $28,759,395 for 1977, and growth is expected to continue.

Demand is up in the Gillette area for food service and maid service workers, electricians, welders, drywall hangers, and tapers. Truckdrivers will be needed this summer. Laboring jobs are of short duration. In Kemmerer, job openings are available for skilled craftsmen, and for service occupations. The demand for unskilled construction workers appears to be met.

In Wheatland, Platte County, construction of the Missouri basin power project's coal-fired generating plant, the Laramie River Station, is now over 25 percent complete. The first unit of the power station is scheduled to enter commercial operation in April of 1980, the second unit in September 1980, and the third unit in 1982. Project construction is on schedule and the work force is currently over 1,100.

The office of secretary of state reports that 1,780 new corporations filed to do business in Wyoming since December of 1976, bringing the total number of corporations in Wyoming to 15,403.

Wyoming is the leading soda ash (trona) producer in the country. This industry has historically expanded rapidly and is expected to continue this rapid growth in future years. Allied Chemical, F.M.C., and Stauffer Chemical are all planning multimillion-dollar expansion projects. In 1977, employment in the soda ash industry was over 4,000 with production over 4.5 million tons. By 1985, employment is predicted to swell to over 5,000 and production should exceed 10 million tons a year. At the end of 1977, Wyoming soda ash sold for $50 per ton at the plantsite, which made it competitive with synthetic soda ash when freight charges were included.

Construction is continuing on the fourth unit of the Jim Bridger Power Plant, located 35 miles east of Rock Springs. Pacific Power & Light hopes to have this unit on line by late 1979, and it should involve 1,500 workers. With this addition, the powerplant will have a total design capacity of 2,000 megawatts.

Wyoming produced a job growth rate of 8.9 percent from December 1976 to December 1977. Except for manufacturing and Federal and State Government employment, boom conditions appear to have been prevalent in the State. All major industries except manufacturing produced substantial job gains, led by mining, construction, wholesale trade, and finance. For these industries, growth rates were above the 10 percent mark. Durable goods as well as Federal Government and the hotel/lodgings sector of the service industry showed minor job losses.

This section, employment developments and outlook, only covers a few highlights of announced industrial plant openings and expansions.

EMPLOYMENT DEVELOPMENTS AND OUTLOOK BY INDUSTRY

Wyoming's civilian labor force has increased 45 percent between 1973 and 1978. Agricultural employment increased 34 percent while nonagricultural employment went up nearly 47 percent. Covered

employment increased by over 47,000 employees for a growth of better than 50 percent. Most of these changes were due to expanded prime industries such as mining and construction, with finance, trade, service, government and transportation and public utilities showing secondary growth.

Wyoming's labor force is not accurately portrayed by annual averages, due to the large number of firms whose business fluctuates with seasonal changes. This affects the number of employees that work during peak periods and that are out of work at slack periods. The total number of employees between these extreme periods is about 18 percent of the average annual employment. Agricultural employment probably suffers more due to seasonal elements than any other industry.

It would be informative to examine the seasonal covered employment for 1977 in Wyoming:

	Annual average	Low month	High month	Difference	Percent of annual average
Mining	24,900	22,500	26,900	4,400	18
Construction	16,500	12,700	19,200	6,500	39
Manufacturing	9,000	8,400	9,700	1,300	14
Transportation and utilities	13,200	12,500	13,700	1,200	9
Trade	37,400	33,900	40,400	6,500	17
Finance, etc	5,500	5,300	5,800	500	9
Service	23,700	21,000	27,400	6,400	27
Government	37,300	35,100	39,100	4,000	11
Total	167,500	151,400	182,200	30,800	18

The construction industry shows the greatest seasonality in employment. Construction is heaviest in the summer months and tends to slack off appreciably from December through March. The service and trade industries tend to follow the same pattern, with tourism producing jobs during the summer months, although winter does not take as great a toll on service and trade employment, as ski resorts and other winter activities open for the season.

Agriculture and mining are affected as well by prevailing weather conditions, but to a much lesser extent. Generally, the economy and employment peak during June and July and fall to their lowest point during January and February of each year.

TABLE 10.—WYOMING LABOR FORCE BY RACE

	Total	White [1]	Spanish American	Indian	Black	Oriental	Other
Labor force	193,000	189,718	8,415	1,641	1,023	367	251
Percent	100.0	98.3	4.4	0.9	0.5	0.2	0.1
Employed	186,000	183,116	7,873	1,416	932	318	218
Unemployed	7,000	6,602	542	225	91	49	33
Percent	100.0	94.3	7.7	3.2	1.3	0.7	0.5
Unemployment rate	3.6	3.5	6.4	13.7	8.9	13.4	13.1

[1] Includes Spanish American.

Source: Bureau of Census, July 1, 1976 (provisional) series P-26, No. 76-50.

Wyoming's 1977 labor force consisted of about 11,700 minority workers, approximately 6.1 percent of the total labor force. Unemployment rates for minorities range from a low of 6.4 percent for Spanish Americans to 13.7 percent for Indians. Unemployment figures for minority workers in Wyoming do not compare favorably with the figure of 3.5 percent for whites and an annual average unemployment rate for the State of 3.6 percent. The national average unemployment rate for minorities in 1977 was 13.2 percent, compared to the State average of 11.1 percent.

TABLE 11.—1977 WYOMING LABOR FORCE BY SEX

	Total	Male	Female
Labor force	193,000	124,755	68,245
Percent	100.0	64.6	35.4
Employed	186,000	120,718	65,282
Unemployed	7,000	4,037	2,963
Percent	100.0	57.7	42.3
Unemployment rate	3.6	3.2	4.3

The 1977 State labor force (table 11) consisted of 35.4 percent females, compared to the national average for females of 48.5 percent. The female unemployment rate in Wyoming was 4.3 percent, compared to the national figure of 8.2 percent. Unemployment rates for males were 3.2 percent and 6.2 percent respectively.

Wyoming's employment is allocated among all industries in quite different proportions than those of the United States, as shown in table 12. In the "Equality" State, construction, mining, and tourism contribute most to the economy. Manufacturing, which is the largest industry in the Nation, is one of the smallest in the State. The majority of the manufacturing in the State is accounted for in the processing of mineral products.

Mr. President, I ask unanimous consent that I may yield the floor at this time to Senator THURMOND and not be charged with a second speech.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from South Carolina.

Mr. THURMOND. Mr. President, is the Senator yielding to me, or do I have the floor on my own?

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. THURMOND. I just wanted to find out the situation.

Mr. President, on previous occasions I have addressed the potential adverse impact the so-called Labor Reform Act of 1978 would have on the people of South Carolina. Later, in a review of this legislation, I pointed out that many of the so-called reforms are shopworn ideas rejected in the past, as they should be rejected now. The unfairness of the equal access provision and the damage the so-called reforms could do to small business, I have previously covered in some detail.

Next, I discussed the views of a great majority of the people of my State who perceive this legislation as harmful. It is clear some of the proponents intend harm to the "Sun Belt." Also, stressed on the same day was the danger of removing the Government from the role of arbitrator and moving it to one of favoring big labor. During my last opportunity to speak on this legislation, I pointed out the one-sided tilt of the bill toward big labor. To bring this point home, I covered many union abuses of employees that this bill does not address, much less correct. Some proponents say these abuses are properly included in our criminal laws. My answer is clear and to the point. You know and I know that this bill was written for big labor. You know and I know that this bill was not written with any thought of providing any balance for an employer. You know and I know that there was absolutely no intention to protect the employee from union abuses. You know and I know there was no thought given in drafting this bill to protect the freedom of choice of an employee to join or not to join a union.

Mr. President, today I will continue to discuss union abuses. In taking this approach, there certainly is no claim on my part that all abuses should be placed on the doorstep of the unions. My point is the bill places all perceived abuses on the employer and ignores the worker. My purpose is to turn the coin over and show the lack of any semblance of balance in this bill.

I will continue to discuss corruption and violence in the Teamsters Union and other unions today. In fact it is my intention to draw many of my comments from a report prepared by PROD. PROD is made up of a group which, I am informed, includes approximately 6,000 Teamster members. I am told that PROD favors the legislation we are considering. If that be true, then the case they make for a need for protection of workers from the unions is even more significant. PROD seeks to inform members what happens to their hard-earned dues and this group suggests improvements, which you will not find in the bill we now consider.

Several years ago, many will remember the hue and cry to clean up the Teamsters pension plan. I turn now to that subject.

Mr. President, I shall quote now from an article in U.S. News & World Report dated July 12, 1976, entitled "Behind the Crackdown on a Huge Teamster Pension Plan":

With increasing speed, Government agencies are moving to oust the leadership

of the nation's most controversial pension plan—the Teamsters' giant Central States, Southeast and Southwest Areas Pension Fund.

The fund, which claims assets of more than 1.3 billion dollars, offers pension protection to half a million members of the Teamsters Union. It also has been called a source of big fees for "finders" of loans, for illegal kickbacks and for speculative land investments.

James R. Hoffa lost control of the fund and of the Teamsters Union presidency upon his imprisonment in 1967 on charges of helping to swindle 2 million dollars from the Central States fund.

Now, Government investigators are again looking into the Central States fund, and on a scale dwarfing earlier probes. The aims: the removal of the 16 trustees—equally divided between the Teamsters Union and employer representatives—and the reorganization of the Chicago-based retirement fund.

Already, these developments have surfaced:

The Internal Revenue Service in late June revoked the fund's tax-exempt status. If upheld in court, his would mean that the fund itself would be taxed for its earnings from 1973 onward, and vested employees covered by the fund would be taxed for contributions made in their behalf by employers.

A task force of investigators from the Labor and Justice Departments has referred evidence of two alleged criminal acts to the Justice Department for possible prosecution. The probe, begun last August, is far from over.

A Senate subcommittee took secret testimony on July 2 to obtain details of the Labor-Justice task-force probe.

Under Government pressure, trustees of the pension fund revoked their commitment to lend 40 million dollars to lawyer and gambling-casino operator Morris A. Shenker, one of the biggest beneficiaries of Central State loans.

Mr. Shenker, in fact, has emerged as a central figure in the Government's investigation. An attorney from St. Louis, he became involved in numerous loans from the fund after defending Mr. Hoffa in criminal proceedings more than a decade ago. Mr. Shenker has represented numerous borrowers from the fund, and has owned all or a portion of various companies that have received more than 164 million dollars in loans.

Rebuffed on the 40-million-dollar loan to enlarge the Dunes Hotel in Las Vegas, Mr. Shenker in late June sued to force the pension fund to honor the loan commitment made in January, 1975, for which his company already had paid a $440,000 commitment fee.

Mr. Shenker's suit was welcomed by Government officials involved in the Central States investigation. Says one:

"We may intervene as a party to the suit. If we can convince a judge that Shenker is a bad risk and that the fund trustees violated their fiduciary duty in ever agreeing to make the loan, we'll have proven half our case against the trustees."

The Central States fund, the brainchild of Jimmy Hoffa, was established in 1955 and now pays a monthly pension of $550 to a Teamster retiring at age 60. Contributions are made entirely by employers; payments were only $2 a week at first, but now are $25. These contributions totaled 281 million dollars in 1974. Together with 54 million in investment and other revenues, the fund's total take was 335 million that year.

MOTIVES QUESTIONED

Such income has made the fund enormously wealthy. But the uses to which this wealth has been put have raised eyebrows time after time in the past two decades.

Mr. Hoffa was convicted of defrauding the pension fund. Allen Dorfman, a Hoffa protégé and consultant to the fund, served an eight-month prison term for taking a $55,000 kickback on a loan—then resumed his consultantship.

In 1972, an officer of Bally Manufacturing Corporation gave stock then worth almost $100,000 to members of the family of William Presser, a vice president of the union and a trustee of Central States. Eighteen months later, the fund loaned Bally 12 million dollars.

Central States differs markedly from similar pension funds in its investment policy. According to the Securities and Exchange Commission, private uninsured pension funds in 1974 had 59.3 per cent of their combined assets invested in common stocks and only 1.8 per cent in mortgages. Central States in 1974 had only 7.1 per cent of its assets invested in common stocks—and 58.3 per cent in mortgages. If all of its real-estate investments are included, they equal 73.3 per cent of assets.

The bulk of the fund's 325 mortgage loans listed in an audited financial statement that Central States filed with the Government in 1975 are for hotel, motel, office and housing-development projects. Several loans went to race tracks, another to a cemetery and still another to a television evangelist for construction of his cathedral. The trustees of a university and New Hampshire's largest daily newspaper, the Union Leader of Manchester, are also on the loan list.

Since experts say that mortgage loans can be a riskier and far less liquid investment than common stocks, the Central States fund might be expected to obtain steep rates of interest on its portfolio. Mr. Fitzsimmons said last winter that the fund had a 5.2 per cent return on its investments in 1974.

But the effective return on the fund's investments, after deducting losses on the sale of securities and losses on operation of foreclosed properties, was only 4 per cent.

EARNINGS RATIO

On real-estate investments, Central States earned an estimated 5 per cent return in 1974. That same year, the nation's largest insurer, Prudential, earned a 7.7 per cent yield on its real-estate holdings.

One reason Central States doesn't do better, according to many who have studied its financial statement, is that many of its loans go sour, requiring the pension fund to assume ownership of the collateral. As of Jan. 31, 1975, 6 per cent of the fund's 783 million dollars in real-estate investments were in arrears. The figure was 16 per cent if several other doubtful loans were listed as delinquent.

In addition, the pension fund has another 119 million dollars tied up in property it now owns, much of it through default of previous owners who had borrowed money from the fund.

MAJOR REVERSION

The biggest such reversion involved Penasquitos Corporation. This southern California real-estate venture had been authorized 157 million dollars in loans and actually borrowed an estimated 130 million of it before the 14,000-acre housing development came to the brink of collapse and was deeded to the pension fund in 1974.

Mr. Shenker says he bought a one-quarter interest in Penasquitos in 1969 from the principal owner, Irvin J. Kahn, and served as attorney and loan procurer for the land-development company. But he says that management of Penasquitos was solely in the hands of Mr. Kahn, who died in September, 1973.

The two jointly owned another California land-development company, Murrieta Hot Springs, and a holding company, IJK Nevada, Inc. IJK, Nevada, in turn, owns 37 percent of Continental Connector Corporation, whose subsidiary, M&R Company, operates the Dunes Hotel and Casino in Las Vegas. After Mr. Kahn's death, Mr. Shenker became sole owner of Murrieta and of IJK Nevada, and therefore the top shareholder of Continental Connector.

One thing most of these companies had in common was difficulty in repaying loans from Central States and other pension funds. Penasquitos could not maintain its repayments on the 130-million-dollar Central States loan after Mr. Kahn died. Murrieta Hot Springs, also overburdened with debt, surrendered 1,000 acres of its land to another pension fund to avoid default.

A Continental Connector report to the SEC notes that income of IJK Nevada is too low to repay its 13.5-million-dollar loan from Central States, and that the collateral was worth only 27 per cent of the amount of the loan.

Mr. Shenker, a 69-year-old man who still maintains a 100-hour-a-week work schedule supervising his 60 companies, does not think he is a poor loan risk.

"Nobody has lost a penny loaning me money," he said recently in his third-floor office at the Dunes in Las Vegas. "The Central States trustees say they will realize a profit of at least 50 million dollars on the Penasquitos investment. I think it could be closer to 75 million."

"BIG PROFIT"

He asserts that the St. Louis Pipefitters Pension Fund, which took over the Murrieta Hot Springs acreage, will also realize a "big profit" eventually, and says that infusion of more assets into his holding company, IJK Nevada, will permit it to repay its debt to Central States on time.

Several Government sources believe that the pending court test of whether the Teamsters pension fund should lend Mr. Shenker another 40 million dollars for expansion of the Dunes could go far toward deciding if the fund's trustees should be removed on the ground of fiduciary irresponsibility.

These sources say they are curious why the fund's trustees agreed to make the loan. The parent company of the Dunes—Continental Connector—also owned a trucking subsidiary then that contributed pension money to Central States. A new pension law that took effect Jan. 1, 1975, prohibits loans to employers of pension-fund beneficiaries. Continental sold the subsidiary earlier this year.

A more immediate threat to the Central States pension fund is loss of its tax-exempt status. The IRS is empowered to take this action when it believes a fund is improperly administered. Central States could fight IRS in court for years, but at the risk of letting the uncertainty of its tax status snarl its operations.

Trucking employers, silent up until now about the controversy over Central States, could go to court to demand that their interests be protected by a receiver. So could rank-and-file Teamsters, the fund's intended beneficiaries. So, too, could the Government.

In any case, the clamor over this huge pension plan, far from abating, is only beginning.

Mr. President, I now call the attention of the Senate to an article which appeared in the Washington Post of Wednesday, July 4, 1976, entitled "28 Teamster Officials Out in Midwest Fund Shake-up":

CHICAGO.—Twenty-eight of the top 30 executives in the Teamsters' Central States Pension Fund have been fired or asked to resign as part of a crash reform program by the fund's executive director, Daniel J. Shannon.

The reforms are believed to have come in response to mounting pressure from the government and the financial community after disclosure of sloppy bookkeeping and millions of dollars in bad loans allegedly made by the union fund.

Shannon said yesterday that of the fund's top 30 executives, only one remains in his former position. A second employee has been shifted to another job.

Most of the severed personnel, he said, have been replaced by young "academic types" who have been working overtime to bring some order out of the fund's confused records.

The Teamsters fund is estimated to be the largest of its type in the nation with assets of $1.4 billion and receipts of some $1 million a day. It is being subjected to equally serious revamping on other fronts, said Shannon, who assumed control of the fund 16 months ago.

He said the number of clerical employees working for the fund has been increased from 250 to 750 to reorganize the fund's formerly sloppy bookkeeping, which failed to record the names of the 385,000 union members whose employers were paying into the fund.

Shannon said that for the last 16 months the fund has made no loans in real estate, a field that formerly accounted for most of the Central States Teamsters Pension Fund investments.

It was real estate loans, many of which turned out to be bad, that first attracted the attention of investigators for the U.S. Justice Department and Labor Department and, presumably, prompted the reform measures that Shannon recently introduced at the fund's headquarters here.

Mr. President, I now call attention of the Members of the Senate to a recent article which appeared in the Washington Post on Wednesday, June 7, 1978, entitled "Teamsters Fund Probe Slowed by Data Cutoff." This article is by Fred Barbash:

The future of one of the government's most extensive investigations—the probe of the billion-dollar Teamsters Central States Pension Fund—has been thrown into doubt by a recent Teamsters action shutting off free government access to fund records.

The Teamsters expelled Labor Department investigators from the pension fund's Chicago office in late March, forcing investigators to begin a drawn-out process of securing the records by subpoena, top Justice and Labor department officials told a congressional committee yesterday.

The Teamsters action "may be an indication that the funds are embarking on a course of action to actively resist the government's regulatory and investigatory efforts," John C. Keeney, acting chief of the Justice Department's Criminal Division, told the House Ways and Means Committee's oversight panel. It "reflects a noncooperative attitude," he said.

The pension fund's officers had been cooperative for the past 15 months—allowing the Labor Department to set up shop in their office—only in the face of an Internal Revenue Service threat to revoke the fund's tax-exempt status. That sanction, which was imposed briefly in 1976, would bring chaos to the fund's operation.

Under the IRS threat, the fund also agreed to replace its trustees, install an independent manager of its assets and submit to a variety of audits and actuarial studies.

Since March, however, the fund has been taking steps to regain some of the control it relinquished in the agreement. In addition to the expulsion of investigators, fund trustees approved a resolution requiring the managers to screen major decisions through the trustees, from whom they were supposed to be independent.

The trustees also brought in their own actuarial firm and ordered government-installed actuaries to suspend their work, according to yesterday's testimony. In addition, the fund forced out as executive director Daniel J. Shannon, who was brought in five years ago to help revamp the operation.

These events, coupled with congressional displeasure about the government's response to them, prompted yesterday's hearing. "I am concerned about a lessening of the government's commitment to clean up this fund," said Rep. J. J. Pickle (D-Tex.) after hearing yesterday's testimony from government officials and Teamsters dissidents.

The government has been trying to cleanse the Teamsters pension fund for a generation. Its loans to organized crime figures, gambling casinos, race tracks and risky real estate ventures, and repeated allegations of payoffs from people seeking such loans have made it one of the country's most investigated institutions.

With assets of over $1.6 billion (by Teamster's estimates), it is also the second largest pension fund in the country and the principal source of retirement security for 480,000 Teamsters.

The current federal probe involves hundreds of investigators in three different agencies: the Justice Department, the Labor Department and the Internal Revenue Service.

Assistant Labor Secretary Francis X. Burkhardt agreed that the expulsion would slow down his agency's investigation, but stressed in the face of Pickle's criticism that the department had no power to force itself back into fund headquarters in Chicago. IRS auditors are still at work there, according to spokesmen for that agency.

Pension fund officials did not testify yesterday, although they wrote committee members that they would continue to cooperate both with congressional probers and agency officials. The Labor investigators were expelled because of "the attendant continuous expenses to and burdens upon the central states fund," the letter said.

(Mr. HODGES assumed the Chair.)

Mr. THURMOND. Now, Mr. President, if Mr. Barbash is right, we are no further along now than we were in 1976 in cleaning up this pension fund.

Now, Mr. President, I want to call the attention of the Senate to an article which appeared in the Washington Post, Saturday, June 10, 1978, by Jack Anderson entitled "Teamsters Strike It Rich in Alaska":

The virgin state of Alaska abounds in beautiful bays, majestic mountains and striking sunsets. But Alaska's two most notable landmarks may be its multibillion-dollar oil pipeline and Jesse Carr.

The two are not mutually exclusive. Carr is the blustery, burly boss of Teamsters Local 959, which seems to have corralled just about every working Alaskan from policemen to high school principals. The pipeline, meanwhile, pumps oil across the Alaskan tundra and cash into the Teamsters' coffers.

According to a confidential congressional memorandum, the pipeline has caused the union pension fund to swell like a pregnant moose. Each Alaskan Teamster is obliged to contribute $3 per hour out of his pay to the pension fund.

The number of contributing Teamsters multiplied dramatically from 2,891 in 1973 to 15,050 by the end of 1975, their donations from $4.2 million to $25.6 million. The fund's assets now exceed $100 million and constitute an estimated 15 percent of all bank deposits in the state.

Most of the moolah came from workers on the pipeline, a tough breed of men who have gone on to other jobs and will never benefit from the huge contributions they have made.

Declares the confidential memo: "Most of the 20,000 men who have worked on the biggest private construction project in the world [the pipeline] have headed home for good, with far fewer than the 10 years of Teamster service in Alaska now required to gain any vested or nonforfeitable benefit rights."

There are also no reciprocal agreements between the Alaskan pension plan and other Teamster plans in the lower 48 states.

The memo also indicates that the Teamsters may be violating federal pension laws that require the funds to diversify investments "so as to minimize the risk of losses."

Meanwhile, the enormous fund has made Local 959 the richest lode in Alaska since the 1897 gold rush. And its leader is known far and wide as Boss Carr. The title is undisputed; in Alaska, Carr is "the Boss."

Footnote: We were unable to reach Carr at the time we researched this story. But a Teamsters spokesman told us the pension fund was adhering to the law. It's the law that should be changed if there's a problem, he said. As for Carr's power, the spokesman said power is bad only if it is abused and Carr has not abused his power.

Mr. President, I call the attention of the Senate to an article which appeared in the Washington Post of Thursday, May 25, 1978, by Larry Kramer, entitled "Fight on Over Protecting Pension Fund Investors." It reads:

The Supreme Court, the Securities and Exchange Commission, the Labor Department and now Congress are involved in an ongoing struggle over what laws should protect investors in $280 billion worth of private pension funds, and the outcome could have a major effect on the future of all such funds. . . .

But the dispute first came to light last year in a lawsuit involving a former Teamsters union member, who charged that he had been defrauded by his pension fund. John Daniel said he was never informed that in order to qualify for fund benefits, he would have to put in 20 years of uninterrupted service on the job.

When he retired in 1973, he was told that even though he had 22½ years as a Teamster truck driver, he did not qualify for pension benefits because 12 years earlier he had taken an involuntary four-month layoff.

Daniel, now 69, had expected $400 a month in retirement benefits. And, he argued, since he was making an investment decision in joining the pension plan, he felt it should be considered a security, and be subject to antifraud provisions of securities laws. Those laws require that all material facts, including such things as risks that the buyer should be aware of, must be disclosed to potential investors.

Daniel said he was never told of the limitations, or that he would not receive his pension if his service was interrupted.

When his suit reached the 7th U.S. Circuit Court of Appeals (after he won in a lower court), a jurisdictional squabble between the SEC and the Labor Department intensified.

Then-SEC chairman Roderick Hills, a labor lawyer for many years and a labor law professor at Harvard Law School, didn't think the SEC had jurisdiction over the pension funds because it had not exercised such jurisdiction previously. . . .

Despite Hills' dissent, the SEC voted to file a legal brief supporting Daniel's case before the 7th Circuit, alleging that pension plans should fall under SEC antifraud laws.

The Labor Department came down on the side of the Teamsters, arguing that the SEC should not get involved in pensions, and that the entire collective bargaining process would be disrupted by a decision in favor of Daniel, because unions would lose their status as exclusive agents of employes.

But the appeals judge disagreed with the Labor Department and the Teamsters, claiming that the only real effect of a pro-Daniel decision on unions "will be in preventing

them from defrauding their rank and file with impunity." The appeal has gone to the Supreme Court, which earlier this year agreed to hear the case.

Opponents of SEC involvement are not waiting for the courts. They have now shifted the battleground to Congress. Early this month, Williams introduced the ERISA Improvements Act of 1978, which includes a subsection that would prohibit the SEC from involving itself in pension funds. (ERISA is the Employe Retirement Income Security Act of 1974).

"Private pensions would be hampered with another layer of bureaucracy," Williams said in an interview. "There would be major problems for the smaller plans, who already find it too expensive to go through the existing bureaucracy."

Part of the problem dates back to the debate on the Welfare Pension Plans Disclosure Act in 1957 and 1958. During that debate, the SEC said that it did have jurisdiction over pensions, but didn't want to be bothered because it would be costly to regulate them.

At that time, the National Coordinating Committee of Multiemployer Plans asked Harvard law professor Archibald Cox for his opinion on the matter. He told them that the SEC should be involved, because "it could be expected to produce better forms and better administrative regulations [than the Labor Department]. Its staff is also likely to have a better grasp of the significance of the information disclosed," he wrote.

This issue separates the organized labor leadership and the membership. The leadership now administers the huge private pension funds, estimated to hold $279.5 billion, and is not interested in further scrutiny. . . .

But union rank-and-file members say they are tired of continuing sagas of misuse of money in such enormous funds as the Teamsters', and further annoyed over situations like Daniel's.

"The SEC is an effective law enforcement agency where the unions and the companies don't have an in," says Karen Ferguson of the Pension Rights Center, a pension reform group in Washington.

"And the Labor Department has a tremendous conflict of interest," she adds. "It is the traditional advocate of organized labor, but in this case doing what the union leadership wants to do may not be in the interest of the rank and file."

Organized labor is worried, Ferguson claims, because if the rank and file are told before going to work, or before joining a pension, "that there is a good chance they will never collect that pension, they just might decide not to take the plan, and sign up for their own personal plans, like an IRA or something."

She said that the "material facts and risks must be told to an employee, as if the pension plan is a security, because that pension is being offered as an inducement—either to hire someone or to get them to sign a contract."

"The argument that the disclosure required by the securities laws is somehow duplicative of disclosure required by ERISA is just not true," she says. "ERISA doesn't require anything like this kind of disclosure. . . .

"That's just wrong," says Ferguson. "The Supreme Court has said that if applying a ruling retroactively would impose an undue burden, they won't do it."

Meanwhile neither SEC Chairman Harold Williams, nor his enforcement chief, Stanley Sporkin, will comment on the issue because it is now before the courts and an issue in the Senate.

But friends of Sporkin say the fiercely independent 18-year veteran is anxious to move in on pension funds, which have long provided huge amounts of money to questionable recipients, frequently including people linked to organized crime.

Mr. President, I now wish to call the attention of the Senate to an article which appeared in the Wall Street Journal on October 15, 1976, entitled "Teamsters' Fund Accused of Lending to Organized Crime":

CHICAGO.—The Teamsters union's Central States Pension Fund has been accused of lending more than $330 million to businesses supposedly linked to organized crime.

A lawsuit filed in federal court here by 10 retired union members charged that the Central States fund mismanaged pension funds by making "overly risky" loans at unusually low interest rates to organized crime borrowers. The loans were "improperly diverted" through kickbacks, bribes, illegal commissions and excessive fees, the suit said.

The suit listed the following loans: $150 million or more to Rancho de la Penasquito, Calif.; $100 million or more to various Las Vegas gambling casinos and resorts; $57 million or more to La Costa Resort, Calif.; $21 million or more to McCormack Inn, Chicago, and $13 million or more to Beverly Ridge Estates, Calif.

The plaintiffs also accused the Central States, Southeast and Southwest areas pension funds of illegally depriving union members of their pensions by requiring 20 years continuous service in one local to qualify. They asked the court to declare the rule invalid and reinstate their pensions.

The suit also alleged that 20 percent of the Central States fund's real estate loans, supposedly totaling $900 million are in default. In addition, the fund has deposited "a substantial amount" of money in interest-free demand deposit accounts at Amalgamated Trust & Savings Bank, Chicago, the suit says.

Attached to the suit was an affidavit by one of the plaintiffs, David Dutchak, 76 years old, who said that he was told in a telephone conversation by an unidentified union local staff member that he would find himself "in a ditch" if he persisted in efforts to claim his pension.

In Chicago, a spokesman for the Central States, Southeast and Southwest areas pension funds said the fund hasn't any comment at this time on the suit's charges.

Mr. President, I want to call the attention of the Senate to an article which appeared in the Washington Post on Friday, June 9, 1978, by Charles R. Babcock, entitled "Dock Corruption Indictments. ILA and Shippers Accused":

In a major attack on alleged waterfront corruption in southern ports, federal authorities yesterday charged 10 officials of the International Longshoremen's Association and a dozen shipping industry leaders with a variety of racketeering and kickback violations.

The indictments by a federal grand jury in Miami complete one phase of a 2½-year-old investigation of reported payoffs by shippers to ensure labor peace.

Justice Department officials consider the inquiry especially significant because of its extensive use of undercover FBI agents to witness and make payments to union officials, and because its goal is to clean up an entire industry rather than settle for scattered indictments.

Those arrested include the presidents of two ILA locals in Miami, as well as the presidents of locals in Jacksonville, Savannah, Ga., and Charleston, S.C. They are accused of extorting or accepting thousands of dollars in cash, and in some cases cruise ship tickets and automobile tires, over the past several years in return for contracts.

A federal grand jury in New York City is also hearing evidence gathered by investigators in ports from Norfolk north to New York. More indictments are expected within a few months, sources said yesterday.

ILA President Thomas W. Gleason reportedly is not a target of the sweeping investigation. But Anthony Scotto, head of the union's largest local, in Brooklyn, is mentioned as a participant in some of the acts described in the racketeering conspiracy charges.

About a dozen other ILA officials have been indicted in recent months on charges such as stealing from local union treasuries by double billing for expenses.

An ILA spokesman in New York said yesterday that the union would have no immediate comment on the charges because its officials had not yet seen the 127-page indictment.

The 125,000-member ILA has had a history of corruption charges dating back at least to 1948 when New York Sun reporter Malcolm Johnson exposed gangsterism on the New York docks and won the Pulitzer Prize. His series became the basis for the award-winning Marlon Brando film, "On the Waterfront."

Justice Department sources said yesterday that the latest massive attempt to police the waterfront was triggered in mid-1975 when a Miami shipping agent, Joseph Teitelbaum, was implicated in a murder plot and agreed to tell the FBI about payoffs to union officials.

A short time later, FBI agent Robert Cassidy began working in Teitelbaum's office, posing as a business associate. Over the next several months Cassidy and at least two other FBI agents working undercover witnessed and at times personally made payments to union officials, the sources said.

According to the indictment, Cassidy made the first of several payments to William Boyle, an ILA international vice president, in Miami on Jan. 31, 1976.

Boyle, secretary treasurer of ILA Local 1922 in Miami, is charged in 36 counts of the indictment, including charges of racketeering, extortion, accepting kickbacks and filing false income tax returns. He is also charged with obstructing justice by threatening two Savannah, Ga., shipping executives about their appearance before a federal grand jury.

The undercover investigation was first publicized early last year when federal prosecutors issued more than 350 subpoenas for union and shipping company officials and their records.

George Barone, 54, another ILA international vice president and president of Local 1922 in Miami, was named in 25 counts of the indictment, including charges of racketeering, extortion, filing false income tax returns and violating labor laws.

Other top union officials charged including Robert Bateman, 56, president of the Charleston, S.C., local; Landon L. Williams, 41, president of the Jacksonville local; Cleveland Turner, president of another Miami local; Isom Clemon, who was president of the Mobile, Ala., local and already had been indicted on other charges, and Elizah (Elijah) Jackson, 49, president of the Savannah local.

Fred R. Field, Jr., ILA's general organizer, also was indicted. He already has been convicted of extorting $124,000 from the United Brands Co.

Shipping company executives were indicted too, investigators said yesterday, in cases where the evidence showed they were willing participants in the payoff schemes.

After the wave of subpoenas early last year, Justice Department officials decided to try to build a series of cases rather than seek scattered individual indictments, sources said.

A team of FBI accountants computerized the union local business records to simplify the search for possible double billing on ex-

pense accounts, and a variety of court-approved wiretaps backed up the work of the undercover agents, according to sources.

The first series of indictments was delayed for months because of legal fights over documents—including those of an Israeli shipping firm—and because a strike by the ILA last fall slowed the allegedly illegal activities, investigators said.

Mr. President, I turn now to the PROD report which I mentioned earlier. Chapter 7, the Cleveland Connection:

The principals in this chapter are IBT Vice-President William Presser who grossed more than $125,000 in 1974, his son Jackie who pulled in nearly $177,000 and Presser in-law Harold Friedman who did still better by grossing $181,000.

By the way, I understand that Jackie Presser is still on the Teamster payroll and was on the Teamster payroll on the last day of 1977, as vice president and international representative.

(Mr. BERNSTEIN assumed the Chair.)

The chief subordinates include several other Friedmans, the late Babe Triscaro and various other associates who insure the Pressers' continuing domination over Ohio Teamsters, assuming the International General President should not interfere. In fact, we will see that Frank Fitzsimmons has actually given his blessings to the Pressers under circumstances which should have provoked disciplinary proceedings. The various episodes of financial self-dealing traced in this Chapter are illustrative of a pattern of financial abuses which we will see repeated by other "industrious" Teamster officials in subsequent chapters.

William Presser spent six months in jail in the early 1960s for obstructing justice. He also spent another fifty days in prison for contempt of Congress for refusing to answer questions before the U.S. Senate Rackets Committee. In 1971 he pleaded guilty to accepting money from employers who were allegedly coerced into buying advertisements in a Teamster publication, but escaped a prison term because of ill health. In spite of this record Presser has retained control over the Ohio Conference of Teamsters with Fitzsimmons' tacit approval.[118]

Of the 15 International Vice-Presidents, William Presser ranks fifth in seniority. In addition he is one of Fitzsimmons' General Organizers of long-standing. He also presides over the following Teamster organizations: the Ohio Conference of Teamsters, which paid him $8,900 in salaries and allowances in 1974, the 100,000 member Cleveland Joint Council 41 which paid him $40,296, and Cleveland Taxicab Drivers Local 555, which supplied him with another $10,600. Until March of 1975, Presser also served as a Union trustee of the Central States Pension Fund, a position that netted him $26,800 in allowances and another $2,000 in expenses in 1974. Due to his conviction for accepting money from employers, he was banned by the new Pension Reform Act (ERISA) from holding the trustee job for a five-year period following his conviction—this prohibition ends in 1976. In an obvious act of nepotism and a subtle slap at the law, Presser arranged for his son, Jackie, to take his place as a Trustee for the duration of the probationary period.

In fact, the $126,000 that William Presser reported receiving in 1974 represents only part of the total Union benefits he receives. For example, Presser will never have to worry about his retirement. Consider the following. Local 555 has set up a special severance fund whereby he will receive a severance benefit equal to one year's salary (about $10,000) and the option to buy the auto assigned to him for $1. Pursuant to a resolution passed on New Year's Day 1966, Joint Council 41 established a Severance and Retirement Contract for Presser worth over $50,000.[119] Presser is also the beneficiary of a Severance and Disability Plan established by the Joint Council back in 1958. As of December 31, 1974, that Plan was reported to be worth $42,000. Finally, the Ohio Conference of Teamsters established an account in the early 1970s to "accumulate severance pay for certain officers". In its 1973 report, the Union listed the balance in this account to be $32,474. To date, the Conference has failed to specify which officers are the beneficiaries of this fund.[120] These four accounts will supplement the already generous pension benefits that Presser should be eligible to receive at retirement. In fact, Presser has been accumulating ordinary pension benefits from different Union funds for years. When he retires he may make Jimmy Hoffa's $1.7 million pension settlement seem small.

Joint Council 41 provides several other key benefits to Presser as well as a strong political base from which to launch his various activities. Pursuant to a motion passed by the Executive Board on June 18, 1973, Joint Council 41 became indebted to Presser for a total of $30,000 to be paid in annual installments of $5,000 as partial compensation for the "three years he worked without compensation." PROD checked through all the LM–2 forms on file at the Department of Labor going back to 1959, when they were first required to be filed and failed to find a *single* year in which Presser did not receive compensation from the Joint Council. In 1969, the Joint Council loaned Presser $30,000 from its Business Agent's Pension Fund. According to the 1970 D–2 Report filed on behalf of that Fund, Presser repaid just over $4,200 of the loan that year. Thereafter, the Fund's D–2 reports make no reference to the loan which may either have been abruptly paid off by Presser or simply written off as a gift by the Fund.[121]

Yet another benefit Joint Council 41 has bestowed upon its President can be found in the bylaws Fitzsimmons approved just prior to Presser's announcement of his support for Fitzsimmons' candidacy for the office of General President in 1971. Article II, Section 5 of those bylaws merits special attention.

PRESIDENTIAL TRAVEL AND MAINTENANCE

(a) Consistent with a Resolution passed on September 21, 1970, at a meeting of the delegates of Joint Council 41, and more specifically, the President for the purpose of promoting the general interests and welfare of Joint Council 41, both within the labor sector and in other sectors of our society, and for the purpose of preserving and refreshing his health and general well being, may, at his discretion, travel in this country or, with the approval of the Joint Council Executive Board, travel abroad and may take periodic rests. The Joint Council Executive Board shall provide for all expenses and allowances of the President when performing the services mentioned in this Section, or when taking periodic rests; the said expenses and allowances shall include travel and full and complete maintenance of his wife so that she can accompany the President and all secretarial help, assistants and or aides and services which he deems necessary while so engaged. The expenses and allowances provided for herein are in addition to all other compensation and allowances. All of the provisions of this Section shall be applicable to any other officers and employees so named by the President with the approval of the Executive Board. Expenses shall include, but not be limited to travel, both by plane, auto or rental car, to and from any of the fifty states, including Florida, apartment or hotel-motel living accommodations, utilities, telephone, gas and car expenses, entertainment and miscellaneous expenses, and such expenses as are incurred when travel is approved outside of this country.

This lavish provision is so broadly worded that it is possible the Joint Council may even be making the payments on Presser's Florida condominium, picking up his bar bill—indeed, meeting every expense he might incur in sustaining a luxurious life style thousands of miles from the Joint Council and the Ohio rank and file who must ultimately pick up the bill.

Just as the International Union's General Executive Board is supposed to serve as a check on the General President, so too are the members of the Joint Council 41 Executive Board supposed to prevent financial mismanagement and other abuses by its president, William Presser. However, just as the IBT Constitution gives Fitzsimmons the ability to dictate to the General Executive Board, the Joint Council 41 bylaws give Presser a similar kind of leverage to insure that his Executive Board will function as a rubber stamp also. In the first place, Presser has the authority to set the salaries of all Joint Council officers and employees, including himself.[122] Creative use of the travel provision we have just examined permits Presser to earn even more gratitude from his colleagues on the Board. Remember, that provision permits Presser to invite an unspecified number of aides to accompany him on his travels, and so long as they are in his company, all other expenses they might incur are also covered. Indeed, Presser may name any individual he may wish to share the benefits of this unlimited expense account, provided that individual is approved by the Executive Board.

The fact that Presser is obviously in favor with IBT General President Fitzsimmons also gives him a political advantage which assists him to reign over Ohio Teamsters. Fitzsimmons has chosen to ignore Presser's many financial manipulations. He has rewarded both William and his son Jackie with the lucrative and prestigious status of General Organizer, and he arranged to have Jackie appointed as his father's replacement on the board of trustees of the giant Central States Pension Fund. Fitzsimmons also appointed Presser as the International trustee to supervise the affairs of Local 436 when Presser's associate, the long-time president of that Local, Babe Triscaro, died in 1974. In fact, before examining the affairs of the other two principals in the "Cleveland Connection", let us take a brief look at Triscaro and some of the other members of William Presser's supporting cast.

Presser and Nunzio Louis "Babe" Triscaro had a long and profitable relationship. Prior to his death in 1974, Triscaro was Vice-President of Joint Council 41 as well as of the Ohio Conference, both of which are of course headed by Presser. In addition, Triscaro served as president of his own Cleveland Local 436. Many knowledgeable sources have reported that Triscaro served as Presser's liaison to various key figures in organized crime. Triscaro represented many of Cleveland's dump truck drivers who also reportedly served from time to time as Presser's "muscle".

Like most well situated and loyal Teamster officials, Triscaro managed to receive "just" financial recognition. His three Union posts brought him nearly $1,200 weekly. The Joint Council made him the beneficiary of a severance contract which enriched his estate by $12,619. The Joint Council's Business Agent Pension Plan gave Triscaro a $20,000 loan and apparently said nothing when he neglected to make any payments during 1969.[123]

However, while Presser saw to it that Triscaro received something from the Joint Council, Triscaro really managed to do well for himself at the expense of his Local 436. Like Presser, Triscaro persuaded his Local to create a special severance fund in 1968 which

Footnotes at end of article.

was worth $40,000 at the time of his death. Triscaro along with the other six officers of his local had personal use of late-model Union-purchased Cadillacs. The luxurious automobile was not the only form of transportation the Local provided him. Although Local 436 was neither large nor wealthy, Triscaro enjoyed a travel provision he managed to have incorporated in his by-laws which was virtually identical to Presser's Joint Council 41 unlimited expense account and permitted him to travel whenever and wherever he pleased and to bring along whomever he wished.

One of the individuals who frequently benefitted from this travel account was Sam Busacca, the Local's Vice President who also happened to be Triscaro's son-in-law. However, it seems that the extravagance proved to be too much for the Local treasury. Shortly after Triscaro's death, the Local Executive Board petitioned Fitzsimmons to place the Local into receivership inasmuch as it was on the verge of bankruptcy. When Fitzsimmons appointed Presser as the International trustee for the Local, Presser in turn immediately assigned Busacca to act as the Local's "administrator." Rather than insuring the fiscal integrity of the Local, this series of "assignments" in fact operated only to insure that Busacca would not lose the family business—Local 436.[124] In fact, this was not the first favor Presser had done for Busacca. In 1972, Busacca was the recipient of a $25,000 loan from the Joint Council 41 Business Agents' Pension Plan.[125]

Other important figures in Presser's Joint Council include John Felice and his son, John "Skip" Felice, Jr., a father-son team who run two small Cleveland Locals which collectively give them $120,000 annually for for their services.[126A] Skip Felice is a trustee of the Joint Council 41 Business Agents Pension Fund which we have seen making numerous loans to well placed Cleveland Teamster officials, including one to his father for $15,000. John Felice, Sr. made one payment of $1,000 on that loan in 1969.[126B] Thereafter, the Business Agents Pension Fund ceased to make reference in its annual D–2 reports to the loan, just as it did the following year cease to make reference to William Presser's $25,800 loan. As in Presser's case, either Felice abruptly paid off the $14,000 balance on the loan in 1970 or the Pension Fund trustees must have written off that sum as a gift. In addition, Skip Felice has also worked with Presser as the Recording Secretary of Joint Council 41, a committeeman on the *Ohio Teamster*, a Presser publication, and as Treasurer of OHIO DRIVE which is the Union's political arm.

Other important members of Presser's supporting cast include Jack Nardi who was indicted in late 1975 on federal charges of labor racketeering and marijuana smuggling.[127A] Lou Edwards, head of Local 637 in Zanesville, has stepped into Triscaro's position as Vice-President of the Ohio Conference of Teamsters.[127B] Charles Cimino, Sr. serves as the Secretary-Treasurer of Joint Council 41 [128] while Robert Cassidy holds the same position on the Ohio Conference.[129] Finally, one other personality warrants special mention. Convicted for white slavery in the 1940s, Joseph Blumetti later became one of Presser's closest associates, serving as a Local 410 business agent and an "employee" of Joint Council 41. However, he ran into difficulty once again when he was indicted in 1970 for embezzlement and filing false Union reports with the Department of Labor. His conviction in 1973 on the latter count operated to bar him from holding Union office for a period of five years. Thus, while Blumetti was forced out of his job as a Local 410 business agent, Presser promptly arranged for him to be appointed as a "collections manager" for the Central States Pension Fund—a position with even greater fiduciary duties but from which he was not technically barred by law. This position has permitted Blumetti to improve his financial situation. In 1974, the Fund paid him $33,544 in salary and expenses.

Now let us move on to the other principals in the "Cleveland Connection"—the Friedmans and William Presser's son, Jackie. The Friedmans are Presser in-laws by virtue of William's marriage to Faye Friedman. While Presser was moving up in the Teamster world, Harvey Friedman was establishing himself as the boss of Local 19 of the Baker's Union, an AFL–CIO affiliate. Whatever distinction there may have once been between the Cleveland Teamsters and Bakers thereafter melted as the Presser and Friedman families merged. Just as Harvey Friedman made a place in the Bakers Union for young Jackie Presser, so too did William Presser assist Harvey's son, Harold, to get a foothold in the Teamsters Union. In 1966, he assisted Jackie and Harold to obtain a charter to create their own Teamster Local (No. 507). Today, Local 19 of the Bakers Union and Teamster Local 507 not only share quarters in the same building, the two locals even share three officers, Harold Friedman, Jackie Presser and John Rusnak. Economically, all three do extremely well for themselves as a result of their multiple union "holdings".[130] In fact, some of the manipulation of finances of these two Locals provide interesting reading. Let us look first at Baker's Local 19.

Harvey Friedman and his son Harold had served together as the two principal officers of Local 19 for two decades when Harvey died in 1974. Like his close friend and in-law William Presser, Harvey made certain that in the event he should die or retire from his Baker's Local, it would pay him a handsome sum of money. Although the Friedmans did not get around to creating a Baker's severance fund (for unnamed officers) until 1969, that fund was worth $207,000 by 1973 and it paid Harvey Friedman's estate $141,730 when he died in January of the following year. Upon his father's death, Harold moved from Local 19 vice-president where he had earned $50,000 in 1972 [131] to president where he fully doubled his salary in 1974. In addition to the salary the Bakers gave Harold Friedman in 1974, they also reported a future liability that year of $103,153 for "severance pay due officers." [132]

Nineteen hundred and sixty-nine was a busy year for Cleveland severance funds. Not only did the Friedmans create such a fund in the Baker's Local, so too did Harold Friedman and Jackie Presser create such a fund for certain (once again, unnamed) officers of Teamster Local 507, the young Local they had only created a few years before.[133] In fact, while the Local 507 Executive Board did not actually vote to create the fund until April 12, 1969, they indebted the Local to the unnamed beneficiaries retroactive to January 1st of the preceding year. By the end of 1971, the Local's liability to the beneficiaries of this severance fund had grown to more than $100,000. The following year, the Executive Board decided not to wait for their severance and voted to disburse the fund at once. In 1972, the salaries of three members of the Executive Board leaped, only to settle back to previous levels the following year.[134] Thus, we assume that the severance fund was distributed in the form of salaries. The three individuals who received these salary "adjustments" were Jackie Presser, Harold Friedman and a second Friedman, Allen who serves as the Local 507 Vice-President.[135]

Finally, some mystery surrounds the Baker's Local 19 and Teamster's Local 507 pension funds and another Baker fund known as the "Charitable, Educational and Recreational Fund" which lists its purpose as providing "members with benefits as indicated by the name of the fund." Unlike every other pension plan examined by PROD, the Local 19 and 507 funds have traditionally listed on their annual D–2 reports a special "Retirement Benefits" liability which is entirely independent of their normal pension liability to member-beneficiaries. Those accountants PROD consulted about these unusual entries speculated that the two Cleveland pension funds may have created special retirement funds for their own trustees and/or employees. Harold Friedman and Jackie Presser are trustees of both pension funds. As of 1974, the Bakers pension fund reported $613,013, and the Teamster fund listed $219,931 as falling into this special category.

The Bakers Recreational Funds seems to have served in recent years as a conduit and repository of both Baker and Teamster monies. PROD's inquiries to the Union produced no information about the purpose or workings of the Fund. According to Local 507 reports, the Teamsters gave interest free loans to the Baker's Recreational Fund ($40,000 in 1973 and $100,000 in 1974) for the reported purpose of providing "additional working capital for an affiliated fund". The Baker's Local, itself, also loaned $90,000 to the Recreational Fund in 1974. Although both Teamster loans have reportedly been paid off, not only was the Baker's loan not paid off in 1974, no arrangements were noted for repayment. Why this anonymous union fund should require $190,000 in "working capital" in 1974, who handles, controls and audits this fund, all remain a mystery. Without considerable additional information, explanation and justification, however, as Secretary-Treasurer of Teamster Local 507, it would appear that Jackie Presser's interest free loans of Teamster monies to the Baker's Recreational Fund were violative of his fiduciary duty "to hold [the Local's] money and property solely for the benefit of the organization and its members." [136]

The "Cleveland Connection" on its surface makes out a strong case against the Pressers, Friedmans, et al. for engaging in a lengthy string of financial improprieties which have benefitted themselves, not Ohio Teamster members. The arrogance implicit in these dealings is stunning. Apart from whether many of these deals may have run afoul of various state and federal criminal statutes, it would appear that a substantial percent are violative of the Landrum-Griffin Act which was designed as the union-members' tool for enforcing high fiduciary principles upon their elected, union officials. However, before Ohio Teamsters can be expected to use this law, they must first know what their officials are doing, and most have been kept ignorant of the details of their leaders' many wheelings and dealings. By keeping Union offices "in the family", and by conducting all executive board meetings in total secrecy,[137] the Cleveland "gang" have been able to vote themselves enormous benefits which the Ohio rank and file have had to pick up unknowingly.

Once the shady dealings do become known, there are still many obstacles to a successful "shape-up" or "clean-up" drive by the Union membership, not least of which is fear. Moreover, corruption runs deep and the task may be physically, legally and financially overwhelming for the members. Teamster involvement in Ohio politics over the years must inevitably have won influential support for the Pressers, Friedmans, and others in high quarters. What is certain, however, is that what may not have been widely known by Ohio Teamsters, has long been generally known by Frank Fitzsimmons. And, while Ohio Teamster Union reform might take law enforcement officials and the rank and file years to accomplish, Fitzsimmons could wield his vast powers to investigate, audit and discipline those Union leaders who have been

Footnotes at end of article.

responsible for political abuse and financial mismanagement in short order. In fact, he has not, and has shown no inclination to do so. To the contrary, he has gone out of his way to confer recognition and rewards upon those responsible. The Cleveland Connection illustrates a very fundamental malady in the Teamsters Union.

FOOTNOTES

[118] For a more detailed account of Presser's difficulties with the law over the years, refer to his "profile" in Part IV of this Report.

[119] It is odd that the Joint Council Executive Board should have scheduled an official meeting for New Year's Day. The time and place, and identity of those attending, together with all other circumstances surrounding the meeting might prove to be interesting. The Union provided only the sketchiest information about this transaction in its LM-2 report. While the Department of Labor instructions for completing the reports require union officers to "describe in detail the transactions or events resulting in the contingencies and include the identity of the claimant or creditor", the Joint Council reported only the following: "The Wellington Fund Investment was established as a funding reserve but is in no way pledged or encumbered for this obligation." In another section of the report, the Union listed an investment in the Wellington Fund of $56,816. Although the Department of Labor has never required the union to clarify this information, it is clear that Presser did arrange the creation of a special fund for his own retirement.

[120] Indeed, in is 1974 LM-2 report, the Conference did not even specify the value of this special severance account. It has never shown clearly how much money was deposited into, or withdrawn from, this account in any year. Under law, the Conference is obliged either to create a trust for this "accumulated severance pay" and file a D-1 report describing the beneficiaries, or it must provide "the details of the transaction giving rise to" these encumbered funds when filing its LM-2 reports. In either case, the Conference is under a legal duty to provide considerable additional information and the Department of Labor has taken no action to require it to comply with the law. As a result, Ohio Teamsters have no way of knowing how much of their money is being spent on special "severance" funds, or for which officials. Their only recourse under the circumstances where the government will not cooperate is to file suit to force the Conference to open its books. See 29 U.S.C. 431.

[121] The legality of the loan in the first place is highly doubtful. 29 U.S.C. 503 provides in part:

"No labor organization shall make directly or indirectly any loan or loans to any officer or employee of such organization which results in a total indebtedness on the part of such officer or employee to the labor organization in excess of $2,000."

A labor organization should not be able to circumvent the intent of this provision by creating a trust fund and making loans to officers from it instead.

In the event this loan to Presser was written off or treated as a gift, the trustees of the Business Agent's Fund most assuredly violated their common law fiduciary duty as trustees. They may also have violated 29 U.S.C. 501 which is a criminal statute. Presser may have induced the action, and thereby conspired to violate the law.

A list of all loans to Union officials from this particular fund appears in Appendix "A" at the end of this Report.

[122] This may explain why Presser's Joint Council salary is high even by Teamster standards. For example, Joe Trerotola received $25,000 in 1974 for serving as president of New York Joint Council 16 which has twice as many members as Joint Council 41 which paid Presser $40,296.

[123] For a complete list of loans to Union officials made out of this particular pension fund, and a schedule of payments on these loans, see Appendix "A".

[124] This Local is only one of several in the Cleveland area which have been dominated by a single family. John Felice Jr. followed in his father's footsteps in Locals 73 and 293, and in Joint Council 41. Charles Cimino Jr. serves as Local 400's president; his father is the secretary-treasurer, Harold Friedman took over from his father Harvey as the head of Baker's Local 19, AFL-CIO, a union which, we shall see presently, is completely woven together with the Teamsters. Jackie Presser is, of course, being groomed by his father to take over the Presser Ohio Teamster fiefdom. For other examples of Teamster nepotism in general, see Appendix "B" at the end of this Report.

[125] Once again, this loan would appear to violate 29 U.S.C. 503. See footnote No. 121, above.

[126A] Local 73 is comprised of fewer than 1,000 industrial employees; Local 293 represents fewer than 2,000 beer drivers.

[126B] For a complete list of loans, see Appendix "A".

[127A] In 1974, Nardi's Union salary totalled $67,639. As Secretary-Treasurer of Local 410, he was paid $35,039. Simultaneously, he reportedly worked full-time as a business agent for Local 507, the Local headed by Jackie Presser. For these services, Nardi receive $15,600. Finally, Nardi collected $17,000 as an "employee" of William Presser's Joint Council 41.

[127B] Edwards recently executed a substandard, "sweetheart" contract with Howell Transportation which sets the hourly rate at $3.90 as compared with the $7.00 the employees would be earning under the Master Freight Agreement to which virtually every other trucking company must subscribe. Edward's contract also permits Howell to contribute only $12.00 toward its employees' health and pension insurance which under the Master Agreement would total $43.50 a week per employee. Pursuant to Art. XVI, Sec. 4 of the IBT Constitution, this substandard agreement must have been approved by the Ohio Conference. As its Vice-President Edwards no doubt had little difficulty securing its approval.

[128] In 1974, Cimino was paid $15,500 by the Joint Council in addition to his $31,955 salary as Secretary-Treasurer of Local 400.

[129] In 1974, Cassidy was paid just under $20,000 by the Ohio Conference in addition to his $28,809 salary as head of Canton Local 92.

[130] During 1974, Harold Friedman earned $181,985; Baker's Local 19 paid him $100,051 and Teamsters Local 507 paid him $81,934 for serving as its president.

As secretary-treasurer of Local 507 Jackie Presser received $84,616 of his 1974 total of $176,571. The remainder of his salary is accounted for as follows: $12,705 from Baker's Local 19 (financial secretary); $19,675 from Bartender's Local 10, AFL-CIO (president); $16,590 from the Bartenders International, AFL-CIO (Organized); $6,270 from Joint Council 41 (vice-president); $800 from the Ohio Conference (recording secretary); and $35,815 from the International (General Organizer).

Rusnak's 1974 salary totalled $64,649; $14,501 from Baker's Local 19 (treasurer); $24,000 from Local 507's Health and Welfare Fund (Administrator); and $26,148 from Local 507 (trustee). This last sum of money is exceptionally high, assuming this was his only task as reported by the Local, inasmuch as trustees are generally paid very modest sums since they need only review the Local's books once a year or so. Rusnak's two Local 507 jobs involve exceptionally high fiduciary duties to the Union's members since he is in a position to handle or monitor the handling of large sums of money.

[131] Harold Friedman's "modest" Baker's salary in 1972 was augmented by the $124,000 he received that year as president of Teamster Local 507.

[132] In considering whether these huge sums of money are justified, one must take into account that Local 19 is not a particularly large local union and takes in only a half million dollars annually, only as a result of dues increases between 1970 and 1975 which have increased the member's monthly liability from $9 to $16.

[133] The Teamster and Baker severance funds were created within a week of one another.

[134] Local 507 disbursements to its 3 principal officers for the years 1971-74 are listed below:

Name, office and year	Salary	Expenses	Total
Jackie Presser, secretary-treasurer:			
1971	$57,200	$7,954	$65,154
1972	123,981	1,685	125,666
1973	70,200	7,717	77,917
1974	82,300	2,316	84,616
Harold Friedman, president:			
1971	57,200	6,476	63,676
1972	122,881	1,930	124,811
1973	68,900	7,857	76,757
1974	82,300	2,316	84,616
Allen Friedman, vice president:			
1971	31,200	1,361	32,561
1972	58,741	1,211	59,952
1973	36,400	1,224	37,624
1974	36,400		36,400

[135] In addition to serving as vice president of the Teamster local, Allen Friedman has created his own union which may well be competing with local 507, raising a serious conflict of interest. This new union is called the Warehouse, Industrial & Service Employees Local 752. Apparently it is not affiliated with any other union or with the AFL-CIO. The union claims jurisdiction over all "warehouse, industrial and service workers in northeast Ohio." Judging from the full title of Teamsters Local 507 (Warehouse, Manufacturing, Processing, Assembling & Installer Employees Local Union 507), the jurisdiction of the 2 unions would appear to overlap. If any conflict does exist, Friedman would certainly be vulnerable to discipline and expulsion from the Teamsters Union under article XIX of the IBT constitution. However, his trial would be conducted by the local 507 executive board, including Jackie Presser and Harold Friedman, and any appeal would have to be taken to the Joint Council 41 Executive Board dominated by Jackie's father, William.

[136] See Landrum-Griffin Act, 29 U.S.C. 501.

[137] Art. XXII, Sec. 2 of the IBT Constitution, as amended in 1971 permits all Teamster organizations to conduct their Executive Board meetings in secrecy. The only accounting to members that officials must do is to provide the sketchy financial data required by law, as enforced, or more often not enforced, by the U.S. Department of Labor. Even with this information, it is often difficult if not impossible even for professionals to reconstruct what those officials have done. The Teamster rank and file certainly stand at no better advantage.

Mr. President, in closing, I say this bill does nothing—I repeat—does nothing to protect the workers from big labor union bosses. Yesterday the majority leader, the distinguished Senator from West Virginia stated that should we not finish work on this bill soon we may well have to come back in after the elections in November. I say to the distinguished majority leader that I wish he would withdraw this bill now and let us take this issue to the people in November. As for me, I would deem it a privilege to return and carry out the mandate of the people of South Carolina on this issue.

Mr. President, I yield the floor.

Mr. EAGLETON. Mr. President, I take this opportunity to express my support for the compromise substitute bill introduced by the distinguished Majority Leader ROBERT BYRD to the pending Labor Law Reform Act. I applaud his efforts to formulate a measure that meets the major objections of the opponents of this legislation while at the same time improving the efficiency and operations of the National Labor Relations Board. I am pleased to be a cosponsor of his bill.

In particular, I note my satisfaction with the modification of the equal access provision, which seems to have generated the most controversy and caused the most vocal outcry from employers. I expressed my concern over this provision in separate views contained in the Senate Human Resources Committee report. Basically, I was troubled by the seemingly impossible task faced by the Board of formulating and implementing the regulations as outlined in the committee report and by visions of union organizers wandering at will throughout an employer's workplace. The Byrd substitute seeks to correct this flaw by providing specific detail on the nature and extent of equal access.

In addition, it modifies the equal access clause so that it applies only to nonworking areas during nonworking time. In this way, the possible constitutional problem raised by requiring an employer in effect to subsidize the union effort is overcome. The provision also exempts small business with less than 10 employees from coverage under the equal access clause. Under the Byrd modification, the employer's property rights are preserved while the employees' right to hear both sides is enhanced. If employees are to make a free and informed decision regarding representation, they must be exposed to both the employer's and the labor organization's viewpoints.

It is readily apparent that employers have superior and continuing access to their employees, while union organizers must frequently rely on a sympathetic employee to champion their cause. I am certain that all of us, during a campaign, have encountered the problem of trying to catch the attention of a tired and harried employee on his way home from the plant after a long day at work. I do not think there is any question that the workplace is the most effective forum for communicating with employees. If the right to organize and bargain collectively is not to become a mere illusory promise of the law, employees must be guaranteed equal access to opposing viewpoints. Employer, employee, and union rights must all be balanced against competing interests and this, I believe, the Byrd substitute does.

Mr. BARTLETT. Mr. President, following the defeat of the second cloture motion on June 8 the distinguished majority leader, Senator BYRD, entered his substitute bill for H.R. 8410.

In Senator BYRD's view, the substitute would "result in a bill which is even-handed and fair—a bill which will improve the efficiency and operations of the National Labor Relations Board."

The substitute measure incorporates two earlier amendments jointly sponsored by Senator BYRD. One amendment requires the appointment of ombudsmen in each of the Board's regional offices. The other amendment freezes the Board's discretionary jurisdictional standards at the levels in effect on May 1, 1978. In addition to these previously introduced amendments, Senator BYRD's substitute measure also modifies the following four provisions of H.R. 8410: First, equal access; second, expedited elections; third, make-whole remedy, and, fourth, contract debarment.

While the substitute measure does address some of the concerns with H.R. 8410 expressed by the business community and by those of us who oppose this legislation, the fundamental thrust of the amended provisions remains the same, and thus the substitute fails to reflect genuine compromise.

Mr. President, today I would like to take a closer look at the new language proposed by Senator BYRD.

His substitute bill would make the following changes in the Senate version of H.R. 8410:

1. EQUAL ACCESS—SEC. 4

Section 4 of H.R. 8410 amends the current National Labor Relations Act by providing that the Board must issue regulations allowing employees an "equal opportunity to obtain in an equivalent manner" campaign information from a labor organization during a period of time the employees are seeking representation by a labor organization.

In addition, after a union has given written notice to the employer that employees have demonstrated an interest in representation by that union, the union is entitled to an "equal opportunity to present information in a manner equivalent to the employer."

The Byrd substitute makes several modifications in the administration of this equal access provision. For example, a labor organization must provide at least 1 day's advance notice that it wishes to address employees, and the number of nonemployer union representatives which may campaign together on the employer's premises is limited.

In addition, the equal access provision does not apply to any emplover "who compensates fewer than 10 individuals." The only substantive modification contained in the substitute is that nonemployee union organizers would not be permitted to address employees in working areas during working times.

The substitute measure thus does not make substantial concessions. Since employers are still required to open their private premises to union organizers and subsidize their organizing efforts whenever they speak to employees about union representation, the substitute measure continues to impose a premium on the exercise of constitutionally and statutorily protected privileges of free speech.

Moreover, as the use of the equal access privilege is not dependent upon the unavailability of alternative means of communication with employees, the substitute measure remains vulnerable to constitutional attack under the Supreme Court's decision in *N.L.R.B.* v. *Babcock and Wilcox Co.*, 351 U.S. 101 (1956). Further, the substitute measure perpetuates the illusion that unions are at a comparative disadvantage in communicating their election messages to employees. Mr. President, this is simply not true.

Under the current law, unions have several campaign advantages not accorded to employers. Some of these advantages include the following: union officials are allowed to carry their campaign to the employees' homes; union officials can campaign without notification to the employer; union officials may speak to a small group of employees in close quarters; and, union officials may make promises to employees as part of their campaign proposal even though they know that those promises cannot be fulfilled and that they might tend to mislead the employee into signing an authorization card and voting for union representation. Also, employee organizers may solicit union support on company premises during nonworking hours and may distribute union literature in nonworking areas.

The substitute measure thus makes even more pronounced the advantage which unions now enjoy. Finally, because the employer's president, vice president, and other officers are presumably "individuals" compensated by the employer, the proviso limiting the applicability of equal access to employers who compensate fewer than 10 individuals creates more the appearance than the substance of a small business exemption.

Mr. President, section 4 of this bill is one of the most arbitrary and unfair provisions of the proposed bill. Most importantly, this provision is wholly unnecessary because unions already have a vast array of communication avenues that employers are prohibited from using. This provision, together with the prohibitively short election time limits, insures that voters will not be given an adequate opportunity to fully weigh the merits of unionization. Indeed, upon careful review it is manifestly clear that this provision will do little to realize, and may, in fact, subvert the very purposes it seeks to accomplish.

The Board has, over a period of 42 years, developed various procedures and safeguards necessary to insure the fair and free choice by employees of their bargaining representative. The equal acces rule contradicts the Board's lengthy experience in carefully balancing the rights of labor and management, notwithstanding the rule's total disregard with respect to an employer's property rights.

The Board, however, has never held as a general rule that equal access for labor organizations in election campaigns is necessary. This is because labor organizations already have a large number of advantages under the current law, as set out above. Despite this background, this legislation gives unions an even greater advantage and, therefore, will destroy the former balance in organizational campaigns between labor and management.

As indicated in the Senate report, this provision is directed at "captive audience" speeches conducted by the employer during the campaign. It is based largely on a study conducted by Prof.

Stephen Goldberg concerning the Board's election process. According to Mr. Goldberg, "the employer has a substantial advantage in communicating with employees about union representation" resulting from company meetings during working hours.

Without addressing the issue regarding the accuracy of the Goldberg study or the proper weight it should be accorded, the question remains as to whether this provision achieves its objectives. First, there is a substantial question as to what constitutes the "required showing of interest" on the part of employees for the purpose of qualifying for the access rule. According to the Senate report—page 26—"10 percent of the employees in the proposed unit, or a minimum of three employees in small units," constitutes a sufficient showing of interest. It is obvious that this definition is woefully inadequate because the ingredients constituting the proper showing of interest are never defined.

For example, are the employees required to sign a petition to be given to the employer, or must the employer rely solely on the representations of the union organizers as to the number of supporters? These problems are exacerbated by the Senate report's additional statement—page 26—in the nature of a disclaimer that "[T]his test is to be used as a rule of thumb only." If the test is not 10 percent of the employees or a minimum of three employees, what is the test? Is 8 or 5 percent, or a minimum of one employee, sufficient?

Second, this provision is extremely vague with respect to its scope of coverage. Significantly, it appears that it would apply to such situations as a small group meeting conducted by an employer in which the subject of unionization is discussed, despite the fact that it is only one of numerous subjects covered. Hence, anytime an employer touches upon the subject of unions, however so briefly, a union might have the right to go through the lengthy and cumbersome ordeal of coming onto the employer's premises and addressing the employees, at the employer's expense and with a resulting loss of production.

Third, the breadth of this provision far surpasses its stated purpose of equalizing campaign opportunity. Thus, while the sponsors of the equal access provision maintained that it was aimed at an employer's "captive audience" speeches, as currently drafted and as described in the Senate report, this provision would apply to any communication, oral or written, by the employer during working hours on company premises. It is, of course, difficult to understand the necessity for expanding the coverage of this provision.

Interestingly, the Goldberg study contains a factual account concerning the representation process which weighs strongly against the equal access and mandatory time periods for holding an election provision. As part of this study, 18 elections were evaluated to determine the proportion of authorization cards signed before the employer became aware of the organizational drive.

According to the report, in 10 of the elections, all cards were signed before the employer became aware of the drive; and in 4 elections, 50 to 75 percent of the cards were signed before the employer became aware of the drive. As a result of this information, Professor Goldberg concludes:

> [I]t appears, then, that in most elections the employer does not know about the card-signing drive in time to respond before a majority of the cards have been signed. (From Goldberg, Getman and Herman, *Union Representation Elections: Law and Reality* 135 (1976).

This study, thus, reveals the lack of employer knowledge concerning organizational attempts in most instances a premise widely disputed by the sponsors of this bill. Because the employer must normally learn of union drives upon receipt of the petition for an election, it is certainly unfair and inequitable to afford union organizers with even greater advantages by allowing these persons to carry their campaign on company premises.

Furthermore, the committee's refusal to consider this finding by Professor Goldberg when it gave carte blanche approval of his other findings which support different sections of the bill, is yet another indication of the obvious one-sided nature of this legislation to a degree which can only be characterized as egregious.

In light of the fervent push by organized labor to pass this bill through Congress, it is not surprising that there is no duty placed upon unions to pay the employer's costs when production is curtailed because of a union organizer's speech on company premises. The notion that unions are unable to pay such costs is totally specious. Because the average number of employees in a bargaining unit is less than 50 and if you assume that the average wage rate is $5 per hour, then the union would be required to pay only a limited amount of money for a 1-hour speech or two half-hour speeches.

Aside from these considerations, under current law there are two situations where the Board has been invested with discretion to expand a union's communication opportunity.

On the one hand, there is a line of cases revealing unique circumstances so that the opportunities between the union and the employer are grossly disparate, regardless of either party's conduct. For example, in *NLRB* v. *S & H Grossinger's Inc.*, 372 F. 2d 26, 29 (2d Cir. 1967), the second circuit held that nonemployee organizers should be permitted access to employees on the employer's premises where "[n]o effective alternatives are available to the union in its organizational efforts."

On the other hand, there is another line of cases indicating that where there may be no circumstantial disparity and opportunity, but the employer's conduct in intimidating employees from exercising existing communication opportunities, the Board is required not only to clear up those avenues, but also to provide the union with others. See, e.g., *NLRB* v. *J. P. Stevens & Co., Inc.*, 563 F. 2d 8 (2d Cir. 1977), *cert. denied*, 46 U.S.L.W. 3526 (1978).

The PRESIDING OFFICER. The hour of 4 p.m. having arrived, under the previous order the time of 1 hour prior to the vote on cloture will now begin, to be equally divided between the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Utah (Mr. HATCH).

Mr. TOWER. Mr. President, the Senator from Utah has surrendered the time to me. I will yield.

How much time does the Senator wish to complete his remarks?

Mr. BARTLETT. I do not require any particular time, but I would like to have the right to continue speaking, if I am in order, at the proper opportunity.

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. BARTLETT. To continue, Mr. President:

2. EXPECTED ELECTIONS—SECTION 6

Under current law there are no mandated deadlines for the direction and holding of elections. Section 6 of H.R. 8410 amends section 9(c) of the National Labor Relations Act by establishing mandatory time periods for the holding of elections.

These time periods can be summarized as follows: an election must be directed within 13 days after filing a petition in an appropriate bargaining unit supported by a majority of the employees, and the elections must then be held in not less than 21 and no more than 30 days from the filing of the petition. When the petition seeks a unit not established by rule or is supported by less than a majority, but at least 30 percent of the employees, a 45-day time limit is imposed. Finally, a 75-day period is allowed for issues which present questions of exceptional novelty or complexity.

The three-tier approach to scheduling representation elections contained in H.R. 8410 is abandoned in the Byrd substitute. Instead, elections must be conducted no sooner than 35 days after the employer first receives notice of a union organizing drive, nor more than 50 days after the filing and serving of a petition. In exceptionally difficult cases, a 75-day time limit is provided.

If the notice served on the employer is anything other than an election petition, such a petition must be filed within 6 months of the notice or else the petitioner is barred for 2 months from filing another petition. The substitute also directs the Board to give priority handling to petitions supported by 50 percent of the employees in the unit. In addition, if the unit stated in the petition is encompassed by a Board rule, the election must be held without a hearing on such pre-election issues as Board jurisdiction and voter eligibility.

Although election deadlines are relaxed, the substitute measure perpetuates many of the deficiencies contained in H.R. 8410. For example, by requiring priority treatment for petitions supported by a majority of the employees in the unit, the scheduling of elections will still be determined in large measure by the success of the union's organizing drive. Thus, elections will be run at a time when the union's support is at its peak.

In addition, the substitute measure maintains the "vote-and-impound" pro-

cedure which requires employees to cast their ballots at a time when all pre-election issues have yet to be resolved. The result will be a decrease in pre-election agreements, an increase in costly litigation and—most importantly—an inevitable delay in the commencement of collective bargaining.

Mr. President, in the representation area, H.R. 8410 is aimed at expediting the Board's representational process. The basic premise of the proponents of this legislation is that the NLRB's election machinery is too slow. Upon close analysis, however, the facts do not support the claims made in support of the delays in the voting process. Moreover, one must first carefully weigh the desirability of speeding up Board elections.

Perhaps the chief problem with respect to the committee's treatment of the subject of delays in the representation process is that adequate attention has never been focussed upon the real causes of delay. While an in-depth study of this subject should be undertaken prior to serious consideration of legislation, there are, however, two obvious factors causing significant delays. First is the inability of the regional offices to schedule consecutive day hearings. This results in prolonged and cumbersome proceedings stretched out over an extensive period of time. Second, is the timidity of many regional directors not to decide representation issues themselves but transfer these issues to the Board for decision. Since transferring the case to the Board is an unnecessary and time-consuming task, regional directors should not be permitted to avoid initially ruling on unit issues.

The voting process whereby an employee casts a ballot for or against a union raises significant issues. Majority rule bears with it the consequence of having to adhere by union rule and to a contract which someone else negotiated. The safety valve built into the current law was described by the Supreme Court in *J. I. Case* v. *NLRB*, 321 U.S. 332, 339 (1944) as follows:

> The workman is free, if he values his own bargaining position more than that of the group, to vote against representation: but the majority rules, and if it collectivizes the employment bargain, individual advantages or favors will generally in practice go in as a contribution to the collective result.

Proponents of arbitrary time limits on representation elections proceed on the basis that speed is the preeminent concern in effectuating employee desires. Yet, if one assesses the impact that collective bargaining has on individual rights, it can hardly be asserted that speed in conducting elections necessarily serves the interests of employees.

Union election campaigns, like any other campaign, provides voters with an opportunity to consider the arguments, pro and con, and decide on a cause of action. The potential shift from individual freedom of contract to aggregate freedom of contract is an extremely important issue in any campaign. From my perspective, that issue and the consequences which flow out of establishing a bargaining relationship cannot be reduced by imposing mandatory time periods for holding elections.

Congress itself has recognized the substantial impact collective bargaining occasions on individual rights. In 1959, the Senate Labor Subcommittee considering governmental regulation of internal union affairs noted:

> Under the National Labor Relations and Railway Labor Acts the union which is the bargaining representative has power, in conjunction with the employer, to fix a man's wages, hours, and conditions of employment. The individual employee may not lawfully negotiate with his employer. He is bound by the union contract. In practice, the union also has a significant role in enforcing the grievance procedure where a man's contract rights are enforced. The Government which gives unions this power has an obligation to insure that the officials who wield it are responsive to the desires of the men and women whom they represent. (S. Rep. No. 187 86th Cong., 1st Sess. 20 (1959)).

One should think that the same concerns would motivate affording employees the maximum, not minimum, time to make an informed decision on whether a union should be chosen to represent their interests.

In the same vein, the time periods prescribed by the bill are totally unrealistic. First, the time periods run from the date a petition has been received and not from the date that the bargaining unit has been established. Since the key issue in the representational process is defining the pool of voters, the main inquiry is what unit the Board will direct an election in, not what unit the union asserts is appropriate in its petition. Unit decisions, including, under this bill, the issue of whether a rule applies, are not arrived at for at least some period of time. Yet, the clock starts running once the petition is received, even though the parties might not know who will vote for several weeks thereafter. Thus, the period of time to actually campaign in the deferred unit is far shorter than even the 21- to 30-day period.

The use of mandated time periods is also faulty in that it presumes that where a union receives a majority of signed authorization cards, an election should be conducted in a shorter period of time. This is totally at odds with the notion of providing employees a meaningful opportunity to make an informed choice. It has been repeatedly recognized that employee signatures on authorization cards are not a reliable indicia of employee support for a union.

According to the study conducted by Professors Goldberg, Getman, and Herman, "Union Representation Elections: Law and Reality" at 135 (1976), which was relied on by the Senate Human Resources Committee in proposing the equal access provision, 18 percent of the employees who signed authorization cards stated either that they did not want union representation when they signed or were uncertain of their desires in this regard. Moreover, this study revealed that only 72 percent of card signers actually voted for union representation in a Board election.

As a practical matter, the signing of an authorization card only allows a union to get on the ballot. As characteristic of any political election, it is often maintained that everyone has the right to have his name on the ballot and, therefore, have any eligible voter sign his petition. It does not, of course, suggest that the employee who signs an authorization card will, in fact, vote for the union at the time of the election. Furthermore, if an employee only hears one side of a story, it is not difficult to sign a card, particularly where the consequences of signing are not told to the employee.

Mr. President, section 6 of the H.R. 8410 contains another provision of which I feel my colleagues should take note. In current law, specifically section 8(c) of the National Labor Relations Act, the often referred to free speech provision, the Board has a wide degree of discretion in establishing various rules and procedures for regulating an employer's and union's speeches during elections.

Under section 6 of H.R. 8410, the Board is authorized to issue and enforce rules applicable to campaigning during the 48-hour period preceding an election. While the free speech provision in the bill does not represent a serious encroachment on the current law, the Senate report places recent Board cases on this subject in jeopardy. According to the Senate report—page 27—the Board would be given "the power to police such tactics as last minute material misrepresentations and captive audience speeches to the extent that the agency deems necessary."

Case law on this subject, however, substantially conflicts with the position that the Board would take under the Senate report. Under a new standard formulated in *Shopping Kart Food Market, Inc.*, 228 N.L.R.B. 190 (1977), the Board no longer will police the truthfulness of noncoercive campaign rhetoric. This position is an outgrowth of the difficulties the Board encountered in making determinations regarding the materiality of particular misrepresentations under the former *Hollywood Ceramics Co., Inc.*, 140 N.L.R.B. 221 (1962) test. Because the Board was unable to reach uniform and consistent results, it abandoned its former standards.

As perceived by numerous Federal circuit courts of appeals in ruling on Board decisions in this area, one of the difficulties under the former standard was the Board's abuse of its discretion in its treatment of campaign misrepresentations to favor unions over employers. The courts, therefore, felt compelled to caution the Board that—

> [I]t should hardly need saying that this [*Hollywood Ceramics* standard] no less applies to material misrepresentation by a union than by an employer. *NLRB* v. *Lord Baltimore Press, Inc.*, 370 F.2d 397, 401–02 (8th Cir. 1966).

In any event, the Board has chosen to reduce its role in policing free speech. To the extent that the current position of the Board would be changed, as outlined by the Senate report, extensive and unnecessary litigation will undoubtedly result.

Finally, there is no justification for limiting free speech during the 48-hour

period. In light of the already restrictive time period accorded to employers to conduct their campaigns, I believe the 48-hour limitation constitutes an unwarranted infringement of the employer's freedom of expression.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from New Jersey.

Mr. HATCH. Mr. President, I ask unanimous consent that Chris Brewster, of Senator DANFORTH'S staff, be granted the privileges of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, the distinguished Senator from Minnesota (Mrs. HUMPHREY) has written an article on the labor law reform bill which appears in the June 5, 1978, edition of the New Leader.

In form characteristic of the distinguished Senator, the article approaches this legislation from the perspective of the workers. She argues, persuasively so, that workers suffer from the inadequacies of our current law; and it is the needs of workers that we must consider.

She also argues that a civilized society must not permit its laws to be abused by the few at the expense of the innocent.

Senator HUMPHREY says:

Workers do not have a fair chance to organize where they are opposed by an employer with the resources and the determination to deny them this basic human right—even though it also has been declared both the law of the land and a tenet of national policy.

I find this situation intolerable, as must anyone of good will who knows of the shameful abuse of the Wagner Act, voluminously documented in the last few years by Congressional hearings, court decisions, scholarly writings, and the opinions of the National Labor Relations Board (NLRB).

Mr. President. I commend the Senator from Minnesota for her compassionate article and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GUARANTEEING WORKERS' RIGHTS

(By MURIEL HUMPHREY)

Anyone concerned about Americans being able to live decently on the fruits of their labor soon finds himself engaged in a never-ending struggle. Indeed, it has become one of those depressing "facts of life" with which the cynical excuse their cynicism and the uncaring justify their disinterest. And its very banality tends to undercut efforts to arouse the national conscience when, as so often happens, the victories won yesterday are eroded. But this only underlines the continuing importance of the struggle.

Forty years ago, the Wagner Act seemed to establish an impenetrable legal shield for the protection of working people eager to exercise their right to organize and bargain collectively. Since then, however, increasingly delayed enforcement, the exploitation of loopholes and a lack of meaningful penalties have steadily weakened the Act's effectiveness. Unscrupulous employers—still relatively few in number, yet in control of a great many jobs—are currently finding it profitable to repeatedly break the law. Penalties are simply shrugged off, as is the cost of protracted litigation; and morality apparently has no standing in these scofflaw boardrooms. Accordingly workers do not have a fair chance to organize where they are opposed by an employer with the resources and the determination to deny them this basic human right—even though it also has been declared both the law of the land and a tenet of national policy.

I find this situation intolerable, as must anyone of good will who knows of the shameful abuse of the Wagner Act, voluminously documented in the last few years by congressional hearings, court decisions, scholarly writings, and the opinions of the National Labor Relations Board (NLRB). Among the most recent evidence of this abuse—and of the need for reform—are the heartfelt outpourings of workers who testified before a House Labor and Education subcommittee.

Thelma Swann, for example, went to work at the Deering-Milliken mill in Darlington, South Carolina, in 1915 at the age of 14. She had been working there steadily for 29 years when she and her coworkers decided they wanted a union, for wages were low and working conditions intolerable. The owner said he would shut down the mill rather than let his employees organize. The workers, undeterred, voted for the union. The owner, undeterred, shut down the mill. In 1957, at the age of 56, Thelma Swann lost her job, and has since been unable to find another one in the little textile town where she lives.

In 1964, after appeals went all the way to the Supreme Court, the Deering-Millikan Company was found to have violated the National Labor Relations Act (NLRA)—as the Wagner Act with its Taft-Hartley and Landrum-Griffin amendments is called—by illegally shutting down its Darlington plant to avoid unionization. The firm was ordered to recompense Swann and her fellow workers with back pay for their years of lost work. Today Thelma Swann, at 77, is still waiting for her money. As President Carter stated in June 1977 message to Congress, "legal rights have limited value if many years are required to enforce them."

At that time, he sent Congress a bill to amend the NLRA. Introduced by Representative Frank Thompson (D.-N.J.) and Senators Harrison Williams (D.-N.J.) and Jacob Javits (R.-N.Y.), the Labor Law Reform Act passed the House of Representatives last fall by a vote of 257-163 and is now pending before the Senate. It proposes no fundamental changes in the existing rights and obligations of employees, unions and employers; it merely seeks to guarantee compliance with the principles set down 43 years ago. This would be accomplished by, first, restructuring the operation of the NLRB to minimize lengthy delays in decisions on unfair labor practices; second, setting a time limit within which union elections are to be held; and, third, stiffening the penalties against recalcitrant employers.

The admittedly modest Reform Act presents us with an opportunity to correct an outrageous situation. It would have little, if any, effect on law-abiding employers and unions, being intended simply to remove the obstacles now preventing workers from enjoying the collective bargaining rights they are already legally entitled to. The weaknesses in NLRB's enforcement powers have, in practice, denied these rights to thousands of people like Thelma Swann.

The opposition, not surprisingly, has labeled the reform "a labor power grab" and "an effort to force workers into unions." Following House passage of the bill, probusiness forces declared, "we are heading toward a labor-controlled government." As The New York Times stated in announcing its support for the legislation, "Such claims have little merit in the light of the abuses that have grown up under existing legislation, particularly in the South, where many companies depend on the availability of relatively cheap, nonunionized labor."

Consider, for instance, the record of J. P. Stevens & Co. Over the past 14 years, the NLRB and the courts have handed down 15 decisions against the textile manufacturer, involving over a hundred individual employees and representing thousands of separate labor law violations. In addition, the company has been found in contempt three times for ignoring court orders to end unfair labor practices. Such arrogant disregard of the law and the rights of workers led the NLRB to request a nationwide injunction to stop J. P. Stevens' "unlawful conduct" in its fight to keep unions out of its plants.

Groups tend to label anything they oppose as "bad"; unions have been so labeled by those who do not want to see the reform legislation passed. Now, I know there have been crooks in the labor movement, but some people in the church have also stolen from its treasury and we do not abandon our religion on that account. Nor do we condemn the entire legal profession or medical profession for the transgressions of a few of their members.

Similarly, employers who break our labor laws and deny workers their due are certainly not representative of all employers. Nonetheless, effective safeguards must be instituted to protect workers from those employers not in the vast majority. It is important to note that honest businessmen stand to gain from this, too, for they would no longer have to fear the unfair competition that flourishes on exploitation of human need.

Any organized body exercises power, of course, and organized labor is no exception. And yet it has looked out not only for itself but also, as the Scriptures say, for "the least of these." It has fought for the welfare of the nonunionized worker as well as for the unionized. It has led our nation in the "politics of compassion," supporting legislation designed to bring into the mainstream of American life those who have somehow been shunted aside.

All too often in these struggles, though, the unions have been almost alone. If the United States is to stand before the world as an example of democracy and human rights, it is incumbent upon all of us to join in the effort to keep our own house—our own society—in order. This means Congress and the citizens of this country must not be blind to violations of the rights of workers, or deaf to their pleas for prompt correction of the inadequacies of the present law.

Mr. WILLIAMS. Mr. President, the oped page of today's New York Times contains a very interesting article by Arch Puddington, the executive director of the League for Industrial Democracy, entitled "Reforming Labor Law."

Mr. Puddington discusses the bill which is before us but focuses on the debate, and the process by which the Senate is considering this measure.

Mr. Puddington says:

Faced with a political majority favoring reforms to correct such abuses, labor reform's critics, unable to command a majority through logic and rational argument, fall back on a campaign of misrepresentation, exaggeration and downright lies, all the while carrying out their legislative procedural charade.

Labor law reform, we are told, is nothing more than a raw power grab by "union bosses;" its provisions would "bankrupt every mom and pop store in the nation." Force "hundreds of thousands of hard-working Americans into big unions against their will," deprive the South of its "competitive edge," and intrude government into the collective bargaining process "on the side of big labor."

Puddington's theme is that by generating such hysteria those who oppose labor law reform are preventing the Senate from focusing on a rational discussion of the issues. Puddington says:

Indeed, one searches in vain through the bill to discover what it really is that has provoked such farfetched and unwarranted descriptions of its social and economic impact. It would almost seem as if the critics' real objective is to place organized labor on trial.

I quite agree with Mr. Puddington. As I have listened to the debate these past weeks, I have been struck by the fact that so much of the criticism is directed not to the bill and its provisions, but to labor unions, whether they are worthy of being the beneficiaries of legislative reform, and whether they continue to deserve a role in the system of industrial democracy. But the role of organized labor in our industrial stability and growth is not a factor in determining whether our labor law should be reformed. As Puddington says:

The question of whether America would have a strong labor movement was settled during the New Deal with passage of the Wagner Act. Subsequent history has shown the wisdom of that decision: Strong unions and the collective-bargaining process have proved essential to democratic stability.

It is time to start to consider this bill on its provisions, on its merits, on what it would do to reform our labor laws. Only through such reasoned and reasonable debate can we work together to fashion a bill which will provide the effective labor law which the workers of America need and which we must provide to them.

Mr. President, I ask unanimous consent that the article by Arch Puddington be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REFORMING LABOR LAW

(By Arch Puddington)

The Labor Law Reform Act of 1978 has reached the Senate floor. Its opponents are prepared for a lengthy filibuster, now under way; however, when asked they unabashedly assert that they will prevail because reason and the merits of the case are on their side.

It is precisely because the bill's antagonists cannot win on the merits that they have not merely resorted to the filibuster but have put together a grand strategy of obstruction to try to wear down the resolve of labor reform's supporters.

To this end, some 500 amendments have been drafted—substantive and trivial, but mainly trivial—and those opposed to the bill have publicly declared their intention of introducing and forcing debate on each one. Through a strange line of reasoning, they have convinced themselves that tactics that thwart the majority's will are necessary to protect the democratic process; the truth is that those tactics distort and trivialize the democratic idea.

There is a direct relationship between the tactics adopted by labor reform's intransigent political opposition and those used—repeatedly and illegally—by such companies as J. P. Stevens to deny workers their right to join unions and bargain collectively. Confronted by workers seeking union recognition, Stevens finds it more profitable to disregard statutes requiring it to bargain in good faith, and to pay the relatively minimal fines levied by the National Labor Relations Board or the courts, than to obey the law.

Faced with a political majority favoring reforms to correct such abuses, labor reform's critics, unable to command a majority through logic and rational argument, fall back on a campaign of misrepresentation, exaggeration and downright lies, all the while carrying out their legislative procedural charade.

Labor-law reform, we are told, is nothing more than a raw power grab by "union bosses;" its provisions would "bankrupt every Mom and Pop store in the nation," force "hundreds of thousands of hard-working Americans into Big Unions against their will," deprive the South of its "competitive edge," and intrude government into the collective-bargaining process "on the side of Big Labor." These are just a few of the many charges hurled by the bill's mainstream political, business and news-media critics; they are not extremists' utterances. Nevertheless, all the charges are either untrue or simply irrelevant to the issues before Congress.

The labor-law reform package will hardly affect small business. The National Labor Relations Act covers only 20 percent of all business establishments and 12 percent of the nation's retail businesses. The excessive rhetoric of the bill's critics on behalf of the struggling entrepreneur notwithstanding, the fact is that the bill will not extend coverage of the nation's law to businesses that are not already under its jurisdiction. Nor will labor reform inflict "compulsory unionism" on unwilling workers; state right-to-work laws would be unaffected by its provisions.

True, labor-law reform may affect the South more than other regions, but only because the South has a substantial concentration of the more brazen and persistent violators of laws protecting union membership. If insuring that the law is enforced reduces the South's "competitive edge," so be it.

As for the suggestion that government will intervene to bolster union powers, it should be noted that the Federal Government has a long history of adjusting and readjusting the laws governing labor relations, the most recent instances being the Taft-Hartley and Landrum-Griffin Acts, both strongly supported by the business community.

Indeed, one searches in vain through the bill to discover what it really is that has provoked such farfetched and unwarranted descriptions of its social and economic impact. It would almost seem as if the critics' real objective is to place organized labor on trial. Many conservatives "smell blood in the water," as Senator Jacob Javits, New York Republican, has put it, because labor has suffered some well-publicized legislative setbacks; they perceive the labor-reform struggle as a convenient vehicle to discredit labor's validity as a major social institution.

The question of whether America would have a strong labor movement was settled during the New Deal with passage of the Wagner Act. Subsequent history has shown the wisdom of that decision: Strong unions and the collective-bargaining process have proved essential to democratic stability. Democracy itself would be undermined were conservatives successful in enfeebling the unions.

It is, in fact, democracy that labor reform is really all about. If anything, the struggle over its adoption shows that those who do not understand why a single-minded attack on labor endangers democracy, or how parliamentary obfuscation perverts it, cannot be expected to understand why the denial of a worker's right to union representation weakens the democratic ideal at the most personal, fundamental level.

THE NEED FOR LABOR LAW REFORM

Mr. WILLIAMS. Mr. President, one of the most outrageous characteristics of our present labor laws is that the very workers that our laws are designed to protect are often victimized by the very procedures that we have established to protect them. It is a cruel and inhumane law that forces the victims of illegal discharges to bear the indignities of extended periods of unemployment, that forces workers to live off of their savings and finally on public welfare, while their rights under law are adjudicated. The case histories of individual workers provide compelling evidence of the need for labor law reform.

The case of Milton Teasdale of Pawtucket, R.I., is such a case.

WHY AMERICA'S WORKERS NEED LABOR LAW REFORM, CHAPTER 14

Milton Teasdale was a steady employee of the Ferland Corp. of Pawtucket, R.I., for 16 years. However, when working conditions worsened, he and his coworkers began to organize a union. Most of the workers had signed cards by the end of February, so they filed for an election. Two weeks later, on March 12, 1976, Teasdale was fired.

After he was fired, Teasdale attempted to collect unemployment but was denied his benefits for 6 weeks. When he finally did begin to receive unemployment benefits, he received only half of what he earned when working. He had to live on unemployment and food stamps. His savings were depleted and there was nothing in the bank. He sought work at close to 100 other companies but could not find a job.

He filed a charge with the Board shortly after his discharge. The first trial before the NLRB took place in October 1976, and on March 16, 1977, the judge ordered Ferland Co. to reinstate him with backpay and to begin bargaining with the union.

In March 1977, Ferland Co. appealed the decision to the full NLRB in Washington. In October of 1977, when Teasdale testified before our committee, he had not yet been reinstated. The Board issued its decision in the *Ferland* case in November 1977, ordering the reinstatment of Teasdale. Teasdale was reinstated in December of 1977, over 21 months after he was discharged. Yet it will be months or years before this case is finally resolved. Milton Teasdale still faces the lengthy backpay hearings that characterize the present process.

Under the provisions of the pending bill, Teasdale would have been temporarily reinstated by an order of the district court. The case would have been handled as a priority case under section 10 of the act, and Teasdale could have been reinstated within weeks of his discharge instead of 21 months. The reinstatement would have been temporary, pending the resolution of the underlying unfair labor practice case by the Board and the courts, but Milton Teasdale would have been working since April of 1976, rather than being forced to live on unemployment, foodstamps, and personal savings while his rights under the act were adjudicated for over 20 months.

Mr. President, it is cases like that of Milton Teasdale that labor law reform is, indeed, all about.

Mr. SARBANES. Will the Senator yield?

Mr. WILLIAMS. I am happy to yield to the Senator from Maryland.

Mr. SARBANES. It is my understanding that the debate on this bill has now extended for exactly 1 month. Is that correct, I ask the Senator from New Jersey?

Mr. WILLIAMS. Two day short of exactly 1 month.

Mr. SARBANES. It seems to me, Mr. President, that the time is now approaching when we ought to move beyond what I think can now fairly be characterized as a filibuster, to come to the legislation and to deal with it on its merits. A number of proposals have been submitted for amending the bill which are designed to respond to some of the concerns which have been raised, but obviously, until we can get to the substitute, which is pending, offered by the majority leader with other cosponsors, the Senate is frustrated from even working its will in that regard.

In fact, the Senate is precluded from responding to some of the concerns with respect to the initial legislation that was reported from the committee, even though the manager of the bill has indicated a willingness to make such a response with respect to certain issues. As I understand it, there are proposals now pending and, in fact, a cloture motion which we shall shortly be voting on has been placed against the substitute, which contains some significant modifications.

Mr. President, it seems to me that now is the time for the Senate, after this very, very extended debate, to invoke cloture. It is my understanding that the debate on this bill or the effort to invoke cloture has been deferred for longer than on almost any other piece of legislation ever before the Senate. If cloture could be invoked, the Senate could then proceed to consider the amendments in a reasonable and orderly fashion and work its will on those amendments and work its will on the legislation.

I was particularly struck by something which the very able and distinguished Senator from New Jersey, who has done such an outstanding job of managing this legislation, said in his comments just a few minutes ago.

That is the extent to which so much of the comment and discussion which has taken place really does not pertain or relate to the specific provisions of the legislation, or the problems to which the legislation is addressed. These really range all over the landscape. This legislation has been put in the posture of embracing concepts which are not contained within it.

In fact, I have tried very diligently to meet with various groups which have come to call on me with respect to this legislation, both proponents and opponents. I have been struck in the course of those meetings by, in a sense, the misunderstanding which prevails concerning this legislation and what it is intended to do.

Mr. WILLIAMS. Right.

Mr. SARBANES. Now, this legislation, when one examines it very carefully, is a carefully drawn piece of legislation designed to deal with certain deficiencies and inadequacies in the present labor law.

It is an effort to reform present provisions in order to address those deficiencies and inadequacies. In fact, the amendments which have been submitted, the modifications, are an effort to more carefully develop and craft the legislation.

It seems to me we have now moved this legislation to the position where the Senate ought to be allowed to go forward now and act on it as a matter of substance, to work its will on this legislation, and not continue to be frustrated from addressing the substantive problems that are involved by this extended debate which has now become, I think it is clear to all, a filibuster.

Therefore, I very much hope when we go to vote on the cloture motion today that 60 Members of the Senate will support that motion, so that we may then address this legislation in terms of its substance, deal with the amendments proposed, and enact a piece of legislation which will respond to the problems which I think most reasonable people are prepared to concede do exist and ought to be addressed.

If we address them responsively and reasonably, I think we will make a major contribution to the better, constructive, productive labor-management relationships in this country.

Mr. WILLIAMS. I thank the Senator from Maryland.

I do agree with his observations on how this debate has proceeded. I, certainly, strongly agree with the conclusions he has just expressed.

It is true that so much of the debate here over this month has ranged far afield from the bill itself. But there has also been some attention paid, during this debate, to the provisions of the bill.

Those of us who have been here, who brought this bill here from the committee, have listened attentively when the debate did focus on the legislation that we had before the Senate. We listened very carefully, and a great deal of the concern that was expressed with the provisions in that bill registered on us as having a great deal of merit.

As the debate continued, many of us said we did recognize these concerns and we would search for ways to amend or change the bill to reflect these concerns. We have done this with respect to six areas that were constantly and repeatedly expressed to be the areas of real concern.

The election period, for example—I will enumerate them and then will yield to the Senator from Maryland further. We reconsidered the election period which was provided in the original bill. We looked at the way we reached a remedy for the unfair labor practice of refusal to bargain the first contract, the make-whole remedy that is included there. We considered certain aspects of the debarment provision for the willful continued law violator.

It seemed harsh and we looked at that.

Also, we suggested revisions of the equal access provision that brought down a storm of protest.

We listened and we recognized that this could be adjusted in a way that would not lose the principle, but would eliminate what we thought were the great fears of so many.

Then there were others—the suggestion that while most of small business is not covered now under the National Labor Relations Act, that small business is sometimes caught without knowledge of what they can do in the election process because they do not have a lawyer, do not have the money to have a lawyer, because the law is so complicated.

We took care of those two situations with the provision of ombudsmen and the freezing of the Board's discretionary jurisdiction.

So, across the board, we considered changes and we put that into a substitute. It was introduced by a person, I would suggest, of the highest credibility when he puts his name to anything. The majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), introduced that as a substitute.

So after that, then the debate really took off and has ranged into the area that is not the responsibility of this committee that brought this bill in. The debate instead dealt with the area of criminal law and violence, et cetera; all matters of concern, and all matters that probably should be part of other legislation from another committee.

So we have done all of this. That is why we are still ready to do more, to get the amendments before us, to understand them and have our votes, even today.

The most distinguished Presiding Officer (Mr. BUMPERS) introduced several amendments to this bill. We will never be able to get to the amendments the Senator from Arkansas introduced unless we can get cloture. Then we can do, just as the Senator from Maryland suggests, the legislative crafting, and voting on worthy amendments, worthy ideas presented to us in the form of amendments.

Mr. SARBANES. Will the Senator yield further?

Mr. WILLIAMS. Yes.

Mr. SARBANES. I thank the Senator for that very helpful statement of the areas in which the managers of the bill, having listened very carefully, have sought to respond to some of the concerns which have been raised, and I think they have tried to do so in a spirit of reasonableness.

I was particularly interested in the proposed amendment which is now embraced within the substitute introduced by the majority leader that dealt with small business.

As I understand the existing law, the National Labor Relations Board could extend by Board action its jurisdiction over small business. That is the existing law.

Mr. WILLIAMS. That is correct.

Mr. SARBANES. Many people expressed the concern that, while they were not covered, they would be covered in the future and could be brought in, not by a legislative determination, but

by an administrative action on the part of the National Labor Relations Board. In order to respond to that concern, the amendment which has been proposed and which has now been included within the substitute offered by the majority leader, to which the cloture motion applies, that is, the proposal to which the cloture motion applies, now provides that the existing jurisdiction with respect to small business will be frozen unless changed by legislative action.

Mr. WILLIAMS. Exactly.

Mr. SARBANES. That the Board, by administrative action, cannot extend its jurisdiction to cover additional small business not now covered by the Board.

Therefore, any small business not now covered, over which the Board does not exercise its jurisdiction, cannot be brought within the jurisdiction of the Board, unless the law itself is subsequently amended by the Congress of the United States.

Therefore, what this proposal would do would be, in effect, to give to the vast majority of small business in this country—the overwhelming percentage of small business, as I understand it—statutory protection against an exercise of jurisdiction by the National Labor Relations Board.

Mr. WILLIAMS. Precisely. It removes any uncertainty, and it does fix that juisdiction.

I would take it another step further. One of the amendments that has been offered by the distinguished Senator from Arkansas, and is at the desk, would include another idea with respect to jurisdiction, and this would be that where there is a dollar volume test for establishing jurisdiction, that it would have an escalator for the inflationary factor.

We will never get a chance to debate, discuss, and vote on that, unless we can get out of this delay and into the business of the legislature, and that is discussing and voting on the amendments.

Mr. SARBANES. The last point that the very able floor manager has made is extremely important, and that is that unless we invoke cloture and get beyond this extended debate—albeit it is a filibuster—we are not going to be able to fashion the substance of this legislation.

The thing that I find particularly interesting is that cloture is to be invoked with respect to the substitute offered by the very able majority leader, and that substitute embraces within it the amendments dealing with the subjects which the Senator from New Jersey outlined earlier—not only the small business one which we have just discussed in some detail, but also with respect to equal access, the "make-whole" provision, the debarment requirements, and the election time period, which has been changed very significantly in the proposal offered by the distinguished Senator from West Virginia.

So that is now the shape of the legislation to which we are seeking to limit debate so that we than can act upon that legislation.

Mr. WILLIAMS. And that can be amended. That is exactly where we are. I thank the Senator from Maryland.

Mr. President, we are under controlled time, and I know the Senator from New York and others may want to speak on the proponents' time.

The remarks of the Senator from Maryland have been a major contribution in this last hour of debate before cloture. I applaud the Senator from Maryland.

Mr. President, I yield the floor.

Mr. TOWER. Mr. President, how much time do the respective sides have?

The PRESIDING OFFICER. The Senator from New Jersey has 4 minutes. The Senator from Texas has 23 minutes.

Mr. TOWER. I yield 15 minutes to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina (Mr. HOLLINGS) is recognized.

Mr. HOLLINGS. Mr. President, I am glad we have the Presiding Officer captured in the chair, for he has to listen and cannot talk, and I am allowed 15 minutes.

I had a sincere intention to give a rather formal talk, but let me join issue with this reasonableness and this fairness we hear and, the oh, how considerate we are, and how decent we are, and how compromising we are. The garment and shield and sham should be removed from this hypocrisy and nonsense. The substitute must be recognized for what it is.

I wish I were a good enough labor lawyer to prepare these clever, tricky amendments that they call compromise. If they want to debate the elements of the so-called Byrd compromise, then we can go right to the access provision, I say to the Senator from Maryland. When this Senator talks about access—that was fundamental—started from the very first day when we discussed it with the distinguished chairman, the Senator from New Jersey.

I said that is what the proponents want because they realize that is the only effective way an employer has left today to speak to his employees, to speak or communicate, to build up a good business, to develop a team spirit, to become productive, to make a profit, to enjoy working in that business.

When the majority leader says, "Let us get on with business," I am trying to get on with the business of the country, rather than the monkey business represented by H.R. 8410 on the Senate floor.

The proponents of this bill know that the only effective means that the employer has to communicate with his employees is within the plant. If they can fairly well take away that right, they have given the employer lockjaw, organizers will have a heyday from then on: Out with the hired guns, and professional organizers coming into the plant. I doubt that anybody would want to run an industry or plant or manufacturing concern or a Senator's office the way this bill would mandate.

I do not know about equal access. I suppose the budget of the Senator from New Jersey would go to $500,000 to accommodate the requirement of this provision. That is a large State. We would have equal access and put an organizer every place the Senator talks to his employees, and they would be falling all over each other in the Senator's office.

But no, the proponents take this away by saying, "Rather than give generally, we are going to put them specifically where they should be." They are replying and responding to one of the other concerns about access but not the real concern when they say, "We will only have two here, two at the bulletin board, two at the cafeteria, another two over here, and not more than four in the parking lot."

We do not want any. That is nonnegotiable. That is not a compromise.

What they have done instead, under cover, is to give instant access, with the dealer's choice.

Then we go to the election periods, which is the second big thing we are concerned about. At least, S. 8410, under Senator WILLIAMS' bill, had periods of 30, 45, and 75 days. For the unique and complicated, it is 75 days. For the simple one, with a majority of the employees having signed authorization cards, it is 30 days.

But under this constant access of the substitute, it is simply notice: no intent, no number of people, not 50 percent, not 30 percent to 50 percent—for the 45 days as under S. 8410—but with no percent; an organizer, hired outsider, with no showing of employee interest just writes a simple letter to everybody in an area which says, "You are hereby given notice."

Lawyers are hired easily to write those letters, and that puts them on the hot seat for 6 months, with a 60-day cooling period; and then another notice puts them on another 6-month hot seat for instant access and constant access and instant elections, rather than quickie elections—all in the name of compromise.

Where does this oily conversation come from? They say how reasonable and how fair and how decent we are. And these indecent fellows over here, obstructionists that they are, filibusters that they may be, let us rid them from the halls of this hallowed body and get on with the business.

We heard that lecture yesterday by the distinguished majority leader. I bring it up now, but I tried to bring it up yesterday, when he was on the floor, and I tried to respond to him at that time.

It was very interesting that he referred to South Carolina Senators. Obviously, this Senator from South Carolina took note; and when the majority leader got to Senator Butler and Senator John C. Calhoun and others, that really piqued my interest. He quoted Matthew Butler of South Carolina, John C. Calhoun, and John Sherman of Ohio. He quoted another gentleman—I think it was Curtis—in 1922. I do not have all the exact quotations, but the majority leader did say that now is the time to get on with other business, and these gentlemen were his authorities.

Mr. President, he quoted all the great authorities he could possibly find on filibuster save one. He left out the dis-

tinguished Senator from West Virginia—ROBERT BYRD, himself.

He is the best authority I know of, the gentleman who was speaking, and I wish he would come here now. He runs these microphones into his desk in the leader's office and we have time enough now before the next vote to discuss some quotes from my authority on filibuster. My authority, the majority leader himself, is the real authority on filibusters and obviously we would not have put him in this high position without having a good understanding of his feel on these important matters.

And here is what the gentleman said on June 15, 1964, at the 88th Congress, the 2d session, page S 13805. He says:

Mr. President, many times when I sat in the other body, great body though it is, I would say, "Thank God for the Senate." This was because the free and unlimited debate permitted under the Senate rules offered a protection against ill-advised legislation borne upon the wings of passion and fostered by organized, special interest, pressure groups.

Let me repeat from that quote. ". . . organized, special interest, pressure groups" because I am going to return to that if I have enough time:

We now see, as I prophesied during my speech on the night of last Tuesday, that once the cloture rule is invoked and debate is then limited, this great body no longer is able to protect the liberties of the people. The Senate then becomes but an extension of the House of Representatives.

What a devastating thing that would be if we became a House of Representatives. That is the distinguished Senator from West Virginia speaking, my authority, I say to the Senator from Tennessee, on filibuster.

Now let me quote further, and I think it is highly important because this was on June 9. They started the debate in 1964 on March 9, and that was the third month. We heard from the Senator from Maryland who said short of 2 days we will have been in this thing a month and we should get on with the business. But what did the Senator from West Virginia think after having been in filibuster 3 months? The great authority on filibuster had these things to say. He said:

I know there is much criticism concerning the so-called filibuster. But I do not consider the debate that has taken place on the bill to have been a filibuster. The debate has been germane and to the point. Naturally, it has been redundant and repetitious at times. It could not be otherwise, having extended over as long a period as it has extended. I feel that history will not be unkind to those who have resorted to this final weapon in order to protect constitutional government in this Republic.

Then he said this, and I want everyone to please take note—I do not know where the Senator from New Jersey went, but I see other good friends on the floor here because this is—but to get on with the business, I quote again the distinguished Senator from West Virginia, my authority on filibuster:

Some say we should pass this measure so that we can move on to other legislative matters which await our attention. This is not justification for passing a bad bill. The leadership can simply set the bill aside, and the Senate can get on with other business.

Is that not great? That is what we call authorities on filibustering. The distinguished majority leader himself is the gentleman I am quoting.

I take particular issue with the Senator from Maryland who talks that we have been here just shy 2 days of 1 month, because even under the Byrd rule of filibuster we have 2 additional months coming to us. Then we might talk at that particular time of fairness and decency. This almost reminds you, I say to the most attractive fellow I know, the Senator from New York, of Mr. Fagan in "Oliver." As he knows, they pick a pocket or two and they run around and how easy, nice, and fine they are and how they are just trying to stick to the merits when all along they fixed the jury last October. That is where we are. That is where we find ourselves. They fixed this jury, I say to the Senator from Arkansas, both of them, last October. And the way they did it is once this measure passed the House they came to me and they came to other Senators, and again it was the plea of reason, "Just give us a vote, give us a vote," because they knew they could fix a majority. "But please do not be for cloture."

I was sort of in the middle on that particular one. I would not make a commitment for cloture or against cloture. I wanted to hear more until I found out this thing was fixed against us. They are not going to give up on access. That is the only logical, reasonable, substantial means the employer has, on the one hand, to converse and communicate and, on the other hand, to do business, to run his plant. And heavens above, we have OSHA, we have all the other agencies coming in with all the other checks and balances, forms and regulations, and everything else, and now they want to bring in outside organizers into a plant just on notice. All they do under this so-called amendment, which in their opinion is so reasonable now that we have been given a compromise, they just send you notice and then from there on out the employer has lockjaw; they have zipped the employer's lip because if you communicate after then they will immediately start invading the plant. At least H.R. 8410 was better than that. They compromised in the wrong direction.

What did they do last year after they had gotten all these votes arranged? They are very effective, and I respect them. I do not speak in an antiunion fashion, because I can tick off the unions that I have in my own back yard. I was a county representative elected by their majority votes for over the years—some 30 years—that I have been in public office. There are outstanding leaders in our particular unions. They are not only leaders within the union itself, but we have Danny Richards on our city council and we have Cecil Clay, a friend of the Democratic Party, also chairman of the North Charleston Service District, and principal business agent for his union for all of Charleston.

We know under the present law and on balance that under the Wagner Act of 1935, under the Taft-Hartley amendment in 1947 and under the Landrum-Griffin Act of 1959 the law has been stetted, the regulations balanced off the rights of employers and employees, and under that balanced system I, as an employer, let us say, may talk in my plant; you cannot as an organizer, but you can talk to the employees at home where I cannot. I cannot make promises, but you can promise the Moon. Present labor law is an interrelated thing and good union activity was spawned, nurtured, and has grown and prospered under it. We respect the union movement in America.

I think the Senator from New York pointed to many of the outstanding things unions have done. I was listening one day, and it was Alexandr Solzhenitsyn who was brought here by the AFL–CIO. They were the only organization that were willing to map out the Gulag Archipelago, the original listener.

The VICE PRESIDENT. The Senator's 15 minutes have expired.

Mr. TOWER. I yield the Senator additional time.

Mr. HOLLINGS. I appreciate the distinguished Senator from Texas, allowing me to complete that thought, that the union movement has been a forerunner on working hours and on many things with respect to jobs here in America. But it is not the Stevens case, because we know 52,694—and I will give you the document, the current NLRB annual report—it is the green one here—52-some-odd thousand, almost 53,000 cases were filed, docketed with the NLRB last year. There were only 23, 20 against the employer and 3 against the union, that resulted in contempt last year, and only one of those in the real South down below which was the one in Roanoke Rapids, N.C., at J. P. Stevens. The remainder appeared in New York, Denver, and all other places around the Nation.

So it is not 117 one-hundredths of 1 percent of cases ending in contempt. It is not contempt. It certainly is not the Darlington case.

We had that case 22 years ago, and there had not been another one since and cannot be another one really.

So you say why this bill? Because of the demises the union movement? Mr. Meany had to report in December out in San Francisco at the AFL-CIO meeting that he had lost membership in 1976 and 1977—the annual report last December said 500,000 members were lost from the AFL-CIO, and that is what is developing in the country as a result of mass production and technology. There are less members there to organize. Different manufacturing trades are losing, in steel, and right on down the line, including the automotive industry. Surely it is not the increase in government employees and teachers but an overall decrease that leads us to the reason for this bill.

So they say now what we want is an unfair advantage. I have been here 12 years and never heard of labor reform. I heard of 14(b), Taft-Hartley; I have heard of common situs picketing, but this is a clever group, and I think I will be able to name them before this

debate is over because I want them on my side. They are the finest and most clever labor lawyers and under the auspices and aegis of reform they come in here and pick your pocket and take away your final right to run your business and communicate with your employees. That is exactly what this bill does and, in fact, instead of the compromise removing that, as I asked the Senator from New Jersey to do, the so-called compromise really copper fastens it and triggers it so that it is constant access and instant and rather than quickie elections, it is instant elections. The substitute compromises in the other direction.

It is pure sham. I will now, before I get into another series of thoughts I had prepared, yield back to the Senator from Texas so he will have some time remaining. But I do appreciate the Senator from New York and others listening here because we are dead serious about this thing. This is not fair, and they know it. They have got good unionism, they have got good union activity all over this land, and there is no demonstrated need for the extention this measure provides.

The VICE PRESIDENT. The Senator's time has expired.

Who yields time?

Mr. WILLIAMS. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, this is coming down to the wire. In a very few minutes we shall be voting cloture.

Mr. President, I hope that those Members who feel that there ought to be a correction of the injustices which have arisen through the abuse of the law will begin to understand that this is their opportunity to make a correction. Until we have cloture there is no way in which we can get an amendment and, therefore, Members may inveigh all they wish against provisions of the bill or the substitute, but there is no way in which they can get at changing the bill in order to work their will, if the Senate will agree with them, unless debate is closed under the rules.

Also, the opportunity for lining up on that side, Mr. President, will soon pass because when cloture is once invoked those Members who may have been promising their constituents that they will not be found wanting when the time comes, and they will do the right thing in the final analysis and they will see that justice is done to American labor, will find those words thrown back at them as very hollow indeed if they have not voted for cloture when cloture is voted. You cannot change your mind that quickly once this vote comes, and it is very close. We all understand that and know it very well.

So I say to those Senators who want to be on some kind of a bill, do not get stranded on the beach, and we are getting to that stage in this debate.

Second, Mr. President, I have said before, and I say again, with the utmost respect for Members of the Senate who feel that they are against all these labor laws, including the National Labor Relations Board and collective bargaining and many other things, I cannot argue with them. That is their honest conviction. They are Senators of the United States just as much as I am, and why waste my breath or waste theirs.

But to those Senators who feel that the abuse of the law—and that is what has happened—through the law's delays has resulted in victimizing workers, in working grave injustices upon people who were fired for union activity and did not recover a penny for years, to places where union organization was frustrated and, incidentally, and you hear it in the argument against inflation, and that is the idea that passage of this bill will be inflationary, is an admission that you are discriminating against nonunion workers, because you are telling them that they are being paid less than other workers are being paid. They are taking the rap for this argument about inflation. You are admitting that directly to them. Whether it is true or not, that is the essence of that argument.

Mr. President, we have done our utmost to make this bill lean and hard and accurate and directed solely toward those areas in which there has been abuse.

Just let me tick those off very quickly. We have now dealt with the equal access argument so that no working area or working time is involved, so there is no quid pro quo for the so-called captive audience, that it, when workers are addressed by their employers on time for which they are being paid.

We have dealt with the election schedule so that nobody is caught by surprise, not less than 35 days must elapse before there is an election after notice that organization is taking place.

We have dealt with small business so that even it is completely excluded from access if you have 10 workers or less, in addition to the fact that equal access is very considerably trimmed down.

The VICE PRESIDENT. The Senator's time has expired.

The Senator from Texas has 5 minutes remaining.

Mr. TOWER. Mr. President, we have heard a great deal of thought about how we must end the debate, let the Senate work its will, let us be about the people's business.

If we were allowing the people to work their will and, in truth, being about the people's business, we would not be considering this legislation at all.

There is no massive public sentiment for this legislation. This legislation is not the result of a huge popular demand that we enact it. It is not the result of any perception of injustice or inequality by the general citizenry. It is special-interest legislaton that is being pushed by the most powerful interest group in the United States of America, one that exercises an economic and political influence out of all proportion to its numbers.

Let me repeat, there is no public demand for this legislation. Quite to the contrary, every indication is that the general public in the majority feels that the power of organized labor in this country is already too great, and if there is to be any reform it would be reform that would tend to ameliorate this already enormous power that, when exercised under certain circumstances, is capable of bringing the entire economy of the United States to its knees.

Yes, this is a filibuster, Mr. President. It is a filibuster because there are those who are determined to stand for the public interest in opposition to a very strong special interest indeed. Perhaps the level of the intensity of the opposition, as opposed to the level of enthusiasm of the proponents, can be measured by the fact that some 26 Members of this body have spoken strongly, and in many instances more often than once, against this legislation, and only 12 Senators have risen in support of it. If we want to measure the intensity there, in my view, is as good a measure as any.

The Senator from New York suggests that because we maintain this bill is inflationary that this is an admission that nonunion workers are underpaid. I reject that. It is no such admission. Let me note that in the States that are least unionized there are the lowest rates of unemployment. We speak out in behalf of high employment.

Let me note also that in these nonunion States, in the States that are not so heavily unionized, the right-to-work States, the per-man productivity is higher and the economic progress is greater.

We speak for higher productivity and more progress, and the fact is that in heavily unionized situations it is not that the members are being adequately paid while the nonunion members are inadequately paid; it means that in many instances higher wages and benefits are being given with no commensurate increases in productivity. In fact, in many instances it is with reduced productivity and, indeed, this is inflationary. It means that in the heavily unionized areas there are inflicted on the public union work rules that add enormously to the price that consumers pay for goods and services.

We stand for the consumer. Therefore, the cloture motion should be rejected.

CLOTURE MOTION

The VICE PRESIDENT. The hour of 5 p.m. having arrived, under the previous order, pursuant to rule XXII, the Chair lays before the Senate the motion to invoke cloture, which the clerk will state.

The legislative clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the substitute amendment, No. 2445, by the Senator from West Virginia (Mr. Robert C. Byrd) and others to H.R. 8410, An act to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

Robert C. Byrd, Patrick J. Leahy, Harrison A. Williams, Jr., John Melcher, George McGovern, Claiborne Pell, Dick Clark, Frank Church, Daniel Patrick Moynihan, Edward M. Kennedy, Jacob K. Javits, Abraham Ribicoff, Howard M. Metzenbaum, Birch Bayh, Henry M. Jackson, William Proxmire.

VOTE

The VICE PRESIDENT. By unanimous consent, the quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the substitute amendment, No. 2445, by the Senator from West Virginia (Mr. ROBERT C. BYRD) and others, to H.R. 8410, an act to amend the National Labor Relations Act, to strengthen the remedies and expedite the procedures under such act, shall be brought to a close? The yeas and nays are mandatory under the rule.

Under the previous order, this will be a 20-minute vote. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Carolina (Mr. MORGAN) is necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—58

Abourezk	Haskell	Metzenbaum
Anderson	Hatfield,	Moynihan
Bayh	Mark O.	Muskie
Biden	Hatfield,	Nelson
Brooke	Paul G.	Packwood
Burdick	Hathaway	Pearson
Byrd, Robert C.	Heinz	Pell
Case	Huddleston	Percy
Chafee	Humphrey	Proxmire
Church	Inouye	Randolph
Clark	Jackson	Ribicoff
Cranston	Javits	Riegle
Culver	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Durkin	Magnuson	Schweiker
Eagleton	Mathias	Stafford
Ford	Matsunaga	Stevens
Glenn	McGovern	Stevenson
Gravel	McIntyre	Weicker
Hart	Melcher	Williams

NAYS—41

Allen	Eastland	McClure
Baker	Garn	Nunn
Bartlett	Goldwater	Roth
Bellmon	Griffin	Schmitt
Bentsen	Hansen	Scott
Bumpers	Hatch	Sparkman
Byrd,	Hayakawa	Stennis
Harry F., Jr.	Helms	Stone
Cannon	Hodges	Talmadge
Chiles	Hollings	Thurmond
Curtis	Johnston	Tower
Danforth	Laxalt	Wallop
Dole	Long	Young
Domenici	Lugar	Zorinsky

NOT VOTING—1

Morgan

Mr. TOWER. Regular order.

The VICE PRESIDENT. The Senate will be in order. The Senators will clear the well. The Chair thanks the Senators for clearing the well.

Mr. ROBERT C. BYRD. Mr. President, Mr. MORGAN is unavoidably absent today. If he were present, he would vote "nay"; I vote "aye."

Mr. TOWER. Regular order.

The VICE PRESIDENT. As to regular order, the clerk is tabulating the vote.

Mr. ROBERT C. BYRD. Mr. President, I did not intend to give Mr. MORGAN a pair. He merely wanted me to announce how he would vote if he were here.

The VICE PRESIDENT. The Chair so understands.

Mr. TOWER. Regular order.

The VICE PRESIDENT. On this vote, the yeas are 58, the nays are 41. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

CLOTURE VOTE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to invoke cloture occur tomorrow at 1:45 p.m., with no quorum call in order prior thereto, and that the rollcall extend for 45 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Objection, Mr. President.

The VICE PRESIDENT. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to invoke cloture occur tomorrow at the hour of 1:45 p.m., without a quorum call being in order preceding that vote, and that the vote extend for a 30-minute period.

The PRESIDING OFFICER. Is there objection?

Mr. SCHWEIKER. I object.

The VICE PRESIDENT. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote begin at 1:45 and extend to 2:30 p.m.

Mr. TOWER. I object.

The VICE PRESIDENT. Objection is heard.

Mr. TOWER. If the distinguished majority leader will yield, I shall say that I shall object to any vote that extends past 15 minutes. Make it 20.

Mr. ROBERT C. BYRD. Mr. President, the extension of the vote is for the accommodation of Senators on both sides of the aisle. The Senator from Texas may one day want such an accommodation and the majority leader would do whatever he could to accommodate him.

I hope that the Senator will not object. It is merely to help other Senators who have problems with being away. That, of course, can happen to any one of us at any time. I hope that no Senator would stand in the way of accommodating other Senators.

I do not like to have 45-minute votes. I do not like to have 30-minute votes. But even if I were opposed to cloture, I would not object to the extension of the time to accommodate a Senator, regardless of what side of the question he is on or what side of the aisle he is on. I hope the Senator will be considerate and not object.

Mr. TOWER. The Senator from West Virginia is extremely persuasive. I am moved almost to tears by his entreaty. He has been enormously lucid and persuasive on this point, as have others. Therefore, I shall not object to a 45-minute vote.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, I ask unanimous consent that the vote begin at 1:45 p.m. and extend to the hour of 2:30 p.m., with no quorum call being in order just prior to the vote.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Texas again.

Mr. President, for the information of the Senate, there will be no more rollcall votes today.

PEACE CORPS AUTHORIZATIONS, 1979

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11877.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 11877) to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SPARKMAN. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. SPARKMAN, Mr. CHURCH, Mr. CLARK, Mr. BIDEN, Mr. CASE, Mr. JAVITS, and Mr. PERCY conferees on the part of the Senate.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Human Resources be authorized to meet during the session of the Senate today to consider S. 2910, the Adolescent Health Services and Pregnancy Prevention and Care Act of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

NORTH CAROLINA PUBLISHER VOICES CONCERN

Mr. HELMS. Mr. President, there is a growing concern across the country over the growing inclination among Federal agencies to legislate rather than to administrate the laws as passed by Congress.

The latest example of this abuse by the bureaucracy is the announced intentions of the Internal Revenue Service to tax, so-called fringe benefits without enabling legislation from Congress.

The highly respected publisher of the Lincoln, N.C. Times-News, Guy M. Leedy, recently wrote a very perceptive letter on this subject. He asks if this has become the trend in Washington. Mr. Leedy is an outstanding citizen of my State and the concerns he expresses are the same concerns expressed to me constantly by North Carolinians and other Americans.

I commend Mr. Leedy's letter to my colleagues and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LINCOLN TIMES-NEWS,
Lincolnton, N.C., May 22, 1978.

Senator JESSE HELMS,
Senate Office Bldg.,
Washington, D.C.

DEAR SENATOR HELMS: In the U.S. News and World Report, May 8, 1978 quote "IRS officials are preparing to act on their own without seeking legislation from Congress."

While I agree that some of the upper level of fringe benefits should be pared it scares me to think that the federal agencies, such as HEW, Energy, etc., can start making their own rules, policies, etc., without regard to our Congress and Senate which I have always been led to believe represented the people. Are we so stupid that this has become the trend of thinking in Washington?

When a working man, be he white or blue collar, making under $30,000 a year is being taxed up to $8,000 per year on his earnings along with social security deductions of up to $1,000, and when he reads and hears of the tremendous waste in government along with low cost housing, food stamps, fuel, hospital and other benefits to those non-working people it makes one ask, why work?

We have built in less than 200 years the greatest country in all of history. How? With work, sweat, blood, tears and Yankee initiative and personal capital. Every man, woman and child worked. They saved. They were taught to provide for themselves and their old age. They cared for their old, sick and crippled without aid. It was an insult to be offered charity.

What has happened to America? No one seems to want to work, and if he does the government takes away that which he once saved, making him in the end a ward of the government.

I cannot believe this is what we who are producing—paying the load of cost in taxation—want for ourselves and our country. I have never believed that the government owed a citizen anything or should be expected to take care of the individual from "the cradle to the grave". If we keep taxing our working people to death then we shall certainly become a ward of the government as long as it could exist.

Taxation is the power to destroy—so it has been said many times. There are hopeful signs of a "tax revolt" appearing in various sections of the country, so maybe it is not too late?

I have advocated for over 20 years a percentage tax similar to the state sales tax, whereby everyone pays their fair share. This would enable us to rid ourselves of one of the government agencies or at least trim it down to reasonable size, most certainly it would create a friendlier feeling from the taxpayer.

How much longer do you think the middle class taxpayer "who has the load" will stand for this type of rape?

Sincerely,

GUY M. LEEDY,
Publisher.

THE "HARDSHIP INDEX"

Mr. HELMS. Mr. President, my friend and one of the Senate's experts on labor matters, the junior Senator from Utah (Mr. HATCH) found a recent article of mine in "Dunn's Review" to be worthwhile and asked that it be printed in the RECORD.

I thank him for that compliment, and his concern.

I take this opportunity to give credit to a gentleman whose work I depended on for some of the facts contained in my article, and on whose counsel the Senate could confidently rely upon, Prof. John Parrish.

Last year, Dr. John B. Parrish, professor of economics at the University of Illinois, delivered a paper entitled "Employment and Unemployment Statistics—What Do They Really Mean." It was given before a group of businessmen and academicians who compose the prestigious membership of the Committee on Monetary Research and Education. I was able to obtain a copy of the paper and read it with interest. Last fall, an article appeared in "Dunn's Review" concerning a proposed new "Hardship Index" that some officials of the Labor Department were considering. The article stimulated my interest in this subject and Dr. Parrish's paper provided the basic materials I used to refute this essentially counterproductive concept.

I have communicated my enthusiasm in Dr. Parrish's work to officials of the administration, and I hope that before any changes in present statistical indicators relating to unemployment are made Dr. Parrish's advice is sought.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business and that Senators be allowed to speak therein for up to 5 minutes each.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on June 13, 1978, he approved and signed the following act:

S. 1792. An act to amend the Administrative Conference Act.

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 11:34 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 2553. An act to authorize appropriations for the fiscal year 1979 for certain maritime programs of the Department of Commerce, and for other purposes;

H.R. 1436. An act for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Texas;

H.R. 5493. An act to extend until October 1, 1980, the appropriation authorizations for the Great Dismal Swamp and San Francisco Bay National Wildlife Refuges;

H.R. 10884. An act to authorize appropriations to the Council on Environmental Quality for fiscal years 1979, 1980, and 1981; and

S.J. Res. 140. A joint resolution to authorize and request the President to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. PAUL G. HATFIELD).

At 1:45 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to H.R. 10823, an Act to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such Act for fiscal year 1979, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to H.R. 11465, an act to authorize appropriations for the U.S. Coast Guard for fiscal year 1979, and for other purposes.

The message further announced that the House disagrees to the amendments of the Senate to H.R. 11302, an act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1979, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BROWN of California, Mr. AMBRO, Mr. WIRTH, Mr. WALGREN, Mr. WATKINS, Mr. WALKER, and Mr. FORSYTHE were appointed managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 12929. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes.

At 4:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to H.R. 5176, an act to lower the duty on levulose until the close of June 30, 1980.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 12929. An Act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes; to the Committee on Appropriations.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 14, 1978, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 2553. An Act to authorize appropriations for the fiscal year 1979 for certain maritime programs of the Department of Commerce, and for other purposes; and

S.J. Res. 140. A joint resolution to authorize and request the President to proclaim June 11, 1978, as "American University Press Day" to commemorate the centennial of university press publishing in America.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Special Report pursuant to Section 392(b) of the Congressional Budget Act (Rept. No. 95-931).

Mr. RIBICOFF. Mr. President, pursuant to section 302(b) of the Congressional Budget Act, I herewith submit the report of the Committee on Governmental Affairs concerning the budget authority allocated to it in the Joint Explanatory Statement of Managers accompanying the conference report on the First Concurrent Resolution on the budget.

By Mr. ROBERT C. BYRD (for Mr. MUSKIE), from the Committee on the Budget, without amendment:

S. Res. 471. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 3082 (Rept. No. 95-932).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 452. A resolution authorizing the printing of the committee print entitled "Interlocking Directorates Among Major U.S. Corporations" as a Senate document (Rept. No. 95-933).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 484. An original resolution to pay a gratuity to David L. Casto and Mary Ruth C. Casto.

S. Res. 485. An original resolution to pay a gratuity to Ewart G. Smithwick.

By Mr. KENNEDY, from the Committee on the Judiciary with an amendment:

S. 1874. A bill to restore effective enforcement of the antitrust laws (together with minority and additional views) (Rept. No. 95-934).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation; with an amendment:

S. 3050. A bill to provide for the regulation of foreign fish processing vessels in the fishery conservation zone, and for other purposes (Rept. No. 95-935).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. LUGAR:

S. 3201. A bill to authorize the Secretary of the Treasury to provide financial assistance for the City of New York; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BARTLETT:

S. 3202. A bill to amend title 28 of the United States Code to provide for the payment of reasonable attorney's fees and other costs in certain civil actions; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LUGAR:

S. 3201. A bill to authorize the Secretary of the Treasury to provide financial assistance for the city of New York; to the Committee on Banking, Housing, and Urban Affairs.

NEW YORK CITY FINANCIAL ASSISTANCE ACT OF 1978

● Mr. LUGAR. Mr. President, I have been on record since March of this year as skeptical of various proposed financial assistance packages for New York City. I remain skeptical, but I have become persuaded that the Congress may pass legislation of some sort to assist New York. Given that conclusion, I want to do everything possible to insure that the legislation passed is the best possible combination of protections for the American people and tools for achieving fiscal soundness in New York City.

Today, I propose legislation which includes modified portions of the legislation passed by the House of Representatives and a number of protections not contained in the House bill. I propose this legislation after reviewing carefully the budget of New York City, the financing plan developed by Mr. Rohatyn, and the testimony from the past 4 days of hearings in the Banking Committee. On the basis of my review, I believe that, given adequate controls and full participation by all the concerned institutions, certain Federal bond guarantees can provide New York City with a means of reentering the bond market without undue risk to the taxpayers of the Nation. Until now, we have not seen legislation which provides sufficient protection for the taxpayers, participation by the State and by all concerned private institutions, and assurance that a host of other cities will not be induced to follow New York to the Federal loan window.

The bill which I am introducing today provides Federal bond guarantees for New York City, but does so in a significantly different manner than has been proposed to date. It would provide $500 million in Federal guarantees of both long-term and short-term financing for 1979, and an identical $500 million of guarantees for 1980, unless one House of Congress votes to prohibit that authority. A similar $500 million package would become available at that point in the 1979-82 period at which the city balances its budget according to generally accepted accounting principles.

My principal goals in offering this alternative plan are:

First. To limit the exposure of Federal taxpayers to $1 billion, rather than $2 billion, during New York City's period of budget deficits.

Second. To tighten reporting requirements and congressional supervision of the city's fiscal practices. This is to be accomplished by the mandating of regular published reports by the Secretary of the Treasury, by the creation of a special audit committee, and by allowing both Houses of Congress to review the city's record annually, and to terminate the 1980 Federal guarantees by a majority vote of either House if adequate progress has not been made.

Third. To induce New York City to reach a balanced budget sooner than it currently intends. After the first two annual guarantees of $500 million each, a further $500 million in guarantees would be strictly conditioned on the achievement of a budget which is balanced according to generally accepted accounting principles.

Fourth. To assure that the Federal system of State responsibility for cities is not undermined. Toward this end, New York State would be required to coinsure a portion of the federally guaranteed funds.

Fifth. To incorporate safeguards against other cities or States appealing for similar treatment. I have endeavored to design a package specifically tailored to the uniqueness of New York's situation, such that the precedents set would be totally impractical and unattractive for other cities and States. For example, the fact that the guarantees are extended only to public employee pension funds will preclude other American cities, where pension funds are much smaller and are usually not independent of local governments, from using this approach. Since New York State would be compelled to coinsure the bonds, and thus fulfill its duty in our Federal system, the other 49 States will be further discouraged from seeking a similar arrangement. Third, the multiple restrictions, reporting requirements, and exposure to forfeiture of Federal grant funds contained in the House version and elsewhere in my bill combine to present a package which will be applicable only to the very unique case before us now. I offer my proposal for the following reasons:

First. I have been persuaded by the testimony that bond guarantees will provide a reasonable mechanism for New York's re-entry into the bond market;

Second. I share Senator WILLIAM PROXMIRE's opinion that a 4-year $2-billion package does not adequately protect the public or provide adequate review by the Congress, the State, or the financial institutions;

Third. The Secretary of the Treasury and Mr. Rohatyn both have stated that only $1 billion is essential. Both have argued that another $1 billion is needed as an insurance against unforeseen contingencies. I think that a $1 billion reserve is too much and that, if further bond guarantees are needed, they should be available only after the city has balanced its budget;

Fourth. Greater involvement by the banks, the pension funds, the city, and the State should be required. Bond guarantees at the $1 billion level will require greater involvement by all parties if the city is to avoid bankruptcy;

Fifth. The Congress should maintain yearly review of the bond guarantee authority to insure the soundness of the city's finances. The one-House veto provision of my proposal provides such annual review;

Sixth. By providing an incentive for New York to balance its budget ahead of

schedule, we would encourage the city to accomplish what is fudamental to its reentry into the bond market. Moreover, if immediate reentry does not occur as anticipated, the guaranteed bond authority would be adequate to allow the city to avoid another crisis; and

Seventh. By allowing some short-term borrowing authority we would provide New York City with a mix of tools with which to achieve fiscal soundness.

This proposal in many respects parallels the House version, but with significant additional restrictions. In the interest of brevity, I will describe only those items not contained in the House legislation. I have included all the restrictions of the House legislation, and in addition have proposed that:

First. The State must coinsure the Federal bond guarantees at a level of 5 percent of the bond guarantees outstanding.

This provision is essential. The cities are created by the States and the States must have ultimate responsibility for them. In this special case we are allowing New York State to avoid total responsibility for New York City, but we must not allow it to avoid all responsibility. This coinsurance, which would amount to a maximum of $25 million per year, is partially symbolic, but it is vital. It is the responsibility of New York State to assure the country that the situation we are confroned with now will never occur again. The burden of coinsurance will help insure the State's continued interest in the fiscal affairs of the city.

I am fully aware of the New York State constitution's prohibition against guaranteeing the debt of a municipality. To comply with my proposal and simultaneously meet the requirements of the State constitution, the State would have to appropriate the funds and place them in a reserve fund.

Second. The legislation I have proposed requires that the State of New York maintain its level of assistance to the city at the 1979 level until such time as the city has a truly balanced budget.

I propose a "maintenance of effort" requirement in recognition of the important role that State aid plays in the recovery of New York City, and the role it played in the fiscal crisis with which we are now confronted. The New York City crisis is a State crisis and the State must recognize its responsibilities.

Third. The bill allows the bond guarantees to apply only to bonds purchased and held by the pension funds.

The State and local pension funds are as vital to the financial plan as any of the participants. It is in recognition of their importance and their fiduciary responsibilities that the bond guarantees are proposed in the first place. But in spite of their call for Federal guarantees of New York bonds, the pension funds have yet to commit themselves to any level of further bond purchases. Their commitment is absolutely necessary. The continued pension fund participation in financing the city is in the best interest of the pension funds. If they are unwilling to partcipate, then I believe that the responsibility for a New York City bankruptcy must rest squarely on their shoulders. Thus, I have proposed the guaranteed bonds be sold only to State and local pension funds.

Moreover, to avoid distortion of the municipal bond market, we would not allow these guaranteed securities to be traded in the open market.

Fourth. The legislation establishes an audit committee to provide ongoing review of the independent audit of the city's finances.

This provision is in recognition of the unusual situation that New York City's city controller is an elected official. In order that the independent audit will be as credible and open as possible, I have proposed the creation of an audit committee to direct the independent outside accountants.

The audit committee is a fairly new mechanism which has been recommended by the Harvard Business Review, and is now in use by a number of large firms. It recognizes that a number of areas of inquiry will have to be singled out for special attention as an audit progresses. The audit committee insures that those decisions will be made in as open a manner as possible. The committee would consist of: The mayor, the controller, two officers of accounting firms not retained by the controller, and two officers of financial institutions holding city securities.

I believe that the bill I have offered today provides a sound course of action for those who have not been inclined to support any fiscal aid for New York. As my colleagues are well aware, I have not exactly been in the vanguard supporting renewal of Federal aid to New York City. I have struggled with this problem as a member of the Banking Committee and believe that this proposal offers a constructive, conservative approach. I am convinced that seasonal financing is not a sound alternative for the long term health of the city, and would vote for no aid whatsoever rather than for the renewal of seasonal financing. It may be possible for the city to avoid default if no Federal guarantee is provided, but the actions necessary to avoid default will almost surely not be taken if the Seasonal Financing Act is renewed.

I believe that the legislation offered today provides an alternative that answers many of the criticisms of the administration's proposal. Senator PROXMIRE has been insistent that New York be kept on a "short leash." I think he is absolutely right and my proposal is designed accordingly.

I want my colleagues to know that my decision to introduce this legislation was a very difficult one for me. I am not persuaded merely by the argument that New York is a great city. It is a great city, but there are many such cities in America and greatness alone cannot justify exposing the American taxpayers to further jeopardy. Neither am I persuaded that the mayor and the city have done all that can be done. They have made a start, but many tough decisions remain. I am not persuaded that the banks or the pension funds or the State have done all they could.

I am persuaded that there is an appropriate, minimal Federal role, and that the major purpose of the Federal role should be to bring together the various interests into a financial plan that will achieve bond market re-entry for the city of New York. It is a plan that requires everyone to do more than they would like to do. It is a plan which minimizes the vulnerability of American taxpayers. It is a plan which preserves the fundamental structure of our federal system. It is a prudent plan. It is a plan which I believe can be supported by a majority of my colleagues, support which I invite as the committee commences its deliberations tomorrow.●

By Mr. BARTLETT:

S. 3202. A bill to amend title 28 of the United States Code to provide for the payment of reasonable attorney's fees and other costs in certain civil actions; to the Committee on the Judiciary.

EQUAL ACCESS TO THE COURTS

Mr. BARTLETT. Mr. President, today I am introducing a bill which simply provides that a court is authorized to award any defendant who prevails in a civil action in which the United States is a plaintiff a reasonable attorney's fee and other reasonable litigation costs.

Section 2412, title 28, United States Code already grants discretionary power to the courts to award attorney's fees and expenses to the prevailing party in any civil action brought by or against the United States or any of its agencies or officials. My bill makes compensation mandatory, but it limits the scope of section 2412 by allowing only successful defendants to collect.

Also, I have inserted language to include cases brought in connection with the collection or recovery of any internal revenue tax or of any penalty or other sum under the internal revenue laws. This is necessary I believe, because, while for all practical purposes a successful taxpayer is in the same boat as a successful defendant in a civil action, under the law he is not. In most tax-related cases the IRS and not the taxpayer becomes the defendant.

The basic purpose behind this legislation is to remove the burden of a financial penalty from those who prove themselves innocent of charges brought by the Federal Government. It seeks to redress a development that could not have been foreseen by either our Founding Fathers or the builders of our system of jurisprudence—the rise of a powerful fourth branch of Government, the bureaucracy.

Each year I receive hundreds of letters and telephone calls from constituents seeking my help in dealing with bureaucrats from various Federal agencies whom nobody elected and whom neither the executive branch nor the Congress has been able to control. Common to all these complaints is the clearly recognizable fact that the scales of justice are weighted heavily against those who run afoul of the Federal Government.

National regulatory agencies have developed a seemingly limitless capacity to harass private citizens and small businesses. They are also staffed by taxpaid attorneys. A private citizen or small

business, however, is not quite so fortunate. Each must consider the legal costs of contesting Federal edicts. And because the cost of a legal victory is prohibitive they must often knuckle under to Government orders they believe to be wrong.

Examples illustrating the legal imbalance resulting from the action of a Federal agency against private parties are abundant. One case in point involves a constituent of mine, Carl Sharp, a small businessman from Oklahoma City. He is in the business of marketing therapeutic pillows. Not too long ago, FDA bureaucrats decided that Sharp should revise his literature concerning the alleged merits of his pillows. They were prepared to force him out of business unless he bent to their will, although he had been selling the pillows for 7 years without interference. Sharp, however, took a determined stand against the agency. But it cost him dearly. To date he has spent more than $25,000 in legal fees alone.

The need for regulatory reform is obvious. Bipartisan legislative efforts must be made to limit the authority of Federal agencies which have become law unto themselves. Ironically, liberals and conservatives, Republicans and Democrats, often agree that the Federal Government is too involved in regulating the lives of its citizens. The problem has been that just as often they cannot agree on the areas in which the regulation has been excessive or the remedy to use. My bill, however, avoids this problem. It simply offers to those who believe that overregulation poses a danger a way to effect a workable remedy. Moreover, that remedy is self-enforcing inasmuch as it does not require the repeal or reform of a single regulatory agency to become effective.

The prospect of accountability inherent in my proposal would encourage Federal departments, agencies, and commissions to simplify their rules and regulations and to drop those which are unreasonable or unnecessary. It should also reduce the incidence of compliance by coercion and would go a long way to restore people's faith in our system of justice by restoring the balance between the powers of government and the rights of the individual.

I welcome and encourage the support of my colleagues. And Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2412 of title 28, United States Code, is amended to read as follows:

"§ 2412. Costs and attorney's fees

"(a) Except as otherwise specifically provided by statute or subsection (b), a judgment for costs, as enumerated in section 1920 of this title but not including the fees and expenses of attorneys, may be awarded to the prevailing party in any civil action brought by or against the United States or any agency or official of the United States acting in his official capacity in any court having jurisdiction of such action.

"(b) A judgment for reasonable attorney's fees and reasonable litigation costs (including costs enumerated in section 1920 of this title) shall be awarded to—

"(1) any defendant who is the prevailing party in any civil action in which the United States is a plaintiff, and

"(2) the prevailing party, unless the prevailing party is the United States, in any civil action which is brought against the United States in connection with the collection or recovery of any internal revenue tax or of any penalty or other sum under the internal revenue laws.

"(c) A judgment for costs or fees under this section when taxed against the government shall, in an amount established by statute or court rule or order, be limited to reimbursing in whole or in part, as appropriate, the prevailing party for the cost incurred by him in the litigation. Payment of a judgment for costs and fees under this section shall be as provided in sections 2414 and 2517 of this title for the payment of judgments against the United States.".

(b) The table of sections for chapter 161 of title 28, United States Code, is amended by striking out the item relating to section 2412 and inserting in lieu thereof the following new item:

"§ 2412. Costs and attorney's fees.".

(c) The amendments made by this Act shall apply only with respect to civil actions commenced after the date of the enactment of this Act.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MUSKIE, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 2, to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes.

S. 1010

At the request of Mr. MCINTYRE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S.1010, the National Consumer Cooperative Bank.

S. 1860

At the request of Mr. ROTH, the Senator from Georgia (Mr. NUNN), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 1860, the Tax Relief Act.

S. 2738

At the request of Mr. DOLE, the Senator from Utah (Mr. GARN), and the Senator from California (Mr. HAYAKAWA) were added as cosponsors of S. 2738, to amend the IRC to provide for the indexation of certain provisions.

S. 2747

At the request of Mr. HASKELL, the Senator from Vermont (Mr. LEAHY), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 2747, a bill to provide for a study of methods by which individuals could be aided in filing their Federal income tax returns.

S. 2856

At the request of Mr. MORGAN, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2856, the Uniformed Services Survivor Benefit Plan Amendments Act of 1978.

S. 2864

At the request of Mr. MATHIAS, the Senator from Michigan (Mr. RIEGLE), and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 2864, the Product and Professional Liability Insurance Tax Equity Act of 1978.

S. 2900

At the request of Mr. MUSKIE, the Senator from Delaware (Mr. BIDEN), was added as a cosponsor to S. 2900, a bill to provide for compensation for damages and cleanup costs caused by discharges of oil and hazardous substances, to establish a liability fund, and for other purposes.

S. 2941

At the request of Mr. MATHIAS, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2941, a bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return may be taxed at the same rate as an unmarried individual.

S. 3111

At the request of Mr. PACKWOOD, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 3111, a bill to allow taxpayers to deduct charitable contributions whether or not they use the standard deduction.

S. 3164

At the request of Mr. BAYH, the Senator from New Mexico (Mr. SCHMITT) and the Senator from Montana (Mr. PAUL G. HATFIELD) were added as cosponsors of S. 3164, the Citizen's Privacy Protection Amendment to the Civil Rights Act.

S. 3180

At the request of Mr. BAYH, the Senator from California, (Mr. CRANSTON), and the Senator from Minnesota, (Mrs. HUMPHREY), were added as cosponsors of S. 3180, to prohibit the use of live animals in the training of greyhound race dogs.

S. 3193

At the request of Mr. BENTSEN, the Sentor from Indiana (Mr. LUGAR) was added as a cosponsor of S. 3193, the ERISA Paperwork Reduction Act.

SENATE JOINT RESOLUTION 130

At the request of Mr. MATHIAS, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Joint Resolution 130, a resolution to designate John Philip Sousa's "The Stars and Stripes Forever" as the national march of the United States.

SENATE RESOLUTION 477

At the request of Mr. CULVER, the Senators from Arkansas (Mr. BUMPERS and Mr. HODGES), the Senator from Iowa (Mr. CLARK), the Senator from Oklahoma (Mr. BARTLETT), the Senators from Nevada (Mr. CANNON and Mr. LAXALT), the Senator from Alabama (Mrs. ALLEN), the Senators from Texas (Mr. TOWER and Mr. BENTSEN), the Senator from Montana (Mr. PAUL G. HATFIELD), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of Senate Resolution 477, to disapprove the meat imports quota suspension.

AMENDMENTS NOS. 2235, 2236, 2237, 2242, AND 2243

At the request of Mr. CHAFEE, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of amendments Nos. 2235, 2236, 2237, 2242, and 2243, intended to

be proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2449

At the request of Mr. KENNEDY, the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of amendment No. 2449, intended to be proposed to S. 2850, the National Home-Delivered Meals Act of 1978.

SENATE RESOLUTION 484—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 484

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to David L. Casto and Mary Ruth C. Casto, parents of Neill L. Casto, an employee of the Senate at the time of his death, a sum to each equal to one month's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 485—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 485

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Ewart G. Smithwick, widower of Bernice M. Smithwick, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of her death, a sum equal to six months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE CONCURRENT RESOLUTION 92—SUBMISSION OF A CONCURRENT RESOLUTION TO SEEK THE RESURRECTION OF THE UKRAINIAN ORTHODOX AND CATHOLIC CHURCHES AND OTHER RELIGIONS IN UKRAINE

Mr. GOLDWATER submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 92

Whereas the Charter of the United Nations, as well as its Declaration of Human Rights, sets forth the objective of international cooperation "in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion"; and

Whereas in the so-called Brezhnev Constitution of the Union of Soviet Socialist Republics article 52 unequivocally provides that "Freedom of conscience, that is, the right to profess any religion and perform religious rites or not profess any religion, and to conduct atheistic propaganda, shall be recognized for all citizens of the USSR. Incitement of hostility and hatred on religious grounds shall be prohibited"; and

Whereas not just religious or civil repression but the attempted genocide—the absolute physical extermination—of both the Ukrainian Orthodox and Catholic Churches, and all other truly independent religions, in a nation of about 50 million persons brutally violates the basic civilized rights enunciated above: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the President of the United States of America shall take in the name of human rights immediate and determined steps to—

(1) call upon the Government of the Union of Soviet Socialist Republics to permit the concrete resurrection of both the Ukrainian Orthodox and Catholic Churches and other independent religions in the largest non-Russian nation both within the Union of Soviet Socialist Republics and in Eastern Europe; and

(2) utilize formal and informal contacts with Union of Soviet Socialist Republics officials in an effort to secure the freedom of religious worship in places of both churches and all other independent religions as their own constitution provides for; and

(3) bring to the attention of all national and international religious councils the nature of this outstanding Stalinist crime and perpetuated violation of basic human rights, with an appropriate address to the mobilization of their resources toward the realization of the objective of this Resolution.

REVIVING RELIGION IN UKRAINE

● Mr. GOLDWATER. Mr. President, among the worst crimes against humanity any modern government has committed must be included the ruthless persecution and attempted annihilation of religious groups in Ukraine by the Soviet Union.

In particular, the infinite sufferings of the Ukrainian Catholic, Orthodox, and Jewish religious groups at the hands of the Soviet Communists could be recounted endlessly.

Other significant religious minorities in the Ukrainian nation such as the Seventh-day Adventists, Baptists, Lutherans, Jehovah's Witnesses, and more, have suffered the same repression and ordeals from the official liquidation policy of the Soviets.

Clearly, the brutal suppression of religion in Ukraine reflects not only the atheist ideology of the Soviet Government, but also its centralizing, integrating pressures upon non-Russian nationalities. The continued Soviet persecution of churches and anti-semitism reveals hostility both to the contemporary religious revival germinating beneath the surface of Ukrainian society and to the Ukrainian nationalism associated with it.

Mr. President, crimes of this magnitude must not be forgotten. Smiles and talk of détente will not achieve human rights victories.

We must show that we care. We must mount the same relentless pressure against the godless tyrants as they have used and are using to extinguish religious choice and independence in Ukraine.

Therefore, I am submitting today a concurrent resolution urging the President to undertake, as a part of his human rights campaign, the revival of free religious expression and worship in Ukraine.

The resolution asks the President to use every means available to bring this goal before the Soviets and to raise it in all possible national and international religious councils.

We must keep the issue alive. We must help the courageous and devout, fellow human beings in Ukraine who are preserving the survival of religion against tremendous odds and at great personal risk.

Ukraine has long been a great religious resource. By helping to revive this vast spiritual lode of Ukraine, we will ennoble human life among a large and great people.

Mr. President, I invite my colleagues to join in sponsoring the proposal.●

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—H.R. 8410

AMENDMENT NO. 2794

(Ordered to be printed and to lie on the table.)

Mr. ROBERT C. BYRD (for himself, Mr. ZORINSKY, and Mr. WILLIAMS) submitted an amendment intended to be proposed by them, jointly, to amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2795

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2796 THROUGH 2801

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted six amendments intended to be proposed by him to amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2802 THROUGH 2812

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS submitted 11 amendments intended to be proposed by him to amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2813

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2814 THROUGH 2817

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI submitted four amendments intended to be proposed by him to amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2818 THROUGH 2823

(Ordered to be printed and to lie on the table.)

Mr. CHAFEE submitted six amend-

ments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2824 THROUGH 2828

(Ordered to be printed and to lie on the table.)

Mr. CHAFEE submitted five amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2829 THROUGH 2874

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted 46 amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2875

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted an amendment (in the nature of substitute) intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2876 THROUGH 2894

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted 19 amendments intended to be proposed by him to an amendment to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2895 AND 2896

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted two amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2897 AND 2898

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted two amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2899 THROUGH 2903

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD submitted five amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2904 AND 2905

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted two amendments intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2906 THROUGH 2934

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted 29 amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2935

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 2936 THROUGH 2997

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted 62 amendments intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2998

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON (for himself and Mr. FORD) submitted an amendment intended to be proposed by them to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 2999

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 3000

(Ordered to be printed and to lie on the table.)

Mr. LONG submitted an amendment intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 3001

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO 3002

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENTS NOS. 3003 AND 3004

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself, Mr. CHAFEE, and Mr. MARK O. HATFIELD) submitted two amendments intended to be proposed by them, jointly, to a pending amendment to H.R. 8410, the Labor Law Reform Act of 1978.

AMENDMENT NO. 3005

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself, Mr. CHAFEE, and Mr. MARK O. HATFIELD) submitted an amendment intended to be proposed by them, jointly, to Amendment No. 2445 proposed to H.R. 8410, the Labor Law Reform Act of 1978.

NATIONAL INSTITUTES OF HEALTH CARE RESEARCH ACT OF 1978—S. 2466

AMENDMENT NO. 3006

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to S. 2466, the National Institutes of Health Care Research Act of 1978.

● Mr. HEINZ. Mr. President, I am today submitting an amendment to S. 2466, the National Institutes of Health Care Research Act of 1978, a bill which would establish in the Department of Health, Education and Welfare a National Institutes of Health Care Research. The institutes would be responsible for conducting and supporting research, demonstrations, evaluations and statistical and epidemiological activities in order to improve the effectiveness, efficiency, and quality of health services in this country.

S. 2466 would also change the name of the National Center for Health Services Research to the National Institute for Health Policy Research, and this institute would become a component of the National Institutes of Health Care Research. Further, the National Center for Health Statistics would be renamed the National Institute for Health Statistics and Epidemiology and would also become a part of the National Institutes of Health Care Research. A new National Center for the Evaluation of Medical Technology would be established within the National Institutes of Health Care Research to assess the cost and effectiveness of medical practice and procedures. Finally, S. 2466 would provide authorizations of appropriations for the activities of the National Institutes of Health Care Research for 3 years. I support this bill; however, I believe it will be strengthened and improved by the amendment I will describe in a moment.

Mr. President, the Committee of Human Resources describes the expiring National Center for Health Services Research as "the principal source of support in this country for general research on problems in the delivery of health services." I believe it is important that this significant component of the new national institutes place special focus on the severe problems in delivery of health services experienced by low income and minority people in this Nation. This is the purpose of my amendment.

Now let me give you the background to and describe the need for this modification.

Of special significance is a report published last September by the Department of Health, Education and Welfare which brought to our attention the massive need for attention to the health of the disadvantaged population in the United States. The report revealed the following disturbing facts:

Although the life expectancy gap between whites and minorities has decreased since 1900, minorities today have a life expectancy that is 6 years less than that of whites.

Geographically, the lowest life expectancy rate is found in the South, which has the highest percentage of low income and minority population.

The mortality rate of minorities is 40 percent higher that that of whites, and the mortality rate of minority males in 1970 was equal to that of white males in 1935.

Infant mortality rates for blacks and native Americans were significantly higher than for whites. During the period after birth—postneonatal—mortality rates were twice as high for native Americans as for all races, and more than twice as high for blacks and native Americans as for whites.

Residents of poverty areas experienced a 50 percent greater infant mortality rate than those residents in nonpoverty areas.

A mother who happens to be black or Hispanic of native American has a four times greater chance of dying in childbirth than a white mother.

The prevalence of hypertension was approximately 66 percent greater for blacks than for whites; and this difference increases as age increases.

Low-income and minority persons visit the doctor less and have more severe problems than whites.

The list goes on and on and by all indices, disparity is greater for low-income and minority persons. Whether for number of days of disability, length of hospital stay, or nonaging institutional care, the message is the same. From a health standpoint, low-income and minority persons are worse off.

The evidence is overwhelming. We must take care, therefore, to insure that when this Congress moves to create a comprehensive approach to conducting research, demonstrations, evaluations, and statistical and epidemiological activities to improve the effectiveness, efficiency, and quality of health services in America, those most vulnerable should be given high-priority attention.

It is for this reason that I offer my amendment: To insure that the special health needs of low-income and minority individuals are not submerged or subordinated, but instead are highlighted and addressed by the National Institutes of Health Care Research.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 24, line 7, strike "and".

On page 24, insert the following between lines 7 and 8:

"(G) the special health needs of low-income and minority individuals to insure that these needs are assessed not less than annually,".

On page 24, line 8, strike out "(G)" and substitute "(H)".●

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, June 22, 1978, at 10:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Santiago E. Campos, of New Mexico, to be U.S. district judge for the district of New Mexico vice H. Pearle Payne, retired.

Louis H. Pollak, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania vice A. Leon Higginbotham, Jr., elevated.

Any persons desiring to offer testimony in regard to these nominations shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.●

SUBCOMMITTEE ON ENERGY CONSERVATION AND REGULATION

● Mr. JOHNSTON. Mr. President, on Wednesday, June 28, 1978, the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources will hold an oversight hearing on the administration of crude oil entitlements program by the Department of Energy and the impact of this program on the domestic refining industry.

Testimony will be received from the Department of Energy and selected private witnesses. The hearing will commence at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about this hearing should be directed to Ben Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

CHANGE IN HEARING SCHEDULE

● Mr. BIDEN. Mr. President, I wish to announce a change in the hearing schedule for the upcoming hearings on S. 1766, the "Federal Computer Systems Protection Act," before the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary. On Wednesday, June 21, 1978, the subcommittee hearings will be held in room 3302, Dirksen Senate Office Building, beginning at 11 a.m.; and on Thursday, June 22, 1978, the hearings will be held in room 1318, Dirksen Senate Office Building beginning at 10 a.m.

Anyone wishing further information should contact the subcommittee staff at 202–224–3281.●

ADDITIONAL STATEMENTS

UNIFORMED SERVICES SURVIVOR BENEFIT PLAN AMENDMENT ACT OF 1978

● Mr. BENTSEN. Mr. President, I have requested that my name be added as a cosponsor to S. 2856, introduced by our distinguished colleague, Senator MORGAN.

As you are aware, this bill amends the survivors benefits plan that has been so popular with our military forces. It provides some additional options for the members of the Armed Forces Reserves by allowing those Reserves who are eligible for retirement an opportunity to provide insurance protection for their families in the event that they die before they are 60.

Mr. President, I participated in the development of the legislation that became the survivors benefit plan. The reason this plan was needed is simple—the members of the Armed Forces believe that their families have helped them earn their retired pay and therefore, if they die their families should continue to receive at least a portion of that benefit. We are all aware of the tribulations that confront the families of our regular military personnel. In addition to the constant threat that the country will be drawn into war, with all its attendant dangers and problems, the average family of the regular military member faces many peace-time problems such as long separations and frequent moves. To offset this turmoil as much as possible we provide a package of fringe benefits and the survivor benefits plan is one of the most significant of these benefits.

Mr. President, in a similar manner many members of the Armed Forces Reserves are just as strongly convinced that their families have earned part of their retired pay. These families are constantly faced with the thought that a national emergency will require the mobilization of the Reserve member. And in order to prepare for this contingency the typical Reserve spends many hours maintaining his military skills, that would normally be devoted to family recreation. However, at the present time a member of the Armed Forces Reserve who is eligible for retirement cannot provide any of his retired pay to his family if he has the misfortune of dying before he reaches the age of 60—that is the age when he starts receiving his retired pay.

The proposed law that has been so carefully prepared by Senator MORGAN would provide a Reserve member two options that would allow him to provide a portion of his retired pay to his surviving family. This benefit will be achieved with only a modest initial cost, then the program would be self-supporting. Perhaps the most significant achievement of the bill would be a real improvement in the morale of our Reserve military forces. The importance of the Reserve to our entire national security posture dictates that we take this simple step to provide them with a much desired and needed benefit.

I urge my colleagues to join me in supporting this legislation.●

MOBILE HOMES

● Mr. DECONCINI. Mr. President, I have received an article written by one of my constituents in Tucson, Ariz., Mr. James C. Hughes, entitled, "Mobile Home Residents Could Decide Elections." This article brings to mind that mobile home living has quickly become an affordable alternative to the escalating costs of housing in the United States, especially for those on limited incomes such as the elderly or young married couples looking for reasonable low-cost housing. The sale of mobile homes has increased in the last several years, yet the government at all levels has been slow to consider the needs of mobile home dwellers. I would like to share with my colleagues a unique way of looking at the mobile home industry and its consumers. I ask that the article be printed in the RECORD.

The article follows:

MOBILE HOME RESIDENTS COULD DECIDE ELECTIONS

(By James C. Hughes)

The voting power of 11 million American mobile home residents could decide the outcome of local, state, and national elections. This may be an overlooked aspect by some present elected officials and/or some of those seeking elected offices.

This power now takes on an even greater significance because past history has shown that just a few extra votes have determined the winners in many previous elections throughout America.

Because today's mobile home residents are becoming more aware and involved toward improving and promoting their mobile home lifestyles, they are becoming more responsive toward electing or re-electing officials who better understand and represent the best interests of mobile home living.

Their voting power is now an increasing power because America's 11 million mobile home population is rapidly growing due to:

The new improved image of mobile home living: attractive, safer, and higher quality-built mobile homes; better planned, managed, and built mobile home parks; better planned, designed, and kept own-your-own mobile home lots/acreages.

Increasing numbers of senior citizens outgrowing their large family houses and switching to mobile homes with less square footage and requiring less maintenance and upkeep.

The unaffordable price increases of new conventionally-built single family houses whose median price is now up to $54,000, in comparison to mobile homes whose median price is only $14,000. This large price difference means that "Mobile Homes are Fast Becoming the Most Affordable Housing." This has caused an estimated 90% of single family units priced under $25,000 in 1977 to be mobile homes.

Mobile home housing being suitable and popular for all climates ranging from those with icy winds to those with hot summer sun. This is demonstrated by statistics showing that the percentage of single family homes that are mobile homes is: more than 15% in Alaska—more than 20% in Arizona—more than 7% in Florida—more than 15% in Nevada. (Excerpts from book *How to Choose the Best Mobile Home Site* by Jim Hughes.)

For many years, mobile home residents have keenly felt that far too many elected officials have ignored representing the best interests of mobile home living. But today's mobile home residents—11 million strong and increasing—feel that they are a growing minority to be treated with more interest and respect. They are becoming more deeply aware that their voting power could decide elections in favor of candidates who promote and support mobile home living. ●

ELEANOR McGOVERN ON CHILD DEVELOPMENT

● Mr. McGOVERN. Mr. President, for many years my wife, Eleanor, has devoted long hours to study, observation and thought on the early care and rearing of children. If my own bias may be tolerated, I believe she is one of the Nation's most thoughtful voices in the areas of child development and family concerns. Had I been elected President in 1972, it was her intention to become a "White House child advocate."

Recently some of her views were related to Mary Just in an interview printed in the Aberdeen (S. Dak.) American News of June 4, 1978, which I ask to have printed in the RECORD.

The interview follows:

ELEANOR—"MY LIFE IS TOTALLY APART FROM POLITICS"

(By Mary Just)

One woman who has campaigned side-by-side with her politician husband is off on a campaign unrelated to government or politics.

Eleanor McGovern, wife of Sen. George McGovern, D-S.D., in Aberdeen recently for Democratic party appearances and to address the Bristol High School graduation, said the trend of her life today is toward concern for early childhood care and about child abuse.

"I've had a very interesting time since the last election and totally apart from politics.

"Politics have actually become secondary. I'm sure I'll get back into it eventually, but right now it is ont my primary concern.

"My interest in child development goes back really to when I had young children of my own and to my own inadequacies and adequacies as a parent.

"I think I was an adequate parent but what I lacked was information to be a parent. The same is true today. We do not prepare young people for parenthood; in fact, historically, most parents emulate their own parents. Raising children is the only incidence in our lives today for which little or no advance training is available. The problem with that, of course, is that parents only have one chance to bring up their children."

Mrs. McGovern lost her own mother at the age of 11, but she said her relationship and how it affected her own parenting years had already been formed.

"I think we are very slow to realize the importance of the early years of a child's life. The best teachers should be in kindergarten and nursery school, although even by then a child's emotional and social life has been set.

"The best education, the best training, must come from parents who are prepared to go on and prepare their own children. Children are first products of the home environment and it is not until they have experienced the home that they are exposed to and become products of the community, schools and culture."

Mrs. McGovern also said children from birth to age two-and-a-half are the most impressionable. "I would say that for the first two years, the mother and father should give the best of everything they have—the most time, the most care and the most love, even if it means sacrifices must be made.

"If a mother and father cannot give these things in those early years, they should think twice about being parents. Someone in the lives of children should devote full time to children's early and first development."

Public schools could teach certain rudiments of parenting and high school students should be learning about the intricate development of a child and his needs to be "touched, held, talked to and loved."

Much of Eleanor McGovern's own parenting interest came from personal study. "I started reading all about children and how they grow and develop, and how they learn to trust."

She calls herself "a great believer in setting limits to behavior". Some behavior should not be allowed, but the most difficult aspect of parenting is discipline. She says, "I would hope parents know the difference between discipline, which should be a growing experience, and punishment. For discipline to be a growing experience, parents must learn to count to 10."

The difference is most apparent in cases of child abuse. The country, Eleanor McGovern says, was far too slow to recognize and deal with abused children and still is slow to institute preventive education and testing for possible abusive parents.

The country, she says, is moving toward treatment of the entire family in abuse cases. She credits the preventive child abuse work at a Tulsa, Okla., hospital where medical personnel study a mother in labor and determine her feelings and actions which could point to an at-risk child. Then, they work with the mother to help her cope with abusive characteristics which could affect her child.

"The cycle needs to be broken before a child becomes the victim of abuse and very likely an abusive parent himself."

Of her own children, she says, "I feel good about my children most of the time. There are times, though, when I wish they were happier with themselves and more accepting of themselves. I would have done many things differently looking back. I would have spent more time with them."●

TAX REVOLT

● Mr. GARN. Mr. President, in the wake of last week's vote in California on proposition 13, the American people as a whole, and the news media in particular, seem to be open for reliable information on taxes and taxing in the United States. For too long they have been subjected to the sort of disinformation which bemoans every "loophole" and seeks continually to "broaden the tax base" and deepen the share taken from the "wealthy."

And that is the course of action we have pursued in the United States for years. The result has been a serious weakening of our economy, as savings and investments have dried up, and our productive capacity has fallen off.

More recently, the early manifestations of the "tax revolt" have led to increasing support for significant tax cuts, and for restoration of favorable treatment of capital gains. Supporting these moves is better information. One source of this improved economic information is Senator HATCH, and his economic adviser, Paul Craig Roberts. Mr. Roberts, who is adjunct professor of economics at George Mason University, has recently written a very informative article in Nation's Business, entitled "Debunking of Claims of the Tax Reformers." I found that this article contained some of the clearest thinking and best information available on the status of taxes in America. I commend it to the attention of all Senators, and ask that the article be printed in the RECORD.

The article follows:

DEBUNKING THE CLAIMS OF THE TAX REFORMERS

(By Paul Craig Roberts)

If proper disclosure law applied to tax reformers, they would all be in prison. An outrageous statement? Perhaps, but one that's all too easy to document. Consider the main charges that tax reformers make:

The effective corporate tax is far below the statutory rate.

As a result of wealthy corporations avoiding taxes through loopholes, corporations are paying a declining share of the total tax burden, thus increasing the burden on the little man.

The rich don't pay taxes.

Poor and middle-income taxpayers are taxed on all their income while upper-bracket money escapes through loopholes and deductions.

The federal tax burden as a percentage of income has remained constant for years.

THE REAL STORY

What are the facts? The U.S. Commerce Department's National Income and Product Accounts shows that the effective tax rate on real corporate profits has been higher than the statutory rate (48 percent) for the past decade, exceeding 100 percent in 1974 in spite of the loopholes.

Table One summarizes what official government statistics show the tax rates to be for the years 1968–76. Notice that the effective tax rates go up and down with inflation.

This is because inflation overstates profits by causing company books based on historical costs to understate the true cost of replacing the plant, equipment, and inventory that are used up in production. As a result, part of what the books show as net revenues, which are subject to tax, represents the understatement of the companies' costs. In this way, inflation converts costs into taxable income, thereby increasing the effective tax rate on corporate profit.

RETIREES SUFFER

Since pension funds own a growing share of the largest corporations, the government has been using inflation to increase its share of corporate income at the expense of the

private incomes of the retired. This game plan leads to greater government spending programs for the aged.

The effective tax rates in the table were obtained by adjusting inventory and existing tax depreciation allowances for replacement costs.

True, existing depreciation schedules contain accelerated write-offs that some people claim compensate for inflation. To adjust accelerated depreciation schedules for replacement costs, some claim, is to compensate for the effect of inflation twice, thus exaggerating the rise in the effective tax rate.

The trouble with this argument is that the firms get to use the accelerated schedules regardless of the rate of change in the price level, so an increase in inflation does result in depreciation being understated compared to the real depreciation values that the firms would otherwise have.

The next table—effective tax rates by fiscal year—comes from the 1978 annual report of the Joint Economic Committee of Congress. It is calculated on the basis of historical straight-line depreciation without the accelerated elements in the current tax code. These effective tax rates are not as high as the ones that the firms actually experience. However, they do show that inflation has raised effective rates over the past decade.

For the first five years of the decade 1968–77, the average effective federal tax rate was 40.2 percent. For the second five, it averaged 47.7 percent—an 18.6 percent increase. If state and local taxes are included, the average effective tax rate increases from 44.9 percent to 55.2 percent—a 23 percent increase.

Of course, if we take these straightforward statistics and doctor them in the way tax reformers do, interpreting them through self-serving definitions invented for the purpose, we can create an image contrary to fact.

CORPORATE PROFITS FALL

Another favorite trick used by tax reformers is to falsify not the figures, but the context in which they are presented.

Corporate income tax receipts are declining as a percentage of total tax receipts, but not because corporations are avoiding taxes. The simple fact is that corporate profits have fallen drastically as a percentage of total income. Since corporate income is a declining share of total income, it is only natural that corporate income taxes are declining as a percentage of total income taxes. Table Three tells the story.

Yet another trick is to seize on exceptions and pretend they were the rule. Thus, we hear every year about millionaires who don't pay taxes. The Internal Revenue Service Statistics of Income does show that 13 millionaires paid no income tax in 1975—ergo, poor and middle-income taxpayers carry the burden that the rich avoid. This information nurtures a hardened suspicion of the well-off members of our society, because the tax reformers didn't tell us about the 1,136 other millionaires in 1975 who paid an average tax of $1,011,000. Fuming at the one percent who didn't pay, we lump the other 99 percent in with them.

The tax reformers have escaped criticism because they advance their cause behind the shield of helping the poor. And who wants to be the ogre who would deny help to the poor? Besides, tax reform to help the poor is easy, because the poor don't pay any taxes. Therefore, it doesn't cost the government anything.

TAX BURDEN SHIFTS

The poor don't pay taxes, you say? Why everybody knows that the bulk of the taxes are paid by the poor! Not according to the IRS Statistics of Income. Look at the data in Table Four and be amazed at the distribution of the tax burden.

PERCENTAGE OF TOTAL TAXES PAID BY HIGH- AND LOW-INCOME TAXPAYERS, 1970 AND 1975

Adjusted gross income class	Income level 1970	Income level 1975	Percentage of tax paid 1970	Percentage of tax paid 1975
Highest 1 percent	$43,249 or more	$59,338 or more	17.6	18.7
Highest 5 percent	$20,867 or more	$29,272 or more	34.1	36.6
Highest 10 percent	$16,965 or more	$23,420 or more	45.0	48.7
Highest 25 percent	$11,467 or more	$15,898 or more	68.3	72.0
Highest 50 percent	$6,919 or more	$8,931 or more	89.7	92.9
Lowest 50 percent	$6,918 or less	$8,930 or less	10.3	7.1
Lowest 25 percent	$3,157 or less	$4,044 or less	.9	.4
Lowest 10 percent	$1,259 or less	$1,527 or less	.1	.1

Source: Tax Foundation computations based on Internal Revenue Service's Statistics of Income.

The top ten percent of income earners paid almost 50 percent of personal income taxes collected in 1975. The top 50 percent of income earners—those with adjusted gross incomes of $8,931 or more in 1975—paid 92.9 percent of the total tax bill.

The table reveals another interesting fact: The tax burden is shifting away from lower-income people. In 1970, the bottom 50 percent of taxpayers coughed up 10.3 percent of the total taxes paid. By 1975, this figure had declined to 7.1 percent. The latest Treasury figures show that, in 1976, the lower half's share declined further, to six percent. In addition, the Tax Foundation reports that "several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefiting those with lower incomes during the period 1970–75."

Many of the untaxed receive transfers in kind, such as food stamps and housing subsidies, together with earned-income credits (negative income tax) and welfare checks, so that their real income exceeds that of many taxpayers.

In contrast, the top one percent—those earning $59,338 or more in 1975—carried almost 20 percent of the tax burden. For every $1 paid by the bottom ten percent, the top one percent paid $187. The 1976 figures show that those with incomes of $100,000 and up comprise three tenths of one percent of all taxpayers. These well-to-do receive 4.5 percent of the total income—but pay 10.5 percent of the total tax bill.

THE UNTAXED MILLIONS

President Carter's tax reform proposal to replace the $750 personal exemption with a $240 tax credit would further reduce the share of the total taxes paid by the lower 50 percent of taxpayers. It may well result in a situation in which the top 50 percent pay 100 percent of the total taxes.

From the standpoint of practical politics, we are already in that situation. With millions of people dropped from the tax rolls and with half the taxpayers paying only six percent of the total taxes, we have achieved representation without taxation—the opposite of what our revolution in 1776 was about.

The favorite ploy of the tax reformers is to point out that upper-income taxpayers receive a disproportionate share of so-called loophole benefits. They don't point out that these same people also pay a disproportionate share of the income taxes. As Sen. Carl T. Curtis (R.-Nebr.), a member of the Finance Committee, has stated: "When the distribution of tax breaks is considered in the context of the distribution of the tax burden, we are not likely to make the mistaken inference that upper-income taxpayers do not pay any taxes because of tax breaks."

Neither do the tax reformers point out that 70 percent of the benefits go to people who are not in the upper brackets. Instead, they emphasize the benefits that conjure up visions of elaborate tax shelters for the rich. For example, Sen. Edmund S. Muskie (D.-Me.) complains that 68 percent of the benefits from the special treatment of capital gains go to upper-income taxpayers. He also mentions that 85 percent of the interest from tax-free bonds goes to the same group, and he winds up with the other two most-mentioned loopholes: percentage depletion for oil, gas, and hard minerals, and accelerated depreciation on housing investments.

But the Treasury's loophole list is 69 items long. Let's look at some of the others.

LARGEST LOOPHOLE

The largest tax loophole consists of the pension plans that employers provide for their employees. Last year, this was an $8.7 billion loophole. If we add in individual pension plans, we have a loophole through which $10.1 billion falls—80 percent of which goes to people who are not in the upper brackets. Not what we usually think of as a tax shelter! The second largest tax shelter on the Treasury's list is the itemized deduction of state and local taxes—a $7.7 billion loophole, the majority of which benefits people who are not rich.

On Jan. 21, President Carter proposed tax "reforms" which would eliminate itemized deductions for sales, gasoline, and personal property taxes. These are hardly upper-income tax shelters. Only nine percent of the benefits from the deductibility of state gasoline taxes go to upper-income people.

Another large loophole is the payments employers make for medical insurance for their employees—$5.7 billion. Seventy-one percent of the benefits go to people making under $30,000, and 87 percent go to those making under $50,000.

Individual deductions for medical expenses are on the list, a $2.2 billion item. Sixty-six percent of these benefits go to people earning under $30,000, and 84 percent go to people earning under $50,000.

The tax reformers don't tell us that the loopholes consist primarily of the extra benefits, deductions, and exclusions that in large part benefit ordinary people.

They don't tell us that Social Security is a $5.1 billion tax loophole—but it's right there on the Treasury's list. So are the exclusions from taxation of military disability pensions, scholarships and fellowships, railroad retirement benefits, disabled coal miners' benefits, veterans' disability compensation, public assistance, workmen's compensation, sick pay, GI bill benefits, and unemployment benefits.

The tax reformers don't tell us that the loopholes are the primary income shelters for those in the middle to lower tax brackets. The percentage difference between adjusted gross income and taxable income is greater the lower the income bracket.

[In percent]

Year	Inflation rate (CPI)	Effective tax rate*
1968	4.7	52
1969	6.1	57
1970	5.5	64
1971	3.4	62
1972	3.4	56
1973	8.8	63
1974	12.2	102
1975	7.0	84
1976	4.8	78

*Tax liability as a percentage of corporate profits, with inventory and tax depreciation allowances adjusted for replacement costs.

SOURCE: Bureau of Economic Analysis, U.S. Department of Commerce.

*Effective tax rates on U.S. corporations by fiscal year**

[In percent]

Year	Federal	Federal, State, and local
1968	33.3	37.6
1969	42.6	46.3
1970	45.6	50.7
1971	39.4	44.3
1972	40.1	45.6
1973	38.1	44.2
1974	45.0	52.0
1975	62.4	72.5
1976	41.4	48.7
1977	51.8	58.8

*Based on adjusted economic profits equal to National Income and Product Accounts profits less an adjustment to the capital consumption allowance adjustment implied by the new Securities and Exchange Commission replacement cost data. The added annual adjustment equals 100 percent of the old adjustment.

SOURCE: Joint Economic Committee, 1978 Annual Report.

MORE INCOME, LESS SHELTER

Treasury figures for 1976 show that, in the under $10,000 adjusted gross income class, deductions came to 48.9 percent of adjusted gross income. In the $10,000–$24,999 class, deductions were 31.1 percent, and in the over $25,000 class they were only 22.8 percent. The higher the income, the less it is sheltered by deductions and exclusions.

The same holds for extra benefits, which obviously are a larger percentage of a $15,000 salary than they are of a $100,000 salary. Sen. Orrin G. Hatch (R.–Utah), a member of the Joint Economic Committee, has calculated that taxing extra benefits as personal income would mean an increase in taxes of $240 for the average taxpayer. His calculation is based on employer-provided extras, such as payments into pensions, for which we have dollar figures.

The Treasury's loophole list is not computed on the basis of adjusted gross income, but on the basis of a new invention called expanded gross income, which includes untaxed income such as the untaxed part of capital gains. The result is to give the appearance of a lower effective tax rate on the upper brackets. The problem with this concept is that it confuses capital with income. The only purpose of counting capital as income is to reduce the individual's ability to accumulate and hold on to assets—that is, to make it difficult for an individual to be economically independent from government.

TARGET: HOMEOWNER

The tax reformers really have it in for homeowners. The Treasury's loophole list shows that the deductions for mortgage interest and real estate taxes were a whopping $8.7 billion loophole in 1977. Fifty-six percent of this money stayed in the pockets of people earning less than $30,000. The tax reformers even proposes to tax homeowners on the rental value of their homes. They call it taxing imputed rent. Their reasoning is that owning a home provides income in kind (shelter). The value of that income is the rental value, so up goes your taxable income by the rental value of your home—even though it is not rented and you are living in it.

This so-called reform would be especially valuable to the government as it pushed homeowners into higher tax brackets, requiring them to pay more in taxes on the same money incomes. It would be valuable also because it would establish a new principle of taxation that could be applied to home vegetable gardens and to the services of housewives. Cooking services, cleaning services, laundry services, and child-rearing services are also income in kind. The imputed value of a housewife who is good at all of these tasks would exceed the salaries or wages of many husbands.

When Sen. Muskie complains of 68 percent of the benefits from the special tax treatment of capital gains and of 85 percent of the benefits from the tax exemption for state and local bond interest going to taxpayers with incomes over $50,000, he is concerned about lost tax revenues. He says the special capital gains treatment is a $6.9 billion loophole and the bond tax exemption is a $1.7 billion loophole. The senator needs a lesson in elementary economics.

It is an erroneous idea that tax-free bonds mean higher incomes for the rich. Take a person in the 50 percent marginal tax bracket. He buys a tax-free bond paying five percent only because that is equivalent to the after-tax rate of return on an investment earning ten percent before tax. Taxing the bond interest would drop the rate of return to 2.5 percent, and he would not buy the bonds.

Even sillier is the notion that taxing capital gains as ordinary income would bring in $6.9 billion in additional revenues. A recent study to Data Resources, Inc., shows that to tax capital gains as ordinary income would reduce federal tax revenues $25 billion over the next five years. It would also add 1.5 million people to the ranks of the unemployed and reduce gross national product $115 billion. This is because such a step would eliminate many billions in capital investment with all the resulting economic spinoffs.

On the other hand, the study shows that if all taxes on capital gains were eliminated, tax revenues to the government would increase $38 billion over the next five years. This is because the increased saving, investment, and capital mobility that would result would create 3.1 million additional jobs and raise the GNP $199 billion.

GOVERNMENT'S LOOPHOLE

The greatest loophole of all in our income tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates.

Between 1966 and 1976, the average wage rose 77.3 percent, and the consumer price index rose 75.4 percent. So the average worker kept up with inflation, but not with taxes. The total tax burden rose 144 percent during the same period. Because of the progressive structure of the income tax, when people's money incomes rise they enter higher tax brackets. The government's revenues don't simply rise at the rate of inflation; they rise 1.6 times the rate of inflation.

American after-tax incomes have been undone by tax-flation. This explains why government prefers to cut taxes in the lower brackets. Inflation soon pushes people into the higher brackets that were not cut.

The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening the loophole wider. Widening it allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not a tax only on the wealthy. Whereas a rich man owns more assets than one who is not rich, the nonrich collectively own many assets.

THE GROWING TAX BURDEN

In 1929, the total government tax bite (state, local, federal) in the U.S. was 12 percent of the national income. By 1960, it had grown to 33 percent. By 1976, government had extended its share to 42 percent (including deficit spending). In 1976, the total expenditures of all Americans for the three basic necessities of food, clothing, and housing came to $469.7 billion. Their total tax came to $486.4 billion—$16.7 billion greater.

The growth in our absolute income has kept us from realizing that our share relative to taxation is declining. And tax reformers supply us with selective information designed to soothe—for example, the federal personal income tax take has remained roughly constant as a percentage of personal income for years, at about ten to 11 percent of personal income. They don't tell us that this average federal take is the result of millions of people being pushed into higher tax brackets while millions of others are dropped from the tax rolls.

In feudal times, the rich collected taxes and the poor paid them. In the U.S. today, the poor collect taxes and the rich pay them. But poor or rich, all are enserfed. The one has to turn over his income to the government, and the other has to depend on the government for his income.

Many may reject this parallel. They may say that we have a democratic government controlled by the people and that high taxes and big government merely reflect the voters' demands for public goods in the public interest. Such an argument is reassuring, but problematical. The income tax was voted in under one guise and retained under another. Furthermore, it was the action of a past generation. For us, it is an inherited obligation, as were feudal dues.

All of us have been born to the statist gospel that government is the instrument of social progress. Clamor for tax reduction is translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government.

As we hear the talk about tax reform and equity, we should keep in mind that equity means more taxes on the productive with which to subsidize the most powerful interest groups and to finance public waste—like the $7 billion that the Department of Health, Education, and Welfare "lost" last year in "waste, fraud, abuse, and mismanagement," according to a report to HEW Secretary Joseph Califano.

Unfortunately for Americans, the attitude has developed in government that tax loopholes are immoral, but that waste of taxpayers' money is merely routine.●

S. 3164—CITIZENS PRIVACY PROTECTION AMENDMENT OF 1978

● Mr. NELSON. Mr. President, I rise in support of S. 3164, a bill introduced on June 5, 1978, by Senators BAYH, METZENBAUM, and PERCY and of which I am a cosponsor.

This bill is intended to undo the effects of a recent Supreme Court decision, *Zurcher* v. *Stanford Daily*, ——— U.S. ———, 46 LW 4546 (1978). In this case, the Court, by a vote of 5 to 3, held that a

State is not prevented by the 4th and 14th amendments from issuing a warrant to search for evidence simply because the owner or possessor of the place to be searched is not reasonably suspected of criminal involvement. Henceforward, according to Zurcher, the critical element in determining whether or not a search is "reasonable" will not be a plausible suspicion of criminal involvement on the part of the property owner but rather will be whether or not there is reasonable cause to believe that the "things" to be searched for and seized are located on the property to which entry is sought.

S. 3164, the Citizens Privacy Protection Amendment of 1978, would amend the Civil Rights Act of 1964 to provide that anyone acting under color of State or Federal law "who has probable cause to believe evidence of a crime is located on or about premises in which the person in possession of the evidence has a reasonable expectation of privacy shall attempt to secure that evidence only through a subpena duces tecum."

The bill provides for two exceptions to this general rule. If there is probable cause to believe that the person(s) in control of evidence may be involved in the crime under investigation or if there is probable cause to believe that the evidence sought would be destroyed, hidden or moved if a subpena for its production were issued, then the evidence may be seized pursuant to a warrant.

In my view, this bill would balance, with sensitivity and intelligence, the competing interests of privacy and effective law enforcement.

The potentially damaging impact of Zurcher on freedom of the press has been noted with alarm by a wide variety of commentators, ranging from conservatives such as James J. Kilpatrick to liberals such as James Reston. To cite a few newspapers out of many, the New York Times, the Washington Post, and the Milwaukee Journal have strongly criticized Zurcher as being inimical to their news gathering responsibilities. However, it was Justice Stewart, dissenting from the majority opinion in Zurcher, who perhaps best summarized the nature of the threat posed to freedom of the press by possible interpretations of the decision:

> A search warrant allows police officers to ransack the files of a newspaper, reading each and every document until they have found the one named in the warrant, while a subpoena would permit the newspaper itself to produce only the specific documents requested. A search, unlike a subpoena, will therefore lead to the needless exposure of confidential information completely unrelated to the purpose of the investigation. The knowledge that police officers can make an unannounced raid on a newsroom is thus bound to have a deterrent effect on the availability of confidential news sources. The end result, wholly inimical to the First Amendment, will be a diminishing flow of potentially important information to the public.
>
> One need not rely on mere intuition to reach this conclusion. The record in this case includes affidavits not only from members of the staff of The Stanford Daily but from many professional journalists and editors, attesting to precisely such personal experience. Despite the Court's rejection of this uncontroverted evidence, I believe it clearly establishes that unannounced police searches of newspaper offices will significantly burden the constitutionally protected function of the press to gather news and report it to the public. *Zurcher, supra,* at 4552–3.

In his dissent, Justice Stevens made the equally important point that the decision does not only threaten the press but also contains profoundly dangerous implications for the right of privacy in general:

> Just as the witnesses who participate in an investigation or a trial far outnumber the defendants, the persons who possess evidence that may help to identify an offender or explain an aspect of a criminal transaction, far outnumber those who have custody of weapons or plunder. Countless law abiding citizens—doctors, lawyers, merchants, customers, bystanders—may have documents in their possession that relate to an ongoing criminal investigation. The consequences of subjecting this large category of persons to unannounced police searches are extremely serious. The ex parte warrant procedure enables the prosecutor to obtain access to privileged documents that could not be examined if advance notice gave the custodian an opportunity to object. The search for the documents described in a warrant may involve the inspection of files containing other private matter. The dramatic character of a sudden search may cause an entirely unjustified injury to the reputation of the persons searched. Zurcher, supra, at 4554–5.

Congress ought not to act capriciously to overrule decisions of the Supreme Court which interpret the Constitution. However, the compelling reason for this legislation, apart from the policy reasons touched on above, is that this decision did not hold that the Constitution requires the obtaining of warrants instead of subpenas in cases like Zurcher, but only held that under the present law of the fourth amendment, there is no subpena requirement. As the majority conceded, Congress is free to establish more stringent requirements in furtherance of fourth amendment objectives.

For those of us who believe that we have made some progress in protecting individual liberty in recent years and who have worked, for example, to eliminate the concept of "inherent Presidential authority" to engage in warrantless electronic surveillance of U.S. citizens, this decision is a disappointing regression.

As Justice Stevens discusses in his able dissent, prior to 1967, the type of evidence which the Palto Police Department sought from the Stanford Daily could not have been obtained by a warrant, because the photographs would have constituted "mere evidence" of a crime which could not have been seized even with a warrant. Until 1967, only "instrumentalities and means by which a crime is committed" were obtainable by warranted search.

In 1967, in *Warden* v. *Hayden,* 387 U.S. 294 (1967), the Supreme Court held that the mere evidence rule was an anachronism not required by the fourth amendment.

Warden against Hayden dealt with "mere evidence" possessed by a person suspected of criminal involvement, specifically a shirt covered with the blood of a murder victim. It concerned a situation which would come under one or both of the warrant exceptions in this bill. Warden dealt only with the striking down of an ancient legal distinction which by 1967 had become merely an irrational barrier to effective law enforcement.

In 1967, the Court's majority perhaps did not realize that their decision opened the way not only for warrants to obtain "mere evidence" from those suspected of criminal involvement but also for warrants to obtain such evidence from innocent third parties.

From 1967 to the present, the law has remained in a state of uncertainty as to evidence possessed by innocent third parties. Now the Supreme Court has spoken, saying that neither the press nor individuals have any statutory or constitutional right to protection from warranted searches under these circumstances. It is now clear that if the private papers of innocent third parties are to be shielded from judicially sanctioned ransacking, Congress must act.

Is S. 3164 the proper vehicle for legislative action? Although this is not a question which can be answered with certainty at the outset of the legislative process, I believe that the answer is "Yes."

The bill's central concept is imaginative and intelligent. "The Citizen's Privacy Protection Amendment of 1978" is to become a new title of the Civil Rights Act of 1964. By enacting this legislation, Congress will demonstrate that it considers the right of innocent third parties to be free from these unannounced and drastically intrusive searches and seizures to be as important as the right to obtain public accommodations or employment without regard to one's race, religion, or sex. Further, since the Civil Rights Act's constitutionality has already been upheld as a valid exercise of Congress power under the commerce clause and the 14th amendment (*Heart of Atlanta Motel* v. *United States,* 379 U.S. 241 (1964)) presumably the courts would give similar deference to this legislation as it applied to the States.

In conclusion, Mr. President, I can only state that the Senate will not deal with a more important piece of legislation in the remainder of this session than S. 3164. For the press, this legislation offers the recreation of those ground rules which it must have in order to function effectively and thus serve the public good. For the rest of us, this legislation will reestablish on a sound statutory foundation a basic and indispensable American liberty, namely the right to live one's life free from the fear of intrusive searches for evidence of someone else's wrongdoing.

Mr. President, I urge the speedy enactment of S. 3164.●

WES UNSELD: CHAMPION

● Mr. McGOVERN. Mr. President, I have been an ardent fan of the Washington Bullets for several years. I made a special effort to be in Capital Center to witness their home games during the

playoffs. I salute this superb team, their brilliant Coach Dick Motta, and their proud owner Abe Pollin on their winning the National Basketball Association championship.

I especially salute their great team captain and center Wes Unseld. The Washington Post of June 13, 1978 contains a special article on Mr. Unseld and his lovely wife, Connie, which I ask to have printed in the RECORD.

The article follows:

UNSELD LEARNS HOW TO ENJOY TITLE

(By Paul Attner)

NEW YORK.—Wes Unseld had more trouble yesterday getting into his new Thunderbird than he did sinking those two foul shots that clinched the Bullets' first NBA title.

He twisted and turned and grunted a little before his 6-foot-7, 245-pound (and counting) frame fell into the car, prize for winning Sport Magazine's most valuable player award in the final series.

"It's my new car," said his wife, Connie. "He hardly can get into it so I guess I'll have to drive it."

But Unseld isn't going to have the burnt orange Thunderbird for long, anyway. He'd rather be driving a new van, so the magazine folks are replacing the car. He'll keep the van a year (to avoid any tax problems) and then buy it or give it back.

The car proved the only deterrent to an otherwise glowing morning for the Bullet captain, who put up with two things he normally avoids: reporters' prying questions and the publicity spotlight.

"After 10 years of hoping, everything is okay by me today," he said at one point.

Unseld left his usually well-guarded emotional wall unprotected on occasion, allowing a rare peek into the quiet man who the last decade has been the Bullets' foundation.

He smiled and then smiled some more. "It's painted on," he said while curling his lips up with his fingers. He patiently posed for pictures with both the car and his wife in front of the Plaza Hotel. "Kiss her," asked the photographers. "Get in the car and smile," they pleaded.

"Are they getting married?" asked one elderly onlooker, part of a substantial street crowd that gathered to watch the presentation. "You mean, the tall guy?" asked her companion.

Unseld was on a honeymoon of sorts. It was his first fling with the benefits an athlete can reap from a world title. Without much hesitation, Unseld acknowledged he was beginning to enjoy the attention.

"The championship is the culmination of a lifelong dream," he said. "My father always told me he wouldn't leave me any money. But when I got a bad grade, he'd take me into the woodshed so I'd realize what he could leave me: Desire.

"It took me 10 years to get this. There can be no greater feeling in anyone's personal life than to achieve his ultimate goal."

When the Bullets finally won, Unseld revealed that he didn't know how to react. After protecting his feelings from the public's eyes for so long, he was unsure of what to do.

"At first, I had a nonfeeling," he said. "I couldn't comprehend what it meant. Maybe I was supposed to slap hands and be jubilant and pour champagne on people's heads but I didn't feel like doing that.

"The parade through downtown last Friday helped. It began to sink into all of us what we had done. Now it's the best feeling I've had. I wish I could can it and keep it.

"I don't want to capitalize on the series. I just want to lay back and enjoy it as long as I can."

And so too does Connie Unseld. She is as effervescent and emotional as her husband is calm and careful, and her feelings were bubbling over yesterday.

"He tried to stay calm about all this," she said, "but after the last game, when Mr. (Abe) Pollin hugged him and he saw me crying, it affected him.

"Usually nothing bothers him. The kids and I drive him crazy, I know, but he never says a thing. It's incredible.

"We were married about a year when they lost the first final (1971) and I thought that was the way it went. Then, when it happened again in 1975, I felt awful. That's what makes this so great."

The Unselds will take a break from basketball and their children the next 10 days. They will vacation in Hawaii, a trip Unseld promised his wife before the title, and then he will come home and think about retiring.

He claims he has not thought about it, but knows "I don't want to make a decision now."

"I don't know why I'd come back or why I wouldn't. Motivation might be a major reason. I've got the championship I want."

A friend, who has known Unseld for a decade, says his physical condition won't be much of a factor in the decision.

"Physically, Wes wasn't harmed by this season at all," the friend said. "But mentally, it was draining. He has to decide if he wants to put up with another season of teammates questioning his offensive ability and his role on the team.

"All those questions should be put to rest now. He knows they won't be, just because he's 6-7 and doesn't score a lot. One day, he might get so tired of it, he'll say something he shouldn't. And he doesn't want to do that."

His supporters point out that, among all the Bullets, it was Unseld who put in the winning basket to knock off Philadelphia in the last game of the Eastern Conference finals and it was Unseld who made the last foul shots to seal Seattle's fate in the title round. During the seven-game title series, Unseld scored 63 points, pulled down 82 rebounds and had 27 assists.

"I've always said I could score more if the time came," said Unseld. "That's not my role on the team. It just gets to me sometimes when people overlook what I'm supposed to be doing. If I'm messing up my picks, then knock me. But if I'm not supposed to score, then how can my lack of scoring be criticized?"

But it wasn't a day for bringing up bad memories. He said he'd much rather savor the thoughts of Pollin and all those years "he would come into the dressing room before the playoffs started and give us encouragement. Then, when we lost he'd try to keep up our spirits.

"This year, I've never seen anyone happier than he was. And that made me feel good. Why? Well, besides the fact he pays you good, he's a hell of a nice guy. You like to see those people finish first." ●

BEEF IMPORTS

● Mr. PAUL G. HATFIELD. Mr. President, on June 8, President Carter announced a suspension of beef imports in order to allow an additional 200 million pounds of foreign meat into the country this year.

Today I am joining Senator CULVER and several of my colleagues in cosponsoring Senate Resolution 477, which condemns that action and expresses my disappointment in the President's action.

The administration's move is shortsighted and counterproductive. Recent improvements in beef prices have led to the beginning of the process of rebuilding our beef herds. Ranchers are just beginning to make some progress toward a better return on their investment. The President's action is not only an immediate blow to beef producers, but because it could lead to further liquidation of herds, could prove costly to consumers in the long run.

Ranchers are tired of walking a one-way street. The administration put forth no help when prices were low and the industry was asking for import protection to keep prices at a reasonable level. The market reacted predictably—it dropped lower and lower. Now as the market reverses itself and profits are in sight for the first time in 4 years, the screws are being tightened.

For too long farmers and ranchers have been subsidizing the price of food to keep down inflation. This "cheap food" policy will have disastrous long-term effects, including forcing more and more family ranchers out of the business they love. It also encourages the severe market fluctuations we now face. The only solution is to allow reasonable prices for producers so that neither consumers nor producers suffer from a volatile market.

Instead of attempting to battle the symptoms of inflation with actions such as those announced last week, the President should be seeking to cure it by supporting the countercyclical beef import bill, a bill I cosponsored, which passed the Senate over a month ago. Its enactment would smooth out the sharp fluctuations exhibited by the beef market over the years and provide a more stable and consistent market, beneficial to producers and consumers.

I urge my fellow Senators to join me in asking the President to reconsider and rescind his action. ●

SCOUTING HELPS RETARDED PERSONS

● Mrs. HUMPHREY. Mr. President, I wish to share with my colleagues the remarks of Fred J. Krause, Executive Director of the President's Council on Mental Retardation. The occasion of this address was at the National Association for Retarded Citizens annual meeting which was held in New Orleans, La.

Mr. William P. McCahill, chairman of the National Advisory Committee on Scouting for the Handicapped brought these remarks to my attention. In doing so, he stated,

I sincerely feel (it) is one of the best presentations I have seen in behalf of retarded citizens.

Mr. McCahill has worked with the President's Committee on Employment of the Handicapped for 27 years. He was its Executive Director from 1947 to 1973.

In his address, Mr. Krause shows how the Scouting program, various Government agencies, and the Disabled American Veterans have worked together to help the retarded citizen. But mostly, he deals with the opportunities that can be found in Scouting for retarded persons, and the confidence which is gained through participation in their program.

Mr. Krause has persuasive arguments for the retarded individual seeking the opportunity of Scouting as a means to learning and growing. I hope that my colleagues will continue to give careful attention to the needs of this special group.

Mr. President, I ask that the text of this speech be printed in the RECORD.

The speech follows:

SCOUTING FOR ALL

It's a pleasure to be here this morning. I would like to begin my remarks with an example of what scouting can do for the mentally retarded.

THE STORY OF GARY

Not too long ago Scouting Magazine published the story of Gary . . . who wasn't an ordinary Boy Scout. He was different . . . not very different, but significantly. He had the same enthusiasm and love of the outdoors the other boys did, but unlike the others he was mentally retarded.

During most of his childhood, Gary had no close friends his own age, though he got along famously with younger boys and had the advantage of a close relationship with his father, who shared his love of fishing and camping. Gary became a Scout at age 14, when a relative became a Scoutmaster and the relative's son Mark, age 12, became a Scout.

Gary was very shy, but Mark's presence at Scout meetings, bolstered Gary's confidence. The weekly meetings soon became Gary's constant topic of conversation. Every Monday he planned his whole day especially carefully so that he would be dressed and ready in time to leave for the Scout meeting.

The day Gary got his uniform was a proud day indeed. He belonged. He was one of the gang.

It was difficult for him to earn merit badges, as he could read and write only a very little. Still, with his friend Mark, he attended troop meetings and courts of honor, sold Christmas cards and Scout-o-rama tickets, and went on camping trips.

Several times he was asked by an understanding Cub Scout Den Mother to talk about Scouting at a pack meeting. For Gary this was a major experience and a revelation. For once he was not the one standing by, not the one who had the fewest merit badges. He was looked up to by the younger boys, because he was what they wanted to be: a full-fledged Scout.

Camping trips were as exciting for Gary as for any other boy. He learned to roll his sleeping bag properly and taught others to roll theirs. He had all the necessary equipment: dishes, cooking utensils, hatchet, flashlight, pack rack, and compass—though for him the last item was only for show.

Gary associated with all the Scouts in his troop, but he especially depended on Mark. In time Gary became an Explorer and proudly donned a new green uniform. This advancement put him in an age group that did not include Mark, and for the first time he was on his own.

This is where a happy story begins to unravel. Gary couldn't fit into the Explorer post. He avoided the trips, sporting events, and group activities and eventually stopped going to meetings. Meanwhile, Mark's family moved away.

So . . . after all . . . what was gained?

A lot.

Gary's experience was not a defeat. In many ways it was a triumph. It was an experience of growth through self-knowledge. It was an experience of happiness that came to an end but never soured.

Gary was able to learn by doing. He earned money for his troop, taught younger boys, and learned to obey Scout law.

He is a man now, and he has a job. Scouting taught him to respect his abilities and showed him he could achieve. He still treasures the snapshots, insignia, and equipment that are his mementos of scouting. His happiness is obvious when he says, "I was a Scout!"

SCOUTING FOR THE RETARDED

The statistical service of the Boy Scouts of America reports there are 2,255 scouting units for the mentally handicapped, with 31,492 youth members. Scouting for the mentally retarded began in the 1940s. In the 1960s a special manual was produced, and in 1974 a special program for moderately retarded boys was approved and activated across the country.

For those retarded Scouts who choose to participate, there is simplified advancement based on 10 badges and 12 skill awards. In addition, any retarded Scout who is able can follow the usual progression from Tenderfoot to Eagle Scout. Not only are there special Scouting units for boys with handicaps, there are also provisions for flexibility in regular programs so that handicapped youngsters can be accommodated. Perhaps Gary would have enjoyed a special troop or a special program, but then again it may have been for him to seek his place among his nonhandicapped peers.

Special and regular units of the Boy Scouts of America are serving more and more handicapped young people, not only the retarded but also the deaf, the blind, and the physically handicapped. Still, less than 10% of handicapped boys of Scout age are Scouts.

What keeps people away from Scouting? Many retarded youngsters miss out on almost everything because their parents are overprotective. Scout leaders sometimes discourage the handicapped and those who work with them by making participation in Scout programs difficult. Usually this is unintentional, but attitudinal barriers do remain, even today.

Since 1970 the Boy Scouts of America, thanks to a grant from the Disabled American Veterans, have employed a full-time national director of Scouting for the handicapped. Nevertheless, it is not always easy to get information and assistance from local Scout councils.

It is encouraging that councils now have "specials" on how to integrate the handicapped and Explorers now have annual handicapped awareness nights. At the national level there are workshops and weekend courses on Scouting for the handicapped, and ties have been established with agencies such as the National Association for Retarded Citizens, the President's Committee on Mental Retardation, the Council for Exceptional Children, and HEW's Bureau of Education for the Handicapped.

As I'm sure many of you know, some local chapters of NARC have appointed Scout consultants to serve as liaison between the chapter and the local Scout council. Also, NARC has developed "Scouting Unlimited," a slide/cassette presentation used to train adult Scout leaders.

We are making progress. Nonetheless, we should recognize that Scouting is based on a very conservative ideology. Scouting affirms the value of tradition . . . and I am glad of that . . . but it is not traditional in this country to make room for disabled citizens in the social mainstream . . . and I am not glad of that. Scouting for the retarded and other handicapped persons of needs is based on nontraditional liberal values and willingness to adapt standards and programs. It is not necessary to water down the intensity or the challenge of the Scouting experience, but it is necessary to emphasize the abilities of exceptional Scouts and make allowance for their handicaps.

In order to keep group spirit from becoming cliquishness, Scouting must develop an open admissions policy that is genuine and wholehearted. The disabilities of handicapped Scouts add new dimensions to group experience. Exceptional Scouts are valuable group resources and should be appreciated as such.

SCOUTING FOR EVERYONE

I have been a Scout leader, and there are many things I would like to say about Scouting and what it can do for retarded people. The printed program says this is a Boy Scout Breakfast, but I would like to suggest that Scouting is for people of all ages regardles of sex. As I talk about Boy Scouts, please keep in mind the many ways that Scouting can serve girls as well as boys, adults as well as children and youth, exceptional as well as ordinary human beings.

The Girl Scouts and and Campfire Girls have programs for handicapped youngsters, and Explorer packs and posts accept young women as well as young men. Also, in institutions for the handicapped there are a good many Scout programs that accept people over 21, on the theory that mental age rather than chronological age should be the determining factor.

This is well and good, but I am advocating flexibility and outreach above and beyond this. There are many ways Scouting can serve and be served by retarded people young and old, male and female. For leadership in this area, Scouters should look to schools and organizations that have developed innovative ways of making Scouting and similar activities accessible to the handicapped.

SCOUTING AS HIGH ADVENTURE

I would like to see more emphasis of Scouting as high adventure. Amazing things can be done if parents will permit reasonable risks and program planners believe in the potential abilities of retarded children and adults. There can be opportunities not only for the mildly and moderately retarded but also for the profoundly and severely retarded who are physically able.

I once had an opportunity to observe an adult recreation program in which retarded men and women were taught to crawl through tunnels, climb cliffs, and walk rope ladders across ravines filled with water. Early in the day it was obvious that many of the participants had fears and apprehensions. But they mastered their misgivings.

The risks were minimal, as safety precautions had been taken. There were rope guards and people standing by to catch anyone who fell. At worst, someone might have gotten scratched or muddy.

At the end of the day, the participants' expressions of confidence were very revealing. One person said, "Now I think I can do anything. I've done this, so I guess I can find a job." Another said, "I think I can go down in that dark basement now and find out why the lights go out. . ." Others asserted that they would no longer be afraid to come home after dark or go out when the weather was bad.

Surely this type of adventure and this type of skill-building is preferable to a program that consists of cutting and pasting paper, having punch and cookies, and getting home by four o'clock in the afternoon. Retarded people no less than others need to get out into the elements and extend themselves to their limits. Perhaps more than others they need opportunities to use their large muscles and develop strength and coordination.

Habitual inactivity contributes to the weakness and clumsiness that is all too typical of retarded people. It has been pointed out that good performance in motor activities contributes to poise and self-confidence and may even be the key to social acceptance by peers, in youth and throughout life. (CEC Recreation book)

"Man has been described as a 'skill-hungry animal.' " All human beings crave skill, excellence, and personal adequacy. High adventure scout programs can raise the level of skill of all participants. (CEC Recreation book)

SCOUT CAMPS

Many young people attend scout camps for fairly extended periods of time. They leave home and rough it in an outdoor setting. They abide by camp rules and have limited contact with their families. Camp is an option for retarded youngsters as well as for others, and it can be an excellent way

of encouraging independence and self-acceptance.

Of course, some simply would not be able to cope with such an experience, but it is important not to overestimate the extent to which mental disability handicaps a specific person. Gary, who was unable to fend for himself in an explorer pack, probably would have been overwhelmed at camp. Then again, if his friend Mark had been with him, he might have fared very well. He could have started in a day program, proceeded to a weekend program, then attempted a more extended camping experience.

Several years ago "Talking Sticks," the unofficial newsletter of the National Advisory Committee on Scouting for the Handicapped, published guidelines for evaluating the readiness of handicapped youngsters to attend summer camp. Several of the recommended evaluation factors underscore the importance of parental attitudes. How protective or overprotective are the parents? Do they accept their child's handicap and discuss it openly in the child's presence? Are the parents' expectations realistic? Are they prepared to accept the camp's rules about phone calls and visits? In other words, are they willing to let go?

Anyone who is responsible in any way for a retarded young person should "let go" as much as possible whenever possible. Too many of us talk about developmental models but behave as though protective custody were our primary concern. We say we believe that retarded people can learn, grow, and gain competence in many ways. Scouting provides unparalleled opportunities and follow through by signing permission slips and actively encouraging participation.

In the words of a much-decorated scouter who is an area chairman in charge of handicapped scouting: "My greatest award has been the sight of young men being able to accomplish something they thought impossible . . . and the admission of their parents that their son's attitude toward them and their associates has made a decided change . . . that they are easier to work with. . . . This is what our scouting program should accomplish."

THE ORDINARY NEED THE HANDICAPPED

Aside from that, ordinary youngsters need handicapped youngsters. Every parent knows that no child is born with the qualities we expect in a good citizen. Children must learn to respect differences in people, to recognize the inherent worth of each individual, and to affirm the dignity of human life. By making a place for everyone, regardless of disability or any other distinguishing characteristic, scouting can teach democratic human relations.

As is stated in an official scout publication: "Scouting is for all boys. Scouting is also for each boy, and each boy is different." About the mentally retarded, this pamphlet says: "Scouting welcomes these boys. It takes pride in serving all boys. It's the scouting way."

Needless to say, adults who wish to foster these attitudes in young people first must adopt these attitudes themselves. There are leader training materials outlining group experiences that can develop better understanding of handicapped scouts, including the moderately, severely, and profoundly retarded. The stated goal is to "develop an understanding that, in reality, any differences between handicapped boys and all boys are not great." For example, all boys . . . and for that matter, all girls . . . like fun, want recognition, like competition, want friends, like adventure, want to achieve, are rebellious against authority, have short attention spans, practice hero worship, are uncoordinated, want responsibility, dislike being made fun of, and can become proficient in skills.

The cub scout motto is "do your best." Dedication to this goal also pervades more advanced scouting programs. Under this banner it is easy to imagine how retarded scouts can be mainstreamed. As a rule, the moderately retarded can be in regular units if boys and leaders understand their responsibility to be friendly, kind, and helpful—not overprotective. However, experts say that if there are three or more retarded boys in a unit, usually there must be additional adult leadership so that there will be time for special needs.

For the severely and profoundly retarded, a special unit usually is best so that activities can be slowed and simplified. But there should still be contact with ordinary peers. Part of the scout law is that "a scout is a friend to all. He is a brother to other scouts. He seeks to understand others . . ." Summer camps, district and council activities, and visits of one unit to another provide opportunities for interaction.

SCOUTING IN SCHOOL

Scouting can be a part of formal education. An increasing number of scout troops are affiliated with schools and meet during school hours. Scouting has become an accepted part of special education in many localities. In some states there are annual special education camporees for scouts.

A new twist is that boy scout skill books and the wolf cub scout book are now being used as tests in some special education classrooms.

These materials are written at about the third-grade level, but the illustrations show children 10 to 14 years old. This means that retarded youngsters relate to the pictures easily. The publications are multi-ethnic and were created for scout use in urban and rural low income areas, where many boys are poor readers. Recently, teachers have discovered that the books are ideal for remedial reading programs and special education classes. Girls seem to like them as well as boys do.

In several Alabama counties local Jaycees bought the books and materials, so the special education scouting program costs the school districts nothing. Anyhow, the cost is very low. It has been pointed out that a typical Alabama mental health association needs $2,500 per person per year to teach coping skills to individuals to 16 to 30 years old. The scouting program does the same thing for $10 a year per child.

A teacher involved in the Alabama program says scouting gives her students ". . . their first opportunity to be well-rounded boys. They have been treated like babies, doing a these silly daisy chain things. . . . Now they have a chance to live and to earn some patches while they are doing it, just like other boys do." The girls in the school have joined in the skill book classroom projects but do not attend scout meetings with the boys.

At some schools there are girl scout and brownie troops as well as boy scout programs. I would suggest that unisex scouting is much more feasible than many people think, and that the classroom setting is ideal for experimentation in this regard. Everyone benefits.

The scoutmaster at a school for special education in New York that has a full range of scouting programs says: "Outdoor skills, social values, and a sense of pride in accomplishment have combined to produce a spirit which is vital in the lives of growing young people."

A boy from a troop at that school saved a life by applying what he had learned in a scout first aid class. He was coming home from the beach one day when he found a girl in convulsions. By giving her mouth-to-mouth resuscitation, he kept her alive until help came.

Not all retarded scouts can be heroes . . . or heroines. But like Gary, each can participate at his or her own level. Each can be successful as a scout and can contribute to the success of other scouts.●

RENOVATING OLDER BUILDINGS: "LANDMARKS THAT WORK"

● Mr. STAFFORD. Mr. President, the Public Building Cooperative Use Act of 1976 (Public Law 94–541) directs the General Services Administrator to "acquire and utilize space in suitable buildings of historic, architectural, or cultural significance, unless use of such space would not prove feasible and prudent compared with available alternatives." Unfortunately, the GSA has yet to develop a project utilizing this innovative authority for the acquisition of older buildings and then renovating it into new Federal offices.

While GSA continues along on its new-is-best policy, business and industry have recognized the advantages of the rehabilitation alternative. Just this week, Newsweek magazine carried a most interesting article discussing the use of older buildings as new office space. If such an approach is cost effective for business, I would think that GSA should be able to find ways to save the taxpayers money by meeting public buildings needs using the renovation alternative.

Mr. President, I ask that the Newsweek article be printed in the RECORD.

The article follows:

[From Newsweek magazine, June 19, 1978]

LANDMARKS THAT WORK

The building was power. Its elephant-gray walls and weathered old dome had rung to the defiant hurrahs of Mayor James Curley and nurtured the political dynasties of Fitzgerald and Kennedy, McCormack and O'Neil. Nine years ago, the politicians abandoned it for bigger quarters elsewhere, and the wrecking ball loomed. But the century-old Boston city hall still stands, saved not by preservationists but by numbers-wise businessmen. What might have been another downtown parking lot is filled with the offices of lawyers and stockbrokers, generating more than $200,000 in annual rents for the city.

And so it goes all across the country. Business is finding it worthwhile to reclaim the nation's aged urban orphans, from a schoolhouse in Dallas to a hotel in Providence, from warehouses in San Francisco to a slum-scarred neighborhood in St. Louis. Landmark bank buildings in San Francisco and Boston have been saved. In New York, the battle to save Grand Central Terminal goes on, but the art-deco Chrysler Building and the gothic-inspired Woolworth Building are being rehabilitated.

TAX BREAKS

In part, the trend reflects the nation's growing appreciation for its artifacts. A decade ago the National Register of Historic Places identified only 1,000 noteworthy nonresidential structures. Now it lists 14,000. And in part, government has acted to protect old buildings, giving tax breaks for recycling them and even outright aid. In 1968, the Department of the Interior handed out $300,000 in restoration funds. This year, it's spending $45 million.

Above all, the economics of building in the city have changed. Many old buildings are dirt-cheap to buy. Fixing them up, often with the aid of DOI grants and tax breaks, can cost far less than building anew. Renovation requires less time than new construction, and is often done while business goes on as usual. With their thick, well-insulated walls, old buildings can be inexpensive to

operate. They're also an emerging alternative both to sylvan retreats in remote suburbs and to the mass-produced sameness of stark new office towers. "Glass buildings don't make us laugh, but old buildings make us happy," say architect Philip Johnson.

A BARGAIN

Old buildings aren't easy to redo. The cost of renovation almost always runs over budget, because surprises—worn plumbing, hidden columns—invariably crop up. Despite that, the Alamo National Bank in San Antonio found that renovating its 50-year-old headquarters cost only $5 million against $30 million for a new building. "And there is no way we could have had the marble, the bronze, the vaulted lobby," says Bradford R. Breuer, vice president of the bank. Wayne Ratkovich, who is restoring the elegant Oviatt Building in Los Angeles, figures that a new building costs $60 to $100 per square foot of rentable space, but "in an old building, you can air-condition it, put in new electricity, floor covering, walls and ceilings, and produce a square foot for $20."

Even when renovating is relatively cheap, developers can still run worrisome risks. Certainly, that seemed to be the outlook for the Chrysler Building, acquired through foreclosure by the Massachusetts Mutual Life Insurance Co. The building is located in a section of Midtown Manhattan that big business has increasingly abandoned for blocks farther north. "Then we realized that we had a world landmark," says Edward J. Kulik, a Mass Mutual senior vice president. "It also became apparent there would be a shortage of office space within eighteen months." So the company, which paid $35 million to buy the building, is spending $23 million to restore it and then will offer one-of-a-kind office facilities to the expected crunch of new space seekers.

Often, however, a company's reward from investment in a suspected albatross is less apparent. Textron, Inc., in Providence, has found parts of the city dying around it. The one big hotel in town, the 500-room Biltmore, had been abandoned by the Sheraton chain. Textron took over, is now restoring it and expects to run it as a moneymaking hotel again. "It was upfront proof of our belief in the city," said Textron senior vice president John Henderson, "but we wouldn't have redone the Biltmore unless a feasibility study showed it was practical." There was some enlightened self-interest as well behind Ralston Purina's decision to rehabilitate the neighborhood housing around its St. Louis headquarters. The company wanted to salvage a slum-ridden section of the city, but it also had to be sure that its employees wouldn't fear coming to work.

"CHARM"

Sometimes, though, companies move into old buildings for reasons that have little to do with cost. Levi Strauss, the San Francisco jeans maker, is abandoning ten floors in the new Embarcadero Center to move into two old waterfront warehouses and two others that it is building to match. The company will save a lot of rent, but the move won't be cheap. "In terms of economics, the savings are questionable," says project manager Don Wyler. "The appeal is the charm versus the sterility and cheerlessness of the new buildings." No doubt, too, Levi Strauss is counting on the image-building virtues of the move.

Just as often, it seems, companies are persuaded to take on an old building as much for the sheer fun of it as for anything else. Sedco, Inc., an oil-drilling company in Dallas, bought the city's oldest elementary school for a $1.5 million song, and made it its headquarters. It preserved a lot of the old school flavor, including some blackboards, the initials carved into the door of the principal's office, and the school bell, which Sedco rings to summon directors' meetings.

Even without such gimmicks, the ambience of old buildings seems to appeal to people. "In the old days, buildings were designed with people in mind," says Stephen Lipman, a lawyer who has moved into Boston's old city hall. "Light comes through our windows, the ceilings are high and the corridors wide." At times, that spirit rubs off on visitors. "Clients have more faith in us," says lawyer Richard Moran, whose San Francisco law firm took over and renovated a spectacular old San Francisco mansion. "They think we're doing a good job."

Not that an office in an old building is always joyful. "The same buildings that can be cooled by opening windows in summer may leak heat in winter," says Prof. Walter D. Harris of the Yale School of Architecture. And they can be a bit cranky. The Bradbury Building in Los Angeles is a museum of brick, wood and wrought iron, with a skylighted center core. But the huge skylight leaks, and there's only one bathroom per floor.●

S. 3094—ARTIFICIAL REEF CONSTRUCTION

● Mr. STONE. Mr. President, on May 17, 1978, I introduced S. 3094, the Artificial Marine Reef Fishing Act of 1978. I was very pleased that Senators HOLLINGS, CHILES, and NUNN joined with me in cosponsoring this legislation. Recently, Jack Kenney, county commissioner from Escambia County, Fla., wrote to me concerning this bill. Mr. Kenney is chairman of the county's artificial reef program and has been a longtime supporter of artificial fishing reefs.

Mr. President, I ask that a copy of Commissioner Kenney's letter be printed in the RECORD.

The letter follows:

BOARD OF COMMISSIONERS,
Escambia County, Fla., May 31, 1978.

Hon. RICHARD STONE
Dirksen Senate Office Bldg.
Washington, D.C.

DEAR DICK; In response to our conversation of May 29 regarding Escambia County's artificial reef department and your pending legislation for artificial reef construction, I would like to bring you up to date on what we have done and are trying to do.

After constructing several personal private reefs and witnessing the positive impact on the environment and fish population, it occurred to me that everyone in northwest Florida should be able to enjoy these benefits.

The following are the results of these thoughts:

In 1975, I organized volunteer groups to obtain and sink three 300-foot barges filled with rubble.

In 1976, we arranged for the demolition contractor to drop concrete from the Santa Rosa bridge and Casino building in the Gulf.

In 1977, we obtained and sunk a surplus liberty ship.

In late 1977, I formed the Escambia County Artificial Reef Committee composed of over one hundred members with representation from all walks of life from fishermen and divers to marine biologists. Permits were applied for and received for a one square mile reef, three miles off shore in seventy feet of water.

On June 13, 1978, we are sinking a surplus P5M aircraft as the "corner stone" of this reef.

In February, 1978, the county established at my urging an Artificial Reef Department with three employees and a limited budget. Equipment begged, borrowed or bought includes an LCM–8 self propelled barge, tire splitter and a few pieces of ancillary equipment that nobody else wanted.

In April, 1978, we applied for additional permits for artificial reefs; one in shallow water for small boats, one in deeper water for a mid-water attractor type.

As you can see, we have made a start. We have the continuing interest and support of the entire community as the enclosed will attest. In essence, we have everything going for a continuing program that we vision will grow and move forward indefinitely except a reasonable, viable source of funding.

I am sure you are aware of the benefits to the environment, to sports fishing and diving in general and perhaps more important, the tourism that a square mile reef will engender.

To the best of my knowledge, Escambia and Pinellas counties are the only counties in the state with a governmental department or artificial reefs. Many others, if not all, located on the shore line, are interested but simply cannot put it together because of cost. The start-up costs, the acquisition of equipment and personnel, are considerable. In addition, finding these monies for a totally new program in existing local budgets is almost impossible.

We feel the program can be self supporting after five years on the basis of vastly improved tourist dollar flow and increased sales of boats, fishing and diving equipment and miscellaneous revenue, but the "getting started" boost must be state and federal financial assistance.

Last year, this county spent over five hundred thousand dollars on ball parks and tennis courts, but little if any of the fisherman's tax dollar has been returned to him either by local or federal governments.

Therefore, I heartily endorse and pledge the support of the entire community for your pending Artificial Reef Appropriations Bill. We will be happy to make available our experience, our records and whatever expertise we have in order to assure the passage of this vital legislation.

Best regards,

JACK KENNY,
Chairman,
County Artificial Reef Program.●

FOREST HAVEN

● Mrs. HUMPHREY. Mr. President, it was about 20 years ago when the initial breakthrough in help for the mentally retarded began. At that time, there were only a few who shared advanced and progressive views, but over the years we can be proud of the gains that have been made in helping this segment of our society.

The attitude that these children could not learn was perhaps the bigest stumbling block to progress. It has been found that retarded individuals can function at much higher levels than we thought possible, if they are challenged. We just had to suit the method of teaching to these individuals.

Many remarkable things have been accomplished, but before we rest on our laurels, we should be brought up short by the startling article which was published by Jack Anderson, entitled "Forest Haven: Misnomer for Patients." It relates in graphic detail the poor care, the lack of hope, and the sheer desolation of spirit that pervades this facility.

It is a step into the dark ages to read of the 20 orphans who were placed in Forest Haven, because of the lack of anyone else to care for them. They were labeled as retarded, even though they were normal children, and because there was no loving care and interest shown in them, no

stimulation to learn and grow, they now act as if they are retarded. How can we justify, as a civilized people, that some of our citizens are thrown on the refuse heap of humanity?

A few years ago Hubert came to the aid of this same facility, by initiating legislative efforts to provide funds for more personnel, and to generally improve the care at Forest Haven. It is distressing to learn that conditions have once again reverted to such a pathetic state.

We must never become complacent in our thinking and actions in protecting the rights of all our people. Mr. President, I ask that Mr. Anderson's column be printed in the RECORD.

The column follows:

FOREST HAVEN: MISNOMER FOR PATIENTS

(By Jack Anderson)

America has condemned tens of thousands of its most helpless citizens to a living death. We refer to those retarded Americans who are forced to live in overcrowded, archaic institutions.

These are often nothing more than human warehouses; a few can be classified as snakepits. They have pleasant names like Applecreek, Forest Haven, Rosewood, Sonoma. But they are more like concentration camps, where society quietly hides away its mental misfits until they die.

Forest Haven, for example, is located near Laurel, Md., in the shadow of the nation's capital. It is close enough to the source of federal blessings to be a model institution. But for many of its residents, Forest Haven is more a hell than a haven.

Today, Justice Department lawyers are to argue in federal court that the institution has violated the constitutional rights of its patients. With proper care and training, most retarded people can become contributing members of society. But the attorneys will present evidence and testimony that inhumane treatment at Forest Haven has caused the deterioration rather than the development of patients.

The case of a young patient, named Joy Evans, will be cited. An affidavit from her mother declares: "Joy resided in Dogwood cottage . . . Dogwood was a veritable snakepit. I once witnessed a nurse open the cottage door only to find 80 half-clad screaming women come running to the door; the nurse quickly shut it."

Continues the affidavit: "On one occasion we found Joy's entire back raw. A nurse asked if Joy had a blood disease which may have caused it. When we took Joy to a private doctor, however, we were informed that her back injury was caused by urine burns from being restrained on a rubber sheet."

Joy's suffering is over; she died at a premature age.

Another young patient, Earlene Thorton, died last March under curious circumstances. A confidential report by U.S. Park Police stated: "There was no suspicious or criminal activity in relation to this death." Yet the report adds: "During the autopsy, there was a bruise discovered on the right side of the subject's head, which resulted in severe hemorrhaging within the skull. There was a fracture of one of the subject's fingers."

It is the living, however, who should be mourned at Forest Haven. One worker told us: "It is hard to grieve when somebody dies here, because the real tragedy is the slow deaths of almost all the patients here. The people here are forced to sit and do nothing all day, not able to grow, only to deteriorate."

Forest Haven officials refused to allow us to make an unrestricted inspection of the premises. But workers smuggled our reporter, Murray Waas, in for an unauthorized tour.

One place he was taken was the Curley Building, which houses many female patients. Workers said that a year ago he would have found more than two dozen women, many in diapers, others naked, strewn across the barren floor. This was how they spent the day.

Waas found the patients properly dressed, sitting in neat rows of new, plastic chairs. But the changes, workers said, were merely cosmetic. "They may be wearing clothes instead of being naked. They may be sitting on the chairs instead of the floor," said a nursing aide, "but they are still forced to sit here all day with nothing to do, except vegetate."

Waas also spoke to patients who weren't retarded but were transferred to Forest Haven from a nearby orphanage that closed in 1974. For convenience's sake 20 orphans were deposited at Forest Haven, and their classification was simply changed from "orphan" to "retardate." Now some of them function at a retarded level as a result of their treatment.

Our reporter visited with several residents who have spent most of their lives at Forest Haven. One elderly woman, Thelma Hall, went to the institution in 1927. "Please take me out for a ride," she pleaded. A nursing aide doubted that the old woman had left the facility more than half-dozen times in the half-century she had been institutionalized.

Waas' tour ended with an inspection of the "seclusion rooms," 6 by 8 feet, with nothing but mattresses and toilets. Patients may be confined in these cruel rooms for the most minor indiscretions against those who watch over them.

The conscientious workers, who showed our reporter around, were outraged over the way helpless patients are treated.●

UNITED NATIONS UNIVERSITY

● Mr. MATHIAS. Mr. President, often in the Senate, we are called on to appropriate funds for projects which have a connotation of violence and destruction. We vote hundreds of millions of dollars for the development of a new plane or tank. However necessary these expenditures, they represent a response to our fears for the Nation's safety and a threat of destruction to those who might seek to undermine it.

Once in awhile, however, a proposal comes through the Senate which goes in the other direction. It is not in the context of fear and destruction. Rather it is a modest request for funds for a constructive activity which carries the hope of reducing some of the world's fears, rather than simply accommodating them.

We cannot deny the ultimate priority of our national security in strictly military terms. In fact, our military and economic strength continues to grow in absolute terms. But, in a world of increasing interdependence in which we are confronted by global problems that actually threaten our existence, we cannot rely solely on military might. Global problems of population growth, hunger, ecological concerns, and the depletion of natural resources cannot be addressed with planes, tanks, and ships.

We are now more dependent on the rest of the world than ever before. Our absolute strength may be secure, but our relative strength is greatly influenced by such global concerns as energy needs, food availability and consumption, human rights, and the condition of our environment. National security is not simply a function of military might. Global problems are intertwined with our national security concerns.

We now have an opportunity to invest in ours' and the world's future security. The United Nations University (UNU) has asked us to contribute $7.5 million to its effort to provide an international conduit through which knowledge and training skills, vital to solving the world's problems, can be made available throughout the world.

The U.N. University is not a university in the traditional sense. It has no campus and offers no degrees. Tokyo is the planning and coordinating center, but the principal work of the university is done elsewhere. It is done in the United States, in Europe, the Middle East, Africa, Asia, and Latin America.

The UNU is a worldwide network of research and advance training programs. Advanced training is provided to scientists, scholars, and others already in a position to help solve pressing world problems. Over 60 institutions in more than 50 countries are cooperating in this work.

The purpose of the U.N. University differs from other international organizations in that it is designed solely to mobilize and strengthen worldwide resources in science and scholarship. It is a logical response to the conditions resulting from global interdependence. Scientists and scholars can collaborate across national boundaries to deal with problems that are larger than the interests or capabilities of single nations.

The UNU programs, by increasing our knowledge of the world's problems and by offering advanced training, have a highly practical application. They can lead to an increased yield from development assistance which is costing this Nation and the world billions of dollars each year, much of it in waste and ineffectiveness.

An example of the practical approach of the UNU can be seen in the world hunger program. Up to 40 percent of food is lost after the harvest due to poor transport and storage facilities which rodents and insects can all too easily infest. The UNU is sponsoring a Senegalese food scientist to study at a leading Indian research institute where techniques to conserve and store food have been developed which are directly applicable to Senegal's similar problems. These new techniques will lead to a dramatic increase in the amount of food available in Senegal for domestic consumption and export. This is only one example of the constructive and worldwide benefits the UNU can offer.

We should also bear in mind that the first head of the UNU is an American, James M. Hester, who was president of the New York University for 14 years before assuming his duties as rector of the U.N. University 3 years ago. Mr. Hester has proven himself dedicated to building an organization through which scholars and scientists of the world can collaborate on an objective nonpolitical basis.

Through the UNU we have an opportunity to contribute to efforts leading to a more secure, stable world. The UNU's

request for $7.5 million, however, is in danger of being rejected by the Congress. The House Committee on International Relations and the Senate Committee on Foreign Relations have both affirmed the value and merit of a U.S. contribution to the UNU, but the House Appropriations Committee has deleted the funding from the foreign assistance appropriation. It is now up to the Senate to give the UNU the support is needs.

The Japanese have pledged $100 million, of which $70 million has already been paid. Another $25 million has been pledged, most of which comes from developing countries, such as Venezuela, Saudi Arabia, Ghana, Senegal, and the Sudan.

Governments in Western Europe, the Middle East, and elsewhere are considering at this time major contributions to the university. We can take the lead and appropriate the full $7.5 million. If we fail to take the lead and exercise our influence in supporting this constructive international endeavor, we are, for all practical purposes, saying to the world that we oppose it. We are saving that the Congress of the United States which votes hundreds of billions of dollars for defense is reluctant to put up $7.5 million for an effort which attempts to solve global problems in a constructive manner. I do not believe a majority of the Members of the Senate wish to send that message abroad.

Concern has been expressed that the $7.5 million contribution recommended for fiscal year 1979 is only the first installment of what might become a much larger sum. The UNU is now building an endowment as its basic source of funding. (This will protect the university from political pressures so research can be as objective and accurate as possible). A contribution of $7.5 million this year will not bind us to that or any other figure in the future. The progress of the university can always be examined before further contributions are made. But if we make no contribution now, progress will be seriously deterred.

The UNU is a sound and imaginative response to world conditions which cannot be ignored. To deal with the realities of interdependence, the scientists and scholars on whom we depend for knowledge to solve our most complex problems need an instrument for effective worldwide collaboration. The U.N. University is a carefully structured effort to meet this need. I believe the U.S. Government has a responsibility to its people and to the world to respond positively to this endeavor. We are, in essence, investing in our future: a future where we can all work together to solve our common problems.●

SENATOR JAMES B. ALLEN

● Mr. STONE. Mr. President, with great sadness I joined those who went to Gadsden, Ala., last week to mourn the passing of our colleague, Jim Allen. He was a great man, a man who taught all of us the importance of courtesy and respect toward others, even in the most trying circumstances.

He also taught us the importance of holding firm to what we believe. With great determination and ability he fought for what he believed was the right course for our Nation, and always as a gentleman who respected the rights and opinions of others.

Jim also knew how to be a friend. When I was a freshman Senator, he often went out of his way to teach me Senate rules and procedure and to share with me the history of the Senate. I also learned from him much about issues in areas of common interest, especially in the Agriculture Committee on which we both served.

I cherished Jim Allen's friendship and advice, and I know we will all miss him very much.●

EPA MUNICIPAL POLLUTION REGULATIONS

● Mr. GRAVEL. Mr. President, further to the "current controversy" surrounding the recently enacted section 301(h) of the Clean Water Act of 1977 (concerning limited waivers from the uniform secondary treatment standard for municipalities), I believe it would be helpful to repeat some of the background that led to my becoming the sponsor and proponent of the provision.

I offered the municipal waiver provision in response to the concerns expressed by some coastal communities in Alaska with regard to the necessity of providing secondary treatment when such treatment would provide no ecological advantage. During consideration of the measure in committee, I pointed out how deep the ocean was around some Alaska communities, and how active tides and currents were near places like Anchorage and Seward. Areas like those in Alaska, in essence, had unique marine properties. As Senator MUSKIE points out, the provision was also sought by communities such as Seattle that had been studying the matter for some time. I pushed for adoption of the provision in committee, on the Senate floor, and in conference, in light of evidence presented me by our municipality of Anchorage that indicated monthly sewage costs of $20 to $25 per household for secondary treatment would not gain any ecological benefit. I thought it a waste of funds to require Anchorage to go to expense of secondary treatment if, because of the active nature of the receiving waters, such treatment would not serve any advantage. I was reminded of our State's needs for sewage construction at the secondary level of some $300 million, and that our State's share of the construction grants program would not exceed $100 million over 5 years, even assuming the "minimum States" allocation. I could not understand spending one-quarter of that for just one city—Anchorage—if there were to be no ecological benefit gained, particularly when basic health and sanitation needs dictated expenditures elsewhere. I was aware that other smaller coastal cities in Alaska such as Seward might be similarly situated, and I pursued the provision on the basis that such communities should also qualify for a waiver if they, too, could show that water quality would not be violated, that the environment would not be harmed. My intention was to allow coastal communities that met unique geologic and hydrologic characteristics set out in the provision to come forward to show whether, in their case, a waiver was justified. The fact that communities like Anchorage and Seward had such unique characteristics was an important factor in my efforts toward passage of this provision. I would not press the case of a community discharging into shallow ocean waters where transport and diffusion of wastes was limited by natural action of the water body, nor the case of the community discharging into an estuary where there were not extremely strong tides and currents. In a word, I did not intend to weaken the fabric of the general secondary treatment requirement, but neither did I intend to limit the provision merely to Seattle or Anchorage, or a few other cities that already had put together their case for a waiver.

Thus, I did not introduce a provision that would appear to exclude automatically all Alaska coastal communities. The confusion really centers around the term "existing discharge." I never intended that to mean anything more than there be a discharge of sewage into a coastal body of water. That was to differentiate from future discharges: it was not to eliminate communities that wanted to move outfall lines or to consolidate outfall lines in conjunction with completion of a treatment works. The statutory language and statement of managers do not further delimit "existing discharge" to a set location at the time of passage of the provision or September 24, 1978. My intention in that regard is clear from the proceedings in the Environment and Public Works Committee and in conference. Again, may I say that I would not have advanced a provision based on Alaska coastal community sewage problems when that provision would not permit those very communities an opportunity to qualify. I am afraid I must disagree with the overly restrictive interpretation placed on the term "existing." I never intended it in that manner. I would suggest the conferees did not either, and that the language surrounding the provision does not require that interpretation.

I do not agree that an applicant must rely solely on empirical evidence to demonstrate its case for a waiver. Such a restrictive interpretation is not required by the statute, nor spelled out in the statement of managers. The EPA is familiar with the concept of modeling. For example, the proposed regulations for this section discuss dilution models. According to testimony of experts in the field, modeling can be used to show predictive effects. We are all familiar with the extent to which we rely on modeling in the air program. Thus, while empirical evidence is always welcome, and perhaps preferred by the scientific community when available, the scientific community agrees that predictive effects can be demonstrated acceptability through modeling and extrapolation from empirical evidence. Obviously, site specific data will need to be gathered to determine the various characteristics of the ultimate location of the outfall. But that does not require the

outfall to be situated there presently. Predictive effects can be demonstrated by other than historical accumulation of onsite data collection.

I would point out that as a safety measure I added an onsite monitoring requirement on the Senate floor in order to ease the agency's burden in reviewing whether ecological harm does result from less than secondary treatment. I also suggest that the waivers—if granted—are subject to termination—among other remedies—if ecological harm or water quality violations occur. The waivers must be reviewed for possible renewal in 5 years in any case.

I fully believe that fair implementation of this limited waiver will actually help to further the movement of communities toward better sewage treatment. I would doubt that communities like New York, Boston, and Miami could meet the "uniqueness" test of hydrologic and geographical characteristics, in which case most major cities in coastal areas will have no further cause for delay in movement toward secondary treatment. Many smaller communities may move to alternative, innovative, or individual systems by virtue of Senator RANDOLPH'S and Senator STAFFORD'S provisions in the Clean Water Act. Those communities discharging into marine waters that can meet the geographical and hydrologic characteristic in order to come forward to demonstrate their case for waivers will not have long to wait for agency decisions on their waiver applications. If they qualify for waivers, the funds that would have been spent for secondary construction and not needed to carry out the purpose of the waiver provision will be "freed up" so that other communities can meet their treatment needs sooner.

I submit for the RECORD excerpts from my floor statements of August 4, 1977 at page 26708 and December 15, 1977 at pages 39212–39213.

I hope that my comments above further clarify what I intended when I sponsored the waiver provision during consideration of the Clean Water Act of 1977.

The statements follow:

EXCERPTS

Experience has shown that changes are in order, however, and the committee was willing to wrestle with some 60-odd issues in trying to fine-tune the act to address those problems that remain. Some municipal extensions are in order. Some waivers for traditional pollutants are in order that will not make it necessary for industry to install additional pollution control equipment merely for the sake of meeting the 1983 standard. The waivers will be limited, but they will be granted to those who can make a showing that basic environmental and economic concerns are met. Some municipalities that discharge into the coastal waters and saline estuarine waters with strong tides and currents may obtain waivers from the secondary treatment standard if they can show basic environmental concerns are satisfied. Some extensions of the 1977 requirements for industry may be granted for limited periods of time and in cases of good faith attempts to comply—some will have to accept delayed compliance penalties. The rum distillers in the Virgin Islands and Puerto Rico and the seafood processors, many of them in Alaska, will be reviewed to determine whether there is justification to exempt them from the 1977 standards. These provisions are a credit to the committee's ability to strike a balance between environmental protection and recognition of the complications of what we affectionately call civilization.

Finally, a word about the municipal modification procedure. The conference report accurately reflects my concerns about the requirement that certain coastal communities should provide secondary treatment of conventional pollutants when natural action of the receiving body eliminates the need to do so. The conference report mentions several communities that might be likely to qualify for the modification provision. When I introduced the measure I did not intend to limit the application of the provision to Anchorage, Seward, and a few other cities. I intended to allow any city that can meet the geographical requirements to come forward and attempt to prove their case. (That might even include communities currently under schedule to provide traditional secondary treatment. That is my understanding of the conference's intention as well. I can understand the EPA's concerns about the administrative burden this provision might place on the agency, but I might remind my friends at the agency that we should not legislate unreasonably so as to accommodate an agency. There are a number of communities that have been and will be subjected to administrative burdens way beyond their financial and administrative capacity because of the need to comply with the secondary treatment requirement. With this modification procedure for coastal communities that qualify, and the other provisions in the bill for alternative and innovative technologies, as well as recycle capabilities, the Congress has announced its intention to put some sense into the treatment of municipal wastes.

The modification procedure, then, guarantees to no one that modifications will be granted; it denies no coastal community with the qualifying geographical characteristics the right to show its ability to meet the other conditions of the provision.

The provision applies to communities with discharges into the waters of the territorial seas and the contiguous zone or into saline estuarine waters where there is strong tidal and other hydrological action. There is a recognition that depth is a factor. The conference report clearly states the importance of depth with regard to the territorial seas and the contiguous zone; emphasis is not placed on depth with regard to saline estuarine discharges, but rather on tides and currents and flushing action which act to remove pollutants from large bays and estuaries.

The conditions that an applicant must demonstrate ability to meet are forthright. They are geared to protection of the water body from toxics and violations of water quality in the area of the discharge. To the extent practicable, monitoring of a periodic nature should occur to assure against water quality violation. Modifications will be granted in 5-year increments as a further protection. Pretreatment requirements will be enforced.

In essence, the provision says that there are areas which may be able to show that the discharge of conventional pollutants from a municipal sewage system can be made without secondary treatment and without harm to the environment. If this concept is adopted in regulations promulgated by the agency, we can assure a reasonable approach to sewage treatment in coastal communities while not violating the environment, or the fabric of the act. I will watch closely to see that the provision is implemented in the manner in which I proposed it and the conference adopted it.●

IMPROVING WETLANDS CONSERVATION—WATER BANK CAN HELP

● Mrs. HUMPHREY. Mr. President, earlier this week I introduced legislation to alleviate shortcomings in the existing Water Bank Act, which was passed by Congress in 1970 and whose goal is the preservation, restoration, and improvement of the Nation's wetlands.

Historically, there has been a long history of Federal support for wetland drainage. Wetlands have been considered wasteland, a menace to public health, a hindrance to economic development, or simply a nuisance. However, wetlands are an essential link in the breeding, migratory, and wintering habitat requirements of migratory waterfowl.

Although the water bank program only operates in 15 States—Arkansas, California, Louisiana, Maine, Michigan, Minnesota, Mississippi, Montana, Nebraska, North Dakota, Oregon, South Dakota, Vermont, Washington, and Wisconsin—the preservation of our wetlands is a matter of national interest, particularly as these are production areas for migratory waterfowl.

In an article by Mary Nelson in the Farmer, she states that—

> The (Water Bank) program doesn't have enough money to accommodate all . . . farmers who would like to take advantage of it. And it doesn't pay, adequately, those farmers who are in it.

The water bank program has been operating on $10 million annually. My proposal would increase this authorization to $50 million per year and require the Secretary of Agriculture, who administers the act, to review the payment rates of landowners periodically. I believe that the amendments I have proposed to the Water Bank Act will insure that wetlands which are currently being lost at an alarming rate are not needlessly put to alternative uses due to insufficient funding of the water bank program.

Mr. President, I would like to share with my colleagues the article by Mary Nelson from the February 4, 1978, the Farmer, in which she outlines the need to substantially increase the authorization, and to bring the payment rates to landowners more realistically in line with increasing land and crop values. I ask that this informative article be printed in the RECORD.

The article follows:

WATER BANK CAN HELP

(By Mary Nelson)

There's a way to avoid draining wetlands, save some costs, make some money, reduce crop surpluses that are currently hanging over markets and aid conservation, all at the same time. How? By signing up for the Water Bank program.

There's a hooker to all those good things, however. The program doesn't have enough money to accommodate all Minnesota, North and South Dakota farmers who would like to take advantage of it. And it doesn't pay, adequately, those farmers who are in it.

The Water Bank is a federal program, created in 1972 to preserve wetlands and provide nesting habitat for waterfowl and other wildlife. It fulfills this function simply, by contract through which farmers commit wetlands and adjacent upland to nesting cover for periods of ten years. They agree not to

drain or develop the wetland and to leave an adjacent area in cover crops compatible to ducks. In turn, the government pays them a rental fee according to type and value of land.

Payment for the wetlands is $5/a in Minnesota, North and South Dakota, which are 3 of 15 states eligible for the program. Payment in Minnesota for adjacent cropland ranges from $25/a in northwestern counties to a high of $45/a for the most valuable land acceptable to the program. In South Dakota, the high rate for cropland is $25/a, the low rate $11. In North Dakota, rates range from $25 to $15.

Basic goal of the program is preservation of type 3, 4 and 5 wetlands, according to William P. Oemichen, SCS Assistant State Conservationist for Minnesota. That means saving those areas that are the most important waterfowl production areas.

"Type 3 wetlands are shallow marshes where grasses, bulrushes and cattails grow throughout the whole marsh," says Oemichen. "Type 4 means deeper marshes that have some areas of open water which support true aquatic weeds like pondweed, duckweed and waterlilies. Cattails, reeds, bulrushes and possibly wild rice will be in the surrounding, more shallow areas. Type 5 wetlands are open water areas, such as ponds, or reservoirs, with vegetation around the edge."

Minimum tracts acceptable for water bank rental are ten acres, with the wetlands at least two acres in size. However, points out Don Dawald of the Minnesota ASCS, smaller wetlands spots can be put together into a complex connected by adjoining upland.

"We've had no trouble getting the wetlands," says Dawald, "but we have had some difficulty in getting the adjacent uplands. We like three acres of upland for every one acre of wetland. But even that figure is flexible. The SCS district conservationist determines eligibility of the wetlands." ASCS administers the program.

Biggest problem with the program is in rental rates on uplands. "A farmer might be happy to put his wetlands in the Water Bank," continues Dawald. "But when he has to put in the adjacent land, it may be high-priced cropland, worth twice as much for crops."

Farmers don't like the low payments, or that they must sign up for ten years with no chance for adjusting annual payments as land rental rates go up.

Oris Ellingson and Leoyd Miller illustrate well the need for revision of lease payments. Both are enthusiastic supporters of the Water Bank, both put wetlands in the program in 1972 when it began, both added acres in 1977 and both farm in northern Kandiyohi County, MN.

"The Water Bank is the best program I've seen for wildlife because it leaves land in private hands and does not take it off the tax rolls," says Ellington. "I put 66 acres in the program in 1972. For that cropland, we will get only about $15/yr until the lease is up. This year, I added 29 acres, for which I get $40/a/year. If rates could be changed every 3 years or so, people who won't sign up just for the sake of the wildlife will be more apt to join."

Adds Leoyd Miller: "Prior to the Water Bank, we had put in three dam structures and five duck patios. But, I'm glad we waited until 1977 to add the biggest chunk of the 240 acres I now have in Water Bank—the money is much better now than it was in 1972."

Payment rates get to be an even bigger obstacle in southern counties, into which the program is being expanded. In 1977, the first year the program was extended to Freeborn County, nine contracts were signed committing 225 acres to wildlife production. Adjacent cropland payments were $45/a, the top rate paid in Minnesota. "But," points out District Conservationist Robert App, Albert Lea, "this same land would rent for $90 to $100/a for crops, which means farmers participating in the program must have more than purely economic interests in the benefits to join up."

There are other benefits. For wildlife, every acre of wetland preserved by the program means breeding areas and nesting cover that won't disappear from one season to the next. Also, as Larry Nelson, Minnesota Deaprtment of Natural Resources wildlife specialist, points out, "Wetlands help recharge groundwater. They serve as traps for nutrients which run off from fields, thus avoiding downstream pollution and sedimentation. They store excess water from spring runoff or heavy rains, which helps prevent flooding. And they are excellent production and protection areas for pheasants and deer as well as waterfowl."

Another plus for the program is the minimum of government red tape. It's a program that's easy for landowners and agencies to work with.

Ruben Stahl of the South Dakota ASCS agrees that Water Bank acres have been very beneficial to pheasants and deer, as well as ducks. "Water Bank land is good habitat. It produces all types of wildlife, from songbirds to game birds and animals."

Several participants and administrators are noting another, less-obvious side benefit this year—that land in Water Bank provides income without contributing to crop surpluses.

That may be reflected in current interest in the program.●

BUDGET CLEARANCE CALENDAR ITEMS

● Mr. MUSKIE. Mr. President, since adoption of the first concurrent resolution on the budget on May 15, the Budget Committee staff has worked closely with the Democratic policy committee to clear legislation on the calendar for Senate action.

The purpose of this clearance process is to assure promptest possible Senate consideration of every bill which presents no budget problem. It also permits orderly scheduling of other bills which may pose special budget issues which the Senate should consider.

The leadership has identified bills to which it and the authorizing committees wish to give top priority. The Budget Committee then also gives these bills top priority.

In the last several weeks, this procedure has allowed many smaller, noncontroversial bills to be enacted by the Senate without disrupting the important debate on labor law reform.

Mr. President, I am pleased to report that this procedure has permitted the Budget Committee staff and the policy committee staff to clear for Senate action 104 of the 143 measures reported since May 8. This constitutes almost 70 percent of the calendar items. Of the remaining 30 percent, more than half are being held to permit the reporting committee, or the Congress, to complete some related action required by the Budget Act.

For example, some authorization bills for fiscal year 1979 have been reported after May 15 and require a waiver of section 402 of the Budget Act by the full Senate before the legislation can be considered on the Senate floor. Entitlement legislation cannot be considered by the Senate until the reporting committee files its crosswalk report under section 302 of the Budget Act. This procedure permits the Parliamentarian to compare the spending allocations to the reporting committees under the budget resolution with the estimated cost of the bill in order to determine whether the legislation should be referred to the Appropriations Committee for its review under section 401(b) of the Budget Act.

Finally, some bills have been reported from committees but the final version of the committee report is not yet available because of committee backlog in preparing reports for all authorizing legislation reported to meet the May 15 deadline. It is necessary for the Budget Committee—like the Senate itself—to be able to review the entire text of the bill, as well as the explanatory report, to insure accurate interpretation of the legislation.

The remaining bills on the calendar are principally bills which have major budget implications because of the amounts involved or because of significant policy issues. Many of them remain on the calendar because the nonbudget policy issues they present require—in the estimate of their proponents or opponents—rollcall votes or more debate. Where these major bills involve budget issues, we will report to the Senate on the detailed implications of each bill with regard to budget priorities and the budget resolution adopted by the Congress.●

SENATOR JAMES B. ALLEN

● Mr. HEINZ. Mr. President, it is with great sorrow that I note the untimely passing of our colleague from Alabama, James Allen. I wish to extend deepest sympathy to the Allen family during this time of personal loss.

During his 10 years in the Senate, James Allen established standards of dedication to this country, this institution and the people of Alabama which all would do well to emulate. His comprehension and effective use of the intricacies of the Senate rules often proved challenging to opponents on the floor; however this was the tool Senator Allen utilized to fight the hasty advance of the majority. Steadfast in his convictions, Senator Allen demonstrated his concern for the position of the minority. These efforts benefited not only himself and the people of Alabama, but also his colleagues and all Americans, for knowledge is the key to making sound decisions—a responsibility which was a prominent concern of Senator Allen's.

The respect for this gracious man in his home State is deservedly overwhelming. Having served as a member of the Alabama State Legislature and two terms as Lieutenant Governor, James Allen was uniquely prepared to represent the people of Alabama in the Senate. When matters concerning his constituents surfaced, Senator Allen always made time to be informed about and involved with them. The people of Alabama demonstrated their satisfaction with their junior Senator's service by reelecting him with 95 percent of their votes in 1974.

James Allen never relented when he believed he stood for what was right and just. Nonetheless, he will be remembered

as a courteous gentleman; one who was tenacious in defense of a position without being offensive. From this man there was much to learn; regrettably we must now learn from his past example rather than his living leadership.●

FISHERY CONSERVATION AND MANAGEMENT ACT AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar order No. 746.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10732) to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1979, 1980, and 1981.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with an amendment on page 1, beginning with line 5, strike through and including page 2, line 4, and insert in lieu thereof the following:

At the end thereof the following new paragraph:

"(5) $30,000,000 for the fiscal year ending September 30, 1979.".

The committee amendment was agreed to.

Mr. BAKER. Mr. President, I only rise to advise the distinguished majority leader that this calendar item has been cleared on our calendar and we have no objection to proceeding to its consderation.

Mr. MAGNUSON. Mr. President, H.R. 10732 is a simple authorization for fiscal 1979, which relates to the management of the Fishery Conservation and Management Act, which has been successful since its enactment, and it is commonly known as the 200-mile limit.

UP AMENDMENT NO. 1333

Mr. MAGNUSON. Mr. President, the Senator from Alaska (Mr. STEVENS) and I have an amendment which we send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for himself and Mr. MAGNUSON, proposes unprinted amendment numbered 1333.

Mr. STEVENS. Mr. President, I have offered that amendment as a cosponsor with my good friend from Washington. I would like the RECORD to show that it is offered by Senator MAGNUSON and myself

Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) Page 2, immediately after line 7, insert the following:

SEC. 2. (a) Section 2(a)(7) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801(a)(7)) is amended by striking out "United States fishermen" and inserting in lieu thereof "the United States fishing industry".

(b) Section 2(b)(6) of such Act (16 U.S.C. 1801(b)(6)) is amended by inserting immediately after "development" the following "by the United States fishing industry".

SEC. 3. (a) Section 3(10) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801(10)) is amended by (1) inserting "or" immediately after "fish;" at the end of paragraph (B) thereof; (2) striking out "; or" at the end of paragraph (C) thereof and inserting in lieu thereof a period; and (3) striking out paragraph (D) thereof.

(b) Section 3(11) of such Act (16 U.S.C. 1802(11)) is amended by striking out "storage, refrigeration, transportation, or processing," and inserting in lieu thereof the following: "fueling, or repair. Such term does not include any processing vessel.".

(c) Section 3 of such Act (16 U.S.C. 1802) is further amended by inserting the following immediately after paragraph (19) thereof, and renumbering paragraphs (20) through (25) as (22) through (27), respectively:

"(20) The term 'process or processing' means any method of freezing, canning, smoking, salting, drying, or other treatment of fish which does or is intended to prepare such fish for commercial use or consumption.

"(21) the term 'processing vessel' means any vessel, boat, ship, or other craft which is used for, equipped to be used for, or of a type normally used for, processing, storage, refrigeration, or transportation of fish or fish products.".

SEC. 4. (a) Section 201(c) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821(c)) is amended by—

(1) inserting "processing vessels and" immediately after "such foreign nation and its";

(2) inserting "processing vessel or" immediately after "or operator of any" in paragraph (1) thereof;

(3) inserting "processing vessel or" immediately after "is caused by any" in subparagraph (G) of paragraph (2) thereof; and

(4) inserting "processing vessel or" immediately after "appropriate" in paragraph (4)(B) thereof.

(b) Section 201(e) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821(e)) is amended by (1) striking out "and" at the end of paragraph (3); (2) renumbering paragraph (4) as paragraph (5); and (3) inserting immediately after paragraph (3) the following:

"(4) any applicable tariff or nontariff condition on the importation of fish or fish products from the United States that are greater than those imposed by the United States; and".

(c) Section 201(f) of such Act (16 U.S.C. 1821(f)) is amended by (1) inserting "processing vessels and" immediately before "fishing vessels" each place that phrase appears therein; and (2) inserting "processing or" immediately after "Foreign" and "same".

(d) Section 201(g)(2) of such Act (16 U.S.C. 1821(g)(2)) is amended by inserting "processing vessel and" immediately after "foreign".

SEC. 5. Section 202(a)(4)(A) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1822(a)(4)(A)) is amended by inserting "processing vessels and" immediately after "allow".

SEC. 6. (a) Section 204(a) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824(a)) is amended by (1) inserting "processing vessel or" immediately after "foreign"; and (2) inserting "processing or" immediately after "in".

(b) Section 204(b)(1) of such Act (16 U.S.C. 1824(b)(1)) is amended by inserting "and for each of its processing vessels that wishes to operate in the fishery conservation zone" immediately after "subsection (a)".

(c) Section 204(b)(3)(A) of such Act (16 U.S.C. 1824(b)(3)(A)) is amended by inserting "processing vessel and" immediately after "each".

(d) Section 204(b)(4) of such Act (16 U.S.C. 1824(b)(4)) is amended by striking out "such application in the Federal Register and" and inserting in lieu thereof "a notice of receipt of the application in the Federal Register. Any such notice shall summarize the contents of the applications from each nation included therein with respect to the matters described in paragraph (3) and shall be set forth under the name of each Council to which it will be transmitted for comment. The Secretary of State".

(e) Section 204(b)(6) of such Act (16 U.S.C. 1824(b)(6)) is amended by (1) striking out "After" and inserting in lieu thereof "(A) Except as provided in subparagraph (B) and after "; and (2) adding immediately thereafter the following new subparagraph:

"(B) After receipt of any application transmitted under paragraph (4)(A) for a foreign processing vessel that proposes to receive fish harvested by vessels of the United States, the Secretary shall consult with the Secretary of State and, with respect to enforcement, with the Secretary of the department in which the Coast Guard is operating. The Secretary, after taking into consideration the views and recommendations of such Secretaries, and any comments submitted by any Council under paragraph (5), may approve the application unless he determines that the United States processing capability is, or will be, during the period for which the application is made, adequate for processing the fish harvested from the fishery involved, in which case he shall deny the application. In deciding whether to approve or deny any such application, the Secretary may consider whether the applicant nation imposes any tariff or nontariff condition on the importation of fish or fish products that are greater than those imposed by the United States.".

(f) Section 204(b)(7) of such Act (16 U.S.C. 1824(b)(7) is amended by—

(1) inserting in the first sentence thereof "processing vessel or" immediately before "fishing vessel";

(2) inserting in subparagraph (B) thereof "processing vessel or" immediately before "fishing vessel"; and

(3) inserting the following new subparagraph after subparagraph (C) and renumbering the succeeding subparagraph accordingly:

"(D) For any processing vessel the requirement that such vessel shall only receive the amount of fish consistent with the provisions of paragraph 6(B).".

(g) Section 204(b)(10) of such Act (16 U.S.C. 1824(b)(10)) is amended by (1) inserting "processing vessel or" immediately after "operator of any foreign"; and (2) inserting "processing and" immediately after "with respect to foreign".

(h) Section 204(b)(11) of such Act (16 U.S.C. 1824(b)(11)) is amended by (1) inserting "processing vessels or" immediately after "appropriate"; and (2) inserting "processing vessel or" immediately after "apply to the".

(i) Section 204(b)(12) of such Act (16 U.S.C. 1824(b)(12)) is amended by inserting "processing vessel or" immediately after "If any foreign".

(j) Section 204(c) of such Act (16 U.S.C. 1824(c)) is amended by (1) inserting "processing vessel and" immediately after "permit for each"; (2) inserting "processing or" immediately after "under which foreign"; (3) inserting "processing or" after "wishes to engage in"; (4) inserting "processing or" immediately after "with respect to such"; and (5) inserting "processing vessel or" immediately after "the owner or operator of the".

SEC. 7. Section 303(a)(4) of the Fishery

Conservation and Management Act of 1976 (16 U.S.C. 1853(a)(4)) is amended by (1) striking out "and" at the end of subparagraph (A) thereof; (2) striking out "; and" at the end of subparagraph (B) thereof and inserting in lieu thereof ", and"; and (3) inserting after subparagraph (B) thereof the following new subparagraph:

"(C) the capacity and extent to which processing facilities of the United States, on an annual basis, will process that portion of the optimum yield that will be harvested by fishing vessels of the United States; and".

SEC. 8. Section 307 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1857) is amended by (1) inserting in paragraph (1)(B) "processing vessel or" immediately after "any" and "processing or" immediately after "engage in"; (2) inserting in paragraph (1)(D) "processing vessel or" immediately after "to board a"; (3) inserting in paragraph (2) "or processing at sea" immediately after "to engage in fishing"; and (4) inserting "processing or" immediately after "unless such" in paragraph (2).

SEC. 9. (a) Section 310(a) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1860(a)) is amended by striking out "fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo)" and inserting in lieu thereof "processing vessel or fishing vessel (including any such vessel's processing equipment, fishing gear, furniture, appurtenances, stores, and cargo)".

(b) Section 310(e) of such Act (16 U.S.C. 1860(e)) is amended by inserting "processing vessel or" immediately after "on board a".

SEC. 10. (a) Section 311(b)(1)(B) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1861(b)(1)(B)) is amended by inserting "processing vessel or" immediately after "any".

(b) Section 311(b)(1)(C) of such Act (16 U.S.C. 1861(b)(1)(C)) is amended by striking out "fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo)" and inserting in lieu thereof "processing vessel or fishing vessel (together with any such vessel's processing equipment, fishing gear, furniture, appurtenances, stores, and cargo)".

(c) The first sentence of section 311(c) of such Act (16 U.S.C. 1861(c)) is amended by inserting "processing vessel or" immediately after "finds that a".

(d) Section 311(e)(1) of such Act (16 U.S.C. 1861(e)(1)) is amended by inserting "processing or" immediately after "foreign".

Mr. MAGNUSON. Mr. President, this legislation is a simple authorization for the fiscal year 1979. It would authorize $30 million in contrast to a $40 million authorization approved by the House. The House would have authorized for 3 fiscal years, but the Senate Commerce Committee preferred a 1-year authorization. The Fishery Conservation and Management Act has been very successful since its enactment in 1976. It has resulted in improved harvests of fish in many stocks and has been supported by almost all concerned groups.

Mr. President, in addition to passing this important authorization, I intend to offer an amendment to H.R. 10732, which is substantially the same as S. 3050.

Mr. President, this amendment will address a situation which has recently arisen and which was not originally contemplated by the Congress when it enacted the Fishery Conservation and Management Act of 1976, commonly known as the 200-mile limit law. What has happened is that several foreign fishing interests have proposed to engage in what are called joint ventures with American fishermen.

As most of my colleagues are aware, the Fishery Conservation and Management Act of 1976 created a system to regulate the taking of fish by both American and foreign fishermen within the 200-mile zone contiguous to the United States. It has worked well in that regard, and both American and foreign fleets have operated in the 200-mile zone. American catches of fish have increased, and there is generally a good deal of satisfaction with the way this relatively new law has worked. In fact, I am told that the shipyards that traditionally build fishing boats are so tied up with orders for new boats and refurbishing of the existing fleet that it now takes 2 years to get delivery on a new fishing boat.

While foreign fishing fleets have been operating in the 200-mile zone, it has been in the context of a new regulatory scheme that is designed to promote the sound management of fishing stocks to assure that we do not overfish our resources. In other words, we already have both foreign fishing boats currently operating in the 200-mile zone and we also have foreign processing boats within the 200-mile zone. Recently, however, the Secretary of Commerce has been presented with applications that propose something different than the pattern I have just described. Instead of serving the foreign fishing fleet, these applications would use American fishing boats to operate in conjunction with foreign processing ships.

One of the applications was from a joint venture involving a company in Washington State along with a processing vessel from the Soviet Union which would fish for hake, a bottom fish that traditionally has not been utilized by the American processing industry. This application has been withdrawn and a more ambitious joint venture proposal for bottom fish off Alaska has been substituted in its place. The other application, which has been granted, is from an Alaskan firm in conjunction with a Korean processing ship that will harvest pollock, another bottom fish not traditionally exploited by American processors.

The nature of my concern is that the Commerce Department, along with other relevant administration officials, has concluded that Congress did not grant the National Oceanic and Atmospheric Administration the power to condition the granting of permits to engage in joint ventures on any grounds other than management and conservation of fishery stocks. This means that the Commerce Department does not have the ability to consider in any way the ability of the American processing industry to process these fish. While that may be a moot question at this moment with respect to the two applications I mentioned earlier, the law presently allows the issuance of permits to joint ventures that would utilize fish for which our own processing industry presently has full and adequate fish processing capability. This could be a very serious matter that has the possibility of leading to the elimination of jobs in the United States because of unfair competition by foreign floating processing plants using labor not paid according to U.S. standards.

In fact, even with respect to the kinds of fish that are proposed to be harvested by the recent applications for joint ventures, Hake and Pollock, it is possible that the U.S. processing industry will soon develop adequate processing capability to handle the amount of fish that can be harvested by the American fishing fleet.

In order to grant the power to the Secretary of Commerce and the National Oceanic and Atmospheric Administration to consider not only the adequate management and conservation of the various stocks of fish but also the effects of joint ventures on the American processing industry, I introduced, along with Senators STEVENS, JACKSON, HATFIELD, and WEICKER, S. 3050 on May 9. This bill would permit applications for joint ventures to be granted except when our own processing capability either is or will be adequate, during the period for which the application is made, for processing the fish harvested from the fishery involved.

The intent of this legislation is to both give our fishermen an opportunity to fish the kinds of fish that American processors have historically not been very interested in and at the same time to assure that, when the American processing industry does develop adequate capability to process a particular species, they will not face the threat of being wiped out by foreign floating factories. I believe it is a good compromise between the needs of the fishermen and the needs of the processing industry.

We have held extensive hearings on this issue and have received testimony from the interested parties. Because of the need to grant the Secretary of Commerce this power as soon as possible, I have decided to offer this bill as an amendment to H.R. 10732, the authorization for the Fishery Conservation and Management Act of 1976. The bill, S. 3050, was ordered reported unanimously by the Committee on Commerce, Science, and Transportation on May 23 and the committee approved offering the bill as an amendment to H.R. 10732. These amendments, which have been thoroughly considered, will fill a gap that was foreseen when Congress originally enacted this legislation. They are badly needed, and I urge their approval by my colleagues.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP Amendment 1333) was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal year 1979.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TIME FOR FILING ADDITIONAL AND MINORITY VIEWS TOMORROW—S. 1874

Mr. THURMOND. Mr. President, I ask unanimous consent to file additional and minority views tomorrow on S. 1874, a bill favorably reported by the Committee on the Judiciary. I believe the majority views were filed today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, with regard to the additional and minority views on S. 1874, I move that they be included as part of the official report along with the majority views.

The PRESIDING OFFICER. Without objection, it is so ordered.

WOFFORD B. CAMP

Mr. THURMOND. Mr. President, an outstanding American, Mr. Wofford B. Camp, was recently honored by the Horatio Alger Committee at a banquet in New York City.

A preeminent agricultural expert, Mr. Camp was instrumental in introducing cotton into California and helping make it one of the leading crops in the State. Through his innovative work, he bolstered the economy of California and the Nation, and advanced agriculture throughout the world.

An able farmer and businessman, Mr. Camp started a farm in California which blossomed into a large diversified enterprise operating in three States and growing, processing, and marketing 16 major crops.

Wofford B. Camp is a great American. He achieved the American dream to which many aspire but few attain. His hard work, intelligent efforts, and dedication to his country have made a stamp on society that will long be remembered. His selfless devotion to public affairs and his life of service could well be emulated by us all.

Mr. President, in order to share with my colleagues various newspaper articles and editorials from newspapers in South Carolina and California concerning Mr. Camp, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) State, May 12, 1978]

BILL CAMP'S LAURELS HONOR SOUTH CAROLINA

The name, Horatio Alger, conjures up the "rags to riches" image of the hard-working American lad who, through effort and determination, overcomes hardship and rises to a position of affluence and influence.

Alger himself achieved lasting fame by writing more than 100 books on that theme—with sales of the "Ragged Dick" and "Tattered Tom" series combining to push sales into the millions of copies during the latter half of the 19th Century. The books are not the rage today that they were a century ago, but the name of Horatio Alger still evokes the self-improvement concept so much a part of the American dream.

As evidence of its lasting nature, the Horatio Alger Committee—consisting of business and industrial leaders across the nation—annually presents awards to Americans whose life stories reflect the Alger attitude. This year, a native South Carolinian is among those to be so honored at Monday evening ceremonies at New York's Waldorf Astoria hotel.

The recipient is to be Wofford B. "Bill" Camp, who rose from humble beginnings as a Cherokee county farm boy to become one of the nation's preeminent figures in agriculture and public affairs. Now resident in Bakersfield, Calif., but with continuing personal, business, and civic interests in South Carolina, Mr. Camp will share laurels with 13 other Americans selected from wide and varied backgrounds.

Among other recipients will be Hank Aaron, professional baseball player; George Shearing, the blind pianist; Mary Kay Ash, of cosmetic fame, and Willie Shoemaker, heralded as the nation's "winningest" jockey.

The Camp citation, a thumbnail sketch of the South Carolinan's life and works, reads as follows:

"Born on a farm in Cherokee County, South Carolina, Bill won first prize for being state champion cotton picker. By the time he had finished grammar school, Bill had saved $100, earned largely by plowing cotton and corn fields with his pet bull at 40 cents a day. Without a high school diploma Camp won a scholarship to Clemson College and graduated with a major in agronomy. He was then sent to California by the U.S. Dept. of Agriculture to develop a reliable source of long staple cotton so badly needed by the Air Corps to cover the wings of the newly emerging flying machines. Camp found that the San Joaquin Valley of California was the best place to grow cotton and today is considered the "Father of Cotton" in California. In 1936, Camp began his own farming operations on desert land and soon built a very large and diversified farming enterprise, W. B. Camp & Sons, Inc., which today grows, processes and markets 16 major crops with farming operations in South Carolina and Washington as well as California.

The Horatio Alger award is not the only national recognition being accorded Mr. Camp at this particular time. The new headquarters building of the National Right to Work Committee, being constructed in Virginia, will be named in his honor. As a longtime director of that organization, Mr. Camp has in the words of the committee itself, "spent much of his life fighting for the freedom of the individual—one of the basic values of our country."

The State, which has observed and applauded Bill Camp's numerous contributions to his native state of South Carolina, his adopted state of California, and the country at large, joins the Horatio Alger Committee and the National Right to Work Committee in recognizing a life based on those traditional American values of hard work, thrift, a sense of family, belief in God, and devotion to liberty.

[From the Bakersfield (Calif.) Californian, Apr. 28, 1978]

RAGS TO RICHES DOESN'T SHAKE HIS CHARACTER

The honor that will come to Wofford B. Camp on May 15 in New York perhaps explains best all the others the 82-year-old Kern County farmer has received.

He will be given an Horatio Alger Award by Dr. Norman Vincent Peale in the Grand Ballroom of the Waldorf Astoria Hotel.

That's a long way from Cherokee County, S.C., where young "Bill" Camp picked cotton and, with his pet bull, plowed fields at 40 cents a day.

How does Camp feel about being tapped for the "rags-to-riches" award?

"It isn't something I could get out and talk about," he said, adding, "I shall never feel any different than when I was picking cotton. I worked hard and I still do. My dad left me at 99 and I expect to keep up with him."

Camp first came to the San Joaquin Valley in 1917, shortly after graduation from Clemson College. Although he lacked a high school diploma, he passed the entrance examination and won a $100 scholarship. To make it through college, he worked at a variety of jobs averaging 15 cents an hour.

Sent here by the U.S. Department of Agriculture to develop cotton as a crop in the West, he started the Shafter experimental station. He was instrumental in establishing the one variety (Acala) cotton law in California, later was a director of the agricultural committee of the U.S. Chamber of Commerce and has gained an international reputation in his field.

But 60 years ago, cotton was considered a "poverty" crop by most California agronomists, Camp said. They thought it was neither possible nor feasible to grow cotton here.

"The war was just around the corner," Camp said, explaining the Air Corps needed a reliable source of long staple cotton for covering the wings of aircraft. "The boll weevil had ruined all the cotton in my part of the country."

Camp said he planted 32 varieties in the San Joaquin and Sacramento valleys, on the California coast and in New Mexico. But many experts predicted even if cotton could be grown in the West, there was no labor force willing to harvest the crop.

"I told them," Camp said, "in my part of the country, everybody picks cotton. When you've got to work for a living, you've got to do it."

He recalls he received a warm welcome in Bakersfield from the late Henry A. Jastro, then superintendent of Kern County Land Co.

Jastro, Camp said, called together farmers and businessmen and said to them, "I want you people to help (Camp) in every way you can—land, water, teams, everything. Help him!"

In 1936, Camp founded W. B. Camp & Sons Inc. Today, the diversified enterprise grows, processes and markets 16 major crops and has farming operations in South Carolina, Washington and California.

He thinks it's still possible for young people today to repeat his kind of success, citing higher wages and the availability of jobs in farming.

"They can make it if they're good managers," he said, "and they have to be."

Camp said he does not think of himself as coming from a "poor" background.

"I was raised in a wealthy family—not a rich family but a wealthy one in the arts of independent living. My mother made all the threads, all the cloth, all our clothing. There were eight children but we were never in poverty."

Camp said his wife Louise will accompany him to New York. Arthur Rubloff, nationally known real estate developer, is chairman of the banquet.

The farmer will be honored along with 14 other men and women for whom "the American dream has come true."

Also in the Alger Class of 1978 are Hank Aaron of the Atlanta Braves, Mary Kay Ash (Mary Kay Cosmetics Inc.), and pianist George Shearing.

[From the Bakersfield (Calif.) Californian, May 14, 1978]

THE "RAGS TO RICHES" AWARD

How does it feel to be tapped for the "rags to riches" award?

Wofford B. Camp says he was never poor. His parents and the eight children were wealthy—not in the monetary sense—but rich in family love and blessed in the arts of independent living in their South Carolina homeland.

W. B. "Bill" Camp will be in New York tomorrow to accept the Horatio Alger Award, presented by Dr. Norman Vincent Peale in the Grand Ballroom of the Waldorf Astoria Hotel.

When he returns to his Bakersfield home, the 82-year-old farmer can place that award alongside one given him a few years earlier at ceremonies in Chicago. It was the Eli Whitney Award, an honor bestowed by the Free Enterprise Hall of Fame. They are among numerous national recognitions he has received—in agriculture, public service, and humanitarianism. He and his wife, Louise, who will be at his side at the Monday ceremonies, have played prominent roles in the Freedom Foundation.

Camp, as a youngster, picked cotton and plowed fields at 40 cents an hour in his Cherokee County homeland. He came to the San Joaquin Valley in 1917 after working his way through Clemson College.

He is recognized throughout the country as the "Father of Cotton" in California. He organized and developed the Department of Agriculture experimental farm at Shafter. While at the Shafter station, he introduced Acala cotton to California and was responsible for the unique California law that forbids growers to plant any other variety. It was the introduction of the Acala strain that raised this state's cotton crop to international importance.

In 1936, he founded W. B. Camp & Sons Inc. Today, the diversified enterprise grows, processes and markets 16 major crops and has farming operations in California, South Carolina and Washington.

Mrs. Camp and a host of friends here and in South Carolina will be on hand when he accepts his award in New York. The Bakersfield farmer will be honored along with 14 other men and women of national prominence for whom "the American dream has come true."

Our congratulations to Mr. Camp. It's recognition most deserving.

[From the Gaffney (S.C.) Ledger, May 19, 1978]

IT ALL BEGAN IN CHEROKEE

Perhaps it was an omen that success remained inevitable when nine-year-old Bill Camp won a prize for picking one hundred pounds of cotton.

Today, some 73 years later, Wofford B. (Bill) Camp is known as the "Father of Cotton" in California.

The rags-to-riches success story of Cherokee County's native son is well known, but from his outward appearance and his inward reactions, you would think he was still walking barefoot through the green pastures near his boyhood home in Cherokee.

Although most of his recorded achievements have been on the west coast, his heart remains in the red hills of South Carolina. Here he went to 'Possum Trot School, plowed his pet bull to earn a few cents a day, and graduated from Clemson College, working at 15 cents an hour to pay his way.

In New York City to receive the coveted Horatio Alger Award, Bill Camp and his wife, Louise, their children and friends, gathered for a pre-presentation dinner. It was here that the theme of the gathering turned to South Carolina and that area "Just A Little Bit South of North Carolina." The Camp couple, with pride in California, displayed their heart's longing and deep devotion for the area where it all began.

Bill Camp's story is a success story for this county. He has never forgotten where it all started and he recalls those early days with fond recollection. For the Camp family there are still those close ties here, therefore, a deep concern for the preservation of the past, the progress of the present, and the prosperity of the future.

Although his many achievements in agriculture and in various business ventures are known, there are a great many things which remain unknown about this man. Scores of young people owe their education to Bill and Louise Camp. Many who have struggled along to obtain a hold on the future, have found a friend in the warm hearts of this family. There are still those who find their future enhanced by the couple.

In New York, prior to the award ceremonies, the Camps took time out to discuss the future with several of the more than 100 youngsters who attended. Bill Camp shared his confidence in the free enterprise system with these young people and issued a challenge to them. He said that much remained to be done and put down the idea that there was "nothing left to do" in offering something to mankind and in achieving personal success. He gave a single example: "Find an economical way to turn the waters of the oceans and the seas into fresh, potable water." Instant success, especially financially, and an outstanding contribution to mankind would be the immediate benefits, he added.

The Bill Camp story, like the 13 others of those who received the Horatio Alger Award Monday night, is the true chronicle of the American Dream and a strong testimonial to the fact that opportunity still knocks.

The success of the native Cherokean cast a bright glow of promise for achievement upon his own life, but more than that, it is further proof to our own young people that Cherokee County, yesterday and today, has something to offer those who are willing to make an earnest start with what they already possess.

The Ledger adds its congratulations to W. B. Camp, our own Horatio Alger recipient.

[From the Gaffney (S.C.) Ledger, May 17, 1978]

"BILL" CAMP ACCEPTS COVETED ALGER AWARD

(By Bill R. Gibbons)

NEW YORK, N.Y.—Wofford B. Camp, who seems unmoved by anything said about his achievements, was the same humble farm boy when he accepted the coveted Horatio Alger Award Monday night.

"Bill" Camp accepted the award from Dr. Norman Vincent Peale, whose church he attended as a special guest Sunday, and revealed his gratitude for having been so honored, but indicated he was undeserving.

Standing amid others who have made the "rags-to-riches" trip, Camp said this award nor anything else could not change the way he feels. "I shall never feel any different than when I was picking cotton. I worked hard and I still do. My dad left me at 99 and I expect to keep up with him."

To the more than 100 young people, including those who claimed top honors in Junior Achievement Camp, he issued a challenge and a bit of advice. He urged them to seek higher goals in promoting free enterprise and advised them to disregard the word "can't."

"They told us we couldn't grow cotton in California," Camp told the 1,000 persons in attendance, "but today California is the largest cotton producing state in the nation."

It's a long way from Cherokee County, where "Bill" picked cotton, and with his pet bull, plowed fields at 40 cents a day. The Grand Ballroom of the Waldorf Astoria Hotel was not a place one would think of finding a small county, Southern farmboy. Yet, at 82, this young-in-heart, farmer-businessman was being honored by and with some of this nation's most outstanding citizens—people who have realized the truth in the "American Dream" and how it can and has worked.

Camp's home is in Bakersfield, Calif., but his heart remains here in his native Cherokee County, in and around the "Possum Trot School and Camp's Crossroads, where he worked and played and studied as a young barefoot country boy.

He came to the San Joaquin Valley in 1917, shortly after graduation from Clemson College. Although he lacked a high school diploma, he passed the entrance exam and won a $100 scholarship. With this and the money he had saved, Camp entered Clemson. While in school he worked at a variety of jobs averaging 15 cents an hour.

Sent to California by the U.S. Department of Agriculture to develop cotton as a crop in the West, he started the Shafter experimental station. He was instrumental in establishing the one-variety (Acala) cotton law in California, later was a director of the agricultural committee of the U.S. Chamber of Commerce and has gained an international reputation in his field.

But 60 years ago, cotton was considered a "poverty crop" by most Californian agronomists. They thought it was neither possible nor feasible to grow cotton on the West Coast.

In the South the boll weevil was wrecking the cotton crop and the U.S. Air Force was seeking long stapled cotton for covering the wings of aircraft. With the war just around the corner, this became a very vital need for the Air Crops.

Camp said he planted 32 varieties in the San Joaquin and Sacramento Valleys, on the California coast and in New Mexico. But many experts predicted even if cotton could be grown in the West, there was no labor force willing to harvest the crop.

"I told them," Camp said, "in my part of the country, everybody picks cotton. When you've got to work for a living, you've got to do it."

The people of Kern County responded and the rest is history. California and Western cotton became a part of the American success story, a story written by "Bill" Camp from a little county in South Carolina.

In 1936, Camp founded W. B. Camp & Sons, Inc. Today, the diversified enterprise grows, processes and markets 16 major crops and has farming operations in South Carolina (including Cherokee County), Washington and California.

Is it still possible for young people to repeat the "Bill" Camp kind of success?

Citing higher wages and the availability of jobs in farming, he says, "They can make it if they're good managers, and they have to be."

Poor?

"Never was," he told the Horato Alger audience.

"I was raised in a wealthy family—not a rich family but a wealthy one, in the arts of independent living. My mother made all the threads, all the cloth, all our clothing. There were eight childern but we were never in poverty.

His love for family and his native county, brings him back home often. He also makes trips here with his wife, Louise, who is chairman of the Board of Trustees of Limestone College. Both "Bill" and Louise have a tender affection for the young people and a special love for Limestone.

In the "cheering section" of the awards banquet for "Bill" Camp were relatives and friends from across the nation. His family, his friends and those who have benefitted from his contributions, were there to wish him well.

So, this farmer from little Cherokee County, standing on the stage of the Grand Ballroom with 14 other men and women for whom the "American Dream" has come true, accepted his honor with humility, which is the "Bill" Camp style.

Hank Aaron of the Atlanta Braves, Mary Kay Ash of Mary Kay Cosmetic Inc., pianist and composer George Shearing, jockey Willie

Shoemaker and others shared with "Bill" Camp the crowning recognition of the realization of a dream and accepted their awards from Dr. Peale. They all agreed on one basic fact: it can only happen in America.

[From the Gaffney (S.C.) Ledger, May 19, 1974]

OPPORTUNITY STILL KNOCKS

(By Bill R. Gibbons)

NEW YORK, N.Y.—The results of individual initiative, hard work, honesty and adherence to traditional ideals exemplifies the American way.

With this as a basis for selection, 14 men and women accepted the coveted Horatio Alger Award here Monday night. The Class of '78 included W. B. Camp of Bakersfield, Calif., and Cherokee County, S.C.

Thirty-one years ago, Dr. Kenneth J. Beebe of the American Schools and Colleges Association founded the award.

Concerned with the trend among young people towards the mind-poisoning belief that equal opportunity was a thing of the past, he developed a new approach to the problem. Selecting living individuals who have pulled themselves up by their bootstraps in the American tradition, he found living proof that the American way of achieving success still offers equal opportunity to all.

The man for whom the award is named was an honor student at Harvard, an editor, a poet, a minister and a teacher. Today his stories are creating a new interest and popularity for even as he rose from humble beginnings, his variations are on familiar and popular themes. His constant moral states that any spunky lad can whip the town bully, that he can rise from newsboy to banker, from farm boy to senator, from rail splitter to the President of the United States.

Today, Alger's name is a part of our language. A colloquialism. It's a synonym for spectacular rise to fame and success. A "typical Alger hero" is that uniquely American phenomenon of one who started from scratch and, generally against great odds, reached the top rung of the ladder.

Those 12 men and two women who were classified as 1978 Alger heroes, and honored Monday night, fit the mold of the award's namesake.

Henry "Hank" Aaron, one of eight children from a struggling Alabama family, who worked as an ice boy, yard worker, brick mason's helper, said, "Someday I'll make the big leagues." A black man with little more than great talent and determination might have been thought to be daydreaming. He wasn't.

George Shearing was born blind, one of nine children. While he had not been provided with sight, he was compensated by an exceptional ear. He would toss a glass into the air and listen to the sound of it breaking to develop that ear. He is pianist, arranger and composer and an exceptional jazz musician.

William L. Shoemaker would have died at birth except for a crude shoe box incubator made by his grandmother. His father worked in a cotton mill and paid the bills. The two and one-half pound, premature youngster lived, developed an unusual love for horses, worked as a stableboy and anything else just to be near horses. Millions of dollars richer and 7,200 winners behind him, the winningest jockey said, "Encouragement was the turning point, it was important that somebody had confidence in me."

Joseph Solomon was too poor to finish elementary school but he rose to prominence as a leading lawyer. He had no college degree, but, as a law clerk for one year, he was able to pass the exam and become a member of the New York Bar. He had served many years as a messenger for the law firm. Today, he is an attorney of great renown and the senior partner of Lehman, Rohrlich and Solomon in New York.

The other classes, from 1947 until the present, all have similar stories which can happen "Only in America." These Alger heroes will be the first to defend the statement that "opportunity still knocks" even today.

Mary Kay Ash, with an invalid father to take care of while her mother worked, finally finished school and married, only to see her own family shaken by divorce, no money and three children to support. From a Stanley Home Products saleswoman she parlayed grit, determination and knowhow into the Mary Kay Cosmetics Inc. Last year the firm's net sales were $47.9 million. "If you think you can, you can. If you think you can't, you're right," she said.

Anthony Athanas, an Albanian immigrant, was a shoeshine boy, newspaperboy, and later restaurant employee. Today he is chief executive officer of Anthony's Pier 4 restaurant. "Do it better, there is room for improvement, motivate yourself, set an example of being a fine human being," is his philosophy.

Wofford B. Camp, the Cherokee County native, whose story is familiar to South Carolinians especially, won a prize for picking cotton at the age of nine and today Californians call him their "Father of Cotton."

Mary C. Crowley, was born on April Fool's Day and it was downhill from that day. Her mother died when she was 18 months old, after living for awhile with grandparents, her father remarried and a cruel stepmother made her life most miserable. However, today she is founder and president of Home Interiors and Gifts, Inc., her motto for living is: "God never takes time to make a nobody."

Gilbert R. Ellis pumped gas, scrubbed floors and waited tables to keep his family together after his father died, and to continue his education. His first full-time job was in a branch office of Household Finance Corporation. Today, he is chairman of the Board of HFC.

Clarence C. Finley was 11 years old when his father abandoned his mother and six children. He delivered the Chicago Tribune to earn money and be able to attend school too. His first job was a $12-a-week file clerk, but today he is Corporate Group vice president of Burlington Industries Inc. "You've got to continue to take that extra step," he says.

Michael T. Halbouty sold newspapers and assisted his parents in a small grocery store before becoming fascinated with the earth and the secrets it held. He borrowed $50 from the college president to enter Texas A&M. Today, he is consulting geologist and petroleum engineer, independent producer and operator. The waterboy in an oil field in his early days received the NASA award for unlocking the secrets of the earth.

Louis W. Menk, with his family buried deeply in debt by an accident which left two members of the family badly burned, began work as a railroad messenger. Today he is head of the largest single system of railroads in the country. He is chairman of the board and chief executive officer of Burlington Northern Inc.

Wallace N. Rasmussen often went without food or shoes, doing an odd job for almost anything. He remembers when the family "enjoyed" black-eyed peas for breakfast, lunch and dinner. He worked four months once for $10. "I was determined that if I ever got this job, I'd never let it go." It paid 30 cents an hour and was with Beatrice Foods. Today, he is chief executive officer of that company which employs more than 80,000 people and has sales exceeding $6 billion.

Samuel Rosen, from a poor Jewish family, worked and scraped his way through medical school, a fete no one ever thought possible. However, the Emeritus Clinical Professor of Otolaryngology of Mount Sinai School of Medicine in New York, made the long trek, "Man can find meaning in life."

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MUSKIE, Senate Resolution 471 has been reported without amendment from the Committee on the Budget, and I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 471) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 3082, was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 3082, a bill to amend the North Pacific Fisheries Act of 1954. Such waiver is necessary because the Japanese salmon fishing season begins June 9, 1978, at which time there will be no governing legal mechanism to implement the terms of the recently negotiated 1978 Protocol Amending the International Convention for the High Seas Fisheries of the North Pacific Ocean unless S. 3082 is enacted into law. The bill implements this protocol by amending the North Pacific Fisheries Act of 1954. It would provide substantially increased protection for United States salmon stocks that would otherwise be subject to fishing by the Japanese high seas fleet and authorizes to be appropriated $1,000,000 for fiscal year 1979 and such sums as may be necessary for fiscal year 1980 in order to carry out the provisions of the bill relating to research of marine mammals in the North Pacific area. In addition, the bill authorizes to be appropriated $500,000 to the Secretary of Commerce for the three-year period beginning October 1, 1978, and ending September 30, 1981, to carry out a sonar salmon research demonstration project in the Arctic-Yokon-Kuskokwim region. Because the implementing legislation was not transmitted to the Congress until May 9, there was not adequate opportunity to act on the bill prior to May 15. The matters contained in S. 3082, as reported, relating to the cost of the implementation of the 1978 protocol, were anticipated by the Committee on Commerce, Science, and Transportation in its March 15, 1978, report to the Committee on the Budget.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF NORTH PACIFIC FISHERIES ACT OF 1954

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent now that the Senate proceed to the consideration of Calendar Order 864, for which the budget resolution has just been passed.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

Calendar Order 864 (H.R. 12637) an act to amend the North Pacific Fisheries Act of 1954.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill.

Mr. STEVENS. Mr. President, this is a bill that is identical to Calendar 860 (S. 3082) to which the budget waiver applies. It is my understanding that H.R. 12637 is now before the Senate for consideration. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, this bill implements the recently negotiated Protocol to the International North Pacific Fisheries Convention. This bill provides substantially greater protection to U.S. origin salmon from the Japanese high seas salmon fishing fleet. The bill also provides an authorization for 1979, 1980, and 1981 to implement this newly negotiated agreement. Because the salmon fishing season has already begun, I urge the prompt approval of this legislation so that the United States can benefit from the new provisions of the convention.

UP AMENDMENT NO. 1334

Mr. President, in addition to passing this important legislation, I intend to offer an amendment to H.R. 12637. I send my amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1334.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) Page 3, beginning on line 13, strike out "at State (other than Alaska) the residents of which maintain a substantial fishery in the Convention area." and insert in lieu thereof "the State of Washington.".

(2) Page 8, beginning on line 7, strike out "catching or processing anadromous species pursuant to the Convention" and insert in lieu thereof "fishing for or processing anadromous species".

(3) Page 10, line 4, strike out "or"; line 5, strike out "(5)" and insert in lieu thereof "(6)"; and immediately after line 4 insert the following:

"(5) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any fish taken or retained in violation of the Convention or this Act or any regulation adopted or permit issued under this Act;".

(4) Page 15, beginning on line 15, strike out "sonar censusing of salmon in fresh water streams" and insert in lieu thereof "a sonar censusing project in the Arctic-Yukon-Kuskokwim region".

(5) Page 16, line 11, immediately after "issued" insert "shall comply with any regulations adopted under section 14(a) of this Act and".

(6) Page 17, line 15, immediately after "to," insert "(A)"; and on line 18, immediately after "mammals" insert "and (B) in conformity with the provisions of the Convention, adoption of regulations governing the incidental taking of marine mammals by Japanese fishing vessels within the fishery conservation zone of the United States, including improvisions for the collection of biological material and data on all marine mammals incidentally taken within the fishery conservation zone of the United States and the use of such gear and fishing techniques to reduce or eliminate such incidental taking as are determined to be feasible, based upon the results of the research program conducted pursuant to the Convention and this Act".

(7) Page 19, line 5, immediately after "activities." insert "The report shall detail the steps taken by both nations to implement the Convention, the results of all research and statistical reporting and analysis carried out pursuant to the Convention and a description of all enforcement activities and their disposition. The report shall include an analysis of salmon harvesting and research, estimates of the magnitude of incidental taking of Dall porpoise (Phocoenoides dalli) by Japanese fishing vessels, estimates, as possible, of the abundance, distribution, recruitment rates, status, trends, and impacts of incidental taking upon the optimum sustainable populations of Dall porpoises, and any proposals for adoption of fishing gear or techniques designed to reduce or eliminate such incidental taking. If available information is inadequate to provide the basis for such estimates or proposals, the report shall include an indication of what research efforts are needed to provide the requisite information.".

(8) Page 19, strike out line 15, and insert in lieu thereof the following:

SEC. 2. This Act, including the amendments made by this Act, shall take effect on the date of enactment of this Act, except the amendments made by paragraph (10) of the first section of this Act shall take effect on October 1, 1978.

Mr. STEVENS. Mr. President, these changes represent minor changes in the House bill in order to reflect certain provisions in S. 3082, the complementary Senate bill to implement the newly negotiated North Pacific Fisheries Convention. S. 3082 was introduced on request of the White House and was reported favorably by the Committee on Commerce, Science, and Transportation on May 23.

First, in both Senate and House bills, the U.S. Commission is composed of four commissioners, including one Federal appointee, and two residents of the State of Alaska. The first change my amendment would make is to designate the fourth commissioner as a resident of the State of Washington, as was done in S. 3082. The House bill presently provides that the fourth commissioner is to be a resident of a State—other than Alaska—the residents of which maintain a substantial fishery in the area.

The second change to H.R. 12637 is to provide that enforcement officers may board any fishing vessel of Canada or Japan fishing for or processing anadromous species in the convention area outside the U.S. fishery conservation zone. This provision is consistent with the terms of the new convention. The House bill's provision is somewhat ambiguous as it states that officers may board any such vessel catching (rather than fishing for) such species pursuant to the convention.

The third change is to insert in section 7 of H.R. 12637 the provision from the Senate bill making it a prohibited act to "ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any fish taken or retained in violation of the convention of this act or any regulation or permit referred to" in this act.

The fourth change is a technical change in the House bill provision authorizing funds for a sonar salmon censusing project in the Arctic-Yukon-Kerskokwim region of Alaska, a provision which exists in both the House and Senate versions of the bill.

The fifth change is to mandate that in each permit issued to a Canadian or Japanese fishing vessel to fish in our fishery conservation zone, there be a requirement that the vessel will comply with the implementing regulations issued under this act governing marine mammals, salmon, and other matters under the convention.

The sixth change is to specify that regulations should be issued, in conformity with the convention, to govern the incidental taking of and research on marine mammals. This provision is identical to the provision in the Senate bill.

The seventh change is to add detailed guidance to the Secretary of Commerce's required annual report. These guidelines are the same as those included in S. 3082.

Finally, the House bill provides that the act shall not take effect until October 1, 1978. My amendment would change this to provide that the act, other than section 10, will take effect immediately. Mr. President, the salmon fishing season under this new convention began already on June 9. It is imperative that this legislation take effect immediately so as to implement this new convention which provides substantially greater protection to U.S. salmon from foreign fishing fleets.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12637) was read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

"An Act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal year 1979, to provide for the regulation of foreign fish processing vessels in the fishery conservation zone, and for other purposes.".

Mr. STEVENS. Mr. President, I ask unanimous consent that the text of the bill, as amended by my amendment, be printed in the RECORD.

There being no objection, the bill, as amended, was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the North Pacific Fisheries Act of 1954 (16 U.S.C. 1021 et seq.) is amended as follows:

(1) Section 2 is amended—

(A) by amending subsection (a) to read as follows:

"(a) 'Convention' means the International Convention for the High Seas Fisheries of the North Pacific Ocean with a protocol and annex relating thereto signed at Tokyo, May 9, 1952, as amended by the Protocol Amending the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, April 25, 1978."; and

(B) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) 'Fishery conservation zone' means the fishery conservation zone of the United States established by section 101 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 et seq.).

"(f) 'Fishing vessel' means—

"(1) any vessel engaged in catching fish within the Convention area or in processing or transporting fish loaded in the Convention area

"(2) any vessel outfitted to engage in any activity described in paragraph (1); or

"(3) any vessel in normal support of any vessel described in paragraph (1) or (2).

"(g) 'Permit' means a permit issued by the Secretary of State in cooperation with the Secretary under section 13 of this Act.

"(h) 'Secretary' means the Secretary of Commerce.".

(2)(A) Section 3(a) is amended to read as follows:

"SEC. 3. (a) The United States shall be represented on the Commission by not more than four United States Commissioners to be appointed by the President and serve at his pleasure. Each United States Commissioner shall be appointed for a term of office of not to exceed four years, but is eligible for reappointment. Any United States Commissioner may be appointed for a term of less than four years if such appointment is necessary to insure that the terms of office of not more than one Commissioner will expire in any one year. Of the Commissioners, who shall receive no compensation for their services as Commissioners—

"(1) one shall be an official of the United States Government;

"(2) two shall be residents of the State of Alaska; and

"(3) one shall be a resident of the State of Washington.

An individual is not eligible for appointment under paragraph (2) or (3) as a Commissioner unless the individual is knowledgeable or experienced concerning the fisheries covered by the Convention.".

(B) The amendment made by paragraph (A) shall take effect on the sixtieth day after the date of the enactment of this Act.

(3) Section 4 is amended—

(A) by amending subsection (a) to read as follows:

"SEC. 4. (a) The United States Section shall appoint an advisory committee of not less than six and not more than twenty-one members and shall fix the terms of office thereof. The members shall be appointed from among—

"(1) individuals who are knowledgeable or experienced with respect to the fisheries covered by the Convention; and

"(2) officers and employees of the fishery agencies of States the residents of which maintain a substantial fishery in the Convention area;

except that two-thirds of the membership of the committee shall consist of individuals, appointed under paragraphs (1) and (2), who are residents of Alaska."; and

(B) by amending the second sentence of subsection (d) to read as follows:

"On approval by the United States Section, not more than five members of the committee, designated by the committee, shall be paid for transportation expenses and per diem incident to attendance at meetings of the Commission or the United States Section; except that in the case in which—

"(1) one member is so designated, such member shall be from among the members those representing Alaska.".

"(2) two or three members are so designated, two members shall be from among those representing Alaska; and

"(3) four or five members are so designated, three members shall be from among those representing Alaska.".

(4) Section 6 is amended to read as follows:

"SEC. 6. The Secretary of State, with the concurrence of the Secretary, may accept or reject, on behalf of the United States, recommendations made by the Commission in accordance with article III, section 1 of the Convention.".

(5) Section 7 is amended to read as follows:

"SEC. 7. (a) The Secretary shall administer and, except to the extent otherwise provided for in this Act, enforce the provisions of the Convention, this Act, and regulations issued under this Act.

"(b) In carrying out such functions, the Secretary—

"(1) shall, in consultation with the Secretary of the department in which the Coast Guard is operating and the United States Section, adopt such regulations as may be necessary to carry out the purposes and objectives of the Convention and this Act; and

"(2) may, with the concurrence of the Secretary of State, cooperate with the duly authorized officials of the government of any party to the Convention.

"(c) The Secretary may adopt regulations which apply only to stocks of fish in the Convention area north of the parallel of north latitude of 48 degrees and 30 minutes, but such regulations shall not apply in the Convention area south of the 49th parallel or north latitude with respect to sockeye salmon (Oncorhynchus nerka) or pink salmon (Oncorhynchus gorbuscha).".

(6) Section 9 is amended to read as follows:

"SEC. 9. (a) This Act shall be enforced by the Secretary and the Secretary of the department in which the Coast Guard is operating. Such Secretaries may by agreement utilize, on a reimbursable basis or otherwise, the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal agency, including all elements of the Department of Defense, and of any State agency, in the performance of such duties. Such Secretaries shall, and the head of any Federal or State agency which has entered into an agreement with either such Secretary under the preceding sentence may (if the agreement so provides), authorize officers (hereinafter in this Act referred to as 'enforcement officers') to enforce the provisions of the Convention, this Act, and regulations adopted and permits issued under this Act: *Provided*, That any such agreement or contract entered into pursuant to this section shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) Enforcement officers may, within the fishery conservation zone—

"(1) with or without a warrant or other process—

"(A) arrest any person, if he has reasonable cause to believe that such person has committed an act prohibited by section 10;

"(B) board, and search or inspect, any fishing vessel which is subject to the provisions of the Convention and this Act;

"(C) seize any fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo) used or employed in, or with respect to which it reasonably appears that such vessel was used or employed in, the violation of any provision of the Convention, this Act, or any regulation adopted or permit issued under this Act;

"(D) seize any fish (wherever found) taken or retained in violation of any provision referred to in subparagraph (C); and

"(E) seize any other evidence related to any violation of any provision referred to in subparagraph (C);

"(2) execute any warrant or other process issued by any court of competent jurisdiction; and

"(3) exercise any other lawful authority.

"(c) The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under the provisions of this Act.

"(d)(1) Enforcement officers may in the Convention area outside the fishery conservation zone and similar zones of Canada and Japan—

"(A) board any fishing vessel of Canada or Japan fishing for or processing anadromous species and, without warrant or process, inspect equipment, logs, documents, catch, and other articles, and question persons, on board the vessel for the purpose of carrying out the provisions of the Convention, this Act, or any regulation adopted or permit issued under this Act; and

"(B) if any such vessel or person on board is actually engaged in operations in violation of any such provision, or there is reasonable ground to believe any person or vessel was obviously so engaged before the boarding of such vessel by the enforcement officer, detain such vessel or person and further investigate the circumstances if necessary.

If an enforcement officer, after boarding and investigation, has reasonable cause to believe that any such fishing vessel or person engaged in operations in violation of any provision referred to in paragraph (A), the officer shall further detain the vessel or person and deliver the vessel or person as promptly as practicable to the authorized officials of the appropriate nation.

"(2) When requested by the appropriate authorities of Canada or Japan, as the case may be, an enforcement officer may be directed to attend as a witness, and to produce such available records and files or duly certified copies thereof as may be necessary, for the prosecution in Canada or Japan of any violation of the provisions of the Convention or any Canadian or Japanese law relating to the enforcement thereof.

(7) Section 10 is amended to read as follows:

"SEC. 10. It is unlawful for any person subject to the jurisdiction of the United States—

"(1) to violate any provision of the Convention, this Act, or any regulation adopted or permit issued under this Act;

"(2) to refuse to permit any enforcement officer to board a fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of the Convention, this Act, or any regulation or permit referred to in paragraph (1);

"(3) to forcibly assault, resist, oppose, impede, intimidate, or interfere with any enforcement officer in the conduct of any search or inspection described in paragraph (2);

"(4) to resist a lawful arrest or detention for any act prohibited by this section;

"(5) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any fish taken or retained in violation of the Convention or this Act or any regulation adopted or permit issued under this Act;

"(6) to interfere with, delay, or prevent, by any means, the apprehension, arrest, or detention of another person, knowing that such person has committed any act prohibited by this section.".

(8) Section 11 is amended to read as follows:

"SEC. 11. (a)(1) Any person who is found by the Secretary, after notice and opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 10 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary, or his designee, by written notice. In determining the amount of such penalty the Secretary shall, into account the nature, circumstance, extent, and gravity of the prohibited acts committed and, with respect to the violation, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

"(2) Any person against whom a civil penalty is assessed under paragraph (1) may obtain review thereof in the appropriate court of the United States by filing a notice of appeal in such court within thirty days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, as provided in section 2112 and 28, United States Code. The findings and order of the Secretary shall be set aside of such court if they are found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

"(3) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

"(4) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

"(b)(1) A person is guilty of an offense if he commits any act prohibited by section 10 (1), (3), (4), or (5).

"(2) Any offense described in subsection paragraph (1) is punishable by a fine of not more than $50,000, or imprisonment for not more than six months, or both; except that if in the commission of any offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any officer authorized to enforce the provisions of this Act, or places any such officer in fear of imminent bodily injury, the offense is punishable by a fine of not more than $100,000, or imprisonment for not more than ten years, or both.

"(c)(1) Any fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any fish taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by section 10 shall be subject to forfeiture to the United States. All or part of such vessel may, and all such fish shall, be forfeited to the United States pursuant to a civil proceeding under this section.

"(2) Any district court of the United States shall have jurisdiction, upon application by the Attorney General on behalf of the United States, to order any forfeiture authorized under paragraph (1) and any action provided for under paragraph (4).

"(3) If a judgment is entered for the United States in a civil forfeiture proceeding under this section, the Attorney General may seize any property or other interest declared forfeited to the United States, which has not previously been seized pursuant to this Act or for which security has not previously been obtained under subsection (d). The provisions of the customs laws relating to—

"(A) the disposition of forfeited property;

"(B) the proceeds from the sale of forfeited property;

"(C) the remission or mitigation of forfeitures; and

"(D) the compromise of claims,

shall apply to any forfeiture ordered, and to any case in which forfeiture is alleged to be authorized, under this section, unless such provisions are inconsistent with the purposes, policy, and provisions of this Act. The duties and powers imposed upon the Commissioner of Customs or other persons under such provisions shall, with respect to this Act, be performed by officers or other persons designated for such purpose by the Secretary of Commerce.

"(4)(A) Any officer authorized to serve any process in rem which is issued by a court having jurisdiction under section 9(c) shall—

"(i) stay the execution of such process; or

"(ii) discharge any fish seized pursuant to such process;

upon the receipt of a satisfactory bond or other security from any person claiming such property. Such bond or other security shall be conditioned upon such person (I) delivering such property to the appropriate court upon order thereof, without any impairment of its value, or (II) paying the monetary value of such property pursuant to an order of such court. Judgment shall be recoverable on such bond or other security against both the principal and any sureties in the event that any condition thereof is breached, as determined by such court.

"(B) Any fish seized pursuant to this Act may be sold, subject to the approval and direction of the appropriate court, for not less than the fair market value thereof. The proceeds of any such sale shall be deposited with such court pending the disposition of the matter involved.

"(5) For purposes of this section, it shall be a rebuttable presumption that all fish found on board a fishing vessel and which is seized in connection with an act prohibited by section 10 were taken or retained in violation of the Convention and this Act.".

(9) Section 12 is repealed and section 13 is redesignated as section 12.

(10) Section 12 (as redesignated by paragraph (7)) is amended by striking out subsection (b) and inserting in lieu thereof the following:

"(b) Such funds as shall be made available to the Secretary for research and related activities shall be expended to carry out the program of the Commission in accordance with the recommendations of the United States Section and to carry out other research and observer programs established pursuant to the Convention.

"(c) There are authorized to be appropriated to the Secretary, for purposes of carrying out the provisions of section 14, such sums not to exceed $1,000,000 for fiscal year 1979 and for each of the next two fiscal years.

"(d) There are authorized to be appropriated to the Secretary, for purposes of carrying out a sonar censusing project in the Arctic-Yukon-Kuskokwim region of Alaska, not to exceed $500,000 during the period beginning October 1, 1978, and ending September 30, 1981.".

(11) Section 14 is redesignated as section 16.

(12) The following new sections are inserted immediately after section 12 (as redesignated in paragraph (7)):

"SEC. 13. (a) Each Canadian or Japanese fishing vessel which is authorized to fish in the fishery conservation zone pursuant to the Convention shall have on board a registration permit issued under subsection (b).

"(b) The Secretary of State, in cooperation with the Secretary, shall issue annually a registration permit for each Canadian or Japanese fishing vessel which is authorized to fish within the fishery conservation zone pursuant to the Convention. Each such permit shall set forth the terms and conditions contained in the Convention that apply with respect to such operations, and shall include the additional requirement that the owner or operator of the fishing vessel for which the permit is issued shall comply with any regulations adopted under section 14(a) of this Act and shall prominently display such permit in the wheelhouse of such vessel and show it, upon request, to any enforcement officer. The Secretary of State, after consultation with the Secretary and the Secretary of the department in which the Coast Guard is operating, shall prescribe the form and manner in which applications for registration permits may be made, and the forms of such permits. The Secretary of State may establish, require the payment of, and collect fees for registration permits; except that the level of such fees shall not exceed the administrative costs incurred by him in issuing such permits.

"(c) Notwithstanding any other provision of law, Canadian and Japanese fishing vessels authorized to fish for anadromous species outside the fishery conservation zone pursuant to the Convention shall not be required to obtain any permit relating to such species.

"SEC. 14. (a) The Secretary shall take such actions as are necessary and appropriate to assure the full implementation of the provisions of the Convention under which the United States and the Government of Japan have agreed—

"(1) to carry out a marine mammal research program;

"(2) to determine the effect of the salmon fishery on marine mammal populations; and

"(3) to work to reduce or eliminate the taking of marine mammals incidental to fishing operations.

during the research period ending on June 9, 1981. Such actions shall include, but not be limited to, (A) the placement of observers aboard Japanese fishing vessels for purposes of making scientific observations and studies with respect to the incidental taking of marine mammals and (B) in conformity with the provisions of the Convention, adoption of regulations governing the incidental taking of marine mammals by Japanese fishing vessels within the fishery conservation zone of the United States, including improvisions for the collection of biological material and data on all marine mammals incidentally taken within the fishery conservation zone of the United States and the use of such gear and fishing techniques to reduce or eliminate such incidental taking as are determined to be feasible, based upon the results of the research program conducted pursuant to the Convention and this Act.

"(b) During the research period ending on June 9, 1981, the taking of marine mammals incidental to fishing operations by Japanese vessels within the fishery conservation zone shall be regulated in accordance with paragraph 1(c) of the annex to the Convention; except that if the Secretary finds—

"(1) on the basis of the marine mammal research program referred to in subsection (a)(1), that the population of Dall porpoise or any other marine mammal affected by such incidental taking is below optimum sustainable population and is not trending

upward toward such level or is in danger of depletion; or

"(2) that the contemplated research efforts cannot be successfully implemented or that necessary and desirable potential reductions or elimination of incidental taking of marine mammals, although feasible, are not being realized,

the Secretary, acting through the Secretary of State, shall immediately initiate negotiations with the Government of Japan to modify the Convention or recommend such other action as is necessary to limit or eliminate the incidental taking of marine mammals to the extent feasible and, in any event, to the extent required to assure that such populations attain and remain at their optimum sustainable population levels.

"(c) After June 9, 1981, the taking of marine mammals incidental to fishing operations by Japanese vessels within the fishing conservation zone shall be regulated pursuant to the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

"(d) The Secretary shall submit to Congress a report, prepared in consultation with the Secretary of State, on May 1 of 1979, 1980, and 1981 which shall set forth the activities undertaken by the United States and Japan to implement the objectives referred to in subsection (a)(1), (2), and (3) and the results of such activities. The report shall detail the steps taken by both nations to implement the Convention, the results of all research and statistical reporting and analysis carried out pursuant to the Convention and a description of all enforcement activities and this disposition. The report shall include an analysis of salmon harvesting and research, estimates of the magnitude of incidental taking of Dall porpoise (Phocenoides dalli) by Japanese fishing vessels, estimates as possible, of the abundance, distribution, recruitment rates, status, trends, and impacts of incidental taking upon the optimum sustainable populations of Dall porpoises, and any proposals for adoption of fishing gear or techniques designed to reduce or eliminate such incidental taking. If available information is inadequate to provide the basis for such estimates or proposals, the report shall include an indication of what research efforts are needed to provide the requisite information.

"SEC. 15. The Secretary, the Secretary of State, and the Secretary of the department in which the Coast Guard is operating may administer this Act consistent with the terms of the Convention on a provisional basis pending the exchange by all the contracting parties of instruments of ratification or approval of the Protocol Amending the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo on April 25, 1978, in accordance with article II thereof.".

Sec. 2. This Act, including the amendments made by this Act, shall take effect on the date of enactment of this Act, except the amendments made by paragraph (10) of the first section of this Act shall take effect on October 1, 1978.

S. 3082 INDEFINITELY POSTPONED

Mr. ROBERT C. BYRD. Mr. President, the budget resolution was addressed to Calendar No. 860, as has been pointed out by the distinguished Senator from Alaska. I ask unanimous consent that S. 3082, Calendar No. 860, now be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME FOR FILING MINORITY VIEWS ON JUDICIARY COMMITTEE REPORT

Mr. KENNEDY. Mr. President, I ask unanimous consent that the minority views on the Senate Judiciary Committee report may be filed no later than the close of business tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ABA SUPPORTS THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, all too often some individuals or groups support an issue and then leave quietly after the first battle, having lost interest or confidence. Others maintain enthusiasm throughout their lives for causes which they believe are right. Still others reconsider their positions, conclude that they had been wrong, and fight for a side they once opposed.

In the case of the ratification of the Genocide Treaty, we have seen all three. The human drama has been played out on the national stage for three decades.

One of the most important actors has been the American Bar Association. In 1949, the ABA announced its opposition to this treaty which declares genocide an international crime. The association voiced several concerns.

They claimed that the treaty limited free speech, that it provided inadequate protection to U.S. citizens against trial by foreign courts, and that its definition of the crime of genocide was so vague that it would be interpreted so broadly as to endanger many groups in this country.

The ABA is only one organization, but its role was critical in delaying ratification of the treaty. Four times the Foreign Relations Committee endorsed the treaty and four times it was defeated. Democratic and Republican Presidents, Secretaries of State, and Attorneys General have pleaded for the treaty to no avail. For 30 years the drama has continued. Eighty-two foreign nations have signed but we have not.

But now the scene has changed. The ABA has reevaluated its position. The members of the association have expressed their support for the treaty. Last year they announced that—

> The passage of time has confirmed that Genocide is a matter of international concern which should be regarded as an international crime.

Mr. President, the opposition to the Genocide Treaty is shrinking. The treaty merits further consideration in this body. The time to act is now.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, we are in a period for the transaction of routine morning business.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF UNFINISHED BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Mr. STEVENS and Mr. BARTLETT on tomorrow, the Senate resume its consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. MATSUNAGA. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 5:52 p.m., the Senate recessed until 10 a.m. tomorrow, Thursday, June 15, 1978.

NOMINATIONS

Executive nominations received by the Senate June 14, 1978:

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The following-named persons to be members of the National Advisory Council on Women's Educational Programs for the terms indicated:

For a term expiring May 8, 1980:

Eliza Macaulay Carney, of Arizona, vice Sister M. Joyce Rowland, term expired.

Gladys Gunn, of Ohio, vice Gerald E. Weaver, term expired.

Kathleen Elaine Humphrey, of Idaho, vice M. Anne Campbell, term expired.

Paul Parks, of Massachusetts, vice Joanne M. Carlson, term expired.

Bernice Sandler, of Maryland (reappointment).

For a term expiring May 8, 1981:

Ellen Sherry Hoffman, of the District of Columbia, vice Ernest L. Boyer, resigned.

J. Richard Rossie, of Tennessee, vice Mary L. Allen, term expired.

DEPARTMENT OF ENERGY

James Paul Wade, Jr., of Virginia, to be chairman of the Military Liaison Committee to the Department of Energy, vice Donald R. Cotter, resigned.

DEPARTMENT OF JUSTICE

Anthony Bertoni, of Michigan, to be U.S. marshal for the eastern district of Michigan for the term of 4 years, vice Anthony E. Rozman, deceased.

HOUSE OF REPRESENTATIVES—*Wednesday, June 14, 1978*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

We will rejoice in Thy salvation and in the name of our God we will set up our banner.—Psalms 20: 5.

God of our fathers, with whose help our Nation was created and by whose providence we have been preserved as a united people, we thank Thee for days like these when we hold aloft the flag of our beloved country. Grant that this day may kindle in our hearts a greater love for our country and a deeper loyalty to the principles upon which our Republic was founded. Make us deeply aware of our duties as leaders of our people and help us to accept our full responsibility to keep our country good and great. May this flag of ours continue to be a symbol of hope to the world and may she wave in glory over our free people forever and ever.

God bless America and may she ever be one nation, under Thee, indivisible, with liberty and justice for all. Amen and amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

AUTHORIZING APPROPRIATIONS TO CARRY OUT CONSERVATION PROGRAMS ON MILITARY RESERVATIONS AND PUBLIC LANDS

(Omitted from proceeding of Monday, June 12, 1978.)

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10882) to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981, with a Senate amendment thereto, and concur in the Senate amendment with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That this Act shall be cited as the "Sikes Act Amendments of 1978".

SEC. 2. Section 106 of the Act of September 15, 1960 (16 U.S.C. 670f(b)), as amended, is further amended—

(1) by striking subsection (b); and

(2) by inserting in lieu thereof the following new subsections (b), (c), and (d):

"(b) There are authorized to be appropriated to the Secretary of Defense not to exceed $1,500,000 for the fiscal year ending September 30, 1979, and for the next fiscal year thereafter to carry out this title, including the enhancement of fish and wildlife habitat and the development of public recreation and other facilities. The Secretary of Defense shall, to the greatest extent practicable, enter into agreements to utilize the services, personnel, equipment, and facilities, with or without reimbursement, of the Secretary of the Interior in carrying out the provisions of this section.

"(c) There are authorized to be appropriated to the Secretary of the Interior not to exceed $4,500,000 for the fiscal year ending September 30, 1979, and for the next fiscal year thereafter to carry out functions and responsibilities as the Secretary may have under cooperative plans to which such Secretary is a party under this section, including those for the enhancement of fish and wildlife habitat and the development of public recreation and other facilities.

"(d) Sums authorized to be appropriated under this section shall be available until expended. In the event funds requested for appropriations are less than those authorized under this section, the Secretary of the Interior and the Secretary of Defense shall report to the Committee on Environment and Public Works of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives stating with particularity the reason for not requesting appropriation of the amount authorized under this section and the plans of such Secretary for otherwise carrying out the intent of this Act.".

SEC. 3. Section 209 of such Act (16 U.S.C. 670o) is amended to read as follows:

"SEC. 209. (a) There are authorized to be appropriated the sum of $10,000,000 for the fiscal year ending September 30, 1979, and $15,000,000 for the fiscal year ending September 30, 1980, to enable the Department of the Interior to carry out its functions and responsibilities under this title, including data collection, research, planning, and conservation and rehabilitation programs on public lands. Such funds shall be in addition to those authorized for wildlife, range, soil, and water management pursuant to section 318 of the Federal Land Policy and Management Act of 1976, or other provisions of law.

"(b) There are authorized to be appropriated the sum of $35,000,000 for the fiscal year ending September 30, 1979, and $40,000,000 for the fiscal year ending September 30, 1980, to enable the Department of Agriculture to carry out its functions and responsibilities under this title. Such funds shall be in addition to those provided under other provisions of law. In requesting funds under this subsection the Secretary shall take into account fish and wildlife program needs, including those for projects, identified in the State comprehensive plans as contained in the program developed pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (16 U.S.C. 1601).

"(c) In the event funds requested for appropriations are less than those authorized under this section, the Secretary of the Interior and the Secretary of Agriculture shall report to the Committee on Environment and Public Works of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives stating with particularity the reason for not requesting appropriation of an amount authorized under this section and the plans of such Secretary for otherwise carrying out the intent of this Act.".

The Clerk read the House amendments to the Senate amendment, as follows:

Page 1 of the Senate engrossed amendment, strike out lines 10–12, inclusive, and insert "Secretary of Defense not to exceed $1,500,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981, to carry out this title, including the enhancement".

Page 2 of the Senate engrossed amendment, strike out lines 7–9, inclusive, and insert "Secretary of the Interior not to exceed $4,500,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981, to carry out such functions and responsibilities as".

Page 3 of the Senate engrossed amendment, strike out lines 5 and 6, and insert "ber 30, 1979, and $15,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981, to enable the Department of the".

Page 3 of the Senate engrossed amendment, strike out lines 16 and 17, and insert "1979, and $40,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981, to enable the Department of Agriculture".

Mr. MURPHY of New York (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the amendments, and that they be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object, I do so again in order to yield to my colleague, the gentleman from New York, for the purpose of explaining these amendments.

Mr. MURPHY of New York. Mr. Speaker, I thank my friend the gentleman from New Jersey for yielding.

Mr. Speaker, on April 10, 1978, the House passed H.R. 10882 by a vote of 377 to 8. As passed by the House, H.R. 10882 would authorize $1.5 million to be appropriated to the Department of Defense and $2 million to be appropriated to the Department of the Interior for each of fiscal years 1979 through 1981 to carry out fish and wildlife conservation and rehabilitation, and public recreation programs on military installations. It would also authorize $10 million to be appropriated to both the Departments of the Interior and Agriculture for each of fiscal years 1979 through 1981 to carry out fish

and wildlife conservation and rehabilitation programs on certain lands under their respective jurisdictions.

Mr. Speaker, on May 26, 1978, the Senate agreed to H.R. 10882 with the following amendments, all of which were germane to the bill:

First, it would increase the appropriation authorization to the Department of the Interior to carry out Sikes Act projects on military installations from $2 million to $4.5 million for each of fiscal years 1979 and 1980.

Second, it would increase the appropriation authorization to the Department of the Interior to carry out Sikes Act projects on certain lands under its jurisdiction and lands under the jurisdiction of the Department of Energy and the National Aeronautics and Space Administration from $10 million to $15 million for fiscal year 1980.

Third, it would increase the appropriation authorization to the Department of Agriculture to carry out Sikes Act projects on certain lands under its jurisdiction from $10 million to $35 million for fiscal year 1979, and from $10 million to $40 million for fiscal year 1980. These figures reflect what the Department testified as needing to carry out a comprehensive Sikes Act program. This increase is consistent with the House authorization because the Committee on Merchant Marine and Fisheries intended the authorization of $10 million to be over and above the $26.7 million which the Department of Agriculture is presently spending on fish and wildlife management.

Finally, if a Department does not request all of the appropriations authorized to it by the Sikes Act, it would require the Secretary of that Department to specify the reason for not requesting the amount of appropriations authorized by the Sikes Act and to state the plans of that Secretary for further carrying out the intent of the act.

Mr. Speaker, the amendment which we are asking the House to concur in today, with an amendment, would result in the passage of the Senate version of H.R. 10882, except that the fiscal year 1980 authorization levels would be extended to fiscal year 1981.

Mr. Speaker, this amendment to the Senate version of the bill is germane and I urge the House to concur in the Senate amendment, as amended by the House, and pass the bill H.R. 10882, as amended.

Mr. FORSYTHE. Mr. Speaker, further reserving the right to object, I think these are very acceptable amendments for a program that we have been very anxious to see move forward.

Mr. Speaker, I support the Senate amendment and the House amendments thereto.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York (Mr. MURPHY) that the amendments be considered as read and printed in the RECORD?

There was no objection.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from New York (Mr. MURPHY)?

There was no objection.

A motion to reconsider was laid on the table.

COAST GUARD AUTHORIZATION, 1979

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11465) to authorize appropriations for the U.S. Coast Guard for fiscal year 1979, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out "$958,186,000" and insert "$969,906,000".

Page 2, after line 20, insert:

SEC. 4. Section 30 of the Federal Boat Safety Act of 1971 (46 U.S.C. 1479) is amended by striking out "and 1978," and inserting in lieu thereof ", 1978, 1979, and 1980,".

Page 2, line 21, strike out "4." and insert "5.".

Page 3, after line 7, insert:

SEC. 6. Subsection (b) of the first section of the Act of August 27, 1935 (relating to load-lines for certain vessels) (46 U.S.C. 88 (b)), is amended by (1) striking out "All" and inserting in lieu thereof "The requirements of this Act shall not apply to (1) all"; (2) striking out "except those constructed after the effective date of this subsection or those converted to either of such services after 5 years from the effective date of this subsection and" and inserting in lieu thereof "which were constructed, or with respect to which construction was begun or contracted for, before January 1, 1980, or which were converted to such use, or with respect to which conversion to such use was begun or contracted for, before January 1, 1980, so long as such conversion was completed before January 1, 1983 (in the case of conversions); or (2)"; and (3) striking out ", are exempt from the requirements of this Act".

Page 3, after line 7, insert:

SEC. 7. Section 10 of the Act of May 28, 1908 (relating to seagoing barges) (46 U.S.C. 395), is amended by (1) redesignating subsection (c) as subsection (d); and (2) inserting immediately after subsection (b) the following:

"(c) During the period beginning January 1, 1977, and ending January 1, 1982, the provisions of subsection (b) shall not apply to vessels of not more than 5,000 gross tons used in the processing or assembling of fishery products in the fisheries of the States of Oregon, Washington, and Alaska.".

Page 3, after line 7, insert:

SEC. 8. (a) The Congress finds and declares the following:

(1) The transportation, production and handling of oil in, on, or near the navigable and ocean waters of the Columbia River Basin system creates substantial environmental risks, and may cause serious damage to the general health, welfare, and economy of this region.

(2) The vitality of the Columbia River estuary and marine environment is crucial to the maintenance and enhancement of major fishery resources for the enjoyment and livelihood of present and future generations.

(3) The protection and betterment of this marine, estuarine and fresh water river system requires a thorough, detailed assessment of the current plans and capabilities to best prevent, contain, clean-up and mitigate the damages resulting from possible oil spills and discharges in the system.

(b) Within 180 days after the date of enactment of this section, the Commandant of the Coast Guard, in consultation with the appropriate Federal, State, and local agencies, shall conduct a systematic, detailed evaluation on the—

(1) current procedures, safeguards, and capabilities to best prevent, contain, clean-up, and mitigate damages resulting from oil spills and discharges in, on, or near the navigable and ocean waters of the Columbia River Basin system;

(2) available and required oceanographic, meteorological, and other relevant data necessary to best provide for the management referred to in paragraph (1);

(3) potential risk of existing and projected oil tanker traffic in, on, or near the navigable and ocean waters of the Columbia River Basin system causing harm to the environment of such system due to oil spills, fuel dumping, residual discharges, and other releases of crude oil or petroleum products; and

(4) need for legislation or other strategies to insure protection of such system and its environment, including the prompt development of an orderly, step-by-step contingency plan to contain, cleanup, and mitigate the damages resulting from the conditions referred to in paragraph (3).

The Commandant shall submit the results of such evaluation, immediately upon completion, including such recommendations as he deems necessary, to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives.

Page 3, after line 7, insert:

SEC. 9. Paragraph (1) of the first section of the Act of July 1, 1977, (authorizing appropriations for the Coast Guard for fiscal year 1978) is amended by striking out "$887,521,000;" and inserting in lieu thereof "$892,900,000;".

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from New York (Mr. MURPHY) could offer us an explanation of the request, as well as any nongermane amendments as may have been attached by the other body.

Mr. MURPHY of New York. Mr. Speaker, if the gentleman will yield, the other body did not include any nongermane amendments.

Mr. Speaker, H.R. 11465, the annual Coast Guard authorization bill, was passed by the House on April 17, 1978, by a vote of 357 to 13. On May 17, 1978, the Senate passed the bill by a voice vote after adding several amendments.

The three most pertinent amendments involve: First, the addition of $11.7 million to the authorization for operating expenses, reflecting a Presidential supplemental budget request which was submitted after the House completed action on the bill. Additional moneys would permit increased levels of law enforcement and needed funding for aids to navigation. The moneys were included in the action taken by the House earlier this week in the Department of Transportation's appropriation legislation; second, an additional $5.4 million to the Coast Guard Authorization Act for fiscal year 1978 also reflecting a Presidential supplemental budget request received after the House action on the bill was completed; and third, an amendment to provide authorization for assistance to State boating safety programs, which is similar to action contemplated on a separate bill in

the Committee on Merchant Marine and Fisheries, an action no longer necessary in view of the Senate amendment.

There are several other amendments relating to extension of exemptions for fishery processing vessels and tender vessels operating in the Pacific Northwest, an action which is necessary pending completion of Coast Guard-National Marine Fisheries Service cooperation in developing voluntary safety standards for the types of vessels involved.

I recommend the acceptance of the Senate amendments so that this important authorization may be enacted into law promptly.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, the gentleman said that there are no nongermane amendments. I understand there is at least one amendment dealing with inspection of barges and another dealing with Alaskan fisheries, which were put in by Members of the other body in accordance with their usual practices in this kind of legislation.

Mr. MURPHY of New York. Yes, there was one amendment that could be considered nongermane, which would be an exemption for fishery-processing vessels and tender vessels operating in the Pacific Northwest.

That action was necessary pending completion of the Coast Guard National Marine Fisheries Service cooperation in developing voluntary safety standards for the types of vessels involved.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE AUTHORIZATIONS FOR FISCAL YEAR 1979

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10823) to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1979, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, after "3(b)" insert: "(1)".

Mr. MURPHY of New York. Mr. Speaker, earlier this session the House passed H.R. 10823, a bill to authorize appropriations for the National Advisory Committee on Oceans and Atmosphere. The Senate passed what would have been an identical bill except that, as passed, the House bill contains a typographical error that results in the deletion of a paragraph which sets out the procedure for filling vacancies on the committee occurring prior to the end of an appointee's term.

I am offering an amendment today to restore the accidentally deleted paragraph and, thus, make the House and Senate version identical. Since we agree on everything in the bill, there will be no need for a conference.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1979

Mr. SHIPLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Colorado (Mr. ARMSTRONG) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. SHIPLEY).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 344, nays 2, not voting 88, as follows:

[Roll No. 449]

YEAS—344

Abdnor	Brademas	Conable
Addabbo	Breaux	Conte
Akaka	Breckinridge	Corcoran
Alexander	Brinkley	Corman
Ammerman	Brooks	Cornell
Anderson, Calif.	Broomfield	Cotter
	Brown, Mich.	Coughlin
Andrews, N. Dak.	Brown, Ohio	Crane
	Broyhill	Cunningham
Annunzio	Burgener	Daniel, Dan
Applegate	Burke, Calif.	Daniel, R. W.
Armstrong	Burke, Fla.	Danielson
Aspin	Burke, Mass.	Davis
AuCoin	Burleson, Tex.	de la Garza
Badham	Burlison, Mo.	Delaney
Bafalis	Burton, John	Dellums
Baldus	Burton, Phillip	Derrick
Barnard	Butler	Derwinski
Baucus	Byron	Devine
Bauman	Carney	Dickinson
Beard, R.I.	Carr	Dicks
Beard, Tenn.	Carter	Dornan
Bedell	Cavanaugh	Downey
Benjamin	Cederberg	Drinan
Bennett	Chappell	Duncan, Oreg.
Bevill	Clausen, Don H.	Duncan, Tenn.
Bingham		Early
Blanchard	Clay	Eckhardt
Blouin	Cleveland	Edgar
Boggs	Cochran	Edwards, Ala.
Boland	Cohen	Edwards, Calif.
Bonior	Coleman	Edwards, Okla.
Bonker	Collins, Ill.	Eilberg
Bowen	Collins, Tex.	Emery
English	Lederer	Roe
Ertel	Lehman	Rogers
Evans, Colo.	Lent	Rooney
Evans, Del.	Levitas	Rose
Evans, Ga.	Livingston	Rosenthal
Evans, Ind.	Lloyd, Tenn.	Rousselot
Fary	Long, La.	Roybal
Fascell	Lott	Rudd
Fenwick	Luken	Ruppe
Findley	Lundine	Ryan
Fish	McClory	Sarasin
Fisher	McCormack	Satterfield
Fithian	McDonald	Sawyer
Flippo	McFall	Scheuer
Flood	McHugh	Schroeder
Florio	McKay	Schulze
Flynt	McKinney	Sebelius
Foley	Maguire	Sharp
Ford, Tenn.	Mahon	Shipley
Forsythe	Mann	Shuster
Fowler	Markey	Sikes
Frey	Marks	Sisk
Gammage	Marlenee	Skubitz
Garcia	Marriott	Slack
Gaydos	Martin	Smith, Iowa
Gephardt	Mattox	Smith, Nebr.
Gibbons	Mazzoli	Snyder
Gilman	Meeds	Solarz
Ginn	Metcalfe	Spellman
Glickman	Meyner	Spence
Gonzalez	Michel	St Germain
Goodling	Miller, Calif.	Staggers
Gore	Miller, Ohio	Stangeland
Gradison	Mineta	Stanton
Grassley	Minish	Steed
Green	Moakley	Steers
Guyer	Moffett	Steiger
Hagedorn	Mollohan	Stockman
Hall	Montgomery	Stokes
Hamilton	Moore	Stratton
Hammer-schmidt	Moorhead, Calif.	Studds
		Symms
Hanley	Moorhead, Pa.	Taylor
Hannaford	Mottl	Thone
Hansen	Murphy, Ill.	Traxler
Harkin	Murphy, N.Y.	Treen
Harris	Murphy, Pa.	Trible
Hawkins	Murtha	Tsongas
Hefner	Myers, Gary	Udall
Heftel	Myers, John	Ullman
Hightower	Myers, Michael	Van Deerlin
Hollenbeck	Natcher	Vanik
Holt	Neal	Vento
Howard	Nichols	Volkmer
Hubbard	Nix	Waggonner
Huckaby	Nolan	Walker
Hughes	Nowak	Walsh
Hyde	Oakar	Wampler
Ichord	Oberstar	Waxman
Ireland	Obey	Weaver
Jacobs	Ottinger	Weiss
Jeffords	Panetta	White
Jenkins	Patterson	Whitehurst
Johnson, Calif.	Pattison	Whitley
Johnson, Colo.	Pease	Whitten
Jones, N.C.	Perkins	Wiggins
Jones, Okla.	Pettis	Wilson, C. H.
Jordan	Pickle	Wilson, Tex.
Kasten	Pike	Winn
Kastenmeier	Poage	Wirth
Kazen	Pressler	Wolff
Kelly	Preyer	Wright
Ketchum	Price	Wydler
Keys	Pritchard	Wylie
Kildee	Pursell	Yates
Kindness	Quillen	Yatron
Kostmayer	Rahall	Young, Fla.
Krebs	Regula	Young, Mo.
Krueger	Reuss	Young, Tex.
LaFalce	Rinaldo	Zablocki
Lagomarsino	Risenhoover	Zeferetti
Latta	Roberts	
Leach	Robinson	

NAYS—2

Lloyd, Calif.	Wilson, Bob

NOT VOTING—88

Allen	Caputo	Fountain
Ambro	Chisholm	Fraser
Anderson, Ill.	Clawson, Del	Frenzel
Andrews, N.C.	Conyers	Fuqua
Archer	Cornwell	Giaimo
Ashbrook	D'Amours	Goldwater
Ashley	Dent	Gudger
Beilenson	Diggs	Harrington
Biaggi	Dingell	Harsha
Bolling	Dodd	Heckler
Brodhead	Erlenborn	Hillis
Brown, Calif.	Flowers	Holland
Buchanan	Ford, Mich.	Holtzman

Horton	Mitchell, N.Y.	Santini
Jenrette	Moss	Seiberling
Jones, Tenn.	Nedzi	Simon
Kemp	O'Brien	Skelton
Le Fante	Patten	Stark
Leggett	Pepper	Stump
Long, Md.	Quayle	Teague
Lujan	Quie	Thompson
McCloskey	Railsback	Thornton
McDade	Rangel	Tucker
McEwen	Rhodes	Vander Jagt
Madigan	Richmond	Walgren
Mathis	Rodino	Watkins
Mikulski	Roncalio	Whalen
Mikva	Rostenkowski	Young, Alaska
Milford	Runnels	
Mitchell, Md.	Russo	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12935, with Mr. MURPHY of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Illinois (Mr. SHIPLEY) will be recognized for 1 hour, and the gentleman from Colorado (Mr. ARMSTRONG) will be recognized for 1 hour.

The Chair recognizes the gentleman from Illinois (Mr. SHIPLEY).

Mr. SHIPLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I present the legislative branch appropriation bill for fiscal year 1979, I would like to express my thanks to the other members of the subcommittee for their help and support throughout the hearings and markup. We have a new member on the subcommittee, Mr. CHAPPELL, of Florida. The other members who have served before include Mr. BENJAMIN, of Indiana; Mr. GIAIMO, of Connecticut; Mr. MCFALL, of California; and Mr. MURTHA, of Pennsylvania.

Mr. ARMSTRONG, of Colorado, who has been very cooperative in his position of ranking minority member, as well as Mr. COUGHLIN, of Pennsylvania; and Mr. CEDERBERG, of Michigan, the ranking minority member of the full Appropriations Committee.

Also, I would like to express our deepest appreciation to Earl Silsby, subcommittee clerk, who is retiring later this year. Earl has spent 31 years with the Committee on Appropriations, the last 6 as chief clerk of the subcommittee. His competence and dedication have been an important asset to all of us. I know I speak for the members of the subcommittee and full Committee on Appropriations when I wish him good luck in his retirement. He will be missed by all of us.

RECOMMENDATIONS FOR FISCAL YEAR 1979

Mr. Chairman, the bill we are considering today contains appropriations for fiscal year 1979 totaling $922,491,800, of which $546,143,500 is for congressional operations. These figures exclude appropriations for the operation of the Senate in accord with the long-term practice under which each body determines its own housekeeping requirements.

The budget requests considered by the committee total $948,149,500. The recommendation is $25,657,700 less than was requested. It has been the committee's general policy to provide the funds necessary to maintain operations at the current level, taking into account the cost of pay raises and the effect of inflation and to allow essential increases for growing workload. Reductions recommended in title I, congressional operations, total $5,509,200. The related agencies budgets have been reduced $20,148,500. Excluding House activities, over which the committee really has no control, a total of 702 new positions were requested. The committee recommends only 269 or 38 percent of the total number proposed.

The overall appropriations recommended are $94,922,700 above the current year level enacted to date. Percentagewise, approximately 37 percent is to fund additional resources to meet an increasing workload, 42 percent for the cost of pay raises, 16 percent for other increased costs, and 5 percent is attributable to other reasons.

At this point in the record under permission which I will seek at the conclusion of consideration of the bill, I will insert a tabulation detailing the committee recommendations in comparative form:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1978 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1979

[Excludes Senate items including those under Architect of the Capitol. All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority, fiscal year 1978	Budget estimates of new (obligational) authority, fiscal year 1979[1]	New budget (obligational) authority, recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1978	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1979
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I—CONGRESSIONAL OPERATIONS					
House of Representatives:					
Compensation and mileage for the Members:					
Compensation of Members	$27,760,400	$27,699,300	$27,699,300	−$61,100	
Mileage of Members	210,000	210,000	210,000		
Total, compensation and mileage for the Members	27,970,400	27,909,300	27,909,300	−61,100	
House Leadership Offices:					
Office of the Speaker	520,400	545,300	545,300	+24,900	
Office of the Majority Floor Leader	369,100	384,100	384,100	+15,000	
Office of the Minority Floor Leader	464,100	479,100	479,100	+15,000	
Office of the Majority Whip	399,000	416,800	416,800	+17,800	
Office of the Minority Whip	304,000	321,800	321,800	+17,800	
Total, House Leadership Offices	2,056,600	2,147,100	2,147,100	+90,500	
Salaries, Officers and Employees:					
Office of the Clerk	5,819,000	[2] 7,541,600	[2] 7,541,600	+1,722,600	
Office of the Sergeant at Arms	9,352,700	10,889,900	10,889,900	+1,537,200	
Office of the Doorkeeper	3,700,600	[3] 4,343,000	[3] 4,343,000	+642,400	
Office of the Postmaster	1,116,600	1,177,100	1,177,100	+60,500	
Office of the Chaplain	22,100	23,700	23,700	+1,600	
Office of the Parliamentarian	197,600	250,000	250,000	+52,400	
Compilation of precedents of the House of Representatives	283,600	295,000	295,000	+6,400	
Official reporters of debates	536,300			−536,300	
Official reporters to committees	619,600			−619,600	
Two printing clerks for majority and minority	31,300	33,500		−31,300	−$33,500
Technical assistant, Office of the Attending Physician	28,700	30,700	30,700	+2,000	
House Democratic Steering Committee	382,000	308,900	308,900	−73,100	
House Democratic Caucus	73,300	83,600	83,600	+10,300	
House Republican Conference	455,300	542,500	542,500	+87,200	
Six minority employees	280,550	272,500	272,500	−8,050	
L.B.J. interns		[4] 562,000	[4] 562,000	+562,000	
Former Speakers' staffs		[4] 87,200	[4] 87,200	+87,200	
Total, Salaries, Officers and Employees	22,904,250	26,441,200	26,407,700	+3,503,450	−33,500

See footnotes at end of table.

Agency and item	New budget (obligational) authority, fiscal year 1978	Budget estimates of new (obligational) authority, fiscal year 1979[1]	New budget (obligational) authority, recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1978	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1979
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I—CONGRESSIONAL OPERATIONS—Continued					
House of Representatives—Continued					
Committee employees: Professional and clerical employees (standing committees)	24,705,000	24,705,000	24,705,000		
Committee on Appropriations (studies and investigations): Salaries and expenses	2,768,000	2,895,000	2,895,000	+127,000	
Committee on the Budget (studies): Salaries and expenses	261,000	261,000	261,000		
Office of the Law Revision Counsel: Salaries and expenses	394,350	435,000	435,000	+40,650	
Office of the Legislative Counsel: Salaries and expenses	1,682,000	1,879,000	1,879,000	+197,000	
Members' clerk hire: Clerk hire	107,192,000	112,648,300	112,648,300	+5,456,300	
Contingent Expenses of the House:					
Allowances and expenses:					
Official expenses of Members		[5] 38,367,989	[5] 38,367,989	+38,367,989	
Computer and related services for Members	3,500,000			−3,500,000	
Constituent communication expenses	2,738,400			−2,738,400	
Equipment (purchase, lease and maintenance)	6,418,000			−6,418,000	
Official expenses	3,073,000			−3,073,000	
Postage stamps	97,700			−97,700	
Rental of district office space (private and Federal)	6,739,280			−6,739,280	
Transportation for Members and staff	3,494,000			−3,494,000	
Telegraph and telephone	10,812,500			−10,812,500	
Supplies and materials	1,712,000			−1,712,000	
Supplies, materials and administrative costs		[6] 2,578,511	[6] 2,578,511	+2,578,511	
Furniture and furnishings	2,020,000	1,085,000	1,085,000	−935,000	
Reporting hearings	1,598,000	1,501,000	1,501,000	−97,000	
Salaries authorized by House resolutions	2,340,000	(7)	(7)	−2,340,000	
Reemployed annuitants reimbursement		2,099,700	2,099,700	+2,099,700	
Government contributions	12,343,000	14,000,000	14,000,000	+1,657,000	
Miscellaneous items	299,120	334,800	334,800	+35,680	
Total, allowances and expenses	57,185,000	59,967,000	59,967,000	+2,782,000	
Stationery (revolving fund): Allowances	2,853,500			−2,853,500	
Special and Select Committees: Salaries and expenses	32,700,000	46,762,000	46,762,000	+14,062,000	
Total, contingent expenses of the House	92,738,500	106,729,000	106,729,000	+13,990,500	
Total, House of Representatives	282,672,100	306,049,900	306,016,400	+23,344,300	−33,500
JOINT ITEMS					
Contingent Expenses of the Senate:					
Joint Economic Committee	1,697,100	2,353,000	2,353,000	+655,900	
Joint Committee on Printing	1,081,000	656,000	656,000	−425,000	
Total, contingent expenses of the Senate	2,778,100	3,009,000	3,009,000	+230,900	
Joint committee on Taxation: Salaries and expenses	1,948,100	2,375,200	2,375,200	+427,100	
Office of the Attending Physician: Medical supplies, equipment, expenses, and allowances	344,200	465,000	465,000	+120,000	
Capitol Police:					
General expenses	724,800	750,100	750,100	+25,300	
Capitol Police Board	1,572,000	1,467,800	1,421,000	−151,000	−46,800
Total, Capitol Police	2,296,800	2,217,900	2,171,100	−125,700	−46,800
Education of Pages: Education of congressional pages and pages of the Supreme Court	193,700	205,800	205,800	+12,100	
Official Mail Cost: Expenses	48,926,000	64,944,000	64,944,000	+16,018,000	
Capitol Guide Service: Salaries and expenses	403,700	544,000	544,000	+140,300	
Statements of Appropriations: Preparation	13,000	13,000	13,000		
Total, joint items	56,903,600	73,773,900	73,727,100	+16,823,500	−46,800
Office of Technology Assessment: Salaries and expenses	7,400,000	10,000,000	9,700,000	+2,300,000	−300,000
Congressional Budget Office: Salaries and expenses	10,400,000	11,368,000	11,172,000	+772,000	−196,000
Architect of the Capitol:					
Office of the Architect of the Capitol:					
Salaries	2,002,800	2,645,300	2,382,000	+379,200	−263,300
Contingent expenses	120,000	210,000	210,000	+90,000	
Total, Office of the Architect of the Capitol	2,122,800	2,855,300	2,592,000	+469,200	−263,300
Capitol Buildings and Grounds:					
Capitol buildings	5,516,000	6,414,500	6,157,000	+641,000	−257,500
Capitol grounds	1,919,500	4,241,300	2,565,000	+645,500	−1,676,300
House office buildings	18,176,900	21,065,100	21,065,000	+2,888,100	−100
Capitol Power Plant (operation)	12,317,000	15,544,700	13,635,000	+1,318,000	−1,909,700
Total, Capitol Buildings and Grounds	37,929,400	47,265,600	43,422,000	+5,492,600	−3,843,600
Total, Architect of the Capitol (except Library buildings and grounds)	40,052,200	50,120,900	46,014,000	+5,961,800	4,106,900
Library of Congress: Congressional Research Service: Salaries and expenses	21,795,000	26,379,000	25,553,000	+3,758,000	−826,000
Government Printing Office: Congressional printing and binding	71,674,000	73,961,000	73,961,000	+2,287,000	
Total title I—Congressional Operations	490,896,900	551,652,700	546,143,500	+55,246,600	−5,509,200
TITLE II—RELATED AGENCIES					
Botanic Garden: Salaries and expenses	1,283,000	1,391,600	1,392,000	+109,000	+400
Library of Congress:					
Salaries and expenses	81,295,000	102,058,000	92,249,000	+10,954,000	−9,809,000
Copyright Office, salaries and expenses	7,945,500	8,560,500	8,560,500	+615,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1978 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1979—Continued

[Excludes Senate items including those under Architect of the Capitol. All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item	New budget (obligational) authority, fiscal year 1978	Budget estimates of new (obligational) authority, fiscal year 1979[1]	New budget (obligational) authority, recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1978	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1979
(1)	(2)	(3)	(4)	(5)	(6)
TITLE II—RELATED AGENCIES—Continued					
Library of Congress—Continued					
National Commission on New Technological Uses of Copyrighted Works salaries and expenses	520,500			−520,500	
Books for the blind and physically handicapped, salaries and expenses	28,720,700	43,072,700	36,729,700	+8,009,000	−6,343,000
Collection and distribution of library materials (special foreign currency program):					
Payments in Treasury-owned foreign currencies	3,184,600	3,603,500	3,603,500	+418,900	
U.S. dollars	256,600	256,600	256,600		
Total, collection and distribution of library materials	3,441,200	3,860,100	3,860,100	+418,900	
Furniture and furnishings	7,030,700	9,455,200	7,694,000	+663,300	−1,761,200
Total, Library of Congress (except Congressional Research Service)	128,953,600	167,006,500	149,093,300	+20,139,700	−17,913,200
Architect of the Capitol: Library Buildings and Grounds: Structural and mechanical care	2,169,100	2,794,700	2,776,000	+606,900	−18,700
Copyright Royalty Tribunal: Salaries and expenses	726,000	935,000	805,000	+79,000	−130,000
Government Printing Office:					
Printing and binding	12,952,500	11,476,000	11,476,000	−1,476,500	
Office of Superintendent of Documents, salaries and expenses	21,751,000	23,200,000	23,200,000	+1,449,000	
Total, Government Printing Office (except congressional printing and binding)	34,703,500	34,676,000	34,676,000	−27,500	
General Accounting Office: Salaries and expenses	167,000,000	187,843,000	185,756,000	+18,756,000	−2,087,000
Cost-Accounting Standards Board: Salaries and expenses	1,837,000	1,850,000	1,850,000	+13,000	
Total, title II—Related Agencies	336,672,200	396,496,800	376,348,300	+39,676,100	−20,148,500
Grant total, titles I and II: New budget (obligational) authority	827,569,100	948,149,500	922,491,800	+94,922,700	−25,657,700
Recapitulation:					
Title I—Congressional Operations	490,896,900	551,652,700	546,143,500	+55,246,600	−5,509,200
Title II—Related Agencies	336,672,200	396,496,800	376,348,300	+39,676,100	−20,148,500

[1] Includes the following budget amendments for fiscal year 1979:

H. Doc. 95-331:	
Joint items:	
Joint Committee on Printing	$35,000
Joint Economic Committee	553,000
Total, H. Doc. 95-331	588,000
S. Doc. 95-106:	
Salaries, officers and employees:	
House Democratic Steering Committee	50,000
House Republican Conference	50,000
Special and select committees: Salaries and expenses	8,000,000
Joint items:	
Joint Committee on Taxation	75,000
Total, S. Doc. 95-106	8,175,000
Total, Budget amendments	8,763,000

[2] Includes $1,510,000 for Official Reporters of debates and Official Reporters to committees which are under the authority of the Clerk, effective Mar. 1, 1978.

[3] Reflects transfer of Democratic Steering Committee photographers to Doorkeeper.

[4] Previously funded under "Allowances and Expenses, Salaries authorized by House resolutions."

[5] Includes $2,853,000 for Members' stationery allowances previously included under "Stationery Revolving Fund". Also includes other funds itemized separately in fiscal year 1978.

[6] Includes funds for supplies and materials; postage for leadership, committees and officers of the House; and telephone and telegraph for administrative support units, all funded separately in fiscal year 1978.

[7] Now funded under the heading "Salaries, Officers and Employees", for L.B.J. interns and former Speakers' staff.

REVENUE ACTIVITIES

There are a number of revenue activities within the legislative branch which will return $64.7 million before expenses to the Federal Government during fiscal year 1979. Included in this estimate is $1.9 million to the Capitol Power Plant in reimbursements for heating and air-conditioning, $10.6 million from copyright fees and the sale of catalog cards and publications by the Library of Congress, and $52.2 million from the sale of Government documents through the Office of the Superintendent of Documents. Savings attributable to General Accounting Office activities total approximately $5.6 billion, which also have an offsetting effect on total Federal finances.

MAJOR ITEMS IN BILL

TITLE I—CONGRESSIONAL OPERATIONS

The bill provides a total of $546,143,500 for fiscal year 1979 for seven major areas of activity in direct support to the Congress. These include the House, joint items, the Office of Technology Assessment, the Congressional Budget Office, the Architect of the Capitol (except Senate and Library buildings and grounds), the Congressional Research Service, and congressional printing and binding.

HOUSE OF REPRESENTATIVES

The allowance of $306,016,400 for the House for 1979 is an increase of $23,344,300 above 1978 appropriations enacted to date and includes $3,500,000 for increased expenses for various housekeeping items, $5,500,000 for Members' clerk hire exclusively for pay raises, and expanded resources for special and select committees which have already been approved by the House.

RECOMMENDED REDUCTIONS

The total recommendation for congressional operations is $5,509,200 less than was requested. Included in this reduction is the elimination of salaries for the two printing clerks to the majority and minority; a reduction of $300,000 in the request of the Office of Technology Assessment; $196,000 less than requested by the Congressional Budget Office; the deferral of certain projects and other downward adjustments totaling $4,106,900 in the budget of the Architect; and a reduction of $826,000 for the operation of the Congressional Research Service.

TITLE II—RELATED AGENCIES

A total of $376,348,300 is recommended for the seven agencies carried in this title of the bill. This allowance is an increase of $39,676,100 over the current level of funding and $20,148,500 less than requested.

The agencies that are included in this title of the bill and the amounts recommended are as follows: First, Botanic Garden, $1,392,000; second, Library of Congress (except the Congressional Research Service), $149,093,300; third, Library buildings and grounds, $2,776,000; fourth, Copyright Royalty Tribunal, $805,000; fifth, Government Printing Office (except congressional printing and binding), $34,676,000; sixth, General Accounting Office, $185,756,000;

and seventh, Cost-Accounting Standards Board, $1,850,000.

Mr. Chairman, I will not attempt to discuss all of the recommendations made by the committee for the various agencies funded in this title of the bill, but I would like to mention a few. Our general policy has been to provide only the resources necessary to maintain activities at the current level and to fund essential increases. Only 106 of the 526 additional staffing requested by the Library of Congress to expand activities has been allowed. The 120 net additional positions requested by the General Accounting Office has been allowed primarily to close gaps in their workload and to comply with their legislatively mandated activities.

TITLE III—GENERAL PROVISIONS

There is a general provision in the bill that provides for a pay freeze for those individuals in the legislative, executive, and judicial branches or in the government of the District of Columbia, whose rate of pay was either directly or indirectly increased as a result of the pay increases which went into effect last year under the Quadrennial Commission mechanism.

The provision provides that the rate of pay will be frozen at the rate in effect on September 30, 1978, which is the last day before the 1978 comparability adjustment is to take effect. Any individual whose rate of pay is $47,500 or more (that is equal to or greater than level V of the executive schedule) is covered by the freeze.

CONCLUSION

Mr. Chairman, these are the highlights of the bill. The committee report explains our actions in much more detail, and is available to all the Members of the House.

The committee has little discretion as far as the amounts for the House and the joint items of the Congress are concerned. Salaries, allowances, and expenses of the Members, special and select committee funding and other items have been approved by the House and are already in effect through the adoption of House resolutions from the Committee on House Administration. Where the committee has discretion, it has been exercised.

As I noted earlier in my remarks, the committee is recommending an overall reduction totaling $25,657,700, and only 38 percent of the new positions requested in those areas where we have control have been allowed.

Mr. Chairman, this is a good bill. I recommend that it be approved.

Mr. BAUMAN. Mr. Chairman, I wonder if the gentleman from Illinois would yield for a question?

Mr. SHIPLEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from Illinois for yielding.

Could the gentleman explain to me why the decision was made not to bring up the rule regarding this legislation? As the gentleman knows, an attempt is going to be made to protect the language of the bill that limits the pay increases of Members of Congress, the judiciary and top executives level. Not bringing up the rule prevents the attempt to protect that language from a point of order.

It appears to me as though someone is arranging a setup for a congressional pay raise, and I would like to know why.

Mr. SHIPLEY. Mr. Chairman, I would be very pleased to answer my good friend, the gentleman from Maryland (Mr. BAUMAN).

I was advised late last night that the rule would not be brought up. As the gentleman very well knows, and as the gentleman explained, the amendment on this subject including the three branches of Government was accepted in the full committee by a large majority. Then, of course, the decision was up to me to go to the Committee on Rules to seek a rule to protect that amendment under rule 21. The Committee on Rules did not grant us that rule, but the amendment is in the bill.

It will be subject to a point of order. The gentleman knows I supported this amendment and I did seek the type of rule so the amendment would be in order.

Mr. Chairman, to answer the other part of the gentleman's question in which he asks, "What happened?" I cannot give him an answer.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield further, I think we would like to know where the credit for this may be placed?

Did the majority leadership tell the gentleman the rule should not be brought up? Are they trying to arrange a pay raise for Congress again this year?

I do not mean to place the gentleman in an awkward position, but I think the public would like to know the answer to these questions.

Mr. SHIPLEY. Mr. Chairman, the gentleman is not putting the gentleman from Illinois in an awkward position at all. I stated my position, and as the gentleman very well knows, the gentleman from Illinois does not control the Committee on Rules.

Mr. BAUMAN. Mr. Chairman, I compliment the gentleman on his stand.

I will ask the gentleman this question: Did the Committee on Rules decide not to call up the rule?

Mr. SHIPLEY. I assume that was the committee's decision. It certainly was not my decision.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding. I think we can all reach our own conclusion as to who was responsible.

Mr. ARMSTRONG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, may I first compliment the distinguished chairman of the subcommittee for his stewardship of the bill and for his efforts in bringing it to the floor. I particularly commend Chairman SHIPLEY for the manner in which he conducted the hearings and the markup on this bill. On behalf of the minority I express appreciation for his courtesy and his cooperation.

I would also like to express my appreciation for the efforts of Mr. Silsby, the staff director, and the other members of the staff. Their efforts are greatly appreciated, and certainly every Member of the body owes a debt of gratitude to Mr. Silsby. We wish him well in his planned retirement.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Chairman, I thank the gentleman from Colorado (Mr. ARMSTRONG) for yielding.

I would like to note also that the chairman of the subcommittee, the gentleman from Illinois (Mr. SHIPLEY), will be departing from the Congress this year. I served briefly for a few months on this subcommittee, as the gentleman from Colorado knows. It has been my pleasure to begin to understand how the legislative appropriation process works, and certainly I am deeply indebted to the chairman of the subcommittee and to the gentleman from Colorado (Mr. ARMSTRONG) for instructing me.

I want to say to the gentleman from Illinois (Mr. SHIPLEY) that I wish him well. He has been an exceptional subcommittee chairman, in my opinion. This is a tough subcommittee to manage, and he, along with the gentleman from Colorado, has diligently fought in every way possible to limit the amounts of money spent in this area. I think they are to be commended. They have done an exceptional job. I wish the gentleman from Illinois (Mr. SHIPLEY) well on his departure.

I might also add that the gentleman from Colorado (Mr. ARMSTRONG) will be leaving us, too, and I wish him well. He has made a significant contribution to the Congress in his efforts to hold down spending in these areas.

Mr. ARMSTRONG. Mr. Chairman, I appreciate the gentleman's comments.

Mr. Chairman, having said all that, I think it is fair to say that the chairman of the subcommittee, the gentleman from Illinois (Mr. SHIPLEY), and I have attempted to hold down the cost of this bill, but I think it is only honest to confess that we have not succeeded.

This is a milestone, Mr. Chairman. For the first time Congress will spend in 1 year $1 billion for the operation of the Congress itself. In the year I came to Congress, just 5 years ago, we were spending only $622 million, and, as a matter of fact, within the last 20 years, the cost of operating the House, the Senate, and their associated committees has increased about fifteenfold.

Are we getting our money's worth? Is this tremendous increase in the cost of operating the Congress reflected in increased capacity to analyze and cope with policy issues confronting the Nation? In my judgment, we are not. In fact, I suspect, in recent years, the proliferation of staff, perquisites, computers, and the tremendous congressional bureaucracy which has arisen in recent years are actually defocusing the attention of Congress from policy issues so that we are spending more and more

time on minutiae and trivia and Congress is becoming less able to fulfill its policymaking role.

I would like to call attention to the fact that the number of people employed by offices of Members and committees of Congress now exceeds 17,000, a number which has increased very, very rapidly in recent years.

I would also observe that the salaries of Members and staffers have increased far more rapidly than the rate of inflation, more rapidly than the Consumer Price Index, and I would say, much more rapidly than the increase of the income enjoyed by constituents in the Fifth Congressional District of Colorado or, I suspect, in any other congressional district in the country.

All in all, despite efforts to hold down the spending in this bill, I think it is a very fat piece of legislation. Congress would be more effective and efficient if we would drastically reduce the spending in this bill.

Now I would like to comment briefly on amendments which I believe may be offered.

First of all, I would say to my friend, the gentleman from Maryland, that I share his concern about the procedure under which we are operating. I think the salaries of Members of Congress should not be increased without a vote of the membership. Indeed, at this time I do not think they should be increased with or without a vote. I think that the general economic situation of the country is such that, for Members of Congress, in effect, to profit from inflation by raising their own salaries, especially when Congress itself has fostered the inflation, has enacted the laws which are creating inflation. For us to insulate ourselves from the inflation we Members of Congress have caused is unfair and wrong.

But my main concern is not only whether the salaries are increased, but whether or not it is done automatically, without an open recorded vote, and whether the Members are required to make a decision in full view of the Nation, their constituents, and the press. I also feel it would be unwise to permit the salaries of the executive branch to rise, because they also share responsibility for inflation in this country.

So my hope is that we will be able to leave the bill just as it is, with the amendment that was offered in committee by the gentleman from Pennsylvania (Mr. MURTHA), which simply says that automatic cost-of-living increases will not be permitted unless there is a vote by the Congress itself. If that provision should be knocked out for any reason, I presume it would be in order for some Member to move to limit only the salaries of Members of Congress and our staffs. Were that to happen, I presume then the only recourse for those of us who feel that all salaries should be subject to the same ground rules is to offer similar amendments to other bills which will be coming up; for example, on the State-Justice bill which will come up later in the day, and similarly with the other 13 appropriation bills. We might as well face the issue now and give it a straight up or down vote, as we have done in the past. I hope no amendments or points of order will be offered to the language which my colleague, the gentleman from Pennsylvania (Mr. MURTHA), has put in the bill.

Among other amendments which I expect to be offered when we get to the 5-minute rule is an amendment providing for a General Accounting Office audit of the accounts of Members and committees.

This is a matter in which I have been interested for some time. It seems only fair to me; and while I do not propose to argue the merits now, let me just point out that every other agency of the Government is subject to such an audit, including the White House, the CIA, the Pentagon, and the Supreme Court. Everybody except Congress is audited; and in light of the disclosures of wrongdoing by a minority of Congress, by a small number of our colleagues, it seems to me that it would be prudent for us to provide the same kind of financial audits of the official accounts of Members and committees of the Congress that are provided elsewhere.

I have offered this amendment in the past. I believe today it will be offered by my colleague, the gentleman from Pennsylvania (Mr. COUGHLIN), or perhaps by our colleague, the gentlewoman from Massachusetts (Mrs. HECKLER). In any event, I hope it will enjoy widespread support. It is a very necessary and very prudent amendment.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I would be happy to yield to the gentleman from Illinois if the gentleman wants to comment on that point.

Mr. ANNUNZIO. Mr. Chairman, I thank the gentleman for yielding.

Earlier the gentleman mentioned that when the Justice Department appropriation bill comes to the floor, an amendment is prepared to be offered which will freeze the judiciary; is that correct?

Mr. ARMSTRONG. I would say to the gentleman that such an amendment would clearly be in order.

I feel the issue of whether or not salaries of the judiciary or other salaries should be raised is a two-part question.

First, on its merits, should they be raised? Second, should they be raised automatically or only pursuant to a vote by Congress?

On the latter question there is no doubt about how I personally feel. I think there should be a vote. I remain open on the other question. Each pay raise should be considered on its merits as a policy issue. But, there should be a vote.

Mr. ANNUNZIO. Mr. Chairman, I agree with the gentleman from Colorado (Mr. ARMSTRONG) that there should be a vote. I do not think anybody should get a raise automatically without a vote, including the Members of the House; and that is the reason I made the inquiry and asked if such an amendment would be offered by the gentleman.

The gentleman's answer to me was that such an amendment is in order; is that right?

Mr. ARMSTRONG. I believe that on the State-Justice-Commerce appropriation bill which we will be considering later today, such an amendment would be in order. It would be necessary only if something happened to the language of the Murtha amendment, which is now contained in this bill, or if it appeared that subsequent to the time the committee rises—as I understand it, the plan is that we will finish general debate on this bill, rise, and that then we will take the State-Justice-Commerce appropriation bill up and then come back to this bill. I am not clear on the reason for that procedure.

Mr. ANNUNZIO. Mr. Chairman, I appreciate the gentleman's answer to me, and I share his frustrations because we really do not know where we are going on these bills. They are put on and taken off every other day.

Mr. ARMSTRONG. Mr. Chairman, I appreciate the gentleman's comment.

Let me just offer one further thought. Perhaps during the Flag Day ceremony some of us will have an opportunity to confer with the leadership and ask that when we resume the business of the body, we be permitted to continue this bill to its conclusion rather than going into the State-Justice-Commerce bill. It would be better order, anyway, and it would seem to me that it would eliminate any lingering questions about why the order of consideration of the bill was changed.

Mr. ANNUNZIO. Mr. Chairman, if the gentleman will yield further, it would seem to me that that is a more orderly way in which to legislate; but as I said earlier, I share the gentleman's frustrations.

Mr. ARMSTRONG. Mr. Chairman, I appreciate the gentleman's comments.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, I will be glad to respond to the questions the gentleman raised which he apparently does not know the answer to.

As the gentleman knows, we essentially finished general debate on the State-Justice-Commerce appropriation bill. At that time it was my understanding that there would be a rule granted on the legislative bill. I then agreed to let the legislative bill, insofar as I was personally concerned, come up for general debate after a vote up or down on the rule, and then to bring the State-Justice-Commerce-Judiciary bill up on the floor after the Flag Day ceremonies.

The reason that I agreed myself was in an effort to get Members of Congress an opportunity during debate on this particular bill to mark up a particular piece of legislation. Of course, they could not do that if they were under the 5-minute rule.

Mr. ARMSTRONG. I appreciate the gentleman's explanation. Before I yield to the gentleman from Illinois, let me just observe further that we will have to work out a procedure so that the rights of all of us are fully protected. Perhaps it will be necessary to offer, in a sense as a protective amendment, the appropriate language to the State-Justice bill. We will just have to work that out and see

where we are after we conclude general debate on this bill.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield at this point?

Mr. ARMSTRONG. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I thank the gentleman for yielding. I think we are all in general agreement that it would be a practical step to limit high-level salaries at this time, and that would include judiciary and executive branch as well as legislative. I think that if the Congress is to be faulted, it seems to me our abuse that we really perpetrated in recent years has been the proliferation of subcommittees and ad hoc committees and all sorts of additional groups that contribute to this huge manpower on the Hill, which is in turn a tremendous budget item.

I wish the appropriate committees would go to work the next time we form the Congress. I think emphasis ought to be on limiting the number of subcommittees, limiting the size of staff, limiting salaries of top staff people. I think these are areas which we should review again in the House.

Mr. ARMSTRONG. I compliment the gentleman from Illinois for his perspicacity, for which he is well known.

Let me just mention two other amendments which I anticipate will be offered during the 5-minute rule. One is the amendment which would limit free distribution of certain items, such as calendars, agricultural yearbooks, and so forth. Many of us believe that they should be distributed only with correct, properly vouchered official accounts so that the use is on the public record.

There also may be amendments designed to limit some of the other items which are now distributed free, and I know at least two Members are considering amendments which would limit prospective things which are not now provided Members, but which some suspect may soon be offered.

So, with that word of explanation, I would complete my opening remarks.

Mr. SHIPLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Chairman, on June 8, 1976, our distinguished colleague from Illinois, Mr. SHIPLEY, submitted his first report to this body as the chairman of the Legislative Appropriations Subcommittee. He subsequently submitted this year's appropriations bill on June 21, 1977, and on June 1, 1978, he submitted the 1979 fiscal year bill which, unfortunately, for this body, the institution of the Congress, its supporting agencies and the citizens of these United States, will be his final submission.

In the three bills submitted under Chairman SHIPLEY's leadership, the average increase, including fiscal year 1979, has been less than 6½ percent per year compared to an average national inflation rate of 7 percent. The diligence, dedication and devotion of Chairman SHIPLEY has enabled the Congress and its supporting agencies to function in a professional and competent manner without the necessity of real growth in expenditure, all of which can be verified by the chart of legislative branch appropriations affixed to the committee reports in each of these years by the minority as additional or supplemental views.

Chairman SHIPLEY has earned and enjoys the respect of the Members and employees of the Congress for his untiring efforts to prepare a prudent and workable legislation budget and the subcommittee will miss his talent, untiring effort, and commonsense in the conduct of hearings and preparation of future budgets.

I anticipate that there will be a number of amendments, some of which have been experienced before but now are returning with equal passion, greater fervor and possibly less rationale. All of this is understandable in an election year and the advent of live broadcasting from these Chambers. I trust that my colleagues will remember, in their zest, that the legislative branch of Government is the most important, but the least expensive, branch of our Federal Government and is the only assurance that the citizens of their communities have representation in their Nation's Capitol. Further, that representation is only as good as its judgment and communication, which is dependent upon the resources found to be necessary and indispensable to the legislative system.

I also take this opportunity to comment on two troublesome issues detailed in the committee report, House Report 95-450.

On page 13 of the report, the committee indicated its concern regarding the proliferation of computer operations and the potential for improper use including the misuse of stored names and addresses which might be subsequently loaned, sold, or otherwise conveyed to unauthorized persons, committees, or organizations. This possible misuse was called to our attention by several articles written by Ed Zuckerman which appeared in Knight-Ridder and Washington newspapers. The comments offered by the subcommittee were incorporated in the report prior to the excellent regulation written by the House Administration Committee which became effective June 1.

We express our gratitude to Chairman ROSE of the Computer Policy Group and Chairman THOMPSON of the House Administration Committee whose work now requires that lists of names and addresses compiled, maintained, or produced with appropriated funds can only be used for official or representational purposes and that names from these lists can only be used with the frank thereby precluding the use of the list for political purposes.

Second, on page 24 of the report, the committee included language cautioning the Library of Congress to control growth in its internal automation workloads and suggesting that outside agencies providing bibliographic data be utilized whenever possible. It should be pointed out that the committee did not mean that the Library of Congress should not share its enormous bank of bibliographic information with other libraries and information centers or that the Library be precluded from continuing existing arrangements for online access with other libraries with which it has cooperative cataloging arrangements such as the Northwestern University Africana project or the research libraries group project. The committee did intend to remind the Library of its priorities and did not want these cooperative programs to interfere with its existing automation programs which were designed to assist the Congress in carrying out legislative functions.

I trust that the committee will agree with me on these observations and clarifications.

Mr. Chairman, it has been an honor and privilege to work with Chairman SHIPLEY, ranking minority member ARMSTRONG and the other dedicated members of the subcommitee in the preparation of this bill. I urge support of the bill.

Mr. ARMSTRONG. Mr. Chairman, the member of the minority who knows the most about this bill is my colleague, the gentleman from Pennsylvania (Mr. COUGHLIN), and I am very pleased to yield to him.

Mr. COUGHLIN. Mr. Chairman, I thank the distinguished ranking minority member for those kind comments. I just do want to say that since this is Chairman SHIPLEY's last time to bring this bill to the floor, he has been a great chairman, he has been a fair chairman, he has been an honest chairman, and he goes with our great affection and good will. Chairman SHIPLEY has, in the years that I have worked with him, really made a very strong try to restrain the growth in the legislative branch of the Government. That has been an important attempt and he has been successful in doing it.

But almost more important than anything else, Chairman SHIPLEY has constantly sought to protect the Members of this House. That is a very difficult job with a very difficult bill, but he has always done that and done it with great perseverance and great courage on his part.

Let me also compliment Earl Silsby who is now retiring as the chief clerk of this subcommittee. There has been no finer clerk on any subcommittee or committee of this House in my estimation. Earl knows more about the work of the legislative branch and more about the work of the Congress than I think any other person.

He will be sorely missed and we wish him well as he goes.

Mr. Chairman, I will be very brief in my remarks on this bill because I think, by and large, the chairman of the subcommittee, the gentleman from Illinois (Mr. SHIPLEY), and the subcommittee have brought before us a very good bill. I would comment on only really two things at this time.

First, there is no question about the fact that there has been a tremendous growth in the cost of the legislative branch of the Government. A great deal of that is not subject to the control of the committee because a large part of it is in the expenditures for the special and select committees and other things that are creatures of this House.

At the time those funding resolutions were brought before the House, I time and again called attention to the fact that we were creating something that

would have to be funded and that we were authorizing committees to draw from the contingency funds of the House and that that was an improper procedure, in my estimation.

Mr. Chairman, in just 10 years the cost of operating this House has grown from $80 million to $297 million. I repeat, from $80 million to $297 million. This is a staggering increase and it is one that we need to restrain.

The second thing to which I would call the attention of the committee is the growth of the Library of Congress.

No one can dispute the need for the services of the Library of Congress. They are beneficial and they are good services. But as you look at the kind of taxpayers' revolt that is going on in the country now, you can ask the question I have always asked when that part of the appropriation bill comes up. What does the Library of Congress do for the man who is operating a press, or who is walking the streets or who is working 8 hours a day in a factory? What does it really accomplish for him, because the appropriations for the Library of Congress, Mr. Chairman, in 10 years, have gone from $37 million to $193 million. And again I would repeat that, from $37 million to $193 million.

This year the Library of Congress, as it has always done, came in with another large request for increases. They came in with an increase that was almost $20 million over the 1978 figure. We cut that back by $9.8 million, but it still represents a $10 million increase. Somewhere that kind of increase has to come to a halt.

Mr. Chairman, at the appropriate time we will have some amendments to offer.

They are described in the minority views in the committee report and I will have more to say about them at the appropriate time.

Mr. SHIPLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. PATTISON).

Mr. PATTISON of New York. Mr. Chairman, as we proceed today with consideration of the Legislative Appropriations Act of 1978, many Members will no doubt view this as an excellent opportunity to show their constituents how frugal they are with the taxpayers' dollars. Such a godsend of an opportunity comes about because the legislation contains a provision that blocks Members of Congress and top-level Federal officials from receiving the 5-percent so-called cost-of-living salary adjustment this year.

This is the second year in a row that we have refused a scheduled increase in our salaries. Last year, after taking tremendous flack for the 29 percent adjustment in congressional salary, we courageously voted down the 1977 cost-of-living adjustment for legislators and upper echelon bureaucrats.

Make no mistake. I have no objection to saving the taxpayers' money and setting an inflation-fighting example. My concern is that we are doing the right thing for the wrong reason.

What we are seeing here today is not an analytical assessment of what should be the proper level of compensation for service in the Government. Nor is it a carefully measured blow aimed at the heart of the inflation problem, although it is not a bad first step. No, what we are witnessing today is a stampede, a mob of politicians fleeing for cover.

On the first day of this 95th Congress, January 4 of last year, I joined with my colleagues, CHUCK WHALEN, DON PEASE, and NEWT STEERS, to introduce H.R. 1365, the Congressional Pay Raise Deferral Act. That legislation ultimately gathered 160 cosponsors before it was revised by the House Committee on Post Office and Civil Service. As a result of amendments added in committee, the bill failed to pass the House under suspension when it came to the floor last fall, and it has been gathering dust ever since.

Mr. Chairman, I want to remind my colleagues of what it is that we are trying to accomplish with that legislation. We sought to depoliticize the congressional pay raise issue by deferring any congressional salary increase until the beginning of the Congress following the one in which it was approved. Thus, a general election would have to occur in the time between approval and receipt of a congressional pay raise.

In this fashion, we would remove ourselves from the awkward and embarrassing position of repeatedly having to cast votes on a matter that is obviously of direct and immediate personal interest to us. With more of an arm's-length relationship between ourselves and the determination of congressional salary, perhaps we could hope for a more objective and rational debate.

Personally, I do not think that we need or should have an increase in congressional salary at this time. But I am disturbed that we cannot have a more thoughtful consideration of the issue under the present circumstances.

For instance, I think it would be constructive to recall that the controversial salary adjustment of 1977 came about as a consequence of the fact that the Congress had approved only one minor increase in its salary—and that of top level Federal officials, whose pay rate is tied to that of Congress—during the preceding 7 years. The 29-percent increase that was proposed by the Quadrennial Commission and the President represented a partial catchup figure with inflation for that period.

The annual cost-of-living adjustment system, which we adopted only a few years ago, is supposed to prevent such a problem from arising again. However, we rejected last year's adjustment and we are doing so again this year.

As I say, I am in complete agreement to turning down the pay raise this year. But I would be a lot happier if we had a better discussion of the policy implications of our action today. This sort of legislation-by-gut-reaction is troubling to me.

Mr. Chairman, I will conclude by reiterating my hope that the Post Office and Civil Service Committee will again take up the Congressional Pay Raise Deferral Act or comparable legislation. Our current process for consideration and debate of congressional salaries is woefully inadequate and fails to provide us with the necessary framework for objective analysis.

Mr. ARMSTRONG. Mr. Chairman, I am pleased to yield such time as he may consume to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I take this time to ask some questions rather than to make a speech. Two years ago when we had this appropriation bill before us I asked the committee some questions about the printing offices of the minority and the majority. I am pleased to see that the committee has seen fit to remove those salaries but I am constrained to ask some further questions of either the chairman of the subcommittee, the gentleman from Illinois (Mr. SHIPLEY) or the ranking minority member, the gentleman from Colorado (Mr. ARMSTRONG) as to what, if any, provisions have been made to charge those printers rent for the space that they occupy?

Mr. SHIPLEY. Mr. Chairman, if the gentleman will yield, I will be glad to attempt to answer the gentleman's question.

On the day that we marked up the appropriation bill in the subcommittee, we sent a letter to the Committee on House Administration because we feel it is within their jurisdiction to work out an equitable arrangement for the offices of the majority and minority printers. We have done all we can do. I do not really know what the Committee on House Administration will do, but the chairman did say yesterday that they were going to look into the matter and try to work out something equitable. Now, what that may be will have to wait on action by the Committee on House Administration.

Mr. KETCHUM. I thank the chairman of the subcommittee and I commend him for being interested enough to discuss this with the House Committee on House Administration.

It still appears to me to be very competitive with the printers on the outside who must pay rent for their premises and meet all the other requirements of salaries, et cetera, taxes, and so on, which our printers are not paying, and that they are not competing fairly with those on the outside. It would seem to me that since they both are making rather substantial amounts of money, as evidenced in the news reports and reports of the various committees, that they should be required to pay rent, or that it should go out to bid. I am sure there are printers on the outside who would be delighted to come in and perform these services without the advantages afforded to the majority and minority printers.

As the Members may recall, two years ago when we discussed this subject and I was trying to find out who was responsible for the majority and the minority printer, we had a very difficult time finding out who really supervised their activities. I did find out a couple of weeks later that the Speaker and the minority leader were supposed to supervise those individuals, but neither of the printers had seen them for quite some time.

The other question that I would like to ask either the committee chairman or the ranking minority member is what services do we provide the press? I am a great believer in the free press. I certainly feel that we should offer them

space, but do we, indeed, pay for their desks, typewriters, paper, and do we provide someone to supervise the room for them? Can somebody answer that question for me?

Mr. SHIPLEY. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Illinois.

Mr. SHIPLEY. I thank the gentleman for yielding. Could the gentleman restate the question?

Mr. KETCHUM. Yes. The question I ask again is, as a great believer in the free press, and I think the press ought to be able to cover this august body at will, I know we provide the space, but do we provide at the taxpayer's expense desks, typewriters, paper, and supervision in the news room?

Mr. SHIPLEY. If the gentleman will yield, to my knowledge, we do, yes.

Mr. KETCHUM. I would then suggest to the committee that the time has come to investigate whether the taxpayers should have to pay for the tools of the trade, so to speak, of the media. I am just wondering if the taxpayers know that they are paying for it and if they know, do they think it is a good idea?

Mr. SHIPLEY. Again, I think this is something that should be looked into by the proper committee. The Appropriations Committee is not the committee to do this. We do not have the jurisdiction in this matter. This is something which should be brought to the attention of the Committee on House Administration.

Mr. KETCHUM. I thank the Chairman. I think that we probably should go further.

As a great believer in the tax revolution—and I am glad to see that the time has finally arrived and it is being evidenced here as we saw in the HEW appropriations bill—I look at some of the services that we are offered, and I wonder if we are being fair to those on the outside. We have a number of barber shops. Let me dispel for the public the fact that we get free haircuts. That is simply a myth that somebody has circulated. But do we pay the barbers?

Mr. SHIPLEY. If the gentleman will yield, yes, the barbers are on salary.

Mr. KETCHUM. And the beauticians in the beauty shops?

Mr. SHIPLEY. And the beauty shops. There is about $195,000 in the bill for their salaries.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ARMSTRONG. I would be pleased to yield 5 additional minutes to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding the additional time because it is the only opportunity some of us have to ask some of these questions.

I would suggest to the Appropriations Subcommittee that they might suggest to the Committee on House Administration that perhaps the barber shops and the beauty shops ought to be run on a competitive-bid basis, as I am sure there are hundreds of barbers and beauticians in the District of Columbia and its environs who would like to bid on those particular facilities, pay rent for the use of the space and the equipment that we provide, and that those individuals become private entrepreneurs. I think those are some of the things we could look at and some of the cuts that could be made out of the legislative appropriation, which would really lend credibility to the fact that we believe in the private enterprise system—and we would probably get better service.

Mr. Chairman, I yield back the remainder of my time. I thank the gentleman from Colorado for yielding.

Mr. ARMSTRONG. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. I thank the gentleman from Colorado for yielding.

First of all, I want to compliment the gentleman from Illinois (Mr. SHIPLEY) since he is retiring from the Congress, for our cordial relationship on the question of congressional pay raises, because last year when it was a very controversial issue—much more controversial than it is this year—I found him to be very open, honest, and fair, even though he disagreed with me on the issue.

I also compliment the subcommittee, both the Republican minority and the Democrat majority, for the decision not to raise congressional salaries this year. None of us who opposed the congressional pay raises has ever indicated that this more or less symbolic approach would solve our Government's budgetary deficit problems. We have always felt, though, that this symbolic move would send a signal through the economy that every person, including public officials, must sacrifice to win the fight against inflation.

This approach is naturally and honestly considered ineffective by other Members of this body. To them let me point out that none other than the respected Dr. Arthur Burns, former chairman of the Federal Reserve Board, feels that such a symbolic gesture should be an essential element in our battle for inflation, for he suggested on at least two occasions in the last 2 months that the President should take a $20,000 cut, which is a 10-percent cut in that salary, as one of many moves in the battle against inflation.

Now, if Arthur Burns feels that this would help, surely we in Congress should take the symbolism of a gesture of not raising our salaries a little more seriously than we have in the past.

● Mr. FRENZEL. Mr. Chairman, as usual we are about to overspend grossly for our own needs. Almost no cost center in the Federal Government has grown as fast as the legislative appropriation.

Our spending on ourselves is excessive in all respects. Two of the most egregious excesses are in allowances and in staff. Legislative allowances have ballooned outrageously, particularly in the last 4 years when younger Members have insisted on expanded allowances which, in my judgment, are nothing more than reelection bonuses. Congressional staff expenses have been even worse.

H.R. 12935 is excessive unnecessary spending. It should be defeated.●

● Mr. GIAIMO. Mr. Chairman, the purpose of my remarks is to provide a budget perspective for the House as it considers H.R. 12935, making appropriations for the legislative branch for fiscal year 1979.

The bill is within the fiscal year 1979 first budget resolution spending targets for this subcommittee. As is our traditional practice, the House is not acting on appropriations for operations of the other body; however, the amounts remaining within this committee subdivision are sufficient to fund Senate items at the amounts proposed in the budget and included in the budget resolution.

I would like to insert a copy of the House Budget Committee's early warning report on H.R. 12935, which provides greater detail regarding the specific amounts in the bill.

H.R. 12935—LEGISLATIVE BRANCH APPROPRIATION, 1979 (H. REPT. 95-1254)

Committee: Appropriations.
Bill Manager: Mr. Shipley (Ill.).
Ranking Minority Member: Mr. Armstrong (Colo.).
Bill Type: Appropriation.
Scheduled: Wednesday, June 14, 1978.

I. SPENDING ACTION COMPARED TO TARGET

This bill includes $922 million in budget authority and $841 million in outlays. These amounts plus amounts previously enacted or those passed by the House are under the subcommittee target by $240 million in budget authority and $232 million in outlays.

[In millions of dollars]

	Budget authority	Outlays
Committee subdivision target (by subcommittee)	1,162	1,208
Less: Amount in reported bill	−922	−841
Previously enacted or passed House	----	−135
Spending action compared to target:		
Over target	----	----
Under target	240	232

NOTE.—New entitlement authority, none.

II. PROJECTION

The Committee subdivision would not be exceeded upon enactment of additional amounts assumed in the First Budget Resolution but not yet considered.

[In millions of dollars]

	Budget authority	Outlays
Amount remaining within subcommittee target	240	232
Less: Amounts assumed in the resolution, but not yet considered	−213	−232
Assuming no changes from remaining budget resolution assumptions:		
Over subcommittee target	----	----
Under subcommittee target	27	----

NOTE.—New entitlement authority, none.

EXPLANATION OF PROJECTION

Amounts Assumed in Budget Resolution, But Not Yet Considered—Of the $213 million assumed in the resolution but not yet considered, $195 million is for items to be added in the Senate for their legislative expenses.

Traditionally, the House does not act on these items. In addition, funds for acquisition of a site and plan for the Government Printing Office are not yet authorized, amounting to $18 million.

III. Perspective on function totals.

This bill affects three functions; the primary effect is in function 800—General Government. The reported bill is within assumed amounts.

IV. Comparison with the President's budget.

The reported bill is $26 million less than the $948 million in budget authority requested in the President's budget.

V. Amendments.

Amendments may be offered affecting the account "Allowances and expenses of Members", and availability of certain publications and other material without cost.

Mr. SHIPLEY. Mr. Chairman, may I inquire, does the gentleman from Colorado have any further requests for time?

Mr. ARMSTRONG. Mr. Chairman, I have no further requests for time, and I look forward with anticipation to debate under the 5-minute rule.

Mr. SHIPLEY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

(The Clerk proceeded to read the bill.)

Mr. SHIPLEY (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

The Chair hears none.

AMENDMENT OFFERED BY MR. SHIPLEY

Mr. SHIPLEY. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment refers reads as follows:)

This Act may be cited as the "Legislative Branch Appropriation Act, 1979".

The Clerk read as follows:

Amendment offered by Mr. SHIPLEY: On page 30, strike lines 6 and 7.

Mr. SHIPLEY. Mr. Chairman, this is a technical amendment. It strikes out the name of the act since it was inserted at the wrong point in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. SHIPLEY).

The amendment was agreed to.

Mr. SHIPLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SISK) having assumed the chair, Mr. MURPHY of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of June 9, 1978, the Chair declares the House in recess for the purpose of observing and commemorating Flag Day.

Accordingly (at 11 o'clock and 15 minutes a.m.) the House stood in recess subject to the call of the Chair.

FLAG DAY

During the recess, the following proceedings took place in honor of the United States Flag, the Speaker of the House of Representatives presiding.

FLAG DAY PROGRAM, U.S. HOUSE OF REPRESENTATIVES, JUNE 14, 1978

The U.S. Air Force Band and Singing Sergeants entered the door to the left of the Speaker and took the positions assigned to them.

The honored guests, Dr. Oral Roberts; the Joint Chiefs of Staff; the Commandant of the Coast Guard; and the astronauts, Gen. Tom Stafford, Deke Slayton, Alan Bean, JOHN GLENN, JACK SCHMITT, Mike Collins, Joe Allen, Stanley Griggs, Vic Truly, Dr. Judith Resnick, Joe Engle, James Buchli, James Webb, former NASA Administrator, Dr. Robert Frosh, present NASA Administrator, Dr. Alan Lovelace, Deputy NASA Administrator, and Dr. Christopher Craft, manager of the Johnson Space Center, Houston, entered the door to the right of the Speaker and took the positions assigned to them. Dr. Oral Roberts was seated at the desk in front of the Speaker's rostrum.

The SPEAKER. Today is the 201st anniversary of Flag Day. The Chair has informally designated the following Members as members of the Flag Day Committee who have made the necessary arrangements for the ceremony: The gentleman from Oklahoma (Mr. RISENHOOVER), the gentleman from Tennessee (Mr. BEARD), the gentleman from New Jersey (Mr. LE FANTE), and the gentleman from Minnesota (Mr. VENTO).

The flag was carried into the Chamber by the Color Bearer, and a guard from each of the branches of the Armed Forces: Cpl. Slandrew, U.S. Army; Sp/4 Mark Lawrence, U.S. Army; Sp/4 Jerry Bertelsen, U.S. Army; Sp/4 David Feick, U.S. Army; LCPL Messina, U.S. Marine Corps; PFC Lipsius, U.S. Marine Corps; SN Clinton Hill, U.S. Navy; A/C Glenn B. Wheeler, U.S. Air Force; and SN Clay M. Hansen, U.S. Coast Guard.

The Color Guard saluted the Speaker, faced about, and saluted the House.

The flag was posted and the Members were seated.

The SPEAKER. The Chair recognizes the gentleman from Oklahoma (Mr. RISENHOOVER).

Mr. RISENHOOVER. Mr. Speaker, the gentleman from New Jersey, the Honorable JOSEPH A. LE FANTE, will lead us in the Pledge of Allegiance.

The Honorable JOSEPH A. LE FANTE led the Members and guests in reciting the Pledge of Allegiance to the flag.

The U.S. Air Force Band (conducted by Capt. Bruce Gilkes) and the Singing Sergeants presented "The Star Spangled Banner."

Mr. RISENHOOVER. Mr. Speaker, as you mentioned, today is the 201st anniversary of the adoption of the resolution recognizing our United States Flag, and we are very happy today to have as part of the Flag Day ceremony the U.S. Air Force Band, under the direction of Capt. Bruce Gilkes, and the Singing Sergeants.

This is a good day; a time for reflection: A season of thanksgiving, and a cause for rededication.

The flag was authorized June 14, 1777, in the darkness of our revolution. It inspired minutemen to victory: Withstood the terror of seven wars and—in a great moment of glory—was planted on the Moon.

Today's program is dedicated to the astronauts and the 20th anniversary of our space program. I would like to introduce the visiting astronauts and I would like to have them stand and remain standing until all are introduced:

My good friend and fellow Oklahoman—Gen. Tom Stafford, veteran of four space flights. Commander of the Apollo-Soyuz mission, a scientific and a diplomatic triumph.

Deke Slayton of Wisconsin, one of the original astronauts who was grounded by a heart problem, but captured the heart of America by battling back to fly the Apollo-Soyuz mission.

Alan Bean, of Texas, an Apollo 12 astronaut who landed on the Moon.

The Honorable JOHN GLENN of Ohio, the first man in orbit, now a Member of the Senate.

The Honorable JACK SCHMITT of New Mexico, an Apollo 17 astronaut-scientist who picked up Moon rocks, now a Member of the Senate.

Mike Collins of the District of Columbia, who circled the Moon and built the air and space museum.

Dr. Joe Allen of Indiana, a scientist-astronaut who now heads the NASA legislative office.

Vic Truly of Mississippi, who is in the space shuttle program.

Stanley Griggs of Oregon, presently at the LBJ Space Center.

Dr. Judith Resnik of Ohio, now with Xerox Corp.

Joe Engle of Kansas, an X-15 test pilot, and 12 years an astronaut.

We also welcome Chris Kraft of Virginia, manager of the LBJ Center.

Dr. Bob Frosh, of New York, NASA Administrator.

And the executive of our space program, Oklahoma's own, Jim Webb.

I would also at this time like to introduce the Joint Chiefs of Staff. Would they stand also, please?

[Applause.]

A little farther behind the scenes has been a great congressional leader, our beloved colleague from Texas (Mr. TEAGUE). From the early days of space adventure, the respected chairman of the Science and Technology Committee has worked legislative wonders which were crucial in planting that flag on the Moon. We recognize "TIGER" TEAGUE as Congress champion of the space thrust.

Mr. TEAGUE, if you would come forward, I would like to make a special presentation to you on behalf of the Speaker and the Flag Day Committee.

On behalf of the Speaker and the Flag Day Committee, we took this occasion to have a flag flown over the United States

Capitol for presentation to you this morning, "TIGER."

The certificate says the following:

This is to certify that the accompanying flag was flown over the United States Capitol on June 14, 1978, the 201st anniversary of the American Flag, for Representative OLIN TEAGUE, chairman of the Science and Technology Committee, at the request of the Flag Day Committee.

We thank you very much for your efforts.

[Applause.]

Mr. RISENHOOVER. Mr. Speaker, I now recognize our colleague, the gentleman from Tennessee, the Honorable ROBIN BEARD.

Mr. BEARD of Tennessee. Thank you.

Mr. Speaker, It is the nature of the human species that we react to symbols and use them to communicate our beliefs. A wedding ring symbolically informs the world of a commitment that needs no further words to articulate. We are a nation of bumper stickers and decals, of tee-shirt slogans and medallions. Graffiti on the walls, signs above our desks, and even tattoos capsulized our beliefs and inform the people around us just what we stand for.

And what more powerful symbol exists than our flag? Men have killed other men just to attempt to capture it. Others have died valiantly defending it. And what is it about a flag that some will immediately come to attention for it, salute it, never even let it touch the ground, while others, in their anger, have burned it, spit on it and stomped it into the dirt?

It is because when people see this flag, they are really looking through a window at our country: Our laws, our leaders, the manner in which we present ourselves to our citizens and to the world.

Those who feel good about our country will honor the flag. Those who in some way feel deeply disappointed will attack it.

Or as Henry Ward Beecher said:

A thoughtful mind, when it sees the Flag, sees not the Flag, but the Nation itself.

And whatever may be its symbols, its insignia, he reads chiefly in the Flag the government, the principles, the truths, the history that belongs to the Nation that sets it forth.

Let us consider for a moment what this country stands for.

It stands for freedom. It stands for equality of opportunity. And for justice.

These concepts, of course, in the fullest realization, will always be ideals—goals for which to strive. They do not exist in perfection here—or anyplace else. But one of the beauties of our system is that it dramatizes flaws rather than conceals them.

The American flag is honored not for what it is—just a bit of cloth, after all—but for what it represents. Yet because we are a nation founded on individual liberties and freedom, it does not represent the same thing to all of us. Sometimes, many of us forget that.

If there were such a thing as "the American Way of Life," that is what the flag would represent to everybody, but there is no such thing. What we sometimes call the American way of life is really the sum of all the different ways in which Americans live and think and work and worship—not always compatibly, but always under the same flag. There is only one thing we all have in common—and that is our diversity.

So how do we honor the flag? I would like to share some thoughts on that with you by paraphrasing the thoughts of another as they appeared in the Lewiston (Idaho) Morning Tribune:

To honor the Flag is considered a requirement of patriotism, but patriotism is a hard thing to define. Love of one's country probably is the best simple definition of the word patriotism, but when one attempts to discern what love of country is, he finds a multitude of answers and some of the answers conflict.

It is partly love of place—of the Earth, the sidewalks, trees, and rivers of his country—and it is partly love of institutions—the social, political, and economic foundations of his country's life. And to a greater or lesser degree, depending upon the individual, it is the love of the ideas which seem to him to form the moral basis of his country's laws and customs.

All of these attachments, in sum, make up that thing called patriotism. Is it not strange, then, that some of those who have most fiercely attacked American institutions and national ideas have been our greatest patriots?

Patriotism does not consist of reverence for the flag, but the true patriot will honor the flag today and every day in many constructive ways.

How? Simply by honoring and defending those great, broad principles which the scrap of cloth represents. Has a man been unjustly convicted? The flag is honored when justice is done. Has somebody's freedom to worship been infringed? The flag is honored by the man who complains about it. Has a reputation been ruined in the hysteria of pseudopatriotism? The flag is honored by the patriot who restores reason. Has a minority been unfairly treated? He honors the flag who risks his own comfort and position to defend the right.

There is, in other words, no easy way to honor the American flag, and there never has been. That is why it needs honoring on Flag Day.

It is a tribute to our system of government that we who spend so many of our days in heated debate over the direction we—as individuals and as Representatives of those who elected us—believe will bring our Nation closer to the ideals our flag represents, that we are here today for the singular purpose of paying tribute to our flag.

It is but one more testimonial to the endurance and strength of our great Nation—perhaps the greatest example the world has ever seen of the success that freedom brings.

[Applause.]

Mr. RISENHOOVER. Mr. Speaker, I now recognize the gentleman from Minnesota, Mr. BRUCE F. VENTO.

Mr. VENTO. Mr. Speaker, distinguished colleagues, it is an honor for me—a freshman member—to participate in this program on Flag Day.

Ceremonies such as this one provide an explainable sense of drama and the impact, I am sure, is more far reaching than generally realized.

We are a free nation: A democracy. It is our most cherished trait and our greatest contribution to the world. We have come to think of our democracy as the norm but it is not. It is still very new. It has existed only a fraction of the Christian era, and the Christian era itself has existed for only a fraction of time within the history of civilization.

Of all the countries in the world today there are few which have sustained democratic institutions for a period as long as 50 years.

Democracy is still new, fragile, and very much on trial. We are reminded of that—of the challenges we still must meet—as we dedicate this day to the ultimate symbol of our democracy, our American flag.

It is a pleasure to welcome our guest speaker, Dr. Oral Roberts, an internationally known evangelist, religious leader, and communicator.

Oral Roberts is uniquely American. You cannot help but admire his spirit, his dedication to the goals he believes in, and his remarkable ability and achievement.

Oral Roberts was born in a small town in southwest Oklahoma in 1918. His father was a preacher and the family was very poor. Oral decided to follow his father's career and commit his life to religion. He began as a minister of the Pentecostal Holiness Church, a small fundamentalist sect. He was converted after a personal experience, which he attributes to faith healing. It was to shape his life and his whole approach to God and personal religion.

For the next two decades, he spent all his time traveling throughout the United States, meeting people, preaching and sharing his beliefs and life with them.

A turning point in his life occurred in the mid-1960's when Evangelist Billy Graham invited him to the "Berlin Congress of Evangelism." Two years later he joined the Methodist church.

Oral Roberts has accomplished a great deal during the years of his preaching and dedication to evangelism. As he looks around, I am sure he must be proud. Millions of people have heard his words. Hundreds of thousands have been converted. Many others have been inspired by the humanity and simplicity of his teachings.

He is seen on network television. He has authored more than 40 books and makes frequent personal appearances.

In recent years he saw his dream fulfilled with the establishment of "Oral Roberts University in southeast Tulsa." The school now has 3,800 full time students with 20 major buildings on a 500-acre site. Oral Roberts is also working on another dream—to build a medical complex in Tulsa.

Mr. Speaker, it is a great pleasure for me to introduce one of WES WATKIN'S most important constituents, Dr. Oral Roberts, a great American.

[Applause.]

Mr. ROBERTS. I am also a constituent of Congressman JONES of Tulsa.

Mr. Speaker, and my beloved countrymen. I was listening to this glowing in-

troduction, and it made me think of perfume. A whiff is nice, but to take it all might be fatal. I was thinking how unexpected such a great introduction was. The other day I tuned in on television, and they were telling a new Billy Graham-Oral Roberts joke. It seemed Billy and Oral died and went to Heaven.

However, Saint Peter said, "Fellows, we are delighted to have you here, but we have a problem. We do not have any room. I just wonder if you two would be willing to go down below for awhile. As soon as we get room, we will send for you."

In a few days he got an urgent call from the Devil. He said, "Saint Peter, you have got to come down here and get these two fellows. They are tearing this place up."

Saint Peter said, "What's wrong?"

"Well," he said, "Billy has got them all born again, and Oral is air-conditioning the place."

I would like to share in this Flag Day in a personal witness of my own life in America. It would be interesting if you and I would look back and trace that moment in history when we knew our origins.

It happened to me in Oklahoma. On my father's side my people came from Wales over 150 years ago to the United States; on my mother's side, the native American Indians. Eventually my father's people made their way to Indian territory in 1890, which was 17 years before Oklahoma became a State. There my father met a young Indian girl who was a member of the Cherokee Tribe. They married. In 1918 I was born to that family with European and Indian blood in my veins. If you think we have an Indian problem now, you should have been back there, because it was only in 1925 that the American Indian got the right to vote.

I grew up with the Indian people. I learned many of the dialects, and in America at that time it was important to me to learn where I came from—from Europe and from the soil of this country.

It would also be interesting for you and me to look back to that moment when we stood somewhere and wondered what was on the other side. Would we ever amount to anything? I did not live on the backside of the world, but you could see it from our back porch. There in Pontotoc County, Okla., I remember the day when I stood on that back porch and looked out across the hills and the plains in that vast area and wondered what was out there. What was going to happen to me—a stuttering boy, the son of a poor preacher? The people felt that if God kept Rev. Ellis Roberts humble, they would keep him poor, and I grew up tasting that. Standing there on that back porch was a moment in which the world seemed so far away. What would ever happen to me? Would my life ever amount to anything? You can remember the moment when that happened to you.

Then I think it would be well if you and I tried to remember the time when this country became a country to us—not merely born in it as I was, or came to it as some of you came, but when the country became America, when the flag became our flag, when we knew who we were. This happened to me outside the United States. Being born in Oklahoma where my parents had once lived in dugouts, where they were so close to the land that they had to work hard with their hands even to get food to live, and where under free enterprise and rugged individualism they struck out at the poverty and the impossibilities around them with their deep religious faith in God, being from Oklahoma I was really closer in some respects to this Nation than almost any other person outside the borders of our State. Remember when Oklahoma was opened to great land runs, and people came from all over the world to make those runs. Oklahoma became a cosmopolitan State, and in a sense it is a little world out there on the hills and prairies of Oklahoma.

As I began to rise, first of all wanting to be a lawyer and dreaming of being the Governor of my State, I was struck down with tuberculosis and nearly died. Through dedicated doctors and the power of healing prayer, I was restored, and God saved my life. I felt His call like an irresistible force in my being. I felt a compassion. I wanted to go, to touch, to feel, and to enter into people's lives. Eventually, as I traveled over this Nation, I went overseas to all the continents, to many of the great cities of the world. In the meanwhile I had become a Rotarian in Tulsa, and when I got to this particular place overseas where I was preaching, I made up a Rotary attendance. I sat down, signed my name, and the man next to me said, "Oh, we have an American."

I said, "Yes, sir."

He said, "What do you do?"

I said, "Well, among other things I preach the gospel."

"You are a preacher?"

"Yes, sir."

"Well, how did you get in Rotary?" He said, "Look around. Do you see any preachers here in Rotary?"

I said, "Well, I don't know."

"How did you get in Rotary?"

I said, "Well, there was a delegation called upon me and said that they needed me, and, to be honest with you, they created a new category to take me in." I said, "You know, that is kind of like America, creating a new category when necessary."

He said, "A preacher." He said, "You never would have got in the Rotary here."

I said, "How do you get in Rotary in this country?"

He said, "Well, you have got to be the son of a son of a son. You have to have a privileged background of wealth and people who are known. A preacher can not get in Rotary over here." And he said, "By the way," he said, "you are a preacher, among other things. What else do you do?"

I said "Well, I founded a university, and I am president of it." Immediately his face changed. "Mr. President," he said, "Mr. President, we have a distinguished visitor in our midst today. We have the president of an American university." He whispered to me and said, "What is the background of it? Did the state build it?"

I said, "No, sir. A country boy from Oklahoma built it."

He got real quiet. He said "What kind of a school is it—Bible school?"

I said, "That is its No. 1 book, but it is a university—medicine, dentistry, law, business, theology, education, plus the undergraduate division."

"How much did it cost?"

"One hundred fifty million dollars and still going."

He changed his whole outlook, and I said, "If I told you the rest of it, you really would not believe that. I am building a medical complex. I have been turned down three times because the other side in America has the right to oppose. But I finally won it with a unanimous vote April 26, 1978, and we are building the City of Faith."

He said "You could not do that in our country." In my heart I said, I sure am glad I do not belong to your country.

Here in America is the only place I know where you can be a nobody and start becoming a somebody and, despite the obstacles, you can rise. This man wanted to know what the real secret of being an American is, and the best way I could explain it to him was as I grew up, I began to learn the word about liberty, and I began to learn about hard work and the free enterprise system.

The first words I said on April 26 when the City of Faith Certificate of Need was granted was, "Thank God for the free enterprise system in the United States." Finally I said, "Keep faith in God."

We do not all practice it in America, but you can scarcely find anybody who does not know who God is, who does not have some deep spiritual feelings. Some of us think it is the most important thing of all. Well, suddenly I was someone important in Rotary in a foreign land, but without this country, that could not have happened. That is when America dawned on me, that it existentially became my being in the now. In this country I had been able to start a slow rise and hoped some day to reach my highest dream. How in this world can we keep it—that any little barefoot boy or girl, that anybody who is born to privilege or who is born to poverty can stand on the back porch and look across the world and somehow reach down inside and believe that he can amount to somebody? How can we keep it?

An evangelist friend of mine who traveled a lot always tried to bring his wife and children a gift when he came home, especially for his wife because she had to raise the children as well as be their mother, to take care of them in his absence. On this day be brought the gifts to the children and a special gift for his wife. One of his little girls was born lame. Despite surgery and everything that could be done, all she could do was just drag herself across the floor. They all loved her, and when she saw the gift that her father had brought her mother that was in a large package, she said, "Oh, Daddy, let me give that to Mommy."

"Oh," he said, "Honey, it's too big. You can't carry it."

"Oh, yes, I can, Daddy. Please let me carry it to Mommy."

"Well, all right," and he placed this big box in her arms.

She looked up. Her eyes were shining,

and she said, "Now, Daddy, you carry me."

What my heart feels like now as it comes up and gets in my throat is that we have got to do our part, and then we have got to let God do his part. Without both of them we would not make it, but with both of them we will make it. My prayer is:

God, you carry me. You carry the United States of America, because it is a burden that we can carry only so far, God, and we need you. We trust you. Amen.

[Applause, the Members rising.]

Mr. RISENHOOVER. Dr. Roberts, as a small expression of our gratitude for your having rearranged a very busy schedule to be with us here today for our Flag Day ceremony, we have had a flag flown over the United States Capitol for you also. I would like to present it to you at this time. The certificate says the following:

This is to certify that the accompanying flag was flown over the United States Capitol on June 14, 1978, on the 201st anniversary of the American Flag for Dr. Oral Roberts at the request of the Flag Day Committee.

[Applause.]

Mr. RISENHOOVER. Mr. Speaker, behind every group of good men, so the saying goes, there is a group of even more outstanding women. I understand that today we have the astronauts' wives with us in the gallery. Could I ask them to stand, please, so that we may recognize them?

[Applause.]

Mr. RISENHOOVER. Mr. Speaker, I suppose the time that I spent in the U.S. Air Force was one of the most memorable periods of my life. During that time I became a great fan of the Singing Sergeants and the U.S. Air Force Band. They were an inspiration to all military people, just as the other three service bands were.

I am very honored today to have the opportunity to do a reading entitled "I Am an American," with the Singing Sergeants and the U.S. Air Force Band.

The gentleman from Oklahoma (Mr. RISENHOOVER), presented a narration, "I Am an American," accompanied by the Singing Sergeants and the U.S. Air Force Band, as follows:

I AM AN AMERICAN

I am an American.
Listen to my words.
Listen well.
For my country is a strong country,
And my message is a strong message.
I am an American.
I speak for democracy, and the dignity of all people.
I am an American, and my father and grandfathers ancestors have given their blood for freedom;
On the green at Lexington and the snow at Valley Forge;
On the walls of Fort Sumter and the fields of Gettysburg;
On the waters of the Marne and in the shadows of the Argonne;
On the beaches of Salerno and Normandy and the sands of Okinawa;
On the bare, bleak hills called Pork Chop and Old Baldy, and Heartbreak Ridge.
A million and more of my countrymen have died for freedom, including my father.
I am an American, and my country is their eternal monument.
I am an American, and my ancestors have bequeathed to me:
The laughter of a small boy as he watches a circus clown's antics;
The sweet, delicious coldness of the first bite of peppermint ice cream on the 4th of July;
The tenseness of a baseball crowd as the umpire calls "batter up!"
The high school band's rendition of "The Stars and Stripes Forever" in the Memorial Day parade;
The clear, sharp ring of a school bell on a crisp fall morning in Bug Tussle.
These and many more things they fought for, and left for me.
I am an American, and the fruits of my thought and labor are mine to enjoy.

AMERICA THE BEAUTIFUL

I am an American and my country is a land of many realms and mansions.
It is the land of Ohio corn, Idaho potatoes, Texas pasture.
It is the realm of thousands of acres of golden wheat stretching across the flat miles of Oklahoma.
The land of precision assembly lines in Detroit.
The realm of fantastic space technology in Houston and Cape Kennedy.
The land of growing sklines of Pittsburgh and Tulsa, of San Francisco and New York.
And in my churches and homes are the mansions of Heaven.
I am an American, and the love of God has made me free.
I am an American,
And in my churches and homes, everyone worships God in his own way;
The young Jewish boy saying "Hear, O Israel, the Lord is one;"
The Catholic girl praying "Hail Mary, full of grace, the Lord is with thee. . ;"
The Protestant boy singing "A Mighty Fortress is Our God;"
Each one believing and praying as he will,
And all joining in the universal prayer, "Our Father, Who Art in Heaven,"
With the voice in the soul of every human being that cries out to be free.
And America has answered that voice!
I am an American,
And my country offers freedom and opportunity such as no land has ever offered.
Freedom to work, as mechanic or farmer, as merchant or truck driver.
Freedom to think, as chemist or lawyer, as doctor or priest.
Freedom to love, as parent, as child, sweetheart, husband, wife.
Freedom to speak, to pray, to read, to argue, to praise, to criticize.
Freedom to eat and sleep, to work and play, without fear.
Freedom to live one, or two hundred million different lives!
I am an American,
And my heritage is of the land and of the spirit, of the heart and of the soul.
Show me now . . .
A country greater than our country,
A people more fortunate than our people!
I speak for democracy, and the dignity of all people.

[Applause, the Members rising.]

The colors were retired from the Chamber.

The U.S. Air Force Band and the Singing Sergeants retired from the Chamber.

The honored guests retired from the Chamber.

At 12 o'clock and 50 minutes p.m., the proceedings in honor of the United States Flag were concluded.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 30 minutes p.m.

FLAG DAY U.S.A.

● Mr. FARY. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues that today, Flag Day 1978, is the time for Americans to remember and pay special attention to our flag. For the Stars and Stripes is the oldest and most widely recognized of all symbols of our Nation.

The Stars and Stripes became the official emblem of the Thirteen Colonies on June 14, 1777, less than 1 year after the signing of the Declaration of Independence. The 13 stars and 13 stripes were a recognition of the Thirteen Colonies which were involved in a struggle for their freedom from England. The arrangement of the stars in a circle symbolized both the unity and the equality of each colony.

As our country grew, adding more States to the Union, the flag grew also. In April of 1818, Congress enacted a law which provided "that on the admission of every new State into the Union, one star be added to the union of the flag, and that such addition shall take effect on the Fourth of July next succeeding such admission." From thence onwards there was for "every star a State, every State a star."

The long and unique tie between our flag and the history of our country provides a special importance to the flag. As President Woodrow Wilson declared:

The things that the flag stands for were created by great people. Everything that it stands for was written by their lives. The flag is an embodiment, not of sentiment, but of history. It represents the experiences made by men and women, the experiences of those who do and live under the flag.

We must also remember the importance our flag has played in representing our country and all it stands for throughout the world. This one emblem is recognized around the world as the symbol of our Nation and the many ideals we have fought for. In times of war and peace, our flag is there to remind us of the unity and equality of the more than 200 million people who are citizens of these United States. Let this day, therefore, be a time to remind all Americans to attempt to live up to the goals of freedom and democracy which have been our guiding forces throughout our great history.

Mr. Speaker, I feel the following verse by James J. Metcalfe, poet laureate of Chicago, adequately expresses my feeling today concerning our flag:

GOD BLESS OUR FLAG

God bless our flag, the stars and stripes . . . And see it safely through . . . God bless and keep our colors all . . . The red, the white, the blue . . . In every war that we have fought . . . Our flag has led the way . . . On battlefield, among the clouds . . . Beyond and in the bay . . . In all our fights for human rights . . . Our banner bright has flown . . . And we Americans are proud . . . To claim it for our own . . . Its folds have rested on the graves . . . Of heroes near and far . . . A colony in every stripe . . . A state in every star . . . And now it guides us on our way . . . to triumph great and new . . . God bless our flag, the stars and stripes . . . And see it safely through!●

● Mr. HANLEY. Mr. Speaker, as I am sure all of us in this Chamber are well aware, today is Flag Day. The first Flag Day was in 1917, proclaimed by Presi-

dent Woodrow Wilson to celebrate this Nation's stars and stripes.

A tradition as old as Flag Day itself is the poem written by a dear friend to many of us, the late John Jay Daly. President Wilson's proclamation inspired Daly, then the editor of the New Britain, Conn., Herald, to compose that same day, "A Toast to the Flag," a poem which has continued to increase in popularity, and which now is a Flag Day fixture.

Over the years, "A Toast to the Flag" was reprinted in newspapers, textbooks, and other publications around the country. It has been recited in this very Chamber and in thousands of school rooms as part of annual observances of Flag Day. It is the official poem of the National Sojourners, and, in 1954, it brought John Jay Daly an award from the Freedoms Foundation at Valley Forge.

Certainly, Flag Day 1978 would be incomplete without the inclusion of the four stanza poem "A Toast to the Flag" in our proceedings here today:

A TOAST TO THE FLAG

Here's to the red of it—
There's not a thread of it,
No, nor a shred of it
In all the spread of it
From foot to head,
But heroes bled for it,
Faced steel and lead for it,
Precious blood shed for it,
Bathing it Red!

Here's to the white of it—
Thrilled by the sight of it,
Who knows the right of it
But feels the might of it
Through day and night?
Womanhood's care for it
Made manhood dare for it,
Purity's prayer for it
Keeps it so White!

Here's to the blue of it—
Beauteous view of it,
Heavenly hue of it,
Star-spangled dew of it
Constant and true;
Diadems gleam for it,
States stand supreme for it,
Liberty's beam for it
Brightens the Blue!

Here's to the whole of it—
Stars, stripes and pole of it,
Body and soul of it,
O, and the roll of it,
Sun shining through;
Hearts in accord for it,
Swear by the sword for it,
Thanking the Lord for it,
Red, White and Blue!

—John Jay Daly.●

● Mr. GREEN. Mr. Speaker, 201 years ago today our American flag was born of a Joint Resolution of the Continental Congress. Today is Flag Day, and for the last 62 years June 14 has been set aside as a day when we should honor our flag and remember what it stands for.

As our Nation has grown over the years from the Thirteen Original Colonies to our present 50 States, our flag has changed to reflect the growth and diversity of our great people. As Henry Ward Beecher once said of our flag:

It is not a painted rag. It is a whole history, it is the Constitution, it is the Government. It is the free people that stand in the Government and the Constitution.

Therefore, we should remember, especially today, that our flag does not merely represent a loose collection of 50 States, but that it stands for the people who make up those States and who bind them together to form the United States of America.

Thus it is fitting that today also marks the beginning of a 3-week celebration extending through July 4 to "Honor America." The purpose of the "Honor America" celebration, a project of the American Historical and Cultural Society which sprung out of the Bicentennial celebration, is to promote youth appreciation and understanding of the rights granted us by the Constitution and how fortunate we are to live in a land such as ours.

On the first Flag Day, President Woodrow Wilson said of the flag:

Though silent, it speaks to us—of the men and women who went before us and of the records they wrote upon it.

During the following 3-week celebration, we are not just paying tribute to those who have made America what it is, but we are calling attention to the America of the future.●

● Mr. FUQUA. Mr. Speaker, today during Flag Day ceremonies we will honor the entire NASA team and its astronauts who were responsible for planting the American flag on the Moon. It is most appropriate that we recognize these achievements during NASA's 20th anniversary year.

In the past two decades, NASA has served as a leader of the most rapid technological advance the world has ever known. Little we as a nation have done recently has evoked as much admiration as our achievements in space. The NASA team and astronauts have taken man to the Moon and back, demonstrated the use of space for the benefit of mankind and for the expansion of human knowledge and begun a systematic exploration of the solar system. Space offers a large potential for contributing to the solution of many problems here on Earth.

Mr. Speaker, it has been gratifying to have been a part of the space program through the Science and Technology Committee. I would add that there has been no greater advocate for the space program than Chairman "TIGER" TEAGUE. He has played a leading role in helping to guide the space program over the years.

Again, I want to join my colleagues in recognizing the accomplishments of the NASA team and astronauts.●

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2380. An act to amend the Intervention on the High Seas Act to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11291. An act to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the United States Fire Administration.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3112. An act to amend the Act of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building.

LOWERING DUTY ON LEVULOSE UNTIL JUNE 10, 1980

Mr. VANIK. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5176) to lower the duty on levulose until the close of June 30, 1980, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, strike out all of the matter which appears between lines 5 and 6 and insert:

" 907.90	Levulose (provided for in item 493.66, part 13B, schedule 4).	10 percent ad val.	No change	On or before 6/30/80 ".

Mr. VANIK. Mr. Speaker, the purpose of H.R. 5176 is to reduce until June 30, 1980, the duty on imports of levulose. Levulose is a monosacchride which, together with dextrose, represents a basic component of ordinary sugar. There is no natural source of pure levulose, which is produced through expensive manufacturing processes. Levulose does not compete with sugar since it is substantially higher in price. It is used primarily in special dietary preparations where the use of sugar must be avoided. There is presently no domestic production of pure levulose. However, a plant is under construction and is expected to begin production in the early 1980's.

The bill as it passed the House would temporarily reduce the column 1 and column 2 rate of duty on levulose from the current levels of 20 and 50 percent ad valorem respectively, to the specific rate of 1.9875 cents per pound, which is identical to the rate of duty on sugar in effect at the time of House consideration.

Since House passage of H.R. 5176, July 18, 1977, the President has taken a number of steps to increase the duty and fees on imported sugar substantially beyond 1.9875 cents per pound. The Senate, therefore, amended the bill by substituting a duty reduction of 10 percent ad valorem in the column 1 (MFN) rate of duty for the House language of 1.9875 cents per pound, thus maintaining the use of an ad valorem rather than specific rate of duty. The 10 percent ad valorem rate in column 1 is approximately equivalent to the total of current import duties and fees on imported sugar (approximately 6 cents per pound). The Senate further amended the bill to strike out any duty reduction in the column 2 rate of duty applicable to imports from Communist countries who do not receive

MFN treatment. This poses no problem as the sole exporters of levulose are countries receiving column 1 (MFN) tariff treatment.

The sponsor of the bill, Mr. CORMAN of California, has no objection to the Senate amendments.

● Mr. STEIGER. Mr. Speaker, I join my colleague in urging that the Senate amendment to apply a column 1 duty on levulose of 10 percent ad valorem be approved.

Levulose is used in the production of certain artificial sweeteners. It appears most commonly in nature as a component of honey, and its separation requires an expensive manufacturing process. There are no domestic commercial producers of pure levulose, and imports of the substance into this country come mainly from Finland but also from West Germany and France.

The Senate amendment merely updates the House bill so as to equalize the rates of duty on levulose with the duties and import fees on sugar. Although future Presidential action with respect to the duties and fees on sugar may very well again alter the similarity between tariff treatment of levulose and sugar, at least the gap will be narrowed considerably as a result of this legislation.

I also have no objection to denying the preferential tariff treatment to column 2 entries. Present sources of levulose imports are from countries to which we extend most-favored-nation (MFN) status, and any encouragement of imports from non-MFN nations should come about after careful consideration of economic and political implications.

Mr. Speaker, since the Senate amendment is germane and is designed to accomplish the intent of the House when it passed H.R. 5176 last year, I urge that it be accepted without further modification at this time.●

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

A motion to reconsider was laid on the table.

AMENDING INTERNAL REVENUE CODE ON TREATMENT OF MUTUAL OR COOPERATIVE TELEPHONE COMPANY INCOME FROM NONMEMBER TELEPHONE COMPANY

Mr. VANIK. Mr. Speaker, on behalf of the chairman of the Ways and Means Committee, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7581) to amend the Internal Revenue Code of 1954 to provide that certain income from a nonmember telephone company is not taken into account in determining whether any mutual or cooperative telephone company is exempt from income tax, with Senate amendments thereto, and concur in the Senate amendments with House amendments thereto.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

SECTION 1. TREATMENT OF MUTUAL OR COOPERATIVE TELEPHONE COMPANY INCOME FROM NONMEMBER TELEPHONE COMPANY.

(a) IN GENERAL.—Paragraph (12) of section 501(c) of the Internal Revenue Code of 1954 (relating to certain organizations exempt from income tax) is amended by adding at the end thereof the following new sentence: "In the case of any mutual or cooperative telephone company, the preceding sentence shall be applied without taking into account any income received or accrued from a nonmember telephone company for the performance of communication services which involve members of such mutual or cooperative telephone company.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1974.

SEC. 2. LENDING OF SECURITIES BY EXEMPT ORGANIZATIONS.

(a) TREATMENT OF INCOME FROM PAYMENTS WITH RESPECT TO SECURITIES LOANS.—

(1) INCLUSION IN GROSS INVESTMENT INCOME FOR PURPOSES OF DEFINING PRIVATE FOUNDATION.—

Section 509(a) of the Internal Revenue Code of 1954 (relating to definition of gross investment income) is amended by inserting "payments with respect to securities loans (as defined in section 512(a)(5))," after "dividends,".

(2) EXCLUSION FROM UNRELATED BUSINESS TAXABLE INCOME.—Section 512(b)(1) of such Code (relating to modifications of unrelated business taxable income) is amended by inserting "payments with respect to securities loans (as defined in section 512(a)(5))," after "interest,".

(3) REGULATED INVESTMENT COMPANY INCOME.—Section 851(b)(2) of such Code (relating to limitations on regulated investment company income) is amended by inserting "payments with respect to securities loans (as defined in section 512(a)(5))," after "interest,".

(4) INCLUSION IN NET INVESTMENT INCOME OF PRIVATE FOUNDATIONS.—Section 4940(c)(2) of such Code (relating to gross investment income) is amended by inserting "payments with respect to securities loans (as defined in section 512(a)(5))," after "rents,".

(b) DEFINITION OF PAYMENTS WITH RESPECT TO SECURITIES LOANS.—Section 512(a) of such Code (relating to definition of unrelated business taxable income) is amended by adding at the end thereof the following new paragraph:

"(5) DEFINITION OF PAYMENTS WITH RESPECT TO SECURITIES LOANS.—

"(A) The term 'payments with respect to securities loans' includes all amounts received in respect of a security (as defined in section 1236(c)) transferred by the owner to another person in a transaction to which section 1058 applies (whether or not title to the security remains in the name of the lender) including—

"(i) amounts in respect of dividends, interest, or other distributions.

"(ii) fees computed by reference to the period beginning with the transfer of securities by the owner and ending with the transfer of identical securities back to the transferor by the transferee and the fair market value of the security during such period.

"(iii) income from collateral security for such loan, and

"(iv) income from the investment of collateral security.

"(B) Subparagraph (A) shall apply only with respect to securities transferred pursuant to an agreement between the transferor and the transferee which provides for—

"(i) reasonable procedures to implement the obligation of the transferee to furnish to the transferor, for each business day during such period, collateral with a fair market value not less than the fair market value of the security at the close of business on the preceding business day,

"(ii) termination of the loan by the transferor upon notice of not more than 5 business days, and

"(iii) return to the transferor of securities identical to the transferred securities upon termination of the loan.".

(c) TREATMENT FOR PURPOSES OF SECTION 514.—Subsection (c) of section 514 of such Code (relating to unrelated debt-financial income) is amended by adding at the end thereof the following new paragraph:

"(8) SECURITIES SUBJECT TO LOANS.—For purposes of this section—

"(R) payments with respect to securities loans (as defined in section 512(a)(5)) shall be deemed to be derived from the securities loaned and not from collateral security or the investment of collateral security from such loans,

"(B) any deductions which are directly connected with collateral security for such loan, or with the investment of collateral security, shall be deemed to be deductions which are directly connected with the securities loaned, and

"(C) an obligation to return collateral security shall not be treated as acquisition indebtedness (as defined in paragraph (1)).".

(d) TREATMENT OF GAIN OR LOSS ON CERTAIN LOANS OF SECURITIES.—

(1) NONRECOGNITION OF GAIN OR LOSS.—Part IV of Subchapter O of chapter 1 of such Code (relating to special rules) is amended by redesignating section 1058 as 1059 and by inserting after section 1057 the following new section:

"SEC. 1058. TRANSFERS OF SECURITIES UNDER CERTAIN AGREEMENTS.

"(a) GENERAL RULE.—In the case of a taxpayer who transfers securities (as defined in section 1236(c)) pursuant to an agreement which meets the requirements of subsection (b), no gain or loss shall be recognized on the exchange of such securities by the taxpayer for an obligation under such agreement, or on the exchange of rights under such agreement by that taxpayer for securities identical to the securities transferred by that taxpayer.

"(b) AGREEMENT REQUIREMENTS.—In order to meet the requirements of this subsection, an agreement shall—

"(1) provide for the return to the transferor of securities identical to the securities transferred;

"(2) require that payments shall be made to the transferor of amounts equivalent to all interest, dividends, and other distributions which the owner of the securities is entitled to receive during the period beginning with the transfer of the securities by the transferor and ending with the transfer of identical securities back to the transferor;

"(3) not reduce the risk of loss, or opportunity for gain of the transferor of the securities in the securities transferred; and

"(4) meet such other requirements as the Secretary may by regulation prescribe.

"(c) BASIS.—Property acquired by a taxpayer described in subsection (a), in a transaction described in that subsection, shall have the same basis as the property transferred by that taxpayer.".

(2) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter O of chapter 1 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 1058. Transfers of securities under certain agreements.

"Sec. 1059. Cross references".

(e) EFFECTIVE DATE.—The amendments made by this section apply with respect to—

(1) amounts received after December 31, 1976, as payments with respect to securities loans (as defined in section 512(a)(5) of the Internal Revenue Code of 1954), and

(2) transfers of securities, under agreements described in section 1058 of such Code, occurring after such date.

SEC. 3. CHANGE IN DEFINITION OF ELIGIBLE INDIVIDUAL FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subparagraph (A) section 43(c)(1) of the Internal Revenue Code of 1954 (relating to definition of eligible individual) is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following:

"(i) an individual who has not attained the age of 19 at the close of the taxable year with respect to whom the eligible individual is entitled to claim a deduction under 151,

"(ii) an individual whose relationship to the eligible individual is described in paragraph (1) or (2) of section 152(a), who is disabled (within the meaning of section 72(m)(7)), and with respect to whom the eligible individual is entitled to claim a deduction under section 151, or

"(iii) a child of the eligible individual if the child meets the requirements of section 151(e)(1)(B) (relating to additional exemption for dependents); and".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1978.

SEC. 4. USE OF COMPLETED CROP POOL METHOD OF ACCOUNTING.

Section 1382 of the Internal Revenue Code of 1954 (relating to taxable income of cooperatives) is amended by adding at the end thereof the following new subsection:

"(g) USE OF COMPLETED CROP POOL METHOD OF ACCOUNTING.—

"(1) IN GENERAL.—An organization described in section 1381(a) which is engaged in pooling arrangements for the marketing of products may compute its taxable income with respect to any pool opened prior to March 1, 1978, under the completed crop pool method of accounting if—

"(A) the organization has computed its taxable income under such method for the 10 taxable years ending with its first taxable year beginning after December 31, 1976, and

"(B) with respect to the pool, the organization has entered into an agreement with the United States or any of its agencies which includes provisions to the effect that—

"(i) the United States or such agency shall provide a loan to the organization with the products comprising the pool serving as collateral for such loan,

"(ii) the organization shall use an amount equal to the proceeds of such loan to make price support advances to eligible producers (as determined by the United States or such agency), to defray costs of handling, processing, and storing such products, or to pay all or part of any administrative costs associated with the price support program,

"(iii) an amount equal to the net proceeds (as determined under such agreement) from the sale or exchange of the products in the pool shall be used to repay such loan until such loan is repaid in full (or all the products in the pool are disposed of), and

"(iv) the net gains (as determined under such agreement) from the sale or exchange of such products shall be distributed to eligible producers, except to the extent that the United States or such agency permits otherwise.

"(2) COMPLETED CROP POOL METHOD OF ACOUNTING DEFINED.—For purposes of this subsection, the term 'completed crop pool method of accounting' means a method of accounting under which gain or loss is computed separately for each crop year pool in the year in which the last of the products in the pool are disposed of.".

Amend the title so as to read: "An Act to amend the Internal Revenue Code of 1954 with respect to the treatment of mutual or cooperative telephone company income from nonmember telephone companies, and for other purposes.".

The Clerk read the House amendments to the Senate amendments, as follows:

On page 8 of the Senate engrossed amendments, strike out lines 1 to 25, inclusive.

On page 9, line 1, of the Senate engrossed amendments, strike out "SEC. 4" and insert "SEC. 3.".

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 7581.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Speaker, H.R. 7581, as passed by the House, clarifies the member-income requirement that must be satisfied by a mutual or cooperative telephone company as a condition for exemption from Federal income taxation. The Senate struck out all after the enacting clause and inserted a new text which included the text of the House-passed bill relating to mutual or cooperative telephone companies and also included the text of three other provisions.

The first provision added by the Senate clarifies and revises the tax treatment of securities lending transactions between either a tax-exempt organization or a mutual fund and a securities broker. These loans enable the brokers to make timely deliveries for the purpose of completing market transactions. This provision generally provides that, for tax-exempt organizations and mutual funds, payments on securities loans which are fully backed by collateral and which may be terminated on 5-day notice by the lending organization are to be treated in the same general manner as dividends and interest—that is, as passive investment income. This provision also provides a clarifying rule applicable to securities lending transactions generally. Under this rule, the lending of securities to a broker and the return of identical securities does not constitute a taxable sale or exchange of the securities, and thus does not interrupt the lender's holding period or affect the lender's basis.

The second provision added by the Senate deals with the earned income credit and makes it clear that the categories of persons eligible for the credit include any individual who maintains a household for a dependent. Subsequent to the adoption of this provision by the Senate, however, the Treasury Department published regulations which solve the problem that the amendment was directed to. As a result, this amendment is no longer necessary and is proposed to be deleted from the Senate amendment.

The third provision added by the Senate deals with tobacco growers cooperatives which have entered into annual agreements with the Commodity Credit Corporation for purposes of assisting the Department of Agriculture in the administration of Federal tobacco price support programs. The provision permits these tobacco cooperatives to continue to use the completed crop pool method of accounting for computing taxable income with respect to crop pools opened prior to March 1, 1978.

Mr. Speaker, I urge that the House concur in the Senate amendments, as modified by the deletion of the Senate provision relating to the earned income credit, which is no longer necessary as a result of revised Treasury regulations.

● Mr. CONABLE. Mr. Speaker, I rise in support of the procedures outlined by the distinguished gentleman from Oregon (Mr. ULLMAN), the chairman of the Committee on Ways and Means. We should agree to the Senate amendments to H.R. 7581, with an amendment.

This bill passed the House of Representatives on January 24, 1978, and the Senate has added three provisions to it. They relate to the tax treatment of a lender of securities, the earned income credit, and completed crop pool method of accounting and the chairman has described them in detail.

We should strike the provisions of the Senate amendment relative to the earned income credit and return the bill to the Senate. I urge my colleagues to support this course of action.●

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON GOVERNMENT ACTIVITIES AND TRANSPORTATION OF COMMITTEE ON GOVERNMENT OPERATIONS TO MEET TOMORROW WHILE HOUSE IS IN SESSION

Mr. JOHN L. BURTON. Mr. Speaker, I ask unanimous consent that tomorrow the Subcommittee on Government Activities and Transportation of the Committee on Government Operations be permitted to meet while the House is in session. There is no markup. It is just a hearing.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I would ask the gentleman from California (Mr. JOHN L. BURTON), what is the purpose of this again?

Mr. JOHN L. BURTON. It is a hearing on the Northeast Corridor. There is no markup or legislation.

Mr. ROUSSELOT. This is just for today?

Mr. JOHN L. BURTON. For tomorrow.

Mr. ROUSSELOT. For tomorrow?

Mr. JOHN L. BURTON. That is correct.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, which subcommittee is this?

Mr. JOHN L. BURTON. It is the Subcommittee on Government Activities and Transportation of the Committee on Government Operations. That is in charge of bulldozers and things like that.

Mr. ROUSSELOT. Oh, well, bulldozers?

Mr. JOHN L. BURTON. That is correct.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

OUTRAGEOUS PROPOSAL BY CUBA TO SWAP PRISONERS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I was outraged this morning when I picked up the Washington Post and read a front-page article stating that Fidel Castro had charged the President of the United States with lying about Cuba's involvement in the invasion of Zaire, and denying that he himself had lied.

Aside from that, there was another front-page story that Castro has issued an ultimatum to this country demanding to exchange prisoners—one of them being Lolita LeBron, who, with her three murderous Puerto Rican comrades, shot up the House of Representatives from the galleries in 1954.

I was one who was called upon at that time to officially interview those would-be assassins prior to their trial, which led to Miss LeBron's 25-to-75-year U.S. prison term.

The evidence of their shooting spree—bullet holes—are still there in the minority table of this Chamber as a reminder that LeBron and her fellow terrorists tried to murder Members of Congress.

This brutal dictator, Fidel Castro, who has demonstrated his inhumanity through the slaughter of his fellow Cubans, should not be believed and should not be recognized or dealt with by the United States in any form whatsoever.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman from Maryland will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, my parliamentary inquiry is this:

On June 8, 1978, the Speaker announced to the House that audio coverage of the House would be allowed and that the national radio networks would be permitted to have access to the House system. At that time the Chair stated and requested from the House the cooperation of all parties involved to insure that the dignity and the integrity of the proceedings of the House would be upheld.

Mr. Speaker, the rules of the House, I am sure the Speaker knows, include as one of the duties of the Chair to preserve order and decorum. Under clause 8 of rule XIV, a prohibition forbids any Member to introduce or to bring to the attention of the House or to make reference to persons in the gallery, nor may the Speaker entertain a request for the suspension of this rule by unanimous consent or otherwise. Clause 1 of rule XIV also requires that all Members address the Chair at all times.

The gentleman from Maryland would further state that during the course of recent debate the gentleman has noted that, since the audio coverage of the floor proceedings has begun, and during the several months since televised proceedings have been permitted to be transmitted to the office of Members, that Members on a number of occasions have addressed themselves to those people either viewing the proceedings on television or those listening to the radio.

My parliamentary inquiry is whether under the rules and the precedents of the House the Members must confine themselves to addressing the Chair without any reference to persons outside the Chamber or in the galleries?

The SPEAKER. The Chair appreciates the parliamentary inquiry presented by the gentleman from Maryland (Mr. BAUMAN) and indeed anticipated such an inquiry because the Chair appreciates the talent and vast knowledge the gentleman from Maryland (Mr. BAUMAN) has as to the rules of the House and states that in no way may a Member address anybody but the Chair himself, and the Chair has prepared a statement to that effect.

The Chair is prepared to respond to the parliamentary inquiry put by the gentleman from Maryland.

The gentleman from Maryland inquires into the proper manner of addressing this body now that full audio coverage of floor proceedings has been authorized pursuant to House Resolution 866. The Chair would point out that clause I, rule XIV, of the rules of the House requires a Member in seeking recognition to rise, address himself to the Speaker, and on being recognized confine himself to the question under debate, avoiding personality. Further, chapter 29, section 13.3 of Deschler's procedure states that a Member should address his remarks to the Chair and only to the Chair; it is not in order for a Member to address his remarks to "the press." Nor is it in order in debate to refer to anyone in the galleries under section 13.5 of the same chapter of Deschler's procedure. And, a Member should refer to another Member only in the third person, by State designation.

Accordingly the Chair will inform the gentleman that Members should continue to address their remarks to the Speaker, or to the Chair, and only to the Speaker, or to the Chair.

Mr. BAUMAN. I thank the Speaker for his ruling and his kind words.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. SLACK. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD, and that all Members have permission to extend their remarks on subject of Flag Day.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL

Mr. SLACK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12934) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 368, nays 6, not voting 60, as follows:

[Roll No. 450]

YEAS—368

Abdnor	Burton, John	Evans, Colo.
Addabbo	Burton, Phillip	Evans, Del.
Akaka	Butler	Evans, Ind.
Alexander	Byron	Fary
Ambro	Carney	Fascell
Ammerman	Carr	Fenwick
Anderson, Calif.	Carter	Findley
	Cavanaugh	Fish
Anderson, Ill.	Cederberg	Fithian
Andrews, N.C.	Chappell	Flippo
Andrews, N. Dak.	Clausen, Don H.	Flood
		Florio
Annunzio	Clay	Flynt
Applegate	Cleveland	Foley
Archer	Cochran	Ford, Tenn.
Armstrong	Coleman	Forsythe
Aspin	Collins, Tex.	Fountain
AuCoin	Conable	Fowler
Badham	Conte	Fraser
Bafalis	Conyers	Frey
Baldus	Corcoran	Gammage
Barnard	Corman	Gaydos
Baucus	Cornell	Gephardt
Bauman	Cornwell	Giaimo
Beard, R.I.	Cotter	Gibbons
Beard, Tenn.	Coughlin	Gilman
Bedell	Crane	Ginn
Beilenson	Cunningham	Glickman
Benjamin	D'Amours	Goldwater
Bennett	Daniel, R. W.	Gonzalez
Bevill	Danielson	Gore
Bingham	Davis	Gradison
Blanchard	de la Garza	Grassley
Blouin	Delaney	Green
Boggs	Dellums	Gudger
Boland	Dent	Guyer
Bolling	Derrick	Hagedorn
Bonior	Derwinski	Hall
Bonker	Devine	Hamilton
Bowen	Dickinson	Hammer-schmidt
Brademas	Dicks	
Breaux	Dodd	Hanley
Breckinridge	Dornan	Hannaford
Brinkley	Downey	Hansen
Brooks	Drinan	Harkin
Broomfield	Duncan, Tenn.	Harrington
Brown, Calif.	Early	Harris
Brown, Mich.	Eckhardt	Hawkins
Brown, Ohio	Edgar	Heckler
Broyhill	Edwards, Ala.	Hefner
Buchanan	Edwards, Calif.	Heftel
Burgener	Edwards, Okla.	Hightower
Burke, Calif.	Eilberg	Hillis
Burke, Fla.	Emery	Hollenbeck
Burke, Mass.	English	Holt
Burleson, Tex.	Erlenborn	Holtzman
Burlison, Mo.	Ertel	Howard

Hubbard	Miller, Calif.	Sawyer
Huckaby	Miller, Ohio	Scheuer
Hughes	Mineta	Schroeder
Hyde	Minish	Schulze
Ichord	Mitchell, N.Y.	Sebelius
Ireland	Moakley	Seiberling
Jacobs	Moffett	Sharp
Jeffords	Mollohan	Shipley
Jenkins	Montgomery	Shuster
Jenrette	Moore	Sikes
Johnson, Calif.	Moorhead, Calif.	Sisk
Johnson, Colo.	Moorhead, Pa.	Skelton
Jones, N.C.	Mottl	Slack
Jones, Okla.	Murphy, Ill.	Smith, Iowa
Jordan	Murphy, N.Y.	Smith, Nebr.
Kasten	Murphy, Pa.	Snyder
Kastenmeier	Murtha	Solarz
Kazen	Myers, Gary	Spence
Kelly	Myers, John	St Germain
Kemp	Myers, Michael	Staggers
Ketchum	Natcher	Stangeland
Keys	Neal	Stanton
Kildee	Nix	Steed
Kindness	Nolan	Steers
Kostmayer	Nowak	Steiger
Krebs	Oakar	Stockman
LaFalce	Oberstar	Studds
Lagomarsino	Obey	Symms
Latta	Ottinger	Taylor
Le Fante	Panetta	Thompson
Leach	Patterson	Thone
Lederer	Pattison	Thornton
Leggett	Pease	Traxler
Lehman	Pepper	Treen
Lent	Perkins	Trible
Levitas	Pettis	Tsongas
Livingston	Pickle	Udall
Lloyd, Tenn.	Pike	Van Deerlin
Long, La.	Poage	Vander Jagt
Long, Md.	Pressler	Vanik
Lott	Preyer	Volkmer
Lujan	Price	Waggonner
Luken	Pritchard	Walker
Lundine	Pursell	Walsh
McClory	Quillen	Wampler
McCloskey	Rahall	Watkins
McCormack	Railsback	Waxman
McDonald	Regula	Weaver
McEwen	Reuss	Weiss
McFall	Rhodes	White
McHugh	Richmond	Whitehurst
McKay	Rinaldo	Whitley
McKinney	Roberts	Whitten
Madigan	Robinson	Wiggins
Maguire	Roe	Winn
Mahon	Rogers	Wirth
Mann	Rooney	Wright
Markey	Rosenthal	Wydler
Marks	Rostenkowski	Wylie
Marlenee	Rousselot	Yates
Marriott	Roybal	Yatron
Martin	Rudd	Young, Fla.
Mattox	Russo	Young, Mo.
Mazzoli	Ryan	Young, Tex.
Meeds	Santini	Zablocki
Metcalfe	Sarasin	Zeferetti
Michel	Satterfield	
Mikulski		

NAYS—6

Dingell	Mitchell, Md.	Wilson, Bob
Lloyd, Calif.	Quayle	Young, Alaska

NOT VOTING—60

Allen	Goodling	Roncalio
Ashbrook	Harsha	Rose
Ashley	Holland	Runnels
Biaggi	Horton	Ruppe
Brodhead	Jones, Tenn.	Simon
Caputo	Krueger	Skubitz
Chisholm	McDade	Spellman
Clawson, Del	Mathis	Stark
Cohen	Meyner	Stokes
Collins, Ill.	Mikva	Stratton
Daniel, Dan	Milford	Stump
Diggs	Moss	Teague
Duncan, Oreg.	Nedzi	Tucker
Evans, Ga.	Nichols	Ullman
Fisher	O'Brien	Vento
Flowers	Patten	Walgren
Ford, Mich.	Quie	Whalen
Frenzel	Rangel	Wilson, C. H.
Fuqua	Risenhoover	Wilson, Tex.
Garcia	Rodino	Wolff

Mr. LLOYD of California. Changed his vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12934, with Mr. BROWN of California in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, June 12, 1978, the gentleman from West Virginia (Mr. SLACK) had consumed 30 minutes of general debate, and the gentleman from Michigan (Mr. CEDERBERG) had consumed 29 minutes of general debate.

The Chair recognizes the gentleman from Michigan (Mr. CEDERBERG) for 1 minute.

Mr. CEDERBERG. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time having expired, the Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES

For necessary expenses of the Department of State and the Foreign Service, not otherwise provided for, including allowances as authorized by 5 U.S.C. 5921–5925; expenses of binational arbitrations arising under international air transport agreements; expenses necessary to meet the responsibilities and obligations of the United States in Germany (including those arising under the supreme authority assumed by the United States on June 5, 1945, and under contractual arrangements with the Federal Republic of Germany); expenses of the National Commission on Educational, Scientific, and Cultural Cooperation, as authorized by sections 3, 5, and 6 of the Act of July 30, 1946 (22 U.S.C. 287o, 287q, 287r); hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; expenses authorized by section 2 of the Act of August 1, 1956 (22 U.S.C. 2669), as amended; refund of fees erroneously charged and paid for passports; radio communications; payment in advance for subscriptions to commercial information, telephone and similar services abroad; expenses necessary to provide maximum physical security in Government-owned and leased properties abroad; and procurement by contract or otherwise, of services, supplies, and facilities, as follows: (1) translating, (2) analysis and tabulation of technical information, and (3) preparation of special maps, globes, and geographic aids; $659,000,000: *Provided*, That passenger motor vehicles in possession of the Foreign Service abroad may be replaced in accordance with section 7 of the Act of August 1, 1956 (22 U.S.C. 2674), and the cost, including exchange allowance, of each such replacement shall not exceed $6,500 in the case of the chief of mission automobile at each diplomatic mission (except that four such vehicles may be purchased at not to exceed $9,000 each) and such amounts as may be otherwise provided by law for all other such vehicles, except that right-hand drive vehicles may be purchased without regard to any maximum price limitation otherwise established by law: *Provided further*, That in addition, this appropriation shall be available for the purchase (not to exceed thirty-three), replacement, rehabilitation, and modification of passenger motor vehicles for protective purposes without regard to any maximum price limitations otherwise established by law.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order against the language in this paragraph.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ROUSSELOT. Mr. Chairman, I make a point of order against this language in this paragraph in that it amounts to an unauthorized appropriation, and it cannot be contained in an appropriation bill unless authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. I do, Mr. Chairman.

Mr. Chairman, the gentleman is correct if he insists on his point of order, in which event I would concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph in question is striken from the bill.

The Clerk will read.

The Clerk read as follows:

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), $2,900,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order against the language in this paragraph.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ROUSSELOT. Mr. Chairman, I make a point of order against the language in this paragraph in that it amounts to an unauthorized appropriation, and it cannot be contained in an appropriation bill unless authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. I do, Mr. Chairman.

Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The paragraph in question is striken from the bill.

The Clerk will read.

The Clerk read as follows:

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD

For necessary expenses of carrying into effect the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 292–300), including personal services in the United States and abroad; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); allowances as authorized by 5 U.S.C. 5921–5925; and services as authorized by 5 U.S.C. 3109; $125,000,000, to remain available until expended: *Provided*, That not to exceed $2,544,000 may be used for administrative expenses during the current fiscal year.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order against the language in this paragraph.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ROUSSELOT. Mr. Chairman, I maker a point of order against the language in this paragraph in that it amounts to an unauthorized appropriation, and it cannot be contained in an appropriation bill unless authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. I do, Mr. Chairman.

Mr. Chairman, again, if the gentleman from California insists on his point of order, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained, and the entire paragraph in question is stricken from the bill.

Mr. CEDERBERG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the House ought to understand what it is doing here today.

These points of order are perfectly proper. The gentleman from California (Mr. ROUSSELOT) is exercising his right, but we had better understand what we are doing. Not only on this appropriation bill but on other appropriations bills where the authorizing committees have not finished their work, we are allowing the other body to write our appropriation bills.

That does not seem to me to be the orderly procedure. We have held months of hearings on our bill, as other subcommittees have. We are going to bring them here now without rules and then the bills will be subject to points of order on all of these matters that are not authorized.

Mr. Chairman, if there is a clear signal here, it ought to be, as I said before when we were in general debate, that the time has come for advanced authorization because if we do not have advanced authorization, we do damages to the orderly procedure of this House.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

This House has been on full notice, as have all committees, that there is a requirement that authorizing committees do their work on authorizations by May 15. That cutoff date is well known by Members of this House.

I am not saying that it is absolutely possible to meet that date in every case; but I know, for example, in the instance of the Committee on Banking, Finance and Urban Affairs, those bills that required authorization were moved out of committee by May 15.

Mr. Chairman, the gentleman may be right; but I do not think it is an absolute rule that the other body will write all of our appropriation bills that are not properly authorized by the House. I am not sure that I accept that we need to take ourselves out the process. We still have the right to reject or accept the bills that are returning from conference.

Mr. Chairman, my point is that the committees of this Congress know there is a deadline. I am not being critical of the Committee on Appropriations. They have properly done their work. The problem is that the authorizing committees have not done their jobs.

Mr. CEDERBERG. Mr. Chairman, the gentleman has just made my speech.

What I am saying is that unless we have the mechanism for advanced authorization, we really cannot do our jobs. As a practical matter, it is almost an impossibility to have completed by May 15 all the authorizations and have them signed by the President; and unless they are signed into law, our appropriation bills are subject to points of order.

The problem is that if we let the other body write these appropriation bills the decisions must be made in conference. We bring the conference agreement back, but these items will all come back in technical disagreement. We are against an appropriation deadline, set by the Budget Act, of 7 days after Labor Day, when all of the bills are supposed to be completed.

I say this is the wrong way to run this operation.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, what some of the authorizing committee chairmen seemed to indicate to me, when I was talking with them, is that they did not realize that although May 15 was the final deadline for complying with the Budget Control Act and that they really should have been out last October.

Mr. CEDERBERG. As it is now, what we have had to do—and we do not like to do it in the Appropriations Committee—but we have to go to the Rules Committee. The committee has been criticized at times for going to the Rules Committee to get waivers, but we really do not have any option under this situation if we are going to have some kind of orderly procedure around here.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, the gentleman will recall that in our HEW bill there were over $17 billion in unauthorized items that could not be considered in the initial bill. There again is another piece of evidence.

But, I would like to advance the thought that we give consideration, frankly, to amending the Budget Act. I said so during the consideration of the Budget Act itself. Members will recall the earlier debate, when there was considerable difference as to what was an appropriate date, a cutoff date for the authorizing committee. In my own mind, frankly, I am not so sure that May 15 is all that good a date. A cutoff date for new authorizing legislation is an essential part of our budget process. My tenure on the Appropriations Committee has shown me that, prior to the enactment of the Budget Act, the backlog of authorizing legislation was the main cause for the delay in the consideration of our appropriation bills. Earlier, many bills were held up pending enactment of their authorization.

I also recognize the need to allow sufficient time for our authorizing committees to complete the consideration of their programs. But this is not the case now under the timetable established by our Budget Act. We are now considering appropriation bills prior to the consideration of their authorization and the result has been what we are witnessing today. The appropriation bills are subject to being gutted on the floor as under our rules any appropriation unauthorized must be stricken from the bill if a point of order is raised. The failure of the authorizing committees to act before the appropriation bills are considered results also in this House having to deal with legislation being offered more and more frequently in the form of limitation on the use of funds. It was my understanding when we enacted our budget process that a balance was reached when we established our timetable for the consideration of legislation. Obviously that schedule has failed and we must now devise a plan to allow ample time for thorough examination of legislation and still be able to act prior to the start of a new fiscal year.

If we get a brandnew Congress in here, if all of us were flushed out of here this November, the brandnew Congress would need to be organized for legislative committees, have hearings, prepare reports, all by May 15. That is impractical.

Furthermore, we have to be wedded to the fiscal year starting October 1, which is a little nonsensical. My own view is that it could be pushed further back in the session. Then, we would have a more orderly session.

Mr. CEDERBERG. In some of our education appropriations we do allow advance authorization and advance funding, and it has worked quite well. It seems to me that this is the logical way for us to go for other agencies and the sooner the better.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to agree with the gentleman. The present procedure is just untenable because the authorizing committees are under the gun. They might as well not be in business.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. OTTINGER and by unanimous consent, Mr. CEDERBERG was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. As it is now, the appropriation committee virtually has to start its hearings and do the great body of its work before the authorizing committees have a chance to act, even if the authorizing committees could act promptly.

Mr. CEDERBERG. The gentleman is exactly correct. I am not being critical of the authorizing committees. I know their problems and the restraints, but it just seems to me that in order to try to get some really orderly procedure some changes have to be made. This is a matter that ought to have priority now because if not, we are going to go back into the same problem next year. I think it is an untenable situation for us to operate in, both for the authorizing committees and for the appropriations committee.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I think another problem we face is this: The

subject in question came out of the Committee on International Relations, a 1-year authorization for State Department operations. I have long argued that we should not have so many 1-year authorizations. We ought to have 2- and 3-year authorizations, and thus reduce somewhat the load that we face on the floor. I think if we did that, we would have less of a logjam.

Mr. CEDERBERG. As the gentleman knows, for years we did not even authorize a State Department appropriation at all, and now we've decided to authorize it. We ought to authorize it for at least multiple years.

Mr. FINDLEY. I agree, and the Committee on International Relations is not the only offender. The Armed Services Committee has 1-year authorizations for this and that. We could surely have 2- and 3-year authorizations.

Mr. CEDERBERG. I agree.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Florida.

Mr. FASCELL. I agree with the gentleman from Michigan. Our committee, which has jurisdiction on the authorizing side of the State Department, will consider in the next fiscal year the question of 2-year authorizations to avoid this kind of thing.

Mr. CEDERBERG. I hope that all of the authorizing committees will give that serious consideration because it will make the work of the Congress much easier.

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there could be no misreading of rule XXI. The rule states clearly and very simply that no appropriation shall be reported in any general appropriation bill or be in order as an amendment thereto for any expenditure not previously authorized by law.

Two years ago, in 1976, Congress enacted Public Law 94–503 explicitly providing that beginning with fiscal year 1979 no Department of Justice moneys would be deemed to be authorized to be appropriated except as specifically enacted by the Congress, and the century-old free ride for the Justice Department was over—we thought.

And yet title II of H.R. 12934 goes right ahead and appropriates the Department's entire 1979 budget before the House has considered H.R. 12005, the Judiciary Committee's authorization bill, and that clearly is contrary to law and contrary to the House rule and contrary to the principle enunciated by the Congress 2 years ago when we enacted Public Law 94–503.

The Judiciary Committee, headed by the distinguished and able gentleman from New Jersey, Mr. PETER RODINO, passed our bill prior to the May 15 deadline. It now has a rule. It is waiting to be scheduled on the floor of the House. I think we in the authorizing committee should try to move that May 15 date forward. We should move it forward as far as possible so there is no misunderstanding about it.

I think that a point of order would lie against the bill and would be sustained. There is really no room for flexibility in rule XXI. And, as a matter of institutional integrity, it is important enough to raise the point, but I am not going to do that today. I do not insist on a point of order. I think it would be a mistake.

While I think it is a signal by this discussion that the practice cannot continue unchallenged, as a matter of committee comity I do not wish to place my colleagues on the Appropriations Committee, who have done an outstanding job, at a disadvantage when this legislation goes to conference, because they will represent the House of Representatives in that conference and I want them to have all the cards that are possible, and I do not want to prejudice the position that they take in behalf of the House by reporting the bill without the Justice Department money.

In other words, I do not think it would look very smart for us by a point of order to strike all the Justice Department money and then go out and have the House go to the Senate with a blank, and the Senate will say, "Well, this is our position," and they would work up separate amendents, and the chairman would bring them back, the chairman of the conference, and they would do what they please.

I do not think we ought to put the House conferees in that position. I think the gentleman from West Virginia, JOHN SLACK, and that subcommittee have done a decent job. I see no reason basically to nitpick the job that the Appropriations Committee has done, but I just want to serve notice that the authorization is not a formality, it is not going to be treated as such in the future, and this is the last time I believe that the Justice Department will be appropriated prior to being authorized.

In fiscal year 1980 the Judiciary Committee will come to the floor early with an authorizing bill, and while we have approved it this time before that arbitrary May 15 deadline, it did not do any good, but I do not want to come to the floor today and upset the applecart by raising a point of order and disturbing what I think would be the position of the Appropriations Committee.

I do want to raise the matter and bring it to the strictest attention of the House and assure the Members that we have come to the end of this string.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to my distinguished friend from the Judiciary Committee, the ranking Republican member, the gentleman from Illinois (Mr. MCCLORY).

Mr. McCLORY. Mr. Chairman, I assume that the gentleman is not going to make a point of order with respect to the appropriations for the Department of Justice. This is the first time that the Judiciary Committee has exercised legislative authority with respect to the Department of Justice. Heretofore the Appropriations Committee has had virtually complete control of the funds for the FBI and for other agencies in the Department. I think it is going to be most unfortunate if points of order are raised with regard to these appropriations, which have already been authorized by the committee but which because of scheduling have not reached the floor of the House yet.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. MCCLORY and by unanimous consent, Mr. BROOKS was allowed to proceed for 2 additional minutes.)

Mr. McCLORY. Mr. Chairman, if the gentleman will still yield, I would like to point out, for instance, that we went into great detail with regard to the FBI authorization. We had a rollcall vote with regard to the FBI's antiterrorist program and provided for an increase in the authorization of $3.5 million. It seems to me that if that exercise of authority is frustrated because of a point or order being raised, with no debate on the subject, it will be most unfortunate.

Mr. BROOKS. Mr. Chairman, let me say to the gentleman from Illinois (Mr. MCCLORY) that I do not intend to raise a point of order. The points raised by the gentleman are very well taken and I agree with the gentleman. I would say, one thing regarding the Justice Departments authorization, the authorizing committee could do is the minute that we pass our authorization resolution we could have submitted a copy to the Republicans and Democrats on the Committee on Appropriations and they would have taken it into account in reaching their decisions. I have every confidence in their judgment on that matter. I think that is something we probably should have done. And I am not going to offer a point of order.

Mr. CEDERBERG. Mr. Chairman, if the gentleman will yield, the problem the gentleman would run into is that the rule very clearly requires completing legislation on the authorization including the President's signature.

Mr. BROOKS. Yes, I understand that.

Mr. CEDERBERG. And then we have the problem with the other body which is aside from the delays here. So the gentleman could well have had the bill completed and passed through the House and still it would not have been passed by the other body and a point of order would still lay.

We should go to advance authorizations if we are going to correct this problem.

Mr. BROOKS. I agree with the gentleman.

Mr. SLACK. Mr. Chairman, if the gentleman will yield, let me state for the membership how this came about.

We had a rule for this bill, but because of the controversy over items in the bill that lack authorization, we decided to bring this bill to the floor without a rule.

On last February 28—and I want the Members to listen to what I am going to say very carefully.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. CEDERBERG and by unanimous consent, Mr. BROOKS was allowed to proceed for 2 additional minutes.)

Mr. SLACK. Mr. Chairman, on February 28 last, this House refused to adopt the conference report on the authorization bill for the Federal Trade Commission. Here we are today with no authorization and, as far as I know, there is no further conference going on. I understand the Senate has not yet appointed conferees, so we are in the position of bringing an appropriation bill for the Federal Trade Commission even though the House rejected the conference report back on February 28. I think it is about time we got the cart where it belongs in regard to the horse and as far as authorizations and appropriations are concerned, let the chips fall where they may. Then, hopefully, this situation will be straightened out.

Mr. SMITH of Iowa. Mr. Chairman, if the gentleman will yield, I appreciate what the gentleman has said and I do not disagree with the gentleman at all but, in order to be timely with the 1980 Justice Department authorization it should be passed prior to the Congress adjourning this fall.

My question is this: Will the Committee on the Judiciary make the authorizing bill that is coming out a 2-year bill or are you still going to be a year behind?

Mr. BROOKS. I would say to the gentleman that as to making it a 2-year bill that has not been decided by the committee and of course I cannot speak for them.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield, I would like to clear up a point regarding the Federal Trade Commission bill and that is that the work of the House committee was diligent. That bill came before the House on October 13 and it was passed at that time. It went to conference. In the conference there were several matters of considerable controversy. One of them was the amendment offered by the gentleman from Georgia (Mr. LEVITAS).

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. ECKHARDT and by unanimous consent, Mr. BROOKS was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. There was considerable controversy over the Levitas amendment which provided that one House might veto a rule of the Federal Trade Commission and, then, within 30 days, the other House could, in effect, veto the veto. A rather complicated issue and a rather experimental process. The Senate would not accept that process.

The gentleman from Georgia (Mr. LEVITAS) has previously said on the floor that the present Member in the well attempted with the best of his abilities to support the position of the House.

But when the conference came back without the Levitas amendment and with certain other issues which had been in controversy between the House and the Senate decided in ways that were not considered favorable by some of the Members of the House, the conference report was voted down on February 28. This Member immediately asked for conferees. The House immediately appointed conferees. We are ready to go to conference at any time. The Senate has not yet appointed conferees. The Member here would urge again that the House's position be acceded to, and certainly has no intent of merely leaving the bill in limbo. Nevertheless, at some time during the processes of this House we are going to have to resolve that question, and we cannot, I think, take the luxury of simply holding up the Federal Trade Commission appropriations indefinitely because of that area of disagreement. If we do this sort of thing on bills in this body—after all legislation requires agreement of the Senate and the House—we tie up the process of Congress indefinitely and improvidently in this Member's opinion.

Mr. BROOKS. Mr. Chairman, I yield back the remainder of my time.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words.

I would like the attention of the gentleman from Texas (Mr. ECKHARDT) to respond to the comments that he has just made. As a member of that conference, my question is why, as chairman of the subcommittee, has he waited 3½ months, and why was not a new authorization bill started immediately in the committee for the purpose of authorizing funds for the Federal Trade Commission? That was another alternative that could have been adopted if the leadership of the committee had so desired, and, thus, many of the issues to which he has referred could have been left until next year or could have been avoided.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

The gentleman knows that he had urged from the beginning that the authorization bill contain only the appropriations for the Federal Trade Commission, but both the subcommittee and the full committee felt that there were other important considerations to be taken into account, amongst which was treatment equally of building and loan organizations with banks, savings and loan organizations with banks. That is one of the provisions in that authorizing bill. There are other important provisions, at least in the opinion of the majority of the subcommittee and the full committee. Furthermore, the gentleman from Georgia feels that the amendment put out on the floor is important. But the point that I am making here is that those matters are still potentially before the conference, and this Member intends to push for them, whether or not an appropriation is passed ahead of the authorizing bill.

Mr. BROYHILL. The point I am making is would the gentleman consider starting an authorization bill through the committee, and then we can discuss the other issues at a later time?

Mr. ECKHARDT. I cannot say, and I should not like to try to make a decision which would be, in my opinion, opposite to that of our full committee and, I think, differing from the position of the House itself.

Mr. BROYHILL. We will not know that because we have not had a vote on it. I think the House would support a separate authorization bill if the gentleman would bring it forth.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I will be glad to yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I would like to say to the gentleman that I think perhaps the happy solution to the problem is one suggested by the gentleman from North Carolina that a new authorization bill be brought forth, assuming, of course, that it is brought forth under an open rule and not by way of suspension or some other means by which amendments could not be offered.

If the gentleman will yield further, I would like to take this opportunity to say I think the chairman of the subcommittee, the gentleman from West Virginia, has taken absolutely the correct approach in this situation.

I commend the gentleman for it. In the case of the FTC, we are talking about a bill not only that has not been passed into law, but which has been defeated.

The purpose of authorization goes far beyond simply setting levels of funding. It has to do with policy, oversight, implementation, direction, procedures, and programs. I think it is an egregious violation of this committee's responsibility for authorizing to take up an appropriation for which this House has defeated the authorization.

Mr. Chairman, I commend the gentleman from West Virginia (Mr. SLACK) for taking this approach in this case.

Mr. BROYHILL. Mr. Chairman, I appreciate the concerns of the gentleman from Georgia; but I do think the authorization bill could be considered quickly in the subcommittee, as well as the full committee, and on the floor of the House.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I should like to ask the gentleman from Georgia if the gentleman from North Carolina will yield to him after my question, suppose we did follow such a process. The gentleman from Georgia is indicating that the gentleman would like an open rule. Would the gentleman from Georgia then offer again the so-called Levitas amendment?

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I would say the chances of that occurring are better than the fact that there will be a world series occurring this year.

Mr. ECKHARDT. Mr. Chairman, if that is true, we would be precisely in the same box on that bill as we are now.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. BROYHILL) has expired.

(By unanimous consent, Mr. BROYHILL was allowed to proceed for 1 additional minute.)

Mr. BROYHILL. Mr. Chairman, the point I would like to make, it would clear the air from a parliamentary standpoint. The gentleman will agree if we start a

new authorization process through here, we would have to have the so-called Broyhill-Levitas amendment, at least have it considered over in the other body, which it was not in the last instance. It is very possible if that was considered in the other body it would be adopted and, of course, that would be the end of the issue.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, in what way was it not considered? I think we agree it was urged and strongly supported by the House conferees in this bill.

Mr. BROYHILL. I do not think it was even offered as an amendment in the other body.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, why does the gentleman feel the other body would be any different if we put the bill under another number?

Mr. BROYHILL. Because we were conferring with only one Member of the other body. The other body as a whole could adopt the amendment if it was given due consideration by all Members of the Senate.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States for the purposes authorized by section 4 of the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 295), $6,025,000, to remain available until expended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, that is, that no appropriation shall be reported in any general appropriation bill or be in order as an amendment thereto for any expenditure not previously authorized by law, I make a point of order against this paragraph.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. Mr. Chairman, again, if the gentleman persists, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained and the entire paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, to be expended pursuant to the requirement of section 291 of the Revised Statutes (31 U.S.C. 107), $2,350,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make the same point of order on the basis of clause 2, rule XXI.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) make the same response?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, $38,107,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the same point of order.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) make the same response?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The Chair makes the same ruling.

The Clerk will read.

The Clerk read as follows:

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, $355,392,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the same point of order as previously made.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order. The entire paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For payments, not otherwise provided for, by the United States for expenses of United Nations peacekeeping forces in the Middle East, $27,000,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the same point of order again.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) care to be heard on the point of order?

Mr. SLACK. Mr. Chairman, again, I concede the point of order.

The CHAIRMAN. The Chair sustains the point of order, and the entire paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

MISSIONS TO INTERNATIONAL ORGANIZATIONS

For expenses necessary for permanent representation to certain international organizations in which the United States participates pursuant to treaties, conventions, or specific Acts of Congress, including expenses authorized by the pertinent Acts and conventions provided for such representation; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); allowances, as authorized by 5 U.S.C. 5921–5925; and expenses authorized by section 2 (a) and (e) and section 17 of the Act of August 1, 1956, as amended (22 U.S.C. 2669); $12,000,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the same point of order once again.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) care to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk will read.

The Clerk read as follows:

INTERNATIONAL CONFERENCES AND CONTINGENCIES

For necessary expenses of participation by the United States, upon approval by the Secretary of State, in international activities which arise from time to time in the conduct of foreign affairs and for which specific appropriations have not been provided pursuant to treaties, conventions, or special Acts of Congress, including personal services without regard to civil service and classification laws; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); allowances as authorized by 5 U.S.C. 5921–5925; hire of passenger motor vehicles; contributions for the share of the United States in expenses of international organizations; and expenses authorized by section 2(a) of the Act of August 1, 1956, as amended (22 U.S.C. 2669); $8,000,000, to remain available until expended, of which not to exceed a total of $175,000 may be expended for representation allowances as authorized by section 901 of the Act of August 13, 1946, as amended (22 U.S.C. 1131), and for official entertainment.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the same point of order once again.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

INTERNATIONAL TRADE NEGOTIATIONS

For necessary expenses of participation by the United States in international trade negotiations, including not to exceed $25,000 for representation allowances, as authorized by section 901 of the Act of August 13, 1946, as amended (22 U.S.C. 1131), and for official entertainment, $4,717,000: *Provided*, That this appropriation shall be available in accordance with the authority provided in the current appropriation for "International conferences and contingencies".

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the same point of order once again.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The Chair sustains the point of order. In each case the paragraph will be stricken.

The Clerk will read.

The Clerk read as follows:

INTERNATIONAL COMMISSIONS

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For expenses necessary to enable the United States to meet its obligations under

the treaties of 1889, 1906, 1933, 1944, 1963, and 1970 between the United States and Mexico, and to comply with the other laws applicable to the United States Section, International Boundary and Water Commission, United States and Mexico, including operation and maintenance of the Rio Grande rectification, canalization, flood control, bank protection, water supply, power, irrigation, boundary demarcation, and sanitation projects; detailed plan preparation and construction (including surveys and operation and maintenance and protection during construction); Rio Grande emergency flood protection; expenditures for the purposes set forth in sections 101 through 104 of the Act of September 13, 1950 (22 U.S.C. 277d–1—277d–4); purchase of planographs and lithographs; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); and leasing of private property to remove therefrom sand, gravel, stone, and other materials, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); as follows:

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the same point of order again.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES

For salaries and expenses not otherwise provided for, including examination, preliminary surveys, and investigations, and operation and maintenance of projects or parts thereof, as enumerated above, including gaging stations, $6,800,000: *Provided*, That expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat. 89).

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an appropriation without proper previously authorized law.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

CONSTRUCTION

For detailed plan preparation and construction of projects authorized by the convention concluded February 1, 1933, between the United States and Mexico, the Acts approved August 19, 1935, as amended (22 U.S.C. 277–277f), August 29, 1935 (49 Stat. 961), June 4, 1936 (49 Stat. 1463), June 28, 1941 (22 U.S.C. 277f), September 13, 1950 (22 U.S.C. 277d–1–9), October 10, 1966 (80 Stat. 884), October 25, 1972 (86 Stat. 1161), and the project stipulated in the treaty between the United States and Mexico signed at Washington on February 3, 1944, to remain available until expended, $3,900,000: *Provided*, That no expenditures shall be made for the Lower Rio Grande flood control project for construction on any land, site, or easement in connection with this project except such as has been acquired by donation and the title thereto has been approved by the Attorney General of the United States: *Provided further*, That the Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the cost of said dam as shall have been allocated to such purposes by the Secretary of State.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an appropriation without proper authorization.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For expenses necessary to enable the President to perform the obligations of the United States pursuant to treaties between the United States and Great Britain, in respect to Canada, signed January 11, 1909 (36 Stat. 2448), and February 24, 1925 (44 Stat. 2102); and the treaty between the United States and Canada, signed February 27, 1950; including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; $2,500,000, to be disbursed under the direction of the Secretary of State and to be available also for additional expenses of the American Sections, International Commissions, as hereinafter set forth:

International Joint Commission, United States and Canada, the salary of the Commissioners on the part of the United States who shall serve at the pleasure of the President; salaries of clerks and other employees appointed by the Commissioners on the part of the United States with the approval solely of the Secretary of State; travel expenses and compensation of witnesses in attending hearings of the Commission at such places in the United States and Canada as the Commission or the American Commissioners shall determine to be necessary; not to exceed $2,000 for representation expenses, in accordance with such regulations as the President may prescribe, and official entertainment; and special and technical investigations in connection with matters falling within the Commission's jurisdiction: *Provided*, That transfers of funds may be made to other agencies of the Government for the performance of work for which this appropriation is made.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an appropriation unauthorized by law.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

International Joint Commission, United States and Canada, the salary of the Commissioners on the part of the United States who shall serve at the pleasure of the President; salaries of clerks and other employees appointed by the Commissioners on the part of the United States with the approval solely of the Secretary of State; travel expenses and compensation of witnesses in attending hearings of the Commission at such places in the United States and Canada as the Commission or the American Commissioners shall determine to be necessary; not to exceed $2,000 for representation expenses, in accordance with such regulations as the President may prescribe, and official entertainment; and special and technical investigations in connection with matters falling within the Commission's jurisdiction: *Provided*, That transfers of funds may be made to other agencies of the Government for the performance of work for which this appropriation is made.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation, that has not been authorized by law.

Mr. SLACK. Mr. Chairman, I reluctantly concede the point of order.

The CHAIRMAN. The point of order is sustained. The paragraph is strickened.

The Clerk will read.

The Clerk read as follows:

International Boundary Commission, United States and Canada, the completion of such remaining work as may be required under the award of the Alaskan Boundary Tribunal and the existing treaties between the United States and Great Britain; commutation of subsistence to employees while on field duty at not to exceed the authorized prevailing daily rate; hire of freight and passenger motor vehicles from temporary field employees; and payment for timber necessarily cut in keeping the boundary line clear.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make the point of order, on the basis of clause 2, rule XXI, that this is an unauthorized appropriation, that it has not been authorized by law.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

INTERNATIONAL FISHERIES COMMISSIONS

For expenses, not otherwise provided for, necessary to enable the United States to meet its obligations in connection with participation in international fisheries commissions pursuant to treaties or conventions, and implementing Acts of Congress, $6,600,000; *Provided*, That the United States share of such expenses may be advanced to the respective commissions.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this language is unauthorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

GENERAL PROVISIONS—DEPARTMENT OF STATE

SEC. 102. Appropriations under this title for "Salaries and expenses", "International conferences and contingencies", and "Missions to international organizations" are available for reimbursement to the General Services Administration for security guard services for protection of confidential files.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make

the point of order that this is an unauthorized appropriation. It has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded, and it is sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

TITLE II—DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, including hire of passenger motor vehicles; and miscellaneous and emergency expenses authorized or approved by the Attorney General or the Assistant Attorney General for Administration; $28,500,000, of which $4,837,000 is for the United States Parole Commission and $2,000,000 is for the Federal justice research program, the latter amount to remain available until expended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES (INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including miscellaneous and emergency expenses authorized or approved by the Attorney General or the Assistant Attorney General for Administration; not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; and advances of public moneys pursuant to law (31 U.S.C. 529); $85,000,000: *Provided*, That not to exceed $105,000 may be transferred to this appropriation from the "Alien Property Fund, World War II", for the general administrative expenses of alien property activities, including rent of private or Government-owned space in the District of Columbia.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is striken.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust, consumer protection and kindred laws, including $10,000,000 for antitrust enforcement grants to the States authorized by section 309 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, $46,377,000: *Provided*, That none of this appropriation shall be expended for the establishment and maintenance of permanent regional offices of the Antitrust Division.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALS

For necessary expenses of the offices of the United States attorneys and marshals, including purchase of firearms and ammunition and supervision of United States prisoners in non-Federal institutions, and bringing to the United States from foreign countries persons charged with crime, $196,700,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of clause 2, rule XXI. This is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

SUPPORT OF U.S. PRISONERS

For support of United States prisoners in non-Federal institutions, including necessary clothing and medical aid, payment of rewards, and reimbursement to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by law (24 U.S.C. 168a), $25,100,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of clause 2, rule XXI, that this amounts to an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

FEES AND EXPENSES OF WITNESSES

For expenses, mileage, compensation, and per diems of witnesses and for per diems in lieu of subsistence, as authorized by law, including advances; $20,000,000: *Provided*, That no part of the sum herein appropriated shall be used to pay any witness more than one attendance fee for any one calendar day.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order that on the basis of clause 2, rule XXI, this is an unauthorized appropriation and has not been authorized by law

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

For necessary expenses of the Community Relations Service established by title X of the Civil Rights Act of 1964 (42 U.S.C. 2000g–2), $5,353,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of clause 2, rule XXI, that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For expenses necessary for the detection and prosecution of crimes against the United States; protection of the person of the President of the United States and the person of the Attorney General; acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies; and such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General; including purchase for police-type use without regard to the general purchase price limitation for the current fiscal year (not to exceed one thousand three hundred and seventy-four for replacement only) and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; firearms and ammunition; payment of rewards; benefits in accordance with those provided under 22 U.S.C. 1136(9)–(11) and 22 U.S.C. 1157, under regulations prescribed by the Secretary of State; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; $563,500,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make a point of order that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede that the Federal Bureau of Investigation salaries and expenses item is not authorized and, therefore, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

None of the funds appropriated for the Federal Bureau of Investigation shall be used to pay the compensation of any civil service employee.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I rise to make an important point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ROUSSELOT. On the basis of clause 2, rule XXI, this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. The Chair would inquire, is the gentleman from California (Mr. ROUSSELOT) addressing himself to the paragraph the Clerk read, page 15, line 22, which is nothing but a limitation on expenditures?

Mr. ROUSSELOT. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The gentleman from California withdraws his point of order.

The Clerk will read.

The Clerk read as follows:

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including advance of cash to aliens for meals and lodging while en route; payment of allowances (at a rate not in excess of $1 per day) to aliens, while held in custody under the immigration laws, for work performed; payment of expenses and allowances incurred in tracking lost persons as required by public exigencies; payment of rewards; not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use without regard to the general purchase price limitation for the current fiscal year (not to exceed four hundred seven, of which two hundred ninety-eight shall be for replacement only) and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; firearms and ammunition, attendance at firearms matches; refunds of head tax, maintenance bills, immigration fines, and other items properly returnable, except deposits of aliens who become public charges and deposits to secure payment of fines and passage money; operation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto; acquisition of land as sites for enforcement fence and construction incident to such fence; reimbursement to the General Services Administration for security guard services for protection of confidential files; benefits in accordance with those provided under 22 U.S.C. 1136(9)–(11) and 22 U.S.C. 1157 under regulations prescribed by the Secretary of State; research related to immigration enforcement; $294,500,000, of which not to exceed $400,000 shall remain available for such research until expended: *Provided*, That of the amount herein appropriated, not to exceed $50,000 may be used for the emergency replacement of aircraft upon certificate of the Attorney General.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained.

The paragraph is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including hire of passenger motor vehicles; payment in advance for special tests and studies by contract; payment in advance for expenses arising out of contractual and reimbursable agreements with State and local law enforcement and regulatory agencies while engaged in cooperative enforcement and regulatory activities in accordance with section 503a(2) of the Controlled Substances Act; not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; purchase of not to exceed three hundred seventy-five passenger motor vehicles (for replacement only) for police-type use without regard to the general purchase price limitation for the current fiscal year; payment of rewards; payment for publication of technical and informational material in professional and trade journals; purchase of chemicals, apparatus, and scientific equipment; payment for necessary accommodations in the District of Columbia for conferences and training activities; acquisition, lease, maintenance, and operation of aircraft; employment of aliens by contract for services abroad; research related to enforcement and drug control; benefits in accordance with those provided under 22 U.S.C. 1136(9)–(11), under regulations prescribed by the Secretary of State; $192,953,000, of which not to exceed $4,500,000 for research shall remain available until expended.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES, BUREAU OF PRISONS

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions; purchase of (not to exceed thirty-two of which twenty-four are for replacement only) and hire of law enforcement and passenger motor vehicles; compilation of statistics relating to prisoners in Federal penal and correctional institutions; assistance to State and local governments to improve their correctional systems; firearms and ammunition; medals and other awards; payment of rewards; purchase and exchange of farm products and livestock; construction of buildings at prison camps; and acquisition of land as authorized by section 4010 of title 18, United States Code; $312,000,000: *Provided*, That there may be transferred to the Health Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

NATIONAL INSTITUTE OF CORRECTIONS

For carrying out the provisions of sections 4351–4353 of title 18, United States Code, which established a National Institute of Corrections, $9,943,000, to remain available until expended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

BUILDINGS AND FACILITIES

For planning, acquisition of sites and construction of new facilities and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, $34,480,000, to remain available until expended: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) care to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

FEDERAL PRISON INDUSTRIES, INCORPORATED

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of not to exceed five (for replacement only) and hire of passenger motor vehicles, except as hereinafter provided:

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) care to be heard on the point of order?

Mr. SLACK. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed $2,041,000 of the funds of the corporation shall be available for its administrative expenses, and not to exceed $3,040,000 for the expenses of vocational training of prisoners, both amounts to be available for services as authorized by 5 U.S.C. 3109, and to be computed on an accrual basis and to be determined in accordance with the corporation's prescribed accounting system in effect

on July 1, 1946, and shall be exclusive of depreciation, payment of claims, expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

SALARIES AND EXPENSES

For grants, contracts, loans, and other assistance authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and other expenses in connection therewith, $541,488,000, to remain available until expended.

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

SEC. 202. None of the funds appropriated by this title may be used to pay the compensation of any person hereafter employed as an attorney (except foreign counsel employed in special cases) unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, territory, or the District of Columbia.

SEC. 203. Appropriations and authorizations made in this title which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order against section 203 in that it is legislation in an appropriation bill.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. If the gentleman insists on his point of order, Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. Section 203 is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

SEC. 204. Appropriations and authorizations made in this title for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

SEC. 205. Appropriations for "Salaries and expenses, general administration", "Salaries and expenses, United States attorneys and marshals", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons", shall be available for uniforms and allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 206. Appropriations made in this title shall be available for the purchase of insurance for motor vehicles operated on official Government business in foreign countries.

SEC. 207. Funds appropriated under this title shall be available for (1) expenses of primary and secondary schooling for dependents of personnel stationed outside the continental United States at costs not in excess of those authorized by the Department of Defense for the same area, when it is determined by the Attorney General that schools available in the locality are unable to provide adequately for the education of such dependents, and (2) transportation of said dependents between their places of residence and schools serving the area which they would normally attend when the Attorney General, under such regulations as he may prescribe, determines that such schools are not accessible by public means of transportation.

SEC. 208. A total of not to exceed $18,500 from funds appropriated to the Department of Justice shall be available for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

This title may be cited as the "Department of Justice Appropriation Act, 1979".

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make a point of order against section 208 in that it is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. Section 208 is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES (INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the National Oceanic and Atmospheric Administration, including research and development; maintenance, operation, and hire of aircraft; expenses of an authorized strength of 399 commissioned officers on the active list; pay of commissioned officers retired in accordance with law and payments under the Retired Serviceman's Family Protection and the Survivors Benefit plans; construction of facilities, including initial equipment; alteration, modernization, and relocation of facilities; and acquisition of land for facilities; $651,770,000, to remain available until expended, of which so much as may become available during the current fiscal year shall be derived from the Pribilof Islands Fund; and, in addition, $5,000,000 shall be transferred to this appropriation from the fund entitled "Promote and develop fishery products and research pertaining to American fisheries": *Provided*, That this appropriation shall be available for payment to the National Aeronautics and Space Administration for procurement, in accordance with the authority available to that Administration, of such equipment or facilities as may be necessary, for the purposes of this appropriation.

● Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as chairman of the subcommittee which has oversight jurisdiction over the enforcement of the Voting Rights Act of 1965 as amended, I am deeply concerned by the Appropriations Committee's deletion of funds in title III of this bill which prevents the Census Bureau from conducting the 1978 survey on registration and voting as mandated in 1975 by S. 207 of the Voting Rights Act.

In 1975, this august body recognized the importance of having accurate and reliable statistics on registration and voting on an ongoing basis, and compelled the Census Bureau to conduct this survey biennially. I can say that the deletion of these funds will strike a severe blow to the very heart of the act. Without this survey, Congress will be unable to effectively evaluate the impact of and continued need for the special provisions of the act as we approach the end of its present statutory period.

The information provided by the Census Bureau, under this survey, is crucial not only for the Congress but also for the U.S. Department of Justice and the U.S. Civil Rights Commission, to assist them in identifying covered jurisdictions which need greater enforcement efforts and in monitoring jurisdictions to insure compliance with the act.

The Census Bureau, the Justice Department and the Civil Rights Commission, in correspondence to my subcommittee, have requested the reinsertion of the funds for the survey. Mr. Chairman, I will ask that these letters be entered in the record when we go back into the House, and I hope that my colleagues will consider the views expressed in them.

The Appropriations Committee reports that its action was based upon a similar recommendation made by the General Accounting Office report dated February 6th of this year. The report entitled "The Voting Rights Act—Enforcement Needs Strenthening" was requested by my subcommittee and included a number of recommendations. My subcommittee is not yet prepared to accept that or any other recommendation until the best available data has been reviewed.

I should point out that the GAO recommendation is not based upon its own independent assessment of the importance of the survey but relies on statements from staff at the Department of Justice and the Census Bureau. Even if those statements can go unchallenged, it must be remembered that they were based on the 1976 Survey which, even the Census Bureau agrees was useless. The 1978 survey has been designed to produce reliable statistics on racial and ethnic disparities in registration and voting; this will be the first survey to provide the benchmarks for evaluating 1980 and subsequent data.

The Voting Rights Act has been called the most important and effective civil rights legislation enacted by the Congress. It is a complicated piece of legislation which deserves a thorough examination before undergoing amendments. My subcommittee is conducting continuous oversight hearings regarding the implementation of the act in an effort to collect the necessary data which the Congress must have to review its effectiveness.

I can appreciate my colleagues' concern for Government spending, but we must also be concerned about the con-

tinued need for Federal legislation in this area. The 1975 extension of the act is for 7 years; this Congress reasoned that such biennial surveys would provide the data to signify any trends that the goals of the act were or were not being met. We need that data to determine the need for extension of the Voting Rights Act beyond the present statutory time. This data is critical to that assessment. It is premature and inadvisable to begin amending this legislation until we have more accurate and reliable data.

Mr. Chairman, as I pointed out earlier, I am very disturbed by the deletion of funds earmarked for the U.S. Census Bureau to conduct the 1978 Survey on Registration and Voting as mandated in 1975 by the Voting Rights Act.

The importance of this survey is underscored by the U.S. Department of Justice, the U.S. Commission on Civil Rights and the U.S. Census Bureau in letters sent to me as chairman of the subcommittee which has oversight responsibilities over the Voting Rights Act.

All three agree that without the survey, they will have to base their enforcement efforts on less accurate and reliable data. Accordingly, they have requested the reinsertion of the funds for the survey.

Mr. Chairman, I ask that these letters be entered in the RECORD and I hope that my colleagues will earnestly consider their request:

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., June 13, 1978.

Hon. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reference to your letter of May 10, 1978, requesting our assessment of the impact on enforcement of the Voting Rights Act that will result from the deletion of funds for the Census Bureau to conduct surveys under Section 207 of the Voting Rights Act, 42 U.S.C. 1973aa–5.

No Section 207 survey was conducted until the 1976 election. Thus, our enforcement activities have been conducted without the kind of information such a survey could provide and the deletion of funds for future surveys would signal no corresponding change in our overall enforcement activities.

However, if Section 207 surveys were conducted, we believe the survey results would be useful in our programs for taking action through lawsuits under 42 U.S.C. 1971 or 1973, and/or the use of federal examiners under 42 U.S.C. 1973d, to correct discriminatory impediments to racial and language minorities' right to register as voters and vote in elections.

Specifically, significant disparities between minority and white or Anglo voter registration and voting rates as shown in the results of Section 207 surveys for given counties would serve as an initial signal that the use of federal examiners for registration activity may be necessary to enforce the guarantees of the Fourteenth or Fifteenth Amendments to the Constitution. Before making such a decision we would need to conduct investigations to determine the reasons for any reflected disparity between minority and white or Anglo voter registration and voting rates; the survey results would not supply those reasons. We could also use the survey data, without more, as an element of proof or factual component in our lawsuits under federal civil rights voting laws, including our suits attacking discriminatory reapportionment plans and electoral methods that dilute minorities' right to vote.

Under our present procedures we gain information about racially based impediments to voter registration and balloting through our normal enforcement procedures—in conversations with local minorities when we obtain information for the preclearance of voting changes under Section 5 of the Act and when we conduct our preelection surveys to determine whether federal observers should be appointed under Section 8 of the Act, and in complaints we receive. Thus, the Section 207 survey data may provide a more complete, readily accessible indicator of potential problem areas.

We have recently received the completed data from the limited 1976 Section 207 survey in which county-level statistics were gathered in only some states: Arizona (9 counties), California (4 counties), Colorado (1 county), Florida (6 counties, Hawaii (1 county), Maine (5 towns, 1 plantation), Massachusetts (3 towns), Michigan (3 townships), New York (3 counties), North Carolina (40 counties), Oklahoma (2 counties), South Dakota (2 counties) and Wisconsin (1 town). With the exception of the 9 (out of 14) Arizona counties, only statewide information was obtained in 1976 for states fully covered under Section 4 of the Act: Alabama, Alaska, Arizona, Georgia, Louisiana, Mississippi, South Carolina, Texas and Virginia. Notwithstanding the absence of data about local jurisdictions in all of the six states that have been specially covered under Section 4 since 1965 we are seeking to develop a program to use the available data.

In conclusion, properly conducted surveys would provide valuable support in our enforcement efforts under the Voting Rights Act. They would meet an important need for information on patterns of discrimination in voting practices. Accordingly the Administration strongly believes that the funds for the surveys should be restored.

Sincerely,

DREW S. DAYS III,
Assistant Attorney General, Civil Rights Division.

U.S. COMMISSION ON CIVIL RIGHTS,
Washington, D.C., May 23, 1978.

Hon. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR CHAIRMAN EDWARDS: On behalf of my colleagues, I am writing in response to your May 10, 1978 request for our assessment of the impact of deleting funds for the 1978 Survey of Registration and Voting from the fiscal year 1979 Department of Commerce appropriations request. Since the Commission on Civil Rights has long been interested in the problem of obtaining useful election statistics and members of our staff assisted in planning the 1978 survey, we appreciate this opportunity to offer our views.

As required by Section 207 of the Voting Rights Act, as amended in 1975, the proposed 1978 survey, for the first time, would provide accurate and reliable statistics on registration and voting by racial or ethnic group at the county level in jurisdictions covered by section 4 of the act. It also would report this information for additional jurisdictions designated by this Commission under our independent section 207 authority. Failure to conduct the survey would hamper the effectiveness of Congress, the Commission, and the Department of Justice in carrying out their responsibilities with respect to voting rights.

The purpose of the survey is to provide reliable data for evaluating the impact of and continued need for the special provisions of the Voting Rights Act. You will recall that when your subcommittee reviewed the act in 1975, neither the Commission nor the Justice Department was able to provide detailed and accurate data on registration and voting by minority citizens in jurisdictions covered by or being considered for coverage under the act. Section 207 was added to the act at that time to ensure that Congress would have available several sets of reliable statistics for analysis when it next reviewed the Voting Rights Act. Since this review probably will occur during 1981–82, data from the 1978 survey would play an important part in these deliberations.

Although the information provided by the registration and voting survey would not, by itself, prove the existence of discrimination, such statistics always have been critical in Federal court rulings on voting rights. Statistical analysis provides a clear picture of the rates of political participation in a wide range of jurisdictions (e.g., those with large and small numbers of potential minority voters) and identifies localities where disparities in majority and minority registration and voting are greatest, suggesting the need for more vigorous investigation and enforcement.

While the primary purpose of section 207 surveys is to assist Congress, they also are important to the Commission on Civil Rights and the Department of Jutice. The Commission intends to use data from the 1978 survey as one criterion for selecting sites for more intensive scrutiny (including election observation) in its next major voting rights study. Indeed, it was with this purpose in mind that we designated jurisdictions for surveys in 1978. Lack of access to this information clearly will impede our efforts to monitor voting rights progress and problems.

In addition, the survey data would assist the Department of Justice in its efforts to protect voting rights throughout the Nation and in Voting Rights Act jurisdictions, in particular. Reliable registration and voting data at the county level could be used by the Department in evaluating voting changes submitted under section 5 of the act. It also would facilitate identifying jurisdictions appropriate for such intensive enforcement activity as sending examiners to register voters under section 6 of the act and initiating litigation to enforce voting rights.

Without reliable registration and voting statistics, the Justice Department must rely on less systematic and accurate information in deciding where to concentrate its enforcement efforts. The availability of this information has become even more critical as the number of jurisdictions covered by the Voting Rights Act has grown. I might note that the recent action of the same subcommittee rejecting the Justice Department's request for funds for more voting rights staff also increases the need for the survey data. Furthermore, if the survey statistics are to guide enforcement decisions, they should become available as soon and as often as possible.

For the purposes of evaluating the need for and impact of the Voting Rights Act, the data from the 1978 survey are as important as those that may be derived from a 1980 survey. Although we recognize that voter registration and turnout are generally lower in non-Presidential elections, this will not diminish the usefulness of the data. The 1978 survey has been designed to produce reliable statistics on racial and ethnic disparities in registration and voting, not just absolute rates. Also, since inappropriate design rendered the 1976 survey results virtually useless, the 1978 survey will be the first adequate section 207 survey and, therefore, will provide the benchmarks for evaluating 1980 and subsequent data.

Although field research, election observation, and analysis of litigation and section 5 decisions all provide crucial information on the status of voting rights, none is a substitute for accurate and reliable registration and voting statistics. My colleagues and I, therefore, believe the need for the survey is no less—and perhaps, more—urgent than when Congress enacted section 207.

Sincerly,

ARTHUR S. FLEMMING,
Chairman.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., May 25, 1978.

HON. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of May 10 concerning the deletion of fiscal year 1979 funding for the registration and voting survey to be conducted following the November 1978 election.

By law, the Bureau of the Census conducts biennial surveys of registration and voting. However, as regards your question, the Bureau makes no use of these data for enforcement purposes. These uses of the data lie in the province of the U.S. Department of Justice and the U.S. Civil Rights Commission and assessments of the impact of this action will have to be provided by these agencies. Under the law, the Census Bureau's role is to provide the data from the surveys to the Congress and, of course, to the above agencies as well as other interested parties. However, as you have pointed out in previous correspondence, there is a paucity of these kinds of data available by racial or ethnic groups at the geographic level to be provided by the 1978 survey. If the 1978 survey is not conducted, the only registration and voting statistics available at this level for use for the 1980 elections will be those provided by the 1976 survey. The 1976 survey covered a small number of jurisdictions and only statewide estimates were provided for the nine entire States covered by the Act. The Department of Commerce plans to appeal the deletion of the funding to the Senate Appropriations Subcommittee. As you are aware, if funding for this program is not authorized, the Bureau will be unable to comply with the law (42 United States Code 1973 aa–5) to provide registration and voting statistics to the Congress.

As you know, staff from the Bureau have worked closely with staff from the Department of Justice, the Civil Rights Commission, the Senate Subcommittee on the Constitution, and your subcommittee, in developing the sample design for the survey following the November 1978 elections. This survey was designed to provide data at the county level (or the equivalent) in each of the nine entire States covered by the Act. The sample design work has been completed and other preparatory work, such as selection of sample households, questionnaire design and printing, map work, and search for office space, has already begun. This preparatory work shall continue while the question on funding is being resolved.

If I can provide any additional information, please let me know.

Sincerely,

MANUEL D. PLOTKIN,
Director, Bureau of the Census.●

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I wish to make a point of order on the basis of clause 2, rule XXI, on the paragraph which goes from page 27, line 14, to page 28, line 14.

The CHAIRMAN. The gentleman's point of order comes too late. There has been intervening business since the reading of that paragraph.

The Clerk will read.

The Clerk read as follows:

NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION

OPERATIONS, RESEARCH, AND ADMINISTRATIONS

For expenses necessary to carry out the provisions of the Federal Fire Prevention and Control Act of 1974, as amended, $15,660,000, to remain available until expended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this is an authorized appropriation, and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia (Mr. SLACK) desire to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The paragraph is stricken from the bill.

Mr. JEFFORDS. Mr. Chairman, I realize I am not timely, but I would ask unanimous consent that I may be allowed to offer my amendment to page 26, which I believe is not stricken.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

Mr. SLACK. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

SCIENCE AND TECHNICAL RESEARCH

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

For necessary expenses of the National Bureau of Standards including the acquisition of buildings, grounds, and other facilities; and the National Technical Information Service; $82,780,000, to remain available until expended, of which not to exceed $3,300,000 may be transferred to the "Working Capital Fund", National Bureau of Standards, for additional capital.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make a point of order that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia care to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

MARITIME ADMINISTRATION

SHIP CONSTRUCTION

For construction-differential subsidy incident to construction, reconstruction, and reconditioning of ships and acquisition of used ships under title V of the Merchant Marine Act, 1936, as amended; and for the cost of national defense features on ships, $157,000,000, to remain available until expended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make a point of order this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from West Virginia concedes the point of order, the point of order is sustained, the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

OPERATING-DIFFERENTIAL SUBSIDIES (LIQUIDATION OF CONTRACT AUTHORITY)

For the payment of obligations incurred for operating-differential subsidies as authorized by the Merchant Marine Act, 1936, as amended, $250,000,000, to remain available until expended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of clause 2, rule XXI, that this paragraph is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

RESEARCH AND DEVELOPMENT

For expenses necessary for research, development, fabrication, and test operation of experimental facilities and equipment; collection and dissemination of maritime technical and engineering information; and studies to improve water transportation systems; $17,500,000, to remain available until expended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make the point of order that this paragraph is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

OPERATIONS AND TRAINING

For expenses necessary for carrying out the Merchant Marine Act, 1936, as amended, and the training of cadets as officers of the Merchant Marine, including not to exceed $2,500 for entertainment of officials of other countries when specifically authorized by the Maritime Administrator; not to exceed $2,500 for representation allowances; not to exceed $2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; $57,178,000, to remain available until expended: *Provided*, That reimbursement may be made to this appropriation for expenses in support of activities for National Maritime Research Centers financed from the appropriation for "Research and development": *Provided further*, That reimbursements may be made to this appropriation from receipts to the "Federal ship financing fund" for administrative expenses in support of that program.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make the point of order on the basis of clause 2, rule XXI, that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order

is conceded and sustained and the paragraph is stricken.

The Clerk will read.

The Clerk continued the reading of the bill.

AMENDMENT OFFERED BY MR. BEARD OF TENNESSEE

Mr. BEARD of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEARD of Tennessee: Page 33, immediately after line 5, insert the following new section:

SEC. 305. No part of any appropriation contained in this title shall be obligated or expended for promoting or conducting trade relations with Cuba.

Mr. BEARD of Tennessee. Mr. Chairman, Cuban military involvement in African affairs, previously known to be sizable in certain areas, has spread at alarming rates across the continent of Africa. Soviet and Cuban backed armies pose a growing threat to the stability of nonalined and pro-Western African nations. Cubans continue to fight alongside East German and Soviet troops in the Ogaden region of Ethiopia, while training for African insurgents continues daily. In the South, Cuban advisers are training Rhodesian guerrillas in Angola, Mozambique, and Zambia for terrorist operations in Rhodesia.

The developments I have just cited are alarming in themselves, but the specifics serve to further emphasize the need for corrective action in this area. Cuban expeditionary forces already number over 17,000 men in Ethiopia alone—these soldiers man tanks, planes, and mechanized infantry units. The number of Cubans stationed in 19 African and Arab countries already exceeds a quarter of their 120,000 man army (40 to 50,000), and Havana has ordered an additional callup of reservists, resorting to men in their forties. The Soviets have pumped nearly $1 billion in military aid into Ethiopia, and average over $1.5 million per day in economic assistance to Cuba.

Mr. Chairman, I do not intend to belabor recent news developments, the contents of which I am certain you and the membership of this House are well aware. However, I feel that the House of Representatives needs to make a strong statement regarding the present Cuban policy of international adventurism. We can no longer afford to stand silent in the face of this aggression—it is obvious that the United States will to react is being tested. To date, Cuban penetration in the heart of Africa is virtually unopposed, and continued action on our part to normalize relations will be regarded as approval of the Castro regime and its activities. These efforts include establishing a U.S. diplomatic mission in Havana as well as the grant of permission for a Cuban mission in this country. Our tolerance is further demonstrated by the fact that a group of Commerce Department officials was sent to Havana at the very moment thousands of Cuban troops moved into Ethiopia. Mr. Chairman, there are so many Cuban pilots in Africa that Soviet pilots are reportedly forced to fly air defense patrols over Cuba itself. The State Department, however, justifies these actions by saying that they are not inconsistent with the Kennedy-Khrushchev agreement.

These recent developments indicate that Cuba and the Soviet Union are waging a most determined campaign to expand foreign influence in Africa. I seriously question the wisdom of making friendly overtures toward a hostile government participating in the throes of multifront aggression. It is obvious that no concessions have been made by the Cuban Government which merit normalization. The Soviet military and economic presence in Cuba has been and remains a grave threat, and we cannot deny the fact that a dependency relationship persists. It is naive to think that normalizing relations would lead to trilateral discussions between Cuba, the Soviet Union, and the United States.

Aside from extensive Cuban military activities in Africa, there is an additional consideration I would briefly like to mention. You will recall how Castro expropriated almost $2 billion of American private property—claims against the Cuban Government for the nationalization of businesses and property are still pending, and no compensation has yet been paid. I firmly believe that the Cuban Government must recognize these legitimate claims, prior to any further attempt at normalizing relations.

Until Castro signals his desire for better relations with the United States through a modification of these policies and a willingness to meet us halfway in areas of mutual concern, I think it is a mistake to hastily attempt to establish any form of relationship with that country. The executive branch intends to continue trade negotiations unless we indicate our opposition. This may well be the last chance we have to voice that opposition. Mr. Chairman, my amendment will give the House the opportunity to go on record as opposing Cuban aggression. Though the funding level is not high, the principle is essential. I would therefore urge my colleagues to vote in favor of my amendment.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I will yield briefly to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would ask the gentleman from Tennessee (Mr. BEARD) would it not be more consistent to have the gentleman's amendment also go toward cutting off funds for the American consulate in the Soviet Union and other nations?

Mr. BEARD of Tennessee. Mr. Chairman, in response to the gentleman from California (Mr. JOHN L. BURTON) let me say that we have to start somewhere in expressing our opposition and I am doing this with my amendment opposing the continued expansion of Cuban-Soviet influence in Africa. But I will be glad to join with the gentleman if he would care to introduce such an amendment.

Mr. JOHN L. BURTON. That is what it calls for.

Mr. BEARD of Tennessee. I will take back my time, Mr. Chairman. Let me say that I am particularly concerned with the Cuban presence which is some 90 miles off our shores.

I yield back the balance of my time.

Mr. SLACK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Tennessee (Mr. BEARD).

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding, and I also oppose the amendment. I think it is rather silly to worry about Cuba and not, if the gentleman is really being consistent—and he is one of the most consistent people that I know of, except when he is trying to shoot his jump shot—but the gentleman talks about Cuba and the Soviet Union. I think the gentleman should broaden his amendment and take away all of our recognition factors from the Soviet Union because they are the ones that we know are the backbone of the Cuban activity, be it domestic or whatever activities that he and Mr. Brzezinski are talking about. I think this is just a rather meaningless amendment.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. No, I will not yield, the gentleman from West Virginia (Mr. SLACK) has control of the time.

I would hope, if the gentleman is really sincere that he would aim at the real culprit in this and that is the Soviet Union. That would save us a lot of money.

Mr. SLACK. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, this amendment is absolutely unnecessary. None of the funds in this bill for the Department of Commerce are provided for promoting or conducting trade with Cuba. Funds are provided in the bill to promote the export of American goods and services to our traditional trading partners in Europe and Japan as well as in certain developing countries where such opportunities for American businesses may exist.

In hearings before the committee, none of the funds in the request were justified for promoting or conducting trade with Cuba and none of the funds are included in the bill for that purpose.

Therefore, Mr. Chairman, the amendment is unnecessary and I urge its defeat.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

It seems to me, as I recall it right now, that there is by Executive order and some points of law no trade possible with Cuba.

Mr. SLACK. I am sorry; I did not hear the gentleman.

Mr. FASCELL. It seems to me, as I recall it, that by Executive order and certain laws that now exist, no trade with Cuba is possible.

Mr. SLACK. I believe the gentleman is correct.

Mr. FASCELL. Therefore, I do not see how we could prevent by this amendment anything that does not exist. I would hope the gentleman would withdraw it under those circumstances, since it would take, as I understand it, either appeal of the Executive order or changes in the law

to bring about what the gentleman seeks to do, and since no funds are contemplated in this bill, I do not know why it is offered.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. I thank the gentleman for yielding.

As I stated, the executive branch has sent down members of the Department of Commerce to discuss trade potentials. This amendment would not deal with large amounts of dollars and cents, but it is the principle of the thing to prohibit it. I am sure there are probably no dollars that are absolutely totally zeroed in on Cuban trade specifically, but I think that the gentleman will agree that somewhere in that budget there are funds that would be available if the executive branch so decided at this time to send people down to negotiate or to develop trade with which they could do it, so my language prohibits this.

Mr. SLACK. Let me assure the gentleman that there are no funds in this bill to promote or conduct any trade with Cuba. Let me assure the gentleman that none of the funds in this bill will be spent for that purpose.

Mr. BEARD of Tennessee. If the gentleman will yield, then I do not understand what the great adversity to my amendment is.

Mr. SLACK. I decline to yield further. I see absolutely no reason to adopt such an amendment. It does not do anything; it is not necessary.

Mr. BEARD of Tennessee. I think it says something to the Cuban Government.

Mr. SLACK. I beg the gentleman's pardon.

Mr. BEARD of Tennessee. I thank the gentleman for yielding. I appreciate his consideration. I think this amendment does something. I think it indicates a mood of Congress to the Cuban Government, a government which is not reacting to any of our concerns about their activties. I think this is Congress one opportunity to express itself, because apparently the administration has not been able to make its point.

Mr. SLACK. I have just said that this being an appropriation bill, there will be no money spent from this bill for the purpose of promoting or conducting trade with Cuba, period.

● Mr. RICHMOND. Mr. Chairman, this amendment would block the funding for the maintenance of our interests section in Cuba.

The interests section in Cuba is there to serve U.S. interests not Cuban interests. Closing the interests section hurts the United States and not Cuba.

The interests section has served very important U.S. objectives—

It has helped to negotiate and organize the repatriation of American citizens and their families;

It has been instrumental in securing the release and return to the United States of three of our political prisoners and has brought comfort to the remaining four as well as to other U.S. prisoners in the form of visits and providing a link with home; and

Further, the section is continuing to press for the repatriation of those dual nationals with their families who wish to return to the United States. Were it not for this, there would be little hope for this group of 2,500 people.

The interests section is the only means by which our Government can gain firsthand information of what is taking place in Cuba's closed society.

I urge my colleagues to vote against prohibiting funds to support our U.S. Liaison Office in Havana.●

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Tennessee (Mr. BEARD).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BEARD of Tennessee. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Tennessee (Mr. BEARD) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 241, noes 158, answered "present" 1, not voting 34, as follows:

[Roll No. 451]

AYES—241

Abdnor	Buchanan	de la Garza
Ambro	Burgener	Delaney
Anderson, Ill.	Burke, Fla.	Dent
Andrews, N.C.	Burke, Mass.	Derrick
Andrews, N. Dak.	Burleson, Tex.	Derwinski
Annunzio	Butler	Devine
Applegate	Byron	Dickinson
Archer	Carney	Dicks
Armstrong	Carter	Dornan
AuCoin	Cederberg	Duncan, Tenn.
Badham	Chappell	Edwards, Ala.
Bafalis	Clausen, Don H.	Edwards, Okla.
Barnard	Cleveland	Emery
Baucus	Cochran	English
Bauman	Coleman	Evans, Del.
Beard, Tenn.	Collins, Tex.	Evans, Ga.
Bennett	Conable	Evans, Ind.
Bevill	Conte	Fary
Bowen	Corcoran	Fenwick
Breaux	Coughlin	Fish
Brinkley	Crane	Fithian
Brooks	Cunningham	Flippo
Broomfield	D'Amours	Florio
Brown, Mich.	Daniel, Dan	Flowers
Brown, Ohio	Daniel, R. W.	Flynt
Broyhill	Davis	Foley
		Forsythe
Fountain	Lloyd, Tenn.	Roe
Frey	Lott	Rogers
Gammage	Lujan	Rose
Gaydos	Luken	Rousselot
Gephardt	McCormack	Rudd
Gibbons	McDonald	Ruppe
Gilman	McEwen	Russo
Ginn	McKay	Santini
Glickman	Madigan	Sarasin
Goldwater	Mahon	Satterfield
Goodling	Mann	Sawyer
Gore	Marks	Schulze
Gradison	Marlenee	Sebelius
Grassley	Marriott	Sharp
Green	Martin	Shuster
Gudger	Mathis	Sikes
Guyer	Mattox	Skelton
Hagedorn	Mazzoli	Smith, Nebr.
Hall	Michel	Snyder
Hamilton	Miller, Ohio	Spence
Hammer-schmidt	Minish	Staggers
Hansen	Mitchell, Md.	Stangeland
Harsha	Mitchell, N.Y.	Stanton
Hefner	Moakley	Steers
Heftel	Montgomery	Steiger
Hillis	Moore	Stockman
Hollenbeck	Moorhead, Calif.	Symms
Holt	Mottl	Taylor
Horton	Murphy, Ill.	Thone
Howard	Murphy, N.Y.	Traxler
Hubbard	Murphy, Pa.	Treen
Huckaby	Myers, John	Trible
Hughes	Natcher	Vander Jagt
Hyde	Neal	Volkmer
Ichord	Nichols	Waggonner
Ireland	Oakar	Walgren
Jacobs	Panetta	Walker
Jeffords	Pepper	Walsh
Jenkins	Perkins	Wampler
Jenrette	Pettis	Watkins
Jones, N.C.	Pickle	White
Jones, Okla.	Pike	Whitehurst
Kasten	Pressler	Whitley
Kazen	Preyer	Whitten
Kelly	Pritchard	Wiggins
Kemp	Pursell	Wilson, Bob
Ketchum	Quayle	Winn
Kindness	Quillen	Wolff
Krebs	Regula	Wydler
Lagomarsino	Rhodes	Wylie
Latta	Rinaldo	Young, Alaska
Lent	Risenhoover	Young, Fla.
Levitas	Roberts	Young, Mo.
Livingston	Robinson	Zeferetti

NOES—158

Addabbo	Duncan, Oreg.	Lundine
Akaka	Early	McClory
Alexander	Eckhardt	McCloskey
Ammerman	Edgar	McFall
Anderson, Calif.	Edwards, Calif.	McHugh
Ashley	Eilberg	McKinney
Aspin	Erlenborn	Maguire
Baldus	Ertel	Markey
Beard, R.I.	Evans, Colo.	Meeds
Bedell	Fascell	Metcalfe
Bellenson	Findley	Meyner
Benjamin	Fisher	Mikulski
Bingham	Flood	Milford
Blanchard	Fowler	Miller, Calif.
Blouin	Fraser	Mineta
Boggs	Ford, Mich.	Moffett
Boland	Ford, Tenn.	Mollohan
Bolling	Giaimo	Moorhead, Pa.
Bonior	Hanley	Murtha
Brademas	Hannaford	Myers, Gary
Breckinridge	Harkin	Myers, Michael
Brodhead	Harrington	Nix
Brown, Calif.	Harris	Nolan
Burke, Calif.	Hawkins	Nowak
Burlison, Mo.	Hightower	Oberstar
Burton, John	Holtzman	Obey
Burton, Phillip	Johnson, Calif.	Ottinger
Carr	Johnson, Colo.	Patterson
Cavanaugh	Jordan	Pattison
Clay	Kastenmeier	Pease
Collins, Ill.	Keys	Price
Corman	Kildee	Rahall
Cornell	Kostmayer	Railsback
Cornwell	Krueger	Reuss
Cotter	LaFalce	Richmond
Danielson	Le Fante	Roncalio
Dellums	Leach	Rooney
Diggs	Lederer	Rosenthal
Dingell	Leggett	Rostenkowski
Dodd	Lehman	Roybal
Downey	Lloyd, Calif.	Ryan
Drinan	Long, La.	Scheuer
	Long, Md.	Schroeder

Seiberling	Steed	Vento
Shipley	Stokes	Waxman
Sisk	Studds	Weaver
Skubitz	Thompson	Weiss
Slack	Thornton	Wilson, Tex.
Smith, Iowa	Tsongas	Wright
Solarz	Udall	Yates
Spellman	Ullman	Yatron
St Germain	Van Deerlin	Young, Tex.
Stark	Vanik	Zablocki

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—34

Allen	Heckler	Rodino
Ashbrook	Holland	Runnels
Biaggi	Jones, Tenn.	Simon
Bonker	McDade	Stratton
Caputo	Mikva	Stump
Chisholm	Moss	Teague
Clawson, Del	Nedzi	Tucker
Cohen	O'Brien	Whalen
Conyers	Patten	Wilson, C. H.
Frenzel	Poage	Wirth
Fuqua	Quie	
Garcia	Rangel	

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Garcia against.

Mr. Biaggi for, with Mr. Nedzi against.

Mr. Stratton for, with Mrs. Chisholm against.

Mr. Teague for, with Mr. Conyers against.

Mr. Ashbrook for, with Mr. Moss against.

Mr. Frenzel for, with Mr Patten against.

Mr. McDade for, with Mr. Rangel against.

Mrs. SPELLMAN and Mr. CHARLES WILSON of Texas changed their vote from "aye" to "no."

Mr. CARNEY changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SPACE AND FACILITIES

For the rental of space, tenant alterations, and related services for the United States Courts of Appeals and District Courts, the Court of Customs and Patent Appeals, the Customs Court, the Court of Claims, the Administrative Office of the United States Courts and the Federal Judicial Center, pursuant to the Public Buildings Amendments of 1972, Public Law 92-313, June 16, 1972 (86 Stat. 216), $99,400,000.

● Mr. BOB WILSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of an amendment which was to have been offered by members of the House Judiciary Committee to increase the appropriation for the Immigration and Naturalization Service by $22.7 million. Unfortunately, the section was deleted from the bill on a point of order.

I do not often address this Chamber in support of a budgetary add-on. For those who have previously doubted the intensity of citizen opposition to increased Government spending, and the increased taxation which goes in tandem with it, last week's vote in California on proposition 13 made the answer loud and clear. In this instance, however, I feel that "beefing up" the personnel for the Immigration and Naturalization Service, particularly the border patrol, is a good investment which will result in much greater long-term savings.

It is difficult to calculate the cost to the taxpayer of the continued influx of illegal aliens, since the impact is felt by programs at all levels of government—local, State, and Federal. To give you an idea of the enormity of the situation, I would like to cite just one aspect: emergency medical care. Illegal aliens, like the rest of us, are in automobile accidents, give birth prematurely, or have heart attacks. This type of situation requires immediate attention and cannot await a determination of the victim's status and means of payment. In areas in close proximity to the Mexican border, the cost of such emergency care is staggering—and it is borne by the local taxpayer. In San Diego County, the annual cost is more than $1 million. In Los Angeles County, that figure increases tenfold. This is only one small aspect of social and economic cost of illegal aliens.

The Immigration Service and its border patrol force are making a herculean effort to crack down on illegal entries, but do not have the manpower, despite increases in the past few years. The 293 additional border patrol positions reand approved by the Appropriations Committee are simply inadequate. By contrast, the Judiciary Committee has authorized 1,000 more border patrol slots, a far more realistic figure.

It is hard for those Members from areas distant from the border to visualize the dimensions of the problem. Believe me, illegal aliens literally crawl out of the bushes in mass groups on a daily basis in San Diego County and I am sure that this is not an isolated situation.

Obviously, this increased funding for the Immigration and Naturalization Service will not solve the illegal alien problem—but it is an important step in that direction. The need for additional legislation is only too clear and I would like to take this opportunity to urge the Judiciary Committee to schedule action on the variety of measures which have been introduced, including my bill, H.R. 5547.

This legislation provides for the confiscation of the cars, vans, trucks, boats, planes, or other transportation modes used in smuggling aliens. Alien smuggling is no small-time undertaking—it is a big business operation in some instances involving fleets of specially equipped vans or trucks. There is no legal authority to confiscate these vehicles and, as a result, they are often out on another run a few hours after apprehension by the border patrol. This is absurd. Current law provides for the confiscation of vehicles, et cetera, used in smuggling drugs. Alien smugglers are no less traffickers in human misery and exploitation than those running drugs and the confiscation authority should be extended to encompass both groups.

In closing, I want to again urge my House colleagues to support this increased appropriation proposed by the Judiciary Committee and to call on that committee to undertake additional legislative action to stem the tide of illegal entries.●

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

For necessary expenses, not otherwise provided for, for arms control and disarmament activities, including not to exceed $15,000 for official reception and representation expenses, authorized by the Act of September 26, 1961, as amended (22 U.S.C. 2551 et seq.), $16,395,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of clause 2, rule XXI, that this is an unauthorized appropriation and is not authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from West Virginia (Mr. SLACK) concedes the point of order, the paragraph is stricken, and the Clerk will read.

The Clerk read as follows:

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

For expenses of the Board for International Broadcasting, including grants to RFE/RL, Inc., $85,000,000, of which $2,000,000, to remain available until expended, shall be available only for fluctuations in foreign currency exchange rates in accordance with the provisions of section 8 of the Board for International Broadcasting Act of 1973, as amended: *Provided*, That not to exceed $40,000 shall be available for official reception and representation expenses.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of clause 2, rule XXI, that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from West Virginia (Mr. SLACK) concedes the point of order.

The paragraph is stricken and the Clerk will read.

The Clerk read as follows:

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

For expenses necessary for the Commission on Civil Rights, including hire of passenger motor vehicles, $10,752,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of clause 2, rule XXI, I make a point of order that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded, sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $1,500 for official reception and representation expenses; $63,600,000: *Provided*, That none of these funds may be used to pay the salary or expenses of any person to limit through trade regulation rules the

advertising of any food product that contains ingredients that have been determined to be safe for human consumption by the Food and Drug Administration and included on its list of ingredients which are "generally recognized as safe" (GRAS) and does not contain ingredients that have been determined to be unsafe for human consumption by the Food and Drug Administration: *Provided further*, That nothing herein shall be construed as prohibiting or restricting the Federal Trade Commission's authority with respect to false and deceptive advertising.

POINT OF ORDER

Mr. LEVITAS. Mr. Chairman, I make a point of order against page 42, lines 1 through 20, based on rule XXI, clause 2, of the rules of the House. Mr. Chairman, there is currently no authorization for the Federal Trade Commission, and as such the language in this bill providing for the Federal Trade Commission is not in order.

Mr. SLACK. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded, sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

INTERNATIONAL COMMUNICATION AGENCY

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary to enable the International Communication Agency, as authorized by Reorganization Plan No. 2 of 1977, the Mutual Educational and Cultural Exchange Act (22 U.S.C. 2451 et seq.), and the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1431 et seq.), to carry but international communication, educational and cultural activities, including employment, without regard to the civil service and classification laws, of persons on a temporary basis (not to exceed $20,000), and aliens within the United States; expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158) and living quarters as authorized by 5 U.S.C. 5912; entertainment within the United States not to exceed $6,500; purchase for use abroad of passenger motor vehicles (of which not to exceed twenty-five may be for purposes other than replacement); hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; advance of funds notwithstanding section 3649 of the Revised Statutes, as amended (31 U.S.C. 529); dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; expenses authorized by section 804(14) of the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1474); radio activities and acquisition and production of motion pictures and visual materials and purchase or rental of technical equipment and facilities therefor, narration, scriptwriting, translation, and engineering services, by contract or otherwise; and purchase of objects for presentation to foreign governments, schools, or organizations; $365,000,000, of which not to exceed $6,495,000 of the amounts allocated by the International Communication Agency to carry out section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451), shall remain available until expended: *Provided*, That not to exceed $400,000 may be used for representation abroad: *Provided further*, That passenger motor vehicles used abroad exclusively for the purposes of this appropriation may be replaced in accordance with section 806 of the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1475a), and the cost, including the exchange allowance, of each such replacement, shall not exceed such amounts as may be otherwise provided by law (except that right-hand drive vehicles may be purchased without regard to any maximum price limitation otherwise established by law): *Provided further*, That notwithstanding the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), the International Communication Agency is authorized, in making contracts for the use of international shortwave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of rule XXI, clause 2, that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded, sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the International Communication Agency, as authorized by law, including Section 804(14) of the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1474), $9,824,000, to remain available until expended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of rule XXI, clause 2, I make a point of order that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded, sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

To enable the Director of the International Communication Agency to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to any appropriate recipient in the State of Hawaii, $13,200,000: *Provided*, That none of the funds appropriated herein shall be used to pay any salary, or to enter into any contract providing for the payment thereof, in excess of the highest rate authorized in the General Schedule of the Classification Act of 1949, as amended.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of rule XXI, clause 2, that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded, sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

For an additional amount for the purchase, rent, construction, and improvement of facilities for radio transmission and reception, purchase and installation of necessary equipment for radio transmission and reception, without regard to the provisions of the Act of June 30, 1932 (40 U.S.C. 278a), and acquisition of land and interests in land by purchase, lease, rental, or otherwise, $19,685,000, to remain available until expended: *Provided*, That this appropriation shall be available for acquisition of land outside the continental United States without regard to section 355 of the Revised Statutes (40 U.S.C. 255) and title to any land so acquired shall be approved by the Director of the International Communication Agency.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I make a point of order on the basis of rule XXI, clause 2, that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded, sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $12,800,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, on the basis of rule XXI, clause 2, I make a point of order that this is an unauthorized appropriation and has not been authorized by law.

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded, sustained, and the paragraph is stricken.

The Clerk will read.

The Clerk read as follows:

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Service Corporation Act of 1974, as amended, $285,000,000.

Mr. BUTLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had earlier authored a "Dear Colleague" letter expressing my intention to offer an amendment at this point to reduce the appropriations of the Legal Services Corporation. I was having difficulty getting the cooperation of the Corporation. My purpose was to get the attention of the Legal Services Corporation. I now have their attention.

I would share with you for a moment, though, some of the thoughts which led to this problem. I recall many things that occurred during the OEO days when those who were employed in the legal aid operation brought it into such disrepute that it jeopardized the program.

I fear that the same mentality has now taken control of the Legal Services

Corporation and I do not want to see that happen.

I strongly support the legal services principle, but I am greatly concerned that as a result of a local situation which has come to my attention I am getting the attention of the Corporation now, we are resolving my problem; the chairman of the subcommittee has agreed to an extensive investigation and oversight, so my inclination is not to offer the amendment as planned; but I have a dilemma because I sent my "Dear Colleague" letter to a number of our colleagues. I aroused their expectations. They will have an opportunity to express on the floor their problem and that may end my need to offer my amendment; so I will see how things go for the remainder of my time and then I will decide whether to offer the amendment.

There are several things that have occurred since I sent the "Dear Colleague" letter. I am dealing with the Corporation. They have been helpful. We have now received assurances from the Legal Services Corporation that they will cooperate and reconsider, where they can, my particular local situation.

We have a strong letter from the chairman of the subcommittee, the gentleman from Wisconsin (Mr. KASTENMEIER) and the gentleman from Illinois (Mr. RAILSBACK) to the Legal Services Corporation, which expressly charges them and directs them to respond under our oversight responsibility in the manner we have.

In addition to that, we have an indication that the Senate appropriation is going to be substantially less than the appropriation which is under consideration and which would have been under consideration after my amendment had been offered; so that we still have the possibility if we have further problems, we can still call it to their attention.

Let me tell you the problem as I view it. The subcommittee on which I serve on the Judiciary Committee is presently conducting an oversight investigation concerning the expansion policy of the Legal Services Corporation. We have received a number of letters from existing legal aid programs complaining about the highhandedness of the Corporation. The Corporation is going around the country setting up large legal aid programs and in process, ignoring local bar associations, ignoring local existing legal aid programs, and ignoring the local community. It is clear to me and most members of the subcommittee that the Corporation is on a self-destructive course. This is the very same course that nearly destroyed federally funded legal assistance for the poor in the late sixties and early seventies. If you are in favor of legal aid to the poor, as I am, then you should vote in favor of my amendment.

I am speaking from direct, personal experience. In my district, in Lynchburg, Va., the Corporation has put out of business a successful legal aid program that has been helping the poor for nearly 6 years, operating with a limited staff (three attorneys) and on a limited budget ($38,000) provided by the city of Lynchburg. Those who developed the new plan did not contact the legal aid program in Lynchburg at any time. Lynchburg legal aid had no input into the development of the plan and did not receive notice of it until November 23, 1977, 5 days prior to a representative of the Corporation recommending the new proposal and 5 months after the Corporation knew of the new proposal, and a year after the Corporation first began to consider expansion in Virginia. The Legal Aid Society of Greater Lynchburg was not even considered as a possible alternative program for the Lynchburg area until February 1978, and then only through my intervention.

When the Legal Aid Society of Greater Lynchburg requested a delay of the Corporation's decision on November 28, in order to have an opportunity to review for the first time and comment on the new proposal they were advised by letter that the Corporation's local representative would recommend against any delay in the consideration of the application of the new proposal.

In a letter to me from the Corporation dated March 30, 1978, the following paragraph appeared:

> As part of the process of considering the feasibility of the VLAS proposal, the Regional Office contracted with the directors of 2 legal services programs in Virginia to study the proposal. These experienced individuals conducted an extensive review, including visits to the areas in question, in consultation with many groups and individuals. They prepared a preliminary report in November 1977 and a final report in December 1977. They concluded that, with certain modification, the VLAS proposal was a realistic one.

In fact, there was only one preliminary report, not two. One consultant was paid $1,236.45 at the rate of $125 per day. The other consultant was paid $2,700 at the same rate. The only report that addressed the Lynchburg case recommended that Lynchburg was not essential to the new proposal and that Danville would be a better location for the administrative offices of the new program. The Corporation overruled the recommendations of their expert. That report was filed with the Corporation on December 12, 1977, 2 weeks after a representative of the Corporation made his recommendation supporting the new proposal.

The other report did not address the Lynchburg situation. Of interest, however, is the fact that this consultant participated in the development of the new proposal. This consultant also signed the articles of incorporation of the new program and was appointed to the board of the new program. No consultants were hired to review the proposal submitted by the Legal Aid Society of Greater Lynchburg.

The application of the Legal Aid Society of Greater Lynchburg has received enormous support from local bar groups, the local community, local agencies, local government officials, and past clients. There were few criticisms of the existing legal aid program. When the few critics were interviewed by a representative of the Corporation, they were not interviewed as to the new proposal submitted by LASGL and as to whether it was a good proposal, but rather with the attitude of "what can you tell me that's bad about the existing legal aid program of Lynchburg." As I said earlier, this local legal aid society was started approximately 6 years ago. They did not take Federal money because OEO money had just dried up and there was serious doubt as to whether there would ever be any federally funded legal aid, so they survived on local funds. This nonacceptance of Federal money was considered a mark against this local group by the Corporation. Also, another critical comment was that they settled law suits when they could, rather than go to court. Also considered critical was the fact that they do not accept class action cases, which is understandable with their small staff and the fact that it is Lynchburg and not Manhattan. But do you realize what the law says with regard to class actions? (Section 1006(d)(5)):

> (5) No class action suit, class action appeal, or amicus curiae class action may be undertaken, directly or through others, by a staff attorney, except with the express approval of a project director of a recipient in accordance with policies established by the governing body of such recipient.

The Legal Aid Society of Greater Lynchburg represents a positive, worthwhile effort of many years in the making. It established legal services for the poor in an area that was initially opposed to any tax supported legal aid. It now enjoys wide community acceptance and support. This program over its objection will go out of business next month. It was wiped out of existence, in almost casual fashion, by the Legal Services Corporation. This may well be going on presently in your district. We have information that it is going on in other areas of the country and our subcommittee intends to do something about it.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has expired.

(By unanimous consent, Mr. BUTLER was allowed to proceed for 3 additional minutes.)

Mr. BUTLER. Mr. Chairman, I have dwelled on the facts of this case enough so that the Members will understand that what has happened is that the Legal Services Corporation has ridden roughshod over the local existing operation, an operation that was locally funded.

This may very well be going on in the districts of other Members, because I have had a number of Members contact me and say this is exactly what has happened. So had I offered my amendment, I would have urged the support of the Members.

Let me just quote from an editorial that appeared in the Lynchburg News:

> In what is just the latest on a long list of examples of the federal government's arrogance, the federally-funded Legal Services Corp. seems to be ignoring nine years of local efforts in its haste to spend our tax dollars the way it wants to.
>
> In 1969, the Lynchburg Bar Association chartered the Legal Aid Society of Greater Lynchburg to provide free legal services for persons who needed these services but could not afford them. The society has been in operation for about five years and during that time its record has been good enough to

earn it the respect and the scarce tax dollars of both Lynchburg and Campbell County.

Since the local legal aid society went its own way and rejected federal aid nine years ago, it was completely ignored when a new federal program came along to offer free legal services to low income persons throughout the country. Instead of working with the existing local program when the new congressional mandate came down, the Legal Services Corp. worked against the existing program and for a scheme to combine the existing program in Lynchburg and Campbell County with 21 other localities across Southside, Central and Southwest Virginia.

Five years of commendable legal service to the poor in Lynchburg and Campbell County was ignored because the local bar refused to be a puppet of a federal bureaucracy. Now, in a blatant power play, that bureaucracy is out to teach the local legal aid society a lesson by destroying it.

But, there is more than just federal arrogance involved in the legal aid struggle. During its power play, the bureaucracy has offered only lip service consideration of the low income persons who need the free legal services.

All signs now point to the fact that these people who need the free legal services will suffer from the loss of the local legal aid society and its replacement with the federally funded organization.

Because it is locally financed, the local legal aid society has been forced to meet the needs of the people in Central Virginia. Not only has the society served the needs of the area's poor, but it also has benefited all society to the extent that all the people have an interest in the welfare of any part of the whole. In working to assure that no one's legal rights are abused, the society has helped safeguard everyone's rights.

Because its financial support will depend on Congress and it will be governed by a board created from a vast area of Virginia, there is no assurance that the new organization will offer the same level of locally directed services. Indications are to the contrary. Instead of providing the services to benefit Central Virginia's poor, the new organization will be more concerned with conducting its own crusade.

The poor will become merely pawns of the power brokers of the new organization and all people of the area will suffer.

Again, we are seeing an example of an organization created to help the people and becoming so arrogant that it ignores its creators and turns against the people.

That is wrong. That is what we set up the Legal Services Corporation program to do. This is the sort of thing to which my amendment was addressed.

Mr. Chairman, I would like to yield at this time, if I may, to the chairman of our subcommittee, the gentleman from Wisconsin (Mr. KASTENMEIER), in order that I may engage him in colloquy and receive some reassurances.

I say to the gentleman from Wisconsin that we have uncovered a number of these problems. The problems have been coming to the gentleman's attention and the attention of the staff, and I expect they will continue. They occur in Ohio, they occur in Virginia, they occur in Missouri, and they occur in California.

I would like to have the gentleman's assurance that we will pursue the investigation of these complaints, and that we will have oversight hearings until they are firmly resolved and the message is clear.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the chairman of the subcommittee.

Mr. KASTENMEIER. Mr. Chairman, as my colleague, who is a valued member of the subcommittee, knows, we have had oversight hearings on the Lynchburg matter, and I think, particularly through the gentleman's efforts, results have been forthcoming. There will be further oversight hearings. That is our duty.

In the meantime, I might also say that the gentleman from Virginia is right in advising the Committee of the Whole that the gentleman from Illinois (Mr. RAILSBACK) and I wrote to the President of the Legal Services Corporation on June 12, setting forth a series of four operating principles that we thought ought to be adhered to by the Corporation in terms of this expansion of programs.

I for one and, in fact, the House endorsed an expansion of legal services programs, and what we want is a fair and orderly method of expanding programs to reach the poor and the others who have not in the past been covered by the program.

What has been uncovered in Lynchburg and perhaps elsewhere in the country is to a very great extent the inability of the Corporation to appropriately notify and involve certain local programs in terms of this expansion and to give them an opportunity to participate fully. Our continuing oversight and dialog with the Corporation has already brought results, and we expect further improvements will be made as a result of the June 12 letter with which the Corporation agrees in principle.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has again expired.

(On request of Mr. KASTENMEIER, and by unanimous consent, Mr. BUTLER was allowed to proceed for 2 additional minutes.)

Mr. KASTENMEIER. Mr. Chairman, if the gentleman will yield further, the gentleman from Illinois (Mr. RAILSBACK) and myself suggested in a letter to the Corporation that as soon as practicable, and no later than 1 month prior to the deadline of receipt of expansion proposals in a geographical area, the Corporation shall send written solicitations for advice on problems to a given area, directing them to a series of five organizations or types of organizations, including State bar, local bar organizations, and existing legal services programs.

Then we set forth three other procedures which we thought would be adequate. In connection with that, I am informed that, doubtless as a result of the interest of the gentleman in the well, in principle the Corporation has agreed to do what has been requested in that letter, and we shall soon have that confirmed in writing, after discussing the refinements and details with the Corporation.

I would say to the gentleman that there will be further oversight hearings. I hope that the response of this body will not be to undercut a much needed expansion voted for by this body and by the other body within the last 6 months—because they are needed. But I think the gentleman in the well deserves the thanks and the gratitude of the House for aiding in bringing this matter to our attention.

Mr. BUTLER. I thank the gentleman.

Mr. Chairman, while I have the gentleman's attention, may I address myself to the gentleman from Wisconsin one more time? I had a problem during the course of our investigation, when an attorney from the subcommittee went to the Legal Services Corporation and was denied access to their files. Does not the gentleman from Wisconsin agree with me that, in our oversight responsibility, it is entirely appropriate that we insist that we have access to the files of the Legal Services Corporation any time we wish?

Mr. KASTENMEIER. If the gentleman will yield, I would say that I think we are entitled to appropriate access by appropriate methods. That may, in fact, require legal process. We are entitled to such access.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has expired.

(On request of Mr. PEASE and by unanimous consent, Mr. BUTLER was allowed to proceed for 3 additional minutes.)

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Ohio.

Mr. PEASE. I appreciate the gentleman's yielding, and I would like to commend him for bringing this situation to the attention of the House.

A situation similar to this has occurred in my congressional district, also, where the Legal Services Corporation, in expanding legal services to several counties beyond Toledo, Ohio, reached out into one of my counties, where there is already in existence an excellent legal aid program funded by local sources and title XX money. The attitude of the legal services to date seems to be that, "We will provide our brand of legal services to that county, whether or not the local people want it and whether or not there is an adequate program in place."

I am pleased that there seems to be some recognition by the Legal Services Corporation that this is not the way to do it, and I am very gratified by the reassurances of the gentleman from Wisconsin.

Mr. Chairman, again I commend the gentleman from Virginia, and I will say that I will be watching to see how this overall Legal Services Corporation policy works in this specific instance of my congressional district.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from California.

Mr. DANIELSON. I thank the gentleman for yielding.

Mr. Chairman, I also want to thank the gentleman for bringing this matter to the attention of the House. I would like to add that just yesterday I forwarded on to our distinguished chairman, the gentleman from Wisconsin (Mr. KASTENMEIER), a long written complaint which I received from the Califor-

nia Rural Legal Assistance Society which has an excellent long-term record in serving the poor. The nature of the complaint was different from that of the gentleman from Virginia, with which I am very familiar. But I think this points out that there are a number of areas in which oversight is needed, and I certainly commend the gentleman for bringing it to our attention because we are going to give that oversight. I think this colloquy should also give some assurance to the Members of the House that the Committee on the Judiciary is not going to permit the Legal Services Corporation to go the way of its predecessor.

Mr. BUTLER. Mr. Chairman, I thank the gentleman for his remarks, and I appreciate the way in which the gentleman presided over our earlier oversight hearings. I look forward to working with the gentleman further.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has again expired.

(By unanimous consent, Mr. BUTLER was allowed to proceed for 2 additional minutes.)

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman for yielding.

I rise to ask a question in reference to a dear colleague letter which the gentleman sent out on June 9. He indicated he would have an amendment.

Is there an amendment pending?

Mr. BUTLER. No. I say to the gentleman that there is no amendment pending, but the purpose of my dear colleague message and the amendment was to get the attention of the Legal Services Corporation and to get their cooperation. I have received it with reference to a problem, and I thought it was sufficient if we used this opportunity to develop on the floor the problems which suggested this amendment, without joepardizing the position of the Legal Services Corporation, which obviously has been considered by the Committee on Appropriations before they made a judgment on it.

Therefore, there is no amendment pending; but I am assured of the continuous cooperation of the Legal Services Corporation in these problems and of our continued oversight. Of course, we may have the last word on this subject because we hear that the Senate appropriation is going to be substantially less.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman.

I had anticipated an amendment to be offered, as indicated in the letter, that would reduce the appropriation. I intended to support it even though I have long supported the Legal Services Corporation.

Certain things have happened that have been most disappointing, particularly with respect to the Washington, D.C., operation, in which there is a concerted policy to discriminate against providing legal services for the Spanish-speaking people of the District of Columbia.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has expired.

Mr. BUTLER. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. ANNUNZIO. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: Page 48, line 5, as amended, strike out 285 million and insert 255 million.

Mr. ROUSSELOT. Mr. Chairman, this is a relatively simple amendment. It merely funds this program for the amount the President requested.

In view of all of this discussion that we have had here today in this Chamber some of us felt that we should have an opportunity to support the level of spending recommended by the President—that is $255 million, perhaps, have a little more discussion.

I have been disturbed about some of the reports we have heard during the past year.

Nobody has claimed that these reports were false. Perhaps the gentleman from California (Mr. DANIELSON) does not think so, but many of us from California have heard about some of the problems with the California rural legal aid group lobbying in Sacramento.

I do not think that that is what the Congress intended when this act was enacted several years ago. At least, that was not my understanding. I did not vote for the original legislation but I followed most carefully the purposes stated by those who advocated its enactment.

Mr. Chairman, let me just remind my colleagues that this organization started out in 1976 with an appropriation of $88 million; in 1977, the Legal Services Corporation went to $125 million; in 1978, it had an appropriation of $205 million.

Therefore, we really have not been starving this group; and my belief is that the President's judgment was that only $255 million was needed and that that would be adequate.

I do not really understand why we need such a substantial increase in this agency's appropriation. A $255 million is clearly not a starvation diet. It is more than the amount last year, which was $205 million for 1978.

Therefore, Mr. Chairman, I urge my colleagues to support the amendment.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding.

I certainly support the gentleman's amendment even though I think it is still too much.

Mr. ROUSSELOT. I try to be moderate.

Mr. LATTA. The gentleman is very moderate this time.

Mr. Chairman, let me say that this matter came before the Committee on the Budget and we tried to reduce it. We tried, but could not cut it back to the President's request, even though it was more than last year.

I have here a file on ABLE. ABLE is a legal aid group in northwestern Ohio, which is trying to expand into the rural counties, despite the fact that the courts and the bar associations, say that the impoverished people's legal problems are now being taken care of by the courts or the bar association. Nonetheless, they go right ahead and fund them and say, "You are going to take this legal service whether you need it or not."

Mr. Chairman, I think it is high time that this Congress takes note of what the taxpayer of this country wants. He does not want or she does not want the funding of programs which are not needed. We are already taking care of the indigent's legal problems on the local level.

In that case, Mr. Chairman, why in the name of sense do we need to fund this program, which goes beyond the amount requested by the President? I think it is absolutely ridiculous.

We are going to be asked this year to increase the national debt beyond $800 million. We are going to have a deficit of $57 billion in fiscal year 1979. Are we still going to go ahead and fund a program like this for the benefit of the young lawyers when the needs of the poor are already being taken care of?

I happen to be a member of the bar, so I can speak very freely. I do not think we ought to fund programs to benefit the lawyers. We ought to do something for the taxpayers, and that is to cut back their taxes. We are not going to cut back their taxes unless we cut back expenditures. Here is an area where we can cut back, and we ought to do it now.

Mr. Chairman, I support the gentleman's amendment.

Mr. ROUSSELOT. I appreciate my colleague mentioning his support of the amendment and why. I would like to state further that this $255 million is a very substantial increase over fiscal year 1978, so I do not want anybody to stand up and say, "Oh, the poor people out there will all be without legal help—nobody will get any legal assistance." That is just not true.

I am sure the President would not take a point of view that a $255 million appropriation would be a starvation budget. So, I hope my colleagues can vote for a little moderation in the "big spending" that has come to be a way of life.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, reference was made here to defense counsel being furnished and saying that we do not need legal services, and that brings this point to bear: Criminals in this country are entitled to legal services as a matter of constitutional law, but good, law-abiding citizens are not entitled to any legal services unless we provide it by statute. That is what this is all about. If criminals have an absolute right to have legal services, why should not law-abiding citizens have legal services? We are providing here, not defense money for crimi-

nals, but money to provide representation in civil matters.

We had programs that did not work very well. Obviously, they did not work very well. Some of them suffered from political interference or other things that were wrong, so the Congress with the help and recommendation of bar groups set up a legal corporation to get away from that. So, we have been funding a corporation for the past 3 years.

The new corporation came to the Appropriations Committee 3 years ago and they told us that they had minimum legal services in certain areas of the country, but about two-thirds of the country did not have minimum legal services. It is not right for some people to have minimum legal services and for other people to have none, so we said, "Let us work out a schedule. How soon can you provide minimum legal services for all the people?"

They said, "3 years."

We looked at their program and we said, "We think it is a little bit ambitious. Let us work out a 4-year schedule," so we worked out a 4-year schedule for providing minimum legal services for those who had none, so that we would have equality of minimum legal services in this country.

Now, we are funding for the last year. What the OMB said or what the President said they needed is immaterial. Under the law, the President or OMB are not to be presenting the budget for this organization. The budget for this organization by law is to come directly from the Legal Services Corporation to the Congress. Their budget request was for $305 million. I do not care what some faceless bureaucrat in OMB said. They do not know anything about the schedules worked out; they do not know about the time schedule.

So, the committee cut it back by $20 million. I would rather have made it $305 million, but we do believe that they can effectively use the amount of money that we recommended to extend minimum legal services to those parts of the country that now do not have any. They have done a lot of the planning work, a lot of the spadework with the local bar associations so as to be ready to go in this fiscal year with this additional service.

I just think it would be wrong if we do not permit them, after preparing to do so, to move on to these other areas that are not now served. Remember this: Out in these areas not now served a lot of planning has been going on. The local bar associations have been contacted. They have been told to be prepared in fiscal year 1979 to help absorb whatever efforts are needed to provide just two attorneys for 10,000 needy population.

I think it would be wrong if we, the Congress, now say, after they have been told to prepare to expand the program to areas of the country which do not now have any legal services, that they will not be permitted to expand this program in this fiscal year. I urge defeat of the amendment.

Mr. CEDERBERG. Mr. Chairman, I rise in opposition to the amendment.

The principle of legal aid has been already established. If a Member is opposed to any legal aid, then the amendment ought to be to strike it all.

As the gentleman from Iowa said, the additional funds we provide in the bill, is to keep the Legal Services Corporation on a schedule to provide service to areas of the country that do not have legal services.

What the amendment offered by the gentleman from California does is to cut the funding to the $255 million. Incidentally, this is what the President's budget requested, and every President's budget that has ever sent any up under any administration always reduces this item substantially below what the Legal Services Administration requests itself. There is nothing new about that, it is really a status quo. So the parts of the country that receive no service now are discriminated against.

It just does not make any sense to me to not complete a program designed to provide legal services to all parts of the country. Either complete the program, or do away with it.

Let me say something else. The president of the Legal Services Administration, Mr. Ehrlich, is a former dean of the Law School of Stanford University, a very, very intelligent and fine administrator. I think he is doing an excellent job. The Chairman of the Board is Mr. Cramton, whom I have known for some time. He has a connection in my own State of Michigan.

I would hope the House would not approve this amendment. As has been stated, the Corporation requested $304 million. The budget request is $255 million. So the Committee compromised at about $285 million. I think there were members of the subcommittee that would like to have had it at $304 million. I was involved in trying to work out the compromise at $285 million. But, as I say, the principle of legal services has been established. As long as we are going to have it, I do not see how we can intelligently discriminate against those who do not have it. This is nothing more than an orderly expansion of the program that has been in place.

I would hope that this amendment would be defeated.

Mrs. BURKE of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to reply to the statement that has been made, that the President asked for a reduction or an amount substantially less than the amount that was appropriated by the Appropriations Committee of $285 million. I recognize that $255 million is the amount that was sent to the Congress. However, I question whether or not today we would not have the full support of the administration for the full amount that has been appropriated, at least at $285 million. I say that based upon the speech that the President gave when he talked on Law Day on the status of the legal profession in the United States. He pointed out that today legal services are available to only something like 10 percent of the people of the country, that really one of the reasons for the great lack of respect for the legal profession comes about because we do not provide legal services to all of our citizens.

In the light of his remarks and his observations and his commitment to legal services for all the people of this country, it would seem to me at a minimum that we would want to provide for service to at least 7.5 million of those low-income people.

When we say "service" it is 1 lawyer for every 5,000 poor people. That is contrasted with 1 lawyer for every 500 among the affluent.

So when we say 1 lawyer for every 5,000 people, then today under this amendment, if this was adopted, we would have 4.8 million people at least who would never have an opportunity to go to a legal counselor and to be able to receive free legal services.

It seems that if we want to better our system of jurisprudence and our legal system one of the basic ingredients is a high caliber of legal services and that should not be just available to the top 10 percent but certainly it should be available to every American on a minimum level. That is what we have in California, a minimum level, we have almost reached coverage for the entire poor population. So I am not speaking here for additional coverage for California, but there are many parts of this country that are not as fortunate as we are in California and, on that basis, I would hope that this amendment would be rejected.

Mr. RAILSBACK. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, I want to begin by thanking the gentlewoman from California (Mrs. BURKE) for yielding to me.

It is my understanding that what we are trying to do is provide, as some Members have said, so-called minimum access.

Right now it is my understanding there are 6.4 million poor people that have absolutely no access. That is determined by an eligibility level of about $7,300 for a family of four. Also I am getting at what I will be referring to on my own time and that is what the gentleman from Virginia (Mr. BUTLER) said, some of which I agree with, but I would add the fact that we have had some complaints does not mean we should engage in primarily a meat ax approach which is going to cut out minimum legal aid for a lot of poor people. It is my understanding that as many as 3 million people may be deprived if this amendment is adopted.

Mrs. BURKE of California. I agree with the gentleman from Illinois.

Mr. DANIELSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, preliminarily I wish to point out that the gentleman from California (Mr. ROUSSELOT) used my name in a frivolous and irrelevant manner in his presentation. I want to put the record straight. His reference to me in connection with whatever activities may have taken place at some time or other, or may not have taken place, in Sacramento was entirely irrelevant to any-

thing that had taken place in the previous debate. I wanted the record to be very clear. But the gentleman did not have time to yield to me during his presentation. If he would like to have me yield to him now, I will do so.

Now, to get back to fundamentals: I want to associate myself with and endorse the remarks of the gentleman from Iowa (Mr. SMITH), the gentleman from Michigan (Mr. CEDERBERG), the gentlewoman from California (Mrs. BURKE), and those of my good friend the gentleman from Illinois (Mr. RAILSBACK). We should not slap down the poor who seek a little bit of help at the bar of justice through this program.

There are tens of thousands of Americans who have no help at all, no recourse to our courts, no recourse to justice.

I would like to respond to the gentleman from Ohio, the distinguished gentleman (Mr. LATTA), who characterized this program as a bill to help the lawyers.

A bill to help the lawyers? For Heaven's sakes. Do you realize that the salaries of the lawyers in connection with the legal aid groups draw less than the salaries you pay to your clerical staff here in the Rayburn Building, in the Cannon Building, and in the Longworth Building? They do not even get as much as we pay our doorkeepers.

Aid to the lawyers? Any of these lawyers could make twice the money with half the effort if they just went out in private practice.

The motivating factor behind the rendering of legal services, and you can believe me, is simply in trying to render some worthwhile public service. Hopefully, some day, when they think they have done their share, and when they have a wife and a family or somebody to take care of, they can step out and make a little money.

But this is not a lawyer's bill. This is a bill to make the American ideal of equal justice under law come home to everybody.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield, if this is a bill to aid the lawyers, does not the gentleman in the well say that the Constitution is a document to aid the lawyers, in the same sense?

Mr. DANIELSON. I appreciate what the gentleman from Texas (Mr. ECKHARDT) has said. As always, the gentleman is right.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I want to associate myself with the remarks of the gentleman from California (Mr. DANIELSON). I think he has eloquently expressed the need for this program which is to provide equal justice to the people in this country, people not in the country club set, people who cannot afford the high costs of justice in America, people who are black, people who are poor, people who are old. I think it is a good program. I think it is worthwhile.

I think it is what the United States of America is all about. I am proud to vote for it, and I am proud to associate myself with my good friend, the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. I thank the gentleman very much. I urge only one thing. This amendment is beneath the dignity of the traditions of the House of Representatives. Vote it down out of hand.

Mr. WIGGINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have just listened to the remarks of my colleague, the gentleman from California, and I certainly identify with all that he said with respect to the worth of this program, but, of course, that is not the issue.

The amendment seeks to strike $30 million from a program which would remain funded at a level of $255 million. So I think by supporting $225 million for an ongoing program, I am, indeed endorsing the program and the remarks of the gentleman from California.

The narrow question upon which we have to vote is whether the Legal Services Corportation can withstand a $30 million cut and still deliver the services and perform the objectives which we hope for this worthy activity. We all were told by the other gentleman from California, (Mr. ROUSSELOT) when he proposed the amendment, that the sum of $255 million was all that had been requested by the President in his budget for this activity. That argument was met by my friend, the gentleman from Michigan (Mr. CEDERBERG) who said that the Legal Services Corporation requested a higher figure and that the Appropriation Committee reached a compromise at the level of $285 million. I personally regard that as inadequate justification for a $30 million add-on.

I certainly do not wish to deprive the needy people of the United States of a viable, effective legal services program, but why add an extra $30 million? If the gentleman from Iowa can shed any light on that question. I will be happy to yield to him.

Mr. SMITH of Iowa. Perhaps the gentleman did not hear me say this, but the Legal Services Corporation asked for $305 million. They said they can in fiscal year 1979 go ahead and complete delivery of minimum services to the rest of the country not now served. The OMB requested that $255 million, not at all on the basis of what the Legal Services Corporation is capable of doing, but just on an arbitrary basis of what they wanted to see in the budget.

Mr. WIGGINS. OMB performed the very function, of course, we have to perform in allocating the resources of the United States. We must look not only to the "want list" of those who would spend the money, but we have to make judgments as to whether they should get all that they want in view of the total budget and the total tax burden upon our constituents. Two hundred fifty-five million dollars represents a rather significant increase over the level of funding for last year. Accordingly, I would expect Legal Services to be doing more. But the question is whether we should be more generous than that. I really suspect, Mr. Chairman, that we can endorse this program at a level of funding recommended by the President, without yielding to the understandable request for greater funding by any individual agency which would spend the money.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I thank the gentleman for yielding.

I think the gentleman obviously raises a well-thought-out point. In the hearings of our subcommittee actually the request of the Corporation was $304 million, not $255 million. That is what the President put in. In my remarks I indicated that was a general trend in the past of the administrations to request less than the Corporation. But, as I said earlier, the principle of Legal Services, which is one the gentleman agrees with, would be served by an orderly expansion of this program to people who are not yet served. The committee's recommendation will bring this about.

Mr. WIGGINS. What is the present level of funding for Legal Services?

Mr. CEDERBERG. Two hundred five million dollars.

Mr. WIGGINS. Two hundred five million dollars. The committee recommended $285 million. The President recommended $255 million.

So the question is whether or not we are granting a reasonable increase by moving from $205 million to $285 million.

Now, on a percentage basis, that is a very significant increase, quite beyond the cost of living, quite beyond incremental pay increases. It is an increase in the size and scope of the program, which I endorse; but whether we move now to $285 million is a judgmental question. If not $285 million, why not $305 million or $405 million?

Mr. CEDERBERG. The answer is quite simple: $405 million is in excess of what would be necessary; $304 million would expedite the program faster than we would like to see it expanded; so the $285 million was what we came up with.

Mr. WIGGINS. Mr. Chairman, I urge my colleagues to think hard about the Rousselot amendment.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I do not think the argument raised here that since Congress has started this program, we ought to force it on everyone is a sound one. The questions which should be asked is whether or not they need it, whether or not they want it, whether the services are being performed locally and not at taxpayers' expense.

I have in my district 11 counties in which the bar associations are already giving free service to the impoverished.

They are fully qualified and well-trained lawyers. They are not the type the gentleman from California indicated they are hiring for $12,000 or $15,000 a year under this program. They are getting a higher quality legal service than they are going to get if this Federal service is forced on them.

Just this afternoon a story came out on the wires. It reads as follows:

A top American Bar Association official, responding to President Carter's recent attack on the legal profession, today proposed creation of a federally-funded agency to provide money and training for public defenders.

Mr. Chairman, this is the next step. The gentlemen on my left had better not applaud this stepped-up plan and let it be heard by the taxpayers, because they are going to be picking up the check. They do not want what you are trying to force on them now.

Mr. Chairman, I will yield later when I finish my statement.

This article concludes by saying this:

It said the quality of justice thus is dependent on the adequacy of publicly-provided defense systems, but the report said appointment of counsel for an indigent often amounts to only token representation, because public defenders' offices are understaffed, underfunded and overloaded with cases.

This points out what I said earlier. Are you going to give these people legal aid by $15,000-a-year lawyers under this federal system, or are you going to give them the quality-type legal services they are now getting for free from the local bar associations?

The lawyers and bar associations in my district are now providing much better services than they are going to get under any legal services program financed under this program.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, the gentleman is referring to defense counsel. Defense counsel, as a matter of constitutional law, must be of a higher quality than what we are providing for people that are law-abiding citizens. We are talking about criminal cases. Criminals are entitled to that kind of defense.

Mr. LATTA. Mr. Chairman, we have heard that for a long time. Certainly criminals are entitled to defense counsel and they are getting it but they are also providing for legal services in civil cases as well. I did not indicate they were limiting these legal services to defense cases.

For example, in Paulding County, Ohio, one of the smallest counties in my district, they do not have a problem. I received from the president of the Paulding County Bar Association the following letter:

As President of the Paulding County Bar Association, I am writing you concerning the above captioned matter.

This type of legal service organization would be useless in a County such as ours for many reasons.

As we now operate, any civil case, such as divorces and other domestic matters considered worthwhile by the Welfare Department are presented to the Bar and our lawyers each take a turn of furnishing the services free.

Now, Mr. Chairman, is this Congress going to force on to the taxpayers an inferior legal service to replace the superior service they are now receiving for free?

I am not going to vote to do this.

You can run back home and pound your chest and say, "We are against all these increased taxes, we are against this Federal spending, we are against all this debt," and this, that, and the other thing, but you cannot honestly vote to fund this program as requested and make these statements.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to my friend, the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I think the gentleman for yielding.

One of the points I would make is that in the area of legal services, at least in our area, they have their offices in the communities where the poor people live. These people from Hunter's Point or Fillmore and other areas where the people live do not get down town. And I am talking, too, about the Montgomery Street area where they may have some pro bono work.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(On request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. LATTA. Mr. Chairman, I will say to the gentleman that maybe they are needed in the areas of which he speaks. That supports my point. I say, let us give them to those people, if they need them.

In these areas where they do not need them and this is verified by the courts and by the bar associations, why should we force it on them?

Why force it on them? That is exactly what they are doing in this instance in northwestern Ohio and it should stop.

Mr. JOHN L. BURTON. I assume that was a rhetorical question, and I do not have a rhetorical answer for it.

Mr. RAILSBACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find myself in a little bit of a defensive position, because I happen to have sat on the subcommittee hearings at which the question of the Lynchburg legal services came up. I am of the opinion that in that particular case there really was not the communication carried out that should have been carried out between the relatively new legal services povider and the existing program that had been funded by the city government of Lynchburg and, I believe, by some of the other governmental units.

The issue at Lynchburg was whether the Virginia Legal Aid Society should come in and to in effect preempt an existing program that had existed since 1968 and that had provided legal services for two counties with an annual expenditure of something like $38,000 a year.

There were some underlying questions that some of us did not feel very satisfied about, and they dealt with this question: Was that existing program providing adequate legal services to the minorities and to all the poor?

I personally felt that there was not much evidence that they were not providing good legal aid, and it is my understanding that that particular question has now been resolved.

It is further my understanding that the chairman of the subcommittee has said that we are going to continue to exercise oversight over the operations of the expansion of legal assistance. Now, forgetting the particular case of Lynchburg and perhaps two or three others about which I have heard, I am concerned whether in providing legal services we are really going to be able to provide legal services to all Americans who may be eligible but who are not now receiving them.

The evidence that we had, the evidence that this Committee on Appropriations had, was that we have not expanded according to the formula of 2 lawyers for every 10,000 people who are poor, using an eligibility requirement of $7,300 for a family of 4, or less. There are 6.4 million Americans who are presumably eligible for assistance who do not now receive that assistance.

I am worried about that. Maybe in California they have assistance; maybe in some rural areas. I happen to represent some rural areas. I happen to know that in my particular area the service has been well received. My feeling is that we should not be misled into trying to equate this with a cost-of-living increase, as in other sectors, because the truth is that when we provided the formula for minimum access, the idea was that we would provide this minimum access to all of those who are eligible. We knew that we could not do it with one fell swoop. We knew that the Legal Services Corporation was not equipped to provide that minimum access right away. So the idea was, from the very beginning, that we start out trying to do what we could for some people who qualified, but we knew all along that it was going to take substantial expenditures of money over a period of time to provide minimum access for all.

I think, Mr. Chairman, that we would be making a serious mistake to lop off $30 million, when the program, which is an independent program—I want to make that point—it is an independent program and they have already been cut back by the Committee on Appropriations. Although I do want to commend the Committee on Appropriations for doing what I think has been a very good job.

Mr. SMITH of Iowa. Mr. Chairman, I do not want to cut off anybody who has anything to say that has not been said, but I wonder if we could get some kind of agreement on the limitation of time.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I know the gentleman from Missouri (Mr. TAYLOR) and the gentleman from Texas have been on their feet for the better part of 45 minutes, trying to be recognized. Most of the others now standing have just stood up. I think we could at least re-

serve 5 minutes for a Member who has been waiting that long.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for approximately 1 minute and 50 seconds each.

(By unanimous consent, Messrs. WALKER, EDWARDS of Oklahoma, TRAXLER, LATTA, and MILLER of Ohio yielded their time to Mr. TAYLOR.)

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR. Mr. Chairman, actions of the Legal Services Corporation across the country and particularly in southwest Missouri have shown a disregard of the views of the local people, failure to consult with the views of the local bar associations, and a negative attitude toward existing legal services programs.

Last fall, I received the astonishing news that the Legal Services Corporation apparently considered two of our Ozark counties, Jasper and Newton, to be part of the Kansas City metropolitan area. The Corporation had funded the Kansas City Legal Aid and Defender Society to study the expansion of its program into southwest Missouri.

Now this was disturbing news to the people of southwest Missouri who have never considered themselves to be a suburb of Kansas City. The nearest Ozark towns of Kansas City are more than 150 miles away, our area is largely rural, and our living patterns and style totally different. We do not have ghetto areas where people are concentrated because of their income or race.

As concern about this proposal spread and opposition to this annexation by Kansas City grew, I arranged a meeting for representatives of the local bar associations, the regional director of the Corporation, the Kansas City Legal Aid and Defender Society, and interested persons in the community. I hoped the regional director and group from Kansas City would learn something about our area, the attitudes and needs of our people, and learn firsthand of the commitment of our people to take care of our own.

At the meeting representatives of the Kansas City staff program claimed they were merely studying the unmet legal needs of our people and had no plans to expand into southwest Missouri, or had no particular form of program in mind for our people.

Our local bar associations were skeptical for the Kansas City staff program had previously shown its expansionist tendencies in setting up branch offices in St. Joseph, Harrisonville, and Warrensburg—our hillbillies can spot a trend when they see one.

Yet the leaders of the southwest Missouri bar believed the regional administrator when he said he had an open mind and would entertain a grant proposal originating with people of southwest Missouri.

The unified bar associations of southwest Missouri developed a proposal requesting funds to operate a quality judicare with a staff component program that would serve 21 counties in southwest Missouri. It was built upon an existing program that had successfully provided legal services at reduced fee levels for some time, using funds provided under the Older Americans Act. A new organization was created to administer legal services in a comprehensive fashion, the Greater Ozarks Legal Aid Association.

Mr. Chairman, when it came time to allocate expansion funds, the Corporation rejected the grant proposal prepared with substantial local involvement, the one which sought to provide high quality legal assistance throughout southwest Missouri using our best attorneys with years of experience.

The Corporation chose instead to fund the establishment of a two-county, staff attorney office that will operate as a satellite office of the Kansas City Staff Attorney Office, the same office which had undertaken the supposedly impartial "disinterested" study of the needs of our area.

The Corporation attempted to follow a divide and conquer strategy to undermine the unified support among the local bar associations for the comprehensive 21-county proposal of the Greater Ozarks Legal Aid Association. The Corporation offered to provide Greene County, the most heavily populated county in the Ozarks, and where a lot of support for a comprehensive Ozarks program exists, with $110,000 of expansion funds to operate its own independent program on condition that Greene County drop its opposition to the entry of staff attorneys elsewhere in southwest Missouri.

I submit that in its eagerness to expand its jurisdiction and spawn staff attorney programs across the country the Legal Services Corporation has ignored the interest of the poor in southwest Missouri in having the best kind of legal service that is adaptable to our local area and which reflects local priorities.

Mr. Chairman this action is contrary to the Legal Services Act and the intent of Congress concerning the administration of the program.

As you recall, when we created the Corporation many of us were concerned that our effort to protect the program from unwarranted interference might also relieve the program from being accountable.

We noted that the Legal Services Corporation was being made on the same mold as the Postal Service Corporation and we all knew how poorly that experiment was performing.

The sponsors of the legislation assured us that abuses would not occur, and the program would succeed, because the Corporation was structured to rely on local attorneys and local programs and local bar association oversight and local boards. Accountability would be achieved through local community control.

The distinguished chairman of the committee which developed the legislation, Mr. PERKINS, successfully offered an amendment aimed at making the programs locally accountable. As he said at the time:

> In setting up this Corporation, to be subsidized by the Government, we would be well advised to establish the closest possible contacts for it at the local level. We need to give the Corporation grassroots support. To my way of thinking, the best way of giving grassroots support to this Corporation is for the local communities, the local bar associations, to become involved and committed. When that happens you are going to have better attorneys representing the poor throughout the country.

And we were assured by the distinguished legislator from the State of Michigan, Mr. WILLIAM D. FORD:

> I might point out to you that the recipient we are talking about here is not somebody from Washington: the recipient is a group of local attorneys who get together—and you have to have a majority of the make-up of that board comprised of local attorneys—who get together, form a legal services program, and make an application to the Corporation for money.

Other supporters of the legislation make constant reference to local legal services programs during the action on the legislation. And that was appropriate for that was the only kind of program we had any experience with up to that time. The existing programs were concentrated in urban areas and a great many of them were OEO neighborhood legal services programs.

Mr. Chairman, the legal services program has undertaken substantial changes since it has been favored with tremendous increases in its level of appropriations.

In its new expansion era the Corporation is disregarding the congressional commitment to the principle of local community control. It is on a march to merge, consolidate, and gerrymander service areas in an effort to centralize its grip and increase its control over the delivery services to the poor.

Mr. Chairman, my views are shared beyond the Ozarks. The board of governors of the Missouri Bar have been concerned about the way the Corporation has been carving up our State. In March of this year it passed a resolution declaring the program which the Corporation envisions for southwest Missouri is contrary to its policies concerning the delivery of legal services to the poor. The board of governors opposes the expansion of the Kansas City program into southwest Missouri.

I include the following:

TURNER, REID & DUNCAN,
Springfield, Mo., March 15, 1978.

In re: Legal Aid in Southwest Missouri

You will be interested in the enclosed resolutions adopted by the Missouri Bar Board of Governors, March 11, 1978.

Warren Hill of the Chicago Office of Legal Services Corporation is acting in ruthless disregard of (1) Local Bar input, (2) the desires of the citizenry, and (3) the Missouri Bar.

MEREDITH B. TURNER.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE MISSOURI BAR

Resolved: That the program projected for the Southwest Missouri area by the Legal Aid

Association of Western Missouri is contrary to the policy of this Board in that it does not reflect the views of those who would receive such services and members of the local bar, and for the further reason that it is the stated position of the Missouri Bar Board of Governors that there should be further investigation of the delivery of services through the Judicare concept, and that the Board therefore opposes such project.

Approved: March 11, 1978.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE MISSOURI BAR

Whereas, all citizens of Missouri, including those who are indigent and otherwise unable to obtain adequate legal advice, are entitled to the full benefit of the laws of this State and nation, and

Whereas, public monies have been made available in the past and should be made available in the future to provide legal services to those persons otherwise unable to afford them, and

Whereas, it is appropriate that such legal services be provided in a manner which permits both an effective representation of the indigent, maximum utilization of local community resources, as well as an economical use of public funds, and

Whereas, the appropriate means of delivering such legal service is dependent upon a number of factors such as the geographic concentration of the indigent population, the availability and willingness of private attorneys to handle problems peculiar to indigents, the experience and competence of attorneys selected to represent the indigents and availability of public funds.

Therefore be it resolved, that The Missouri Bar favors full consideration of all appropriate alternative means of delivering legal services to the poor in the State of Missouri, including both the Judicare method of delivery of legal services to the poor and the legal aid staff method,

Be it further resolved that The Missouri Bar favors a system whereby the method of delivering legal services to indigents within the counties and circuits of this State is determined, where practicable, by reference to the view of those to receive those services and the local Bar after full consideration of all relevant information affecting the county or circuit in question and following a reasonable notice and opportunity to be heard being given to members of local bars, local representatives of the poor and other interested organizations and persons.

Approved: March 11, 1978.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman bringing to the attention of the House this experience that has occurred in the Missouri area. He documented these inappropriate and questionable actions very well.

Will the gentleman be able to support my amendment?

Mr. TAYLOR. Yes, I believe I will.

Mr. ROUSSELOT. I appreciate that support, and again compliment the gentleman for detailing so constructively the many views and proof of leaders who wish this Legal Services Corporation to be more restrained.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Missouri. I think he made a very, very good case for using local attorneys to benefit the local people. He cited a good example for using attorneys known to the people to be served.

Mr. TAYLOR. I do not think there is any question but what the local attorneys will respond, as they have in years gone by.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to my colleague from Missouri.

Mr. ICHORD. Mr. Chairman, I wish to state to the Members of the House that I have talked to the gentleman in the well about the problem that he has had in his district. I talked to many lawyers that I know in his district who practice law there, and I would state that the gentleman in the well has given an accurate account as to what happened in Missouri.

I might also state that the president of the Missouri Bar Association contacted me in regard to the problem and warned me that the same thing probably would be happening in my district at a later date. I commend the gentleman in the well for his position, and I join him in support of the amendment offered by the gentleman from California.

Mr. TAYLOR. I thank the gentleman.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to my colleague from Missouri.

Mr. VOLKMER. Mr. Chairman, I would like to bring to the attention of the House the fact that we have had for years a similar circumstance in operation in counties surrounding St. Louis County. St. Louis County has legal aid, and has had legal aid funded through Legal Services Corporation.

There has been a group of lawyers who worked together with outside funds to provide legal services in St. Charles County which is in my district, and other counties around St. Louis County, and I think parts of which I think are in the district of the gentleman from the Eighth District who just spoke, Mr. ICHORD, and also of the gentleman from the 10th District, Mr. BURLISON.

It is my understanding, I wish to inform the gentleman representing the Eighth District, Mr. ICHORD, that the legal services group is now out of existence because of the action of Legal Services Corporation in funding the expansion of the St. Louis County area to those areas with part-time organization.

And we are watching it. We are very disturbed about it. I appreciate the comments of the gentleman and knowing that this is also occurring in the western part of the State.

Mr. TAYLOR of Missouri. I thank the gentleman very much.

I want to say this in closing, that I appreciate very much the statement of the gentleman from Wisconsin (Mr. KASTENMEIER), chairman of the subcommittee, that regardless of what happens it will be the aim of this committee to hold oversight hearings and to continue watching these.

I recognize that every area of the country is not the same. Probably there are some areas of the country where staff legal services are needed more than others. But in my district and others like mine, where the lawyers have said they will cooperate, and where practically every lawyer has indicated that he would be willing to participate, they should be given the opportunity to provide for the legal services to their friends and their neighbors under the legal services program. There is no question that the legal needs of the poor would be better served.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, those officials in my district interested with the administration of the legal services program have written me and called me, encouraging the support of the legal services program. I would like to quote to you a part of one communication, as follows:

I have been following with growing concern the attempts by Attorney General Griffin Bell to reduce the proposed budget to be allocated the Law Enforcement Assistance Administration for state and regional criminal justice planning activities for the coming fiscal year. It is my belief that without the assistance currently being provided the counties in the Capital State Planning Region, funding for local projects would be severely reduced. The primary strength of this program remains that the determination of how this money is to be spent is made at the local level. Now, through a proposed incentive plan to fund only those local government projects that have been approved by the Administration, local determination may give way to decision-making from Washington.

Since the responsibility for criminal justice planning efforts was first designated to the Capital Area Planning Council in 1971, a total of 48 projects have been initiated by the Council of Government with significant multi-county impact. Some of these programs include the Regional Police Academy; numerous law enforcement communications equipment grants; residential programs for adolescents and adults; and, most recently a multi-county jail study to determine the most cost effective means for participating counties to comply with state and federal guidelines for the construction of jail facilities.

I believe in the worth of this program, and I believe in the testimony of my city councilwoman, Mrs. Betty Himmelblau. I therefore hope this House will not make unnecessary cuts that cripple the program. That would be a cruelty against poor people who need this service.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, as a member of the subcommittee that authorized this program, I can say that the Legal Services Corporation has scientifically devised a 3-year plan designed to reach all persons who have no access to legal services in this country. At this time there are 8 million people in the country who have no access to those basic legal services to which they have a right as Americans. If this amendment is passed, 4.8 million of those will be still unserved. This amendment should be defeated. Those 4.8 million are young and

old, they are rural, they are urban, and they go across the Union. There are 15 percent of the people in Alaska who have no access to legal services and 15 percent of the people in Wisconsin have no access to legal services.

I think this is an amendment that should be defeated.

Both the Appropriations Committee and the authorizing committee have agreed on a level of $285 million. I think it would be a tragedy to diminish that by even $1.

(By unanimous consent, Mr. DANIELSON and Mr. BONIOR yielded their time to Mr. SMITH of Iowa.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, I am sure that in any program of this nature one can find some abuses or some errors or some mistakes. They were given an ambitious schedule to comply with. Most of the country did not have minimum legal services. We worked out a schedule with them. They first built up their management level capacity so that they would be able to expand, and now we are coming to the year when the major expansion is to take place. They have prepared for it. They have worked with the local bar associations to get ready for expansion in these areas that are not now served. What we are talking about is the equality of minimum legal services.

If some mistake has been made in some area, that is a function of oversight. The gentleman from Wisconsin has indicated there will be an effort to try to keep them on track and correct any of those kind of problems.

What we are trying to do here is merely provide minimum legal services for law-abiding citizens who have no minimum legal services available at the present time.

As I indicated before, under the Constitution criminals have the right to not only minimum legal services but they have the right to competent legal services. If a convicted criminal can prove that he did not receive adequate representation during his criminal trial he can "spring" out of jail.

So what we are talking about is merely giving minimum legal services to law-abiding citizens that need some help interpreting a contract, or in a rent case or something that they cannot cope with.

So, Mr. Chairman, I think it would be a mistake to cut back on this whole legal aid schedule. It is on an agreed schedule. The bar associations nationally have helped very much with this program. They are very much in favor of it. I think we have most everyone in the legal community as well as in the community to be served working together on this program and that it would be a mistake now to cut this back any more.

I urge the Members to reject this amendment.

(By unanimous consent, Mr. ICHORD and Mr. ROUSSELOT yielded their time to Mr. GONZALEZ.)

The CHAIRMAN. The Chair now recognizes the gentleman from Texas (Mr. GONZALEZ).

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly?

Mr. GONZALEZ. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman from Texas (Mr. GONZALEZ) for yielding. I have requested this time so that I might attempt to answer a question that came up a moment ago about average salaries or annual fees within the Legal Services Corporation. The average annualized salaries or fees within the legal service organization for a lawyer, are now about $14,000. The higher level of fees can be as high as $25,000. So the argument that they are kind of poor lawyers working for poverty remuneration is not quite correct. Previous speakers have tried to leave the impression that the annual fees are much less than the lowest paid clerks working in House Member's offices. That is just not true.

I thank my colleague, Mr. GONZALEZ, for yielding, and am sure he will bring additional information on this issue.

Mr. GONZALEZ. Mr. Chairman, I have long been a supporter of the Legal Services Corporation, an outgrowth of the Johnson administration's war on poverty, and the work they do in providing legal aid to the poor in towns and cities across the country. However, I share my colleague's concern about the lack of responsiveness encountered and want to relate a recent experience that I have had along these lines.

Last September 29, the Washington Post ran an article about the problems of providing legal assistance for the Spanish-speaking population of the District of Columbia. That day I wrote to the executive director of the Neighborhood Legal Services program in the District of Columbia, informing him that I had read the article and was disturbed to hear that the Spanish-speaking community's needs for legal services were not being met. I went on to say that I hoped that he would see to it that the necessary personnel was hired in order to insure that all poor people, regardless of their ability to speak English, could avail themselves of the legal services offered through the Neighborhood Legal Services program. I never received a response, not even a note acknowledging that my letter had been received.

So, on February 23 of this year I again wrote to the Executive Director, stating that I had written him the previous September but had never received a response. In my February letter, I reiterated my concerns and asked if he could please let me know if action had been taken to be sure that the Spanish-speaking residents of the District could avail themselves of the legal services offered by his agency. Again, no response.

I then decided to contact the Legal Services Corporation directly, since the District's program is funded through the Corporation, and one of my staff did speak to the Director on April 18 and was told at that time that she had been in touch with the Executive Director of the District's program and that a response to my letters would be forthcoming that week. Again, nothing.

And finally on Friday, May 12, an assistant from Delegate FAUNTROY's office called, since I had provided him with courtesy copies of my letters to the local Executive Director, advising me that it looked as though an office for the Spanish-speaking would be opening soon and that I would be hearing from the Executive Director in this regard, but to this date, I have never had a response to my letters.

Mr. Chairman, this type of inaction and unresponsiveness should disturb all of us. I had written about a serious situation concerning the poor Spanish-speaking people of the District, who were being denied access to aid under a program funded by the Federal Government and intended to be of service to them and all indigent citizens who cannot afford an attorney; but 9 months later, I have yet to have a response.

I can certainly appreciate my colleague's attempt to bring attention to the problems confronting the oversight subcommittee, and, while I normally do not support efforts to cut funds for programs which I believe are needed and worthwhile, I feel I must do so in this case, as it is imperative that our programs to help the poor be administered fairly and equally. To this date, the Spanish-speaking people in the District of Columbia who are in need of legal services are not receiving them.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Chairman, I rise in opposition to the amendment and urge that it be defeated. Mr. Chairman, the gentleman from Texas (Mr. GONZALEZ) spoke about services by the Legal Services Corporation to Spanish-speaking Americans. I can certify that without the Legal Services Corporation, services in the area that I represent—which, incidentally, has more Spanish-speaking people than any other part of northern California; it is heavily impacted with Mexican-Americans—I do not really know what they would do. I can certify that the Spanish-speaking people of northern California utilize Legal Services. Many of the lawyers who work for Legal Services Corporation in northern California are Mexican-American Chicanos and Chicanas. They do an absolutely marvelous job for very little money.

The last time I looked at the salary scale, we were talking in terms of an average of $9,000 and $10,000 a year, and some of these lawyers have families. I often wondered how they could get along.

I would like to point out, finally, Mr. Chairman, that of the $7 billion that the Jarvis-Gann proposition will save in taxes, that will not be collected in taxes, $3 billion of that money will go to the Federal Government, certainly not to the poor people: $2 billion will go out of the State to foreign corporations and individuals who own property in California; and $1 billion of the $2 billion remaining perhaps will go to homeowners. But the Spanish-speaking, who are generally disadvantaged in California—are not going to get any of it. To send a message to

California and to the disadvantaged people generally in the country that we are going to cut back on this very valuable program I think would be a tragedy at this time.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I strongly oppose this amendment. It is no way to help the poor people that each one wants to help by getting even with somebody who did something you did not want, or somebody who did not answer a letter that you might have sent. If that would happen, we ought to cut the White House authorizations, because try getting a letter back from them when you write them.

But this is a program that helps poor people, and by chopping a couple of lawyers—and I do not know anybody who considers a $25,000-a-year attorney as a high-priced attorney—it may get an attorney, but it also gets the poor people that the program is trying to help. If there have been problems, and if there have not been problems, this is a very strange Federal program indeed, because they all have problems. There will be oversight hearings.

I would just urge you to think of the poor people that the program was meant to help, that by and large it does help. Do not take out on them some problem you have with a bureaucrat or some attorney who has done something you do not like in your local community. That can be straightened out one way or another; but you certainly do not have the Spanish-speaking people in the District of Columbia get representation from legal services by cutting money out of the Legal Services budget. I would think that that would be counterproductive.

Mr. Chairman, I would urge a "no" vote on this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. KOSTMAYER).

Mr. KOSTMAYER. Mr. Chairman, I want to say something with respect to what the gentleman from Missouri (Mr. TAYLOR) said. The gentleman said Legal Aid lawyers do not reflect the views of local people. It is not their function to reflect the views of local people. Their function is to protect the constitutionally guaranteed rights of those who live in those communities.

The gentleman from Missouri (Mr. TAYLOR) said they are not locally accountable. Thank heavens they are not locally accountable. They are accountable to the constitutionally guaranteed rights of local people whether in the majority or not.

It is our function to represent the people in our districts, not the function of the Legal Aid lawyers.

Our distinguished colleague, the gentleman from Ohio (Mr. LATTA) and also the distinguished gentleman from Missouri. (Mr. TAYLOR), said that lawyers in their communities are willing to provide their services free and they do not need Legal Aid lawyers. That may be true in their districts; but it is not true in our big cities; or in the large areas that are not so closely knit. I am glad the attorneys in Ohio and Missouri are so bighearted, but all lawyers are no so bighearted nor are they always willing to work free of charge.

Mr. TAYLOR. Mr. Chairman, if the gentleman will yield further, the gentleman misunderstood. I said the lawyers in my county and within my district are representing people free of charge; but if these programs are going to be funded, they should be funded where the local people have the right to go to the attorney of their choice under the program and that is made possible under this legislation.

My contention is that these programs would be more responsive if the people could go to the attorney of their choice and select the attorney to represent them. I wanted to clarify that for the gentleman.

Mr. KOSTMAYER. Mr. Chairman, may I say finally that the big corporations, the big unions and big government, all have enough money to hire their own lawyers. This program provides for those who don't. I urge the rejection of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I will be very brief. I rise in opposition to the amendment offered by the gentleman from California (Mr. ROUSSELOT) and in support of the work of the Subcommittee on Appropriations on this subject. Really, there seems to be two issues; one is, as the gentleman from Iowa (Mr. SMITH) correctly pointed out, when you are in a program that is expanding, there will be growing pains. We have already initiated oversight hearings and we will continue to do so, and to exercise our oversight in other ways as well.

In connection with new procedures that we believe the Corporation has the ability to follow, which will insure that in the cases cited by the gentleman from Missouri (Mr. TAYLOR) and others about local bar associations, State bar associations, not being represented in the process, we think this can be cured. In that connection, it will be my intention when the Committee rises to insert for the RECORD in the full House our letter of June 12 to that effect.

The other question is, and I think it is a mistake to punish the program for some of the complaints that have been heard; this is no way to redress a grievance. As a matter of fact, if as the gentleman from Texas cited, an executive director for a District of Columbia program was not able to reach the Spanish-speaking persons that the gentleman from Texas was interested in because of lack of funds, then it would do no good to cut $30 million more out of this program.

Mr. Chairman, the letter I previously referred to reads as follows:

COMMITTEE ON THE JUDICIARY,
Washington, D.C., June 12, 1978.

Mr. THOMAS EHRLICH,
President, Legal Services Corporation, Washington, D.C.

DEAR TOM: The Subcommittee on Courts, Civil Liberties, and the Administration of Justice has been reviewing the expansion practices and policies of the Legal Services Corporation. We believe that improvements can be made in this area. Of particular concern to us are the instances in which the Corporation has expanded to cover a new geographic area without adequate direct notice to and consultation with existing local legal services programs, clients, and other community representatives. We recognize that there may be divergent views regarding legal needs and service approaches, but appreciate the value of open and public discussions on the subject of expansion funding.

We commend you on your May 26th directive to the regional directors "to insure . . . the widest possible notice of availability of funds . . . to interested groups," and the involvement of all legal services programs in the planning process. Your voluntary extension of the notice requirements of Section 1007(f) of the Legal Services Corporation Act to include local legal services programs is another positive step. However, in order to have the input of each group which has an interest in the expansion of legal services in a given geographical area, it would be helpful if the following specific procedures were followed, whenever expansion was being considered either through a new entity or an existing program.

1. As soon as practicable, and no later than one month prior to the deadline for receipt of expansion proposals in a geographic area, the Corporation shall send written solicitations for views and proposals to serve a given area. Solicitations shall be sent to the director of:

(a) the State bar association;
(b) all local bar associations;
(c) all existing legal services programs—whether they are funded or *pro bono;*
(d) the National Client's Council; and
(e) any other groups which represent clients or legal services programs.

2. As soon as the deadline for receipt of proposals has passed, the Corporation shall hold a public hearing on the proposals, and must give one week's written notice to all the above groups to invite their participation. Hearings shall be held within the geographical area to be served, and when distances of greater than 100 miles are involved, additional hearings shall be scheduled in other locations which insure accessibility to interested parties.

3. After compliance with the above procedures, and at least thirty days prior to the approval of any grant application or prior to entering into a contract or prior to the initiation of any other project, the Corporation shall announce publicly, and shall notify the Governor, the State bar association, and any existing legal services programs in the service areas of such grant, contract, or project. Notification shall include a description of the proposal and request comments and recommendations.

4. When the expansion plans are completed and accepted by the Corporation, the Board of Directors of such program shall be constituted in accordance with Section 1007 (c) of the Legal Services Corporation Act of 1974 as amended, and membership on the Board and advisory councils shall be structured to reflect the communities to be served.

We believe that these procedures will allow the expansion of legal services to proceed in the manner most conducive to meeting the legal needs of the nation's poor. Your views on our recommendations will be greatly appreciated.

Sincerely,
ROBERT W. KASTENMEIER,
Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice.
TOM RAILSBACK,
Ranking Minority Member.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SMITH of Iowa. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 203, not voting 31, as follows:

[Roll No. 452]

AYES—200

Abdnor	Gephardt	Murphy, Pa.
Ambro	Gilman	Murtha
Andrews, N.C.	Ginn	Myers, Gary
Annunzio	Glickman	Myers, John
Applegate	Goldwater	Neal
Archer	Gonzalez	Nichols
Armstrong	Goodling	Pease
Ashley	Gradison	Pettis
Bafalis	Grassley	Poage
Barnard	Gudger	Quayle
Bauman	Guyer	Quillen
Beard, Tenn.	Hagedorn	Regula
Bennett	Hall	Rhodes
Bevill	Hammer-schmidt	Rinaldo
Bowen		Risenhoover
Breaux	Hanley	Roberts
Breckinridge	Harsha	Robinson
Brinkley	Hefner	Rogers
Brooks	Heftel	Rooney
Broomfield	Hightower	Rostenkowski
Brown, Mich.	Hillis	Rousselot
Brown, Ohio	Holt	Rudd
Broyhill	Horton	Ruppe
Buchanan	Hubbard	Russo
Burgener	Huckaby	Sarasin
Burke, Fla.	Hyde	Satterfield
Burke, Mass.	Ichord	Sawyer
Burleson, Tex.	Ireland	Schulze
Byron	Jeffords	Sebelius
Carter	Jenkins	Shipley
Chappell	Johnson, Colo.	Shuster
Clausen, Don H.	Jones, N.C.	Sikes
	Jones, Okla.	Skelton
Cleveland	Kasten	Skubitz
Cochran	Kazen	Smith, Nebr.
Coleman	Kelly	Snyder
Collins, Tex.	Kemp	Spence
Conable	Ketchum	Stangeland
Corcoran	Kindness	Stanton
Cotter	Lagomarsino	Stockman
Coughlin	Latta	Symms
Crane	Leggett	Taylor
Cunningham	Lent	Thone
Daniel, Dan	Livingston	Treen
Daniel, R. W.	Lloyd, Calif.	Vander Jagt
de la Garza	Lloyd, Tenn.	Volkmer
Delaney	Lott	Waggonner
Dent	Lujan	Walgren
Derwinski	Luken	Walker
Devine	McDonald	Walsh
Dickinson	McEwen	Watkins
Dornan	Madigan	White
Duncan, Tenn.	Mann	Whitehurst
Edwards, Ala.	Marlenee	Whitley
Edwards, Okla.	Marriott	Whitten
Emery	Martin	Wiggins
English	Mathis	Wilson, Bob
Evans, Del.	Mattox	Wilson, Tex.
Evans, Ga.	Michel	Winn
Fary	Milford	Wydler
Fenwick	Miller, Ohio	Wylie
Fithian	Mitchell, N.Y.	Yatron
Flippo	Montgomery	Young, Alaska
Flowers	Moore	Young, Fla.
Forsythe	Moorhead, Calif.	Young, Mo.
Fountain		Zablocki
Frey	Mottl	Zeferetti
Gammage	Murphy, Ill.	

NOES—203

Addabbo	Baldus	Bolling
Akaka	Baucus	Bonior
Alexander	Beard, R.I.	Brademas
Ammerman	Bedell	Brodhead
Anderson, Calif.	Bellenson	Brown, Calif.
	Benjamin	Burke, Calif.
Anderson, Ill.	Bingham	Burlison, Mo.
Andrews, N. Dak.	Blanchard	Burton, John
	Blouin	Burton, Phillip
Aspin	Boggs	Butler
AuCoin	Boland	Carney
Carr	Hughes	Pepper
Cavanaugh	Jacobs	Perkins
Cederberg	Jenrette	Pickle
Clay	Johnson, Calif.	Pike
Collins, Ill.	Jordan	Pressler
Conte	Kastenmeier	Preyer
Conyers	Keys	Price
Corman	Kildee	Pritchard
Cornell	Kostmayer	Pursell
Cornwell	Krebs	Rahall
D'Amours	Krueger	Railsback
Danielson	LaFalce	Reuss
Davis	Le Fante	Richmond
Dellums	Leach	Roe
Derrick	Lederer	Roncalio
Dicks	Lehman	Rose
Diggs	Levitas	Rosenthal
Dingell	Long, La.	Roybal
Dodd	Long, Md.	Ryan
Downey	Lundine	Santini
Drinan	McClory	Scheuer
Duncan, Oreg.	McCloskey	Schroeder
Early	McCormack	Seiberling
Eckhardt	McFall	Sharp
Edgar	McHugh	Sisk
Edwards, Calif.	McKay	Slack
Eilberg	McKinney	Smith, Iowa
Erlenborn	Maguire	Solarz
Ertel	Mahon	Spellman
Evans, Colo.	Markey	St Germain
Evans, Ind.	Marks	Staggers
Fascell	Mazzoli	Stark
Findley	Meeds	Steed
Fish	Metcalfe	Steers
Fisher	Meyner	Steiger
Flood	Mikulski	Stokes
Florio	Miller, Calif.	Studds
Flynt	Mineta	Thompson
Foley	Minish	Thornton
Ford, Mich.	Mitchell, Md.	Traxler
Ford, Tenn.	Moakley	Treible
Fowler	Moffett	Udall
Fraser	Mollohan	Ullman
Gaydos	Moorhead, Pa.	Van Deerlin
Giaimo	Moss	Vanik
Gibbons	Myers, Michael	Vento
Gore	Natcher	Wampler
Green	Nix	Waxman
Hamilton	Nolan	Weaver
Hannaford	Nowak	Weiss
Harkin	Oakar	Wilson, C. H.
Harrington	Oberstar	Wirth
Harris	Obey	Wolff
Hawkins	Ottinger	Wright
Heckler	Panetta	Yates
Hollenbeck	Patten	Young, Tex.
Holtzman	Patterson	
Howard	Pattison	

NOT VOTING—31

Allen	Garcia	Rodino
Ashbrook	Hansen	Runnels
Badham	Holland	Simon
Biaggi	Jones, Tenn.	Stratton
Bonker	McDade	Stump
Caputo	Mikva	Teague
Chisholm	Murphy, N.Y.	Tsongas
Clawson, Del	Nedzi	Tucker
Cohen	O'Brien	Whalen
Frenzel	Quie	
Fuqua	Rangel	

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Rangel against.

Mr. Teague for, with Mrs. Chisholm against.

Mr. Runnels for, with Mr. Garcia against.

Mr. Ashbrook for, with Mr. Whalen against.

Mr. Hansen for, with Mr. Nedzi against.

Mr. Del Clawson for, with Mr. Murphy of New York against.

Mr. Badham for, with Mr. Biaggi against.

Mr. O'Brien for, with Mr. Mikva against.

Messrs. GIAIMO, DUNCAN of Oregon, MINISH, DIGGS, DAVIS, and DERRICK changed their vote from "aye" to "no."

Messrs. RUPPE, HORTON, and SAWYER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MOORHEAD OF CALIFORNIA

Mr. MOORHEAD of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD of Californa: On page 48, line 5, strike out the period and insert in lieu thereof the following: ": *Provided*, No part of this appropriation shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress or any State Legislature.

Mr. MOORHEAD of California. Mr. Chairman, it has come to the attention of some Members that Legal Services Corporation grantees have been using Federal moneys for propaganda or publicity purposes. In my State of California, a grantee of the Legal Services Corporation has been involved in a mass letterwriting campaign designed to influence the California Assembly. Some of the comments in the California letterwriting campaign are as follows: "Now comes the real battle. We must overcome the Senate Finance Committee, we need pressure applied on the Senate Finance Committee, the Governor, and Assemblyman Arnett."

My constituents object to their Federal tax money being used to lobby their State legislature.

They object to their Federal tax money being used to urge the legislature to take a course of action with which they do not agree.

I do not think it was the intent of the Congress to have the Legal Services Corporation carry on like lobbyists.

In the past, Congress has acted to prevent taxpayers money being used for propaganda or publicity purposes. A provision added to the Treasury, Postal Service, and General Government Appropriations Acts prohibits using funds appropriated by Congress for lobbying or propaganda purposes. And the General Accounting Office has enforced this antilobbying provision even against the White House.

I want it made clear that this amendment would in no way prohibit a Legal Services Corporation lawyer from sitting down with a client, advising the client that it is in his or her best interest to write a Congressman or an assemblyman about a particular problem affecting that client.

Additionally, my amendment would in no way prohibit a lawyer advising the client what the client should say in a letter or any other communication.

My amendment seeks only to do what this Congress has done in the past with the Treasury, Postal Service, and general government appropriation bill.

In that bill, which we just passed, the Legal Services Corporation and all other corporations or agencies are prohibited from using appropriated funds for—"publicity or propaganda purposes designed to support or defeat legislation pending before Congress."

However, there is at least one loophole open to abuse of Federal funds and my amendment takes care of that.

The only effect of my amendment is to

prohibit the use of Federal funds to be used for publicity or propaganda purposes designed to support or defeat legislation pending before State legislatures as well as the Congress.

This amendment does speak to the problem of mass letter writing campaigns and other publicity or propaganda gimmicks conducted with the use of Federal funds.

Taxpayers are pretty sensitive about use of their money nowadays and I think this amendment will give them a little assurance that their money will not be spent contrary to their wishes.

My amendment would in no way hinder the Legal Services Corporation or their grantees from testifying or advising, when asked, before any governmental body.

It seems that the Legal Services Corporation does not respond well to anything but quite direct and clear action. I wrote to the corporation about a month ago asking their cooperation in controlling the use of Federal funds for lobbying and as yet I have received no reply. I urge the adoption of this amendment.

I want the Members to know that I support the basic program of legal services. I worked with Legal Aid for 16 years. I think it is important that the poor have the attention that they need on legal matters. I think it is important that the poor, when they have a legal problem, can take care of that problem and can have it taken to court with a good lawyer. I know that if we take away money for lobbying we will have more money to represent them in court where they should have representation. I know that if they take away some of the frivolous things that the Legal Services Corporation has been doing and really represent the poor, then the poor will have a better spokesman, including their local courts.

I ask for an aye vote on my amendment.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from California.

Mr. JOHN L. BURTON Mr. Chairman, I thank the gentleman for yielding

I would ask the gentleman from California (Mr. MOORHEAD) whether his amendment would prohibit legal aid or legal services employees from testifying in a committee of the legislature on a piece of legislation?

Mr. MOORHEAD of California. Absolutely not.

Mr. JOHN L. BURTON. I mean would it prohibit them from starting a letter writing campaign?

Mr. MOORHEAD of California. That is right. It would prohibit them.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. MOORHEAD of California was allowed to proceed for 2 additional minutes.)

Mr. MOORHEAD of California. It in no way would prohibit an individual, on his own time, from doing anything that he wanted to do. It would prohibit Federal money being used to launch a letter writing campaign.

Mr. JOHN L. BURTON. But would it also prohibit the person, who is an attorney for the Legal Services Corporation from testifying before the assembly welfare committee in favor or support of legislation?

Mr. MOORHEAD of California. Absolutely not.

Mr. JOHN L. BURTON. I mean, how is it drawn so that it would allow that but to prohibit a letter writing campaign?

Mr. MOORHEAD of California. I would say to my good friend the gentleman from California (Mr. JOHN L. BURTON) that what it says is:

Provided, No part of this appropriation shall be used for publicity or propaganda purposes. . . .

Mr. JOHN L. BURTON. Then how is the act defined? I mean, clearly it is not the gentleman's intent to prohibit the attorney who is working for the Legal Services Corporation going up in that capacity and being an advocate before a legislative committee on a bill dealing with the rights of the elderly?

Mr. MOORHEAD of California. If the State legislature invites the person to come and be a witness before the committee there is absolutely nothing in this amendment that prohibits him from testifying before the committee.

Mr. JOHN L. BURTON. But the legislative committees do not usually do that. They may have a hearing on a bill dealing with the rights of the elderly and they do not necessarily invite witnesses to appear on that bill. If I were the author of that bill and would have a person from the Legal Services Corporation come up and testify for my bill, or give testimony on the legislation, I would think that that might be precluded.

Mr. MOORHEAD of California. If the gentleman wanted to testify before a State legislative committee and he wrote to the committee and stated he had expertise on the subject, I can see no way in which that could violate a prohibition that says:

No part of this appropriation shall be used for publicity or propaganda purposes.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. HARKIN, and by unanimous consent, Mr. MOORHEAD of California was allowed to proceed for 2 additional minutes.)

Mr. HARKIN. Mr. Chairman, if the gentleman will yield, I do not understand the parameters of the gentleman's amendment. Perhaps I missed it just a little bit ago. But would this preclude, for example, legal services in an inner city area from, let us say, putting ads in the little papers that go out to Spanish-speaking areas and neighborhoods, telling where their legal service office is?

Mr. MOORHEAD of California. No, of course not.

Mr. HARKIN. It must be prohibited because that is publicity.

Mr. MOORHEAD of California. No; it says:

No part of this appropriation shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress or any State Legislature.

Nothing to do with putting an article in the newspapers telling them to come there if they have a legal problem. That is an absolutely different subject whatsoever.

Mr. KASTENMEIER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. I will be rather brief, Mr. Chairman. I think the committee has debated the question of Legal Services Corporation long enough. As a matter of fact, before 6 months ago or 7 months ago the committee also debated the parameters of Legal Services Corporation, and the question of lobbying was raised. This body and the Senate had concluded that there ought to be only three exceptions, and those exceptions are very carefully spelled out in the law.

First, when representation by an employee of a recipient for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities; and

Second, if a governmental agency or legislative body, whether the Congress or a State legislature, requests such a review; and

Third, if a governmental agency, legislative body, a committee, or a member thereof is considering a measure directly affecting the activities under the Legal Services Act of the recipient or the Corporation.

That already covers lobbying. What the gentleman has proposed would only, I think, provide a totally different measure of what is permissible or impermissible.

In terms of what has occurred in California, it is true that our distinguished colleague, the gentleman from California (Mr. MOORHEAD) did write the Legal Services Corporation and sent a copy of his letter to the committee last month, on May 17. I have a copy of the letter in reply to him by the Corporation. I think it is unfortunate that he does not have it in hand. He certainly should. It was dated June 12. The Corporation defends the situation he raised by saying that the activity was permissible under the first exclusion that I mentioned. That is a factual situation. It is one that currently is still susceptible to debate. I would certainly pledge to cooperate with the gentleman from California in following through into this, but I think it is totally unnecessary and undesirable to add to this legislation, an appropriations bill, such language. I urge its defeat.

Mr. MOORHEAD of California. Mr. Chairman, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from California.

Mr. MOORHEAD of California. I thank the gentleman for yielding.

I think the gentleman knows that in the bill that we passed only in May dealing with the Department of the Treasury appropriations, section 607 says:

SEC. 607. (a) No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any corporation or agency, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

Really what we are adding is "or State legislatures."

Mr. KASTENMEIER. I would say to the gentleman it is unnecessary here and should be defeated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, both the authorizing committee in this instance and the Appropriations Committee have been very diligent, I think, in trying to keep this agency from doing those things that most Members of Congress would not want them to do by way of lobbying on legislation. As I understand the amendment, it would even prohibit promoting a private relief bill when some poor constituent is very much entitled to a private relief bill. I think that it does one of two things. It either does some mischief or else it is not necessary. If it is not necessary, we do not need it, and if it does some mischief, I would rather we not put it in the bill. I would hope that the amendment will be defeated.

Mr. MOORHEAD of California. Mr. Chairman, will tbe gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California.

Mr. MOORHEAD of California. I thank the gentleman for yielding.

It would not prevent a private relief bill. It deals with propaganda.

Mr. SMITH of Iowa. The gentleman is dealing with the legislature.

Mr. MOORHEAD of California. No, but to work with the legislature on a single issue of that kind is in no way publicity or propagandizing.

Mr. SMITH of Iowa. Mr. Chairman, I would say to the gentleman that this committee would like to work with the gentleman if the gentleman can show me any way we can accomplish what I think is the gentleman's intent without doing some damage; but I hope that the amendment will be defeated and I pledge we will work with the gentleman if it is defeated to try to overcome whatever problem the gentleman has.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if the author of this amendment would respond to a couple of questions. I wonder what would be the gentleman's approach to attaching this same kind of amendment to other appropriations bills. For example, aerospace manufacturers and defense contractors, who receive the overwhelming majority of their funds, in some cases all of their funds, from appropriated money, are constantly publishing advertisements advocating various types of space programs and weapons systems, and they send out publicity and propaganda to lobby Congress in support of legislation relating thereto.

The Pentagon has a budget, I forget how many millions of dollars it is, for public relations. They use it to influence Congress and the public in support of their programs. I wonder if the gentleman is willing to attach this same kind of amendment to such appropriations bills, including specifically space and defense appropriations bills?

Mr. MOORHEAD of California. Mr. Chairman, if the gentleman will yield, we have already put this kind of amendment in other legislation before this House and as each issue comes up, I think you have to examine it individually. This is in conformity with action we have taken on other legislation in the House of Representatives.

Mr. ECKHARDT. Mr. Chairman, will the gentleman from Ohio yield?

Mr. SEIBERLING. I am happy to yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I recall I used to be on the Antiusury Committee of the Harris County Bar Association. In that experience I found many occasions to advocate changes in Texas law. I do not see how any person engaged in that kind of activity could fail to do so. It seems to me this amendment would have a chilling effect on first amendment rights of those working in the area of publicity law.

Mr. SEIBERLING. Mr. Chairman, I think the gentleman makes a good point. The word "publicity" is a broad word. Writing a letter to a congressional committee could be publicity; so I think the gentleman's amendment, while it has a good objective, needs a little more work on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MOORHEAD).

The question was taken; and on a division (demanded by Mr. MOORHEAD of California) there were—ayes 30, noes 53.

RECORDED VOTE

Mr. MOORHEAD of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 264, noes 131, not voting 39, as follows:

[Roll No. 453]

AYES—264

Abdnor	Carney	Fary
Addabbo	Carter	Fenwick
Ambro	Cavanaugh	Findley
Ammerman	Cederberg	Fish
Anderson, Calif.	Chappell	Fithian
Anderson, Ill.	Clausen, Don H.	Flippo
Andrews, N.C.	Cleveland	Flynt
Andrews, N. Dak.	Cochran	Foley
Annunzio	Coleman	Forsythe
Applegate	Collins, Tex.	Fountain
Archer	Conable	Fowler
Armstrong	Conte	Frey
Ashley	Corcoran	Gammage
AuCoin	Cornell	Gaydos
Bafalis	Cornwell	Gibbons
Baldus	Coughlin	Gilman
Barnard	Crane	Ginn
Bauman	Cunningham	Glickman
Beard, Tenn.	D'Amours	Goldwater
Benjamin	Daniel, Dan	Gonzalez
Bennett	Daniel, R. W.	Goodling
Bevill	de la Garza	Gore
Blanchard	Dent	Gradison
Boggs	Derrick	Grassley
Boland	Derwinski	Green
Bowen	Devine	Gudger
Breaux	Dickinson	Guyer
Brinkley	Dornan	Hagedorn
Brooks	Duncan, Oreg.	Hall
Broomfield	Duncan, Tenn.	Hammer-schmidt
Brown, Mich.	Edwards, Ala.	Hanley
Brown, Ohio	Edwards, Okla.	Hannaford
Broyhill	Eilberg	Harsha
Buchanan	Emery	Heckler
Burgener	English	Hefner
Burke, Fla.	Erlenborn	Heftel
Burleson, Tex.	Ertel	Hightower
Butler	Evans, Del.	Hillis
Byron	Evans, Ga.	Holt
	Evans, Ind.	Horton
Hubbard	Marks	Sarasin
Huckaby	Marlenee	Satterfield
Hughes	Marriott	Sawyer
Hyde	Martin	Schulze
Ichord	Mathis	Sebelius
Ireland	Michel	Shipley
Jacobs	Miller, Ohio	Shuster
Jenkins	Minish	Sikes
Jenrette	Mitchell, N.Y.	Sisk
Johnson, Calif.	Moakley	Skelton
Johnson, Colo.	Montgomery	Skubitz
Jones, N.C.	Moore	Smith, Nebr.
Jones, Okla.	Moorhead, Calif.	Snyder
Kasten	Mottl	Spence
Kazen	Murphy, Pa.	St Germain
Kelly	Murtha	Stangeland
Kemp	Myers, Gary	Stanton
Ketchum	Myers, John	Studds
Keys	Myers, Michael	Symms
Kildee	Natcher	Taylor
Kindness	Neal	Thone
Kostmayer	Nichols	Traxler
Krebs	Nowak	Treen
Krueger	Panetta	Trible
Lagomarsino	Perkins	Ullman
Latta	Pettis	Vander Jagt
Le Fante	Pickle	Waggonner
Lederer	Pike	Walker
Leggett	Poage	Walsh
Lent	Pressler	Wampler
Levitas	Pursell	Watkins
Livingston	Quayle	White
Lloyd, Calif.	Quillen	Whitehurst
Lloyd, Tenn.	Regula	Whitley
Long, La.	Rhodes	Whitten
Lott	Rinaldo	Wiggins
Lujan	Risenhoover	Wilson, Bob
Luken	Roberts	Wilson, Tex.
McClory	Robinson	Winn
McCloskey	Roe	Wolff
McCormack	Rogers	Wright
McDonald	Rooney	Wydler
McEwen	Rostenkowski	Wylie
McHugh	Rousselot	Yatron
McKay	Rudd	Young, Alaska
McKinney	Ruppe	Young, Fla.
Madigan	Russo	Young, Tex.
Mahon	Santini	Zeferetti
Mann		

NOES—131

Akaka	Fraser	Pease
Alexander	Gephardt	Pepper
Aspin	Gialmo	Preyer
Baucus	Hamilton	Price
Beard, R.I.	Harkin	Pritchard
Bedell	Harrington	Rahall
Bellenson	Harris	Railsback
Bingham	Hawkins	Reuss
Blouin	Hollenbeck	Richmond
Bolling	Holtzman	Roncalio
Bonior	Howard	Rose
Brademas	Jeffords	Rosenthal
Breckinridge	Jordan	Roybal
Brodhead	Kastenmeier	Ryan
Brown, Calif.	LaFalce	Scheuer
Burke, Calif.	Leach	Schroeder
Burke, Mass.	Lehman	Seiberling
Burlison, Mo.	Long, Md.	Sharp
Burton, John	Lundine	Slack
Burton, Phillip	McFall	Smith, Iowa
Carr	Maguire	Solarz
Clay	Markey	Spellman
Conyers	Mattox	Staggers
Corman	Mazzoli	Stark
Cotter	Meeds	Steed
Danielson	Metcalfe	Steers
Davis	Mikulski	Steiger
Dellums	Miller, Calif.	Stokes
Dicks	Mineta	Thompson
Diggs	Mitchell, Md.	Udall
Dodd	Moffett	Van Deerlin
Downey	Mollohan	Vanik
Drinan	Moorhead, Pa.	Vento
Early	Moss	Volkmer
Eckhardt	Murphy, Ill.	Walgren
Edgar	Nix	Waxman
Edwards, Calif.	Nolan	Weaver
Evans, Colo.	Oakar	Weiss
Fascell	Oberstar	Wilson, C. H.
Fisher	Obey	Wirth
Flood	Ottinger	Yates
Florio	Patten	Young, Mo.
Ford, Mich.	Patterson	Zablocki
Ford, Tenn.	Pattison	

NOT VOTING—39

Allen	Clawson, Del	Fuqua
Ashbrook	Cohen	Garcia
Badham	Collins, Ill.	Hansen
Biaggi	Delaney	Holland
Bonker	Dingell	Jones, Tenn.
Caputo	Flowers	McDade
Chisholm	Frenzel	Meyner

Mikva	Rangel	Stump
Milford	Rodino	Teague
Murphy, N.Y.	Runnels	Thornton
Nedzi	Simon	Tsongas
O'Brien	Stockman	Tucker
Quie	Stratton	Whalen

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Whalen against.

Mr. Teague for, with Mrs. Chisholm against.

Mr. Ashbrook for, with Mr. Rangel against.

Mr. Hansen for, with Mr. Garcia against.

Mr. McDade for, with Mr. Nedzi against.

Messrs. KOSTMAYER, CHARLES WILSON of Texas, WATKINS, and ROSTENKOWSKI changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there additional amendments to this section of the bill?

If not, the Clerk will read.

The Clerk read as follows:

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $2,000 for official reception and representation expenses, $64,650,000.

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, pursuant to rule XXI, clause 2, I make the point of order that this is an unauthorized appropriation and has not been authorized by law.

The CHAIRMAN. Does the gentleman from West Virginia desire to be heard?

Mr. SLACK. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. The paragraph will be stricken.

The Clerk will read.

The Clerk read as follows:

SEC. 604. None of the funds appropriated or otherwise made available in this Act shall be obligated or expended to make a commitment to provide any reparations, aid, or credits to Vietnam, Cambodia, or Laos.

AMENDMENT OFFERED BY MR. ANDREWS OF NORTH DAKOTA

Mr. ANDREWS of North Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of North Dakota: on page 51 after line 16, insert the following:

SEC. 605. Except for funds appropriated to the Judiciary in title IV of this act, no part of any appropriation contained in this act may be used to pay the salary or expenses of any person to limit the advertising of: (1) any food product that contains ingredients that have been determined to be safe for human consumption by the Food and Drug Administration or are considered to be 'Generally Recognized as Safe" (GRAS) and does not contain ingredients that have been determined to be unsafe for human consumption by the FDA; (2) any toy which has not been declared hazardous or unsafe by the Consumer Product Safety Commission.

Mr. ECKHARDT. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Texas (Mr. ECKHARDT) reserves a point of order.

Mr. ECKHARDT. Mr. Chairman, I should like to ask the gentleman a few questions on my reservation, if I may at this time.

The CHAIRMAN. The gentleman from North Dakota is recognized.

Mr. ANDREWS of North Dakota. Mr. Chairman, are we on the time of the gentleman from Texas or my time? The gentleman is reserving a point of order and wants to ask me some questions.

Mr. ECKHARDT. I am suppposing we are on the gentleman's time. I am reserving a point of order.

The CHAIRMAN. The gentleman from North Dakota (Mr. ANDREWS) is recognized.

Mr. ANDREWS of North Dakota. Mr. Chairman, this is in essence the same amendment that was in the bill that was stricken when a point of order was made against the Federal Trade Commission area. It also includes language to include toys, which have been declared safe, because they come under the same general thrust of what we are trying to establish on foods and food advertising.

I think it is important for our colleagues to recognize that we have a situation where Government agencies are getting into all manner of areas that are not their specific responsibility. I think it is important to recognize, as the Appropriations Committee did when it voted 3-to-1 to sustain this particular amendment, that in the case of food advertising, the Federal Trade Commission is conducting an investigation of cereals that has been done by the Federal Communications Commission some 4 years ago. The same group came before the Federal Communications Commission to make the point that they ought to conduct such an investigation. And in 1974 the Federal Communications Commission considered a petition from ACT—action for children's advertising—and after hearings involving 63 docket volumes and 1,252 pages of testimony dismissed the petition.

This is the same petition coming up once again. I think it is the position of the Appropriations Committee that these agencies should be doing those duties assigned to them. They should be very careful about the labeling of food products. They should check false and deceptive advertising but it does not make much sense for them to set up an outright ban on the advertising of a food that another Government agency said is safe.

I would hope the House has taken note of the number of editorials from any number of rather liberal newspapers. The Milwaukee Journal talks about the Federal Trade Commission's tactics in this case as a "remedy worse than the ailment." A local paper here in Washington, the Washington Post, talks about the Federal Trade Commission as a "national nanny."

I do not think the people across this country want to spend their money, their taxpayers' money, for the Federal Trade Commission or any other agency to dictate how they are going to feed their children, when what is under investigation are foods that have already been declared as safe by the Food and Drug Administration and by the Department of Agriculture, the two agencies that do have the expertise in this field.

Mr. Chairman, I would further submit that the thrust of the FTC's current rulemaking is a total ban on advertising of certain food products to children of certain ages. What next? A ban on bacon, on hamburger, where does it stop?

If we adopt this language the Congress will be sending a very clear message to the FTC that such a proposal is clearly not acceptable. Hopefully this will change the thrust of the investigation and allow for more reasonable comments. If the thrust continues with the idea that a ban would be the result, the hearings would be clouded by extraneous arguments and material.

The consumers will also have to pay the bill for these ridiculous repetitions of investigations that have already been decided by another Government agency. The FCC has already stated:

The question of abolishing advertising must be resolved by balancing the competing interests in light of the public interest. Since eliminating product advertising could have a serious impact on program service to children, we do not believe that the public interest would be served by adopting ACT's proposal.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. Mr. Chairman, the gentleman undoubtedly will have plenty of time later on his own, and I would be glad to hear his argument at that point, but let me finish my part of the presentation by again stressing the fact that this amendment in no way affects the Federal Trade Commission's ability to investigate false and deceptive advertising. All this says is that if we have a safe food declared so by an agency of the Government that has the expertise in the field, the Federal Trade Commission cannot come in and say they cannot advertise it. As the Washington Post states:

The means the FTC is considering are something else. It is a preposterous intervention that would turn the agency into a great national nanny.

Quite frankly, Mr. Chairman, we have too many bureaucrats looking over our shoulders trying to tell us how to run our homes, how to feed our children and do all sorts of things. There is no 4-year-old, 5-year-old, or 6-year-old child that goes into the grocery store, Mr. Chairman, to buy that box of cereal. The parent does that and the parent should be protected by the Federal Trade Commission doing what it is supposed to be doing and get the proper label on that food product so that the parent can make a sensible choice based on the facts.

This amendment, I am happy to state again, was adopted by a vote of 3 to 1 in the Appropriations Committee and redefines the area the FTC ought to be operating in.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. ANDREWS of

North Dakota was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, I still reserve my point of order and I assume that this will not jeopardize my reservation?

The CHAIRMAN. The gentleman from Texas will be protected.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I will be glad to yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, as I read the gentleman's amendment, in the committee we adopted an amendment that said clearly that any false or deceptive advertising by an advertiser would still be subject to the jurisdiction of the Federal Trade Commission. I do not find this in the gentleman's new amendment. That provision has been stricken. I enquire, is it the gentleman's clear intent that the only thing this amendment would affect would be the ongoing rulemaking procedures of the FTC as they relate to advertising?

Mr. ANDREWS of North Dakota. Mr. Chairman, let me set the proper perspective here and that is that we are in a little different situation right at this moment than we were when we were in the Committee on Appropriations. The section covering the Federal Trade Commission has been stricken from the bill. In order to make sure that this was not subject to a point of order because it applied only to the Federal Trade Commission the new amendment had to have a more general thrust than the original amendment by being applicable to the FCC and other agencies already in the bill, and therefore could not restate the directive to the FTC to move against false and deceptive advertising.

Frankly I would hope we can be put in a parliamentary situation where we can again restate the idea that it is our hope they would proceed forthwith in the field of false and deceptive advertising and get on with that responsibility and not be concentrating their efforts toward an outright ban.

Mr. DICKS. I understand the Federal Communications Commission does not have that jurisdiction over the issues that are raised here dealing with false and deceptive advertising. Now that the FTC portion of the bill has been stricken, I do not see why the gentleman is offering the amendment at this moment, but instead wait for the FTC portion of the bill to come before the House in a supplemental appropriation bill at a later date.

Mr. ANDREWS of North Dakota. Because I think it is ridiculous for this House to lose all of its jurisdiction to the other body in this appropriation bill.

● Mr. RICHMOND. Mr. Chairman, I rise in opposition to the gentleman from North Carolina's amendment.

The gentleman's amendment is based on a fundamental misconception. It would prohibit the FTC from promulgating any rules limiting the advertising of any food substance declared generally recognized as safe (GRAS) by FDA. While the FDA has authority to determine whether foods are safe, FTC has often exercised its equally undoubted authority to regulate deceptive and unfair advertising of those foods. Claims for "safe" foods, for instance, may be misleading by making unfounded claims about nutritional value. Even substances on the GRAS list have side effects or pose long term health risks which the FDA considers an acceptable tradeoff for potential benefits. Consumers, however, may be deceived by advertisements stressing the benefits but not revealing the drawbacks. This is of particular concern with young children who may be attracted by immediate benefits, but unable to appreciate long-term risks.

Six out of 10 of the leading causes of death in this country have been linked to the way we eat. Our diet, overrich in fat, cholesterol, refined sugars and starches, salt and alcohol is associated with epidemic rates of heart disease, cancer, high blood pressure, stroke, hardening of the arteries, and cirrhosis. In the United States today, 1 out of 3 men and 1 out of 6 women can be expected to die of heart disease or stroke before the age of 60. Twenty-five million adults suffer from high blood pressure. Approximately 5 million others are victims of diabetes. At least one-fourth of all adults in the United States are overweight to a degree that jeopardizes health and longevity.

The American way of eating has undergone dramatic change in the last 50 years. Nutrition and health experts consider these changes poorly suited to a national lifestyle which is typically sedentary and filled with emotional stress. The pattern of breakfast on the grab, lunch on the run, drinks and snacks, and late dinners of meats, starches, and sweets is in sharp contrast with the way Americans lived and ate in the early decades of the century. The average consumer of this period ate a simple diet with few rich frills, only occasional meat and heavy reliance on fresh fruits, vegetables, and grains. Last year, however, we consumed an average of 125 pounds of fat, 129 pounds of beef, 100 pounds of refined sugar, 5 pounds of additives, and the equivalent of 295 12-ounce cans of soft drinks.

The Commissioner of the Food and Drug Administration has testified repeatedly and put into writing his support for the FTC's varied inquiries into food marketing. In particular, it is important to note that FDA Commissioner Donald Kennedy has given his full support to the FTC children's inquiry in a letter to FTC Chairman Michael Pertschuk. It stated:

> In view of the large amounts of advertising—particularly television advertising—that are directed to children urging them to consume a seemingly endless variety of sugared products and the substantial likelihood that children will be unable to appreciate the long-term risks to dental health that consumption of these products will create, I strongly support action by the Federal Trade Commission to regulate the advertising of these products directed to children.

Similarly, Dr. Julius Richmond, the Surgeon General of the United States, has also declared his support for this action by the FTC:

> Hon. MICHAEL PERTSCHUK,
> *Chairman, Federal Trade Commission, Washington, D.C.*
>
> DEAR MR. CHAIRMAN: I understand that the staff of the Federal Trade Commission has recommended that the Commission initiate a proceeding to regulate the volume of televised advertising addressed to children, particularly advertising which urges them to consume products containing large amounts of added sugar and advertising directed to young children.
>
> From a health standpoint, I believe that some such regulatory action is highly desirable. I have long been concerned that such advertising induces children to consume sugared products at the expense of safer and more nutritious foods. There are several reasons for my concern. The first and most obvious is the well-established causal connection between frequent sugar consumption, especially between meals, and tooth decay. This was the basis for the recommendation made in the Final Report of the White House Conference on Food, Nutrition and Health (1969) that:
>
> "Candies, confections and beverages containing sucrose should not be ingested by children between meals. Food manufacturers should limit sucrose in foods primarily intended for consumption by children. Education of the consumer on this point is essential."
>
> Televised advertising of sugared products to children, of course, works to the contrary of that sensible recommendation.
>
> I am also concerned because such advertising helps to shape the nutritional habits of young children and to instill in them the idea that heavy sugar consumption is both normal and desirable. Once instilled, that idea may have serious consequences. You are undoubtedly aware of the "Evaluation of the Health Aspects of Sucrose as a Food Ingredient" prepared for the Food and Drug Administration by the Life Sciences Research Office, Federation of American Societies for Experimental Biology (1976). That report concluded that:
>
> "Consumption of sucrose in large amounts or at frequent intervals contributes to the development of dental caries. Overconsumption of sucrose probably contributes to obesity and possibly results in dietary imbalances and in modification of lipid metabolism which potentiates coronary heart disease."
>
> The reference in the foregoing passage to "overconsumption" should be read in light of the statement on the same page of the report:
>
> "Since over 15 percent of the per capita caloric intake of the population in the United States is from sucrose, it is likely that some individuals may eat enough to exclude adequate amounts of other foods that furnish required nutrients."
>
> Given new data from the U.S. Department of Agriculture showing that consumption of all forms of sugar—not just sucrose—has risen by almost 15 percent just since 1960, and by about two pounds per capita per annum in that last year alone, the concern with the effects of overconsumption is well founded.
>
> Even granting that there are uncertainties to be resolved about the role sugar plays in diseases other than tooth decay, I question the wisdom of permitting a steady stream of advertising to children which induces them to conclude—pending resolution of those uncertainties—that they can safely eat as much of the advertised sugared products as they like, whenever they like. Common experience with children suggests that they are poorly equipped to look behind the persuasion that leads them to that conclusion, and to assess the underlying risks for themselves.
>
> On a more general level I am concerned by the impact that television advertising for

any product has on young children. Numerous studies including the 1972 Surgeon General's Report on Television Violence suggest that pre-school children perceive commercials differently than older children.

The Surgeon General's report concluded:

"Small children have difficulty distinguishing fantasy from reality and products from advertisements, and do not distinguish (or distinguish on only one dimension) elements of advertisements from their unified 'whole,' purpose, and meaning. Older children are capable of discriminating between reality 'facts' and fantasy and exaggeration (although they tend to focus on fantastic emotional and symbolic elements), of judging products and their advertisements separately, and of breaking commercials up into their constituent elements."

When this evidence is read in light of the sizeable quantity of commercials the typical young child is exposed to—estimated at around 20,000 per year—I think we should consider seriously the need for government intervention to protect the very young from unfair commercial exploitation.

In sum, I heartily endorse Federal Trade Commission consideration of these issues. And I offer my good offices to assist your deliberations in such manner as you find appropriate.

Sincerely yours,

JULIUS B. RICMOND, M.D.,
Assistant Secretary for Health.

DECEMBER 19, 1977.

Hon. MICHAEL PERTSCHUK,
Chairman, Federal Trade Commission, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to you to comment on the prospect of Federal Trade Commission action to regulate the advertising of food products to children, including but not limited to foods which contain large amounts of sugars.

As you are aware, the FDA recently received a report from the Life Sciences Research Office of the Federation of American Societies for Experimental Biology entitled "Evaluation of the Health Aspects of Sucrose as a Food Ingredient" (1976) (hereafter the LSRO Report). This is part of a more general review of food substances currently "Generally recognized as Safe." On the basis of this comprehensive review of the evidence with respect to the potential health hazards posed by the current patterns of use of sucrose in the American diet, the report concluded that:

"Reasonable evidence exists that sucrose is a contributor to the formation of dental caries when used at the levels that are now current and in the manner now practiced." (LSRO Report, p. 14.)

We have no reason to believe that the cariogenic qualities of other nutritive sweeteners in the diet are substantially different than sucrose, with the possible exception of xylitol, one of the sugar alcohols. However, xylitol is currently under question as to its possible carcinogenicity.

Little doubt exists that excess sugar in the diet contributes to dental caries. Although the degree of potential harm is controlled by many variables including the amount of sugar, the form of the food, and the manner in which the product is consumed in the diet, the introduction of large amounts of sugar into the diet at any time enhances the risk of tooth decay. Moreover, it seems clear that children are more vulnerable to dental caries and that the damage to the teeth resulting from tooth decay in childhood can have a substantial detrimental effect on dental health in later life.

In view of the large amounts of advertising—particularly television advertising—that are directed to children urging them to consume a seemingly endless variety of sugared products and the substantial likelihood that children will be unable to appreciate the long-term risks to dental health that consumption of these products will create, I strongly support action by the Federal Trade Commission to regulate the advertising of these products directed to children.

Sincerely yours,

DONALD KENNEDY,
Commissioner of Food and Drugs.

For the reasons I have just discussed, I oppose the amendment and urge the committee to reverse this action. The FTC has clear jurisdiction to conduct rulemaking proceedings involving advertising of food products and it is in the public interest for it to do so. No decisions have been made as to the appropriate remedy, if any, for deceptive or unfair practices in children's advertising. The immediate issue is whether the FTC will be permitted to conduct rulemaking proceedings to gather the facts to determine what, if any, regulatory action is necessary in these areas that are of enormous interest and concern to the scientific community and to the American public in general. The larger issue is whether we should prohibit a regulatory agency from gathering facts and testimony in an area that is legitimately within its mandated responsibility and jurisdiction. I hope that Congress will not suppress an open and legitimate inquiry.●

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Texas (Mr. ECKHARDT) desire to press his point of order?

Mr. ECKHARDT. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ECKHARDT. The amendment is legislation on an appropriation bill, and as such is subject to a point of order under rule XXI, clause 2.

Mr. Chairman, it is provided in the very first section of Deschler on this particular point that:

When an amendment, while curtailing certain uses of funds carried in the bill, explicitly places new duties on officers of the government or implicitly requires them to make new investigations, compile evidence, or make judgments and determinations not otherwise required of them by law, then it assumes the character of legislation and is subject to a point of order.

That is the main thrust of my point of order but I also believe that in the colloquy it becomes rather apparent that this amendment was directed at the Federal Trade Commission section of the bill which has come out. Therefore, I would also offer alternatively, or additionally, the point of order that this is not germane to the bill as it is now before us.

On that latter objection, which I will speak to only very briefly, the argument and the thrust of the amendment clearly goes toward rulemaking authority. But I should primarily like to speak on the point of order based on the proposition that I just read, that is, that this constitutes legislation on an appropriations bill and gives to officers of the Government very, very large additional duties as the result of the passage of this amendment, should it be passed.

I point primarily to the case which I believe is directly in point. On June 21, 1974, there was a point of order made by the gentleman from California (Mr. Moss) to a provision in the appropriations bill at that time, section 511. The gentleman from California (Mr. Moss) asserted that the language would impose additional duties on every agency subject to the bill and was legislation on an appropriation. The language of the section was as follows:

Except as provided in existing law, funds provided in this act shall be available only for the purposes for which they are appropriated.

Mr. Moss correctly pointed out that if that provision were sustained, it would be necessary in the use of any funds by an agency involved to go back and show that the Appropriations Committee had addressed the specific object of the use of those funds. The gentleman from California (Mr. Moss), pressed that point very strongly. The gentleman from Mississippi (Mr. WHITTEN) then contended that he considered this only as limiting the legislation to existing law, and the present speaker joined in supporting the Moss point of order.

I said at that time that as I understood the gentleman from Mississippi, Mr. WHITTEN'S, position on the provision, it meant that each of the specific appropriations would have to be considered with respect to the process brought forth in that committee's hearings.

The Chair ruled as follows:

The Chair is prepared to rule on the point of order. If the language means what the gentleman from Mississippi now says it does, then the language is a nullity because it just repeats existing law. The Chair is of the opinion, though, that there is a possibility, as earlier indicated during general debate and as suggested by the gentleman from California, that the amendment imposes an additional burden, and the Chair, therefore, sustains the point of order.

There are a number of cases, of course, in Deschler around this area that I have cited that bear out the point that I have made, but I know that the Chair is familiar with the general proposition and I shall not recite them. But I do want to say and show on that point of order if its facts should be sustained, then our contention that there is an additional burden on administrators is demonstrated in spades in this amendment. This amendment says that none of the funds appropriated "in this act may be used to pay the salary or expenses of any person to limit the advertising of: First, any food product that contains ingredients that have been determined to be safe for human consumption by the Food and Drug Administration or are considered to be 'generally recognized as safe.'"

The Food and Drug Administration does not list food products as safe or unsafe. The Food and Drug Administration only determines whether or not ingredients in food products are safe or unsafe. Therefore, if this restriction were placed in law, it would be necessary for an agency like the Federal Communications Commission, when it is determining whether or not funds might be used in order to take some action respecting unsafe foods, to look to see what ingredients

were included in the particular food involved. In other words, the Federal Communications Commission would have to exercise the same type of expertise, the same type of technical research that the other agency has had to go through. In addition to this, the amendment says that none of these funds can be used with regard to any toy which has not been declared hazardous or unsafe by the Consumer Product Safety Commission. The Consumer Product Safety Commission does not list specific toys as unsafe.

The Consumer Product Safety Commission determines what minimum design or what minimum standards, performance standards, are necessary in order for a toy to be permitted to go on the market. For instance, a toy that melts lead to make toy soldiers might be unsafe because of the method in which it melts the lead and exposes persons to heat.

The point, though, is that the Commission does not establish that this particular toy is unsafe. If we pass this restriction, we would place the burden on the FTC to go in and look at every toy and then apply the standards of the Consumer Product Agency to those toys to find out whether they could be advertised.

So, Mr. Chairman, I think this is a classic example of placing on every agency to whom this restriction would apply very extensive duties beyond that which they are now called upon to exercise.

In addition, it would place the same burden on other agencies, like the Consumer Product Safety Commission, to change their rules to make different modes of establishing and identifying unsafe toys.

Mr. Chairman, I urge that the point of order be sustained.

The CHAIRMAN. Does the gentleman from North Dakota (Mr. ANDREWS) desire to be heard on the point of order?

Mr. ANDREWS of North Dakota. I do, Mr. Chairman.

Mr. Chairman, it is clear that the House of Representatives has accepted as "in order" amendments to appropriations bills which are negative prohibitions, descriptive of employment not mandated by law which may not be undertaken if those individuals are to be compensated by funds in the bill.

This type of amendment is clearly described in Deschler's Procedure. The following are two examples of such an amendment:

On June 21, 1974, the House held in order an amendment by Representative WHITTEN of Mississippi to limit funds used by the FTC to collect line of business data.

On October 9, 1974, the House held in order an amendment to prohibit EPA from using funds to tax, limit or regulate parking facilities.

Mr. Chairman, addressing the question of germaneness, the House Manual, section 795, states that an amendment in the form of a new paragraph must be germane to the bill as a whole.

It certainly is, because the bill contains funding for the Federal Communications Commission, which is the only agency which has so far put in detail an investigation of this type of action.

Second, addressing the issue of legislation on an appropriation bill, to implement the limitation the agency only need examine information which it now receives under existing laws; so there are no additional substantive duties, judgments or determinations.

Therefore, since this amendment is based on a clearly discernible standard and since chapter 25, section 10.4 says:

> Where the manifest intent of a proposed amendment is to impose a limitation on the use of funds appropriated in the bill, the fact that the administration of the limitation will impose certain incidental but additional burdens on executive officers does not destroy the character of the limitation.

Mr. Chairman, based on this, I feel that the amendment is in order. I would hope the Chair would rule accordingly.

The CHAIRMAN. Does the gentleman from Washington (Mr. DICKS) desire to be heard on the point of order?

Mr. DICKS. I do, Mr. Chairman.

Mr. Chairman, just to reiterate on this point, this amendment was aimed at limiting the Federal Trade Commission. Now that that section has been stricken, the only way it can apply is to the FCC. The FCC does not have to regulate itself for advertising. That jurisdiction falls within the jurisdiction of the Federal Trade Commission.

Therefore, it creates new legal duties for the FCC, which are beyond the scope of an appropriation bill, which makes it legislation within an appropriation bill and, therefore, subject to rule XXI, clause 2.

Also the ruling made by the Consumer Product Safety Commission is accurate. The language does not go to unsafe toys, and they would have additional duties created by this amendment.

Mr. Chairman, I also believe that clause 2, rule XXI, applies in this case.

The CHAIRMAN (Mr. BROWN of California). The Chair is prepared to rule.

The gentleman from Texas (Mr. ECKHARDT) makes the point of order that the amendment offered by the gentleman from North Dakota (Mr. ANDREWS) constitutes legislation on an appropriation bill. In addition, he makes the point that because it was drafted originally to be applicable to the Federal Trade Commission and that section of the bill has been stricken, it is no longer germane to the bill.

The Chair does not find it necessary to rule, however, on the point of germaneness.

The amendment would prohibit use of any funds in the bill to limit advertising of food products and toys in relation to which determinations have been made by the Food and Drug Administration and the Consumer Product Safety Commission. As indicated by the arguments made on the point of order, this bill now contains no funds for the Federal Trade Commission but does contain funds for the Federal Communications Commission. The Chair feels it is necessary to lay that basis in order to determine whether the amendment requires new duties or determinations of a particular agency which are not now required by law.

The Federal Communications Commission has the authority under the law to regulate interstate and foreign communications and transmissions in wire and radio, but existing law contains no mandate that the Commission consider whether food and toy products are safe or unsafe in regulating broadcasts within its jurisdiction. The amendment would disallow funds for the Commission to limit advertising of certain products, even if the purpose for such regulatory limitations was totally unrelated to the safety of the product in question. In considering any proposal to limit advertising of food or toy products, the Commission would be required to first determine the scope and extent of determinations of other agencies on the safety of those products, and it is far from clear whether such determinations are readily available or sufficiently certain to determine whether the limitation would apply in a particular case.

Furthermore, in relation to food products, the Commission would have to determine whether the finished food product contained ingredients which have been declared safe if the Food and Drug Administration had made no determination on the safety of such a finished product.

The Chair would also note that the amendment would prohibit advertising of food products containing ingredients considered to be generally recognized as safe, without specifically indicating whether that determination is to be made by the FDA or by the Federal Communications Commission.

For the reasons stated, the Chair finds that the amendment would impose substantial new duties and requirements on the Federal Communications Commission beyond its authorities under existing law and, therefore, sustains the point of order.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MILLER of Ohio: On page 51, after line 16, insert the following paragraph: Section 605 of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

Mr. MILLER of Ohio. Mr. Chairman, I will not take much time to explain this amendment. This is the standard amendment that I have offered to many, many appropriation bills.

The amendment is for a reduction of 2 percent in total, with no line item being reduced more than 5 percent. The amount of the bill, when we started today, was $8,554,311,600. The nonmandatory section was for $8,211 million. A 2-percent reduction would be approximately $165 million.

The provision in the general provisions of the bill is where the amendment would apply, and when the conference is over and the money that comes back

into the bill is shown in the conference report, all sections that have been removed today but replaced later will be affected by the 2-percent reduction.

Mr. Chairman, I do not intend to take the time to tell the Members why I have offered this amendment in the past.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding, and I wish to commend the gentleman for his amendment.

Mr. Chairman, as the gentleman knows, of course, the previous amendment on the appropriation for HEW was successful. I feel that, even though there are areas within this bill that still remain—LEAA, DEA, and those good programs—I feel that, once started, the House should follow it on all programs, good and bad; that we have to show the people of America that we are firm, that we are going to try to reduce spending.

Mr. Chairman, I commend the gentleman. I also wish, of course, to commend the committee. I think this subcommittee has done very well in this legislation. But I do not believe that a 2-percent cut would be of any injury. I commend the gentleman.

Mr. MILLER of Ohio. I thank the gentleman from Missouri.

Mr. Chairman, I am not going to tell the House that we are paying $151 million a day interest on the national debt, and I am not going to tell the House many other things that we have stated before I would ask the Members to support the amendment.

Mr. SLACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when we began consideration of this bill today, it contained a total of $8,600,000,000. However, by actions taken in the House, it has now been reduced by $3,900,000,000. The amendment offered by the gentleman from Ohio (Mr. MILLER) would reduce the bill by an additional $94 million.

Mr. Chairman, I would ask that this amendment be defeated.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, I believe that this might be called the Cinderella's slipper amendment, cut a little bit off of every foot to make the glass slipper fit no matter what the consequences.

Mr. SLACK. Very well stated, I might add.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment was agreed to.

● Mr. EILBERG. Mr. Chairman, I am voting "no" on final passage of H.R. 12934 because I do not feel that the House can justify sending to the Senate an appropriations bill which does not deal with numerous aspects of the Department of Justice.

It had been my intention to offer an amendment to H.R. 12934 which would have increased the level of appropriations for the Immigration and Naturalization Service from $294,500,000 to $320,722,000. Because those provisions were deleted as a result of a point of order made by the gentleman from California (Mr. ROUSSELOT) the House was not afforded the opportunity to work its will on those portions of H.R. 12934 dealing with INS.

As a result, it is entirely possible that the appropriations bill for the Department of Justice may be written in its entirety by the Senate, and it is extremely unfortunate that the House may be precluded from working its will on many aspects of the Departments of State, Justice, and Commerce, the Judiciary, and related agencies appropriation bill for fiscal year 1979.

I am hopeful that this will not be the case and that the Members of the House will be afforded ample opportunity to consider the Department of Justice appropriations bill subsequent to consideration of the Department of Justice authorization bill, H.R. 12005, which has been reported by the Judiciary Committee.●

● Mr. BIAGGI. Mr. Chairman, time can do some strange things. It was almost 3 years ago to this date when I offered an amendment to the fiscal year 1976 State, Commerce, and Judiciary Appropriations Act which sought to increase the budget for the Immigration Service for additional personnel to stem the flow of illegal aliens. The amendment was defeated. Today I find myself cosponsoring a similar amendment offered by Mr. EILBERG. Again, despite the merits and clear necessity we are not guaranteed of victory. The question then becomes what will it take for this Congress to recognize that the illegal alien problem poses a grave threat to the economic security of this Nation?

Throughout this decade the illegal alien problem has grown in magnitude and severity, yet throughout this decade, the Immigration Service, the lead agency in charge of stemming the flow, has been underfunded and understaffed to do the job. It has been easier to criticize than to appropriate. It is time to change our thinking and give them the tools they need to do the job.

This amendment concentrates the resources where they will do the most good—along the border. We continue to find our border patrol personnel having to cope with an enormously large illegal alien problem. Estimates show that some 500,000 new illegal aliens enter this Nation annually. We are aware that some 87 percent become illegal aliens through unauthorized crossings of the massive and porous United States-Mexican border. Despite years of understaffing the border patrol has done good work. Their number of apprehensions increases each year and now totals more than 800,000 a year. In the decade between 1964 and 1974 the border patrol increased apprehensions by 113 percent.

While we await further action of legislation to impose penalties on employers hiring illegal aliens, let us deal with that facet of the issue of equal importance. We must control the relentless invasion of illegal aliens into this Nation. It is as simple as that. The consequences of an inadequately staffed INS are felt across this Nation. We have 3 to 5 million illegal aliens in this Nation holding down in excess of 1 million jobs. Illegal aliens are sapping cities of social service funds which are desperately needed by legal aliens and permanent residents.

Last week, I was successful in sponsoring an amendment to the Labor-HEW appropriations bill directing that none of the $2 billion provided for the Department of Labor be used to benefit illegal aliens. This amendment represents the second stage in a two-pronged attack on this problem. It should be noted that this amendment does more than just beef up the border patrol. We have recommended the addition of 90 adjudicators to reduce the more than 275,000 backlogged immigration and naturalization cases across the Nation.

This amendment represents cost-efficiency. While we may be adding to the INS budget the savings provided by preventing new illegal aliens from entering would more than pay back this investment of tax dollars. Obviously this amendment alone will not end the illegal alien problem. Much more is needed and has been proposed in various other bills sponsored by myself and other Members as well as the President.

I am especially glad to note that the major and perhaps justified criticism of this amendment's opponents, namely, the inability of the Immigration Service to fill vacancies with qualified personnel has been resolved. As of June 7, no vacancies exist; all positions have been filled or committed.

I am not new to this fight. I have waged war against illegal aliens for much of the past decade. I have seen what havoc its proliferation has had on this Nation. It is time to reverse the tide and begin to concern ourselves more with protecting the economic rights and securities of our own citizens. This amendment is a positive step in the right direction. I urge its passage.

As we consider this amendment let us consider some other statistics. Fully 30 percent of all illegals apprehended are repeat offenders, meaning that where the border patrol can close one hole, their insufficient manpower does not allow them to close others. While this legislation already provides some additional assistance to deal with smugglers, the fact is additional border patrol can aid in this problem as well, as the numbers of illegal aliens smuggled into this Nation has tripled between 1972 and 1977.

One other key fact: Mexico as the largest of the so-called 15 source countries for illegal aliens already has the 10th largest population in the world. Its population is expected to double in less than 25 years with the largest increase among the young who traditionally enter this Nation illegally in higher numbers to work.

For all these reasons I urge passage of this amendment. It is an important step in the struggle to cope with the illegal alien menace.●

The CHAIRMAN. The Clerk will conclude the reading of the bill.

The Clerk concluded the reading of the bill.

Mr. SLACK. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BROWN of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12934) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLER of Ohio moves to recommit the bill H.R. 12934 to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 359, nays 34, not voting 41, as follows:

[Roll No. 454]

YEAS—359

Abdnor	Edgar	Long, La.
Addabbo	Edwards, Ala.	Long, Md.
Akaka	Edwards, Calif.	Lott
Alexander	Edwards, Okla.	Lujan
Ambro	Emery	Luken
Ammerman	English	Lundine
Anderson, Calif.	Erlenborn	McClory
Anderson, Ill.	Ertel	McCloskey
Andrews, N.C.	Evans, Colo.	McCormack
Andrews, N. Dak.	Evans, Del.	McEwen
Annunzio	Fary	McFall
Applegate	Fascell	McHugh
Armstrong	Fenwick	McKay
Ashley	Findley	McKinney
Aspin	Fish	Madigan
Bafalis	Fisher	Maguire
Baldus	Fithian	Mahon
Baucus	Flood	Markey
Beard, R.I.	Florio	Marks
Beard, Tenn.	Flynt	Marriott
Bedell	Foley	Martin
Bellenson	Ford, Mich.	Mattox
Benjamin	Ford, Tenn.	Mazzoli
Bennett	Fountain	Meeds
Bevill	Fowler	Metcalfe
Bingham	Fraser	Meyner
Blanchard	Frey	Michel
Blouin	Gammage	Mikulski
Boggs	Gaydos	Miller, Calif.
Boland	Gephardt	Mineta
Bolling	Giaimo	Minish
Bonior	Gibbons	Mitchell, Md.
Bowen	Ginn	Mitchell, N.Y.
Brademas	Glickman	Moakley
Breaux	Goldwater	Moffett
Breckinridge	Gonzalez	Mollohan
Brinkley	Gore	Montgomery
Brodhead	Gradison	Moore
Brooks	Grassley	Moorhead, Calif.
Brown, Calif.	Green	Moorhead, Pa.
Brown, Mich.	Gudger	Moss
Brown, Ohio	Guyer	Murphy, Ill.
Broyhill	Hagedorn	Murphy, Pa.
Buchanan	Hall	Murtha
Burgener	Hamilton	Myers, Gary
Burke, Calif.	Hammer-schmidt	Myers, John
Burke, Fla.	Hanley	Myers, Michael
Burke, Mass.	Hannaford	Natcher
Burleson, Tex.	Harkin	Nichols
Burlison, Mo.	Harrington	Nix
Burton, John	Harris	Nolan
Burton, Phillip	Hawkins	Nowak
Butler	Heckler	Oberstar
Byron	Hefner	Obey
Carney	Heftel	Panetta
Carr	Hightower	Patten
Carter	Hillis	Patterson
Cavanaugh	Hollenbeck	Pattison
Cederberg	Holt	Pease
Chappell	Holtzman	Pepper
Clausen, Don H.	Horton	Perkins
Clay	Howard	Pettis
Cleveland	Hubbard	Pickle
Cochran	Huckaby	Pike
Coleman	Hughes	Poage
Collins, Ill.	Hyde	Pressler
Conable	Ichord	Preyer
Conte	Ireland	Pritchard
Corcoran	Jeffords	Pursell
Corman	Jenkins	Quayle
Cornell	Jenrette	Quillen
Cotter	Johnson, Calif.	Rahall
Coughlin	Johnson, Colo.	Railsback
Cunningham	Jones, N.C.	Regula
D'Amours	Jordan	Reuss
Daniel, Dan	Kasten	Rhodes
Daniel, R. W.	Kastenmeier	Richmond
Danielson	Kazen	Rinaldo
de la Garza	Kemp	Risenhoover
Delaney	Ketchum	Roberts
Dellums	Keys	Robinson
Dent	Kildee	Roe
Derrick	Kindness	Rogers
Derwinski	Kostmayer	Roncalio
Devine	Krebs	Rooney
Dickinson	Krueger	Rose
Dicks	LaFalce	Rosenthal
Diggs	Lagomarsino	Rostenkowski
Dingell	Le Fante	Rousselot
Dodd	Leach	Roybal
Downey	Lederer	Ruppe
Drinan	Leggett	Russo
Duncan, Oreg.	Lehman	Ryan
Duncan, Tenn.	Lent	Santini
Early	Levitas	Sarasin
Eckhardt	Livingston	Sawyer
Edgar	Lloyd, Calif.	Scheuer
Edwards, Ala.	Lloyd, Tenn.	Schulze
Edwards, Calif.	Long, La.	Sebelius
Edwards, Okla.	Long, Md.	Seiberling
Emery	Lott	Sharp
English	Lujan	Shipley
Erlenborn	Luken	Sikes
Ertel	Lundine	Sisk
Evans, Colo.	McClory	Skelton
Evans, Del.	McCloskey	Skubitz
Fary	McCormack	Slack
Fascell	McEwen	Smith, Iowa
Fenwick	McFall	Smith, Nebr.
Findley	McHugh	Snyder
Fish	McKay	Solarz
Fisher	McKinney	Spellman
Fithian	Madigan	Spence
Flood	Maguire	St Germain
Florio	Mahon	Staggers
Flynt	Markey	Stangeland
Foley	Marks	Stanton
Ford, Mich.	Marriott	Stark
Ford, Tenn.	Martin	Steed
Fountain	Mattox	Steers
Fowler	Mazzoli	Steiger
Fraser	Meeds	Stockman
Frey	Metcalfe	Studds
Gammage	Meyner	Taylor
Gaydos	Michel	Thompson
Gephardt	Mikulski	Thone
Giaimo	Miller, Calif.	Trawler
Gibbons	Mineta	Treen
Ginn	Minish	Trible
Glickman	Mitchell, Md.	Udall
Goldwater	Mitchell, N.Y.	Ullman
Gonzalez	Moakley	Van Deerlin
Gore	Moffett	Vander Jagt
Gradison	Mollohan	Vanik
Grassley	Montgomery	Vento
Green	Moore	Volkmer
Gudger	Moorhead, Calif.	Waggonner
Guyer	Moorhead, Pa.	Walgren
Hagedorn	Moss	Walsh
Hall	Murphy, Ill.	Wampler
Hamilton	Murphy, Pa.	Watkins
Hammer-schmidt	Murtha	Waxman
Hanley	Myers, Gary	Weaver
Hannaford	Myers, John	Weiss
Harkin	Myers, Michael	White
Harrington	Natcher	Whitehurst
Harris	Nichols	Whitley
Hawkins	Nix	Whitten
Heckler	Nolan	Wiggins
Hefner	Nowak	Wilson, Bob
Heftel	Oberstar	Wilson, C. H.
Hightower	Obey	Wilson, Tex.
Hillis	Panetta	Winn
Hollenbeck	Patten	Wirth
Holt	Patterson	Wolff
Holtzman	Pattison	Wright
Horton	Pease	Wydler
Howard	Pepper	Wylie
Hubbard	Perkins	Yates
Huckaby	Pettis	Yatron
Hughes	Pickle	Young, Fla.
Hyde	Pike	Young, Mo.
Ichord	Poage	Young, Tex.
Ireland	Pressler	Zablocki
Jeffords	Preyer	Zeferetti
Jenkins	Pritchard	
Jenrette	Pursell	
Johnson, Calif.	Quayle	
Johnson, Colo.	Quillen	
Jones, N.C.	Rahall	
Jordan	Railsback	
Kasten	Regula	
Kastenmeier	Reuss	
Kazen	Rhodes	
Kemp	Richmond	
Ketchum	Rinaldo	
Keys	Risenhoover	
Kildee	Roberts	
Kindness	Robinson	
Kostmayer	Roe	
Krebs	Rogers	
Krueger	Roncalio	
LaFalce	Rooney	
Lagomarsino	Rose	
Le Fante	Rosenthal	
Leach	Rostenkowski	
Lederer	Rousselot	
Leggett	Roybal	
Lehman	Ruppe	
Lent	Russo	
Levitas	Ryan	
Livingston	Santini	
Lloyd, Calif.	Sarasin	
Lloyd, Tenn.	Sawyer	
	Scheuer	
	Schulze	

NAYS—34

Archer	Evans, Ga.	Miller, Ohio
Ashbrook	Evans, Ind.	Mottl
AuCoin	Forsythe	Oakar
Bauman	Goodling	Rudd
Broomfield	Harsha	Satterfield
Collins, Tex.	Jacobs	Schroeder
Conyers	Jones, Okla.	Shuster
Cornwell	Kelly	Symms
Crane	Latta	Walker
Davis	McDonald	Young, Alaska
Dornan	Marlenee	
Eilberg	Mathis	

NOT VOTING—41

Allen	Gilman	Quie
Badham	Hansen	Rangel
Barnard	Holland	Rodino
Biaggi	Jones, Tenn.	Runnels
Bonker	McDade	Simon
Caputo	Mann	Stokes
Chisholm	Mikva	Stratton
Clawson, Del	Milford	Stump
Cohen	Murphy, N.Y.	Teague
Flippo	Neal	Thornton
Flowers	Nedzi	Tsongas
Frenzel	O'Brien	Tucker
Fuqua	Ottinger	Whalen
Garcia	Price	

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Badham.
Mr. Biaggi with Mr. Allen.
Mr. Rangel with Mr. O'Brien.
Mr. Flowers with Mr. Caputo.
Mr. Fuqua with Mr. Runnels.
Mr. Mikva with Mr. Teague.
Mr. Nedzi with Mr. Del Clawson.
Mrs. Chisholm with Mr. Stump.
Mr. Garcia with Mr. Tucker.
Mr. Neal with Mr. Whalen.
Mr. Murphy of New York with Mr. Quie.
Mr. Simon with Mr. McDade.
Mr. Ottinger with Mr. Frenzel.
Mr. Price with Mr. Cohen.
Mr. Flippo with Mr. Gilman.
Mr. Stokes with Mr. Hansen.
Mr. Mann with Mr. Milford.
Mr. Tsongas with Mr. Holland.
Mr. Bonker with Mr. Thornton.

Mr. LEDERER changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SLACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 10587, GRAZING LANDS IMPROVEMENT ACT OF 1978

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1293), on the resolution (H. Res. 1233) providing for the consideration of the bill (H.R. 10587) to improve the range conditions of the public grazing lands, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7577, ECONOMIC OPPORTUNITY AND COMMUNITY SERVICES AMENDMENTS OF 1978

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1294), on the resolution (H. Res. 1234) providing for the consideration of the bill (H.R. 7577) to amend the Economic Opportunity Act of 1964, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12432, CIVIL RIGHTS COMMISSION ACT OF 1978

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1295), on the resolution (H. Res. 1235) providing for the consideration of the bill (H.R. 12432) to extend the Commission on Civil Rights for 5 years, to authorize appropriations for the Commission, to effect certain technical changes to comply with changes in the law, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AND PROVIDING CERTAIN PROCEDURES DURING CONSIDERATION OF H.R. 12928, PUBLIC WORKS APPROPRIATIONS FOR WATER AND POWER DEVELOPMENT AND ENERGY RESEARCH APPROPRIATION ACT, 1979

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1296) on the resolution (H. Res. 1236), waiving certain points of order and providing certain procedures during consideration of the bill (H.R. 12928) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1979

Mr. SHIPLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. SHIPLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12935, with Mr. ROSTENKOWSKI (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, all time for general debate had expired, and the bill had been considered as having been read and open to amendment at any point.

Are there any further amendments?

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment, my amendment No. 2.

The Clerk read as follows:

Amendment offered by Mr. COUGHLIN: On page 6, after line 23, insert the following new section:

SEC. 102. (a) None of the funds appropriated by any provision described in subsection (b) shall be expended or obligated for any purpose specified in such provision unless such funds so expended or obligated are subject to audit by the Comptroller General of the United States.

(b) For purposes of subsection (a), any provision in Title I of this Act following the provision relating to "COMPENSATION OF MEMBERS" and preceding the heading "JOINT ITEMS" is a provision described in this subsection.

Mr. COUGHLIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(Mr. COUGHLIN asked and was given permission to revise and extend his remarks.)

Mr. SHIPLEY. Mr. Chairman, may I make an inquiry? I was unable to determine which amendment this is.

Mr. COUGHLIN. The amendment No. 2, which I believe the gentleman has.

Mr. SHIPLEY. I might want to reserve a point of order, but I am not sure which amendment the gentleman is offering.

The CHAIRMAN pro tempore. The Clerk will again report the amendment.

The Clerk rereported the amendment.

Mr. COUGHLIN. I raise a point of order, Mr. Chairman. I thought that we were on my 5 minutes.

The CHAIRMAN. The gentleman from Pennsylvania had not proceeded to his debate.

Mr. SHIPLEY. Mr. Chairman, I reserve a point of order on the amendment.

Mr. COUGHLIN. Mr. Chairman, this is identical to an amendment offered last year by the gentlewoman from Massachusetts (Mrs. HECKLER) and the gentlewoman from New York (Mrs. CHISHOLM) to provide for a GAO audit of Members and committee accounts. It is the identical amendment that was raised at that time. It was not objected to on a point of order.

Mr. Chairman, I now yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. I thank the gentleman for yielding.

Mr. Chairman, once again on my own behalf and for my distinguished colleague from New York (Mrs. CHISHOLM) I offer an amendment to the legislative branch appropriations to make all tax-funded accounts of Members subject to an audit by the General Accounting Office.

I offer this amendment with a twofold purpose in mind. First, the amendment will bring Congress in line with other Federal agencies and give us, as Members, protection from accounting mistakes that happen—sometimes too easily—when there are no guidelines or procedures as is currently the case. Second, the amendment will go a long way toward restoring public confidence in the Congress by creating an accounting system for public money expended by Congress for its own operation.

I do not believe any Member of Congress has the time to maintain these accounts. Indeed, this function is always delegated. In my own case, my office manager handles the accounts, and, in addition, I have hired an outside accountant to oversee the process. Nonetheless, questions remain. I believe it is time to get the professionals to give us the answers.

When errors are made—for whatever reason—the Member of Congress is held accountable. In my judgment, a uniform, organized system of audits would not be an adversary to the Congress, rather, it would be a protection against the innumerable uncertainties of interpretation and variables which can make even the most carefully managed accounts vulnerable to public criticism.

The GAO audit would make public accountability a reality for the Congress.

Congress has never hesitated to require audits of other agencies. I believe the time has come when Congress should submit to an audit itself. Passage of this amendment would give a clear signal to the American public that we are concerned and do want to restore public confidence in the Government. These are days when public scrutiny has become a way of life and we should not avoid it, but rather meet it squarely and confidently.

Mr. Chairman, this legislation appropriates $922 million in public funds to operate this public body. I submit that it is our responsibility to modernize the handling of these funds, to give our recordkeeping the same scrutiny accorded the rest of the Government and to restore the faith of the people in America in the Congress. Public office is a public trust and public funds for any purpose should be open to public scrutiny. I urge my colleagues to join me in supporting this amendment.

Mr. SHIPLEY. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. COUGHLIN. I will yield, if the gentleman will yield me time when the gentlewoman from Massachusetts is completed.

Mr. SHIPLEY. Mr. Chairman, I would

like to ask exactly what would take place in this type of audit.

Mr. COUGHLIN. Mr. Chairman, I yield to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, the operations of the Comptroller General under this amendment would continue as under existing circumstances in that site at the Capitol where the office is presently located. The authority would provide an audit of Members' accounts and committee accounts. It would provide that authority to be utilized by the GAO.

Mr. SHIPLEY. Mr. Chairman, if the gentleman will yield further, does it extend in any way the present audit system that we have now in the House?

Mr. COUGHLIN. Mr. Chairman, I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, it extends the authority that now exists in law but is not necessarily a change in existing law. It affirms the authority of the GAO which presently exists in the House; however, I do not believe that the GAO is able to examine Members' accounts and this amendment clarifies that authority. However, it does not mandate audits across the board of every Member at any particular time.

Mr. SHIPLEY. Mr. Chairman, would the gentlewoman answer another question for me again. I am not quite clear in my own mind what exactly would this amendment require the Comptroller General to do specifically?

Mrs. HECKLER. I believe that this amendment would provide an expansion of the number of accounts which the GAO is presently auditing including the tax-funded accounts of Members of Congress and our legislative committees, as covered by the general legislative appropriation bill. We are in this bill dealing with an appropriation of $992 million. I believe that these public funds should be subject to audit. This amendment merely affirms the legal authority to the GAO to conduct such audits.

Mr. SHIPLEY. Mr. Chairman, I still reserve my point of order.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. COUGHLIN) has expired.

(By unanimous consent, Mr. COUGHLIN was allowed to proceed for 1 additional minute.)

Mr. COUGHLIN. Mr. Chairman, I would just like to say that all the other branches of Government are audited by the GAO. The executive branch is audited. The White House is audited. The Supreme Court is audited. The CIA is audited. There is no reason why these accounts of our own should not be audited. As I look at it, it is a real protection to the Members. It would help you and me to say that our accounts are audited. If they are questioned, we can say that they are audited by the GAO and it would help protect us as well as increase the credibility of the institution in which we serve and of which we are so proud.

POINT OF ORDER

Mr. SHIPLEY. Mr. Chairman, I would like to be heard on the point of order.

Mr. Chairman, I insist on my point of order.

Mr. Chairman, I object to the amendment and make a point of order against it on the grounds that it imposes additional duties on the Comptroller General and, as such, is in violation of clause 2, rule XXI of the House. The additional duties implied by the amendment might involve the Comptroller General insisting that time and attendance reporting systems be set up in Members and committee offices and may require setting up annual and sick leave systems and involve examination of Members' personal diaries, perhaps even their personal financial records. These are duties and procedures clearly beyond the offices of the Comptroller General's present audit authority. Under paragraph 842 of clause 2, rule XXI:

> An amendment may not impose additional duties, not required by law, or make the appropriation contingent upon the performance of such duties . . . then it assumes the character of legislation and is subject to a point of order.

Mr. COUGHLIN. Mr. Chairman, may I be heard further on the point of order?

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The gentleman from Pennsylvania (Mr. COUGHLIN) is recognized.

Mr. COUGHLIN. Mr. Chairman, let me say that the amendment imposes no additional duties on the General Accounting Office. It proposes that these accounts be subject to audit by the GAO.

Title 31, section 67, of the United States Code annotated says as follows:

> . . . the financial transactions of each executive, legislative, and judicial agency, including but not limited to the accounts of accountable officers, shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States.

In a memorandum to the Comptroller General from the general counsel of the General Accounting Office, the following language appeared:

> Our authority under the Budget and Accounting Act, 1921, to investigate all matters relating to the receipt, disbursement, and application of public funds also extends to the Congress.

I continue to quote from the memorandum, as follows:

> Similarly, our authority in the Accounting and Auditing Act of 1950 to audit all financial transactions, not limited to accountable officer transactions, extends to legislative agencies . . .

Mr. Chairman, it is very clear that the General Accounting Office already has the authority and the duty to audit the accounts of the legislative branch, and this amendment in no way expands or extends that authority. The General Accounting Office has taken a position that it is interested in having an expression of the will of the legislative branch as to whether it wishes the General Accounting Office to carry out that function. This amendment would be an expression of that will.

Mr. Chairman, the amendment would in no way expand the authority of the General Accounting Office or impose additional duties on the General Accounting Office; it would only make these accounts subject to audit.

Mr. SHIPLEY. Mr. Chairman, may I be heard further on my point of order?

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

Mr. SHIPLEY. Mr. Chairman, in the colloquy with the gentlewoman from Massachusetts (Mrs. HECKLER), she stated that the amendment would extend the present authority of the GAO.

Again, Mr. Chairman, I press my point of order.

Mr. COUGHLIN. Mr. Chairman, if I may be heard further on the point of order, I will say in answer to the gentleman from Illinois (Mr. SHIPLEY) that I do not think the amendment would extend the present authority of the GAO.

The CHAIRMAN pro tempore (Mr. ROSTENKOWSKI). The Chair is ready to rule.

The Chair certainly agrees that the language in the amendment is ambiguous. The Chair takes into account, however, the debate, and the debate as observed by the Chair indicates the amendment certainly does extend the authority of the Comptroller General and is subject to a point of order.

The Chair does recognize that there are conflicting interpretations of the amendment under discussion. However, the Chair has a duty under the precedents to construe the rule against legislation strictly where there is an ambiguity. The Chair feels he must sustain the point of order based on the interpretations given the amendment during the debate.

Mr. COUGHLIN. Mr. Chairman, may I inquire, is the debate subject to a point of order?

The CHAIRMAN pro tempore. The Chair will state that it has to make a determination based on the debate, and the Chair sustains the point of order.

Mrs. HECKLER. Mr. Chairman, may I be heard?

The CHAIRMAN pro tempore. The Chair sustains the point of order.

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

CONTINGENT EXPENSES OF THE HOUSE

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, $59,967,000, including: Official Expenses of Members, $38,367,989; supplies, materials and administrative costs, $2,578,511; furniture and furnishings, $1,085,000; reporting hearings for stenographic reports of hearings of committees, including special and select committees, $1,501,000; reemployed annuitants reimbursement, $2,099,700; Government contributions to employees' life insurance fund, retirement fund, and health benefits fund, $14,000,000; and miscellaneous items including, but not limited to, purchase, exchange, hire, driving, maintenance, repair and operation of House motor vehicles, and not to exceed $55,000 for the purposes authorized by section 1 of House Resolution 348, approved June 29, 1961, as amended by House Resolutions 434 and 1047, Ninety-fifth Congress $334,800.

The Clerk read as follows:

Amendment offered by Mr. COUGHLIN: On page 5, line 10, strike "$59,967,000" and in-

sert in lieu thereof "$53,209,850"; on line 11, strike "$38,367,989" and insert in lieu thereof "$31,610,839".

Mr. COUGHLIN. Mr. Chairman, this amendment will give us the opportunity to determine whether we are willing to do the same thing to ourselves that we have done to the Department of Health, Education, and Welfare, and that is whether we are willing to take a cut in our own official expense allowances.

The amendment proposes a total reduction in allowances. Each Member now has an allowance of approximately $87,598. That is an average figure, because Members' allowances differ, depending on what part of the country they are from.

The amendment would propose a cut in that $87,500 allowance of approximately $15,400, depending upon the area in which the Member lived. It would save a total of $6 million to the U.S. taxpayers.

What does the $15,000 per Member represent? It represents some of the additional benefits that we have conferred upon ourselves at the expense of the taxpayers in the last few years. First, a couple years ago, the Members will recall, we gave ourselves a constituent communications allowance. Previous to that time, the taxpayers did not pay for the printing of our newsletters and questionnaires. They were paid for by private funds. The constituent communications allowance would permit approximately six mass mailings to each congressional district each year. This amendment would propose to cut the funds only in half and limit that to three; just to cut the funds, but not to limit the numbers.

Then in the course of our reform procedure, the Members will recall, we abolished what we call office accounts or slush funds. Very few Members had any of those, anyway. But because of the injury that that might have precipitated to some Members, we gave each of us $5,000 to make up for that injury, the abolishment of office slush funds, which very few Members had, in any case.

And, finally, recently we increased our allowances for our district offices by 1,000 square feet, from 1,500 square feet, creating an increased allowance to the average Member of $7,500.

The amendment would in no way reduce the square footage allowed. It just takes away some of the extra money we have conferred upon ourselves and is now in a consolidated account which can be spent for any purpose. It would cut back and it would eliminate extra funds that we have conferred upon ourselves in the last couple of years at the taxpayers' expense. It is a real test to see whether we are willing to take the leadership and to impose upon ourselves some of the same fiscal stringencies that we are asking of other parts of the government and that we are asking of the American people as a whole.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of the amendment proposed by the Republican Task Force on House Reform. In a time when taxpayers have been asking us to search everywhere for economies, these items—which work out to over $15,000 per Member—are obvious candidates for deletion.

A "yes" vote on this amendment will do three things. It will repeal the $5,000 increase in office allowances for each Member voted by this House last year. It will repeal last year's $7,900 increase in district office rent allowances. And it will cut in half the $5,000 constituent communications allowance. In total, the amendment will save about $6.7 million a year.

Aside from the savings to the taxpayers, the amendment will also reduce the clear advantage which incumbents enjoy at election time. Voters in my district have told me time and again that they do not want taxpayer financing of congressional campaigns. Yet all these goodies which the House continually votes for itself under the guise of "allowances" amount to little more than taxpayer subsides for reelection of the Members.

The $5,000 increase for unspecified expenses voted by the House last year is little more than a bribe to compensate Members for giving up their privately supported newsletter accounts. I for one would rather see us return to contributor-supported accounts with proper reporting and limitation safeguards. There is nothing wrong with constituents voluntarily contributing to a newsletter account. But why should they be involuntarily taxed for it? I submit that if the Members are too lazy and/or unpopular to raise such funds on their own, Uncle Sam should not be called upon to do it for us.

The bill currently before us provides $922.5 million for operations of the House of Representatives next year. that works out to over $2 million per Congressman. I, for one, think that is just too expensive. These cuts, combined with the other amendments proposed by the task force to require an audit of our office accounts and payment for the many free publications we receive and distribute to voters each year, would be a good way to start whittling away at that figure and restoring public faith and confidence in their elected officials.

I urge a "yes" vote on the amendment.

Mr. COUGHLIN. Mr. Chairman, I certainly agree with the gentleman. It is no secret, certainly, that these funds are an assistance to incumbents, that they can be used for the advancing incumbency of an individual, and certainly that should not be done at the taxpayers' expense.

Mr. SHIPLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. THOMPSON. Will the gentleman yield?

Mr. SHIPLEY. I yield to the gentleman from New Jersey (Mr. THOMPSON), the distinguished chairman of the Committee on House Administration.

Mr. THOMPSON. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment. It is an example of trying, really, to legislate on an appropriations bill, and it displays, really, a remarkable lack of understanding of the new system under which we work.

Mr. Chairman, what the gentleman does and what he has done is to suggest that we have what he calls slush funds. My only familiarity with them is the funds that we used to read about that the Republican National Committee used to give to certain Members in lump sums to help them out. The display of a lack of knowledge of the system is astounding, especially considering the amendment, for instance, which the Chair held to be legislation, and therefore out of order.

The fact of the matter is that if the law had been looked at by the gentlewoman from Massachusetts and the gentleman from Pennsylvania, 31 United States Code, section 1154, they would have seen that the accounts referred to are already subject to audit.

The Committee on House Administration requires audits of all expenditures disbursed by the Clerk, by the GAO, every quarter, and they are published in this publication called the Report of the Clerk. All of that and all of the revolving funds are reported.

What is the effect of the amendment before us?

It is an average 18 percent reduction in all of the Members' allowances, which have been consolidated into just two; one for staff alone, and the other for all other purposes.

Therefore, in effect, the gentleman is saying, "We will take 18 percent of the 1,000 square feet additional office space." You cannot have that. Or the gentleman is saying, "We will take 18 percent of each particular item, whether it be travel, communications, or anything else."

Mr. Chairman, the allowances which the gentleman wishes to reduce have been approved by this body through the legislative process. Now the gentleman is trying to reverse the process without the benefit of the committee system.

I would suggest that the appropriate vehicle would be the introduction of a resolution which addresses these proposed reductions, which could be handled in an orderly manner.

In addition, the gentleman's amendment would work an undue hardship on a number of Members. The Clerk, in preparing the budget for these items, has requested funding at various levels to reflect the spending patterns of the Members. As we all know, some of us spend all of our allowances; and some spend a great deal less. To make the reduction suggested by the gentleman's amendment would severely impact those Members who, because of the cost of doing business in their areas—high rent, for instance, and the demands of their constituents and the level of service they deem appropriate—they use all of their provided allowances. However, those of us who do not totally use our allowances would not be so severely impacted.

Mr. Chairman, this is easily the most convoluted logic to arrive at an illogical decision that I have ever seen. It just does not make any sense to cut 18 percent across the board or $15,000 out of each one's allowance.

If, indeed, the gentleman thinks that specific allowances should be cut, then he ought to draft legislation and send it through the committees where it would

be debated and brought to the floor rather than to do it in this manner.

Mr. Chairman, I very strongly oppose this amendment. I do regret that my friend, the gentleman from Pennsylvania (Mr. COUGHLIN), seems not to understand the auditing process.

To go into the offices and audit is like a bank examination in which the examiner goes in and examines the individual check books which amount to only memoranda of the customers of the bank.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. SHIPLEY. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, of course, the amendment before us right now has nothing to do with an audit.

Mr. THOMPSON. In order to arrive at the gentleman's 18-percent reduction, the gentleman does have to have an audit, does he not?

Mr. COUGHLIN. No.

Mr. THOMPSON. The gentleman is just going to cut it willy-nilly; is that right?

Mr. COUGHLIN. Perhaps the gentleman is unaware of the action of his own committee in consolidating these accounts.

Mr. THOMPSON. The gentleman is well aware of the allowances and of who uses the allowances.

Mr. COUGHLIN. This is just a reduction in overall allowances given to each Member.

Mr. THOMPSON. And they are audited, and the circumstances should not be changed.

Mr. ARMSTRONG. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, let me begin by complimenting my colleague, the gentleman from Pennsylvania (Mr. COUGHLIN), for his perspicacity and foresight in presenting this amendment, a modest reduction in the $1.1 billion expenditure for running Congress.

Let me refresh the recollection of those who have not looked at the numbers lately. Within the last 5 years the cost of running the Congress of the United States has nearly doubled. It has increased fifteenfold within recent memory.

Mr. Chairman, I invite the attention of the Members to page 55 of the committee report which traces the sorry pattern by which the expenditures for running Congress have increased from some $70 million to an estimated $1.1 billion now.

If I understand what the gentleman has proposed, it is a very, very modest reduction in a vastly overblown budget. I congratulate him also on his foresight, because this is a proposal he advanced well before the voters in California spoke so eloquently on proposition 13 a few days ago.

Mr. Chairman, out in California some of the people were told over and over again:

> You do not understand. This is not the place or the time to make a cut. Don't cut us. Cut somebody else.

There is always an excuse as to why the main issue cannot be joined.

Of course, we all know that that is precisely the situation here in the House of Representatives. Although we pay lipservice to the idea of economizing, when we have authorizing legislation before us, it is always said to be the wrong time to cut spending. When we have appropriation bills before us and we try to make reductions, we are accused of trying to legislate on an appropriation bill.

Mr. Chairman, this is a modest cut. Let us go along with it.

Mr. STUDDS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I cannot for the life of me understand what appears to me to be the spinelessness of this institution and the lack of courage on our own part to stand up and defend ourselves and the integrity of this House before the public.

This is my sixth year in this body. It is the first year in which the allowances appear to be close to adequate to cover what I consider to be, and what I am prepared to defend before every one of my constituents, as the legitimate expenses of holding this office. I came to this office with very little, if any, personal resources. In my first two terms, I spent many, many thousands of dollars out of my own pocket on legitimate official expenses above and beyond the allowances provided by this House. I think that is disgraceful. I remember the old FTS phones in the last two Congresses, where we had to sit around waiting until after 5 o'clock in the evening to make long distance calls.

I doubt if anybody in the executive offices or in any other self-respecting business has ever put themselves in such a position as that.

The gentleman says that the congressional allowance covers six mailings, but in my case it covers less than two. It takes 230,000 copies to send one mailing. I would submit to the gentleman that if we do not communicate with our constituents, if we do not solicit their views, we are just not fulfilling our legitimate responsibilities.

I came to this body thinking that it was one-third of this Federal Government, a coequal, third branch. This budget, as I understand it, is approximately one-fifth of 1 percent of the Federal budget. Why we feel it necessary to get up and flagellate ourselves on cutting 20 percent of 1 percent of the budget for the third, coequal branch of Government, I cannot for the life of me understand.

If Members are concerned about how their constituents feel, it might be a darned good idea to go home and find out. I had to pay—and I am sure many Members did, too—for dozens and dozens of trips out of my pocket, because we did not have the courage for many, many years to demand an allowance sufficient to go home and do the job we were elected to do.

It is too expensive as it is to gain access to this office. We are close to the time when only the wealthy can gain access to it. I think the worst mistake we can possibly make is to say that not only do you have to be rich to come here, but once you get here you have to be rich to serve in this position. I do not for one moment hesitate to go home to my constituency—I have made precisely this speech every year I have been here—and I was elected in what was called the most marginal district in this Congress. People said:

> You can't vote for these allowances.

I said:

> Nonsense, any constituency that does not have someone with the courage to say to his or her people that he or she needs a reasonable amount of money to serve them is not doing this job properly.

This is not money that has to be spent. It is up to us to do whatever we wish. We are publicly accountable for what we do. Every dime we spend is printed on the public record, and I for one think that our constituents are intelligent enough to determine for themselves whether we are discharging the duties we are elected to perform.

Mr. Chairman, I urge defeat of this amendment and any others like it.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. COUGHLIN. Mr. Chairman, I demand a recorded vote, and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will count. One hundred two Members are present, a quorum.

Mr. COUGHLIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CONTE:
>
> On page 32, after line 7, insert the following paragraph: Of the total budget authority provided in this Act, for payments not required by law, five per centum shall be withheld from obligation and expenditure; *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed ten per centum.

Mr. CONTE. Mr. Chairman, I offer this amendment to provide for a 5-percent across-the-board cut in the legislative appropriations bill for fiscal year 1979; and I respectfully submit, Mr. Chairman, that this Chamber should adopt this amendment if we want to be consistent, and if we want to be fair.

We have just concluded debate on the Labor-HEW appropriations bill—possibly the most important funding bill to be considered by the House this year. It is a bill to provide money to promote the common welfare, to educate the young, to care for the ill, and to aid the impoverished. Yet we saw fit, Mr. Chairman, to approve an amendment to that bill that provided across-the-board cuts in funding.

First, we passed the amendment to lop $1 billion off of what we know are really uncontrollable expenditures. Then, just yesterday, this House voted to ap-

prove what was explained as an across-the-board cut of $800 million in controllable spending. In effect, what we did, Mr. Chairman, supposedly under the guise of fiscal responsibility, and supposedly in response to the will of the people, as expressed through proposition 13 in California, was to pass through these two amendments a $1.8 billion cut—a 5-percent cut in vital appropriations. Oh yes, in our supposed responsible reaction to proposition 13, we aimed our meat ax at elementary education, at aid for the elderly, the handicapped, and the poor; and at research in heart disease, lung disease, and cancer.

I submit, Mr. Chairman, that if we really want to be responsive to the taxpayer revolt expressed through proposition 13, we need look no further than the halls of this Congress. Nowhere in Government are perquisites so readily available. Nowhere is there more fat available to be cut. Look at the way the number of staffs and staffers have increased. We have got people here falling all over one another. For instance, for a branch made up of 535 members, we have 1,180 policemen at an estimated cost of over $23 million. We have to face the fact that the fringe benefits around here are sickening and shameful.

When I came to Congress, the legislative appropriation (for 1958) was $104.8 million. This bill provides $1.12 billion.

We now propose to spend $12,500 per Member—for a total of $5.5 million—on House wall calendars, historical society calendars, agricultural yearbooks, and botanic garden plants. And this does not include all of the free GPO pamphlets we get.

This bill blithely provides an additional $11.9 million over fiscal year 1978 in pay increases and related costs—for just the House.

When the public raised an outcry against our "office accounts" or "slush funds," we abolished them, but we gave ourselves, each one of us, an additional $5,000 in allowances—to make up for the loss of something we were not entitled to in the first place.

It is no secret, Mr. Chairman, that in my 20 years in the Congress, I have always opposed across-the-board cuts. I strongly believe that they force irresponsible and arbitrary reductions in needed services. But, Mr. Chairman, if we are going to have across-the-board cuts, and we have voted to have them, those cuts should begin right here at at home. If we are really moved by proposition 13, and if we want to show the people that we are going to respond to it responsibly, let us show the people that we are willing to start right here at home, in our own house.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I thank the distinguished gentleman from Massachusetts (Mr. CONTE) for yielding and ask that the record show that I endorse his well presented views and that I want to associate myself with his remarks.

Mr. CONTE. I thank the gentleman from Florida for the comments he has made.

Mr. SHIPLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

Very simply, Mr. Chairman, I think this appropriation bill has been reduced as much as it can possibly be. We sat in the markup session for a long time and I would have to commend the gentleman from Colorado (Mr. ARMSTRONG) and the gentleman from Pennsylvania (Mr. COUGHLIN) for their insistence on many of these items that we have cut. I strongly believe we have cut this down to where we cannot stand another cut, even of 1 percent.

I would oppose the amendment also by saying that I believe the majority of the Congress deserves those funds we have made available. I believe that the Library of Congress and the other agencies throughout the bill have been held back for several years and simply cannot stand any more restraint.

I know that some of the other Members might want to respond.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. SHIPLEY. I yield to the gentleman from New Jersey.

Mr. THOMPSON. The concept of a 5-percent cut sounds very attractive. With respect to the Members' allowances, for instance, it can easily be done on a voluntary basis. The gentleman from Massachusetts (Mr. CONTE) my distinguished friend who offered this amendment, as I looked over the detailed statement of disbursements from the contingent fund from October 1, 1977, to December 31, 1977, extended slightly less than his allowance. In other words, he cut himself probably a little bit more than 5 percent. But had there been a natural catastrophe in his district, as has happened in a number of others, or a particular situation demanding his attention and his personal presence, he would have had the latitude in order to be able to handle it. There is no requirement on Earth that a Member should spend all of his allowance. Indeed, I doubt that the gentleman does. I think that he is cutting more than 5 percent, but to do it across the board is not, I respectfully submit, the responsible way to do it. We go over these things in the Committee on House Administration with a fine-toothed comb.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

The gentleman knows I have been a supporter of the gentleman on many, many issues. I think he missed my point. They did this to the HEW bill. There we were dealing with poverty, sickness, health, education, and all the rest, and if we cannot do it to ourselves, then why do it to them?

Mr. THOMPSON. I did not vote for any of those cuts. I did not do it to the poor—and I am not alone—and I do not want to do it to myself. If the gentleman wants to cut himself, that is all right. I will provide a Band-aid. But the fact is that I did not vote to cut. Even in the days when mail was delivered by pony, they used to change ponies every once in awhile. This proposition 13 horse must be the most exhausted animal that ever lived, and nobody has changed it yet. It is ridiculous to try to equate it with this. Incidentally, I might counsel not only here, but elsewhere that those of us from other States should observe the action of California and see what effect it has out there before we jump on that beat-up, tired horse.

Mr. SHIPLEY. Mr. Chairman, I yield back the remainder of my time.

Mr. ARMSTRONG. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment. I am wondering if the distinguished chairman of the Committee on House Administration would step to the microphone to amplify a thought that he began a moment ago. The chairman was discussing latitude. I am under the impression that in many instances the Committee on House Administration has exercised a great deal of latitude in providing certain kinds of services and making available to Members for lease or purchase items which had not been previously available to them. The practice, over the years, has been to delegate to the Committee on House Administration a considerable amount of such latitude. I wonder if the gentleman could mention some of the services and products which have been made available by the Committee on House Administration under that latitude.

Mr. THOMPSON. If the gentleman will yield, I would be very pleased to. I might point out to my distinguished friend, the gentleman from Colorado, that we have the latitude only—and I quite approve the change in the system—to take into account increasing prices because of the cost-of-living increases, inflation and such. We have made available on an optional basis, without increasing the allowance, the bellboys which the Members can hear in the Chamber so often because some Members forget to shut them off. We have made available, if the Members choose, television equipment so that they can watch these debates.

Mr. ARMSTRONG. Television sets in Members' offices?

Mr. THOMPSON. That is right.

Mr. ARMSTRONG. Television sets in the office of each Member of the House?

Mr. THOMPSON. Each Member who chooses to purchase one out of his allowance may do so; but it is by no means mandatory. By the number of orders I have seen and approved, it is obviously very popular and the Members like it.

We have embarked upon highly sophisticated voting and computer systems. We really honestly think we are into the 20th century now and I think we are completely responsible.

All these actions are taken in open meetings. Anything beyond the limitations placed on us, quite proper limitations, must be brought to the floor as an item for approval.

I think we have done a really splendid job on both sides of the aisle in the committee.

Mr. ARMSTRONG. Mr. Chairman, could the chairman mention more specifically what items have to come to the floor for approval and which do not?

Mr. THOMPSON. Any increase in a Member's staff allowance, either in terms of dollars or the number of slots would have to be brought to the floor of the House. That is the most dramatic example.

Any other monetary addition to the current allowances for either a Member's staff hire or a Member's overall allowance would have to come to the floor for an increase.

Mr. ARMSTRONG. Mr. Chairman, I appreciate that explanation. I wanted to elicit it because it bears on the overall discussion.

I am persuaded by the logic of the remarks of the gentleman from Massachusetts (Mr. CONTE) that a cut is in order.

It also seems to me we need to be conscious and entertain later in the debate an amendment to make it clear that future increases in the kinds of products and services available to us would be looked at here on the floor, rather than only in the committee. That, of course, is not the amendment before us, but the amendment of the gentleman from Massachusetts (Mr. CONTE) I would support.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield further?

Mr. ARMSTRONG. Yes, of course, I am pleased to yield.

Mr. THOMPSON. Mr. Chairman, I might find myself in agreement with that, if there were certain elements taken into consideration. For instance, we have a Subcommittee on Office Systems and Mechanical Equipment, chaired by the gentleman from West Virginia (Mr. MOLLOHAN), who is notoriously stingy in this regard. If a new piece of dictating equipment comes out, it is tested. It is brought before the subcommittee of the gentleman from West Virginia (Mr. MOLLOHAN). It is either approved or disapproved, taken before the full committee and approved or disapproved.

To take the time of the House for all those technological changes within the current allowance would, indeed, waste a lot of money, more money simply to print the debate in the RECORD than the cost of equipment itself.

We try to use good judgment in these matters. Furthermore, we are trying as best we possibly can to buy only American-made products.

Mr. ARMSTRONG. Mr. Chairman, perhaps since we are pursuing that question, let me ask specifically about these technological changes.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. ARMSTRONG) has expired.

(By unanimous consent, Mr. ARMSTRONG was allowed to proceed for 1 additional minute.)

Mr. ARMSTRONG. Mr. Chairman, to be specific, let me propose a hypothetical question, perhaps not too far-fetched an example. Would the House Committee on Administration feel it is within their purview to provide videotape records for their use?

Mr. THOMPSON. Mr. Chairman, if the gentleman will yield further, I am not prepared to answer on the specific process that would be required to provide videotape recorders for the use of the committee. Since the committee does not have TV reception capability we have no need for a video recorder. The only request we have is from our distinguished gentleman from California (Mr. ROUSSELOT), who spends so much time here that the gentleman would like to go back to his office and look at himself afterward.

Mr. ARMSTRONG. I do appreciate that approach and I know that one of the Members has an amendment that goes to forbid purchase of TV recorders. Perhaps it is unnecessary in the light of the chairman's assurance.

I thank the gentleman from New Jersey for his explanation.

AMENDMENT OFFERED BY MR. MILLER OF OHIO AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. CONTE

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio as a substitute for the amendment offered by Mr. CONTE: On page 32, after line 7, insert the following paragraph:

Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

Mr. MILLER of Ohio. Mr. Chairman, I will not take 5 minutes to explain this substitute amendment; I will take only a very short time. I want to convey a message.

This is the same amendment I have offered to the HEW bill; it is the amendment that was approved. It is the same amendment that was offered to the State, Justice, Commerce, and judiciary bill, and it was approved.

This provides for a 2-percent reduction, and the amendment it would replace would reduce the amount in the present bill by $46 million. The 2-percent amendment that I am offering now would reduce the amount in the present bill by $18 million.

Mr. Chairman, I ask that the Members support this amendment calling for a flat 2-percent reduction.

Mr. SHIPLEY. Mr. Chairman, I rise in oppostion to the amendment.

Mr. Chairman, we have had these 2-percent cut amendments for the last week or so. I do not think there is anything I can say that would be new.

However, as I said before, I think this is an area where the committee has sincerely attempted to make those reductions that are required. I think if the gentleman from Ohio (Mr. MILLER) would look at the budget increases we have had in this appropriation for the past 3 or 4 years, he would find they have actually grown very little.

Therefore, Mr. Chairman, I oppose both the amendment and the substitute.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am not going to take 5 minutes. I only wish to point this out:

I used to serve on the Committee on House Administration, and I do not know, during the time I served on that committee, of a Member of this House who did not come to me continually for something from that committee that he did not have.

How much is enough? Sometimes just a little bit more. That is what the average Member thinks.

If we cut 2 percent or 5 percent today, we are going to come back with a supplemental in order to make it up. We are not going to have any choice. There are some areas where we cannot cut.

Are you telling me we are going to cut in the area of police protection on this Hill? If we have a 2- or 5-percent cut, that is what we will be doing.

Are you telling me we will cut the services of the Library of Congress? That is included in this budget figure, too. If we cut 2 or 5 percent, that is what we are going to do.

Are you telling me we want to say to the people that we do not want mail delivered from our constituents? If we agree to this cut, we are going to cut the Post Office, too.

Let me tell you something about the Post Office. We have a postmaster who has been there 6 years. When he went there, he had 92 employees, and on the first of this month he had 92 employees. He was delivering 25 million pieces of mail a year when he went there 6 years ago, and he is delivering nearly 125 million pieces of mail a year now. The Senate Post Office has the same number of employees but delivers only one-fourth the mail.

We have all these additional buildings and all these other services that are required. We can go ahead and cut, but take it from one Member who is leaving here: You are kidding yourselves. Of course some of you who are staying hope those of us who are leaving will save you from yourselves.

I do not spend my allowance; many of the Members do not spend theirs either. If you want to cut, cut your own expenses, but leave this in for the Member who may need it. Some do need it; I do not. You can cut any amount you want to.

The Members can make the choice for themselves, but let us not be foolish and cut this appropriation in an effort to kid somebody when we are only kidding ourselves. We cannot kid the people.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Miller of Ohio substitute amendment.

Mr. Chairman, I oppose the Miller amendment because he offered a 2-percent reduction on the HEW bill, but he also said that the Michel amendment had been adopted which cut $1 billion prior to his amendment, making a total cut of $1.8 billion, which came to 5 percent.

So if the gentleman could take 5 percent away from HEW-Labor, he can

take 5 percent away from this fat budget here in the House.

Mr. Chairman, I say we should defeat the Miller amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER) as a substitute for the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the substitute amendment was rejected.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The question was taken; and on a division (demanded by Mr. CONTE) there were—ayes 28, noes 72.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 220, noes 168, not voting 46, as follows:

[Roll No. 455]

AYES—220

Abdnor	Drinan	Kazen
Ambro	Duncan, Tenn.	Kelly
Anderson, Calif.	Edgar	Kemp
Anderson, Ill.	Edwards, Ala.	Ketchum
Andrews, N.C.	Edwards, Okla.	Keys
Andrews, N. Dak.	Emery	Kildee
Archer	English	Kindness
Armstrong	Erlenborn	Kostmayer
Ashbrook	Ertel	Krebs
AuCoin	Evans, Del.	LaFalce
Bafalis	Evans, Ind.	Lagomarsino
Baucus	Fenwick	Latta
Bauman	Findley	Leach
Beard, Tenn.	Fish	Lent
Bennett	Fisher	Levitas
Boland	Fithian	Livingston
Bowen	Foley	Lloyd, Tenn.
Breaux	Forsythe	Lott
Brinkley	Fountain	Lujan
Broomfield	Fowler	Luken
Brown, Mich.	Frey	McClory
Brown, Ohio	Gammage	McCloskey
Broyhill	Gephardt	McCormack
Buchanan	Gibbons	McDonald
Burgener	Glickman	McEwen
Burke, Fla.	Goldwater	Maguire
Butler	Goodling	Marks
Byron	Gore	Marlenee
Carter	Gradison	Marriott
Cederberg	Grassley	Martin
Clausen, Don H..	Green	Mattox
Cleveland	Gudger	Mazzoli
Cochran	Guyer	Michel
Coleman	Hagedorn	Miller, Ohio
Collins, Tex.	Hall	Mitchell, N.Y.
Conable	Hamilton	Moffett
Conte	Hammer-schmidt	Montgomery
Corcoran	Hannaford	Moore
Cotter	Harkin	Moorhead, Calif.
Coughlin	Harsha	Mottl
Crane	Heckler	Myers, Gary
Cunningham	Hefner	Myers, John
D'Amours	Hightower	Natcher
Daniel, Dan	Hillis	Nichols
Daniel, R. W.	Hollenbeck	Nowak
Davis	Holt	Panetta
de la Garza	Hubbard	Pease
Delaney	Huckaby	Pettis
Derrick	Hughes	Pike
Derwinski	Hyde	Poage
Devine	Ichord	Pressler
Dickinson	Ireland	Pritchard
Dicks	Jacobs	Pursell
Dornan	Jenrette	Quayle
Downey	Johnson, Colo.	Quillen
	Jones, Okla.	Railsback
	Kasten	Regula
Rhodes	Smith, Nebr.	Walsh
Rinaldo	Snyder	Wampler
Risenhoover	Spellman	Watkins
Robinson	Spence	Weaver
Roe	Stangeland	Whitley
Rousselot	Stanton	Wiggins
Rudd	Steers	Wilson, Bob
Ruppe	Steiger	Winn
Russo	Stockman	Wirth
Sarasin	Symms	Wydler
Satterfield	Taylor	Wylie
Sawyer	Thone	Yatron
Schroeder	Treen	Young, Alaska
Schulze	Trible	Young, Fla.
Sebelius	Vander Jagt	Young, Mo.
Sharp	Volkmer	
Shuster	Walgren	
Skelton	Walker	

NOES—168

Addabbo	Flynt	Nolan
Akaka	Ford, Mich.	Oakar
Alexander	Ford, Tenn.	Oberstar
Ammerman	Fraser	Obey
Annunzio	Fuqua	Ottinger
Applegate	Gaydos	Patten
Ashley	Giaimo	Patterson
Aspin	Ginn	Pattison
Baldus	Gonzalez	Perkins
Beard, R.I.	Hanley	Preyer
Bedell	Harrington	Rahall
Bellenson	Harris	Reuss
Benjamin	Hawkins	Richmond
Bevill	Heftel	Roberts
Bingham	Holtzman	Rogers
Blanchard	Horton	Rooney
Blouin	Howard	Rose
Boggs	Jeffords	Rosenthal
Bonior	Johnson, Calif.	Rostenkowski
Brademas	Jones, N.C.	Roybal
Breckinridge	Jordan	Ryan
Brodhead	Kastenmeier	Scheuer
Brooks	Le Fante	Seiberling
Burke, Calif.	Lederer	Shipley
Burke, Mass.	Leggett	Sikes
Burleson, Tex.	Lehman	Sisk
Burlison, Mo.	Lloyd, Calif.	Slack
Burton, John	Long, La.	Smith, Iowa
Burton, Phillip	Long, Md.	Solarz
Carney	Lundine	St Germain
Carr	McFall	Staggers
Cavanaugh	McHugh	Stark
Chappell	McKay	Steed
Clay	McKinney	Stokes
Collins, Ill.	Madigan	Stratton
Conyers	Mahon	Studds
Corman	Markey	Thompson
Cornell	Mathis	Traxler
Cornwell	Meeds	Udall
Danielson	Metcalfe	Ullman
Dellums	Meyner	Van Deerlin
Dent	Mikulski	Vanik
Diggs	Miller, Calif.	Vento
Dodd	Mineta	Waggonner
Duncan, Oreg.	Minish	Waxman
Early	Mitchell, Md.	Weiss
Eckhardt	Moakley	White
Edwards, Calif.	Mollohan	Whitten
Eilberg	Moorhead, Pa.	Wilson, C. H.
Evans, Colo.	Moss	Wilson, Tex.
Evans, Ga.	Murphy, Ill.	Wolff
Fary	Murphy, N.Y.	Wright
Fascell	Murphy, Pa.	Yates
Flippo	Murtha	Young, Tex.
Flood	Myers, Michael	Zablocki
Florio	Nix	Zeferetti

NOT VOTING—46

Allen	Hansen	Rangel
Badham	Holland	Rodino
Barnard	Jenkins	Roncallo
Biaggi	Jones, Tenn.	Runnels
Bolling	Krueger	Santini
Bonker	McDade	Simon
Brown, Calif.	Mann	Skubitz
Caputo	Mikva	Stump
Chisholm	Milford	Teague
Clawson, Del	Neal	Thornton
Cohen	Nedzi	Tsongas
Dingell	O'Brien	Tucker
Flowers	Pepper	Whalen
Frenzel	Pickle	Whitehurst
Garcia	Price	
Gilman	Quie	

Mr. LEHMAN changed his vote from "aye" to "no."

Messrs. DE LA GARZA, FORSYTHE, DICKS, YOUNG of Alaska, and WALGREN changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to speak out of order.)

(Mr. MITCHELL of Maryland asked and was given permission to revise and extend his remarks.)

THE POSSIBILITY OF PSYCHIATRIC CARE FOR MEMBERS OF CONGRESS

Mr. MITCHELL of Maryland. Mr. Chairman, I have taken this time and have asked for unanimous consent to speak out of order merely to raise a question of the Members of this body: In the area of services that are available to the Members of the House I was curious as to whether or not we included psychiatric services? The reason I raise the question, and I am very serious, very serious, is because it is pretty clear to me that the situation in California has been a traumatic experience for many of us, and it might well be that if we had psychiatric services to sort of cushion the psychological impact of this it might be beneficial.

I was prompted to do this because of an article that appears in tonight's paper from Lake City, Tenn., wherein it says that the State Election Commission has routinely certified a mental hospital patient as a candidate for Governor.

David Collins, State election coordinator, says there was no reason for the commission to question the petition filed by a Mr. Miller who is a patient at the Veterans' Administration Hospital in Tennessee.

Miller is 51 and has listed his address as the Blue Haven Motel, and so forth.

Well, in light of such a psychological impact as the California situation, in all seriousness, I raise the question, and it is a perfectly proper one: Are psychiatric services available to all Members? And, if so, how frequently can those tests be given?

Maybe the Chair should not respond to that. Is there anyone in the House who knows about the availability of this kind of service?

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Illinois.

Mr. CRANE. I thank the gentleman for yielding.

I do not know of the availability of the service right now, but I have a brother in Indiana who is a psychiatrist running for Congress. If the Members will just throw their support behind him, I promise free service.

Mr. MITCHELL of Maryland. I thank the gentleman for that information, but if there is a sufficient number of Members who want to avail themselves of the service, I am not at all sure he is equipped to do it.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Kentucky.

Mr. SNYDER. I thank the gentleman for yielding.

Is this a personal request on the part

of the gentleman from Maryland, or is he speaking out of order?

Mr. MITCHELL of Maryland. I thank the gentleman for his comments. It is a personal request on the part of the gentleman from Maryland, on behalf of all of the Members.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Illinois: On page 32, after line 7, add the following new section:

"SEC. 306. No part of the funds appropriated in this Act shall be used to purchase new color television cameras and related equipment for the purpose of broadcasting the proceedings of the House except by the prior approval of the House and in accordance with the provisions of House Resolution 866."

Mr. ANDERSON of Illinois, Mr. Chairman, the amendment which I have offered is very simple in its language, very modest in its effect, and yet very necessary and important to the orderly development of a House broadcast system. My amendment simply states that none of the funds contained in this bill can be used to purchase new color TV cameras and related equipment except by prior approval of the House and in accordance with the provisions of House Resolution 866.

All that would seem very reasonable and perhaps superfluous if House Resolution 866, which was adopted by the House last October to authorize the radio and television broadcasting of our proceedings, is being complied with. But apparently there has been some confusion as to what House Resolution 866 authorizes and when it is proper to purchase a costly new color camera system for the House.

The House adopted House Resolution 866 last October 27 by a vote of 342 to 44. The resolution established a three-step process for developing a House broadcast system. Section 2 authorized the Speaker to devise and implement a system "for closed-circuit viewing in the offices of all Members and committees." Section 3 authorized the Rules Committee to study and report by February 15 on "all alternative methods of providing complete and unedited audio and visual broadcasting of the proceedings of the House of Representatives." And section 4 authorized the Speaker, after receipt of the Rules Committee's February 15 report, to devise and implement a system for "complete and unedited audio and visual broadcasting and recording" of House proceedings, and for the distribution of such broadcasts to the media.

There was no question in either the Rules Committee deliberations on House Resolution 866 or during the House floor debate that the Speaker's authority under section 2 was confined to providing a system "for closed circuit viewing of floor proceedings * * * in the offices of all Members and committees," and that this meant completing the closed-circuit cabling of the three House office buildings. This was made quite clear by the majority and minority floor managers of the resolutions who were also the two sponsors of the resolution, the gentleman from California (Mr. SISK) and the gentleman from Mississippi (Mr. LOTT). To quote from Mr. SISK's floor statement, at page 35426 of the October 27 RECORD:

This provision was included in the resolution to insure that the Speaker would be able to undertake installation of the cabling for the closed circuit system during the upcoming recess. Testimony by both Mr. Brooks and Mr. Cleveland at the Rules Committee hearing on October 13 indicated that this was the prime reason for taking a broadcast resolution to the floor at this time since it would be impossible from a technical standpoint to make the broadcast coverage available to the public until some time in the second session of this Congress.

By the same token, Mr. LOTT explained that the first purpose of the resolution was to "establish a closed circuit system for viewing the proceedings on the House floor." To quote further from his floor statement at page H11679 of the October 27 CONGRESSIONAL RECORD:

In other words, allowing the Speaker to go ahead and take action to devise and implement a system to have the activities on the House floor available in the Cannon and Longworth Buildings, committee rooms, and in the Capitol. The Speaker needs the authority in order to accomplish this and to begin on it right away, so that when we come back here in January or some time in February we can have that closed circuit system all over the Capitol area.

Nevertheless, on November 28 I received a letter from the Speaker dated November 23 in which he wrote in part, and I quote:

You should also know that I have directed the architect to complete all preliminary procedures for the purchase of broadcast equipment but to delay the actual purchase of the equipment until the Rules Committee has made its recommendations.

While I had thought that this effectively delayed the purchase of a costly new broadcast system until after a decision was made as to who should control that system, I was approached during the first week of May by a representative of the Speaker and urged to go along with the purchase of the new color cameras and related equipment. On May 5 I wrote to the Speaker and stated, and I quote:

In my opinion such a move would not only prejudge the House vote but would violate the spirit if not the letter of H. Res. 866 which inextricably links the implementation of a broadcast system (including the purchase and installation of cameras) to the decision on who should operate the system.

I further told the Speaker that he could unilaterally announce that he had decided on a House-controlled system and then proceed under the authority of that resolution to purchase new cameras. But I reminded him that on two public occasions, on "Meet the Press," December 11, 1977, and "Face the Nation," January 22, 1978, he had promised that the House would have a vote on whether the broadcast coverage should be controlled by the House or by the broadcast media. To quote further from my letter:

It therefore seems clear to me that the implementation of the House broadcast system, including the purchase of new color cameras, cannot take place until the question of control has been resolved by a House vote. To take this in reverse order would be ludicrous since we have no assurance the pool would want our cameras should the House choose the pool. In fact, I have good reason to believe the pool would not buy our cameras for certain technical reasons.

In short, there was no question from what had transpired in the Rules Committee and the explanatory statements of the resolution's authors on the House floor, that the Speaker's section 2 authority was limited to devising and implementing a cabling system for the House office buildings. The black and white surveillance cameras were already in place and broadcasting our proceedings over that system so there was no need to purchase new cameras.

Despite this clear and limited authority, the Speaker, directed the Architect in late October to purchase not only the cabling but new cameras and related equipment. Then, on October 31, 1977, the Speaker wrote a letter to the chairman of the Legislative Appropriations Subcommittee requesting a reprograming of some $997,000 of which $497,000 was for the cabling and $500,000 for new color minicameras and related equipment. To quote from the Speaker's October 31 letter:

I have directed the Architect of the Capitol to proceed immediately with the installation of the necessary cabling, cameras, and other equipment, in order that we may begin closed circuit televising of House Proceedings early in the Second Session. (From legislative appropriations hearings, fiscal year 1979, p. 395.)

When I heard that the Speaker had authorized the Architect to purchase this new color camera system I wrote to the Speaker on November 21, 1977, reminding him that his section 2 authority under House Resolution 866 did not include authority to purchase such a camera system. The following day, coincidentally, our Rules Subcommittee received a status report from the Architect in which, among other things, he stated, and I quote:

We are proceeding to acquire the necessary color cameras and associated equipment to implement the intent of House Resolution 866.

Since the Speaker's representative had indicated to me that there would be no problem for the network pool to purchase the new color cameras if the House should vote to give the pool control, I wrote to the representative of the pool, Mr. Sanford Socolow, vice president of CBS News, and inquired about this. In his reply of May 10 to me he stated in part, and I quote:

Having carefully considered the questions you raised, we feel there is potentially great difficulty in a scheme wherein the industry would be asked to purchase used equipment to implement coverage of House proceedings. Technical requirements differ from one network to another, and odds are that equipment purchased by the House would fall somewhere between the varying technical requirements which now exist.

Mr. Socolow went on to note that the pool had not been consulted by the House on technical details, nor had the pool's experts drawn up any current industry specifications for such equip-

ment. And finally he noted that there had been no agreement either between the House and the industry or between various members of the pool on the question of cost.

In short, the House could well be stuck with over a half million dollars' worth of camera equipment if we should buy now and vote later to permit media control of our coverage.

On Monday, May 8, my office learned that the Architect had been given final go ahead from the Speaker to prepare the necessary contracts for the purchase of the new cameras. In response to my inquiry, the Architect confirmed on May 18 that he was "directed to begin the preparation of initial specifications and whatever other documentation was necessary preparatory to the possible purchase of color cameras." The Architect indicated that his order from the Speaker was not in written form and that he assumed the authorization was based on the Speaker's authority under House Resolution 866.

Mr. Chairman, I have recited this lengthy history behind my amendment because I think it is important to document the need for such an amendment. I think the legislative history makes quite clear that there is no authority in House Resolution 866 to purchase new color cameras and related equipment until a decision is made on who should control those cameras. To date, no such decision has been made, and the Speaker has promised the House a vote on that decision. The Legislative Appropriations Subcommittee, at the request of the Speaker back on October 31, 1977, approved the reprograming of some $500,000 for the purchase of a new color camera without proper authority.

The amendment I have offered will make it quite clear that those cameras cannot be purchased without the prior approval of the House, and consistent with the privisions of House Resolution 866. This language is purposely ambiguous on the point of a future House vote since I have been informed that to force another House vote would alter the authority given to the Speaker in section 4 of House Resolution 866 to unilaterally devise and implement a House broadcast system without a further vote of the House. As such, mandating yet another House vote would violate clause 2 of rule 21 which prohibits altering authorizations in an appropriations bill.

Under my amendment, and consistent with House Resolution 866, the Speaker can consider the vote on that resolution as the necessary authority to purchase new cameras and related equipment; but, again consistent with House Resolution 866, that purchase cannot be made until after a decision has been made as to who should control the cameras. The Speaker has indicated that he wants to give the House a vote on that matter and I have no doubt that he will keep his word. There is certainly nothing in House Resolution 866 to prevent the Speaker from giving the House such a vote since section 5 gives the Speaker authority to delegate "any of his responsibilities under this resolution to such legislative entity as he deems appropriate." So, obviously, he could delegate to the principal legislative entity, the House itself, his responsibility to decide what type of broadcast system we should have and under whose operation and control.

In conclusion, Mr. Chairman, I urge support for my amendment which will insure that we do not put the cart before the horse, or, more appropriately, that we do not buy a horse before we know who the rider will be and whether he will want to buy the horse from us. This is neither a pro-network pool or a pro-House controlled broadcast system amendment. Rather, it is an opportunity for us to reaffirm our intentions in House Resolution 866 to require a decision on a system before we purchase that system. And it is also an opportunity for us to go on record in favor of the Speaker's announced intention to give the House a vote on this decision without directly forcing him to provide such a vote. I hope my colleagues will overwhelmingly adopt this amendment.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Illinois should be defeated resoundingly—for several good reasons:

First, the amendment represents a direct attack on the judgment and competence of the Speaker of the House by prohibiting the Speaker from exercising the authority given him last October to implement a system for broadcast coverage of the proceedings of the House—without a shred of justification.

Second, the amendment, in effect, asks our colleagues to reverse the major decision we made less than 8 months ago—by a vote of 342 to 44—to move ahead with the development of a broadcast system under the direction and control of the Speaker—a decision which was reached by this body after extensive study and deliberation.

Third, the amendment contradicts the very purposes which the gentleman who offered it has regularly stated he favors; that is, the expeditious development of a quality broadcast system—an objective which can hardly be accomplished by preventing those responsible from purchasing the most vital parts of the system.

Fourth, the gentleman's amendment reflects a purpose which may not be fully apparent from a reading of the language of the amendment. It is a thinly disguised attempt to obtain through an appropriations bill what the gentleman has not been able to obtain for the past 4 years through his own Committee on Rules—that is, a decision to contract with television networks for broadcast coverage rather than providing that service ourselves.

Television cameras, Mr. Chairman, are a vital part of a broadcast system for the House. The purchase of quality cameras will be necessary whether the House system is used for closed circuit purposes or for broadcasting to the public or both. Responsibility for developing the House system has been entrusted to the Speaker, who—together with the highly competent engineering staff of the Architect of the Capitol—is fully capable of deciding what cameras to buy, when to buy them, and when to install them. It makes no sense at all for the House to tie their hands or to try to second-guess the Speaker and his technical advisers.

The argument has been made that purchase of television cameras will either preclude the possibility of choosing network control of broadcasting or, if networks should be employed to provide coverage, the purchase will have been a wasteful expenditure. I do not believe the facts support this argument.

I believe the Speaker can be trusted to keep his word. In the event the House should choose to turn over control of broadcast coverage to the networks, the new cameras would still be required and would constitute a sound investment. The cameras could be used in any of three ways: either by the networks in their coverage of House proceedings; or by the House should it continue to operate its own closed circuit system; or for the multitude of video applications now being planned for the House community antenna television system, of which broadcast coverage is only one.

More importantly, Mr. Chairman, the argument against purchase of television cameras misses this fundamental fact: that there is no way an intelligent decision can be made about when to go public or how to go public until a House system has been completely installed and thoroughly tested. Only then can the House determine whether its own system is capable of producing professional quality coverage—and thus can be made public—or whether the system should be used solely for in-house purposes.

This was the conclusion—the unanimous conclusion, I believe—of the two House committees which have studied the subject of broadcast coverage of House proceedings. The Select Committee on Congressional Operations, in its report last September on the 90-day test of closed circuit television coverage, and the Committee on Rules, in its report of this past February, both emphasized that broadcast coverage should begin only after the House system had been proven satisfactory under actual operating conditions.

Mr. Chairman, the gentleman from Illinois refuses to give up. He refuses to accept the decision of his peers in the Committee on Rules. He resists the overwhelming vote of his colleagues in the House. He is, it appears, intractable in his conviction that his way is the only right way, that the magic of network television is necessarily superior to the commonsense concern of his colleagues that the integrity of the House must be protected.

This is not the occasion to argue the merits of the media, but nothing I have seen recently on network television has convinced me that network coverage of the House would be superior in objectivity, accuracy, or completeness, to coverage provided by the House itself.

Therefore, Mr. Chairman, I urge our colleagues not to reverse our earlier considered judgment on the basis of an ill-advised and untimely amendment to an appropriations bill.

Mr. SHIPLEY. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I am delighted to yield to the distinguished chairman of the subcommittee.

Mr. SHIPLEY. Mr. Chairman, there are no funds included in this bill to purchase new or used black and white or color television sets.

Mr. ARMSTRONG. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I rise also, Mr. Chairman, to express my concern that the gentleman from Texas (Mr. BROOKS) would suggest that our colleague, the gentleman from Illinois (Mr. ANDERSON), was attempting to accomplish something that is improper or that he is intractable.

I wonder if the gentleman from Illinois (Mr. ANDERSON) would comment on that and reassure us that he is not intractable, and that he is in fact only seeking to advance the cause of televising the proceedings of the House?

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. Of course, I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, it would be self-serving for me, I suppose, to deny the characterization that has just been made of me by the gentleman from Texas (Mr. BROOKS).

More important and to the point, I think, is the fact that we are not deciding tonight whether or not television coverage of this body should be by a network pool or by an in-house system. I am simply by this amendment trying to preserve for this House the right at an appropriate time, before that decision is finally made, of this House to make the decision.

As far as this being an amendment that is out of order and inappropriate to this bill because no funds are involved for that purpose, let me call to the attention of the Members the fact that on October 31, 1977, the Speaker wrote a letter to the chairman of the Legislative Subcommittee of the Committee on Appropriations requesting a reprograming of some $997,000, of which $497,000 was for the cabling that took place in order to bring the closed-circuit televising of the proceedings to Members' offices and committee rooms. The other $500,000 was for new color minicameras and related equipment.

If the Members will read the report of the Committee on Rules, if they will read the hearings that were held before the Committee on Rules, and if they go back and review the debate on House Resolution 866 that took place in this Chamber on October 27th of last year, they will see it is abundantly clear that all of those who voted overwhelmingly for that resolution thought they were going to have the right to vote subsequently on the question of how these proceedings in the House would be televised. The Speaker himself has publicly promised on two occasions that this House would have a voice, that we would have a vote. So, therefore, I do no violence to House Resolution 866.

I certainly do not challenge the authority of the Speaker or anyone else in authority around here. But I think that this is a question that is of such fundamental importance, as to who controls the cameras, who runs the system, that if we want to maintain our integrity we ought to be willing to support this amendment this evening.

Mr. ARMSTRONG. I thank the gentleman for his explanation.

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. I thank the gentleman for yielding.

Mr. Chairman, I had the honor of serving as chairman of the subcommittee of the Committee on Rules, which was responsible for writing that report. It was no one's intention that the House not have an opportunity to vote on this matter and express its opinion on this matter.

I think that, since the gentleman from Illinois has brought the question before this body, perhaps tonight is as good a time for this body to make its determination as to whether or not this facility should be controlled by networks or whether it should be controlled by the House of Representatives itself. Consequently, it would be my recommendation, and, if no one else does so, to introduce an amendment immediately following this amendment, whereby we determine that matter again, perhaps, to the satisfaction of the gentleman from Illinois, since he has been pushing this matter so aggressively.

I really thought, recommended in the subcommittee report—and it was accepted by the full Rules Committee—that what we should do, is pursue this over a longer period of time and more judiciously, and look more at what Canada has done and what some others have done. But since the matter has been brought up, I think now is the time to go ahead and make a determination by, perhaps, an amendment immediately following this.

Mr. ARMSTRONG. Mr. Chairman, is it the gentleman's position that in the absence of the Anderson of Illinois amendment the funds could not be expended for the cameras in question?

Mr. LONG of Louisiana. Mr. Chairman, I would defer, in replying to that, if the gentleman will yield further, to one of the members of the Committee on Appropriations, not being a member of that committee.

Mr. ARMSTRONG. I believe the chairman, the gentleman from Illinois (Mr. SHIPLEY), alluded to that, and I would appreciate a discussion on that. That is really the issue. I believe my colleague, the gentleman from Illinois, believes that, in the absence of an amendment, the funds could be expended.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. ARMSTRONG) has expired.

(On request of Mr. LONG of Louisiana and by unanimous consent, Mr. ARMSTRONG was allowed to proceed for 2 additional minutes.)

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield further?

Mr. ARMSTRONG. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. Perhaps the gentleman from Illinois (Mr. SHIPLEY), the chairman of the subcommittee, would like to respond to that. But if I may, before yielding to the gentleman, say that it is my opinion, perhaps it could be resolved by denying any of the funds to be used for a system that is under the control of the networks and out of control of the House of Representatives; and perhaps that ought to be the form an amendment should take.

Mr. ARMSTRONG. I appreciate that discussion.

Could we address the question to the chairman, the gentleman from Illinois (Mr. SHIPLEY), since he raised it at the outset? I will ask the chairman if it is his position that, in the absence of the Anderson amendment, an expenditure of the funds for color television cameras would not be a proper expenditure under this bill?

Mr. SHIPLEY. If the gentleman will yield, let me say to the gentleman that the funds that have been used are funds which we have reprogramed prior to this bill, upon the request of the architect, to do what he was directed to do. So again I say that it is my opinion that there are no funds in this bill to buy new or used cameras, television cameras, black and white or color. That is the best answer I can give to the gentleman.

Mr. ARMSTRONG. So, in the gentleman's view, the cameras would not be purchased?

Mr. SHIPLEY. I did not say that to the gentleman from Colorado. I said it is my best opinion that the funds have been reprogramed. And what I said to the gentleman from Texas was that there were no funds in this bill to buy or purchase new or used television cameras.

Mr. ARMSTRONG. I appreciate that explanation. And, in light of the explanation, it seems to me that we must adopt the amendment offered by the gentleman from Illinois.

Mr. GIBBONS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, tonight I certainly do not feel prepared to get involved in this debate; but if we are about to decide the serious question of who is going to control the use of the cameras on this floor, I think perhaps I have something to contribute.

A few months ago, I was watching a debate between the gentleman from Illinois (Mr. ANDERSON) and the gentleman from Missouri (Mr. BOLLING) on the "Today Show" about this very same subject.

Frankly, the gentleman from Illinois (Mr. ANDERSON) had just about persuaded me that his position should prevail. At about that time the gentleman from Missouri (Mr. BOLLING) began to be able to get hold of the mike and present his position; and just about at that time the person who was controlling the time and interviewing both of these fine gentlemen, said, "I am sorry. Our time is all up."

Then I cannot remember whether it was a toothpaste commercial or a dog food commercial that came on, but right then the gentleman from Missouri (Mr. BOLLING) won the debate, in my mind.

Mr. Chairman, I think that when the Members think about it in that light they will vote for the House to control the time, not the dog food and not the toothpaste.

Mr. ROSE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman and Members of the House, in my brief period of service in this body I have watched a great many experiments and developments that have improved the efficiency of this body.

I have watched the gentleman from Texas (Mr. BROOKS) and his committee conduct what I think has been an excellent television experiment on a closed-circuit basis in this House. I have watched the gentleman from Louisiana (Mr. LONG) in the Committee on Rules raise some additional questions about this closed-circuit system. I got involved because I wanted to make sure that the cable that was laid from office to office could also handle computer terminal circuits as well as closed-circuit television pictures.

Mr. Chairman, the three of us—an unlikely trio, LONG, ROSE, and BROOKS—agreed completely on the way this experiment has proceeded up to this point.

The gentleman from Illinois (Mr. ANDERSON) is handing us tonight the opportunity, after we defeat his amendment, to decide, once and for all, that we are going to run the cameras in this building, but that we are going to give the Speaker the discretion, under House Resolution 866, which he has, to permit the networks from time to time to come into this body and to photograph such events as our leader might deem proper.

Mr. Chairman, I urge upon the Members that the networks are less interested in our 1-minute speeches, in the prayer that is offered—they should be, but they usually are not—and in our special orders than some Members might think; and that we are eminently qualified as a body to operate these cameras when we replace them with high-quality color cameras and proceed on a cautious basis to implement a system that will improve and protect this grand institution.

Mr. Chairman, I urge the Members to defeat the amendment.

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. Mr. Chairman, is it the gentleman's understanding that an amendment will be offered following this amendment whereby the question would be determined as to whether or not any funds in this appropriation bill could be used for a network- or nonnetwork-type facility in the House of Representatives?

Mr. ROSE. Absolutely.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I am happy to yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I am grateful to the gentleman from North Carolina (Mr. ROSE) for having made the speech he did because I think he has made my case.

I did not believe until I had listened to him that an in-house system operated by the House of Representatives as opposed to a system operated by a professional broadcast pool would be as narrowly circumscribed as he has just said that it would be. The Speaker of this House would decide when those cameras could be turned on and off and which of our proceedings could be relayed to the American public. In other words, those who make the news are going to manage the news. They are going to let filter through this Chamber only that image of this Congress which they think the American people should see.

Mr. ROSE. Mr. Chairman, if only the networks could have reported that speech. The gentleman said it so very well, and he looks beautiful tonight. He really does.

I urge the Members of this House to remember that when we put color cameras up here, we will fairly and honestly portray the action that takes place on this floor.

The Speaker has had the fortitude to trust BROOKS and LONG and ROSE to give some of this advice to him, and I hope that the Members will defeat this amendment and that we can go forward and offer the one which I think should be offered.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, I thank the gentleman for yielding to me.

I just note that even as our friend and colleague from Illinois was speaking, his words were going out over the radio feed. National Public Radio is recording this right now and doing a special report on this debate.

The microphones are not being shut off at the whim of the Speaker. These microphones are being opened up. We are moving, with progress in the right direction. A vote in favor of this amendment is a vote to delay the implementation of broadcasting of the proceedings of this House.

Notice how many representatives of the television networks are in the Press Gallery this evening. None are. How many times are the networks going to be interested in operating the cameras when we have debates going on that they are not interested in? What do we do then, hire the employees of the networks to run the cameras for us?

Mr. Chairman, I urge a no vote on the gentleman's amendment.

Mr. CLEVELAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rather reluctantly speak in opposition to my friend from Illinois (Mr. ANDERSON). More often than not, we are of one mind, and I greatly admire the gentleman's intelligence and I greatly respect his judgment. I also admire the gentleman's persistence. Though he has been defeated on almost every occasion, he has continued his fight to persuade the House to entrust to a network pool the responsibility for providing full daily television coverage of our proceedings. The actual issue before us is not quite whether or not this will be a network pool, but it is the implicit issue not only in the amendment that has been offered, but in the amendment that will be offered and because of the record.

Mr. ANDERSON of Illinois. Mr. Chairman, would the gentleman yield very briefly?

Mr. CLEVELAND. I yield to my friend the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I did not seek tonight, by offering this amendment, to draw a line in the dust, to describe the issue in the terms that it has been proposed by the gentleman from Texas (Mr. BROOKS) and the gentleman from North Carolina (Mr. ROSE). I think they sense that maybe if they strike now, before this House is really awake to what is involved, maybe they can once and for all foreclose this House from really, maturely, considering that issue. What I am seeking to do with the amendment that I offer is to keep someone from preempting this body from making a reasoned, considered judgment on this very important question of who shall control the cameras that will televise the proceedings of this House.

Mr. CLEVELAND. I appreciate the gentleman's remarks, but I respectfully disagree with him because of the past history and because of the fact that this debate is basically on the issue of whether we are going to have a network pool or home control. Essentially, I view the amendment of the gentleman from Illinois as a delaying tactic, and I think he has just admitted that he did want to hold things up for a while until we got another vote on this issue. Tonight there will be.

It has already been pointed out that there is really no substance to the amendment, because the television cameras which the gentleman wants to stop the Speaker from ordering have indeed already been ordered. The money he would prohibit being used has already been committed. In my opinion, at least, it has been committed at the right time and in the right way, and with the full force of the appropriate officials of the House.

Very briefly, this is the record: On October 27, 1977, the House directed the Speaker to develop and implement a system for the audio and video coverage of our proceedings, and the vote on that issue was 342 to 44.

On February 15, 1978, the Committee on Rules voted to advise the Speaker to proceed with the development of the broadcast system as a House-owned and operated system. The committee took this action after it defeated an amendment that would have provided for operation and control—I repeat, after it defeated the amendment which would have provided for operation and control by a pool of network broadcasters.

That same Committee on Rules had, during the 94th Congress, twice rejected efforts of the gentleman from Illinois to obtain network control.

That position was also rejected by the only other committees of the House which have studied the question of television coverage of House proceedings.

In October 1974, the Joint Committee on Congressional Operations, which is now the Select Committee on Congres-

sional Operations of which I am a member—which explains my interest in the matter—recommended a 1-year test of broadcasting under the control of the two Houses of Congress.

In September of last year, the Select Committee on Congressional Operations, the successor to the joint committee, recommended a 90-day test of closed circuit operations of the House. That committee, too, unanimously proposed that a House broadcast system be developed, operated, and controlled by the House.

In the light of this record, Mr. Chairman—a 4-year record of consistent rejection by the House and its committees of the idea of network control—I suggest that the issue should finally be decided tonight, and I support the amendment which will be offered by Mr. ADAMS, the gentleman from Indiana.

I might say in conclusion, Mr. Chairman, that for those who may be persuaded that network control of our television cameras is in order or proper, I ask them then if they would consider that it would be in order and proper to have our CONGRESSIONAL RECORD of proceedings be under the control of Newsweek, U.S. News & World Report, and perhaps Time magazine.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ANDERSON of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 133, noes 249, not voting 52, as follows:

[Roll No. 456]

AYES—133

Abdnor	Goldwater	Mottl
Anderson, Calif.	Goodling	Myers, Gary
Anderson, Ill.	Gradison	Myers, John
Andrews, N. Dak.	Grassley	Nolan
Archer	Green	Nowak
Armstrong	Guyer	Oakar
Bafalis	Hagedorn	Oberstar
Bauman	Harkin	Ottinger
Beard, Tenn.	Hillis	Pettis
Brodhead	Hollenbeck	Poage
Broomfield	Holt	Pressler
Brown, Mich.	Jacobs	Pritchard
Brown, Ohio	Jeffords	Pursell
Buchanan	Johnson, Colo.	Quayle
Burgener	Kasten	Quillen
Burleson, Tex.	Kemp	Railsback
Butler	Ketchum	Regula
Cederberg	Kildee	Rhodes
Clausen, Don H.	Kindness	Rinaldo
Cochran	Lagomarsino	Robinson
Coleman	Leach	Rousselot
Conable	Lent	Rudd
Corcoran	Livingston	Ruppe
Coughlin	Lott	Ryan
Crane	Lujan	Sarasin
Cunningham	McClory	Sawyer
Daniel, R. W.	McCloskey	Schroeder
Devine	McDonald	Schulze
Dornan	McEwen	Sebelius
Duncan, Tenn.	McKinney	Sharp
Emery	Madigan	Shuster
Erlenborn	Maguire	Smith, Nebr.
Evans, Del.	Marks	Spence
Fenwick	Marlenee	Stangeland
Findley	Marriott	Stanton
Fish	Martin	Stark
Forsythe	Michel	Steers
Fraser	Miller, Ohio	Steiger
Frey	Mitchell, N.Y.	Stockman
	Moore	Symms
	Moorhead, Calif.	Thone
		Treen
Trible	Wampler	Wylie
Van Deerlin	Wilson, Bob	Yatron
Vander Jagt	Winn	Young, Fla.
Walker	Wydler	

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Addabbo	Fithian	Mollohan
Akaka	Flippo	Montgomery
Alexander	Flood	Moorhead, Pa.
Ambro	Florio	Moss
Ammerman	Flynt	Murphy, Ill.
Andrews, N.C.	Foley	Murphy, N.Y.
Annunzio	Ford, Mich.	Murphy, Pa.
Applegate	Ford, Tenn.	Murtha
Ashbrook	Fountain	Myers, Michael
Ashley	Fowler	Natcher
Aspin	Fuqua	Neal
AuCoin	Gammage	Nichols
Baldus	Gaydos	Nix
Baucus	Gephardt	Obey
Beard, R.I.	Giaimo	Panetta
Bedell	Gibbons	Patten
Beilenson	Ginn	Patterson
Benjamin	Glickman	Pattison
Bennett	Gonzalez	Pease
Bevill	Gore	Pepper
Bingham	Gudger	Perkins
Blanchard	Hall	Pickle
Blouin	Hamilton	Pike
Boggs	Hammer-schmidt	Preyer
Boland	Hanley	Rahall
Bonior	Hannaford	Reuss
Bowen	Harrington	Richmond
Brademas	Harris	Risenhoover
Breaux	Harsha	Roberts
Breckinridge	Hawkins	Roe
Brinkley	Hefner	Rooney
Brooks	Heftel	Rose
Broyhill	Hightower	Rosenthal
Burke, Calif.	Holtzman	Rostenkowski
Burke, Fla.	Horton	Roybal
Burke, Mass.	Howard	Russo
Burlison, Mo.	Hubbard	Satterfield
Burton, Phillip	Hughes	Scheuer
Byron	Hyde	Seiberling
Carney	Ichord	Shipley
Carr	Ireland	Sikes
Carter	Jenrette	Skelton
Cavanaugh	Johnson, Calif.	Slack
Chappell	Jones, N.C.	Smith, Iowa
Clay	Jones, Okla.	Snyder
Cleveland	Jordan	Solarz
Collins, Ill.	Kastenmeier	St Germain
Collins, Tex.	Kazen	Staggers
Conte	Kelly	Steed
Conyers	Keys	Stokes
Corman	Kostmayer	Stratton
Cornell	Krebs	Studds
Cornwell	LaFalce	Taylor
Cotter	Latta	Thompson
D'Amours	Le Fante	Traxler
Daniel, Dan	Lederer	Udall
Danielson	Leggett	Ullman
Davis	Lehman	Vanik
de la Garza	Levitas	Vento
Dellums	Lloyd, Calif.	Volkmer
Dent	Lloyd, Tenn.	Waggonner
Derrick	Long, La.	Walgren
Derwinski	Long, Md.	Walsh
Dickinson	Luken	Watkins
Dicks	Lundine	Waxman
Diggs	McCormack	Weaver
Dingell	McFall	Weiss
Dodd	McHugh	White
Downey	McKay	Whitley
Drinan	Mahon	Whitten
Duncan, Oreg.	Mann	Wiggins
Early	Mattox	Wilson, C. H.
Edgar	Mazzoli	Wilson, Tex.
Edwards, Ala.	Meeds	Wirth
Edwards, Calif.	Metcalfe	Wolff
Edwards, Okla.	Meyner	Wright
Eilberg	Mikulski	Yates
English	Miller, Calif.	Young, Alaska
Ertel	Mineta	Young, Mo.
Evans, Colo.	Minish	Young, Tex.
Evans, Ind.	Mitchell, Md.	Zablocki
Fary	Moakley	Zeferetti
Fascell	Moffett	
Fisher		

NOT VOTING—52

Allen	Clawson, Del	Heckler
Badham	Cohen	Holland
Barnard	Delaney	Huckaby
Biaggi	Eckhardt	Jenkins
Bolling	Evans, Ga.	Jones, Tenn.
Bonker	Flowers	Krueger
Brown, Calif.	Frenzel	McDade
Burton, John	Garcia	Markey
Caputo	Gilman	Mathis
Chisholm	Hansen	Mikva
Milford	Roncalio	Teague
Nedzi	Runnels	Thornton
O'Brien	Santini	Tsongas
Price	Simon	Tucker
Quie	Sisk	Whalen
Rangel	Skubitz	Whitehurst
Rodino	Spellman	
Rogers	Stump	

Mr. CARTER changed his vote from "aye" to "no."

Mr. OBERSTAR changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BENJAMIN

Mr. BENJAMIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENJAMIN: On page 32, after line 7, insert the following:

SEC. 306. No funds in this bill may be used to implement a system for televising and broadcasting the procedings of the House pursuant to House Resolution 866, 95th Congress, under which the TV cameras in the Chamber are controlled and operated by persons not in the employ of the House.

Mr. ARMSTRONG. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Colorado (Mr. ARMSTRONG) reserves a point of order against the amendment.

Mr. BENJAMIN. Mr. Chairman, this amendment is designed to provide an opportunity for the Members of this body to vote on the question of who should operate and control television and radio coverage of the proceedings of the House. Our distinguished Speaker has publicly assured the House that such an opportunity would be provided, and in the context of the amendment just proposed by the gentleman from Illinois (Mr. ANDERSON), it is timely and appropriate that the House finally resolve this issue.

My amendment is simple, clear and direct. It provides that—and I quote:

> No funds in this bill may be used to implement a system for televising and broadcasting the proceedings of the House pursuant to House Resolution 866, 95th Congress, under which the TV cameras in the chamber are controlled and operated by persons not in the employ of the House.

This amendment follows logically from the amendment offered by the gentleman from Illinois. By defeating the previous amendment, the House has, in effect, refused to delay any further the completion of a broadcast system for coverage of House proceedings. In so doing, the House has reaffirmed its decision of last October to proceed with development and implementation of a broadcasting system in the House. Only one issue remains to be decided, the issue of network control versus House control.

It is my own judgment that this issue is only a technical one. It was my understanding—and I believe it was the understanding of a majority of our colleagues—that the question was disposed of last October when we voted, 342 to 44, to authorize the Speaker to implement broadcast coverage subject to his direction and control. If any doubt remains about this issue, however, this amendment will clear the air and allow us to proceed.

For 4 years, Mr. Chairman, the House and its duly authorized committees have considered ways and means of allowing the American people to view the proceedings of their Representatives here in this Chamber. By this time, we should all be familiar with every aspect of this issue. Three committees, as well as the House itself, have considered the subject extensively. All three committees—the Joint Committee on Congressional Operations, the Select Committee on Congressional Operations, and the Committee on Rules—have recommended that broadcast coverage be authorized and that such coverage be provided by the House itself as a public service.

The time has come, I believe, to answer the question decisively. I urge my colleagues to answer it affirmatively by approving this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Chairman, I reserved a point of order on the amendment. It is not my purpose, however, by pressing the point of order at this time, to foreclose the opportunity of other Members to speak on the amendment. Therefore, I will continue to reserve my point of order so that other Members may have that opportunity.

Mr. BROOKS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the amendment offered by the distinguished gentleman from Indiana (Mr. BENJAMIN), the ranking member of the Legislative Appropriations Subcommittee, is perfectly consistent with the action we have just taken on the amendment offered by the gentleman from Illinois.

The first amendment, which we have defeated, was designed to block further development of the House broadcast system and thus to enhance the possibility that the House later would vote to place the broadcast system under the control of a network pool.

By defeating that amendment, the House has confirmed its commitment to develop a high quality television broadcast system under the direction and control of the Speaker. The issue raised by the gentleman from Illinois, an issue convincingly disposed of by the House, makes it timely and appropriate for the House at this time to take the next and final step—that is, to resolve the question of network control versus House control of the broadcast system.

The amendment of the distinguished gentleman from Indiana would put the House on record that we do not want control and operation of the broadcast system by persons not in the employ of the House. The amendment is clear, direct, and unambiguous. It restates the position which the House took last October by a vote of 342 to 44. The amendment will make it possible, finally, to move ahead with care, with deliberation, and with determination to produce a fully professional, high quality system without further unnecessary delay and without further procedural obstacles. This amendment will protect the integrity of the House and it will assure that the American people will obtain a complete, accurate, and unedited version of the activities of their Representatives assembled in this Chamber.

Mr. Chairman, this issue has been studied over and over and over again. Our colleagues understand the factors involved; indeed, they have already stated their intentions firmly. It is time to stop what amounts to a one-man filibuster in the House and to act decisively.

It should be perfectly clear, Mr. Chairman, that the pending amendment represents the opportunity which was promised us by the Speaker to vote on the question of who should control and operate the House broadcast system. Once we dispose of this amendment, there should be no further excuse for anyone to question the authority of the Speaker or to cast doubt on the intentions of this body, or to exploit for political advantage the right of the American people to watch this House as it really is.

POINT OF ORDER

The CHAIRMAN. Before the Chair hears other Members, the Chair would like to determine what the point of order is and dispose of it.

Mr. ARMSTRONG. Mr. Chairman, I make a point of order against the gentleman's amendment that it is violative of the rules of the House, in this respect: That if the amendment were adopted, it would alter a rule of the House. I refer to that rule of the House which was adopted on October 27, 1977, in House Resolution 866. In 3 pages, more or less, the House on that date adopted a rule providing for the implementation of a system of audio and visual broadcasting, and so on.

In this proposed amendment, very clearly, we are changing that existing rule, perhaps in a way that some Members will consider to be desirable, but, nonetheless, we are making a change in the rule itself. It is the equivalent of legislation on an appropriation bill.

I would suggest to the Chair and to my colleagues that if we would permit this to happen, other rules of the House could be similarly amended and, certainly, that is a precedent the Chair does not want to set.

Mr. Chairman, I would ask that the Chair rule the amendment out of order.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Chairman, to respond to the point of order raised by our colleague, the gentleman from Colorado (Mr. ARMSTRONG), House Resolution 866, adopted on October 27, 1977, provided for amending the rules of the House. It was a resolution adopted by this body, indicating the procedure by which the Speaker of the House was entitled to devise and implement a system for broadcast coverage. The resolution provided that the Speaker could make his determination, and a report by the Committee on Rules was to be delivered no later than February 15, 1978. That has been accomplished.

The gentleman from Indiana, who has offered this amendment, does not believe that we really need to have an amendment, because he believes that the Speaker has the authority. However, the question has been raised by Members of this body on a continuing basis, as late as last evening in a special order delivered by the gentleman from Illinois, that there has been a promise of a vote and a determination by this body.

This is a restriction on funding within the appropriations bill. The restriction is merely that no funds could be used for the operation of cameras by a nonemployee of the House. These restrictions on funding are allowed along with the rules. It has no relationship to House Resolution 866, and I would urge the Chair to find that the amendment is in order.

The CHAIRMAN. The Chair is ready to rule on the point of order.

The amendment offered by the gentleman from Indiana (Mr. BENJAMIN) clearly does not amend any rule of the House, as he has very carefully stated. It is a negative restriction on the use of funds in the fiscal year covered by the bill.

The Chair overrules the point of order.

Mr. GORE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the first point which ought to be made in favor of this amendment is that it does not exclude the networks from the Chamber. If we examine carefully the wording, the amendment offered by the gentleman from Indiana says that the cameras purchased by this House will be controlled by employees of this House. It does not prevent this House opening up to the network cameras at a later time the possibility for them to cover those debates in which they are interested.

Who will cover the debates when the networks are not interested? We want to cover the debates on television all the time. As a member of the Subcommittee on Communications, Mr. Chairman, I am familiar with the exciting new possibilities that cable television and direct satellite broadcasting offer. We can, in the future, design a system that will give the American people access on a regular basis to the debates which take place in this Chamber.

The issue of network control has been the principal stumbling block all along. I believe that we cannot see the forest for the trees when we focus exclusively upon this issue.

Mr. Chairman, the important priority is to get the proceedings of this House on television and on radio, so that the American people can participate, so they can watch and listen and decide for themselves about the issues that we debate here.

Last night on the network news programs they covered the debate on abortion, with segments from the radio feed, just as though it was the most natural thing in the world to do. When the television feed is available, they will be able to do precisely the same thing with it; and on those occasions when the networks are sufficiently interested to provide live coverage, we retain the option to allow them to come in. We can let them show the American people, live or on tape, if we decide that the system is working well and that it is in the best interests of this House.

Mr. Chairman, I am confident as I speak this evening that this Chamber will have such a favorable experience with television and radio that that issue will be decided positively at a later date; and we will allow the network cameras to come into this Chamber.

However, let us now remove the remaining stumbling block and move forward. The Speaker of this House has moved decisively and progressively to open up this process in this Chamber and make our debates available to the American people. Let us go one step further and put these cameras into operation so that we can begin broadcasting on television as well as on radio.

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Louisiana, the distinguished chairman of the ad hoc committee.

Mr. LONG of Louisiana. Mr. Chairman, I thank the gentleman for yielding.

One of the things which the Committee on Rules was particularly interested in is that there be sufficient time to conduct studies of the lighting in this particular body, in this particular institution. The lighting being what it is, we wanted to see that the lighting problems were resolved.

Unless there is such a thing as projected lighting, it poses a very bad effect, a down effect.

We looked at all the films from Canada, and there is a great deal of work that needs to be done. This work needs to be done by the House of Representatives itself, because the networks do not have an exclusive on making studies of the type of facilities that are required to put out a quality-type picture.

Mr. Chairman, when the networks themselves go out and start a new studio, they go and hire the experts. That is exactly what this House should do over a period of time, and we could get a quality picture at the proper time and not be pushed into it, which is exactly what would happen if it were turned over to the networks.

Mr. Chairman, I fully support the amendment.

Mr. GORE. Mr. Chairman, the gentleman makes an excellent statement which underscores the point that a vote in favor of network control tonight, as a practical matter, further delays the broadcasting of these proceedings. If we begin with control of the cameras, we can have broadcasting by January 3.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. GORE. I am glad to yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I hesitate to ask a question or to interpose myself at this point because I tend to think this has become a party vote, and I am sorry to see it. However, I am concerned about what the gentleman has said.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. GORE) has expired.

'On request of Mr. MAZZOLI and by unanimous consent, Mr. GORE was allowed to proceed for 2 additional minutes.)

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield further?

Mr. GORE. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, the gentleman from Tennessee (Mr. GORE) makes a very good point, but I worry a little bit about the chilling effect upon the media that would be occasioned by the fact that we, the House of Representatives, via the Speaker, would have a right to decide when and under what conditions they, the media, would have a right to film our actions.

Mr. Chairman, I am completely satisfied with Speaker O'NEILL. He is a good man, and he has done a lot of good for the House and for this Nation. However, he will not always be the Speaker, and I cannot speak for the wisdom of Speakers and Congresses to come.

Mr. Chairman, I was wondering whether the gentleman would address my problem as one who wants to see television and does not want to have the media inhibited in any fashion.

Mr. GORE. Certainly, I will be glad to. It is an important point which should be addressed.

It is my understanding of the plan that has been devised by the ad hoc committee that there would be no arbitrary cutting off of the video feed, just as the audio feed is now open at all times.

The real concern—and it is not one I share, I would say to the gentleman—is the one expressed time and time again that the cameras will focus on empty seats or on somebody falling asleep. I think that is a false concern. However, as a practical political matter, we can get broadcasting by January 3 if we begin with the House control system and then address the issue of when the networks can come in with live coverage.

My understanding of the plan that has been devised is that there is no intention to turn on the microphones or turn off the microphones when the Speaker decides to do so, or when this House decides to do so; but rather the decision is to leave them open at all times for anyone who wants to take advantage of it.

Mr. MAZZOLI. That is a good point. The gentleman is a very persuasive gentleman, however, I thought that the approach the Democratic Party has always taken on these questions of freedom of the press is not to do anything which would have this "chilling" effect. Whether or not the action is ever taken, whether or not prior censorship is ever exercised, it may exist, and we Democrats say usually, as a party, that this is not a good policy.

Mr. SHIPLEY. Mr. Chairman, the committee accepts the amendment, and asks for a vote.

Mr. ANDERSON of Illinois. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the issue in this debate is not Speaker O'NEILL. Some may try to make it so. The issue is the integrity of the journalistic process whereby the proceedings of this body are carried to the American people. When I issued a report on the 15th of February, my view in the committee report on the 15th of February, I appended to it a statement by the Coalition for Professional Broadcast Coverage on the House Floor. What they said in their statement, I think, is worth repeating tonight:

> Broadcasters ask only that the job of reporting the House—and cameras and microphones are only newer tools of an old trade—be left strictly to the reporter. There is no real need for the intrusion of the House system as a middle man, who has no parallel in coverage by other reporters who happen to work for newspapers, wire services, or magazines.

What a hue and cry would go up through this land if we were to somehow try to enact a measure saying that the people who sit in this press gallery behind me must only be employees of the House of Representatives, and yet tonight you are saying that the people who are reporting electronically on the proceedings of this House must be employees of this body or they are not qualified, somehow, to operate those cameras.

The statement that I have referred to earlier was not just signed by the three networks and Public Broadcast. Listen to some of the people who are in accord with the views that I have just stated:

The National Association of Broadcasters;

The National Press Club;

The Radio-Television Correspondents Association;

The Radio-Television News Directors Association;

The Society of Professional Journalists, Sigma Delta Chi;

The International Brotherhood of Electrical Workers—IBEW;

The National Association of Broadcast Employees and Technicians;

The Washington Press Club;

The American Newspaperwomen's Club.

Associating with the coalition's first amendment and credibility statements: Associated Press. United Press International, and Public Broadcasting Service. That is what we are really talking about tonight. We are talking about the first amendment, not about the Speaker of the House of Representatives. There is no man that I hold in greater respect than him. I am not saying that he will try to manage the coverage in this Chamber, but the issue, I repeat, is whether or not we are going to try to say to these men who man television cameras what we would never try to say to the men and women who occupy these boxes above me in the press gallery.

There are 44 State legislatures today—44 of the Nation's 50 State legislatures—that permit broadcast coverage of their floor debate. Forty—40 of those legislative bodies allow broadcasters themselves to handle the audio and video pickups—40 out of the 50. And yet, this House tonight, which I guess does not really believe that the television age has arrived—I think you correctly referred, Mr. GORE, to the fact that there are some Members who constantly come to me and say, well, they are going to be panning the Chamber and find a Member in an undignified position. That is not the kind of news

that the networks are interested in in that prime time in the evening.

I go back to the occasion on which the House Judiciary proceedings, the impeachment proceedings were televised, and of course there have been many other instances of coverage of Senate committees and House committees as well. There is nothing novel about that. And all of the Members who were moaning and groaning here just a moment ago, I challenge them to cite me any example from those previous televised hearings of the proceedings of those committees where the focus, the principal focus, was one of those things that seems to concern some so much.

I would suggest to the Members tonight that this is an extremely important issue. I for one had not wished to bring it before this Chamber at 9:30 in the evening, but I ask Members to reflect very carefully, very carefully on the nature of the decision that we make, because I think it could have important consequences as to whether or not the American people accept the televised proceedings of this House as really the authentic kind of journalism that ought to attach to televised proceedings.

Mr. WRIGHT. Mr. Chairman, I rise in support of the amendment. Let me try to put this debate in its proper perspective.

The question we are dealing with is not, as the gentleman from Illinois suggests, the integrity of the journalistic profession. The question at issue is the integrity of the House of Representatives.

The matter at issue is not the freedom of the press. The matter at issue is the responsibility of the Congress and whether we shall assert it.

We are not trying to pass judgment here tonight on the journalistic skill or objectivity of network journalism. But I think we are called upon to pass a judgment upon our own capacity to manage and control the business of this House with which we were entrusted. The question is whether we have confidence in the U.S. House of Representatives to record its own proceedings with dignity and integrity as an historic record for now and for the future.

If we do not have sufficient confidence in ourselves to do this, then I suggest we have no business holding ourselves out as Representatives of the American public and trustees of the Republic.

For the gentleman from Illinois to suggest that somehow it is a denial of journalistic freedom for the House of Representatives to record the proceedceedings that take place here in the conduct of the public's business would be to suggest that somehow we have violated the freedom of the press by publishing a CONGRESSIONAL RECORD.

I believe that we, the House of Representatives, owe to the American public and to future generations, a complete and faithful record of the proceedings of the business of this Chamber. We can fulfill that obligation only by insisting, as we presently do, that the cameras shall remain focused upon the actual business of the Chamber and not be distracted by extraneous attractions. That business may be dull at time. If so, let it be seen for what it is and judged by the people themselves. Even when dull, it is serious business. Our business, after all, is not show business.

Now I am not attempting to express judgment on the qualifications or fairness of the networks. We have varying opinions about that. But I think it is up to us tonight to make a decision that if these proceedings are to be televised, the actual business of the U.S. House of Representatives in its entirety is what will be made available to all the media on an equal basis. Let us preserve the integrity, and the dignity, of our Chamber.

Nobody here tonight is suggesting any form of censorship. Nobody has suggested that any official business of the House nor any part of our proceedings should be denied to the networks nor to any print or broadcast media. Adoption of the pending amendment would constitute no such denial.

What is suggested is simply that the orderly process of this Government should be recorded and preserved for now and for the future. Voting aye on this can provide some assurance that this will be done.

Perhaps the networks and other television outlets throughout the country will want only some parts of it. They may not want much of it. Most of what goes on here may not be jazzy enough for their purposes. It may not be regarded as sufficiently sensational to be thought newsworthy. I suppose we must anticipate that the media will be quite selective in those things they deign to note or quote, just as the print media in the press gallery are selective today. To a very large extent, the networks control the gates through which the public gets its information. It is they, not we, who will exercise such subtle censorship as goes with choice. But at least we owe to the American people the responsibility to make certain that there will be kept a true and orderly record of what actually goes on here in the conduct of their business. We can assure this only by controlling the cameras and keeping them on the actual business of this House from opening gavel to closing gavel.

I have confidence in this Chamber. I have confidence in the integrity of its rules. I have confidence in this system. I have confidence in this Speaker and in whatever Speakers of whatever party our Members may choose to serve us in the future. I have more confidence in that than I do in any unnamed, outside, private party whomever.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I have concluded my comments. I yield back the balance of my time.

Mr. HEFTEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really had not intended to get into this, but I think we have left some impressions that we need to correct, even at this hour of the night.

The gentlewoman from New Jersey (Mrs. FENWICK) was absolutely right. People who read this debate are going to get the idea that the House of Representatives has something to hide. It does not have anything to hide. I think it is very important that we make that abundantly clear to the American people.

I do think that the main reason I am going to be against this amendment and take the position offered by the gentleman from Illinois (Mr. ANDERSON) is perhaps a reason different from that which has been stated. It seems to me that we have enough to disagree on between the minority and the majority, and if the majority is in control, as it will be, of the employees who decide where the cameras are going to point and what is going to be the content of any television program, then the minority just by the very nature of this situation is not going to be very happy with a lot of the decisions that are made.

I am not saying that I do not trust the Speaker; I do. He is my friend. He has never done anything to me that has not been perfectly honorable. I am not sure that this will always be true of whatever employees he may hire. I would much rather put my faith in the content of television programs which come from this House in the networks, because I think they may be unfair to all of us, but in an absolutely fair way. Nevertheless, it will remove one bone of contention which exists between the majority and the minority, and I happen to think that there are too many bones of contention already.

It is my hope, that this amendment will be voted down and we will then proceed to do whatever is necessary to get this Chamber televised as rapidly as possible. I think the American people ought to know what goes on in this Chamber, and I think they will mainly be proud when they find out. I do not think we have a thing to be ashamed of. This is a great body. We do not always agree—and I do not suppose we ever will—but, nevertheless, we usually disagree like Americans, and I think that is the way we shall portray ourselves to the American people. So I hope that the amendment will be voted down.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

I tried to address this question of the majority leader, but he left and would not answer the question. In his remarks, he drew a parallel of the present proceedings, the way that they are reported, and the issue presently before the committee; the parallel being that we have a CONGRESSIONAL RECORD, and we have the print media. Both record the proceedings of the House.

The CONGRESSIONAL RECORD in our way, the print media report in their way.

Now, if we have a House system insofar as electronic media are concerned and cameras, did I understand the majority leader correctly that then, drawing the same parallel, he would assure the public and private electronic media that

they would have similar dual access to the House proceedings? Because if that is not true, then the gentleman's parallel is false.

Mr. RHODES. Mr. Chairman, I again ask that the amendment be defeated. We should go ahead and make arrangements to televise the proceedings of this body, because the American people deserve to see it.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I think it important in this situation to record my feelings before voting. My vote is not to show any disrespect toward the distinguished Speaker, but I am going to vote against this, because I do not have the assurances that I want to have that sometime soon the broadcast media will be able to come in on their own initiative and handle their own cameras and make their own decisions.

Mr. RHODES. Mr. Chairman, I thank the gentleman.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize that the hour is late, but we are embarking upon an incredibly important decision. What I find extremely frustrating is that for the 1,000th time we are not voting on the issue that I would like to vote on. I would agree with all my colleagues who want the American people to see these proceedings. I doubt very seriously if there is one human being who wants that more than I do. I want to see it, because I want the American people to understand the incredible level of debate that occurs on numerous occasions on the floor of this Congress.

I want the American people to be able to compare the quality, the competence and the integrity of their Representatives as they are comparing the brilliance that lies within these Chambers.

I want the people to understand that, I want them to see it, but there have been many moments when I felt great frustration, being depressed. I want to make a few comments about that.

I am a black human being. I want the right to speak out. I am also left of center. I make no bones about that. My politics are progressive politics; but I have stood with many other progressives on the floor of this Congress with women, minorities, progressives, thinking people. Pick up the newspaper. You never see one word about that, and we wonder why. Why are we not invited to speak on Face the Nation or Meet the Press?

We are just like any other people. I have to study the issues just like any other person here.

They ask the blacks to come on and talk about black leadership 10 years after somebody dies, but not to talk about the quality of the economy, not to talk about foreign policy, not to talk about all the gripping and crippling problems we have to address.

I wonder why. I feel great frustration because I know that some journalists have decided that some people's comments shall be communicated to the American people and some people's comments shall not. I want the people in America, with no distortions, to see this whole thing. I throw down this gauntlet to all of you who want to see the American people do this.

Let us not buy some of these cruise missiles, and let us take a few hundred million dollars of that money and buy the American people a television station and let them have it all day long. Then, when they want to hear the Congress of the United States, they can turn on channel 28 and they can watch all of you, whether you pick your nose or whether you do not pick your nose, and they can see the whole thing.

I do not want to see corporate America dominate these proceedings. I want to see us really talk about the American people so that this black, left-of-center human being can speak to the American people untouched by somebody else's interpretation.

Let me tell the Members about the press. How many times have we fought in this well and challenged the insanity of the neutron bomb, and how many times have we fought to transfer money from the military budget to solve human problems at times when there were only two people in the press gallery? How do we communicate with the American people?

I kept a diary on how many members of the press were in the gallery for about 6 months last year. I wrote down how many blacks there were, how many Chicanos there were, how many Asians there were, how many native Americans there were, how many whites there were, how many men there were, and how many women there were. Do you know how my figures came out? I came to the conclusion by those figures that this is a white, male chauvinist, racist press, and these are the people who are supposed to be communicating with the American people.

Mr. Chairman, there are 35 million blacks, and I dare anyone of us to come up with a date when we see more than one black woman, although sometimes there are two, sitting in that gallery and communicating with millions of people. A total of 50.5 percent of the American people are women. How many times have we seen a majority of women sitting in those galleries?

So we already have a built-in situation that is fraught with prejudice and discrimination. That is true even of the fairest among us. We all know that. The distinguished minority leader said they would be fairly unfair. That is a very significant point.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. Mr. Chairman, I dream of the day when many of my colleagues and I can communicate openly with the American people, with no one distorting, no one deciding that RON DELLUMS is too radical to quote. They say, "You are too radical, so we will take what some moderate Democrat says," or they say, "We will take what some conservative Republican says."

I was elected, as all of us were elected, and I want fairness and openness. I want to communicate clearly to the American people, because I think that while there may be 20 people on the floor, if we can communicate with 20 million people out there, some Members will not come back here next time we have an election.

With respect to the networks, let me say this: I think this job is a job that requires dignity, and it should have dignity. I do not want to become a Thrilla in Manila, I do not want to become Super Bowl XII, I do not want to become Congressional Extravaganza XX, where we are selling soap, dog food, underarm deodorant and maybe several other things. I want the American people to understand the truth.

So if you want to play to the gallery, then join me. Let us have a proposition that says that we will take American money and not build some crazy bomb that will destroy our children's future but build a television network system so that every single American human being who cannot afford a vacation in Washington, D.C., and get a gallery pass can sit down and watch the entire proceedings on television.

Let us not play games with each other.

I will vote for this amendment because I have serious problems with the networks. I realize the movie networks have had a few dramatic portrayals, but nevertheless they raise some very significant points. None of us knows who owns ABC, CBS, or NBC, who makes the decision, or where the money comes from. We do not know those things, and as long as we do not know those things, we should not give it to the networks. Let us give it to the people.

Mr. Chairman, let us take our taxpayers' money and put a little more with it and let them have this.

Mr. SHIPLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I simply wish to say to the gentleman from California (Mr. DELLUMS) that the committee accepts the amendment. I ask for a vote.

Mr. MAZZOLI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the House will agree that I very seldom waste its time, and I do not intend to waste its time tonight. I will take just a few minutes, and I will say only this:

I think, despite the level of debate tonight, what we have fundamentally here is a question of freedom of the press.

This is an issue I am really very disappointed that my party did not take a lead on. This is something usually we ourselves stand in favor of—openness, candor, objectivity, let the chips fall where they may. I think that is fundamentally what we have, I do think the vote for the amendment of the gentleman from Illinois is, as the gentleman from Colorado said, is not a vote against Speaker O'NEILL nor a vote against the integrity of the House. It is a vote for freedom of the press.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, having come here from almost two decades of a television and

radio broadcasting career, and since we are now being radio broadcast to the Nation and, therefore, to the world, I would like to emphasize for the world that a vote for this amendment is a vote against inevitability. As with the great parliaments of the free world, our mother country Great Britian, West Germany, Canada, Australia, and most of our State legislatures which are all already televised, this great deliberative body is sooner or later going to be broadcast. If what goes on here is of any quality, then it may find itself commercially sponsored. Tonight for example would definitely be fare for only PBS.

Our profound exchanges as they affect the course of history will find themselves eventually inevitably onto two of the UHF–TV channels gavel to gavel.

There are over 80 UHF channels, soon, just a punch of the dial, or later if we pussy foot around tonight, and any American home can view the deliberations of this House.

A punch of the dial will bring in the deliberations of the other body shortly after we have taken that historical step of opening ourselves up for the world to see and hear.

I agree with the gentleman from California (Mr. DELLUMS), who is an upfront politician, I agree that his speeches in his district match up with his speeches in this House.

It is inevitable as night following day that we add to the sound we now have—sight—and even more audience involving—color. The media superexperts, such as McLuhan, tell us that the move to color TV grabs the audience more effectively and deeply than does the advance from radio to black and white TV. We need that total involvement. If we go with the networks, and each one of the three plus PBS by its lifelong record of broadcasting, particularly in the last 15 years, is to the left of center, if we go with them—we will be fairly treated.

It is a curious fact that on the minority side of the aisle, the right-of-center side, there is a higher percentage willing to trust ABC, CBS and NBC. Amazing. Yes, we conservatives are willing to place ourselves at the mercy of the Carsons, Cavetts, Frosts, Griffins, Douglas'. All politely, just ever so slightly—safely left of center. Why? Because competition, giving both sides is their life's blood. Harry Reasoner, Barbara Walters, Howard K. Smith, Walter Cronkite, and John Chancellor all proudly describe themselves as proud liberals, as many of you do. Why do you fear them? They are fair people who suffer for a good rating. They will not stifle quality.

The reason that many of you may temporarily block the movement of this House into total openness is very simply this: Fear of removal of the smokescreen! You see 43 percent of this Nation voted Republican in 1976 if you tally the raw vote of congressional races throughout 435 districts, but this west side of the aisle does not reflect that fact. We only have 33 percent of the seats here. Why? A combination of gerrymandering and two-faced representation.

Proof? When a distinguished Californian retires recently and he is among friends at a retirement toasting, he makes the following statement: "Here is how I have stayed here a quarter of a century, my pals. You vote liberal, to satisfy the noisiest special interests, and then you go home and you talk conservative to the folks who pay the bills."

That formula is not going to work any longer if we let the burning sunlight of the color TV cameras in here—commercial cameras. That lousy double deception is going to fail if the speeches here on the House floor are going to be matched against those that are made to the taxpayers back home.

The gentleman from California (Mr. DELLUMS) will come back; I will come back, but those of you who will have trouble returning after open televising—and you are the ones who are going to be wrestling with your consciences tonight—are you who play that shell game now you see the real me now you do not—you look down your noses at the middle class, the middle American taxpayer, those who favor proposition 13, those who work hard for a diminishing paycheck. You con them that you suffer with them and them come back to District of Columbia and liberate them from their money for every elitist boondoggle that ricochets off these walls. Well the two-faced con jobs with end when this House is network televised. Even Barbara Walters will see the light.

Mr. Chairman, I think we should defeat this amendment which holds back the future. What you are fighting against is the inevitability that the American people will catch on to the double dealing and demand that all Congressmen stand up as does the gentleman from California (Mr. DELLUMS) and say the same thing here as they do in their district and vote accordingly. That will make for great Government. I say bring on the networks. And that comes from a progressive, right-of-center Member of Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. BENJAMIN).

RECORDED VOTE

Mr. ANDERSON of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 235, noes 150, not voting 49, as follows:

[Roll No. 457]

AYES—235

Addabbo	Blouin	Cleveland
Akaka	Boggs	Collins, Ill.
Alexander	Boland	Conte
Ammerman	Bonior	Corman
Andrews, N.C.	Bowen	Cornell
Annunzio	Brademas	Cornwell
Applegate	Breaux	Cotter
Ashbrook	Brooks	D'Amours
Ashley	Burke, Calif.	Daniel, Dan
Aspin	Burke, Mass.	Danielson
Baldus	Burleson, Tex.	Davis
Baucus	Burlison, Mo.	de la Garza
Beard, R.I.	Burton, John	Delaney
Beard, Tenn.	Burton, Phillip	Dellums
Bedell	Byron	Dent
Beilenson	Carney	Derrick
Benjamin	Carr	Derwinski
Bennett	Carter	Dicks
Bevill	Cavanaugh	Dingell
Bingham	Chappell	Dodd
Blanchard	Clay	Downey
Duncan, Oreg.	Jordan	Richmond
Early	Kastenmeier	Risenhoover
Eckhardt	Kazen	Roberts
Edgar	Kindness	Roe
Edwards, Calif.	Kostmayer	Rogers
Edwards, Okla.	Latta	Rooney
Eilberg	Le Fante	Rose
English	Lederer	Rosenthal
Ertel	Leggett	Rostenkowski
Evans, Ga.	Lehman	Roybal
Evans, Ind.	Lloyd, Calif.	Rudd
Fary	Lloyd, Tenn.	Russo
Fascell	Long, La.	Ryan
Findley	Long, Md.	Satterfield
Fisher	Lujan	Sawyer
Fithian	McCormack	Scheuer
Flippo	McDonald	Seiberling
Flood	McFall	Shipley
Florio	McKay	Shuster
Flynt	Mahon	Sikes
Foley	Mann	Skelton
Ford, Tenn.	Marriott	Slack
Fountain	Martin	Smith, Iowa
Fowler	Mathis	Snyder
Fuqua	Meeds	Solarz
Gaydos	Metcalfe	Spellman
Gephardt	Meyner	St Germain
Giaimo	Mikulski	Staggers
Gibbons	Miller, Calif.	Steed
Ginn	Mineta	Stokes
Glickman	Minish	Studds
Gonzalez	Moakley	Taylor
Gore	Moffett	Thompson
Grassley	Mollohan	Traxler
Gudger	Montgomery	Udall
Hall	Moorhead, Pa.	Ullman
Hammer-schmidt	Murphy, Ill.	Vanik
	Murphy, N.Y.	Vento
Harkin	Murphy, Pa.	Volkmer
Harrington	Murtha	Waggonner
Harris	Myers, Michael	Walgren
Harsha	Natcher	Watkins
Hawkins	Neal	Weaver
Hefner	Nichols	Weiss
Heftel	Nix	White
Hightower	Obey	Whitley
Holt	Panetta	Whitten
Holtzman	Patten	Wiggins
Horton	Patterson	Wilson, Tex.
Howard	Pattison	Wirth
Hubbard	Pease	Wolff
Hughes	Pepper	Wright
Ichord	Perkins	Young, Alaska
Ireland	Pickle	Young, Mo.
Jenrette	Poage	Young, Tex.
Johnson, Calif.	Preyer	Zablocki
Jones, N.C.	Rahall	Zeferetti
Jones, Okla.	Reuss	

NOES—150

Abdnor	Edwards, Ala.	Lundine
Ambro	Emery	McClory
Anderson, Calif.	Erlenborn	McCloskey
	Evans, Colo.	McEwen
Anderson, Ill.	Evans, Del.	McHugh
Andrews, N. Dak.	Fenwick	McKinney
	Fish	Madigan
Archer	Forsythe	Maguire
Armstrong	Fraser	Markey
AuCoin	Gammage	Marks
Bafalis	Goldwater	Marlenee
Bauman	Goodling	Mattox
Breckinridge	Gradison	Mazzoli
Brinkley	Green	Michel
Brodhead	Guyer	Miller, Ohio
Broomfield	Hagedorn	Mitchell, N.Y.
Brown, Mich.	Hamilton	Moore
Brown, Ohio	Hanley	Moorhead, Calif.
Broyhill	Hannaford	
Buchanan	Hillis	Mottl
Burgener	Hollenbeck	Myers, Gary
Burke, Fla.	Huckaby	Myers, John
Butler	Hyde	Nolan
Cederberg	Jacobs	Nowak
Clausen, Don H.	Jeffords	Oakar
	Johnson, Colo.	Oberstar
Cochran	Kasten	Ottinger
Coleman	Kelly	Pettis
Collins, Tex.	Kemp	Pike
Conable	Ketchum	Pressler
Corcoran	Keys	Pritchard
Coughlin	Kildee	Pursell
Crane	Krebs	Quayle
Cunningham	LaFalce	Quillen
Daniel, R. W.	Lagomarsino	Railsback
Devine	Leach	Regula
Dickinson	Lent	Rhodes
Diggs	Levitas	Rinaldo
Dornan	Livingston	Robinson
Drinan	Lott	Rousselot
Duncan, Tenn.	Luken	Ruppe

Sarasin	Steers	Walsh
Schroeder	Steiger	Wampler
Schulze	Stockman	Waxman
Sebelius	Stratton	Wilson, Bob
Sharp	Symms	Winn
Skubitz	Thone	Wydler
Smith, Nebr.	Treen	Wylie
Spence	Trible	Yatron
Stangeland	Van Deerlin	Young, Fla.
Stanton	Vander Jagt	
Stark	Walker	

NOT VOTING—49

Allen	Gilman	Rodino
Badham	Hansen	Roncalio
Barnard	Heckler	Runnels
Biaggi	Holland	Santini
Bolling	Jenkins	Simon
Bonker	Jones, Tenn.	Sisk
Brown, Calif.	Krueger	Stump
Caputo	McDade	Teague
Chisholm	Mikva	Thornton
Clawson, Del	Milford	Tsongas
Cohen	Mitchell, Md.	Tucker
Conyers	Moss	Whalen
Flowers	Nedzi	Whitehurst
Ford, Mich.	O'Brien	Wilson, C. H.
Frenzel	Price	Yates
Frey	Quie	
Garcia	Rangel	

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Frenzel against.

Mrs. Chisholm for, with Mr. Heckler against.

Mr. Garcia for, with Mr. Badham against.

Mr. Rangel for, with Mr. Gilman against.

Mr. Nedzi for, with Mr. McDade against.

Mr. Mitchell of Maryland for, with Mr. O'Brien against.

Mr. Price for, with Mr. Whitehurst against.

Mr. Conyers for, with Mr. Caputo against.

Mr. Ford of Michigan for, with Mr. Cohen against.

Mr. Yates for, with Mr. Del Clawson against.

Mr. Mikva for, with Mr. Frey against.

Mr. Sisk for, with Mr. Hansen against.

Mr. Biaggi for, with Mr. Quie against.

Mr. Moss for, with Mr. Whalen, against.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COUGHLIN: On page 6, after line 23, insert the following new section:

SEC. 102. None of the funds appropriated on pages 2 through 6 of this Act shall be made available for obligation unless such funds are subject to audit by the Comptroller General of the United States in accordance with the provisions of title 31, section 67 of the U.S.C.A.

Mr. COUGHLIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COUGHLIN. Mr. Chairman, this amendment is similar to the amendment I offered earlier to provide for a GAO audit of the Members' and committees' accounts. It has been modified, however, to make it very clear that this is not imposing additional duties on the General Accounting Office because they already have the duty and responsibility to audit such accounts under title XXXI of the United States Code, annotated, section 67.

I believe the amendment may be acceptable to the chairman of the subcommittee, the gentleman from Illinois (Mr. SHIPLEY). I think it simply indicates the desire of Congress to have those accounts audited by the GAO. The GAO has indicated that they needed that desire expressed and this amendment will express that desire.

Mr. SHIPLEY. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I am delighted to yield to the gentleman from Illinois.

Mr. SHIPLEY. Mr. Chairman, the committee has looked over the amendment, and I agree, on this side, with the gentleman that it does not impose any additional duties. We already are subject to an audit and this is one of the provisions of the present law. So, on this basis, the committee would accept the amendment.

Mr. COUGHLIN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ERTEL

Mr. ERTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ERTEL:

Page 32, after line 7, insert the following new section:

SEC. 307. Effective December 1, 1978, none of the funds appropriated by this Act may be used to provide or maintain any utility or custodial service for any office premises of the House of Representatives if such premises is occupied by any organization which was, during 1977, requested by the Speaker of the House of Representatives to vacate such premises.

Mr. ERTEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Chairman, I object. I would like to hear the amendment read.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading of the amendment.

Mr. VANDER JAGT. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Michigan (Mr. VANDER JAGT) reserves a point of order against the amendment.

Mr. ERTEL. Mr. Chairman, this amendment is simply an amendment to require the removal of the partisan political parties from the House Office Building.

Mr. VANDER JAGT. Mr. Chairman, before the gentleman begins, would the gentleman yield for just a moment?

Mr. ERTEL. I yield to the gentleman from Michigan.

Mr. VANDER JAGT. Mr. Chairman, I appreciate very much the gentleman yielding. I think, because of the late hour, it might be possible to facilitate the time.

It is the intention of the gentleman to deny the use of public funds to pay for the utilities and custodial services that have been provided, it is not legislation on an appropriation bill?

Mr. ERTEL. No, that is not my purpose at all. That is part of my amendment, but my purpose is to deny the facilities of the public domain to partisan political parties who engage in partisan political activities on Federal property. That is my purpose.

Mr. VANDER JAGT. I thank the gentleman.

Mr. ERTEL. Mr. Chairman, I have been trying to remove the partisan political parties and their campaign committees from the use of Federal space since June 27, 1977. At that time I contacted the Speaker and indicated my intention to offer an amendment to the same type of legislation as this to require both the Democratic Congressional Campaign Committee and the Republican Congressional Campaign Committee to remove themselves from the office space they are now occupying.

The Speaker assured me that they would be removed, and, in fact, the Democrats did remove and the Republicans have not.

On October 1 there was a letter from Bill Brock, who is the National Chairman of the Republican Party, to the Honorable GUY VANDER JAGT indicating that the Republicans would vacate by November 15, 1978. Subsequently I spoke to and wrote the Speaker, and he ordered the remaining one committee, the Republican Campaign Committee to remove by April 1, 1978. They did not do so, and in a letter to the Speaker they stated, and I quote:

After full discussion of the matter at such meeting, the Executive Committee unanimously concluded that the April 1 date was unreasonable and could not be accepted.

And they then remained in the spaces.

This has been going on since July of last year. They still have not removed. They are conducting partisan political campaign activities out of those spaces and, in fact, refuse to remove themselves. They did indicate to the Speaker that they would pay rent. Yet the Speaker sent back a check to them saying he could not accept it. They indicated in two different communications that they can be out in November of this year. I am quite willing in my amendment to give them through the end of November, which they have indicated they could be out by. I think that is going overboard, since they have had now a year and a half notice to remove. The Democrats removed in 3 months. It seems unreasonable to give them that length of time, but to accommodate them, my amendment will allow them to remain through the campaign and to December 1, which they have already indicated they can comply with. But the problem is they have not complied in the past, and if we do not set a deadline, they probably will get an extension again, so I have asked that this amendment be

approved so that the Republican Party's Campaign Committee will be removed from this space.

I might point out that the Senate does not have any campaign committee in their spaces. I am sure the Republicans are willing to vacate and, as stated by the minority leader in his correspondence, are trying to do so. He has indicated to the Speaker they would do so, so I would urge support for this amendment at this time.

The CHAIRMAN. Does the gentleman from Michigan (Mr. VANDER JAGT) desire to be heard?

POINT OF ORDER

Mr. VANDER JAGT. Mr. Chairman, I rise to be heard on my point of order against the amendment.

Mr. Chairman, I was prepared to accept the amendment on the basis of the language of the amendment that it denies the use of public funds to provide payment for services that are rendered and would have been happy to accept that. The maker of the amendment, however, makes it clear that the intent of the amendment goes far beyond that, and he has made it clear that the amendment is directed to one specific organization. That organization is a tenant in a building that has many other tenants and it, therefore, would impose upon the Speaker duties and responsibilities and actions that go far beyond the withholding of funds in payment and, therefore, is legislation on an appropriations bill.

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. ERTEL) desire to be heard?

Mr. ERTEL. Mr. Chairman, if I may be heard on the point of order, my amendment says:

None of the funds appropriated by this Act may be used to provide or maintain any utility or custodial service for any office premises of the House of Representatives if such premises is occupied by any organization which was, during 1977, requested by the Speaker of the House of Representatives to vacate such premises.

It is only cutting off funds to those office spaces for the custodial services and utilities. It is not doing anything to anybody else. It is a limitation on the expenditure of funds, and that is all it is. Therefore, it is proper and it is not legislation.

The CHAIRMAN. The Chair will rule on the point of order.

The amendment is clear, specific and unambiguous; and as the gentleman from Pennsylvania (Mr. ERTEL) just stated, is simply a limitation on funds within the fiscal year. The Chair overrules the point of order.

AMENDMENT OFFERED BY MR. BLOUIN TO THE AMENDMENT OFFERED BY MR. ERTEL

Mr. BLOUIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLOUIN to the amendment offered by Mr. ERTEL: Amend the Ertel amendment by striking from line 1, the words "Dec. 1, 1978" and inserting "effective immediately upon enactment of this Act".

Mr. BLOUIN. Mr. Chairman, my remarks will be brief. What is right is right. What is wrong is wrong. It is wrong for a partisan activity to take place under a public roof with Government-subsidized money paying for it. It is improper, it is unethical, it is probably illegal and ought to be stopped and stopped as soon as possible. We should be a fair landlord. It will take us a few weeks to pass this act, long enough to pack your boxes, get off Government property and saddle up like everybody else.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I thought I had yielded back my time, but I will yield.

Mr. SYMMS. Mr. Chairman, if the gentleman believes what the gentleman is saying, we ought to shut the lights off in this capitol then.

Mr. BLOUIN. I do not think the lights in the Capitol are being left on at this moment to churn out news releases written by the Republican news media that fabricate issues directed at specific Members on this side of the aisle. That is all fine, but it ought not to be done with taxpayers' money. It ought not be done at a time when this country is worried about balancing the budget. It ought not be done at a time when this country is worried about deficit spending and even higher taxes. It is time for some fiscal integrity around here.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, the people of California have spoken on this issue and with $8 million, I say "shame."

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would suggest to the gentlemen that have offered this amendment that my political opinions are not much appreciated sometimes on this side of the aisle; but I would also suggest to you that I am embarrassed by this House. If you want to get into the legalities, which you seem to talk about, let us talk about the legalities of selling booze in a Federal building House Annex No. 1.

We did not talk about it. We are building a building. We are paying for it ourselves. This has got to be one of the most embarrassing, small, ridiculous moments and debates I have ever seen this House enter into.

Mr. BLOUIN. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I will be delighted to yield to the gentleman from Iowa.

Mr. BLOUIN. Mr. Chairman, if the gentleman thinks there are other things going on on Federal property that are illegal, I would be happy to join in sponsoring amendments to strike them. It was pointed out months ago that this was an improper practice and everybody moved off the Hill, but the Republican Campaign Committee.

Mr. McKINNEY. Mr. Chairman, I will take my time back and suggest to the gentleman that the gentleman's outrage is new, now that you have managed to get the money together to buy the Rotunda and move out what was a totally illegal operation, which was the selling of liquor in a House building. I would suggest in fairness that we, who have agreed to pay our rent, have started our own building, be given time to move while the House spend its time making sure no one ever again use the buildings which belong to the taxpayers be used for partisan affairs. It will take less time to finish our building than it will to straighten out the current mess of interlocking use of space, help, and places.

Mr. VANDER JAGT. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, considering the hour, I still retain hope that this matter can be resolved in a reasonable and a dignified manner. I totally support the motives of the gentlemen who have offered the amendments to stop the use of public funds to subsidize nonofficial activity. That is a longstanding and widespread practice on this Hill in many ways, and in many instances it is still going on. I applaud the effort to stop it. I am extremely proud of the record of the National Republican Congressional Committee in being in the vanguard of that effort with our actions and not just with our words.

Because of the hour, I will resist the temptation to tick off item by item the instances where we have been first and then followed only later by other organizations, if at all. But let me just address this specific issue of the occupancy of public space rent free.

Our committee was the first committee to raise that issue. A year ago March, in a letter to the Speaker, we suggested that both of our campaign committees begin paying rent for that portion of the space which was related to nonofficial activities. Though the letter was never responded to, in November the Democratic Campaign Committee abruptly vacated the premises, and as we might imagine, within days we were requested to do the same.

That raised a very interesting question. Because of the morality concerns of the gentlemen who are offering the amendments, I think they should be concerned with that question, too, because there is an impropriety even more grievous than the use of public funds to subsidize non-official activity, and that is the use of public funds to provide a partisan advantage to one party over the other party.

When the Democratic Campaign Committee vacated the premises, that concluded 32 years of rent-free occupancy. For 26 of those 32 years our committee had been paying full rent. We could stay where we are for another 10 years and we still would not catch up in terms of fairness and equity.

However, we acceded to the Speaker's request and immediately took steps to vacate the premises. As anyone here can imagine, our search for rental space in

proximity to the Hill for an organization as large as ours was unavailing, so we painfully turned to the only alternative we had, and that was to build our own building.

We have purchased the land, we have arranged the financing, and anybody who will walk two blocks off in that direction will see that the old building has been torn down and the new building is going up. In the meantime, as the gentleman pointed out, we have tendered, on the basis of an objective outside appraisal, rental checks to the Speaker which have been returned.

I like to think the reason for his returning those rental checks is from a sense of good sportsmanship and maybe just a tinge of conscience, knowing in his heart that even a few months of rent-free occupancy for us can in no way equalize the 26 years of rent-free occupancy enjoyed by the Democrat campaign committee while we were paying the full rental.

I applaud the good sportsmanship of the gentleman from Pennsylvania (Mr. ERTEL) in picking the triggering date of December 1. I think that it is infinitely superior to some of the blatantly partisan proposals which would result in dumping us out in the street in the middle of a campaign at the moment our building is going up.

I also accept in good faith the idea that the December 1 trigger date was selected because it was understood that our hope and our goal is that we will move into that completed new building that we can see going up in November.

As every Member of this body knows, there can be slippage in construction, and in the event there is slippage and completion is delayed, I think it is altogether proper that we pay, as we have offered to do, for the costs so the delay is not in any way a burden to the taxpayer.

So I applaud the gentleman for his effort. As he explained it, in arguing against the point of order, the amendment merely prohibits the use of public funds to pay for custodial and janitorial services that have been provided to us after December 1. That was the explanation. I think it is a worthy objective, and I welcome this body's going on record as saying that a way should be found for the House to receive such payments pending the completion of the building.

Mr. Chairman, I would suggest the defeat of the Blouin amendment, and then I would be glad to accept the Ertel amendment so we can get on with the business of this House.

Mr. ERTEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the entire 5 minutes at my disposal, but I do want to comment on the statements that were just made.

The statement was made that there was no response to the committee or to the Republicans, from a letter they had sent on March 1, according to the gentleman from Michigan (Mr. VANDER JAGT). However, there was a letter on July 27, 1977, to the Honorable JOHN J. RHODES, minority leader, signed by the Speaker of the House, Mr. O'NEILL, which indicated they would have to remove, and he stated, according to the records, that the Republican Campaign Committee now occupies rooms 508 to 522, House Building Annex No. 1. He further said, "We are asking that you also remove your campaign committee to other quarters." Consequently on July 27, 1977, the Speaker did in fact address a letter to the leader of your congressional campaign committee, the leader of your delegation here, indicating you should remove at that time. There was a subsequent letter, after a series of responses, when he said that April 1 should be the deadline for your removal. That is when you came back and you said you could not remove, and you asked for the subsequent date.

It seems to me we have to have deadlines, we have to get this resolved. I do not know what the Democrats did before I came here. I am a freshman. But regardless of what they did, two wrongs do not make a right. Right now it is wrong, and they ought to move.

Mr. VANDER JAGT. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from Michigan.

Mr. VANDER JAGT. Mr. Chairman, I would merely like to state that the recitation of the facts by the gentleman is absolutely correct, and they are totally consistent with everything I said in the well. That is why I would be perfectly willing to accept the gentleman's amendment after the Blouin amendment is defeated.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

There comes a time every year when you have really got to set politics aside and you have got to vote for what is right in this Chamber. Now, what is right is to do what the Blouin amendment purports to do, and that is to keep a partisan political campaign committee from using public facilities to grind out press releases that go out into the districts and flood the districts, purporting to tell the people that you vote one way or the other. So the right thing to do would be to support the Blouin amendment. I am telling you this as someone who represents a district that is flooded by these press releases that come out of the Republican Congressional Campaign Committee, that the political thing to do is defeat the Blouin amendment and to defeat the Ertel amendment. I will tell you why. These press releases are going out to my district. They are putting them in the newspapers. I contacted some of the newspapers and organizations in the district, and I told them that those press releases come from the Republican Congressional Campaign Committee, out of offices which are provided by the taxpayers here in Washington, D.C. They are indignant about it. I will tell you what: I want to see the Republicans keep doing it. Politically, I want to see them keep doing it, because politically it is the best thing that will assure my reelection in my congressional district. I am just telling you that the right thing is to support Blouin. The politically best thing to get me reelected is to kill it and keep those press releases turning out.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask a question of the author of the amendment, the gentleman from Pennsylvania (Mr. ERTEL).

Does this amendment also include the eggman, the people who sell plants in the office building, the people who come in to sell steak and meat products from office to office, the people who live in the old Congressional Hotel?

Mr. ERTEL. Do they use part of the office for political activity? Do they rent space? Do they use the offices as political facilities?

Mr. BROWN of Ohio. The amendment offered by the gentleman fror Pennsylvania as I read it, does not say anything about partisan political activity.

I understand the persons about whom I ask conduct private businesses in public buildings. I wonder whether the gentleman can tell me who gives them the authority to use the House Office Building—which we all occupy as Members of Congress—to come in and sell their products?

Mr. ERTEL. I could not possibly answer who allows people to walk into his office or into the building or not.

Mr. BROWN of Ohio. Could the gentleman tell me also about some of the spaces that are part of what was formerly the Congressional Hotel, whether these spaces are being occupied as residences?

Mr. ERTEL. All I can tell the gentleman is that, as far as I know, a pretty good investigation has been done. The only one conducting partisan political activities on Federal property at the present time is this one committee which still remains.

Mr. BROWN of Ohio. Could the gentleman tell me where in his amendment the words "partisan political activities" appear? I do not read that in the amendment.

I am trying to understand the amendment to see whether it applies to those people who are living in the buildings and using them as residences and also to those using these public buildings as places for selling their products.

I would like to know whether the gentleman can tell me where the authority for that comes from. Who gives them that authority?

Mr. ERTEL. If the gentleman will yield further, let me indicate to the gentleman that where this goes to partisan political activities is that any organization, which was true in 1977, requested by the Speaker of the House of Representatives to vacate such premises must do so.

Mr. BROWN of Ohio. Apparently the tradesmen were not then asked by the Speaker to leave, is that right, or the people who are residents in the former Congressional Hotel have not been asked by the Speaker to leave?

Mr. ERTEL. Will the gentleman yield further to let me finish my answer?

Mr. BROWN of Ohio. Would the gentleman answer that part of the question?

Mr. ERTEL. Certainly. If the gentleman read the RECORD of May 20, I put in the RECORD the correspondence between the Speaker and the gentleman from Michigan (Mr. VANDER JAGT) and the gentleman from Arizona (Mr. RHODES). I think it is complete in that there was an instruction for all partisan political activities to leave.

Mr. BROWN of Ohio. We have already passed that point.

Could the gentleman answer the question for me? I will be glad to yield to him for that purpose.

Have the residents of the Federal building that was formerly the Congressional Hotel been asked to leave? Could the gentleman tell me that?

Mr. ERTEL. I am sorry. I cannot hear the gentleman. I cannot answer something which I cannot hear. I am sorry.

Mr. BROWN of Ohio. The question I asked the gentleman from Pennsylvania was about the people who, I understood, up until recently, at least, were residents in the Federal building which was formerly the Congressional Hotel, were they asked by the Speaker to leave in 1977? With respect to the people who come into the public office buildings as tradesmen, were they asked to leave by the Speaker at the same time? Could the gentleman answer that question?

Mr. ERTEL. To my knowledge, no.

Mr. BROWN of Ohio. They were not asked to leave?

Mr. ERTEL. I do not know whether they were asked or not. I did not check every vendor that walked into the House of Representatives and say to him, "Have you been served with an eviction notice by the Speaker of the House?"

Mr. BROWN of Ohio. Could the gentleman tell me who allows those people to come in as private vendors?

Mr. ERTEL. If the gentleman wants——

Mr. BROWN of Ohio. Could the gentleman tell me the answer to that question?

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield to me? I can answer that if he wants an answer.

He does not want an answer?

Mr. BROWN of Ohio. Yes; I will yield to the gentleman from California if he can be helpful.

Mr. JOHN L. BURTON. Mr. Chairman, I answer the gentleman by telling him that the first amendment of the Constitution allows people to walk into a building paid for by their taxes.

Mr. BROWN of Ohio. And to sell things?

Mr. JOHN L. BURTON. And to sell things and buy things and talk to people.

The farmers of this Nation have to petition the Government for redress of grievances, and the only way they can do it is by selling their eggs and poultry.

Mr. GLICKMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this whole thing is so embarrassing that I am glad the television cameras are not on this assembly to see the atrocious thing that is going on.

I agree with the gentleman from Pennsylvania. I am a target of many of these releases, but I think the gentleman from Michigan has responded responsibly and admirably by indicating that they are going to be out of here on a fixed date. While I am anxious to see them out tomorrow, I think the gentleman indicated that he is going to accept the amendment.

Let us vote on it and get to some more important business.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have one brief question for the gentleman from Pennsylvania (Mr. ERTEL). Would the gentleman care to tell me the telephone number of the Democratic Congressional Committee?

Mr. ERTEL. I have not the foggiest idea. The phone book is back here, and I am sure that we could look it up.

Mr. GARY A. MYERS. I understand that it is a 225 number, which goes through the Capitol switchboard. Is it the gentleman's intention that the passage of this amendment requires that facility to be disconnected?

Mr. ERTEL. I had not considered that, but if the gentleman puts in an amendment to that effect I would be happy to have Democrats as well as Republicans cut off.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. BLOUIN) to the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL).

The amendment was agreed to.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words.

Now, Mr. Chairman, we get into serious business. I am not going to offer my amendment this evening because I do not think the House is in a receptive mood. But, I am going to offer it next year—if I am here next year.

I think expenditures for the calendars is a small amount of money. As the gentleman from Massachusetts (Mr. STUDDS) said, many of these expenditures are legitimate. Clearly, this is not a legitimate expenditure. Clearly, the purpose is purely political, and we should not be mailing out 2,500 calendars each year.

That is my feeling. Members may disagree or agree. I will not offer the amendment this year. I will offer it next year. Those of us who need to send calendars out to be reelected do not belong here to begin with.

Mr. PATTISON of New York. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from New York.

Mr. PATTISON of New York. Mr. Chairman, I congratulate the gentleman for his good judgment in judging the mood of this House tonight and in not offering the amendment. I think he is absolutely right. There is no purpose other than a political purpose in this. We ought to get rid of them, and do it pretty soon. I think the gentleman is right that he should not offer it now.

I congratulate the gentleman.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 32, after line 7, insert the following new section:

"SEC. 308. None of the funds appropriated or otherwise made available in this Act for the House of Representatives or for any other agency shall be used to provide legal representation for any employee without the specific authorization of the Congress."

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes in support of his amendment.

Mr. SHIPLEY. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. SHIPLEY. Mr. Chairman, the committee has looked the amendment over and, frankly, I think it is a good amendment. I wish I had been the sponsor of it. The committee will accept the amendment offered by the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman. Mr. Chairman, this amendment is in direct response to a ruling by a Federal district judge in the District of Columbia who has ordered the Library of Congress to provide legal counsel at the taxpayers' expense to those of its employees who may have grievances. While such counsel may or may not be a good idea, it is not the right of the judicial branch to order the Congress or its agencies to provide this service in the absence of any statutory authority. The arrogance of this judicial ruling should not go unchallenged and this amendment is a clear indication to the court to abandon its assumption of the lawmaking power of the Congress. It is also a sign to the officials of the Library of Congress to resist this court order and the dangerous precedent it could establish.

In the case in question, Williams against Boorstin, the employee was found to have no just cause for his grievance since he had falsified his employment application. Nonetheless, the judge went out of his way to force the Library to establish an elaborate system of legal counsel, thus diverting taxpayers funds from other authorized purposes.

My amendment would stop this in its tracks and allow the Congress to decide such questions.

I urge the passage of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ARMSTRONG

Mr. ARMSTRONG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARMSTRONG:

Page 32, after line 7, add a new section as follows:

"SEC. 309. None of the funds contained in this Act shall be used to provide House Wall Calendars, U.S. Historical Society Calendars, Agriculture Yearbooks, plants from the U.S. Botanic Garden, and shipping trunks, to Members of the House of Representatives, without reimbursement for such items from Member's official Office Expenses Allowances."

Mr. ARMSTRONG. Mr. Chairman, I would ask that the House be in order briefly while I explain this amendment.

Mr. Chairman, I was disappointed to learn our colleague, the gentleman from Pennsylvania, had decided not to offer his anticipated amendment on calendars. I have heard much the same discussion in this Chamber in prior years. Members come to the well to say, "Of course, the calendar practice is reprehensible. Of course it is not a good expenditure of the taxpayers' funds. Of course we ought to curtail it some day, but in view of the lateness of the hour maybe this would not be a good year to do it." Year after year the same refrain. Well, I think this would be an excellent time to do it.

I personally just think we ought to stop printing these calendars. However, that is not what my amendment does.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I will yield in a moment, if I may finish my explanation.

All this amendment says is that those items which are mentioned, including calendars, yearbooks, plants, and so on, which are distributed to Members' offices for use by them here and in their districts would no longer be furnished unless they were vouchered through the official allowances. We now voucher for paper clips, paper, pencils, and all those things we use for official purposes. This amendment would probably greatly curtail the use of calendars. I think many Members would not wish to use their official allowances in this way. However, my amendment would leave to each of the Members of the House that decision, to decide whether or not this was a proper expenditure for the taxpayers' funds.

With that word of explanation, I urge adoption of the amendment.

Mr. TRAXLER. Mr. Chairman, I thank the Chairman for recognizing me.

I rise in opposition to the amendment. I represent a cross section of America. We tell the gentleman from Colorado, for whom I have the deepest respect and with whom I served on the subcommittee before I left that committee through the workings of the seniority system, that I cannot imagine as a Representative from a district that has a cross section of America that the gentleman would even offer this amendment. Certainly not anybody in a State that represents rural America. There is no more popular publication among my rural constituents than the Agriculture Yearbook. I have for him the deepest love and appreciation, but I ask him not to take away that publication that represents to my constituents their communication with the American Government that they pay taxes to.

Mr. Chairman, I want the Members to know, if they will pay attention, that I cannot understand how my distinguished colleague, the gentleman from Colorado, could in any way do this to our rural constituencies, take away from them that thing that represents their deepest communication with their Government and a valuable contribution to their welfare.

I say this to all the Members who come from rural America. I ask them to turn down this effort to deny to us this one effort to represent our constituents.

Let me also say to those Members from rural America to remember that these are small farmers, small landowners, these are people who depend on agriculture for their livelihood and yet this gentleman would take this away from them.

Mr. ARMSTRONG. Mr. Chairman, would the gentleman yield?

Mr. TRAXLER. I will yield to the gentleman from Colorado (Mr. ARMSTRONG). I am sure the gentleman does not want to take these things away from our constituents.

Mr. ARMSTRONG. Mr. Chairman, I thank the gentleman for yielding, and I want to make it clear to the gentleman that his rural constituents need not do without these publications. My amendment only says that he must voucher for them through his official accounts. So it would not deny the publication of them nor the Member the use of them nor his constituents to receive them. It merely says that none of the funds may be used for such items without reimbursement for those items from the Members' official office expense allowances.

Mr. TRAXLER. My distinguished friend, I just want to say this, the gentleman knows that what I say is the truth. The gentleman of course is a Republican and he knows what I say is the truth, but this is merely a typical subterfuge that you engage in. This is just a sort of a sleight-of-hand method which you enjoy engaging in with people. It is just like that used in a circus. You put in one pocket to take it out of the other pocket of the taxpayers, so that the taxpayers are going to have to pay for these items one way or another.

Mr. Chairman, can we please have the other side of the aisle come to order because they are not paying attention to me.

Mr. Chairman, I just wish to say that I believe that this is an antifarm amendment. Let me say that to my colleague from Colorado. Further, it is the rural Members here that appreciate this and yet my friend the gentleman from Colorado (Mr. ARMSTRONG) would deny them of this.

Mr. SHIPLEY. Mr. Chairman, I move to strike the last word. I rise in opposition to the amendment and I ask for a vote on the amendment.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate the desire of the chairman of the subcommittee, the gentleman from Illinois (Mr. SHIPLEY), to get this matter to a quick vote, but I do want to bring one point to the attention of the House.

Mr. Chairman, I am a member of the U.S. Capitol Historical Society. The gentleman from New York (Mr. CONABLE) also serves on the committee with me. I have been a member now of the committee for about 7 or 8 years. Together we and the other Members spend a great deal of time trying to carry on with the history and the preservation of the history of this Capitol. We bring out such publications at cost. We put out a newsletter "Under the Capitol Dome." We had the colored murals put on the walls down below here in the first corridor between the office of the Sergeant at Arms and the dining room. These murals were done by a most distinguished artist, Allyn Cox, who is most remembered as a young man who finished the Brumidi friezes in the rotunda of the Capitol. All this was done at no expense to the U.S. Government. The work is the product of the U.S. Capitol Historical Society, which is strictly nonprofit. We do not take any Federal tax money. We carry on this work by virtue of these publications, from donations and other projects. It is through this committee that we bring these services. One of the projects we do is to engage in preparing a calendar. It is an historical calendar. We buy the paper, we pay for the plates, we hire the work that is needed to be done. We employ those people needed to do the research for the collection of the historical data.

As I say, we have to buy the paper, we have to do this even in advance of the appropriation process, we have to take the risk that we can go ahead with the calendar. The Committee on House Administration, through the gentleman from New Jersey (Mr. THOMPSON) gives us a letter of intent of the authorization and then we publish the calendars. We will print them in the fall. We already have money expended to be used for the calendar for 1979. We have to do advance work for the calendars a year ahead. We have to work 6 months to a year in advance. We pay for all that. All the Government does is they buy so many calendars and make them available.

The gentleman from Colorado (Mr. ARMSTRONG) has a point that we ought to voucher for it. Maybe that is something that ought to be done, but certainly not this year and not immediately, because that would cause great damage to a society that takes no profit; it just carries on valuable work for its Capitol.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I would like to associate myself with the gentleman's remarks. I would like to reassure him to some extent, however, that because the Capitol Historical Society calendars cost 41 cents apiece less than the official calendars printed by the Government, thus, if this has to go through a voucher system, all the Members here would much prefer to buy Capitol Historical Society calendars rather than the official ones which would cost them a great deal against their accounts.

Mr. PICKLE. The gentleman is eminently correct.

I do hope when the Members vote on this that they keep in mind that in order to try to save a little money they can do a great damage to a group that I think does important work for the preservation of the history of this Capitol.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. I thank the gentleman for yielding.

Mr. Chairman, I join in the gentleman's remarks, and I hope the amendment will be defeated.

I should like to remind the Members that all of the profits from the calendars and the other publications issued by the U.S. Capitol Historical Society are used to restore and to embellish the Capitol Building, and for research and development into other publications about the Capitol and the Congress. We are all, of course, familiar with the excellent publications of the Society "We, the People," "The United States Capitol," and the semiannual journal, "Capitol Studies."

We are also very appreciative of the splendid film produced by the Society: "Washington, City Out of the Wilderness." Other outstanding works include a bibliography of the Capitol Building, produced at a cost of $100,000, a microfilm of the Latrobe papers, and an endowment fund to permit interns and fellows to pursue further their studies of the Congress.

Finally, I think we are all familiar with the scaffolding in the main east-west corridor immediately below this Chamber. Through the combined efforts and generosity of the Society and the Daughters of the American Revolution, the disinguished artist, Allyn Cox, is working to embellish and enhance the beauty of this fine building.

Mr. Chairman, the Congress is clearly the beneficiary of the dedicated support of this worthy society. We in turn should continue to support the Society by making its fine calendar, which is filled with information revelant to the understanding of the history of our country available to Members and to our constituents.

I urge the defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. ARMSTRONG).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ARMSTRONG. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 159, not voting 61, as follows:

[Roll No. 458]

AYES—214

Abdnor	Archer	Bafalis
Anderson, Calif.	Armstrong	Baucus
Anderson, Ill.	Aspin	Bauman
	AuCoin	Beard, Tenn.
Bedell	Giaimo	Moore
Bennett	Gibbons	Moorhead, Calif.
Blanchard	Glickman	Mottl
Blouin	Goldwater	Myers, Gary
Boland	Goodling	Natcher
Breaux	Gore	Neal
Breckinridge	Gradison	Nolan
Brinkley	Grassley	Nowak
Broomfield	Green	Ottinger
Brown, Mich.	Guyer	Panetta
Brown, Ohio	Hagedorn	Patterson
Broyhill	Hammer-schmidt	Pattison
Buchanan	Hannaford	Pease
Burgener	Harkin	Pettis
Burke, Fla.	Harrington	Pressler
Butler	Harris	Pritchard
Carr	Harsha	Pursell
Carter	Heftel	Quayle
Cavanaugh	Hillis	Railsback
Cederberg	Hollenbeck	Regula
Clausen, Don H.	Holt	Rhodes
Cleveland	Holtzman	Richmond
Coleman	Huckaby	Rinaldo
Collins, Tex.	Hughes	Risenhoover
Conte	Ichord	Robinson
Corcoran	Ireland	Rogers
Cornell	Jacobs	Rudd
Cotter	Jeffords	Ruppe
Coughlin	Johnson, Colo.	Russo
Crane	Jones, Okla.	Sarasin
Cunningham	Kasten	Satterfield
D'Amours	Kelly	Sawyer
Daniel, Dan	Kemp	Schroeder
Daniel, R. W.	Ketchum	Schulze
Davis	Keys	Sebelius
Derwinski	Kildee	Sharp
Devine	Kostmayer	Shuster
Dickinson	LaFalce	Skelton
Dicks	Lagomarsino	Smith, Nebr.
Dodd	Latta	Snyder
Dornan	Leach	Spellman
Downey	Lent	Spence
Drinan	Levitas	Stangeland
Duncan, Tenn.	Livingston	Stanton
Early	Long, Md.	Steers
Eckhardt	Lujan	Stockman
Edgar	Luken	Studds
Edwards, Ala.	Lundine	Symms
Edwards, Okla.	McClory	Taylor
Emery	McCloskey	Thone
English	McDonald	Treen
Erlenborn	McEwen	Trible
Ertel	McHugh	Volkmer
Evans, Colo.	Madigan	Walker
Evans, Del.	Maguire	Walsh
Evans, Ind.	Markey	Wampler
Fascell	Marks	Watkins
Fenwick	Marlenee	Weiss
Findley	Marriott	White
Fish	Martin	Wiggins
Fisher	Mattox	Wilson, Bob
Fithian	Mazzoli	Winn
Flood	Meyner	Wirth
Foley	Michel	Wydler
Fountain	Miller, Ohio	Wylie
Fowler	Minish	Yatron
Fraser	Mitchell, N.Y.	Young, Fla.
Gephardt	Moffett	

NOES—159

Addabbo	Chappell	Hamilton
Akaka	Clay	Hanley
Ambro	Collins, Ill.	Hawkins
Ammerman	Conable	Hefner
Andrews, N.C.	Corman	Hightower
Andrews, N. Dak.	Cornwell	Horton
Annunzio	Danielson	Howard
Applegate	de la Garza	Hubbard
Ashley	Delaney	Hyde
Baldus	Dellums	Jenrette
Beard, R.I.	Dent	Johnson, Calif.
Bellenson	Derrick	Jones, N.C.
Benjamin	Dingell	Jordan
Bevill	Duncan, Oreg.	Kastenmeier
Bingham	Edwards, Calif.	Kazen
Boggs	Eilberg	Kindness
Bonior	Evans, Ga.	Krebs
Bowen	Fary	Le Fante
Brademas	Flippo	Lederer
Brodhead	Florio	Leggett
Brooks	Flynt	Lehman
Burke, Calif.	Ford, Tenn.	Lloyd, Calif.
Burke, Mass.	Forsythe	Lloyd, Tenn.
Burleson, Tex.	Fuqua	Long, La.
Burlison, Mo.	Gammage	Lott
Burton, John	Gaydos	McCormack
Burton, Phillip	Ginn	McFall
Byron	Gonzalez	McKay
Carney	Gudger	McKinney
	Hall	Mahon
Mann	Pike	Steiger
Meeds	Poage	Stokes
Metcalfe	Preyer	Stratton
Mikulski	Quillen	Thompson
Miller, Calif.	Rahall	Traxler
Mineta	Reuss	Ullman
Moakley	Roberts	Van Deerlin
Mollohan	Roe	Vander Jagt
Montgomery	Rooney	Vanik
Moorhead, Pa.	Rose	Waggonner
Murphy, Ill.	Rosenthal	Walgren
Murphy, N.Y.	Rostenkowski	Waxman
Murphy, Pa.	Rousselot	Weaver
Murtha	Roybal	Whitley
Myers, John	Ryan	Whitten
Myers, Michael	Scheuer	Wilson, Tex.
Nichols	Seiberling	Wolff
Nix	Shipley	Wright
Oakar	Smith, Iowa	Young, Mo.
Oberstar	Solarz	Young, Tex.
Patten	St Germain	Zablocki
Pepper	Staggers	Zeferetti
Perkins	Stark	
Pickle	Steed	

NOT VOTING—61

Alexander	Gilman	Runnels
Allen	Hansen	Santini
Ashbrook	Heckler	Sikes
Badham	Holland	Simon
Barnard	Jenkins	Sisk
Biaggi	Jones, Tenn.	Skubitz
Bolling	Krueger	Slack
Bonker	McDade	Stump
Brown, Calif.	Mathis	Teague
Caputo	Mikva	Thornton
Chisholm	Milford	Tsongas
Clawson, Del	Mitchell, Md.	Tucker
Cochran	Moss	Udall
Cohen	Nedzi	Vento
Conyers	O'Brien	Whalen
Diggs	Obey	Whitehurst
Flowers	Price	Wilson, C. H.
Ford, Mich.	Quie	Yates
Frenzel	Rangel	Young, Alaska
Frey	Rodino	
Garcia	Roncalio	

Mrs. MEYNER changed her vote from "aye" to "no."

Messrs. HARKIN, RUSSO, D'AMOURS, MARRIOTT, Mrs. SPELLMAN, Messrs. HEFTEL, RICHMOND, AuCOIN, SAWYER, WALSH, HAMMERSCHMIDT, RISENHOOVER, Mrs. MEYNER, Messrs. DICKS, and ABDNOR changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is with some degree of trepidation that I take to the well at this hour of the night; but as chairman of the Committee on the Budget, I think I ought to say to all of the Members that I am encouraged by their efforts to save the taxpayers' dollars.

My colleagues will remember some months ago when we were debating the first budget resolution, and there were efforts made to cut 2 percent and other kinds of cuts. I said, "This is not the place to do it. The place to do it is when the spending bills get to the floor."

The spending bills are to the floor, and I commend the Members in their efforts to save some money. I have been supporting the cuts. I did not support the 5-percent cut because, quite frankly, I prefer the 2-percent route that was used on the other bill. I think 5 percent in a legislative appropriation bill is too high.

However, let us not send out the wrong messages and the wrong signals to the American people. We are not going to save them an awful lot of money by cut-

ting yearbooks or by cutting calendars or by cutting some of the other goodies that we have curtailed; but we have some good, choicy, really chunky bits of savings for the Members to chew on coming up. We have a defense bill coming up, and our Subcommittee on Defense, in its continuing markup, made provision for a $2.5 billion aircraft carrier.

Mr. Chairman, this is a carrier that the administration does not want. The admirals do not want it. I do not think the American people want it, but some of our colleagues here want it.

We are talking about a lot of money; and if we really want to save the taxpayers money, I submit that when that defense bill comes up, that $120 billion-plus item, there will be a very substantial amount of money that we can save.

We will have a public works bill coming up with all kinds of goodies and pork barrel items. We will have impact aid money come up. We will have agriculture legislation come up, and we will have entitlement moneys of all kinds come up. I say to the Members, keep up the good work and continue to save some of that poor, hard-pressed taxpayer's dollars so that maybe we can make expenditures in the area of very real need.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Virginia.

Mr. FISHER. I thank the gentleman for yielding to me.

Mr. Chairman, I want to salute my chairman of the Budget Committee, and join with him in what he says. I thought for some time, as many Members know, that a 2-percent cut is a good target for us to aim at—not vastly more, but not less.

AMENDMENT OFFERED BY MR. GARY A. MYERS

Mr. GARY A. MYERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS: On page 32, after line 7, add the following new section:

SEC. 310. No part of the funds appropriated by this Act shall be used to pay for the purchase of any flag of the United States for the purpose of donation by any Representative, Resident Commissioner in the House of Representatives, or Delegate to the House of Representatives.

Mr. GARY A. MYERS. Mr. Chairman, this is a brief amendment in response to the House Administration Committee action which has recently ruled that flags could be purchased for donation by Members. The rules adopted by the committee in January specifically listed donations as one of the items which were not payable under the allowance of office expenses.

I see no reason to make exceptions for flags. It seems to me that what occurs when a Member of Congress donates a flag is that most constitutents will probably think it is personal expense, and will not realize it is taxpayers' money.

Further, I would expect that Members will have increasing pressure to buy and donate American flags, further eroding the real use of the Members' office accounts, which were intended to be used to do business in their offices. I apologize to the House that the offering of this amendment happens to fall on this day, but I do not schedule the House. It has been pointed out to me that today is Flag Day. I do not expect that the offering of the amendment is any indication of lack of reverence for the flag. I think it is a lack of reverence for the way we run our office accounts.

Mr. Chairman, I ask for the support of the House on this amendment.

Mr. SHIPLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it surprises me that the gentleman would offer the amendment, when we had a very historic occasion today in the House. You know, when I see the little Girl Scouts come to my office and ask for a flag that has been flown over the U.S. Capitol, I like to say yes. When we get to the Brownie Scouts and the little Cub Scouts this gets just a little bit expensive on my part. I am not a wealthy man, but I have always donated flags to those groups that were patriotic, and to those that did not have the funds, because I think and believe that it is part of my job.

This is not a flag to a Cub Scout Troop or a Brownie Scout Troop; it is a flag that has been flown over the U.S. Capitol. I have paid for them, and I have not had the money to do so.

And I paid for it. And I happened to have the money to do so. What is one going to do when a disabled vet asks for a flag that has flown over the Capitol? Are we going to say we have to have him pay $5?

Mr. RISENHOOVER. Mr. Chairman, will the gentleman yield?

Mr. SHIPLEY. I yield to the gentleman from Oklahoma.

Mr. RISENHOOVER. Mr. Chairman, I would like very briefly to associate myself with the remarks of the chairman and say I am glad that the amendment originated on that side of the aisle, because now they have a way to celebrate Flag Day.

Mr. ARMSTRONG. Mr. Chairman, I rise in support of the amendment. I do so with reluctance, particularly in view of the discussion which has just preceded this moment.

I am dismayed that Members of this body would attempt to portray the gentleman's amendment in the light of disrespect or lack of feeling toward our flag. I believe the gentleman reveres the flag as I do and as I trust every Member of this body does. But to attempt to equate our love for the symbol of our Nation with the idea that we ought to give flags away at taxpayers' expense is absolutely at odds with the ideals of this body.

A moment ago certain very provocative questions were propounded to the gentleman from Pennsylvania and I wonder if he would care to respond to them. If he does, I yield to the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Mr. Chairman, I thank the gentleman for yielding.

I would like to say to the gentleman from Illinois (Mr. SHIPLEY) that I happened to have been faced with those same choices the gentleman mentioned, and I had to respond too. Whether it is a disabled veteran or whether it is a request for a flag on the grave of a veteran or whether it is a request from a Girl Scout group, or whatever it may be, the people of my district have been glad to pay for the flags when they know how to get them. Their main concern is to get flags that have been flown over the Capitol. This in no way prevents that. I think there is a process of good will in that.

However, I do not think most Americans realize that it is not the same flag they see flying over the Capitol when they come here. But it does take courage to say to our constituents that they must pay for the flags.

Is the gentleman now going to continue to pay for those flags or is he now going to use the taxpayers' dollars to pay for them? I would yield to the gentleman if he would respond to that.

Mr. Chairman, will the gentleman yield further?

Mr. ARMSTRONG. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Chairman, I was criticized for offering this amendment on the day of the Flag Day ceremonies, and I apologize for this. I am not sure the gentleman from Texas (Mr. WRIGHT) knew that I was going to offer this amendment or he probably would not have had this bill scheduled for today.

But I know that one of the Members on that side of the aisle was heard to remark that only 48 Members were present to honor the flag at the ceremonies today. I heard a great many hisses when I offered the amendment. I do not know whether they came only from those 48 Members, but to get on that track completely gets us off what I am trying to get at here. We offered an amendment saying flags should not be paid for out of the taxpayers' funds. Of course, people would like to have a $21 flag laid on them as a gift from a Congressman, who probably does not tell them they have already paid for it.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. If I have any time left I am pleased to yield it to the gentleman from California.

Mr. WIGGINS. Mr. Chairman, I believe the gentleman from Colorado offered an amendment which was accepted by the House to give away calendars at public expense so long as they were paid for out of our office account. That was the gentleman's amendment. That is exactly the way flags are handled.

Mr. ARMSTRONG. Mr. Chairman, I believe the gentleman from California (Mr. WIGGINS) is mistaken in the effect of the amendment which I offered and which the House accepted. I believe that is not correct.

Mr. WIGGINS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, earlier today I took the trouble to get some information on this issue and I have been holding it all day long and I am not going to frustrate myself by not sharing a little of it with the Members before they vote. It will not take very long.

Mr. Chairman, I found out from the Architect of the Capitol that some 32,000 flags were flown over the Capitol last year. I found out that the rate of flying flags this year is at about the same rate.

We do not have any breakdown as to how many come from the Senate and how many from the House. This bill applies only to the House. But, Mr. Chairman, believing that the Senators represent the same number of people as we do, I suppose half of them were used by Senators. So we are talking about 15,000 flags or roughly 37½ flags per Member per year.

Now, I do not believe that represents a great abuse by this body. It certainly does not represent a significant sum of money because most of the flags, most of the 15,000 flags are paid for by our constituents, not by us. There are a few. If my office is a faithful reflection of the practice of others, I give away, with quotes around those words, that do not require payment, about 10 per year. So this is not a money-saving issue. It is certainly no different than the way we handle calendars as a result of the last amendment. And if I voted, as I did, to charge calendars to public funds out of our office accounts, I could not, in good conscience, deny the same treatment to the flag on Flag Day.

I hope that the Members will defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GARY A. MYERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON: Page 32 add a new section:

No funds appropriated under this act shall be used to install pay toilets in the Capitol.

Mr. JOHN L. BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be deemed as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ARMSTRONG. Mr. Chairman, I object. I do not have a copy of the amendment.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading of the amendment.

Mr. SHIPLEY. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Illinois (Mr. SHIPLEY) reserves a point of order against the amendment.

Mr. JOHN L. BURTON. Mr. Chairman, this is a really productive amendment. The House has been so stupid tonight that I do not know that somebody might not think that it would be improper to have free toilets paid for at the taxpayers' expense in the Capitol so that at some later time someone may try to propose an amendment. And if a supplemental comes up before the election, with the other body, we could have some amendments dealing with this subject matter here.

We do have it now and it is free. I think it should be free. I would just say that if there is a point of order raised that it is not subject to a point of order. If it comes to a vote, I do not know what this body would do because the way we are voting today, I think we all would be very proud of ourselves, because we probably saved the cost of two toilets on the aircraft carrier that the Committee on Appropriations authorized to be built.

With that, I will concede the gentleman's point of order.

Mr. SHIPLEY. Mr. Chairman, I would just like simply to say that this amendment is legislation on an appropriation bill.

Did the gentleman concede the point of order?

Mr. JOHN L. BURTON. It is a flat limitation, Mr. Chairman. It says no funds appropriated under this act shall be used to install pay toilets.

Mr. SHIPLEY. Mr. Chairman, this would impose additional duties upon the Congress.

The CHAIRMAN. The Chair overrules the point of order.

The question is on the amendment offered by the gentleman from California (Mr. JOHN L. BURTON).

The amendment was rejected.

Mr. SHIPLEY. Mr. Chairman, I ask unanimous consent on page 30, line 23, that the Clerk be authorized to change "5338" to "5308." This is in line with correcting a typographical error.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHIPLEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MURPHY of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment adopted by the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ARMSTRONG

Mr. ARMSTRONG. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ARMSTRONG. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ARMSTRONG moves to recommit the bill, H.R. 12935, to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 279, nays 90, not voting 65, as follows:

[Roll No. 459]

YEAS—279

Abdnor	Cavanaugh	Fish
Addabbo	Cederberg	Fisher
Akaka	Chappell	Flippo
Ambro	Clay	Flood
Anderson, Calif.	Collins, Ill.	Flynt
	Conte	Foley
Andrews, N.C.	Corcoran	Ford, Tenn.
Andrews, N. Dak.	Corman	Fountain
	Cornell	Fowler
Annunzio	Cotter	Fraser
Ashley	Coughlin	Gavdos
Aspin	D'Amours	Gephardt
Baldus	Daniel, Dan	Giaimo
Beard, R.I.	Daniel, R. W.	Gibbons
Beard, Tenn.	Danielson	Ginn
Bellenson	Davis	Glickman
Benjamin	de la Garza	Gonzalez
Bevill	Delaney	Gore
Blouin	Dent	Green
Boggs	Derrick	Gudger
Boland	Derwinski	Guyer
Bonior	Dickinson	Hagedorn
Bowen	Dicks	Hall
Brademas	Dingell	Hamilton
Breaux	Dodd	Hanley
Breckinridge	Downey	Hannaford
Brinkley	Duncan, Oreg.	Harkin
Brooks	Early	Harris
Broomfield	Eckhardt	Harsha
Brown, Ohio	Edwards, Ala.	Hawkins
Buchanan	Edwards, Calif	Hefner
Burgener	Eilberg	Heftel
Burke, Calif.	English	Hightower
Burke, Mass.	Erlenborn	Hillis
Burleson, Tex.	Ertel	Hollenbeck
Burlison, Mo.	Evans, Colo.	Holtzman
Burton, Phillip	Evans, Del.	Horton
Butler	Evans, Ga.	Howard
Byron	Fary	Hubbard
Carney	Fascell	Huckaby
Carr	Fenwick	Hughes
Carter	Findley	Hyde

Ichord	Moorhead, Pa.	Seiberling
Ireland	Murphy, Ill.	Sharp
Jenrette	Murphy, N.Y.	Shipley
Johnson, Calif.	Murphy, Pa.	Skelton
Johnson, Colo.	Murtha	Smith, Iowa
Jones, N.C.	Myers, Gary	Smith, Nebr.
Jordan	Myers, Michael	Snyder
Kastenmeier	Natcher	Solarz
Kazen	Neal	Spellman
Kemp	Nichols	Spence
Ketchum	Nix	St Germain
Keys	Nolan	Stangeland
Kildee	Nowak	Stanton
Kostmayer	Oberstar	Steed
Krebs	Obey	Steers
LaFalce	Panetta	Stockman
Le Fante	Patten	Stokes
Lederer	Pattison	Stratton
Leggett	Pepper	Studds
Lehman	Perkins	Taylor
Lent	Pettis	Thompson
Livingston	Pickle	Traxler
Lloyd, Calif.	Pike	Treen
Lloyd, Tenn.	Poage	Ullman
Long, La.	Preyer	Van Deerlin
Long, Md.	Pritchard	Vander Jagt
Lott	Pursell	Vanik
Luken	Rahall	Volkmer
Lundine	Railsback	Waggonner
McClory	Reuss	Walgren
McCloskey	Rhodes	Walsh
McCormack	Richmond	Wampler
McFall	Rinaldo	Waxman
McHugh	Risenhoover	Weaver
McKay	Robinson	Weiss
McKinney	Roe	White
Mahon	Rogers	Whitley
Mann	Rooney	Whitten
Markey	Rose	Wiggins
Martin	Rosenthal	Wilson, Bob
Mathis	Rostenkowski	Wilson, Tex.
Mazzoli	Roybal	Winn
Meeds	Rudd	Wirth
Metcalfe	Ruppe	Wolff
Meyner	Russo	Wright
Michel	Ryan	Wydler
Mineta	Sarasin	Yatron
Minish	Satterfield	Young, Mo.
Mitchell, N.Y.	Sawyer	Young, Tex.
Moakley	Scheuer	Zablocki
Mollohan	Schroeder	Zeferetti
Moore	Sebelius	

NAYS—90

Ammerman	Edwards, Okla.	Marlenee
Anderson, Ill.	Emery	Marriott
Applegate	Evans, Ind.	Mattox
Archer	Fithian	Mikulski
Armstrong	Florio	Miller, Calif.
AuCoin	Forsythe	Miller, Ohio
Bafalis	Fuqua	Moffett
Baucus	Gammage	Moorhead, Calif.
Bauman	Goldwater	
Bedell	Goodling	Mottl
Bennett	Gradison	Myers, John
Blanchard	Grassley	Oakar
Brodhead	Hammer-schmidt	Ottinger
Brown, Mich.		Fatterson
Broyhill	Harrington	Pease
Burke, Fla.	Holt	Pressler
Burton, John	Jacobs	Quayle
Clausen, Don H.	Jeffords	Quillen
	Jones, Okla.	Regula
Cleveland	Kasten	Rousselot
Coleman	Kelly	Schulze
Collins, Tex.	Lagomarsino	Shuster
Conable	Latta	Staggers
Cornwell	Leach	Stark
Cunningham	Levitas	Steiger
Dellums	Lujan	Thone
Devine	McDonald	Trible
Dornan	McEwen	Walker
Drinan	Madigan	Watkins
Duncan, Tenn.	Maguire	Wylie
Edgar	Marks	Young, Fla.

NOT VOTING—65

Alexander	Cohen	Jones, Tenn.
Allen	Conyers	Kindness
Ashbrook	Crane	Krueger
Badham	Diggs	McDade
Barnard	Flowers	Mikva
Biaggi	Ford, Mich.	Milford
Bingham	Frenzel	Mitchell, Md.
Bolling	Frey	Montgomery
Bonker	Garcia	Moss
Brown, Calif.	Gilman	Nedzi
Caputo	Hansen	O'Brien
Chisholm	Heckler	Price
Clawson, Del	Holland	Quie
Cochran	Jenkins	Rangel
Roberts	Skubitz	Udall
Rodino	Slack	Vento
Roncalio	Stump	Whalen
Runnels	Symms	Whitehurst
Santini	Teague	Wilson, C. H.
Sikes	Thornton	Yates
Simon	Tsongas	Young, Alaska
Sisk	Tucker	

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Allen.
Mr. Garcia with Mr. Ashbrook.
Mr. Rangel with Mr. McDade.
Mrs. Chisholm with Mr. Whalen.
Mr. Biaggi with Mr. O'Brien.
Mr. Mikva with Mr. Frey.
Mr. Nedzi with Mr. Frenzel.
Mr. Price with Mr. Cohen.
Mr. Santini with Mr. Caputo.
Mr. Sikes with Mr. Badham.
Mr. Charles H. Wilson of California with Mr. Quie.
Mr. Yates with Mr. Roncalio.
Mr. Mitchell of Maryland with Mr. Teague.
Mr. Tsongas with Mr. Stump.
Mr. Flowers with Mr. Milford.
Mr. Bonker with Mrs. Heckler.
Mr. Slack with Mr. Holland.
Mr. Sisk with Mr. Hansen.
Mr. Runnels with Mr. Gilman.
Mr. Moss with Mr. Del Clawson.
Mr. Alexander with Mr. Vento.
Mr. Simon with Mr. Jenkins.
Mr. Bingham with Mr. Diggs.
Mr. Brown of California with Mr. Conyers.
Mr. Udall with Mr. Crane.
Mr. Skubitz with Mr. Symms.
Mr. Whitehurst with Mr. Young of Alaska.
Mr. Cochran of Mississippi with Mr. Kindness.
Mr. Barnard with Mr. Ford of Michigan.
Mr. Krueger with Mr. Montgomery.
Mr. Roberts with Mr. Thornton.

Mr. MARKEY changed his vote from "nay" to "yea."

Mr. MAGUIRE changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHIPLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include pertinent extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

NEW DEVELOPMENTS RELATING TO PANAMA CANAL TREATIES RATIFICATION AND IMPLEMENTATION PROCESS

(Mr. ROBINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBINSON. Mr. Speaker, I feel compelled today to comment on certain developments related to the Panama Canal treaties ratification and implementation process.

In my judgment, President Carter, who is scheduled to go to Panama within the next several days to exchange the instruments of ratification of the treaties, should cancel the trip because of Panamanian rejection of key Senate reservations, as reflected by a recent communique.

For the President to go ahead now, knowing the Panamanian Government has disavowed any intention to abide by important Senate reservations that we regard as of the essence of ratification, would put the United States in an untenable and precarious international legal position.

It would amount to de facto U.S. acceptance of these treaties strictly on the terms of a leftist military dictatorship. It would signify that such key Senate reservations as the one authored by Senator DECONCINI, asserting the right of the United States to intervene militarily if the Panama Canal or its continued operations should ever be threatened by hostile action, really are not worth the paper they are written on.

The truth is that these seriously flawed treaties would never have been ratified in the first place had not the Senate incorporated various reservations as conditions for their acceptance. It is the clear and overriding duty of the executive branch to uphold the integrity of these reservations and understandings in any subsequent negotiations with the Government of Panama.

Proceeding with any effort to implement the treaties when there is no common agreement on what they mean would be absurd and dangerous.

Mr. Speaker, it is tragic that the American people have been kept largely in the dark about the communique issued by the Panamanian Foreign Ministry on April 25, and subsequently translated and published May 1 by the Foreign Broadcast Information Service of the U.S. Department of Commerce.

This official communique repudiates substantive reservations included by the U.S. Senate as conditions to ratification of these controversial giveaway treaties. It is almost unbelievable that our executive branch of Government has made no public defense of the American position since its issuance, or that the press of this country has allowed this critical document to go generally unreported.

Not only does it repudiate key Senate reservations, it suggests a future "struggle" to realize "national objectives" in a "shorter period of time" and hints of violence if these objectives are not facilitated through future decisions of our Government.

Of greatest strategic importance to our national security, of course, the communique asserts that any right of the United States to intervene in Panama to preserve the neutrality and security of the canal "does not exist."

The DeConcini reservation to the Neutrality Treaty approved by the Senate on March 16 by a vote of 75 to 23 would allow the United States to take military action in Panama after the year 2000 to keep the canal open if it were closed or its operations were interrupted.

But the Panamanian Foreign Ministry declares:

> There would not be the slightest doubt that the DeConcini amendment added to the Neutrality Treaty would not continue in force.

The Hollings reservation to the Panama Canal Treaty approved by the Senate on April 17, by a vote of 90 to 2 would provide that the treaty could not obligate the United States to pay Panama any carryover balance in 1999 resulting from the accumulation of annual funds, up to $10 million (article XIII, 4(c)) available to Panama from toll surpluses not required to cover operating expenses.

But the Panamanian Foreign Ministry declares:

If for unforeseen reasons this sum were not paid in a certain year, Panama understands that the United States will make an effort to cover that sum in subsequent budgets. Paragraph 4C. is not symbolic or worthless. The two countries, in good faith, must give it practical content.

The Cannon reservation to the Panama Canal Treaty approved by the Senate on April 18 by a vote of 90 to 10 provides that the Panama Canal Commission shall, unless otherwise provided by legislation enacted by the Congress, be obligated to reimburse the Treasury of the United States, as nearly as possible, for the interest cost of the funds or other assets directly invested in the Commission by the Government of the United States and for the interest cost of the funds or other assets directly invested in the predecessor Panama Canal Company and not reimbursed before the date of entry into force of the treaty.

But the Panamanian Foreign Ministry declares:

This reservation does not alter what was agreed upon . . . The most significant point in Article XIII is that the canal will revert to Panama on 31 December 1999, free of debts.

The Brooke reservation to the Panama Canal Treaty appproved by the Senate on April 17 by a vote of 84 to 3 provides that the exchange of instruments of ratification not be effected earlier than March 31, 1979, and that the treaties not enter into force before October 1, 1979, unless implementing legislation has been enacted before March 31, 1979.

But the Panamanian Foreign Ministry declares:

Panama understands that the *deadline* for the treaties entry into force is 1 October, 1979 . . .

The Danforth understanding to the Panama Canal Treaty approved by the Senate on April 17 by a voice vote provides that nothing shall be construed to limit the authority of the U.S. agency, the Panama Canal Commission, to make financial decisions and incur such expenses as are reasonable and necessary for the management, operation, and maintenance of the Panama Canal, and further provides that tolls for users of the canal need not be set at levels designed to produce revenues to cover payment to Panama under article XIII, 4 (c).

But the Panamanian Foreign Ministry declares:

If a stingy spirit prevails, aggravating the injustice suffered by Panama since 1903, then a circle of friendship will not have been built around the canal but rather one of hatred, with possible grave consequences if a crisis occurs which the national government would be the first to deplore.

Mr. Speaker, I share the view of Senator HELMS of North Carolina—to whom we are indebted for first fully setting forth the implications of this controversial Panamanian document—that these extraordinary variances of interpretation hold great potential for acrimony, disputes, and serious confrontation in the future.

If the administration proceeds with its present ratification-implementation plans, we are in for a peck of trouble eventually.

PERSONAL EXPLANATION

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Ohio. Mr. Speaker, I was unable to participate in five rollcall votes on June 12, because of family illness in Ohio. Had I been present, I would have voted as follows:

On rollcall No. 437, on condemning violations of rights by the government of the Republic of Uganda and urging the President to take certain actions with respect to those violations, "yea."

On rollcall No. 438, on suspending the rule and passing H.R. 12441, to amend the Toxic Substances Control Act to increase the authorization of appropriations contained in such act, "nay."

On rollcall No. 439, on amending H.R. 12933, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, to prohibit the use of funds to implement or enforce any standard or regulation which requires vehicles to be equipped with occupant restraint systems, other than belt systems, "aye."

On rollcall No. 440, on amending H.R. 12933, to insure that funds could be used for research and development of occupant restraint systems and that funds could be used in connection with any court action with respect to any standard or regulation concerning such systems, "no."

On rollcall No. 441, on final passage of H.R. 12933, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, "nay."

ISRAEL'S REBIRTH 30 YEARS AGO KINDLED A LIGHT OF HOPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 30 minutes.

Mr. ADDABBO. Mr. Speaker, when we celebrated the 30 years of Israel, we honored those special qualities unique to the Jewish state. The nation of Israel is inseparable from the land of Israel. In Israel, the land speaks to the people. It is a communion between a people and their land. It is a feeling of kinship. Of shared experience, of hard-won knowledge. It is a feeling of shared tragedy, and common happiness. It is a family feeling. It permeates the country, and like a natural force gives vitality to the people.

The land speaks in the penetrating language of history and hope. The very ground has seen the empires march by. The countryside has gazed upon the birth of religion. In that land was heard God's great message to mankind. There, the Macabees fought history's first war for religious freedom. So much of what we call civilized was conceived there. So much of what we consider noble occurred nearby.

So it does not surprise me that this land is now the focal point of a moral battle. Let it be said: The issue of Israel's survival is a concern with profound ethical repercussions. Thirty years ago, Israel's rebirth kindled a light of hope. Out of the worse mass murder man has known came a unique state: it spoke the language of ancestors 2,000 years dead. It brought together peoples from a hundred lands, and produced a single nation, gallant and courageous. In this old-new land as Herzl called it, there arose a democracy, a nation passionately devoted to freedom. A country designed to be a haven and a homeland, and an exemplary society—a light unto the nations.

It is this fact which struck a sympathetic chord in the American people. It is this kinship which is at the root of the friendship between the United States and Israel. It is no accident that we are friends. It is destiny. Two democracies. Two pioneer states. Two sanctuaries for the oppressed. Two countries founded on ideals.

It is this awareness, I believe, which should always guide America's policy in the Middle East. I am distrustful of policy divorced from ideals. In our lifetimes, we have seen too often the results of power politics based on unfeeling calculations.

I cannot stand here and tell you that Israel need no longer fear for its existence. A settlement has not been reached, and it is unclear whether diplomatic motion will be transformed into movement toward a lasting peace. There is rising pragmatism in the Arab world. But there is yet a long road to travel.

I believe that a lasting peace is possible. But to be achieved, peace must be based on five key principles:

First, the right of Israel to recognition, and to live permanently in peace in the Middle East.

Second, the establishment of secure, defensible, and recognized borders for all the countries of the area.

Third, the maintenance of a balance of power between Israel and the Arab States.

Fourth, the establishment of normal relations between Israel and the Arab States, characterized by open borders, free trade and travel, and open communications.

Fifth, an end of threats and belligerency, a termination of economic and political warfare.

The first step toward a durable peace is the acceptance of the sovereignty of Israel by the Arab States. This has been the cornerstone of U.S. policy. It should remain so. There can be no substitute, no alternative to Israel's survival. America's various national interests in the

Middle East depend on a lasting Arab-Israel peace. It is certain that a peace cannot be achieved without a strong and secure Israel. It is only with an Israel they know they cannot conquer that the Arabs will make peace. And only a strong Israel will have the confidence to make the sacrifices, and accept the risks, of a settlement.

Someone should ask a question: How is it that in some circles Israel is being called intransigent? I would like to know why? For 30 years and for 11 years since the Six-Day War, Israel has sought only peace. In his November speech to the Knesset, replying to President Sadat, Prime Minister Begin quoted Israel's Declaration of Independence. It should be remembered that at the very moment when five Arab armies invaded the new state, Israel extended a hand of friendship.

In fact, Israel is not to blame for the absence of peace. Until last November, there had been no genuine movement in three decades in the Arab world toward reconciliation. For much of the Arab world, it appears that what was true at Khartoum 10 years ago is true today: No peace, no recognition, no negotiation with Israel. American policy must take this into account. I have been increasingly disturbed by the sniping at Israel coming from the Carter administration. Israel does not need to be lectured about the value of peace. The crowds who turned out to greet President Sadat prove this. What is needed is a call for Arab participation in direct talks. American policy should convince the Arab States that the United States will not dictate to Israel.

A durable peace also requires the establishment of defensible borders. Israel and its neighbors are entitled to negotiated borders. These borders must have a dual purpose. They must be constituted to deter aggression. And they should be open and free, to encourage trust and friendship.

Too many people see maps of this region displayed on television, but fail to grasp the physical message. In an age of missiles and artillery, the people of Israel appreciate the value of defensible borders. To walk on the hills of Jerusalem is to understand the need for secure lines. To stand at the gates of Gaza is to appreciate the need for demilitarized zones. I am convinced that a settlement will not last if mortars are allowed to return to east Jerusalem, if tanks are allowed to mass in the west bank, if gunners can shell farmers from the Golan Heights, if jet fighters in the Sinai are minutes from Tel Aviv.

Both Arabs and Israelis need defensible borders. If Arab leaders no longer have an inducement to aggression, they will benefit. By establishing defensible borders, we can prevent another episode of demagogy such as was seen in May 1967.

I have my doubts about complex formulas, of temporary defense lines and separate political borders. History teaches us that the peace agreements which are the least ambiguous last the longest. Both Arabs and Israelis need a succinct peace agreement. Both sides need to know precisely what their responsibilities are. Both must have an understanding of which lines are inviolable, of which acts constitute a threat.

A third element of a lasting settlement must be a stable balance of power. I am troubled that Israel, and Egypt, Syria, Iraq, Saudi Arabia, and Jordan, have strained themselves to the limit in order to acquire weapons. The tank and air forces of the Middle East are as large as those of NATO. And these defense burdens have extracted psychological costs from Arab and Israeli alike.

I believe the Congress of the United States appreciates the situation which confronts Israel. I think my colleagues understand that in the neighboring States, there has been a massive buildup of Soviet, French, British, and American weapons. I believe it is understood that Israel can only look to the United States for the necessary amounts of sophisticated equipment it requires to assure its defense. Congress recognizes that Israel girds for its own defense, and thus for America's own national interests, foremost is the pursuit of peace. We view aid to Israel as an investment in the future, nothing less.

As a ranking member of the House Committee on Appropriations, I have worked long and hard to assure the maximum amount of aid for Israel. It has been a proud duty for me, and I will continue to devote my full efforts to this goal in the future. This is a labor of love for me, for I am convinced that the final dividend from the aid voted by the Congress will be peace and regional stability.

The people of the Middle East need a lasting settlement, not another armistice. Peace must mean more than an end of belligerence. With peace must come normal relations—state-to-state and people-to-people.

Concrete, political acts of reconciliation are too important to wait for the next generation. They must begin before a final settlement is reached. Peaceful words must be backed by peaceful acts. This is the best guarantee that the peace process can continue. A lasting peace must be characterized by open borders, by free communications and trade. A settlement which leaves Israel isolated from its neighbors will be no settlement at all. The United States must avoid promoting such an arrangement. Instead, the structure of peace must be given primacy; it is more important than territory. It is more important than "momentum." An enduring solution must be political, cultural, and economic.

A step toward peace would be a cessation of the Arab economic and political war against Israel. Many Americans, including myself, feel a keen disappointment that the U.N. and its associated organizations have become propaganda forums. The U.N. has become a hinderance to peace. By its condemnation of Zionism, the U.N. condemns itself. By its questioning of Israel's right to exist, the U.N. undercuts its own tenuous call on the world's conscience. By welcoming the PLO's murderous Yassir Arafat, and by applauding his demand for Israel's destruction, the U.N. has proclaimed itself the handmaiden of terror. The United States will persevere in its lonely quest to restore decency to the U.N. But I believe that as in Israel, America's patience with the U.N. grows shorter with each resolution.

In addition to political warfare, economic harassment remains an obstacle to peace. I have opposed the Arab boycott, and am proud that the Congress originated legislation to blunt its effects. But the daily execution of the Arab boycott—in all its bile and threat—belies the moderate words from the Arab capitals. The boycott interferes with international trade. It threatens the guarantees of equal rights and equal protection. Fighting the boycott is an American concern, an endeavor on behalf of our founding principles. The boycott draws its strength from avarice and its energy from fear. It must be met decisively, throughout the free world. It has been demonstrated that where resistance is highest, boycott enforcement is weakest. As long as the boycott continues, it will serve as a continuing aggression.

Thus, peace requires a number of interrelated elements. It must be achieved by face-to-face contact. It must establish secure, recognized and defensible borders. It must lay the foundation for open, normalized relations. It must begin with an end of political and economic warfare.

But peace also requires a climate in which it can germinate and develop. It is in this capacity that the United States has much to offer. Unfortunately, it is in this aspect of the peace process that America's recent Middle East policy has been deficient.

Far too many times in the past year and a half, the Carter administration has sent disturbing signals about its ultimate goals in the Middle East. First was the endorsement of a three-stage peace plan—based on a near-total withdrawal from the territories taken in the 1967 war; the establishment of a Palestinian homeland; and the need for a full peace. While no one could quarrel with the last element, the administration's endorsement of near-total withdrawal diminished Arab incentive to negotiate for new, defensible borders.

The call for a Palestinian homeland was also debatable. The central issue of the conflict is not the Palestinian question. Rather, it is Arab recognition of the right of a Jewish state to exist, permanently and in peace, in the Middle East. The administration's obsession with the Palestinian issue moved the region no closer to peace. On the contrary, the hand of the hardline Arab parties was strengthened. We witnessed this past year a steady erosion of the America's decade-long refusal to deal with the terrorist Palestine Liberation Organization. When Secretary of State Vance journeyed to the Middle East in February 1977, he asserted that the PLO would have to undertake three actions before it could be included in the peace process:

First, it would have to change its 1968 National Covenant which calls Israel's existence "fundamentally null and void," which denies that the Jews are a national people and which calls for the

purging of the "Zionist presence from Palestine."

Second, the PLO would have to explicitly recognize Israel's right to exist.

Third, the PLO would have to recognize U.N. Security Council Resolutions 242 and 338—the only bases for a settlement accepted by Israel and most Arab States.

Yet when the Secretary returned to the Middle East in August, he said that all that the United States would require of the PLO would be an acceptance of Resolution 242. And in October, the administration endorsed the "legitimate rights" of the Palestinians, a long-time codeword for the PLO's ultimate conquest of Israel.

In my view, there can be no substitute for genuine recognition of Israel. Yet, in the wake of the Sadat visit, the PLO has made abundantly clear that it opposes meaningful diplomacy toward Israel. I, and many of my colleagues in the Congress, seriously question the administration's emphasis on the Palestinian issue. The PLO has pledged to take any West Bank/Gaza territory and use it as a "fighting authority" against Israel and Jordan. The PLO is vociferously anti-American and is closely alined with the Soviet Union. It tests logic why the United States would sponsor the creation of a radical state which would be devoted to warring violently against America's interests and America's two closest allies in the region.

Over the last year, there has been the gradual deification of the Geneva Conference and the need for a comprehensive settlement. Frankly, it is an open question whether even Egypt is ready for a settlement. Israel has put a peace proposal on the table, but Egypt, apparently encouraged by the acts of the administration, has not yet responded. Certainly, it is clear that despite some evidence of Egyptian pragmatism, no other Arab State is ready for peace with Israel.

Diplomatic strategy oriented toward a single goal is fraught with danger. The United States, now, must recognize the possibility that a comprehensive settlement may not be possible. If that is so, if Syria and Jordan remain unwilling to recognize their best pragmatic interests through a settlement, than the United States must support whatever peace arrangements that can be achieved.

I do not accept the view that a separate settlement between Israel and Egypt is not politically possible. Egypt is backed by a number of allies both inside and out of the Arab world. The peoples of both Egypt and Israel are weary of war, and desire an cessation of hostilities. To those who warn that Egypt may be isolated, I would reply: American policy must work in such a fashion so that those who refuse reconciliation are shown to be isolated; isolated from their peoples' best interests; isolated from the mainstream of world opinion; isolated, by their own revanchism, from the 20th century.

This is a time of bold moves and psychological breakthroughs. For the United States, it is a time requiring spiritual support and political forbearance. Contrary to the view expressed by the national security adviser, I do not believe that the United States now should use its "leverage" on the parties at this delicate moment. Nor should the United States seek to impose its own ideas on the negotiators—now talking face-to-face and opening communication lines for the first time in 30 years. The United States must be a mediator. Not an arbiter. And not an advocate.

Certainly, there should be no repeat of the October 1 joint statement with the Soviet Union. In retrospect, it is apparent that that ill-conceived document—like the recent and dangerous arms package which I so strongly opposed—was designed to pressure Israel while signaling an American willingness to make the hardline Arabs the ultimate judges of the makeup of the peace talks. It was this attempt at too much leverage and influence which sparked the Sadat breakthrough and the subsequent opening toward peace.

As I noted, a comprehensive settlement may not be possible; given the reaction of the Soviet Union to recent events, it is also possible that the Soviet Union has no interest in promoting a lasting Arab-Israel peace. In view of the Soviet actions in the region over the last 20 years, and particularly since 1973, it is apparent that the Soviet Union has much to gain by the continuation of tensions and hostilities. Benefits are to be reaped through arms sales as a source of cash, tension as a source of political influence, and war as a source of Western disunity and economic trouble. The United States must provide wholehearted support to the negotiators. It must move politically and economically to stabilize and support those who seek peace; in the same fashion, it must force a Soviet recognition that the United States cannot tolerate a deliberate Soviet policy aimed at derailing the process of peace.

Clearly, the United States has a unique opportunity now. Our Nation can be the catalyst of peace. But ultimate success will not emerge overnight. It will be the product of talk and compromise, based on a gradually enlarging foundation of trust. If the United States is no longer the go-between, no longer the shuttle, this is how it should be. What has just begun between Egypt and Israel has been a goal of American policy for these decades. At this cusp of history, American forbearance, patience, and encouragement are the best faculties we can bring to bear on the peace process. Peace, after all, is a living thing, a relationship between people. But where recently there were only dreams and fears, now there is hope. With good will, with forethought, with a sincere desire to put aside the wars of ideology for human needs, we may yet see that hope take root, and grow.

WELFARE FOR A FAMILY OF 48

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, it looks as if Uncle Sam was caught with his pants down once again. A report from Los Angeles County has it that a 33-year-old woman has collected nearly a quarter-million dollars in welfare overpayments by claiming that she had 47 children. If her claim was true, I offer my congratulations, but an investigation has revealed that she actually has only four.

Nonetheless, she was able to pull the wool over Uncle Sam's eyes for 7 years. She managed to falsify birth certificates, driver's licenses, and social security cards. Now, $239,587.50 later, not including the noncash benefits such as food stamps and medical benefits she received, an arrest warrant has been issued.

I do not blame the voters of my home State for wanting to tie the hands of Government when it comes to spending their money. Incidents such as this case of fraud further justifies the taxpayer revolt movement which is spreading east from California.

Yesterday's House action to cut back our funding for domestic social programs was most timely. But there is much more that can be done, and the passage of Proposition 13 has certainly made that clear to us here in the Congress.●

ATTEMPTS BY THE FTC AND OTHER FEDERAL AGENCIES TO RIG THE COMPETITION OF IDEAS MUST BE HALTED BY CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, earlier this evening an amendment offered by my good friend and our distinguished colleague, Mr. ANDREWS of North Dakota, was ruled out of order on a technical point. Be that as it may, I support what the gentleman said and want to associate myself with his remarks. I do so because I believe in his efforts and because I support the action of the Committee on Appropriations and its Subcommittee on State, Justice, Commerce, and Judiciary in having put what he offered in the appropriations bill then before us in a section which was deleted on another point of order and for a totally different reason.

What the Federal Trade Commission is seeking to do is an attack on free choice.

It is an attack on advertising.

It is arrogant because it rests on an assumption that the public does not know what it does and does not need, that bureaucrats and special interests masquerading as public interests know what is good for the public better than that public knows.

It is for these reasons that the Andrews amendment was offered.

I want to now do two things. First, I want to take a look at this particular controversy, the FTC one. Second, I want to look at the broader framework in which Congress must make its decision when this matter comes back before us in the form of the FTC authorization bill and/or appropriations bill.

THE FTC BAN

The Federal Trade Commission has started a rulemaking proceeding concerning advertising on television, specifically that advertising relating to chil-

dren's interests. The notice of that proceeding was published in the Federal Register of April 27.

Among the "remedies" being proposed are—

A ban on all television advertising to children under 8 years of age;

A ban on advertising for sugared food to children under 12 years of age; and

A requirement that television advertising to children under 12 years of age for certain other foods containing sugar be balanced by "counteradvertising," containing nutritional and/or health disclosures, with such advertising to be funded by the food advertisers but prepared by FTC-selected "public interest" groups.

I might add that the FTC already has petitions before it to consider banning nonprescription drug advertising.

What will be next? All food products, since if you read the papers and listen to news shows today, nearly all are suspect of causing cancer?

But let me return to this particular controversy, the test so to speak.

There are several points which must be made.

First. the FTC restrictions are of questionable constitutionality. I will return to this point in some detail.

Second, this is not a determination appropriate to the FTC. If any agency should be determining the nutritional value of any food stuff, as well as any dangers to life or health by its consumption, it should be the Food and Drug Administration. If any agency should be determining the appropriateness of advertising, whether it is deceptive or misleading, it should be the Federal Communications Commission.

Third, the FTC attempting to make these determinations is an unnecessary diversion from other congressionally established priorities and the creation of an inappropriate bureaucratic intervention in freedom of choice between producer and consumer. Given the questionable constitutionality and given more appropriate jurisdiction resting with two other Federal agencies, as well as the many other priorities established for and by the FTC, the FTC ought not to be involving itself in this endeavor. It will cost millions, require the time and attention of countless officers and staff members, all with a possibility of being subsequently set aside by the courts.

Fourth, in a free society, parents ought to decide and be responsible for what is best for them and their children. To support the notion that a Federal agency ought to do that is to adopt a policy position contrary to the precepts of democratic government. The FTC has not alleged these ads are misleading or deceptive or even that the food is unhealthy. They just say they are "unfair," the most subjective, ambiguous judgment imagineable.

I agree with the Washington Post's editorial against these proposals. It called them "a preposterous intervention that would turn the agency into a great national nanny."

I wish to concentrate my remarks on the questionable constitutionality of what the FTC is attempting to do, for the probability is that the Court will strike down any attempt to do what they have proposed. That judgment rests on what the Court has already told us about its thinking in this regard.

Let me read from a memorandum of law prepared on this issue:

COMMENTS ON THE LAWFULNESS OF THE FTC'S PROPOSED BAN ON CHILDREN'S ADVERTISING UNDER THE FIRST AMENDMENT

The Federal Trade Commisison has commenced a rulemaking proceeding concerning advertising to children on television, 43 F.R. 17967 (April 27, 1978). Among the proposed remedies is a ban on all television advertising to children under eight years of age, as well as a ban on advertising for sugared food, found more likely than others to cause tooth decay, to children under twelve years of age, 43 F.R. 17969. This memorandum considers whether the proposed bans—and the statutes and procedures under which they will be evaluated—are violative of the First and Fifth Amendments to the U.S. Constitution.

1. THE FIRST AMENDMENT PROTECTS TRUTHFUL ADVERTISING FOR A LAWFUL PRODUCT

In recent decisions, the Supreme Court has stated that truthful advertising for lawful products cannot be banned. In the landmark case of *Virginia State Board of Pharmacy* v. *Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 773 (1976), the Court stated:

What is at issue is whether a State may completely suppress the dissemination of concededly truthful information about entirely lawful activity, fearful of that information's effect upon its disseminators and its recipients. Reserving other questions [footnote omitted] we conclude that the answer to this one is in the negative.

Thus, commercial speech is constitutionally protected when it contains (a) "concededly truthful information" (b) "about entirely lawful activity"; in that event it may not be suppressed merely because the government is (c) "fearful of that information's effect upon its disseminators and its recipients".

a. "Concededly truthful information." While the FTC Staff Report on Television Advertising to Children (Feb. 1978) (Staff Report) makes a short and fainthearted attempt to argue that children's advertising is "deceptive" (pp. 172–175), its major contention is that such advertising is truthful but "unfair" (pp. 175–220).

As the FTC no doubt recognizes, a total ban on advertising cannot be justified on grounds of deceptiveness. The FTC suggests that advertising of highly carcinogenic foods is deceptive to older children because it portrays such foods as "desirable, enjoyable, healthy * * *" without disclosing alleged health risks. Putting aside the question of whether an advertiser could be compelled to disclose all conceivable negative aspects of his product, it must be remembered that under the First Amendment "any prior restraint [on speech] is suspect and * * * a remedy, even for deceptive advertising, can go no further than is necessary for the elimination of the deception." *Beneficial Corp.* v. *FTC*, 542 F. 2d 611, 620 (3rd Cir. 1976), *cert. denied*, 430 U.S. 983 (1977). Thus, even if valid, the FTC's argument would at most support a requirement of fuller disclosure, not a complete ban on advertising.

For this reason, the FTC relies principally on the argument that "unfair" advertising may be suppressed even if it is truthful. However, Virginia Pharmacy holds that "concededly truthful information" may not be suppressed where it is about "entirely lawful activity" merely because the government is "fearful of that information's effect upon its disseminators and its recipients."

b. "Entirely lawful activity." The consumption of sugar is entirely lawful. Sugar (sucrose) is on the FDA's list of food ingredients which are "generally recognized as safe" ("GRAS"). 21 C.F.R. § 182.1(a). Where the activity is lawful, truthful advertising of the activity may not be suppressed. See, for example, *Bigelow* v. *Virginia*, 421 U.S. 809 (1975), in which the Court struck down the application of a Virginia statute banning advertising for abortion referral services to advertisements by a facility located in New York on the ground that such services were legal in New York. The lawfulness of sugar consumption distinguishes the ban proposed here from the Congress' earlier ban on television cigarette advertising, which was justifiable on the ground that it furthered the public policy of virtually every state against the purchase and use of cigarettes by minors.

c. "Fearful of that [truthful] information's effect upon * * * its recipients." The FTC argues that advertisement of sugared or highly cariogenic products, even if truthful, is unfair because (it fears) children will be induced, against their better interests, to take health risks. In essence, this is an attempt to establish children's advertising as an exception to the rule of Virginia Pharmacy that commercial speech is protected under the First Amendment. But advertising to children is wholly unlike any category of unprotected speech which has been heretofore recognized, such as obscenity, libel and "fighting words." Speech in these unprotected categories is thought to cause immediate harm by its very utterance. By contrast, the alleged harm in children's advertising is not inherent in the words themselves, but in the FTC's fear that it will motivate the listener to engage in entirely lawful activity against what the FCC perceives as his better interest. The Court has already condemned this justification (*Virginia Pharmacy, supra*, 425 U.S. at 770);

There is, of course, an alternative to this highly paternalistic approach. That alternative is to assume that this information is not in itself harmful, that people will perceive their own best interests if only they are well enough informed, and that the best means to that end is to open the channels of communication rather than to close them.

Thus, the First Amendment prohibits the government from regulating free speech on the basis of its belief that the audience lacks the judgment to act properly upon it. Rather, the only permissible role for the government is to take all reasonable steps to ensure that the speech itself, in the words of Virginia Pharmacy, flows "cleanly as well as freely." 425 U.S. at 772.

The fact that the recipients of the truthful information will be children does not change this constitutional conclusion. It is well settled that children are persons entitled to protection under the First Amendment. *Tinker* v. *Des Moines Community School District*, 393 U.S. 503, 511 (1969). There, students were premitted to wear black armbands in high school as a protest against the war in Vietnam. In *Carey* v. *Population Services International*, 42 L.Ed. 2d 675 (1977), the Court upheld the right of young persons to receive information about contraceptives and even to obtain the products themselves. In these cases the Court did not even consider the ability of the recipients of the protected information to understand fully its implications, even though it is doubtful that high school freshmen, who are as young as 13, could understand the complexities of the Vietnam War or premarital sexual relations. The philosophy of these decisions is expressed in *Tinker*, *supra*, 393 U.S. at 511:

Students in school . . . are "persons" under our Constitution. They are possessed of fundamental rights which the State must respect, just as they themselves must respect their obligations to the State. In our system, students may not be regarded as closed-circuit recipients of only that which the State chooses to communicate. They may not

be confined to the expression of those sentiments that are officially approved.

These decisions show that the government may regulate content to ensure, to the extent possible, that the message is understood, but it may not base its regulation on the lack of judgment of the recipients, even where those recipients are children.

Ginsberg v. *State of New York*, 390 U.S. 629 (1968), upon which the FTC relies, does not support a contrary conclusion. That case dealt with obscenity—a well established category of unprotected speech—and held that, within such a category the government could employ variable standards which took into account the age of the recipients. Thus, the case does not support the FTC's attempt to use age as device for creating new categories of unprotected speech.

"UNFAIR[NESS]" IS NOT A PERMISSIBLE STANDARD FOR THE REGULATION OF SPEECH

Even if truthful commercial speech about lawful products could, under some circumstances, be regulated or banned, the concept of "unfair practices" in Section 5 of the FTC Act is too vague and formless a concept to be a lawful basis for that purpose. While the earlier phrase "unfair methods of competition" was sustained against an attack on grounds of unconstitutional vagueness (*Sears Roebuck & Co.* v. *FTC*, 258 Fed. 307, 311, 7th Cir. (1919)), "stricter standards of permissible statutory vagueness may be applied to a statute having a potentially inhibiting effect on speech." *Smith* v. *California*, 361 U.S. 147, 151 (1959).

The vice of an imprecise standard in the First Amendment area is that it gives the administering official unbridled discretion to decide which speech shall be allowed and which shall not. Thus, in *Cox* v. *Louisiana*, 379 U.S. 536 (1965), the Court voided a prohibition of "obstruction of public passages" on the ground that it gave "unbridled discretion" to local officials. The Court explained:

It is clearly unconstitutional to enable a public official to determine which expressions of view will be permitted and which will not or to engage in individious discrimination among persons or groups either by use of a broad statute providing a system of broad discretionary licensing power or, as in this case, the equivalent of such a system by selective enforcement of an extremely broad prohibitory statute. 379 U.S. at 557–558.

Examples of cases striking down statutes requiring licenses to speak are *Schneider* v. *State*, 308 U.S. 147 (1939); *Lovell* v. *Griffin*, 303 U.S. 444 (1938) and *Shuttlesworth* v. *Birmingham*, 394 U.S. 147 (1969).

Similar arbitrariness is likely to result if the FTC is permitted to ban speech based upon the absolutely open-ended concept of "unfair practices" which it proposes. The FTC has interpreted "unfair practices" to include any practice not previously considered unlawful that "offends public policy" in the sense of being "within at least that penumbra of more common-law, statutory, or other established concept of unfairness;" or is "immoral, unethical, oppressive or unscrupulous;" or "causes substantial injury to consumers." (Staff Report 31–32).

In these circumstances, the prohibition on "unfair practices" is too vague to provide a constitutionally permissible basis for the regulation of speech. The vice that the cited cases saw, that of providing officials with a roving commission to censor speech, is the precise vice of Section 5 when used to regulate truthful commercial speech.

3. THE PROCEDURES AUTHORIZED BY THE MAGNUSON-MOSS ACT FAIL TO PROVIDE THE STRICT DUE PROCESS PROTECTIONS REQUIRED FOR REGULATIONS AFFECTING THE FIRST AMENDMENT FREEDOMS

The Supreme Court has required that regulation of even unprotected speech be accompanied by "the most rigorous procedural safeguards." *Bantam Books* v. *Sullivan*, 372 U.S. 58, 66 (1963). This requirement is "but a special instance of the larger principle that the freedom of expression must be ringed with adequate bulwarks." (ibid.)

The Magnuson-Moss Act does not provide "adequate bulwarks" in the area of free speech. The Act provides that the Commission's orders shall be affirmed if supported by "substantial evidence," 15 U.S.C. § 57a (e), which is an impermissibly low quantum of proof upon which to base a regulation of speech. That statutory standard will not meet the Court's requirement that the burden of proof be upon the government in such cases, and that the quantum of proof must rise, at least, to the level of the preponderance of the evidence. Thus, in *Speiser* v. *Randall*, 357 U.S. 513 (1958), the Court declared unconstitutional a California statute which placed on the taxpayer the burden of proving his claim to an exemption when that claim was questioned by the State. The Court said (357 U.S. at 526):

Where the transcendent value of speech is involved, due process certainly requires in the circumstances of this case that the State bear the burden of persuasion to show that the appellants engaged in criminal speech. See also, *Freedman* v. *Maryland*, 380 U.S. 51, 59–60 (1965); *Southeastern Promotions Ltd.* v. *Conrad*, 420 U.S. 546, 560 (1975).

Moreover, the Act gravely impairs the ability of the courts to review rules promulgated under its procedures by providing that the adequacy of the Commission's statement of basis and purpose for a rule shall not be subject to judicial review in any respect. 15 U.S.C. § 57a(e)(5)(C). This limitation on judicial review is impermissible in the First Amendment area, where the government is required to support its regulations by a proof of a "clear and present danger" or some other substantial threat to a legitimate governmental interest.

It is for these reasons, Mr. Speaker, that I support what Mr. ANDREWS said and would have supported his amendment.

But the FTC question needs to be put in the context of a broader debate which is ongoing. I speak of attempts to rig the marketplace of ideas, an attempt of certain forces within certain Federal agencies. That attempt must be turned back; it must be defied.

I wish to address myself at this point to this broader issue.

ATTEMPTS TO RIG THE MARKETPLACE OF IDEAS MUST BE DEFIED

Mr. Speaker, the most fundamental notion in a free society, a constitutional system such as ours, is that there should be a natural balance in the marketplace of ideas and that Government ought not to rig that competition so as to give advantage of one form of expression over another. This precept is at the root of our Republic's history.

The attempt of the FTC to ban or restrict children's advertising, sugared-food advertising, nonprescription drug advertising has to be examined in this context. So too do the attempts of the Federal Communications Commission—the FCC—to regulate more tightly both commercials and children's programs, and of the Internal Revenue Service to allow the deductibility of advertising on one side of issues but not on the other. And, lately, so too must the investigations and hearings of the House Subcommittee on Commerce, Consumer, and Monetary Affairs and the Senate Subcommittee on Administrative Practice and Procedure, should they recommend the IRS participate further in such an obvious attempt to rig the marketplace of ideas, a rigging which would be even more pronounced now that the IRS has cancelled a proposed rule against interest groups' political work.

On April 13 I addressed the House on attempts being made by Federal agencies and commissions to restrict the exercise of free speech and free press and to rig thereby the marketplace of ideas. That rigging takes place each time a rule or regulation is promulgated which gives an advantage to one group or creates a disadvantage to another with respect to those group's attempts to influence public policymaking.

Mr. Speaker, on April 26, nearly 2 weeks after those remarks, the Supreme Court of the United States struck down as unconstitutional such an attempt, one by a State government, to rig the marketplace of ideas in the formulation of public policy. In a 5-to-4 decision, delivered by Mr. Justice Powell, the Court made it clear that nothing in the Constitution or in prior court decisions supports the idea that expression loses its first amendment protection "simply because its source is a corporation." The Court's decision struck down a Massachusetts law barring any corporation from spending money to influence the outcome of elections on referendum questions.

The Court said:

If a legislature may direct business corporations to "stick to business," it may also limit other corporations—religious, charitable or civic—to their respective "business" when addressing the public.

Such power in government to channel the expression of views is unacceptable under the first amendment.

The Court rejected the argument made by Massachusetts that corporations would use their influence and money to dominate political campaigns, by stating what ought to be obvious to anyone: That in a free society, it is up to the people to decide who to believe in a political campaign. That is a major point.

This decision is a significant victory for free speech and a free press. If a legislature, a Congress, an agency, a commission can direct corporations to "stick to business," it certainly could limit churches to stick to their business—and make no comment upon public policy questions, limit charitable organizations—foundations, and so forth—to do the same.

This was the point brought forward in a concurring opinion by Mr. Chief Justice Burger. This is what the Washington Star editorialized about the point he raised:

The Chief Justice's opinion, as we read it, does challenge a solid theory of the meaning of freedom of the press. Yet it seems to be aimed at expanding, not contracting, such freedom: more at encouraging corporations to behave as institutions than at reducing institutions to the status of mere corporations.

* * * * *

If you grant the Chief Justice's premise, moreover—that there is nothing distinctive in law or fact about a media conglomerate

that readily differentiates it from an oil company or a bank—it would raise the specter of "licensing" if it became the government's office to pick and choose, arbitrarily, which corporations are free to speak and which are not.

Indeed, a certain trap has been baited by the Massachusetts case for those of the press who deplore its tendency. The Post, skeptical of the extension of free-press protection to corporations at large, observes that "corporations are not minds that formulate ideas or even voices that freely express them. Rather, in a political debate corporations are megaphones for the views of those who own and control them."

At least as much, however, could be said of certain newspapers, magazines and television stations—and editorial boards—though not necessarily of the one quoted above.

Which, of course, is very much to the Chief Justice's point.

Perhaps the most thoughtful interpretation on what the Supreme Court said in the Bellotti decision—and what it did not say in that decision—was given us by Leonard Silk of the New York Times in a May 23 commentary entitled, "Corporate Rights and the First Amendment." And I quote from it:

The proper question, Justice Powell said, is not whether corporations "have" First Amendment rights and if so whether they are coextensive with those of natural persons, but rather whether the Massachusetts law abridged expressions of views that the First Amendment was meant to protect for the sake of the broad society. "We hold it does," said Mr. Powell, speaking for the majority.

Simply put, he added, the key question was "whether the corporate identity of the speaker deprives this proposed speech of what otherwise would be its clear entitlement to protection." And he cited a 1945 Supreme Court decision in Thomas v. Collins in justifying the majority's verdict in Bellotti to overrule "a restriction so destructive of the right of public discussion, without greater or more imminent danger to the public interest than existed in this case.

The Bellotti case is no Magna Carta for business corporations. But it does significantly affirm and extend their first amendment rights to speak out on public issues not directly related to their business activities, provided that they proceed with caution and do not seek to dominate the public marketplace of ideas.

What is clear from the Bellotti decision is that rules and regulations of Government agencies and commissions, as well as statutes enacted by the legislatures and Congress, are in trouble if they rig the marketplace of ideas in the formulation of public policy. They run the now obvious risk of being unconstitutional.

The first amendment to the Constitution is very clear on this kind of freedom of speech issue. It says, "Congress shall make no law * * * abridging the freedom of speech, or of the press." It stands to reason that if Congress can make no such law, neither can the executive departments and agencies to which Congress has delegated part of its authority. Congress cannot give a right that it does not itself have.

I know the executive departments and agencies will argue that they are not infringing upon either freedom of speech or freedom of the press, because there has been no Government restraint upon speech or press. I don't agree with that, for at least two reasons. First, there are no differing levels of free speech or free press known at constitutional law. That is, someone doesn't have more free speech than another. Second, an infringement is constituted by these actions, because while not prohibiting the speech or press, that same Government has treated the relationship of that speech or press differently in the conferring of benefits or the taking of them. These two points come together this way: The Federal Government now recognizes freedom of speech or press on both sides of an issue but it only confers a benefit—the tax deductibility of fund given or expended—for one side of that issue.

Yet government ought to be the dispassionate referee, the unbiased umpire, among competing ideas in our society. Government should be responsive to the will of the people by accurately perceiving that will without trying to control it. Shades of authorizationism or totalitarianism enter the mind of any student of history, law, or political science when facts start emerging that government is controlling the shaping of the people's will. When government uses its tax laws, it trade and communications regulations, to indirectly shape the will of the people, by giving unfair anticompetitive advantages to one form of expression over another, we move definitely in that direction. The only question then is how far. Social unrest is a direct product of segments of society feeling that government is rigging life against them. It is what Harvard's Crane Brinton said in "Anatomy of Revolution" is the beginning of that unrest which can lead to a total disruption of society. We obviously are not there at this point, but why go in that direction? Why not go in the direction the framers of the Constitution intended: Toward greater freedom of speech and press.

Convincing proof that the Supreme Court ruled the right way, that it did the right thing, and that Congress would do the wrong thing if it did not reject the amendment now before us, has been offered by former Senator Eugene McCarthy in his nationally syndicated column in a May 14 article entitled "Liberals on Free Speech." That column is important and I quote from it:

Two interesting actions affecting freedom of speech were taken in late April. One was a decision by the Supreme Court. The other was passage of a bill by the House of Representatives.

The court acted to remove restrictions imposed by state laws on corporate political activities. The House of Representatives moved to restrict communications between lobbying groups and public officials. The two actions are in curious and surprising contrast.

The Supreme Court decision, supported principally by justices who are labelled conservatives, held that the states cannot bar corporations from spending their money to influence votes in public referenda.

The House of Representatives bill, advocated and supported principally by liberal members of the House, would interfere with lobbying activities by requiring lobbyists to disclose information, including spending for entertainment and for "grass-roots" lobbying techniques.

The conservative court redefined and broadened freedom of speech. The liberal House moved to restrict that freedom.

Chief Justice Warren Burger, who voted with the majority of the court, filed a separate opinion in which he laid down a hard line on free speech. He said that any restriction on corporate freedom to communicate could open the door to similar restraints on corporations that own newspapers and broadcasting stations.

The decision did not touch upon the constitutionality of laws prohibiting direct corporate contributions to political campaigns. It was restricted to information and advertising about referendum issues, which are usually presented to the voters outside the framework of a political campaign.

The court's decision was consistent with its 1976 ruling on the Federal Election Campaign Act. The court then held that no limit could be placed on what an individual might spend on his own campaign. Nor could there be any limit on what a noncandidate might spend to present his views about an issue, or a candidate, if the expenditures were made outside the framework of an organized campaign.

The effect of the late-April decision is to say that the corporate person and the natural person are to be treated the same in efforts to influence the outcome of referenda. It would seem a logical step to allow the same kind of spending by corporations in regular campaigns, if the spending is limited to presenting corporate views on issues. Or corporations might be allowed to spend money even on candidates, as long as the spending is done independently of organized political campaigns.

Liberals are distressed by the April ruling.

In a society conceived in liberty, and honoring open politics, one would expect that those called "liberals" would have to be restrained by the courts as the liberals pushed to expand the boundaries of liberty in freedom of speech, of assembly, of the press, and other areas. Yet in the case of the lobbying control bill, as was true of the federal election act, the liberals, in control of the legislative branch of the government, have moved to restrict freedom of speech, of the press, and of assembly. They have moved to the point at which the Supreme Court—conservative by conception under the Constitution, and by personnel by virtue of recent appointments—has had to intervene to protect and redefine a basic constitutional right.

Mr. Speaker, there is another thing that troubles me deeply about this development, and it is a point which Mr. Justice Brandeis addressed in Whitney against California, a landmark 1927 case on free speech. Brandeis said, "It is the function of speech to free men from the bondage of irrational fears." Yet irrational fear, at least in the opinion of many, has been the product of one of the sides in many of these public policy and legislative questions. It is irrational to say we are going to run out of fuel in the next 20 years; that we may freeze in the dark unless such-and-such is done. That generates fear among people not thoroughly informed. The other side of that argument would, in giving its side of the story, bring back balance to the consideration of the question, and

in so doing it would alleviate those irrational fears. This is but one of many examples that any of us could come up with; there are probably hundreds. Thus, by favoring one expression, one form of expression, over another, the Government agencies are restricting the entry of those ideas which would bring about a greater balance in policy considerations and the elimination of those irrational fears to which Brandeis referred.

This country is beset with economic problems. Taxes are strangling the productivity of the people. Inflation is moving toward double digits again. Unemployment remains at totally unacceptably high levels. Our balance of payments not only continues negative but at billions each quarter. The value of the dollar, at home and abroad, continues to shrink. These are the questions central to the well-being of the American people. Their resolution is central to the economic recovery we must have.

Yet where is the policymaking machinery of the Federal departments and agencies and the independent agencies dealing with economic questions today? It is standing on its head. What ought to be the top priorities—the issues I just outlined—are at the bottom and the esoteric, tangential issues which ought to be at the botton on the agenda are at its top. Instead of dealing with taxes, inflation, unemployment competition, and so forth, we pick up the morning paper to find the FTC is going to conduct a major investigation of comic books, that breakfast cereals are a Commission's focus instead of making sure enough children have breakfast, et cetera. The examples are almost endless. It is a world—a government—turned upside down, with its priorities upside down, and the taxpayers, the economy, and even the commission's and agencies, whose respect the people is at rock bottom, are the real losers.

Attempts to rig the marketplace are part and parcel of priorities turned upside down. Government is so unsure of its substantive positions, apparently, that it has to rig the marketplace, to give advantage to those who support the Government's position and to create disadvantage to those who oppose it, in order to "win."

It has to be made very clear that my interest here is not in representing the corporate point of view. Quite to the contrary, I do not agree with the corporate point of view on many of the issues dealt with in public policy advertising. My record is clear on that. I would be just as irritated—and concerned—if for profit advertisers had an advantage over nonprofit advertisers, if the corporate point of view had an advantage over any other point of view. My concern here is with the libertarian question involved—balance among competing points of view and absolute rights of freedom of speech or press for both.

The notion that mere money to buy ads somehow tilts "power" implies that after 200 years of democracy, the American electorate still is not fit to weigh all the various arguments and decide who comes up wanting. Justice Burger's trap was well laid. If everyone—even those artificial beings called corporations—has a say in public debate, public information and democracy can only benefit.●

BALTIC STATES FREEDOM DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, June 15 marks yet another anniversary of the cruel occupation of the Baltic States by the Soviet Russian Army. Thirty-eight years have passed since Lithuania, Latvia, and Estonia were overrun by the Communists and thousands of these innocent people were inhumanly exiled, deported, and murdered in June of 1940.

The Joint Baltic American National Committee has issued a statement on the June 14 and 15, 1940, deportations in Estonia, Latvia, and Lithuania, and a copy of that statement follows:

DEPORTATIONS IN THE BALTIC STATES

This June, Americans of Batlic descent throughout the United States are commemorating the unhappy anniversary of the mass deportations of Estonians, Latvians and Lithuanians to Siberia. With the first arrests and deportations of June 14–15, 1941, the Soviet government forcibly transported over 100,000 Baltic people to slave labor camps throughout Siberia. These events followed the Soviet Union's occupation and forcible annexation of the Baltic States in June 1940. This demonstrated the recurring methods used by the Soviet Union in welcoming to its breast its present constituent republics. A similar fate had already befallen Ukraine, Georgia, Armenia and others.

The Soviet government began planning for the mass extermination of the non-Russian Baltic peoples soon after the signing of the Stalin-Hitler pact of 1939 which divided Eastern Europe into respective Nazi and Soviet spheres of influence.

According to data collected by the Lithuanian Red Cross, over 30,000 of each Baltic nationality were victims of the initial deportations. These people were loaded into cattle freight cars with the windows boarded shut. Husbands were separated from wives and children from parents. This tactic of separating families—thus attempting to weaken that natural human bond—has been indicative of many totalitarian regimes, today evidenced in Cambodia and other places having undergone "socialist transformation."

The long journey from the Baltic States to Siberia killed many weak and sick persons. Dead children were thrown out of the cars by the Soviet guards and left by the wayside. Joining, and to be joined by many other nationality groups, the Balts were used as slave labor. Many of them perished in the mines and forests of Siberia or were annihilated by the cold, starvation and diseases as even minimal food, clothing and medical attention were lacking. With these first deportations through others lasting into the early 1950's, roughly 10 percent of the Baltic peoples were subject to this fate, constituting an overt effort to eradicate Baltic nationalism and to pave the way for Sovietization and Russification. This Russification or denationalization continues today as ever greater numbers of non-Baltic peoples are by Soviet government direction moved into the Baltic States—severely altering the national, cultural and economic life of those non-Russian areas.

The unfortunate plight of the Baltic Republics has long been a matter of concern to me. It was for this reason that I cosponsored House Concurrent Resolution 406 expressing the sense of Congress with respect to the incorporation of Latvia, Lithuania, and Estonia into the Union of Soviet Socialist Republics. A copy of that legislation follows:

H. CON. RES. 406

Whereas the United States, since its inception, has been committed to the principle of self-determination;

Whereas this essential moral principle is also affirmed in the Charter of the United Nations;

Whereas the Union of Soviet Socialist Republics is, according to its constitution, a voluntary federation of autonomous republics;

Whereas the three Baltic Republics (the Republic of Lithuania, the Republic of Latvia, and the Republic of Estonia) did not become member republics of the Union of Soviet Socialist Republics voluntarily, but rather were occupied militarily by the Russian Armed Forces in the early days of World War II and subsequently incorporated by force into the Union of Soviet Socialist Republics and have since been governed by governments approved by, and subservient to, the government of the Union of Soviet Socialist Republics;

Whereas the ethnic makeup of the Baltic peoples (the Lithuanians, Latvians, and Estonians) is distinctly foreign in language, culture, common traditions, and religion from that of the Russian people;

Whereas, by deportation and dispersion of the native populations of the Baltic States to Siberia and by a massive colonization effort in which Russian colonists replace the displaced native peoples, the Soviet Union threatens complete elimination of the Baltic peoples as a culturally, geographically, and politically distinct and ethnically homogeneous population;

Whereas, despite such treatment, the spirit of the citizens of the Baltic States is not broken and the desire of the citizens of the Baltic States for national independence remains unabated;

Whereas the United States has consistently refused to recognize the unlawful Soviet occupation of the Baltic States and has continued to maintain diplomatic relations with representatives of the independent Republics of Lithuania, Latvia, and Estonia; and

Whereas the United Nations and the United States delegation to the United Nations have consistently upheld the right of self-determination of the people of those countries in Asia and Africa that are, or have been, under foreign imperialist rule: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations and to urge that the United Nations request the Soviet Union—

(A) to withdraw all Russian and other nonnative troops, agents, colonists, and controls from the Republics of Lithuania, Latvia, and Estonia, and

(B) to return all Baltic exiles from Siberia and from prisons and labor camps in the Soviet Union;

(2) until the Baltic States become independent, the Secretary of State should, through such channels as the United States Information Agency and other information agencies of the United States Government, do his utmost to bring the matter of the Baltic States to the attention of all nations

by means of special radio programs and publications;

(3) the United States should not agree to the recognition, by any international conference, of the Soviet Union's unlawful annexation of Lithuania, Latvia, and Estonia, and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic States by the Soviet Union;

(4) the President should require that all government map publishers, and should request that all private map publishers, show, on all maps of Europe, the Republics of Lithuania, Latvia, and Estonia as independent states, with a footnote explaining that the military occupation and forced incorporation into the Soviet Union of Lithuania, Latvia, and Estonia has never been recognized by the United States;

(5) the right of self-determination should be returned to the peoples of Lithuania, Latvia, and Estonia through free elections conducted under the auspices of the United Nations after Soviet withdrawal from the Baltic States; and

(6) the right of self-determination should be made a prime political objective of the United Nations and should be accorded through free elections under the auspices of the United Nations to all peoples now involuntarily subjugated to Soviet communism.

Bitter persecution continues in the Baltic countries, and I have written to the Soviet Ambassador and the Department of State on behalf of the following individuals in Lithuania urging that strong action be taken to stop these human rights violations: Balys Gajauskas, who has already served 25 years in a Soviet labor camp, and was resentenced in April 1978, for having religious literature and 50 pages of Solzhenitsyn's "Gulag Archipelago" in his apartment; Sarunas Zukauskas, who is spending his sixth year in a strict regime labor camp for joining the dissident movement; Viktoras Petkus, in prison for having a copy of the underground periodical in his apartment entitled, "God and Country"; and Petras Plumpa, who has already been imprisoned for 7 years and was sentenced to 8 more years for printing the "Chronicles of the Lithuanian Catholic Church."

Mr. Speaker, the cause of freedom for which the Estonians, Latvians, and Lithuanians have so courageously fought these past decades must not be ignored. I am proud to join with Americans of Baltic descent in the 11th Congressional District, which I am honored to represent, in the city of Chicago, and all over this Nation, in commemorating Baltic States Freedom Day. The heroic sacrifices of the Baltic peoples should remind us all that we must continue to strive for a world in which all people can have the opportunity to live their lives as they themselves choose.●

ELEANOR HOLMES NORTON OF EEOC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

● Mr. GONZALEZ. Mr. Speaker, it is always inspiring and heartwarming to find an administrator in our Federal management system who is not only talented and able but responsive and responsible.

I have had an opportunity to note the great leadership ability of Commissioner Norton in discharging the arduous, complex, and most difficult job of presiding over the destinies of the Equal Employment Opportunities Commission.

Here we have the most complicated and sensitive position ever created by the Congress.

Recently Chairman NORTON addressed the Eighth Annual Convention of IMAGE, a national organization of Hispanics and reveals her deep insight and sensitivity to the problems confronting this great body of Americans. I desire to share her message with you:

REMARKS OF ELEANOR HOLMES NORTON, CHAIR, EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, AT NATIONAL IMAGE CONVENTION AT THE CAPITOL HILTON HOTEL, JUNE 8, 1978

You and your leadership are to be commended for this week's Image Convention activities, which have helped Washington and the nation focus on the undiscovered special problems of Hispanic people in this country. America knows a lot about discrimination, police brutality, and abject poverty but these problems are too seldom discussed within the context of the Hispanic community, where these ills are so pervasive. For the country-at-large, accustomed to seeing problems in black and white, it has been too easy to ignore the grinding problems of Spanish-speaking people. This Convention and many activities and actions of Latinos around the nation have made it clear that Latinos will not tolerate such casual attention to their problems. It is a message the country had better hear and heed.

Many of the needs of Hispanic people require Americans to look at old problems in new ways. The Hispanic woman for example, is not just another victim of sexism. She is a victim among victims, generally victimized in everything from health to work. Bilingual and bicultural education, bilingual courts, and migrant education, present new challenges. It is disheartening to see resistance to needs as basic and fundamental as these. It is discouraging to hear the objections that prior generations of Anglos did not have access to these, therefore presumably such improvements should not be available today. As a nation we will never come to grips with discrimination and poverty in the Spanish-speaking community until we recognize that Latinos have special problems that require special treatment.

Even when the problems involved do not appear to involve language or culture, such special factors are often operative. In 1975, 22.6% of Hispanics lived in poverty as compared with only 10.3% of all Americans. Thus, Latinos were twice as likely as other Americans to live in poverty. But this poverty was special. It was born of conditions in barrios and rural areas unique to Spanish-speaking people. Until we recognize that Latino poverty is special, we will not be able to eliminate it.

It is this special sense of the Hispanic community that I am trying to build into the EEOC. For I believe government agencies have made a basic error in their approach to Latino concerns. The tendency has been to regard Hispanics as just one more minority group. Not only does such a view demonstrate insensitivity; it guarantees that many problems will remain unsolved because the solution has failed to take into account the specialness of the community involved.

Anti-discrimination work, no less than other government functions, has yet to meet this challenge fully. I regard the challenge of adapting anti-discrimination work to the special needs of the Latino community as one of the most important and intriguing we face at EEOC.

When I came to the Commission I found an agency that had learned to live with a long list of problems. It had learned to live with mounting case backlogs. It had learned to live with obsolete and antiquated procedures. It had learned to live with closing out more than half its cases each year without reaching any decision on them.

And it had learned to live with polarization among groups of its own employees, inadequate representation of Hispanics in jobs at the Commission, and a sense that somehow some groups might be less important than others in our work. If I accomplish nothing else at the Commission, I mean to erase this past. It has taken 13 years since the Commission was created to build up, so it will not be eliminated overnight. But as a matter of principle and commitment, I mean to leave EEOC as fully sensitive and committed to Latino concerns as to any others.

You can help and many of you have already demonstrated a willingness to help. I have met often with Spanish-speaking leadership, who have always been forceful, frank, and fair. Many Latino organizations, including Image, are helping us now in a nationwide recruitment campaign for new staff.

As you may know, the Commission's failure to reform itself had resulted in no staff increase for several years running. This lack of staff in the face of growing case loads had severely effected complainants. Now new case processing systems are resolving new cases in 56 days and have raised the negotiation rate from 13% remedies last year to 49% this year. In the model offices, where all elements of the new systems are in place, dollar benefits to complainants have doubled. The Dallas office located in an area of Chicano concentration is leading the model offices in statistical results.

Very hard work on the part of the 2500 EEOC employees around the country have produced these improved results. Part of the reward for this improvement is in the President's recommended appropriation now before the Congress for the largest number of new positions in the Commission's history.

This presents us with an unprecedented opportunity to conduct a vigorous affirmative action campaign to recruit Chicano, Puerto Rican, Cuban, and other Spanish-speaking employees. Staff members have been traveling throughout the country on an intensive recruitment campaign for the past several weeks. Gil Sandate, our national Spanish-speaking coordinator, Nancy Payan Dolan, my special assistant, Ed Pena, head of our office of Government Employment, Ed Mercado, our New York Regional director, Larry Ramirez, our Dallas regional director and several others of our Spanish-speaking managers and staff have been engaged in this special recruitment drive. We have extended the time for getting on the Civil Service registers several times. We are leaving no stone unturned in an effort to recruit Latinos for positions as investigators, lawyers, and clericals.

We will be using goals and timetables in each office of the EEOC to insure that Hispanics are not only recruited but recruited for positions nationwide and not only in areas of the country with large Spanish-speaking concentrations. One way we intend to accomplish this is to recruit Hispanics wherever we find them, but offer them positions in other parts of the country as well. Our new Management Accountability Plans

hold field and headquarters directors accountable for achieving affirmative action goals just as they are held accountable for processing cases and other work.

Thus far 10,000 applications have been received. Those who have canvassed through the applications report that there are indications of an excellent pool of Latinos available for these positions. We believe we are well on our way to improving employment opportunities for Latinos at EEOC.

I have concentrated on this all-important effort in these remarks because it is the most critical effort now underway at the Commission affecting Hispanics. The Commission may never have so large a number of positions to fill at one time again. The recruitment drive has thus absorbed us as a first priority effort.

But the affirmative action recruitment is by no means the sum total of our efforts to sensitize the Commission to Hispanic concerns. After receiving input from our own high-level Hispanic managers, we are working on a comprehensive approach to Latino concerns. Included will be a special program of commission-initiated complaints against employers who discriminate against Latinos. These will be pattern and practice complaints that tackle discrimination throughout a company with a single complaint. These complaints will concentrate on areas with large Latino concentrations and will be adapted to the special effects of language and culture in job discrimination. Some of these complaints will be brought in areas where there has never been a substantial class action complaint, such as large areas of South Texas.

We are carefully monitoring all the immigration legislation. We believe that features of several of these bills may have a deleterious effect on the Title VII rights of Latino workers. We will oppose any measures that will tend to make employers less likely to hire Hispanic workers.

We are designing new bilingual materials to reach out to the Hispanic communities around the nation.

We are preparing to receive Title VII jurisdiction over federal workers from the Civil Service Commission. One of our first priorities will be to make federal agency affirmative action plans more than paper plans. This is an urgent priority for the Hispanic community. Government employment has always been seen as more open to minorities than private employment. But this has not been true for Latinos. Blacks, for example, with 12% of the population have 16% of the federal jobs. But Hispanics, at 5.2% of the population, have only 3.4% of the government jobs. Only 1.1% of workers in grades GS–14 through 16 are Hispanic and less than 1% of workers between GS–16 through 18 are Hispanic. With the transfer of Title VII government employee jurisdiction to EEOC, we will give priority attention to improving this sorry picture in all federal agencies.

The EEOC is critically important to all the Latino communities around the country. In recognition of this we have adopted a new field structure through which 62.7% of the Hispanic labor force will have access to EEOC offices as opposed to only 53.4 Hispanic access under the old structure. During the next fiscal year, we will open new offices in heavily Hispanic areas where there has been no EEOC presence before, including Bakersfield, Fresno, Long Beach, Oakland, Sacramento, San Diego, San Jose, and Tampa. These offices will be in addition to existing offices in heavily Hispanic areas, many of which will be enlarged.

If the EEOC is to continue on the critical journey to improving its service and sensitivity to Latinos it must have your direct input. I want to propose here today that there be regular meetings between national Hispanic leadership and myself. In that way, whatever the mistakes of the past may never be repeated. In that way, the new perspective toward the Hispanic community I am striving for will have the best chance for realization.

I ask for your help. Together we must make EEOC the model for the federal government in sensitivity and service to the Hispanic community. I will accept no less a standard. I ask you, through your input and concern, to help me make it happen.●

SCIENCE, TECHNOLOGY AND AMERICAN DIPLOMACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, on May 31, 1978, the House adopted H.R. 12598, the Foreign Relations Authorization Act for fiscal year 1979. Contained in this act as title V was legislation first proposed by Chairman ZABLOCKI and 10 other cosponsors as H.R. 11548 on Science, Technology and American Diplomacy. As one of the original cosponsors of that legislation, and as chairman of the Subcommittee on International Operations which held hearings on title V, I wish to commend Chairman ZABLOCKI for his leadership and his perseverance in initiating this important legislation.

Title V of H.R. 12598 on Science, Technology and American Diplomacy was the result of an 8-year-long study conducted by the Committee on International Relations with the assistance of the Congressional Research Service of the Library of Congress. In addition to publishing 15 studies on this subject, the committee sponsored seven seminars on this important subject conducted by the Library of Congress. Participants in these seminars included staff from the International Relations Committee and other congressional committees, officials from various agencies of the executive branch, and representatives from private and nongovernmental organizations. The legislation incorporated as title V reflected the views of the participants in these seminars as well as the views presented to the Subcommittee on International Operations during its hearing on H.R. 11548 held on April 19, 1978.

Title V of H.R. 12598 has three purposes. First, it enunciates a national policy on the application of science and technology—two of our country's strongest assets—to foreign policy. Second, it charges the President with improving coordination of all U.S. Government international scientific and technological activities and overall foreign policy objectives. Third, title V directs the Secretary of State to assist the President by being his agent in the coordination and oversight of international scientific and technological activities of the U.S. Government.

Additionally, the Secretary of State is instructed to undertake a number of activities to improve the ability of the Foreign Service to apply science and technology to foreign policy as well as to make available resources of the Department to aid other agencies and departments as they seek to fulfill their scientific or technological missions.

These, then, are the purposes and intent of title V. I understand that there have been several concerns raised among various agencies with regard to the scope and intent of title V. Specifically, I understand that there is some concern that title V is a "backdoor" attempt to draft new export controls. I also understand that there is concern that title V might give State unilateral veto authority over the international activities of other agencies. Some officials apparently fear that title V will mean that all cables being sent overseas will require the approval of the State Department. Others are concerned that they will have to provide the State Department with complete sets of files on their research programs so that State may properly advise them as to the international implications of such activities. Finally, I am told that some agencies fear State will use this legislation as authority to establish its own technical research and development laboratories in competition with existing government laboratories.

As one of several cosponsors and as chairman of the subcommittee which recommended inclusion of title V in H.R. 12598, I wish to assure the Members that the committee never had any of these intentions in mind when it reported title V to the floor, nor are they contained in title V as passed by the House. As a matter of fact, I am confident that title V would not have been introduced as such if there was any substance to these points.

Title V is not intended to be interpreted as a set of export controls in disguise. Title V refers very specifically only to international scientific and technological activities of the U.S. Government.

Title V does not give the State Department unilateral veto authority over the international activities of other agencies. The committee intended that the State Department be fully informed and consulted before any agency undertakes initiatives involving science or technology so that it might advise other agencies with respect to the broad foreign policy implications of these proposed exchanges of information, data, equipment, or personnel. If an agency insists on implementing a program to which the State Department has objected, State should appeal to the President for modification of an agency's proposal. Such an appeal to the President or the White House should be made in the same manner as such issues are currently resolved. Title V does not in any way grant unilateral veto power to the State Department over another agency's activities.

Title V does not require other agencies to seek prior approval from the State Department for each cable sent overseas on matters pertaining to science and Technology. Because the nature of international scientific or technological activities requiring coordination and oversight under terms of the bill will vary from agency to agency, the committee intended that State and affected agencies develop mutually acceptable implementing procedures that were appropriate for both the agencies involved and the kinds of activities to be coordi-

nated and overseen. It is reasonable that initiatives with major political ramifications as determined by the State Department be subject to more frequent coordination and oversight reviews by State than less sensitive initiatives. However, once an initiative has been reviewed by State for its consistency with overall U.S. foreign policy objectives, it should not be necessary in most instances, nor is it required under title V, for State to read and approve every single cable sent overseas.

Title V does not require agencies to furnish complete, current files to the State Department on their domestic research and development activities. The committee intended that there be a rule of reason in the implementation of the State Department's responsibility for advising other agencies with respect to the international implications of their domestic research and development activities. The State Department should focus on those programs which on the basis of international reaction or its own planning efforts are thought to pose international problems or create opportunities for diplomatic initiatives.

Title V does not require the State Department to operate or manage programs which have been developed, initiated, and implemented by other agencies. The committee specifically excluded the State Department from attempting to manage or operate cooperative international programs in highly specialized areas of science and technology such as defense research and development being carried out jointly within NATO. At the same time, the committee sought to preserve the principle that State should know about such activities and be able to advise other agencies on the overall foreign policy objectives to which such programs should be related.

Title V is intended to insure that the State Department is informed and consulted about international scientific and technological activities with overall U.S. foreign policy objectives. State must be able to carry out four functions: First, State must be able to carry out its statutory responsibilities for reporting international agreements to the Congress. Second, State should be able to advise other agencies with respect to the international implications of their scientific and technological activities. Third, State should provide information to other agencies on foreign scientific and technological developments that relate to their programs. Fourth, State should develop diplomatic initiatives based on U.S. Government science and technology programs.

Title V and the accompanying report make clear that the committee intends that the Department of State assume greater responsibility for implementing future umbrella-type agreements for scientific and technological cooperation between the United States and other governments that it negotiates where it has the expertise and resources to do so. The committee believes State should continue the current practice of relying on other agencies to implement such agreements where it lacks the resources to implement fully such agreements, and specifically did not include the operation of laboratories as an example of program operation or management activities described in activities listed in the section-by-section analysis in the committee report. The committee clearly did not intend for State to compete with other technical agencies in implementing these agreements, but rather that State assume a greater role in managing and operating future agreements which do not require it to furnish specific technical advice, personnel, data, or equipment.

Mr. Speaker, we have heard a great deal about alleged congressional restraints imposed on the ability of the President to conduct foreign affairs. Enactment of title V of H.R. 12598 will, I believe, reemphasize the positive role the Congress can play in assisting the conduct of our Nation's foreign affairs. Enactment of title V will improve planning, interagency coordination, and the ability of the State Department to apply science and technology to foreign policy problems. In so doing title V will actually expand the resources available to the President and the executive branch in the day-to-day conduct of foreign affairs. Adoption of title V of H.R. 12598, the Foreign Relations Authorization Act for fiscal year 1979, by the Congress will demonstrate vigorous congressional support for strong and effective executive leadership of our foreign policy establishment.●

POLL IN ALABAMA INDICATES "INFLATION" CONSIDERED TO BE THE MOST SERIOUS PROBLEM FACING THE NATION TODAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. FLOWERS) is recognized for 5 minutes.

● Mr. FLOWERS. Mr. Speaker, although it may come as no surprise, I would like to share with other Members the results of a poll recently taken in the State of Alabama. When asked what the most serious problem facing our Nation today is, over 37 percent of the people of Alabama responded "inflation." This was far and away the most mentioned problem.

Inflation hurts those who can least afford it. Those living on fixed incomes are finding it harder and harder just to pay their monthly bills. Low- and middle-income families are finding their standard of living eroding to the extent that they are losing ground against the rising costs for consumer goods and services. Business cannot make long-term decisions without knowing what the economic picture may be several years down the road. In anticipation of inflation, unions and individuals are demanding larger wage increases. Inflation hits all segments of the population and is, of course, self-perpetuating, it fuels further inflation.

President Carter has announced what he intends to do to fight inflation. But this is not enough, nor should he be expected to stand alone. We here in Congress must also do our part—and that really means a great deal more than we have been doing. The American people are watching and waiting, but their patience must be about gone.

I would like to share some of my own thoughts on this matter.

First, and this is so important, we have got to do something about our enormous trade deficit. The price we are paying for energy imports is a large part of the problem. Among other things, this means we must aggressively pursue alternative sources of energy.

We know that deficit spending invariably leads to inflation, so second, we need to balance the Federal budget. The $60 billion deficit proposed by President Carter is simply too large, and the Congress needs to help bring this down and help the President keep his pledge to send a balanced budget to us before the end of his first term.

The vast Federal bureaucracy must be reduced. We need less government, not more, and we need for the government we have to be more efficient. We must examine each budget request and every piece of legislation that comes before us with an eye toward its inflationary impact. Unnecessary and wasteful Federal spending must be cut. We need to instill more fiscal restraint here in Washington, and fortunately, I see a growing sentiment to do just that.

Third, we need to repeal those laws, rules and regulations that create unreasonable demands on the free enterprise system to add up to greater cost to the consumer in the long run. Most conspicuous in this regard are those environmental and safety rules that add to costs without commensurate advantage gained.

These are but a few suggestions that I have today. Inflation should be the top priority for Washington, and I mean the White House and the Congress in the months to come. There are no easy answers, nor will there be quick solutions.

In the short term, I intend to support the tax cut when it comes before the House of Representatives and I hope members of the Ways and Means Committee will include H.R. 2406, a bill I have introduced, in their deliberations on the President's tax proposals. This "tax indexing proposal," I believe, would provide much needed relief by providing for automatic cost-of-living adjustments in the income tax rates.

The White House has just released statistics for the month of April that indicate that we are once again heading toward double digit inflation. The time to act is now. We must meet our responsibilities as representatives of the American people.●

U.S. INDUSTRIALIST'S ASSESSMENT OF SEVENTH LAW OF THE SEA CONFERENCE: OUR DELEGATION NO LONGER PROTECTING BASIC AMERICAN INTERESTS

(Mr. MURPHY of New York asked and was given permission to extend his

remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MURPHY of New York. Mr. Speaker, the seventh session of the Third United Nations Conference on the Law of the Sea has recently adjourned in Geneva and a 4-week session has been scheduled to begin in New York on August 21, 1978.

Assessments of the work of the Geneva Conference vary considerably. For example, our Special Representative of the President for the Law of the Sea Conference, Ambassador Elliot L. Richardson, testified before the Subcommittee on Oceanography of the Merchant Marine and Fisheries Committee that some of the provisions of the proposed treaty text were "sufficiently improved" that they "offered a substantially enhanced prospect of consensus."

On the other hand, American mining companies which will be forced to work—or not work—under the provisions of the deep seabed mining articles of the treaty—find little to commend the Geneva session or the changes in the treaty.

Domestic ocean mining legislation (H.R. 3350) will soon be before the entire House for consideration. Because this will be one of the most significant issues to be discussed during this session of the 95th Congress, I commend to my colleagues the remarks recently made by Mr. Marne A. Dubs before the Southern Center for International Studies in Atlanta, Ga. Mr. Dubs is the director of the Ocean Resources Department at Kennecott Copper Corp., and the chairman of the Undersea Mineral Resources Committee of the American Mining Congress. He is one of the most knowledgeable Americans on the matter of seabed mining and the Law of the Sea Conference and his statement is one which covers the entire history of the interplay between these two issues.

The statement follows:

REMARKS OF MARNE A. DUBS

Ladies and Gentlemen, few Americans have been told the story I am going to tell you today. It is a story of politics, law, economics, technology, and foreign policy. The plot concerns two-thirds of the earth's surface—the world's oceans. I have just returned from Geneva, Switzerland, where the Law of the Sea Conference has entered into its second decade of negotiations. This is a Conference in which all the countries of the world are participating in an effort to write what some have characterized as a constitution for the oceans. It will, if successful, establish the rights of countries to the fish of the sea, the oil offshore, and the minerals at the bottom, and set forth the rules and regulations for navigation, environmental protection, and the conduct of scientific research. It will create a new international organization similar in structure to the United Nations for the management of some of these activities. In principle, it is both an ambitious and, in my judgment, a desirable objective, provided the nations of the world are able to agree on a new law of the sea that is reasonable and fairly reflects economic and political realities. However, in my judgment, this Conference has veered away from such a desirable course and may not soon return to it, if ever.

As an industrialist interested in mining the minerals of the oceans' bottoms, I have lived with this Conference and its deliberations for many years. I think I have more patience with, and more sympathy for the resolution of the many issues under negotiation than a large number of others who have followed the Conference equally closely. Since the Carter Administration took office, I have become increasingly concerned that the United States has altered its political objectives at this Conference in a way in which I, as an industrialist and as an American, find unpalatable. It is extremely difficult to know at what precise moment an alarm should be sounded in a matter as complex and detailed as this. Each session of the Law of the Sea Conference has seen incremental losses in the American position, but there always seemed to be a hope that a cataclysmic reversal of the trend would occur, if we waited just a little longer.

The recently concluded session of this Conference in Geneva has convinced me that no such cataclysmic reversal is likely to occur. I have always sympathized with the American negotiators at the Law of the Sea Conference. They are greatly outnumbered. As the draft treaty articles have worsened, I have felt that America did its best and would continue to work at bringing about fundamental changes in the future. With great patience, I thought the job could be done.

The recently concluded session of the Conference, however, leaves me with less hope. I am satisfied now that the time has come to sound a warning—a warning that unless the Carter Administration takes a fundamentally different and tougher approach to these negotiations, it will in the next few years be forced to submit for the advice and consent of the Senate a treaty that will make the national debate we have just witnessed on the Panama Canal look pale by comparison.

I will try today to explain why I have reached this conclusion, but in order to do so, I must take you back to the spring of 1977, when the Law of the Sea Conference completed its fifth major negotiating session. At that time, a treaty text emerged which the leader of the American delegation characterized as "fundamentally unacceptable." This comment was addressed to the substance of the draft treaty insofar as it related to the mining of deep ocean minerals. Equally unacceptable to Ambassador Richardson was the procedure by which the treaty had been prepared, which he said had lacked fairness.

Because of these extremely serious problems, the American Government announced a searching review to determine whether its national interests could be satisfied by its continued participation in the Law of the Sea Conference. This announcement, largely tactical in nature, resulted in substantially improved procedures at the 1978 session of the Conference, and no claim of lack of fairness would be warranted today. Indeed, the new treaty articles worked out at this session of the Conference appear to have been worked out with the full knowledge and participation of our Government. In fact, in large part they appear to have been based on our own Government's ideas.

In my view, while certain very minor improvements were made in Geneva, some of the new treaty articles are worse than they were before and, most importantly of all, the treaty characterized as "fundamentally unacceptable" by the United States a year ago is now substantially intact and appears to wear a cloak of acceptance by the United States—or at least that is how most countries perceive the situation.

In short, it seems to me, on the basis of the available evidence, that the United States did not make a strong effort to substantially alter what it had characterized previously as fundamentally unacceptable. No matter how I rack my brain, I do not see how at a subsequent session of this Conference, the United States will be able to alter a global perception that a fundamentally unacceptable treaty has now become a treaty which is in the ballpark and ready for detailed "fine tuning." The efforts at the Law of the Sea Conference have frequently been compared to a swinging pendulum. The swings of the pendulum, however, seemed always to go from pro Third World to accommodations of the industrialized countries. It now seems fairly clear that the pendulum's arc is an arc of one or two degrees well on the Third World's side of the scale. I hope this assessment is wrong. Yet, I am reasonably certain it is right.

Let me now take you to the alien and hostile world where nature has placed a treasure chest of minerals for man's future use. This world is far from land beyond the edges of the continental shelves. It is the abyss of the world's oceans where the water has an average depth of twelve thousand feet and may reach a depth greater than the height of Mt. Everest. This world of the deep ocean is a dark, cold world. No light penetrates, and the temperature of the water is only a bit above freezing. It is a sterile world. Life is sparce. It is a desert with far less life than the deserts we know on land. The few organisms found on this deep seabed live and die in its oozy mud and seem to be isolated almost completely from the life of the ocean that we know. A miniscule drift of detrital material enters from the world above—nothing leaves. No man has ever set foot on the soft, muddy ooze of the deep seabed, and none is likely to do so.

Why then should this deep seabed be of such burning importance that more than two hundred million dollars has been spent by industry on ocean mining technology and a hundred and sixty nations have spent more than a decade in trying to agree on a regime for the exploration and exploitation of the deep seabed? The deep ocean floor is covered over enormous expanses with spherical nodules of metal oxides constituting the most significant untapped source of mineral raw materials known to the world.

About one hundred years ago, a British scientific expedition, the fabulously productive Challenger expedition, dredged up black, potato-sized nodules from the floor of the deep seabed. These nodules were found to be rich in the metals manganese, nickel, copper, cobalt, molybdenum, and also contained smaller quantities of most of the mineral elements known to man. Nodules occur on the floor of the basins of all the world's oceans—where the water is deep, and the rate of sedimentation is low.

The manganese nodules are found spread out in a single layer and half-buried in the oozy mud of the seabed. They were formed over geologic time-spans as a result of the movement of metal-bearing solutions from deep-lying sediments to the sea floor. The solutions are generated and driven to the surface by hydrothermal activity from within the ocean crustal plates. When these metal solutions reach the water-sediment interface, the metals are precipitated and form nodules. The nodule fields are vast—covering not merely thousands but actually millions of square kilometers.

It is difficult to assess the total quantities of nodules and their mineral content because of scanty global data. However, their significance is easily grasped by the fact that the nickel content in two deposits which have been explored by my own company is about equivalent to the nickel found in land-based nickel reserves. Estimates of the total quantity of manganese nodules of potentially exploitable grade on a global basis still lack accuracy, but it is clear that the resource is truly immense, easily doubling the world resource base, and can serve as a major mineral supply long into the future.

As you might expect from their origin, the chemical composition of the manganese nodules is unique—quite unlike other ores. For example, the nodules are oxide materials and contain no sulfur. Those of potential commerical interest contain about 30 percent manganese, 1.4 percent nickel, 1.2 percent copper, 0.25 percent to 0.3 percent cobalt. The nodules are thus worth more than $100 per ton compared to a value for U.S. copper ores of about $10 per ton. It will be clear to those of you familiar with continental resources that this is indeed a rich ore. It is because of this high metallic content and tremendous tonnages that manganese nodules have become of great interest to the industrialized nations as a source of mineral raw materials. Similarly, nodules have become of increasing interest to the third world nations as a potential source of revenue for the international community and because of their desire to control both the supplies and the prices of all mineral raw materials.

The importance of seabed resources to the United States is of particular note. We have in the past thought of the United States as a storehouse of low-cost minerals that can be tapped indefinitely. This illusion, as regards petroleum, has of course been destroyed by the energy crisis. However, as citizens we have been slow to recognize that we, also, have inadequate domestic supplies of many other minerals and in particular those found in manganese nodules.

For example, we are the world's largest consumer of nickel, yet we have only one small exploitable nickel deposit in the United States that is able to supply less than 10% of our total demand today. The remainder of our nickel must be imported. Nickel, of course, is an essential material in the functioning of a modern, industrialized economy. It is used to make stainless and other high-performance steels, required for applications where high-temperature properties and/or corrosion resistance is needed. Ocean nodules obviously could be a prime source of nickel for the United States.

Another major constituent in the nodules is manganese from which, of course, the nodules have obtained their name. Manganese is an absolutely essential ingredient in manufacturing all steels. Unfortunately, the United States has no domestic supplies of manganese and it must all be imported from a few countries overseas, such as Gabon, South Africa, and Brazil. Furthermore, future supplies of the high-quality manganese ore required in steel-making are predicted to be inadequate. Countries such as Brazil that produce manganese ore are beginning to put restrictions on the export of manganese ore suitable for steel manufacturing in order to conserve supplies for their own future use. The manganese in manganese nodules could fill the supply gap in this critical raw material for the United States. Beyond the year 2000, the bulk of the world's exploitable manganese will be found in two countries, the USSR and South Africa.

The nodules also contain cobalt. Cobalt is yet another critical material for industrialized countries. It is used to make high performance magnets and all manner of sophisticated electro-magnetic devices used in communications and control systems. Cobalt is also used in the manufacture of space-age metal alloys. Yet, the United States produces no cobalt. The bulk of the world's cobalt supplies comes from a single African country, Zaire, a country now torn by armed conflict centered in the mining area. Not surprisingly, the price of cobalt is established at the monopoly level and the fact of a single-point supply has cast great doubt upon the stability of cobalt supplies. Cobalt from the seabed can easily fill the potential supply gap for this critical material.

Manganese nodules also contain copper. However, the United States is the world's largest single producer of copper and has large and extensive copper deposits. Notwithstanding, we find that the dropping metal content and the increased mining difficulty of land deposits is raising the cost of copper as the years go by. Furthermore, the United States still imports significant quantities of copper. Thus, copper from manganese nodules could be a welcome supplemental source of the red metal for the United States.

I have stressed the importance of these metals to the United States. They have an equal importance, and for similar reasons, to the other "Western" industrialized nations of the world, including Japan, the United Kingdom, West Germany, and France—although it is noted that France has access to nickel in New Caledonia, a French possession. With respect to Russia, it is important to remember that Russia is much more favorably endowed with mineral deposits than the United States and its allies and has ample supplies of nickel, manganese, cobalt, and copper. It would be understandable that their interest in the exploitation of the ocean would be less than ours and that they might even seek to delay or limit our own efforts to recover seabed minerals.

Needless to say, the technology American companies have developed to retrieve these manganese nodules is as exciting to a country whose greatness lies increasingly in its advanced technology as is the discovery of the nodules and their ability to reduce American dependence on insecure supplies of these raw materials.

Ladies and gentlemen, if I were hearing this story for the first time, I would be incredulous to learn that the United States is negotiating a treaty which will:

Force American companies to surrender their technology;

Significantly limit the amount of metal which can be produced from the oceans to meet consumer needs;

Export what would otherwise be American jobs;

Grant political control of this enormous resource to the third world, which has proclaimed its desire to gain sufficient economic power over these resources so as to cause a massive transfer of wealth from the industrialized countries;

To the extent it allows American companies to mine at all, require the American government to indirectly support through subsidies a supranational mining company which will be our competitor.

You, too, may be incredulous, and you may think me a doomsayer, or at least a badly informed businessman. But I assure you, each word I have said is fully documented by the text of the treaty which has so far been produced at the Law of the Sea Conference. You will rightly ask, why has this happened? Let me try to explain.

In 1968, the American Navy saw itself as increasingly threatened by the gradual extension of jurisdiction over fishing resources which was being unilaterally declared by many nations. Some had claimed 200 miles; most had made claims of 12 miles. Our Navy had relied on a three-mile territorial sea for two centuries as the widest possible jurisdiction of a coastal state into the high seas. The Navy knew that its legal position on the breadth of the territorial sea could be protected if the United States would reject each of these claims, but it also knew that the United States would be asked as a matter of comity and cooperation, in practice, to respect them. The Navy could easily predict that it would be pressured by the Department of State in the interests of good relations with many different countries into respecting these claims in practice, thus giving the lie to our protests and rejections. It was for this reason that the United States and the Soviet Union, which had a similar set of perceptions within its own government, in 1968 launched an effort to commence a global conference on the Law of the Sea, limited in scope to establishing a 12-mile territorial sea and transit through narrow international waterways which might, as a result of this 12-mile limit, fall under coastal jurisdiction and be hampered. Even then, this was a hopelessly narrow and possibly naive mandate for a global conference. The Russians and the Americans quickly discovered that their proposal would go nowhere unless it dealt effectively with the root cause of extended coastal jurisdiction, and so the two countries agreed that a third subject to be taken up at such a global conference would be fisheries jurisdiction of coastal countries beyond the 12-mile limit.

By 1970, when the matter was under intensive scrutiny in the United Nations, the picture had changed so drastically that the mandate of any Law of the Sea Conference yet to come would plainly have to include every ocean use known to mankind. The rest of the world had apparently decided that America and Russia wanted to protect transit and navigation on the high seas so badly that it might be possible to get these two countries to agree to a complete package of revolutionary new principles of law for the oceans. In diplomatic circles, this was expressed in terms of mutual accommodation—"We will accommodate your interest in freedom of navigation, if you accommodate our interest in control of resources." I suppose that outside of diplomatic circles the word "blackmail" might more accurately convey the nature of this broad compromise approach. When this package negotiation was first identified, the United States was dismayed but not sufficiently so as to terminate its diplomatic initiative. At that time, it could have easily done so, for this was long before the third world had acquired the power and acquisitiveness which characterize it today. Perhaps the United States thought then that this package negotiation could be controlled and, if it maintained a reasonably progressive and generous attitude toward resource questions, third world demands could be met without doing much damage to the national interest.

But in 1973, the world changed. The third world came of age, reorganized itself into a powerful political block, and began to demand the creation of a new international economic order. The movement was led by Algeria, and the demands were overwhelming. The purpose of the revolution was to adopt entirely new behavioral patterns among countries which, over the shortest possible period of time, would draw down industrialized country wealth for the benefit of the rest of the world. What was sought was a communization of the world's economic resources and, except for the Law of the Sea Conference, the effort was thwarted by the Nixon Administration. I presume it was thwarted because the President and the Secretaries of State and the Treasury thought it to be very bad for our country, and our country held most of the cards. This was not true, however, in the Law of the Sea Conference, where the Navy still felt that it was essential to get the rest of the world to agree in a written treaty to respect the navigational freedoms we had been exercising on the high seas for 200 years without serious challenge.

In late 1973, Americans stood in interminable lines waiting to fill the fuel tanks of their cars, homes were cold, and factories were shut down. Inflation became unbelievable. Oil had become scare, and its price

came close to tripling. Any thoughts of softening the American position in the face of third world demands for new control over resources and raw materials disappeared, except at the Law of the Sea Conference. The third world, at first bitter at having suffered so monstrously at the hands of the oil cartel, took a second look and decided that if OPEC could acquire the wealth and the power which it evidently had with its oil, the third world must acquire the same wealth and power with the remaining raw materials needed to feed industrial economies. And so, in 1974–76, Americans witnessed an even more cohesive push from the third world, indeed from some of the countries who had suffered the most at the hands of the oil cartel, to acquire as much control over deepsea mineral resources as could be achieved. The Navy still felt threatened, and American participation in what had become almost a hopeless Conference persisted.

President Carter inherited this situation, but his campaign staff had been zealous in blaming the previous negotiators for the failure of the Law of the Sea Conference rather than the third world. President Carter had also been told that Messrs. Kissinger and Simon may have been too tough on the third world, and that what was called for were new gestures of friendliness and cooperation. After all, we lived in a world of global interdependence. Many developing countries had suffered at the hands of our economic prosperity. A way should be found to tone down the high rhetoric of the so-called North/South dialogue. Compared to some of the things the third world was demanding, the minerals of the oceans seemed quite puny. Let us try then, he was undoubtedly advised, to hold out a hand of friendship in the law of the sea. This new approach has turned out to be a mistake.

There is, however, a natural and understandable temptation not to admit mistakes, particularly in foreign affairs. It is sometimes easier to redefine objectives and indicate success instead. If an objective can be redefined in a way that is of such monumental importance as to be staggering to the imagination, one can then wrap the ill-considered mistakes of the past into a package labelled noble concessions for a magnificent objective. In the 18 months of the Carter Administration, we have seen this done. The United States has begun for the first time to identify as a major law of the sea policy objective the avoidance of anarchy in the oceans. On the altar of this new slogan, major economic interests are being sacrificed. It is ironical that the world has gotten along for 300 years without the conference on the law of the sea. Virtually no war or major conflict ever arose out of disputes rooted in the rights and obligations of sovereign states in the oceans. Occasional incidents at sea, skirmishes over fishing—yes, these things occur. But conflict, anarchy, and chaos—never. The facts belie the slogan.

Let me summarize. To protect certain navigational interests, which it is not clear ever needed protection, the United States entered into a global negotiation and found its interests held ransom by a demand to turn over all of the mineral resources of the deep seabed to an organization dominated by the third world. In that organization we would be entitled to a single vote on the broad policy issues which would guide it, even though we consume a third of the world's supply of these resources and invented the technology to do what heretofore no nation on earth has been able to do—mine the deepest parts of the ocean. As of last week, we were still actively engaged in that negotiation and had lost so much of our perspective that we were making proposals that three years ago even the third world was afraid to make for fear of driving the United States away from the Law of the Sea Conference. I would like to turn now to those proposals and to the state the negotiations have reached.

Deepsea mining by the early part of the 21st century could provide more than half of the nickel and manganese the world consumes and all of its cobalt. Since industrialized society cannot exist without consuming these metals in large quantities, since the United States holds the technological lead in the mining of these metals from the oceans, and since few industrialized countries have any domestic sources of these metals, it was plainly an act of extraordinary generosity for the United States to accept any limitation on what would otherwise have been its natural domination over the resources of the deep seabed. Eventually, this domination would have been surrendered through the competition of other industrialized countries, but what is important is that the industrialized countries are consumers of these materials and do not seek control over them for economic blackmail. It is, therefore, much safer for the United States, if it does not produce all of its nickel, to buy it from Germany or Japan than to buy it from a developing country which may have political objectives significantly at odds with the objective of the United States, which is to keep its economy going.

Thus, when the United States agreed in 1970 at the United Nations that the seabed and its resources were the common heritage of mankind, it did so in an effort to co-opt what had become a third world slogan, which to most of the world meant that the United States would be deprived of the right to mine these resources in the absence of a treaty on their disposition to which the third world had agreed. The decision to co-opt the common heritage phrase was, to put it mildly, unfortunate. That phrase has given the excuse for most of the world to demand that what a majority of countries want must be made into international law. The United States took the position that the phrase would be given meaning by the collective provisions of a treaty to which it agreed. It felt safe with this position, since it did not expect to be forced to agree to a treaty which it did not like and felt was contrary to its national interests. What the United States failed to recognize was that it would be asked to accept a treaty which some would feel protected its overall national interest, even though damaging to the national interest in minerals.

The third world has demanded that the treaty contain the following elements:

An international organization called the International Seabed Authority would manage and control all activity in the deep seabed; political power would be vested in its general Assembly, which would have supreme power not subject to the scrutiny of any other body and which would take its decisions on the basis of majority voting.

An international state mining company called the Enterprise would have the sole right to mine the minerals of the deep seabed.

Any revenue generated by this system would go to developing countries only.

The amount of metal which could be produced from the deep seabed would be strictly limited by the International Seabed Authtority so as to maintain prices which would benefit developing countries who produce these metals from mines in their own territory but would damage the interests of consumers.

The United States and other industrialized countries did not start with a position diametrically opposed to that of the third world, although this might have been justified by their economic interests. Instead, they asked for a treaty which would:

Create an international organization with overall regulatory power to protect the environment and the safety of life and property at sea.

Generate revenues for distribution to developing countries.

Allow private companies and sovereign states to mine the mineral resources of the deep seabed under licenses obtained from the international organization.

Establish training and technical assistance programs to better enable developing countries to become active participants in the development of their resources and strengthen their capabilities to conduct research.

For five years neither side gave ground. Then in 1975, Secretary of State Kissinger, in an effort to move the Conference from deadlock, offered to accept a so-called "parallel system of exploitation" in which the Enterprise would be permitted to mine in competition with private companies and sovereign states. The Enterprise would be on an equal footing in much the same way as would be the case if the United States established its own government oil company to compete with the many American private oil companies. From an American perspective, the concession was of great importance. It hurdled the strong ideological opposition of many in the American Government and in the industry to the creation of a state mining company that, foreseeably, would not be an equal competitor. The American Government assured us, however, that it would not assent to a treaty that did not keep the Enterprise in a genuinely competitive and equal position vis-a-vis American companies. However, the third world rejected the Kissinger concessions, insisting instead that the common heritage principle demanded that only the Enterprise mine, but they conceded that in its early years, the Enterprise should have the power to decide to contract with private companies in order to get a rapid start.

The negotiations deadlocked again, and in 1976—an election year—in a further effort to break the deadlock, Kissinger offered further concessions in response to strong third world criticism of the parallel system on the ground that the Enterprise would never get started, having neither the capital nor technology to do so. This time, the concessions were in a package intended to deal with each and every complaint the third world had voiced. Kissinger agreed, despite strong opposition from the Treasury and his own economic advisors, that a production ceiling could be imposed on the amount of metals which could be extracted from the seabed in an interim period of 20 years. He also agreed that the first Enterprise project could be funded by loans guaranteed by industrialized countries in proportion to their contributions at the United Nations; in short, the United States would guarantee 20% of the Enterprise's financing. Finally, in what appears to have been a slip of the tongue, Kissinger said the United States would "see to the transfer of technology." In exchange, Kissinger emphasized there must be a competitive parallel system, balanced decisionmaking in the international organization which protected American interests, and effective provisions for the compulsory settlement of disputes, including disputes by mining companies with the decisionmaking organs of the international regulatory organization. The third world was interested but nevertheless rejected the package offered. They could see that a few months hence the United States might be under new leadership, and it had been reported in The New York Times while the Law of the Sea Conference was meeting that the Carter campaign staff was deeply critical of the Kissinger/Simon policies on the law of the sea.

If I were a third world delegate, I, too, would have opted to wait and see what a proposed Carter Administration would have to offer. If President Ford were returned to power, I would assume Kissinger's offers were still on the table to be accepted at a later date.

When the Carter Administration arrived on the scene, it found that a draft treaty had been negotiated on the basis of the Kissinger concessions. However, that draft treaty was considered by most developing countries to be a sell-out to the United States, and even though the treaty was prepared in cooperation with the principal leaders of the third world, the rank and file repudiated it. Only two broad options could have been seriously considered by the new Carter Administration. One would have been for the new government of the United States to assume that the third world was waiting for still more concessions than President Ford was willing to make and therefore repudiate the Kissinger concessions so that an eventual compromise might be found more or less in line with them. The other option was to allow the treaty to be renegotiated, keeping an open mind, and attempt to fulfill the Carter pledge of sympathy for the third world plight—without at the same time making any significant concessions.

The Carter administration chose the latter policy and, within months, in collaboration with a Norwegian delegate named Jens Evensen who had excellent credentials with the third world, a new draft treaty was prepared far more to the liking of the third world. This Evensen draft increased the lack of parity between the Enterprise and private company competitors. It would subsidize the Enterprise; give more power to the general Assembly and less power to the executive Council, wherein the United States expected to protect its interest; and it weakened the provision for effective settlement of disputes. For the first time, it established a system whereby private companies might get favorable treatment from the international organization, if they were willing to enter into joint ventures with the Enterprise as well.

The United States had finally crossed over the line from a competitive parallel system to a parallel system in which American business would be entreated, if not forced, to join up with the Enterprise as a price of doing business in the deep seabed. Kissinger had earlier made one additional concession: That the parallel system would be written into the treaty as a potentially temporary system. A Law of the Sea Review Conference could after 25 years decide to change the system. The Eversen draft treaty "improved" on this innocuous concession and made it much clearer that the review conference would surely eliminate the parallel system.

This gradual erosion of the American position, which always seemed reversible to those of us who followed it closely, was solidified when the Law of the Sea Conference adopted late in 1977 as its working text a treaty called the ICNT (Informal Composite Negotiating Text) which made much more clear what we in the industry were already afraid was present in the Evensen texts but not spelled out clearly enough for us to sound the alarm. When the ICNT came out in 1977, we did not sound the alarm either, because Ambassador Richardson expressed our feelings only too well when he characterized it as "fundamentally unacceptable." We did not guess in 1977 that before the end of May 1978, the ICNT would be accepted by the United States as the basis for negotiation and that only modest improvement would be sought.

Let me describe how this new treaty works. It establishes an all powerful general Assembly, a weak executive Council, and an ineffectual dispute settlement organ. In principle, it allows private companies and sovereign states to apply for contracts from an International Seabed Authority. It creates an Enterprise which is also entitled to mine. In order for a private company to get a contract, it must accept control of its production by the International Authority, agree to transfer all of its technology to the Enterprise, and comply with the rules and regulations of the Authority, which are finally decided upon by the Assembly. It must assume potentially enormous financial burdens even before it has revenues, and these will escalate before it becomes profitable, if it becomes profitable. Once the company has turned over its technology and a projected mine site, the Enterprise can obtain low-cost capital because its loans are guaranteed by the United States and other industrailized countries. The Enterprise is always given information on applications so that it can make a competitive bid to the Authority for both of the mine sites discovered by the applicant for a contract. It is immune from taxation in sovereign states, and it is given a tax holiday from Authority taxes in the early years for recouping its development expenses. The treaty also provides that, if two or more companies apply for the same mine site within a period of four months, a company which offers to enter into joint ventures with the Enterprise will have a clear priority in the selection process.

I have not even mentioned yet an issue which is devastating, if the ones I have already described do not convince you of the evils of the system. There is a proposal by France and the Soviet Union supported by the third world to limit the number of contracts which any one country and all of its citizens can obtain from the Seabed Authority. The way the numbers all work out in combination with the proposal, the United States would be lucky if it accounted for more than two mines in the first 25 years of the operation of the treaty, and it is extremely likely to have none thereafter because, by that time, the Enterprise will be the only mining entity.

Under the ICNT, it is possible that a few American mining companies—perhaps mine own among them—could obtain a contract and operate profitably and perhaps obtain some additional contracts by throwing in with the Enterprise. This, however, seems to us most unlikely because the entire system is rife with discretion and power is lodged in the third world, which has already given us ample evidence that they will act to the detriment of our national economic objectives. Nevertheless, even if we few companies can be taken care of, there remains the more important question—How does this treaty impact on the American people?

First, the treaty prevents consumers from gaining the advantage of downward pressure on prices for commodities which find their way into every aspect of our industrial life. It is an anti-consumer treaty. It is designed to protect Canada, the world's largest nickel producer, and a handful of Latin American copper producers from the competitive forces which would result from deepsea mining. Second, the system of obtaining contracts tends to offer substantial incentives to American companies to locate their mining operations in developing countries, and to the extent that the treaty forces us into joint ventures with the Enterprise, we will automatically have to locate processing plants in developing countries. The American taxpayer is thus deprived of a secure supply of raw materials, most of which are completely imported now. Third, by forcing us into third world countries, American labor is deprived of up to 20,000 new jobs by the year 2000, according to a recent AFL–CIO resolution. Fourth, the treaty is also contrary to our industrial interest in the sense that it would take the newest and most innovative technology for a new frontier on the earth's surface, from which inestimable benefits will flow, and export that technology and all that might flow from. It is also said to say that the treaty rewards industrial imagination and innovation by requiring us to surrender the fruits of our labor and investment.

Finally, I want to note that I have several reservations concerning whether a massive surrender of the deep seabed to the developing nations is a good way of establishing a new relationship with the third world. History is replete with proof that national generosity leaves legacies of bitterness and resentment in its wake and, more frequently than not, disrespect for the donor. In this case, the United States would attempt to establish a new adult partnership with the third world by simply acceding to its demands over a ten-year period in a strenuous effort to revolutionize the economic order against our own interest. This, in my judgment, is not the kind of foundation which the Carter Administration should be laying for a new partnership, and I predict that if we follow through with this kind of treaty, the next Administration will suffer the bitter fruits of this foreign policy.

At the most recently concluded session of the Law of the Sea Conference, the American delegation accepted as a basis for negotiation the treaty I have just described and attempted to add only modest improvements.

It did not try to recoup the increasingly restrictive production controls and, indeed, appears now to have actually accepted them by negotiating in the newest texts an agreement with Canada, the world's largest producer of nickel, which should satisfy Canadian mine workers who have been pressuring the Canadian government for protection for domestically-produced nickel.

It put significant meat on the package Kissinger concession to "see to the transfer of technology" by proposing mandatory technology transfers. The ICNT was slightly improved and the new text does require that we be paid for our technology. However, the amount of the payment is left to arbitration by arbitrators from a panel established by the Authority. If we do not wish to sell our technology however, we are not entitled to mine the seabed and may lose any prior contract we already hold.

The United States proposed further concessions with respect to the review conference which make it almost certain that, to the extent the treaty protects us at all, it will not do so once the review begins in a few years.

The United States did not attempt nor even announce an intention to improve the treaty in respect of the powers of the Assembly of the International Seabed Authority or the dispute settlement provisions.

Similarly, the United States gave no indication that the parallel system would have to be improved and made competitive in order for it to be acceptable to our negotiators.

The Conference agreed to meet again in August in New York. This is good because it will place the spot-light of national attention on this treaty. A few members of Congress who have followed this treaty closely are appalled by what they see emerging after ten years. I know the overwhelming majority of Americans and their representatives in the Senate would reject as outrageous a treaty which deprives Americans of the vast resources of the deep seabed and establishes a concentration of economic power in a single international state ocean mining company dominated by the third world, dedicated to the principle that all of the benefits of resource development should be used to enrich the third world at American expense.

Ladies and gentlemen, we have not lost all hope. The American mining industry, indeed all of the companies around the world interested in ocean mining, believe a good treaty on the law of the sea is better than no treaty at all. But a good treaty is one which is true to American principles of free enterprise—one which is beneficial to consumers, to American workers and to American industry, while at the same time providing reasonable benefits for all other countries. If the treaty negotiations continue in August along the lines they have been following, a bad treaty will be produced. It has become clear to me that only fundamental changes in the American delegation's instructions could result in a good treaty at

this stage. President Carter now has the ball squarely in his court. He can send a delegation to the August conference in New York and subsequent sessions armed with instructions that require a treaty with a competitive parallel system; an international organization in which power is balanced between the Assembly and the Council, and in which the United States has a voice commensurate with its economic stake; compulsory dispute settlement procedures which give us a right to appeal the discretionary decisions of an international organization; and provisions which prevent the forced transfer of technology, which avoid restrictive controls on production, and eliminate any possibility of a nickel cartel with which the world's consumers will have to live for years to come. In my judgment, such a treaty is negotiable. Ambassador Richardson tells us that the negotiating climate has improved at the Law of the Sea Conference and that the moderate developing countries have taken control. If that is so, let us capitalize on it.

The Carter Administration, to its great credit, has recognized the need for interim domestic legislation to encourage mining companies faced with this dismal future to continue to make investments pending the final negotiation of a treaty. The Administration has stated that such legislation is essential, without regard to the progress or lack of progress at the Law of the Sea Conference, since, even under the best of circumstances, it will probably be ten years before a treaty is in force as the law of the land. Congress will probably act this summer to place national deepsea mining legislation on the President's desk for signature. There is every reason to believe the President will sign this legislation. While domestic legislation regarding deepsea mining is not the complete answer to the uncertainty created by the treaty negotiations, it is enough of an answer for the next five years. Let us use those five years to convince the developing countries that a final treaty on the Law of the Sea will only be good for mankind if it reflects a genuine accommodation of the political and economic realities. A one-sided treaty in which America gives up its natural economic advantages and accepts disadvantage will not be ratified, and ten or more years of negotiation will have been wasted. And in that process America may lose her nascent and pioneering deepsea mining industry, which may be exactly what the dominant forces in the third world always wanted. That would be a very sad ending to this story.●

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. O'BRIEN (at the request of Mr. RHODES), for today, on account of attending a funeral.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. RANGEL (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. ASHBROOK, for 30 minutes, on June 15.

Mr. KEMP, for 10 minutes, today.

Mr. GRASSLEY, for 30 minutes, on June 16.

Mr. RAILSBACK, for 5 minutes, today.

Mr. DERWINSKI, for 5 minutes, today.

Mr. DUNCAN of Tennessee, for 20 minutes, on June 15.

(The following Members (at the request of Mr. MAGUIRE) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. FASCELL, for 5 minutes, today.

Mr. PHILLIP BURTON, for 5 minutes, today.

Mr. FLOWERS, for 5 minutes, today.

Mr. DRINAN, for 60 minutes, on June 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MURPHY of New York, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,478.

Mr. RICHMOND, and to revise and extend his remarks just prior to the vote on the Beard of Tennessee amendment on H.R. 12934 in the Committee of the Whole today.

Mr. RICHMOND, to follow the remarks of Mr. ANDREWS of North Dakota on his amendment to H.R. 12934 in the Committee of the Whole today.

Mr. STEIGER, to revise and extend his remarks during consideration of and agreeing to the Senate amendment on H.R. 5176.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous material:)

Mr. SAWYER.
Mr. ERLENBORN.
Mr. FORSYTHE.
Mr. SARASIN.
Mr. DORNAN in two instances.
Mr. RUDD.
Mr. BOB WILSON in two instances.
Mr. MICHEL.
Mr. ROUSSELOT in two instances.
Mr. CARTER.
Mr. HYDE.
Mr. RAILSBACK.
Mr. GREEN.
Mr. HILLIS.
Mr. SYMMS.
Mr. ASHBROOK in two instances.
Mrs. HOLT.
Mr. LEACH.
Mr. ANDERSON of Illinois.

(The following Members (at the request of Mr. MAGUIRE) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. METCALFE.
Mr. MCDONALD.
Mr. MILFORD.
Mr. FARY.
Mr. PEPPER in two instances.
Mr. MANN.
Ms. OAKAR.
Mr. ASHLEY.
Mr. LAFALCE.
Mr. BREAUX.
Mr. TEAGUE.
Mr. MURPHY of Pennsylvania.
Mr. JACOBS.
Ms. MIKULSKI.
Mr. LEHMAN.
Mr. NOLAN.
Mr. EILBERG.
Mr. CORNWELL.
Mr. DRINAN.
Mr. FLOWERS in five instances.
Mr. UDALL in two instances.
Mr. HAMILTON.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2380. An act to amend the Intervention on the High Seas Act to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973.

ADJOURNMENT

Mr. MAGUIRE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 3 minutes a.m., Thursday, June 15, 1978) the House adjourned until 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4376. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for construction at certain military installations and for other purposes; to the Committee on Armed Services.

4377. A letter from the Executive Secretary to the Department of Defense, transmitting proposed regulations governing the emergency school aid program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4378. A letter from the Attorney General, transmitting notice of a proposed new records system for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4379. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Morton L. Abramowitz, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

4380. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Warren Demian Manshel, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

4381. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassadors-designate Raymond E. Gonzalez, Adolph Dubs, Frederic L. Chapin, and William H. Gleysteen, Jr., and by members of their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

4382. A letter from the Acting Secretary of Transportation, transmitting a report on the evaluation of the State demonstration program for development of general aviation airports, pursuant to section 28(d) of the Airport and Airway Development Act of 1970, as amended (90 Stat. 881); to the Committee on Public Works and Transportation.

4383. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to provide for the forfeiture of proceeds of illegal drug transactions; jointly, to the Committees on Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Ways and Means.

4384. A letter from the Acting Comptroller General of the United States, transmitting a report on grievance systems within the executive branch of the Government (FPCD–77–67, June 13, 1978); jointly, to the Committees on Government Operations, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 1233. Resolution providing for the consideration of H.R. 10587. A bill to improve the range conditions of the public grazing lands (Rept. No. 95–1293). Referred to the House Calendar.

Ms. CHISHOLM: Committee on Rules. House Resolution 1234. Resolution providing for the consideration of H.R. 7577. A bill to amend the Economic Opportunity Act of 1964, and for other purposes (Rept. No. 95–1294). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1235. Resolution providing for the consideration of H.R. 12432. A bill to extend the Commission on Civil Rights for 5 years, to authorize appropriations for the Commission, to effect certain technical changes to comply with changes in the law, and for other purposes. (Rept. No. 95–1295). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1236. Resolution waiving certain points of order against H.R. 12928. A bill making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1979, and for other purposes. (Rept. No. 95–1296). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURGENER:

H.R. 13126. A bill to confirm that certain provisions of the Federal reclamation laws do not apply to lands in the Imperial Irrigation District of the Boulder Canyon project; to the Committee on Interior and Insular Affairs.

By Mr. FORSYTHE:

H.R. 13127. A bill to amend the Federal Election Campaign Act of 1971 to provide that candidates in general elections for Federal office may mail campaign materials at reduced third class mailing rates; jointly, to the Committees on House Administration and Post Office and Civil Service.

By Mr. GRASSLEY (for himself, Mr. KREBS, and Mr. NOLAN):

H.R. 13128. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

By Mr. GREEN:

H.R. 13129. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns, and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 13130. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 13131. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. KREBS (for himself, Mr. GRASSLEY, and Mr. NOLAN):

H.R. 13132. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

By Mr. NICHOLS:

H.R. 13133. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Ms. OAKAR (for herself, Ms. HOLTZMAN, Mr. HUCKABY, Mr. LENT, Mr. HEFTEL, Mr. BEDELL, Mr. CORNELL, Mr. BROWN of Ohio, Mr. FITHIAN, Mr. SKELTON, Mr. CONABLE and Mr. VENTO):

H.R. 13134. A bill to amend the Coinage Act of 1965 to change the size, weight, and design of the $1 coin, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. QUILLEN:

H.R. 13135. A bill to amend chapter 73 of title 10, United States Code, to provide that a retired member of the uniformed services who, in lieu of receiving retired pay, is receiving compensation from the Veterans' Administration for a service-connected disability rated as total and who is participating in the Survivor Benefit Plan shall not be required to make payments into the Treasury for such Plan; to the Committee on Armed Services.

By Mr. ROYBAL:

H.R. 13136. A bill to amend the Immigration and Nationality Act, and for other purposes; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. DEVINE:

H.R. 13137. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. McCORMACK:

H.R. 13138. A bill to authorize the acquisition of lands, easements, rights-of-way, and complete relocations associated with Canyons 1 and 2 at Wenatchee, Wash.; to the Committee on Public Works and Transportation.

By Mr. HARRIS (for himself, Mr. KINDNESS, Mrs. SCHROEDER, Mr. WHITE, and Mr. ZEFERETTI):

H.R. 13139. A bill to eliminate the offset against social security benefits in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. DORNAN, Mr. LENT, Mr. MITCHELL of New York, and Mr. WHITLEY):

H.J. Res. 994. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. CONTE:

H.J. Res. 995. Joint resolution to designate Sunday, June 25, 1978, as "National Brotherhood Day"; to the Committee on Post Office and Civil Service.

By Mr. DORNAN (for himself, Mr. WAXMAN, Mr. LOTT, Mr. FLOOD, Mr. UDALL, Mr. WALKER, Mr. BUTLER, Mr. BAUMAN, Mr. ROBINSON, Mr. LENT, Mr. CAPUTO, Mr. STOCKMAN, Mr. MCKINNEY, Mr. BYRON, Mr. CHAPPELL, Mr. GLICKMAN, Mr. GOODLING, Mr. HOLLENBECK, and Mr. YATRON):

H.J. Res. 996. Joint resolution requesting the President and Ambassador Andrew Young to counter Cambodian atrocities; to the Committee on International Relations.

By Mr. ASHLEY:

H. Res. 1237. Resolution to provide funds for the further expenses of investigations and studies by the ad hoc Committee on Energy; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

431. The SPEAKER presented a memorial of the Legislature of the State of Michigan, relative to offsetting the impact of economic dislocation; jointly, to the Committees on Banking, Finance and Urban Affairs, Education and Labor, and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HUBBARD:

H.R. 13140. A bill for the relief of Dr. Ricardo B. Maddela and his wife, Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

By Ms. KEYS:

H.R. 13141. A bill for the relief of Dr. Nazeeh A. L. Abdul-Hadi; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 13142. A bill for the relief of Father Jose Antonio Esquivel; to the Committee on the Judiciary.

By Mr. FAUNTROY:

H.R. 13143. A bill to require the vessel *Sandavore* to be documented as a vessel of the United States for use in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

477. By the SPEAKER: Petition of the Coalition of Northeastern Governors, relative to the urban volunteer corps program; to the Committee on Education and Labor.

478. Also, petition of the Oregon Legislative Assembly Joint Interim Task Force on Forestry Policy, Salem, Oreg., relative to forestry management practices; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 15

By Mr. CORRADA:

—On page 106, revise section 136(a) to read as follows:

"SEC. 136. (a) WITHHOLDING.—Whenever the Commissioner, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there has been a failure to comply substantially with any assurance set forth in the application of that State approved under section 52 or 101, the Commissioner shall notify the agency that further payments will not be made to the State under this title (or, in his discretion, that the State educational agency shall reduce or terminate further payments under this title to specified local educational agencies or State agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, (1) no further payments shall be made to the State under this title, or (2) payments by the State educational agency under this title shall be limited to local educational agencies and State agencies not affected by the failure, or, (3) payments to particular local educational agencies shall be reduced, as the case may be. Where partial payments to a local educational agency are continued under this subsection, the expenditure of those payments shall be subject to such conditions as the Commissioner deems appropriate in light of the failure which led to the partial withholding. Pending the outcome of any proceedings under this subsection, the Commissioner may suspend payments to such agency, after such agency has been given reasonable notice and opportunity to show cause why such action should not be taken.

—On page 108, in section 136(c) of title I, insert the following between lines 5 and 6: "In any case in which a State educational agency desires to enter into a compliance agreement, but alleges that full compliance with the requirements of this title is genuinely not feasible until a future date, the Commissioner shall hold a hearing at which that agency shall have the burden of demonstrating that immediate compliance is not feasible. The Commissioner shall provide an opportunity for parents, their representatives, and other interested parties to participate in that hearing. If the Commissioner determines, on the basis of all the evidence presented to him, that immediate compliance is genuinely not feasible, he shall make written findings to that effect before entering into such a compliance agreement with that State educational agency."

H.R. 12928

By Mr. EDGAR:

—Page 6, line 22, strike out the period and insert the following: ": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition, construction, and planning for the following projects: Bayou Bodcau and Tributaries; Yatesville Lake, Meramec Park Lake; Lukfata Lake; and LaFarge Lake and Channel Improvements."

Page 12, line 9, strike out the period and insert the following: ": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for land acquisition or construction of the Narrows Unit."

Page 12, line 24, strike out the period and insert the following: ": *Provided further*, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for planning the following projects: Savery-Pot Hook and Fruitland Mesa."

H.R. 12931

By Mr. MATHIS:

—Beginning on page 15, line 10, strike everything through line 3 on page 19.

—On page 17, line 18, strike the period and insert in lieu thereof the following: ": *Provided further*, That no such payment may be made while the Articles of Agreement of the Bank contain no provision denying or limiting membership or assistance to any country in violation of basic individual human rights, including but not limited to freedom of the press, freedom of expression, universal adult suffrage, and freedom to own and exchange private property."

—On page 23, add the following new section:

"SEC. 510. None of the funds appropriated under this Act for the international financial institutions shall be used to meet any call, or successive calls, on unpaid capital in excess of the United States pro rata share of such call, notwithstanding the failure of any other country to respond to a call."

—On page 23, line 19, add the following new sentence:

"The Secretary shall instruct such executive directors to oppose and vote against any assistance by such institutions, including but not limited to loans for the production of palm oil, sugar, citrus, tobacco, grains, oilseeds, and steel that would, directly or indirectly, tend to lessen employment opportunities or potential employment opportunities in any industry in the United States or would tend to lessen sales or potential sales, in either the domestic or international markets, of any commodity produced in the United States."

H.R. 12936

By Mr. BROWN of California:

—On page 19, line 6, strike "$806,400,000" and insert in lieu thereof "815,400,000", and on line 8 strike "$48,100,000" and insert in lieu thereof "57,100,000", and on line 11 strike "$17,-" and insert in lieu thereof "$26,-".

EXTENSIONS OF REMARKS

LINKAGE WITH SALT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. McDONALD. Mr. Speaker, today the editorial pages of the Nation are filled with a lot of thoughts concerning our relations with the U.S.S.R. These center about the blatant aggressions of communism in Africa. Some persons have suggested there is a linkage with the SALT II talks and that perhaps we ought to break off the SALT II talks as a gesture of our displeasure with Soviet behavior or until some change is indicated in Soviet policy toward Africa. This trend of thought, of course, all presupposes that the U.S.S.R. values the SALT II talks as highly as we do. This is debatable. However, it is predictable that the Department of State and others in the "establishment" will insist that SALT talks stand by themselves and we should ignore Soviet aggressions elsewhere. This, of course, is the same old tired rhetoric we have been hearing for a long time that ongoing negotiations take precedence over everything else. Yesterday, my friend and colleague, the Honorable SAM STRATTON, who has 20 distinguished years of service on the House Armed Services Committee, had an excellent letter in the Washington Post (June 12). In this letter he succinctly points out that on the basis of SALT I violations, plus recent Soviet behavior, there is little hope for "trusting the Russians," as some insist we should in SALT II negotiations. Significantly, the Wall Street Journal of June 12 echoed the same sentiments in an excellent editorial entitled: "Linkage Rigmarole" pointing that we can best judge nations by their deeds not their words. Thus SALT II should be looked upon with suspicion. The items follow:

[From the Washington Post, June 12, 1978]

AND LINKAGE WITH SALT II

In the past couple of weeks Washington has witnessed an unusual flurry of contradictory policy pronouncements on what should be our response to continued Soviet and Cuban meddling in Africa. After several false starts the final official position, it appears, is that "linkage" is out, concluding a SALT II treaty is "in the national interest" and, as The Post [May 30] and others have put it, SALT therefore stands on its own merits and must not "become a pawn in an internal argument over Kremlin policy."

Such a view, however, is dangerously blind to one overriding consideration. The proposed SALT II treaty is anything but a document of extreme precision. We all remember the omissions and ambiguities in SALT I. Not only were they responsible for an intense national debate over whether the Soviets did or did not violate its terms, but they enabled the Soviets, while adhering to the numerical limits of SALT I, to achieve a clear superiority over us in deliverable nuclear power.

So if SALT II is to achieve anything useful, it must provide us with the opportunity of redressing this imbalance and, at the same time, to the maximum extent possible, eschew similar ambiguities and inexactitudes. However, this has by no means been achieved in the current draft.

Perhaps perfect precision can never be achieved in such a document. But that is just the point. There are many things in SALT II—and there will be even more in a comprehensive test-ban treaty, if that comes about—that can never be fully verified. "Trust us," the Russian high command told our committee last Easter in Moscow, when we asked for proof of their claim that the Backfire bomber, even refueled, could still not reach the continental United States. They just quoted Leonid I. Brezhnev to us.

But if the success of SALT II must depend to some appreciable extent on trust in our Soviet friends, then their recent conduct in Africa, their actions in Afghanistan and their bugging of the U.S. embassy in Moscow, are all highly relevant factors in determining whether such trust is warranted.

Surely, when concluding an agreement on

strategic arms—no less than in signing a lease, or buying a second-hand car—the overall performance of the other party is every bit as important to the informed consumer as the exact text of the document he is asked to sign.

SAMUEL S. STRATTON.

[From the Wall Street Journal, June 12, 1978]

LINKAGE RIGMAROLE

We have been watching with some amusement as the disarmament lobby and the administration try to persuade us that there is no "linkage" between the strategic arms talks, the centerpiece of U.S.-Soviet relations, and the behavior of the Soviets everywhere else in the world. Yes, we are now solemnly told, it's obvious that the Russians will grab anything they can reach, but SALT must be considered on its individual merits.

We are amused because for years those of us skeptical about the strategic arms talks have been trying to start a debate on the narrow merits, only to be shouted down with the cry of "detente." Why should we sign an agreement that has equal numbers of missiles, but far larger ones for the Soviets than for us, an advantage directly translatable into a far more effective missile force? Why should we sign an agreement that so severely curtails our cruise missile it cannot be effectively developed to defend Europe, while the agreement ignores the Soviet Backfire bomber and SS20 missile that mount an increasingly overwhelming challenge to our allies there? Why should we sign an agreement on which it is nearly impossible to detect Soviet cheating, when on current agreements they have demonstrated a willingness to cut any corner they can get away with?

To these questions, the answer has always been, well, this is "a first step." The agreement may not be perfect, but it is "the best that can be negotiated"—i.e., that the Soviets will let us have. Anyway, the answer continues, we need to maintain the "momentum" of detente. If SALT were rejected, we have been told a nauseating number of times, it would mean "the end of detente." And without detente, the Soviets might, say, go on a rampage in Africa.

Now we are instructed to forget all that. We are no longer to believe that SALT is a finishing school for the Soviets, and that once they learn the correct table manners they will habitually use them everywhere. Instead we are asked to believe the opposite. That the Russian national character is schizoid. That in Africa the Soviets may be Mr. Hyde, but at the SALT table they are Dr. Jekyll.

While the administration is by no means the worst offender in this regard, listen to President Carter's speech last week at the Naval Academy: "To the Soviet Union, detente seems to mean a continuing aggressive struggle for political advantage and increased influence in a variety of ways." And "the Soviets' military buildup appears to be excessive far beyond any legitimate requirements to defend themselves or defend their allies." And "The Soviet Union attempts to export a totalitarian and repressive form of government resulting in a closed society." But "We and the Soviets are negotiating in good faith almost every day." And "I'm glad to report to you today that the prospects for a SALT II agreement are good."

What needs explaining here is how Mr. Carter can believe these two contradictory things simultaneously. There are two possibilities. One is that the administration is in fact turning around its policy toward the Soviet Union, and naturally this cannot be done at a stroke. The transition leaves Mr. Carter offering a disjointed assessment of Soviet behavior and intentions. The other possibility is that the new tough line is a fraud, with no other purpose than to persuade the Senate and the country that Mr. Carter is "tough" and that therefore the SALT agreement he signs must be an honest bargain. That the new toughness is so far all rhetoric and no action supports the latter view, but only time will tell. Our own hunch is that the administration itself hasn't decided which of the two lines it is playing.

Now, the notion of "linkage" is subject to caricature. It would be silly to "slow" or "speed" the negotiations as punishment or reward for what the Soviets do in Africa. If the Soviets continue to push in Africa but are willing to agree to an honest and even-handed arms treaty, surely we ought not to refuse it. But this hypothesis strains credulity. If the Soviets are conducting an "aggressive struggle," building "excessive arms and trying to "export" totalitarianism, then we have to assume that these purposes and not "good faith" dominate their approach to SALT. When we come to examine a resulting agreement we must examine it in this context. With their negotiators seeking military advantage and our negotiators seeking a mutually beneficial agreement, we need not be surprised if the supposed merits evaporate under scrutiny.

Of course there is linkage. If someone sells you a house with a leaky roof, cheats at golf, propositions your wife, steals his brother's inheritance and comes to you offering a used car cheap, you need not automatically pass up a bargain. But you will probably want to kick the tires before you hand over the check.●

HEW ADMINISTRATION OF TITLE IX—A GROTESQUE DISTORTION OF THE LAW

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1978

● Mr. ASHBROOK. Mr. Speaker, the Department of Health, Education, and Welfare has been administering title IX—relating to discrimination on the basis of sex in education programs—contrary to the express language of the legislation and the clear intent of Congress. Three U.S. district courts which have considered the issue have come to this conclusion, yet nothing has been done to make HEW obey the law. It does as it chooses in contempt of the law. The result is the most brazen, costly, and widespread Federal interference with the administration of America's schools and colleges in history.

We have seen HEW dictate the conduct of extracurricular activities; interfere with collegiate sports programs; regulate employment practices and compel health and leave benefits for pregnancy disability—including abortion—even after the Supreme Court held it is not covered under title VII of the Civil Rights Act; mandate the kinds of locker room and other facilities available to boys and girls; attempt to require coed off-campus living facilities for students; attempt—before the law was amended—to ban sororities and fraternities from our campuses and prevent boy scouts and girl scouts from using our schools; attempt to ban mother-daughter, father-son activities in our schools; and even control the volume of cheerleading in boy's and girl's sports—none of which was remotely intended by Congress in enacting title IX. The detailed and voluminous reports required to be filed have cost millions of dollars which should have been spent on education, and have added to the sea of Federal redtape in which our schools and colleges are drowning.

And all of this has been done through regulations which make a mockery of the plain meaning of the law and the intent of Congress in enacting title IX in 1972. Yet virtually nobody except outraged citizens and the courts have had the gumption to say HEW is wrong, and HEW will listen to neither. The Congress thus far has acquiesced in a grotesque distortion of its intent, apparently because it fears that to insist HEW obey the law would be regarded by some as anti civil rights or anti women's lib. The law itself is easy to understand.

Title IX of the Education Amendments of 1972 is modeled on title VI of the Civil Rights Act of 1964. It begins with this statement:

> No person in the United States shall, on the basis of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

Note the precise reach of the prohibition, Mr. Speaker:

> Any education program or activity receiving Federal financial assistance.

It does not say:

> Any program or activity of any institution receiving Federal financial assistance.

The words of the law do not cover extracurricular activities, physical education programs, employment of personnel, intercollegiate sports, social organizations, or any activity or program not receiving Federal financial assistance. And every Federal judge who has directly considered this issue agrees that the words of the law mean only what they say. Moreover, the entire legislative history of title IX, and of title VI before it, confirms that interpretation.

Yet, from the very beginning, upon the issuance of sweeping and clearly excessive title IX regulations in 1974, HEW has read the language as though it applied not just to federally assisted programs and activities, but to all the programs and activities of entire school systems and higher education institutions receiving Federal funds. On June 18, 1974, HEW Secretary Weinberger issued a statement of his Department's intent to publish title IX regulations:

> To enforce the law banning sex discrimination by educational institutions which receive Federal financial aid.

That emphasis on institutions receiving Federal aid, rather than "program or activity" receiving Federal aid is absolutely critical; and HEW is absolutely wrong. Under the correct interpretation HEW could examine for sex bias only programs receiving Federal help; under their "institutional" interpretation they can poke their nose into everything in American education so long as one penny of Federal aid is going for any reason to the school system or institution.

Not only is HEW wrong, but they knew they were wrong in their 1974 regulations. They undoubtedly knew it by a reading of the unambiguous wording of the statute or even the most casual reading of the congressional debate and reports on it. But they most certainly knew

they were wrong because a U.S. circuit court of appeals had told them so in August of 1969.

In *Board of Education of Taylor County, Florida* v. *Finch*, 414 F2d 1068 (1969) the Fifth Circuit Court of Appeals in no uncertain terms told the then Secretary of HEW that his Department could not interpret the language of title VI of the Civil Rights Act barring racial discrimination in "any program or activity receiving Federal financial assistance" in such a manner that they could cut off the Federal funds because of discrimination elsewhere in the school or institution. The court clearly and emphatically held that the statutory language—exactly the same as that in title IX and after which title IX was patterned—applied only to federally financed programs and activities, and not to entire institutions. It described HEW's attempt to stretch its reach as—

> The action of an administrative agency that is (1) in excess of statutory authority . . . (2) likely to result in individual injustice . . . (3) disruptive of the legislative scheme . . . and (4) contrary to an important public policy extending beyond the rights of individual litigants.

Yet HEW pursued its own course, and on the most flimsy and dishonest of pretexts. In telling HEW that it must make findings of fact that a particular federally funded program was discriminatory before it could cut off funds, the court in the Taylor County case added, almost as an afterthought and in what a Federal judge later would describe as "largely dicta," that HEW might also make a finding of fact that a federally funded program "is so affected by discriminatory practice elsewhere in the school system that it thereby becomes discriminatory." HEW seized upon these few words to concoct what it called an "infection theory" whereby all of the school system's activities come under HEW's scrutiny and power.

Any Federal court given the issue should be able to see through that argument and label it a subterfuge for exercising powers not conferred by law. The first Federal judge to consider the validity of HEW's sweeping title IX regulations did just that. He not only rejected the "infection theory" but every other basis for HEW's asserted authority.

The case was *Romeo Community Schools* v. *United States Department of Health, Education, and Welfare*, 438 F. Supp. 1021 (1977). HEW had tried to force the school district to treat pregnancy of teachers equally with sickness and disability for purposes of leave and compensation benefits in contravention of a collective bargaining agreement with the teachers. The Romeo Community Schools refused to comply and questioned HEW's authority to issue regulations on this subject. On April 7, 1977, the U.S. District Court for the Eastern District of Michigan, after an exhaustive study of the statute and its legislative history, agreed that HEW has no such authority.

That court noted not only the direct limitation of title IX to "any program or activity receiving Federal financial assistance", but also noted that the enforcement section of the title is limited to termination of Federal assistance to the particular program and further that the statute specifies such action "shall be limited in its effect to the particular program, or part thereof, in which such noncompliance has been found." Then the court ruled:

> This limitation on HEW's enforcement power is implicitly a limitation on HEW's authority to regulate as well. HEW cannot regulate the practices of an educational institution unless those practices result in sex discrimination against the beneficiaries of some federally assisted education program operated by the institution. The focus of section 1681—elimination of sex discrimination in federally funded education programs—must be the focus of HEW's regulations as well. To this extent, HEW's regulatory power is also "program specific".
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> This coverage [of the regulations] is patently overbroad. HEW could not enforce its regulations as to employment practices in Romeo's non-federally funded education programs except by terminating aid to those programs which are federally funded, and this would constitute a clear violation of the programmatically specific limitation on HEW's enforcement powers contained in section 1682.

In brief, the court found no legal basis for the whole structure of HEW's regulations under title IX. Almost as astonishing as the extent of this power grab is the audacity with which it has been pursued. Here was HEW attempting through title IX to dictate the employment practices of education institutions in 1977, when they were already covered under title VII of the Civil Rights Act with enforcement powers in another agency. But that is not all, Mr. Speaker, HEW was attempting not only to regulate sex bias in employment but to force a school system to take an action which the U.S. Supreme Court in 1976, in *Gilbert* v. *General Electric Company* 429 U.S. 125 (1976), had declared was not even required under title VII.

And HEW still will not desist They are sticking by their illegal regulations. And they are still trying to enforce their rules on pregnancy disability for teachers despite the U.S. Supreme Court ruling in the Gilbert case. Now a second Federal judge has slapped them down on that. In the case of *Brunswick School Board* v. *Califano* the U.S. District Court for Maine in circumstances virtually identical to those in Romeo issued an almost identical opinion. That case was decided April 13 of this year.

But even before the Brunswick School Board decision, the U.S. District Court for the western district of Washington ruled that HEW does not have authority under title IX to issue regulations covering sex bias in college faculty salaries, where the faculty members are not the beneficiaries of a federally assisted education program. Again, the reasoning was the same as that cited in the Romeo case. Again, the court specifically rejected the HEW "infection theory" by which it has extended its reach to a point never contemplated by the Congress. And again, by necessary implication it attacks the whole basis of the sweeping title IX regulations. The case is *Seattle University* v. *HEW*, 16 FEP Cases 719, decided January 20, 1978.

If these three cases are not appealed by HEW—which would demonstrate how little interest it has in establishing what the law really permits it to do—they will not be applied beyond the judicial districts in which they were decided. But the analysis of the law they provide should encourage school systems and colleges and universities all across the country to resist the invasion of their rights under the guise of title IX.

Seemingly, the Office for Civil Rights in HEW will go to almost any lengths to extend its reach, however unjustified in law. Mr. Speaker, I know of one instance recently of a college being told by the Director of OCR that it had to file an assurance of compliance with title IX even though the only Federal program it was involved in is the guaranteed student loan program. This odd contention was supported by a staff memorandum of the HEW Office of the General Counsel.

No mention was made of the fact that the General Counsel of HEW had obtained earlier a written opinion from the Department of Justice on September 23, 1977, which stated that the term "Federal financial assistance" as used in section 504 of the Rehabilitation Act of 1973 in the same context as it is used in title IX "does not include programs of insurance or guarantee." More specifically, the Department of Justice opinion, signed by Assistant Attorney General John M. Harmon, made direct reference to title IX, as follows:

> Neither title VI nor title IX, the two models for section 504, prohibit discrimination in programs receiving Federal aid through insurance or guarantee. Indeed, *each expressly excludes such programs*, albeit in an elliptical way." (Emphasis added.)

Obviously, neither HEW nor its OCR arm is an agency interested in administering the law. Rather, each plays the role of the zealous advocate who will use any weapon to bludgeon institutions into submission to purposes it conceives of as good.

Mr. Speaker, no constructive public purpose is served by the kind of reckless disregard for the law I have detailed. Neither the cause of civil rights nor that of equal educational opportunity for women is served by HEW literally taking the law into its own hands. A "good cause" does not excuse lawlessness—or should not if we are to preserve a government of laws. I find it somewhat depressing that some of the same people who applaud the indictment of FBI agents for allegedly violating the rights of suspected terrorists also applaud with equal vigor the freewheeling contempt for the law by HEW's Office for Civil Rights. It can at least be said that the FBI was trying to protect American citizens against the kind of terrorist savages who kidnapped and slaughtered Aldo Moro in Italy—a danger somewhat more threatening than the practice of conducting separate physical education classes for girls and boys.

The only responsibility of HEW is to faithfully administer laws as they are written, consistent with express statutory language and congressional intent. If some interest group—however noble its purposes—wants the law changed, and wants HEW or any other agency to exercise powers not authorized by stat-

ute, it should come to the Congress and ask to have the law changed. Legislation by regulation is not consistent with our constitutional structure, or with a scheme of representative democracy, or with good government. The administration of title IX is a textbook example of legislation by regulation. The result is an unprecedented and dangerous Federal intrusion into education at all levels. It is a disgraceful performance which even a liberal Congress—perhaps particularly a liberal Congress—should find the courage to correct.●

MORE ON MYTHICAL LAWNMOWER CASE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. LaFALCE. Mr. Speaker, time and again I have sought to dispel the myth of an alleged case where a man won a huge product liability award after using a lawnmower to trim his hedges. This story has been spread far and wide by insurance companies and others seeking to blame American juries for the massive increases in product liability and other insurance premiums.

The story has never been confirmed. Despite intensive efforts to ascertain its source, it still appears to have been made of whole cloth.

Several months ago, for example, a reporter for an insurance trade publication tried to trace its origin; despite an intensive effort, he was unsuccessful in his effort to find substantiation for it.

Nevertheless, the president of the American Bar Association repeated the story again in a recent speech. Esquire magazine, intrigued by the story, asked the ABA where the story came from. The result? Again, no substantiation.

I am pleased to see this myth being deflated in the national media—although I am, of course, discouraged that it is still being circulated. The area of product liability insurance is laden with misinformation and, of course, even untrue statements can gain credibility if they are repeated often enough, particularly by prominent people.

Esquire is to be applauded for its efforts in seeking the truth, and I would like to share the article they published with my colleagues:

RIGHT FROM WRONG

American Bar Association president William Spann Jr. recently delivered an interesting speech on the growing tendency of people to claim various benefits and pleasures as "rights" to be won in court. Disturbed at the trend, Spann cited as a prime example a man who "lost a finger operating his power lawn mower and sued the manufacturer." Spann explained, "It didn't matter to him—and it apparently didn't matter to the jury, either—that his injury occurred when he was using the lawn mower to cut a hedge."

Intrigued by the case, I asked the ABA for a citation. "We don't know where it came from," explained spokeswoman Lynn Taylor. "You know, you hear a story from a friend who's heard it from someone else. It's a hearsay type of thing. I'll check it." The next day Taylor assured me that "even if that case isn't real or if we can't find it, I'll be happy to give examples of other horror stories that we know are true. Two days later she reported that the ABA's researchers had traced the lawn mower case to a pamphlet printed in 1971 attacking trial lawyers but that they still had no cite for a real case, nor could the group that wrote the pamphlet find one.

Spann's speech was entitled "Telling 'Rights' from Wrong."●

AD HOC COMMITTEE ON ENERGY STATEMENT AND JUSTIFICATION ON PROPOSED BUDGET

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. ASHLEY. Mr. Speaker, the Ad Hoc Committee on Energy was created pursuant to House Resolutions 508 and 509 on April 21, 1977, to consider and report to the House on the legislation submitted by the administration known as the National Energy Act. This legislation subsequently was engrossed as H.R. 8444 and passed by the House on August 5, 1977.

The Ad Hoc Committee on Energy held hearings on the goals of the National Energy Act; coordinated the work of five standing committees on various portions of that legislation, and adopted amendments which were recommended to the House.

The Senate acted on five separate bills, which make up the National Energy Act and correspond to H.R. 8444.

On October 15, 1977, the Speaker appointed House conferees to meet with Senate conferees and reconcile differences between the two bodies. All 25 of the House conferees—17 from the majority party, 8 from the minority—were members of the Ad Hoc Committee on Energy.

Since the conference has been meeting, staff of the Ad Hoc Committee have been monitoring the proceedings. Requests for information on the conference have been filed by the Ad Hoc Committee staff. This is a continuing process. In addition to having prepared summaries of agreements reached by the conferees, the Ad Hoc Committee staff responds to substantive questions regarding provisions of H.R. 8444 and the Senate-passed versions of their corresponding bills.

By June 30, the staff of the Ad Hoc Committee will have been reduced from its original complement of eight (four professionals, three clericals, one research) to three (staff director, office manager, one clerical). On July 1, an energy specialist—Mr. Mark Bisnow—will join the committee staff as counsel to the minority. This position has been unfilled since the departure of David Swanson to join the staff of the Senate Energy and Natural Resources Committee. The ranking minority member, Mr. John Anderson, has indicated a serious need for counsel during the forthcoming deliberations and floor action on the National Energy Act.

It is proposed that this staff continue to be funded until the original premise of the Ad Hoc Committee on Energy, as described in House Resolution 508, has been realized. It read:

The Ad Hoc Committee on Energy shall expire upon completion of the legislative process, including final disposition of any veto message, with respect to all legislation referred to the Ad Hoc Committee.

The Ad Hoc Committee was authorized the sum of $212,833 pursuant to House Resolution 531. During calendar year 1977, $124,000 of that was expended.

By authority of House Resolution 1051, passed by voice vote on March 15, 1978, the sum of $90,000 was authorized for the period January 3 to June 30, 1978. The request budget that is being made is for an additional $50,000, for the remaining 6 months of 1978.●

ERA EXTENSION

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. EDWARDS of California. Mr. Speaker, last week the Illinois House of Representatives failed to ratify the Equal Rights Amendment by only six votes. That vote represents the third time that Illinois has approved ratification of the ERA by a substantial majority of the legislature. Yet Illinois, alone among all other States, requires a three-fifths majority to ratify constitutional amendments. Thus the measure failed.

Only 9 months now remain for the necessary three additional States to ratify the amendment. However, of the States which have not yet ratified, several will not meet in legislative session at all until next year, thus leaving a woefully inadequate time to consider and debate the ERA ratification. This means that a time extension for ratification is essential if we are to extend to American women the same constitutional protections that men in this country receive.

The following editorial from the Los Angeles Times argues for an extension to the ERA ratification time period and I recommend it to my colleagues. Since the editorial was published the Subcommittee on Civil and Constitutional Rights, of which I am chairman, has voted out a resolution extending the ratification period. Two days after the editorial the Illinois legislature failed to ratify and another vote on the issue is planned for this week. However, regardless of the outcome in Illinois, there should be no doubt that if full constitutional rights are to be extended to women in this country, an extension of time for State ratification of the ERA is essential.

The editorial follows:

[From the Los Angeles Times, June 5, 1978]

IT IS RIGHT, IT IS TIME

It is time to talk about equal rights for women.

It is time for the Illinois Legislature, which may take up the Equal Rights Amendment before its scheduled June 30 adjournment, to stop listening to Phyllis Schlafly and start listening to reason. Likewise, Illinois Democratic political leaders need to start doing what they do best: delivering the votes.

ERA backers, who have had to learn to play

political hardball even with right on their side, must win one for a change. They need the momentum to bring two more states beyond Illinois into the ratification column before the March 22 deadline next year.

In any event, the deadline should be extended. We do not agree with the argument that extending the ratification date is "changing the rules in the middle of the game." Equal rights for any segment of our population—particularly when it is half the population—are *not* a game. They are reality, and must be reality.

The House judiciary subcommittee that considers extension today should not fret that it will set any precedent. After all, no deadlines were set for the first 17 amendments. Congress only established the seven-year limit in 1917; no such period is mentioned in the Constitution.

The subcommittee should consider the bloc of states in which ERA has not been ratified: basically, the Southwestern and intermountain bastions of political conservatism and the Southern redoubts of religious fundamentalism. Some people simply need more time.

It is time for the men of this country to insist that their mothers, wives, sisters, daughters and friends be accorded the same constitutional protections that they receive. Those men and those women must lend their skills, money and support to unratified states while convincing Congress to extend the deadline so that equal rights can become a matter of national policy.

It is time. And that time will pass too soon.●

WHY I'M PROUD TO BE AN AMERICAN

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. ERLENBORN. Mr. Speaker, I am pleased to submit for insertion into the RECORD the following essay which was written by Miss Annette Stojkovich, an 8th grader at the Eisenhower Junior High School in Darien, Ill.

Miss Stojkovich's essay won first prize in my annual essay contests, "Why I'm Proud To Be an American," which is run in DuPage County.

I feel certain, Mr. Speaker, that when the Members read this essay, they will have a greater understanding of what being an American means to many of our young people. It is most appropriate that this essay appear on Flag Day, 1978. I commend it to the attention of my colleagues.

WHY I'M PROUD TO BE AN AMERICAN

My mother was born and raised on a farm in Yugoslavia. When she was a young girl of fourteen, she came home from school one day, and to her horror, she discovered her mother had been taken away from her by the communists. She was scared to death! She was left home alone, without her parents. Her father was in Germany, and her mother was in jail. She had to manage the farm, go to school, and try to survive at the same time. A cold shiver ran down her back. Would her mother ever come home? Who would take care of her? What would become of her?

After three months of hardship and work, her mother came home. Her mother was thrown in jail because she mocked the communists. A joke got her in jail. If she had been a man she would have been killed.

My mother also had a hard time with some of the communist teachers. When she was a senior in high school, she was failed because one of her teachers was communist and she knew my mother and her family were against communism. She had gotten straight A's through the whole semester and then this teacher had failed her.

Once, my mother and the friends in her class went out for recess, and noticed the bishop was giving crosses out to the people. They got a cross and returned to class. When the teacher found out, she punished them and kept them after school. Communists don't believe in God, and punish people who do.

I feel safe in this country. I'm secure. I'm not afraid that the police will march to my door and take my parents away. I'm not afraid I'll be abused in school for being a Republican or Democrat, Buddhist or Baptist, Jew or German, black, white, green or brown. I'm proud of what I am and no one has the right to hurt me because of the color of my skin or the country from which I came. I'm free to go to Siberia, Japan, the North Pole or the Congo if I can pay the price.

A person can come to America from any country of the world and America will give him the opportunity to become a doctor or lawyer, if he has the ambition to work.

America gives me the choice of religion. I can be a Baptist, Orthodox Christian or Catholic and I won't be discriminated against.

Our country is the only country in the world that gives the people a choice to choose their own president and then turn around and impeach him. We, the people choose whom we wish to lead us and represent our country.

Our lives are full of choices every day of our lives. We choose our religion, our president, mayors, congressmen, and other government officials. We choose what place we'll live in, what school we wish to go to, and what job we want.

This is why I'm proud to be an American.

I'm proud to know our country was the first to send a man to the moon. I'm proud to know we are so advanced in our sciences. I'm proud our forefathers fought not only for our cause, but for many other countries also. I'm proud we fought for truth and justice for all. Equality and freedom are our country's backbone. I'm proud our country gave aid to less fortunate countries when they were in need of it. But most of all I'm proud of this belief. ". . . And, at the heart of the democratic philosophy is the belief that man can control his own destiny and improve living conditions through his own actions."

I sincerely hope our country will live for many, many, happy, peaceful and prosperous years. I hope every generation to come has a love for our country, for if we learn to value and treasure what we have, we shall never lose it.●

TURKEY'S INSENSITIVITY TO HUMAN RIGHTS—II

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. SAWYER. Mr. Speaker, in this, my second of a series of remarks on the violation of human rights in Turkey, I would like to convey some of the more specific details of a case involving the two U.S. citizens which were mentioned in the first letter I included. My more exact purpose and ultimate goal in continuing this series would be the negotiation of a treaty with Turkey, seeking their cooperation in a sort of prisoner exchange program, similar to that recently concluded with both Mexico and Canada. U.S. citizens would be transferred from jails abroad, to serve their sentences in U.S. jails and in this way, avoiding at least some of the inhumane conditions which exist in jails located in the countries where they have been convicted of an offense.

The letter which is included today, and of which I am the author, was written to the two prisoners who are currently serving 24-year sentences in Turkey. Originally, however, the sentences which were extended these two young women were the death penalty, but it was later commuted to life imprisonment, an incarceration period of not less than 36 years. The 1974 amnesty lowered the penalty to 24 years.

One of the inherent abuses which the women are forced to tolerate is sex discrimination. While men are assigned only two to a room, a room which has a sink, toilet and cooking and bathing facilities, women are denied such luxuries. Turkey, however is not the only foreign nation guilty of such discrimination, but it is certainly one of the most flagrant violators. We cannot allow the bureaucratic delays to continue at the expense of these two women. While we have Turkey in such a favorable negotiating position, it is adamant that we take advantage of this situation and insist upon a prisoner exchange treaty in exchange for the elimination of the arms embargo which has been imposed on the country. I urge your support for this action:

HOUSE OF REPRESENTATIVES,
Washington, D.C. January 24, 1978.

Miss KATHY ZENZ and Miss JOANN MCDANIEL,
c/o American Consulate, New York.

DEAR KATHY AND JOANN: I have your letter of November 23 which because of the Congressional recess has only recently come to my attention. I am a member of the Subcommittee on Immigration, Citizenship and International Law of the House Judiciary Committee. Our subcommittee drafted the implementing legislation which was required to make the treaties with Mexico and Canada functional. In the drafting of the legislation, we very carefully kept other countries in mind also, and so drafted the legislation that it would accommodate future treaties with other countries such as Turkey, without the necessity of new legislation. We believe that in this legislation, we have taken care of most, if not all of the objections foreign governments have to the subject matter.

The bill was drafted, passed the full Committee, the House of Representatives and the Senate, and was signed into law by the President, at which signing I was present.

Some years ago, perhaps either in Time or Life magazine, I read a most disturbing story about your sentence and subsequent incarceration for what appeared to me to be an horrendously excessive period of time. During the drafting of the legislation, I had your situation in mind and requested and received from the State Department a detailed report on it. I have subsequently been in touch with both Mr. McDonald in Oregon and Miss McDaniel's parents. I also talked with the congressional liaison office at the State Department who advised me that Turkey was one of five other countries interested in negotiating a similar treaty to that of Canada and Mexico. He advised me that the negotiations would be in the hands of Ambassador Spiers and that they would expect a treaty could be negotiated as early as March of 1978 with a return of prisoners to the United States by about midyear. Since

then, of course, the Turkish government has changed and I do not know what if any impact this will have on the situation.

As to your release upon return to the United States, you would come under the parole and probation laws of the United States as opposed to Turkey. This would insure your release within two years, but I expect from observing the handling of Mexican prisoners that it would probably be accomplished virtually immediately on straight parole as opposed to a work release type program. This would mean that except for certain minimal actual restrictions and a periodic report to a parole officer, you would be totally free to do as you wish.

I am at this point again writing to Ambassador Spiers to inquire as to the progress of negotiations and for your information, I am enclosing herewith, a copy of the treaty with Mexico and a copy of the implementing legislation which is now law, and to which I refer above.

Yours very truly,

HAROLD S. SAWYER,
Member of Congress.●

FOURTH DISTRICT CONGRESSIONAL CLASSROOM

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. MANN. Mr. Speaker, I am pleased to call to your attention an event that has made Flag Day, 1978, especially meaningful for a group of high school students from South Carolina, who, as of this evening, will be completing a 4-day pilgrimage to their Nation's Capitol as participants in the 10th Annual Fourth District Congressional Classroom.

When they return to their homes, these students will become veterans of a program that has been responsible for introducing over 150 young people to the realities of their Government—as it exists today, and as it has evolved over the years since our forefathers fought and won for us the right to govern ourselves. It is a right that is ours only so long as we protect it through the practice of enlightened citizenship—and that is precisely what the Fourth District Congressional Classroom was designed to encourage and promote.

Every student who participates in the program has but one obligation—and that is to share their experience with as many of their friends and neighbors as they can back home in their schools and communities. We cannot bring everyone to Washington, but with the help of these students, we can bring Washington to everyone within the sphere of their influence, and in the process preserve and strengthen for their own as well as future generations of Americans the principles of good self-government.

Mr. Speaker, this program would not be possible without the support of the community, and at this point, I would like to recognize the civic clubs, businesses and service organizations in the fourth district who have sponsored this year's congressional classroom scholars. From the Greenville area, they are: The Greenville Lions and Sertoma Clubs, the Greenville Kiwanis, the Liberty Corp., and J. P. Stevens & Co., Inc. From the Spartanburg area, they are: The Spartanburg Lions Club, Hoechst Fibers Industries, Jones Tractor Co., M. Lowenstein & Sons, Inc. and the Spartan Radiocasting Co.

Their generosity has made it possible for the following students to participate in this year's congressional classroom program: Keith Bailey, son of Mr. and Mrs. Eber A. Bailey of Wellford; Chuck Duncan, son of Mr. and Mrs. J. C. Duncan of Lyman; Charles F. Duvall, Jr., son of Rev. and Mrs. C. F. Duvall of Spartanburg; David Hodge, son of Mr. and Mrs. George R. Hodge of Greer; Joey Hudson, son of Mr. and Mrs. Jimmy Hudson of Greer; Terry Livingston, son of Mr. and Mrs. Gordon Livingston of Greenville; Mark T. Moore, son of Mr. and Mrs. Ralph D. Moore of Roebuck; Nicky L. Nelson, son of Mr. and Mrs. Charles Nelson of Greenville; Barry Nodine, son of Mr. and Mrs. Boyce Nodine of Lyman; Bobbie Oglesby, daughter of Mr. and Mrs. Bobby Oglesby of Cowpens; Steve Pynne, son of Mr. and Mrs. Dwight I. Pynne of Mauldin; and Terri Ann Taylor, granddaughter of Mrs. Mary Foster of Inman.●

FORMER PRESIDENT ARNULFO ARIAS RETURNS TO HIS NATIVE LAND

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. DORNAN. Mr. Speaker, after 10 years of exile in the United States, former President Arnulfo Arias of Panama returned to his native country on June 10, 1978, and was greeted by what was probably the greatest demonstration in Panamanian history estimated to have been between 200,000 and 300,000.

Although given minimal treatment in the press of the United States, his arrival was featured on major television networks. Experienced observers familiar with Isthmian history report that the acclaim was tremendous.

In his arrival speech, Dr. Arias "attacked the depressed state of the (Panamanian) economy, high taxes and food prices, the corruption of the regime, the personality cult surrounding General Torrijos and the recently approved canal treaties" and was "wildly applauded."

It is is significant that during the demonstration President Demetrio Liakas, who was placed in the Presidency by Torrijos, watched the cheering throngs from a seventh floor window of the Hotel International.

The most extensive story of the return of Dr. Arias so far published was a two part series by Alan Riding in the New York Times, which I quote here as part of my remarks:

[From the New York Times, June 13, 1978]

PANAMA—IA— WHO COSTS A SPELL

(By Alan Riding)

PANAMA, June 12.—"A leader should be aloof," Dr. Arnulfo Arias Madrid told a visitor in Miami recently. "He should be untouchable. They carry the Pope on a bier so you can't get too close. That's how a political leader should be."

When the 76-year-old former President returned to Panama from exile in Florida last Saturday, some 100,000 supporters who were viewing him for the first time in a decade danced and crowded round him. Yet it was evident that the mystical spell that he cast over Panama almost 40 years ago remained.

A heavy storm broke over the city shortly before his plane landed. "It's all right," a middle-aged woman remarked with conviction. "The gods always bless the land before the doctor arrives." Later, downtown, a young lawyer said of the thrice-deposed and exiled leader, "It's the fourth coming."

The messianic quality of Dr. Arias' return was evidently heightened by the growing dissatisfaction of Panamanians with the 10-year-old regime of Brig. Gen. Omar Torrijos Herrera and the deep frustration of opposition groups at being unable to depose the country's military rulers.

THE MYTH OF EL HOMBRE

Sensing this, Dr. Arias in his arrival speech Saturday night attacked the depressed state of the economy, high taxes and food prices, the corruption of the regime, the personality cult surrounding General Torrijos and the recently approved Panama Canal treaties. His remarks were wildly applauded.

But his appeal apparently does not stem from his political position; even his closest aides can rarely predict his views on specific issues. Rather, Panamanians seem to respond to the myth of El Hombre—The Man—that they have created and helped sustain.

Seven years ago, when General Torrijos was at the height of his popularity and Dr. Arias was a seemingly forgotten figure living quietly in Miami, a Panamanian politician told a visitor, "It's inexplicable, but if you put 100,000 people in a square, with Torrijos at one end and Arias at the other, everyone would be turned toward Arias."

As Dr. Arias drove through May 5 Plaza in downtown Panama City yesterday, the man whom General Torrijos placed in the presidency, Demetrio Lakas, could be seen watching the cheering crowd from a seventh-floor window of the Hotel Internacional.

AGING LEADERS STILL ADMIRED

The phenomenon of Dr. Arias is not unique in Latin America: The late Juan Domingo Perón returned to the Argentine presidency in 1974 after two decades in exile; Jose Maria Velasco Ibarra, five times President of Ecuador and last deposed in 1972, has been barred from running in this year's elections for fear he would win again; the octogenarian Victor Haya de la Torre remains a charismatic figure in Peru, and Victor Paz Estenssor is again bidding for the presidency in Bolivia, 15 years after he was ousted.

Some analysts maintain that the attraction of these aging populists reflects the political immaturity of much of Latin America. Yet the pull of these leaders is one that no amount of propaganda or advertising could buy. Dr. Arias's supporters had few resources to spend to publicize his arrival and the Government-controlled press barely mentioned it. Yet, quite literally, the word spread through the city, "The Man is coming."

Dr. Arias lives up to his image as a father figure. Erect, formal and ceremonial, made more distant by the dark glasses he wears to protect his poor eyesight, he is a moralist who frequently scolds his followers, both in person and in speeches.

"The Panamanian people are like oxen," he said in an interview today, relaxing in the home of supporters. "You have to keep prodding them with a stick to keep them moving." On another occasion, he remarked: "Panama is like a village. What it needs is a mayor, not a president."

"ENORMOUS FORCES" GUIDE HIM

Although Dr. Arias admits to being a poor public speaker—"partly because I'm shy, I

don't like crowds," he explained today—his pronouncements contain a strong philosophical strain that appeals to many Panamanians.

"I'm not religious in a formal sense," he says. "I'm guided by forces, enormous forces, although I don't know what they are. I just follow principles that I know are right. If a country has no principles, it has no salvation."

Meditative by nature, Dr. Arias seemed content in exile. "You develop your internal life, you read a lot, you develop friends with a philosophy similar to your own," he explained. "Exile and jail are good for you. Don't be scared of them." In his 47 years of political activity, he has spent much longer in exile and jail than in office.

Born into a middle-class family in Penonme, Cocle Province, on Aug. 15, 1901—two years before the United States promoted Panama's independence from Colombia in order to build the canal—Dr. Arias attended high school in Binghamton, N.Y., graduated with a degree in science from the University of Chicago and as a physician from Harvard, doing his internship at Boston City Hospital before returning to Panama in 1925.

LED COUP IN 1931

In 1931, he led a successful coup against President Juan Demosthenes Arosemena, then spent most of the 30's in Europe studying and representing Panama as a diplomat. In 1939, he returned here and ran successfully for the presidency the following year.

Although suspected of pro-Nazi sentiments and considered too nationalist by the United States, Dr. Arias laid the foundation for his popularity in the 12 months before he was overthrown, creating a social security system, giving the vote to women and strengthening labor laws.

Jail and exile followed until his "second coming" in the late 1940's when 18 months passed before his victory in the 1948 elections was recognized. In May 1951, however, he was again deposed by an alliance of the National Guard and wealthy families.

He ran once more for office in 1964 and most independent observers deemed him to have won, but an apparent fraud gave the presidency to Marcos Robles. Four years later, however, his victory was so overwhelming that it had to be recognized. Just 11 days after taking office Oct. 1, 1968, he was ousted again by the National Guard and went into exile in Miami.

Dr. Aria's first wife died two decades ago and in 1976 he married Mireya Moscoso, who was then 28 years old. He has a son by his first marriage, Gerardo, who is an agronomist.

What will Dr. Arias do now? "I've just come to add my grain of sand to the struggle for the return of democracy and not to become president again," he said today. "But I've got the tiger by the tail and I can't let go or else it will turn and eat us all up."

PANAMA, ACCEPTING TREATY CHANGES, PLANS A BIG WELCOME FOR CARTER

(By Alan Riding)

PANAMA, June 13.—The Panamanian Government has swallowed its objection to Senate amendments to the new canal treaties and has decided to give a huge welcome to President Carter when he comes here Friday to exchange the instruments of ratification with Panama's Chief of Government, Brig. Gen. Omar Torrijos Herrera.

Tens of thousands of government employees, schoolchildren and peasants are to be brought in from the provinces. Meanwhile, radio, television and newspaper advertisements are telling the people of Panama City that it is their patriotic duty to receive President Carter.

Among officials, the bitterness that accompanied the final weeks of Senate debate on the treaties, when conservative senators refused to support ratification until the United States assumed the right to keep open the canal by force after it comes under Panama's control in the year 2000, has also largely disappeared.

"We owe Carter a lot," said Romulo Escobar Bethancourt, Panama's chief treaty negotiator. "He gambled heavily on the treaties even though he had little to gain politically."

MANY STILL OPPOSED TO FACTS

Yet while the President now seems assured of a noisy and friendly official reception, many Panamanian leftists and nationalists remain strongly opposed to the new canal treaties and consider that Mr. Carter's visit is, in the words of one group, "the climax to an injustice."

Some leftist student organizations are planning demonstrations against the visit this week and have already sprayed walls in the capital with such slogans as "Carter go home!" "Don't come Carter!" and "Panama si, Carter no!" Every morning, government workers can be seen painting over the signs. Some dollar bills, which serve as Panama's paper currency, have also appeared stamped in red ink with the words, "Carter out of Panama!"

More significant, however, is the importance Mr. Carter's visit has assumed in terms of internal Panamanian Politics, with both officials and opposition leaders seeing it as a crucial American endorsement of the authoritarian Torrijos regime at a time when it is being buffeted by growing domestic criticism.

On Saturday, 100,000 people crowded downtown Panama City to welcome home from exile former President Arnulfo Arias Madrid, who was overthrown by the National Guard in October 1968. The reception turned into the largest anti-Government demonstration in a decade, with Dr. Arias cheered wildly for his speech attacking both General Torrijos and the new canal treaties. The Government apparently is hoping that a bigger turnout for the United States President will suggest that General Torrijos is more popular than his principal political challenger.

The Government-controlled press has played down the size of Dr. Arias's welcome, saying that "only 40,000" people turned out, and officials have redoubled their efforts to bring in as many people as possible Friday.

BANDS TO PLAY ALONG ROUTE

Some 200,000 T-shirts printed with Mr. Carter's photograph will reportedly be handed out, while bands will play along the route of the President's motorcade.

Noting the domestic political implications of the visit, some foreign diplomats have begun questioning Mr. Carter's wisdom in coming for the exchange of instruments of ratification, particularly since the treaties cannot enter into effect until Oct. 1, 1979, unless Congress approves implementing legislation before next March 31.

"How many times can you celebrate this political victory?" one foreign diplomat asked, recalling the signing ceremony last September in Washington attended by most Latin American presidents. "Wouldn't it have been better to have had a simple symbolic exchange of instruments instead of Carter coming down with a cast of thousands?"

Mr. Carter will reportedly be accompanied by some 300 personal guests, while Panama has invited the Presidents of Mexico, Venezuela, Colombia and Costa Rica and the Prime Minister of Jamaica.

Opposition groups of both left and right all but the Liberal Party, which was in power between 1964 and 1968, have come out strongly against the trip—are therefore interpreting the visit as Washington's way of bolstering the Torrijos regime and insuring the survival of the new treaties. All these groups, including the moderate Liberals, have warned that the absence of a second Panamanian plebiscite following the Senate amendments to the treaties cast doubts on their legitimacy. In last October's referendum, two-thirds of voters approved the treaties.

CARTER URGED NOT TO COME

"By coming here, Carter is returning Torrijos's favor of accepting treaties that were so negative for Panama," said Dr. Miguel Antonio Bernal, a Trotskyist leader who was recently allowed to return here after two years in exile. "Carter is coming to bless the Torrijos dictatorship just one week after its repudiation in the reception for Dr. Arias."

A group of 43 priests and nuns has written to Mr. Carter urging him not to come, terming the treaties "injust, imposed and immoral," and noting that the absence of public protests against them was the result of "the public's sense of impotence and the lack of sufficient freedom."

Former President Arias, who has returned to the center stage of Panamanian politics for the first time in a decade, is not opposing the visit. "I think it's convenient," he said in an interview, "because if their is repression of protesters, it will hasten the day that the people will rise up against the regime."●

THE TRUTH ABOUT TEXAS AIR TRANSPORTATION

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. MILFORD. Mr. Speaker, recently, several newspaper articles and editorials have been printed in Texas concerning H.R. 12611, the Air Services Improvement Act of 1978—popularly known as the deregulation bill. These articles were generated initially by a press release issued on March 24, 1978 by the chairman of the Texas Aeronautics Commission (TAC), and carried to all parts of the State by news wire services.

The press release contained grossly misleading statements and some false representations. A few newspapers picked up the statements and printed them without bothering to investigate whether or not the charges were valid.

Following the initial publication of the news articles, generated by the TAC press release, a congressional candidate in the Dallas-Fort Worth area attempted to use the misleading information as a campaign issue, further distorting the picture with a series of demagogic and untrue statements.

An editorial that was printed in the Dallas Times Herald on May 16, 1978, which contained even more false and grossly misleading information. In fact, the editorial was so lacking in correct factual information until one would be generous in terming it "irresponsible."

Finally, the president of an intrastate airline company circulated a letter to members of the Texas delegation that contained misleading information.

Many of the people involved in the communications listed above, have vested interests in provisions that may or may not be included in H.R. 12611. Others garner an advantage by the resultant publicity of their involvement.

Since I was one of the sponsors of H.R. 12611 and the author of a few of the provisions in that bill, I feel compelled to set the record straight as to what is truth. In order to avoid the wild charges and countercharges that have been

banted about, concerning this bill, I requested assistance from reputable authorities who have no ax to grind.

A series of questions were submitted to the General Counsel of the Civil Aeronautics Board and the General Counsel of the Public Works and Transportation Committee in the House of Representatives. These questions were designed to get to the heart of the controversy and misleading information that has arisen and to provide authoritative answers.

In the CONGRESSIONAL RECORD of June 7, 1978, on page 16721, all documents involved in this controversy were printed. These included the original press release that was issued by the chairman of TAC, the editorial printed by the Dallas Times Herald, the letter authored by the president of the Texas Intrastate Airline Company and the questions and answers posed to the General Counsel of CAB and to the Chief Counsel of the Committee on Public Works and Transportation.

The Texas Aeronautics Commission's press release would have the reader believe that H.R. 12611 (the same bill as H.R. 11145, referenced in his press release), would totally wipe out low cost fares in Texas.

In the press release the TAC chairman charges or infers that H.R. 12611 would:

Destroy the existing intrastate air carrier networks;

Impose Federal controls over existing intrastate air carriers;

Force intrastate air carriers to raise their fares;

Take away State jurisdiction over intrastate air carriers; and

Create more, rather than less, regulations.

The implications and statements above simply are not true. The bill does not, in any way, contain provisions that would permit Federal controls of intrastate air carrier operations. As in the past, intrastate air carriers will be regulated by the State. Also as in the past, interstate operations will be regulated by CAB.

What did change, from past provisions, is the elimination of dual regulations that previously existed in the case of a carrier transporting both interstate and intrastate passengers. The new provision eliminated the ridiculous situation that arose in one State, wherein the State regulators required one fare rate for intrastate passengers and the CAB required another rate for interstate passengers—even though both passengers were riding side by side in the same airplane at the same time.

In the new bill, the law makes clear that an air carrier operating solely within the boundaries of the State would be regulated by State authorities. If the air carrier is operating across State lines, the CAB will control.

The new bill would, in no way, force higher fares. This is true whether the carrier is operating under State jurisdiction as an intrastate carrier or operating under Federal jurisdiction as an interstate carrier. Neither the CAB nor the TAC is authorized by State or Federal laws to establish fare rates. The new bill grants no authority to either agency to establish or fix fares.

Regardless of insinuations made by the chairman of the TAC, the president of the Texas Intrastate Airline Company and the uneducated statements in the Dallas Times Herald editorial; there are no differences in air carrier operations under CAB from air carrier operations under State agencies. Both types of air carriers obey the exact same operational and safety laws. CAB and State regulations deal only with route awards and economic matters. Neither issue regulations involving aircraft operations.

Fares are established by the management of each operating company, whether that company be an intrastate air carrier or an interstate air carrier. As a matter of law the CAB and the State agencies can only approve or disapprove management-suggested fare offering. Lower fare offerings are never disapproved by either State or CAB authorities unless it can be clearly shown that the lower fares constitute a deliberate predatory raid on a competing air carrier.

Under the provisions of the new bill, an interstate air carrier can unilaterally reduce fares up to 50 percent without CAB action. It can raise fares by only 5 percent without CAB approval.

One might logically ask, just why is the chairman of the Texas Aeronautics Commission making such a fuss about this bill? Why is the president of Southwest Airlines so obviously concerned?

There are good questions and there are good answers. H.R. 12611 is known as the "Deregulation Bill" because it is designed to simplify the regulations process and to foster fair competition.

I would suggest that the real concern, on the part of the TAC chairman is the fact that this bill virtually puts his bureaucracy out of business. Under the bill, the commuters are placed under the CAB then given a statutory exemption from Federal regulations until such time as they begin operating large jet transports (over 56 passenger capacity). Many of these small carriers were previously regulated by TAC.

The only significant intrastate air carrier, regulated by TAC, is Southwest Airlines. Southwest is attempting to expand its Texas operations to other parts of the Nation (these expansion plans should not be confused with Southwest Midwest operations, which are a separate subsidiary operation). Under the provisions of H.R. 12611, any expansion of Southwest Airlines across State lines would place their entire operation under CAB. Again the TAC would have no one to regulate. As pointed out earlier, such an expansion on the part of Southwest Airlines would not legally change their ability to establish fare rates. They would simply file their fare rates with CAB instead of going to the State agency.

Therefore, I would suggest that the main concern of the Texas Aeronautics Commission and its august chairman is not the protection of low-cost Texas fares, but the protection of a State bureaucracy that is about to be deregulated.

In the case of Southwest Airlines, I would suggest that its august president is trying to gain an unfair competitive edge over existing interstate air carrier companies. Southwest wants to use its intrastate Texas operation as a base for expansion into an interstate operation. Furthermore, Southwest wants to use Dallas' Love Field as its hub. They want to develop an interstate network by diverting existing traffic from Dallas-Fort Worth and by their existing State-controlled routes.

Neither I nor anyone else to my knowledge would attempt to prevent Southwest Airlines (or any other air carrier company) from freely competing with any other air carrier—interstate or intrastate. I do insist that the competition be fair.

Several years ago the cities of Dallas and Fort Worth concluded that Love Field was saturated. It could not longer be able to accommodate area growth. The two cities then invested nearly $800 million in a new airport and forced all air carrier operations to relocate to the new Dallas-Fort Worth airport. At the time of the move to the more expensive airport facility, the operating air carriers were assured that Dallas-Fort Worth would be the sole air carrier airport in Dallas and Fort Worth.

As most know, Southwest Airlines began an intrastate commuter operation from Love Field. This was a new type of aviation market, transporting primarily intrastate passengers. Most of these travelers had previously gone by bus or automobile.

New Southwest would like to use its intrastate Texas operation as a collector network to generate interstate passengers to be funneled through Love Field to other parts of the United States. They propose to do this at the same low-fare rates.

On the surface, this would seem to be a good deal for Texans, because Southwest could indeed fly passengers from Dallas to other parts of the Nation at slightly lower fares. The reason is simple, and has nothing to do with Federal controls of Southwest Airlines. The fares would be lower because citizens of Dallas and Fort Worth would be subsidizing Southwest fares.

By operating out of Love Field, landing fees, rental rates and other Southwest operating expense would be approximately half those encountered by competing carriers at Dallas-Fort Worth. Southwest would divert interstate passengers residing in central and east Dallas, even without lower fares. Such a diversion would be a loss to competing Dallas-Fort Worth interstate carriers operating from Dallas-Fort Worth.

If Southwest Airlines should be allowed to fly interstate routes from Love Field, Dallas and Fort Worth would also be forced to allow other competing air carriers to return to Love Field. Such a move would immediately create an air traffic jam and result in Dallas-Fort Worth becoming a losing operation. All citizens of Dallas and Fort Worth—not just those using the airports—would then be forced to pay off the Dallas-Fort Worth bonds with tax money, rather than airport income.

In the long run, everyone in Dallas and Fort Worth would lose.

Therefore, I think the situation is now in focus. The president of Southwest Airlines does not like the Milford amendment to H.R. 12611, because it would

force Southwest to compete on an equal basis with all other interstate air carrier companies if Southwest should decide that it wanted to get into the interstate market. Please note that nothing in the bill would prevent Southwest Airlines from competing fully with any interstate air carrier—on an equal basis.

There have also been some discussions about commuter air carriers. Texas Commuter Air Carrier company officials have joined with the TAC chairman in objecting to H.R. 12611 on the grounds that it "outlawed State regulation of the commuter airline industry within the State's borders."

As pointed out earlier, H.R. 12611 does preempt State control of commuter air carriers that are transporting interstate passengers. However, the bill also gives a statutory exemption from Federal regulation to all commuter air carriers operating aircraft with less than 56 seats (this would include all of the Texas commuter airline industry).

Actually, as far as Federal controls of the commuter airline industry is concerned, nothing has been changed. CAB has never regulated the commuter airline industry. They have always been exempt from Federal CAB regulations.

What did change was the fact that H.R. 12611 removed State controls also. In other words, this segment of the airline industry was totally deregulated.

The total deregulation of the commuter airline industry did not make the TAC happy, because no bureaucracy likes to lose regulatory control. The deregulation move did not make existing State commuter air carriers happy because they will now be required to face free competition. Prior to this act, the TAC would grant exclusive routes to commuters. These routes will now be open to free competition.

Finally, I am compelled to comment on the disgraceful distortion of facts by persons who should know better and for the omission of information that should have been brought forth.

The editorial published by the Dallas Times Herald on May 16, 1978, has been totally discredited by the replies to questions made by the counsels for the CAB and for the House Public Works and Transportation Committee. (See CONGRESSIONAL RECORD, June 7, 1978, p. 16721.)

A Dallas Times Herald story with an Austin dateline erroneously reported that my amendment to H.R. 12611 would bring about CAB control of Southwest Airlines because of their Chicago-Midwest operations. The article also erroneously reported that the bill contained exemptions for California airline operations and not for those in Texas.

All of the Dallas and Fort Worth newspapers joined to parrot demagogic charges made by congressional candidate as he desperately sought to use H.R. 12611 as a vehicle to gain newspaper coverage in his campaign. The papers printed such untrue charges as:

Milford's position is rooted in the Congressman's past association with Braniff.

Milford is a lackey of Braniff and Texas International in their efforts to harm Southwest.

Milford does not care about the very people he represents.

Milford is anti-consumer and anti-Texan, because he supported legislation that would harm Southwest Airlines and other Texas intrastate carriers.

Perhaps it is time for members of the Texas delegation and the Dallas and Fort Worth newspapers to take stock of the true situation. I am sure that the congressional candidate will soon be reminded by his opponent of the tremendous role played by interstate air carriers generally in Texas and particularly in the Dallas-Fort Worth area. He will also learn that almost all persons employed directly or indirectly in interstate air carrier transportation reside in the congressional district he wants to represent.

The TAC chairman reported that 2,971,026 Texans traveled the intrastate air carrier network in 1977, that 1,632,882 passengers came in and out of Love Field and 361,858 in and out of Dallas-Fort Worth. This is indeed a laudable record. The intrastate air carrier industry should be commended.

However, the interstate carriers were no sluffs. While 2,971,026 Texans rode the intrastate and commuter airplanes, 15,532,594 rode the interstate carriers. 8,259,573 flew in and out of Dallas-Fort Worth alone. Braniff and Texas International, who also carry a few Texans, carried 6,493,089 passengers in and out of our State. Approximately 6,000 families in the Dallas-Fort Worth area are supported through employment at Dallas-Fort Worth, either by the interstate air carriers or in direct support of interstate air carriers. This compares to only 500 jobs at Love Field that are involved in intrastate air carrier operations. Even at Love Field, Braniff employs 1,563 employees at its maintenance base.

I think it is time to stop the demagoguery and recognize the fact that both interstate and intrastate carriers are important to Texas. It is also important that our laws be fair to both without giving either an advantage in law. If regulators and bureaucracies are needed, they must be kept to a minimum. This is the purpose of H.R. 12611, a very complex legal act.●

FLAG DAY HOLDS A SPECIAL MEANING IN PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. EILBERG. Mr. Speaker, the celebration today of Flag Day has a special meaning for Philadelphians, because it was in our city that Betsy Ross lived and created the first American flag 201 years ago.

Two ceremonies will take place in Philadelphia to mark the holiday, and to pay tribute to the colonists who fought for our independence and the Members of Congress who adopted our first U.S. flag.

The 201st anniversary of the adoption will be celebrated today at the 80th annual commemoration at the Betsy Ross House.

Thomas S. Gates, former Secretary of Defense, will be the principal speaker at the ceremony, which will be held at the Atwater Kent Park, adjacent to the house at 239 Arch Street. The ceremony will include selections by members of the Opera Company of Philadelphia and music by the police and firemen's band.

Other highlights of the festivities will be a demonstration in the house of the operation of a spinning wheel, wool spinning and quill pen writing by the Children's Museum of Philadelphia; a singer in costume vocalizing early American folk songs; distribution of free flags as well as red, white and blue cookies; and an opportunity for the audience to make its own Ben Franklin bifocals.

In the second ceremony, the Philadelphia Flag Day Association will stage a program at Independence Hall in a fitting climax to other events sponsored by the association during Flag Week—June 9–14, which was proclaimed by Mayor Frank L. Rizzo.

Hobart G. Cawood, superintendent of Independence National Historical Park, will be the principal speaker. He will be the recipient of the Flag Day Association's "Distinguished Service Award."

Irving N. Kief, Esq., who has served as recording secretary for the association since 1960, will receive the Judge Leopold C. Glass Founders Award. The late Judge Glass was founder and first president of the association 41 years ago.

The program will get off to a festive start with the Mummers "String Band Jubileers," who will perform in full costume a "Tribute to Old Glory." They will be followed by a medley of patriotic marches by some 90 members of the Overbrook High School Band.

An exhibition of baton twirling, rolling drums, ringing bells, and military drills will be presented by 80 students, dressed in red, white, and blue uniforms, of the Stanton Central Elementary School Drum and Flag Corps, Wilmington, Del. The award-winning corps has performed to large audiences up and down the eastern coast.

Leading the Pledge of Allegiance to the flag and national anthem will be Maryellen Petrilla, Miss Pennsylvania United Teenager, who will be dressed in colonial costume.

City representative and director of commerce Joseph A. LaSala will represent Mayor Rizzo at the ceremonies and extend greetings to the audience. Judge Joseph C. Bruno, president of the Philadelphia Flag Day Association, will present remarks of welcome and will make the presentations to the award winners.

Robert P. Abrams, executive vice president of the association, is program chairman of the event, and will be master of ceremonies.●

ENVIRONMENTAL EFFECTS OF DEEP SEABED MINING RELEASED

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. BREAUX. Mr. Speaker, I recently reported that the National Oceanic and

Atmospheric Administration (NOAA) within the Department of Commerce completed an assessment of the environmental effects of prototype deep ocean mining. The Administrator of NOAA presented a briefing recently to the Merchant Marine and Fisheries Committee and other interested Members and staff on the results of their assessments so far.

While there were more studies planned and required to fully evaluate the long-term environmental effects of manganese mining on the ocean ecosystem, the preliminary conclusions from NOAA indicate that environmental impacts will be small. Studies under NOAA's deep ocean mining environmental study (DOMES) will continue and I hope to follow the results closely so as to assure that all precautions are taken to adequately protect the ocean environment.

Since the Murphy-Breaux deep sea mining bill (H.R. 3350) will be coming to the floor for consideration within the next few weeks, I believe that a recent article in Ocean Science News will be of interest to Members of the House of Representatives. One of the outstanding issues to be debated on the floor during consideration of H.R. 3350 will be dealing with the appropriate lead agency to administer the Federal ocean mining program. The following article presents some important facts which could be very informative for those unfamiliar with the efforts which NOAA has undertaken in recent years:

[From the Ocean Science News, June 12, 1978]

ENVIRONMENTAL EFFECTS OF DEEP SEABED MINING

Experience so far with the limited taking of nodules in the Pacific indicates, says the Natl. Oceanic & Atmospheric Administration, that any environmental impact will be small. Wilmot Hess, head of the Environmental Research Laboratories of NOAA, told the House Merchant Marine Committee last month that there might be "some mischief to the bottom life," but he didn't say it would be serious. Certainly, there is no need to delay mining because of potential environmental damage, NOAA chief Richard Frank indicated to the House committee.

Asked by Rep. John Breaux (D-LA), chairman of the Oceanography Subcommittee, how much more work NOAA had to do "if we pass deepsea mining legislation," Frank replied that standards would be set up, a licensing procedure established, and then the license applications acted upon. "We won't have to wait a substantial period of time," he said.

Asked if he were prepared to write ocean mining regulations now, Frank said that "by necessity we'll have to write them before we know all the answers . . . and then rewrite" as necessary. He admitted there was no way to know the long-term impact of deepsea mining. NOAA has been running its Deep Ocean Mining Environmental Studies (DOMES) project since 1972. It consisted of the collecting of baseline environmental data at several sites which the four mining consortia have shown an interest in, and the monitoring of the environmental effects of prototype ocean mining. NOAA is now preparing several documents in anticipation of having to write a programmatic environmental impact statement on deepsea mining. Hawaii's Dept. of Planning & Economic Development also has prepared a report for its state legislature and the final version is due next month.

The coming fight on the House floor over which federal department has jurisdiction over ocean mining should serve to exhibit NOAA's expertise in the deepsea adventure and the Dept. of Interior's relative innocence. Since Leigh Ratiner left Interior a couple of years ago, where he was the head of the Ocean Mining Administration, there is little evidence that Interior has had much interest in deepsea mining.

The Carter Administration has never bothered to appoint a replacement for Ratiner.

While National Oceanic and Atmospheric Administration executives must accept whatever decision Congress makes on the jurisdictional issue, many observers of the federal process now believe deepsea mining belongs at NOAA rather than Interior. Indeed, at least one of the top executives of an ocean mining company has told OSN: "We now prefer NOAA to Interior." Once a stalwart defender of Interior's right to run ocean mining, this executive admitted that he has changed his mind because he now believes that under the Carter Administration the Dept. of the Interior is being turned into another variety of Environmental Protection Agency. The irony is, of course, that it has been NOAA which has had the responsibility for checking out the environmental consequences of ocean mining, and Interior which has been supposedly interested in fostering deepsea mining.

NOAA's basic argument for being assigned management and regulatory authority over deepsea mining is that it is the oceans agency of the federal government and is the only one capable of integrating that authority with all the other ocean uses—i.e., fishing, coastal management, marine environmental monitoring, ocean research, and so on. NOAA has the ships and the operating capability for deep ocean work, including the elite NOAA corps of scientists and engineers.

Ocean mining is not land mining. Furthermore, there is no simple transfer of activities seaward from hard mineral mining on the outer continental shelf where Interior has some jurisdiction. OCS mining of sand and gravel is an extension of land mining techniques. Specifically, worries NOAA, would Interior be capable of managing a deepsea mining operation in the very area which contains a major tuna fisheries operation—the Clarion-Clipperton rift area (between Hawaii and Mexico) where the first nodule mining is certain to take place. Another argument that can be used in favor of NOAA is its long history of familiarity with international matters, in contrast to Interior's historic concentration on domestic matters. Ocean mining will take place on the high seas, and NOAA already possesses a team of international negotiators through its fisheries service. Interior is, after all, the "Interior" Dept.

Equally, there are reasons for keeping mining at NOAA because it is part of the Commerce Dept., which also happens to be the home of the Maritime Administration, the Domestic and International Business Administration, and the Economic Development Administration. A Commerce Dept. source, noting that the U.S. Coast Guard's role in seeing to the safety of vessels at sea, nevertheless points out that the Maritime Administration has experience with the design, construction, equipment and manning requirements of ships, as does NOAA. "The new safety problems presented by deep ocean mining are uniquely related to the mining operations, not vessel operations," he notes, implying that the Coast Guard's relationship to those vessels may be different from other vessels.

Responding to one of Interior's main claims to jurisdiction—the U.S. Geological Survey's traditional responsibility for resource assessment—this Commerce source finds that "since the U.S. does not have property rights over the deep ocean minerals, it does not require the detailed assessment normally utilized for maximizing Treasury Dept. revenues. Thus, resource assessments do not play as important a role as they do regarding OCS petroleum which is under U.S. jurisdiction," he argues. In the case of ocean mining, it is the industry that has done the exploration and evaluation of the resource. And it is very likely to continue to do so. Thus NOAA has no plans for checking out the validity of the report by Scripps' H. William Menard (now head of the U.S. Geological Survey) that the quality of the nodules varies inversely to the quantity in any given mine site, according to Hess. If Interior did decide it wanted to get into the nodule resource assessment business, some might suggest that was analogous to its attempt to cement its right to do exploratory drilling for oil and gas on the OCS.

Finally, says the Commerce source, NOAA's initial studies of the environmental and socio-economic impact studies of potential coastal sites for manganese nodule processing centers, or other shore-based facilities for ships at sea, give indications of the needs of some communities for additional public facilities to support such development. The Commerce Dept.'s EDA would have some responsibility in those areas, while the nature of the Coastal Energy Impact Fund currently administered by NOAA's Office of Coastal Zone Management would seem to be capable of expansion to ocean mining impact considerations if need be.●

UNSILENCING THE SILENT MAJORITY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. DORNAN. Mr. Speaker, I would like to share with my colleagues a condensation of the speech delivered March 21, 1978, by my good friend Theodore A. Bruinsma before the Town Hall General Luncheon, Los Angeles Forum. Until recently "Ted" Bruinsma was president of Harvester Industries, and has first hand experience of the Federal octopus that threatens the social, economic, and political relationships of all our citizens. My friend's speech is an excellent summary of the stifing effect which practitioners of unlimited Government are able to achieve under the mask of public service.

The next few years will determine which side of the razor's edge we come down on in this tug of war between private enterprise and arbitrary Federal control of our lives. No citizen will be immune from the consequence of this decision. My hope, and that of millions of Americans like Ted, is that we will not reject the principles upon which this Nation was founded in the vain expectation that socialism can produce Heaven on Earth. Ted Bruinsma is like a modern day Paul Revere riding out to rally the forces of reason and commonsense economics. Hear him well Governor Brown. Hear him, Senator CRANSTON. If you have any smarts left, heed him. His speech follows:

You will agree that as Americans and Californians we are facing unprecedented challenges. Never before in history has so much been happening so rapidly in so many facets of our lives. We haven't grasped today's technology before it is outdated by tomorrow's. At the same time, the finite nature of

this planet coupled with a population explosion that continues unabated, particularly in the developing nations, pose complex, worrisome problems in the fields of energy, food, and mineral resources.

Then, too, ideas and values long held paramount are being assaulted by subtle shifts in economic and social pillars that have supported them for years. The stabilities of the past are being replaced by the uncertainties of the future.

THREAT

Today, I propose, there is a threat to human liberties because economic freedoms are being restricted. A dominant central government has placed impediments and nonproductive restraints upon individual activity, voluntary association, and economic enterprise. This central government and its bureaucracy remote from the great productive regions of industry and commerce, remote from the farms, factories, mines, and markets, remote from our communities and their governments, is enacting laws and laying down edicts that unnecessary stifle individual and corporate growth and productivity.

The end of bigger and bigger government is not in sight. I am afraid that we are being conditioned to changes that ultimately will constitute a total social and economic revolution. If we, today, had the individualism our forefathers had in 1776, we'd all be "throwing tea in the harbor." But instead we are drifting with the current that is quickening and threatens to consume us all.

LAWS

The United States Constitution provides that laws are to be created by our Legislative Branch of government. However, much of the social and economic policy that today affects our individualism results not from law but from policies implemented by the rules, orders, and regulations of the bureaucracy—actions that carry the full weight of law, but without a commensurate tempering by the legislative process.

The administrative and regulatory powers of governments at all levels have skyrocketed in their scope and reach in the past 10 years. Government agencies now directly regulate over 10% of everything bought and sold in the United States. They indirectly regulate almost every other part of the private economy. Thinking people now realize that this cumbersome regulatory system has too often stifled innovation and competition and has added billions of dollars each year to the price of consumer and business products.

The government does have a legitimate responsibility to protect the public interest. Abuses that have given rise to legislation and regulation have occurred. But the degree of government intervention has reached such a level of irritation that individuals and businesses all over are demanding relief from the incredible power of the army of more than 100,000 government regulators. Just to fill out the necessary forms, the American people must now spend over 130 million work hours a year. The many regulators and policies that overzealous advocates have brought to life to protect the consumer have instead, on balance, harmed the people they were designed to help. Costs have outstripped benefits.

Put another way, we have moved a long way from the simple certainty of the law of yesterday to a point where, in more and more areas, one must probe the vast government jungle to find out what the law and its maze of regulations are. The Internal Revenue Service, with its changing rules and regulations, can be a far more detrimentally significant factor in personal and corporate life than individual or corporate behavior under many other civil and criminal statutes.

PERSONAL RESPONSIBILITY

But there is something even more disturbing that has contributed to the present state of affairs. The traditional American ethic of each individual bearing personal responsibility for his own acts has shifted to a general blaming of society and individual or group deficiencies for all ills. Not only has there been a lessening of individual or group responsibility for their actions, but there has also been placed upon government the charge to take remedial actions both to correct the deficiencies and to deter antisocial actions. So a host of government programs have been launched not only for traditional humanitarian or charitable reasons to help individuals or groups with public funds to better their lot but also on the premise that such programs will protect society against antisocial behavior, delinquency, crime, and violence.

Yet, even with this governmental action in social areas, we are seeing a precipitous decline in personal and business morality. In business, we are experiencing a reduction of human value to material value. The syndrome is "success at any cost." There is a polarization in society as we lose confidence in our government and withdraw support for the system. The concern for the common good is lessened.

CHANGES

Some changes are subtle, less obvious. It has long since been accepted that unions were needed as a positive force in our economic society. Yet the unionization of our military forces is a growing threat that goes beyond all common sense. A "hot" political issue of 1978 is the right of our public employees—hospitals, fire departments, police departments, and city utilities—to unionize, to strike, to shut down our services as homes burn.

Pension enrichments have come to be an attractive alternative to granting salary hikes demanded in public employee bargaining. This alternative survives only because it delays the impact of retirement benefits to become someone else's nightmare in the distant future. Typically it is the next generation of politicians and taxpayers who must foot the bill for pension commitments made in the past. Today we are fast becoming the next generation.

Our tax laws are no longer simply enacted for revenue-producing purposes. They are also becoming tools for social change. Through both income taxes and estate taxes, there has been adopted a policy of redistribution of wealth, a policy already formally adopted abroad.

Let's look at the insurance industry. Product liability insurance for almost all companies increased at least 100 percent in 1977. No one legislated this. Some of the increases in premiums were occasioned by portfolio losses of the insurance companies. But the major thrust has come from a shift in the concept of liability from tort (or a requirement of negligence) to absolute liability. The full effect of this switch has not yet been felt, but its impact on industry is and will be severe.

CAUSES

What has caused the increase in insurance costs? First, pressures on elements of the judiciary from groups such as the consumer groups led by Common Cause and the Naderites. Second, a change in the fundamental constitutional concept that we are judged by a jury of our peers. I submit that a corporation, an insured defendant, and, in fact, most of us in this room today would be lucky to be judged by a jury solely of our peers. For the jury would be certain to include one or more persons who are anti-success, anti-individualism, or anti-business. Consider the recent "Ford" case.

Since 1960 the number of domestic spending programs have increased tenfold, from 100 to over 1,000 individual programs. We have spent over $1 trillion in social programs designed to "improve the quality of life." You can question the results of this cornucopia of good intention, but you can't question that the level of dissatisfaction among the beneficiaries has increased at an even faster pace. The group gets larger and larger and unhappier and unhappier.

Over the past 15 years, the government has tried many solutions. Yet the problems persist and our people grow more frustrated, disillusioned, and cynical. This doesn't mean there are no answers. It means only that we have been taking fundamentally the wrong approach. We suffer not from a lack of government action but from an excess of government action. The trouble with the Federal Government is that it is trying to do more than its resources permit, trying to do many things it should not do at all, and foolishly trying to do all these things at the same time.

GOVERNMENT SPENDING

The Federal Government today is the nation's biggest single employer, its biggest consumer, and its biggest borrower. The figures on our annual budget and our national debt are disasters. The annual interest on the national debt is now the third largest expense in the federal budget, $45 billion in 1977.

Stop and think. If a million dollars is no small number, $45 billion is incomprehensible. If your wife went on a shopping binge 7 days a week, spending $1 million at the rate of nearly $3,000 each day, she wouldn't get home for a year. If she took $1 billion, she would not be back for a thousand years!

If the postwar spending trends continue until the end of the century, total government outlays will account for almost 60 percent of the Gross National Product. That means that by the year 2000, just 22 years from now, government will tax and spend more than half of the total economic output of America. If government achieves that degree of dominance over our lives, many of the economic, political, and social freedoms we now take for granted will be gone. Every free country in which the government has usurped the major share of economic activity has prompted instability, minority government, and a diminution of the heritage of a free society.

FUNDAMENTAL PRINCIPLES

The issues are by no means narrow economic ones. They concern fundamental principles of equity and of social stability. The problem of growth in government spending is that however good the intentions behind the growth are those intentions are rarely if ever achieved. Instead, growth in government spending invariably makes low-income people suffer more, undermines social cohesion, an threatens the very foundation of a free and representative government.

The evidence proves conclusively that big government far from being our greatest source of prosperity and material security, as some people would have you believe, has now become a direct threat to every American's entitlement to live in a free society.

Those who consistently look to government have never asked themselves why a country like the Soviet Union, with some of the largest, richest tracts of grain land in the world, but with a government-owned and operated agricultural system, cannot even feed its people without turning to American farmers who own their own land, make their own decisions guided by the incentives of a free marketplace, and feed not only our

own people but millions of others around the world.

INVOLVEMENT

It seems to me almost criminal for so many of the people in industry and in our professional groups to stay aloof from any participation in political activity. While we are raising and teaching our kids, building our homes, and factories, and churches, and paying our taxes, the U.S. Congress has become the tool of well-organized and militant special interest groups, such as consumerists, environmentalists, golden agers, welfareists, and unions. All of those groups have one thing in common in that they are all trying to get some special right or freedom at the expense of others.

The "silent majority" of Americans is not organized into a coalescent political force. Divided as we are, Congress shows little concern for us. Few of us speak out, or work together to get out the vote, work in campaigns, or contribute to the campaigns of candidates who share our views. But, we must if we are to preserve the freedoms we know and love.

The product we must sell together is the restoration of faith in the American system as devised by our forefathers, because faith and hope hold our system together. We must impose discipline and high moral and ethical standards on our own business and our personal enterprises. Private enterprise faces a critical problem of credibility. Here there is an important assignment for effective use of public relations. Our private enterprise system is the source of the good life we enjoy in the form of jobs, quality products, and services. We must support and protect it. We must become involved in our political process. We must communicate our thoughts on key issues to our representatives with clarity and strength of conviction. We must hold them accountable for their actions.

We must impress on everyone the need for government to conduct its financial affairs responsibly—and with far fewer people and agencies. We must persuade others to avoid asking government to solve every economic and social problem by spending public funds. We should aid the less fortunate among us. But we should never permit lazy Americans to live off the efforts of creative and productive workers.

We must let our lawmakers and leaders in government know that they cannot continue to work at cross purposes with the very system that generates our wealth, our strength, and our freedom. We must support deregulation across the board, not just selectively, by helping to end government subsides, quotas, and handouts, bailouts, or other inducements that offer superficial promise of security in exchange for freedom.

Finally, we must initiate and, in some cases, intensify efforts to inform and educate the public about the benefits and realities of private enterprise. Jobs and real economic growth will only come from investment in the private sector. Yet here, in California, we now have an Administration that tends to regard profit primarily as an expression of narrow self-interest rather than as a source of capital that creates jobs, growth, and higher living standards.

There is a big job to be done. And, it is not a job that can be done with acquiescence or quiet approval. It demands the zeal and enthusiasm, the contagious conviction that is bound to be within each of you who have become successful in business. May I urge that you not underestimate the importance of your own personal effort. You are men and women of leadership and influence or you would not be in this room. You know a lot about human relations; you are experts on the free enterprise system; and by the very nature of your work, you are in a position to render extraordinary service.●

VERIFICATION, THE DERWINSKI AMENDMENT AND ARMS CONTROL

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. MICHEL. Mr. Speaker, as the ongoing Strategic Arms Limitation Talks (SALT) in Geneva wear on, it is becoming increasingly clear that significant elements of the proposed SALT II agreement cannot be verified. This includes range limits on cruise missiles, limits on the upgrading of ICBM's, the strategic potential of the Backfire Bomber, the deployment of mobile ICBM's as well as the conversion of medium mobile missiles to mobile ICBM's.

Against such a backdrop, with the U.S.S.R.'s alarming advances in both its offensive and defensive capabilities causing growing U.S. public concern about Soviet intentions and trustworthiness, verification has emerged as a crucial factor in SALT. Consequently, Congress now realizes that—with so much at stake in these negotiations—it must stay abreast of what is transpiring in Geneva. With that in mind, my colleague from Illinois (Mr. DERWINSKI) authored an amendment to last year's Arms Control and Disarmament Act requiring the executive branch to report to Congress on a timely basis as to the verifiability of any arms control proposals made to or accepted by the United States.

While the ramifications of the Derwinski amendment have been the subject of considerable discussion, both in Congress and the executive branch, little has been written about how it may figure in the debate between Congress and the administration over the contents of the new SALT agreement. In recognition of that fact, Dr. Carnes Lord, assistant professor of government and foreign affairs and a foreign affairs officer in the Arms Control and Disarmament Agency's Verification and Analysis Bureau from 1975 to 1977, definitively analyzed the implications of the Derwinski amendment in an article he wrote on verification and the future of arms control which appeared in the spring issue of Strategic Review. I commend it to our colleagues' attention, Mr. Speaker, and request that the pertinent excerpts be printed at this point in the RECORD.

VERIFICATION AND THE FUTURE OF ARMS CONTROL

(By Carnes Lord)

IN BRIEF

Verification has become an ever more prominent factor in SALT, reflecting in large part a growing mood of uneasiness and skepticism in the United States about Soviet intentions and trustworthiness. The technical process of verification is not nearly as controversial as the political judgment of how extensive verification should be—i.e., how much assurance regarding compliance is necessary. Given the complexity of the new limitations being discussed in SALT II, the incidence of compliance issues is likely to rise. Critical to the verification process is the willingness to respond vigorously to assessed violations. A coherent and effective U.S. verification policy must be based on the recognition that domestic support for SALT can no longer be sustained by official efforts to apologize for, or interpret away, threatening aspects of Soviet behavior.

Verification—the process of monitoring and assessing compliance with arms control agreements—has been an important factor in the arms control policy of the United States and in the history of arms control efforts since World War II. Only in the last several years, however, has verification become a truly controversial issue in American politics.

The protracted dispute over alleged Soviet violations of the strategic arms limitation (SALT) agreements of 1972, which became a central element of the debate over the meaning and value of détente with the Soviet Union, is the most important, if by no means only, example of the new prominence of the verification issue. What has not been generally recognized is that the sudden notoriety achieved by the verification problem has in some degree altered the terms of the problem itself. If SALT has become the touchstone of U.S.-Soviet détente, verification may be becoming the touchstone of SALT. Whether a SALT II agreement can bear up under the political weight of détente is a question that will depend in no small measure on the responsiveness of SALT verification to essentially political requirements.

This is not to suggest that verification is only now becoming a "political matter." Verification has always served a political function and involved political decisions. Yet the particular complexity and abstruseness of the verification process, together with the relatively modest demands that were for many years placed on it, tended to conceal this fact from public (and indeed official) view. Verification was generally left to the care of technical specialists.

Largely because it was for so long regarded as primarily a technical matter, verification tended to be neglected in policy thinking about arms control and national security. It is not surprising that those responsible for the management of the United States' national security apparatus were ill-prepared for the emergence of verification as a source of impassioned political controversy. What may have been tolerable inadequacies in policy or critical thinking on verification at a time when arms control was at best a marginal element of the national security policy of the United States were revealed as serious vulnerabilities after control of strategic armaments had become the centerpiece of that policy.

Nor should recognition of the frankly political side of verification be construed as an endorsement of the corruption of technical judgments on verification by the perceived requirements of policy—corruption of a sort that is sometimes alleged to have occurred within the U.S. government during the heyday of detente. On the contrary, delineating as clearly and publicly as possible the exact role that politics *should* play in the verification process may well be the best way to avoid such corruption. Decisions concerning verification that are based on fundamentally political considerations ought to be identified and defended as such. Failure to recognize the political element in such decisions—or deliberate attempts to disguise that element—tend to destroy the very possibility of independent technical analysis of verification questions.

The emergence of verification as a prominent issue on the American political scene may have been signaled by a little-noticed action of the United States Congress. In May 1977, the House, and subsequently the Senate, voted to amend the Arms Control and Disarmament Act, as extended to fiscal year 1978, so as to require the Arms Control and Disarmament Agency (ACDA) to file statements with Congress on a number of matters pertaining to verification, and, in particular,

to report on the verifiability of arms control provisions prior to the actual conclusion of an agreement. Speaking in favor of the amendment of which he was chief sponsor, Representative Edward Derwinski (R-Ill.) emphasized that "when we speak of verification we are speaking of a political problem," and went on to state:

The purpose behind the amendment is my recognition of what I consider to be the political facts of life; namely, that there is in the United States, there is now and has been for many years, a public feeling that "you can't trust the Russians." Now, whether this is right or wrong we might argue, but the fact is that feeling is there. If this is a true public feeling, obviously to meet this public concern, if we can demonstrate to the public that the verification procedures are thorough, they are exact, that Congress is fully informed, this will go a long way toward easing the instinctive opposition and doubt about any treaties or agreements that are worked out.

Elsewhere in his remarks, Derwinski noted that one of the purposes of the amendment was "the need to keep verification uppermost in everyone's mind at a time when we are on the verge of negotiating a new SALT agreement."

The Derwinski Amendment clearly reflected a certain uneasiness on the part of Congress at the Carter Administration's lack of experience as well as its predilections relative to SALT and arms control matters in general. Yet, the wide support it received also suggested a new Congressional sensitivity to the potentially explosive political repercussions of verification decisions, particularly in the context of SALT. As Derwinski put it, the "political facts of life" were that many Americans were unwilling to trust the Russians to any significant degree. What was certainly in Derwinski's mind, and in that of other Congressmen, was the thought that many Americans were, if anything, less willing to trust the Soviet Union than had been the case in the recent past, or that a change had occurred in the American mood.

Americans had been hearing for some time that the Soviets were circumventing, if not actually violating, the terms of the SALT I agreements. They were discovering that the Soviets appeared committed to increasing their military power relative to the United States without regard for what many understood to be the requirements of arms control and detente, were devoting to that task a much greater share of state expenditures than had previously been thought, and seemed prepared to take advantage of their newly acquired strength to challenge American interests in areas remote from their own country (such as Angola). In the past, the American public by-and-large had been encouraged to look at arms control as an integral part of detente—that is, of a new sort of relationship with the Soviet Union based on mutual accommodation and an enhanced degree of mutual trust. Indeed, it seemed to be detente that made arms control (or at least strategic arms control) both possible and desirable. Yet the detente relationship, once called into question by Soviet actions (and, indeed, by the pronouncements of both candidates in the American presidential election of 1976), could no longer sustain the momentum of the arms control process. It was rather the momentum of detente that needed sustaining. That the arms control process itself could be relied upon to perform this function was a hope or a gamble which seemed increasingly to beg the decisive question—the question whether it is possible after all to trust the Russians. This new mood of skepticism seemed to be the primary stimulus for the emergence of verification as a political issue.

THE ACDA REPORT ON SALT II VERIFIABILITY

In spite of the opportunity it afforded Congress for involving itself in the negotiation of SALT II, the Derwinski Amendment has only recently figured in preliminary skirmishes between Congress and the Administration over the shape of a new agreement. On February 1, 1978, the Senate Foreign Relations Committee requested ACDA to submit a report on the verifiability of the projected SALT II agreement in accordance with the provisions of the amendment. Such a report was duly submitted on February 23 over the signature of ACDA Director Paul Warnke. Unclassified portions of the report were released by the Committee on the following day.

While indicating that a final assessment of SALT verifiability was not yet possible, the ACDA report unequivocally stated that the proposed agreement as a whole as well as its individual provisions are "adequately verifiable." It admitted that "the possibility of some undetected cheating in certain areas exists," but argued that such cheating could not significantly affect the strategic balance, and that any uncertainties would be neutralized or compensated by "the flexibility inherent in our own programs." Remarkably, the report stressed the "experience" gained by the U.S. intelligence community in monitoring the SALT I agreements and the ability it had "demonstrated" to monitor them with high confidence. It did not even mention in this connection either the obvious and substantial differences in the verification requirements of SALT II and the original agreements or the public distress over alleged Soviet violations of those original agreements.

The released portions of the ACDA report contain only a general assessment of SALT II verifiability, and say little or nothing about particular limitations. The contents of the report as a whole are, however, clearly controversial, and seem unlikely to satisfy those critics in Congress and elsewhere who are most sensitive to the political importance of verification. One Senate aide was quoted as calling the report "wholly inadequate" and "not a serious piece of work." Hearings on verification are reportedly to be held at some point by the Senate Armed Services Committee.

THE POLITICS OF VERIFICATION

The verification requirements of the United States differ fundamentally from those of the Soviet Union, and a grasp of this difference is essential for understanding the politics of verification. The United States is an open society, and is constantly striving to become more open. Much military information is readily available; and because Americans do not have the habit of secrecy, much more can be inferred, or acquired with only modest efforts. The Soviet Union is by contrast a closed society, and if not constantly striving to become more closed, it is at any rate singularly resistant to pressures—foreign or domestic—for openness . . .

Given the nature of the Soviet regime, the United States cannot assume that deliberate violations of an agreement will not be attempted—or that, if attempted, they will be exposed by a vigilant Soviet citizenry. Thus the United States must not only monitor activities and geographical areas that are directly affected by the agreed limitations, but must also seek to assure itself that Soviet activities elsewhere or in other military spheres are consistent with these limitations. Further, the United States must assume that violations deliberately attempted by the Soviets would most probably be accompanied by more or less elaborate efforts at concealment and deception. For the United States, verification is in an important sense more demanding than conventional (peacetime) military intelligence, since it must seek to penetrate security that is designed to conceal not merely certain characteristics of military systems, but, in the extreme—yet vital—case, their very existence.

For reasons that are not altogether easy to understand, this aspect of verification policy has been a subject of controversy within the U.S. government. Indeed, an important purpose of the Derwinski Amendment was to ensure that ACDA and the intelligence community take full account of the possibility of concealment and deception in analyzing the verifiability of potential treaty provisions. As the Amendment expressly states: ". . . in assessing the degree to which specific elements of any arms control proposal can be verified . . ., it should be assumed that all measures of concealment not expressly prohibited could be employed and that 'standard practices' could be altered so as to impede verification." This requirement had been recognized in a policy statement on verification issued by ACDA in early 1976—which also provides the best commentary on the somewhat cryptic language used in the Amendment. But it was apparently felt that the policy in this area was not sufficiently known, or was not being (or might not in the future be) adequately implemented by those responsible for assessing verifiability or for the programming of U.S. verification assets. It is not clear to what extent the recent ACDA report complies with the Amendment on this point.

THE QUESTION OF POLITICAL SIGNIFICANCE

What is perhaps most seriously wrong with military significance as a test of the adequacy of verification is that it fails to take account of the *political* function of verification, and of the fact that the military significance of a violation cannot be assumed to coincide with its political significance in all or even in most cases. A treaty provision that is adequately verifiable from the point of view of detecting violations of an agreement might be less than adequately verifiable from the point of view of building domestic or international confidence in its viability. This will be particularly the case where an agreement bears a political burden beyond that normally associated with arms control as such.

SALT is the obvious illustration of such a political burden. By making SALT I the centerpiece of detente, the United States (and the Soviet Union) ensured that the question of verification would assume unusual importance in domestic disputes over foreign policy. By looking to SALT II to sustain detente itself, the United States ensured that Soviet compliance with the agreements would be viewed as a crucial indicator of Soviet attitudes and intentions generally, and hence that any evidence of any breach of the agreements would threaten to call into question the basis of the U.S.-Soviet relationship and indeed of U.S. foreign policy as a whole.

This is not to argue that future SALT agreements will not be acceptable to the American public unless verifiable in some demonstrably foolproof way. It *is* to argue that assessments of the verifiability of SALT limitations must be considerably more sensitive to the requirements of domestic confidence-building than has been the case in the past. . . . To attempt to secure Soviet agreement to a range of confidence-building measures in peripheral areas—as the Carter Administration did to some extent in its initial SALT II proposals—without resolving the very real verification problems associated with the limitations that are central to the new agreement is an approach that is not likely to satisfy Congress or the American public. The sound or politically necessary approach may well involve a radical rethinking of the limits on those systems—primarily cruise missiles and their launch plat-

forms—that pose the greatest technical difficulties for verification and are most likely to become contentious compliance issues.

COMPLIANCE AND RESPONSE

It is necessary to consider briefly the question of compliance and response. The process of determining whether the other party is complying with its obligations under an arms control agreement is at least as complicated—and generally misunderstood—as the process of assessing verifiability. . . .

The problem of assessing compliance is inseparable from the problem of response. It is inevitable, and indeed proper, that response to possible violations of an arms control agreement be governed by political considerations. Response should not be conceived as an automatic process somehow prescribed by international law, and still less as an essentially retributive act designed to satisfy a public thirst for justice. There are times, then, when evidence of noncompliance might be officially ignored or its importance minimized for political or diplomatic reasons. Conversely—and this side of the coin is too often forgotten—there are times when evidence of noncompliance might be exaggerated for similar reasons. In particular, it is not necessary (and may not always be possible) to attempt to be "fair" to the Soviets or others by waiting until all the evidence is in and is unambiguously indicative of a violation. There is no reason for the United States to hesitate to call something a violation where the evidence is less than conclusive if it should be advantageous to do so; certainly the Soviets have not hesitated to make such accusations against the United States.

The primary hazard in the U.S. approach to response is not so much that evidence of violations may be publicly soft-pedaled. (Indeed, this may be advisable for reasons unrelated to politics—for example, because of a need to protect some unusually sensitive intelligence source.) It is rather that the requirements of response may affect and corrupt the process of determining whether noncompliance has actually occurred. . . . The openness of the U.S. government makes it almost impossible to maintain an official view that is seriously at variance with official statements, at least in matters as controversial as SALT compliance.

The importance of response for verification lies in the fact that the deterrent function (and hence in some measure also the confidence-building function) of verification depends on the willingness of the verifying party to respond to violations—that is, to endow violations or possible violations with a political or military cost sufficient to cancel any advantage the other party might hope to gain from them. It is sometimes assumed that exposure of violations by itself would bring a sufficiently high political cost to deter violations, or at least significant or intentional violations. This view rests on a seriously deluded appreciation of the justice and intelligence of world opinion and the sensitivity of the Soviets to such opinion, and it fails to take account of the frequently paralyzing effect of ambiguities in treaty language or in the factual evidence.

For all of these reasons, response is central to any verification strategy; and if any presumption should exist as to the requirements of response, it is that response should be active and vigorous. This may—and probably should—lead to compliance challenges that are based on imperfect evidence or that overstate the case. Such challenges always involve the risk of appearing provocative and of disrupting otherwise laudable diplomatic projects. Yet the possibility of shifting priorities in this respect is one that will merit serious consideration.

In general, it is becoming increasingly apparent that domestic support for SALT and for other arms control agreements can no longer be maintained by efforts on the part of U.S. officialdom to apologize for, or interpret away, whatever may seem irresponsible or threatening in Soviet behavior. To recognize why this is so would be an important step toward developing the coherent and effective verification policy that is at present so conspicuously lacking.●

SPECIAL SESSION ON DISARMAMENT

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. HILLIS. Mr. Speaker, Tuesday I had the opportunity to visit the United Nations and observe first hand the special session on disarmament. It is difficult at this point to determine if the SSOD will be successful in achieving any meaningful movement toward world disarmament. However, I would like to share some general impressions I gathered while visiting the U.N.

Perhaps the most interesting development so far is a loose coalition between the United States and the Soviet Union concerning the SALT negotiations. Apparently, both countries believe that SALT negotiations are a bilateral matter and do not wish to permit any substantial input from Third World nations who have expressed some disappointment that the talks are not more comprehensive and are not moving at a much quicker pace. Since SALT negotiations are highly technical and extremely difficult to handle on a bilateral basis, I agree with the position that to extend the negotiations to Third World nations would make any meaningful SALT agreement impossible to obtain.

I am well aware of the concerns that nonnuclear nations have over the dangers of a nuclear war; however, I hope that the Secretary of State's statement of June 12 will ease the concerns of Third World nations. For those who are not aware of the Secretary's statement, he announced that:

The United States will not use nuclear weapons against any nonnuclear weapons state party to the Nonproliferation Treaty or any comparable internationally binding commitment not to acquire nuclear explosive devices, except in the case of an attack on the United States, its territories or armed forces, or its allies, by such a state allied to a nuclear weapons state, or associated with a nuclear weapons state in carrying out or sustaining the attack.

I do not expect any major steps toward world disarmament from the SSOD. Nevertheless, the SSOD is serving a very special function by beginning the long process of world awareness that the United States and the Soviet Union, among other nations of the world, are currently attempting to negotiate arms control or arms limitation treaties. Whether these efforts will be successful is anyone's guess at this point, but at least the efforts are being made. These efforts include the SALT talks, the comprehensive treaty banning nuclear explosions, limiting chemical weapons, eliminating radiological weapons and weapons of mass destruction, the mutual reduction of armed forces and armaments and associated measures in central Europe, and the Indian Ocean arms control talks, the United States-Soviet talks on conventional arms transfers, and the United States-U.S.S.R. antisatellite discussions. These talks are accompanied by a wide variety of nonproliferation activities plus the Conference of the Committee on Disarmament.

Like many of my colleagues, I am concerned with the present state of United States-U.S.S.R. relations. I believe the short term, and perhaps even the long term-future of Soviet American cooperation depends on the current events of the coming months. Whatever the differences we have with the Soviets they should not interfere with our mutual efforts to control the arms race. At the same time, however, Soviet involvement in Africa must act as a backdrop to any arms control negotiations. The Soviets must do more than negotiate in good faith, they must illustrate a spirit of peaceful coexistence with the West. Any future aggressions by the Soviets or their proxies can do little but undermine the entire spirit of détente.

While I am concerned that the national security of the United States has not always been adequately represented during our negotiation efforts, I remain hopeful that the United States and the U.S.S.R. can set an example of peaceful coexistence and mutual restraint in war-making capabilities. History and human nature give little encouragement that total world disarmament can ever be achieved. However, if we are able to limit the arms race and reduce the threat of nuclear war to any degree, we will have to achieve any goal we can realistically set.●

FLAG DAY CEREMONIES DEDICATED TO ASTRONAUTS AND NASA

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. TEAGUE. Mr. Speaker, I am pleased to join with my colleagues today in our Flag Day ceremonies that are dedicated this year to our Nation's astronauts and are in observance of the 20th year of the National Aeronautics and Space Administration.

I believe it is only fitting that this body recognize and honor our astronauts as they are a group of outstanding Americans who have greatly contributed to the prestige of our Nation.

Mr. Speaker, as you know, the space age has played an important role in the history of the United States. It was ushered in on October 4, 1957 by the Russians with their launching of the world's first artificial satellite, Sputnik I.

Our Nation was caught by surprise by this remarkable achievement and it was important for us to immediately respond to the challenge it represented. I am happy to have had the opportunity of working closely with the Nation's space program that saw us forge ahead as a country to become the first nation to

land men on the Moon and return them safely to Earth.

Mr. Speaker, the Nation's lunar landing commitment was announced by President John F. Kennedy in his state of the Union address to Congress on May 25, 1961. He urged that we accomplish that goal within that decade.

I am pleased that we have several astronauts here with us today who played a major role in our Nation's successful achievement of that goal.

Less than 10 years after the Kennedy announcement, and on July 20, 1969, our first astronauts stepped onto the Moon and planted our American flag.

The activities of Astronauts Neil Armstrong and Edwin E. "Buzz" Aldrin, Jr. on that day were watched by 600 million viewers on Earth—one-fifth of the world population—on live television transmission from the Moon. That successful mission was the result of the teamwork of thousands of American people.

Mr. Speaker, of the many people who contributed so greatly to the success of the Apollo 11 mission, none made a more diverse and interesting contribution than those astronauts who pioneered in the Mercury, Gemini, and Apollo programs. Today, we have with us two of the original group of seven astronauts who were selected for the Mercury program.

United States Senator JOHN GLENN of Ohio is here with us today and is remembered as the second American in space and our first astronaut to fly a suborbital mission. We will remember the feeling of national pride brought about by his Friendship 7 flight.

Another Mercury astronaut who is well known to all Americans is here with us today. Donald "Deke" Slayton joined the original astronaut team and was chosen to fly the Mercury Atlas flight. A few days before the mission flew, Deke was grounded from flying of a heart difficulty. Although grounded, he never wavered from his commitment to the space program and provided his excellent leadership to the manned space program throughout the years. We were all pleased that Deke regained his flying status and became a member of the crew of the Apollo-Soyuz mission. He is now actively involved in the shuttle program.

Lt. Gen. Thomas Stafford, now Deputy Chief of Staff in Research and Development, U.S. Air Force, is also with us today. As we all remember, Tom was chosen as a member of the second group of astronauts and contributed greatly to the space program. He was a member of the Gemini 6 flight which performed the first rendezvous in space with the already orbiting Gemini 7 group. He made his second flight as command pilot of the Gemini 9 mission and he flew the Apollo 10 mission, the first comprehensive lunar-orbital test of an Apollo lunar module. He was the commander of the Apollo-Soyuz. He is a man of great ability and now serves our country in a most important office with the same dedication that was his throughout his years with the astronaut program.

Another astronaut of special distinction is here today. He is Michael Collins who was the command module pilot for Apollo 11, our first lunar landing mission. Mike was chosen in the third group of astronauts in 1963 and has an outstanding record and is one of our most famous astronauts. It is also my pleasure to mention that Mike was just recently appointed as Under Secretary of the Smithsonian Institution.

Mr. Speaker, two other astronauts who are also known to all Americans are with us today. They have the special distinction of being members of two Apollo missions that landed on the Moon.

Astronaut Alan Bean, a member of the Apollo 12 mission, who landed on the Moon on November 19, 1969, began his astronaut program as a member of the third group. He is now head of the operations and training group within the astronaut office, working on the development of the Space Shuttle and hopes to be assigned to test and fly it in the future.

And, all of us here know U.S. Senator HARRISON SCHMITT from the State of New Mexico. Senator SCHMITT was the scientist member of the Apollo 17 mission that landed on the Moon on December 11, 1972. As a member of the last of the Apollo missions, Senator SCHMITT contributed greatly to the wealth of our scientific knowledge of the Moon surface.

Dr. Joseph Allen served as mission scientist while a member of the astronaut support group for Apollo 15. He is doing an outstanding job for the space agency and the Congress in his work as NASA Assistant Administrator for Legislative Affairs, and we are all pleased to have him with us today.

Mr. Speaker, Astronaut Joe Engle, one of the 19 astronauts selected by NASA in 1966, is here with us today. He was a backup lunar module pilot for the Apollo 14 mission and was commander of one of the two crews who flew the Space Shuttle approach and landing test flights from June through October 1977. We are proud of him and his important contribution.

Mr. Speaker, it is also good to recognize that astronaut Richard Harrison Truly is among those present. As we know, he transferred into the astronaut corps from the Manned Orbiting Laboratory in 1969. His record is also outstanding and includes service as a member of the support crew of the Apollo-Soyuz. Also, he was a member of the crew who flew the Space Shuttle approach and landing test flights from June through October 1977.

Our astronaut program work continues today while the Space Shuttle is being readied for flight. And, I was pleased that a new group of astronauts were recently chosen by the National Aeronautics and Space Administration. We have three astronauts from that group with us today and it is a pleasure to recognize them. They are Capt. James Buchli, Mr. Stanley Griggs, and Dr. Judy Resnik.

Mr. Speaker, it is also an honor to have with us today several outstanding former and present NASA officials.

Former NASA administrator, James Webb, who did so much during the time he served in directing and managing the programs that culminated in our successful efforts of landing men on the Moon deserves recognition for his outstanding contribution. It is our honor that he is with us today for our Flag Day ceremonies.

And, I am also pleased that we have the honor of having with us both the present NASA administrator, Dr. Robert Frosh, the Deputy NASA Administrator Dr. Alan M. Lovelace, and Dr. Christopher Craft, manager of the Johnson Space Center in Houston.

It is our pleasure to honor our Nation's astronauts and to recognize all of those with us today. We are proud of the tradition of our astronauts and their contribution which so enhances the prestige of our Nation. And we know that those present NASA officials and current astronauts will continue to uphold that tradition of which we are all so proud.

Mr. Speaker, I applaud this group of dedicated Americans and join with the other Members of this body in wishing them and our space program continued success as we work toward meeting the challenges of the future.

And, Mr. Speaker, it is also my pleasure to have this opportunity to extend my personal appreciation to all of the NASA team for a job well done over the past 20 years.●

THE PRESS PROTECTION ACT OF 1978

HON. DAVID L. CORNWELL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. CORNWELL. Mr. Speaker, I rise in strong support of H.R. 12952, "The Press Protection Act of 1978," which would strike down the Supreme Court's ignominious decision in Zurcher against Stanford Daily News. Under this decision, police officials, armed with a search warrant based on probable cause, would be allowed to search any third party property whether occupied or not by the third party. The "Press Protection Act of 1978" shall deem "unlawful any person acting under color of law, without a prior adversary court proceeding, to search any place or seize any things" pertaining to the print of broadcast media, unless accompanied by a warrant issued upon probable cause that said person has committed or is committing a crime.

It is in the High Court's 5 to 3 decision that one can see the flagrant disregard for the sacred rights promulgated by our forefathers in the Constitution and Bill of Rights. Throughout its history, the Supreme Court has strived toward broad interpretations of the Constitution and subsequent amendments in the penumbra of the 1st and 14th amendments, specifically concerning privacy and due process of law. The High Court's recent narrow construction of the fourth amendment rebuttals decades of liberal interpretations.

Writing for the Court, Mr. Justice White stated:

As the fourth amendment has been construed and applied by this court, when the States reason to believe incriminating evidence will be found becomes sufficiently great, the invasion of privacy becomes justified and a warrant to search and seize will issue.

The implications of this statement and subsequent rulings are ever so treacherous. I believe ABC commentator Howard K. Smith summed the recent court decision best by proclaiming it the "worst, most dangerous ruling the Court has made in memory." Prevailing sources of information which are available to the press will virtually evaporate from the fear of police review. Reporters will be deterred from recording and preserving their recollections for future use if such information is subject to seizure by local, State, or Federal law enforcement agencies. But the most outrageous effect of surprise police searches armed with search warrants would be the "chilling effect" upon the processing of news in this country. Policemen occupying a newsroom and searching it thoroughly for what may be an extended period of time will inevitably interrupt the subpena duces tecum would afford the newspaper itself an opportunity to locate whatever material might be requested and produce it. Also, the subpena would assure to members of the news profession, third party members not involved or suspected of involvement in a crime, that their basic rights under the 1st, 4th, and 14th amendments would be insured.

It is with this in mind that I urge swift passage of H.R. 12952. Actions such as this directed Nazi Germany during the reign of the Third Reich, and Russia during more recent times. Our civil rights and civil liberties have distinguished and protected our country from the "gestapo" like tactics of countries less fortunate in the past, and should continue to afford us this right in the future.●

CAMPAIGN LITERATURE MAILING COSTS

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. FORSYTHE. Mr. Speaker, today, I am introducing a bill which would allow candidates in a general election for Federal office to mail campaign materials as third-class mail, at rates applicable to matter mailed in bulk by qualified nonprofit organizations.

This provision would drastically reduce the cost of mailing campaign literature during election time. A major party candidate, from the time of nomination until the time of election, would be able to mail items as third-class mail at a rate of 2.4 cents per piece. Under current law, the cheapest rate for mail is as third-class mail at 8.4 cents per piece.

This bill would authorize such reduced rates on a trial basis only; its provisions would expire at the end of fiscal year 1979. Adopting such a measure on an experimental basis is warranted, I believe, by the relatively profound effect it will have on the congressional election process. The modest costs of this measure—which I estimate would total approximately $12 million—would be more than offset by its benefits.

This amendment will have three major effects. First, voters will receive more information about the personal characteristics, professional background, and issue positions of candidates. Second, more exposure to an upcoming election will promote a larger turnout. Third, and perhaps most important, a substantial reduction in mailing costs for all candidates would help neutralize the advantage of incumbency.

How this bill can benefit a candidate is underscored by the following statistics. The average voting district has some 230,000 voters. If a candidate wishes to canvas the district with two mailings, postage alone costs 8.4 cents per piece for a total of $38,600 for two mailings. Under the amendment I am offering, mail costs would be just $11,000, a savings to the candidate of over $27,000. For a candidate, in particular a challenger, with limited financial support, this provision will make a real difference in his or her ability to reach the voter.

There is no question that the incumbent goes into an election with a number of advantages. During his or her term of office, the incumbent has easy access to constituents through franked mail, newsletters, press, and travel. Historically, incumbents can raise campaign money more easily; in 1976 House races, for instance, incumbents raised twice as much money as challengers were able to raise.

In a nutshell, the incumbent has already got the voter's ear. While this bill will reduce the incumbent's mailing costs for campaign literature, it will not significantly improve the incumbent's ability to contact the voter—the incumbent already has that ability. What this provision will do is give the challenger that same ability to contact the voter.

My proposal offers us a chance to neutralize the advantage of incumbency. By reducing mailing costs, we will encourage a large turnout of well-informed voters. More importantly, the voters will have the benefit of familiarity with challengers, as well as with incumbents. This measure is in the public's best interest and I urge my colleagues, in the interest of equity, to support it. A copy of this bill follows:

H.R. —

A bill to amend the Federal Election Campaign Act of 1971 to provide that candidates in general elections for Federal office may mail campaign materials at reduced third class mailing rates.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Election Campaign Act of 1971 (Public Law 92-225; 86 Stat. 3) is amended by adding at the end thereof the following new title:

"TITLE V—GENERAL ELECTION CAMPAIGN MAILINGS

"DEFINITIONS

"SEC. 501. For purposes of this title—

"(1) the term 'campaign mail' means any piece of mail which is mailed by any candidate for the purpose of influencing the election of such candidate in a general election or special election for Federal office;

"(2) the term 'candidate' means any individual who—

"(A) has been nominated for election to any Federal office; or

"(B) has qualified to have his name on the election ballot for any Federal office;

"(3) the term 'Commission' has the meaning given it in section 301(g); and

"(4) the term 'Federal office' has the meaning given it in section 301(c).

"ELIGIBILITY

"SEC. 502. (a) Subject to the provisions of subsection (c), any candidate in a general election or special election for Federal office shall be eligible to make mailings of campaign mail in accordance with the provisions of this section.

"(b) Any campaign mail of a candidate may be entered and mailed as third class mail, at rates applicable to matter mailed in bulk by qualified nonprofit organizations, in accordance with the applicable provisions of former section 4451 through former section 4453 of title 39, United States Code.

"(c)(1) Any mailing of campaign mail may be made by a candidates only during the period beginning on the date such candidate is nominated or otherwise qualifies as a candidate and ending on the date of the general election or special election involved.

"(2) Any such mailing may be made only to addresses located in the geographical area with respect to which the general election or special election for Federal office is held.

"(3) No such mailing may be made under this section unless the candidate making such mailing is specifically identified in the campaign mail. No such mailing may be made on behalf of more than one candidate.

"ADMINISTRATION

"SEC. 503. The provisions of this title shall be administered by the Commission.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 504. There is authorized to be appropriated to the United States Postal Service an amount determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if mailings under this title were not permitted to be made at reduced rates under section 502(b) and the estimated revenues to be received on mail carried under this title.".

(b) Title V of the Federal Election Campaign Act of 1971, as added by subsection (a), is repealed effective at the end of fiscal year 1979.●

CHAMBERLAIN HONORS KEMP

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. SARASIN. Mr. Speaker, the results of last Tuesday's California referendum on proposition 13 reflect the increasing popularity of tax reforms which curtail taxation. People are concerned with the excessive tax burden which all levels of government place upon them. Proposition 13 is the product of one such group of citizens who were concerned enough to take action.

Here in the Congress, we have another individual who is concerned enough to act. I refer, of course, to my good friend and colleague from New York, the Honorable JACK KEMP.

Congressman KEMP has worked diligently for congressional tax reductions. In particular, he is sponsoring the Kemp-Roth Tax Reduction Act, a bill sponsored on the Senate side by Senator WILLIAM ROTH. This act, which I am proud to cosponsor, would reduce taxes by an average of 33 percent across the board.

I have been pleased to note that Congressman KEMP's efforts are being recognized by many political columnists, especially in the aftermath of proposition 13. One exemplary illustration of these columns was recently penned by John Chamberlain of Cheshire, Conn. Mr. Chamberlain is a noted political writer, and a constituent of mine. I am honored to represent such a distinguished and astute gentleman. I would like to take this opportunity to insert his column into the RECORD for my colleagues' information.

The column follows:

KEMP SCORES POLITICAL TOUCHDOWNS

(By John Chamberlain)

The other day I heard Rep. Jack Kemp, the Republican congressman from Buffalo, N.Y., who wins by margins that reflect a strong blue-collar labor support, ruefully refer to his college career as a physical education major. All I could say is thank heaven that Jack Kemp, a pro football quarterback of distinction, learned his logic and his ideas of strategy on the gridiron and not in Economics I, as taught by any number of our past generation of Keynesians.

On the football field, cause is followed by effect; in most economics classrooms there is no ascertainable connection between what is proposed by our policy makers and what actually happens as a result of the legislation they inflict upon us. One can call a pass play with infinitely more chance of success than one can hope to get from a new urban rehabilitation project.

With his direct mind, Jack Kemp, as a congressman dedicated to reviving our industrial system for the benefit of his blue-collar constituents, became the first politician of the past-Keynesian age to grasp the significance of Wall Street Journal editorial writer Jude Wanniski's path-making book, "The Way the World Works." Wanniski himself takes off from a phenomenon he calls the Laffer Curve, which is merely common sense observation that when you tax something you get less of it and when you subsidize something you get an excess of it. If the tax rate is set at 100 percent you will obviously get no production whatsoever.

At some point along the parabola that represents the realtionship between rates of taxation and individual incentives there is a point that will result in the best compromise possible between tax volume and production. It is the business of the statesman to find that point—and Jack Kemp, with the bill he has co-authored with Sen. William Roth of Delaware, thinks a tax reduction of some 30 percent across the board would promote a prosperity that would actually bring a bigger volume of taxes into the federal treasury than we now get at high rates.

Jack Kemp's perceptiveness in economics is matched by his strategic awareness in the field of foreign policy. Any football quarterback who uses his mind off the field as well as on must realize that the object of any contest in geographical space must be to turn the opponent's flank if one cannot crash through his center. The Soviets, with Cubans running interference, are currently attempting to turn the southern flank of the West European NATO nations in Africa. They are getting away with it.

Meanwhile, at the SALT II negotiations currently being held in Geneva, the Soviets are concentrating on devising special over-the-center passes designed to flummox the United States defenses at home and special power plays to crack NATO at some point along the line from the Baltic Sea to the Adriatic.

As a congressional delegate to the Conference of the Committee on Disarmament in Geneva, Jack Kemp figuratively listened in on the latest Soviet huddles about SALT II. With the United States prohibited by the proposed terms of the SALT II treaty from deploying "heavy" intercontinental ballistic missiles, the Soviets are holding out for permission to deploy 326 so-called SS18s each with the ability to deliver five times the payload of our most modern ICBM, the Minuteman III. And the Soviets want concessions for their Backfire bomber, which, despite Moscow's disclaimers, is a "strategic delivery" vehicle capable of crossing the Atlantic with inflight refueling and possible landing at Cuban bases. By falsely labeling the Backfire as a "tactical" weapon, the Soviets would avoid counting it against American strategic bombers in the proposed SALT II ceilings.

Since, in his estimation, the SALT II deliberations favor a deck stacked for the benefit of the Russians, Kemp thinks President Carter should recess the talks and bring our negotiators home. The Geneva draft text should be thoroughly reviewed by the Executive and Congress with a view to "reformulating the American negotiating posture."

The United States has a good quarterback's passing arm in the long-range cruise missile. If we give that up it would be equivalent to keeping Joe Namath on the bench. Jack Kemp, as an old Buffalo Bills' quarterback, doesn't have to be told the importance of the cruise missile. Thank heaven he majored in physical education and football, not in what passes these days for political science.●

AID HUMAN RACE, STOP ARMS RACE

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. METCALFE. Mr. Speaker, last month I addressed a public meeting in the First Congressional District about the severe financial impact of the arms race on the human race. I was proud to welcome Senator JOHN C. CULVER, who gave the keynote address on "New Perils in the Nuclear Arms Race."

The Committee for a Nuclear Overkill Moratorium (NOMOR) sponsored the meeting at the Hyde Park Union Church.

Worldwide military expenditures in 1977 totaled $400 billion, reports the Stockholm International Peace Research Institute. Annual worldwide military spending is twice as high as the yearly gross national product of the whole continent of Africa, and it is 20 times more than the total annual development assistance given by industrialized nations to the developing countries.

The national resources and human talent which are now used to increase military spending and to accelerate the arms race should be directed to the economic and social development of our people.

The manufacture, research, and development of all nuclear weapons, including all nuclear testing, must be stopped, and the international arms race must be reversed.

At the meeting, 235 people signed a petition calling for a nuclear moratorium. I include at the end of my remarks a copy of the petition text and the address by Senator CULVER.

Only when we make substantial progress toward reversing the arms race, will we address adequately the needs of the human race.

The material follows:

A PETITION TO PRESIDENT CARTER, THE CONGRESS, AND THE DELEGATION TO THE U.N. SPECIAL SESSION ON DISARMAMENT

(Signed by 235 Residents of the First Congressional District of Illinois)

The nuclear arms race threatens our survival and must be halted. The prolonged U.S.-Soviet negotiations offer us little hope that the race will soon end if we continue on the present course.

Therefore, we appeal to our government to take an immediate first step by declaring to the U.N. Special Session on Disarmament that the United States will halt all testing and production of nuclear weapons and will call on other nuclear nations to demonstrate a similar commitment.

NEW PERILS IN THE ARMS RACE: LOOKING BEYOND SALT II

It has been said that people can be divided into three groups: those who make things happen, those who watch things happen, and those who wonder what happened. You people who are here today unquestionably belong to the first group—concerned citizens who do everything within your power to help shape the course of events toward peace, reason and the well-being of humankind. I am proud to have this opportunity to participate in this forum dedicated to your concerns that should be recognized as the top priorities of the nation.

For more than 30 years, we have lived in a state of mutual distrust and paranoia with the other ranking nuclear power—glaring at one another across the unthinkable abyss of possible nuclear war. In the meantime, other nations have edged or muscled their way into the nuclear club. The demarcation between nuclear power for peaceful purposes and weaponry has become increasingly blurred. How long can this situation continue before willful act or accident may torch the holocaust? Does it have to continue?

I may differ with some of you on the specifics of what our course should be. But basically, I think we are on the mainline together. It doesn't have to continue this way.

The stirring words from Shakespeare's Julius Caesar are familiar to all:

"There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries."

I think it is time to give this old theme new application: There is a tide in the affairs of mankind, which, taken at the flood, leads on to stability and peace among nations . . . Unheeded, we face the certainty of an ever-escalating arms race and the prospect of massive destruction of the human species.

We are, in my judgment, at such a stage in the present hour. SALT II, the Strategic Arms negotiations with the Soviet Union, are the most important national security discussions of our era.

The success of these negotiations will stand as a symbol to the other nations of the world, encouraging them along the path of arms restraint and peace. If they should fail, the mindless race for strategic superiority between the two superpowers will inevitably accelerate, increasing the pace of military build-up and nuclear proliferation throughout the world.

We have had strategic opportunities in the past for breakthroughs in nuclear arms restraint—as in the early stages of our MIRV production. If we had sought and obtained agreements for controlling the MIRVing of missiles at a time when we were far ahead in this technology, it is conceivable that we

could have avoided the situation we have today wherein both powers have mighty arsenals of nuclear missiles equipped with multiple and independently targeted warheads.

There have been other opportunities for possible breakthroughs in the U.S.-Soviet strategic impasse that have slipped away largely because it was not widely perceived in this country that strategic arms limitation is not simply an idealist's dream, but is in our practical, self-serving national interest; and secondly because many people in this country do not understand that such negotiations on our part would be made from a position of commanding strength vis-a-vis the Soviets.

In his bristling speech at Winston-Salem, North Carolina, last March, President Carter warned the Soviet Union that, with or without a new strategic arms limitation agreement, the United States will match the Soviet defense expenditures and military force levels.

"We are prepared," the President said, "to cooperate with the Soviet Union toward common social, scientific and economic goals—but if they fail to demonstrate restraint in missile programs and other force levels and in the projection of Soviet proxy forces into other lands and continents, then popular support in the United States for such cooperation will erode.

"We will not allow any other nation to gain military superiority over us," the President declared.

Does this blunt talk on military strength signify, as the Soviets angrily shot back, a shift in U.S. foreign policy away from détente and negotiations for arms limitation to a new era of threats and cold war?

No, Mr. Carter responded. "It's not a threat. It's just a simple statement of fact."

It seems likely that, in addition to warning the Soviets that the U.S. is prepared to expend any effort and whatever resources are needed to maintain a defense capability second to none, the President was notifying the Americans who rigidly oppose SALT and other arms control efforts that the U.S. enters these negotiations from a position of strength, not weakness.

There is a sizable and highly vocal contingent in our country who believe that the Soviets have overtaken us in military power and that any concession we might make in an arms agreement is a sell-out of our national security. To them, there is only one way to go—to constantly build up our military establishment, across the spectrum, matching the Soviets weapon system for weapon system and force level for force level.

Most advocates of arms control believe in a strong national defense, second to none. They are determined to keep it that way. But within that context, they see mutually beneficial arms restraint agreements as being in our national interest, the Soviet national interest and in the interest of the entire human race. Otherwise, where does it all end?

As the President indicated in his Winston-Salem speech, the United States has the resources to spend at "an increased level (for military forces) if needed to prevent any adversary from destabilizing the peace of the world." But there is another, saner way that deserves fair trial, considering the dreadful, dead-end consequences of an uninhibited arms race in this nuclear age.

In simplest terms, our country has three ways to go to safeguard our security. We can move unilaterally; we can act under mutual defense treaties with our allies; or we can negotiate agreements with our likely adversaries.

In the nuclear era, we relied first on ourselves; and the arms race, as a result, was an all-out, unrestrained competition between the United States and the Soviet Union. Starting with the test ban treaty in 1963, however, we embarked on a period of mutually agreed-upon controls over the ever-escalaing arms race.

No one can claim that these accords have brought the competitive arms build-up to a screaming halt. However, I believe we have laid a foundation for restraint with such measures as the nuclear test ban, the nonproliferation treaty, the agreements prohibiting the placement of nuclear weapons in space or on the ocean floor, and, of course, the ABM treaty in SALT I. While we don't feel all that secure today, it is frightening to imagine where we would be if those cooperative steps had not been taken. Against the fierce competition for military superiority, a momentum toward peace was established.

Now we are involved in the second Strategic Arms Limitations Talks with the Soviet Union. As a member of the Senate Armed Services Committee and a member of the Congressional Committee appointed to observe the SALT negotiations in Geneva, I have been closely involved in this phase of national security policy.

Obviously, no agreement is better than an accord that barters away any of our vital security interests without a counterbalancing quid pro quo. I am confident that we have a strong, tough and extremely well-informed U.S. negotiating team for SALT. It goes without saying that we in the Senate will examine the fine print with a microscope when the treaty comes before the Senate for ratification.

But the obsession of the SALT opponents in this country, some in high places, that a successful treaty should be all in our favor and nothing for the Soviets, is a tragic, simplistic delusion.

Governor Averill Harriman, who served as U.S. Ambassador in many sensitive international negotiations, once said: "The one indispensable element in any successful negotiation is the determination to arrive at an agreement."

The corollary of this is that no treaty is durable that gives one side overwhelming unilateral advantage. There are effective means of verifying what the other side is doing, which I am sure will be written into the treaty. But the ultimate assurance of compliance rests in each side's self-interest in abiding by the agreement.

One wonders if the adamant opponents of any plausible version of SALT II have thought through the alternative of no treaty. With no safeguards of mutual restraint, we would be faced with the prospect of spending tens of billions of dollars just to stay even—and with no more security than we have now.

According to Defense Secretary Harold Brown, in the absence of a SALT agreement, the Soviet Union is likely to have over 3,000 strategic nuclear delivery vehicles by 1985. That would be 25 percent more than they have now and almost 50 percent more than they would probably have under a new SALT agreement. In addition, those weapons, mostly missiles, would be able to contain the latest improvements in yield, accuracy, and numbers of warheads—all of which would heighten the fears of surprise attack.

The United States could also raise the ante in this lethal poker game and position itself nearer the hair trigger for nuclear war. But would either nation be better off to plunge down the mutual extinction path?

A firm, clear, self-enforcing SALT treaty, on the other hand, would slow down or reverse this alarming trend and would channel the competition in strategic weapons into carefully defined areas. This means that the margin of uncertainty with respect to the threats we face would be narrower. Instead of having to worry simultaneously about Soviet improvements in all areas—missiles, submarines, cruise missiles—we would know that the Russians would have to limit themselves. They would have to restrict ICBM deployments, for example, if they wanted to put more missiles at sea.

Thus SALT can reduce the potential threat and thereby the range of anticipatory programs we might otherwise consider necessary. This will free us to perfect a defense system tailored to our own needs, resources, and expertise instead of being slavishly reactive to what the Soviets are doing next.

The savage attack on the SALT talks in this country is plainly based on an appeal to public fear—fear of the unknown, fear of the inscrutable Russians, above all, fear that this country is slipping behind the Soviets in strategic strength. We should have both respect and informed concern about what the Soviets are doing to improve their military capability, but fear and public hysteria do not constitute a rational foundation on which to base our all-important national security policy.

There is no question about the USSR building their military forces relentlessly and that this must be of continuing concern to us. But the contention that the Soviets have tipped the strategic balance in their favor simply does not square with the facts.

The Soviets know that we have deterrent power that could retaliate with devastating effect even after a first strike. In our triad of strategic weapons—submarines, bombers and land-based missiles—we have a more balanced and versatile attack force. We have retained strong ties with our regional allies that would greatly add to our strength in conventional warfare.

Moreover, strategic strength is more than military force; there are economic, industrial, agricultural, technological, diplomatic and other factors that contribute to our overall capability to wage a major war. The health, morale and economic security of the people are in the first line of a nation's ability to defend itself. This is well to remember when we hear the familiar argument that any expenditure for military purposes is justified, but funding for domestic social programs should be kept at a minimum. At the present time, the U.S. is first in military power, but only fourth in per capita expenditures on education; tenth in per capita expenditures on health; 17th in the rate of infant mortality and 20th in overall life expectancy.

But to return to our military efforts, we are also constantly modernizing, diversifying, refurbishing and moving out front in research and development to preserve our military edge.

Recently, two factors have been cited as endangering the U.S. edge in any possible nuclear war: one is that increased accuracy in Soviet ICBMs could make our land-based Minuteman vulnerable, and the other that Soviet civil defense has improved to such an extent that the Russians might feel they could win a nuclear war. While both factors deserve consideration, they have been exaggerated beyond the facts.

Defense debates in recent years have been distorted by over-emphasis on how much we spend vis-a-vis the Soviet Union, rather than on what we buy and what it will do to enhance our own defense capability. We need to develop our own military forces in terms of our own needs and objectives rather than simply trying to match the Soviets, dollar for dollar or ruble for ruble. For example, it is sometimes stated that we are falling behind because Soviet missiles have greater "throw-weight" than ours. This is true, but it is a result of a deliberate decision made by our defense planners, years ago, to opt for accuracy and mobility rather than sheer missile weight.

It is true that Soviet accuracy improvements will likely render the bulk of our Minuteman ICBMs hypothetically vulnerable to attack by the middle of the 1980s. Such a

development would not leave us defenseless by any measure, of course, since we could retaliate—and therefore deter attack—with our remaining ICBMs, and with our Poseidon and Trident missiles, and with our bombers and cruise missiles. We built a triad of strategic forces, after all, as a hedge against any such vulnerability.

According to an unclassified study by the Congressional Budget Office, even a totally surprise attack by the USSR in the mid- to late-1980s, using missiles with greater-than-expected capability, would still leave the United States with 4,500 to 8,000 nuclear warheads for retaliation—at least half of our total current number.

And this "worst case" scenario of the Soviets being able to destroy our Minuteman in the years ahead would have to be based on a perfectly functioning Russian war machine impervious to shortfalls caused by weather, faulty intelligence, inadequate command and control, and numerous other factors.

As Defense Secretary Harold Brown concluded: "Neither Minuteman vulnerability nor Soviet civil defense on the scale we can now see can seriously degrade our basic retaliatory response."

Obviously, arms control is not simply a bilateral issue between the United States and the Soviet Union, nor can it be so considered if we are to make real progress in reducing the danger of war.

It is a tragic fact that the world spends about $400 billion each year on armaments. Developing nations, struggling with unimaginable problems of poverty, economic depression, inadequate health and education systems and soaring birth rates, nonetheless spend more on their military establishments than on health and education combined.

Take the sad case of Somalia—one of the half dozen poorest nations in the world. Rebuffed by the west in its search for arms and allies, it turned, several years ago, to the Soviet Union, which was only too willing to pour in equipment and advisors. Well-armed despite its poverty, and strong by comparison with the chaotic condition in its historical antagonist, Ethiopia, Somalia attacked across its borders. The Soviet Union abruptly cut off its aid to Somalia and joined with Cuba to prevent an Ethiopian collapse. The United States refused to aid Somalia as long as it was in the position of invader. Now the Somalis have retreated within their own borders, and after many months of debilitating war and countless casualties, they are now back at square one.

In recent years Congress has recognized the folly and danger of the pathological competition between arms-producing nations to sell the most modern instruments of death to any country willing to pay the price. Last year, President Carter proclaimed the Administration's determination to cut down on these indiscriminate and constantly growing foreign military sales. Over the years, we have ourselves seen the pathetic results of arming to the teeth nations in regions of traditional enmities and potential conflict. We had the dubious honor of having furnished arms to both sides in the conflicts between India and Pakistan and Turkey and Greece. For years now, we and other arms-producing nations have been pouring sophisticated armaments into the volatile Mideast.

The pathological competition between industrial arms-producing nations to sell instruments of death to any nation that has the money goes on despite President Carter's commendable announcement that this country will lead the way in reducing foreign arms sales. These, of course, are conventional weapons but included are weapons of the most sophisticated kind, with an enormous kill ratio. Conventional warfare of the future will show frontiers of devastation in its own right as well as providing the likely stepping-stone to nuclear war. So in our efforts to restrain nuclear arms, we cannot be permitted to forget that a parallel effort to control conventional weaponry is also necessary.

In conclusion, I would point out that the Strategic Arms Control Talks with the Soviet Union are the centerpiece and symbol of the arms control movement in the world today.

The successful resolution of these negotiations will spur other initiatives for arms restraint throughout the world.

Who can doubt that this is in our national interest as well as in the interest of all humanity?

No matter what we could do to tip the strategic balance vis a vis the Soviets in our favor, either with or without SALT II, the Russians would still be in a position to inflict unacceptable damage on our country—only to receive a more completely devastating holocaust upon their own country from our awesome triad of nuclear weapons.

At this point, there is no absolute security for any country in a changing, increasingly interdependent and dangerous world. The security we have is in deterrent power, strategic balance and the determination to move toward initiatives for peace.

The words are still as true as when John Fitzgerald Kennedy said them: "Mankind must put an end to the arms race or the arms race will put an end to man."

Do I leave you with a message of optimism or pessimism? Neither. But I would hope to leave you with a message of hope. There is no way to assure that our efforts to control nuclear proliferation and prevent nuclear war will succeed. If the house is burning and we try to put out the fire, we cannot be guaranteed of success. But we see what must be done; we do have a chance, whatever the odds may be. And finally, we really have no choice but to do everything within our power to prevent the people on this planet from destroying themselves and their fellow human beings in mindless nuclear conflict. Thank you for your concern and your effort in this great cause.●

NO, POOR DO NOT PAY BULK OF U.S. TAXES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. McDONALD. Mr. Speaker, one of the persistent myths abroad in this Nation is the one that the poor pay all the taxes and that all the rich folks avoid taxes. Statistical studies in recent years have not borne out this contention. Prof. James Green, a professor of economics, at the University of Georgia, made the case against this myth in excellent fashion in his column that appeared in the Sunday, May 7, 1978, Atlanta Journal and Constitution. If any conclusion is to be drawn from his column, it is that the rich do pay taxes and that the middle class is carrying the major share of the burden, and they are getting tired of it. This was very evident in the recent vote in California on proposition 13. The column follows:

NO, POOR DO NOT PAY BULK OF U.S. TAXES

(By James Green)

We have April 15 behind us. Our taxes are paid. Most of us feel naked but breathe easier now with a sigh of relief. It's over. Then comes that questioning doubt. Who paid the taxes? Did everyone pay his share?

Economist Paul Craig Roberts who works with Sen. Orrin Hatch tells us the answers to these questions (National Review, April 17). Dr. Roberts attacks the myths which condition our attitude with facts.

One myth has it that the bulk of taxes is paid by lower income recipients while high income earners largely avoid taxes. This is in no way supported by the facts.

In 1975, the top 5 percent of income recipients—those with adjusted gross income of $29,272 or more—paid over one-third of all personal income taxes. The top 10 percent with adjusted incomes of $23,420 or more paid almost 50 percent of total income taxes. Those with adjusted incomes of $15,898 or more—the top 25 percent—paid a full 72 percent of all personal income taxes.

HALF PAY 7.1 PERCENT OF TOTAL

Those income earners in the bottom 25 percent paid less than one-half of 1 percent of the total. The lowest 50 percent—those with adjusted incomes of $8,930 or less—paid only 7.1 percent of taxes paid. Compare this with the fact that the top 1 percent paid nearly 20 percent of total income taxes collected by the IRS.

Where does the tax burden lie?

Dr. Roberts directs our attention to the fact that in 1970 the lowest 50 percent of income earners paid 10.3 percent of the total; in 1975, this group paid 7.1 percent. In contrast, the top 50 percent paid 89.7 percent of the total in 1970 and a higher 94 percent in 1976. Further, several million taxpayers disappeared from the tax rolls after 1970 as tax changes favoring low income earners were legislated.

LOOPHOLES DON'T AID WEALTHY ONLY

How about all those tax loopholes?

In 1977 the Treasury listed 69 tax loopholes. Of the deductions allowed, for every dollar saved by high income earners, the lower and middle income groups saved three dollars. Two of the largest loopholes are the contributions employers make to pension plans and medical insurance for employees. According to Treasury figures in 1976, upper income taxpayers took about $16 billion in deductions; lower and middle income taxpayers were allowed some $50 billion in deductions and exclusions. This prompted Sen. Curtis to observe: "When I see that the great majority of benefits got to people who are not rich, I wonder what the tax reformers are up to."

What about capital gains?

Capital gains is becoming a central issue in tax reform. The Carter reform proposal is to tax capital gains as ordinary income. This would amount to a confiscation of capital assets and a very real shrinkage of capital stock, already a potent cause underlying joblessness and declining productivity. In contrast to the Carter proposal, the elimination of all taxes on capital gains would increase federal revenues an estimated $38 billion over the next four years. Attention Mr. Carter: This is one tax reform proposal which should be reversed immediately.

In 1977 Americans paid $16.7 billion more in taxes than they spent on food, clothing and housing. The average American worked from January through May 11 to pay his taxes. This is more government that we want, need or can afford.●

PERSONAL EXPLANATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. LEHMAN. Mr. Speaker, as a congressional adviser, I attended the United Nations special session on disarmament on June 8 and 9. Because I had to miss some rollcall votes, I would like to list in

the RECORD how I would have voted if I had been present:

Rollcall vote No. 429, "yea."
Rollcall vote No. 430, "yea."
Rollcall vote No. 431, "nay."
Rollcall vote No. 432, "yea."
Rollcall vote No. 433, "aye."
Rollcall vote No. 434, "yea."
Rollcall vote No. 435, "yea." ●

LET'S NOT FORGET THE IMPORTANCE OF OUR STAR-SPANGLED BANNER

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. HYDE. Mr. Speaker, today, June 14, is a special day for this country but one which, unfortunately, receives too little attention. Today we honor our Nation's flag—Old Glory. There was a time—and not so long ago—when our beautiful flag would have been prominently displayed on this date waving in the breeze in front yards and on porches throughout the country. Unfortunately, that does not seem to be the case anymore. Has patriotism gone the way of the front porch? Are both considered obsolete?

Old Glory is an important part of our history; she represents a nation dedicated to independence, freedom, and justice. Born as the banner of an infant republic, she is a symbol of over 200 years of growth and liberty for our country. Her stripes remind us of the 13 original colonies and of our forefathers whose wisdom, perseverance and foresight forged the way toward a United States of America made up of 50 diverse States, each represented on our flag, and over 200 million people. Old Glory is a symbol of a pledge made for all of us by our forefathers:

. . . we mutually pledge to each other our Lives, our Fortunes, and our sacred Honor.

She is a mighty symbol to people everywhere of a sovereign nation, a great democratic Republic.

On Flag Day in 1917, only a few months after the United States entered World War I, President Wilson spoke eloquently on the meaning of our flag and what our banner stands for:

This flag, which we honor and under which we serve, is the emblem of our unity, our power, our thought and purpose as a nation. It has no other character than that which we give it from generation to generation. The choices are ours. It floats in majestic silence above the hosts that execute those choices, whether in peace or in war. And yet, though silent, it speaks to us—speaks to us of the past, of the men and women who went before us, and of the records they wrote upon it.

We celebrate the day of its birth; and from its birth until now it has witnessed a great history, has floated on high the symbol of great events, of a great plan of life worked out by a great people . . .

Woe be to the man or group of men that seeks to stand in our way in this day of high resolution when every principle we hold dearest is to be vindicated and made secure for the salvation of the nation. We are ready to plead at the bar of history, and our flag shall wear a new luster. Once more we shall make good with our lives and fortunes the great faith to which we were both, and a new glory shall shine in the face of our people.

Just across the bridge, in Arlington, Va., we have erected a memorial to six brave servicemen who risked their lives on Iwo Jima in 1945 to keep our banner flying. Three of those men also died on Iwo Jima. Nearby, in Arlington National Cemetery, are the graves of thousands more patriotic Americans who sacrificed their lives for everything Old Glory stands for.

The brilliant Henry Ward Beecher once said:

A thoughtful mind when it sees a nation's flag, sees not the flag, but the nation itself. And whatever may be its symbols, its insignia, he reads chiefly in the flag, the government, the principles, the truths, the history that belong to the nation that sets it forth. The American flag has been a symbol of Liberty and men rejoicing in it.

The stars upon it were like the bright morning stars of God, and the stripes upon it were beams of morning light. As at early dawn the stars shine forth even while it grows light, and then as the sun advances that light breaks into banks and streaming lines of color, the glowing red and intense white striving together, and ribbing the horizon with bars effulgent, so, on the American flag, stars and beams of many-colored light shine out together . . .

Our flag deserves our love, our reverence and our respect. She is a glorious banner representing, in the words of Francis Scott Key, "the home of the brave and the land of the free." There are many people in this world today who wish they were fortunate enough to salute the same flag we salute, and to live in the land which she represents.●

THE ROLE OF GRAIN TRADERS AND EXPORTERS

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. NOLAN. Mr. Speaker, today's New York Times carried an article regarding the role of grain traders and exporters in the Geneva negotiations for a new international wheat agreement. Farmers, the article states, have been kept away from the negotiations while wheat industry officials maintain a cozy relationship with the U.S. negotiating team.

Under such circumstances, the U.S. negotiating team inevitably acquires a rather parochial orientation, believing that what is good for the wheat industry must be good for wheat farmers. Little wonder that the farmers' interest in a fair price continues to be undermined by the cheap food mentality which prevails among U.S. negotiators.

The article follows:

INDUSTRY ROLE SCORED IN TRADE TALKS

(By Michael C. Jensen)

The scene was Geneva. A high-level American team led by Dale E. Hathaway, Assistant Secretary of Agriculture, was negotiating a new international wheat agreement.

Team members included officials from the State Department, the Treasury, the White House and Capitol Hill. And in their midst—giving advice, providing information, arguing strategy—were Michael L. Hall, president of Great Plains Wheat Inc., an influential organization of wheat interests; Joseph Halow, head of the North American Export Grain Association, which includes the nation's most powerful grain traders and exporters; Don A. Woodward of the National Association of Wheat Growers, and Eugene B. Vickers of the Western Wheat Association.

The presence of industry members at such international negotiations—involving wheat, coffee, cocoa, sugar and other commodities—although a longstanding practice, has touched off fresh debate.

Both farmers and some Congressmen question the wisdom, as well as the propriety, of allowing trade interests to fill nearly all of the non-Government seats at the bargaining table. The twin specters of undue influence and inside information have been raised.

Industry and the Government defend the business role. At Geneva, Dr. Hathaway says, industry members were "helpful" on two counts: "They have technical knowledge of how wheat is sold and traded. If you inadvertently mess up the way they do business, you could impede trade flows. And, they gave us some parameters of what the growers consider acceptable."

Dr. Hathaway also says nothing that took place in Geneva last winter was "market-sensitive" and that industry members "do not have access to everything I have access to." Price thresholds that would trigger certain activities under the agreement are among the most potentially sensitive information, but they will be proposed, Dr. Hathaway says, following a "decision by the Executive Branch, not by the producers."

Still, the subject is complex. Last November, it was disclosed that for more than 15 years the American coffee industry maintained a largely unpublicized position close to the Government officials who negotiate international coffee agreements. So influential were the industry officials, according to one Treasury Department memorandum, that they helped dissuade the Government from seeking an international stockpile to stabilize supply and thus avert price increases.

Representative Frederick W. Richmond, a Brooklyn Democrat who heads the House Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, says business not only exerts inordinate influence in setting Government policy on commodity agreements but also regularly obtains inside information from which it could profit.

ACCESS TO DATA CITED

The General Accounting Office, the investigative arm of Congress, at the request of the House subcommittee, recently reported some of the problems arising from industry's role as advisers to commodity-negotiating teams.

The G.A.O. said some of the information generated at the wheat negotiations, for example, was "not normally available to the general public" but was provided to industry representatives, including classified information for which they did not have proper security clearance. They also had access to the following:

Policy proposals by the Agriculture Department, including possible elements of new wheat agreements are proposed measures to be taken by the United States Government under "specified market conditions."

Policy proposals of other grain-importing and grain-exporting countries.

Furthermore, the report said, wheat-industry advisers were limited to individuals representing Great Plains Wheat, Western Wheat, the National Association of Wheat Growers and the North American Export Grain Association.

"Though other organizations have expressed their desire to be considered for advisory positions," the report said, "their input has been limited to attendance at public sessions in Washington." Among the organizations that said they wanted to participate as accredited members of the American delegation, but were not accepted, are Bread for the World, a citizens' lobby on hunger and poverty, and the National Farmers Union.

EFFORT TO KEEP FARMERS OUT SEEN

Despite the presence of some farm groups as advisers, Robert G. Lewis, national secretary and chief economist for the National Farmers Union, says there has been a "studied effort to keep farmers from being on the inside."

"We probably represent more wheat farmers than any other organization in the country," he added. A former Government official, Mr. Lewis in 1962 headed the American delegation to Geneva. Now he cannot get a seat. The non-Government advisers to the current negotiating team, he says, "primarily represent the trading companies."

The G.A.O. report also said "nonaccredited persons" whom it did not identify from the wheat industry had participated in the negotiations, attending the formal sessions as well as the informal discussions that preceded and followed them. No official records were kept of those informal meetings, it said.

Providing an assessment of the role of trade advisers was Dr. Robert O. Herrmann, professor of agricultural economics at Pennsylvania State University (and a former student of Dr. Hathaway, who was a professor at Michigan State before he became Assistant Secretary of Agriculture). He sat in on the Geneva negotiations as a "consumer" representative.

"What gave the trade members such great power and influence," Dr. Herrmann says, "was the web of information they had that the Government didn't. Mike Hall would sometimes come back to the hotel and have eight or 10 Telexes waiting for him. One night he was talking on the telephone to people in the United States until about 5 A.M."

Furthermore, Dr. Hermann says, when price levels enter the discussion, "I can imagine that it would be extremely tricky. It would be very advantageous for the trade to know" about such matters. Still, he said, trade representatives in general "had a lot more to offer to the Government than they had to gain" in Geneva.

ADVANTAGE ACKNOWLEDGED

Fred H. Sanderson of the Brookings Institution in Washington, a member of the American grain-negotiating team in 1967, said he did not favor allowing trade members to attend negotiating sessions. They currently attend all sessions, participating fully in the staff meetings and observing but not speaking at the negotiating sessions.

But Mr. Sanderson acknowledges there is one advantage to allowing trade members to participate: Congress must ratify any agreement and is generally sensitive to the desires of the domestic trade so it is important for Government negotiators to know the trade's position early.

Trade members concede that they do not spend weeks of time, and thousands of dollars in expenses, out of an altruistic desire to help the Government. Clearly, they try to shape the Government's approach to commodity agreements, and, in an industry where up-to-the-minute information is crucial, they pass the word throughout the industry of fresh developments.

Last February, after the first week of the wheat negotiations in Geneva, Mr. Halow of the North American Export Grain Association sent a confidential three-page memorandum (labeled "Not for Publication or Further Distribution") to his association's members, including Cargill Inc., the Continental Grain Company, the Bunge Corporation, the Garnac Grain Company and the Louis Dreyfus Corporation, five industry giants.

After characterizing the negotiating positions of the Canadian, Australian, Soviet and European delegations, he observed that there appeared to be "very little—if any—chance the conference will produce any substantive agreement on sharing of the responsibility for world stocks."

From time to time, Mr. Halow leaves the negotiations, and members of his organization take his seat. Robert W. Kohlmeyer of Cargill, for example, sat in Mr. Halow's chair in Geneva for a time, as did Richard Carter, a vice president of Continental. Mr. Carter is currently in London with the Government's "interim committee" on wheat, which is led by Thomas R. Saylor of the Department of Agriculture.

Mr. Kohlmeyer says he participates because the Government needs technical expertise and because it is "valuable to my employer, Cargill, to have results of negotiations which are beneficial to United States agriculture." ●

REINTRODUCTION OF THE SUSAN B. ANTHONY COIN LEGISLATION

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Ms. OAKAR. Mr. Speaker, I am reintroducing my bill, with additional cosponsors, to amend the Coin Act of 1965, to, among other things, place the portrait of Susan B. Anthony on the proposed $1 coin. I am pleased that more than 35 of my colleagues have joined with me in sponsoring this legislation, as it is a unique opportunity to recognize and honor all women of our great country.

Susan B. Anthony perhaps more than any other woman, changed our lives through her single-minded devotion to the principle that all Americans must participate in a democracy. She realized more completely than anyone else that in order for the women of America to truly participate as American citizens, they had to be given the right to vote. She spent her entire life working toward that end.

Senator PROXMIRE has introduced similar legislation in the Senate, and he fully supports this proposal to put Ms. Anthony's portrait on the new dollar coin.

It is important that we utilize this unique opportunity to honor all American women by authorizing the U.S. Treasury to place Susan Anthony's portrait on the new dollar coin. We know from a report by the U.S. Treasury Department that she is the overwhelming choice of Americans.

The bill is as follows:

H.R. —

A bill to amend the Coinage Act of 1965 to change the size, weight, and design of the one-dollar coin, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Susan B. Anthony Dollar Coin Act of 1978".

SEC. 2. Section 101(c)(1) of the Coinage Act of 1965, as amended (31 U.S.C. 391(c)(1)), is amended by striking out "1.500" and inserting in lieu thereof "1.043" and by striking out "22.68" and inserting in lieu thereof "8.5".

SEC. 3. (a) The one-dollar coin authorized by section 101(c) of the Coinage Act of 1965, as amended by section 2, shall bear on the obverse side the likeness of Susan B. Anthony.

(b) Subject to subsection (a) and the limitations contained in section 3517 of the Revised Statutes, as amended (31 U.S.C. 324), the Secretary of the Treasury may prescribe such design for the one-dollar coin authorized by section 101(c) of the Coinage Act of 1965, as amended by section 2, as he deems appropriate.

SEC. 4. Section 203 of the Act of December 31, 1970 (31 U.S.C. 324b), is amended by striking out "initially" and by inserting "(d)" after "section 101".

SEC. 5. Until January 1, 1979, the Secretary of the Treasury may continue to mint and issue one-dollar coins authorized under section 101(c)(1) of the Coinage Act of 1965, as such section was in effect immediately prior to the date of enactment of this Act. ●

ENERGY IMPORTANCE OF PUBLIC LANDS IN ARIZONA

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. RUDD. Mr. Speaker, last year the Forest Service conducted a nationwide inventory of all roadless and undeveloped land throughout the National Forest system.

The announced objective of this inventory—known as RARE II—was to consider all such land within our national forests for possible wilderness designation at some point in the future.

Millions of Americans object to the inclusion of vast additional acreage of public lands in the narrow wilderness category.

Such designation by the Federal Government removes this land from multiple use, where it is available under Government management for recreation, wildlife habitats, timber production, grazing, mineral exploration, and commercial development for the benefit of all the people.

The RARE II inventory includes more than 65 million acres of Forest Service land nationwide. This includes more than 1.8 million acres of land in the six national forests in Arizona. The Forest Service has informed me that it will this week issue the first draft of its environmental statement on the RARE II wilderness project, in order to present their view of the social and economic impacts of wilderness designation of various land areas.

Mr. Speaker, I strongly hope that the Forest Service will promptly return all Arizona acreage to multiple use, and I have requested the Secretary of Agriculture to order this on the basis of the land's high importance to our energy needs alone.

There are a multitude of reasons not to designate any further Forest Service land in Arizona as wilderness, but the energy importance of this land must be a top consideration.

The Department of Energy has con-

firmed this fact in a recent evaluation of all public lands included in the Forest Service's RARE II inventory, provided at my request.

The Department evaluated every tract and every acre of land that the Forest Service is considering for possible future wilderness designation. The land was evaluated according to its importance for oil and gas, coal, uranium, and hydro, which are vital to provide our future energy needs and to help make us self-sufficient in the energy area.

It was the judgment of Department of Energy officials that every tract of land among the 94 tracts of so-called "roadless and undeveloped" Forest Service land in Arizona is in some way important to our future energy needs.

More than 28.3 percent of all the acreage was designated either highly important or important to the Nation's oil, gas, and uranium needs.

Another 72 tracts totalling 1,487,990 acres were cited for their "commercial potential" for oil and gas.

The Department of Energy cited more than 236,050 acres of Forest Service land in Arizona as "highly important" or "important" to the Nation's uranium needs, with possible rich deposits of uranium for nuclear energy.

This is almost 14 percent of all land designated as a "highly important" or "important" source of uranium throughout the Nation.

Another 113,080 acres of the Forest Service land in Arizona was cited for its "commercial potential" for uranium in the Department of Energy report.

Mr. Speaker, I have carefully studied this Federal energy evaluation of every tract of Forest Service land included in the RARE II inventory throughout Arizona.

I have summarized that information in a simple chart that shows the importance of each tract of land for oil and gas, coal, uranium, and hydro.

I would like to include the chart at this point in the RECORD. I hope that this valuable information has been considered by those responsible for the RARE II wilderness project. It should serve as a compelling reason for the Secretary of Agriculture to immediately terminate consideration of this Arizona land for wilderness, and to return it all to multiple use for the benefit of all the people.

DEPARTMENT OF ENERGY ANAYLSIS OF FOREST SERVICE RARE-II WILDERNESS PROJECT IN THE STATE OF ARIZONA

Area code and nama	Gross acres	Oil and gas				Coal				Uranium				Hydro			
		Very important	Important	Commercial potential	No commercial potential	Very important	Important	Commercial potential	No commercial potential	Very important	Important	Commercial potential	No commercial potential	Very important	Important	Commercial potential	No commercial potential
APACHE-SITGREAVES NATIONAL FOREST																	
3128 Escudilla Mountain	4,100			X					X				X				X
3129 Black River Canyon	11,630			X					X				X				X
3130 Centerfire	13,100			X					X				X				X
3131 Bear Wallow	9,590			X					X				X				X
3132 Nolan	6,640			X					X				X				X
3133 Campbell Blue	7,020			X					X				X				X
3134 Mother Hubbard	2,100			X					X				X				X
3135 Painted Bluffs	42,910			X					X				X				X
3136 Mitchell Peak	35,670			X					X				X				X
3137 Pipestem	34,370			X					X				X				X
3138 Hell Hole	15,470			X					X				X				X
3139 Lower San Francisco	59,330			X					X				X				X
3140 Salt House	22,270			X					X				X				X
3141 Hot Air	31,700			X					X				X				X
3142 Sunset	29,040			X					X				X				X
Total	324,940																
COCONIHO NATIONAL FOREST																	
3040 Jacks Canyon	5,010		X						X				X				X
3041 East Clear Creek	1,730		X						X				X				X
3042 Barbershop Canyon	1,250		X						X			X					X
3043 Lower Jacks Canyon	870		X						X				X				X
3044 Hackberry	24,910			X					X				X				X
3045 Wet Beaver	9,810		X						X				X				X
3046 Fossil Springs	14,050		X						X			X					X
3047 West Clear Creek	33,660		X						X				X				X
3048 Strawberry Crater South	8,050			X					X				X				X
3049 San Francisco Peaks	17,980			X					X				X				X
3050 Kendrick Mountain	2,200			X					X				X				X
3051 Padre Canyon	9,910		X						X				X				X
3052 Sycamore Canyon Wilderness, Contig	2,650		X						X				X				X
3053 Red Rock Secret Mountain	47,480		X						X				X				X
3054 Rattlesnake	32,870		X						X				X				X
3055 Walker Mountain	8,840		X						X				X				X
3056 House Mountain	20,770		X						X				X				X
3057 Cimarron Hills	5,280			X					X				X				X
3058 Boulder Canyon	4,550			X					X				X				X
3059 Strawberry Crater North	1,790			X					X				X				X
Total	253,740																
CORONADO NATIONAL FOREST																	
3109 Chiricahua Wilderness Contig	60,150			X					X				X				X
3110 Whitmire Canyon	5,080			X					X				X				X
3112 North End	23,550			X					X			X					X
3113 Mount Wrightson	25,170			X					X			X					X
3114 Tumacacori	51,490			X					X			X					X
3115 Pajarita No. 1	10,320			X					X			X					X
3116 Pajarita No. 2	5,500			X					X				X				X
3117 Miller Peak	22,510			X					X				X				X
3118 Brushy Peak	8,480			X					X				X				X
3119 Canelo Hills	8,650		X						X				X				X
3120 Whetstone	36,610			X					X				X				X
3121 Santa Teresa	27,160			X					X				X				X
3122 Winchester	14,100			X					X				X				X
3123 Mount Graham	55,090			X					X				X				X
3124 Galiuro Wilderness Contig	22,130			X					X				X				X
3125 Little Rincon	11,560			X					X				X				X
3126 Rincon Mountains	62,930			X					X			X					X
3127 Kane Springs	6,970			X					X				X				X
3200 Bunk Robinson Peak	740			X					X				X				X
Total	458,190																

DEPARTMENT OF ENERGY ANALYSIS OF FOREST SERVICE RARE-II WILDERNESS PROJECT IN THE STATE OF ARIZONA—Continued

Area code and name	Gross acres	Oil and gas				Coal				Uranium				Hydro			
		Very important	Important	Commercial potential	No commercial potential	Very important	Important	Commercial potential	No commercial potential	Very important	Important	Commercial potential	No commercial potential	Very important	Important	Commercial potential	No commercial potential
NATIONAL FOREST																	
3050 Kendrick Mountain	4,310			X					X				X				X
3060 Kanab Creek	73,330	(1)	(1)	(1)	(1)				X				X				X
3061 Coconino Rim	8,510		X						X	X							X
3062 Saddle Mountain	39,190		X						X	X							X
3063 Red Point	7,960		X						X	X							X
3064 Big Ridge	8,850		X						X	X							X
3065 Burro Canyon	20,510		X						X	X							X
3066 Willis Canyon	8,730		X						X	X							X
Total	171,390																
PRESCOTT NATIONAL FOREST																	
3080 Juniper Mesa	9,770			X					X				X				X
3081 Apache Creek	5,610			X					X				X				X
3082 Connell Mountains	9,040			X					X				X				X
3083 Sheridan Mountain	37,380			X					X				X				X
3084 Granite Mountain	8,580			X					X			X					X
3085 Castle Creek	28,600			X					X				X				X
3086 Fritsche	14,660			X					X			X					X
3087 Muldoon	5,160			X					X			X					X
3088 Woodchute	5,540			X					X				X				X
3089 Black Canyon	10,420			X					X				X				X
3090 Ash Creek	8,430			X					X				X				X
3091 Grief Hill-I 17	12,280			X					X				X				X
3092 Arnold Mesa	28,000			X					X				X				X
3093 Pine Mountain Wilderness Contig	2,910			X					X				X				X
3094 Sycamore Canyon Wilderness Contig	8,280	(1)	(1)		(1)	(1)			X				X				X
3095 Blind Indian Creek	27,040			X					X			X					X
Total	221,700																
TONTO NATIONAL FOREST																	
3016 Mazatzal Wilderness Contig	83,750			X					X				X				X
3017 Pine Mountain Wilderness Contig	7,050			X					X								X
3018 Superstition Wilderness Contig	32,160			X					X			X					X
3019 Sierra Ancha Wilderness Contig	11,520			X					X		X						X
3020 Lime Creek	43,050			X					X				X				X
3021 Hells Gate	30,400			X					X				X				X
3022 Salome	30,470			X					X	X							X
3023 Cherry Creek	12,130			X					X	X							X
3024 Boulder	45,000			X					X			X					X
3025 Four Peaks	55,010			X					X				X				X
3026 Goldfield	16,930			X					X				X				X
3027 Black Cross	6,290			X					X				X				X
3028 Horse Mesa	10,450			X					X				X				X
3029 Salt	41,290			X					X		X						X
3030 Picacho	7,200			X					X		X					X	
3092 Arnold Mesa	320			X					X				X				X
Total	433,020																
Total, State	1,862,980																

(1) Not evaluated.

Source: Energy Resource Assessments Of Lands To Be Reviewed By U.S. Forest Service In 1977-1978 Roadless Area Review and Evaluation (RARE-II), U.S. Department of Energy, Jan. 16, 1978. 52-43N

ANNIVERSARY OF BALTIC STATES' GENOCIDE DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. DERWINSKI. Mr. Speaker, 37 years ago, on June 14, 1941, the Soviet Union began to execute its policy of genocide in the Baltic nations. This date marks the anniversary of one of the most tragic episodes in history—the mass deportation from their lands of Estonians, Latvians, and Lithuanians by Soviet Russian military authorities.

These small republics of Estonia, Latvia, and Lithuania had enjoyed a short-lived freedom, having secured their independence after the end of World War I. However, the territory of the Baltic lands became a battleground being first invaded by Soviet troops and followed by the occupation of Nazi armed forces.

Toward the end of World War II, when Soviet troops reoccupied the Baltic States, the U.S.S.R. illegally incorporated these three small countries into its huge empire. The end of World War II found the Communists in undisputed and complete control. Tens of thousands of the Baltic peoples were killed and over a million were deported to slave labor camps in Siberia and other areas of the Soviet Union.

Hundreds of thousands of Estonians, Latvians, and Lithuanians were transported from their homelands, to be replaced by peoples from other parts of the Soviet empire. This exchange of population has substantially altered the ethnic composition of the Baltic nations.

In addition, the Baltic people have suffered from the collectivization of their farms and the nationalization of their industries. They have suffered religious persecution and their children have been subject, through Soviet educational institutions, to Communist brainwashing.

However, throughout the free world, the peoples of Estonian, Latvian, and Lithuanian origins have maintained their traditional civic, cultural, and church organizations and bravely continue their efforts on behalf of their enslaved compatriots held captive within the U.S.S.R.

As a nation, we stand for freedom and for the right of self-determination. I believe that this is an universal principle and not one that should be applied selectively. As this is not the case for those held captive of communism, it is absolutely necessary for the policy of the

United States to continue to be that of nonrecognition of the Soviet incorporation of Estonia, Latvia, and Lithuania. These Baltic States were physically annexed by the Soviet Union and forcibly incorporated into the cluster of its "Socialist Republics." So far as the Soviets are concerned, Lithuania, Estonia, and Latvia have ceased to exist as separate entities and they are denied their own national identity and independence.

As we draw attention to this tragic anniversary, we recognize that it is the duty of the United States to support the cause of freedom so it can be restored to these lands. The legitimate aspirations and the perseverance of the Baltic peoples to independence will ultimately triumph over communism.●

"THE WEST'S DECLINE IN COURAGE"

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. SYMMS. Mr. Speaker, I was very impressed with the speech given to the 1978 graduating class of Harvard University by Alexander Solzhenitsyn. I hope that Mr. Solzhenitsyn's message was heard and will be pondered by those in policymaking positions.

I was most intrigued by his observations of the national media in the United States:

Hastiness and superficiality are the psychic disease of the 20th century and more than anywhere else this disease is reflected in the press. Indepth analysis of a problem is anathema to the press. It stops at sensational formulas.

Such as it is, however, the press has become the greatest power within the Western countries, more powerful than the legislature, the executive and the judiciary. One would like to ask: By what law has it been elected and to whom is it responsible?

I would especially like to highlight his statement that—

Enormous freedom exists for the press, but not for the readership, because newspapers mostly give enough stress and emphasis to those opinions which do not too openly contradict their own and the general trend. . . . Without any censorship, in the West fashionable trends of thought and ideas are carefully separated from those which are not fashionable; nothing is forbidden, but what is not fashionable will hardly ever find its way into periodicals or books or be heard in colleges.

Mr. Speaker, I think that his point about reporting only what is "fashionable" gets at the heart of the question of the Soviet military buildup and our own national defense.

I would like to commend the text of the Solzhenitsyn speech, as it appeared in last Sunday's Washington Post, to my colleagues in Congress:

SOLZHENITSYN'S INDICTMENT: "THE WEST HAS LOST ITS COURAGE"

(By Alexander Solzhenitsyn)

An unchecked materialism, timid leadership, legalism without moral values, an irresponsible press, a spiritual vacuum—all these add up to a society that has lost the will to defend itself.

A loss of courage may be the most striking feature which an outside observer notices in the West in our days. The western world has lost its civil courage, both as a whole and separately, in each country, each government, each political party and of course in the United Nations.

Such a decline in courage is particularly noticeable among the ruling groups and the intellectual elite, causing an impression of loss of courage by the entire society. Of course there are many courageous individuals but they have no determining influence on public life. Political and intellectual bureaucrats show depression, passivity and perplexity in their actions and in their statements and even more so in theoretical reflections to explain how realistic, reasonable as well as intellectually and even morally warranted it is to base state policies on weakness and cowardice.

And decline in courage is ironically emphasized by occasional explosions of anger and inflexibility on the part of the same bureaucrats when dealing with weak governments and weak countries, not supported by anyone, or with currents which cannot offer any resistance. But they get tongue-tied and paralyzed when they deal with powerful governments and threatening forces, with aggressors and international terrorists.

Should one point out that from ancient times decline in courage has been considered the beginning of the end?

When the modern western states were created, the following principle was proclaimed: governments are meant to serve man, and man lives to be free and to pursue happiness. (See, for example, the American Declaration of Independence).

Now at last during past decades technical and social progress has permitted the realization of such aspirations: the welfare state. Every citizen has been granted the desired freedom and material goods in such quantity and of such quality as to guarantee in theory the achievement of happiness, in the morally inferior sense which has come into being during those same decades.

In the process, however, one psychological detail has been overlooked: The constant desire to have still more things and a still better life and the struggle to obtain them imprints many western faces with worry and even depression, though it is customary to conceal such feelings. Active and tense competition permeates all human thoughts without opening a way to free spiritual development.

The individual's independence from many types of state pressure has been guaranteed; the majority of people have been granted well-being to an extent their fathers and grandfathers could not even dream about; it has become possible to raise young people according to these ideals, leading them to physical splendor, happiness, possession of material goods, money and leisure, to an almost unlimited freedom of enjoyment. So who should now renounce all this, why and for what should one risk one's precious life in defense of common values, and particularly in such nebulous cases when the security of one's nation must be defended in a distant country?

Even biology knows that habitual extreme safety and well-being are not advantageous for a living organism. Today, well-being in the life of western society has begun to reveal its pernicious mask.

Western society has given itself the organization best suited to its purposes, based, I would say, on the letter of the law. The limits of human rights and righteousness are determined by a system of laws; such limits are very broad.

People in the West have acquired considerable skill in using, interpreting and manipulating law, even though laws tend to be too complicated for an average person to understand without the help of an expert. Any conflict is solved according to the letter of the law and this is considered to be the supreme solution. If one is right from a legal point of view, nothing more is required, nobody may mention that one could still not be entirely right, and urge self-restraint, a willingness to renounce such legal rights, sacrifice and selfless risk: it would sound simply absurd.

One almost never sees voluntary self-restraint. Everybody operates at the extreme limit of those legal frames. An oil company is legally blameless when it purchases an invention of a new type of energy in order to prevent its use. A food product manufacturer is legally blameless when he poisons his produce to make it last longer: after all, people are free not to buy it.

I have spent all my life under a communist regime and I will tell you that a society without any objective legal scale is a terrible one indeed. But a society with no other scale but the legal one is not quite worthy of man either. A society which is based on the letter of the law and never reaches any higher is taking very scarce advantage of the high level of human possibilities. The letter of the law is too cold and formal to have a beneficial influence on society. Whenever the tissue of life is woven of legalistic relations, there is an atmosphere of moral mediocrity, paralyzing man's noblest impulses.

And it will be simply impossible to stand through the trials of this threatening century with only the support of a legalistic structure.

In today's western society, the inequality has been revealed of freedom for good deeds and freedom for evil deeds. A statesman who wants to achieve something important and highly constructive for his country has to move cautiously and even timidly; there are thousands of hasty and irresponsible critics around him, parliament and the press keep rebuffing him. As he moves ahead, he has to prove that each single step of his is well-founded and absolutely flawless. Actually an outstanding and particularly gifted person who has unusual and unexpected initiatives in mind hardly gets a chance to assert himself; from the very beginning, dozens of traps will be set out for him. Thus mediocrity triumphs with the excuse of restrictions imposed by democracy.

It is feasible and easy everywhere to undermine administrative power and, in fact, it has been drastically weakened in all western countries. The defense of individual rights has reached such extremes as to make society as a whole defenseless against certain individuals. It is time, in the West, to defend not so much human rights as human obligations.

Destructive and irresponsible freedom has been granted boundless space. Society appears to have little defense against the abyss of human decadence, such as, for example, misuse of liberty for moral violence against young people, motion pictures full of pornography, crime and horror. It is considered to be part of freedom and theoretically counterbalanced by the young people's right not to look or not to accept. Life organized legalistically has thus shown its inability to defend itself against the corrosion of evil.

And what shall we say about the dark realm of criminality as such? Legal frames (especially in the United States) are broad

enough to encourage not only individual freedom but also certain individual crimes. The culprit can go unpunished or obtain undeserved leniency with the support of thousands of public defenders. When a government starts an earnest fight against terrorism, public opinion immediately accuses it of violating the terrorists' civil rights. There are many such cases.

Such a tilt of freedom in the direction of evil has come about gradually but it was evidently born primarily out of a humanistic and benevolent concept according to which there is no evil inherent to human nature; the world belongs to mankind and all the defects of life are caused by wrong social systems which must be corrected. Strangely enough, though the best social conditions have been achieved in the West, there still is criminality and there even is considerably more of it than in the pauper and lawless Soviet society. (There is a huge number of prisoners in our camps who are termed criminals, but most of them never committed any crime; they merely tried to defend themselves against a lawless state restorting to means outside of a legal framework.)

The press too, of course, enjoys the widest freedom. (I shall be using the word press to include all media.) But what sort of use does it make of this freedom?

Here again, the main concern is not to infringe the letter of the law. There is no moral responsibility for deformation or disproportion.

What sort of responsibility does a journalist have to his readers, or to history?

If they have misled public opinion or the government by inaccurate information or wrong conclusions, do we know of any cases of public recognition and rectification of such mistakes by the same journalist or the same newspaper?

No, it does not happen, because it would damage sales. A nation may be the victim of such a mistake, but the journalist always gets away with it. One may safely assume that he will start writing the opposite with renewed self-assurance.

Because instant and credible information has to be given, it becomes necessary to resort to guesswork, rumors and suppositions to fill in the voids, and none of them will ever be rectified, they will stay on in the readers' memory.

How many hasty, immature, superficial and misleading judgments are expressed every day, confusing readers, without any verification? The press can both simulate public opinion and miseducate it.

Thus we may see terrorists heroized, or secret matters, pertaining to one's nation's defense, publicly revealed, or we may witness shameless intrusion on the privacy of well-known people under the slogan: "Everyone is entitled to know everything."

But this is a false slogan, characteristic of a false era: people also have the right not to know, and it is a much more valuable one. The right not to have their divine souls stuffed with gossip, nonsense vain talk. A person who works and leads a meaningful life does not need the excessive, burdening flow of information.

Hastiness and superficiality are the psychic disease of the 20th century and more than anywhere else this disease is reflected in the press. In-depth analysis of a problem is anathema to the press. It stops at sensational formulas.

Such as it is, however, the press has become the greatest power within the western countries, more powerful than the legislature, the executive and the judiciary. One would then like to ask: By what law has it been elected and to whom is it responsible?

In the communist East, a journalist is frankly appointed as a state official. But who has granted western journalists their power, for how long a time and with what prerogatives?

There is yet another surprise for someone coming from the East where the press is rigorously unified: one gradually discovers a common trend of preferences within the western press as a whole. It is a fashion; there are generally accepted patterns of judgment and there may be common corporate interests, the sum effect being no competition but unification.

Enormous freedom exists for the press, but not for the readership, because newspapers mostly give enough stress and emphasis to those opinions which do not too openly contradict their own and the general trend.

Without any censorship, in the West fashionable trends of thought and ideas are carefully separated from those which are not fashionable; nothing is forbidden, but what is not fashionable will hardly ever find its way into periodicals or books or be heard in colleges.

Legally your researchers are free, but they are conditioned by the fashion of the day. There is no open violence such as in the East; however, a selection dictated by fashion and the need to match mass standards frequently prevent independent-minded people from giving their contribution to public life. There is a dangerous tendency to form a herd, shutting off successful development.

This gives birth to strong mass prejudices, to blindness, which is most dangerous in our dynamic era. There is, for instance, a self-deluding interpretation of the contemporary world situation. It works as a sort of a petrified armor around people's minds.

Human voices from 17 countries of Eastern Europe and Eastern Asia cannot pierce it. It will only be broken by the pitiless crowbar of events.

It is almost universally recognized that the West shows all the world a way to successful economic development, even though in the past years it has been strongly disturbed by chaotic inflation.

However, many people living in the West are dissatisfied with their own society. They despise it or accuse it of not being up to the level of maturity attained by mankind. A number of such critics turn to socialism which is a false and dangerous current.

I hope that no one present will suspect me of offering my personal criticism of the western system to present socialism as an alternative. Having experienced applied socialism in a country where the alternative has been realized, I certainly will not speak for it.

But should someone ask me whether I would indicate the West as such as it is today as a model to my country, frankly I would have to answer negatively. No, I could not recommend your society in its present state as an ideal for the transformation of ours.

Through intense suffering our country has now achieved a spiritual development of such intensity that the western system in its present state of spiritual exhaustion does not look attractive. Even those characteristics of your life which I have just mentioned are extremely saddening.

A fact which cannot be disputed is the weakening of human beings in the West while in the East they are becoming firmer and stronger. Six decades for our people and three decades for the people of Eastern Europe; during that time we have been through a spiritual training far in advance of western experience. Life's complexity and mortal weight have produced stronger, deeper and more interesting characters than those generated by standardized western well-being.

Therefore, if our society were to be transformed into yours, it would mean an improvement in certain aspects, but also a change for the worse on some particularly significant scores.

It is true, no doubt, that a society cannot remain in an abyss of lawlessness, as is the case in our country. But it is also demeaning for it to elect such mechanical legalistic smoothness as you have.

After the suffering of decades of violence and oppression, the human soul longs for things higher, warmer and purer than those offered by today's mass living habits, introduced by the revolting invasion of publicity, by TV stupor and by intolerable music.

All this is visible to observers from all the worlds of our planet. The western way of life is less and less likely to become the leading model.

There are meaningful warnings which history gives a threatened or perishing society. Such are, for instance, the decadence of art, or a lack of great statesmen.

There are open and evident warnings, too. The center of your democracy and of your culture is left without electric power for a few hours only, and all of a sudden crowds of American citizens start looting and creating havoc.

The smooth surface film must be very thin, then, the social system quite unstable and unhealthy.

But the fight for our planet, physical and spiritual, a fight of cosmic proportions, is not a vague matter of the future; it has already started.

The forces of evil have begun their decisive offensive, you can feel their pressure, and yet your screens and publications are full of prescribed smiles and raised glasses. What is the joy about?

Very well-known representatives of your society, such as George Kennan, say: We cannot apply moral criteria to politics. Thus we mix good and evil, right and wrong and make space for the absolute triumph of absolute evil in the world.

On the contrary, only moral criteria can help the West against communism's well-planned world strategy. There are no other criteria. Practical or occasional considerations of any kind will inevitably be swept away by strategy. After a certain level of the problem has been reached, legalistic thinking induces paralysis, it prevents one from seeing the size and meaning of events.

In spite of the abundance of information, or maybe because of it, the West has difficulties in understanding reality such as it is. There have been naive predictions by some American experts who believed that Angola would become the Soviet Union's Vietnam or that Cuban expeditions in Africa would best be stopped by special U.S. courtesy to Cuba.

Kennan's advice to his own country—to begin unilateral disarmament—belongs to the same category. If you only knew how the youngest of the Moscow Old Square officials laugh at your political wizards!

As to Fidel Castro, he frankly scorns the United States, sending his troops to distant adventures from his country right next to yours.

However, the most cruel mistake occurred with the failure to understand the Vietnam War. Some people sincerely wanted all wars to stop just as soon as possible; others believed that there should be room for national, or communist, self-determination in Vietnam, or in Cambodia, as we see today with particular clarity.

But members of the U.S. antiwar movement wound up being involved in the betrayal of Far Eastern nations, in a genocide and in the suffering today imposed on 30 million people there. Do those convinced pacifists hear the moans coming from there? Do they understand their responsibility today? Or do they prefer not to hear?

The American intelligentsia lost its nerve, and as a consequence thereof danger has come much closer to the United States. But there is no awareness of this.

Your shortsighted politicians who signed

the hasty Vietnam capitulation seemingly gave America a carefree breathing pause; however, a hundredfold Vietnam now looms over you.

That small Vietnam has been a warning and an occasion to mobilize the nation's courage. But if a full-fledged America suffered a real defeat from a small communist half-country, how can the West hope to stand firm in the future?

I have had occasion already to say that in the 20th century western democracy has not won any major war without help and protection from a powerful continental ally whose philosophy and ideology it did not question.

In World War II against Hitler, instead of winning that war with its own forces, which would certainly have been sufficient, Western democracy grew and cultivated another enemy who would prove worse and more powerful yet, as Hitler never had so many resources and so many people, nor did he offer any attractive ideas, or have such a large number of supporters in the West—a potential fifth column—as the Soviet Union.

At present, some western voices already have spoken of obtaining protection from a third power against aggression in the next world conflict, if there is one; in this case the shield would be China. But I would not wish such an outcome to any country in the world.

First of all, it is again a doomed alliance with evil; also, it would grant the United States a respite, but when at a later date China with its billion people would turn around armed with American weapons, America itself would fall prey to a genocide similar to the one perpetrated in Cambodia in our days.

And yet—no weapons, no matter how powerful, can help the West until it overcomes its loss of willpower. In a state of psychological weakness, weapons become a burden for the capitulating side. To defend oneself, one must also be ready to die; there is little such readiness in a society raised in the cult of material well-being.

Nothing is left, then, but concessions, attempts to gain time and betrayal. Thus at the shameful Belgrade Conference free western diplomats in their weakness surrendered the line where enslaved members of Helsinki watchgroups are sacrificing their lives.

Western thinking has become conservative; the world situation should stay as it is at any cost, there should be no changes. This debilitating dream of a status quo is the symptom of a society which has come to the end of its development.

But one must be blind in order not to see that oceans no longer belong to the West, while land under its domination keeps shrinking. The two so-called world wars—they were by far not on a world scale, not yet—have meant internal self-destruction of the small progressive West which has thus prepared its own end. The next war—which does not have to be an atomic one and I do not believe it will—may well bury eastern civilization forever.

Facing such a danger, with such historical values in your past, at such a high level of realization of freedom and apparently of devotion to freedom, how is it possible to lose to such an extent the will to defend oneself?

How has this unfavorable relation of forces come about? How did the West decline from its triumphal march to its present sickness? Have there been fatal turns and losses of direction in its development?

It does not seem so. The West kept advancing socially in accordance with its proclaimed intentions, with the help of brilliant technological progress. And all of a sudden it found itself in its present state of weakness. This means that the mistake must be at the root, at the very basis of human thinking in the past centuries.

I refer to the prevailing western view of the world which was first born during the Renaissance and found its political expression from the period of the Enlightenment. It became the basis for government and social science and could be defined as rationalistic humanism or humanistic autonomy: the proclaimed and enforced autonomy of man from any higher force above him. It could also be called anthropocentricity, with man seen as the center of everything that exists.

The turn introduced by the Renaissance evidently was inevitable historically. The Middle Ages had come to a natural end by exhaustion, becoming an intolerable despotic repression of man's physical nature in favor of the spiritual one.

Then, however, we turned our backs upon the Spirit and embraced all that is material with excessive and unwarranted zeal. This new way of thinking, which had imposed on us its guidance, did not admit the existence of intrinsic evil in man nor did it see any higher task than the attainment of happiness on earth.

It based modern western civilization on the dangerous trend to worship man and his material needs. Everything beyond physical well-being and accumulation of material goods, all other human requirements and characteristics of a subtler and higher nature, were left outside the area of attention of state and social systems, as if human life did not have any superior sense.

That provided access for evil, of which in our days there is a free and constant flow. Merely freedom does not in the least solve all the problems of human life and it even adds a number of new ones.

However, in early democracies, as in American democracy at the time of its birth, all individual human rights were granted because man is God's creature. That is, freedom was given to the individual conditionally, in the assumption of his constant religious responsibility.

Such was the heritage of the preceding thousand years. Two hundred or even 50 years ago, it would have seemed quite impossible, in America, that an individual could be granted boundless freedom simply for the satisfaction of his instincts or whims.

Subsequently, however, all such limitations were discarded everywhere in the West; a total liberation occurred from the moral heritage of Christian centuries with their great reserves of mercy and sacrifice.

As humanism in its development became more and more materialistic, it made itself increasingly accessible to speculation and manipulation at first by socialism and then by communism. So that Karl Marx was able to say in 1844 that "communism is naturalized humanism."

This statement turned out to be not entirely senseless. One does see the same stones in the foundations of a despirtualized humanim and of any type of socialism: endless materialism; freedom from religion and religious responsibility, which under communist regimes reach the stage of antireligious dictatorship; concentration on social structures with a seemingly scientific approach.

This is typical of the Enlightenment in the 18th century and of Marxism. Not by coincidence all of communisms meaningless pledges and oaths are about Man, with a capital M, and his earthly happiness.

At first glance it seems an ugly parallel: common traits in the thinking and way of life of today's West and today's East? But such is the logic of materialistic development.

We are now experiencing the consequences of mistakes which had not been noticed at the beginning of the journey. We have placed too much hope in political and social reforms, only to find out that we were being deprived of our most precious possession: our spiritual life.

In the East, it is destroyed by the dealings and machinations of the ruling party. In the West, commercial interests tend to suffocate it. This is the real crisis. The split in the world is less terrible than the similarity of the disease plaguing its main sections.●

IN PRAISE OF CETA

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Ms. MIKULSKI. Mr. Speaker, the House of Representatives is currently considering the reenactment of the Comprehensive Employment and Training Act. The CETA system has proven its effectiveness both in aiding the long-term unemployed and in providing immediate, high-impact stimulus to the national economy. I believe that the major strength of the CETA system rests on its ability to respond quickly and flexibly to national goals. I am concerned that those strengths are being undermined. Debate thus far has focused on scattered incidents of abuse in the program. Many of the new provisions in the CETA bill are addressed at curbing those abuses legislatively rather than through effective management and monitoring by the Department of Labor. The new provisions may severely limit the flexibility of the CETA system to respond quickly and effectively to both national priorities and local needs.

Prior to full House action on the bill (H.R. 12452), I would like to cite some of the successes achieved in Baltimore under the CETA program. The Baltimore Metropolitan Manpower Consortium has built a national reputation for excellence on strong local planning and innovative programing to meet local needs. Mr. Speaker, I ask unanimous consent that several articles about the CETA program in Baltimore be printed in the RECORD.

The following is excerpted from a major article appearing in the December 1977 issue of the County Manpower Report. It describes a program conducted by the CETA prime sponsor in Baltimore. The program attempted, with great success, to test the concepts embodied in present welfare reform proposals, and looked closely at the feasibility of using public jobs to channel welfare recipients into the economic mainstream.

CRISIS AND RESPONSE IN WELFARE: THE BALTIMORE EXPERIENCE

Congress and the Carter administration are currently debating full employment legislation and welfare reform proposals. However, a number of issues on which there are conflicting opinions remain to be resolved. In this context the Baltimore Mayor's Office of Manpower Resources has reviewed some of its own experience in this area and is presenting it here as a possible resource.

From our experience with a welfare-related manpower program, we have drawn some conclusions about the role of public employment programs that serve the disadvantaged unemployed.

First, we found that welfare recipients were generally anxious to work—even part-time work at the minimum wage—if they were given the opportunity and assistance.

The people in the Baltimore program had good attendance records, and their performance evaluations were good.

Second, our experience showed that under CETA a public employment program to help a specific segment of the population can be started quickly. However, it's very important that the governing regulations on such a program be flexible in the implementation so that diverse local needs can be met. Furthermore, our experience showed that an integrated system, locally managed, is not only possible but also effective from both a cost and service viewpoint.

Another conclusion that we were able to draw is that if the participants—who are traditionally considered disadvantaged—are expected to eventually obtain unsubsidized jobs in the private sector, then giving them immediate work is not the only solution. They should be taught skills, either in on-the-job training situations or in the classroom. Other job-related skills, such as securing transportation or how to get a business loan, should be taught in addition to job search skills and basic education.

Finally, barriers to employment for these people must be overcome. These barriers may be subjective or objective in nature. Subjective barriers include the participants' attitudes toward society, work, employers, and themselves. Objective barriers are factors like limited education, lack of skills or work experiences, and even a criminal record. These barriers were addressed by the job skill and education components of the program. Other barriers to permanent, full-time employment are often raised by the program itself. For example, a participant who works full time under the program is unable to look for another job and still maintain good attendance. In fact, the participant is often penalized, with either loss of wages or a bad record, and discouraged from seeking work during business hours. And if the wages in a subsidized job are high, a participant may not be motivated to look for another job. To overcome these barriers, the Baltimore program reduced the hours of work during the week, providing the opportunity and incentive for the participants to find an unsubsidized job. At the same time, the program provided participants with assistance on how to find a job and hold it.

Without a measurable recovery in the private sector, no amount of innovative program design and client commitment can achieve the program's goals.

THE WELFARE CRISIS IN BALTIMORE CITY

For more than eleven years Baltimore City, in conjunction with the State of Maryland, maintained a program to meet the temporary needs of able-bodied unemployed, or underemployed persons who were without income or resources and were not eligible for aid under any federal assistance program. But in 1975, Baltimore's General Public Assistance to Employables (GPA–E) program ran into trouble. Between October 1974 and February 1976, during a period of recession and increasing unemployment, the number of GPA–E cases in Baltimore City increased by 600 percent from 207 cases to 1,466 cases. Expenditures rose by a similar margin, from a monthly average of $20,804 in October 1974 to $151,379 in February, 1976. In its fiscal year 1976 budget (July 1975 to June 1976), Baltimore City allocated $175,000 as its share of a $350,000 program. By the end of October 1975, however, the entire amount had been spent. In an emergency move, the city allocated an additional $150,000 to be combined with a similar amount from the state for the remainder of the fiscal year.

At the same time an effort was made by the City Department of Social Services to alter the regulations and guidelines for GPA–E in order to bring program size and expenditures under control and to concentrate assistance on the most needy cases. The state, however, refused to modify regulations, and by January 1976, the program funds were exhausted and a deficit began accruing. Faced with increasing expenditures and deficits with no prospect of control, the GPA–E program was suspended at the end of February, 1976. But the needs of hundreds of people remained.

THE CETA RESPONSE

With the suspension of GPA–E assistance the city turned to the CETA program administered by the Mayor's Office of Manpower Resources to help meet the needs of former recipients with job and training opportunities. An emergency Adult Work Experience (AWE) program was created to provide temporary public sector employment on a part-time basis for the former GPA–E recipients. The program was designed to operate for only 16 weeks or until the end of the fiscal year on June 30, 1976 and its major purpose was to help participants get unsubsidized jobs.

To ensure that as many job positions as possible would be available and as an incentive to get participants looking for unsubsidized jobs, positions were funded for a maximum of twenty-eight hours a week at the minimum wage of $2.30 an hour. The CETA public sector worksite development unit responded by creating 235 job slots at five different worksites where city agencies had significant public service needs.

The former recipients of the GPA–E program were notified by letter of the new program and were referred to one of five CETA Manpower Service Center (MSC) for registration. Of the 3,272 people notified, 837 former recipients came to the various centers to receive services, including counseling, job search skills workshops, and referral to training, remedial education, work experience, or jobs. Of this number, 462 qualified for one of the AWE positions. Eventually, 327 of these applicants (including "no shows") were selected, on a random basis, for the 235 jobs which existed. Only five of the applicants selected refused to participate at the point of selection.

The entire hiring process was conducted on a single day. Of those selected to apply for jobs, 268, again including refills for no shows, were actually hired. Fifty-seven of the selected applicants did not show for the hiring process, while two of those hired refused employment. Of those hired, 235 began work and the other thirty-three did not report for work. A schematic diagram of the identification and hiring process through actually being employed is shown in Figure 1.

One major factor in the GPA–E effort was the timing of the CETA response. Less than one month elapsed from the time of CETA's initial notification of the problem through actual employment of some of the former recipients in AWE positions. The time involved in the implementation of the GPA–E AWE program was in line with the observations of a number of studies of job creation in public employment programs. These studies show the time it takes to implement such programs is short when an established system of public employment is in place, flexibility exists in the regulations governing the eligibility of participants and program design, and there is a high and increasing rate of unemployment in the target population.

Subsequent experience of the prime sponsor during the recent Title VI buildup and other temporary job creation programs, such as the President's energy crisis jobs program last February, confirm the ability of the prime sponsor to react quickly and responsively.

CONCLUSION

The program proved that a locally developed manpower delivery system can meet the needs of a targeted welfare client population. Also the voluntary work program received a positive response from the participants.

This and other experiences in Baltimore reinforce the important role of local officials in designing and delivering manpower services to meet the critical needs of jobseekers. However, without local autonomy, flexibility, and control over the resources and design of a manpower delivery system, such responsiveness would not be possible.

The following is excerpted from an article that appeared in the April issue of Worklife magazine published by the U.S. Department of Labor. The article discussed some outstanding programs developed under the skill training improvement program (STIP) a special grant offered by the Department of Labor to CETA prime sponsors. The excerpt relates to Baltimore's innovative use of these Federal funds to train economically disadvantaged workers in a number of new occupations.

The first STIP grants were awarded on a competitive basis last November, when prime sponsors got nearly $123 million to run local projects. Additional grants were awarded early this year, and remaining program funds will be allocated under another round of grants to be made within the next few months.

During the first funding round, prime sponsors could apply for STIP grants totaling up to 25 percent of their title I allocations. Among the prime sponsors that received the maximum amount was the Baltimore Metropolitan Manpower Consortium, which received nearly $3.5 million for 13 STIP projects that will train between 300 and 400 persons. Baltimore's STIP effort offers one example of how the program works and shows some of the many kinds of training it may include.

Baltimore developed its STIP proposals after consulting with employers already working with the prime sponsor and conducting a mail survey of employers on lists maintained by the Chamber of Commerce and the Baltimore Economic Development Corp., a quasi-government agency promoting local economic growth. In addition, the Consortium ran an ad in local newspapers and business journals explaining that CETA officials were assessing training and personnel needs of Baltimore area employers, especially those interested in training additional workers for their own establishments.

"We got a good response to the ad, and we're still getting feedback," Jay Harrison of the Baltimore Consortium reported early this year. Harrison noted, however, that not all the employers' suggestions led to STIP projects. "Some employers came up with ideas that didn't lend themselves to STIP but were compatible with regular OJT. So we asked them if they'd be interested in doing that, and it's accounted for a considerable number of new OJT contracts."

Research done by Baltimore CETA staff indicates that the occupations eventually chosen for STIP training pay starting wages of between $4.50 and $6 an hour. For every occupation chosen, the Consortium has on file letters from local employers expressing either a commitment to hire STIP graduates or a serious interest in considering them.

One of Baltimore's most innovative STIP projects trains opticians, optical mechanics, and contact lens mechanics. This project, which will last 9 months and train 30 participants, was designed jointly by the Consortium and the Maryland Association of Ophthalmic Dispensers.

The project will include classroom instruction, laboratory training, and OJT. The classroom component, being offered by Essex Community College, will cover such subjects as optics, theory of light propagation, reflection and refraction of plane surfaces, and anatomy and physiology of the eye. Partici-

pants will also get training in a laboratory set up by the Maryland Association of Ophthalmic Dispensers, followed by OJT in the offices of Association members. During the classroom and laboratory phases, trainees will receive $3 an hour. OJT wages will be negotiated with individual employers.

In another Baltimore STIP project, WES Corp., a minority electronics firm, is preparing 50 persons to become rapid transit electronic technicians, workers who operate the controls for transportation systems like San Francisco's BART and Washington, D.C.'s new Metrorail subway. Several Baltimore firms build component parts for such systems, and these companies have expressed interest in hiring project graduates.

The year-long program will include such areas as rail and transit control, signal technology, cab signals, basic track circuitry, and the electronics of transit control. Training will consist solely of classroom instruction.

Another Baltimore STIP project is training 75 persons for three occupations related to weatherization: weatherization mechanics who install insulation and weatherstripping; estimators who can assess the needs of residential or commercial buildings for insulation and compute the costs of necessary materials and labor; and supervisors who can direct and manage weatherization crews. Training will combine classroom instruction and OJT.

This project, which aims to tap the growing market for workers skilled in energy conservation techniques, was developed with the assistance of Baltimore's Frank A. Knott Remodeling Co. Knott Co. employees designed the training format, compiled lists of the tools and equipment needed for training, and provided instruction. The company will also coordinate the project's OJT component, providing some OJT itself and soliciting cooperation from other local firms.

Like most of Baltimore's 13 STIP projects, those cited above provide training for persons who have been unemployed. Three projects, however, focus on upgrade training:

20 aides employed by nursing homes are being trained as licensed practical nurses skilled in geroltological nursing and chronic care;

16 machine operators are learning to set up lathes, drills, and milling machines for precision metalworking; and

4 unskilled employees of a metal-working firm are being upgraded, two as welders and two as machine tool operators.

Jay Harrison says the Baltimore Consortium is pleased that STIP allows prime sponsors to provide upgrade training. "We can't provide upgrading with regular OJT funds," he says, "and we think that misses a chance to upgrade one employee while creating a job opportunity at the entry level. It essentially gives you two for the price of one." ●

KATE IRELAND

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. CARTER. Mr. Speaker, for years I have known Miss Kate Ireland who, through the Frontier Nursing Service, has been an "angel." Her life has been dedicated to construction of health facilities and to financing and supervising delivery of health care. Miss Kate Ireland has put service above self. I include an interview from the Thousandsticks News:

KATE IRELAND, FRONTIER NURSING SERVICE

(By Martha Wiglesworth)

Miss Kate Ireland, native of Cleveland, Ohio, adopted Kentucky when she came in 1966 to live in Hyden because of her interest in the Frontier Nursing Service and the problems of the whole Appalachian region. Her volunteer activities in Cleveland included various positions in the Junior League, the Mental Health Association, the Visiting Nurse Association, and the Republican Party. She served on the Cleveland Symphony Women's Committee and was regional auditions chairman for the Metropolitan Opera Association. She is presently chairman of the Kentucky River Area Development District, director of Hyden Citizens' Bank, treasurer of the Regional Mental Health and Retardation Care Center, national chairman of the Frontier Nursing Service, and principal stockholder of the Appalachia Motel.

Q. Miss Ireland, in your younger days in Cleveland, your volunteer activities ranged from Junior League to health and welfare agencies; from legislative committees to support for the arts. You seem to have built your whole life around various community commitments. How did you get started in this direction?

A. I suppose much of the impetus came from the League; service is a strong emphasis in its program. Then, too, it was part of my family heritage.

Q. Your interest in the Frontier Nursing Service must have been kindled by stories from the other women in your family who were connected there.

A. Yes, by great, great aunt was on the founding committee with Mary Breckinridge back in 1925. My older sister was a courier in 1938; my grandmother and mother were also active in FNS. I came down as a courier in 1951 after a year of college at Vassar for two months in the spring, but ended up staying that first year for eight months. Later, I was in charge of the courier, or volunteer program, for fifteen years, came on the Board in 1963, and then was chairman of the development committee to raise funds for the Mary Breckinridge Hospital at Hyden. I was vice chairman of the board, and now am national chairman. I suppose I put in more hours than most paid people do when I'm at home in Leslie County.

Q. You could well be labeled a "professional volunteer." How do you react to the criticisms leveled against voluntarism?

A. I have quite a few strong feelings on this subject. I feel that anyone, male or female, whatever color, religion or social class who has any belief in God or a spiritual being, must volunteer his or her services. If one can't do anything for someone else without getting money for it, one isn't a whole person. This is the first premise that's incorrect in this business of voluntarism vs. professionalism.

Second, the argument that as a volunteer you're taking away the work of someone who would get paid for it isn't true at all. Most of the work I'vd done you couldn't have paid anyone to do. No one's going to be working all those week-ends, or the bad shifts on hospital schedules.

In no way has it impaired the woman's image to be a volunteer. I think the male volunteer and the woman volunteer can work hand in hand, just as the male and female professionals can work in complementary ways.

Q. The story of FNS itself, as I understand it, begins as a story of voluntarism with Mary Breckinridge, who chose to give her whole life to the maternal and child health needs of Eastern Kentucky.

A. Yes, volunteers have been essential to the Frontier Nursing Service. Mrs. Breckinridge had a brainstorm when she set up the system. She invited these young ladies from their finishing schools to come down, and they loved horses, and had the appeal to see another apsect of life and take care of the animals for these "nurses on horseback." She had in her mind when she organized the courier system that after they came home and got married, they would be the donors and the future of the FNS. It had an immediate but also a long-range benefit.

Q. How many have gone through the ranks as couriers?

A. We are preparing for our 50th anniversary of the courier service this May and over 600 letters are going out to these alumnae. During our capital fund drive for the hospital, every city chairman was a courier alumna or the husband of one.

Q. Hasn't FNS been largely a women's project?

A. Well, over the years we have had only a few male couriers, but men have been volunteers in various aspects of our work. And we've hired 15 to 20 guys in the past on our staff. Our present director, Dr. Rogers Beasley, is the first man in that administrative position. Now that nursing is not limited to women, or medicine to men, we find married women come for the midwifery or family nurse training, and their husbands come along. Some of the men get hired on our staff or in the community, and they settle there.

Q. Are you still drawing from a privileged class for your couriers?

A. Not as much as we were back before the Second World War. We draw more now from the regular colleges, but the couriers still have to pay for their training. They come for six weeks in the summer, two months the rest of the year. We have many more applicants for the four of five places we have in the summer, and also more than enough to fill the need in the winter.

Q. And what does their work involve?

A. In the old days, when we had the horses for the nurses and always cows around the centers, they took care of the animals. They have always been involved in transportation, so when horses began to be phased out and the jeeps were phased in with the improvements of our roads, they began to do the driving to the various nursing centers. You see we cover 1,000 square miles in Leslie and adjoining counties. We have the hospital nucleus in Hyden; we have Mrs. Breckinridge's home, Wendover, which is our donor office and organized guest area where the couriers live and seven outpost centers. Drugs have to be taken out to these nursing centers; patients' records have to be transported, fees brought back to headquarters, supplies delivered. They can do visiting with the older people and the homebound, or they work a great deal in the hospital with special clinics, helping out in the pharmacy or X-ray rooms.

Q. How are your services different today from the days when Mary Breckinridge and her trainees were battling weather, impassable roads and creeks to get into the remote sections for care of mothers and their babies?

A. All but two or three of our 300 deliveries a year are done in the hospital. One reason for this is that the insurance programs pay only for hospital deliveries, but also it is a more expedient use of the nurse-midwives' time.

Q. What does becoming a nurse-midwife involve?

A. One has to be an RN with some experience before one can take this extended training. When the Second World War came, we could no longer bring in the English nurses or send our girls for training in England, and so we opened up our own midwifery school. There are many graduate courses tied up with universities now, but in 1939 we were one of the first. At that time we took six at a time, for six months' training, graduating twelve a year. Since 1970, we have instituted another training—that of the family nurse practitioner. These are nurses trained to recognize the more "normal" sicknesses. They can check the heart, lungs, chest, eyes, ears, nose, throat, do a throat swab to send off to the lab—many things to

save the doctor's time. We also now have an affiliation with the University of Kentucky, so that a nurse can combine this training with work on her BA or MA. I think our model for a rural school with rural clinical training can be utilized elsewhere.

Q. You have already been a model for maternal health care and midwifery training in underdeveloped countries, I believe.

A. Yes, over the years we have had many visitors from other countries, through agencies such as the World Health Organization, AID, UNICEF. Until the mid-60's, we were better known abroad than in the U.S.; better known on the East Coast than in Kentucky.

Q. What could wider knowledge of your service do for you?

A. For one thing, we always need additional financial support. Some of our patients are able to pay; some have insurance plans, but these do not cover all the costs by any means. Our people are proud, they're hard workers, but they are barely above the poverty income line and so do not qualify for public aid. These are the ones who have a hard time meeting their health care problems, and we are always trying to raise money to assist these private paying families.

Also, we feel our product that we are turning out of our school—our family nurse midwife—is a product that can be used throughout the U.S. Because we are in close cooperation with all the other health providers in surrounding counties, these nurses have had experience which makes them valuable in needy or rural communities. The MD can use three or four of these nurses to relieve him, and if we are talking about cost containment in this country, it's the use of para-medical personnel that's going to save us some money. Another thing is the prevention side of medicine. The nurse has always had more time to discuss things like nutrition and exercise. Since they do go into the homes, they have the chance to diagnose illnesses before they become so serious.

Q. What about birth control?

A. We've been into birth control, or family planning as we call it, since 1959. Dr. John Rock was a friend of Mary Breckinridge. When he was still doing the research on the pill, he came down to our area and Mrs. Breckinridge allowed her nurses to distribute the pill if the family would consent to participate. Often now, the families are not so agricultural, so they don't have the need for the numbers of children. Our birth rate in Leslie County dropped in ten years from 40 per 1,000 to 18 or 19 per 1,000.

Q. You have many other connections with the Appalachian community—mental health, Board of Trustees for Berea College, and you're in Lexington today in your capacity as chairman of the Kentucky River Area Development District Board. How did you, an outsider, come to this responsibility?

A. I will always be an outsider, even though I've been in Leslie County since 1951 and have made my permanent home there since 1966. In a way, this makes me more useful. I first got interested in health needs, then was chairman of the Human Resources Committee for the same area for four years, worked in mental health committees at the state as well as the regional level. Whenever I saw a need, I went to work on it. With the help of a local businessman, Eddie J. Moore, we built a 24-unit motel-restaurant, the only one in the county. Right now, we need a small airport—that may be the next push. I suppose I am seen as a business asset in the community, as someone with experience in committees, as representing, or maybe I just had lots of friends. Anyway, I had a landslide victory of one vote to be elected chairman of the Kentucky River Area Development District.

Q. You are also serving on the Board of Trustees of Berea College. You are functioning in top level roles in business and community organization, with politicians and educators. Has the fact that you are a woman made any difference?

A. I have no problems working with either men or women. I respect them as persons who are either heads of their departments or doing a professional job. As far as questions about the status of women, I go on record as being against women's liberation. I don't see that it has helped the women's cause at all. Of course a woman's mind is just as keen as a man's. A woman can do what a man can do, but maybe in different ways. I'm on the team for women's lib if you mean the part that women frequently get paid less for the same job.

I think the woman is first of all a mother, and those first formative years of the child's life are very important. If she chooses to have children, then she is going to be out of her career for a few years. The father needs to share in the care of the children, and that is their first priority.

Q. Your main objection to the women's movement, then, is that you feel it does not support the view of the woman's primary responsibility being with the child?

A. Yes. There are many couples now, however, not planning to have children. In this case, the woman can do anything the man can do. And it's a different story with the older woman who raises her children well and then gets involved. I'm not saying women can't do a career and raise their children simultaneously, but then they have to have a lot more cooperation from their husbands.

Q. With all this responsibility, do you find time to play?

A. Oh yes, but my favorite sport is not very womanly. I love the out-of-doors; shooting is a big thing with me. I'm a conservationist, but also a hunter. They're not incompatible.

Q. How could the Junior League life of Cleveland lead to Wendover at Hyden?

A. I guess I just enjoy people, and so I haven't really noticed any difference. I do miss the culture—the symphony. I can get some of this on the radio, the Met on Saturday afternoons. I usually go to New York once or twice a year for the Met. I'm enjoying "talking books," the classics now produced on tapes, and I carry these along in my car or hotel rooms.

Q. You don't feel deprived or hemmed in, living in the mountains?

A. I travel so much. My family, fortunately, can get together frequently in South Georgia to hunt, or in Maine in the summer for sailing. I have time with my family—my 83-year-old father, brothers and sisters, nieces and nephews. I prefer to live in the country where I can have good air to breathe, have my dogs around me, raise ducks and pheasants. I swim every day in the river from April to November. I share my home with Ann Cundle, an English woman who came over to work at FNS in 1966. We raise a garden, and I cook when I'm in the mood for being domestic. For me, life is a good combination of being with people and being alone, of freedom and commitment. I like it that way!"●

DAVID DAVIS TO BE HONORED AS OUTSTANDING HANDICAPPED POSTAL EMPLOYEE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. ROUSSELOT. Mr. Speaker, I would like to bring the attention of my colleagues in the U.S. House of Representatives the notable achievements of David Davis, who resides in California's 26th Congressional District which I serve. David Davis is being honored Friday, June 16, as the 1978 Outstanding Handicapped Postal Employee for the Western Region.

Dave worked at the Arcadia Post Office, located in the same building as my district office, where his coworkers cannot praise him enough. Now Dave works for the Pasadena Post Office where, incidentally, I worked part-time delivering special delivery mail in high school. Kathryn Wilson, MSC Manager/Postmaster of Pasadena, wrote the following letter to John Kennedy, District Director of Employees and Labor Relations for the Post Office, explaining why David deserved this honor . . .

Mr. Davis has been severely handicapped with Cerebral Palsy. This is a condition he has lived with his entire life. David is 29 years old, single and lives in Arcadia with his parents. He has been a postal employee since June of 1974, serving as a Custodian, Level 2. David has consistently been utilized in higher level custodial capacities because of his tremendous attitude and work output.

Being afflicted with Cerebral Palsy has not dampened this man's spirits at all. He walks with a high degree of difficulty and yet manages to turn out almost as much work as two average custodians. Dave undergoes therapy at least once a week at a clinic in Duarte. His affliction is naturally painful at times and yet he has used but a few days of sick leave in his three and one-half years with the Postal Service.

David Davis graduated from Pasadena High School in June of 1969. He has generally been confined to special education classes throughout his formal education. He has lived in the East and West and resided with his family for a time, in Utah. David enjoys bowling, bicycling, and swimming as hobbies, and, he states, "they're used for therapy, also."

In talking to Dave there is no question but that he intends to make the Postal Service a career. This is good news for his supervisor since David is rated as one of our most outstanding custodial employees, regardless of any handicap. Dave will never be found without a dustcloth or broom in his hand, working. Our brass and bronze doorknobs are eternally shining because of Dave's efforts. In point of fact, his supervisor sometimes worries that he is tackling jobs beyond his capabilities. In spite of his handicap Dave gets up on ladders to clean and dust our overhead light fixtures. He often refuses assistance and he considers no job too big or too small. It is really a pleasure to have a man such as David Davis working for us.

In view of Dave's outstanding achievements, it seemed appropriate to take this time on the floor of the U.S. House of Representatives to pay tribute to him. David Davis is truly an admirable young man. The residents in the 26th Congressional District of California and my colleagues in Congress join me in extending our congratulations to David Davis and wish him continued success.●

NAVY PROGRAMS GAIN ON CAPITOL HILL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Sea Power, June 1978]

NAVY PROGRAMS GAIN ON CAPITOL HILL; NUCLEAR CARRIER APPROVED

(By L. Edgar Prina)

The United States Navy and its supporters on Capitol Hill have won the first round of "The Great Naval Debate of 1978."

Late last month, the House of Representatives, rejecting the recommendation of the Carter administration, voted overwhelmingly to authorize funds for a fifth large-deck nuclear-powered aircraft carrier.

When the balloting had finished, the House had authorized a total of $37.9 billion for military procurement, research, and civil defense in fiscal 1979. Included therein was in excess of $2.1 billion for a new 95,000-ton Nimitz-class flattop.

President Carter had not requested any kind of aircraft carrier when he sent his budget to Congress last January. He and Secretary of Defense Harold Brown had told the pertinent committees they opposed a nuclear carrier, but would request a conventional oil-fired one—designated CVV, because it would carry vertical/short takeoff and landing planes—in fiscal 1980.

Then, after both the House and Senate Armed Services Committees voted to authorize a nuclear carrier in fiscal 1979, Mr. Carter sent out word that he would be willing to start the CVV a year earlier than he had planned. The compromise bid failed in the House.

NIMITZ OUTLOOK BULLISH

The action now shifts to the Senate, where a companion military authorization bill, different in a number of major respects from the House measure, soon will be taken up on the floor. The chances that the upper chamber will also approve a fourth Nimitz ship are considered to be excellent.

Carter and Brown are expected to continue the fight against the nuclear carrier, probably right through the appropriations process which follows authorization.

(Authorization bills do not, of course, provide budget authority as such. They authorize appropriations and the actual budget authority must be approved through an appropriations act.)

The House bill provides an increase in authorizations of more than $2.4 billion over the $35.5 billion requested by the President. In the procurement sector, the increase is in excess of $3 billion, but the research and development category was reduced by $636 million.

Most of the House-approved increase was in ship construction ($2.3 billion). In addition to the $2.1 billion for the carrier, $1.1 billion was authorized for a Virginia-class cruiser armed with the Aegis fleet missile defense system. The Carter administration also opposed this ship for FY 1979.

To help hold down the ship construction total—which wound up at a little over $7 billion—the House deleted authorization of $912 million for an eighth Trident ballistic missile submarine because of delays in the program.

"A VERY SIGNIFICANT YEAR"

In its report on the authorization—which, incidentally, was approved by the house almost intact by a 319 to 67 vote—the Armed Services Committee observed that "this is a very significant year" for the future of the Navy and naval shipbuilding.

It then gave the following account of how the Carter administration had failed to get its act together in this important defense area:

"President Carter, on May 19, 1977, announced a new five-year shipbuilding program that included 30 ships and $8.5 billion in fiscal year 1979. Overall, it included 180 ships (with 20 conversions) for almost $50 billion. Only four days later, on May 23, 1977, the Navy was only permitted to ask for 17 new ships at $6.3 billion for the fiscal 1979 program, with a total five-year program of $45 billion for 99 ships. This was a drastic cut in four days. Of these ships, 26 would be conversion, not new ships.

"The Navy, in 1977, with the approval of the Secretary of Defense, instituted a study as to the proper size of the Navy in the year 2000. The study was not completed at the time the hearings commenced on this authorization bill. The bill as submitted contained a proposed shipbuilding budget of only 15 ships (at a cost of $4.7 billion) for fiscal 1979. The required five-year program projection was not submitted. At the same time the President's budget message to Congress mentioned a $42 billion five-year shipbuilding program.

"In his initial testimony this year, the Secretary of Defense stressed the fact that the Naval Force Planning Study (SEAPLAN 2000) had not been completed, and since this was to be the basis for the five-year shipbuilding program, that program could be submitted only when the study was completed.

"The Naval Force Planning Study was forwarded to the Congress on March 21, 1978, and on March 24, 1978, the Secretary of Defense presented a five-year shipbuilding plan for only 83 ships for those five years (of which 70 were to be new) at a cost of $32 billion.

"Thus, in less than only one year the President's Navy program has dropped $18 billion and nearly 100 ships."

THE BIGGEST ONE-SHIP DIFFERENCE

Ironically, although the House added $2.3 billion to the ship construction authorization, if Congress appropriates the funds they will buy only 16 ships instead of the 15 that Mr. Carter would buy for $4.7 billion.

But the point that must be remembered is this: All sides agree that the Navy needs one more aircraft carrier to be able to maintain a force of 12 flattops through the end of this century. If Congress provides the funds this year then the years-long running controversy over a fifth nuclear carrier can end and the problem of numbers of other needed types can be addressed in fiscal 1980 and beyond without nearly one third of the total construction budget being devoted to a single ship.

The House committee report, noting that the facts surrounding naval shipbuilding have often been misconstrued, addressed two generalizations "most often heard as somehow justifying a smaller shipbuilding program."

Generalization: The Navy has a backlog of claims running to approximately $2.7 billion which is causing a delay in ship construction, and it is necessary to slow down the shipbuilding program until the mess is cleared up.

Fact: The overwhelming majority of claims come from three shipbuilders and are the product of contracts made several years ago. The present Navy leadership has made "substanial progress" on the claims but, regardless, past claims have little to do with the current ability of shipyards to build ships. "Shipbuilders can build for the future while lawyers argue over the past."

Generalization: Big, expensive, nuclear supercarriers are too costly. The Navy should build less expensive, because conventionally-powered, smaller carriers.

Fact: The official studies of recent years show conclusively that the Nimitz-class carrier (CVN) is the most effective in battle, is the least vulnerable, and is the most cost-effective ship.

"The closest competitor to the CVN is the conventionally-powered medium size carrier, called the CVV," the report said. "It has frequently been postulated that two CVVs can be purchased for the price of one CVN. This is simply not the case. The best estimated life cycle cost-ratio of the CVV to the CVN is 5:4 for the deck only, or 4:3 if the aircraft suite is included.

"When the total life-cycle costs for militarily equivalent task forces are considered, the costs are about even, if not slightly in favor of the nuclear task force."

CVN/CVV COMPARISON

The committee report also noted that it is sometimes argued that having two CVVs would provide the flexibility of being in two different places at once.

"The proposition is appealing until it is recognized that each of the CVVs will require additional escort and logistic forces, thereby adding to naval support costs, which have not been included in the cost studies."

The report said the issue of which of the two carriers is preferable is moot in any case, because only one more large-deck carrier is planned to be added to the force.

It gave the following comparison of the military characteristics of the two types of ships:

The CVN aviation payload is more than double that of the CVV and it can carry twice as much aircraft ammunition, nearly three times as much aviation fuel, and 89–94 aircraft as against 50–64 for the CVV.

In addition, the CVN has four catapults, four aircraft elevators, and four shafts to two of each for the CVV. The CVN has a significantly greater speed, and propulsion endurance of 13 years, compared with a few days for the CVV.

In its rationale favoring the CVN, the Senate Armed Services Committee made another valid point. It said the Nimitz class is a known quantity (two are already in the fleet and a third is under construction) while the CVV has not yet been designed or built.

"The CVV is as yet a 'paper' carrier," the Senate panel said in its report. "The currently estimated cost of $1,575 million (or nearly $1.6 billion) is at best a 'ballpark' estimate. The cost of operating and maintaining a CVV medium carrier is not known. However, separate and more costly supply and maintenance operations may be required because the CVV would be the only ship of its kind in the fleet."

The Senators credit the CVN with comparatively greater carrying capacities than the House panel does—more than four times the aviation fuel, nearly three times the aircraft ammunition, and a 50% larger air wing.

For all of the above reasons, it seems likely that if Congress funds one more big carrier it will be a CVN despite its higher front-end cost.

DIRTY POOL ON AEGIS

As for its recommendations to authorize more than a billion dollars for the first nuclear cruiser to be armed with Aegis, the House committee accused the Carter administration of playing dirty pool in not including such a ship in its requests this year.

"On May 19, 1977, President Carter submitted a budget amendment to the Congress for the fiscal year 1978 shipbuilding program which specifically added the long-lead time components for this cruiser, and provided for the full funding of the ship in fiscal 1979. This action was subsequently rescinded when the latest fiscal year 1979 Presidential budget request was submitted to Congress.

"The Armed Services Committee considers the failure to provide the Aegis cruiser in the Presidential budget for fiscal 1979 a breach of intent since it was on the basis of a Senate and House conference committee compromise, as written in the fiscal 1978 conference report, that the House Armed Services Committee agreed to full funding last year of the conventionally-powered DDG–47 Aegis destroyer."

The Senate committee did not authorize any funds for construction of the cruiser in its $5.6 billion shipbuilding account.

Along with the Nimitz carrier and nuclear cruiser, the House authorized one SSN–688

attack submarine, eight FFG guided missile frigates, one AD destroyer tender, three T-AGOS ocean surveillance ships for anti-submarine warfare, and one T-ARC cable repair ship.

For Navy/Marine Corps aircraft procurement, the House was generous, too, adding $476 million to the President's request, for a total of $4.6 billion.

Of the extra amount, there was $164.8 million for a dozen more F-14 Tomcats, to bring the FY 1979 total to 36, and $121.6 million for four more F-18 Hornet fighters, for a total of nine.

In addition, the House added $144.9 million for 24 more A-7E Corsair II attack jets and $90 million for 15 AV-8A Harrier V/STOL aircraft for the Marine Corps. It also deleted $113 million for 18 A-4M attack planes for the Marines.

In explaining its action on the Grumman Tomcats, the House committee report said:

"Navy testimony on the F-14 aircraft disclosed that the flyaway unit cost for 36 aircraft would be $19.2 million, compared to a flyaway unit cost for 24 aircraft of $22.1 million, a difference of $3 million in flyaway costs alone. When total program costs are computed, the analysis shows a savings of $861 million by authorizing 36 aircraft instead of 24.

"The total program buy planned is unchanged and the committee could find no rationale for the reduced buy proposed by the Defense Department beyond an arbitrary slowdown for immediate budget reductions. The committee finds this approach unacceptable."

Over the years, hundreds of millions of dollars have been wasted by arbitrary changes in aircraft production rates and ship construction schedules so that money could be "saved" in the upcoming budget year.

SES IN; LAMPS CUT

In the research and development category, the House made some changes that pleased the Navy and some that did not. Among the latter was its cancellation of the LAMPS III ASW helicopter program because of "extreme cost growth." The Navy had requested $124 million for FY 1979. Secretary of the Navy W. Graham Claytor, Jr., obviously hoping the Senate will approve the request, said later that the Navy "must have" LAMPS III.

Nor did the Navy like one bit the deletion by the House of its V/STOL technology program, for which $66.2 million had been requested. Rationale for the action: The development and procurement of "our existing high performance" aircraft is of higher priority than the development of advanced technology V/STOL planes.

On the plus side in R&D, the House voted to restore the surface effect ship (SES) program, which the Carter administration wants to kill. It left no doubt about its action, either, authorizing $93 million, or $400,000 more than the Navy originally had requested.

Asserting that the SES "represents a quantum jump" in the shipbuilding state of the art, the House committee report said the surface effect ship program "is this country's primary high-technology program that could provide a high-speed, eighty-knot and above, deep-water surface ship" for the post-1980 period.

The Senate Armed Services Committee also voted to restore the SES, but proposed only $30 million for FY 1979. If the full Senate should agree, the disparate House and Senate figures will have to be tackled by the joint conference committee and a compromise reached, as on other differences in the two bills.

The House also voted to transfer $40.1 million from the Air Force ground-launched cruise missile account to the Navy Tomahawk sea-launched cruise missile budget.

RESERVE RESTORATION

Naval reservists will be pleased to note that the House and the Senate committee have voted to authorize a force of 87,000 selected reservists. The Carter administration had asked for only 51,400.

The key vote in the House on the military authorization bill was not the final one (319 to 67). It came on an offer to substitute President Carter's original request (total $35.5 billion) for the committee bill.

The substitute was proposed by Representative Bob Carr (D-Mich.), a second-termer who serves on the Armed Services Committee. It was defeated 115 to 287.

In dissenting views on the committee's report, Carr, joined by two other minimal defense advocates, Representatives Thomas Downey of New York and Patricia Schroeder of Colorado, both Democrats, irritated the majority with a smart-aleck statement entitled "Givabucks grow on trees—just ask the committee," and which said:

"Your Armed Services Committee has run amuck. It has slipped its moorings, lost its bearings, stripped its gear, gone off its trolley, flipped its wig."

When all the voting was over, Representative Bob Wilson, ranking Republican on the panel, had this observation:

"As you can see, it was Carr who stripped his gears and ran out of gas."●

LIGHTS, CAMERA, ACTION: CRIME

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. UDALL. Mr. Speaker, several months ago, when press accounts of an incipient scandal involving the highest levels of the motion picture industry came to light, there was talk of coverup and pressures on individuals to quiet the matter.

During this period, a single person stood out as unwavering in his belief that justice ought to be served, no matter the cost or the pressures.

Cliff Robertson, winner of an Academy Award and an Emmy Award, stood his ground and persisted. And he will apparently prevail, despite the powerful interests who wanted a coverup of the corruption within the industry.

I am proud to know Cliff Robertson as a friend. He is a man of singular courage and integrity. His stature among his colleagues in the film industry is perhaps unmatched in the wake of the Begleman affair.

Recently, Mr. Robertson delivered a speech to the Screen Actors Guild in New York. The New York Times reprinted a portion of it on June 10. I commend the attention of my colleagues to the contents of his address, for it is of great importance to us all.

The speech excerpt follows:

LIGHTS, CAMERA, ACTION: CRIME

(By Cliff Robertson)

I would like to say a few words about a cancer in our industry, a malignancy that split its first evil cell a long time ago but appeared relatively benign until recent years. Like all mortals, we have taken refuge in the hope that the diagnosis was incorrect or, at the least, exaggerated, that it is but a common ailment that will go away or, at worst we will simply have to live with.

The ugly disease has been given a rather innocuous name, a name that belies its evil intent and suggests it affects relatively few when, in truth, it affects everyone in this country.

The disease is corporate crime. And it threatens to degrade, debase and ultimately destroy the moral fabric of not only the motion-picture industry but industries throughout this country. Some say that prognosis is too dark, too dire, too dramatic. That what we are experiencing are a few local "brushfires." To those, I would say, pick up any newspaper or news magazine, read of embezzlement, bribes, payoffs, stock manipulation and corporate kickbacks.

Some months ago, when the "Hollywoodgate" scandal was finally uncovered, there were other dark, dire predictions equally dramatic. Certain superstars would boycott Columbia Pictures if an admitted forger-embezzler was not permitted to return to the scene of his crimes. They too were dark. They too were dire. But they were untrue. Other untruths and innuendos were shot from high windows. A small fiefdom that has exercised inordinate power in Hollywood desperately attempted to rally a cordon of support from those with vested interest, and they were not without some success.

Some men of integrity suddenly became silent. They didn't want to know. They played the game. They sealed their lips as well as their consciences. The odds were great. Why risk it? The firmament of fear prevailed.

Where were the brave ones? Those unafraid in previous days—unafraid to stand with small numbers if not alone?

Those others, those superstars of civic pride, those friends of the earth, those politically visioned, were they securely cocooned in million dollar contracts? Where were they? Why were they suddenly silent? Was it true? Was it really true? Is the bottom line really the buck? How tragic for them and for all of us. Was theirs a conspiracy of silence or mute evidence or moral decay? Had their dreams of an art form dissolved into a nightmare of money?

Slowly, slowly the mist is lifting. A few are coming forward to challenge, so speak out. A few.

Emotional blackmail is a frightening thing. It was frightening in the 1940's when criminal elements threatened our industry's lifeblood. Proud men were humbled into submission. Dirty, criminal hands clutched at our throats threatening us with extortion and violence. Today our industry is threatened by a foe equally formidable—perhaps more so. The hands are those of a few, astonishingly few. Hands that are nimble, manicured and slick. The wheelers, the dealers. Masters of the hip and the hype.

They make deals. The actors, directors, writers, the craftspeople, make movies. And when these movies are finished and successful, the dealers take the bow. Overnight Irving Thalbergs.

But, if the film is unsuccessful, the director has lost his touch, the actor doesn't draw, the writer is incompetent. And the dealers get in their limousines and look for new prey.

For those who don't know, or remember, there were brave men in the 1940's. Men and women who stood up to the gangsters and their bullies and kicked them out of town. Those brave men and women were members of our union, the Screen Actors Guild. And with the same courage this union can eradicate the corporate crime that is alien to the sense of decency in every member of this guild.

It has been said that Watergate proved above everything else that the system worked—the judicial system. I think it can

be said the "Hollywoodgate" has proven one thing to date. A free and responsibe press works. Indeed, it is the press that has been a purveyor of truth. And it is true, no matter how difficult, that truth will ultimately arrest corporate crime in our industry and set us free.

We'd better hurry. We haven't that much time.●

AN ASSESSMENT OF THE CARTER ADMINISTRATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for June 14, 1978, into the CONGRESSIONAL RECORD:

AN ASSESSMENT OF THE CARTER ADMINISTRATION

Seventeen months after his Presidency began, people are still asking what Jimmy Carter is really like. Many view him as inexperienced and ineffective, a politician who flip-flops on the issues and has difficulty delivering on his campaign promises. Others admire his personal qualities—a lack of pretense, a willingness to work hard and an ability to admit mistakes—and believe that his basic instincts are sound. My guess is that most people do not yet have a clear picture of the Carter Administration. They do not see where the government is headed. These perceptions may explain the President's low standing in the opinion polls.

Mr. Carter assumed the Presidency at a time when that office had been weakened. Vietnam and Watergate had taken their toll in terms of esteem. The persuasive powers of the chief executive had declined and his word was no longer accepted as gospel. The role of the Congress had been fortified with the enactment of several special pieces of legislation. The War Powers Act and the Budget Act in particular had resulted in a loss of presidential influence.

American attitudes have also made the challenge of presidential leadership more formidable. The people do not seem to sense crisis in any domestic or international issue. The priorities on the national agenda are not ordered and few people are certain what they want their leaders to do. Lack of urgency and unclear priorities set limits on the President and make the Congress less responsive to his blandishments and more sensitive to political pressures and crosscurrents. The Great Society—with its singleness of purpose and its strong feeling of direction—is gone. The people recognize that there are unsolved problems, but there is nothing approaching a consensus on the proper solutions to them.

In the face of a weakened office and changing American attitudes, expectations have nonetheless remained high. The people want a forceful President and they tend to be baffled when he cannot make progress across the board. They encourage the President to break all political deadlocks and they petition his support for the many causes that interest them. They urge the President to defeat the proposals they do not like and they hold him accountable for failing to control 535 very individual members of Congress. Since the President is blamed for most of the things that go wrong, he has become responsible, in a way, for almost everything. But in our system of government it takes a long time to solve problems, and solutions are politically feasible or else they are not solutions at all.

Much of Mr. Carter's difficulty stems from the fundamental characteristics of his Presidency. To begin, he himself is a structural reformer with a keen eye for detail who does not like to deal in partial solutions or the superficialities of problems. However, his desire for comprehensive, detailed reforms may not be in tune with the mood of the country today. Though he may yet convince the people of the necessity of his legislative program, so far he has not communicated to them his sense of urgency about the problems he addresses. A second characteristic—the anti-Washington emphasis—was undoubtedly an important factor in Mr. Carter's election, but it has come back to haunt him. As an outsider uneasy with the ways of the Capital, he has needlessly crossed swords with influential legislators and has been slow to realize that good ideas and honorable intentions are not enough.

I have the feeling that the President has been hesitant to use presidential power, but that he is now settling comfortably into the Oval Office. It seems that he is beginning to master the intricate relationships in Washington and to maneuver among them, as a President must if he is to achieve his goals. He has had a long "shakedown cruise," but he has been blessed with good fortune at least in the sense that he has not had to confront a dangerous crisis. He is now intervening boldly in legislative battles, tackling long-ignored problems and having some success. After a full year of congressional haggling, the President has the energy bill moving again. He is getting tougher both in his fight against inflation and in his support of fiscal restraint. He is taking on every major foreign policy issue in the book, regardless of the political consequences. His Middle East arms sales package, his sharp attack on Soviet activities in Africa, his attempt to lift the Turkish arms embargo and his staunch advocacy of majorty rule in South Africa are outstanding examples.

Many people believe that Mr. Carter is indecisive. He seems to be responding to that criticism by making the effort to define his positions, even if the political flak is heavy. There is speculation about a one-term Presidency for him, but surely such talk is premature. Presidential historians advise us to watch the crucial third year of a President, and Mr. Carter is still several months away from it.

All of us are entitled to judge a President severely, provided that our judgment is tempered by an appreciation of the circumstances in which he governs and the limitations of his powers.●

THE NATION'S PRESS DEPLORES THE SUPREME COURT'S DECISION ALLOWING THE POLICE TO SEARCH A NEWSPAPER'S OFFICES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. DRINAN. Mr. Speaker, the Nation's press continues to express its horror and its indignation at the 5-to-3 Supreme Court ruling which allows police to search a newspaper office for criminal evidence without a subpena.

I am pleased that Senator BIRCH BAYH has scheduled hearings on press protection bills on June 22. Senator BAYH has filed S. 3164, entitled the Citizens' Privacy Protection Amendment of 1978.

I am pleased also to state that my bill, H.R. 12952, the Press Protection Act of 1978, now has 34 cosponsors in the House.

I reprint here, Mr. Speaker, the editorials from the Milwaukee Sentinel for June 2 and the Milwaukee Journal for June 1.

The editorials follow:

[From the Milwaukee Sentinel, June 2, 1978]

HIGH COURT PLACES PRESS IN JEOPARDY

A U.S. Supreme Court ruling that police may search a newspaper office for criminal evidence could open the doors for a search and destroy mission aimed at the freedom of the press.

Unless it is used with extreme discretion, a search warrant can be an intimidating weapon. In the case of newspapers, the intimidation will not directly affect conscientious reporters and editors but it is certain to have an impact on news sources.

It will be difficult, if not impossible, to keep a promise of confidentiality if there is a threat that the police may unexpectedly burst into the newsroom and start rifling through the paper's files.

Similar arguments had been made in the lower courts which earlier ruled in the case involving the search of a Stanford University student newspaper in 1971. The object was to turn up photos of suspected participants in a student demonstration and no new evidence was found.

The lower court findings were that the search was incompatible with the right of a free press guaranteed in First Amendment to the Constitution. It also was ruled that police searches of the premises of someone not suspected of a crime are almost never legally justified.

How the high court could find otherwise should be a matter of concern not only to the press but also to those who benefit from its unfettered operation. It has been only a few years since the confidentiality of news sources led to the exposure of crimes which resulted in jail sentences for several high placed national administration officials and the resignation of a president.

When the five member court majority voted to allow the surprise search of newspaper premises, it also eroded the protection the free press affords the public from such governmental abuses.

And it is not as though police had no other recourse than a search warrant in obtaining evidence from the press. It has always been easy enough to subpena particular items or broad categories of information.

The significant difference is that, when requests in subpenas are believed to be unreasonable, the point can be argued in court. A search warrant, under Wisconsin law, "shall be issued with all practicable secrecy," and the information on which it is based "shall not be . . . made public in any way" until it is executed.

Taken with the high court decision, this provision can be used to abolish the constitutional guarantee of a free press, not by the formal process of repeal, but in secret ceremony and without argument from those whose rights are being taken away.

State judges now vested with this authority should keep the potential consequences of their action on that freedom in mind. It is the kind of power that has the potential for bringing down not only a free press, but a free country as well.

[From the Milwaukee Journal, June 1, 1978]

RUMMAGING THROUGH THE NEWSROOM

The U.S. Supreme Court has accorded distressingly broad search powers to police in the case of the Stanford Daily in California.

We will grant, of course, that police must have reasonable access to all pertinent evidence in criminal cases if they are to perform their duties properly. Indeed, there are

times when a search warrant is the only effective means of obtaining important evidence. That is especially true if officers have reason to think the evidence will otherwise be destroyed or concealed. Yet a surprise search is by no means the only way to get evidence. Searches are a drastic device that should be reserved for cases in which less intrusive methods do not appear workable.

In the Stanford case, for example, it simply was not necessary for police to go barging into the newspaper office and rummaging around. No one on the Daily staff was suspected of committing crimes or concealing evidence. The only reason given for the search was that the police thought the newspaper had photographic negatives that might be useful in identifying persons who had taken part in a riot. As it turned out, the negatives contained no useful evidence.

Yet, even if such evidence had existed, it could have been obtained by subpena, without subjecting the newspaper office to unreasonable search and seizure.

The lower federal courts wisely condemned the search as unconstitutional, saying it was almost never proper to search the premises of someone not suspected of a crime. Those courts also noted that freedom of the press is chilled when police subject newspapers to unannounced searches. Unfortunately, the high court passed over those valid points and gave police more freedom to conduct searches than they really need.

The decision raises many disturbing possibilities. If police are permitted to conduct surprise raids on journalists, they also can be given warrants to subject innocent doctors, lawyers and other citizens to the same intrusion. What happens to private, confidential information that cops may see while pawing through files, notebooks and personal possessions?

The only slightly reassuring fact is that the Supreme Court majority opinion did make a reference to proper administration of warrants and to preconditions that should give newspapers "protection against the harms that are assertedly threatened." We don't know just what that means, but we hope, that it will at least cause judges to draw warrants narrowly so the intrusiveness of searches is held to a minimum.

THE ARMS EMBARGO AGAINST TURKEY

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mrs. PETTIS. Mr. Speaker, within the next several weeks, the House will take up the International Security Assistance Act of 1978. During its deliberations on this measure, the House International Relations Committee voted to repeal the 4-year-old arms embargo against Turkey. I cannot overstress the importance of this issue for it will be one of the most critical foreign policy questions we will consider this year.

Today's edition of the Wall Street Journal contains two excellent articles supporting the action by the International Relations Committee. I commend them to the attention of my colleagues:

BLIND MORALIZING

In recent months there has been a gathering sense that in its outburst of post-Vietnam moralizing, Congress has gone too far in writing laws that foreclose foreign-policy options. Most of the discussion has centered around Africa, but in fact the clearest case of blind moralizing has been the embargo against arms shipments to Turkey.

The details of the dispute leading up to the embargo, and the enormous cost in terms of the Western strategic position, are clarified in an article on this page by Albert Wohlstetter, who over several decades has been an enormously influential strategic thinker and is for our money the nation's most careful analyst of military-political affairs. (Mr. Wohlstetter's studies warning of the danger of nuclear proliferation, for example, are rated by the chief spokesman for the nuclear industry as the most important single event leading to what the industry finds a vexing new concern.)

The embargo was imposed, of course, after the Turkish invasion of Cyprus in 1974. Congress has taken the position that this was an illegal use of American-supplied arms, and that no more should be shipped until there is a settlement of the ongoing Cyprus dispute. The Turks have closed down some American intelligence facilities, and are drifting closer to the Soviet camp. They have become, for example, the largest recipient of Soviet foreign aid. However, they remain within the NATO command structure, while the Greeks have withdrawn.

Just why the U.S. Congress should be picking sides in this age-old dispute has always been unclear to us, and becomes increasingly so as we review the dispute. Turkey did not start the Cyprus crisis. It started with an attempted coup backed by the colonels who then ruled Greece, with the purpose of union between Greece and Cyprus. Archbishop Makarios, the late Cypriot leader, told the UN Security Council that the coup forces were armed with tanks and armored cars—in other words, weapons the United States had supplied to Greece.

Turkey had a clear treaty right to intervene to stop Greek attachment of Cyprus. It landed in July, and landed more forces in August to expand its occupation zone. There have been spasmodic negotiations for a settlement between the Greek and Turkish inhabitants of Cyprus. At the moment, the Turkish proposals are the ones on the table.

In the light of this history, it's not hard to understand Turkish mystification at its treatment by the U.S. The Turks tend to attribute this to racism. They think the U.S. and other Western powers will automatically side with the Greeks, even when they have a military dictatorship, and against the Turks; even though they are the only democracy in the Islamic world. U.S. political analysts attributed it instead to the "Greek lobby," which while not large is decidedly vocal.

There may be some truth to both explanations. But after watching the fight over the sale of F15s to Saudi Arabia, we somehow doubt that the Greek lobby has a hammerlock on Congress. And we would like to reassure the Turks about racism by offering another explanation. Their sin was that their invasion actually succeeded, at a time when military success was unpopular in influential quarters of American opinion. So much moral capital had been invested in asserting that American success in Vietnam would be "immoral" that Turkish success in Cyprus must be "immoral" too.

This mood is passing. The Soviet arms build-up and its aggressiveness in Africa have brought home the real challenge to the American strategic position, and to the values of freedom and individual dignity that are the moral roots of American foreign policy. With this recognition has come the realization that the embargo has not helped and may in fact have hindered a settlement on Cyprus, so that Sen. Church, for example, has come to favor its repeal.

Those worried about restoring American flexibility in foreign policy should surely join him. That we have a law on the books so confused and so destructive as the Turkish embargo tells much about the mood of Congress when writing such restrictions was fashionable. We should get rid of this one first, and then move on to take a careful look at the others.

LIFT THE TURKISH ARMS EMBARGO

(By Albert Wohlstetter)

The United States, Turkey and Greece have very strong mutual interests affecting their security—interests that have been harmed by the behavior of all three nations. The self-destructive pattern can be broken by support for President Carter's initiative to lift the arms embargo against Turkey.

All NATO countries—not only the United States, Turkey and Greece—have an interest in restoring health to the southeastern flank of NATO. That is also of great consequence for the credibility of any American guarantee in the Middle East and for countries such as Japan that depend on oil from the Persian Gulf.

What makes the problem urgent is the worsening of our position on the southern flank of NATO and especially in the eastern Mediterranean, the increase in Soviet ability to project power at a distance. Greece's continued absence from the NATO military command, the increased precariousness of our own and allied reliance on oil from the Gulf area, the deterioration of the Turkish armed forces that remain part of the NATO military structure, and the steady decline in our relations with Turkey.

There are of course endless claims and counterclaims about the rights and wrongs of Greek, Turkish or even American and British behavior on Cyprus. I do not think a fair and accurate picture can be drawn in simple black and white. Nor do I think the legal questions as to the use or misuse of U.S. arms aid present a simple issue, with an obvious answer justifying punitive action in the form of a continuing embargo.

THE GAO LETTER

The Greeks as well as Turks are armed predominantly by the United States and both, it is plain, have used these arms to protect what they regard as their legitimate rights and obligations. The usual authority cited on Turkish violations is the General Accounting Office letter to Sen. Eagleton. A careful reading shows that it does not unambiguously claim a Turkish violation. Moreover, I think the GAO would have qualified its judgment on Turkey even further if it had been asked about violations on the other side, which were much less ambiguous.

I am afraid many Americans made moralistic statements about the crisis that stain moral credibility. There is no doubt that the events started with a coup engineered by the military dictatorship then existing in Greece. And there is no doubt in my mind that the Treaty of Guarantee signed by Greece, Turkey and Great Britain was a justifiable basis for Turkish intervention in July. In the subsequent August landing the Turks expanded their very precarious foothold in the face of Greek delays and refusal to agree to a security zone around Turkish forces.

One always hears that 40% of the land is occupied by the Turks, who make up only 18% of the population. I would point out first of all that the 40% seems to be inaccurate; it is more like 30% or 37%, and the Turks question the 18% as well. More important, the Turkish "18%" or more of the population, being mainly farmers, always had more than the corresponding 18% or so of the land—about 40% at the time of the 1960 census, and perhaps 30% at the time of the coup. The recent Turkish proposals for voluntary population and land transfers consider the military and economic viability of the transfers, and seem to me as they do to Secretary General Waldheim a substantial advance in the negotiation.

On such complicated disputes between two

important allies, the United States had best avoid the pretense that the moral or legal issues are simple black and white ones on which we can sit in judgment. Such pretense does mischief to our reputation for any balanced concern about the rule of law. I would be as deeply opposed to an embargo on arms to Greece as I am to continuance of the embargo against Turkey. We should not be asked to choose; both are of key importance to our own security and to that of our allies.

The security considerations, meanwhile, are essential to the strategic significance of Turkey. While there have been recent claims that new weapons technologies make the Turkish armed forces, facilities and geographical position obsolete, it simply romanticizes technology to suggest that ICBMs or any other sophisticated technology can replace forces that operate from close-in range. Similarly, the Turkish intelligence facilities closed since the embargo were of great value, and substitutes have been only partial, creating deficiencies that become harder and harder to overcome. These facilities provided us with information about the development of Soviet long-range systems, and also, as in the fall of 1973, about movements and concentration of Soviet forces.

The value of Turkey for the United States and its NATO allies extends far beyond the few installations on which operations have been suspended since the embargo. That value proceeds in the first place from control of the exit from the Black Sea through the Straits of the Bosporus and of the entry to the Aegean through the Dardanelles. Second, from the large number of strategically placed base facilities for combat, communications, navigation and other support functions, including facilities besides those withdrawn from current operation. Third, from the control of the air space above Turkey. And fourth, from the Turkish ground forces themselves, which are the largest in NATO aside from those of the United States, and have a well-deserved reputation for fighting ability.

It is usual to talk of the value of Turkey for our allied security in rather general terms. That makes it easy to dismiss its value with some vague reference to technology or the like. I would like to illustrate Turkey's importance in some concrete detail.

First, on the importance of Turkey to Greece, which proponents of the embargo tend to think of, if at all, only in passing. Turkey's participation in NATO sharply increases Soviet force requirements for Bulgarian or combined Bulgarian-Soviet attacks on Greece. Turkish control of the Dardanelles blocks the Soviets' sea lines.

NATO planes based in Turkey could interdict Soviet sea and air movements to Bulgaria. The only invasion-supply route into Greece which is not within easy artillery range of Turkish forces is a single-track railroad with a parallel road. With Turkey and Greece cooperating in NATO this attack would be a much riskier adventure and therefore one much less likely to be attempted or persuasively threatened. And most important, Soviet force would be less likely to cast a political shadow.

On the importance of Turkey for the whole of NATO's southern flank, and consequently for the NATO center, Secretary of Defense Brown has been quite clear. If the flanks are neutralized by political or military action, an adversary can concentrate more massively against the center. The defense of the center cannot be separated from the defense of either flank.

In the defense of the Persian Gulf area, however, the potential role of Turkey deserves concrete illustration. If the Soviets can overfly Turkey at will, they can cut in half the time needed to deploy forces by air over Yugoslavia to an objective near the Gulf. (Roughly the same is true for deployments to Lebanon and Israel.) The availability of Turkish airspace drastically affects what the Soviets can do compared with what the United States can do in the Gulf area. Without substantial overflight over Turkey, the Soviets, for example, might be able to bring into the area a force roughly equivalent in firepower to a U.S. mechanized division and do it in about the same time as it would take the U.S., that is, in about two weeks. With overflights unconstrained the Soviets could get there a week earlier.

For conflict in the Persian Gulf area the Turkish Straits also are plainly important. If the Soviets cannot use the Straits to resupply by sea as well as by air their forces fighting in the Gulf, they might have to rely exclusively on a massive initial airlift until they could, for example, resupply by sea from Vladivostok—a much more distant supply route. Other conceivable routes might be even longer, more complicated or more vulnerable.

In short, when one looks at the grubby details of how the contestants might fare in a struggle in such key parts of the world as the Persian Gulf or Greece, it is apparent that with the technologies available to each side the role of Turkey is likely to be of major importance. No airy references to sophisticated weapon systems should erase that importance from our minds.

TURKEY'S SIGNIFICANCE

Finally, a few words on the significance of Turkey for the Middle East. It would be possible to illustrate in some detail the effects of the availability to one side or the other of Turkish air space, the Straits, bases and materiel in Turkey, or the Turkish forces. The potential effect on conflict between the confrontation states and Israel is large. The stability of settlements now being proposed for the Middle East depends not only on the ability of the parties to defend themselves with only logistic support from outside, but also on external guarantees of possible intervention.

But no guarantee is likely to be accepted if it cannot be backed up, that is, of the risks of backing it up are so large that fulfillment of the guarantee is not believable. And even if a very risky guarantee were accepted, the settlement guaranteed would very likely be unstable. There has been a long history of the importance of Turkey for military operations in the area. Turkey was a key to our successful intervention in Lebanon in 1958. Our intervention at that time exploited the strategic position of Turkey and was greatly aided by it.

To restore the role of Turkey in the alliance we should end the embargo. The embargo in any case blocks compromise on Cyprus. The Turks will not bend to a public humiliation by a major ally. And those Greeks who see Turkey only as a rival and a danger and want it weakened will delay compromise to perpetuate the embargo. For the sake of Cyprus, and for the mutual security of our allies, including Greece and Turkey, we should at long last bring the embargo to an end.●

ECONOMIC ADVANCEMENT COALITION RELEASED STUDY OF PROPOSED MILITARY BASE REALINEMENTS

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. RAILSBACK. Mr. Speaker, today the Northeast Midwest Economic Advancement Coalition released a study, "Proposed Military Base Realinements: The Regional Impact." The results of this study confirm beliefs that I have had for years. I have argued repeatedly that the Midwest has not been treated fairly by military realinements and I am concerned that shifts to the South and West are not in the best interests of national security. In large part, my conclusions were based on my personal observations. Having military installations in my district, the 19th of Illinois, which have been the objects of Defense Department and Army scrutiny, I am well aware of the efforts to relocate various functions for anticipated cost savings. As the Army will admit, it has only recently begun to perform post transfer studies to see whether, in fact, the anticipated cost savings accrue. I suspect that in many instances they do not. Thus the one advantage sought—savings in the defense budget—may never be realized. I am aware of the disadvantages that such transfers engender. Families are forced to move or else give up jobs. The community suffers from a depleted demand for services. These are disadvantages beyond the diminished national security that the Northeast Midwest Institute study suggests and which I have suspected.

Illinois is the second hardest hit of all of the States in the northeast-midwest region by the realinements selected for study by the Department of Defense. In the northeast-midwest region of this country, 10,228 jobs are being considered for termination, while 13,043 in the South and 9,710 in the West are under consideration. While the raw data might suggest that the region is not that bad off, take into consideration the fact that this region has less defense jobs to begin with. The States in the Northeast and Midwest stand to lose 2.4 percent of their share of jobs while the South and West are to lose only 1.2 percent of their share. Almost 15 percent of the bases in the Northeast and Midwest would be affected greatly—being closed completely or losing over half their personnel—while only 6 percent of those in the South and 9 percent of those in the West risk such a large impact.

This study by the Pentagon could result in a loss of over $109 million in direct payroll expenditures in the Northeast and Midwest. Secondary losses could climb to $94 million and 8,000 jobs.

I think it is time we took a look at the larger picture when it comes to base realinements. It is time to stop proposing realinements for the sake of study and to make the moves only where there is a definite advantage to be had which is not outweighed by disadvantages to the community. Finally, it is essential to put a stop to discrimination in the selection of bases to be studied and to prevent regional imbalances.●

HEATING WATER WITH SUN POWER—DOES IT PAY?

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. UDALL. Mr. Speaker, a lot of attention has been focused on the use of

solar technologies to help reduce our costly use of fossil fuels. But from my own experience I believe that most people still think in terms of promise and not capability. I keep hearing that solar will be great in the future—10 years from now, but that we cannot justify it today. This is simply not true. For many applications solar energy is cost effective today. I was delighted to find a sound analysis of the economics of solar hot water heating by Mr. E. J. Sanaghan, Jr. in the May 1978 issue of Arizona Business/Industry Magazine. I would like to share Mr. Sanaghan's analysis with my colleagues.

HEATING WATER WITH SUN POWER . . . DOES IT PAY?

(By E. J. Sanyhan, Jr.)

Is a solar water heater a good investment?

Let's take an average household with an electric water heater, modern appliances, and 2 to 4 members. With a premium solar water heater consisting of two solar collectors, a 66 gallon tank, and all miscellaneous components necessary to make a fully automatic system. . . . What are the costs? What are the advantages? Cost [1] for this unit is $35 a month, 8 years finance. $45 a month, 5 years finance. $1800 to purchase outright.

As of January '78 this unit will reduce the electric bill approximately $25 a month, based on 450 KWH consumption by the water heater only. (The exact amount would depend on billing demand, time of year, and total KWH consumption for a given billing period.)

Cost of solar water heater, based on 8 year finance would be as follows:

Cost of solar heater, $35 month.

Less savings incurred, $25 month.

Additional expense for using solar to heat water $10 month.

The State of Arizona has enacted incentives to provide for rapid utilization of solar equipment. Chapter 81 Arizona Revised Statutes (ARS) Section 43–123.37, 43–128.03, 43–128.04 provides a 35% tax credit for installations of residential solar devices during 1978.

On the above described system this equates to a $630 refund, not a deduction, a refund. If the homeowner should owe the state only $400 this year, he will receive the remaining $230 next year.

Just for discussion purposes, let's spread out the $630 over a 2 year period. $630–24= $26.25 a month. Moving back to our $10 a month additional expense and deducting our tax credit which has been spread out over 2 years:

Outlay for solar vs. electric, $10.00 month.

Tax credit subtracted, $26.25 month.

Surplus, $16.25 month.

Yes, it is true, it is possible for a homeowner to make money for 2 years by purchasing a solar water heater. But what happens after the 2 years? Are there still tax advantages? Yes there are.

Before applying the tax credit, the new solar heater left this household with a liability of $10 a month, but I showed how that switched to income because of the tax credit. Now that all tax credit is received, we are back where we started, but now it is January 1980 and during the past two years the utilities have raised their rates at the same pace they did for period of January '75 through January '78 which was 20.74% annually.[2] (This is considered a conservative estimate by many.)

When the solar unit was initially installed we replaced our $25 a month electric bill with a $35 a month payment. Now we see by updating to 1980, our basic costs are:

Cost of solar heater (unchanged), $35.00 a month.

Less savings incurred (up to 20.74%), $36.25 month.

Surplus, $1.25 month.

In addition to the surplus shown above there are other factors. Let's say the homeowner did not purchase his solar heater in January '78 and it is now January 1980. The following statements could be made:

(1) There would be no solar water heater in this home which would now add $2000 to $3000 in real estate value.

(2) Allowable tax credit has dropped 5% each year as prescribed by law and the present (1980) credit is only 25%. A loss of $180.

(3) The homeowner would have $662.82 in cancelled checks from his utility company, which would be worth nothing. No deductions on federal income tax due to interest paid, and no equity in real property has resulted.

ARS sections 42–123.01, and 42–123.37 provides exemption from property tax increases which may result from the addition of solar systems to new or existing housing. As assessed values continue rising it can amount to substantial savings.

This analysis brings to light some startling facts. The advantages mentioned are only the obvious ones which apply to nearly every homeowner. There are others also which are too complex to figure in here. Can you afford not to seriously check into the foregoing? Remember, the energy you save is everyone's, the money you save is yours.●

[1] Exempted from sales and use tax, ARS Chapter 42 Sections 42–1312.01, and 14–1409.

[2] January '75 through '78 increases, APS—18.06% annually, SRP—22.89% annually. The above obtained from APS and SRP customer information centers.

SOCIAL SECURITY

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, 6 months ago today, 189 Members of this body voted for passage of a conference report to raise social security levies an additional $227 billion over the next decade. To date, 134 of those Members have announced their support for a rollback of the scheduled tax hikes, and another 14 Members who originally "paired for" the conference report have also signaled their support for a rollback.

When these commitments are added to the 163 Members who, like myself, cast a vote against the conference report and the 22 Members who "paired against" it, it is evident that a clear majority of the House is on record as favoring another look at social security financing.

Despite this miraculous conversion of our House brethren, there is no indication that social security financing will be reconsidered in this session of Congress. Four weeks ago, the Ways and Means Committee, in reversing an earlier vote, voted against a rollback of the payroll tax increase scheduled for 1979 and 1980.

But, a review of the December 15 debate and subsequent events clearly demonstrates that social security financing needs to be rethought and that the leadership of both Houses should afford the Congress that opportunity.

During the debate on the conference report, the distinguished chairman of the House Ways and Means Committee said,

I want to assure the Members that we will be able to come in with a better financing mechanism. We will be able then to bring the payroll tax into a more reasonable posture.

The chairman went on to assure the Members of this body that we could instruct our constituencies that,

The chairman of the Committee on Ways and Means has assured them publicly that he will move as expeditiously as possible, certainly within the next 5-year time frame, toward adopting a new revenue mechanism whereby we can back off from these major increases. . . .

Mr. Speaker, the chairman's job-like patience is not shared by the taxpaying public. By 1982, at the end of the chairman's 5-year time frame, the maximum employer and employee contribution will both have risen to $2,130 from the 1978 ceiling of $1,020—a 108-percent increase.

If there is a lesson to be learned from the recent Jarvis-Gann initiative in California it is this: taxpayers will no longer tolerate irresponsible and unresponsive fiscal management. Does anyone in this body question how the social security conference report would have fared if it had been offered as a national referendum? It would have been defeated. The American people would have thrown the proposal back in to the lap of Congress with this message: Come up with a workable solution that does not entail a mammoth tax increase—that is what the Congress is paid for.

Mr. Speaker, there is such a solution. We can restore the financial integrity of the social security system without resort to oppressive tax increases and we can do so without a raid on the general revenues. It can be done through a sound fiscal plan that balances the needs of the social security recipients with the concerns of the contributors.

The alternative that I am suggesting is not new. It was offered last fall in the House debate by our Republican colleagues on the Ways and Means Committee. It is, I think a reasoned response to an admittedly difficult problem.

The time for the consideration of this alternative is now. The Congress, for once, should anticipate, rather than react to, taxpayers grievances.

The first of the scheduled increases from the social security bill goes into effect, cleverly enough, in January of next year, some 2 months after the fall congressional elections.

That should give the new Congress a 2-year breathing period in which to defuse the issue before the next election. But let the Congress beware: the voting taxpayer is becoming more discerning, more conscious of the tax burden and tax laws. Like Abe said: You can fool some of the people all of the time, all of the people some of the time, but you cannot fool all of the people all of the time.

I insert into the RECORD an earlier statement on the Conable-Archer Republican alternative:

STATEMENT ON A NEW REPUBLICAN INITIATIVE ON SOCIAL SECURITY BY CONGRESSMEN RHODES, CONABLE, ARCHER, STEIGER, KETCHUM AND SCHULZE

We believe that the nation's social security system should be restored to financial stability on a long range basis. We owe this not only to the 100 million Americans who support the system and the 34 million who already benefit from it, but to the next generation as well. They deserve no less.

We also believe that a number of long-standing inequities in the system, especially those related to the treatment of women, should be corrected.

We further believe that the system should be adjusted to changing American life styles, that beneficiaries no longer should be penalized for continuing to lead productive lives, and that we should move closer toward truly universal social security coverage.

And we believe these desirable goals can—and should—be attained without: (1) altering the basic structure or nature of the system; (2) adding heavily to tax burdens in the future; or (3) requiring any tax increases over the next several years, in light of an uncertain economy and current payroll levies on both employers and employees.

Toward these ends we are presenting, for the consideration of the Congress and the American people, a comprehensive 15-point social security proposal. It would place the system on a sound financial footing for at least the next 75 years, it would solve the immediate financial shortfall in the trust funds, it would strengthen the system's insurance character, and it would correct a number of inequities. It would do all this with no tax increase until 1982 and with less than a 1¼ percent increase through the year 2050.

The proposal does not, it should be emphasized, offer the myth of something-for-nothing. It is realistic. There are prices to pay for the problems it solves. But we feel the prices are reasonable, especially in view of obvious alternatives: (1) a drastic lowering of benefits, (2) a heavy increase in payroll taxes now and in the future, or (3) the illusory use of general revenues, which would require substantial borrowing by the Treasury, an even bigger public debt, and eventually higher taxes and more inflation for all.

Our proposal, which includes a number of "tradeoffs," should be considered as a unit. Its parts—interdependent and not interchangeable—have been blended carefully into a particular whole, and it should be judged as such.

As far as we know, this proposal stands alone. If there is another—to solve the system's financial problems, to correct so many of its inequities, and yet to cost the taxpayers so relatively little—it has remained well hidden from public view.

Specifically, our proposal would.

A. Meet the immediate financial needs of the Social Security Trust Funds by:

(1) Reallocating taxes collected, between the Old Age and Survivors Insurance Fund (OASI), and the Disability Insurance (DI) Fund, which is expected to become exhausted soon if preventive steps are not taken.

(2) Temporarily diverting three-fourths of a Medicare tax rate increase (0.2% per employee and employer) already scheduled to take place next year, to the OASI and DI Trust Funds. This diversion, which would not damage the Medicare Fund, would continue only through 1981.

(3) Permitting any of the three major Trust Funds (OASI), DI and Medicare) to borrow from another if necessary and with appropriate arrangements for repayment with interest. This would be a permanent provision, which should serve as a "fail safe" device against the insolvency of any of the funds.

B. Put the system on a sound financial basis at least 75 years into the future by:

(1) Decoupling the automatic benefit adjustment mechanism (to correct a flaw in the mechanism) and indexing workers' earnings records to wage trends. These changes follow generally the recommendations of both the Ford and Carter Administrations. This proposal would, however, adjust the ultimate benefit level to account for overexpansion that has occurred since the automatic adjustment flaw was enacted. A savings clause would be included guaranteeing that no future retirees would receive lower benefits than they would have received under the present-day benefit formula as it was at the time of the change. (Decoupling and wage indexing would reduce the system's long-range deficit by slightly more than half.)

(2) Advancing gradually and slowly—from 65 to 68—the age at which full retirement benefits would be payable. The adjustment would not begin until 1990 and would not reach maturity until 2001. Each year during that span the full benefit retirement age would be advanced by one quarter year. Workers could continue to retire as early as age 62 but with slightly greater actuarial reductions than at present. Gradual and distant implementation of this change, which is in keeping both with efforts to abolish mandatory retirement policies and with increased longevity and productivity of American workers, is designed to permit orderly retirement planning. (This provision would further reduce the system's deficit by about 20%.)

(3) Permanently reassigning one-fourth of the Medicare tax rate increase, scheduled next year, to the OASDI Trust Funds. This amount approximately equals additional money which would enter the Medicare Fund because of other provisions of this proposal.

(4) Increasing tax rates for employees, employers and the self-employed in three stages; 0.5 percent in 1982, 0.3 percent in 1990, and 0.4 percent in 2000. This means that tax rates would rise, under this proposal, less than 1-and-¼-percent over a 75-year span. The Medicare tax reassignment and the three-stage rate increase would reduce the remaining deficit to less than 0.5% of taxable payroll—an actuarily sound margin.

C. Make four significant improvements in the treatment of women under Social Security, by:

(1) Providing a new benefit—a "working spouse's benefit"—designed to give adequate recognition to wives who work outside the home. The benefit would be equal to (a) the higher benefit amount due either as a worker or the spouse of a worker, plus (b) 25 percent of the smaller of those two benefits.

(2) Reducing from 20 years to five years the duration-of-marriage requirement for one spouse to receive a benefit based on the other's earnings record. This provision is designed to remove what many divorcees have come to view as an unfair and arbitrary requirement.

(3) Ending the cutoff or reduction of benefits for beneficiaries who remarry. This provision is included largely because many widows who rewed before reaching age 60, and divorced wives who remarry at any age, lose entitlement to their benefits under current law.

(4) Amending the Social Security Act to remove all remaining sexually discriminatory language.

D. Move the nation's social insurance system closer to the ideal of universal coverage by providing for the participation of all federal government employees, including Members of Congress not otherwise covered, by 1979. The objective is integration of the Civil Service Retirement and Social Security systems without reducing benefits or protection for, or increasing contributions from, participants in either program.

E. Remove the earnings limitation imposed on beneficiaries. Under present law, benefits are reduced and eventually eliminated for earnings above $3,000 per year. (The limitation is adjusted annually.) This proposal would boost the limit to $5,000 in 1978, to $7,500 in 1979, and remove it entirely in 1980.

F. Freeze the minimum primary benefit at its current level of $114.30 per month, but increase the special minimum benefit from a maximum of $180 to $219, and make it subject (as are other benefits) to automatic annual adjustments in the future. The minimum primary benefit goes, in large numbers, to governmental employees who either "moonlight" or retire early and work just long enough under Social Security to meet minimal eligibility requirements. The special minimum applies only to those who have worked many years at relatively low wages under the system.

G. Limit disability and survivorship benefits to the maximum primary benefit payable to a worker reaching age 62. Under present law, some younger beneficiaries receive benefits substantially higher than those awarded older beneficiaries who have worked longer under the system. This provision would remove that disparity.●

APPLICATION OF THE WAR POWERS ACT TO AMERICAN INVOLVEMENT IN ZAIRE

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. LEACH. Mr. Speaker, along with Congressman JOHNSON of Colorado, I have written today Chairman ZABLOCKI of the House International Relations Committee and Chairman SPARKMAN of the Senate Foreign Affairs Committee to request that hearings be held on the possibility that the President has violated the War Powers Act with respect to actions recently undertaken in Zaire.

Under the War Powers Act, the President is required to report to Congress within 48 hours after the introduction of U.S. Armed Forces "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." Section 8(c) of the act stipulates that the introduction of Armed Forces encompasses those situations where American personnel are used "to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of any foreign country or government when such military forces are engaged, or there exists an imminent threat that such forces will become engaged in hostilities."

Reports, under this act, shall be submitted in writing to the Speaker of the House of Representatives and to the President pro tempore of the Senate, setting forth—

First, the circumstances necessitating the introduction of U.S. Armed Forces;

Second, the constitutional and legislative authority under which such introduction took place; and

Third, the estimated scope and duration of the hostilities or involvement.

Mr. Speaker, no one can responsibly condone Cuban and Soviet activity in Africa. However, the issue facing American decisionmakers is how to respond appropriately and at the same time in a constitutional fashion. In this regard, the assignment of almost a hundred military support personnel to Zaire and the airlifting of Belgian, French, and Moroccan troops may be appropriate. But there is real question whether the failure of the President to notify Congress and clarify administration intentions, as required by statute, represents an abridgement of the constitutional authority of the Executive.

For the first time since passage of the War Powers Act its provisions are being tested. The precedents we establish today will set a model for future Executive action.

There are indications that what was initially described as a rescue operation in Zaire has been transferred into active American involvement in a controversial civil war. Whether American action is too strong or not strong enough is not at issue here. What is at issue is compliance with the law and the precedent that is established for Presidential action at a later date.●

THE ESTONIAN EXPERIENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. HUGHES. Mr. Speaker, in February of each year, many of us in the House of Representatives pay tribute to the people of Estonia by calling the Nation's attention to the anniversary of Estonia's independence. Unfortunately, Estonia's independence was short lived.

Today, I would like to remind my colleagues of a sad date in Estonian history when approximately 1½ percent of the total population of Estonia was deported to slave labor camps in Siberia and other northern regions of Russia in 1941. Earlier, the Soviets had subverted the legitimate Estonian Government which left the doors wide open for the terror to come.

In June of 1940, a Soviet ultimatum asked for the reconstitution of the Estonian Government and the formation of one friendly to the Soviet Union and "able and willing to secure the honest application of the Soviet-Estonian mutual assistance treaty." Almost immediately, the Soviet Army occupied the country.

Soon after the Soviets had established their military installations in Estonia, the number of arrests mushroomed. It is estimated that 60,000 Estonians were arrested, imprisoned and herded into freight cars and exiled to distant parts of the Soviet Union. Others fled to Sweden and still more crossed into Germany. Historical accounts also tell us that many of the fleeing Estonians were killed before they reached their destinations.

The Estonians who remained behind were drawn into the Nazi war effort and forced once again into more labor camps. Nonetheless, they retained their strong desire for independence and freedom and soon a resistance group was organized. However, these dreams were crushed again when in 1944, Estonia was overrun by the Soviet Army.

Soviet domination of Estonia continues to this day although conditions are not as bad as they were under the original Soviet occupation. The United States has never recognized the Soviet annexation of Estonia. Consequently, recognition of the Estonian Republic by the United States in 1922 has never been invalidated.

There will be no public ceremonies in Estonia today to mark this infamous date. But others around the world who appreciate what freedom and independence mean will remember the brave Estonian people and how they fought against the twin tyrannies of communism and nazism.●

WASHINGTON BULLETS—WORLD CHAMPIONS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mrs. HOLT. Mr. Speaker, in the past week the suburban Maryland and Washington area has been unified in spirit by a unique group of individuals—the Washington Bullets. This team has put a smile on every area sports fan's face by achieving the ultimate in professional basketball—the world championship.

What has made the Bullets so exciting over the past few months is not that they have been winning so much as it is how they have been winning. This championship was the result of a team effort all the way, with every member of the team contributing to the final victory. The Bullets team has its share of stars, of course, but those stars are always willing to sacrifice personal achievement for the good of the team.

The spirit of this year's Bullets epitomizes the good side of athletic competition. A group of talented individuals working together for a common goal. This is the essence of team spirit, and the Bullets have proven what team spirit can accomplish.

The team has given my constituents and myself many hours of excitement over the past year. In spite of injuries and several other unfortunate twists of athletic fate, the Bullets put it all together when they had to, and swept past Atlanta, San Antonio, Philadelphia, and Seattle on the way to their first world championship.

I know I speak for all the people in Prince Georges and Anne Arundel Counties in congratulating the Bullets, and I know the fans in those areas are, as I am, secure in the knowledge that this is but the first of many, many championships.●

CARTER: LET ME MAKE IT PERFECTLY CLEAR

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1978

● Mr. ASHBROOK. Mr. Speaker, one of the prevailing thoughts that American citizens have been voicing in recent months is that President Carter does not speak in clear and consistent terms. It usually takes a few years for the public to catch up with double talk, reversals in position and just plain political demagoguery. In the case of Mr. Carter, the leadtime was cut to a bare minimum for this process. The public has caught on and his credibility has plummeted like a burned out meteor.

The scores of campaign promises which have been repudiated are now legend. None sticks out so clearly as the tortured and ambiguous path of the President's positions on the issue of deregulation of natural gas. They wend all over the place from his original letter to the Governor of Oklahoma during the campaign, a letter which said, in the old cliche "I am with you boys" to outright opposition, to compromise to succesive repudiation of his last stated position.

Here are some of his more lucid statements on this significant national issue:

"I will work with the Congress . . . to deregulate new natural gas."—Jimmy Carter, October 1976.

"Deregulation of natural gas is something that I'm committed to for a limited period of time."—President Carter, March 1977.

"I will work carefully toward deregulation of newly discovered natural gas as market conditions permit."—President Carter, April 1977.

"The unnecessary action to deregulate natural gas is particularly serious . . . the President considers that action to be a direct and extremely serious deviation from the basic fairness of the energy plan."—Press Secretary Jody Powell, June 1977. (Comment on House subcommittee vote in favor of deregulation.)

"I hate to veto a bill that a Democratic Congress passes, but you can depend on it, I'll protect your interests when the bill comes to my desk."—President Carter, July 1977. (Comments to political rally on what he would do if Congress approved deregulation.)

"If we deregulate natural gas prices, then the price will go to 15 times more than natural gas prices were in 1973."—President Carter, October 1977.

"I don't have any inclination to abandon support of the anti-deregulation House position."—President Carter, November 1977.

"Q. Mr. President, are you willing to accept energy legislation that in a few years would lead to the deregulation of natural gas?

"The PRESIDENT. Yes, I am. This was a campaign statement and commitment of mine."—President Carter, March 1978.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 15, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 16

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings to examine the recent change of methodology used by the Bureau of Labor Statistics for computing unemployment figures and the effect of such change on the distribution of CETA funds.

4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 747, S. 3064, and H.R. 8729, proposed Aircraft and Airport Noise Reduction Act.

235 Russell Building

Environment and Public Works

Environmental Pollution Subcommittee

To mark up of S. 2900, proposed Oil Spill Liability Fund and Compensation Act.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by holding companies and other banks.

5302 Dirksen Building

Energy and Natural Resources

To hold oversight hearings on relations between the Department of Energy and segments of the energy industry.

3110 Dirksen Building

Foreign Relations

Arms Control, Oceans, and International Environment Subcommittee

To receive a report from Ambassador Richardson on the Seventh Session of the UN Law of the Sea Conference.

4221 Dirksen Building

Joint Economic

To resume hearings on economic change, including demographic, employment, and inflation.

S-207, Capitol

JUNE 19

9:00 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on pending proposed tax legislation.

2221 Dirksen Building

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold hearings on S. 3107, to insure the bankruptcy offices shall be maintained separate and apart from the offices of the U.S. district court clerk.

2228 Dirksen Building

Select Small Business

To hold hearings on S. 836, to improve the surety bond program provided by the Small Business Investment Act.

424 Russell Building

9:30 a.m.

Environment and Public Works

Regional and Community Development Subcommittee

To hold hearings on S. 1493, to provide financial and technical assistance to States, local governments, and Indian tribes to manage impacts caused by energy development.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Rural Housing Subcommittee

To hold oversight hearings on the impact of solar energy on rural housing.

5302 Dirksen Building

Energy and Natural Resources

Public Lands and Resources Subcommittee

To resume hearings on S. 3046 and 707, granting the power of eminent domain to coal slurry pipelines in certain circumstances.

3110 Dirksen Building

Judiciary

Criminal Laws and Procedures Subcommittee

To hold hearings on S. 1766, proposed Federal Computer Systems Protection Act.

457 Russell Building

JUNE 20

9:00 a.m.

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold hearings on S. 3100, to provide greater discretion to the Supreme Court in selecting the cases it will review.

2228 Dirksen Building

9:30 a.m.

Environment and Public Works

Resource Protection Subcommittee

To hold hearings on the environmental impact aspects (section 5) of S. 3077, proposed Export-Import Bank Act Amendments.

4200 Dirksen Building

Environment and Public Works

Nuclear Regulation Subcommittee

To resume hearings on S. 3146, 2761, and 2804, to expand the jurisdiction of the NRC over nuclear waste storage and disposal facilities.

1114 Dirksen Building

Select Small Business

Monopoly and Anticompetitive Activities Subcommittee

To resume hearings on the Federal Government patent policy.

424 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Rural Housing Subcommittee

To continue oversight hearings on the impact of solar energy on rural housing.

5302 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To resume markup of S. 2755, the Drug Regulation Reform Act.

4232 Dirksen Building

Judiciary

Criminal Laws and Procedures Subcommittee

To continue hearings on S. 1766, proposed Federal Computer Systems Protection Act.

1318 Dirksen Building

Joint Economic

To resume hearings on economic change, including demographic, employment, and inflation.

1202 Dirksen Building

Select Indian Affairs

To hold hearings on S. 3153, the Rhode Island Indian Claims Settlement Act.

6226 Dirksen Building

JUNE 21

9:30 a.m.

Human Resources

Alcoholism and Drug Abuse Subcommittee

To resume hearings jointly with the Judiciary Subcommittee on Juvenile Delinquency on S. 2778, and other proposals, to tighten controls on and to increase penalties for the manufacture and distribution of the drug PCP (angel dust).

2228 Dirksen Building

Select Small Business

Monopoly and Anticompetitive Activities Subcommittee

To continue hearings on the Federal Government patent policy.

424 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To hold hearings on H.R. 10899, the International Banking Act.

5302 Dirksen Building

Energy and Natural Resources

To mark up S. 499, 1500, 1546, 1787, 2465, and 2944, to designate or add certain lands in Alaska to the National Parks, National Wild and Scenic Rivers, and National Wilderness Preservation systems.

3110 Dirksen Building

Environment and Public Works

To hold hearings on the Federal acquisition and renovation of Union Station in Nashville, Tennessee.

4200 Dirksen Building

Rules and Administration

To mark up S. 2 and S. 1244, to require periodic reauthorization of Government programs, and to consider other committee business.

301 Russell Building

Joint Economic

To continue hearings on economic change, including demographic, employment, and inflation.

S-207, Capitol

10:30 a.m.

Judiciary

Business meeting on pending calendar business.

2300 Dirksen Building

JUNE 22

9:30 a.m.

*Environment and Public Works.
To consider S. 1493, to provide financial and technical assistance to States, local governments, and Indian tribes to manage impacts caused by energy development and to consider pending nominations.
4200 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on S. 3162 and 3164, proposed Citizen's Privacy Protection Amendment.
2228 Dirksen Building

Veterans' Affairs
Compensation and Pension Subcommittee
To hold hearings on S. 879 and H.R. 6501 to provide increased awards of service-connected compensation to certain veterans who have suffered the loss or loss of use of paired extremities, and S. 2828, the Veterans Disability Compensation and Survivor Benefits Act.
6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To resume markup of S. 50, the Full Employment and Balanced Growth Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To resume hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building

Energy and National Resources
To continue markup of S. 499, 1500, 1546, 1787, 2465, and 2944, to designate or add certain lands in Alaska to the National Parks, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

Joint Economic
To continue hearings on economic change including demographic, employment, and inflation.
318 Russell Building

Select Small Business
To mark up H.R. 11318, to amend and extend through FY 1980 authorizations for the SBA; S. 836, to improve the surety bond program provided by the Small Business Investment Act; S. 2156, the Minority Enterprise Venture Capital Act; and S. 2259, to expand and revise procedures for insuring small business participation in Government procurement activities.
424 Russell Building

10:30 a.m.

Judiciary
To hold hearings on the nominations of Santiago E. Campos, to be U.S. district judge for the district of New Mexico, and Louis H. Pollack, to be U.S. district judge for the eastern district of Pennsylvania.
2228 Dirksen Building

JUNE 23

9:00 a.m.

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2857, proposed Customs Courts Act.
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To resume hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by holding companies and other banks.
5302 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 1592, to terminate further construction of the Cross-Florida Barge Canal project.
4200 Dirksen Building

JUNE 26

9:30 a.m.

Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To resume hearings on the Federal Government patent policy.
318 Russell Building

JUNE 27

9:00 a.m.

Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2857, proposed Customs Courts Acts.
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To resume mark up of S. 50, the Full Employment and Balanced Growth Act.
5302 Dirksen Building

JUNE 28

9:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on the procedures of EPA and the Consumer Product Safety Commission as relates to chronic hazards.
235 Russell Building

9:30 a.m.

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
4200 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 3065, 2608, and 2428, proposals affecting taxation of capital gains.
2221 Dirksen Building

10:00 a.m.

Banking, Housing and Urban Affairs
To continue mark up of S. 50, the Full Employment and Balanced Growth Act.
5302 Dirksen Building

JUNE 29

9:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on auto odometer requirements.
235 Russell Building

9:30 a.m.

Environment and Public Works
Nuclear Regulations Subcommittee
To continue hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
4200 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To continue hearings on S. 3065, 2608, and 2428, proposals affecting the taxation of capital gains.
2221 Dirksen Building

Special on Aging
To resume hearings on the degree to which older Americans are purchasing more private health insurance than needed to supplement gaps in the Medicare programs.
457 Russell Building

10:00 a.m.

Judiciary
Penitentiaries and Corrections Subcommittee
To hold oversight hearings on the Bureau of Prisons, with emphasis on west coast prison facilities.
2228 Dirksen Building

JULY 12

9:30 a.m.

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on S. 2775, to improve the siting and licensing process for nuclear power reactors.
6226 Dirksen Building

JULY 13

9:30 a.m.

Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 2775, to improve the siting and licensing process for nuclear reactors.
6226 Dirksen Building

JULY 18

10:00 a.m.

Human Resources
Health and Scientific Research Subcommittee
To resume mark up of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

JULY 20

10:00 a.m.

Human Resources
Health and Scientific Research Subcommittee
To resume mark up of S. 2775, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

JULY 21

10:00 a.m.

Human Resources
Health and Scientific Research Subcommittee
To continue mark up of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

CANCELLATIONS

JUNE 22

10:00 a.m.

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building